

Poverty as a Diversity Attribute – and What Corporations Can Do to Address It

By Stan Kimer



Expert Forum



In discussions about diversity, we often discuss the “primary dimensions,” characteristics people are born with or cannot alter like race, gender, age, height and sexual orientation. And then we often add secondary diversity dimensions which shape people throughout life, such as religious beliefs, work background, education and parental status. An important element to add to this mix is economic or financial status.

Sadly, there is a growing “culture of poverty” in the United States.

An unfortunate cyclical circumstance within the US is this growing distinct culture of poverty, which tends to trap multiple generations from the same families and areas. Statistics show that the number of people officially living in poverty in the US continues to grow, even as we tout ourselves as “the land of plenty.” Some statistical facts:

- The 2010 US Census declared that 15.1% (over 46 million people!) of Americans were living in poverty.
- That Blacks and Hispanics were disproportionately represented in the poverty numbers (Over 28% of Blacks and 26% of Hispanics.)
- The poverty rate for women single head of households was 5 times the poverty rate of families with two parents.
- Over the past twenty years, there has been practically no change in the gap between the average Black and White income in the United States

Now add to that some sociological discussion:

- The cycle of poverty continues to perpetuate itself since children raised in poverty have less access to quality education.
- That growing up in poverty often leads to low self esteem, lack of role models, culture of crime, etc.
- That poverty often nurtures the mentality of immediate / short term gratification over delayed /long term gratification and investment in the future.

Often minority communities within the United States face mounting economic challenges. The presence of institutional racism, which occurs specifically in institutions such as governmental bodies, corporations and universities where systemic policies and practices within the institution have the effect of disadvantaging certain racial or ethnic groups, further aggravates this issue.

So what can corporations do to help address this growing culture of poverty and raise the overall standard of living and opportunities for those who are economically disadvantaged? Plenty! Here are seven practical actions:

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- Specifically open plants and facilities in high poverty areas where the jobs are needed most, keeping in mind that many in poverty do not have the transportation access to locations in the suburbs.
- Contribute corporate philanthropic money to initiatives that improves educational access to those living in poverty. This also helps build a national pipeline of better trained diverse talent.
- Educate employees about the plights of poverty and what can be done. Perhaps offer opportunities for community service and mentoring programs on company time.
- Corporations can further encourage employees to individually get involved in their community. This can include not overworking employees so they have the time to get involved in their communities, providing additional time off for participation in projects, and continuing programs like matching grants where corporations provide matching donations to their employee community contributions.
- Provide better benefits for low-income earners who are struggling to support their families. Often the higher-paid “white collar” worker enjoys robust benefits, while the single parents raising small children work in jobs with no sick pay or paid family leave. When they take time off when ill or to tend to a sick child, it further increases their economic woes.
- Establish a floor “living wage” instead of using the government mandated “minimum wage.” Minimum wage is way below the poverty line level with no chance of supporting a family, where as “living wage” is defined as “an amount of money paid for a job that is large enough to provide a person with the basic things (such as food and shelter) needed to live an acceptable life.”
- Companies can add robust supplier diversity programs with rigorous goals and metrics to grow business with minority suppliers including racial minorities, women-owned suppliers, veteran –owned business, businesses run by people with disabilities and LGBT (Lesbian, Gay, Bisexual, Transgender) owned business. These disadvantaged groups often are not fairly considered within traditional procurement practices.

As corporations take these actions, we can experience a stronger overall economy and start reversing the trend of this growing culture of poverty. And corporations which do the “right thing” within the economy most often experience higher customer and employee loyalty. It is good for the economy, for the individual and for the company!