



The Business Case for Defending Diversity, Equity & Inclusion (DEI)

From civil rights to gender rights to labor rights, DEI is a centuries-old movement dedicated to upholding the freedom of all Americans to access life, liberty and the pursuit of happiness. Currently, there is a multi-pronged attack on DEI efforts taking place across the country that attempts to roll back years of progress and restrict access to the American Dream.

DEI is not a collection of recent policies that can be reversed without consequence.

American Pride Rises is here to support business owners like you who are weighing the rewards and risks of incorporating DEI into your overall business strategy.

DEI and Business Growth

DEI drives innovation and growth. Research shows that diverse teams deliver benefits that directly impact and improve an organization's bottom line:

- Companies in the top quartile of diversity outperform those in the fourth quartile by 36% in profitability. ([McKinsey](#))
- Diverse companies have both 19% points higher innovation revenues and 9% points higher EBIT margins. ([HBR](#)) and highly diverse teams make better decisions up to 87% of the time. ([Forbes](#))

Decision Point: Weigh the cost of losing these competitive advantages if your company moves away from efforts to create a more diverse workforce.

DEI and Hiring Top Talent

Diverse, equitable and inclusive workplaces are better positioned to attract and retain top talent. The data shows that DEI widens the talent pool, improves competition for the most skilled candidates and increases loyalty:

- When looking for work, 82% of applicants consider a company's DEI reputation. If a company does not support DEI, 62% of job applicants would turn down a job offer from them. ([Monster](#))
- Employees with higher workplace belonging showed a 167% increase in their willingness to recommend their company to others. Also, they received double the raises and 18 times more promotions. ([HBR](#))
- When an employer withdraws from diversity commitments, 82% of workers said it made them less engaged in their work. ([The Muse](#))

Decision point: Assess the effect of changing course on DEI, which could negatively impact company culture and talent management.

DEI and Your Brand/Reputation

Making and maintaining DEI commitments can have a positive impact on your businesses' reputation. Reversing course or quietly quitting on your company's DEI initiatives could impact the business's reputation among customers, stakeholders, employees and the potential talent pool:

- 62% of consumers support brands that offer targeted multicultural and diverse-focused services, products or experiences. ([ANA AIMM](#))



- 77% of consumers are willing to abandon brands that reverse their support for diversity, and 76% would not return to brands that don't change their positions and practices. ([ANA AIMM](#))
- Two out of three Americans (representing over a hundred million shoppers) say social values now shape their shopping choices. ([McKinsey](#))

Decision point: Consider the reputational risk if your company abandons or restricts its DEI efforts, based on the public perception that your DEI efforts were not sincere in the first place. Companies may also face negative media attention from eliminating DEI positions, wavering in the face of DEI litigation or revising DEI policies.

DEI and Legal Exposure

There is no case law that prohibits organizational missions and goals tied to diversity, and existing protections for diverse employees remain the law of the land. The U.S. Supreme Court has affirmed that organizations and governments can continue to implement strategies that expand opportunities for all communities using legally permissible ways to achieve DEI goals. Current litigation has not changed federal law or regulatory obligations.

- Companies that overstate or fail to live up to DEI aspirations may be subject to lawsuits from pro-DEI groups. ([Bloomberg Law](#))
- These companies might also be subject to state and federal investigations, including investigations launched by the SEC and FBI. ([New York Times](#))
- Those that participate in "diversity washing" receive more violations and penalties from the Equal Employment Opportunity Commission. ([Drexel University](#))

Decision point: Organizations should ask their legal counsel to clearly articulate the risks and consequences of existing policies — based on current laws. This exercise is important for every layer of the organization and can be a helpful tool for supporting operational decisions.

DEI and the Risks of Retreat

In light of the overall proven, quantifiable value of DEI, decision makers should evaluate the risks versus rewards for your employees, shareholders and bottom-line:

- Why are we considering scaling back or eliminating our DEI work? Is it due to misinformation, fear of litigation or another factor? What happens if the law changes? What happens if it doesn't?
- If we pull back on any of our DEI commitments out of fear, do we risk foregoing all the benefits that DEI provides? What is the reputational harm and what will repairing that damage cost?
- Instead of operating from a place of fear or misunderstanding, can we implement legally permissible DEI solutions that align with our organizational goals and have a positive impact on our customers, stakeholders, employees, potential talent pool and communities?

DEI and the American Dream

How you can do your part as a business owner:

- **Speak Up** — Tell us about your experiences: Are you facing pushback on DEI programs? Have you been the target of litigation? Your stories are powerful and help us to help you and others like you.
- **Stand Firm** — Do not retreat at the first challenge: Make the business case for DEI in your organization clear and make sure every anti-DEI claim or pushback is interrogated against business goals and what is permitted under the law (not levels of fear).



- **Stay In Touch** — Reach out to American Pride Rises and your fellow underrepresented business owners for support and to share information and help build a cross-sector, nationwide coalition of DEI support.

We cannot afford to sit back and let the progress of American values and rights be halted by baseless attacks — anti-DEI legislation and litigation must be contested and DEI champions must be supported.

Speak Up. Stand Firm. Stay In Touch.

For more information go to www.aprnetwork.org or contact: info@aprnetwork.org