



A Benevity Impact Labs Report

The State of *Workplace DEI*

How DEI commitments impact the employee experience

KEY INSIGHTS

- 1 DEI remains a high priority for employees, despite an uncertain economic outlook.
- 2 DEI is critical to attracting and retaining talent and building employer trust.
- 3 Employee resource groups (ERGs) are a hidden source of business and employee value.

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Can workplace DEI initiatives survive economic volatility?

In 2020, diversity, equity, and inclusion (DEI) gained significant momentum as the world faced both a pandemic and a racial justice movement. These events highlighted and exacerbated workplace inequities, while simultaneously drawing attention to a broader understanding of what diversity means and requires.

As a result, many companies committed to tackling critical DEI work to ensure greater support for employees with diverse backgrounds, genders, caregiving responsibilities, perspectives, and more. But, as with most movements for change, DEI initiatives have weathered ongoing political backlash and criticism — to the point where even DEI professionals now feel some level of fatigue and cynicism about the future resiliency and lasting impact of workplace DEI programs. And that was all prior to economic uncertainty taking hold in late 2022.

With inflation and budget anxiety forcing companies to limit spending, DEI initiatives are at risk of deprioritization.

Paring back DEI resources in favor of preserving funding for more traditional business objectives may feel like a reasonable trade-off on paper. But what impact does it have on employees' headspaces in a tight labor market — and in the era of quiet quitting?

Against this backdrop, we sought to understand the current state of DEI in the workplace from an employee perspective. To this end, we surveyed 1,000 full-time U.S. employees about their attitudes toward their employers' DEI initiatives and how current economic conditions are shaping their viewpoints and hopes.

Our data revealed unwavering support for DEI among employees in 2023 — and a strong desire to see employers double down on DEI efforts despite the challenging economic climate.



RESEARCH METHODOLOGY

We surveyed 1,000 full-time employees in the U.S. age 18 and over regarding their attitudes toward diversity, equity, and inclusion (DEI) initiatives in the workplace based on the following definition:

"DEI is an overarching term for the programs, policies, and practices that support a diverse, equitable, and inclusive workplace in respect to traits like race, gender identity, sexual orientation, physical ability, and religion."

The survey audience was reflective of U.S. census data in terms of race and geographic location at the time of fielding, January 25 through February 2, 2023.

DEI remains a *priority for employees*, despite an uncertain economic outlook

Employees have bought into the idea that workplaces are environments for social change. Across the board, DEI is a focal point for employees in 2023, regardless of geographic region, gender, race, or ethnicity — **and 90% of respondents say they have personally benefited from DEI initiatives at work.**

Given the widespread benefits of DEI, employees are eager for corporate leaders to continue prioritizing DEI work, with two-thirds (66%) of respondents believing their company should commit more time and resources to DEI initiatives than they currently do. In comparison, only 5% of respondents believe employers should commit fewer resources to DEI.

And this is true even in the face of economic uncertainty.

Despite ongoing budget cuts and shaky revenue projections, employees are adamant that DEI initiatives remain at the top of company leaders' priority lists. So much so that two-thirds of respondents (62%) believe employers should dedicate more

effort than usual to DEI over the next 12 months given the current period of economic uncertainty.

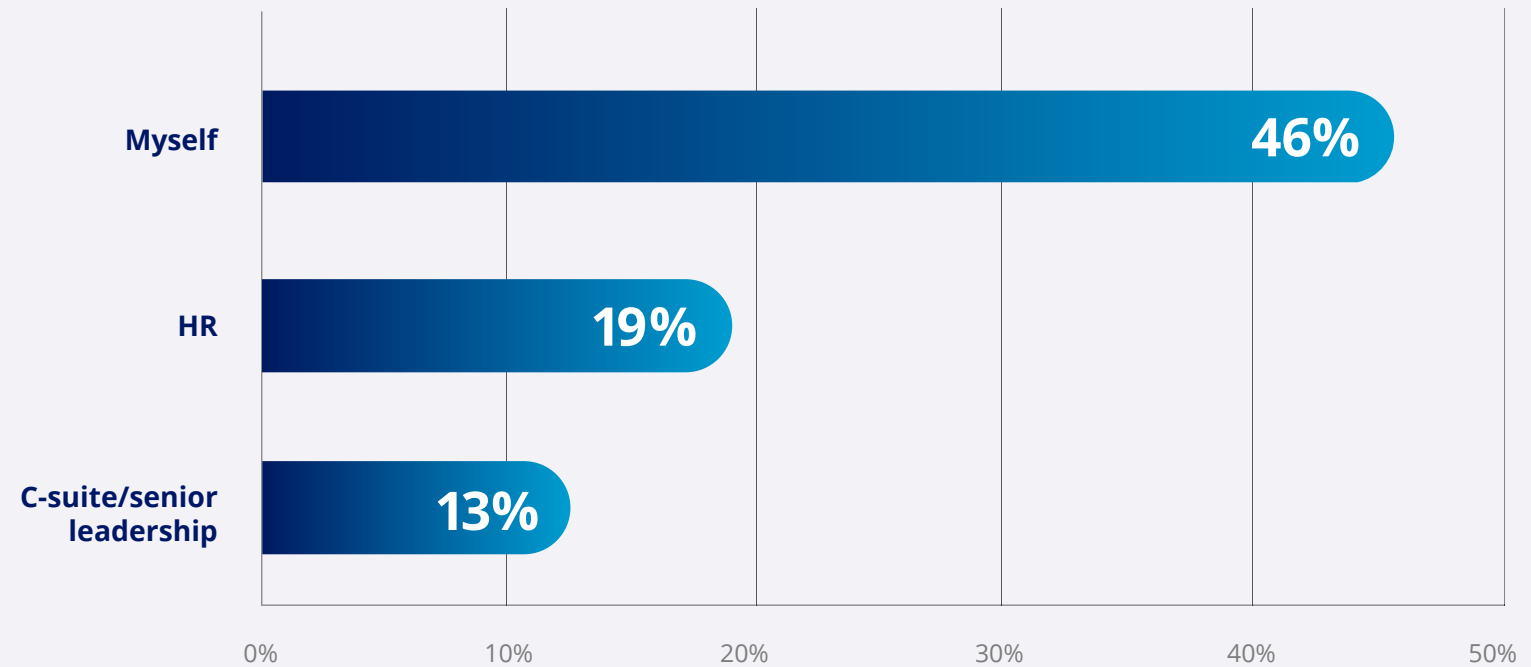
Likewise, workers expect company leaders to go beyond embracing diversity principles and play an active role in educating staff on how to be inclusive colleagues — 92% of respondents agree companies have a responsibility to help all employees become aware of their biases.

But corporate leaders may need to do more to show their support for DEI work. When asked who at their organization cares about DEI the most, respondents were far more likely to select "myself" over either HR or C-suite/senior leadership. For HR leaders, this may indicate a need to take additional steps to ensure their company's DEI efforts feel authentic and inclusive. HR leaders should look for opportunities to demonstrate their commitment to DEI and ask themselves what it would take to close this gap.

62%

of employees believe employers should dedicate more effort to DEI given the current period of economic uncertainty

Who cares the most about DEI, *according to employees*



KEY TAKEAWAY

Corporate leaders should think twice before curtailing resources for DEI initiatives this year. Employees place high value on these initiatives and want employers to be more engaged with DEI efforts moving forward — regardless of the broader economic picture.

DEI is critical to attracting and retaining *talent*

Following years of high employee turnover and a shifting model of work, business leaders are going back to the drawing board for new ideas to boost employee retention.

While salary and well-defined roles and responsibilities will always remain core components in workplace selection, there's been a sharp increase in the evaluation of how employers act, what they say, and how they engage with the world around them. In 2023, DEI isn't just nice to have — it's a business-critical investment for employers seeking to attract and retain top talent. In fact, the vast majority (95%) of employees now weigh a prospective employer's DEI efforts when choosing between job offers with similar salary and benefits.

Trust is another top reason employees put so much stock in an employer's (current and potential) DEI work. More than 90% of respondents agree companies with strong DEI commitments are more trustworthy to customers and employees. A similarly overwhelming majority (87%) agree they would feel more loyal to a company with a proven track record of prioritizing DEI.

But perhaps more notable is the number of workers who say they would reject an employer based on its DEI performance: Three-quarters of employees (78%) agree they would not consider working for a company that fails to commit significant resources to prioritizing DEI initiatives.

So how can employers show current and prospective employees they take DEI seriously? Employees say tactical concerns — including unbiased hiring practices and salary transparency — are currently the most impactful DEI initiatives. And it's no coincidence these are often the first steps companies take when overhauling policies to boost diversity and equity among their workforce.

But once workers' needs in terms of compensation, schedules, and career progression are met, company leaders should ask themselves what the next steps are in cultivating a workplace culture where every employee feels a sense of belonging.

95%

of employees weigh a prospective employer's DEI offers when choosing between job offers

87%

of employees would feel more loyal to a company with a track record of prioritizing DEI

Top 3 initiatives for advancing DEI, *according to employees*

- ① Unbiased hiring practices
- ② Salary transparency
- ③ Flexible schedules

KEY TAKEAWAY

To weather the current economic storm and emerge stronger on the other side, employers must attract and retain top talent. With employees now assessing corporate DEI efforts alongside compensation and benefits packages, employers should prioritize transparency around DEI commitments, programs, and learning opportunities. Workers are actively looking for this information — and when it's missing, that's considered a red flag.

INSIGHT 3

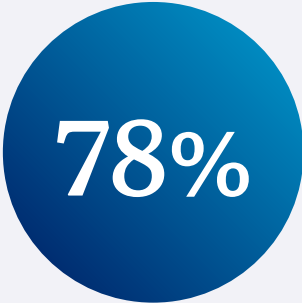
Employee resource groups (ERGs) are a source of *business and employee value*

Employee resource groups (ERGs) and similar affinity groups are voluntary, employee-led groups designed to foster connections based on shared characteristics or lived experiences (e.g., LGBTQ+, People of Color, Women, etc.).

These employee-organized groups are becoming more widespread, with 70% of employees reporting they have worked for a company offering ERGs or affinity groups at some point in their career. Among employees who have worked for an employer with ERGs/affinity groups, 62% have participated — indicating strong interest from workers.

ERGs present myriad benefits, chief among them the opportunity to connect with, learn from, and support fellow colleagues. The majority of ERG members (78%) said one of their top reasons for joining an ERG was to connect with colleagues with similar lived experiences — but close behind were the ability to connect with colleagues with different lived experiences and to build allyship with diverse colleagues. This speaks to the ability of ERGs and similar affinity groups to provide avenues to support both diversity and inclusion in the workplace.

Top 3 reasons employees join ERGs



To connect with colleagues with a similar lived experience



To connect with or learn from colleagues with a different lived experience



To become or be a better ally to diverse colleagues

What's more, ERGs receive ringing endorsements from employees.

An overwhelming majority of respondents who have worked for companies offering ERGs or similar affinity groups agree these resources have a positive impact on belonging, inclusivity, and well-being. And the benefits go beyond personal engagement and development — they improve company culture overall, benefiting ERG members and non-members alike.

Positive impact of ERGs

ERGs/affinity groups help make the workplace more equitable and inclusive

ERGs/affinity groups support employee well-being at work

ERGs/affinity groups help unify the workplace

ERGs/affinity groups have a greater impact on inclusivity than traditional DEI and unconscious bias training

ERGs/affinity groups contribute to a sense of community and belonging at work

% of employees who agree

97%

93%

92%

91%

88%

KEY TAKEAWAY

In addition to using DEI resources to remove barriers and inequities in systems and processes, employers should prioritize investing in experiences that make DEI tangible for employees on a day-to-day basis. One effective strategy is to provide space and resources for ERGs and similar affinity groups as well as other peer-led learning opportunities, which enable employees to continuously connect and build allyship. This approach is likely to build a more engaged culture by virtue of the fact that it's created by both corporate leaders and employees.

Now is not the time to pull back on DEI work

Companies that fail to commit to building an inclusive workplace culture miss out on top talent in a tight labor market. Today's employees believe companies have a responsibility to invest in DEI and help workers become aware of their unconscious biases. Employees' DEI expectations remain high even in a volatile economy — and they're willing to pass on employers that aren't taking serious action.

Top-down initiatives such as unbiased hiring practices and salary transparency will always be important, but among the top opportunities, employee-led initiatives such as ERGs and affinity groups stand out. These resources provide opportunities for peer connections and personal growth, which support employee well-being and belonging in addition to building inclusive and equitable workplaces.



Support and scale your
employee-led *DEI initiatives*

[Learn more about Benevity Affinity Groups](#)

Survey respondents & methodology

The State of Workplace DEI explores the attitudes of 1,000 full-time employees in the U.S. regarding workplace diversity, equity, and inclusion (DEI) initiatives. The survey audience was reflective of U.S. census data in terms of race and geographic location at the time of fielding, January 25 through February 2, 2023.



Age

- 11%** 18-25
- 59%** 26-41
- 24%** 42-57
- 7%** 58-76

U.S. Region

- 25%** The Northeast
- 15%** The Midwest
- 38%** The South
- 22%** The West

Race

- 1%** American Indian or Alaska Native
- 6%** Asian
- 12%** Black or African American
- 20%** Latinx or Hispanic
- 60%** White (non-hispanic)
- 7%** Other or multiple races

Gender

- 54%** Male
- 45%** Female
- 1%** Non-binary / gender non-conforming



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