

Business and Racial
Justice in America -
Financial Services
Edition



**2021 Edelman Trust Barometer
Special Report –
Financial Services Edition**

Business and Racial Justice in America

Fieldwork: April 19 - April 26, 2021

*Asian includes Native Hawaiian and Pacific Islanders

Margin of error:

- U.S. total margin of error: +/- 2.2% (n=2,000)
- Ethnicity-specific data margin of error: Non-Hispanic White +/- 2.9% (n=1,159); Black, Latinx, and Asian +/- 4.4% (n=500)

U.S. Online Survey

- 2,000 general population respondents
- All data is nationally representative based on age, region, gender, ethnicity
- Racial and ethnic segments

White	n=1,159
Black	n=500
Latinx	n=500
Asian*	n=500

- All racial and ethnic segments are nationally representative based on age, region and gender

Demographic Composition

Northeast	19%	Male	49%	Republican	28%
Midwest	23%	Female	51%	Democrat	44%
South	36%			Ind./Third-party	23%
West	22%	18-34	30%		
		35-54	33%		
		55+	37%		

RACIAL JUSTICE IN AMERICA

Key findings from
2020
Edelman Trust
Barometer Special
Reports

Business
seen as failing
to act

Employers
only institution
trusted with racism
response

Media
seen as
fueling racism

Corporations
expected to take a
stand

*Higher expectation for
brands*

**Workplace
racism**
harms the
employer-
employee
relationship

Business
that take a stand
far more likely to
gain trust
than lose it

**Financial
Services**
last among sectors
in addressing
racism

2020 Reports

Business and Racial Justice in America
fielded June 5 – June 7, 2020

The Fight for Racial Justice in America
fielded August 14 – August 21, 2020; August
28 – August 31, 2020

⌊

MANDATE FOR BUSINESS TO ADDRESS SYSTEMIC RACISM

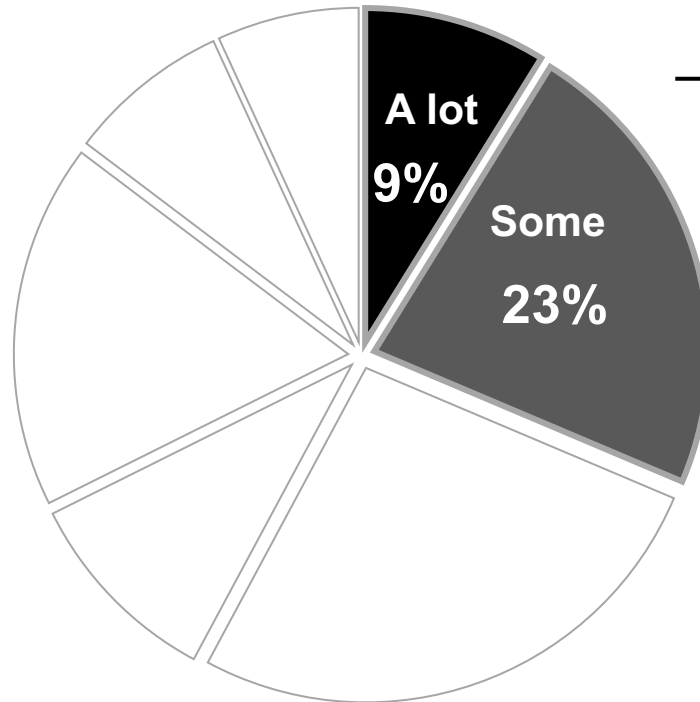
⌋

ONLY 1 IN 3 SEE AMERICA MAKING PROGRESS ON RACIAL JUSTICE OVER THE LAST YEAR

Percent who say

How much progress do you feel **the country** has made over the past year in addressing systemic racism and racial injustice?

27%	A very small amount of progress
10%	No progress at all
18%	Things have actually gotten worse
8%	Not a problem in our country
7%	Don't know



U.S. general population

32%

Some or a lot of progress

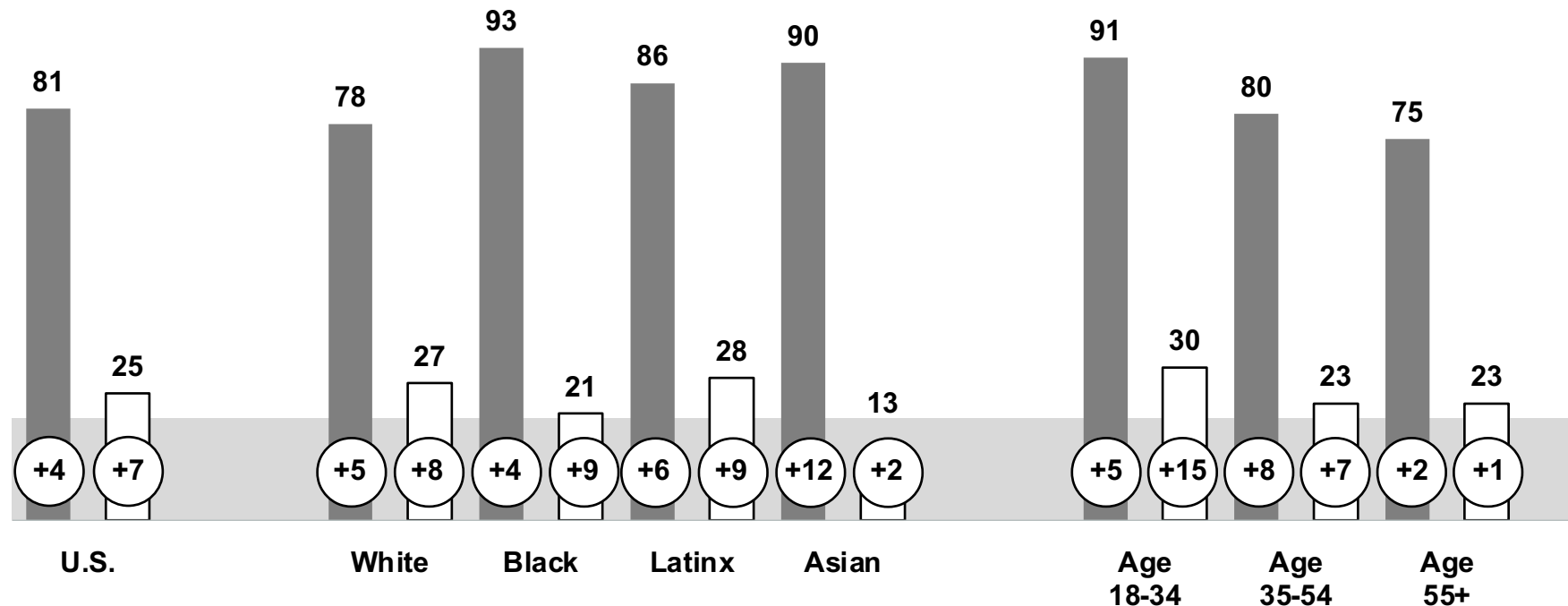
White	34
Black	28
Latinx	31
Asian	32

HIGHER STAKES FOR TRUST AMONG BUSINESSES: REACTION TO RACISM RESPONSE INTENSIFIES

Percent who say actions taken by brands/corporations in response to racial injustice would result in trust gain or trust loss

Brands/corporations would earn/keep my trust
 Brands/corporations would lose my trust

 ● — 0 — ●
 Change, Aug 2020 to Apr 2021



Failure to react risks **loss of trust** and business

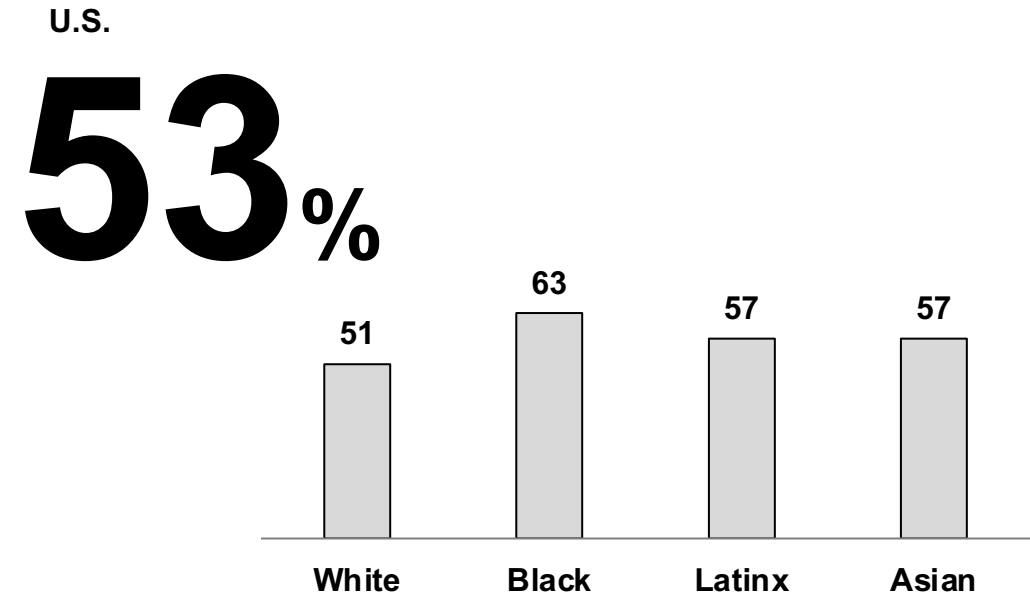
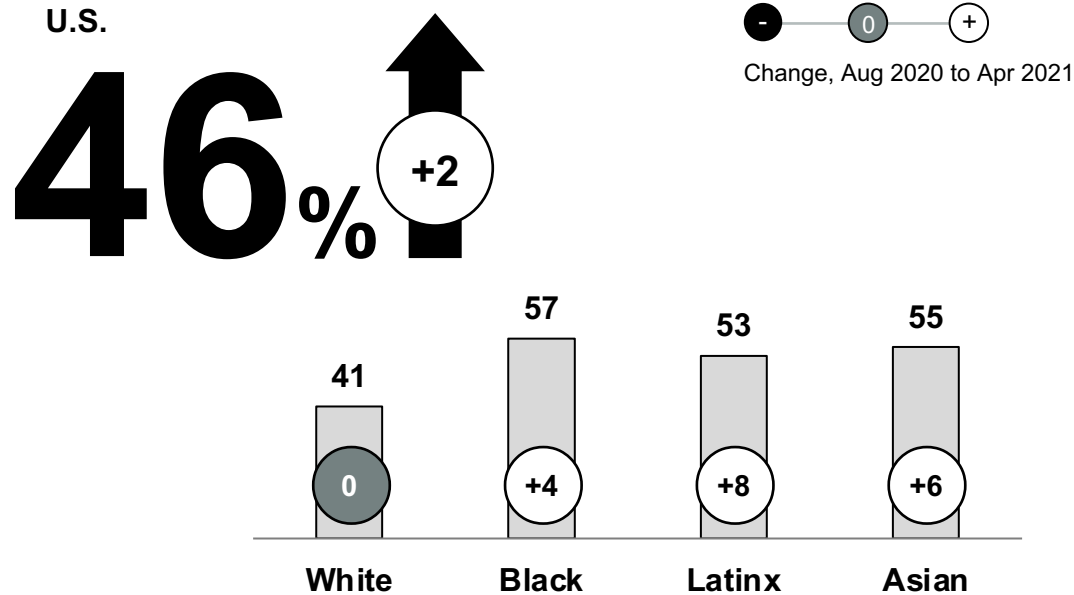
2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. Q29/Q20. In general, how important is it to earning or keeping your trust that [brands – the specific products and services people buy and use / corporations – organizations or companies that engage in industrial and commercial activities, including producing and selling products and services] – do each of the following in response to systemic racism and racial injustice in this country? 6-point scale; top 3 box, important; code 1, doing this would lose my trust. Each question asked of half of the sample. General population, U.S., by age and among Non-Hispanic White, Black, Latinx and Asian populations. Data shown is a net of attributes 2-13.

BUSINESS FALLS SHORT ON CONCRETE ACTION AND SYSTEMIC CHANGE

Percent who agree

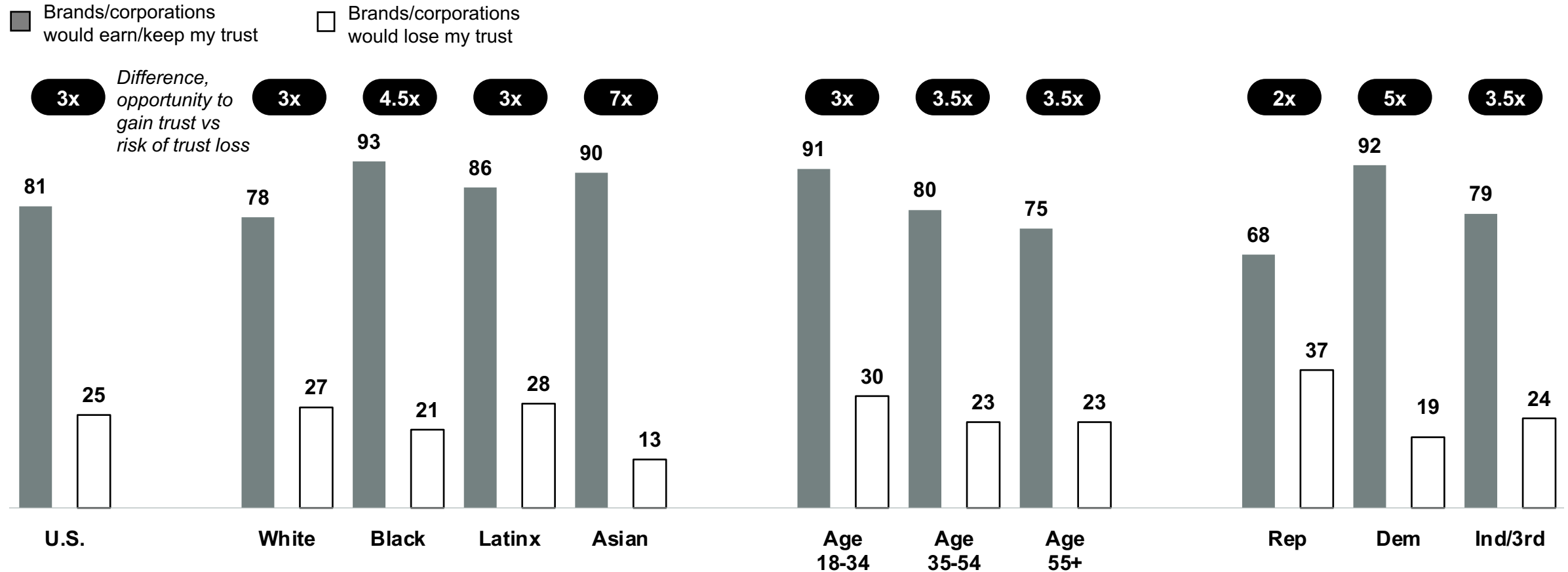
With few exceptions, the **business community has done very little in the way of concrete actions** to address systemic racism in our country

Companies that issue a statement in support of racial equality **need to follow it up with concrete action** to avoid being seen as exploitative or opportunists



BRANDS AND CORPORATIONS THAT TAKE A STAND FAR MORE LIKELY TO GAIN TRUST THAN LOSE IT

Percent who say actions taken by brands/corporations in response to racial injustice would result in trust gain or trust loss



2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. Q29/Q20. In general, how important is it to earning or keeping your trust that [brands – the specific products and services people buy and use / corporations -- organizations or companies that engage in industrial and commercial activities, including producing and selling products and services] - do each of the following in response to systemic racism and racial injustice in this country? 6-point scale; top 3 box, important; code 1, doing this would lose my trust. Each question asked of half of the sample. General population, U.S., by age and political affiliation, and among Non-Hispanic White, Black, Latinx and Asian populations. Data shown is a net of attributes 2-13.

⊥

STAKES INTENSIFY FOR FINSERV

T

PEOPLE ARE DIVIDED OVER SYSTEMIC RACISM VERSUS RACIST COMPANIES

Which do you agree with more?

Only Black respondents agree that racism in the financial services sector is widespread and systemic

2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. FINRACE4. You are about to see a series of two choices. Please choose the one that you agree with more. General population, U.S., by age, and among Non-Hispanic White, Black, Latinx, and Asian populations.

Racism in the financial services sector is **widespread and systemic**. The sector as a whole operates in a racist manner.

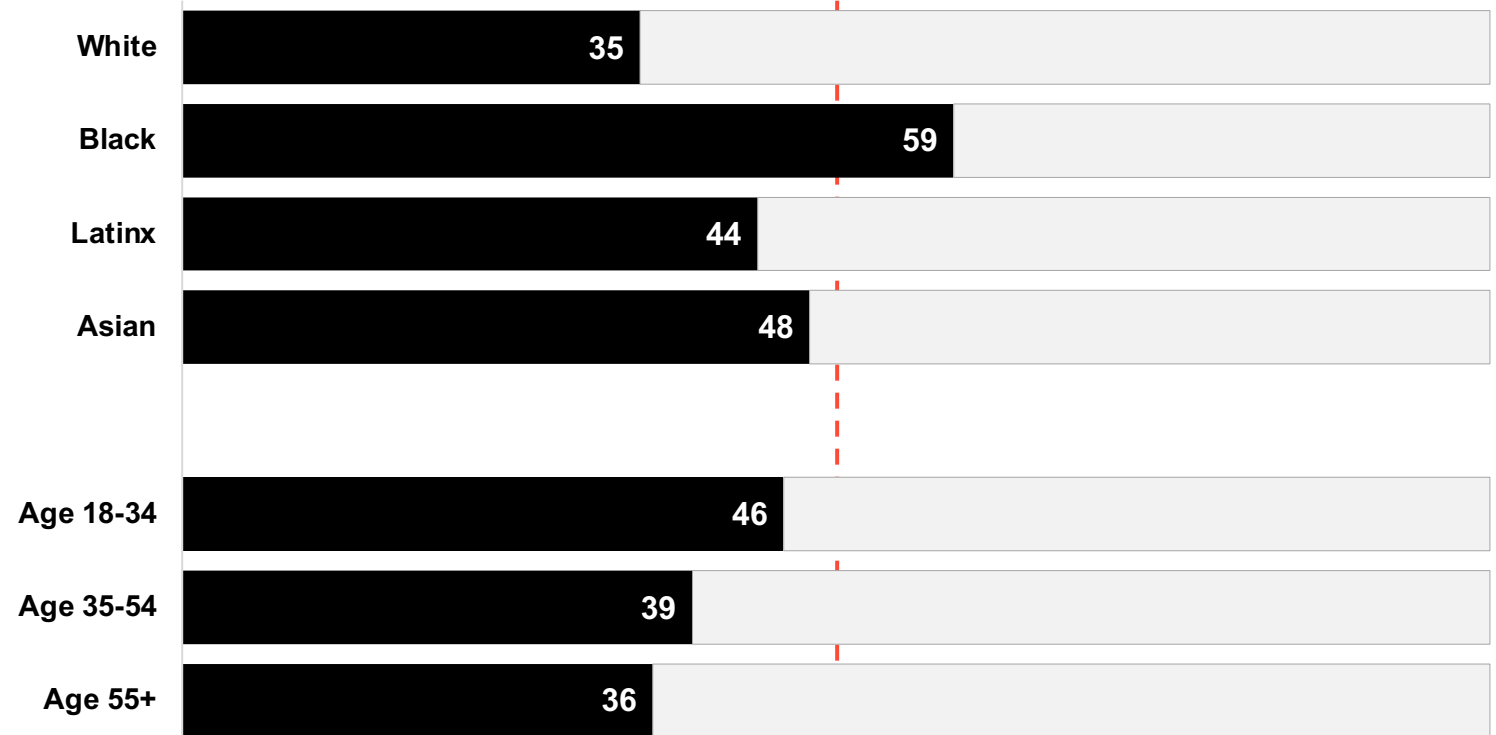
OR

Racism within the financial services sector is **restricted to certain individual companies** that are behaving badly.

40%

60%

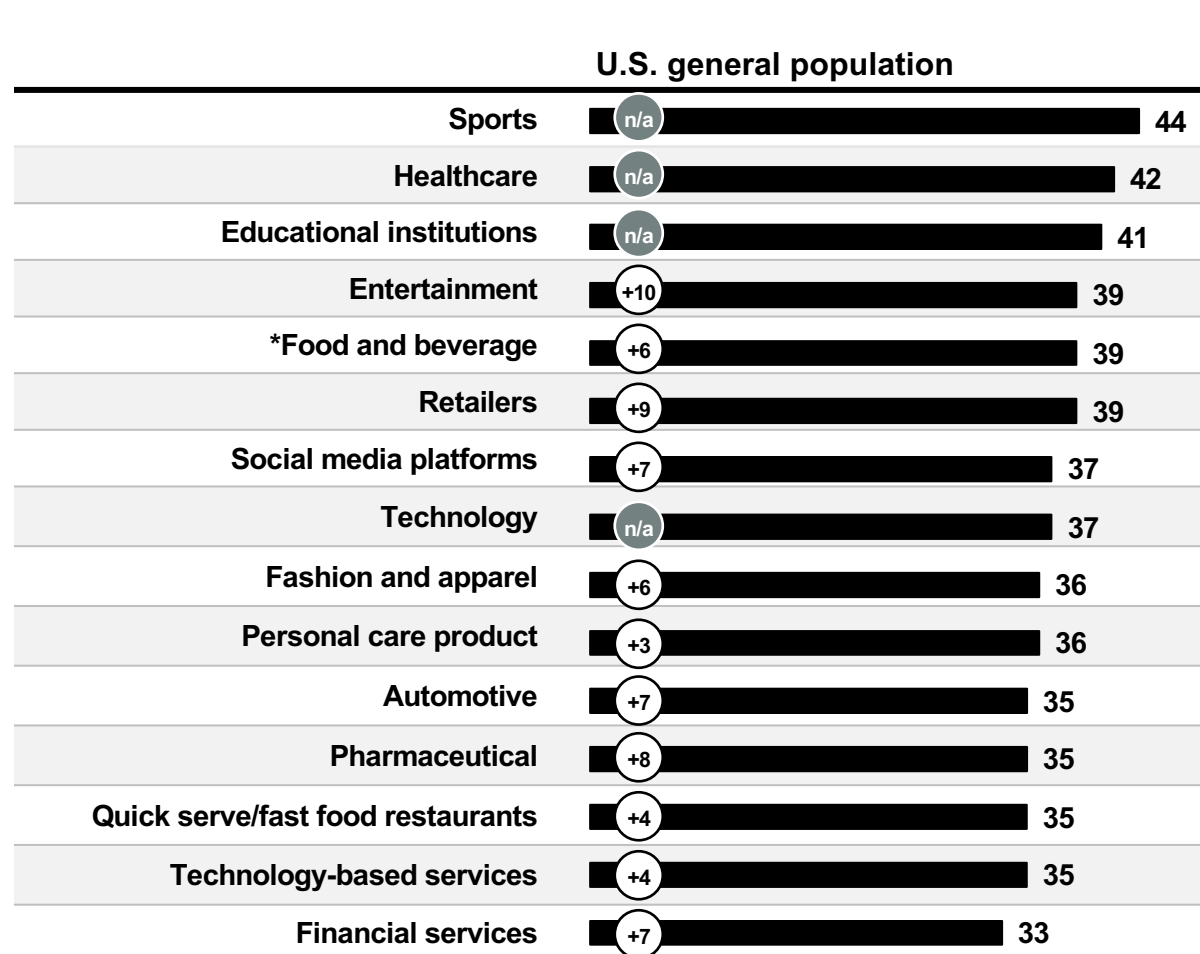
U.S. general population



50%

FINANCIAL SERVICES LAST IN ADDRESSING RACISM

Percent who say each sector is doing well in addressing racism



Change, Aug 2020 to Apr 2021

A 7-point increase from last year's responses in financial services does not support complacency

2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. Q15. How well are each of the following industry sectors currently doing when it comes to addressing the problem of systemic racism and racial inequality in their industry? 6-point scale; top 2 box, doing well. Industries shown to half of the sample. General population, U.S. *"Food and beverage" was asked as "food makers" in August 2020.

LOW SCORES FOR RACISM RESPONSE IN FINANCIAL SERVICES

Percent doing well

	U.S. general population	White	Black	Latinx	Asian
Ensure accessibility and suitability of products to all communities	37	38	35	41	35
Acknowledge the problem of systemic racism	36	37	36	41	37
Ensure their communications reflect the full diversity of the country	36	37	35	37	37
Remove racist symbols, language, products, traditions or images	36	37	36	37	38
Get their own house in order when it comes to racial equality	33	34	33	39	31
Partner with racially-diverse advocacy organizations	32	33	32	37	33

○ Action seen as being performed best among each community

On average, only **35% of Black respondents** believe that the financial services industry is doing well at addressing racism across these issues

2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. FINRACE3. How well do you feel financial services companies are currently doing each of the following in response to systemic racism and racial injustice in this country? 5-point scale; top 2 box, doing well. General population, U.S., and among Non-Hispanic White, Black, Latinx, and Asian populations.

NEARLY HALF WANT TO KEEP RACE ANONYMOUS

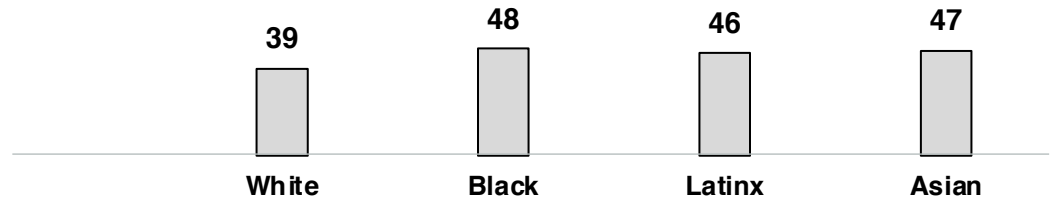
Percent who agree: higher concern among non-White groups

43%

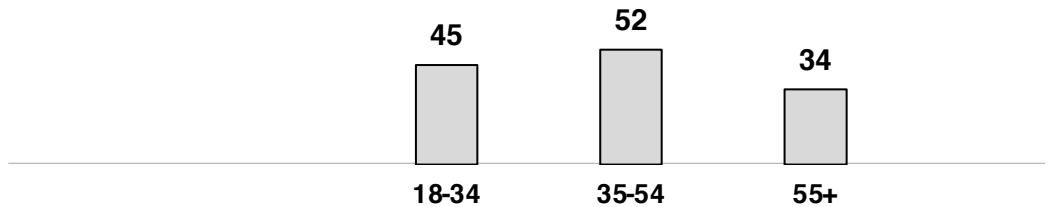
U.S. general population

I feel more comfortable interacting with financial services companies in ways that **keep my race or ethnicity anonymous.**

Communities



Age



CREDIT-WORTHINESS CRITERIA IN NEED OF RETHINKING

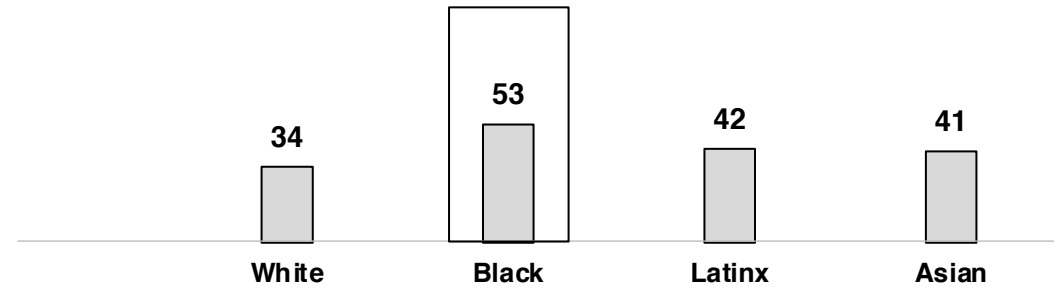
Percent who agree: 19-point difference between Black and White communities

37%

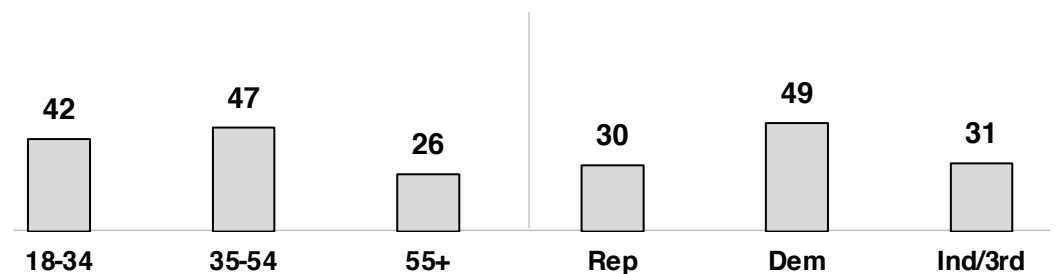
Financial services companies **use inaccurate or inappropriate criteria** to judge the credit-worthiness of people in my racial/ethnic community.

U.S. general population

Communities



Age



FINANCIAL SERVICES SECTOR ADDRESSING RACISM

Companies must commit to a meaningful, long-term effort to drive systemic change

BANK OF AMERICA **CNBC**

Bank of America announces expansion of racial justice initiatives



WSJ **usbancorp** **WELLS FARGO** **J.P.Morgan**

JPMorgan, Others Plan to Issue Credit Cards to People With No Credit Scores



50 BLACK ENTERPRISE **EST. 1970** **MassMutual**

MASSMUTUAL GREAT LAKES ANNOUNCES PARTNERSHIP WITH THE ONLY BLACK BANK BASED IN MICHIGAN



CNBC **Goldman Sachs**

Goldman Sachs pledges \$10 billion to support advancement of Black women



⊥

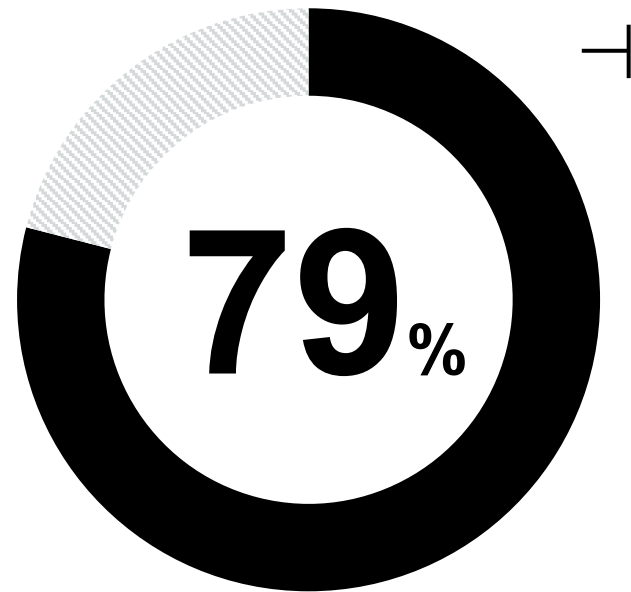
A C-SUITE IMPERATIVE

T

8 IN 10 EXPECT CEOS TO ACT; ZERO TOLERANCE FOR RACISM AT WORK

Percent who believe that CEOs must respond to systemic racism and racial injustice

*Percent who expect
CEOs to do something*



CEOs must understand racism in their workplace and ensure **adequate board representation and inclusion of people of color**

CEOS MUST LISTEN AND RESPOND TO COMMUNITIES OF COLOR

Percent who believe that CEOs must do each action in response to systemic racism and racial injustice

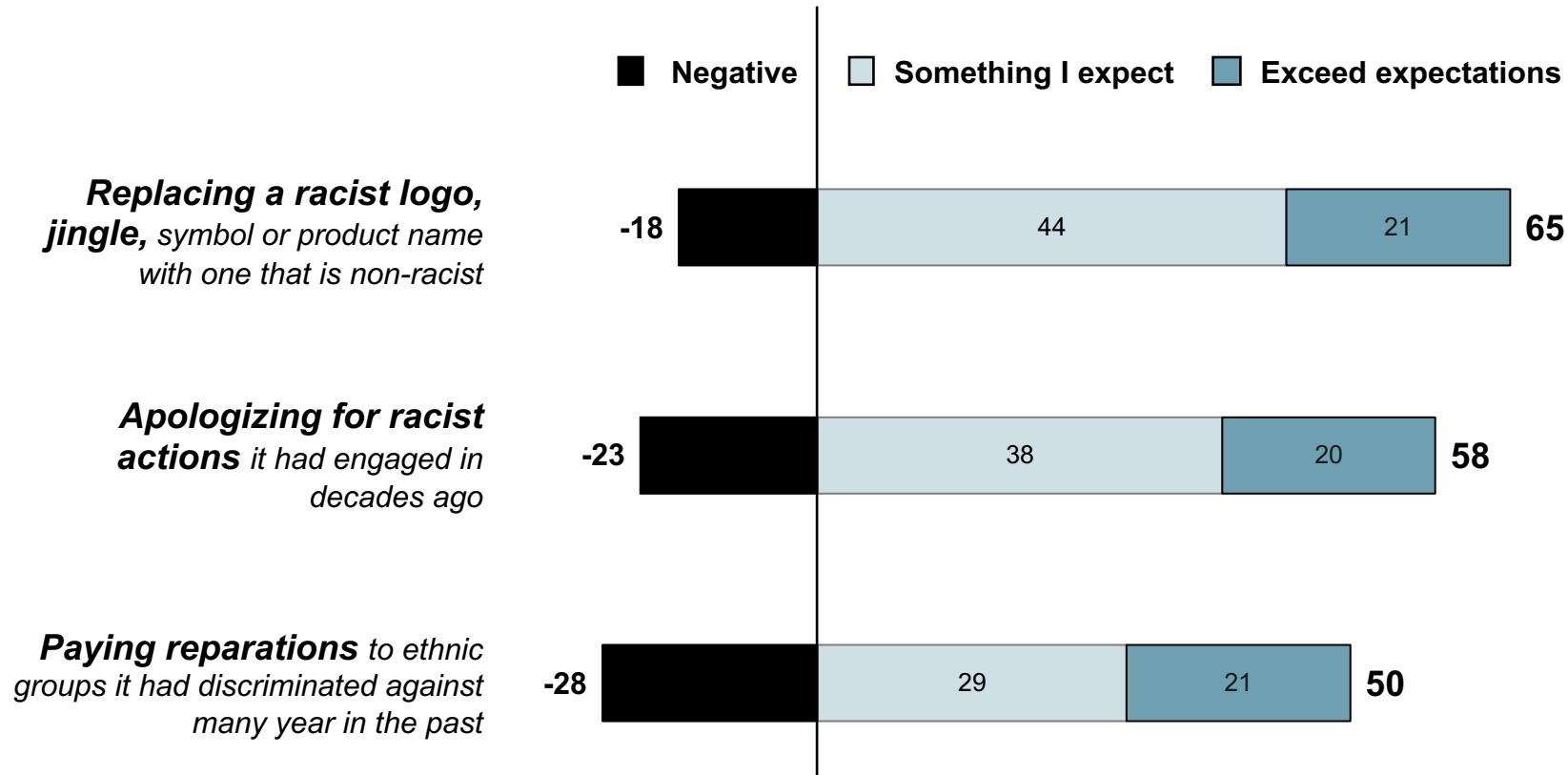
**Top 5 expected actions,
U.S. general population**

	U.S.	White	Black	Latinx	Asian
Institute a policy of zero tolerance of racism within their organization	37	35	41	32	47
Getting their own house in order when it comes to racial equality	30	28	39	27	35
Ensure that there is ethnic diversity on the company's board	30	26	40	28	40
Foster the career growth and development of Black, Hispanic and Asian American employees	29	26	39	27	35
Consult with Black, Hispanic and Asian American community leaders on what the organization should be doing	26	23	42	29	34

Black respondents most concerned about having their **voices heard and acted upon**

REPUTATION GAINS FOR COMPANIES THAT GET THEIR HOUSE IN ORDER

Percent who say that they would view each action by a company as...



2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. EXTRA_CREDIT. For each of the following actions a company could take to address racism, please indicate whether the action would lead you to see the company as going beyond your expectations when it comes to addressing racism, whether the action is something you would expect every company to do, or whether the action is something that would negatively impact your opinion of the company. 3-point scale; code 1, exceed expectations; code 2, something I expect; code 3, doing this will negatively impact my opinion. General population, U.S. "Replacing a racist logo, jingle" is an average of attributes 1 and 2.

FINANCIAL SERVICES SECTOR ADDRESSING RACISM

The majority of consumers support CEOs taking on an expanded role to lead societal change



The image is a collage. On the left, there is a white, torn-edge paper graphic with the text "100 YEARS BARRON'S" and "These CEOs Are Speaking Out Against Racism. What They Say They Can Do Better." Below this are logos for ARIEL INVESTMENTS, BANK OF AMERICA, Calvert, and M&T Bank. On the right, there is a photograph of four men in business suits. A caption at the bottom of the photo identifies them as Brian Moynihan, John Rogers, René Jones, and John Streur.

100 YEARS
BARRON'S

**These CEOs Are Speaking Out Against Racism.
What They Say They Can Do Better.**

ARIEL INVESTMENTS

BANK OF AMERICA

Calvert

M&T Bank

(Left to right) Bank of America's Brian Moynihan; Ariel Investments' John Rogers; M&T Bank's René Jones; Calvert's John Streur

⊥

DE&I IS MISSION CRITICAL

T

PROGRESS ON DIVERSITY; INCLUSIVE CULTURE NOW OF GREATEST CONCERN

Percent who report seeing each type of racism at their employer

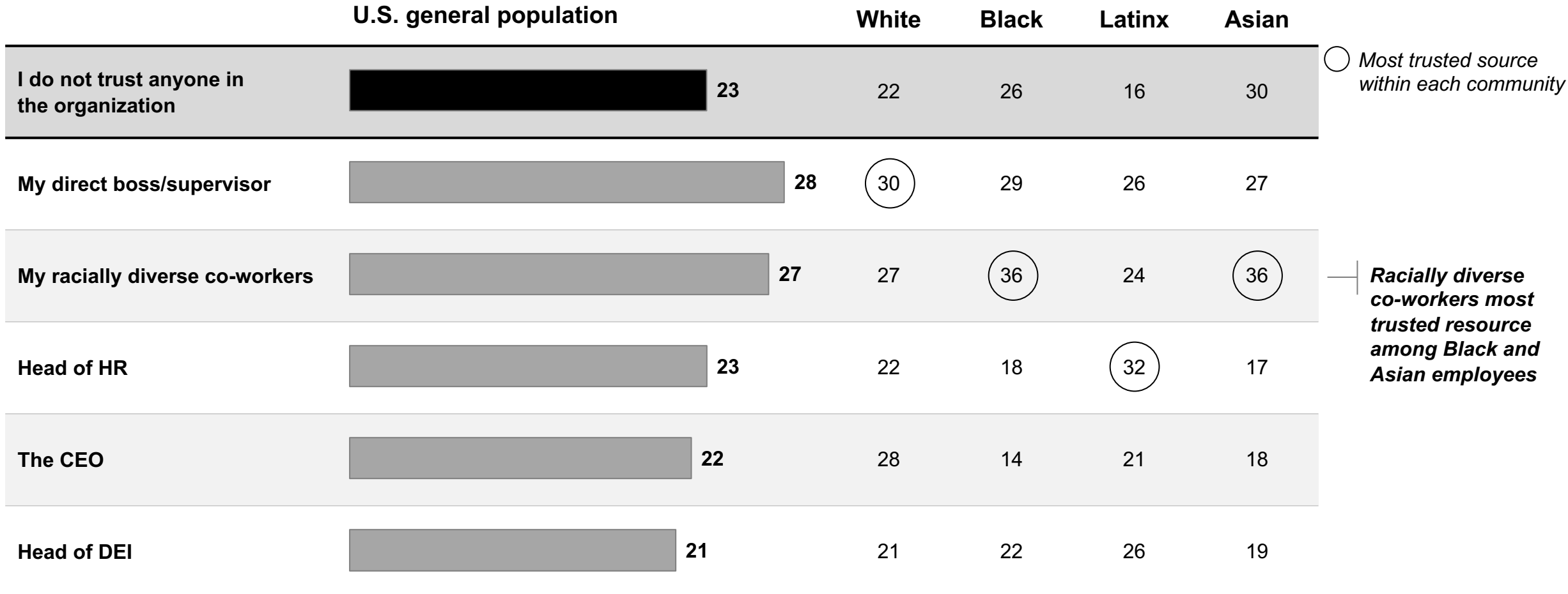


Respondents are most concerned with inclusion in the workplace and a diverse leadership team

2021 Edelman Trust Barometer Special Report: Business and Racial Justice in America. Q24. Within the organization you work for, what forms of racism, if any, do you currently see? Pick all that apply. Question asked of those who are employed (Q43/1). General population, U.S., and among Non-Hispanic White, Black, Latinx and Asian populations. "Inclusive workplace culture" is a net of attributes 7,9,12-14; "Diversity" is a net of attributes 1-4; "Bias in customer engagement" is a net of attributes 5,8,10, and 15; "Bias in employee pay" is a net of attributes 6, and 11.

RACIALLY DIVERSE CO-WORKERS MOST TRUSTED ON DE&I ISSUES

Percent who trust each to tell them the truth about racism, diversity, equity and inclusion within their organization



FINANCIAL SERVICES SECTOR ADDRESSING RACISM

Corporations must demonstrate their commitment through substantive efforts to educate, advocate and drive change



New York Life Launches \$1B Initiative To Address Racial Wealth Gap



Jamie Dimon and other Fortune 500 CEOs reflect on how George Floyd's death forever changed their approach to leadership



Robert Johnson calls on firms to put voting rights energy into capital access for Black Americans



U.S. Bancorp rolls out a plan to fight racial wealth gap



RACIAL JUSTICE IN FINANCIAL SERVICES: REDRESSING SYSTEMATIC INEQUALITY

1

Mandate for businesses to address systemic racism

Businesses that don't take action to address racism will lose customers and employees. Companies must commit to a meaningful, long-term effort to drive systemic change.

2

Stakes intensify for financial services

Financial services ranks last among industries in addressing racism. Systematic inequality reveals consumer and employee dilemmas involving proper communication, accessibility and suitability of products, discriminatory policies, DE&I and more.

3

A C-suite imperative

CEOs must work to combat systemic racism and promote equity both within and outside their organization. The majority of consumers support CEOs taking on an expanded role to lead societal change.

4

DE&I is mission critical

While employers have made progress, hiring not enough. Systemic change requires sustained work across the organization's culture, operations, community involvement and business model.