



## The Case for Focusing on Socioeconomic Status in Your Workforce

human resources employees DEI

**Summary:** The business case for hiring staff from diverse socioeconomic backgrounds is strong, both for institutions and the wider community. While many CFIs have a track record of championing diversity, equity, and inclusion in terms of race and gender, we consider what they can do to bolster their efforts in this often-forgotten area.

The 2000 film “The Replacements,” [is based on a true story](#) of the Washington Redskins during the 1987 players’ strike. The team’s interim coach assembled a ragtag group of replacement players, many of whom had been rejected by the professional league, tasking them with winning three of the last four games of the regular season to secure a spot in the playoffs. The replacements banded together to pull off inspiring wins, catapulting the team into post-season territory. The moral of the story goes that even the unlikeliest groups can succeed and sometimes surpass candidates who seem more qualified on paper — they just need the stars to align and give them the chance.

This same lesson can be applied to hiring practices. Organizations that succeed in creating a diverse and inclusive workplace culture are generally likely to perform better in terms of decision-making, attracting top talent, employee satisfaction, and customer experience, according to [research by McKinsey](#). In fact, those scoring top for gender diversity are 25% more likely to earn higher than average profits than those scoring lower. That figure rises to 36% for companies scoring more highly for ethnic and cultural diversity.

However, while many community financial institutions (CFIs) champion diversity, equity, and inclusion, one aspect of workplace diversity is often not always fully appreciated: a person’s socioeconomic background.

### Socioeconomics: A Hidden Aspect of Diversity

Although often an invisible aspect in the workplace, socioeconomic — which refers to a person’s background circumstances, such as family income, education, and place of residence — can also often result in people being excluded or treated differently.

What’s more, as socioeconomic status is extremely complex and intersects with other areas of diversity, it can exacerbate the disadvantages already experienced by certain groups. For example, those living with a disability are [twice as likely to also be living in poverty](#).

However, as people from similar backgrounds often think in similar ways, improving socioeconomic diversity across all levels of an institution should encourage greater diversity of ideas and thought. This, in turn, should foster innovation and better outcomes. By paying extra attention to socioeconomic status in your Diversity, Equity, and Inclusion (DEI) strategy, you can also help create equity for your organization’s workforce and better cater to the wider community.

### How to Increase A CFI’s Socioeconomic Diversity

Given its complexity, difficulties measuring and defining it, and some people’s reluctance to share this information, it can be hard for an institution to improve the socioeconomic diversity of its workforce.

Here are **six ways you can improve your recruitment processes to build a more inclusive workforce:**

- 1. **Explore new recruitment channels.** Increase the visibility of your job postings by making them available via channels that might be more accessible by a socioeconomically diverse candidate pool. Some options are community bulletins, nonprofits, trade schools, job fairs, and social media.
- 2. **Utilize blind hiring practices.** Removing information that could indicate a candidate’s socioeconomic status, such as addresses, names, and education from resumes and applications during candidate review can help eliminate unconscious biases among reviewers and recruitment software. This will level the playing field for all applicants and allow your team to focus on the skills of the candidates.
- 3. **Update job descriptions to avoid exclusionary job requirements.** Everything from how job descriptions are written to whether college education is a prerequisite for a role all have the potential to be unintentionally exclusionary in the recruitment process. By making changes to how they recruit, CFIs can ensure they don’t discriminate on socioeconomic grounds.
- 4. **Look for skills, not accolades.** As we’ve previously discussed, [skills-based hiring](#) can help improve diversity and performance. Recruiting with an openness to reskilling or upskilling can enable employees from lower socioeconomic backgrounds to find new job opportunities while helping CFIs to address talent shortages. You can also make clear on your job postings that candidates do not need to meet all requirements to apply, as long as they have a willingness to learn.
- 5. **Remove financial and educational barriers by offering paid internships.** Similarly, offering paid internships and sponsorships can provide opportunities to promising candidates who wouldn’t normally be able to afford these experiences because of their personal circumstances. For example, an apprenticeship program can act as an alternative option for those who can’t afford specialized education.
- 6. **Offer employee resource groups.** Creating a work environment where everyone feels included is an essential element of a successful DEI strategy. Employee resource groups can give your team the opportunity to share their experiences so that colleagues from different backgrounds can learn about the challenges and hurdles they’ve faced in their career journeys. These platforms can foster a greater sense of belonging, improve engagement, and help your management better understand how to meet all employees’ needs.

DEI can be a key driver of business performance and growth. Considering all aspects of diversity, including employees’ socioeconomic backgrounds, in hiring strategies can leave you better positioned to overcome some of the challenges facing candidates of lower socioeconomic status in the current talent market. You’ll gain valuable employees and also have a chance to help others find fulfilling careers that would have previously been out of their reach.

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## ECONOMY & RATES

Rates As Of: 05/17/2023 10:33AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg

3M	5.23	0.13	0.81
6M	5.26	0.20	0.50
1Y	4.92	0.18	0.21
2Y	4.15	0.14	-0.28
5Y	3.59	0.11	-0.41
10Y	3.58	0.15	-0.30
30Y	3.87	0.20	-0.09
<b>FF Market</b>		<b>FF Disc</b>	<b>IORR</b>
5.08		5.25	5.15
<b>SOFR</b>		<b>Prime</b>	<b>OBFR</b>
5.05		8.25	5.07

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