

# 2022

HISPANIC ASSOCIATION ON  
CORPORATE RESPONSIBILITY  
**CORPORATE INCLUSION INDEX™**



# 2022 HACR COALITION MEMBER



## 2022 HACR BOARD OF DIRECTORS

Executive Committee

### BOARD CHAIR

*Ramiro Cavazos*  
President and CEO  
United States Hispanic  
Chamber of Commerce

### VICE CHAIR

*Marco Davis*  
President and CEO  
Congressional Hispanic  
Caucus Institute

### TREASURER

*Delia de la Vara*  
Senior Vice President,  
Advancement and External Affairs  
UnidosUS

### SECRETARY

*Thomas Savino*  
CEO  
Prospanica

Board Member

*Luis A. Vazquez-Contes*  
AGIF National Commander  
AGIF

*Roger Rocha, Jr.*  
Immediate Past President  
League of United  
Latin American Citizens

*John Villamil-Casanova*  
President and CEO  
The ASPIRA Association

*Amy Hinojosa*  
President and CEO  
MANA, A National Latina Organization

*Mary Ann Gomez Orta*  
President and CEO  
Congressional Hispanic  
Leadership Institute

*Ignacio Salazar*  
President and CEO  
SER Jobs For Progress National, Inc.

*Gabriela Musiet*  
President and CEO  
Cuban American National Council

*Chris Wilkie*  
President and CEO  
Society of Hispanic  
Professional Engineers

*Dr. Antonio Flores*  
President and CEO  
Hispanic Association  
of Colleges and Universities

*Dr. Juan Andrade*  
President  
United States Hispanic  
Leadership Institute

# TABLE OF CONTENTS

ABOUT HACR	4
A LETTER FROM HACR PRESIDENT & CEO	5
A LETTER FROM HACR SENIOR VICE PRESIDENT	6
EXECUTIVE SUMMARY	7
REPORT THEME	12
METHODOLOGY	15
UNDERSTANDING THE RATINGS	16
PARTICIPATING COMPANIES	17
PARTICIPATION AT A GLANCE	18
EMPLOYMENT INSIGHTS	20
PROCUREMENT INSIGHTS	32
PHILANTHROPY INSIGHTS	42
GOVERNANCE INSIGHTS	54
LATINAS IN CORPORATE AMERICA	63
CONCLUSION	70
ACKNOWLEDGMENTS	72

# ABOUT

## THE HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY

Founded in 1986, the Hispanic Association on Corporate Responsibility (HACR) is one of the most influential advocacy organizations in the nation, representing 14 national Hispanic organizations in the United States and Puerto Rico. Our mission is to advance the inclusion of Hispanics in corporate America at a level commensurate with our economic contributions. Collectively, HACR coalition members reflect the voice of more than 60 million Hispanics living in the United States and Puerto Rico, serving those diverse communities through advocacy, education, representation, assistance, capacity building, public policy support, resource development, and the exertion of political influence. HACR's work is possible thanks to the generous support of our corporate members, which includes some of the largest companies in the United States. Together, the coalition members and corporate members provide HACR with the resources needed to achieve our mission.

# ABOUT

## THE HACR RESEARCH INSTITUTE

HACR, through its research department known as the HACR Research Institute (HRI), is devoted to the objective research, analysis, and publication of reports on Hispanic issues in corporate America. The goal of our research is to assess trends, engage in dialogue with corporate leaders, and affect positive change to policies and practices that promote Hispanic inclusion.

Through dynamic research efforts and data-driven analysis, HACR publishes content on the state of the Hispanic community and corporate diversity and inclusion practices in Employment, Procurement, Philanthropy, and Governance. Our research initiatives include the HACR Corporate Inclusion Index™ report, the Corporate Governance Study, the Empow(h)er™: Understanding Workplace Barriers for Latinas Report, research blogs, and other independent studies conducted internally and through partnerships with leading advocacy organizations.

HACR also partners with other research organizations and consortia to collaboratively produce research pertaining to best practices within diversity, equity, and inclusion.



# A LETTER FROM HACR PRESIDENT & CEO

On behalf of the Hispanic Association on Corporate Responsibility (HACR) board of directors and our dedicated staff, I am pleased to present the 2022 HACR Corporate Inclusion Index™ (CII) report. This year's theme for the report, "Three Years Later: The Post-Crisis Recalibration of Corporate America's Hispanic Diversity, Equity, & Inclusion Practices," speaks to the pressing need for corporate America, to adapt and recalibrate new norms for operating. How we adapt, what we prioritize for change, and where Hispanic inclusion sits along that continuum is at the heart of this report.

Since it first launched in 2009, the HACR CII has been a preferred diversity benchmarking tool for the country's largest companies. The results reveal areas of progress and opportunities for growth related to HACR's four pillars of inclusion: Employment, Procurement, Philanthropy, and Governance. Our results also help leaders plan their diversity, equity, and inclusion strategies by providing a roadmap for change. For the second year, HACR added additional survey questions specific to understanding the impact of socio-political events – namely the global pandemic and racial justice activism – to explore the effects of 2020 on employee wellbeing, DEI resources, and corporate culture. HACR will continue to shine a spotlight on the Hispanic experience within this context.

Hispanics are the youngest and fastest growing demographic in the United States of America. We will comprise one-fifth of our country's labor force by 2028, according to the U.S. Bureau of Labor Statistics. We currently represent over \$1.5 trillion in buying power. What's the take-away? Hispanic engagement and inclusion should be a cornerstone of every company's talent pipeline strategy from entry level to the board of directors. Hispanics should be at the heart community investment strategies, including procurement and philanthropic partnerships. Organizations' cultures should focus on understanding the Hispanic community to promote feelings of inclusion and belonging within its workforce.

We are grateful to the companies who participated in the 2022 HACR CII for their commitment to creating a more diverse, equitable, and inclusive work environment. Through accountability tools like the HACR CII, these companies are investing in the strategic insights needed to implement effective practices that engage Hispanic consumers, suppliers, and talent. Regardless of the rating received, creating internal metrics, practicing a culture of transparency, and investing in annual benchmarking through our CII is fundamental to a company's ability to track its progress towards the goal of Hispanic inclusion within their DEI strategies.

Since our founding in 1986, HACR has remained one of the most influential advocacy organizations in the nation, and our research is helping drive Hispanic advancement in corporate America. Our CII Report is a resource for all. I hope you will use it to further the important work of Hispanic inclusion.

HACR stands as a partner with you in creating a more equitable working world.

Sincerely,



**Cid Wilson**

President & CEO of HACR

# A LETTER FROM HACR SENIOR VICE PRESIDENT

HACR is first and foremost an education and advocacy organization committed to the advancement of Hispanics in the United States through relationship-based partnerships and evidence-based strategies. For the last 13 years, the HACR Corporate Inclusion Index™ (CII) has been an integral component of our education and advocacy outreach efforts. It has been an honor to work with the HACR team, project partners, and our participating CII companies to sustain and advance this important body of work during a critical juncture in our nation's DEI journey.

The last two years have seen unprecedented disruption to every facet of our lives. Through 2020's unpredictable challenges, the HACR CII saw a 17 percent increase in corporate participation. Participation rates continued to increase in 2021 by an additional 31 percent, as the shock of the global pandemic and socio-political unrest settled into a presumed "temporary norm." These numbers seemed to suggest not only a commitment to DEI during times of crisis, but a doubling down on that commitment through widespread investments in tracking and measurement during an otherwise unpredictable time. Companies were seeking to understand the impact of the global uncertainty. Now that these same world events seem here to stay, corporate America has been challenged to "normalize" quickly. Instead of continuing to sustain its focus on data-based DEI benchmarking to inform the recalibration process and/or creation of "new norms" for DEI operations, the 11 percent decline in 2022 CII participant rates suggests that companies have deprioritized this critical area of work.

I will take this opportunity to emphasize that HACR's goal coming out of the global pandemic is no different than it was prior to 2020; we want to see the advancement of Hispanic inclusion. While I applaud efforts to restart programs and re-engage internal and external partners at reported pre-pandemic levels, I also challenge companies to push past the familiar – the status quo of DEI outcomes and measurement systems – and to set higher standards for Hispanic inclusion. Just as a company would strive to learn from the global supply chain disruptions of the last two years by not rebuilding a mirror image of its pre-pandemic systems, so too should companies approach the recalibration process of their DEI strategies across talent pipelines, vendor relationships and community partnerships.

This year's report waves several red flags for community and corporate stakeholders of Hispanic inclusion. It is my hope that these flags will inspire calls to action within corporate America, including a fresh look at how companies' current drive to renormalize could inadvertently lead to the dismantling of DEI gains over the last decade. Everything – from reopening internship programs to re-investing in supplier development initiatives to redesigning impact evaluation reports for philanthropic investments – is an opportunity to revision meaningful goals that reflect bold and agile adaptations to recent social and economic events.

We also know that even the best intentions can go awry without a clear path of action and a means of evaluating success. The HACR CII helps participating companies gain clarity on their efforts by serving as an objective benchmarking tool that looks at companies' practices and evaluates their outcomes as a means of partnership and advocacy.

I'd like to thank everyone who participated in this year's HACR CII survey. Thank you for your continued support of HACR and your dedicated commitment to Hispanic inclusion.



SVP of Operations and Interim Director of Research

# EXECUTIVE SUMMARY

For the last three years, HACR has made significant changes to its practices and data collection methodology for the HACR Corporate Inclusion Index™ (CII). This was a conscious decision on behalf of HACR's research department, the HACR Research Institute (HRI), given the unprecedented nature of the 2020 pandemic as well as the consequences that would result from racial and social justice movements in the U.S. By doing so, HACR has been able to analyze how these major disruptions have impacted corporate America's decisions, practices, and outcomes pertaining to its diversity, equity, and inclusion efforts with Hispanic stakeholders. Data collected during the 2020, 2021, and 2022 CII cycles<sup>1</sup>, suggest that a new "normal" is starting to set in and pre-existing policies and practices are being recalibrated to adjust to the changing times. This year's report will not only review outcomes for the 2022 cohort of participants, but also make comparisons and report on changes over the past three years where applicable.

This year, the CII had a total of 82 participants. That's an 11 percent decrease from 2021 and a potential sign that companies may be shifting some of their focus to priorities other than the measurement of diversity, equity and inclusion efforts. If this is the case, then companies may also be exposing themselves to the risks associated with a failure to fully integrate DEI data, goals, and metrics into overall business strategies. Now is the time to deepen the integration of DEI data and benchmarking with other crisis management strategies, thus enhancing the insights derived from this work and the lessons learned from responses to other corporate disruptions.

The HRI has selected **"Three Years Later: The Post-Crisis Recalibration of Corporate America's Hispanic Diversity, Equity, & Inclusion Practices"** as the theme for this year's report. In this report, the 2022 CII will weave through participant data to present the impact corporate practices have had on HACR's four pillars of economic reciprocity: Employment, Procurement, Philanthropy, and Governance.

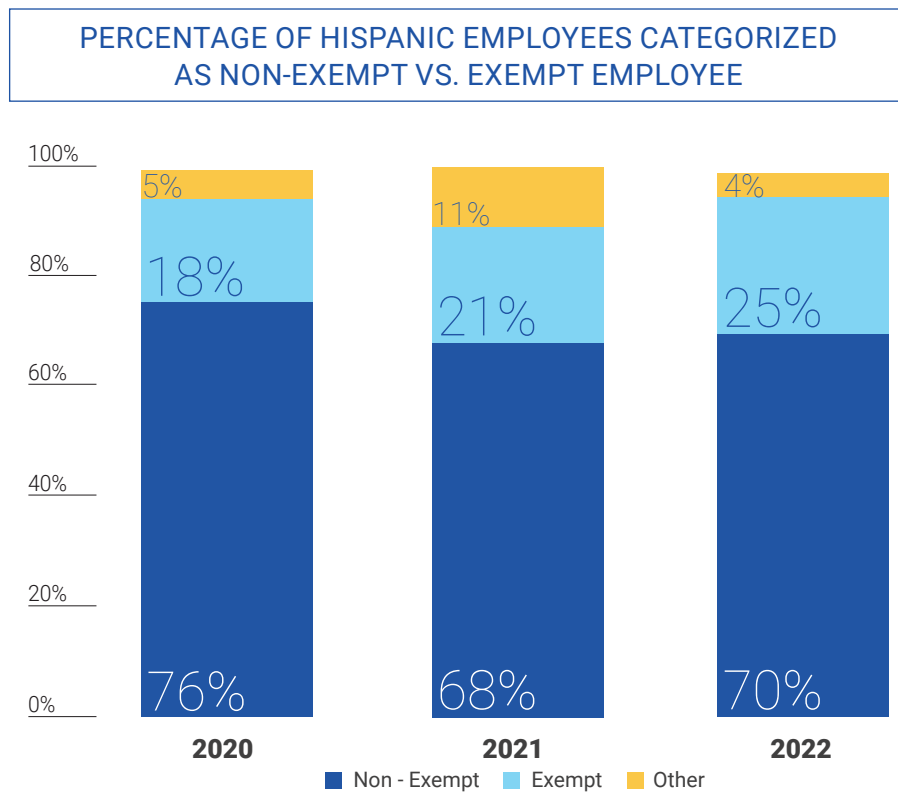
An initial analysis of outcomes uncovered concerning decreases across all four of our focus areas. The decreases tracked this year are part of a three-year trend which highlight a growing need for corporations to provide Hispanic stakeholders with the resources they need to fully participate in a company's success. Mainly, the three years of outcomes analyzed in this report strongly support the importance of sustaining and reprioritizing DEI practices and resources during times of duress. To help illustrate these points, this year's report highlights why the figures and practices throughout the report are important in the new "SO WHAT..." subsections. In addition to the "SO WHAT..." "Opportunity Areas" are also highlighted in each of the sections to suggest areas of focus for companies as they seek to improve outcomes in each of HACR's focus areas.

Insights from the 2022 CII participants data include:

---

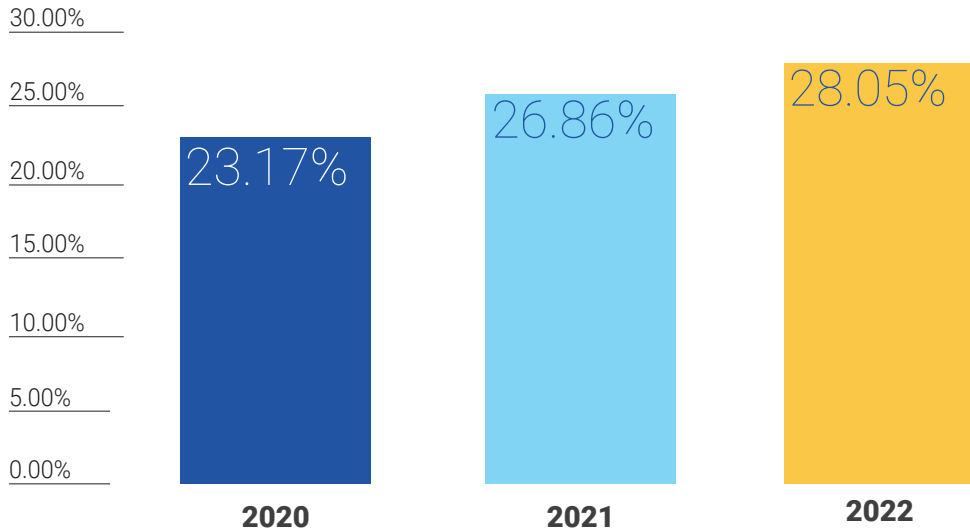
<sup>1</sup> All information provided by participants on the HACR CII reflects data from their U.S.-based, corporate operations between January 1 and December 31 of the previous year. Data comparisons between the 2020, 2021 and 2022 CII survey reports, therefore, suggest trends and changes in activities between 2019 -2021 calendar years.

**EMPLOYMENT:** *Hispanic inclusion is concentrated in non-exempt positions, which will negatively impact Hispanic access to, and inclusion in, executive leadership pipelines if not addressed.* While overall figures for all non-exempt employees have been declining, the percentage of Hispanic representation within the non-exempt employee groups has increased to an eight-year high of 21.67 percent. Conversely, Hispanic representation among exempt employees has decreased to its lowest numbers since 2016 at 7.53 percent, while the overall exempt employee count has remained level with the prior year. While this shift in figures could be due to more accurate reporting on the part of participants, it may also reflect new hiring practices, operational restructuring and other strategic adjustments companies have rolled out as they have sought to recalibrate work processes while emerging from the pandemic.



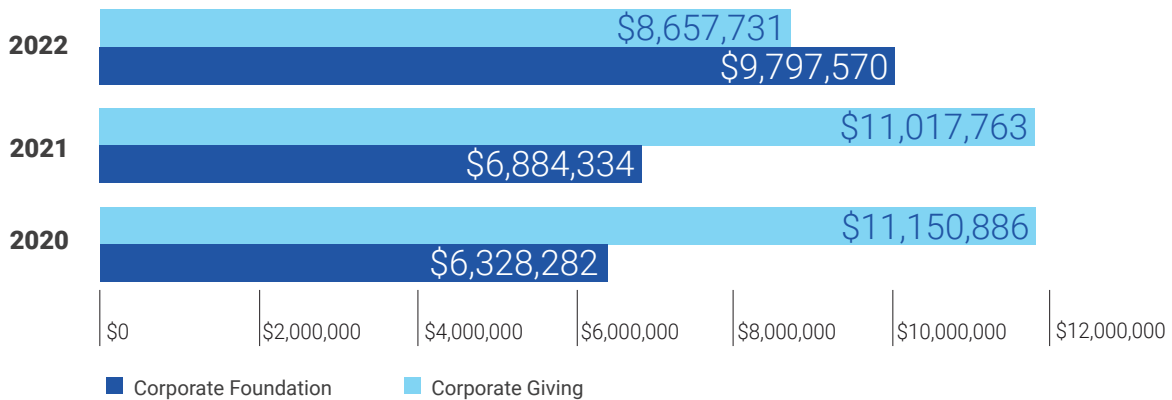
**PROCUREMENT:** *Over the past three years, spend with Hispanic suppliers has stayed within the range of 1.5 percent and 2.5 percent.* However, much of the growth over this period is due to a minority of companies (less than 1/3) that spend 1 percent or more with Hispanic suppliers. Nevertheless, the percentage of companies spending 1 percent or more has grown steadily, if modestly, over this same period.

PERCENTAGE OF CII COMPANIES SPENDING 1% OR MORE WITH HISPANIC SUPPLIERS



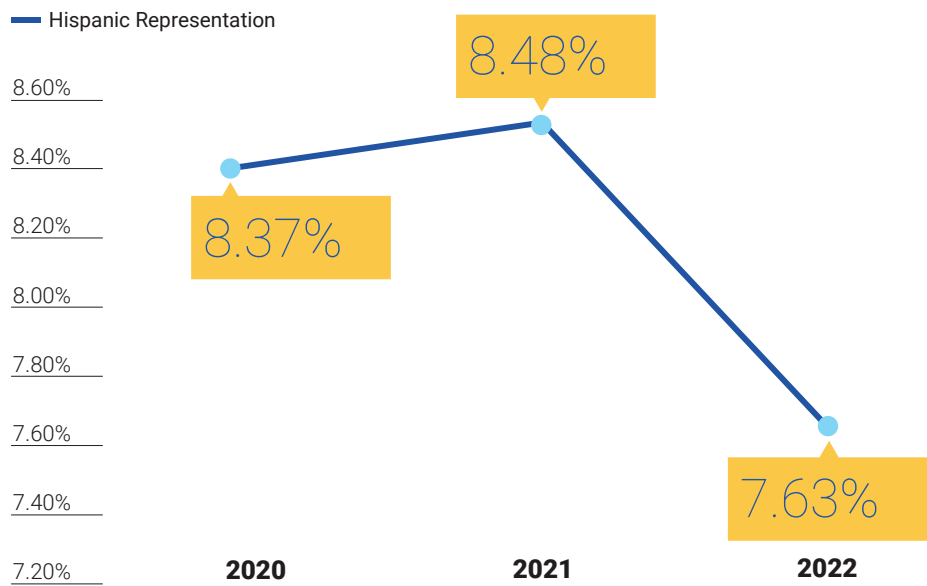
**PHILANTHROPY:** CII data indicates a steady increase in total corporate philanthropic dollars donated to the Hispanic community over the last three years with the most recent figures being the largest over the past eight-year period. Corporate foundation figures and volunteer hours have experienced the opposite trend during the same period. Peaking between 2020 and 2021, corporations were leveraging their foundations to address racial justice and to help mitigate the impacts of the pandemic in the Hispanic communities. This year, the figures have decreased to around \$8.6 million, a figure more closely aligned with the amounts of contributions seen prior to 2020.

AVERAGE GIVING INVESTMENTS IN THE HISPANIC COMMUNITY, CORPORATE GIVING AND CORPORATE FOUNDATION GIVING

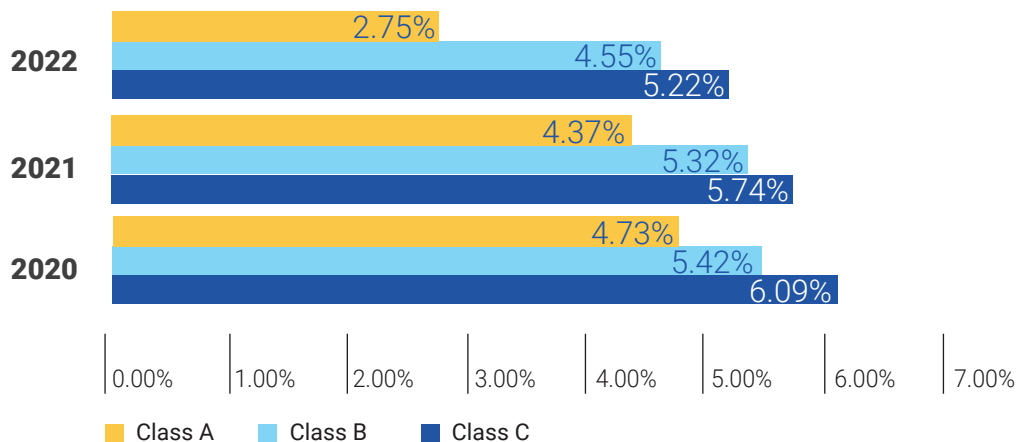


**GOVERNANCE:** By all measures, Hispanic representation among corporate, executive leadership is on the decline. While a growing percentage of total Hispanic employees are exempt employees, Hispanics' share of total exempt employee representation has been declining over the past two years. The same is true for Classes A, B, and C employees, as well as board seats. According to this year's reported figures, the average board room is 6.78 percent Hispanic. Due to the small size of the average corporate board, the percentage of Hispanic representation on a corporate board translates to .6 of a person per board. In other words, about half of participants reported having at least one Hispanic board member. The other half reported having no Hispanic board members.

**PERCENTAGE OF EXEMPT EMPLOYEES IDENTIFIED AS HISPANIC**

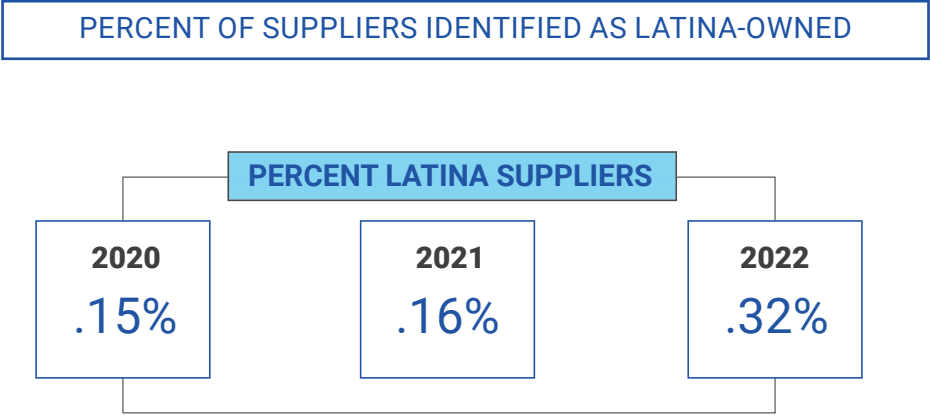


**AVERAGE HISPANIC REPRESENTATION IN EXECUTIVE LEADERSHIP, CLASS A, B, C EMPLOYEES**





**LATINAS:** This year, inclusion of Latinas in employee and supplier representation figures show some improvement, yet there remain many areas of concern regarding their long-term success. *One main area of concern is the Latina talent pipeline. From internships to the board rooms of corporations, Latina representation decreased.* Even in the areas where Latina outcomes are improving, the pace and size of improvement is so small that true parity appears to remain out of reach.



THREE YEARS LATER:  
THE POST-CRISIS  
RECALIBRATION OF  
CORPORATE AMERICA'S  
HISPANIC DIVERSITY,  
EQUITY, & INCLUSION  
PRACTICES

Last year, the theme for the 2021 HACR Corporate Inclusion Index™ (CII) report focused on corporate America's response to ongoing environmental, health, and social justice crises affecting Hispanic stakeholders. Findings from the 2021 CII indicated that there was an overall shift in corporate diversity, equity, and inclusion (DEI) practices and outcomes in response to these global events. Given the growing impetus for getting "back to business as usual" from corporate leaders and other stakeholders, this year's report will explore how the drive for "normalcy" is impacting the advancement of the Hispanic community in corporate America.

Even in the early days of 2020, there was a growing realization that business leaders would be tested by the events that started that year. Given business leaders' responsibility to "protect the health of their employees and customers" while also navigating "far-reaching disruption to their operations, plans for recovery, and preparations to reimagine their business models for the 'next normal,'" many began to wonder what the future would be like.<sup>1</sup> But, this begs the question, *is the "next normal" the familiar dealings, metrics, programs, and activities we had prior to 2020?*

Having had three years to grapple with these challenges, corporate leaders are starting to settle on their path forward. For some, it is a return to the "good ole' days" of 2019. For others, it is the creation of new operating paradigms through which a more equitable, representative, and profitable future can be secured. Given the lessons of the past three years, the best way forward will require leaders and practitioners to reshuffle their knowledge of DEI practices and outcomes. Often, the path forward will require leaders and practitioners to design new policies and practices that ensure improved outcomes for all stakeholders.

In the same way that leaders needed resolve and resiliency to get through the challenges of the last three years, *leaders, advocates, and allies will need that same resolve to reshape DEI practices to fit our new reality and restart the right way.* To do so will require companies to avoid the predicted post-crisis slow down by maintaining an intentional and sustained focus on advancing and fostering DEI.<sup>2</sup> As we emerge from the crisis, it has become clear that customers, employees, and advocates have not lost focus on the importance of DEI and neither should corporate America. Workers want their companies to be more engaged in DEI efforts and are willing to leave their jobs if they do not feel their employers are doing enough.<sup>3</sup> This can be challenging, but companies should embrace the challenges of change and further integrate DEI practices into their business operations and strategies.

---

<sup>1</sup> Dixon-Fyle, Sundiatu et al. 2020. "Diversity wins: How inclusion matters." McKinsey & Company. Retrieved September 3, 2022 (<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>).

<sup>2</sup> Dolan, Kevin et al. 2020. "Diversity still matters." McKinsey & Company. Retrieved September 3, 2022 (<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-still-matters>).

<sup>3</sup> Businesswire. 2022. "Most Employees Would Quit Over Lack of Company Commitment to DE&I Efforts, Says New GoodHire Survey." San Francisco, CA: Businesswire, Retrieved September 7, 2022 (<https://www.businesswire.com/news/home/20220726005410/en/>)

For example:

- companies can utilize insights from their DEI practices to improve hiring and retention while building resiliency for the next time a major global event threatens to disrupt their business practices;
- companies can redesign data collection systems, develop standardized terminology, and deepen their capacity to use the information they have collected; and
- companies can establish new, meaningful goals that incorporate the lessons learned prior to, during, and after the pandemic and the country's racial reckoning.

This year, it is evident that companies are facing meaningful challenges in each of HACR's four pillars (Employment, Procurement, Philanthropy, and Governance). Further details on participant outcomes from the 2022 CII survey will be explored throughout the report with a lens toward how companies are recalibrating and renormalizing their practices to fit our new reality.

# METHODOLOGY

The data for the 2022 HACR Corporate Inclusion Index™ (CII) is drawn from a survey designed and administered by HACR. Invitations to participate in the 2022 HACR CII survey were sent to all HACR Corporate Members, previous HACR CII participants, and companies that proactively contacted HACR to express an interest in the survey.<sup>1</sup>

- If HACR already had a point of contact at a company who had not previously participated in the HACR CII, email communications requesting their participation were also sent to the primary point of contact on file for the relationship.
- If a corporation had previously participated in the HACR CII, invitations were sent first to the individuals responsible for their most recent submission, with additional communications sent to senior level executives if necessary.

A total of 174 corporations received invitations to take part in the 2022 HACR CII survey; of that group 82<sup>2</sup> submitted surveys, and all were rated.<sup>3</sup>

The survey period was from January 10, 2022 to April 22, 2022. All information provided by participants on the 2022 HACR CII survey reflects data from their U.S.-based, corporate operations between January 1, 2021 and December 31, 2021.

The HACR research department, also known as the HACR Research Institute (HRI) provided additional assistance and advice throughout the process, including the review of submitted documentation for appropriate language and consistency with survey answers. Corporations were invited to provide the HRI with any additional information, corrections to data, and/or updates prior to receiving their finalized ratings.

---

<sup>1</sup> Companies outside these parameters who requested the survey from the HACR Research Institute were also permitted to complete the 2022 HACR CII survey.

<sup>2</sup> Making this year's sample size 82 participating companies (n=82).

<sup>3</sup> Variances between the total survey respondents and the number of respondents for every question may be because not all participants responded to every question, and in some instances, outliers were excluded.

# UNDERSTANDING THE RATINGS

The HACR CII survey is comprised of questions developed over years of research and conversation with *Fortune* 500 and HACR Corporate Member companies about their diversity and inclusion practices and the measures in place to evaluate their progress.

The survey helps us understand the Hispanic inclusion needs of corporate America and allows us to monitor progress over time. The data collected through the HACR CII provides a “snapshot” of corporate America’s Hispanic inclusion efforts and serves as:

- An evaluation of corporate America’s Hispanic diversity and inclusion efforts.
- A means of communicating to stakeholders and the public about companies’ performance on Hispanic diversity and inclusion.
- A source of motivation to companies for continued learning and improvement of Hispanic diversity and inclusion.
- A means to identify and celebrate best practices that advance Hispanic diversity and inclusion.

The HACR CII ratings are designed around two focus areas – a practice assessment and an outcomes assessment for each of our four focus areas: *Employment, Procurement, Philanthropy, and Governance*. The practice assessment consists of 25 elements which examine what type of support or infrastructure a company has in place for diversity and inclusion. These questions are comprised of a series of yes or no and multiple-choice questions. The outcomes assessment, which consists of five elements, examines key indicators or measures by which companies evaluate progress on diversity and inclusion. These questions are all quantitative in nature.

Indexing is a way to set criteria and evaluate performance in various areas of business practice. The rating permits HACR to dialogue with a participating company around very specific practices and outcomes on Hispanic diversity and inclusion. The HACR CII rating helps participating companies identify opportunities for improvement or highlight best practices and outcomes on their Hispanic inclusion efforts.



# PARTICIPATING COMPANIES

3M	Dow	Moody's
ADP	Ecolab, Inc.	Morgan Stanley
AlixPartners, LLP	Edison International	PepsiCo
Alphabet Inc.	Electronic Arts Inc.	Pfizer, Inc.
American Express	The Estée Lauder Companies	Procter & Gamble
Anheuser-Busch Companies LLC	Federal Reserve Bank of Minneapolis	PRUDENTIAL FINANCIAL, INC.
Anthem, Inc.	Ford Motor Company	Raytheon Technologies
AT&T	General Motors, Inc.	Rockwell Automation, Inc
Bank of America	Gilead Sciences, Inc	Royal Caribbean Group
Bank of the West	GlaxoSmithKline plc	S&P Global
Best Buy	Goldman, Sachs & Co. LLC.	SODEXO
BMO Harris Bank	Guardian Life	Standard Chartered Bank
BOSTON SCIENTIFIC CORPORATION	The Hartford	State Farm
bp	Herbalife Nutrition	Stellantis
Capital One Financial Corporation	The Hershey Company	Target
Carrier Global Corporation	HP Inc.	Teva Pharmaceuticals, Inc.
Chevron	Humana	TIAA
Cigna	Intel Corporation	T-Mobile
Cisco Systems	JPMorgan Chase & Co.	Toyota North America
Citi	Kaiser Permanente	Tractor Supply Company
The Coca Cola Company	Kellogg Company	Travel + Leisure Co.
Comcast NBCUniversal	Kohl's	U.S. Bank
Comerica Bank	KPMG LLP	Verizon
Corteva Agriscience	Levi Strauss & Co.	Visa
CSX Transportation	Marriott International, Inc.	Walmart Inc.
Delta Air Lines	Medtronic PLC	Wells Fargo & Company
DISH Network Corporation	MetLife Inc	Wyndham Hotels & Resorts, Inc.
		Zoetis Inc.

**THANK YOU TO ALL 2022 PARTICIPATING COMPANIES!**

# PARTICIPATION AT A GLANCE

82

**TOTAL  
PARTICIPATING COMPANIES**

35

***FORTUNE 100***

58

***FORTUNE 500***

62

***FORTUNE 1000***

54

**CORPORATE MEMBERS**

73

**RETURNING PARTICIPANTS**

9

**NEW PARTICIPANTS**

# 5-STAR AWARDEES

## 5 STAR SUMMARY

40	<b>EMPLOYMENT</b>	Awards in 4 pillars	2
11	<b>PROCUREMENT</b>	Awards in 3 pillars	8
8	<b>PHILANTHROPY</b>	Awards in 2 pillars	18
35	<b>GOVERNANCE</b>	Awards in 1 pillar	24
		<b>Total Awardees</b>	<b>52</b>

## TOP INDUSTRY PARTICIPATION

23%	COMMERCIAL BANKS, DIVERSIFIED FINANCIALS, FINANCIAL DATA SERVICES
10%	FOOD CONSUMER PRODUCTS, BEVERAGES, FOOD PRODUCTION, FOOD SERVICES
6%	INSURANCE: LIFE, HEALTH (STOCK), INSURANCE: LIFE, HEALTH (MUTUAL), INSURANCE: PROPERTY AND CASUALTY (MUTUAL)
6%	PHARMACEUTICALS
6%	TELECOMMUNICATIONS
7%	HEALTHCARE: INSURANCE AND MANAGED CARE, MEDICAL PRODUCTS AND EQUIPMENT

# EMPLOYMENT INSIGHTS

# EMPLOYMENT 2022 HACR CII 5-STAR RATED COMPANIES

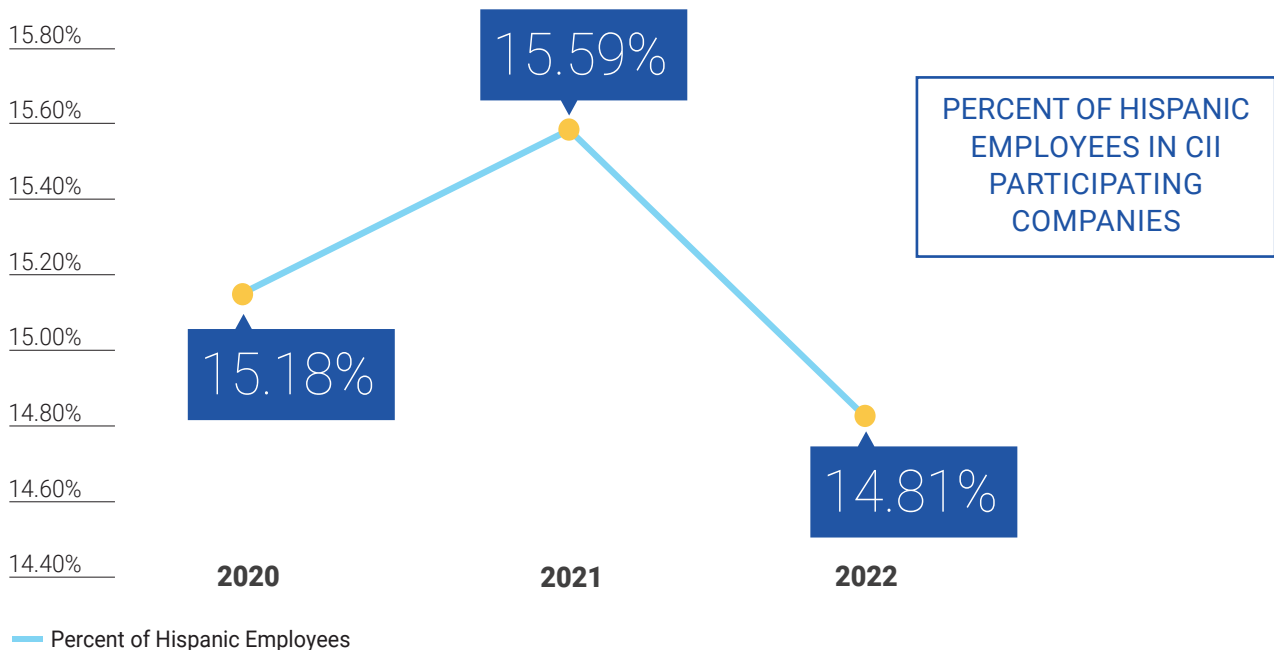
ADP	Humana
AT&T	Intel Corporation
Bank of America	JPMorgan Chase & Co.
Bank of the West	Kohl's
BMO Harris Bank	KPMG LLP
Boston Scientific Corporation	Medtronic plc
bp	Moody's
Capital One Financial Corporation	Morgan Stanley
Citi	PepsiCo
Comcast NBCUniversal	Pfizer, Inc.
Delta Air Lines	Procter & Gamble
Dow	Raytheon Technologies
Edison International	State Farm
Electronic Arts Inc.	Target
Federal Reserve Bank of Minneapolis	Toyota North America
Gilead Sciences, Inc	U.S. Bank
GlaxoSmithKline LLC	Verizon
Goldman, Sachs & Co. LLC.	Visa
Hartford, The	Walmart Inc.
Hershey Company, The	Wells Fargo & Company

# THREE YEARS LATER: RED FLAGS AND DECLINES IN HISPANIC INCLUSION EMPLOYMENT

## 2022 Findings

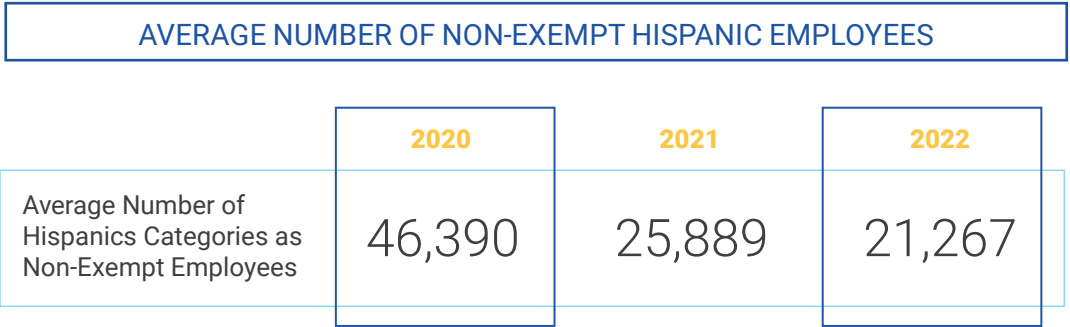
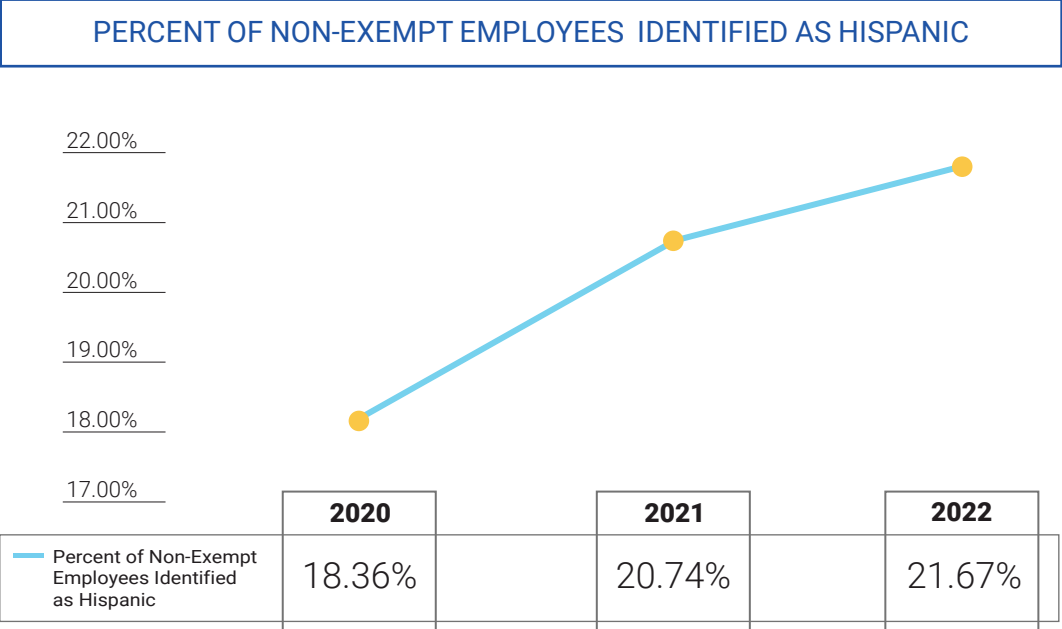
### HISPANIC REPRESENTATION

For the last three years, key metrics for Hispanic inclusion in corporate America have been shifting. One example of this change is the decrease in overall Hispanic representation during this time. Hispanic employee figures are down from a high of 15.59 percent in 2021 to 14.81 percent in 2022, a drop of .8 percent. This may not seem like much at first glance; however, *it represents the second largest drop in Hispanic employee representation since 2019* and only the third time in the past eight years that Hispanic employee figures decreased when compared to the previous year.





Findings from this year’s survey show that there is an increase in Hispanic representation among total corporate non-exempt employees, while overall corporate non-exempt employee figures have been on the decline since 2019. *In fact, Hispanic non-exempt employee representation has been steadily rising since 2020.* This is part of a growing trend of Hispanic and other underrepresented groups being over-represented among non-exempt employees. Recent findings from a McKinsey report on frontline workers found that approximately 75 percent of all Black and Hispanic employees work frontline jobs such as “waiting tables, stocking store shelves, or folding clothes”, compared with just 58 percent of their White counterparts.<sup>1</sup>



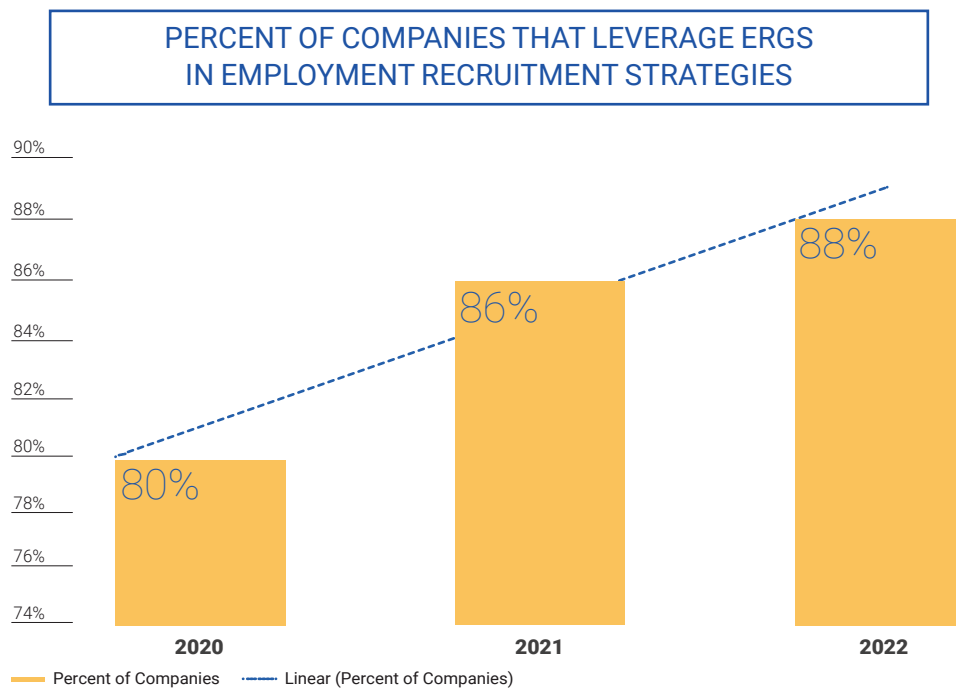
<sup>1</sup>Yee, Lareina, et al. 2022. “Race in the workplace: The frontline experience.” McKinsey & Company. Retrieved September 3, 2022. (<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/race-in-the-workplace-the-frontline-experience>)

**SO WHAT...** At first glance, the differences between exempt and non-exempt positions can seem to be simple technicalities. Add to this the relatively recent realization that frontline workers play a critical role in our everyday social functioning, and one could be forgiven for thinking that exempt and non-exempt employees are not only equal in importance, but also receive equal treatment by their employers. However, the reality is that non-exempt employees tend to not have access to the same opportunities for advancement and benefits as exempt employees.

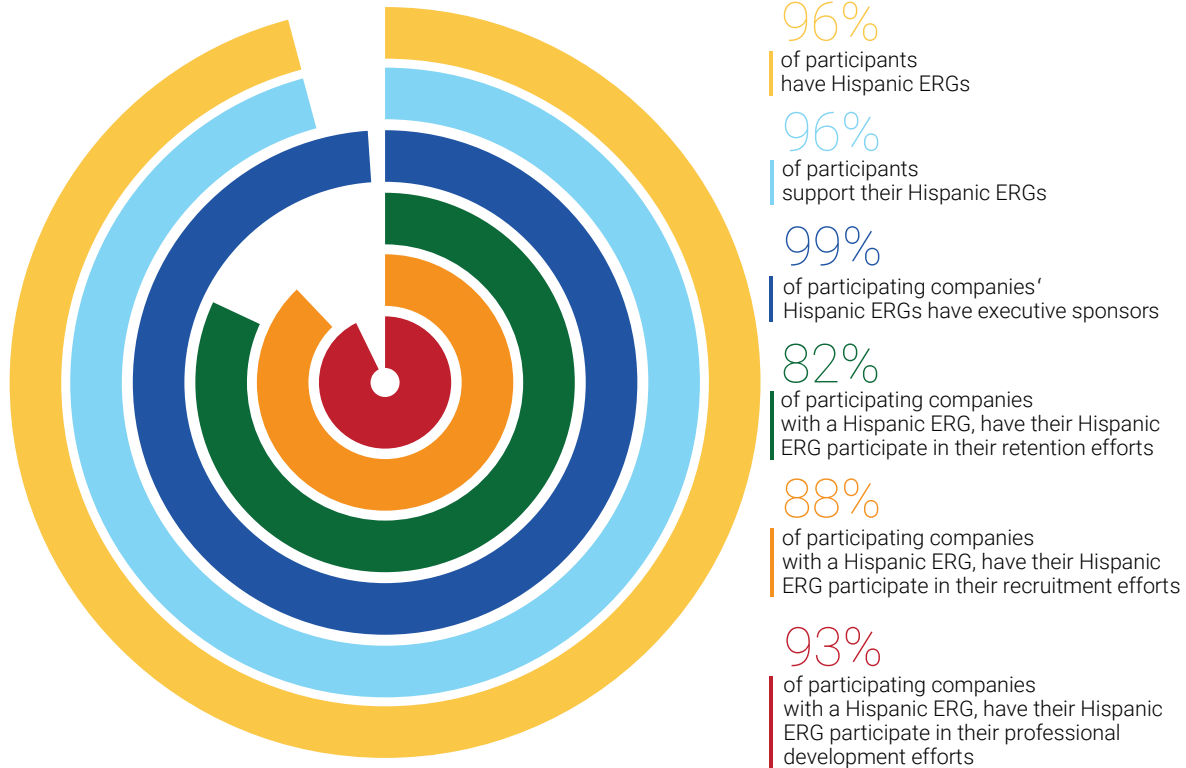
For instance, benefits such as childcare and professional development are often provided to exempt employees, but the nature and limitations of non-exempt positions make the same benefits inaccessible to non-exempt employees. Additionally, non-exempt employees lack access to mentorship and sponsorship programs and are typically not included in pipelines to the executive suites. The growing and disproportional representation of Hispanic employees in the non-exempt category is a concern because of this unequal access to career-boosting advantages.

### HISPANIC EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) have played an important role in providing employees with community, support, information, and access to benefits over the last three years. Most (96 percent) of our 2022 participants reported having an ERG for their Hispanic employees. Of those that report having an ERG, most provide their Hispanic ERGs with resources, support, and leadership roles in the recruitment, retention, and professional development of their employees. In fact, companies are increasingly working with their Hispanic ERGs to help improve their overall practices, including recruitment. Since 2020, the number of companies that are leveraging their Hispanic ERGs to recruit new talent has been steadily increasing.



## ERG BEST PRACTICES



**SO WHAT...** A recent Fast Company article reported that people of color “suffer more from workplace anxiety and depression: isolation and the feeling of burnout from being the only person of color in the room.”<sup>2</sup> Given the events and changes of the past three years, it is not surprising that there has been a global increase in the prevalence of mental health issues.<sup>3</sup> In the workplace, some of this stress can be alleviated with the help of ERGs. ERGs also provide dedicated resources for talent development, sponsorship and mentorship within an affinity group framework that supports a sense of belonging and inclusion among employees. However, ERG engagement strategies and resources may be less targeted to non-exempt employees, when the timing of professional development content, volunteer opportunities and networking events are considered. If a company does not have a Hispanic ERG, it can consider relying on professional networks and associations outside of the company to provide their Hispanic employees with a sense of community and support.

<sup>2</sup> Galagali, Tarun and Koning, Rem. 2022. “Helping BIPOC employees fight burnout and find community.” Fast Company. Retrieved September 4, 2022. (<https://www.fastcompany.com/90736508/helping-bipoc-employees-fight-burnout-and-find-community>)

<sup>3</sup> World Health Organization. 2022. “COVID-19 pandemic triggers 25% increase in prevalence of anxiety and depression worldwide.” World Health Organization. Retrieved September 3, 2022. (<https://www.who.int/news/item/02-03-2022-covid-19-pandemic-triggers-25-increase-in-prevalence-of-anxiety-and-depression-worldwide>)

## HISPANIC INTERNS

Unfortunately, these practices have not resulted in an increased hire rate for Hispanics, which has significantly decreased between 2018 and 2021. Reasons for the decrease could include reporting and tracking capabilities, shifts in the workforce, a slowdown due to the initial phases of the pandemic, the Great Resignation, or increased competition for talent, among other causes. For the first time in four years, Hispanic hire figures are comparable to what they were in 2018 (~14 percent).

An often-overlooked source for new talent is Hispanic interns. While Hispanic intern representation seems to have stabilized to pre-pandemic levels at 11.8 percent over the last two years, that only brings representation numbers back to where they were in 2019. Even though 92 percent of participants recruit from Hispanic Serving Institutions (HSIs), there's certainly room for improvement as it pertains to including more Hispanics in corporate internship programs.

**SO WHAT...** Internships are an important form of social capital<sup>4</sup> that entering professionals use as a “ticket” into the positions and tracks that will define their professional lives. The Hispanic population has grown 23% from 2010 to 2020<sup>5</sup>, making Hispanic Americans the youngest major racial or ethnic group in the country. The median age for Hispanic Americans is 29.8, nearly nine years lower than the median age of 38.5 for the entire US population. About 8 percent of the Hispanic population is over 65, compared to 17 percent of the total population. Thirty-one percent of Hispanic Americans are under 18, compared to 22 percent of the nation.<sup>6</sup> Hispanic Americans have been, and will continue to be, a major source of corporate talent for the foreseeable future, providing companies with a competitive advantage so long as corporate DEI efforts create an inclusive environment of belonging.

## HISPANIC HIRING AND ATTRITION RATES

Experts are predicting that talent recruitment, retention, and turnover will likely continue to be challenges for companies because of growing employment options and an increasingly competitive environment for talent.<sup>7</sup> As a result of these favorable conditions, potential employees are looking for more than compensation as a benefit; they are looking for a more inclusive culture. A survey from Glassdoor found that for 76 percent of their participants, diversity was seen as an essential factor in their job searches.<sup>8</sup>

---

<sup>4</sup> “Social capital is an instantiated informal norm that promotes cooperation between two or more individuals”  
<https://www.imf.org/external/pubs/ft/seminar/1999/reforms/fukuyama.htm>

<sup>5</sup> USA Facts. 2021. “The Hispanic population has quadrupled in the past four decades. It is also becoming more diverse.” USA Facts. Retrieved September 3, 2022. (<https://usafacts.org/articles/demographics-hispanic-americans/>)

<sup>6</sup> Ibid

<sup>7</sup> Kropp, Brian. 2022. “Covid Leave Changes and the Future of the Worker-First Workplace.” Wall Street Journal Podcasts, As We Work. Retrieved August 20, 2022. (<https://www.wsj.com/podcasts/as-we-work/covid-leave-changes-and-the-future-of-the-worker-first-workplace/df8ff4c1-9d93-4431-af31-c87be616427f?page=1>)

<sup>8</sup> Glassdoor. 2020. “Diversity & Inclusion Workplace Survey.” Glassdoor. Retrieved September 4, 2022. (<https://www.glassdoor.com/employers/blog/diversity-inclusion-workplace-survey/>)

Recently SHRM published the real cost of race-related attrition<sup>9</sup>, absenteeism<sup>10</sup>, and productivity loss<sup>11</sup> that can be attributed to work cultures that are not inclusive and perceived as treating employees unfairly.<sup>12</sup>

In the 2022 HACR CII survey, we see a different story emerging. Perhaps influenced by the same factors influencing Hispanic hire rates, Hispanic attrition<sup>13</sup> figures are at all-time lows. Also, particularly in a year such as this, hire rate and attrition figures are likely measuring the same phenomenon, which is overall “saturation” of Hispanic talent within participating companies. It’s likely that companies are replacing Hispanic talent as quickly as, or faster than, Hispanics are leaving.

**SO WHAT...** It’s important to keep a close watch on all Hispanic employee metrics, as not doing so will leave companies and communities vulnerable to the kinds of shifts in demand or economic changes we’ve experienced over the past three years.

Companies should at least be asking themselves:

- Where are our Hispanic employees?
- What kinds of support do they need?
- What kinds of support can we give them?
- Should we find partners to fill in service/resource gaps?
- Are all stakeholders aware of the issues in the Hispanic pipeline?
- What do we need to do to be more transparent with our stakeholders?

---

<sup>9</sup> \$34 billion

<sup>10</sup> \$54 billion

<sup>11</sup> \$59 billion

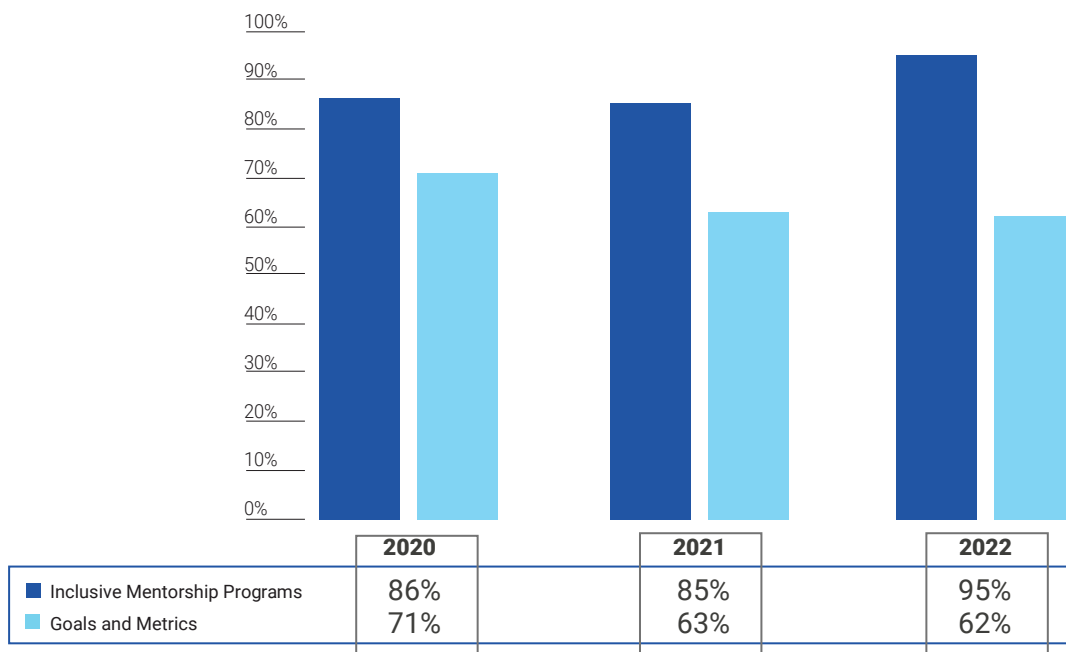
<sup>12</sup> SHRM. 2021. “The Cost of Racial Injustice.” SHRM. Retrieved September 12, 2022. ([chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://shrm.org/ResourcesAndTools/tools-and-samples/toolkits/Documents/TFAW21\\_CostOfInjustice.pdf?\\_ga=2.88107288.2000472617.1663718844-1354699906.1663718844](chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://shrm.org/ResourcesAndTools/tools-and-samples/toolkits/Documents/TFAW21_CostOfInjustice.pdf?_ga=2.88107288.2000472617.1663718844-1354699906.1663718844))

<sup>13</sup> Measured by HACR as the percent change/difference between the totals reported one year and those reported in another

## HISPANIC MENTORSHIP AND SPONSORSHIP

Structured mentorship and sponsorship programs are key supports that should be part of overall Hispanic talent development strategies. *This year, 95 percent of survey participants reported having mentorship programs, but only 62 percent had goals and metrics for these programs.* While the number of companies with structured mentorship programs are on the rise, the number of companies that have goals and metrics for their mentorship programs has declined in the same three-year period. Through the years, HACR has advocated for increased tracking of outcomes for mentorship and sponsorship programs, as these crucial evaluation tools are the only way to determine the success of these programs.

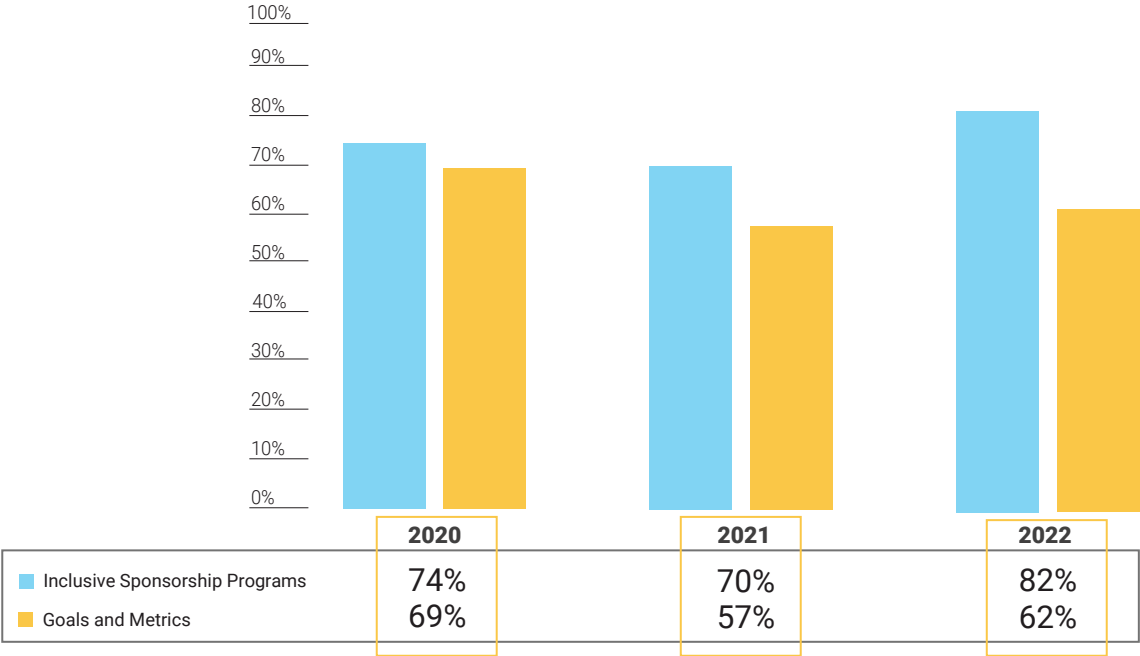
### CII PARTICIPATING COMPANIES WITH STRUCTURED AND MEASURED MENTORSHIP PROGRAMS INCLUSIVE OF HISPANICS





The decline in outcomes measurement for mentorship and sponsorship programs limits companies' ability to understand if two key components within most executive leadership development strategies are increasing the diversity of leadership pipelines. Without transparency around goal setting, alongside the measurement of outcomes, companies may be implementing ineffective programs that fail to provide upcoming Hispanic talent with the support they require to succeed and move into leadership roles within the organization. Given the aforementioned cost of turnover and attrition, companies will have to determine if the risk of not knowing the outcomes of their programs for their Hispanic employees outweigh the costs.

**CII PARTICIPATING COMPANIES WITH STRUCTURED AND MEASURED SPONSORSHIP PROGRAMS INCLUSIVE OF HISPANICS**



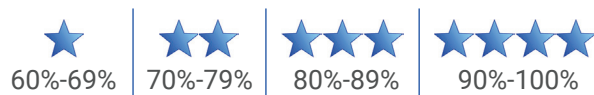
# EMPLOYMENT RATING GUIDE

## RATING GUIDE

HACR uses a five-star rating system. Each pillar is rated separately. For each of the four pillars there are 5 total possible stars based on a composite assessment of practices and outcomes.

### PRACTICE ASSESSMENT

A maximum of four (4) stars are possible. Stars are rewarded based on a percentage achieved out of 25 total criteria items that are assessed in each pillar.



### OUTCOMES ASSESSMENT

There is one (1) star possible for the outcomes assessment. This star is awarded based on a participating company meeting the minimum annual threshold for at three (3) out of five (5) quantitative criteria items assessed in each pillar.

### MINIMUM 3/5 CRITERIA MET 1 POSSIBLE STAR

A composite assessment of practices and outcomes determines how many total stars are awarded for the overall rating

## HOW DID THE SAMPLE DO?

### PRACTICE ASSESSMENT

Overall, the sample received a **three (3) star rating** in their practice assessment out of four (4) total possible stars. Having goals and tracking metrics for their mentoring, sponsorship, and succession planning programs remain opportunity areas for companies. There's also room for improvement in how companies leverage the experience and talent of their ERG leadership in helping to retain Hispanic talent. Companies have done a better job leveraging their Hispanic ERGs in their recruitment efforts, but they can be more intentional in their efforts if they want to continue improving recruitment of diverse talent.

### OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for **three (3) out five (5) metrics**, thereby awarding the 2022 cohort of HACR CII participants with an additional star for a total of **four (4) stars** in Employment.

### PRACTICE + OUTCOMES ASSESSMENTS



# EMPLOYMENT OPPORTUNITY AREAS

62%

of participants have measurable goals and metrics for assessing mentorship and sponsorship programs

72%

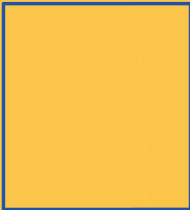
of participants have measurable goals and metrics for assessing succession planning initiatives

82%

of participants use their ERGs to address/improve retention

70%

of all reported Hispanic employees are non-exempt



# PROCUREMENT INSIGHTS



# PROCUREMENT 2022 HACR CII 5-STAR RATED COMPANIES

ADP  
Anthem, Inc.  
Comcast NBCUniversal  
Ford Motor Company  
General Motors, Inc LLC  
Humana  
Medtronic plc  
Sodexo  
Toyota North America  
U.S. Bank  
Walmart Inc.

# THREE YEARS LATER: THE CONTINUED CALL FOR TRANSPARENCY PROCUREMENT

## 2022 Findings

### A CALL FOR TRANSPARENCY

The 2021 HACR CII report focused on the impact of the COVID-19 pandemic on minority-owned businesses, the reasons they were disproportionately affected by the crisis, and actions companies can take to reverse entrenched systemic inequities through their support of Hispanic suppliers. Since the onset of the pandemic, additional challenges and shifts in the global supply chain have resulted in never-before-seen disruptions and shortages. All the while, research on supply chain resilience and outcomes suggest that increased investment in the diversity of vendors could minimize the effects of these challenges and decrease future risk.<sup>1</sup>

This year, the CII Report reflects on what has been done to continue this work and what can be done to ensure the post-crisis business environment is able to maximize the available talent and resources among their Hispanic suppliers. Most importantly, we will discuss why procurement teams and other stakeholders should create shared meaning with their Hispanic suppliers and buy into a shared definition of DEI success.

*Procurement practices have been slow and resistant to changes aimed specifically at transparency and diversification.* This is a hindrance to efficient and sustained progress for corporations and the Hispanic businesses vying for opportunities to partner with them. As with other areas of the CII, *tracking and reporting on procurement outcomes for diversity initiatives and practices remains an obstacle to progress.* HACR is far from alone in pointing out that there isn't enough transparency in these areas. A recent *Just Capital* report noted that 68 percent of Russell 1000 companies do not disclose any DEI data.<sup>2</sup>

---

<sup>1</sup> Harrison, Theresa and Cate Mork. 2021. "How diverse sourcing can create more resilient supply chains." EY. Retrieved September 3, 2022. ([https://www.ey.com/en\\_gl/supply-chain/how-diverse-sourcing-can-create-more-resilient-supply-chains](https://www.ey.com/en_gl/supply-chain/how-diverse-sourcing-can-create-more-resilient-supply-chains))

<sup>2</sup> Vaghul, Kavya. 2021. "A Small Fraction of Corporations Share Diversity Data, but Disclosure is Rapidly on the Rise." JUST Capital. Retrieved September 7, 2022. (<https://justcapital.com/news/a-small-fraction-of-corporations-share-diversity-data-but-disclosure-is-rapidly-on-the-rise/>)

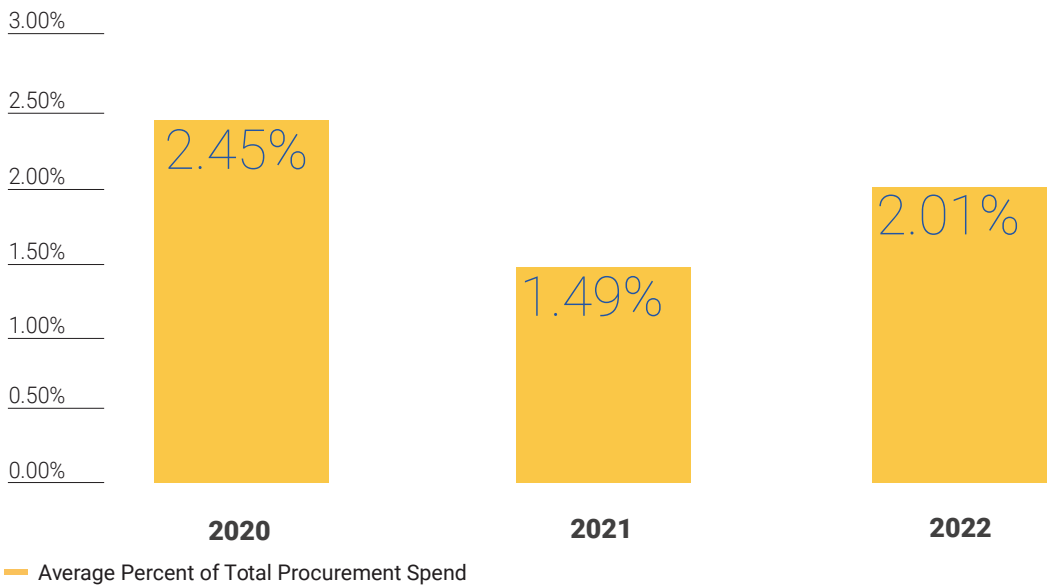
## TOTAL HISPANIC SPEND

There are signs of progress that – with more transparency – we could explore for deeper insights. This year we saw the largest average spend with Hispanic suppliers since 2014.

2022 CII participants spent an average of \$1,089,363,195 with Hispanic suppliers.

The increase in average total spend with Hispanic suppliers can also be seen as a sign of progress. We hope it signals a change in the norms for corporate targets for the percent of total spend with Hispanic suppliers. *2022 CII participants average over 2 percent of their total procurement spend with Hispanic suppliers.* This is a trend that started in 2020, was negatively impacted by the practices and responses to the events of 2020, and now seems to be shifting back to a positive trajectory.

2022 CII PARTICIPANTS AVERAGE PERCENT OF TOTAL PROCUREMENT SPEND WITH HISPANIC SUPPLIERS

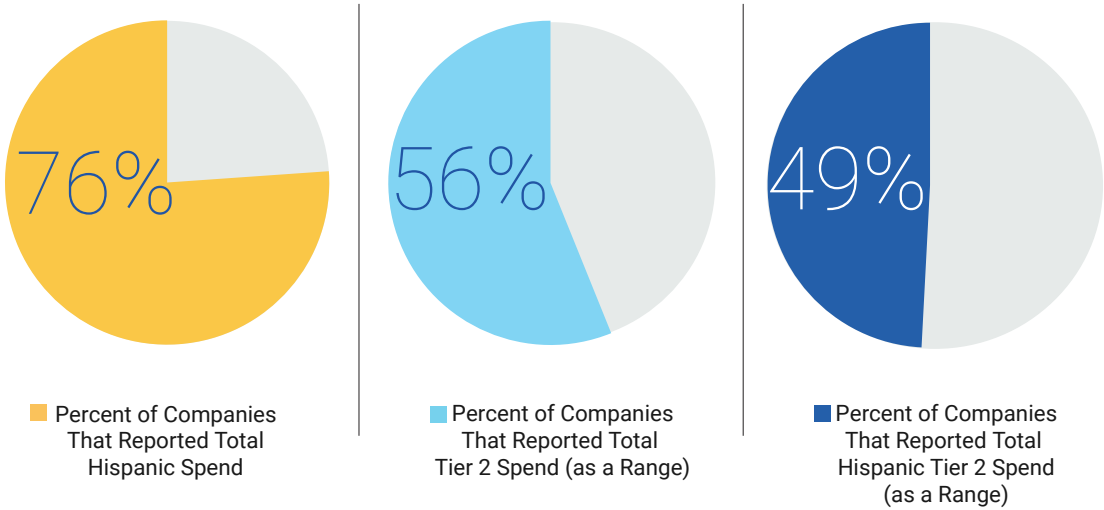


However, some low hanging fruit remains when it comes to opportunities for improved reporting and outcomes. For one, there remains a pervasive, and at times, hard-to-detect practice of reporting diverse spend as opposed to total spend with suppliers. This practice is inadequate, as the goal of surveys such as the CII is not to compare Hispanic figures and outcomes to other underrepresented groups and communities, but to determine what share of all available resources have been allocated to Hispanics.

## REPORTING ACROSS PROCUREMENT TIERS

A small, growing number of companies are starting to follow investments with Hispanic businesses through improved, more efficient, and targeted relationships with Tier 1, Tier 2, and Tier 3 vendors. While all companies track their Tier 1<sup>3</sup> spend, an increasing number are also tracking and reporting on Tier 2<sup>4</sup>, and even Tier 3<sup>5</sup> supplier figures as well. The practice of tracking Tier 2 and Tier 3 spending data exemplifies how external partnerships that include shared DEI goals, definitions, and metrics can help companies understand the downstream impact of their business-to-business investments. This is especially true for companies that have low diversity metrics in their Tier 1 spend numbers. The ability to track impact through Tier 2 and Tier 3 relationships offers insight into a network of procurement partners that have fewer structural barriers to the inclusion of Hispanics and other diverse vendors. Without Tier 2 and Tier 3 procurement spend data, companies and others cannot fully understand how procurement investments are leveraged to benefit the Hispanic and other diverse communities.

PERCENT OF 2022 CII PARTICIPATING COMPANIES THAT SHARED TOTAL TIER 1 SPEND AND A RANGE OF TIER 2 SPENDING DATA.



<sup>3</sup> Tier 1 supplier, according to CVM Solutions, is a third-party company that provides products directly to an organization without the involvement of a middleman or other companies. They are the second-to-last link in the supply chain, with the buying organization being the final link.

<sup>4</sup> Tier 2 supplier, according to CVM Solutions, is a company that supplies to an organization's suppliers. They are the "supplier's supplier," or the third-to-last link in the supply chain.

<sup>5</sup> Tier 3 supplier is a company that supplies materials to Tier 2 suppliers. They are the "suppliers' suppliers' supplier," or the fourth-to-last link in the supply chain.



## INVESTING IN HISPANIC SUPPLIERS

Similar issues plague supplier counts. Unverifiable total counts, which are suspiciously low, continue to be reported and may be artificially inflating the percent of Hispanic suppliers among all suppliers. We suspect that the low total figures only represent diverse suppliers and exclude counts for businesses that are either unknown or white owned. Nevertheless, even with some degree of measurement error overstating *Hispanic supplier representation*, *Hispanic suppliers still represent less than 2 percent of all reported suppliers.*

### CII PARTICIPATING COMPANIES AVERAGE NUMBER OF HISPANIC SUPPLIERS

	Total Reported Suppliers	Average Total Suppliers	Average Hispanic Suppliers	Average Hispanic Suppliers as a Percent of Total Suppliers
<b>2022</b>	353,781	4,536	85	1.42%
<b>2021</b>	523,063	8,718	88	.96%
<b>2020</b>	441,553	9,011	85	.83%

## SUPPLIER DEVELOPMENT INITIATIVES

Often cited refrains around the challenges of working with more Hispanic suppliers include supplier size, experience, and capacity. Yet, these are surmountable barriers through supplier development initiatives. In fact, supplier development initiatives offer high return-on-investment for companies that seek to help Hispanic suppliers meet the needs of their corporate partners. Supplier development initiatives also create an opportunity for diverse suppliers to build high-quality relationships with companies that – over time – increase the value of the partnership. *With only 6.39 percent of their Hispanic suppliers in development initiatives, this year's cohort of CII participants has the lowest number of Hispanic suppliers in development initiatives since 2018.* That's a lot of potential left on the table. With nearly a quarter (23.2 percent) of participants both requiring that diverse suppliers be certified and not providing any resources to obtain certification, the hurdles to gaining experience working and building relationships with large corporations remains a barrier that should be revisited and challenged alongside other opportunities for change during this time of recalibration.

**SO WHAT...** In its 2021 State of Supplier Diversity report, *Supplier.io* similarly found that supplier development initiatives have seen recent, sharp declines<sup>6</sup> For years, HACR has advocated for a number of changes to corporate procurement practices that would make companies better co-investors in the success of diverse suppliers and the improvement of their supply chain. In its report, *Supplier.io* lists the following ten reasons to support supplier development programs:

- 1 Improved supplier performance
- 2 Reduced costs and increase profitability
- 3 Greater innovation
- 4 Better collaboration between suppliers
- 5 New routes to supply
- 6 Improved supplier relationships
- 7 Job creation
- 8 Improved customer satisfaction
- 9 Improved brand reputation
- 10 Progress in meeting supplier diversity goals

The difficulties many Hispanic suppliers face in building mutually beneficial relationships with corporations can be seen through this year's reported conversion rates<sup>7</sup>. This reported rate for 2020 has fallen to 24 percent from 30 percent in the 2022 report. *This drop in conversions highlights the flaws and gaps inherent in typical supplier diversity practices, many of which have been discussed here.* Unfortunately, to accurately determine the significance of annual changes in figures like the conversion rate, there needs to be continued measuring

---

<sup>6</sup> Supplier.io. "10 Reasons to Invest in a Supplier Development Program." Supplier.io. Retrieved September 7, 2022. (<https://www.supplier.io/blog/invest-in-a-supplier-development-program>)

<sup>7</sup> Those suppliers that go from the bidding to the award stage of the contracting process

and reporting of this metric. This year, only 11 percent of participants reported their conversion rates. *Transparent reporting is and will remain a key practice in determining both where and how to improve supplier diversity practices.* For some time, HACR and other DEI leaders have pointed to the fact that, when building a DEI plan, clear and transparent processes are needed to drive accountability to support and develop programmatic objectives.<sup>8</sup>

Transparent reporting is and will remain a key practice in determining both where and how to improve supplier diversity practices.

There is real incentive to making the effort to adapt and report on key best practices in developing and supporting diverse supply chains. Companies that measure, report, and make supplier diversity a key component of their procurement practices have seen significant financial returns on their investments. One study found that companies with robust spend with diverse suppliers can attribute as much as 15 percent of sales revenue to supplier diversity.<sup>9</sup> Other studies have found that the returns for supplier diversity programs can be as high as 133 percent.<sup>10</sup> For years, HACR has seen similarly positive outcomes for companies that support their Hispanic suppliers through development programs, making financial assistance<sup>11</sup> available when needed, and providing resources to meet certification qualifications.

**SO WHAT...** As far back as 2015, HACR has been drawing a connection between corporate spend on Hispanic-owned businesses and the communities they are located in. Procurement spend with Hispanic-owned businesses is a direct investment in Hispanic communities and can stimulate local economies, promote growth, and create jobs. The work of diversity, equity, and inclusion is not siloed and cannot be contained in one area. If DEI is important in Employment, then it must be important here too. Giving DEI initiatives in procurement the attention, resources, and accountability structures that companies are investing in other areas of operation will go a long way towards providing companies with a real pathway to the benefits of this direct equity investment.

<sup>8</sup> Laker, Benjamin. 2022. "Leaders: Stop Just Checking the Box on Diversity. Make an Impact." Forbes. Retrieved September 7, 2022. (<https://www.forbes.com/sites/benjaminlaker/2022/04/11/leaders-stop-just-checking-the-box-on-diversity-make-an-impact/?sh=61a14e455851>)

<sup>9</sup> Broad College of Business, Michigan State University. 2021. "The Importance of Diverse Suppliers within the Supply Chain." Michigan State University. Retrieved September 7, 2022. (<https://www.michiganstateuniversityonline.com/resources/supply-chain/the-importance-of-diverse-suppliers/>)

<sup>10</sup> Jones, Steven D. 2006. "Benefits of Supplier Diversity May Go Beyond 'Social Good'." Wall Street Journal. Retrieved September 7, 2022. (<https://www.wsj.com/articles/SB115611527732140564>)

<sup>11</sup> Financial assistance may include short-term payments, advance payment options, as well as more traditional sources of financial assistance in the form of grants, loans, etc.

# PROCUREMENT RATING GUIDE

## RATING GUIDE

HACR uses a five-star rating system. Each pillar is rated separately. For each of the four pillars there are 5 total possible stars based on a composite assessment of practices and outcomes.

## PRACTICE ASSESSMENT

A maximum of four (4) stars are possible. Stars are rewarded based on a percentage achieved out of 25 total criteria items that are assessed in each pillar.



## OUTCOMES ASSESSMENT

There is one (1) star possible for the outcomes assessment. This star is awarded based on a participating company meeting the minimum annual threshold for at three (3) out of five (5) quantitative criteria items assessed in each pillar.

## MINIMUM 3/5 CRITERIA MET 1 POSSIBLE STAR

A composite assessment of practices and outcomes determines how many total stars are awarded for the overall rating

## HOW DID THE SAMPLE DO?

### PRACTICE ASSESSMENT

Overall, the sample received a **two (2) star rating** in their practice assessment out of four (4) total possible stars. Setting measurable goals, tracking progress, and participating in transparent evaluation processes will significantly change what supplier diversity outcomes look like both on an assessment spreadsheet and in practice. It's up to companies to actively leverage the latent potential of Hispanic suppliers by making supplier diversity initiatives a priority throughout their organization.

### OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for **one (1) out five (5) metrics**, thereby not awarding the 2022 cohort of HACR CII participants with an additional star for a total of **two (2) stars** in Procurement.

### PRACTICE + OUTCOMES ASSESSMENTS



# PROCUREMENT OPPORTUNITY AREAS

Companies that leverage their ERGs to improve their procurement diversity practices and offerings

54%

Companies that provide incentives for Tier 1 suppliers to spend with women and minority vendors

28%

Companies that provide financial assistance to U.S. based suppliers

43%

Companies that track the percentage of diverse suppliers that go from bid to award status

33%

Companies that give the highest-ranking employee responsible for supplier diversity an incentive based on their performance

60%

Companies that have accountability metrics to deliver on supplier diversity goals

62%

# PHILANTHROPY INSIGHTS

# PHILANTHROPY 2022 HACR CII 5-STAR RATED COMPANIES

Comcast NBCUniversal

Edison International

Humana

Medtronic plc

Target

Toyota North America

U.S. Bank

Visa

# THREE YEARS LATER: DISAGGREGATING DATA FOR IMPACT EVALUATION

PHILANTHROPY

## 2022 Findings

### A CALL FOR TRANSPARENCY

The COVID-19 pandemic and the social justice reckoning of 2020 mobilized foundations and corporate philanthropic efforts to award record setting amounts to communities and organizations addressing these historic events and their many collateral consequences. Last year, the CII recorded the increase in contributions, but like our findings in procurement, many companies were not disaggregating data to measure and track the impact of their efforts on specific communities. As we examine this year's outcomes for corporations' philanthropic efforts, we will continue our appeal for companies to take different approaches to their philanthropic practices to improve outcomes for their internal goals and the community.

This year, 55% of CII participants reported not making any investments in new tools or technology for tracking their philanthropic efforts. Without an up-to-date and supported data infrastructure plan for philanthropic initiatives, companies are restricted from being fully transparent about their initiatives. The lack of transparency and prioritization could cause some stakeholders to question the company's sincere commitment to the causes they are seeking to address. Doubt of this nature can have unintended and unwanted consequences for companies. For instance, a growing number of job seekers are looking at companies' social responsibility profile to help them decide on accepting job offers. Given the events of the past three years, it is no surprise that job seekers are interested in knowing how companies are affecting the world around them and the communities they live in. The recent and increasingly competitive hiring environment foretells this being a topic that will remain important as companies compete for diverse talent.



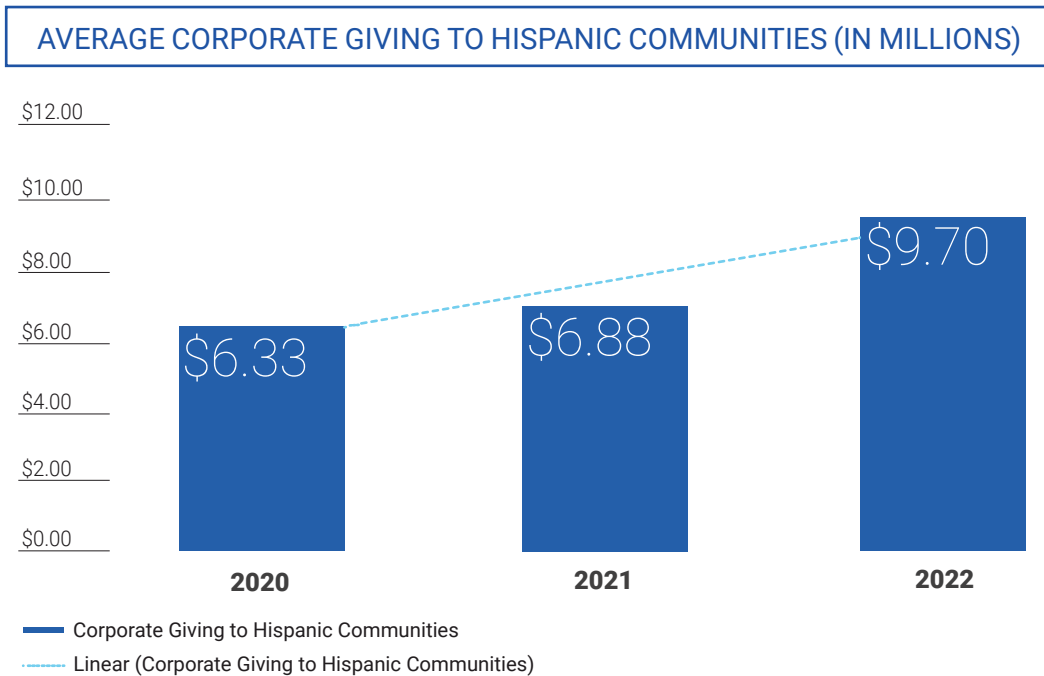
In many ways, philanthropy, like procurement, is a community facing activity through which companies invest in the overall improvement and well-being of their customers and other external stakeholders. Just as in procurement, companies should be intentional in how they present as partners. To do so, companies must design, manage, and support a data infrastructure that disaggregates their giving and impact data.

**SO WHAT...** Being a responsible philanthropic stakeholder is a journey which may begin with contributions to programs and initiatives aimed at improving the well-being of a community. It must also include evaluations and impact assessments. The evaluation of philanthropic giving programs ensures philanthropic initiatives reach target communities and have the intended outcomes for those receiving as well as those providing resources. Many of the social issues companies seek to address through philanthropic strategies impact different communities at different degrees and in different ways. Without a community-specific lens, obtained through the disaggregation of data, even the most well-meaning initiative could exclude entire groups, employees, and organizations from accessing and fully benefiting from programs and services.

### CORPORATE GIVING

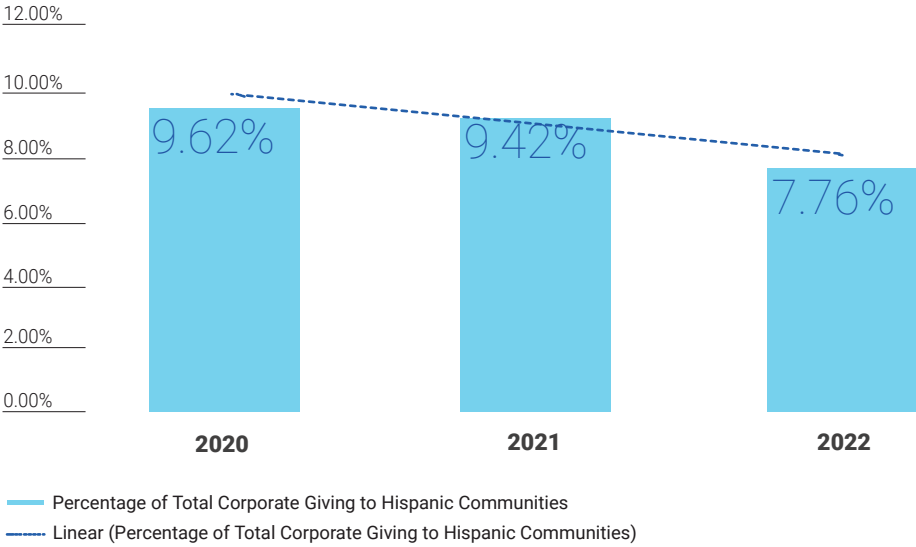
This year, 74 percent of participating companies reported that their continued response to the pandemic and calls for racial justice included increased engagement with diverse communities. Sixty-six percent reported an increase in giving to diverse communities as well. On the corporate giving side (which for the purposes of the CII excludes corporate foundation giving), the average contributions to the Hispanic community has steadily increased over the past three years going from \$6 million to nearly \$10 million in corporate contributions.

However, the rate of growth in giving to the Hispanic community has not kept pace with the growth in overall



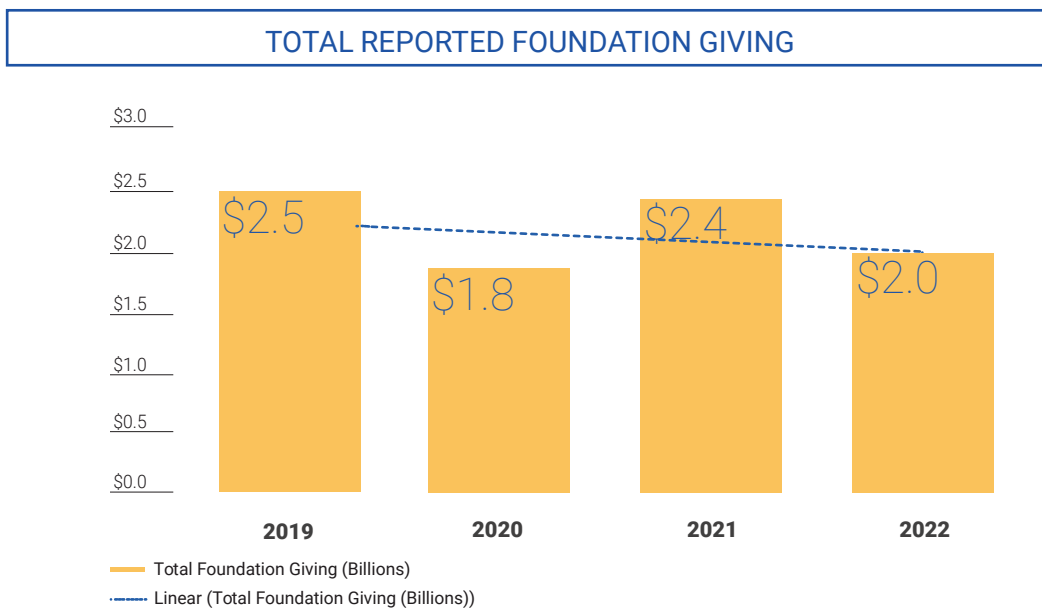
corporate giving during this same period, resulting in decreases in the percent of contributions to the Hispanic community. This fact, once again, highlights the importance of tracking how and where contributions are directed. If companies want to make sure that their contributions are not only growing, but that the growth is reaching targeted communities, they must dive into their disaggregated data.

**PERCENT OF REPORTED CORPORATE GIVING INVESTED IN HISPANIC COMMUNITIES**

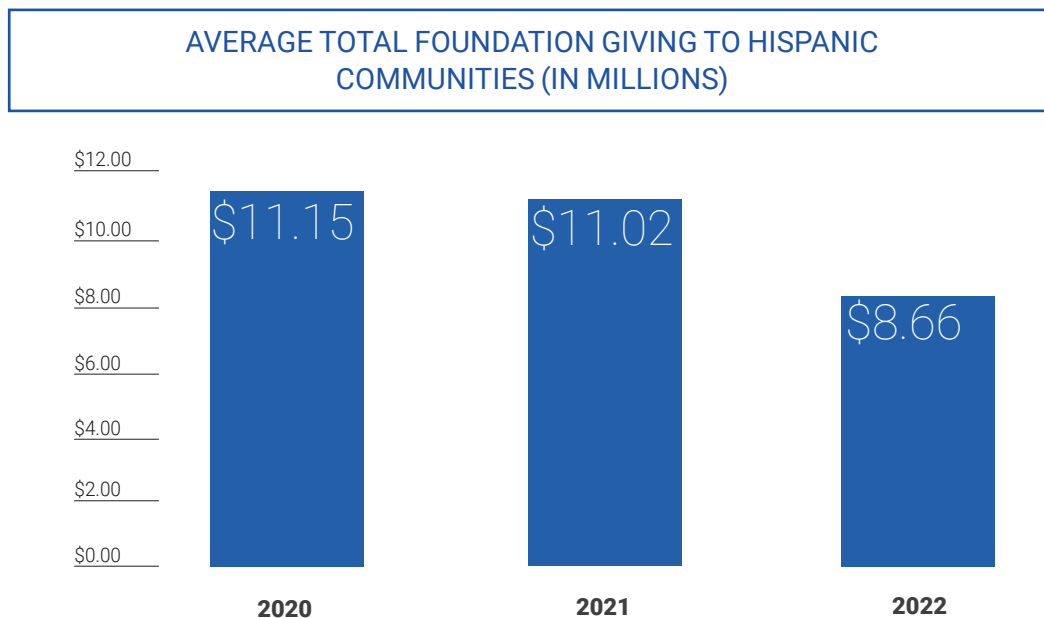


## FOUNDATION GIVING

In addition to investing in community causes through corporate giving programs, many companies also have corporate foundations through which they make philanthropic contributions to the community. The 2021 report indicated a decrease in total foundation contributions (from \$2.5 to \$1.8 billion) because of widespread programmatic cancelations and unexpected shifts in services resulting from the pandemic. The following year, total giving amounts seemed to have recovered; 2021 CII participants reported a total of \$2.4 billion in foundation giving. The positive trend, however, did not continue in this year's data. Instead, 2022 CII participants reported a total of \$2 billion in foundation giving.



Foundation giving to the Hispanic community varies from year to year. This is to be expected with giving that is mission-driven and tied directly to the constantly shifting needs of the community. This year, 78 percent of participating companies reported having a formalized structure for their foundation giving. These companies reported they contributed a total of \$303,020,600 to the Hispanic community<sup>1</sup> and Hispanic-led<sup>2</sup> organizations. Unfortunately, *due to issues stemming from the inability of many companies to measure, track, and report on their foundation's contributions to the Hispanic community, the 2022 CII analysis of average giving totals per company to the Hispanic community represents data from only 55 percent of participants that said they have a foundation.*



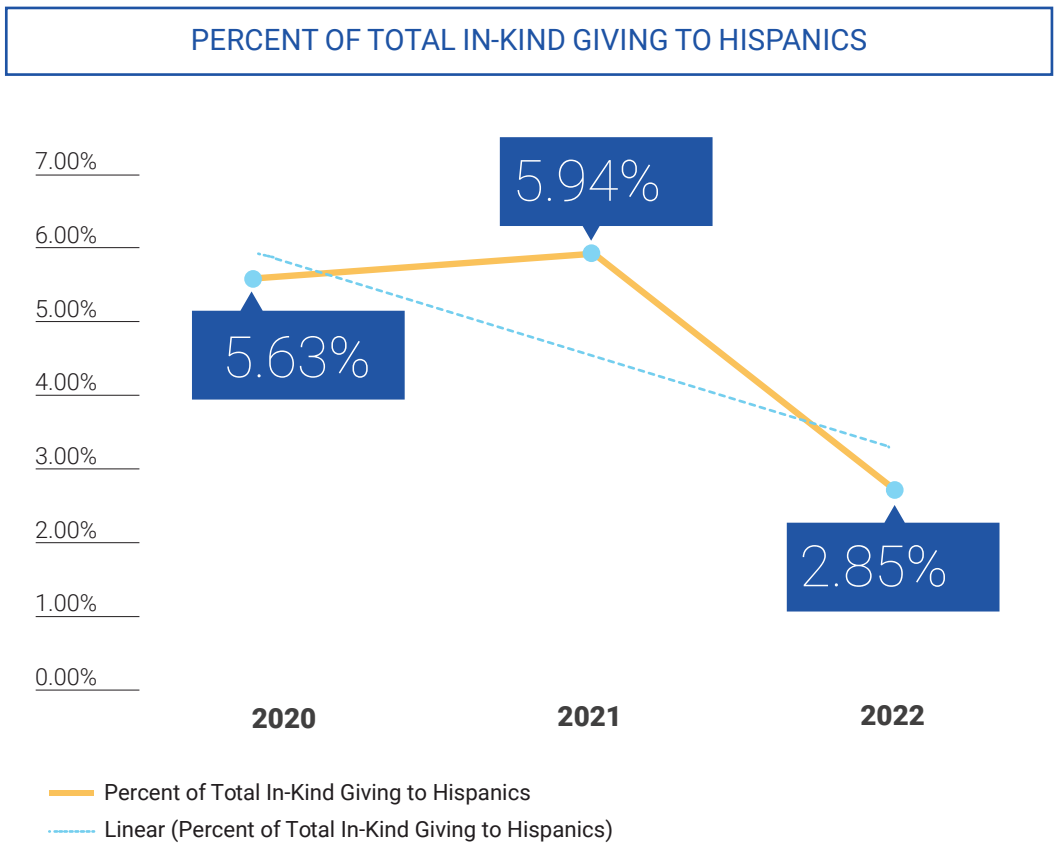
## IN-KIND GIVING

In-kind contribution reporting suffers from a different set of problems. Commonly, companies are challenged to consistently define, and track, their in-kind giving. Commonly, companies count physical products as in-kind contributions, but intangible contributions, such as services, are often not counted. Often there is a lack of reporting infrastructure to collect the data in a reliable way across corporate activities as well. This is important for three reasons. First, companies are likely not counting a significant amount of their contributions. Second, in addition to services, pro bono hours provided by professional employees (lawyers, accountants, etc.) are also often not counted. These are contributions that should be counted as they represent time and talent being leveraged to help communities rather than company profits. Finally, companies that do not make physical products are often the ones not counting these sizable contributions to the community. Due to these issues, as well as the inconsistent number of companies tracking and reporting on their annual, in-kind contributions,

<sup>1</sup> Hispanic Community Organizations are those nonprofit organizations working for the betterment of the Hispanic community but whose mission is not to specifically serve the Hispanic community (i.e. United Way of Greater Miami).

<sup>2</sup> Hispanic-Led Organizations include nonprofit organizations working in the Hispanic community whose mission it is to serve the Hispanic community (i.e. Hispanic Scholarship Fund, HSF).

a clear, discernible pattern cannot be determined from year-to-year. That said, in-kind contributions to the Hispanic community were 2.85% of total in-kind contributions and were reported and valued at \$5B. While this number is significant, it represents only half of what was reported in the last two years. On average, 2022 CII companies gave about \$106M to Hispanic communities.



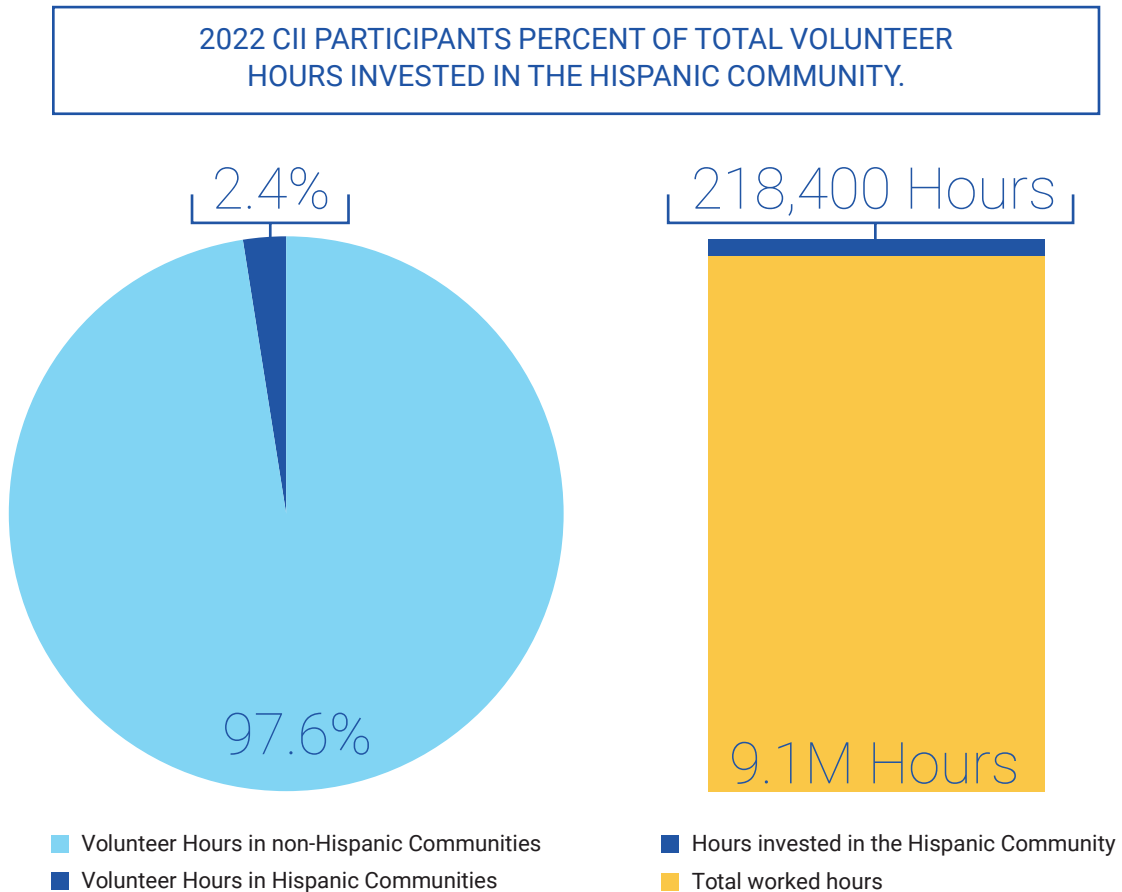
To improve reporting, companies should incorporate in-kind contributions into their strategic planning and action plans for giving. With 92 percent of 2022 CII participants reporting having a strategic plan for their corporate giving initiatives, there's a real possibility for this practice to be standardized. Furthermore, over 89 percent of participants reported reviewing their corporate giving initiatives regularly, which would allow for in-kind giving practices to evolve with the changing needs of the community and other stakeholders.

## VOLUNTEERISM

Total volunteer hours have been steadily declining since 2020. Several factors, including the pandemic and post-pandemic normalization of new volunteering norms, could be contributing to the recent decline. The total number of volunteer hours in the Hispanic community has also been steadily declining. In total, this year's participants contributed 9.1 million volunteer hours across all communities, of which 2.4 percent were in the Hispanic community.

Volunteering can be an essential way for employees to demonstrate leadership to internal and external corporate stakeholders. Decreased opportunities for volunteering could not only diminish the high-touch opportunities for community impact and partnership development, but it also could reduce avenues for company leaders to identify "high potential" talent. Reducing corporate-sponsored volunteer hours could be a missed opportunity to discover new leaders while providing vital assistance to the communities they serve.

Additionally, as workplaces become increasingly demanding, it is becoming harder for employees to justify taking time to volunteer in the community. *While 94 percent of this year's participating companies report that their volunteer programs are supported by management, and 89 percent reported that their programs are integrated with other business functions, only 65 percent are evaluating the impacts of these efforts on employees and communities.* Findings from this year's survey suggest that whether a company performs impact evaluations of their volunteer efforts influences their collection of other evaluative metrics.



When it comes to calculating the dollar value of volunteer hours, only 21 percent of 2022 CII participating companies disaggregate the data for hours spent specifically in the Hispanic community. Therefore, the 2.4 percent of volunteer hours and dollar value contributed to the Hispanic community is most likely a significant undercount of companies' actual contributions. *Nevertheless, participating companies reported contributing over 218,000 hours to the Hispanic community.*

**SO WHAT...** Calculating the monetary value of volunteer efforts strengthens a company's community impact narrative and allows for a compound calculation of community investment that considers not only direct investments of procurement and philanthropic spends, but also the value of human talent and time. As we mentioned earlier in this section, potential employees are increasingly looking at what companies are doing to address key social issues and, perhaps more importantly, how authentically they are taking on the historic and systemic challenges. Given that reality, being transparent can have big payoffs for companies that are willing to put in the work.

Key questions for companies as they develop their pandemic emergent strategies are:

- 1 How engaged do companies want to be with the communities they rely on for their business and talent?
- 2 What is the value of in-person presence and representation in those communities?
- 3 What does it mean for corporations to be community stakeholders?

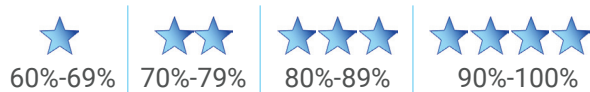
# PHILANTHROPY RATING GUIDE

## RATING GUIDE

HACR uses a five-star rating system. Each pillar is rated separately. For each of the four pillars there are 5 total possible stars based on a composite assessment of practices and outcome.

## PRACTICE ASSESSMENT

A maximum of four (4) stars are possible. Stars are rewarded based on a percentage achieved out of 25 total criteria items that are assessed in each pillar.



## OUTCOMES ASSESSMENT

There is one (1) star possible for the outcomes assessment. This star is awarded based on a participating company meeting the minimum annual threshold for at three (3) out of five (5) quantitative criteria items assessed in each pillar.

## MINIMUM 3/5 CRITERIA MET 1 POSSIBLE STAR

A composite assessment of practices and outcomes determines how many total stars are awarded for the overall rating.

## HOW DID THE SAMPLE DO?

### PRACTICE ASSESSMENT

Overall, the sample received a **two (2) star rating** in their practice assessment out of four (4) total possible stars. While it may be clear that change is needed in companies' philanthropic practices, it may be daunting to know where to start. Companies should build on small, manageable changes and implementations rather than taking on too much at once. The rationale for this is two-fold. First, there isn't a "one size fits all" approach to being a good community stakeholder. Which brings us to our second point, this is an intimate and individualized process and companies should take their time to discover what works best for them.

### OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for **one (1) out five (5) metrics**, thereby not awarding the 2022 cohort of HACR CII participants with an additional star for a total of two (2) stars in Philanthropy.

### PRACTICE + OUTCOMES ASSESSMENTS





# PHILANTHROPY OPPORTUNITY AREAS

Companies that have employee-wide  
volunteer programs in Hispanic  
communities

78%

Companies that track the number  
of employee-wide volunteer hours  
in Hispanic communities

32%

Companies that calculate the dollar  
value of employee-wide volunteer hours  
in Hispanic communities

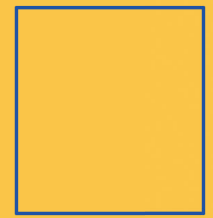
21%

Companies that calculate the dollar value  
of Hispanic ERG-led volunteer hours  
in Hispanic communities

18%

Companies that track which Hispanic-led  
organizations benefit from employee  
volunteer hours

37%



# GOVERNANCE INSIGHTS



# GOVERNANCE 2022 HACR CII 5-STAR RATED COMPANIES

ADP	KPMG LLP
American Express	Marriott International, Inc.
Anthem, Inc.	Medtronic plc
Bank of America	MetLife Inc.
Chevron	Moody's
Citi	PepsiCo
Comcast NBCUniversal	Pfizer, Inc.
Comerica Bank	Procter & Gamble
Dow	Raytheon Technologies
Edison International	Sodexo
Estée Lauder Companies Inc., The	Standard Chartered Bank
Gilead Sciences, Inc.	Stellantis
Goldman, Sachs & Co. LLC.	Target
Hershey Company, The	Travel + Leisure Co.
HP Inc.	Verizon
Intel Corporation	Visa
JPMorgan Chase & Co.	Walmart Inc.
	Wells Fargo & Company

# THREE YEARS LATER: LEADERSHIP AT THE TOP

## GOVERNANCE

### 2022 Findings

Following a trend that began in 2021, representation of Hispanics in executive corporate leadership positions continues to decline at an alarming rate. The business case for reversing this trend has been made in this and other reports before it. As diversity and representation decreases, so too does creative and diverse ideation, strategy development and the ability to identify cultural missteps within a company. In other words, people may become afraid to speak up about ideas and concerns if they feel that their positions will not be understood, or worse, misinterpreted. Furthermore, diversity in leadership is a critical component of a healthy talent pipeline. Diverse leaders serve as exemplars for diverse talent; they are likely to mentor and sponsor rising talent within diverse communities; and they can contribute to culturally nuanced approaches to leadership development.

#### HISPANICS ON CORPORATE BOARDS

Diversity in leadership also provides organizations with the resiliency and innovation needed to get through tough times. For instance, diversity in the boardroom enables a diversity of ideas that could be disruptive to status quo approaches. Additionally, research suggests that diverse companies are more profitable than companies with little or no diversity.<sup>1</sup> One study found that companies with above average diversity on their management teams produce 19 percent more innovation revenue.<sup>2</sup> Yet, despite the long-standing evidence of diversity being beneficial to corporate profits and a salve against social and economic challenges, progress on expanding these benefits has slowed, particularly for Hispanics.

---

<sup>1</sup> Dixon-Fyle, Sundiatu et al. 2020. "Diversity wins: How inclusion matters." McKinsey & Company. Retrieved September 3, 2022 (<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>).

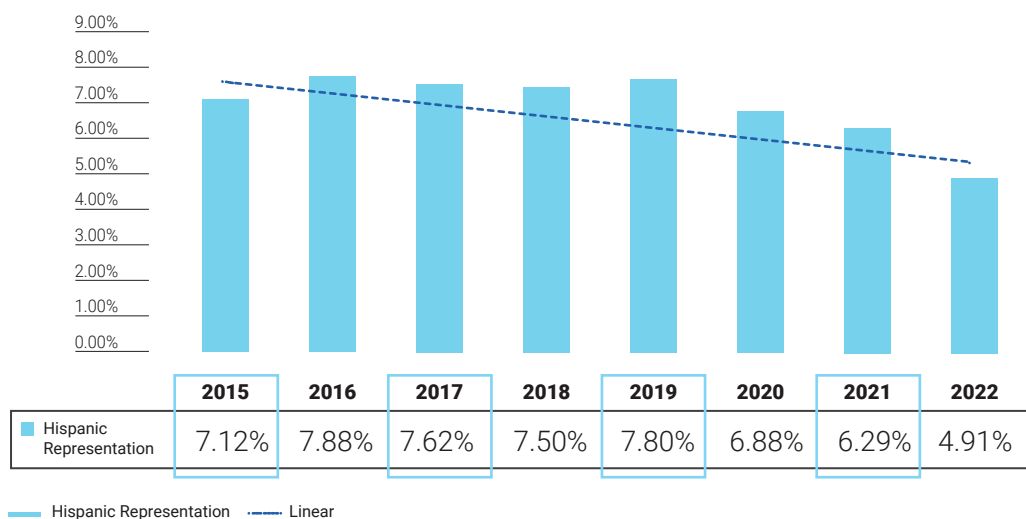
<sup>2</sup> Ordorica, Salvador. 2022. "The Business Benefits of Greater Diversity and Inclusion." Forbes. Retrieved September 13, 2022. (<https://www.forbes.com/sites/forbesbusinesscouncil/2022/04/06/the-business-benefits-of-greater-diversity-and-inclusion/?sh=40ae33aa15c8>)

An example of this slowed representation can be seen in the CII's figures for corporate boards. While representation numbers are on par with what was found in the most recent edition of the Alliance for Board Diversity's Missing Pieces Report, they are at an eight year low for CII participants.<sup>3</sup>

### HISPANIC REPRESENTATION ON CORPORATE BOARDS



### PERCENT OF HISPANIC REPRESENTATION ON CORPORATE BOARDS



The dwindling numbers are concerning as they may be signs that the Hispanic perspective and voice is diminishing in corporate America's decision-making rooms.

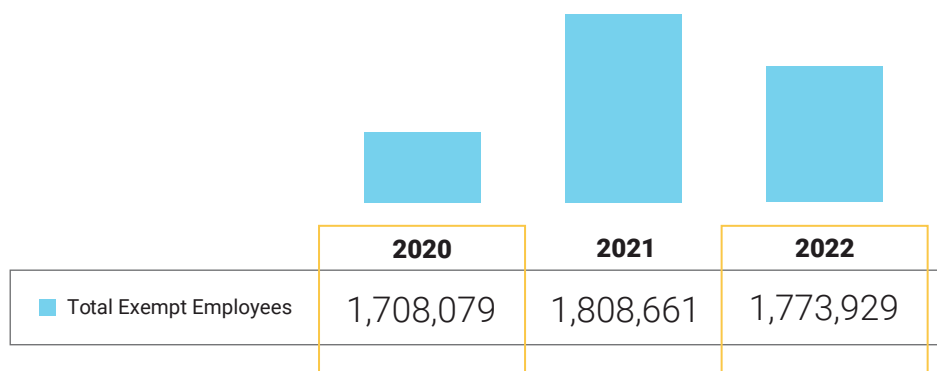
<sup>3</sup> Deloitte LLP, Catalyst, Diversified Search, The Executive Leadership Council, the Hispanic Association on Corporate Responsibility, and Leadership Education for Asian Pacifics. 2021. Missing Pieces Report: The Board Diversity Census of Women and Minorities on Fortune 500 Boards, 6th Edition. New York: Deloitte Development LLC.

According to this year's reported figures, the average board room has a rate of Hispanic representation of .6. In other words, about half of participants reported having at least one Hispanic board member. The other half reported having no Hispanic board members.

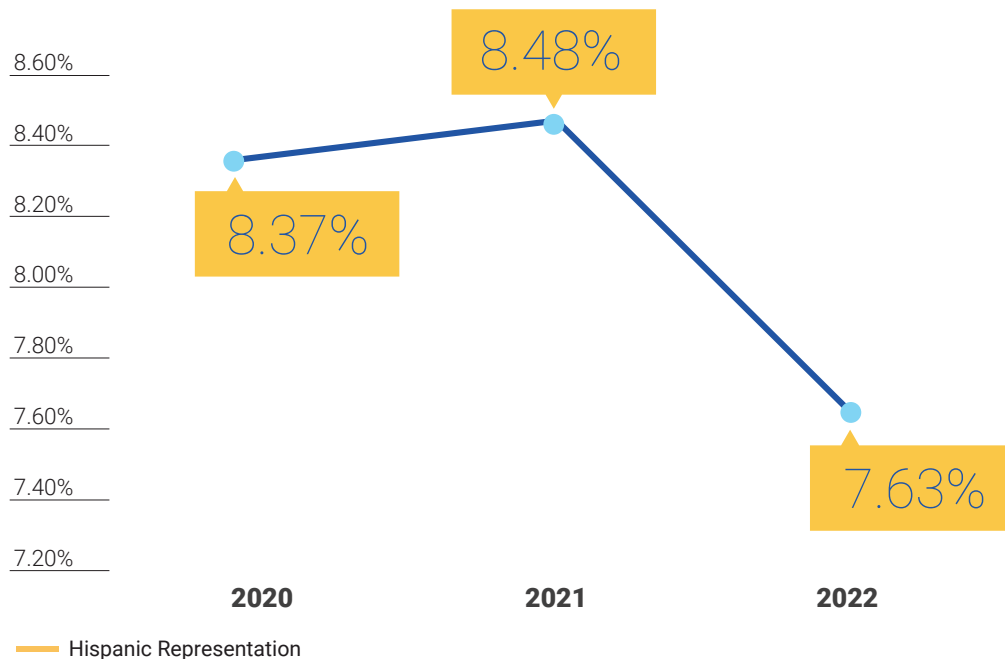
### HISPANICS REPRESENTATION IN THE EXECUTIVE LEADERSHIP PIPELINE

Exempt employees are a major source for leadership talent at corporations. The total number of exempt employees reported by our participants has been increasing over the last three years. However, the average percent of Hispanic representation within exempt employees has decreased during this same time.

YEAR-TO-YEAR INCREASE OF TOTAL EXEMPT EMPLOYEES



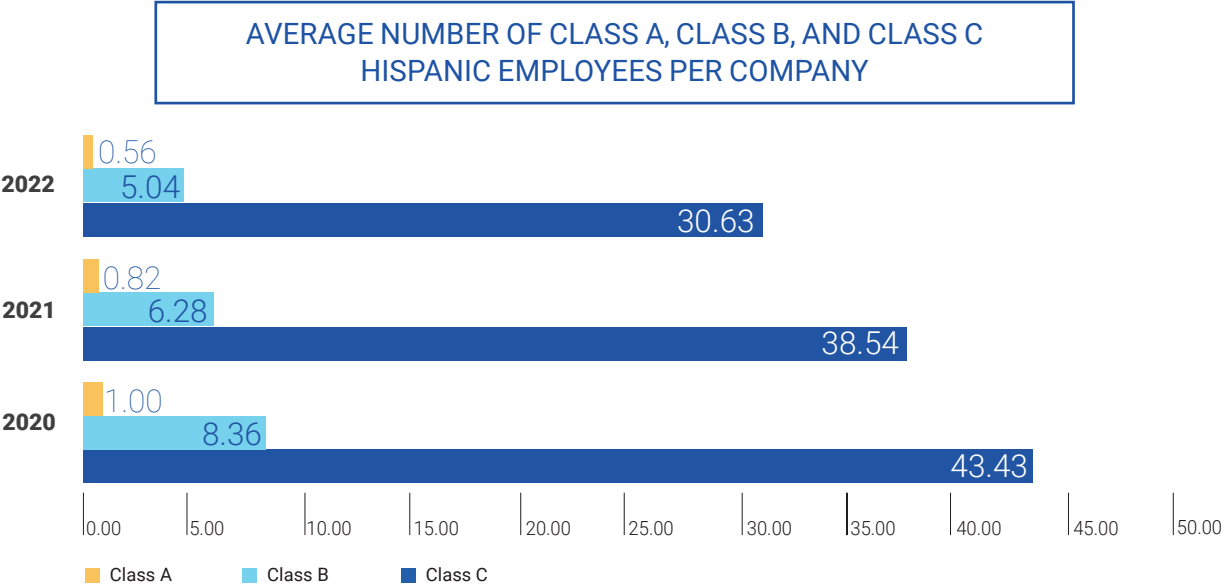
PERCENTAGE OF EXEMPT EMPLOYEES IDENTIFIED AS HISPANIC



Data from the 2022 CII also shows that Hispanic representation within executive management positions is also declining. In 2020, the average number of Hispanic direct reports to the CEO (Class A employees) was 1 per company. Since then, in 2021 and 2022, the average number of Hispanic Class A employees has dropped to .82 and .56 per company respectively. *That roughly translates to a 50 percent chance that a company's CEO will not have a Hispanic voice among their closest advisors.*

As we continue to move down in reporting levels, we see a similar trend among Class B<sup>4</sup> employees. In 2020, there was an average of ~8 Hispanic Class B employees on corporate leadership teams. This year, that number shrunk to ~5 Hispanic Class B employees per company. The decline is also reflected in the percent of total Hispanic Class B employees which went from 5.69 percent in the 2021 report to 3.69 percent this year. Meanwhile the total number of reported Class B employees has increased from ~10,000 to ~11,000. More than 65 percent of reported Class B employees are White while African Americans, Asians, Hispanics, and Native Americans each represent less than 10 percent of this employee class, further highlighting the diversity problem among corporate leaders.

The same narrative repeats itself with Class C<sup>5</sup> employees. Hispanic Class C employee representation declined from 6.21 percent in 2021's report to 4.2 percent in 2022's report This translates to the average corporate leadership team having just over ~30 Hispanic Class C leaders.




Class A, B, and C employees are primary sources of talent for the executive leadership pipeline. *Alarmingly, Hispanic representation has decreased to its lowest numbers since 2016 at 7.53 percent among exempt employees within this year's CII participants.* Barriers to inclusion here could be structural resulting from a lack of access to programs and resources such as mentoring, sponsorship, and succession planning programs

<sup>4</sup> Class B Employees include those who report to the CEO's direct reports (Class A employees).  
<sup>5</sup> Class C Employees include those who are two levels below the CEO and his/her direct reports.

as well as an inability to determine the effectiveness of these programs. For instance, while 100 percent of participants have succession planning programs, only 72 percent have goals and metrics for those programs.

As we continue to manage a path forward following the difficulties of the past three years, companies need to be mindful about regularly checking the health of their executive leadership pipeline development directed towards this tier of leadership. More than ever, it will be important for companies to do tailored assessments for the kinds of programs that will work best for their employees and leaders. Companies must also effectively tracking key metrics that will be used to evaluate how well their efforts are moving high potential Hispanic talent into key leadership positions.

 **SO WHAT...** It is critical to closely track and examine outcomes for trends within the exempt employee category, given that this tier of leadership is comprised of exempt positions. Some companies may point to examples of employee progression from non-exempt positions into the C-suite as proof that non-exempt employees have the same access to the pathways that exempt employees have. Certainly, these are examples that should be celebrated; however, they are – by most measures – the exceptions. The reality is that most Hispanics working in corporate America tend to be non-exempt employees and do not have equitable access to corporate leadership pipelines.



# GOVERNANCE RATING GUIDE

## RATING GUIDE

HACR uses a five-star rating system. Each pillar is rated separately. For each of the four pillars there are 5 total possible stars based on a composite assessment of practices and outcomes.

## PRACTICE ASSESSMENT

A maximum of four (4) stars are possible. Stars are rewarded based on a percentage achieved out of 25 total criteria items that are assessed in each pillar.



## OUTCOMES ASSESSMENT

There is one (1) star possible for the outcomes assessment. This star is awarded based on a participating company meeting the minimum annual threshold for three (3) out of five (5) quantitative criteria items assessed in each pillar.

## MINIMUM 3/5 CRITERIA MET 1 POSSIBLE STAR

A composite assessment of practices and outcomes determines how many total stars are awarded for the overall rating

## HOW DID THE SAMPLE DO?

### PRACTICE ASSESSMENT

Overall, the sample received a **three (3) star rating** in their practice assessment out of four (4) total possible stars. The reversed trend in Hispanic representation among company leaders is concerning. Having diversity of thought among corporate decision makers is good for companies, employees, and communities.

Ensuring this diversity will take a creative reimagining of the norms and practices that continue to keep diverse candidates from these roles and ensuring the health of corporate talent pipelines.

### OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for **three (3) out of five (5) metrics**, thereby awarding the 2022 cohort of HACR CII participants with an additional star for a total of four (4) stars in Governance.

### PRACTICE + OUTCOMES ASSESSMENTS



# GOVERNANCE OPPORTUNITY AREAS

Companies that require external recruiters to present diverse slates for board/executive openings

81%

Companies whose highest-ranking DEI employee have a “dotted line” or direct reporting relationship with the CEO

76%

Companies whose highest-ranking DEI employee receive incentives based on their performance

81%

Companies who have diversity goals with specific metrics as part of executive performance reviews

79%

# THREE YEARS LATER: LATINA INCLUSION POST-CRISIS

## 2022 Findings

### PERSISTENT CHALLENGES LEAD TO MINIMAL CHANGE

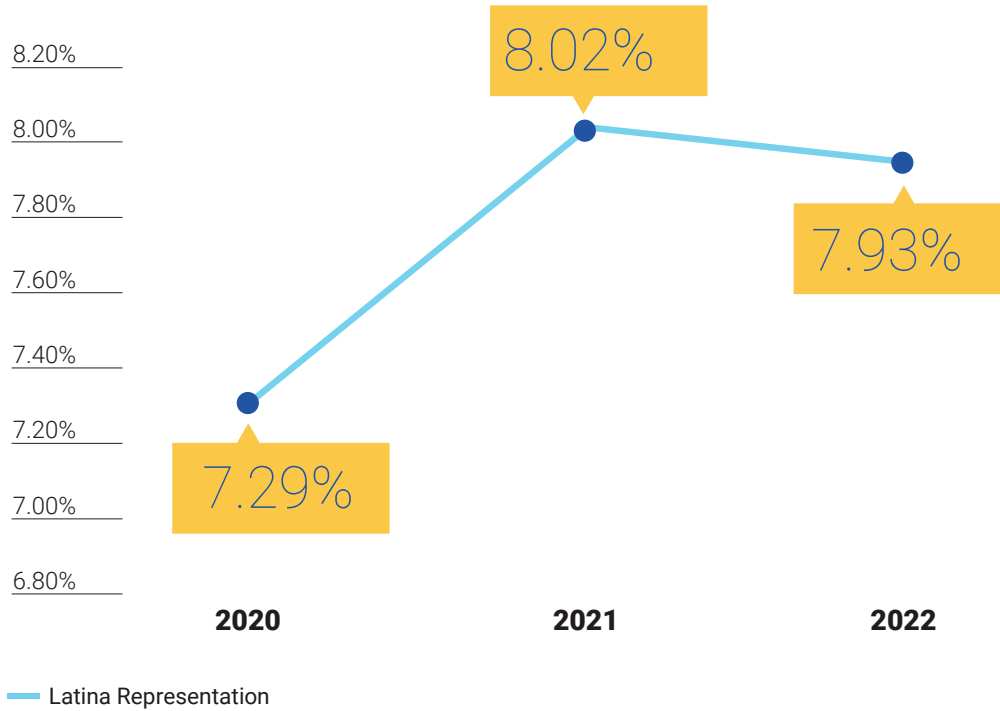
The 2022 CII has shown that outcomes for corporate practices over the last three years led to slowed, and in some cases, reversed improvements around Hispanic inclusion among corporate employees, supply chains, philanthropic giving, and executive leadership. The CII also offers an intersectional view into the disparate impact of these dynamics on Latinas. Over the past three years, Latinas – who represent one of the fastest growing minority populations with significant economic strength and a growing entrepreneurial presence<sup>1</sup> – have experienced minimal change in their rates of inclusion within corporate practices.

*The slow progress and declining outcomes for Latinas continues to rob companies of the benefits that could be derived from having increased diversity in their workforce and customer bases. When it comes to employment and the workforce, Latina representation among the total corporate employee population has been consistent over the last three years with change in growth coming from the non-exempt employee populations.*

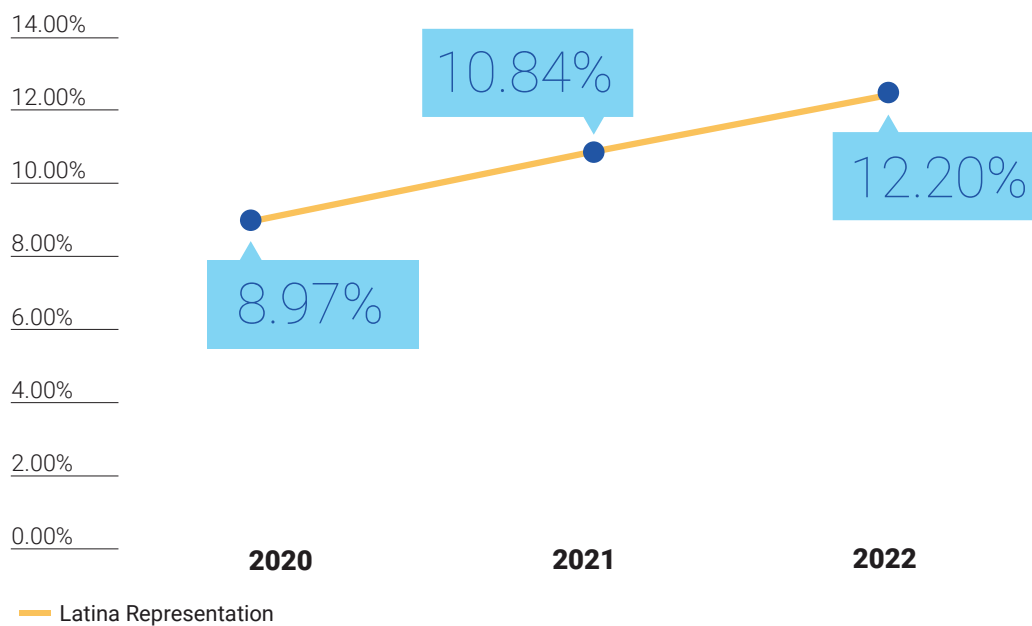
---

<sup>1</sup> Garcia, Ph.D., Lisette and Eric Lopez. 2017. "Hispanic Inclusion at the Highest Level of Corporate America: Progress or Not?" GENDER IN THE TWENTY-FIRST CENTURY

PERCENTAGE OF LATINA REPRESENTATION WITHIN TOTAL WORKFORCE

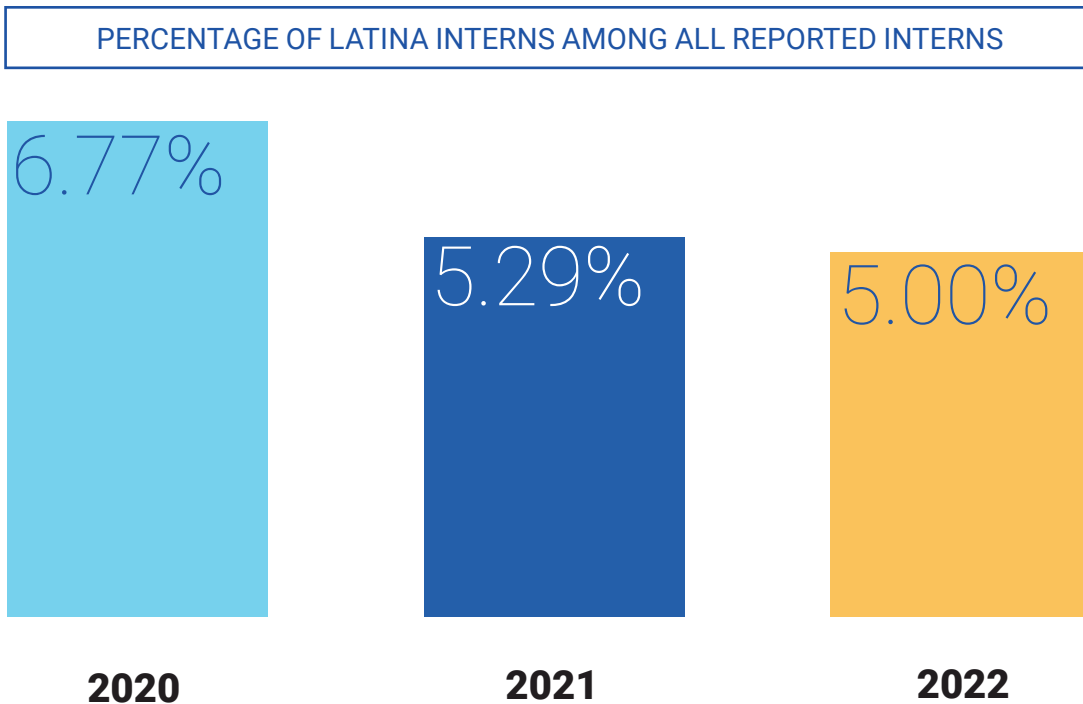


PERCENTAGE NON-EXEMPT EMPLOYEES IDENTIFIED AS LATINA



## LATINA ACCESS TO CORPORATE LEADERSHIP PIPELINES

Barriers to inclusive representation in the workforce can be traced to one of the earliest stages of the corporate leadership pipeline: internships. Over the past three years, the CII data shows a decline in the number of Latinas being selected for internship opportunities. *Since 2020, Latina representation among interns has fallen by two percent.*



The HACR Empow(h)er™ Report documented the many challenges that Latinas face in the corporate workplace. The lack of access to opportunities early in the career pipeline, along with their overrepresentation in traditionally “low-visibility” roles, which tend to fall in the non-exempt category, has hindered significant progress for Latinas. Many feel unseen by key decision makers and perceive that they are stereotyped in the workplace.<sup>2</sup>

**46% of Latinas felt their career prospects were very or extremely promising<sup>3</sup>**  
**56% of Latinas felt they are very or extremely valued within their corporation<sup>4</sup>**

<sup>2</sup> Garcia, Ph.D., Lisette, and Alida Minkel. 2020. “Empow(h)er™: Understanding Workplace Barriers for Latinas. Washington, DC: Hispanic Association on Corporate Responsibility.

<sup>3</sup> Ibid

<sup>4</sup> Ibid

Additionally, Latinas lack of access to resources that could help with their progress and satisfaction, such as mentorship and sponsorships.

**48% of Latinas did not participate in the structured mentoring program<sup>5</sup>**  
**71% of Latinas did not participate in the structured sponsorship program<sup>6</sup>**

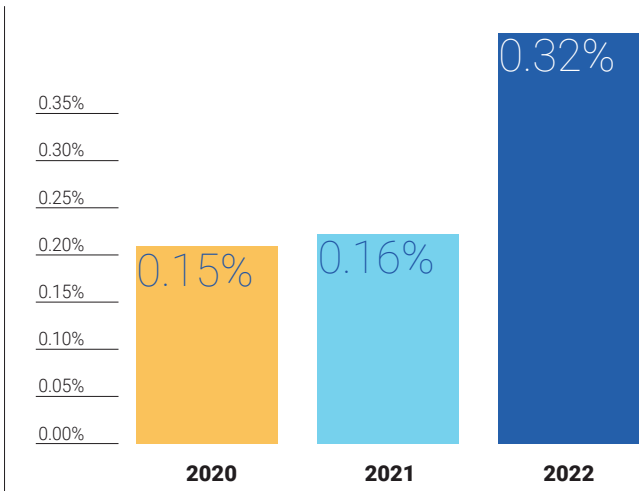
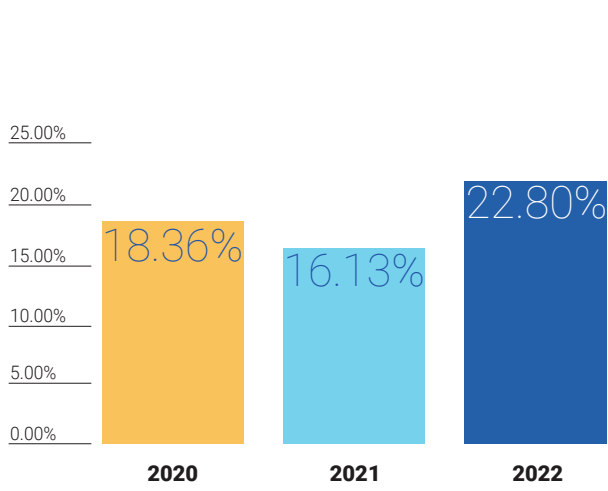
**SO WHAT...** When it comes to equity in the workplace, Latinas seem to be at a disproportionate disadvantage. One glaring example is the Latina pay gap. In 2022, Latinas made 49 cents for every dollar a White man-made.<sup>7</sup> This is a decrease from 57 cents in 2020. Moreover, White women made 89 cents for every dollar White men made.<sup>8</sup>

**LATINA-OWNED BUSINESSES WITHIN CORPORATE SUPPLY CHAINS**

When it comes to procurement spend, HACR encourages companies to utilize an intersectional lens in their data infrastructures to spotlight outcomes for intersections such as gender, race, and ethnicity. Very little data is available on this front. What was shared via the CII suggests that representation could be improving for Latina suppliers. More CII participating companies would need to disclose this information for any conclusive results to be determined.

**PERCENTAGE HISPANIC SUPPLIERS IDENTIFIED AS LATINA-OWNED**

**PERCENTAGE OF LATINA-OWNED SUPPLIERS AMONG ALL SUPPLIERS**



<sup>5</sup> Ibid

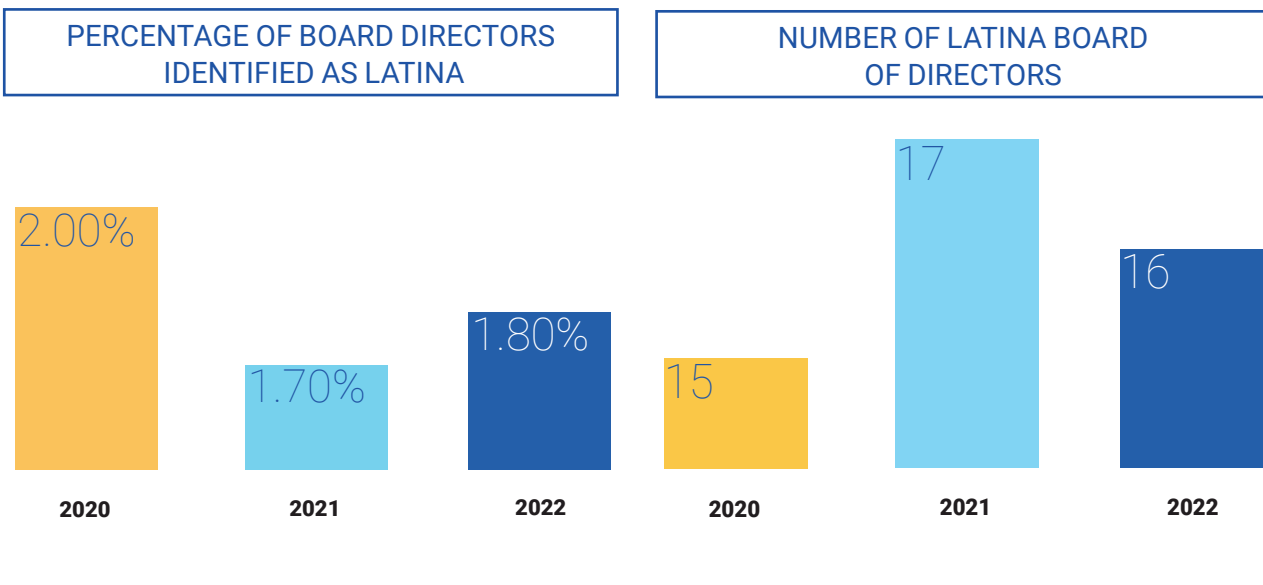
<sup>6</sup> Ibid

<sup>7</sup> Luz Media. 2022. "The 2022 Latina Wage Gap is Disastrously Larger than the Year Before." Luz Staff. Retrieved September 17, 2022. (<https://luzmedia.co/latina-wage-gap-increases>).

<sup>8</sup> Ibid

“Latinas represent the fastest growing sector of the entrepreneurial market and for the majority of Hispanic households, they are the primary financial decision makers.”<sup>9</sup> This makes Latinas an economic powerhouse with buying power and potential in the trillions. Yet, that hard-earned wealth and status has been jeopardized by the pandemic. Over the last three years, twice as many Latina-led companies were forced to close when compared to Hispanic male-owned businesses.<sup>10</sup> Outcomes from the 2022 HACR CII seem to show a reversal in this trend with companies engaging more Latina businesses, leading to increased representation among other Hispanic businesses and the overall supplier population. Nevertheless, there is still much left to be done before full parity for Latina suppliers is reached.

When it comes to representation in leadership, Latinas have made some progress over the years. According to the 6th edition of the Alliance for Board Diversity’s Missing Pieces Report, Latinas received the second largest increase in board seats over the two-year period since their 2018 census.<sup>11</sup> *Outcomes from the 2022 HACR CII show that since 2020, Latina representation in participating companies’ corporate board has changed little.*

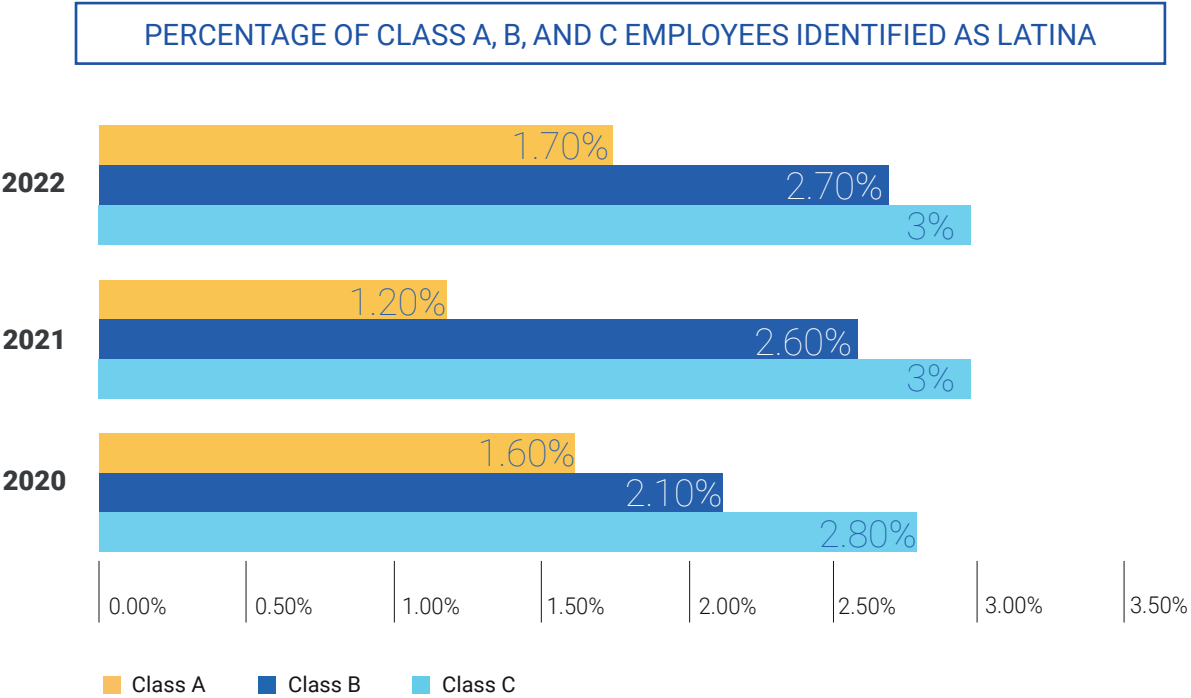


<sup>9</sup> Garcia, Ph.D., Lisette and Eric Lopez. 2017. “Hispanic Inclusion at the Highest Level of Corporate America: Progress or Not?” GENDER IN THE TWENTY-FIRST CENTURY.

<sup>10</sup> Davila, Alexis. 2021. “Latino buying power is rapidly rising and is fueling the economy.” WSLs 10. Retrieved September 13, 2020. (<https://www.wsls.com/news/local/2021/10/15/latino-buying-power-is-rapidly-rising-and-is-fueling-the-economy/>).

<sup>11</sup> Deloitte LLP, Catalyst, Diversified Search, The Executive Leadership Council, the Hispanic Association on Corporate Responsibility, and Leadership Education for Asian Pacifics. 2021. Missing Pieces Report: The Board Diversity Census of Women and Minorities on Fortune 500 Boards, 6th Edition. New York: Deloitte Development LLC.

Similarly, Latina representation among corporate executives has remained relatively flat over the last three years with only incremental increases. While the fact that Latina representation among corporate leaders is increasing comes as good news, it leaves much to be desired by way of improved parity and inclusion. Unfortunately little progress can be expected until companies reconceptualize how directors and other leaders are selected.<sup>12</sup>



**LATINA REPRESENTATION IN EXEMPT POSITIONS**

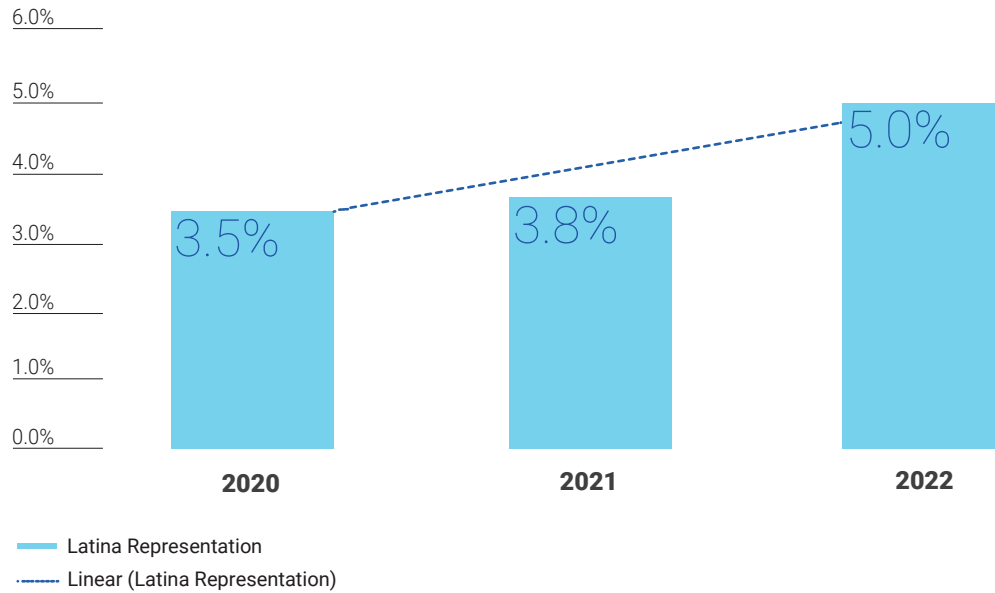
Incremental to no change can be seen among Latina representation within exempt employee categories, since 2020. Coupled with outcomes for Latina interns, the slow progress in exempt employee representation is another indicator that the talent pipeline for Latinas in corporate America needs repair. So long as the hurdles faced by Latina employees are not addressed directly, they will continue to slowly progress for companies. Barriers such as homophily and social closure<sup>13</sup> will continue to keep Latinas out of critical opportunities and deny resources that would increase equity, belonging, and inclusion.

<sup>12</sup> Garcia, Ph.D., Lisette and Eric Lopez. 2017. "Hispanic Inclusion at the Highest Level of Corporate America: Progress or Not?" GENDER IN THE TWENTY-FIRST CENTURY.

<sup>13</sup> A means of keeping dissimilar others from obtaining resources and positions of power – excuses around "best fit" can be used to support these structures



## PERCENTAGE OF TOTAL EXEMPT EMPLOYEES IDENTIFIED AS LATINA



**SO WHAT...** Women make up as much as 75 percent of all caregivers, with over half of them saying that they spend as much as 50 percent more of their time providing care since the pandemic. Women caregivers who are also employed (full or part-time) spend an average 35 percent more time on caregiving than men who are employed. These responsibilities have put a disproportionate amount of pressure on women and have led to many making the hard decision to leave their jobs. Ensuring that Latinas have access to the leadership, mentorship, and skills training they need to move into leadership positions will allow companies to start repairing the damage to the Latina talent pipeline caused by the pandemic.

# CONCLUSION: CAN NEW NORMS DISRUPT THE STATUS QUO?



## IN CONCLUSION

HACR has been collecting data on corporations' employment, procurement, philanthropic, and governance practices for over a decade. In that time, we have seen various instances of companies addressing the needs of the moment to be better partners to their Hispanic stakeholders and corporate citizens in our communities. Given our long history of observations, and the immensity of need in the current moment, the trends evident from the last three years of CII data do come as a surprise.

In the employment section of the survey, we saw overall Hispanic employee representation decrease in the last three years along with practices for measuring the success of critical talent development efforts such as mentorship and sponsorship programs. In procurement, little progress was made in increasing representation and investment in Hispanic business. Meanwhile, philanthropic contributions to the Hispanic community have been decreasing along with volunteer hours and other forms of investment. A concentration of Hispanic talent in non-exempt positions has a cascading effect on the talent pipeline available to companies and has contributed to the decreasing numbers of Hispanic board members and executive leaders in the corporate sector.

The evident reversal of outcomes may seem daunting. *The 2022 CII Report, like the reports before it, not only illuminates shifting outcomes and potential positive and negative trends, but also provides companies with an actionable roadmap to advance Hispanic inclusion within a company.* This year's report continues to provide companies with low hanging fruit through its opportunity areas sections. The issues raised in the report are also contextualized to offer a space for larger, more integrated explorations of each topic. Respectively, these sections are meant to provide companies with practices that could be critical starting points for reversing negative trends in diversity, inclusion, and equity outcomes for Hispanics in corporate America.

*As we move forward in a post-pandemic world and redesign the practices and policies that shape a shared sense of normalcy, it is possible to leave behind old norms and practices (or the lack of practices) that engender inequality.* One might argue, now is a strategic time to do so. Now is the moment to leverage the disruption, increased awareness and widespread adaptive learning of the last two years to challenge the more persistent, systemic barriers to inclusion. In years to come, we hope to see health restored to the Hispanic talent pipeline in companies; from more Latina interns to increased representation of Hispanic corporate board members and leaders. Changes in data collection practices can mean that the already existing partnerships with Hispanic businesses in corporations' Tier 1, 2, and even 3 procurement contracts can be meaningfully integrated into DEI strategies. The impact evaluation of corporate and philanthropic contributions to the Hispanic community can lead to targeted and more effective investments of capital and human resources. HACR hopes that the data collected over the last three years serves as more than a warning to our readers. Let this be a call to action for those committed to dismantling inequality through transparency, disaggregation of data, and integrated systems.

As corporate America recalibrates its DEI practices following the many lessons learned from the pandemic, climate change, and recent racial reckoning, companies must resist the urge – and the ease – of going back to "business as usual." Comprehensive and integrated data systems, alongside active and consistent outcome measurements and evaluations are key. For corporate America, and the globe, *now is an opportune moment to design and do things differently.*

# ACKNOWLEDGMENTS

On behalf of the HACR Board of Directors, we would like to acknowledge and extend a special thank you to the following for their support of the 2022 HACR Corporate Inclusion Index™ report:



*Sylvia Pérez Cash,*  
Senior Vice President of Operation  
and Interim Director of Research,  
Project Lead



*Roxana Vergara,*  
principle at V Consulting,  
Project and Technical Coordinator



*Nayda Rivera-Hernandez*  
Project and Technical Coordinator



Global Serve Consulting,  
Project Advisor and Data Analyst



*Andrea Orlando,*  
Director of Marketing and Communications,  
Editor



*Tessy Heyser Arguelles,*  
Graphic Designer

Lastly, we would like to thank the companies who took the time to respond to our request for data and the HACR staff for their thoughtful review of the report.