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# ALTA

## **in** SIGHTS

REAL TIME | ON-DEMAND



## How to Embed a Culture of Inclusion and Diversity

# Speakers

- **Felecia Buycks**

VP Direct Division, Arizona State Manager  
First American Title Insurance Co.

- **Damon Carter**

SVP & Chief Human Resources Officer; President, CATIC  
Foundation; and CATIC board member  
Connecticut Attorneys Title Insurance Company (CATIC)

- **Teresa Palacios Smith**

Chief Diversity, Equity & Inclusion Officer  
HomeServices of America



# Agenda

- Why diversity and inclusion matter
- Industry and housing statistics
- Leadership tips and strategies to drive diversity and inclusion
- Examples of what successful companies are doing
- How diversity and inclusion can grow your business and make your company stronger





# What is Diversity & Inclusion

- **Diversity and inclusion are two interconnected concepts—but they are far from interchangeable.**
  - Diversity is about representation or the make-up of an entity.
  - Inclusion is about how well the representation of different groups of people are valued and integrated into an environment.



35% Better Financial  
Returns

15% Improved  
Financial Returns



# Why D&I Matter



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The business case for diversity in executive teams remains strong.

Likelihood of financial outperformance,<sup>1</sup> %

■ Bottom quartile ■ Top quartile

## By gender diversity

Why diversity matters<sup>2</sup>

+15%



2014

Delivering through diversity<sup>3</sup>

+21%



2017

Diversity wins<sup>4</sup>

+25%



2019

## By ethnic diversity

Why diversity matters<sup>5</sup>

+35%



2014

Delivering through diversity<sup>6</sup>

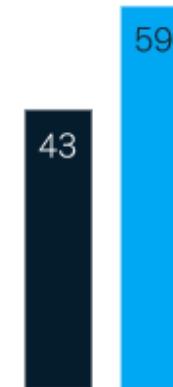
+33%



2017

Diversity wins<sup>7</sup>

+36%



2019





# Why D&I Matter

## Increase Innovation & Exchange of Ideas



59% Increase  
38% Consumer Needs



# Why D&I Matter



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**15X More  
Sales  
Revenue**





# Why D&I Matter

## Diverse Organizations Are More Successful at Recruiting & Retention



People of Color Want To Join Companies Where They See Diversity  
Turnover Levels are Lower when Diversity is High  
Establish Climate of Trust  
Enhances in Productivity  
Loyalty is Higher When Management is Diverse



# Statistics: Employment Disparities

- Representation of Black talent (both men and women) in Corporate America:
  - C-Suite: 0.8%
  - Executive/Senior Manager: 3.2%
  - Professionals: 8.0%
- Black workers are overrepresented in low-paying jobs in food service, e-commerce and other front-line jobs that pay hourly wages; Black professionals who are in lucrative jobs experience high attrition rates, which can often be associated with workplace culture.
- 60% of Black workers live in the South, which has far fewer job growth centers than other parts of the country (i.e., only 1 in 10 Black workers live in cities with high projected growth).
- In 2020, all U.S. women were paid on average \$0.82 for every \$1 paid to men:
  - Asian Women: \$0.90/\$1.00
  - White women: \$0.79/\$1.00
  - Black women: \$0.62/\$1.00
  - Native American women: \$0.57/\$1.00
  - Hispanic women: \$0.54/\$1.00



# Statistics: Housing Inequalities

- Home ownership rates by ethnicity during the second quarter of 2020:
  - Caucasian: 76%
  - Asian/Native Hawaiian/Pacific Islander: 61.4%
  - Latino: 51.4%
  - African-American: 47%
- Recent research in several major cities indicates that minority homeowners pay a 10 to 13 percent higher tax rate on average within the same local property tax jurisdiction.
- In 2019, African Americans were denied mortgages at a rate of 16 percent and Hispanics were denied at 11.6 percent, compared with just 7 percent for white Americans, according to data from the Consumer Finance Protection Bureau.
- Black borrowers are denied mortgage refinance loans, on average, 30.22% of the time, far higher than the overall denial rate of 17.07%.



# Statistics: Cumulative Financial Impact of Systemic Racism – Wealth Gap



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- The median net worth of black households in 2016 was \$13,024, according to the Federal Reserve's Survey of Consumer Finances. The median net worth of a white family in 2016 was \$149,703. This gap has remained consistent for over the past 70 years.
- “Today African-American incomes on average are about 60 percent of average white incomes. But African-American wealth is about 5 percent of white wealth. Most middle-class families in this country gain their wealth from the equity they have in their homes. So this enormous difference between a 60 percent income ratio and a 5 percent wealth ratio is almost entirely attributable to federal housing policy implemented through the 20th century.” - “A *‘Forgotten History’ of How the U.S. Government Segregated America*”, Terry Gross, May 2017





# Statistics: Title Industry

- **Employs roughly 123,000**
  - \$9.48 billion in wages
  - Average mean wage of \$51,000
- **Employment breakdown**
  - 76.4% White
  - 11.5% African American
  - 9.2% Asian
  - 7.8% Latinx
  - 69% Women
- **Company ownership**
  - 11.1% of title companies are primarily minority owned
  - 1.6% have equal minority and white ownership
  - 27.5% owned by women with another
  - 14.0% equally split ownership
  - 9.3% have veteran ownership

Source: Bureau of Labor Statistics





# Lead with Purpose and Personal Conviction

- **Acknowledge and Condemn** – Publicly acknowledge the existence of systemic racism and denounce it in the workplace and society.
- **Reflect and Discuss** – Create a safe space for leaders to reflect on how systemic racism has adversely impacted the organization.
- **Make a Commitment to Continuous Improvement** – Pledge to continuous learning while cultivating a dynamic workplace culture that consistently promotes Equality, Equity and Justice for all.



# Build Genuine Connections

- **Develop an Informed Perspective** – Leaders should conduct their own preliminary research in an effort to better understand the unique experiences of people of color in the workplace.
- **Listen to Understand** – Leaders must be open to having challenging conversations with people of color and get comfortable with being uncomfortable at times.
- **Create a “Speak-Up Culture”** – Leaders must employ various Inclusive Leadership practices to cultivate a workplace environment where all employees feel valued and respected everyday.



# Take Deliberate Strategic Actions

## RECRUITMENT

- Establish strategic partnerships with diverse professional organizations

## DEVELOPMENT

- Ensure people of color are included in all professional development programs

## ADVANCEMENT

- Include people of color in Succession Planning strategies

## RETENTION

- Institute Exit Interviews, Stay Interviews and/or Focus Group sessions



# Activate New Community Engagements

- **Identify a Corporate Social Justice** initiative that aligns with the company's core values and strategic interests
- **Invite all employees to get actively involved** in supporting the new community initiative
- **Engage the Board of Directors and other key constituents** to strategically support the new corporate initiative
- **Partner with other companies and community organizations** to address issues of systemic racism in society (i.e., *Force Multiplier Effect*)



# Key to Future Progress: Corporate Social Justice



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LEADERSHIP TEAM



EMPLOYEES



STRATEGIC  
BUSINESS PARTNERS



COMMUNITY

“Corporate Social Justice is a new paradigm that imagines a healthier and mutually beneficial relationship between companies and the communities they interact with. It is driven by the growing desire of socially-aware consumers and employees for companies, especially socially-conscious and forward-thinking companies, to do better.” – *“We’re Entering the Age of Corporate Social Justice, Harvard Business Review, June 2020*





# CATIC's Social Justice Reform Strategy



*Full Board Commitment & Engagement*



*Engaging Employees and Agents in DE&I Learning Opportunities*



*Supporting 501c3 Organizations Advocating for Fair Housing*



*Improving Minority Home Ownership*



# Where to Begin?

- Integrating Diversity into Hiring Practices
- Listen and Engage with Employees
- Executive Sponsorship Best Practice
- Celebrating Diverse Events





# Creating an Inclusive Culture

- Introduce D&I early in the Employee Life Cycle
- Creating Equity
- Provide the Benefits that Matter
- Form Employee Resource Groups (ERGs)





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# Creating an Inclusive Culture

- Celebrate Accomplishments
- Connect Employees to the Greater Good
- Diversify Suppliers





# Advantages of D&I

- When employees trust that they, and their colleagues, will be treated fairly, regardless of race, gender, sexual orientation or age, they are\*:
  - 9.8 times more likely to look forward to going to work
  - 6.3 times more likely to have pride in their work
  - 5.4 times more likely to want to stay a long time at their company



\*Great Place to Work®, [Why Is Diversity & Inclusion in the Workplace Important?](#), 20 November 2020



# Q&A



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# Sources: Keep Learning and Growing



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- [Why the black and white homeownership gap hasn't changed much in 100 years \(opinion\) – CNN](#)
- [Misvaluations in local property tax assessments cause the tax burden to fall more heavily on Black, Latinx homeowners - Equitable Growth](#)
- [Is an Algorithm Less Racist Than a Loan Officer? - The New York Times \(nytimes.com\)](#)
- [BeingBlackInCorporateAmerica Report-Dec2019-CTI.pdf \(elcinfo.com\)](#)
- [How corporate America leaves behind Black professionals – Axios](#)
- [Why the homeownership gap between White and Black Americans is larger today than it was over 50 years ago \(cnbc.com\)](#)
- [Gender Pay Gap Statistics for 2020: Improvement, But No Solution | The Ascent \(fool.com\)](#)
- [The black-white economic gap remains as wide as in 1968 - The Washington Post](#)
- [A 'Forgotten History' Of How The U.S. Government Segregated America : NPR](#)
- <https://www.segregatedbydesign.com/>

