



**Professional
Diversity Network**

February 2014

Diversity Jobs Index and Report

Professional Diversity Network Launches the Diversity Job Index and Diversity Job Report

Today, February 6, 2014, we are issuing our inaugural Diversity Jobs Report, (DJR) which is designed to provide critical statistical data specific to the nation's employment situation by gender and race with additional information relevant to the employment landscape for veterans and disabled persons. The DJR studies the level of employment for the workforce segments we serve by various criteria, including education level, industry sector and geography. As part of the Diversity Jobs Report, Professional Diversity Network will include a Diversity Jobs Index (DJI) intended to serve as an indicator of the employment condition for diverse Americans. The DJI is derived from a wide cross section of leading employers in various industry sectors, geographic regions and number of full and part time employees, seeking to hire diverse talent utilizing Professional Diversity Network. The inaugural DJI release will compare demand for diverse talent in January of 2014 to December of 2013. The baseline DJI is represented by the number 50, and will adjust up or down, based upon the number of job postings from the cross section of employers who have been included in the calculation.

Not only are we uniquely positioned to provide this critical recruitment and labor information, we feel that it is part of our core responsibility to employers and job seekers alike. It is our intention that the DJI becomes a key piece of data to provide a point of reference by which employers can compare their internal diversity recruitment levels against national data. The report will be released the day before the U.S. Department of Labor's Bureau of Labor Statistics

issues its Employment Situation Summary, which includes national employment numbers for the month prior.

"The Diversity Jobs Report will complement the information provided in the Department of Labor's Employment Situation Summary and will provide important economic data points for companies interested in diversity recruitment," said Mr. Kevin Williams, Chief Marketing Officer of Professional Diversity Network. Williams added, "Professional Diversity Network is dedicated to improving the employment condition of all Americans and providing economic opportunity that helps decrease the nation's wealth gap."

Importance of the Diversity Job Index and Diversity Job Report

Decades ago, the original impetus for diversity recruitment was to remediate discriminatory practices. As current U.S. demographics shift to reflect a growing multi-cultural population, workplace diversity and inclusion has now become a business necessity. Employers realize that a diverse workforce provides them with a strategic advantage required to remain competitive in today's global markets. Empirical evidence reinforces this idea. Professor Cedric

Herring in the Department of Sociology at University of Illinois at Chicago published an article analyzing the relationship between a company's revenue and their work place diversity. According to the article,

“Herring found that companies reporting the highest levels of racial diversity brought in nearly 15 times more sales revenue on average than those with the lowest levels of racial diversity. Gender diversity accounted for a difference of \$599.1 million in average sales revenue: organizations with the lowest rates of gender diversity had average sales revenues of \$45.2 million, compared with averages of \$644.3 million for businesses with the most gender diversity.

For every percentage increase in the rate of racial or gender diversity up to the rate represented in the relevant population, there was an increase in sales revenues of approximately 9 and 3 percent, respectively. Herring found racial diversity to be a better determinant of sales revenue and customer numbers than company size, the company's age and the number of employees at any given work location.”

“Companies with a more diverse workforce consistently reported higher customer numbers than those organizations with less diversity among staff. In terms of racial diversity, companies with the highest rates reported an average of 35,000 customers compared to 22,700 average customers among those companies with the lowest rates of racial diversity.

*“The difference is even larger for gender diversity rates. That is, companies with the highest levels of gender diversity reported an average of 15,000 more customers than organizations with the lowest levels of gender diversity. Herring also found that the smallest incremental increase in levels of racial or gender diversity resulted in more than 400 and 200 additional customers, respectively.”**

Methodology of the Proprietary Diversity Jobs Index and Report

- We've developed a diversity benchmark database from our seven affinity networks using the Job Search Intelligence, Inc. (JSI) master database. JSI is a leading research firm that is well respected in the areas of employment and education.
- This diversity benchmark data set provides data on our seven segments, or worker groups, including Hispanics, African Americans, Disabled Persons, Women, Veterans, Asians and members of the LGBT community.
- We then apply variables including regionalization (based upon nine geographic regions), educational attainment, job classification (full time/part time) and industry classification (according to the North American Industry Classification System).
- Regressions are run in order to test the relationships between the variables. This allows us to comment by segment on the aforementioned variables.
- Monthly updates are applied by taking the most recent three months of data.

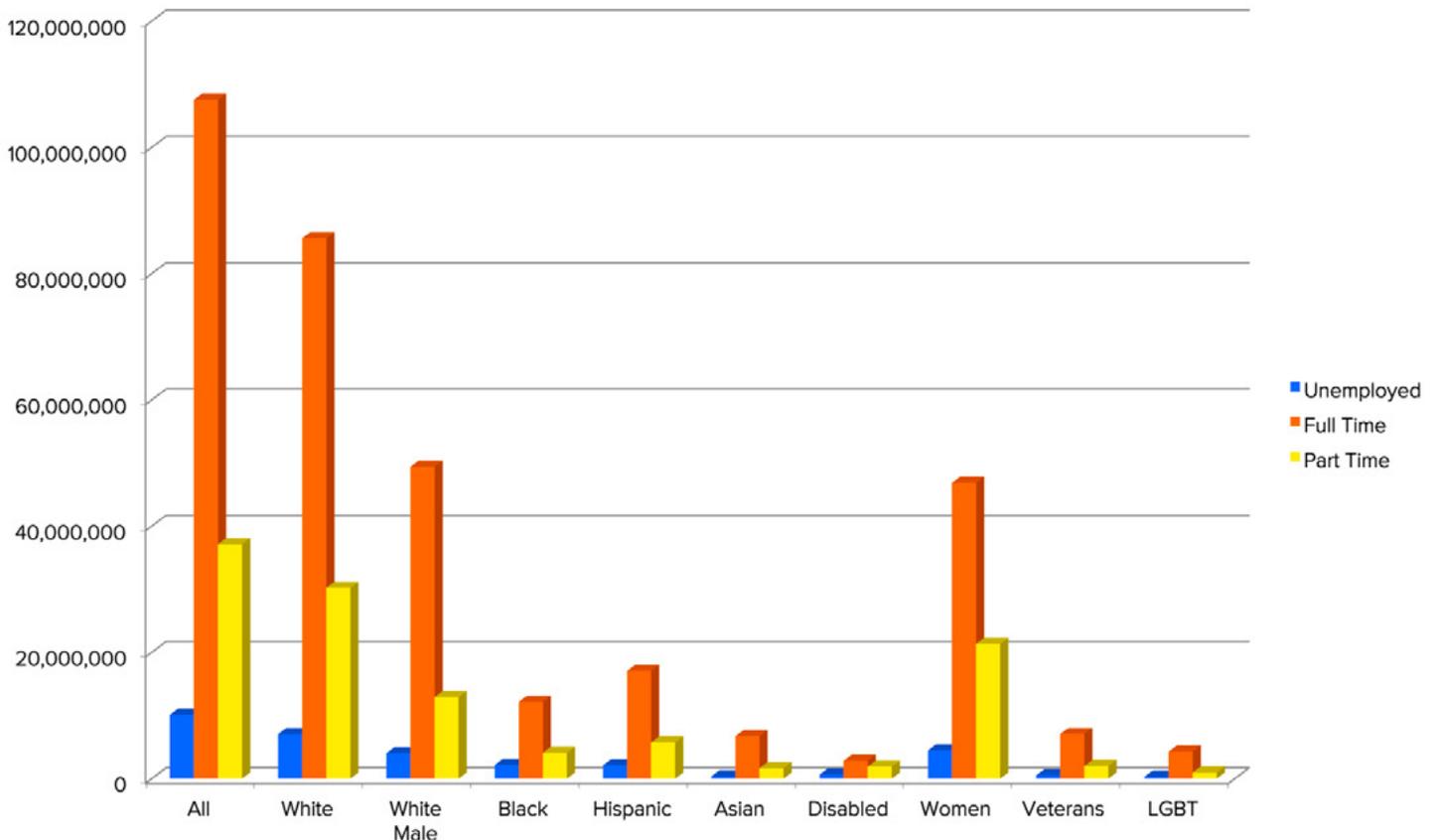
- The DJI is derived from a wide cross section of leading employers, in various industry sectors, geographic regions and number of full and part time employees, seeking to hire diverse talent utilizing Professional Diversity Network.

February 2014 Diversity Job Index

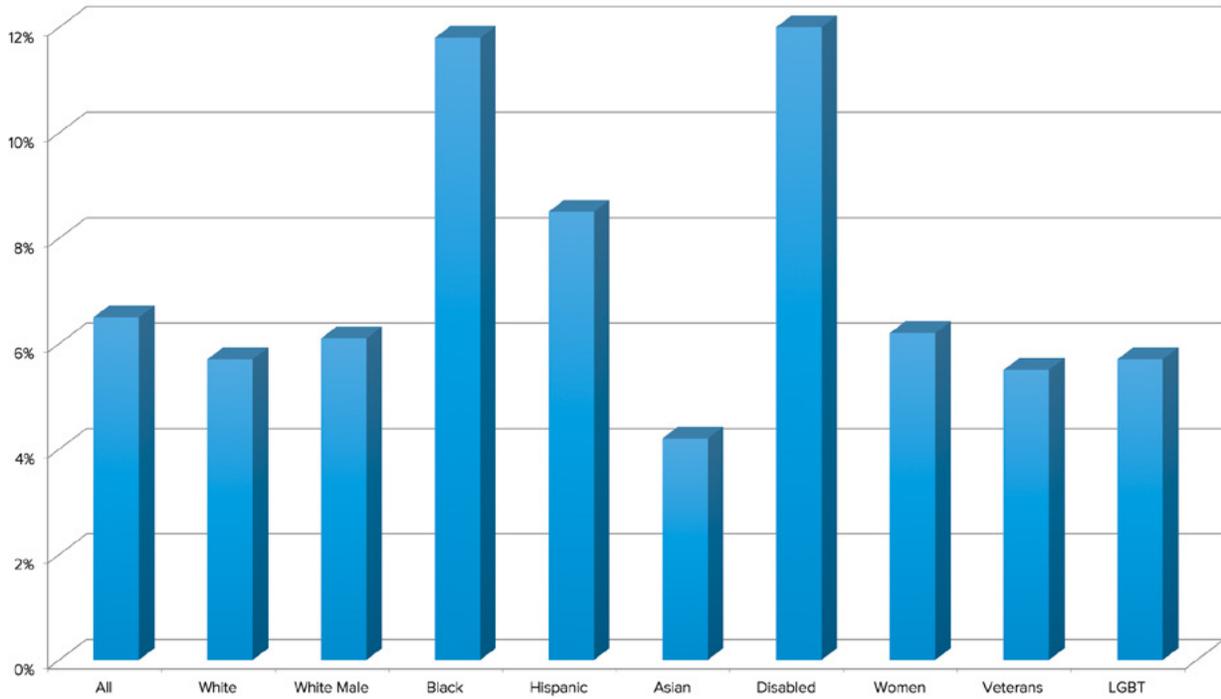
The Diversity Jobs Index for the February 2014 report is 50.35, indicating an increase in demand for diverse talent. The greatest increase in demand was in Financial Activities, Information and Construction; modest decreases were primarily found in the Public Administration and Wholesale and Retail Trade.

Diversity Jobs Report

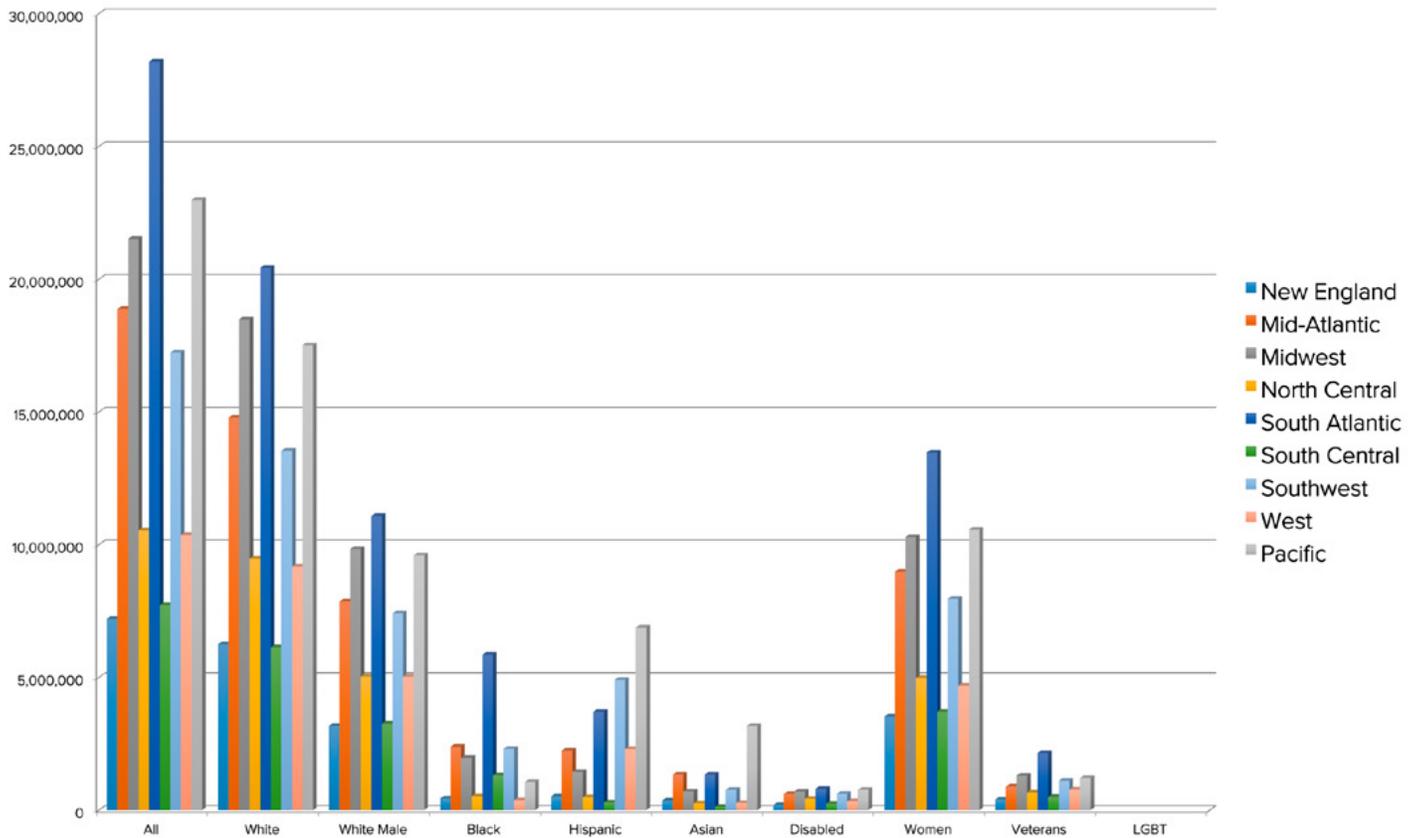
Employment Data by Segment



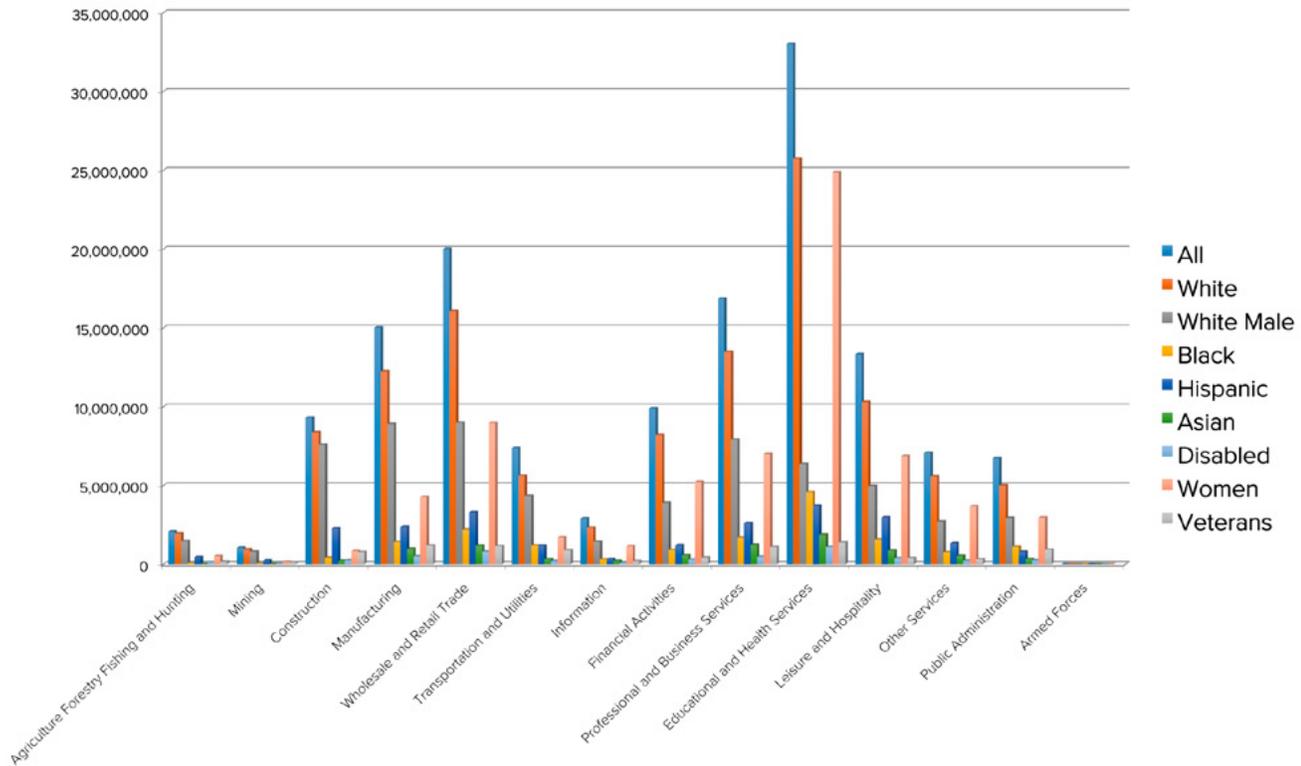
Unemployment Rate by Segment



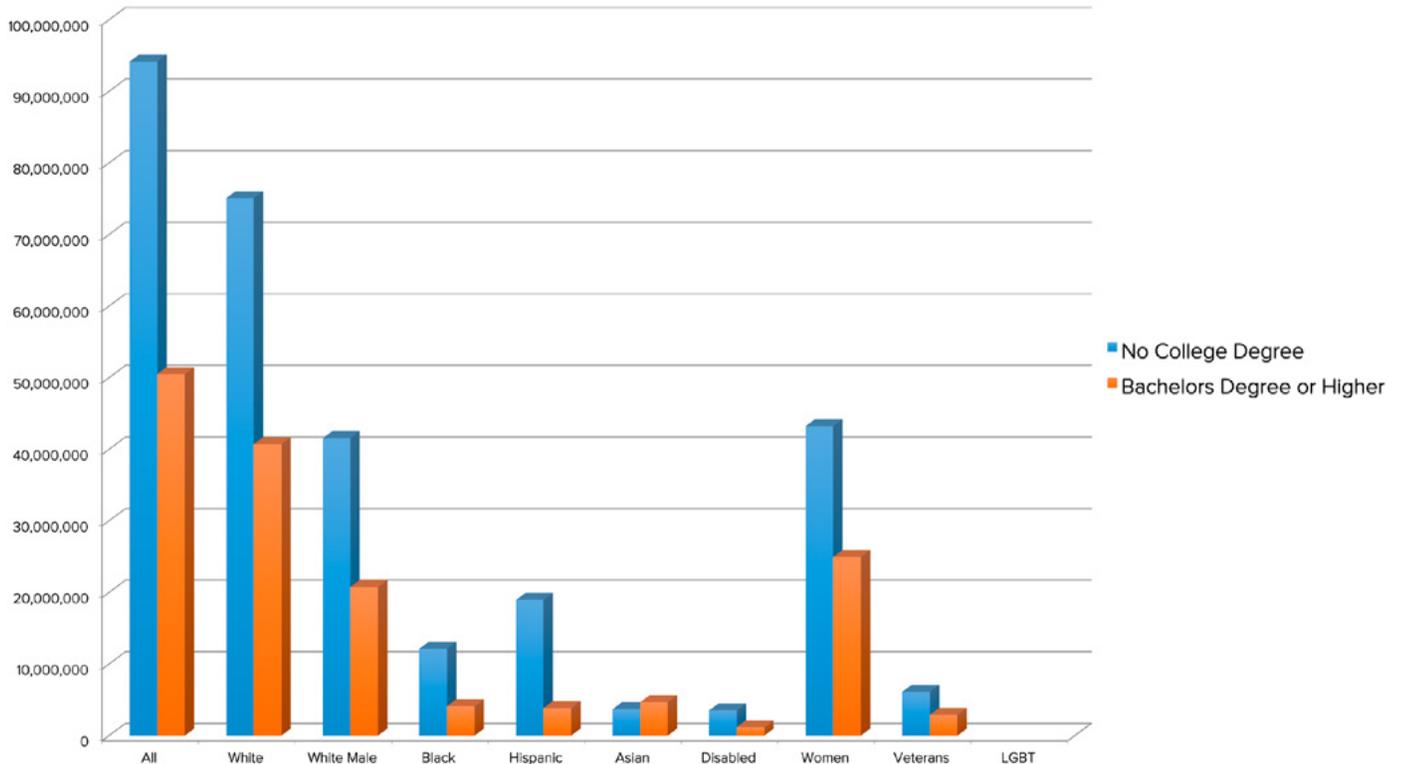
Employment Demographics by Region



Employment Demographics by Industry



Employment Demographics by Education



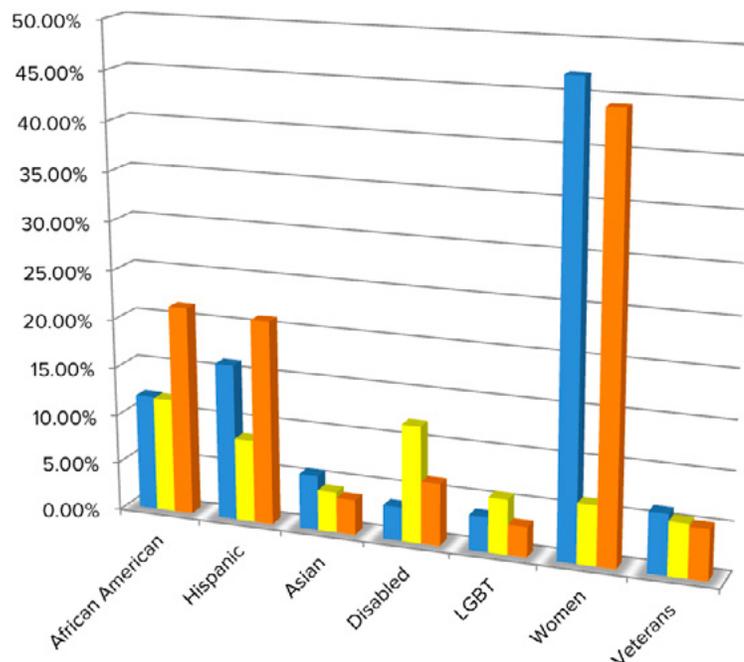
What the Numbers Mean

Diversity Job Index:

- Demand for diverse talent increased from December to January. Overall demand was modest, with positive increases coming from three categories: Financial Activities, Information and Construction. Weaknesses in Public Administration and Wholesale and Retail Trade were a drag on the demand for employment of diverse candidates.

Diversity Jobs Report:

- February DJR data indicates the level of unemployment by workforce segment, clearly demonstrating the disparity by segment. Even more striking is the percentage of the unemployed workers by workforce segment. For example, the unemployment rate for African Americans in the nation is 11.78% and the percentage of all unemployed African Americans is 21%. We see a similar condition in the Hispanic segment and contrasting data in other segments as illustrated below:



Diverse Workforce Labor Market Statistics

- % Of Overall Workforce
- Unemployment Rate in the Nation
- % of All Unemployed Americans in Specific Workforce Segment

- February DJR data indicates that over 40% of the unemployed workers in the nation are either African American or Hispanic, although these two segments make up less than 25% of the total workforce. We believe there are a number of factors contributing to this imbalance, including systemic issues relating to lack of access to an affordable and quality education option, especially as it relates to STEM concentrations. Additionally, much has been written on the inability of certain segments to access a viable professional network that can be instrumental in securing employment opportunities.

Key Highlights

African Americans comprise 11.8% of the total workforce.

- ↓ African Americans are underrepresented in the fast-growing Construction sector with only 4.5% employed in this sector.
- ↑ African Americans are strongly represented in Public Administration with 16.5% employed in this sector.

Hispanics comprise 16.1% of the total workforce.

- ↓ Hispanics are underrepresented in the Education and Health sector with only 11.2% employed in this sector.
- ↑ Hispanics are strongly represented in Construction with 24.5% employed in this sector.

Women comprise 47.1% of the total workforce.

- ↓ Women are underrepresented in the Information sector with only 39.3% employed in this sector.
- ↑ Women are strongly represented in the Financial Activities sector with 52.9% employed in this sector.

Veterans comprise 6.2% of the total workforce.

- ↓ Veterans are underrepresented in the Leisure and Hospitality sector with only 3.9% employed in this sector.
- ↑ Veterans are strongly represented in the Public Administration sector with 13.6% employed in this sector.

Disabled Persons comprise 3.3% of the total workforce.

- ↓ Disabled persons are underrepresented in the Information sector with only 2.6% employed in this sector.
- ↑ Disabled persons are strongly represented in the Wholesale and Retail Trade sector with 4.0% employed in this sector.

The New Reality: Diversity as An Edge

This month's inaugural DJI showed a slight uptick in diversity hiring.

The index of 50.35 is a positive indication that employers recognize the value of diversity in their recruitment efforts. While the number is only slightly elevated above that of the 50.00 benchmark, it can still be viewed as an encouraging sign. The changing face of American demographics has impacted the overall composition of its labor force, particularly in urban centers. Businesses and organizations that embrace diversity in its employment practices have reaped the benefits by moving beyond the original mandate, which was simply about “meeting quotas” to curb discrimination. As U.S. corporations seek to innovate in key growth industries such as technology, healthcare and automotive, identifying and recruiting top diverse talent will continue to offer employers a competitive advantage. Women, ethnic minorities, veterans, disabled persons and LGBT professionals are increasingly educated with specialized skills that add value in mid to senior level positions. Although many continue to struggle with networking skills, diversity recruitment platforms like Professional Diversity Network offer diverse candidates a unique opportunity to develop networking relationships for the purpose of mutual professional development. Increased access to this growing group of professionals offers good news for employers that value diversity.

About Professional Diversity Network

As America's leading relationship recruitment network for diverse talent with over 2.6 million registered users, including: Veterans, African

Americans, Women, Hispanics, Asians, Disabled Persons and LGBT professionals, Professional Diversity Network is committed to providing employers who value diversity and inclusion with access to diverse professionals via online recruitment communities and integration with leading professional organizations. Our mission is to provide economic opportunity to all Americans. By efficiently connecting diverse talent with employers, we seek to attack the wealth gap in this country.

The existence and quality of one's network is a determining factor in one's access to job opportunities and professional development.

As written by Ms. Nancy Ditomaso in her article titled, “How Social Networks Drive Black Unemployment”, published on May 5th, 2013 in the New York Times, people of color maybe disadvantaged because of the lack of their access to a professional network. “Because we still live largely segregated lives, such networking fosters categorical inequality: whites help other whites, especially when unemployment is high. Although people from every background may try to help their own, whites are more likely to hold the sorts of jobs that are protected from market competition, that pay a living wage and that have the potential to teach skills and allow for job training and advancement. So, just as opportunities are unequally distributed, they are also unequally redistributed.” We believe that by providing free access to online affinity networking communities for professionals, we can help diminish the professional network gap that is limiting career opportunities for millions. Professional Diversity Network has created online communities for diverse talent that enable professionals of common cultures and interests to connect with the purpose of working towards a common goal of professional development.

In an effort to connect employers who value diversity with diverse talent, Professional Diversity Network provides career services to many of the nation's leading professional diversity organizations. Organizations like the NAACP, National Urban League, National Black MBA Association and the Association of Latino Professionals in Finance and Accounting, as well as numerous other leading not for profit diverse professional organizations, all use Professional Diversity Network's relationship recruitment affinity networking and job board to power their career centers. In addition to our significant online presence, we also conduct approximately 20 annual professional networking conferences focused on career development seminars and networking opportunities to promote

engagement between recruiters and candidates in a unique face-to-face setting. We deliver significant diverse applicant flow to employers who have affirmative action plans, ensuring recruitment value for their compliance budgets. Professional Diversity Network has a suite of products and services designed to address upcoming Office of Federal Contract Compliance Programs (OFCCP) regulatory requirements in a manner that delivers proof positive evidence of an intensive diversity outreach campaign. Results are defined in an annual effectiveness assessment report: detailing job views, apply starts and engagement points such as recruitment advertising. 

Professional Diversity Network DIVERSITY JOBS REPORT AND DIVERSITY JOBS INDEX is provided in partnership with Job Search Intelligence (JSI). JSI's data are principally derived from: U. S. Department of Labor, U. S. Bureau of Labor Statistics, U. S. Census Bureau, U. S. Equal Employment Opportunity Commission, National Center for Education Statistics, U. S. Bureau of Economic Analysis, U. S. Federal Reserve, and proprietary resources. All data and methodologies are protected by copyright, patents and pending patents. All rights reserved.

Job Search Intelligence, LLC is the primary data provider for ETC. JSI provides the following statement regarding its sources of data: The data are derived from over 50 different data sources within government agencies and educational institutions. These sources include and are not limited to: U. S. Department of Labor, U. S. Bureau of Labor Statistics, National Center for Education Statistics, U. S. Census Bureau, Common Data Set Initiative, U. S. Equal Employment Opportunity Commission, U. S. Bureau of Economic Analysis, U. S. Federal Reserve. All data and methodologies are protected by copyright, patents and pending patents. All rights reserved.

** Cedrick Herring, April 3, 2009, American Sociological Association, Workplace diversity is among the most important predictors of a business' sales revenue, customer numbers and profitability, according to new research.*