

## **Beyond Financial Buzzwords: Fueling Diversity, Equity and Inclusion (DE&I) in Chicago**

**By Craig Slack, Chief Investment Officer, City of Chicago**

Inclusion and financial equity are a top mission for Chicago City Treasurer, Melissa Conyears-Ervin. As Deputy Treasurer and Chief Investment Officer, it is my duty to carry out this mission as we manage the City's \$8.6 billion Investment Portfolio. One key step toward these goals is revamping our annual process for selecting the Broker Dealer partners through which my office buys and sells securities. For the second year, we have utilized a Request for Information (RFI) Questionnaire that evaluates a potential Broker Dealer's leadership efforts in Diversity, Equity, Inclusion (DE&I) and Corporate Social Responsibility (CSR) along with a firm's investment capabilities. We then evaluate this information through a scorecard to make the final selections.

### **Why Utilize a "Diversity Scorecard"?**

As a civic institution, we have a responsibility to the citizens of Chicago to best utilize their tax dollars to help drive impact. Simply telling our financial partners that we value DE&I within their organizations is not enough to show the importance of these values. This scorecard and selection process clearly layout what we demand from our Broker Dealer partners. In 2021, Version 2.0 of the scorecard assessed 30% of the selection based on each firm's DE&I and CSR policies and 70% on market capabilities and execution metrics, removing subjectivity from the process. In general, firms that do not incorporate DE&I and CSR practices are less likely to become approved Broker Dealers. Since first implementing this Scorecard, we have moved from 58 approved counterparties to 33 and reduced that number to 28 with our latest selection. [Multiple studies have](#) shown that firms at the forefront of diversity efforts are also the most innovative and successful firms. In narrowing our focus, we are able to have a greater social return on investment by aligning our office with the most capable, dynamic and forward-thinking investment firms in the industry.

### **Looking to the Future**

The office is hopeful that the Diversity Scorecard and selection process will inspire firms that did not make the cut (or even those who did not apply) to implement DE&I measures in the future. These measures include quantitative hiring targets and creative outreach programs, training programs in unconscious bias and cultural competency, and Employee Resource Groups (ERG) that provide mentoring. The most important conversations are with those that did not make the cut, ensuring that they are inspired to make these changes and reapply next year. As more and more institutions demand these measures, we hope it will become a driving force in organizational culture and improving financial equity in Chicago and beyond.