The Next Steps on the Journey

Has anything changed?

Contents

Introduction

Conducted in 2017 and published in 2018, *The Journey of African American Insurance Professionals* was a study commissioned and sponsored by Marsh and the National African American Insurance Association (NAAIA). It has since been recognized as a risk and insurance industry standard for its unique analysis of diversity, equity and inclusion (DEI) and acknowledgment of the historic accomplishments of Black/ African-American practitioners, professionals and insurance organizations.

The past five years since its publication, however, have been volatile ones. We have seen (and in some cases are still experiencing) the impact to the major range of global and domestic events that have put social issues, and particularly the topic of race center stage. While there have been many, the most prominent have included the following:

- Murder of George Floyd and hosts of other Blacks/ African Americans and People of Color

- COVID-19 pandemic

- Civil and political unrest (e.g., January 6, 2021)

- Great resignation

- Dobbs case

- Russian invasion of Ukraine

- Economic uncertainty

- High profile D&O and EPL lawsuits

Accordingly, in early 2022, Marsh McLennan and NAAIA collaborated once again to conduct an expanded follow-up study. *The Next Steps on the Journey* captures the current sentiments and opinions of insurance and risk management practitioners amid the aforementioned unprecedented macro and socioeconomic events that have occurred over the last half-decade.

The hope, of course, is to find that there was good that had arose from the bad. After all, the initial 2018 *The Journey* well established the significant deficiency throughout the insurance industry in Black/African-American leadership and at other levels. But even though the demographics of the US are changing —

increasingly diverse in terms of race, ethnicity, culture, gender, gender identity and expression, sexual orientation, socioeconomic status, religion, disability, national origin, immigration status, and language — the risk and insurance industry's executive and management ranks do not reflect those emerging trends. Key findings in the US House Committee on Financial Services in its September 2022 report entitled, "*Diversity and Inclusion: Holding America's Largest Insurance Companies Accountable*," provide sobering evidence about those trends:

- In 2021, the largest insurance companies had a lower percentage of employees of color (30.5%) compared to the largest banks (42%) and the largest investment firms (40.6%).

- Just 4% of employees at insurance companies identified as having a disability in 2021, compared to almost 25% of adults in the United States living with a disability.

- Women had a higher representation of employment in lower-level roles, with 77.2% of administrative support employees identifying as women and 22.8% identifying as men.

- Among companies surveyed, People of Color were underrepresented in 2021 in executive-level positions, with an average of 16.2% of executives identifying as People of Color.

- The CEOs at the largest insurance firms were overwhelmingly White/Caucasian men (88.9%) in 2021. Specifically, 25 out of 27 (92.5%) of the largest insurance companies were led by men, and 26 out of 27 (96.2%) of the largest insurance companies were led by people who identify as White/Caucasian.

- The Committee found that board diversity at the nation's largest insurance companies was similar to board diversity at the nation's largest investment firms and banks surveyed and covered in prior Committee reports. Women comprised 28.5% of insurance boards, 28% of investment firm boards, and 30% of bank boards, and People of Color comprised 22.3% of insurance boards, 17.5% of investment firm boards and 20% of bank boards.[1]

Still, while *The Next Steps* study is interested in demographics, it goes far deeper, by exploring the specific experiences of Black/African-American professionals in the risk and insurance industry. Further it looked to understand a number of qualitative concepts and issues, including barriers of entry/retention, the evolution of DEI commitments, limitations of DEI initiatives and, of course, opportunities — for professionals, risk and insurance organizations, and the Association, as well.

Even though the demographics of the US are changing — increasingly diverse in terms of race, ethnicity, culture, gender, gender identity and expression, sexual orientation, socioeconomic status, religion, disability, national origin, immigration status, and language — the risk and insurance industry's executive and management ranks do not reflect those emerging trends.

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1 Diversity and inclusion: Holding America's largest insurance companies accountable. US house of representatives.
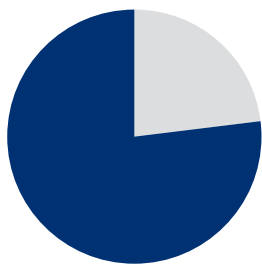
Study participation

The Journey of African American Insurance Professionals is a groundbreaking study commissioned by Marsh and conducted by Dr. Leroy Nunery II, with participation from the NAAIA and numerous others from across the risk and insurance industry.

Primary research for the study included 312 online survey responses, 25 interviews, and seven focus groups conducted over a six-month period.

The Journey of African American Insurance Professionals **and *The Next Steps* serve as live documents to influence awareness of the challenges and opportunities that organizations in this risk and insurance could leverage to accelerate the pace of change for Blacks/African Americans in terms of advancement and representation. In having both studies we are able to measure and track changes more effectively over the time continuum. We are not only able to explore how the demographic through the lens of participation in the study continues to evolve in light of macro-influencers, but also as more and more organizations evolve in their strategic DEI journeys.**

Exhibit 1: Spike in study newcomers

77%
of survey respondents did not take the *The Journey Study*

From an initial view of participation, we saw some clear positive trends. In fact, there was a 215% increase in survey respondents between the studies, a significant accomplishment reflecting the study's planning group efforts to attract new and different voices to the research. In fact, of the almost 700 *The Next Steps* survey respondents, only 55 participated in *The Journey*. Remarkably, 77% of *The Next Steps* participants were newcomers.

This may be an indication of several factors:

- NAAIA's membership growth
- Increased interest and awareness of DEI
- Greater willingness for individuals to relay their experience about the risk and insurance
- More awareness of career opportunities in insurance and risk management, as exemplified by the emergence of new HBCU risk management programs and curricula.[2]

Given the greater number of survey participants and interviewees, we expected that some of the findings from *The Journey* would be reinforced and amplified, and that new perspectives might be gained from those who were first-time participants. We expanded the number of survey questions, made them more detailed and focused to achieve a true year over year view and still be able to reflect changing conditions of the times. We included questions, such as:

- Have we seen improvements in the risk and insurance since the first *Journey Study*?
- Are there, and have there been, significant differences in socioeconomic outcomes for Women specifically, and Blacks/African Americans (and other People of Color)?
- How did George Floyd's murder impact corporate culture and environments?

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2   https://hbcubuzz.com/2021/09/fisk-university-receives-2-5m-gift-to-establish-risk-management-institute

- Are the same barriers to entry from the first study still present, and what are the barriers to talent retention?
- Are there any additional barriers to career advancement or talent mobility?
- What potential issues are preventing underrepresented groups from advancement within the risk and insurance industry?
- Can we assume that experience in the field, professional degrees, or additional licenses/certifications will translate to improved access to leadership roles within organizations?
- What are common data measures that Fortune 500 companies are using to understand the impact of their targeted DEI efforts?

The ensuing narrative captures results from the research process which included a combination of survey responses, interviews and focus groups discussions, and reveals distinct trends, patterns and correlations between the first and second studies. Taken together, the findings from both studies should comprehensively inform the risk and insurance industry. We also present several direct participant insights, thoughts and opinions, which provide greater context and critical anecdotal experiences for each group of research questions. We encourage the readers to reflect on the findings and consider how they correspond with their own perceptions on the amount of progress that has been made and where they can play a role in continuing to advance change in the risk and insurance industry.

Exhibit 2: Respondent comparisons
This illustration compares the demographic differences of the survey respondents to the first study, *The Journey*, against the second, *The Next Steps*.

|		2017	2022
Age range	30-39	22%	18%
	40-49	27%	33%
	50-59	33%	27%
Educational attainment	Bachelors	51%	52%
	Graduate level	35%	25%
Tenure in insurance	Have 10+ years	74%	75%
Highest compensation concentration	$100,000-$150,000	23%	23%[1]
NAAIA member affiliation		36%	53%
Risk and insurance industry	Property & Casualty	84%	82%
Location	South	23%	49%
	North	22%	21%
	Midwest	19%	19%

1. Less than 2% at $500,000+.

Barriers to entry and retention

This shift in participation indicates that *The Next Steps* output is strongly influenced by the engagement and experience of women in the risk and insurance industry and in some cases indicates some relative success in this space. This is further validated by the macro-environment, where Black/African-American women have taken a pivotal stance to fully show up with intention and intersectionality in roles that cultivate the national landscape. This has been evidenced by changes in the White House administration including but not limited to the first Woman and Woman of Color to be elected Vice President, as well as the growing changes in representation of the Black/African-American female voice in Congress to be elected, the Supreme Court, higher education, and other prominent positions serving as catalysts for women in all industries to lend their voice, talent, and skills. Perhaps this time of activation for Women of Color influenced the strong female survey participation. But given the 2:1 representation of women in the current study, we also see tremendous opportunity and a potential "next-step" of improvement in the industry may require a full-fledged effort to increase participation across every gender self-identification or designation.

Exhibit 3: Gender participation
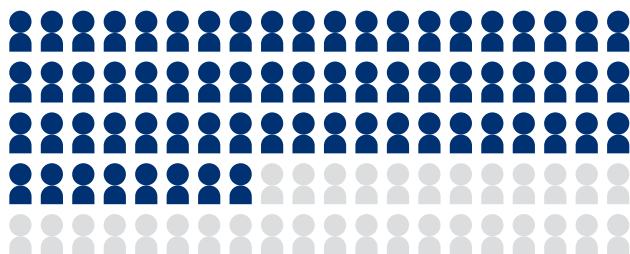
68%
of survey respondents identify as female
• from 55% in *The Journey Study*
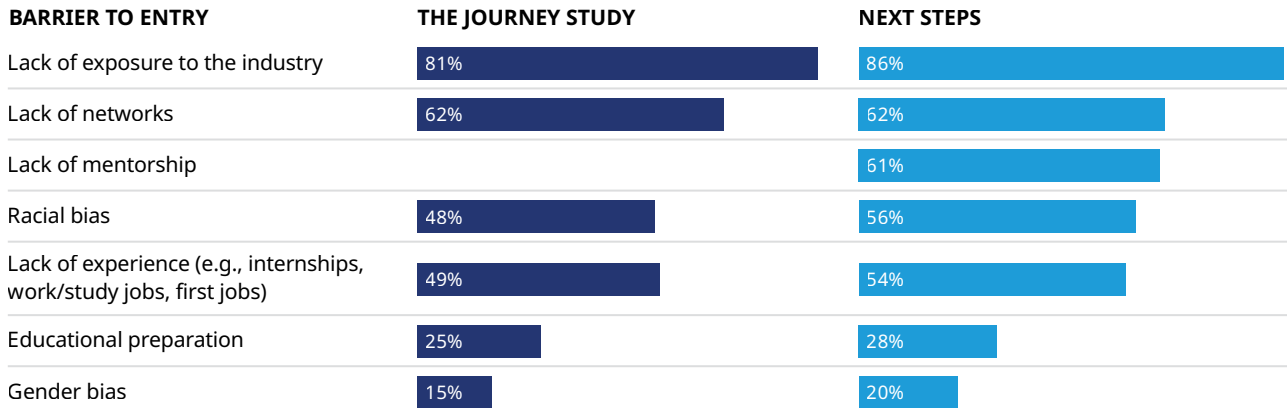• ~1% identify as transgender

In *The Journey*, participants were asked to opine about the most important barriers to entry, ranking six statements based on their experiences and insights. For *The Next Steps*, the same six categories were provided, and one (lack of mentorship) was added.

Exhibits 4 and 5 illustrate the results, with slight changes in assessment over the last five-year period, the top 5 barriers remain consistent. Exposure to the industry — explained as introductions to insurance and financial literacy as early as grade school — continued to rank as the most significant barrier. There is a 21% and 24% gap (for *The Journey* and *The Next Steps*, respectively) between lack of exposure and the next highest outcome, lack of networks. In fact, lack of exposure increased in importance to 86% vs. 81%, even with a greater number of participants in the recent research.

For this study, we questioned which barriers to retention existed, and asked participants to rank them. Most respondents feel the lack of promotions or advancement is the most significant barrier to retention (75% agreement), followed by lack of growth opportunities (70%), and lack of mentorship (68%). When put together, these three categories emphasize that without direct connections to a more experienced or senior leader for guidance, or access to opportunities that allow one to demonstrate expertise or experience, then the same talent which overcame barriers to entry would remain underutilized and undervalued. More than any other factors — including bias or educational preparation — these barriers are the key determinants of success for Blacks/African Americans in the risk and insurance industry.

Exhibit 4: Barrier to entry

BARRIER TO ENTRY	THE JOURNEY STUDY	NEXT STEPS
Lack of exposure to the industry	81%	86%
Lack of networks	62%	62%
Lack of mentorship		61%
Racial bias	48%	56%
Lack of experience (e.g., internships, work/study jobs, first jobs)	49%	54%
Educational preparation	25%	28%
Gender bias	15%	20%

Exhibit 5: Barrier to retention
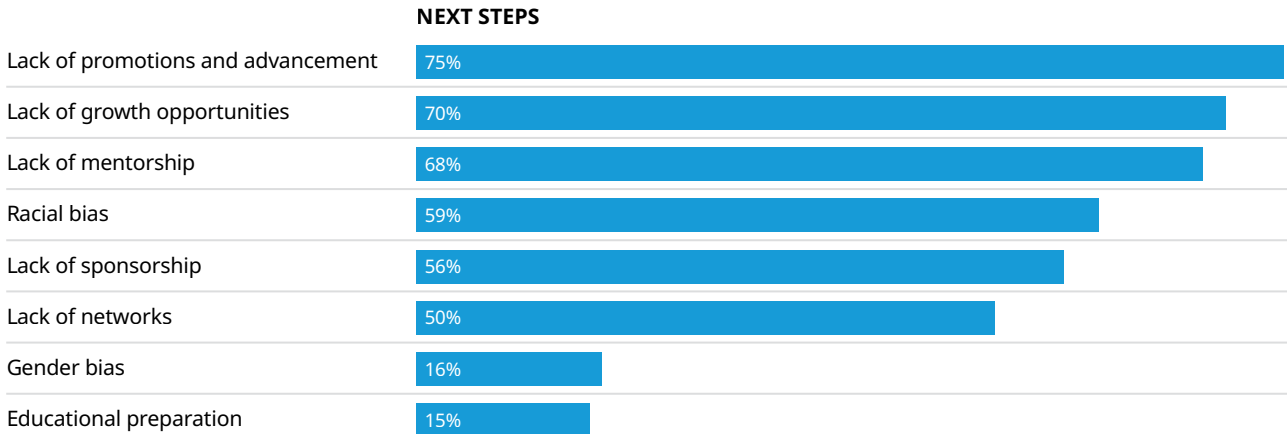
	NEXT STEPS
Lack of promotions and advancement	75%
Lack of growth opportunities	70%
Lack of mentorship	68%
Racial bias	59%
Lack of sponsorship	56%
Lack of networks	50%
Gender bias	16%
Educational preparation	15%

My company would like to appear they are committed to advancing diversity but does not take the appropriate actions internally for future diversity growth.

— Survey respondent

Improvement of organizational DEI commitments, action, and impact

Diversity, Equity, Inclusion, and Equality: Definitions and engagement levels

Survey participants were asked a series of questions related to diversity, equity and inclusion, as they were in *The Journey*. For *The Next Steps*, participants were also asked to define equality and to provide their insights and opinions on whether their companies were committed to these four values.

In the following table, we summarize the results from queries on each of the values (Column 2), the perceived level of commitment to those values (Column 3) and the differential between the measures (Column 4). The responses in Column 2 clearly show

that participants understood and agreed with each of the definitions (over 90% agreement, except for Equality at 84%).

However, Column 4 exhibits the stark difference between employer commitments and the consensus for each value, ranging from a 31% gap for diversity to a 47% gap for equity. In the following chapter, we'll explore the issues and limitations that continue to hamper DEI success. In this chapter, we highlight some positive findings, of which there were many.

Exhibit 6: Level of commitment and understanding of DEI

VALUE	LEVEL OF AGREEMENT (Strongly agree/Agree)	LEVEL OF COMPANY'S COMMITMENT (Yes)	DIFFERENTIAL (3-4)
Diversity: Describes individual differences (e.g., life experiences, learning and working styles, personality types) and group/social differences (e.g., race, socio-economic status, ethnicity, gender identity, sexual orientation, nationality, ability, as well as cultural, political, religious, and other affiliations).	91%	60%	31%
Equality: Defined by all social segments of a society having the same level of support and opportunity. Regardless of one's background, opportunities remain the same.	84%	48%	36%
Equity: Emphasizes the fact that different people from differing backgrounds may need varying levels of support and assistance. Whereas equality refers to people having the same level of support regardless of background, the goal of equity is to achieve fairness in terms of both treatment and outcomes.	90%	43%	47%
Inclusion: The involvement and empowerment of individuals to ensure their worth and dignity are recognized and respected.	93%	61%	32%

Diversity

There is consensus that diversity is best defined as understanding, recognizing and accepting differences. But several participants expanded on the definition, noting that it should not only describe a multiplicity of demographic backgrounds, but should also include "diversity of thought," encompass "innovation, ingenuity, broad thinking" and incorporate different "skills sets, personal and professional backgrounds and experiences."

Equality

Defined by all social segments of a society having the same level of support and opportunity and that regardless of one's background, opportunities remain the same. A new element added to the survey given the massive social movement and heightened attention to systemic challenges in achieving equal rights at core of our historic fabric (e.g., voting rights, pay, healthcare, and education). While 84% of respondents either strongly agree or agree with the definition, including the perspectives on equality clearly signaled its importance to the narrative. Ultimately, equality is a much more difficult value to achieve because some participants pondered how their companies would attempt to implement it, especially because of the lack of Black/African-American, as well as underrepresened racial and ethnically diverse professionals at the executive levels of organizations.

Equity

93% of respondents either Strongly Agree or Agree with the definition of equity. One respondent's comments captured broader sentiments about this value: "Equity recognizes that each person or group has different circumstances requiring exact resources to be allocated to reach an equal outcome. Support is provided based on specific needs. Equity is manifested in fair access, equal opportunity, resources and an ability to thrive and flourish, in an environment of respect and dignity." There were a number of positive comments that complimented companies for incorporating pay equity audits, employee engagement surveys and workload balance studies as methods to intentionally examine equity within their ranks.

43% of the respondents felt that their organizations are committed to advancing equity.

Overall, we understand that progress toward equity has been credible and tangible, yet substantial work must be done to raise equity, and particularly career equity, as a top management priority.

Inclusion

93% of the respondents agreed with the definition of inclusion. Strikingly, there were no disagreements on the description offered. One summarized it this way: "Inclusion is the act of building and maintaining a strong sense of belonging by actively inviting and valuing authentic contributions and fully empowering participation."

A work in progress, several respondents noted that their respective companies were working on, but had not achieved, inclusion. The establishment of ERGs and colleague networks, delivery of listening sessions and learning and development programs with focus on unconcious bias, allyship, and inclusive leadership were being identified as first steps, but because of

organizational structure, company culture, or lack of intention, they were inclined to describe company efforts as underwhelming.

The Next Steps survey included several questions related to the impact of George Floyd's murder on perceptions about individual and collective career aspirations, and how the risk and insurance industry was encountering and responding to the massive

societal changes. Since the publication of the first study, national and international events have inspired employees to closely measure whether their employers were adapting and redefining company cultures. For Black/African-American risk and insurance professionals, the changes have been pronounced and historic. But many note that change has been very gradual, at best.

Since George Floyd's death

Participants were asked to rank their company's commitment to DEI initiatives before and after George Floyd's murder.

Prior to George Floyd's death, the majority of respondents felt there was a low or moderate level of commitment from their organization. However,

post-George Floyd, we saw a sharp and distinct difference in responses. Nearly 42% ranked their company's commitment as high, up from 19% before this traumatic and historic event, and an equivalent number ranked the commitment as moderate. Taken together, it appears that George Floyd's murder had a remarkable effect on corporate commitments.

Exhibit 7: Level of commitment before and after George Floyd's murder

	BEFORE GEORGE FLOYD' DEATH	AFTER GEORGE FLOYD'S DEATH
None	9%	4%
Low	37%	13%
Moderate	35%	42%
High	19%	42%
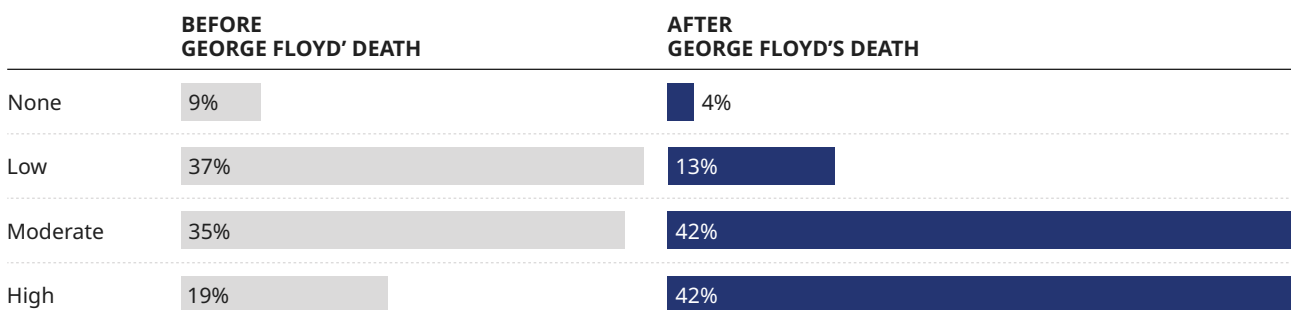
42% of *The Next Steps* respondents felt that their organizations had a high level of commitment to advancing DEI, a sharp increase from the first study.

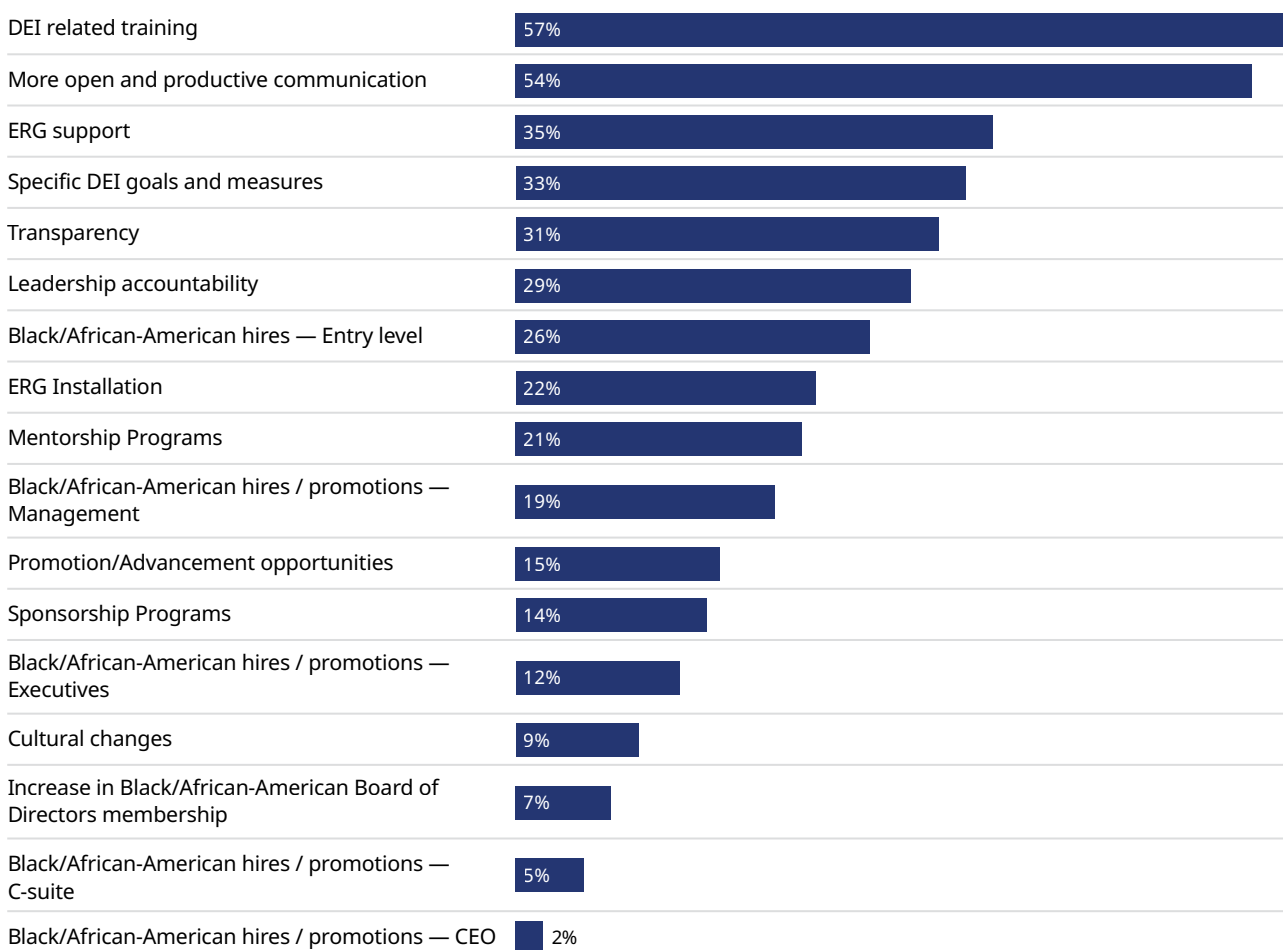# Internal and public commitments after George Floyd's murder

81% of participants affirmed that, in the aftermath of George Floyd's murder, there were internal company commitments made; but only 69% affirmed similar public company commitments. It appears that several organizations struggled with how to address the issue publicly, especially given their public profiles and possible reactions from customers and stakeholders.

Topping the list of specific actions sparked by the tragic moment were diversity, equity, inclusion, and belonging-related training (on topics such as unconscious bias, privilege, and gender and racial

equity), and more open communications. Increased ERG support and installation was also frequently deployed in reaction to the events, likely at the urging of employees. And, while DEI goals and measures, transparency, and leadership accountability arose as tangible actions, we note that hiring, promotions, and board membership for Blacks/African Americans were far less prevalent.

When asked if there were specific actions taken in the aftermath, there were myriad responses, as shown below:

Exhibit 8: Actions taken following George Floyd

| Action	%
DEI related training	57%
More open and productive communication	54%
ERG support	35%
Specific DEI goals and measures	33%
Transparency	31%
Leadership accountability	29%
Black/African-American hires — Entry level	26%
ERG Installation	22%
Mentorship Programs	21%
Black/African-American hires / promotions — Management	19%
Promotion/Advancement opportunities	15%
Sponsorship Programs	14%
Black/African-American hires / promotions — Executives	12%
Cultural changes	9%
Increase in Black/African-American Board of Directors membership	7%
Black/African-American hires / promotions — C-suite	5%
Black/African-American hires / promotions — CEO	2%

Organizational levels showing evidence of support for DEI

We asked participants to identify whether there was evidence of support of DEI from various levels in their respective organizations. Like findings from *Business Insurance* magazine's DEI studies, CEOs and management are viewed as having the most significant accountabilities for showing support. We expected to see more emphasis on board support, given their typical responsibilities for governance and senior management oversight. Instead, they only accounted for 22% of the responses. Senior leadership must be change agents, role models and activators of DEI initiatives to get buy-in from the rest of an organization, but there are also huge opportunities for non-diverse peers and associates (44% of the responses) to play a key role. These individuals can be "allies and advocates" for change. They most often become directly involved in sponsoring ERGs, hiring and developing talent, mentoring and sponsorship, and more importantly serving as influencers in breaking down internal barriers. Certainly, greater familiarity and personal connections with this cohort can ease relationship building and can ultimately lead to broader opportunities to collaborate and strengthen inclusion.

Exhibit 9: DEI support by organizational level

Level	Percentage
Management	52%
CEO	50%
Non-diverse/Majority peers and associates	44%
C-Suite	35%
Board	22%
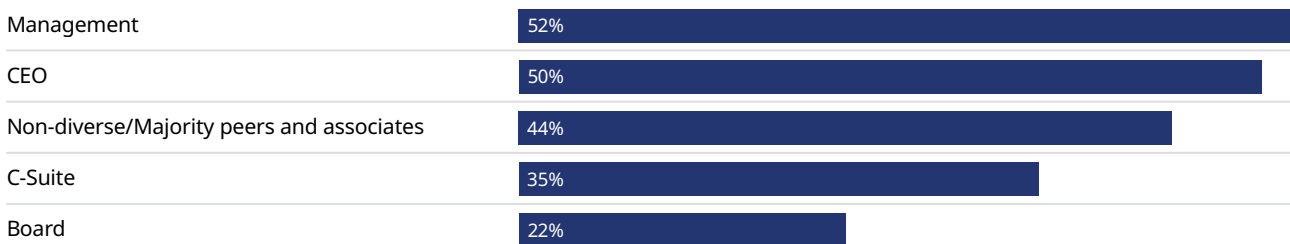
For Black/African-American risk and insurance professionals, the changes and levels of commitment from their organization and leaders have been pronounced and historic. But many note that the outcomes have been very gradual, at best.

Limitations and disadvantages of organizational DEI commitment, action, and impact

There is no doubt that our current research findings indicate greater DEI awareness and efforts being made, as reflected throughout this report. However, what we have also uncovered is the limitations that continue to slow the pace of progress. In this following section we explain the driving factors.

Diversity

We noted in our interviews and survey results that the interpretation and implementation of diversity strategies plays a significant role in how individuals felt about their organization's commitment to respective DEI efforts. Some felt that their companies used diversity as a catchword to make distinctions between groups of employees (e.g., celebrating the hiring and promotion of someone from one underrepresented group as a "win" for all underrepresented groups). Others expressed concerns that the broader definition of diversity could/does weaken the prospects for Blacks/African Americans, noting that often the unique experiences and "true identities" of Blacks/African Americans are downplayed or totally ignored in favor of striving for "more diversity" within an organization.

"I understand that diversity brings other groups in, but it also diminishes us as African Americans and we are STILL the minority."

"From my perspective, diversity for African Americans is unique given the history of this country, and all that our families/ancestors experienced when brought over to America as slaves. I don't believe corporations realize this significant difference in backgrounds of African Americans versus 'immigrants' or Native Americans. We should not be lumped into a definition so easily."

The Journey was published in 2018 before George Floyd's murder, Black Lives Matter protests, the COVID pandemic and the 2020 presidential elections; before other social and political events highlighted social and economic inequities in virtually all industries. 65% of survey respondents felt that their companies were committed to advancing diversity, with several relevant comments submitted, such as:

"I feel my company would like to appear they are committed to advancing diversity, but does not take the appropriate actions internally for future diversity growth."

"Senior leadership is an obstacle; viewpoint is that baby steps are sufficient when data/surveys/recruiting and retention states the opposite."

"It appears that now companies are promoting/advancing Individuals of Color as a 'check the box' measure versus in prior years advancing for true qualities and deserving positions and promotions."

The "no's" and "not sure" responses (13% each) were amplified by comments about getting more "concrete proof" that their organizations are committed to implementing diversity initiatives and, more importantly, seeing positive end results. Some individuals noted that while their organizations continue to espouse diversity as a core value, there is slow, little or no progress in terms of representation in management or leadership positions. As one participant stated, the "words are not always supported by (their) actions." Others described their companies' diversity efforts as "symbolic advancement," i.e., focusing on gender diversity but not racial/ethnic diversity or "looking to check boxes and [using] other means of making the company "diverse"... pulling people in from non-related industries and calling that "diversity."

Some companies felt they were conflating diversity with terms such as "intersectionality," being selective in how they address diversity and not fully embracing — or measuring — their approaches. The outcomes then are muddled and far less meaningful, leaving employees feeling as though diversity is being used only to signal intentions but not entirely adopt best practices or principles. Intersectionality is complex, and it deserves substantial and substantive discussion, principally because early-entry risk and insurance professionals expect that their organizations recognize that diversity as a broad term, not limited to singular descriptors or characteristics.

Equality

While 84% of respondents either Strongly Agree or Agree with the definition of equality, some questioned whether equity and equality are interchangeable, with one respondent noting that the two terms can be "confusing." We heard that "equality is not defined the same… because different groups want different outcomes." Another respondent attempted to clarify the difference by stating, "Without equity there is no equality. Just because I have an opportunity to be at the table, does not mean I've been 'allowed' the skills or tools to participate in the conversation." Other commentaries highlighted the important historical distinctions:

"400 years of systemic racism is hard to overcome. It's like runners in a 100-yard dash, with one on the 50-yard line and the other at that starting line. It's almost impossible to catch up."

"I would add 'access to opportunities' in defining equality."

There is a sizable 36% gap between respondents' agreement on the definition of equality and their opinions about their respective companies' commitment to that value. Commentaries on this question included the following:

"Ensuring that we ALL have equal support doesn't rightfully address the gap that was created prior to our desire to provide equal support and opportunity."

Respondents noted that, "in theory, their company is committed to advancing equality, but more so that they are perceived as supporting equality rather than ensuring that it exists in the organization." The palpable differences in how companies demonstrate commitments, including the lack of "metrics to hold leadership accountable" for making their organizations more equal, implies that the "theory" is actually a reflection of a company's visible and tangible engagement with — and acceptance of — diverse, underrepresented communities.

Equity

As we've demonstrated, half of the respondents believed their companies were committed to advancing equity. But we consider this a half-full/half-empty conundrum. When asked if they thought their companies were committed to such a mission, 25% of respondents indicated "no" and another 25% were "not sure." The results for this value are markedly different than for equality or diversity, highlighted by certain comments:

"The organization does not seem to recognize the disparity in compensation and total benefit offering to all employees."

"The top leadership seems invested, but the middle management team is not focused and does not understand the value of creating diverse teams."

Inclusion

Though there was uniform agreement on the definition of inclusion, buy-in is not as unanimous. As one of the respondents noted starkly, "We should be emphasizing respect, not inclusion."

There is also a 31% gap between the defined value and company commitments to the advancement of

inclusion. Only 61% of the respondents felt that their organizations were doing so (14% "no" and 20% "not sure"). At a more basic level, many respondents consider a lack of exposure to the risk and insurance industry as being the primary barrier to inclusion. If, as responses to a different question indicate, one's point of entry into the industry has been through

a personal connection or relative, then inclusion essentially becomes a matter of an employer or the industry earnestly wanting to find talent. And inclusion is a value that can be embraced across every segment and level but must surely have senior leadership's full consent to succeed.

"I see a lot of diversity and inclusion when it comes to entry level and supervisors but none to hardly any when it comes to VPs, and Executive team I see by photo one Black Woman, and she is in charge of culture."

Since George Floyd's death

To be sure, the devastating global effect of George Floyd's murder sparked action, but 84% of respondents remarked that they continue to encounter obstacles in their career progress compared to other minorities or under represented groups because of either conscious or unconscious racial bias. There were several salient comments explaining this result, for example:

"Inherent bias is very prevalent in the insurance industry. It was shocking to see how so many violent injustices were watered down to make others comfortable about recent events. Given how people view us, how can they make fair decisions about our professional careers and opportunities for advancement?"

"In some ways I feel George Floyd's murder prompted employers to do the right thing without understanding why. They are putting more African Americans in roles, but it is often hard to tell which companies are filling a seat, and which are contributing to a future filled with increased racial equity and inclusivity."

"The aftermath of George Floyd's murder pulled at the heart strings of most human beings, but even the individuals and organizations that wanted to be part of change grew weary of all the talk (and some action) of advancing African Americans."

Some individuals noted that while their organizations continue to espouse diversity as a core value, there is slow, little or no progress in terms of representation in management or leadership positions.

Opportunities

Accelerating change

We asked our survey respondents if they could identify key changes that insurance and risk organizations can make to more fully achieve and prioritize diversity, equity and inclusion. There were a wide range of answers, summarized below in terms of the highest number of mentions and comments:

- **Enhance recruitment and talent identification initiatives**, including greater focus on HBCUs and institutions with substantially diverse student populations. There simply needs to be a more intentional exposure of the industry and recruitment of Black/African-American men, particularly those who belong to the Millennial and Gen Z generations. There should also be an increased focus on the recruitment and promotion of Blacks/African Americans to officer-level roles.

- **Address compensation and pay inequities**, while increasing pay transparency.

- **Increase levels and frequency of mentorships**, providing more opportunities to network with executives.

- **Launch formal sponsorship programs** and offer support through executive coaches.

- **Intentionally recruit for and retain senior/ executive talent** through organizational partnerships and with community investments via the non-profit/not-for-profit space.

- **Increase board diversity** across all races and gender identities.

- **Make DEI a strategic business priority** with transparent goals tied to business leadership accountability.

"One thing"

What is one thing that can advance the careers of Black/African-American risk and insurance professionals? Recommendations offered in response to this question echoed throughout the entire survey and interviews. Commitments to equity and boosting the representation of People of Color across all levels were most noted.

There was also strong encouragement for self-advocacy and career ownership, including support for involvement in entrepreneurial insurance ventures. But for many, there was no "one thing" or primary activity that would trigger advancement because the issue is so complex. The following quotes represent the sentiments of respondents:

"The issue is beyond any one company or industry but just a microcosm of the larger systemic racial bias permeating our world. It's going to take generations of committed efforts across the board to move the needle to a place where we actually have an equitable and inclusive society."

"I believe that African-American insurance professionals need to recognize our value to the insurance world and the strength of our community's purchasing power. We need to be bold to step out and create our own institutions."

Recommendations for action

Clearly some progress has been made since the initial study. There's a prevailing sense that many companies are seeking to find credible and practical ways to solve long-standing issues, and likewise, individual practitioners want to know how they can increase their value and be recognized for their contributions. There remain several areas where improvements can be made and both individual and collective actions can, and should, be taken. The following recommendations are presented to catalyze conversation and action for risk and insurance professionals and practitioners, agencies, brokers, companies, and NAAIA, as well as other related associations, councils and collectives that support the advancement, networking and development of Blacks/African Americans in this dynamic growth industry.

Recommendations for Black/African-American risk and insurance professionals

- **Demonstrate success:** Attracting talent to the risk and insurance industry will depend upon the full engagement of Black/African-American insurance professionals who can illuminate under-informed or unaware communities and constituencies about the opportunities in the industry.

- **Seek and offer mentoring:** Throughout the research, mentoring was mentioned as a critical factor for career success and satisfaction. Individual professionals can articulate their respective needs for mentoring and can provide mentoring to, and with, each other. Mentoring could become a fundamental component of NAAIA chapter and ERG programs, either in formal or informal settings.

- **Get and provide exposure:** Getting exposure and gathering knowledge about the industry can be a powerful, effective remedy to longstanding barriers for underrepresented groups. Individuals can consider their own social networks to foster partnerships to strengthen industry exposure, increase validity of career opportunities and enhance young people choosing risk and insurance as a viable and rewarding career path.

- **Advocate for self and for others:** Now more than ever, individual professionals must find ways and opportunities to take charge of their careers. The amplitude of tools and platforms should enable professionals to connect, compare notes and exchange ideas. The research revealed that most participants did not belong to any industry-related associations, which could be a hindrance to career progress and success. Expanding networks and deepening ties to the industry should be a top priority for every individual, viewing membership costs as an investment in personal professional development. Facilitated introductions for employers and NAAIA to Black/African-American organizations can also foster engagement and collaboration.

Recommendations for employers

- **Avoid performative actions:** DEI-driven activities and training notably emerged in response to the events of the last few years. However, many organizations are "checking the box": Undertaking noticeable, but not meaningful, initiatives. A thoughtful and careful review of DEI initiatives is an important first step to ensuring that they are not merely performative, requiring courageous conversations by several stakeholders about the purpose and intent of each activity or program.

- **Turn barriers into gateways:** With intention, employers should ensure that there are measurable DEI goals and outcomes visible at all levels of the organization. Measurements can include internal or third-party pay equity and workload balance analyses or tying compensation to the successful implementation of DEI initiatives, especially at middle managerial levels.

- **Use leverage:** More employers could leverage the vast networks of employees and ERG participants for recruitment and to influence internal mobility, as well as to increase levels of employee engagement. Often, employers underestimate the power of personal connections and references within minority communities, foregoing opportunities to build awareness and enhance their brands both internally within their organizations and externally.

- **Provide meaningful, substantial support:** Supporting NAAIA local chapters through sponsorship, mentoring and partnerships and cultivating multiyear partnerships with Black/African-American community professional, civic and youth organizations can lift a company's profile. More importantly, these types of partnerships also allow for employers to create greater access to internal subject matter experts to communities that are underserved on relevant macro business and professional development topics (e.g., financial literacy, wealth creation or cybersecurity).

- **Connect Human Resources, senior executives and ERG leaders:** Several respondents noted that beyond nominally sponsoring an ERG, many executives were not directly involved in planning or activities. Most of the ERGs are organized and driven by employee volunteers, which often renders them less effective because of time and work constraints. If Human Resources, senior executives and ERG leaders can convene to discuss mission, alignment with company goals and resource allocations, there is a greater likelihood of continuous progress.

Recommendations for NAAIA and other similar organizations

- **Plan for future growth and stability:** For NAAIA and similar organizations, national membership is a realistic, available pathway to attract professionals who could benefit from the organization's online programming. Using annual conferences, career fairs, chapter meetings, and other strategic touch points as critical distribution channels would be the most expeditious way to spur growth and engagement in this ever-growing and dynamic risk and insurance industry.

- **Attract more agency owners, entrepreneurs and risk managers:** Just under 15% of the survey respondents indicated that they worked as independent agents. Several individuals commented that they were third party administrators or corporate risk managers. It appears that these are cohorts of individuals who could benefit from a membership with NAAIA, bringing fresh opportunities (e.g., supplier diversity) and fresh perspectives to the organization. Particularly, independent agents and entrepreneurs need networks to grow their businesses and "level up" to build more significant, lucrative books of business.

- **Leverage partnerships:** NAAIA can accelerate and upgrade its partnerships with sponsoring companies and trade organizations (e.g., IIABA, CPCU Society, RIMS) to foster diverse recruitment, retention and promotion of NAAIA members and the risk and insurance holistically. Utilizing a more deliberate approach should yield additional funding and more importantly, higher levels of contact at the most senior levels.

- **Deepen educational connections:** NAAIA already has a successful case competition program and in some chapters, strong connections to universities with risk management and insurance majors. The ongoing need for early-stage talent substantiates the development of an emerging leaders programs that could start with middle and high schools. Such a program could also reach students at "non-traditional" institutions, such as trade schools and community colleges. Of course, continued collaboration with HBCUs and other minority serving institutions would benefit the organization by informing students who have no connection to the risk and insurance industry.

- **Review and reshape NAAIA's branding:** The number of new participants in *The Next Steps* reveals that with a re-imagined branding and advertising campaign, organizations like NAAIA could reach a wider range of prospective members and sponsors. For NAAIA specifically, a comprehensive branding and marketing strategy would re-introduce its value proposition to many who are currently unaffiliated. A series of robust messages through print, video and social media could highlight success stories of members and sponsors to help people see themselves. It would go a long way toward promoting the "why" behind membership and importance of its role in helping shape such a valuable and thriving industry.

Call to action

The Next Steps highlights the progress that has been made and distance left to go for Black/African-American risk and insurance professionals in their industry. It reveals a growing awareness of issues by companies and their leadership. Yet it also lays bare the reality that there is a shortfall of initiatives and actions that address inequities at the foundational level; oftentimes the efforts that are made are seen as performative due to lack of outcomes. Perhaps the most prevalent finding of all is that there is no one, single universal finding. Nor is there a single panacea. Indeed, as some participants have admitted, even understanding the distinctions between the terms "equality" and "equity" can be difficult. Achieving them will be even more complex, and it will require collective, widespread, systemic action and individual initiative.

We hope that you, the reader, will ask yourself what role and place you occupy professionally and personally in this endeavor. For example, are you in a position to mentor or sponsor someone? Can you show others in your community the opportunities that exist for Blacks/African Americans in the insurance and risk industry? Are you in the position to hire or appoint individuals for staff positions or on boards? There are myriad ways that all of us can make a difference, as outlined in the previous Opportunities section. So with the knowledge gleaned from this study and the original *Journey*, we not only look for industry-wide change, but we are urging you — yes, you — to look both inwardly and outwardly and be an agent of change in accelerating progress.
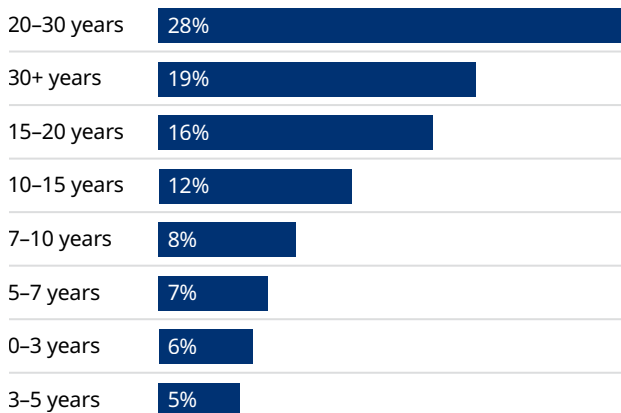
Appendix

The following content represents additional information on the participating demographic and comparisons between the two studies. This additional information supports earlier output and provides additional context to help us understand where there can be additional areas of opportunities to help risk and insurance organizations reach a broader cohort of talent within this ever thriving industry.
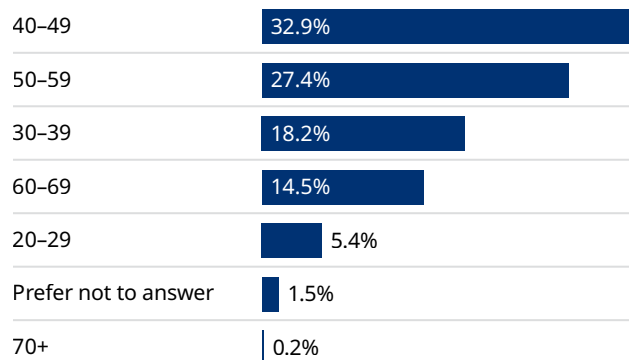
Other relevant findings

63% of *The Next Steps* survey participants have been employed in the risk and insurance industry for 15 years or more, and notably, 57% of the respondents have been employed in the industry for 20 years or more. The survey's distribution and responses are thus heavily influenced by the insights of deeply experienced professionals, and the ensuing narrative reflects those voices of experience. It appears that individuals who are initially attracted to join the risk and insurance industry are very likely to stay, essentially building their lives around their professional pursuits. The results also may reveal career stagnation because of several factors, including limited exposures, unwillingness to relocate for new opportunities, or the existence of bias and discrimination.

For both the original *Journey Study* and the *Next Steps* versions, the predominant percentage of respondents (roughly 60%) were in the age ranges of 40 and 59. Also in both studies, the percentage of individuals at the early stages of their careers (ages 20-29 and 30-39) has been consistent in the 24% to 29%. The consistency in the results indicates that respondents enter and stay within the industry, accumulating more experience and while possibly changing roles or companies, remain committed to insurance, but we also wonder if this consistency presages a concern about the "aging-out" of current cohorts, and whether enough early-stage professionals or recent college graduates find the risk space to be attractive as a career choice. Additionally, the results raise questions about how the industry can become more attractive to early-stage talent.

Exhibit 10: Respondents years of industry experience

20–30 years	28%
30+ years	19%
15–20 years	16%
10–15 years	12%
7–10 years	8%
5–7 years	7%
0–3 years	6%
3–5 years	5%

Exhibit 11: Age of respondents

40–49	32.9%
50–59	27.4%
30–39	18.2%
60–69	14.5%
20–29	5.4%
Prefer not to answer	1.5%
70+	0.2%

Lived experience for all respondents not dramatically different

In Exhibit 12, we summarize how female and male respondents reacted to certain survey questions. With only a few exceptions, the responses from each grouping are very similar. These results suggest that while gender distinctions exist, the lived experiences of Professionals of Color in this industry are not dramatically different.

Exhibit 12: Responses to survey question

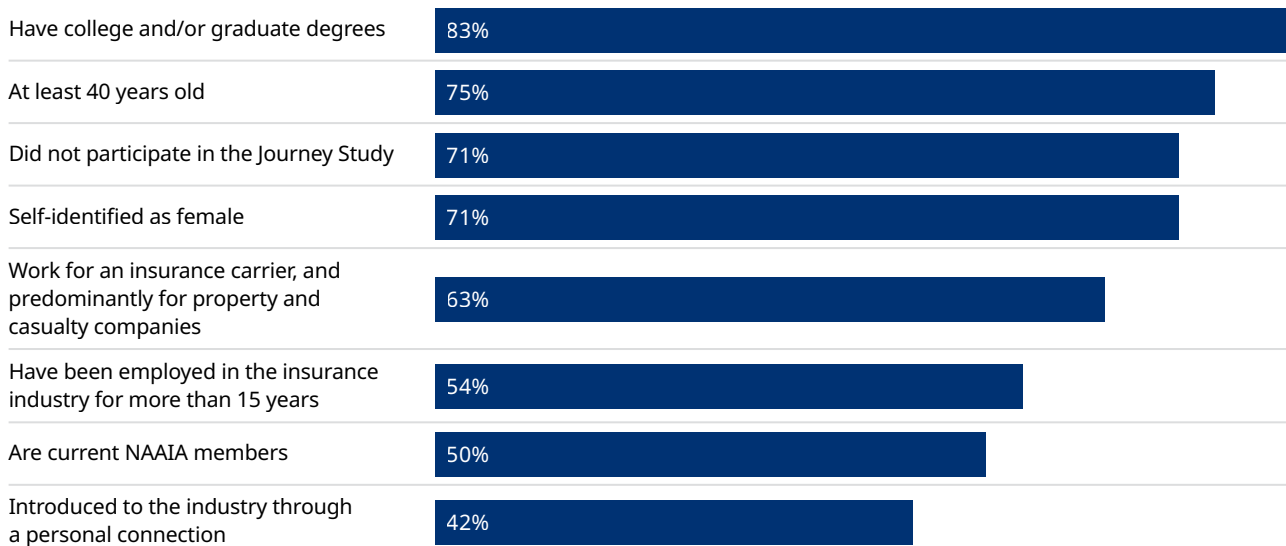| QUESTION	% OF FEMALE RESPONDENTS	% OF MALE RESPONDENTS
Barriers to entry	**86%** — Lack of exposure to industry **60%** — Lack of mentorship **60%** — Lack of networks **56%** — Racial bias, lack of experience	**88%** — Lack of exposure to industry **67%** — Lack of networks **61%** — Lack of mentorship **53%** — Racial bias, lack of experience
Barriers to retention	**77%** — Lack of promotions/advancement **72%** — Lack of growth opportunities **68%** — Lack of mentorship	**73%** — Lack of promotions/advancement **69%** — Lack of mentorship **67%** — Lack of growth opportunities
Racial identity — career satisfaction	**66%**	**62%**
Gender identity — career satisfaction	**62%**	**62%**
Impact of George Floyd's murder	**84%** — Agree or somewhat agree that obstacles still exist	**83%** — Agree or somewhat agree that obstacles still exist
Impact of mentoring and coaching	**93%** — Agree or somewhat agree	**94%** — Agree or somewhat agree
Currently have a mentor	**38%**	**31%**
Currently have a sponsor	**12%**	**16%**
Have no mentor, sponsor, or coach	**45%**	**45%**
Pathways to progress	**83%** — Sponsorship **83%** — Leadership development programs	**83%** — Mentoring **75%** — Sponsorship
Company's commitment to DEI *before George Floyd's murder*	**73%** — Moderate and low	**72%**
Company's commitment to DEI *after George Floyd's murder*	**83%** — High and moderate	**84%**
Commitment to the industry	**68%** — Long term	**69%**
Commitment to my company	**83%** — Long term or more than one year	**50%**
Most important factor in job satisfaction	• Corporate culture • Work location/flexibility • Pay/Compensation equity	• Corporate culture • Pay/Compensation equity • Work location/flexibility
Work environment supportive of being authenticity	**80%** — Yes	**84%**
Current position reflective of experience and expertise	**75%** — Yes	**81%**
Current authority reflective of experience and expertise	**67%** — Yes	**74%**
Real evidence that your voice is represented at the table	**52%** — Yes	**64%**
Encourage a young person to enter the industry	**89%** — Yes	**92%**

Opportunities to attract other underrepresented voices
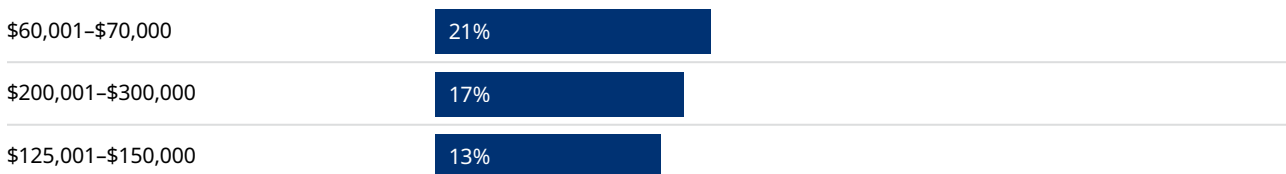
Individuals with disability

Of the 671 respondents, only 24 affirmed their disability status. Overall, the demographics of self-identified professionals with disability resemble the demographics of overall respondent population. Given this output, there may be opportunities for employers and organizations like NAAIA to engage members of this protected group, especially regarding accessibility to career opportunities. NAAIA might also consider adapting its membership drives to attract experienced talent from these specific underrepresented cohort.

Exhibit 13: Respondents who identified as individuals with disability

Have college and/or graduate degrees	83%
At least 40 years old	75%
Did not participate in the Journey Study	71%
Self-identified as female	71%
Work for an insurance carrier, and predominantly for property and casualty companies	63%
Have been employed in the insurance industry for more than 15 years	54%
Are current NAAIA members	50%
Introduced to the industry through a personal connection	42%

Largest compensation grouping

$60,001–$70,000	21%
$200,001–$300,000	17%
$125,001–$150,000	13%

Inclusion of veterans

Of the 671 respondents, only 12 affirmed their veteran status (described as an Armed Forces Service Medal veteran; disabled veteran; active wartime or campaign badge veteran; or recently separated veteran). Their responses revealed great similarities with responses from the overall survey population as well. The relatively small number of veterans caused us to wonder if employers might consider emphasizing recruitment efforts directed to that group, especially because of their demonstrated capabilities, experiences, and disciplines. NAAIA might also consider adapting its membership drives to inform veterans about the substantial post-military career opportunities for which they could be eligible.

Exhibit 14: Respondents who identified as veterans

Did not participate in the Journey Study	83%
Self-identified as female	83%
Have college and/or graduate degrees	67%
Work for an insurance carrier, and predominantly for property and casualty companies	67%
At least 40 years old	58%
Have been employed in the insurance industry for more than 15 years	58%
Are current NAAIA members	33%
Introduced to the industry through an executive search process	33%
Introduced to the industry through a personal connection	25%
Introduced to the industry through an advertisement	25%

Largest compensation grouping

$60,001–$70,000	25%
$125,001–$150,000	25%
$50,001–$60,000	17%

Race and ethnic participation of respondents

In this version of the study, we strategically expanded the categories of race and ethnicity and gave individuals an opportunity to "check all categories" that apply to them. 487 (74%) of the survey respondents self-identified as Black/African-American, compared to 91% in *The Journey* Study. Interestingly, just over 20% of *The Next Steps* participants self-identified as White/Caucasian, significantly more than the 3% who did the same for *The Journey* Study. We are fascinated by this result because it indicates that the survey is reaching a broader and deeper audience. Also, several individuals checked multiple categories, which indicates that they are comfortable with, and willing to, describe themselves from different perspectives. We wonder if checking multiple categories is related to the increasingly prevalent topic of intersectionality, as described earlier in this narrative.

Exhibit 15: Race and ethnicity of respondents

Race/ethnicity	Next Steps	Journey Study
Black/African-American	74%	91%
White/Caucasian	20%	3%

Education and professional designations and certifications

When asked about their highest educational attainment levels, most survey respondents stated that they are college-educated, and almost 25% are also graduate degree holders. *The Next Steps* educational attainment rates approximate *The Journey* Study's rates (51% with college degrees, 35% graduate degree holders). These results suggest that many of our participants enter the risk and industry with a sense of purpose and direction but, as we noted earlier, may not be recruited specifically into the industry from their academic institutions (only 18% were recruited from college or high school). The range of academic majors was broad, including liberal arts, the sciences, engineering, and general studies. Approximately 56% of the respondents majored in Business Administration or related areas, while only 4% majored in Insurance or Risk Management. We wonder if employers should consider emphasizing that non-insurance majors can succeed in the industry; expand their recruitment at HBCU and other minority serving institutions (as many have post-George Floyd's murder); and amplify their efforts to introduce risk and insurance to diverse student bodies as a viable career option.

Exhibit 16: Highest educational attainment levels of respondents

Bachelor degree	52%
Graduate degree	25%
Some college but no degree	13%
Associate degree	4%
Doctorate or terminal degree	4%
High school degree or equivalent (e.g. GED)	2%
Less than high school degree	0%
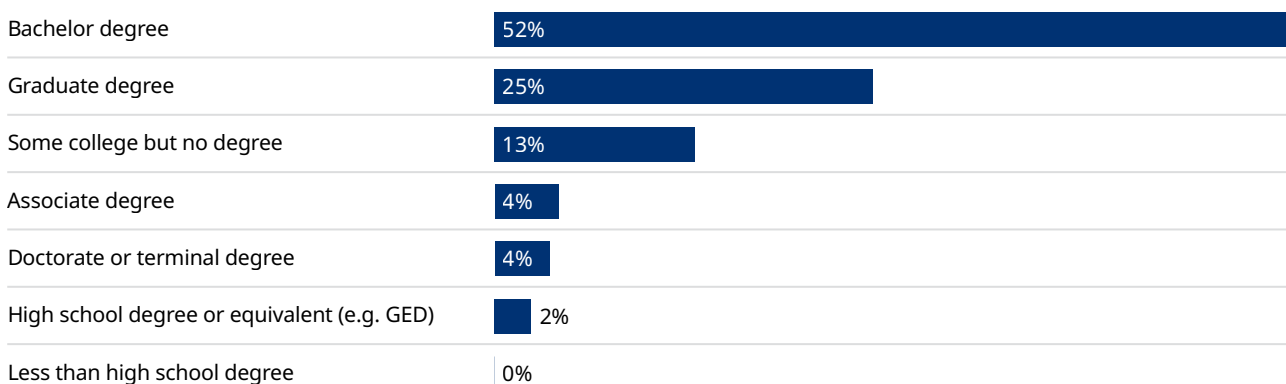
Responses to questions about the attainment of professional certifications or designations were surprising, as 69% of our respondents do not currently hold an industry-related certification or designation compared to 74% from the first study. We wondered how that result might impact career trajectories, and if attaining the designations could be an additional barrier to greater career mobility. Moreover, 90% of the respondents have no other certification or designation, including NASD licenses (Series 6, 7, 63, etc.), which seems to indicate that many who entered the industry have been trained and developed within their respective organizations and respective disciplines, and that additional designations had either little or no value (e.g., future promotions, additional compensation, incentive pay, etc.).

When we asked whether additional designations or certifications were required by employers, 63% replied that designations or certifications were not required, but for those 130 individuals in certain roles (e.g., insurance brokers and adjusters), a license is a prerequisite for their positions. As one interviewee stated, "Having my CPC would not have opened doors. No senior executives I work with have their credentials". Additional certifications are not viewed as "must haves," and pale in comparison to mentoring and sponsorship, however, we wonder if the Association and other similar entities should poll its members to understand which educational and professional development credentials might make a difference in propelling one's insurance and risk management career.

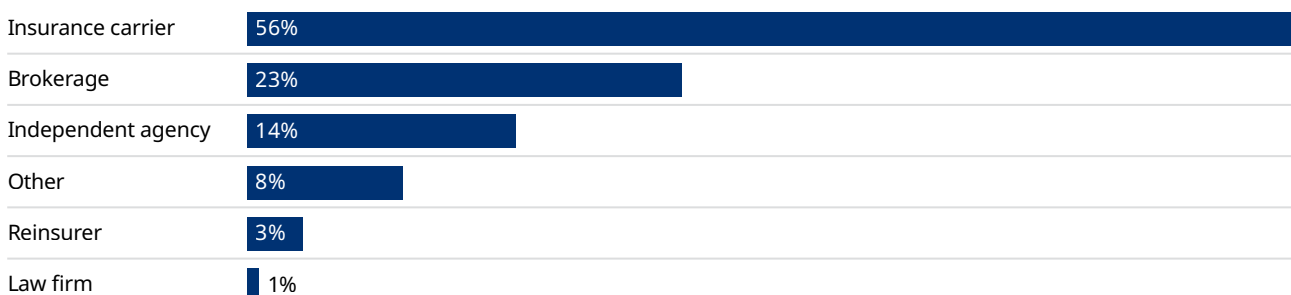**Exhibit 17: Additional designations or certifications of respondents**

None of the above	69%
CPCU — Chartered Property Casualty Underwriter	8%
AINS — Associate in General Insurance	6%
ARM — Associate in Risk Management	6%
CIC — Certified Insurance Counselor	6%
Associate in Claims	5%
CISR — Certified Insurance Service Representative	4%
AIS — Associate in Insurance Services	3%
AAI — Accredited Advisor in Insurance	3%
CRM — Certified Risk Manager	2%
Associate in Commercial Underwriting	2%
CLCS — Commercial Lines Coverage Specialist	1%
AIC-M — Associate in Claims Management	1%
AIM — Associate in Management	1%

Industry concentrations and size of organization

Approximately 82% (551) of the survey respondents are currently employed in the Property and Casualty segment (56% in commercial lines and 26% in personal lines. Although we were not surprised by the aggregation in the P&C segment, we were expecting to see more persons involved in specialty lines, life insurance, and the emerging areas of cyber-risk and cyber-security. 56% of the respondents work for an insurance carrier and 23% currently work for a brokerage firm similar to breakout from the

Journey study at 59% and 16% respectively. Only 15% work for an independent agency (compared to 11% in *The Journey* Study). These results point to the substantial advantages and presence that large organizations usually have in investing in robust DEI-driven talent attraction strategies, and industry dynamics (e.g., consolidations), i.e., with the capacity to allocate greater resources to recruitment, it is reasonable that they have more diverse employment populations.

Exhibit 18: Organizations where respondents are employed

Insurance carrier	56%
Brokerage	23%
Independent agency	14%
Other	8%
Reinsurer	3%
Law firm	1%

Exhibit 19: Industry concentrations of respondents

Category	Percentage
Property and casualty — commercial lines	56%
Property and casualty — personal lines	26%
Specialty lines carrier (e.g. providing D&O, E&O, cyber, casualty, marine, transportation, aviation, etc.)	16%
Workers compensation	15%
Life insurance	13%
Liability insurance	13%
Health/Medical insurance	12%
Brokerage	11%
General insurance	9%
Cyber/Cybersecurity	9%
Other	7%
Bond/Debt insurance	4%
Retirement/Pension	3%

The current study does point to additional opportunities for rebranding of the insurance sector in order to reach broader cohort of talent in to broader risk management related spaces, including as previously noted cyber, life, health & benefits to name a few that are impacting society today and represent areas of growth for current and new entrants to this space.

Acknowledgements

Marsh McLennan

Marsh McLennan (NYSE: MMC) is the world's leading professional services firm in the areas of risk, strategy and people. The Company's 78,000 colleagues advise clients in 130 countries. With annual revenue over $18 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses. Marsh provides data-driven risk advisory services and insurance solutions to commercial and consumer clients. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities. Mercer delivers advice and technology-driven solutions that help organizations redefine the world of work, reshape retirement and investment outcomes, and unlock health and well being for a changing workforce. Oliver Wyman serves as a critical strategic, economic and brand advisor to private sector and governmental clients.

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NAAIA

For 25 years, the National African American Insurance Association (NAAIA) has been on a mission to diversify the insurance industry. NAAIA was organized to create a network among People of Color and others employed in or affiliated with the insurance industry. The association currently has 1,700 members and 22 chapters, with others in development, throughout the nation and its members represent every sector of the industry. NAAIA's focus is the professional development and personal empowerment of its members, and to serve as a gateway to diverse talent at every level of the industry.

For more information, visit www.naaia.org to learn more, and follow us on LinkedIn, Twitter, Instagram and Facebook.