

**Defining Inclusion and Diversity** 

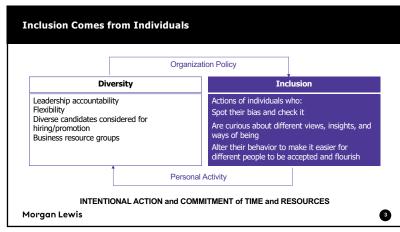
Diversity is differences in racial and ethnic, socioeconomic, geographic, and academic/professional backgrounds. People with different opinions, ways of thinking (neurodiversity), backgrounds (degrees and social experience), religious beliefs, political beliefs, sexual orientations, heritage, and life experience.

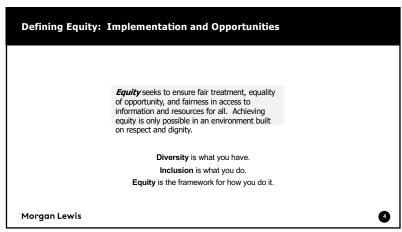
Inclusion involves bringing together and harnessing diverse forces and resources in a way that is beneficial. Inclusion puts the concept and practice of diversity into action by creating an environment of involvement, respect, and connection – where the richness of ideas, backgrounds, and perspectives is harnessed to create business value and overall success.

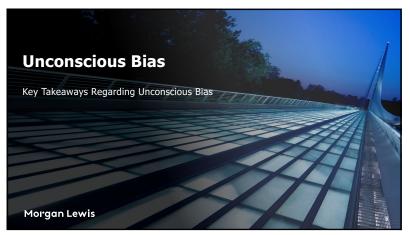
**Diversity** is what you have. **Inclusion** is what you do.

Morgan Lewis

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## **Why Does Diversity Matter?**

- Companies whose executive teams rank in the top 25% of racial and ethnic diversity are 33% more likely to have financial returns above the national median for their industry.
- Companies in the top quartile for gender diversity on executive teams are 21% more likely to outperform on profitability and 27% more likely to have superior value creation.
- See McKinsey & Co., <u>Delivering growth through diversity in the workplace | McKinsey</u>, at 1 (Jan. 2018).
- See also McKinsey & Co., How diversity. equity. and inclusion (DE&I) matter | McKinsey (May 2020).
  "In the COVID-19 crisis, inclusion and diversity matter more than ever."
- For **tax-exempts**, diversity, equity, and inclusion are also **central to mission and purpose**.

Morgan Lewis

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Title search: Diversity, Equity, and Inclusion Framework, Background, and Suggestions as Resource for General Counsel's Office

First appeared as part of the conference materials for the  $40^{\rm th}$  Annual Nonprofit Organizations Institute session "The Future of Philanthropy and the Nonprofit Sector: Where Do We Go From Here?"