BUILDING A PIPELINE OF AFRICAN-AMERICAN AND LATINO TALENT IN THE CHICAGO AREA
PRELIMINARY FINDINGS AND DISCUSSION OF RESEARCH

NOVEMBER 20, 2014
CHICAGO

MERCER TEAM:
Rick Guzzo,
Bess Tschantz-Hahn,
Alina Polonskaia,
David Jackson
OBJECTIVES OF THE FINANCIAL SERVICES PIPELINE INITIATIVE

1. Increasing the representation of Latinos and African-Americans, at all levels, within the Chicago area financial services industry.

2. Improving the overall cultural competency within the Chicago area financial industry.

RESEARCH

- A supply and a demand assessment of the African-American and Latino talent in the FS industry in Chicago.
  - Led by Mercer

ACTION PLAN

- Research-based recommendations for future actions
- Target audience: financial sector and key stakeholders in the public, private and nonprofit sectors in Chicago
KEY DEFINITIONS

The FSP Initiative understands the financial services pipeline as a stream of talent comprised of a community of supported, well-prepared individuals advancing towards entering the financial services sector or growing professionally within.

**TALENT SUPPLY**
Supply side of the talent pipeline refers to the skills, needs, preferences, and choices of African-American and Latino talent as they are entering the financial services industry and going through their career journey within the industry.

**TALENT DEMAND**
Demand side of the talent pipeline is indicated by the hiring, promotion, and retention of African-American and Latino talent by the financial services industry employers.
**RESEARCH TIMELINE AND KEY COMPONENTS**

**Goal:** conduct an assessment of African-American and Latino talent supply and a demand to build a snapshot of the current reality and provide recommendations for future actions

<table>
<thead>
<tr>
<th>Week</th>
<th>Activity</th>
<th>Details</th>
</tr>
</thead>
</table>
| 1 JUL–SEP    | **Interviews**                                | • Plan and schedule interviews  
• Conduct 10–12 60 min interviews with HR and Diversity leaders  
• Analyze findings  
• Identify implications for the survey and ILM |
| 2 JUL–OCT    | **Internal Labor Market Mapping**             | • Gather data  
• Develop ILM maps for participating organizations  
• Develop an industry ILM map  
• Run projections  
• Finalize results |
| 3 OCT–JAN    | **Survey**                                    | • Plan and design the survey  
• Ensure correct sampling  
• Administer the survey  
• Analyze the data |
| 4 JAN–FEB    | **Targeted Qualitative Research (if needed)** | • Conduct selected interviews or 1-2 focus groups – to investigate in more depth key questions or issues uncovered through the survey and ILM map  
• Test and explore initial direction for action |
| 5 MARCH      | **Integrated Analysis and Report**            | • Conduct an integrated data analysis  
• Develop the final report |

**WE ARE HERE!**

**PROJECT MANAGEMENT AND STAKEHOLDER COMMUNICATION**
PARTICIPATING ORGANIZATIONS
The following organizations participated in the research:

- Ariel Investments
- Bank of America
- BMO Harris Bank
- Mesirow Financial
- Urban Partnership Bank
- Loop Capital
- US Bank
- Northern Trust
- Madison Dearborn Partners
- CME Group
- Wintrust Financial
- Federal Reserve Bank of Chicago
- Holland Capital Management
INTERVIEW FINDINGS SUMMARY

1. Participating organizations are at different stages of their D&I journey.

2. The business case for diversity and inclusion is not fully internalized by some organizations and by the industry overall.

3. Most organizations have goals around recruitment, retention, and the development of diverse talent; however they tend to focus most of their efforts on recruitment.

4. Most organizations admit they should do better in developing, supporting and advancing diverse talent, and building an inclusive environment so that this talent can thrive and stay.

5. The financial services industry needs to be much more future oriented and committed to the transformational change in its business and talent practices.
ILM RESEARCH FINDINGS SUMMARY

1. The dynamics of the “internal pipelines” of African-American and Latino talent share certain characteristics
   - For both African-American and Latino talent, rates of promotion from Professional into the Manager career level are comparatively high
   - However, attrition from the Manager level also is comparatively high for both
   - Potential early-career choke points. Rates of promotion from Staff into Professional levels are lower than the promotion rates of others

2. Differences exist in the two pipelines
   - At most career levels African-American hiring rates are lower relative to other groups but at most levels Latino hiring rates are higher

3. No net increase in African-American and Latino representation is projected to occur in five years in the two highest career levels in the industry in Chicago
   - Assuming current hiring, promotion, and attrition dynamics remain the same

4. Attrition is the single most powerful leverage point for increasing African-American and Latino representation at the two highest career levels
   - Changes in attrition, promotion, and hiring dynamics are projected to yield the largest net increases in representation
CONTACT INFO

Alina Polonskaia, Project Leader and Qualitative Research Lead
Alina.polonskaia@mercer.com

Rick Guzzo – Internal Labour Market Research Lead, Senior Advisor
Rick.guzzo@mercer.com

Bess Tschantz-Hahn – Survey Research Lead
Bess.r.tschantz-hahn@mercer.com

David Jackson – Relationship Manager, Senior Advisor
David.jackson@mercer.com