

THE COST OF BIAS

By 2045 the United States will be majority minority¹, meaning non-whites will make up 50.3% of the population¹. Even sooner, by 2024, the population will have 6 million fewer men than women². And while 5.6% of adults identify as LGBT, more than 15% of 20 to 25 year olds do.²

As it turns out, systemic inequities and biases lead to billions of dollars forfeited each year in lost productivity, revenue, and innovation—not to mention the reputational harm from being perceived as not inclusive. And these losses will continue to grow as changing demographics reshape the business world.

Gender bias is down from 1970, but still has a big cost.

1%
GENDER BIAS IN FORTUNE 500 HIRING⁴
=
\$2.8 MILLION
LOST PRODUCTIVITY⁴

EMPLOYEES THAT PERCEIVE BIAS ARE³

3X LIKELY TO DISENGAGE FROM WORK
3X LIKELY TO LEAVE THEIR JOB
2.6X LIKELY TO WITHHOLD IDEAS

REDUCE BIAS PERCEPTION³

↓90% SENIOR ADVOCATE
↓87% INCLUSIVE CULTURE
↓64% DIVERSE LEADERSHIP

+\$450B
YEARLY COST

All minority groups reported higher perception of bias in the workplace than their white, male colleagues. These perceptions have costly implications for how these employees engage in the workplace.

Small business is a pathway to wealth building, yet existing wealth and capital is a prerequisite to entrepreneurship. Further, lack of community wealth in minority communities hinders survival during economic downturns. Despite these circumstances, Minority Business Development Agency (MBDA) funding has been in decline since 1970.⁵

BLACK BUSINESS VS POPULATION GAP⁵

+10 POINTS

BLACK LOANS⁵

-60%
SMALLER THAN WHITE LOANS

BLACK WEALTH⁵

10%
OF WHITE WEALTH

HABITS OF INCLUSIVE LEADERS³

1

Ensure all voices are heard

2

Make it safe to share ideas

3

Provide actionable feedback

4

Accept your team's advice

5

Empower the team to make decisions

6

Share the credit for team wins

An investment in more business ecosystems that provide Black business owners equitable access to resources and opportunities can unlock part of the \$1 trillion to \$1.5 trillion in annual GDP that would come from closing the racial wealth gap.

MISSING BLACK BUSINESS EQUITY⁶

-\$290B

YEARLY ECONOMIC LOSSES BY 2028⁶

↓\$1-5T

REVENUE PARITY WOULD ADD TO THE YEARLY GDP⁶

+\$190B

¹ <https://riskandinsurance.com/how-diversity-and-inclusion-can-address-the-insurance-talent-gap/>

² <https://news.gallup.com/poll/329708/lgbt-identification-rises-latest-estimate.aspx>

³ <https://www.forbes.com/sites/kathycapriano/2017/10/26/new-data-reveals-the-hard-costs-of-bias-and-how-to-disrupt-it/?sh=6d4a26524595>

⁴ <https://today.oregonstate.edu/news/even-small-amount-gender-bias-hiring-can-be-costly-employers-study-finds>

⁵ https://cdn.americanprogress.org/content/uploads/2020/07/31123658/BlueprintMBDA-brief1.pdf?_ga=2.84334044.479256381.1616084431-2024263809.1616084431/

⁶ <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/building-supportive-ecosystems-for-black-owned-us-businesses>