

THE AMERICAN MORTGAGE DIVERSITY COUNCIL PROUDLY PRESENTS

# DIVERSITY PERSPECTIVES: THE 2018 WEBINAR SERIES



MAY 30, 2018

## MAKING THE BUSINESS CASE FOR DIVERSITY & INCLUSION

HOSTED BY: **TAMI RUND**,  
ASSETVAL



JUNE 20, 2018

## UNDERSTANDING THE EFFECTS OF IMPLICIT BIAS

PRESENTED BY: **CHARMAINE BROWN**,  
FANNIE MAE



JULY 18, 2018

## THE DO'S & DON'TS OF DIVERSE HIRING IN THE WORKPLACE

PRESENTED BY: **RANDY S. MILLER**,  
RANDALL S. MILLER & ASSOCIATES, P.C.



AUGUST 16, 2018

## DIVERSITY AND THE BUSINESS SUPPLY CHAIN

HOSTED BY: **EDMOND BUCKLEY**,  
ASPEN GROVE SOLUTIONS



OCTOBER 24, 2018

## WOMEN-OWNED SMALL BUSINESS: NAVIGATING CERTIFICATION AND FEDERAL CONTRACTING OBSTACLES

HOSTED BY: **HEATHER BEERS BURT**,  
BEERS HOUSING, INC.

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# Making The Business Case for Diversity & Inclusion

*May 2018*

Presented by

Tami Rund, AssetVal  
Monika Peltz, First American  
Brian Daily, First Allegiance  
Katie Van Hook, Continental Real Estate Services  
Randy Perry, AssetVal

# Where We Are Now

## The Numbers



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[MortgageDiversityCouncil.com](http://MortgageDiversityCouncil.com)



# Women

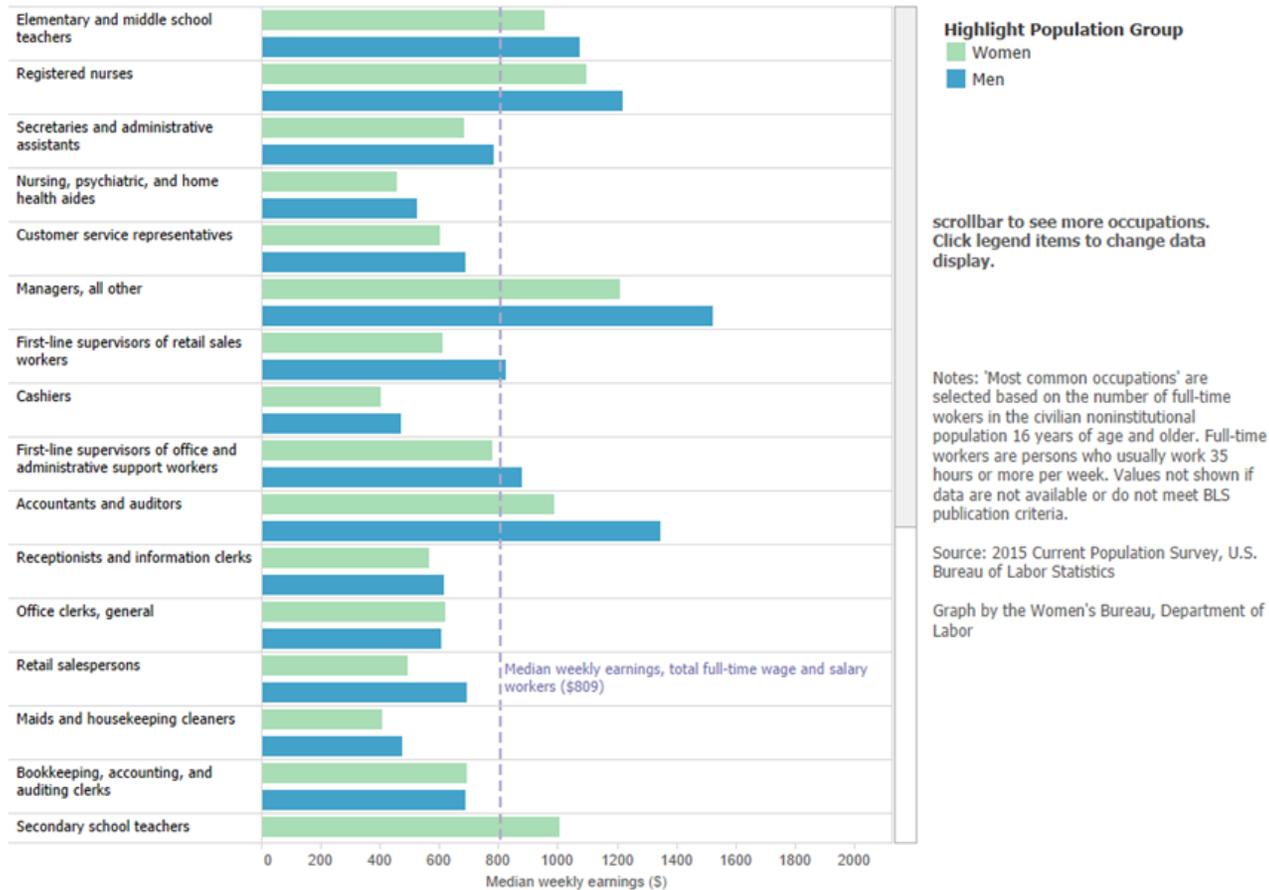
- More college degrees than men for 30 years & counting
- 4.2% of all CEO positions in Fortune 500
- Less than John? David?
- 1980 – women made 64 cents for every dollar men earned.  
Today: 84 cents



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# Women (Continued)

25 Most common occupations for full-time working women by median weekly earnings and sex 2015 annual averages

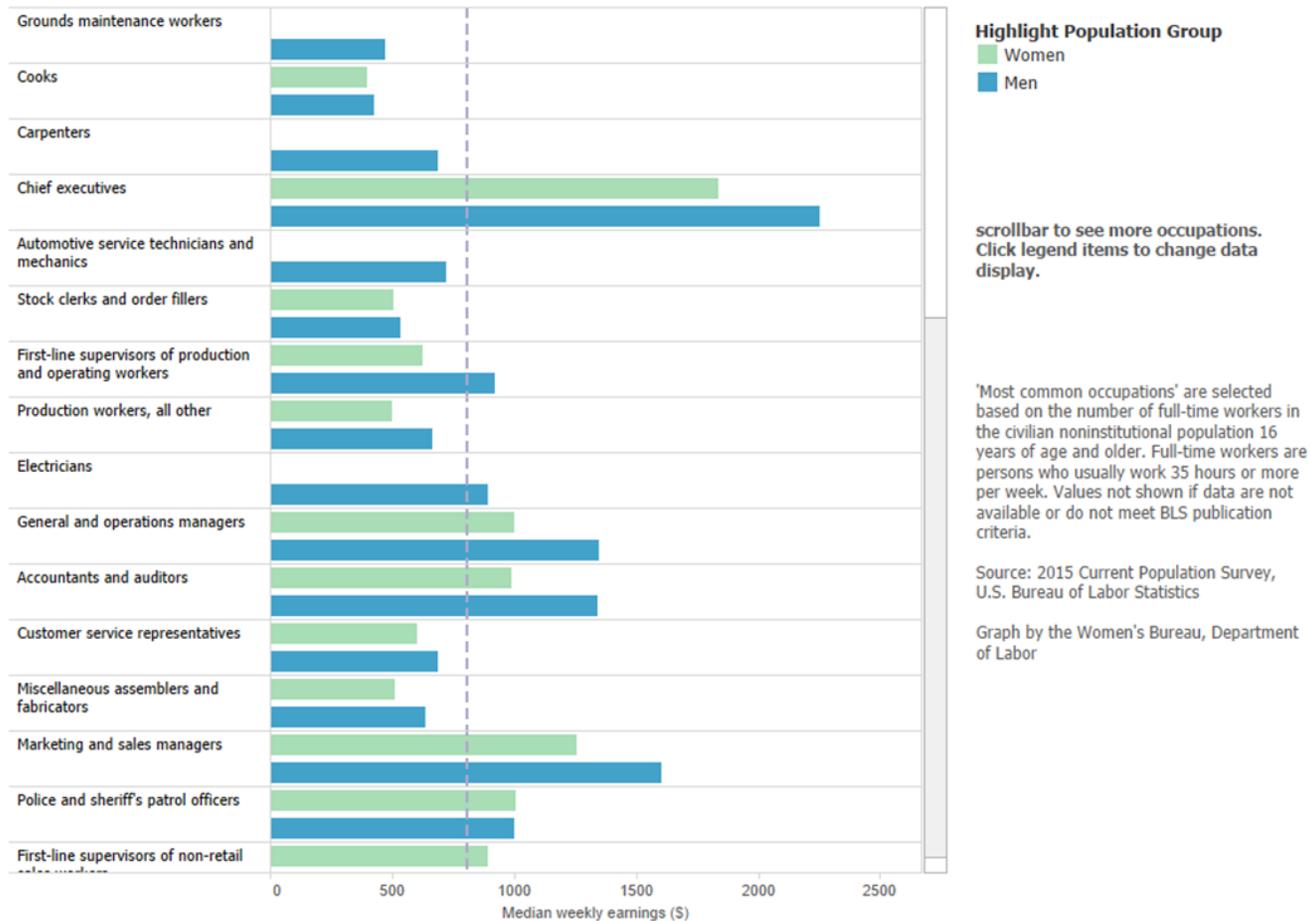


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# Women (Continued)

25 Most common occupations for full-time working men by median weekly earnings and sex 2015 annual averages



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# Women (Continued)



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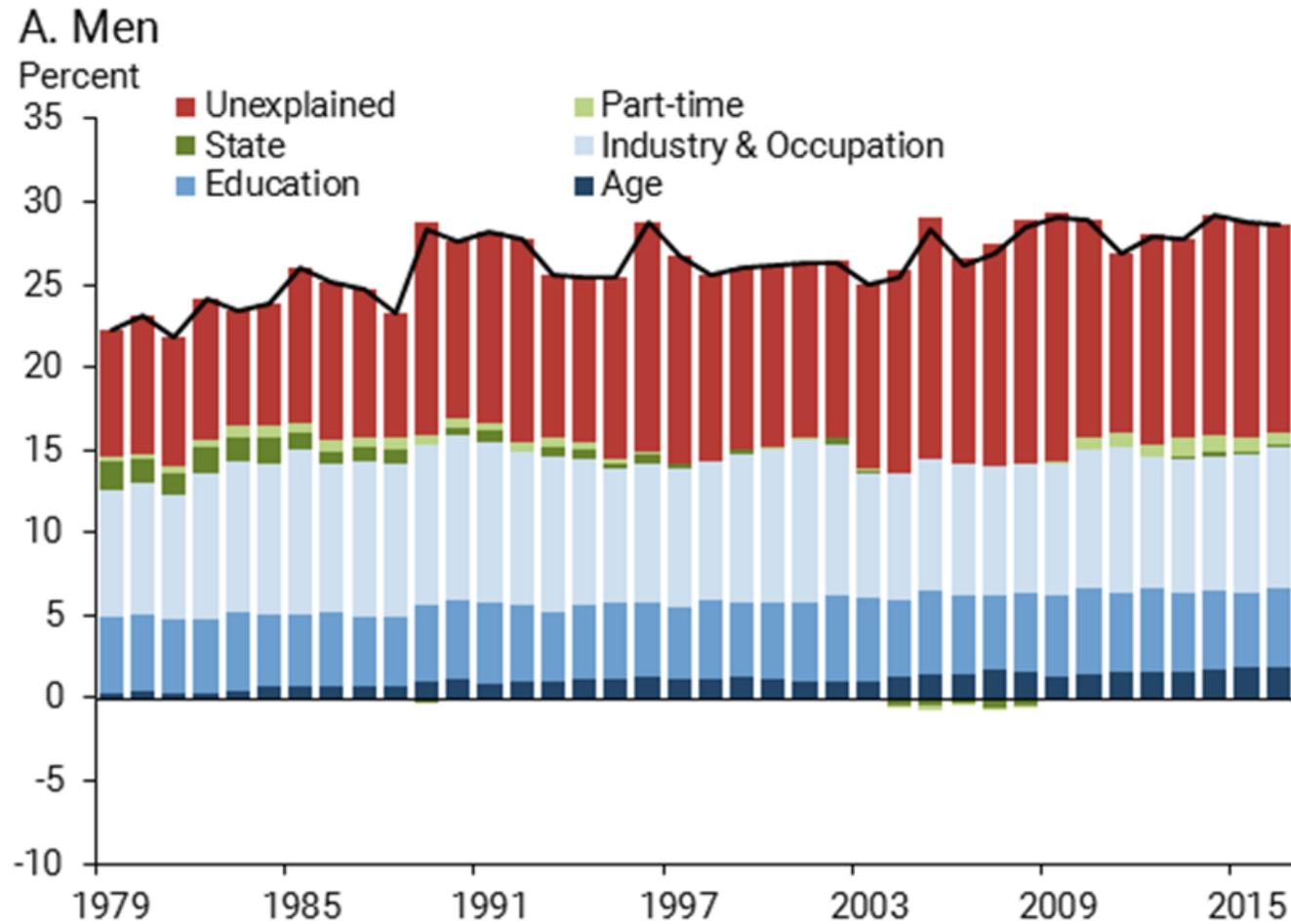
# African American

- 6.3% of corporate managers
- 2.9% of senior managers
- 6 Fortune 500 companies have a black CEO (.012%)
- African American buying power is estimated to be over \$1 trillion annually

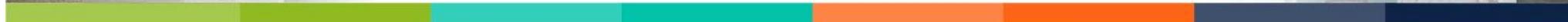


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# African American:



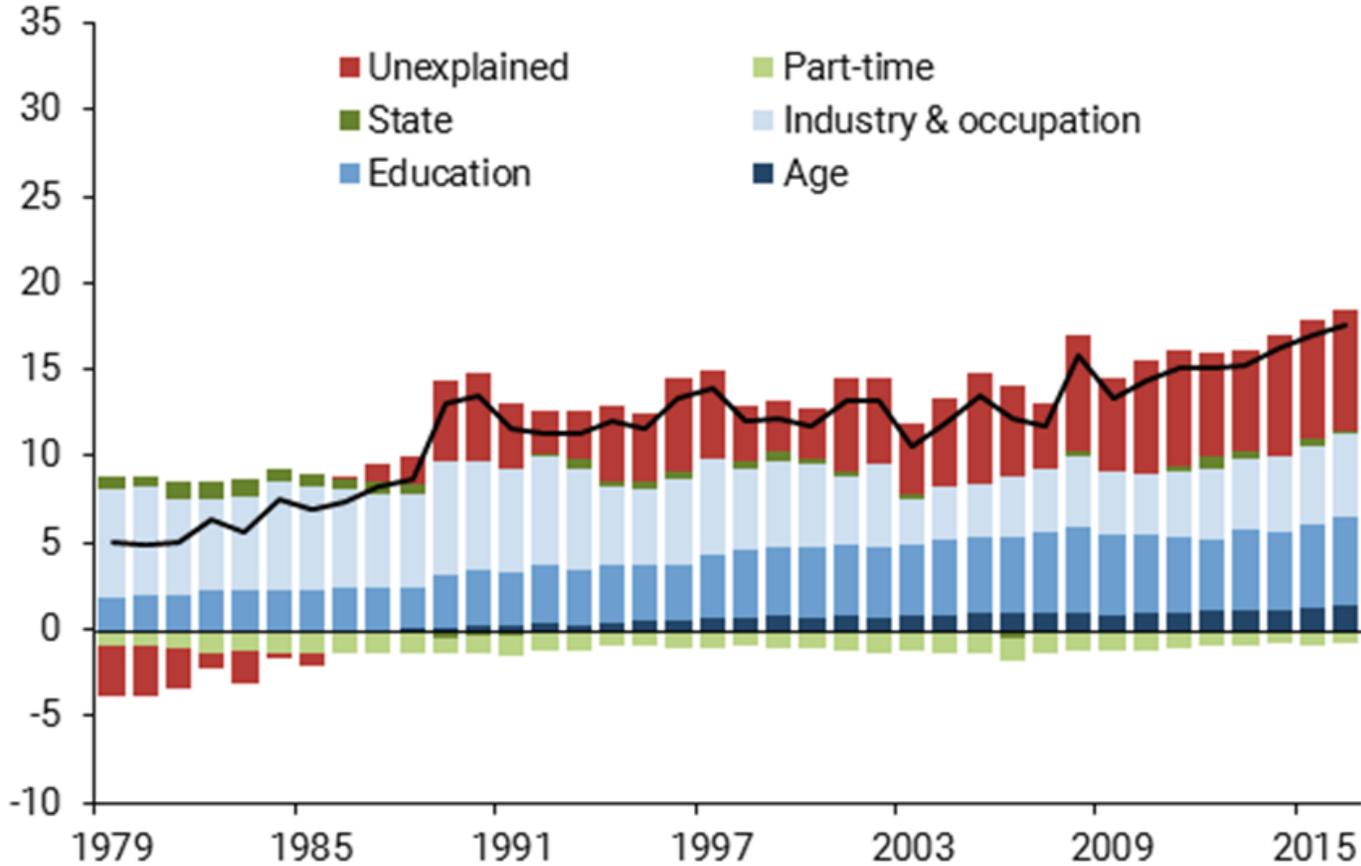
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# African American

## B. Women

Percent

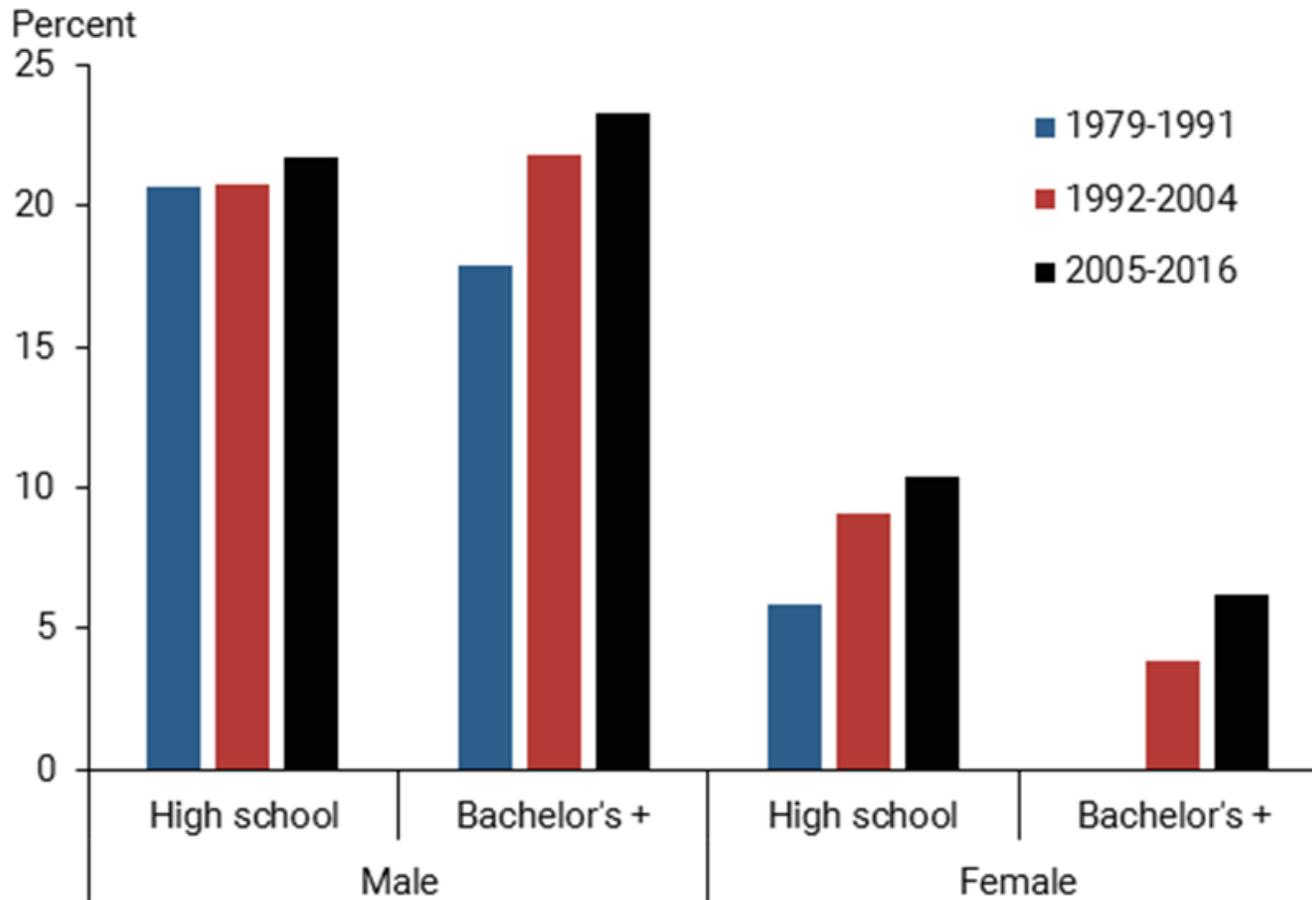


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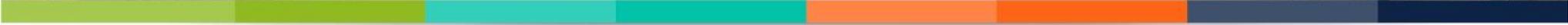


# Is the Trend Getting Better?

- It's not.



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# Hispanic Americans

- 2015 – Hispanic men make 66% less than white men in hourly earnings
- 2015 – For Hispanic women, the pay gap with white women is 29%
- College educated Hispanic men still make almost 20% less than college educated white men
- 16% of Hispanics say that in the past year they have been treated unfairly in hiring, pay or promotion because of their race or ethnicity

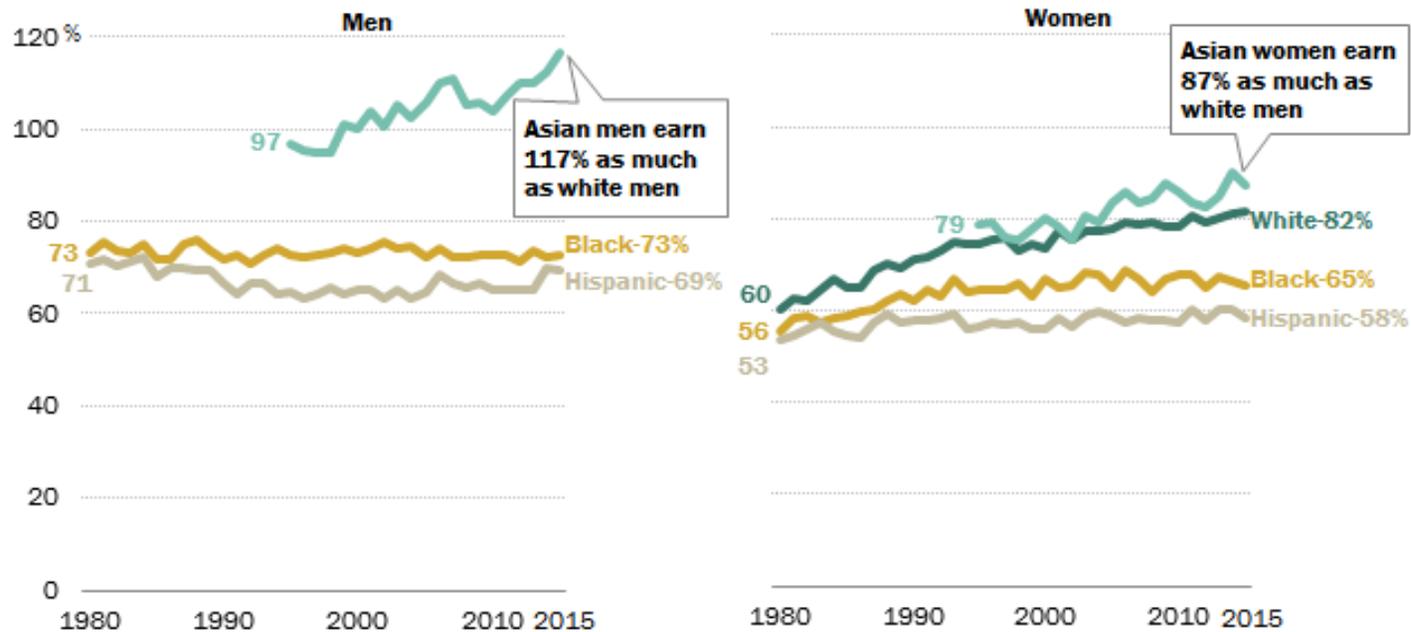


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# Hispanic Americans

## White men out-earn black and Hispanic men and all groups of women

Median hourly earnings as a percent of white men's earnings



Note: Estimates are for all civilian, non-institutionalized, full- or part-time workers ages 16 and older with positive earnings. Self-employed workers are excluded. Hispanics are of any race. Whites, blacks and Asians include only non-Hispanics. Asians include Native Hawaiian and Pacific Islanders.

Source: Pew Research Center tabulations of Current Population Survey data.

PEW RESEARCH CENTER

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“For years, much of Corporate America has been stuck on the concept of diversity-i.e., race and gender-and hasn’t gotten the bigger picture of changing the workplace to one of inclusion that leverages the benefits of diversity for business gains. More significantly, inclusion and diversity haven’t been treated as mission critical; they haven’t been linked to business outcomes.”

*Inclusion – The New Competitive Business Advantage*

By: Shirley Engelmeier



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# If you do not have a Well-Developed D&I Strategy:

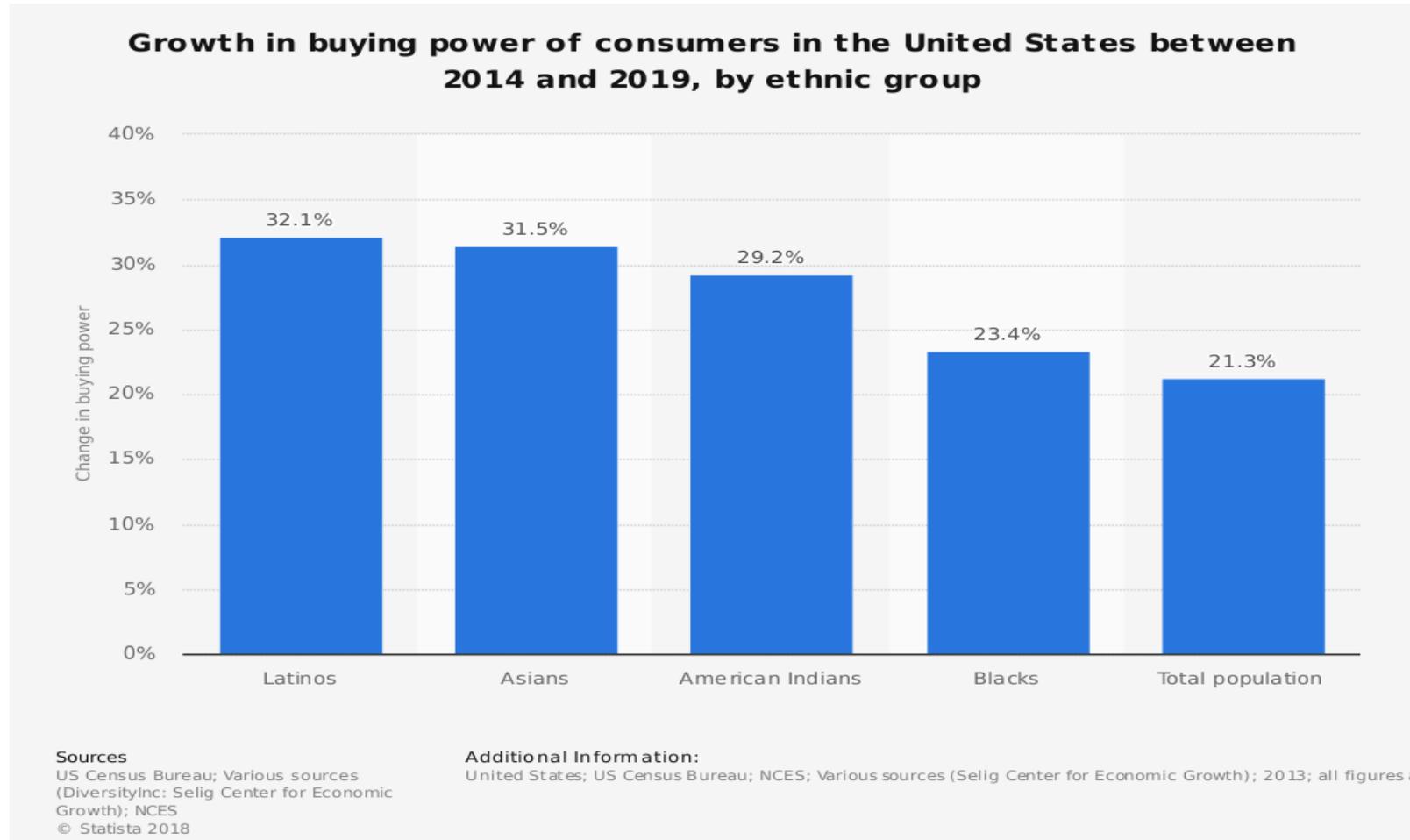
- Missed Opportunities
- Lower Performance
- Unequal Employee Engagement & Retention
- Low Innovation



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# Opportunity:

## Low Hanging Fruit – Buying Power of Diverse Groups

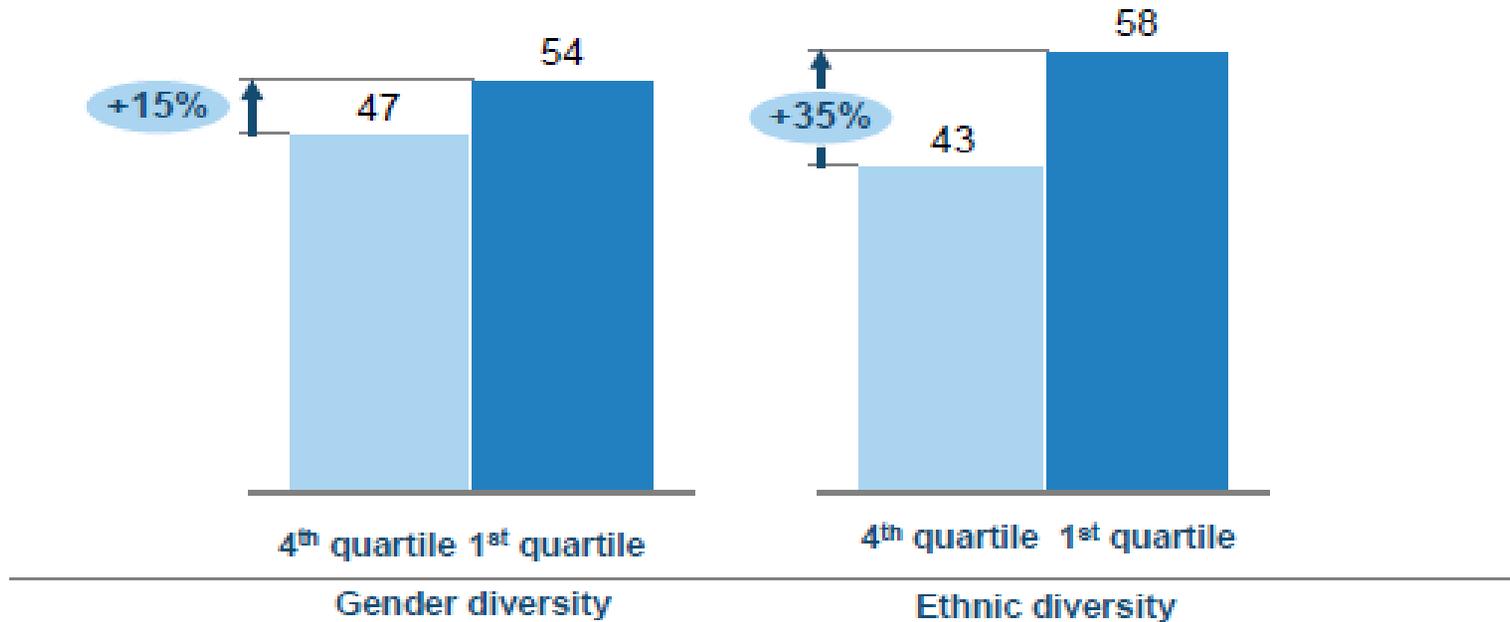


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# Performance

## How diversity correlates with better financial performance

Likelihood of financial performance above national industry median, by diversity quartile  
%



SOURCE: McKinsey Diversity Database

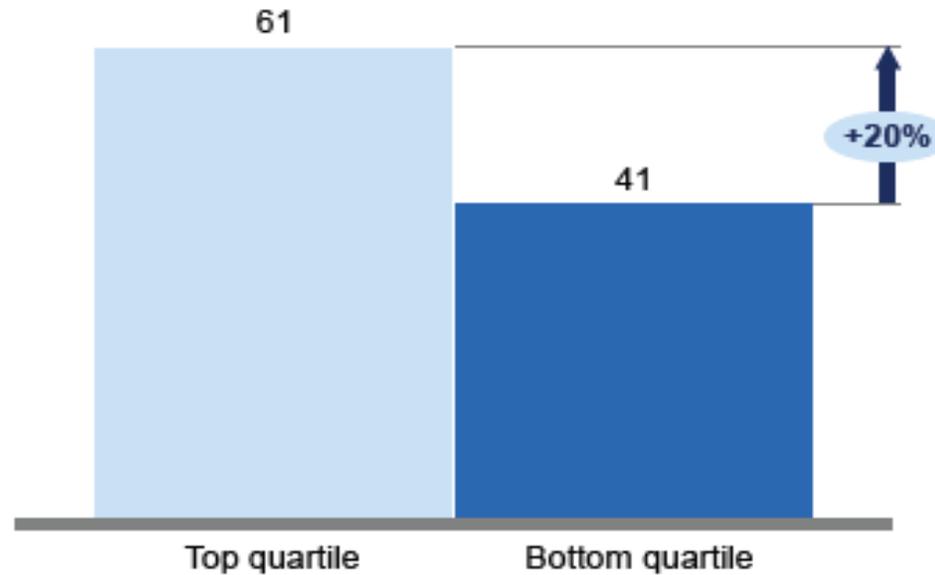
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# Performance

Relationship between ethnic diversity and performance by quartile

Ethnic diversity in executive team

Probability of above median performance  
US, %



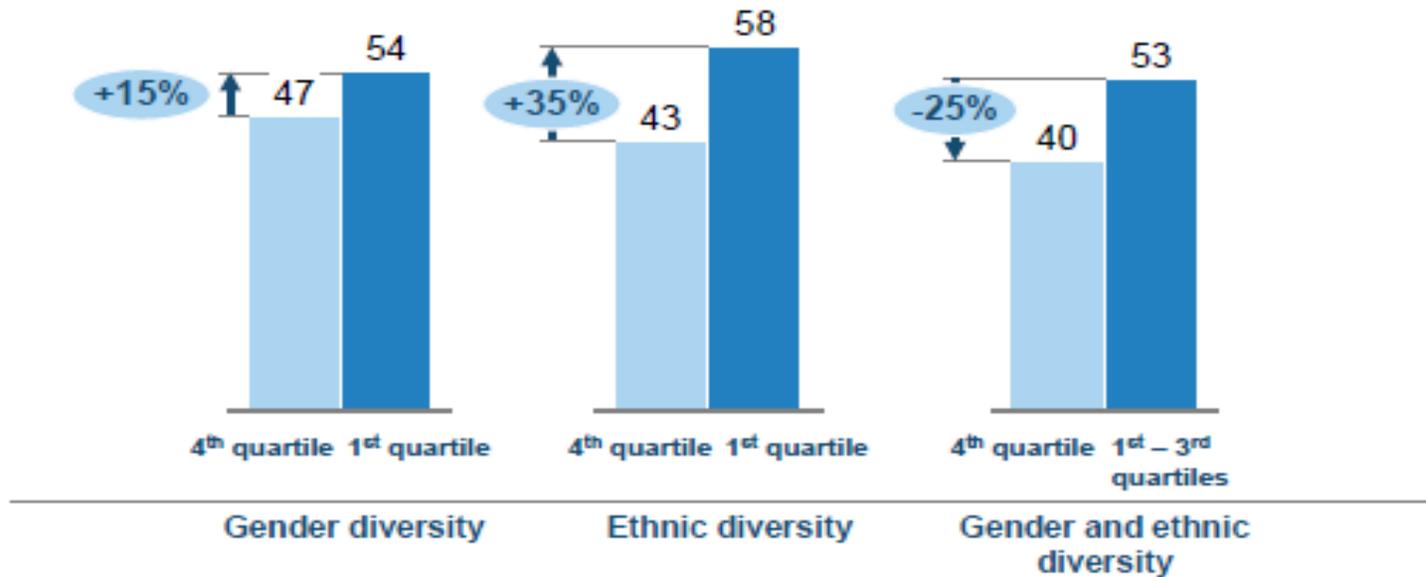
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# Performance

How low gender and ethnic diversity correlates with poorer financial performance

Likelihood of financial performance above national industry median, by diversity quartile %



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# Performance

## Percentage of companies with EBIT above national median by quartile

Region	Top quartile ethnic diversity	Bottom quartile ethnic diversity
 Overall	▪ 58%	▪ 43%
United Kingdom	▪ 61%	▪ 45%
United States & Canada	▪ 61%	▪ 41%
Latin America	▪ 53%	▪ 47%

NOTE: Includes 186 organisations in United States and Canada, 107 in the United Kingdom, and 73 organisation in Latin America (67 from Brazil)

SOURCE: McKinsey Diversity Database



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# Employee Engagement & Retention

“Employee engagement measures the emotional commitment an employee has to his or her organization and its goals and objections. The outcome of high engagement is employees putting discretionary effort into this work. They go the extra mile, push themselves a little bit harder to achieve their goals, and do just about anything that betters the organization”

Jeff Waldman, Head of Talent at SocialHRCamp



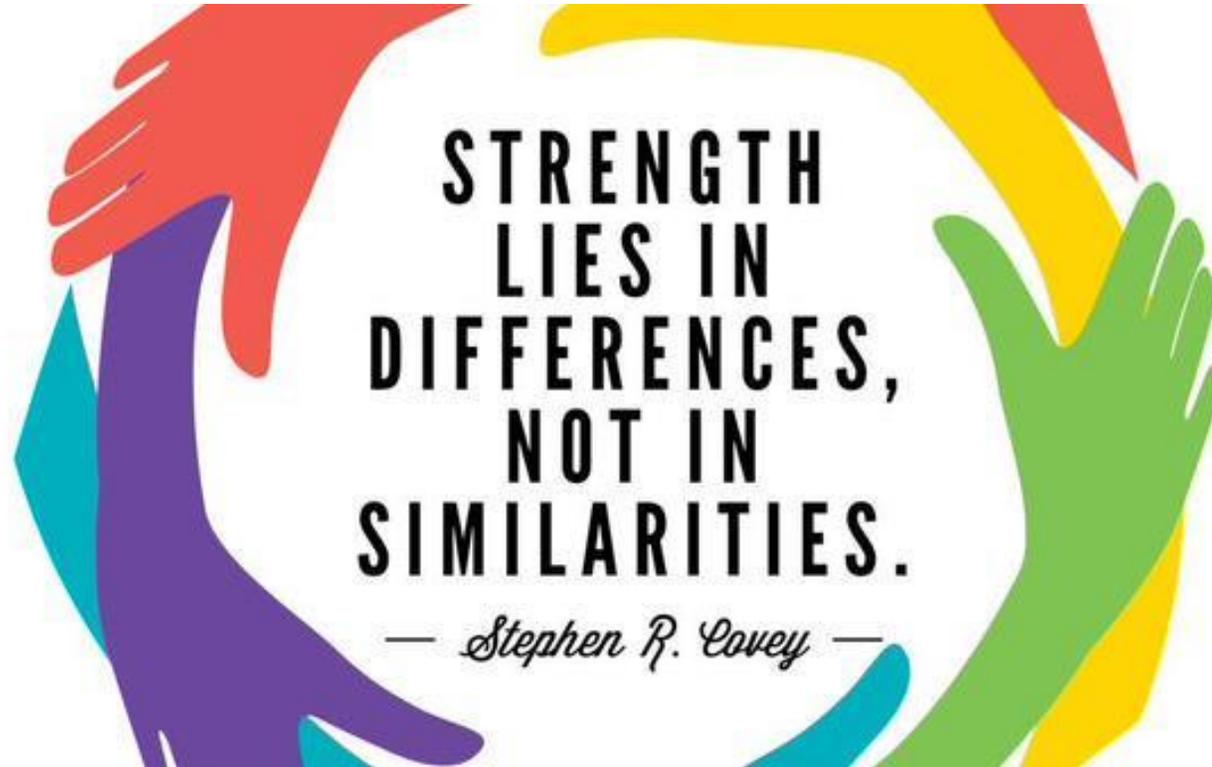
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# Employee Engagement & Retention

- An Engaged Team = Enhanced Business
- More Accountable
- More Effort



# Employee Engagement & Retention



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# Employee Engagement & Retention

"Inclusion works to the advantage of everyone. We all have things to learn and we all have something to teach."

-- Helen Henderson



# Employee Engagement & Retention

- Lack Resources, Ideas, Drive
- “Checking a Box”
- Admission of Guilt
- Lacking the Right Personnel



# Employee Engagement & Retention

“Research has shown that companies who disregard diversity as a component of their business strategy have a higher percentage of disengaged workers. Organizations that effectively capitalize on the strengths of all employees and leverage their differences and unique values have the most engaged employees. In addition, employees with the highest level of engagement perform 20 percent better and are 87 percent less likely to leave the organization, according to a survey by Towers Perrin. A study by the Hay Group found engaged employees were as much as 43% more productive.”

Source: Diversity Inc.



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# Employee Engagement & Retention

Diversity is being invited to the party; Inclusion is being asked to dance.

- Verna Myers



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# Employee Engagement & Retention

- Melting Pot
- Confident Employees
- Encouraging Leaders
- Accommodations for those with Disabilities



# Employee Engagement & Retention

- What does the diversity of my organization look like?
- How do you measure this?
- How do you make people feel comfortable to share what makes them diverse?
- Does the diversity of the organization represent the diversity of the community it sits in?
- If you're a leader, who are you surrounding yourself with? People who look and think just like you, or those who think differently and challenge you?
- What are your unconscious biases?
- How do your customers view your diversity and inclusivity?



# Innovation

Why Does Innovation Matter?

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# Innovation

The only True Reason to Promote  
Diversity and Inclusion?



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# Innovation

What is it anyway?



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# Innovation

Evolution or Revolution – Does it Matter?



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# Innovation

Product/Service Adaptation – Innovative Thoughts



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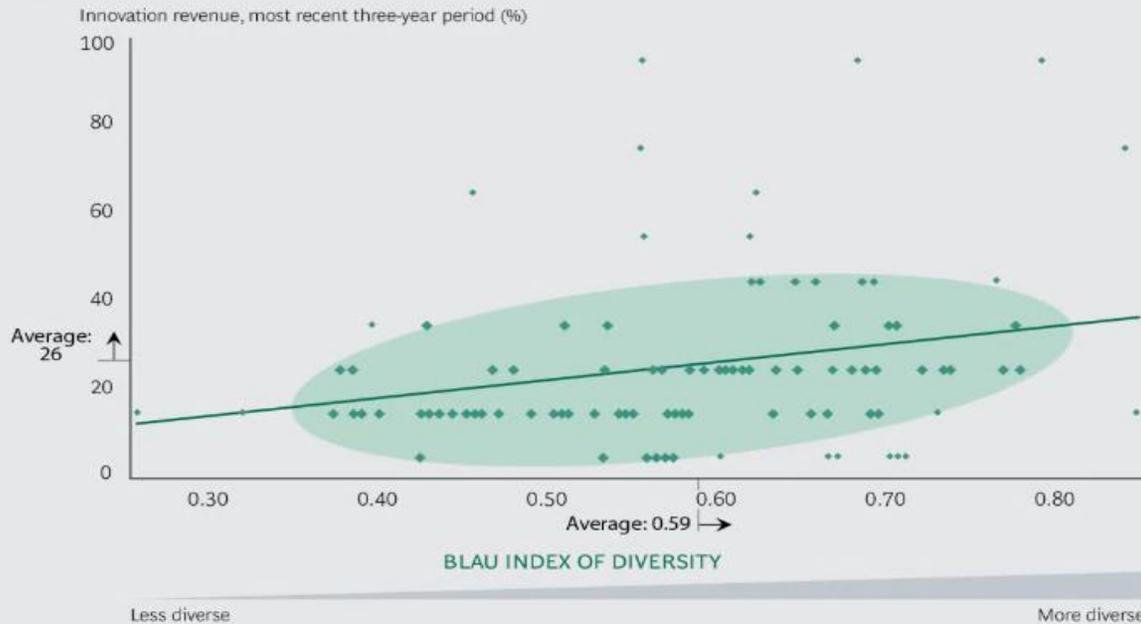
# Innovation

“A well-oiled machine of like-minded people and an enjoyable working environment for those in the homogeneous group”



# Innovation

## EXHIBIT 1 | The Relationship Between Diversity and Innovation Is Positive and Statistically Significant



- BCG and the Technical University of Munich plotted 98 companies according to two variables: their diversity (expressed as a Blau index number) and their innovation revenue.
- The diagonal line shows the relationship between those two variables—that is, the average innovation revenue associated with each diversity number.
- The diamonds represent the 98 companies' individual diversity number and innovation revenue, and show how innovation revenues deviate from the general trend.

**Source:** 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich. Ninety-eight of the surveyed companies provided the necessary information for this analysis.

**Note:** The shown relationship is positive (Pearson's  $r = 0.253$ ) and statistically significant ( $p < 0.05$ ). Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period.

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# Innovation

## EXHIBIT 2 | The Four Types of Diversity That Bolster Innovation—And Two That Don't

DIVERSITY DIMENSION		RELATIONSHIP TO INNOVATION	
		Direction of relationship	Statistical significance of relationship
	Industry background	↑	Very high
	Country of origin	↑	Very high
	Career path	↑	Very high
	Gender	↑	High
	Academic background	~	None
	Age	↓	High

 Positive significant relationship     
  Negative significant relationship  
 No significant relationship

**Source:** 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich.  
**Note:** Innovation = the percentage of revenue from new products or services in the most recent three-year period. Very high statistical significance = a p value <0.01. High statistical significance = a p value <0.05.



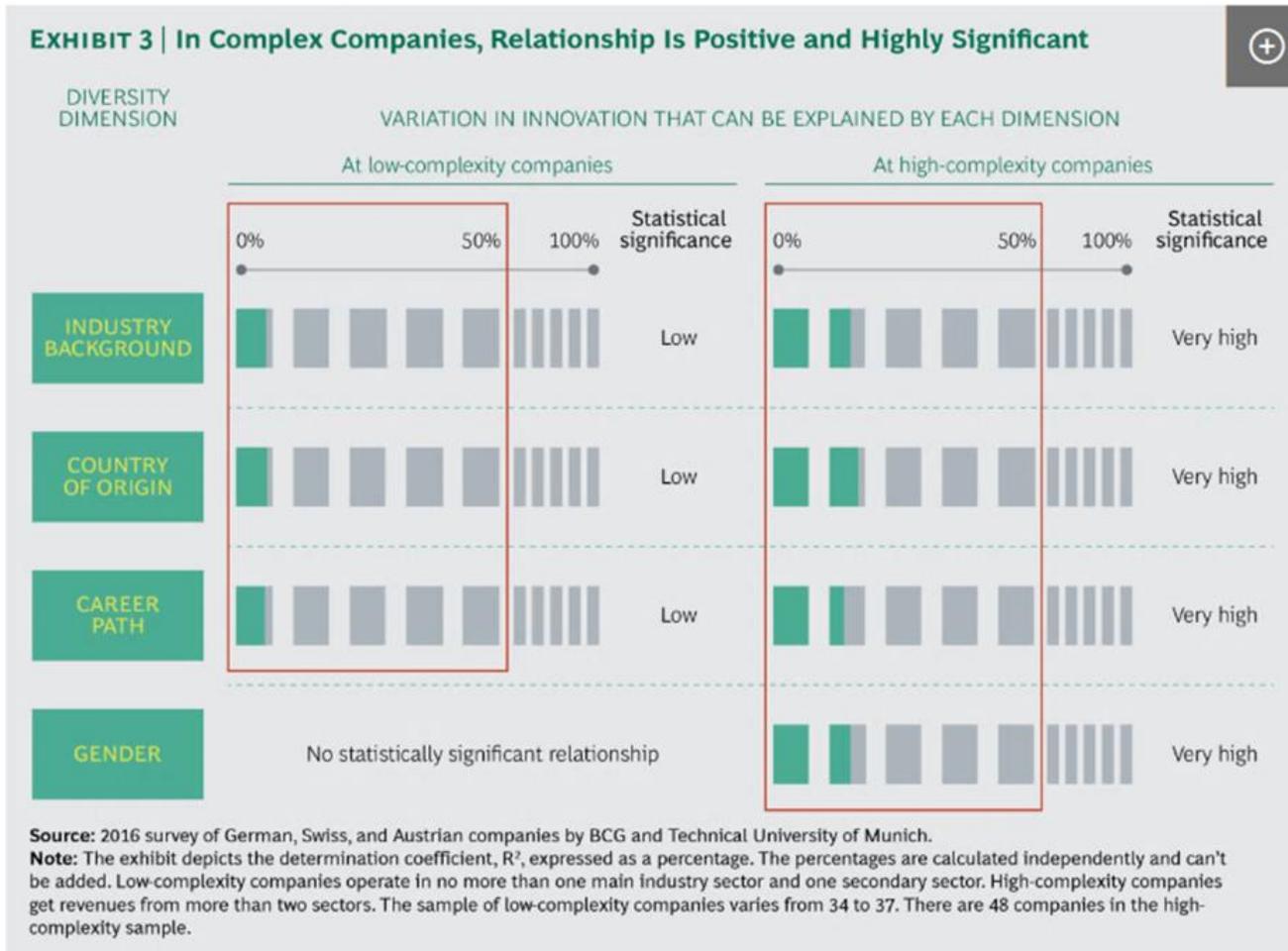
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# Innovation

It is easy to see how diversity and inclusion help loan officers, appraisers, processors, and realtors. You need to think about it sometimes to see how it helps customer capital, human capital, and the intellectual capital of your business.



# Innovation

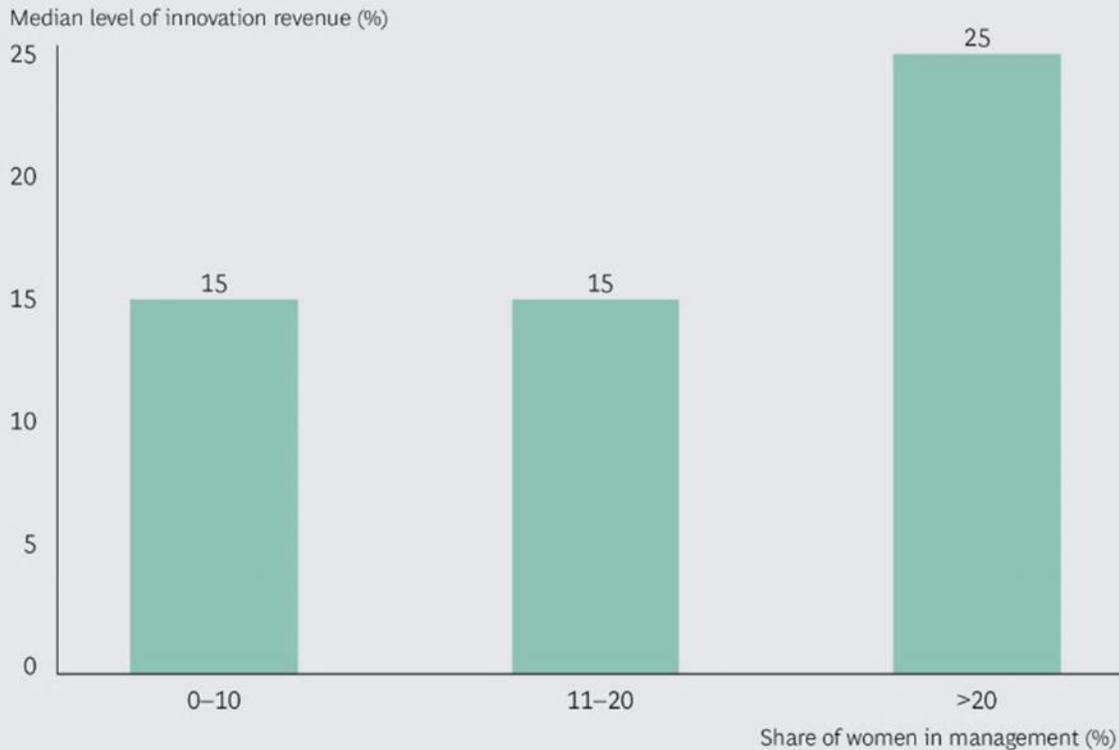


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# Innovation

## EXHIBIT 6 | Innovation Jumps Once the Proportion of Female Management Rises Above 20%



Source: 2016 BCG survey.

Note: Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period. In this analysis, the sample size in the three categories varies from 28 to 34.

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# Innovation

That is why Innovation Matters.

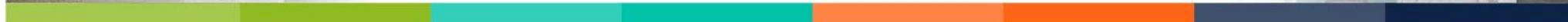


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# Business Strategy for Diversity and Inclusion



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# Why should diversity and inclusion be a strategic consideration for a business?

- Performance
- Sustainable Future
- Success is Earned



# The Foundation of a D&I Strategy Starts

- Define your objectives.
  - Customer
  - Employees
  - Community
- This is a cultural shift not a policy change.
- Be clear about the message.
- As strategy grows, the movement is natural.

# Getting Started: The beginning of a diversity and inclusion strategy

## Four Phases

- Data Collection
- Company Objective
- Staged Rollout
- Continuous Enhancement



# The Tale of the Tape: Analyzing the Data

A review of the demographics is critical both internally and externally (markets).

- Race
- Gender
- Age
- Ethnicity/National Origin
- Religion
- Sexual Orientation
- Veteran Status



# Phase 2: The Strategy Should Reflect the D & I Company Objective

Examples of Objectives:

- Identify Areas of Underrepresentation
- To Eliminate and Prevent Occurrence of Discriminatory Practices
- Identify and Define Problem Areas



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# Phase 3: Don't Go for the Home Run. Roll the Plan Out in Stages

## Three Simple Rules:

- Staged Rollout
- TEST Each Stage before Rollout
- Walk Before you Run



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# Phase 4: The Strategy is Always Moving

What's the impact?

- Who were we considering when we created this strategy? Are we better off now?
- Who are we hiring- employees, vendors, etc.
- Who are we not hiring- employees, vendors, etc.
- Who are we retaining and not retaining- employees and vendors, etc.
- How do we improve?

A decorative banner at the bottom of the slide features a row of five different colored doors (blue, red, white, light blue, and red) set in various architectural styles. Below the doors is a horizontal bar with segments in green, teal, orange, and dark blue.

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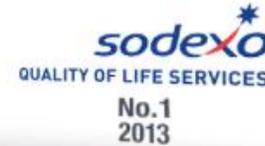
# Case Studies

## Hilton & Clorox

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## DIVERSITYINC TOP 50 HALL OF FAME



## THE 2018 DIVERSITYINC TOP 50 COMPANIES FOR DIVERSITY

- |                           |                          |                         |                         |                        |
|---------------------------|--------------------------|-------------------------|-------------------------|------------------------|
| 1. Johnson & Johnson      | 11. Prudential Financial | 21. TIAA                | 31. General Motors      | 41. Aramark            |
| 2. Marriott International | 12. Cummins              | 22. New York Life       | 32. Exelon              | 42. Sanofi             |
| 3. AT&T                   | 13. Cox Communications   | 23. Northrop Grumman    | 33. The Hershey Company | 43. Express Scripts    |
| 4. Mastercard             | 14. Wells Fargo          | 24. Target              | 34. TD Bank             | 44. Southern Company   |
| 5. ADP                    | 15. Procter & Gamble     | 25. Toyota Motor N.A.   | 35. KeyBank             | 45. AIG                |
| 6. Eli Lilly and Co.      | 16. Abbott               | 26. The Walt Disney Co. | 36. JCPenney            | 46. MUFG Union Bank    |
| 7. Comcast NBCUniversal   | 17. BASF                 | 27. Monsanto            | 37. McCormick & Co.     | 47. Medtronic          |
| 8. KPMG                   | 18. Kellogg Company      | 28. Allstate Insurance  | 38. Colgate-Palmolive   | 48. Humana             |
| 9. Accenture              | 19. Nielsen              | 29. AbbVie              | 39. Time Warner         | 49. The Boeing Company |
| 10. Hilton                | 20. Anthem               | 30. Aetna               | 40. CVS Health          | 50. Dow Chemical       |

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# THOMSON REUTERS IX GLOBAL DIVERSITY AND INCLUSION INDEX

The following table shows the constituents in the Thomson Reuters IX Global Diversity and Inclusion Index as of 30<sup>th</sup> June 2017.

COMPANY RANK	COMPANY NAME	OVERALL D&I SCORE
1	Contact Energy Limited	84.25
2	Gap Inc	81
2	Johnson & Johnson	81
4	DiGi.Com Bhd - <i>New</i>	80
5	Diageo plc	79.25
6	Colgate-Palmolive Company	79
6	Novartis AG	79
6	Roche Holding Ltd.	79
9	Kathmandu Holdings Ltd	78.75
10	Cisco Systems, Inc.	78.5
11	Natura Cosméticos SA	78.25
12	Accenture Plc	78
13	Medtronic PLC	77.5
14	Eli Lilly and Co	77.25
14	HERA SpA	77.25
16	Nedbank Group Ltd.	76.75
17	Unilever NV	76.25
18	Allianz SE	76
18	Bank of Montreal	76
20	Bristol-Myers Squibb Co	75.75
20	Norsk Hydro ASA - <i>New</i>	75.75
20	Procter & Gamble Co	75.75
20	Unilever Indonesia Tbk PT	75.75
24	Kering	75.25
24	VERBUND AG - <i>New</i>	75.25
26	Deutsche Post AG	75
26	UCB SA	75
28	Clorex Co	74.75
28	Merck & Co., Inc.	74.75
28	Shiseido Company, Limited	74.75
31	PVH Corp	74.5

For more information go to [financial.tr.com/diversity](http://financial.tr.com/diversity)



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# Case Study: Hilton Hotels

## Hospitality Company

- 350,000 employees
- 5,000 locations
- 104 countries.

Hilton is currently ranked in the top ten Companies for diversity by Diversity, Inc.



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# DEFINING DIVERSITY & INCLUSION AT HILTON

Our comprehensive definition spans global cultures, perspectives, and lifestyles.

<b>DEMOGRAPHICS</b> CORE ATTRIBUTES	<b>BACKGROUND</b> ADVANCED ATTRIBUTES	<b>SKILLS &amp; COMPETENCIES</b> FULL INCLUSION ATTRIBUTES
<ul style="list-style-type: none"> <li>• Age</li> <li>• Gender</li> <li>• Race</li> <li>• Gender identity</li> <li>• Marital status</li> <li>• Physical ability</li> <li>• Sexual orientation</li> <li>• Veteran status</li> </ul>	<ul style="list-style-type: none"> <li>• Ethnicity</li> <li>• Citizenship</li> <li>• Geographic location</li> <li>• Language(s)</li> <li>• National origin</li> <li>• Religion</li> </ul>	<ul style="list-style-type: none"> <li>• Life experiences</li> <li>• Educational background</li> <li>• Professional experience</li> <li>• Thinking style</li> <li>• Communication style</li> <li>• Industry knowledge</li> <li>• Technical skills &amp; expertise</li> </ul>



MORE THAN  
**103** COUNTRIES  
AND TERRITORIES



OVER **40**  
LANGUAGES  
SPOKEN



**45%** OF GLOBAL  
MANAGERS  
ARE WOMEN



**49%** OF GLOBAL  
TEAM MEMBERS  
ARE MILLENNIALS



**69%** OF ALL U.S.  
TEAM MEMBERS  
ARE ETHNICALLY  
DIVERSE

Diversity data points represent Team Members at Owned & Managed hotels and Corporate offices. Data based on voluntary, self-identify questions collected in human capital management system as of 12/31/17 and 2017 internal survey.

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# Case Study: Hilton Hotels

## What makes Hilton stand out?

- 45% of global managers are women
- In 2017, 6 of 9 people promoted into one level below the CEO and direct reports were women.
- 69% of all U.S. Team Members are ethnically diverse.
- In 2016, Hilton reached their goal of hiring 10,000 veterans.
- Membership in Employee resource groups/TMRG's has increased by 448% since 2012 and the number of chapters has grown from 20 to 50. 14% of full-time employees are members of at least one TMRG.
- 14% of full-time employees and 64% of corporate employees belong to at least one TMRG.
- Team Member Resource Groups are all sponsored by the company's most senior leaders and participation has grown to over 7,400 members.
- Award winning, decade-old supplier diversity program boasts relationships with over 3,000 minority-, women-, veteran-, LGBTQ-owned businesses accounting for \$459 million in supplier spend
- Board of Directors is 40% female and 10% Asian Pacific Islander



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# WE ARE RECOGNIZED FOR OUR INCLUSIVE CULTURE, PROGRAMS & PARTNERSHIPS

**FORTUNE**

10 Best Workplaces in the Fortune 500, 2017  
 100 Best Companies to Work For (#26), 2017  
 Best Workplaces for Women (#15), 2017  
 Best Workplaces for Diversity (#14), 2017  
 Best Multinational Workplaces, 2016  
 World's Most Admired Companies, 2016 & 2017  
**Fortune Magazine**

**GREAT PLACE TO WORK**

Best Large Workplaces Award, 2017:

- Australia
- Chile
- China
- Colombia
- India
- Italy (#1)
- Mexico
- Netherlands
- Peru (#1)
- Saudi Arabia
- Turkey (#1)
- United Arab Emirates
- United Kingdom
- United States

100 Best Workplaces for Women, 2017  
 Best Workplaces for Parents, 2017  
 Best Workplaces for Diversity, 2017  
 World's Best Multinational Workplaces (#9), 2017  
**Great Place To Work**

**Forbes**

The World's Most Reputable Companies, 2017  
 America's Best Employers for Diversity, 2017  
**Forbes**

**DiversityInc**

Top 50 Companies for Diversity (#30), 2017  
 Top Companies for Global Diversity, 2017  
 Top 15 Companies for Mentoring (#4), 2017  
 Top 13 Companies for Supplier Diversity (#6), 2017  
 Top 12 Companies for Employee Resource Groups (#12), 2017  
 Top 15 Companies for Veterans (#14), 2017  
 Top 12 Companies for People with Disabilities (#10), 2017  
**DiversityInc**



The 25 Most LGBT-Friendly Brands, Trailblazing Company (#1), 2017  
**LOGO**



Corporate Equality Index Rating of 100%, 2018  
**Human Rights Campaign**



Most Valuable Employer for Military, 2017  
**Recruit Military**



Top 10 Military Friendly Company (#1), 2017  
**Military Friendly**



Top 50 Organizations for Multicultural Business Opportunities, 2017  
**Omnikal**



Top 50 Companies for Latinas to Work (#22), 2017  
**LATINA Style 50**



LATINO 100 - Companies Providing the Most Opportunities for Latinos, 2017  
**LATINO Magazine**



Workforce 100: Ranking the World's Top Companies for HR, 2017  
**Workforce Magazine**



Best for Vets: Employers (#5), 2017  
 Top 100 Military Spouse Friendly Employers, 2017  
**Military Times Magazine**



ESGR Pro Patria Award, 2017  
**Employee Support of the Guard and Reserve**



Top Supplier Diversity Program, 2017  
 Top Diversity Employer of Women, 2017  
**Professional Woman's Magazine**



Top Supplier Diversity Program, 2017  
 Top Diversity Employer, 2017  
**Black EOE Journal**



Top Supplier Diversity Program, 2017  
 Top Diversity Employer, 2017  
**Hispanic Network Magazine**



LGBTQ Business Equality Excellence Award, 2018  
**Business Equality Magazine**



Best-of-the-Best Corporations for Inclusion, 2017  
**NGLCC & National Business Inclusion Consortium**



44 Most Desirable Companies with Flexible Jobs, 2017  
**FlexJobs.com**

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# Case Study: Hilton Hotels

“To put it in a real simple way, we’re a business of people serving people. Period, end of story. If we ever lose sight of that it’s a real problem. Openness and inclusivity is a must in the hospitality business when customers and employees come from all over the world. The minute we stop short of serving customers and really delivering authentic experiences it’s an issue for our growth and performance.”

*-- Christopher Nassetta, CEO, Hilton Hotels*



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# Case Study: Clorox Company

- Manufacturer of Household Products
- Publicly Traded, Fortune 500 Company Based in Oakland, CA
- 8,100 Employees and \$6 billion in Annual Revenue
- Ranked #28 by Thomson Reuters D&I Index



# Case Study: Clorox Company

## What Makes Clorox Stand Out?

- 41 Percent of global managers and one-third of senior executives are female.
- The board of directors is composed of 40 percent women and 20 percent women of color. (At Fortune 500 companies' boards of directors average 20 percent women and 3 percent women of color).
- Diverse Supplier Spend has increased from \$20 Million in 2008 to \$150 Million in 2018.
- ERG's serve as internal focus groups.

Much like Hilton, Clorox is broadening its understanding of diversity to include attributes that aren't noticeable at first, including ethnicity, thinking styles and experiences.



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# Case Study: Clorox Company

## Most Notable D&I Program: Employee Resource Groups

- 2,000 members – nearly 25% of all employees
- ERG's serve as company focus groups and contribute to product development
  - Clorox Fraganzia came from the Latino ERG (Latinos for Excellence, Advancement and Development or LEAD) based on their determinations that certain fragrances are especially appealing to the Latino consumer group.
  - Soy Vay brand was acquired through recommendations from the Asian ERG
  - Members of the Pride ERG led the development of Burt's Bees® Rainbow Pride lip balm packs.



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# Case Study: Clorox Company

“Driving inclusion is not only the right thing to do; it’s a crucial part of our strategy to drive what we call Good Growth — growth that’s profitable, sustainable and responsible.”

-- *Miriam Lewis, head of Inclusion & Diversity at Clorox*



# Case Study: Clorox Company

## Recognition

- 2 years in a row, recognized in the top 3 Best Places for Women and Diverse Managers to Work by Diversity MBA.
- Reputation Institute's U.S. RepTrak® Top 100 list (#15), 2018
- Human Rights Campaign's 2018 Corporate Equality Index-100%, 2018
- Forbes' 2017 Global 2000: World's Best Employers list.
- Best of the Best 2017 list for top diversity employers by Hispanic Network Magazine.
- 2017 Best Places to Work in the U.S. by Glassdoor based on employee reviews.



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# Conclusion

“What I’ve noticed in diversity strategies is that if you’re struggling, it’s probably because you’re fishing in the wrong ponds. I literally had this conversation last week with a headhunter who said they were having a hard time finding a person of color for a certain position. I said, ‘Have you talked to people at the Executive Leadership Council? They’re made up of the three hundred highest ranking African Americans. Have you talked to the people at Hacer? They work with Latinos. You’re struggling, but you haven’t developed the relationships; you’re not aware.’ If you’re serious, you have to understand where the talent is and how to connect to it because they’re just not going to walk up and knock on your door.”

*-- Keith Wyche, President and CEO of Cub Foods*



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# Thank You!

For more information on the mission of the American Mortgage Diversity Council please contact Derek Templeton at 214.525.6757



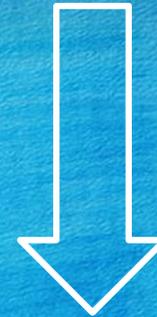
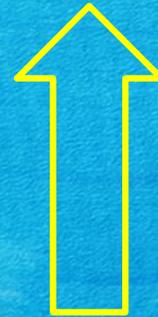
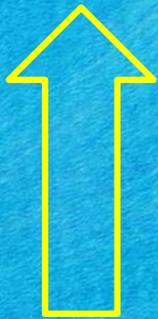
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Understanding

Effects

Of

Implicit Bias



**Charmaine Brown**

June 20, 2018



# American Mortgage Diversity Council



**Charmaine Brown**  
**Director, Office of Minority and Women Inclusion**  
**Fannie Mae**

Named “Diversity Journal’s Woman-Worth Watching 2018,” Charmaine Brown is recognized as a diversity and inclusion thought leader, innovator, and advocate. Mrs. Brown is currently Director in the Office of Minority and Women Inclusion at Fannie Mae, where she is responsible for developing and implementing diversity and inclusion strategies for its Single-Family Mortgage Business.

With more than 20-years of experience in housing and financial services, Mrs. Brown has been lauded for her success as a leader in business development, corporate social responsibility, diversity and inclusion, and community relations. Prior to joining the Office of Diversity and Inclusion, she developed and implemented strategic initiatives for multicultural and underserved markets as part of Fannie Mae’s Housing and Community Development Division and Single-Family Mortgage Business.

Mrs. Brown holds a Master of Arts degree from The Johns Hopkins University. Additionally, she is credited with completing the Diversity Management Program at Cornell’s ILR School, as well as the Harvard Kennedy School for Executive Education, Diversity and Inclusion Leadership Program. She is also certified in the Intercultural Development Inventory (IDI), a cross-cultural competency assessment tool.

Mrs. Brown is a member of the American Association for Access, Equity, and Diversity, the Securities Industries and Financial Markets Association (SIFMA) Diversity and Inclusion Committee. She serves on the Vice-Chair of the American Mortgage Diversity Council (AMDC), and sits on the Housing Advisory Board of HomeFree USA.

Mrs. Brown is a member of the American Association for Access, Equity, and Diversity, the Securities Industries and Financial Markets Association (SIFMA) Diversity and Inclusion Committee. She serves on the Vice-Chair of the American

a cross-cultural competency assessment tool.

Additionally, she is credited with completing the Diversity Management Program at Cornell’s ILR School, as well as the Harvard Kennedy School for Executive Education, Diversity and Inclusion Leadership Program. She is also certified in the Intercultural Development Inventory (IDI),



# DISCUSSION OBJECTIVES

- ✓ Facilitate a conversation that increases understanding of bias and its impact on outcomes.
- ✓ Explore authentically the role of filters in forming opinions.
- ✓ Discuss strategies to mitigate bias.



## EVOLUTION OF DIVERSITY

- **1.0: Discrimination and Fairness** – diversity is a moral imperative. Progress measured by recruitment and retention goals. Numbers game.
- **2.0: Access and Legitimacy** – diversity is valued, but in its place. Diverse individuals may feel used, constrained, and exploited.
- **3.0 Integration and Learning** – diversity is viewed as a valuable resource. Unique perspectives are provided and shapes the organization. Diversity serves as catalyst for creativity and innovation.





## TWO TYPES OF DIVERSITY

- 1. **Surface – level** (“Identity”) Diversity – diversity is in observable categories (above the waterline/visible dimensions)
- 2. **Deep – level** (“cognitive”) Diversity – diversity in culture, ideas, ideology, thinking-styles, perspective, or point of view
- 3. **Motivated** (“Manufactured”) Diversity – diversity is not relevant to job





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# DIVERSITY



DIVERSITY

Is the  
Mix!



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# INCLUSION



Is What  
You do  
With It!

# INCLUSION



## Who is Biased?

"I'm a fair person. I'm not biased."

I don't discriminate."

"My only focus is on customer service."

**UNCONSCIOUS  
BIAS: NOT ME!**

"I'm color-blind and gender blind."

"I'll help anyone who has good credit and qualifies."



## DEFINING BIAS

### **Conscious bias is...**

A preference FOR or AGAINST a person or group that is communicated through statements or actions.

### **Unconscious (or implicit) bias is...**

A preference FOR or AGAINST a person or group – that one is not aware of – but nevertheless is communicated through statements or actions.

No intent

No control (involuntary)



## RESEARCH ON UNCONSCIOUS BIAS

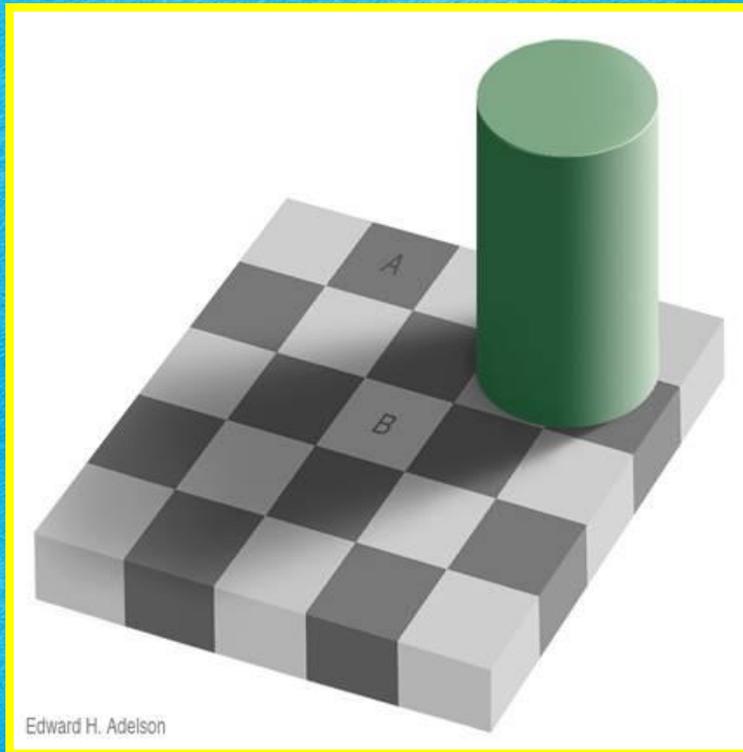
▶ Harvard Study ([www.implicit.harvard.edu](http://www.implicit.harvard.edu)) shows:

- The conscious desire NOT to be biased does not eliminate unconscious bias
- 75% of test takers showed some bias in favor of a particular identity group
- IAT test-takers with higher levels of bias are more likely to make biased employment decisions (e.g., hiring, assignments, promotions, etc.)
- “In-group favoritism” results in effectively discriminating against those who are different from us



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# THE POWER OF IMPLICIT BIAS

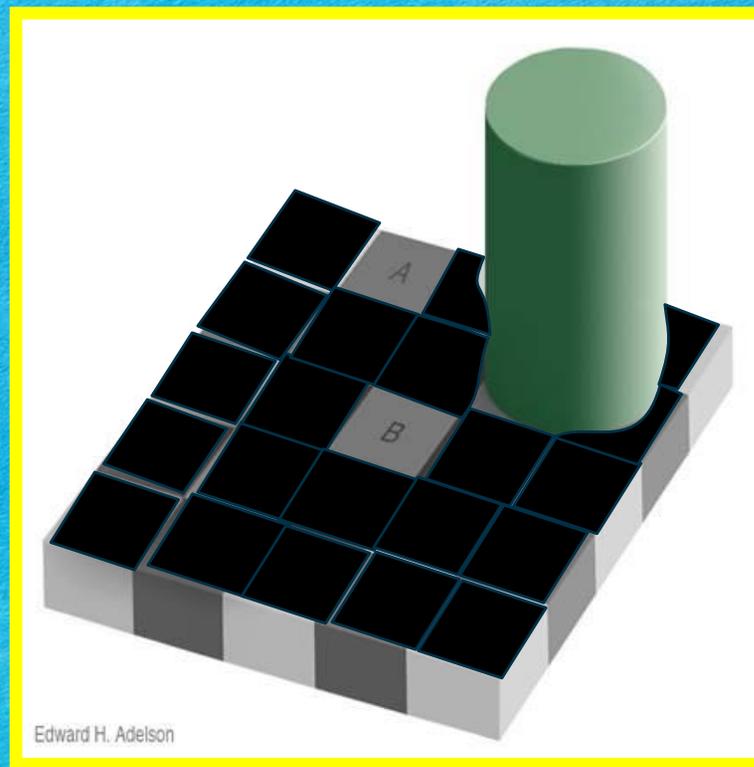


Edward H. Adelson



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# THE POWER OF IMPLICIT BIAS





## SEEDS OF BIAS

1. Similarity

2. Expedience

3. Experience

4. Distance

5. Safety





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# IMPLICIT ASSOCIATIONS

- ▶ Schemas
- ▶ Stereotypes
- ▶ Attitudes
- ▶ In group/outgroup



# IN-GROUP FAVORITISM

## ■ How We View Our In-Group

- Higher Trust
  - Competence
  - Predictability
  - Intentions
- Heterogeneous
  - We are all a little different
- Attribute competence to positive traits
- Attribute incompetence to the situation

Typically Stronger for Higher Status Groups

## ■ How We View Out Groups

- Lower Trust
  - Competence
  - Predictability
  - Intentions
- Homogeneous
  - They are all the same
- Attribute incompetence to negative traits
- Attribute competence to situation or exceptional traits



# RESEARCH ON UNCONSCIOUS RACIAL BIAS

U. of Chicago study found resumes of white sounding names were 50% more likely to get calls for an interview than applicants with ethnic sounding names

[Bertand & Mullainathan 2004]

## Jamal Smith

### Personal

Listed on National Honors Society, high school honor roll, listed in Who's Who for Cheerleading and Academics. Enjoy cheerleading.

### Education

1997-2000 Hill County Central High School; Anytown, KY  
Grades: 9<sup>th</sup> - 12<sup>th</sup>

1996-1988 Hill Elementary School; Anytown, KY  
Grades: Kindergarten - 8<sup>th</sup>

### Special Training

1998 Hill County Central High School; Anytown, KY  
*Keyboarding*  
*Intro to Computers*

### Extra-Curricular Activity

Cheerleader (1992-1999)

### References

John Doe	Teacher at Hill County High School	000-000-0003
Judy Charles	Employment Interviewer	000-000-0004
Mary Poppins	Retired Teacher	000-000-0005

## John Smith

### Personal

Listed on National Honors Society, high school honor roll, listed in Who's Who for Cheerleading and Academics. Enjoy cheerleading.

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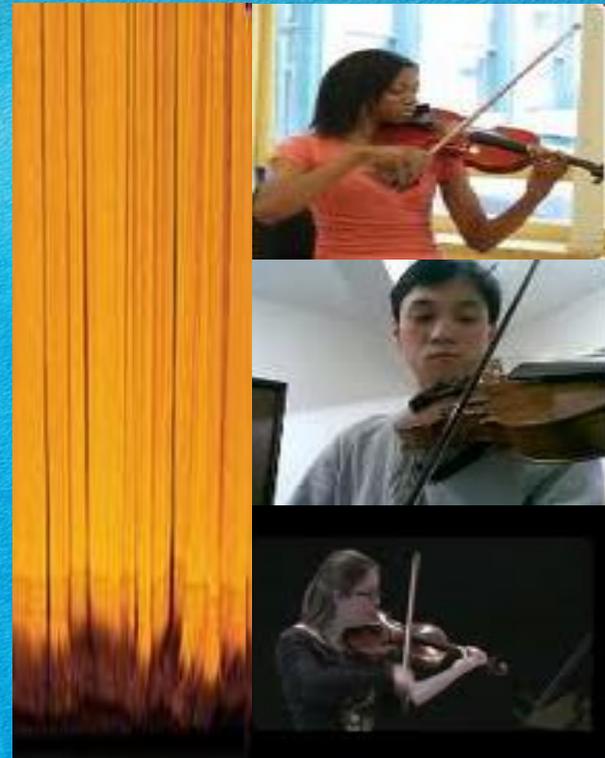


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# IMPACT OF UNCONSCIOUS BIAS

Changing the audition procedures of 8 symphony orchestras (auditions behind a screen) resulted in substantial increase in the acceptance/promotion of women in the orchestras

[Goldin & Rouse, 2000]





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# HOW PERCEPTIONS DETERMINE OUR RESPONSE





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SHIFT HAPPENS



## Why care?

### The bottom line for our Industry

- Of the projected 8.9 million new homeowners between 2015 and 2025, **39.5%** will be White Non-Hispanic; **12.6%** will be Black Non-Hispanic; **27.8%** will be Hispanic; and **20.1%** will be Asian/Other.
- **21** of **25** most populated counties are multicultural majority
- **\$713** Billion – Asian Spending Power
- **\$1.1** Trillion – African American Spending Power
- **\$1.3** Trillion – Hispanic Spending Power



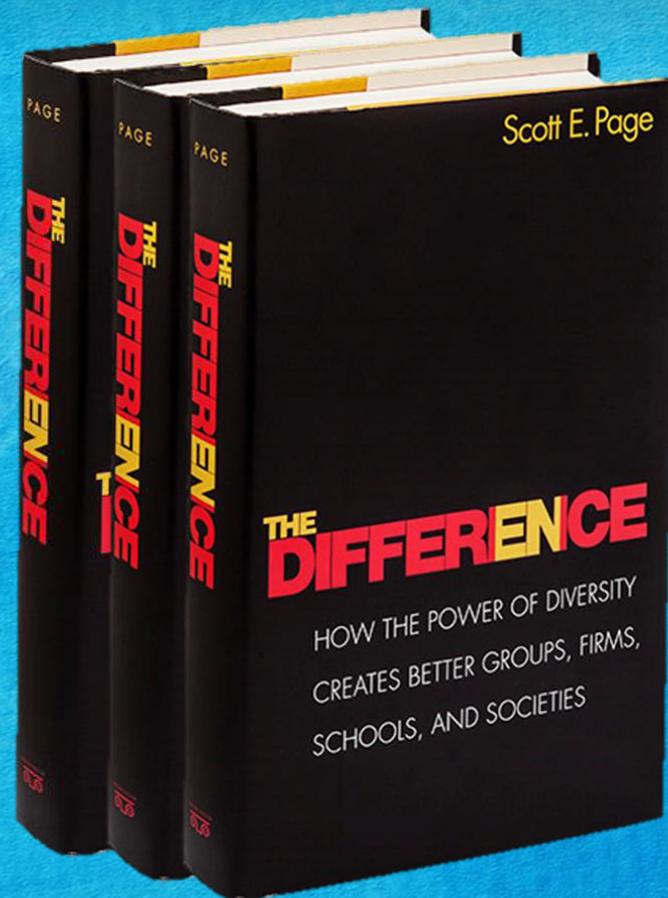
## Homeownership Rates by Race and Ethnicity in 2016

- White **71.3%**
- Asian **55.3%**
- Hispanic **45.6%**
- Black **41.0%**



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## DIVERSITY TRUMPS ABILITY



### Diversity in the Workplace

- Benefits of diversity
  - Larger worker pool with diverse experiences
  - Increases diversity of customers
  - Creates beneficial environment for workers
  - Increased ability to satisfy diverse customers

©2010 Thomson eBusiness



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## BENEFITS OF DIVERSITY

Superadditivity

$$2 + 2 = 5$$

The more complex the task or  
problem, the greater the benefit  
of diversity





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## DIVERSITY AND INCLUSION IMPROVES OUTCOMES

- Companies in the top quartile for gender or racial and ethnic diversity are more likely to have financial returns above their national industry medians.
- Companies in the bottom quartile in these dimensions are statistically less likely to achieve above-average returns.

15%

Gender diverse companies more likely to outperform

35%

Ethnically diverse companies more likely to outperform

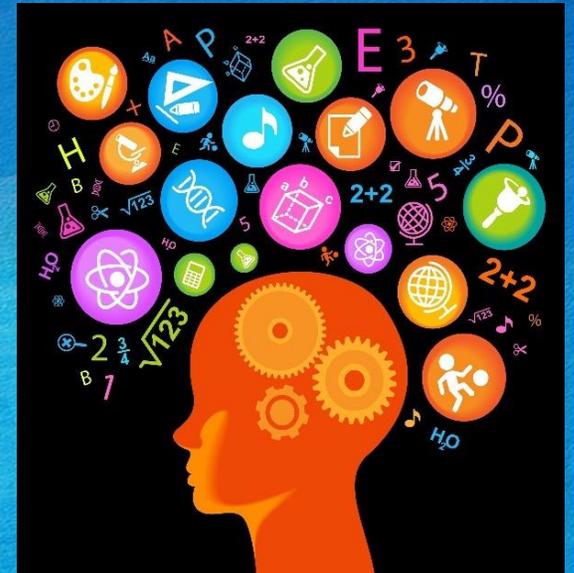
Diversity is probably a competitive differentiator that shifts market share toward more diverse companies over time

*McKinsey Report: Diversity Matters*



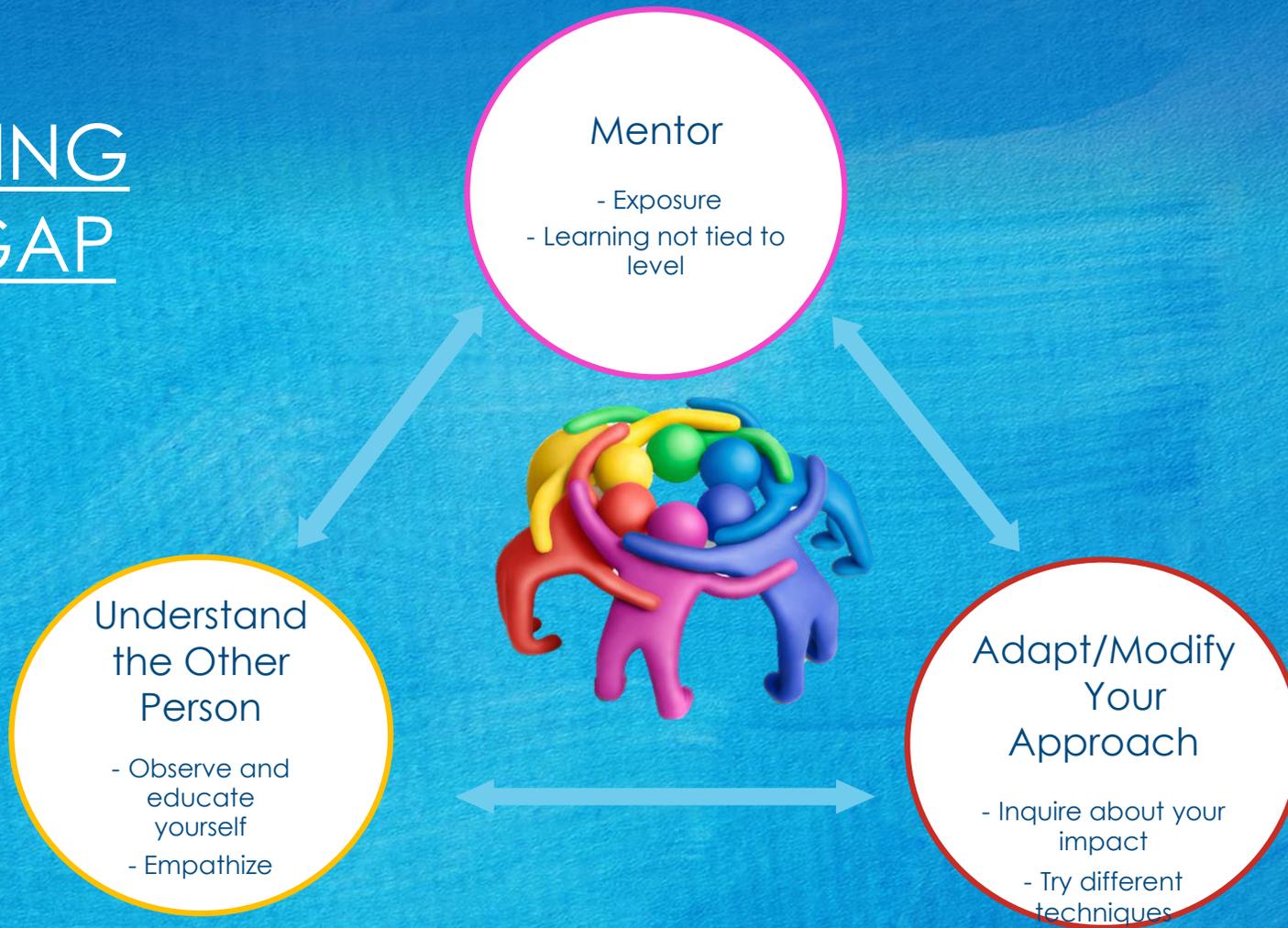
## Diversity & Inclusion Lifts Performance

- ✓ Diverse groups improve problem solving and creativity
- ✓ Reduces mindless conformity
- ✓ Raises team intelligence by increasing social intelligence
- ✓ Diversity can often overcome inexperience and superior ability (as measured by IQ)





# CLOSING THE GAP





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# MITIGATING BIAS

- ▶ Increase intergroup contact
- ▶ Counter stereotypes
- ▶ Take on another's perspective
- ▶ Engage in a deliberative process

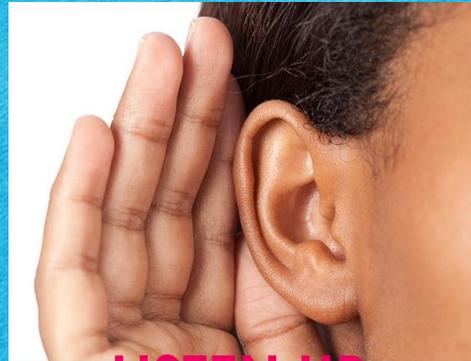


## NOTICE PATTERNS/LISTEN TO THE IMPACT

Don't attack the messenger

Linguistic Inner-Group Bias

Be willing to listen to the person raising the concern



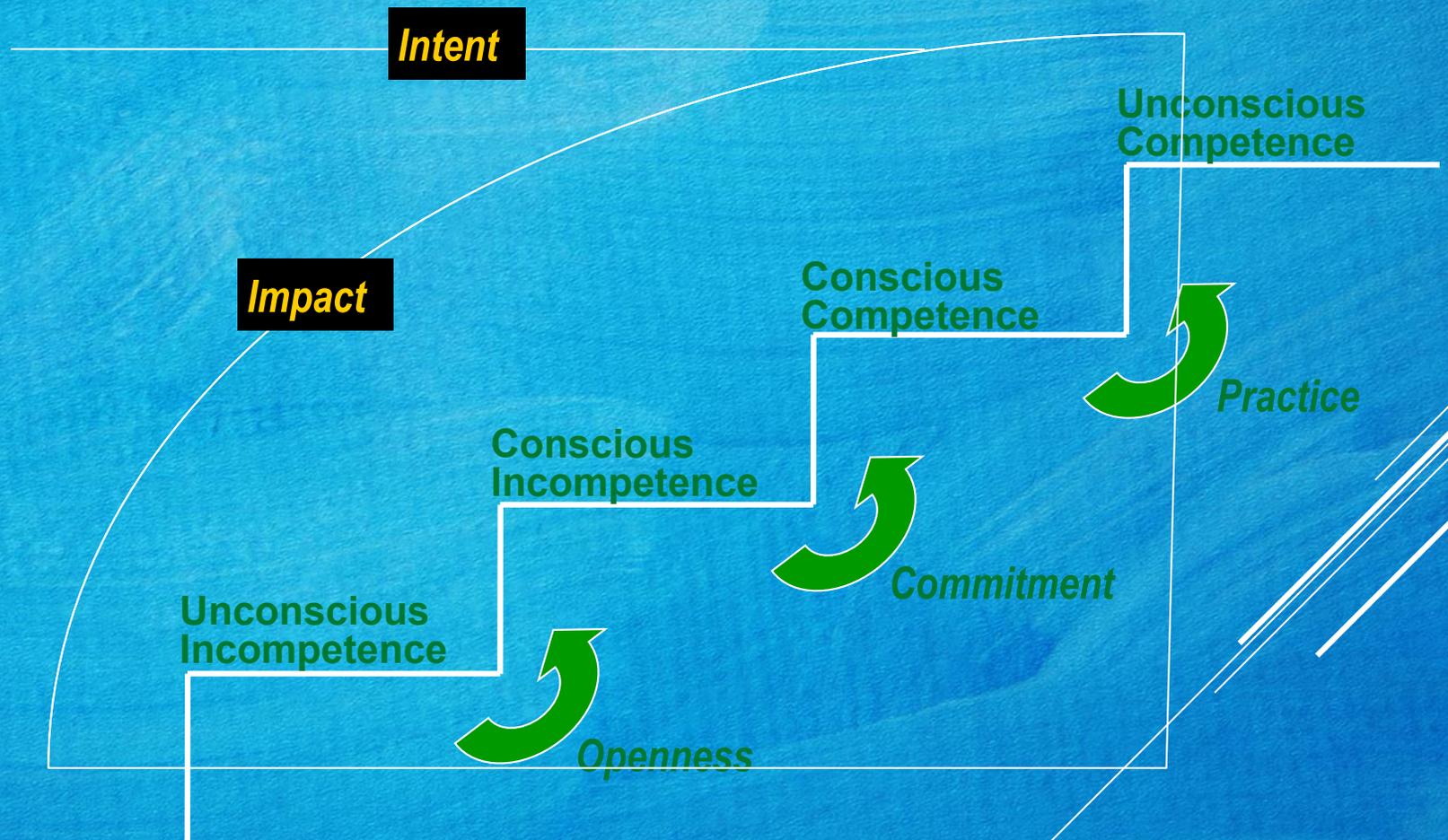
**LISTEN UP**

Acknowledge that bias may exist

Encourage them to share their perceptions and experiences



# The Cognitive Learning Model





## INCLUSION BY DESIGN: **EAST**

### Review

- Policies
  - Blind Resumes

- Job Descriptions
  - “gendered” words

### Interviewing

- Rethink panels
- Be aware of anchoring and framing
- Ask everyone the same questions

**E**asy \* **A**tttractive \* **S**ocial \* **T**imely



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# The Do's & Don'ts of Diverse Hiring in the Workplace

*July 2018*

Presented by

Randall Miller  
Randall S. Miller and Associates

# Size Does Not Matter!!

## (For The Most Part)

- Some protections for companies with under 50 employees
- D&I benefits companies of all size
- Discrimination issues apply to companies of all size—  
AVOID POTENTIAL REVERSE DISCRIMINATION  
CLAIMS



# Who Are The Best Employees?

- Who is the right fit for your organization?
- Who will succeed in the specific job position?
- Cost savings in getting it right the first time.



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# Protected Classes

- **Race** - Civil Rights Act of 1964
- **Religion** - Civil Rights Act of 1964
- **Nationality** - Civil Rights Act of 1964
- **Age** - Age Discrimination in Employment Act of 1967
- **Sex** - Equal Pay Act of 1963 and the Civil Rights Act of 1964
- **Pregnancy** - Pregnancy Discrimination Act
- **Disability** - Americans with Disabilities Act of 1990



# Partially Protected Groups Can Include:

- Veterans
- Parents
- Citizenship



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# Tools To Help Get It Right

- Job Analysis
- Job Specifications
- Job Descriptions
- Interviews/Questionnaires

A decorative banner at the bottom of the slide features a row of five colorful doors (blue, red, white, light blue, and red) set against a stone wall. Below the doors is a horizontal bar with segments in green, teal, orange, and dark blue.

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[MortgageDiversityCouncil.com](http://MortgageDiversityCouncil.com)

# Job Analysis

- Establishes the behaviors necessary to perform the job.
- Opportunity to develop which personal characteristics are best suited for the job.
- Should include establishing job parameters, job qualities, job requirements and establishing candidate qualifications.



# Job Specifications

- Outlines specific qualities necessary for a particular job.
- Delineates physical, educational, or experience necessary for the particular job.
- Determine whether training is permitted, or does the candidate need to hit the ground running on day one.



# Job Descriptions

- Simplifies Governmental Reporting
- Aids HR in tracking wages, number of employees, departments and recruiting

A decorative banner at the bottom of the slide features a row of five different colored doors (blue, red, white, light blue, and red) set against various architectural backgrounds. Below the doors is a horizontal bar with segments in green, teal, orange, and dark blue.

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# Interviews/Questionnaires

- Utilize your tools to increase the odds of hiring highly effective employees.
- Interviewers must be trained
  - Legal Issues
  - Job Requirements
  - Bias
- If utilizing questionnaires, the same rules apply.



# Do's And Don'ts When Interviewing

- **Do** feel free to ask if an applicant is a U.S. citizen eligible to work in the United States. **Do not** feel free to ask what country they come from.
- **Do** feel free to ask if an applicant is able to carry out the necessary job assignment and perform them well and safely. **Do not** feel free to ask the nature and severity of any disability
- **Do** feel free to ask if security clearance is necessary, can that be achieved? **Do not** feel free to ask if the candidate has ever been arrested, convicted of a crime, or spent time in jail prior to employment.
- **Do** feel free to ask for necessary financial information for benefits or 401(k) after the applicant is hired. **Do not** feel free to inquire about their personal financial status, debt obligations, outstanding loans or any wage garnishments/attachments.



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# Do's And Don'ts When Interviewing

- **Do** feel free to ask an employee (if pregnant) when she is due only after they have been hired. **Do not** feel free to ask a candidate if they are pregnant, or if that is obvious, when they are due.
- **Do** feel free to ask if an employee is married when inquiring for insurance purposes. **Do not** feel free to ask a candidate if they are married.
- **Do** feel free to ask if a candidate is a veteran, and if not, why not? Also feel free to ask about any job specific training that may have been obtained in the military. **Do not** feel free to ask what a candidates' discharge status is. Also, do not feel free to ask what branch they served in.
- **Do** feel free to ask an employee if they are over 18, only after they have been hired. **Do not** feel free to ask how old they are. Also, do not guess a candidates age.



# Do's And Don'ts When Interviewing

- **Do** feel free to ask an employee the number and age of their children, after being hired, for insurance purposes. **Do not** feel free to ask how many children they have, how old they are, or who takes care of them. Further do not ask if they plan on having more children, even when the fact that children exist has been brought up by the candidate.
- **DO NOT ASK QUESTIONS ABOUT RACE**, even if you are curious.
- **DO NOT ASK QUESTIONS ABOUT GENDER, UNLESS THE JOB REQUIRES A SPECIFIC SEX FOR THE JOB.**
- **DO NOT ASK ABOUT RELIGION.**
- Sexual Orientation is not a protected group in all states, so local research would have to be performed (or consult an attorney). In the meantime, **DO NOT ASK ANY QUESTIONS IN THIS REGARD.**



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# Conclusion

- Diverse workforces create better, more productive work environments. Just make sure you go about it the right way.





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# Thank You!

**For more information on the AMDC please contact Derek Templeton via email at  
[Derek.Templeton@TheFiveStar.com](mailto:Derek.Templeton@TheFiveStar.com)**



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# Diversity and the Business Supply Chain

*August 2018*

Presented by

Edmond Buckley, Aspen Grove Solutions

Francisco Reyes, Altisource

Clint Welser, Laudan Properties

Kirk Willison, Altisource



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# Getting Certified

(Minority Owned Business 101)



# HUBZone

## (Historically Underutilized Business Zones)

- Program Guidelines: <https://www.sba.gov/contracting/government-contracting-programs/hubzone-program>
- HUBZone Maps for qualification purposes (Find out whether your business resides in a designated HUBZone area): <https://www.sba.gov/contracting/government-contracting-programs/hubzone-program/hubzone-maps>
- HUBZone designation qualifies an entity to participate in federal contracts related to Low-Income Tax Credit areas as defined below:
- The US Department of Housing and Urban Development (HUD) designates Qualified Census Tracts (QCTs) for purposes of the Low-Income Housing Tax Credit (LIHTC) program. The LIHTC program is defined in Section 42 of the Internal Revenue Code of 1986. The LIHTC is a tax incentive intended to increase the availability of affordable rental housing.



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# HUBZone (Continued)

- The LIHTC statute provides two criteria for QCT eligibility. A census tract must have either:
  - A poverty rate of at least 25 percent; or
  - 50 percent or more of its householders must have incomes below 60 percent of the area median household income. The area corresponds to a metropolitan or a non-metropolitan area.
- Further, the LIHTC statute requires that no more than 20 percent of the metropolitan area population reside within designated QCTs (This limit also applies collectively to the nonmetropolitan counties in each state). Thus, it is possible for a tract to meet one or both of the above criteria, but not be designated as a QCT.
- The Census Bureau defines the boundaries of Census tracts in cooperation with local authorities every ten years for the purposes of the decennial census and, following a public comment period, has completed defining tract boundaries for the 2010 Census. Note that when census tract boundaries are set, they remain unchanged for the next decade. Thus, tract boundaries will not be changed until the 2020 Decennial Census. A QCT may be located in a nonmetropolitan county or metropolitan area.



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# LGBT-Owned

Ownership is defined as 51% of total outstanding shares as being owned and actively managed by a person identifying as Gay, Lesbian, Bisexual, Transgender or alternatively oriented.

- For 3rd party Independent Certification companies are encouraged to conduct formal submission through the National Gay & Lesbian Chamber of Commerce (NGLCC).
- To register, businesses should start at [My.NGLCC.org](http://My.NGLCC.org) and complete the questionnaire.



# LGBT-Owned (Continued)

## Process

- Submit required documents (may include the following):
  - \$400 Fee for registration (waived if the organization is a sponsor member),
  - Provide legal entity documents evidencing ownership meets the requirement,
  - Proof of ownership contribution of Capital (bank statements or sworn statement from ownership),
  - Proof of daily operational involvement by the applicant including evidence of operational control.
- Franchises are eligible for Certification.
- National Certification Committee meets monthly and selects qualified entities for in-person Site Inspections to conduct a formal audit prior to certification.



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# Service Veteran-Owned

- Ownership defined as any individual owning a minimum of 51% of the total outstanding shares of the entity who demonstrates a historic record of active service duty within any branch of the United States military, having been honorably discharged or retired from duty.
- Dishonorable discharges may be considered ineligible depending on the contract restrictions of the set aside amount.

A decorative banner at the bottom of the slide features a row of five colorful doors (blue, red, white, light blue, and red) set against a stone wall. Below the doors is a horizontal bar with segments in green, teal, orange, and dark blue.

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# Small Business Entity (SBE)

- To qualify for a “small business set-aside” you must first be a for-profit business concern and meet the small business size standard for the NAICS code that the contracting officer assigns to the procurement. That may or may not be the same as your principal business activity. However, if it is not, it does not stop you from bidding, if you meet the size standard and can fulfill the contract requirements.
- To participate in Federal procurement (whether or not you are a small business concern) and some other programs, you must register your firm in the Federal government’s System for Award Management (SAM)
- Size Standards can be found: <https://www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/small-business-size-regulations>
- Industry definition codes can be located at: <https://www.sba.gov/contracting/getting-started-contractor/determine-your-naics-code>
- To access the system for award management: <https://sam.gov/portal/SAM>



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# Woman-Owned Business Entity (WBE)

- The SBA provides enhancement, benefit and contractual set asides for businesses having ownership and controlling interest of at least 51% women. Program details can be found at: <https://www.sba.gov/contracting/government-contracting-programs/women-owned-small-businesses>
- This program enables Economically Disadvantaged WOSBs (EDWOSBs) to compete for federal contracts that are set-aside for EDWOSBs in industries where women-owned small businesses are underrepresented. It also allows set-asides for WOSBs in industries where women-owned small businesses are substantially underrepresented.



# Woman-Owned Business Entity (Continued)

- WBENC (Women's Business Enterprise National Council)-Conducts 3rd Party certification and audits:
- Certification Process: Gather the following documents and submit via online portal.
  - Signed Sworn Affidavit attesting to nature of ownership and management, WBENC2.0 user agreement must be signed, non-refundable processing fee, a short history of the business, any professional licenses, all owners submit a resume and photo ID including evidence of gender and a copy of birth certificate, 3 years tax returns and accompanying financial statements (comparative P&Ls and balance sheets), documentation of any financial obligations, current bank signature card, proof of capital invested by female ownership, a list of all full and part time employees and accompanying payroll records, any current management agreements, ESOP statements, service or consulting agreements and information regarding any known affiliates or subsidiaries.



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# Minority Business Entity (MBE)

- Certification begins with the National Minority Supplier Development Council:  
<http://www.nmsdc.org/mbes/mbe-certification/>

## How To Get Started

1. Review certification criteria to ensure that your business qualifies:
  - United States citizens.
  - Minority businesses must be at least 51% minority-owned operated and controlled. For the purposes of NMSDC's program, a minority group member is an individual who is at least 25% Asian, Black, Hispanic or Native American.
    - Minority eligibility is established via a combination of screenings, interviews and site visits. Ownership, in the case of a publicly-owned business, means that at least 51% of the stock is owned by one or more minority group members.
- Must be a for-profit enterprise and physically located in the U. S. or its trust territories.
- Management and daily operations must be exercised by the minority ownership member(s).



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# Minority Business Entity

## (Continued)

2. Gather required documentation. Documentation requirements:
  - The history of business, certificate of incorporation, articles of incorporation, stock certificates and stock ledger, Minutes to Board of Director's meetings, Bylaws (executed and attested) and Amendments (if applicable), all agreements pertaining to ownership and operation of the business, Business cards that list appropriate corporate titles, copies of resumes, copy of driver's licenses and proof of US Citizenship (Birth certificates or U.S. Passports only) for all principals, corporate bank resolution agreement(s) to include bank signature card(s), business lease agreement(s) (and Security Deeds if home-based), proof of general liability insurance and in some cases bonding, copies of the businesses' cancelled checks.
3. Complete the online application in full.
4. Application fee must be paid online via credit card.
5. Upload the required documentation via the online certification/recertification application.
6. Schedule site visit and interview. These will be performed by a NMSDC Certification Specialist.
7. Wait for final approval from both committee and board members.





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# Tracking And Reporting Vendor Diversity



# Executive Summary

## OBJECTIVE

- Provide an overview of how key players in the industry track and report vendor diversity.
- Consolidate practices into standard guidelines you can incorporate into your own vendor diversity program.

## KEY POINTS

- Why it matters to have a diverse vendor network, from a business view
- How to track diverse spend
- Benchmarking
- General guidelines



# Why It Matters

- Having a diverse vendor network is great in itself, but it can also give you an edge in business
- As companies continue to increase their focus on diversity they will expect you to do the same, and may rely on your numbers to boost theirs (tier-2 reporting)
- The diversity of your vendor network is not measured by how many diverse vendors you have, but by how much you use them, i.e. what % of your total vendor spend goes to diverse vendors

$$\frac{\textit{Diverse Vendor Spend}}{\textit{All Vendor Spend}} = \textit{Diverse Spend Ratio}$$

- Your Diverse Spend Ratio can be a differentiator in winning/retaining business – know what goes into it and build reliable tracking and reporting around it.



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# What Is Diverse Vendor Spend?

- Every dollar you spend with vendors that qualify as diverse, i.e. minority-owned, woman-owned, veteran-owned, etc.
- Some companies require third-party certification to consider a vendor diverse while others accept self-certification as well.
- Qualifications may vary from one certifying body to the next, but majority ownership and management are common requirements.
- Some companies only count their own diverse vendor spend (tier-1) while others count their non-diverse vendors' diverse vendor spend (tier-2) within their reporting.
- The more information you track the more you can customize your reporting.



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# Benchmark

- To calculate your Diverse Spend Ratio you have to divide your Diverse Vendor Spend into your overall vendor spend – but what goes into the overall vendor spend?
- Some companies will count every dollar spent, but most companies have exclusions.
- The spirit of diversity is to give diverse businesses a fighting chance, but in monopolistic/sole source situations you cannot pick who you spend with so some companies exclude that spend from the equation.
- Examples include taxes, utilities, business licenses, landlords, courier, postage, travel and in some cases software, SaaS.
- Other companies make the cut between direct and indirect spend, i.e. cost of goods sold type of spend counts but overhead does not.
- Customize reports – your clients will care about your Ratio for the revenue you get from THEM.



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# General Guidelines/Common Ground

1. Know your vendors – survey them for their diversity but be mindful of the messaging/wording.
2. Those that claim to be diverse – ask them for certificates, track expirations and get renewals (your clients will ask).
3. Keep track of what category each vendor is and whether they are self-certified or 3<sup>rd</sup> party certified.
4. Define your benchmark and be consistent with your exclusions, e.g. if you exclude SaaS and happen to hire a diverse SaaS company do not count that spend in your favor.
5. Report all diverse spend clearly labeled but also customize reporting to cater client requirements – transparency is key.



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# Sample Diversity Spend Tracker

Vendor	Non-Diverse	MINORITY-OWNED BUSINESS	WOMAN-OWNED BUSINESS	VETERAN-OWNED BUSINESS	Self Certified	3'rd Party Certified
Vendor ABC			✓			✓
Vendor CBA			✓			✓
Vendor XYZ			✓		✓	
Vendor HIG	✓					
Vendor DEF		✓			✓	
Vendor MNO				✓		✓



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# Sample Diverse Spend Report

Client	Description	Q1 - 2018		Q2 - 2018		YTD	
		\$	%	\$	%	\$	%
Total	Total Spend	\$1,750	100%	\$2,445	100%	\$4,195	100%
	Total Diverse Spend	\$500	29%	\$825	34%	\$1,325	32%
	<b>Total 3rd Party Certified</b>	\$200	11%	\$825	34%	\$1,025	24%
	Total Woman-Owned Business Entity	\$200	11%	\$825	34%	\$1,025	24%
	Vendor ABC	\$160	9%	\$700	29%	\$860	21%
	Vendor CBA	\$40	2%	\$125	5%	\$165	4%
	<b>Total Self Certified</b>	\$300	17%	\$0	0%	\$300	7%
	Total Woman-Owned Business Entity	\$300	17%	\$0	0%	\$300	7%
Vendor XYZ	\$300	17%	\$0	0%	\$300	7%	
Client 1	Spend	\$1,000	57%	\$1,325	54%	\$2,325	55%
	Diverse Spend	\$400	23%	\$475	19%	\$875	21%
	3rd Party Certified	\$100	6%	\$475	19%	\$575	14%
	Woman-Owned Business Entity	\$100	6%	\$475	19%	\$575	14%
	Vendor ABC	\$60	3%	\$350	14%	\$410	10%
	Vendor CBA	\$40	2%	\$125	5%	\$165	4%
	Self Certified	\$300	17%	\$0	0%	\$300	7%
	Woman-Owned Business Entity	\$300	17%	\$0	0%	\$300	7%
Vendor XYZ	\$300	17%	\$0	0%	\$300	7%	
Client 2	Spend	\$750	43%	\$1,120	46%	\$1,870	45%
	Diverse Spend	\$100	6%	\$350	14%	\$450	11%
	3rd Party Certified	\$100	6%	\$350	14%	\$450	11%
	Woman-Owned Business Entity	\$100	6%	\$350	14%	\$450	11%
	Vendor ABC	\$100	6%	\$350	14%	\$450	11%
	Self Certified	\$0	0%	\$0	0%	\$0	0%
	Woman-Owned Business Entity	\$0	0%	\$0	0%	\$0	0%





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# VALUING HOMES + DIVERSITY

**FOSTERING NEW CAREER OPPORTUNITIES  
IN AMERICA'S APPRAISAL INDUSTRY**

# WHAT IS A REAL ESTATE APPRAISER?

- A real estate appraiser is a valuation professional who develops an opinion of real property (residential or commercial).
- Appraisals are used in a variety of transactions, including:
  - Mortgage loans
  - Divorce proceedings
  - Estate settlement
  - Taxation support



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# Why Be An Appraiser?

- Successful appraisers demonstrate:
  - Analytical/math skills
  - Customer service skills
  - Problem solving
  - Time management
  - Organization skills
- Successful appraisers enjoy benefits like:
  - Flexible work schedules
  - Exposure to emerging technologies
  - Multiple potential career paths

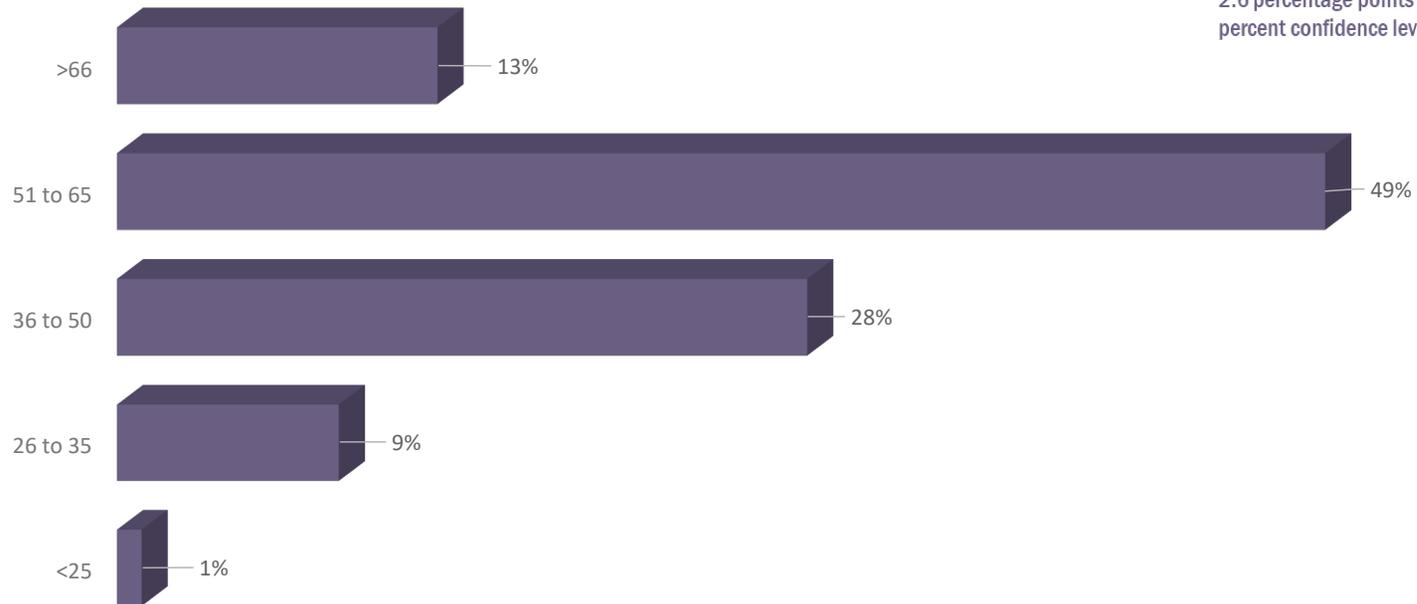
A decorative banner at the bottom of the slide features a row of five colorful doors (blue, red, white, light blue, red, blue) set against a light background. Below the doors is a horizontal bar with segments in green, teal, orange, and dark blue.

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# Appraisers Are Nearing Retirement

**Source:** U.S. appraiser population statistics derived from the ASC National Registry as of December 31, 2017. Demographic statistics derived from Appraisal Institute studies conducted in 2016 comprised of randomly selected AI members and non-member valuation professionals. Survey sample 2,072 individuals, sampling error of approximately +/- 2.6 percentage points at the 95 percent confidence level.

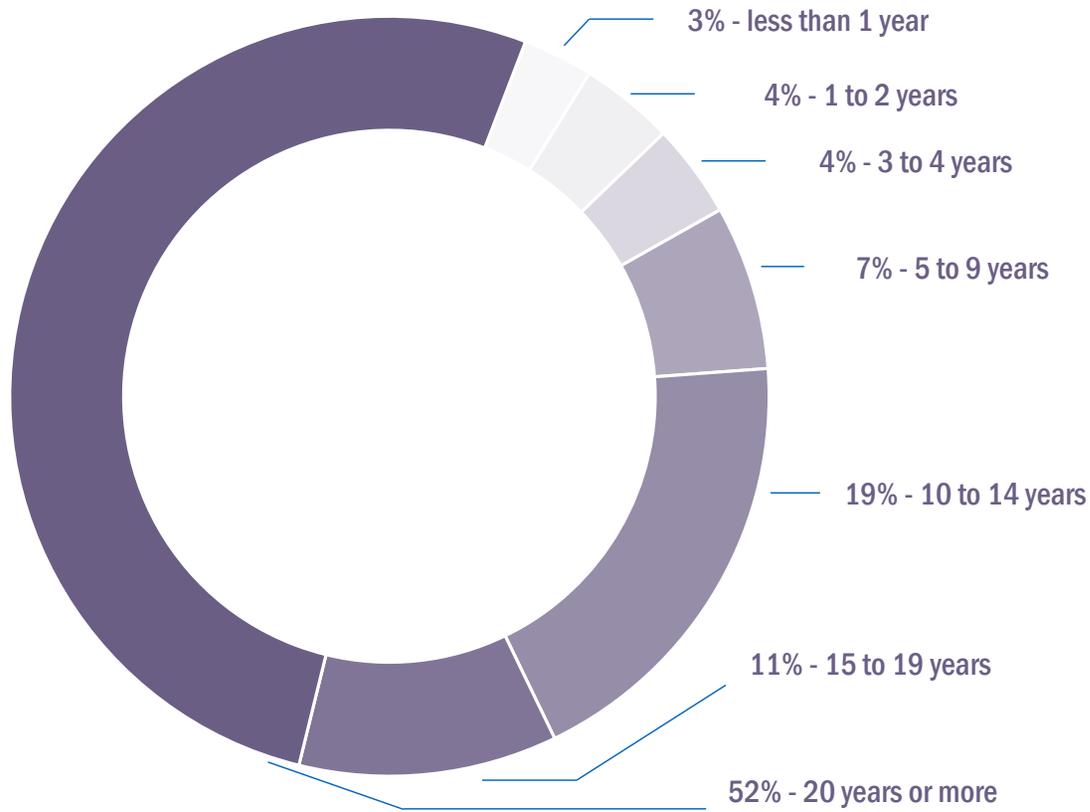
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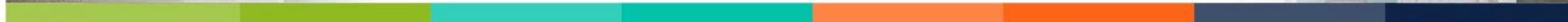
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# Fewer People Are Entering The Profession

**Source:** U.S. appraiser population statistics derived from the ASC National Registry as of December 31, 2017. Demographic statistics derived from Appraisal Institute studies conducted in 2016 comprised of randomly selected AI members and non-member valuation professionals. Survey sample 2,072 individuals, sampling error of approximately +/- 2.6 percentage points at the 95 percent confidence level.



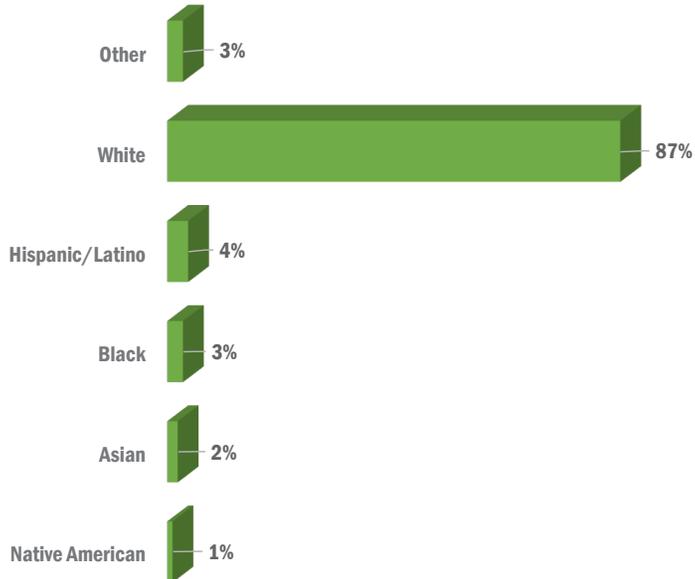
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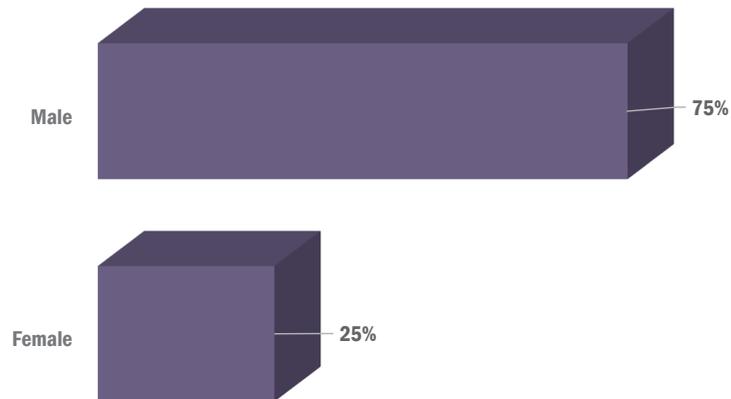
# Lack Of Ethnic and Gender Diversity

**Source:** U.S. appraiser population statistics derived from the ASC National Registry as of December 31, 2017. Demographic statistics derived from Appraisal Institute studies conducted in 2016 comprised of randomly selected AI members and non-member valuation professionals. Survey sample 2,072 individuals, sampling error of approximately +/- 2.6 percentage points at the 95 percent confidence level.

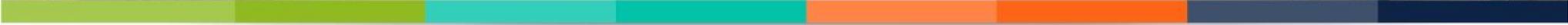
## ETHNICITY



## GENDER



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# Tackling Appraisal Industry Challenges

*Lowering the barrier to entry in the appraisal industry*

- Industry leaders have the opportunity to proactively address the shortage of successors in the appraiser pipeline, while fostering diversity and inclusion by:
  - Modifying education and experience requirements to expand the pool of qualified candidates
  - Reaching diverse, talented candidates and educating them about the appraisal industry
  - Providing resources for interested candidates to help them get on a path to success



# Easing Education + Experience Requirements

- In February 2018, the Appraiser Qualifications Board (AQB) voted to adopt changes to some education and experience criteria (effective May 1, 2018).
- For example, for licensed residential appraisers, AQB voted to:
  - Reduce the education requirement
    - Before: 30 semester credit hours or associate degree
    - Now: no college degree requirement\*
  - Reduce the training requirement
    - Before: 2,000 hours in 12+ months
    - Now: 1,000 hours in 6+ months\*



# Easing Education + Experience Requirements

- When? Q4/2018 – Q1/2019
- Where? Baltimore & Philadelphia
- What?
  - Informational workshops
    - Introduction into the profession
    - Beginner resources packet
  - Educational resources
  - Skill development workshops, including field time
  - Guidance from Fannie Mae staff appraisers



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# Thank You!

**This Presentation will be archived on  
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