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CORPORATE
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* * of CHICAGO * *

5/25 Move to Action

YEAR TWO STAKEHOLDER REPORT

JUNE 2023

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LETTER TO OUR STAKEHOLDERS

One year after George Floyd's murder, we asked Chicago business leaders to make public commitments to advancing racial equity by re-thinking business policies and practices. Twenty-five companies responded with commitments, and 5/25 Move to Action was born.

Since then, these firms and others have taken meaningful action to change business practices in a way that will create a more equitable region.

While this represents an inspiring start, we need to think bigger about the role of the business community in creating the region to which we all aspire. In the Chicago region:

- More than 60,000 Chicagoans in the 15 communities with the greatest gun violence need work, while nearly 90 percent of jobs in the region are in the private sector.
- From 2011 to 2017, private-sector real estate investment totaled \$67 billion (in 2017 dollars) in Chicago, more than 15 times the investment from the public sector and mission-driven investors. Of that private-sector investment, majority-white neighborhoods receive 4.6 times as much investment per household as majority-Black neighborhoods.
- Every year, Chicago-region companies spend more than a trillion dollars globally buying goods and services. Of that, a very small portion (less than 3 percent in information technology, for example) goes to minority-owned companies.

To grow our economy, ensure inclusive opportunity, and tackle root causes of violence, employment initiatives need to scale to tens of thousands of employees, capital investment to hundreds of million dollars, and procurement opportunities to billions.

This report summarizes what we have learned from the 25 pioneering companies that made commitments in support of 5/25 Move to Action. One lesson is that doing things at this scale requires that companies start with their business strategies and consider how to advance both business strategies and goals for the region together. And it requires more than 25 companies.

Chicago has a history of civic leadership and engagement that is the envy of most other cities. Working individually and together, Chicago's businesses have the potential to create a more dynamic, prosperous region, where the economy is growing, opportunity is increasing and equitably shared, and personal and public safety are the norm.

We invite all business leaders in our region to join in this important work.

Christen

Christen Wiggins

Program Director

We Rise Together: For an
Equitable & Just Recovery

Brian

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The Corporate Coalition
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CONTEXT AND HISTORY OF 5/25 MOVE TO ACTION



In May of 2021, to mark one year after George Floyd's murder, We Rise Together: For an Equitable & Just Recovery and the Corporate Coalition of Chicago created 5/25 Move to Action, a joint initiative to galvanize sustained action from the private sector to advance racial equity in the Chicago region.

Collectively, the participants of 5/25 Move to Action set a vision for impact:

5/25 Move to Action envisions an equitable, inclusive, and growing region in which Black and Latinx individuals achieve economic success at the same rate as white individuals. In pursuit of that vision, business leaders publicly and collectively change business practices and create a new culture of doing business in Chicago, one that creates a more vibrant region by improving the economic well-being of everyone, in particular Black and Latinx residents.



At the launch two years ago, 25 companies made commitments across three categories of action: cultivating an inclusive workforce, strengthening businesses of color, and investing in neighborhoods.

In advance of 5/25 Move to Action's two-year anniversary, Corporate Coalition staff asked participants to share the status of their commitments from two years ago and reflect on any lessons learned in making these commitments. This report summarizes both the progress reported and learnings from these conversations.



5/25 MOVE TO ACTION COMMITMENTS

The Commitments made by participants support three main objectives: cultivate an inclusive workforce, strengthen businesses of color, and invest in neighborhoods. Examples of some of the commitments include:

CULTIVATE AN INCLUSIVE WORKFORCE

- Diversifying applicant pool through partnerships and the elimination of unnecessary job requirements
- Evaluating processes to hire individuals with criminal records
- Hiring based on skills instead of credentials for new sales roles in the South and West sides of Chicago
- Promoting an inclusive culture with growth opportunities

Mesirow

Through its highly-regarded Summer Internship Program, Mesirow remains committed to the firm's longstanding focus on Diversity, Equity and Inclusion (DEI). Each year, the Program delivers valuable experience to college-age students through nine weeks of training, education and job shadowing, with a goal that 50 percent of hired interns are of Black, LatinX or Asian American heritage.

In recent years, Mesirow has successfully advanced towards this goal by creating a more disciplined, intentional referral process via strategic partnerships with organizations such as Greenwood and Posse Scholars. By pooling employee referrals and partner pipelines, Mesirow has created a

process that is resulting in significantly greater diversity within its internship classes.

STRENGTHEN BUSINESSES OF COLOR

- Selecting contractors and vendors on a committee basis to reduce individual risk of selecting new minority-owned vendors
- Working with community-based organization to source diverse suppliers
- Establishing a mentor/protégé program to encourage joint ventures with minority-owned contractors
- Making private equity investment in local minority-owned business

BANK OF AMERICA

As part of its broader commitment to DEI, Bank of America has been working to support more diverse entrepreneurs by increasing its equity investments in minority-focused funds over the past two years. The program helps address a persistent gap in access to growth capital that helps level the playing field and opens more doors for minority-led businesses, entrepreneurs, and innovation.

In January 2021, the bank announced a \$200 million investment in 40 private funds focused on minority entrepreneurs. In June 2023, the bank announced that it had committed more than \$500 million in equity investments in over 150 minority- and women-led funds surpassing the initial \$200 million commitment.



INVEST IN NEIGHBORHOODS

- Developing new avenues to support community development
- Increasing investments in community development
- Building the capacity of local community development organizations
- Recognizing opportunities for strategic business operations in underserved communities



NEIGHBORHOOD INVESTMENT

ITW is working with United Way Metro Chicago for the Commit to a Neighborhood initiative – a five-year, \$2.5 million investment plan in support of the Austin and Belmont Cragin communities of Chicago. ITW expects to spend more than \$38 million in the acquisition of buildings, property, and capital improvements to support manufacturing jobs in Austin and Belmont Cragin.

These investments aim to create quality jobs with family-sustaining wages and stimulate economic



development and inclusiveness. Working with United Way and on-the-ground nonprofit partners, ITW will provide workforce development for industry-specific job opportunities for residents in Austin and Belmont Cragin.

This unique investment goes beyond “pure philanthropy” to deepen ITW’s impact, as the company explores ways to use the economic engine of its businesses, as well as that of its suppliers, to provide opportunities for well-paid employment for residents.



LEARNINGS AND IMPLICATIONS

Collectively, the firms that responded to requests for interviews (about half of the original 25 companies making commitments) remain committed to achieving or exceeding their commitments. They noted some changes to internal practices while also acknowledging the challenges of changing traditional ways of doing business.

Several themes emerged from our conversations with participants:

THE POWER OF A PUBLIC COMMITMENT DIFFERS BY TYPE OF COMPANY

During each interview, we asked participants to describe how making their commitments public helped move the work forward. For many companies, the public commitments were aligned with an overall strategy that already was communicated internally and, for public companies, with shareholders.

Abbott

Abbott has had a supplier diversity program since the 1970s. The company considers this a core business strategy, and has dedicated staff to this area and works with a number of national and local organizations (Chicago National Minority Supplier Development Council, WeBank, Women's Business Development Center, Chicago United) to support this work and connect with local businesses.

We observed a difference in impact for locally based, private companies versus global public firms. For locally based, private companies, the CEO and the executive team have more control and flexibility to make local decisions than local leaders of global, public companies.



CABRERA CAPITAL

Cabrera Capital Markets was able to leverage their public 5/25 Move to Action commitment to diversify contractors by working primarily with contractors of color on their recent office re-location. According to CEO Martin Cabrera, "I made a promise to 5/25 Move to action and I asked that our tenant leasing broker comply with the commitment as part of our lease negotiation." As a result, 86 percent of the spend related to our office move was with minority – and women – owned firms.

For global public companies, there are two obstacles to local commitments.

- First, the need for standardization across multiple markets works against making market-specific commitments. Global firms might be convinced to pilot a commitment and corresponding initiative in one city, but doing so generally requires the assurance that, if successful, the city-specific pilot might be scaled across multiple markets in the future.



- Second, for public firms in particular, anything reported publicly may need to be substantiated in an audit, so firms find it hard to report locally because each locale would need its own audit. Thus, global public firms tend to make global (or, least national) commitments, and once those are made, they tend not to change at the local level.

EXECUTIVE LEVEL ENDORSEMENTS AND OPERATIONAL SUPPORT ARE BOTH REQUIRED FOR REAL PROGRESS

Companies that have made the most progress on their commitments have support and engagement at the highest levels of the organization, typically the CEO. Visible and ongoing support from top executives is necessary, not just to begin work on a commitment, but to sustain work when the force of the status quo, of "the way we do things around here" asserts itself.

Visible, sustained executive support is critical, but not sufficient on its own. Tangible operational support, generally by allocating staff to lead and manage the hard work of changing business processes, is also key to making progress. Absent sufficient staffing, CEOs can make statements, but they are seldom translated into change.

JPMORGAN CHASE & CO.

FAIR CHANCE HIRING

Jamie Dimon, CEO of JP Morgan Chase (JPMC), has been an outspoken advocate for the need to give people with arrest or conviction histories a fair chance by supporting their re-entry into the workforce. In addition to visible, personal leadership from the CEO, JPMC dedicates significant staff time

in local markets to implement policy and practice changes that allow those with records to be hired. As a result, 10 percent of new JPMC hires annually in the U.S. are now people with criminal backgrounds.

JPMC piloted its fair chance program in Chicago. One in three Americans has an arrest or conviction record, creating significant barriers to employment for a substantial number of working-age adults. This represents a huge talent pool that companies could be tapping to fill the soaring number of job openings across the country. Yet these individuals are much more likely to struggle with unemployment and to be stigmatized and marginalized for their past mistakes.

JPMC has expanded its commitment to giving people with criminal backgrounds across the U.S. a fair chance by supporting their re-entry into the workforce, community, and local economies. This is part of their effort to create greater economic opportunity for more people by using their business resources and expertise – including data, research, talent, and philanthropic investments – as well as by collaborating with policy, business, and community leaders to address the socioeconomic costs of barriers to employment for people with arrest or conviction histories.

COMMITMENTS ARE MOST EFFECTIVE WHEN TIED TO BUSINESS OBJECTIVES

When commitments are clearly tied to a firm's business objectives – for example, the business imperative to grow employment or the need to develop new markets – progress was generally most obvious.



accenture

CHICAGO APPRENTICESHIP NETWORK

Accenture wanted to fulfill their large and growing need for new talent and make that talent more diverse. To satisfy both of these needs, Accenture helped establish, launch, and then grow the Chicago Apprentice Network.

In addition to hiring hundreds of apprentices themselves, Accenture has worked to build awareness of apprenticeships as a viable talent strategy for employers to create new opportunities across the region. As a result of their ongoing work, the Chicago Apprenticeship Network has grown to include 97 employers and more than 1,600 apprenticeships.

A handful of participating companies did not appear to integrate the commitments into their business strategies, and in these cases very little progress was reported. As one respondent put it matter-of-factly, "We aren't focused on this anymore because the business had to take priority."

COLLECTING AND USING DATA TO MEASURE PROGRESS ACROSS FIRMS REMAINS CHALLENGING

The conveners of 5/25 Move to Action are committed to measuring progress and to avoid making data collection a burden for participants. The desire to avoid making data reporting a burden led to some challenges.

For example:

- While all firms recognize the importance of data in their own operations, most have a history of sharing only statutorily required data externally. This is natural in a competitive environment, but can be an obstacle to identifying opportunities for greater collaboration and impact in the areas that 5/25 Move to Action is focused on.
- When firms are willing to share – often about past actions that have had significant impact – there is no equivalent of Securities and Exchange Commission or Generally Accepted Principles and Practice reporting standards; data are thus hard to compare. Indeed, the entire field of Environmental, Social and Governance (ESG) struggles with this issue and multiple nation efforts are underway to create ESG reporting standards.

As new reporting standards are developed, the opportunity to compare across firms will grow. At the same time, new data mining techniques and computational abilities provide opportunities for insights that would be unimaginable previously. As just one example, the American Opportunity Index is piloting an approach to creating job quality scorecards for large, publicly traded companies, without requiring internal company data.

THE WORK AHEAD



The Corporate Coalition, with strong mission alignment to the 5/25 Move to Action initiative, is carrying on the work. In the next phase, participants will have opportunities to participate in practice-sharing events, make their efforts visible to business audiences, and inspire others to join them.

Specifically, these opportunities will continue to include:

SHARING PRACTICES AT EVENTS AND CONVENINGS

- **Workforce Showcase**, bringing together business leaders to learn about new approaches to creating a more inclusive, equitable workforce
- **Corporate Coalition meetings**, where participants learn what other companies are doing to change business practices, meet colleagues doing the hard work of practice change, and help shape the future direction of Corporate Coalition initiatives
- **Initiative-specific events**, for example a small, private dinner conversation with Jeff Korzenik, author of *Untapped Talent*, to discuss the opportunity and challenges in hiring people with criminal records
- **Corporate Coalition Initiatives**, such as the fair chance hiring cohort, Chicago Resiliency Network, and Corporate Connector, through which firms are changing internal policies and practices and learning from each other and national experts

RAISING UP THOSE DOING THE WORK

- **Business UNusual Spotlights** published on social media, highlight firms that have changed practices – or are working on significant changes – to inspire others to make changes in similar ways.
- **Corporate Coalition meetings**, where companies that have changed practices – or are working on significant changes – have an opportunity to talk about these changes with others doing the work

INSPIRING OTHERS TO JOIN THE EFFORT

- All participating firms in 5/25 Move to Action were invited to a convening of regional business leaders in April. In collaboration with the Civic Committee of the Commercial Club of Chicago, P33, and the United Way of Metro Chicago, more than 80 of Chicago's most senior business leaders worked together on new ideas for using business strategy to create a more equitable, thriving region.
- All participants in 5/25 Move to Action have been invited to join the Corporate Coalition as full members.

APPENDIX: PARTICIPATING COMPANIES



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