

## The Impact of the Economic Crisis on Diversity and Diversity Initiatives: Women Leaders Speak Out

New York, NY (January 14, 2009) – The impact of the current recession on efforts to promote diversity and the advancement of women and people of color across sectors was at the center of a special panel held during the 12<sup>th</sup> Annual Rainbow Push Wall Street Project's Economic Summit (January 13-15, Sheraton Towers).

Co-sponsored by the *National Council for Research on Women*, the panel featured experts from major companies, the private sector and civil society.

“In today’s challenging environment, we need to prevent back-peddling on the achievements of the last decade. Diversity in leadership and throughout organizational structures is vital in a competitive global economy and we need to do more, not less, to ensure that these efforts move forward,” said **Linda Basch**, President of the *National Council for Research on Women*.

The panel was moderated by Dr. Basch and featured experts from major organizations and companies, including **Terri Austin** (*AIG*), **Subha Barry** (*Bank of America/Merrill Lynch*), **Karen Chouhan** (*Equanomics UK*), **Ana Duarte McCarthy** (*Citi*), **Gena Lovett** (*Alexandra Investment Management LLC*) and **Miriam Muléy** (*The 85% Niche*).

**Terri Austin**, Chief Diversity Officer of *AIG* emphasized the importance of reinforcing the business case for diversity and also finding new avenues for promoting a more inclusive workforce and leadership. “I’m fundamentally an optimist. Yes, we all have reductions and budget cuts in advertising and other areas, but we can still pursue innovative activities, push new products and explore low-cost solutions, such as volunteer programs and conducting more direct media outreach,” she said.

The major challenge, all agreed, was adapting perspectives and strategies to a changing landscape.

**Ana Duarte McCarthy**, Chief Diversity Officer at *Citi* stressed the historic continuum of diversity efforts. “While recognizing that we are in the middle of a crisis, we also need to remember that we have weathered these storms before and continue to make progress along the way,” she said.

**Subha Barry**, Managing Director and head of Global Diversity and Inclusion at *Bank of America/Merrill Lynch* shared first-hand experience of a major merger and what it signified for diversity initiatives. She pointed to the cross-pollination that can occur when companies combine and how they can learn best practices from each other. She predicted a return to basic values and called for a greater sense of individual responsibility. “If any one of the constituencies responsible had held themselves accountable for their actions, we would not find ourselves in the crisis where we are today. We need to teach the importance of taking personal responsibility for one’s actions,” Ms. Barry said.

Repercussions from the economic crisis were being felt worldwide, said **Karen Chouhan** of *Equanomics UK*, but especially among vulnerable communities. “Poor and immigrant communities, who are bearing the brunt of this crisis through job and home loss, should be activated to call for a shift away from the old way of doing business. We need to build greater awareness about the wealth gap: how it occurred and how to avoid exacerbating it,” Ms. Chouhan said.

From the hedge funds sector, **Gena Lovett** of *Alexandra Investment Management LLC* said that her industry was relatively unregulated and had few diversity offices like those found in major corporations. “Certainly there could be more women represented in our sector but the focus is on what you can bring to the table: the only color we’re interested in is the color green,” she said.

Latina, Black and Asian women of color represent an estimated one-trillion-dollar consumer segment and a 230-billion-dollar entrepreneurial sector according **Miriam Muléy** who created her own business, *The 85% Niche*, in response. “In this economic downturn, businesses that include women of color in their marketing, employee hiring, and supplier engagement efforts will thrive,” she said.

In her closing remarks, Linda Basch summarized the key points of the discussion: the economic crisis was a time of restructuring and cost cutting but also of opportunity and a return to basics in which transparency and team-building were essential.

“I’m really inspired by how our panelists are maintaining their optimism despite significant obstacles and uncertainty in the financial sector. They are calling for a return to basic values and principled leadership as well as new emphasis on corporate social responsibility. We need more transparency and a paradigm shift away from a culture of greed. We could benefit from new role models, such as the outstanding businesswomen who are in this room,” Dr. Basch said.

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