Making Milwaukee a Region of Choice for Diverse Talent

CRITICAL CHALLENGE & COMPETITIVE ADVANTAGE

Metro Milwaukee is facing a convergence of trends that make developing, elevating and leveraging all talent a critical imperative. Ours is a region with a widening gap between the number of projected job openings and available people to fill those jobs – approximately 35,000 openings may go unfilled in the next three years.

When it comes to net migration, more people are moving out of the region than into it – especially younger people with higher skills. And our population is increasingly diverse. Yet African Americans and Hispanics in our region face greater economic disparities than virtually any of 20 peer metros.

We need a collective strategy to address these challenges and impact our ability to compete globally and ensure a prosperous future for all.

<table>
<thead>
<tr>
<th>Age Cohorts</th>
<th>White</th>
<th>African American/Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64 years old</td>
<td>53,124</td>
<td>36,313</td>
</tr>
<tr>
<td>5-9 years old</td>
<td>40,724</td>
<td>40,724</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
LEVERAGING OUR ASSETS & REDUCING OUR LIABILITIES

Metro Milwaukee's current momentum is well documented and celebrated. The past decade has seen a resurgence in downtown development, urban housing, new entertainment venues and overall job growth. In 2020 the Democratic National Committee will hold its convention here, shining a national and international spotlight on all the region has to offer. These gains will be sustained and strengthened if we address our liabilities.

In late 2017, MMAC surveyed its board of directors and leaders from its member companies on the best assets and biggest liabilities facing the region. A strong and growing economy, outstanding institutions of higher learning and world-class arts, culture and entertainment are all huge positives. To continue to progress we must reduce our liabilities. And the biggest liability according to more than 500 responses? Racial disparity.

**ASSETS**
- Quality of Life
- People
- Higher Education
- Economy
- Business Climate

**LIABILITIES**
- Racial disparity
- Low high school grad rates
- Declining workforce
- Lack of leadership
- Too few start-ups

There is glaring economic disparity between the inner city and suburbs and resulting segregation.”
- MMAC Survey response
Milwaukee does not measure up

Prosperity Rankings
Total points accumulated from seven measures
 Ranked best to worst

<table>
<thead>
<tr>
<th>White</th>
<th>African American</th>
<th>Hispanic</th>
<th>African American &amp; White</th>
<th>Hispanic &amp; White</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. San Jose  45</td>
<td>5. San Antonio  59</td>
<td>5. Portland  57</td>
<td>5. Oklahoma City  58</td>
<td>5. Oklahoma City  60</td>
</tr>
</tbody>
</table>

MMAC compared metro Milwaukee to 20 peer regions across the country on seven measures of prosperity across White, African American and Hispanic populations. We then ranked each region on each indicator, compiling a total score for each region in the comparison. The best score a region could achieve was 7 (1 point for first place in each category) and the worst score would be 147 (21st place in each category. Here’s how Milwaukee stacked up:
Understanding the BARRIERS & OPPORTUNITIES

The MMAC Board formed a committee to study where the business community could make an initial impact and determined that it would focus on increasing management diversity. Developing, adding and promoting diverse managers would likely result in corresponding improvements in recruiting and retention and raise overall economic status.

A total of 27 corporations and five public entities agreed to participate in a comprehensive research process to better understand the barriers and opportunities facing African American and Hispanic managers.

### METRO MKE ALL FIRMS W/ 100+ EMPLOYEES, 2016

**Relationship: Total Employment to Management**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Employment</th>
<th>% Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL</td>
<td>367,133</td>
<td>12.0%</td>
</tr>
<tr>
<td>Men</td>
<td>183,464</td>
<td>60.0%</td>
</tr>
<tr>
<td>White</td>
<td>267,217</td>
<td>88.0%</td>
</tr>
<tr>
<td>Women</td>
<td>183,669</td>
<td>40.0%</td>
</tr>
<tr>
<td>African American</td>
<td>52,914</td>
<td>4.7%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>27,970</td>
<td>3.4%</td>
</tr>
<tr>
<td>Men</td>
<td>183,464</td>
<td>50%</td>
</tr>
<tr>
<td>Women</td>
<td>183,669</td>
<td>50%</td>
</tr>
<tr>
<td>White</td>
<td>267,217</td>
<td>73%</td>
</tr>
<tr>
<td>African American</td>
<td>52,914</td>
<td>14%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>27,970</td>
<td>8%</td>
</tr>
</tbody>
</table>

The participating organizations include:
- Advocate Aurora Health
- Ascension Wisconsin
- BMO Harris Bank
- Briggs & Stratton
- Chase Bank
- City of Milwaukee
- Children's Hospital of WI
- FIS Global
- Froedtert Health
- GE Healthcare
- Godfrey & Kahn
- Grant Thornton
- HUSCO International
- Johnson Controls
- KPMG
- ManpowerGroup
- Marcus Corp.
- MATC
- Medical College of WI
- Metal-Era
- MillerCoors
- Milwaukee County
- Milwaukee Metropolitan Sewerage District
- Milwaukee Public Schools
- Milwaukee Tool
- Northwestern Mutual
- Old National Bank
- Quarles & Brady
- Robert W. Baird
- Rockwell Automation
- Seaway Bank
- WEC Energy Group

*Represents an employment base of 130,000 employees.
Diversity & Inclusion

COMMITTEE MEMBERS & CONSULTANTS

MMAC engaged two firms – both with significant experience in diversity and inclusion research and practices – to create a baseline of information on the barriers and opportunities to working and living in Milwaukee.

Genyne Edwards, JD, partner with P3 Development Group is an experienced consultant and attorney who has worked in community development and social enterprise for more than 20 years. P3 Development designs strategic solutions for businesses who value equity and inclusion.

Dr. Robert Rodriguez is president of DRR Advisors, a consulting firm specializing in ERG leader development, Latino talent initiatives and diversity strategy. He has worked with over 200 corporations since launching DRR Advisors in 2010.
The MMAC spent eight months researching barriers and opportunities facing diverse talent. Efforts were made to include input from as many African American and Hispanic/Latino managers as possible to produce qualitative and quantitative data. Inputs from each phase of the research informed the next, providing a textured feedback loop.

The process began with a 30-question survey that participating companies sent to their African American and Hispanic managers. Responses included both qualitative data and open-ended comments.

These responses informed focus group discussions, segmented by race, gender and age. In 2019, participants gathered for a session to learn about and react to the results, as did nearly 30 human resources and diversity and inclusion professionals. Finally, 15 CEOs participated in one-on-one interviews to test ideas and early recommendations.

### Survey Demographic: 1,100 respondents

#### PRIVATE COMPANIES

<table>
<thead>
<tr>
<th>Race</th>
<th>Gender</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>Male</td>
<td>30%</td>
<td>272</td>
</tr>
<tr>
<td>Latino</td>
<td>Male</td>
<td>25%</td>
<td>132</td>
</tr>
<tr>
<td>African American</td>
<td>Female</td>
<td>70%</td>
<td>323</td>
</tr>
<tr>
<td>Latino</td>
<td>Female</td>
<td>30%</td>
<td>242</td>
</tr>
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</table>

#### PUBLIC ENTITIES

<table>
<thead>
<tr>
<th>Race</th>
<th>Gender</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>Male</td>
<td>20%</td>
<td>132</td>
</tr>
<tr>
<td>Latino</td>
<td>Male</td>
<td>30%</td>
<td>132</td>
</tr>
<tr>
<td>African American</td>
<td>Female</td>
<td>75%</td>
<td>226</td>
</tr>
<tr>
<td>Latino</td>
<td>Female</td>
<td>25%</td>
<td>111</td>
</tr>
</tbody>
</table>

### Young professionals (18-34 yrs.)

<table>
<thead>
<tr>
<th>Race</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>44%</td>
<td>111</td>
</tr>
<tr>
<td>Latino</td>
<td>24%</td>
<td>111</td>
</tr>
<tr>
<td>African American</td>
<td>41%</td>
<td>111</td>
</tr>
<tr>
<td>Latino</td>
<td>30%</td>
<td>111</td>
</tr>
</tbody>
</table>
SURVEY DATA POINTS

Black/African American

- 51% feel they must hide or downplay their African American culture in the workplace
- 6% have an internal Black/African American leadership development program
- 37% send employees to external Black/African American leadership development programs
- 6% have executive coaches assigned to internal Black/AA talent
- 2% have an internal Black/African American executive caucus to advocate for African American talent advancement

Top 5 career hurdles for Black/African Americans

- 71% Lack of Black/African Americans in senior leadership
- 62% Limited exposure to opportunities
- 57% Being stereotyped
- 55% Trust issues with colleagues and leadership
- 48% Discrimination against Blacks/African Americans

Hispanic

- 45% feel they must hide or downplay their Latino identity in the workplace
- 5% have an internal Latino executive caucus to advocate for Hispanic talent advancement
- 18% send employees to external Latino leadership development programs
- 4% have executive coaches assigned to internal Hispanic talent
- 3% have an internal Latino leadership development program

Top 5 career hurdles for Hispanics

- 66% Lack of Latino role models
- 56% Being ignored or overlooked
- 45% Not effectively tooting our own horn
- 39% Struggle with Latino identity in the workplace
- 34% Discrimination against Latinos in the workplace
Focus Group Insights

Overview
In December 2018, MMAC consultants conducted 17 focus groups with a total of 152 participants. Taking the data from the survey, these conversations allowed for a deeper dive into the themes, thoughts and experiences of the participants.

Engagement
“Corporations as well as other organizations need to recognize that having ERGs isn’t enough to say that the organization supports and encourages diversity. In my experiences, organizations will have these resource groups only to get people ‘comfortable.’”

Representation
“The current non-black/AA and non-Hispanic/Latino leadership must acknowledge the existence of the lack of representation of these groups and be more receptive to increasing the representation of these groups for a competitive advantage.”

Organizational Accountability
“If Diversity & Inclusion is part of senior leadership’s goal and it’s a part of the organization’s business goal — you’ll get the money, you’ll get the support, you’ll get the programs.”

Support & Development
“You need to have a sponsor to move up in an organization. You cannot, you will not, do that alone. Somebody else has to speak on your behalf. If it’s just you speaking on your behalf then you’re considered combative or aggressive, but really you’re just being an advocate.”

Culture
“The culture of this city has always been one of very segregated, and it really does not matter what your credentials are. Most of the companies that an individual would want to work at, especially after achieving those credentials, are not conducive because you are expected to downplay your intelligence.”

African American Participant Demographic Profile
- Total of 88 AA focus group participants
- Female: 78%
- Male: 22%
- Native/Non-Native to MKE: 42% Non-native, 58% Native
- Serve or Have Served on Non-Profit Board: 66% No, 34% Yes

Hispanic Participant Demographic Profile
- Total of 64 Latino focus group participants
- Female: 60%
- Male: 40%
- Native/Non-Native to MKE: 38% Non-native, 62% Native
- Serve or Have Served on Non-Profit Board: 67% No, 33% Yes
Participants in this research process provided critical insights into which efforts, initiatives and programs in their companies are creating opportunities for the attraction, retention and advancement of African American and Hispanic professionals. Participants expressed a desire to learn more about the research and discuss the findings. On April 4, 2019, nearly 50 individuals gathered for a “talk-back” session.

### Participants’ recommendations

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Representation</th>
<th>Organizational accountability</th>
<th>Support &amp; development</th>
<th>Additional takeaways</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CEOs should invest in ERGs by providing a budget that demonstrates their support</td>
<td>• Diversity and inclusion metrics should be included in the organization’s compliance report</td>
<td>• Develop a public scorecard rating companies’ D&amp;I metrics and the population that the organization serves, partners with or provides business</td>
<td>• Develop a standardized scorecard with performance criteria for identifying employees with high potential</td>
<td>• Ensure companies take these action steps as seriously as they would their product output.</td>
</tr>
<tr>
<td>• Board sponsorships for people of color would be a huge win</td>
<td>• Integrate mentorship intentionally to lead people of color through the corporate ladder</td>
<td>• CEOs should experience the culture of their employees and observe those who are not in managerial roles</td>
<td>• Require employers to be intentional in promoting leadership development opportunities</td>
<td>• Continue to host meetings for diverse managerial talent and with our CEOs</td>
</tr>
<tr>
<td>• An external facilitator to lead critical workshop conversations could build connections and a safe space for people to share their real-life experiences</td>
<td>• Start targeting younger, school-aged children to build the talent pipeline</td>
<td>• Ensure companies take these action steps as seriously as they would their product output.</td>
<td>• Create space for internal/external coaches to be assigned to AA/Latino employees</td>
<td>• Build objective measures that are publicly shared, so the organization and the community can see how things are progressing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Create a pledge that CEOs will sign, commit to and report on</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Don’t repeat this process in two or three years if no action has taken place</td>
</tr>
</tbody>
</table>
Feedback from leaders in

DIVERSITY & INCLUSION & HUMAN RESOURCES

On April 10, MMAC held a meeting with nearly 30 Human Resources and Diversity and Inclusion professionals from participating corporations. The goal was to discuss and test the ideas and recommendations of diverse employees with the practitioners on the front lines of attracting, developing and retaining this talent.

There was broad agreement around the following ideas:

- Focus on making sure you measure. Metrics and resources are needed for sustained impact.
- A public pledge by our CEOs will demonstrate top-down commitment.
- The value of working on this issue as a collaborative builds transparency, trust and shows we're focused on making a difference.
- There is a need for workshops/education to openly discuss unconscious bias that will broaden perspectives and help make the environment more inclusive.
- We need to admit and address the livability issue – adopt "radical hospitality" to create an environment in our companies and communities where everyone is welcome.
CEO INTERVIEW

INSIGHTS

The final step in the research was sharing the results with CEOs. Consultants conducted 15 face-to-face interviews with top leaders from a variety of industries. Responses to the results were overwhelmingly positive, but included some words of caution.

Unfavorable reputation
Milwaukee’s reputation (bias, disparities and segregation) and culture is a barrier to recruiting and retaining diverse talent, but it is unclear how companies can impact regional culture.

Regional effort to attract, recruit, & retain
A regional, collective solution is needed among the top Milwaukee employers to attract, recruit and retain diverse talent. Programs like MKE Fellows show some promise at reaching the next generation of leaders.

Company mentorships
For companies that have been on an inclusion journey for more than 5 years, there are key learnings and some progress, but there are more opportunities to operationalize D&I strategies that will have real impact.

Inadequate talent pipeline
Many believe the region lacks a pipeline of diverse talent and are unsure how they can better access talent. The difficulty is exacerbated in technical fields.

Focus on the diverse talent here
Due to lack of success in recruiting diverse talent to Milwaukee, greater focus should be on retaining local talent or encouraging those who left Milwaukee to consider returning.

Backlash from other employees
There is some concern that additional coaching, sponsorship and investment in people of color may lead to resentment from some white employees who feel their own career advancement is not a priority.

Partner with the community
Greater cooperation, coordination and innovation with community partners may be effective.

Benchmark progress
Executives generally agreed that diversity metrics should be tracked but no agreement on the accountability measures.

15
Executives interviewed
Moving from diversity to inclusion:

THE BUSINESS CASE

Through the research process, participants and internal HR and D&I professionals made it clear that for real change to occur, it must start at the top. Leaders must own this responsibility in an authentic way.

Recognizing that diversity and inclusion are very different things is the first step in creating people-centered strategies and practices that can result in attracting, retaining and advancing people of color. Diversity is a demographic reality; inclusion is the intentional action taken to welcome, embrace and celebrate that diversity so that all employees can reach their full potential and give their best performance.

Numerous studies by leading academic institutions and business thought leaders have made this case:

- Diversity is associated with improved financial performance
- Inclusive workplaces maximize talent and productivity
- Diversity reduces groupthink and enhances decision-making
- Diverse management teams are innovative and earn a premium for their innovation
- Racially diverse teams outperform racially homogeneous teams by 36%
- Companies with inclusive talent practices can generate up to 30% higher revenue per employee

Diversity equals representation. Without inclusion, however, the crucial connections that attract diverse talent, encourage their participation, foster innovation and lead to business growth won’t happen.”

--Gallup
CALL TO ACTION

At all stages of this research, participants advocated for measurable, accountable goals. Progress in attracting, retaining and advancing employees of color has moved at a glacial pace for the past decade. Applying the theory that “what gets measured gets changed” creates intentionality and urgency to moving the needle. We are proposing the following goals for growth by 2025.

GOALS BY 2025:

- Increase diverse management by 25%

<table>
<thead>
<tr>
<th></th>
<th>Current (2016)*</th>
<th>2025 goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total management</td>
<td>44,000</td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>1,500</td>
<td>1,875</td>
</tr>
<tr>
<td>Totals</td>
<td>3,500</td>
<td>4,375</td>
</tr>
</tbody>
</table>

- Increase total employment of African American/Hispanic by 15%

<table>
<thead>
<tr>
<th></th>
<th>Current (2016)*</th>
<th>2025 goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employment</td>
<td>367,000</td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>53,000</td>
<td>61,000</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>28,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Totals</td>
<td>81,000</td>
<td>93,000</td>
</tr>
</tbody>
</table>

*All current data based on EEOC Reporting for companies with 100+ employees in metro Milwaukee.
Seven indicators were looked at to measure economic progress among metro Milwaukee’s two major minority groups – African-Americans and Hispanics/Latinos. Individual indicators included rates of educational attainment, unemployment, home ownership, poverty, professional workforce, managerial workforce and single female headed households.

Primary source was the American Community Survey from the U.S. Census Bureau with data from the Equal Employment Opportunity Commission (EEOC) also used. Individual measures were ranked among 20 other benchmark metros.

A composite of these ranks showed that metro Milwaukee ranked lowest among the comparables group in minority economic progress.

Furthermore, the gaps between the respective minority group and the white/non-Hispanic population on these prosperity measures collectively ranked as the largest gaps noted among this group of metros.

EEOC data on the extent of managerial employment has been used for goal setting purposes.