

Diversity, Equity, and Inclusion in the Workplace

Over the past year, many U.S. companies have devoted attention to corporate inclusion efforts, with a strong focus on diversity in hiring and promotions. And for good reason. The current trajectory in promotion and hiring rates would take nearly 100 years for every level of the corporate pyramid to mirror the Black share of the total U.S. population. And while Black workers make up 12% of the entry-level jobs, those numbers shrink to 7% just one step up the career ladder into first management roles.¹

“The road to equality isn’t a one- or two-year corporate program. It’s not just about hiring 10 extra people from a historically Black college; it’s about creating a culture that if you recruit them that they want to stay.” – **Lareina Yee**, a senior partner at McKinsey and the firm’s diversity and inclusion chief²

Commitment to Diversity in the Workplace

Many companies are committing to increasing their diversity hiring efforts by setting mandatory metrics. Target pledged to increase its representation of Black employees by over 20% in the next 3 years, while Best Buy plans to hire a diverse candidate in at least 1 of every 3 corporate salaried roles. More than 30 CEOs from companies including IBM and Nike are backing a startup, OneTen, aimed at creating one million “family sustaining” jobs for Black Americans within a decade. The initiative will focus on helping those without a college degree train, find, and retain jobs at the participating companies.³ Even small- and mid-size firms are building diversity, equity, and inclusion (DEI) strategies. It could be one of the most important initiatives for a firm to enhance culture while positively impacting its bottom line. And it is also increasingly important to employees. A majority of employees say it is important for them to work at an organization that prioritizes diversity and inclusion, according to a recent survey by CNBC and Survey Monkey.⁴

CCM’s DEI Efforts

Like many of the aforementioned companies, CCM is committed to DEI principles. We believe incorporating DEI policies and practices enhances results, and as such, we facilitate diversity in employee hiring, training, and promotion and also consider them in our investment processes. In 2020, CCM formalized these time-tested practices and created a

new DEI committee shaped by our values and our work with team members across the firm and with different backgrounds and life experiences. James Malone, CFA, was named chief diversity officer where he serves as chairman of the DEI committee in addition to his role as chief financial officer.

As part of our DEI’s committee launch, we hosted a Cultural Expansion Webinar in summer 2020 with **Kemy Joseph**, Co-Founder of F.E.A.R.S. Advantage™, to increase our awareness and open a dialogue with employees regarding our historical and new DEI efforts.

Strategic DEI Plan

In an effort to cultivate an inclusive work environment in which all employees are meaningfully engaged and can develop and succeed, CCM developed a DEI Strategic Plan for fiscal years 2021–2024 to provide a blueprint to build upon. This plan includes measurable actions that are designed to help fully integrate diversity, inclusion, and opportunity in the strategic decision-making of the firm, enhance organizational effectiveness, and meet future challenges. It envisions that CCM leadership and managers in all departments will assume direct responsibility for its implementation, recognizing that promoting diversity and inclusion and ensuring opportunity are both an individual and a collective responsibility and should be a prominent part of the fabric and culture of the firm.

The plan was finalized in 2021 and is now being implemented. We will be measuring diversity performance and overall assessment of the plan’s goals semi-annually beginning in December 2021. Part of the review includes adjusting any areas that need more clarification. On the following page is a list of our strategic plan’s goals.

Members of CCM’s DEI Committee



James Malone,
Chief
Financial
& Diversity
Officer



Alyssa Greenspan,
President
& COO



Andy Kaufman,
Chief
Investment
Officer



Priscilla Lozevski,
Head of
Operations



Danny Caballero,
Investment
Analyst

GOAL	IMPLEMENTATION STRATEGIES
GOAL 1 Build consensus around the mission and vision of the Strategic Plan for diversity and inclusion within the company	Disseminate Strategic Plan for DEI to all staff and facilitate firm wide discussion and engagement on DEI
GOAL 2 Maintain a gender neutral workforce and work toward racial neutrality (30% racial minority)	Recruit, retain, and develop a diverse workforce (Investment team, other staff) by: <ul style="list-style-type: none"> • Developing recruiting and pipeline programs to attract minority interns and graduates • Establishing staff mentoring program • Identifying and making available special professional development programs for underrepresented minorities
GOAL 3 Engage with the broader community to promote equity, social justice, and inclusion (i.e., local community volunteer activities, corporate social responsibility initiatives)	<ul style="list-style-type: none"> • Identify and establish partnerships with community organizations that work to promote equity and social justice • Develop a volunteer program that creates opportunities for staff to support community efforts in economic resiliency and address inequities in underrepresented communities
GOAL 4 Enhance accountability, effectiveness, and collaboration through strategic use of DEI-related data in planning and assessment	<ul style="list-style-type: none"> • Develop assessment templates to obtain regular feedback from staff • Review diversity and engagement survey results each year and establish or revise goals and benchmark as needed • Develop a diversity dashboard to track important information and data

Key Diversity-Promoting Business Practices

- **Results-Only Work Environment (ROWE):**

- Establish clear goals by which employees are measured, creating a fair and objective approach to performance assessment
- Allow employees to work from wherever and whenever as long as the work gets done
- Value results rather than in-person office time contributes to better work/life balance, employee retention, and a greater opportunity set of candidates

- **Analyst Rotation/Training Program:**

- Provides on-the-job cross-training of skills and a generalist approach
- Contributes to a larger opportunity set of internal and external investment professional candidates
- Opens doors to smart and eager “non-traditional” financial service candidates

- **Governance Structure:**

- Delegates external shareholders voting to employees, resulting in 100% employee-control

- Facilitates the appointment of a diverse group of employees to the board
- Ensures a diverse perspective in all major business decisions

- **Employee Training:**

- Third-party diversity training, such as “Transcend Prejudice Workshop,” for all employees
- Real-life examples illustrate the values of diversity beyond the values evident in an employee’s current position

- **Investment Approach:**

- Founded in 1999 to specifically address discrimination in lending practices
- Invests in market-rate bonds that align with the values of social justice, improvement in the lives of those in historically marginalized communities, and increased economic opportunity for people of color
- Considers diversity when analyzing a company’s governance structure and employment practices

About CCM

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. Headquartered in Fort Lauderdale with employees in Boston, Charlotte, the New York City area, and Southern California, CCM was founded in 1998 and manages over \$3.5 billion in assets. The firm believes a fully integrated portfolio – one that includes environmental, social, and governance (ESG) factors – can deliver strong financial performance while simultaneously having positive long-term economic and sustainable impact. CCM’s strategies utilize an innovative approach to fixed income and equity investing by combining the positive outcomes of impact and ESG investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. For more information, please visit: www.ccminvests.com.

¹ <https://www.wsj.com/articles/whats-keeping-black-workers-from-moving-up-the-corporate-ladder-11613926801>

² *Ibid*

³ *Ibid*

⁴ <https://www.surveymonkey.com/curiosity/cnbc-workforce-survey-april-2021/>

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