

February 2, 2024

Office of the Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

To Whom It May Concern,

The Coalition on Inclusive Economic Growth (“Coalition”) writes in support of urgent action by the Department of Commerce on establishing the Business Diversity Principles Initiative (“BDP Initiative”).

The sixty members of the Coalition represent businesses, investors and nonprofits, all of whom are dedicated to prioritizing a set of commonsense yet transformative recommendations for government action to refocus our economy so that it works for all Americans.

We support the BDP Initiative as a positive step forward in advancing a strategic plan to foster a more equitable economic landscape. The BDP Initiative provides the opportunity for the public and private sectors to partner in developing voluntary best practices for promoting an inclusive economy and economic growth in underserved communities.

Across the range of industries in which the Coalition members invest or do business, there are examples of historic exclusion, discrimination and inaccessibility based on race, gender, disability status and other factors. It is precisely because of these historic inequalities that the Coalition has come together.

Studies continue to show that strong corporate practices around diversity lead to better business outcomes.¹ For example, a McKinsey Study revealed that “top-quartile companies for racial and ethnic diversity were 35 percent more likely to have financial returns above their national industry medians.”²

These strong corporate business diversity practices in turn are likely to promote American economic competitiveness. By some estimates, U.S. GDP could be \$8 trillion larger by 2050 if the country eliminated racial disparities in health, education, incarceration and employment.³ These studies show the lasting impact that the BDP Initiative can have on the economy.

The BDP Initiative aligns with the Coalition’s focus on enhancing corporate transparency and accountability on critical and financially relevant issues like diversity. In implementing the BDP Initiative, we encourage the Commerce Department to engage with other federal agencies on

¹ McKinsey & Company, [Diversity Matters Even More, The case for holistic impact](#), 2023.

² McKinsey & Company, Vivian Hunt, Dennis Layton, and Sara Prince, [Diversity Matters](#), 2015.

³ W.K. Kellogg Foundation, Altarum, AnI Turner, [The Business Case for Racial Equity, A Strategy for Growth](#), 2018.

relevant policies, such as the anticipated rulemaking on corporate human capital management disclosures by the Securities and Exchange Commission. In particular, it will be important to ensure alignment across standards and definitions as they relate to diversity.

Thank you for the opportunity to provide comment. Once again, we applaud the Department's leadership in advancing this initiative and look forward to working with the administration to leverage the principles for robust action across the private sector.

Sincerely,

The Coalition on Inclusive Economic Growth