



DE&I Task Force Report:
The Business Case
for DE&I

June 2024

IT MAKES DOLLARS AND SENSE: Preparing the Industry for The Future

McKinsey in 2020 found that in the post-COVID world, DE&I matters more than ever:

“The business case for gender and ethnic diversity in top teams is stronger than ever. Since we first published Why Diversity Matters in 2015, the likelihood of diverse companies outperforming industry peers on profitability has increased significantly.”

-McKinsey & Company

EXECUTIVE SUMMARY

The increasing diversity of the U.S. workforce can drive innovation and profitability and will demand culture change in the workplace. The Construction Specifications Institute (CSI) would be remiss in its duty to its members and its commitment to its mission, were it to ignore these changes. Instead, CSI must work to educate its members, provide realistic approaches to keep up with the ever-shifting landscape and stay one step ahead to help its members to adapt to these changes rather than become complacent or even obsolete. CSI must help enable its members to harness increased diversity for greater productivity, retention, innovation, and profitability—rather than become complacent, unattractive to a much-needed potential workforce, or simply irrelevant.

“Our differences don’t divide us; they make us stronger. There is so much that is universal about being human. When we don’t see each other as part of a shared humanity, when we put up boundaries between ourselves and others in various aspects of our lives, we forget that including and being welcoming to others is the important part. We want to get everyone to see past the ‘categorizing’ of others and see ourselves as part of all of us in this profession and in CSI.”

-Kevin Wang, CSI, CCS®, CDT®, Chair DE&I Task Force

MASTERING CHANGE: The Business Case for DE&I at CSI

“The opportunity for businesses and associations that embrace DEI as a core business imperative is increased relevance, growth, innovation, sustainability, and profitability. The risk of doing nothing around DEI is continued membership and customer decline, loss of innovation, social, and reputation capital, damage to the brand, and—ultimately—an inability to achieve the mission of the organization.”

-2021 DE&I Research Report commissioned by the CSI Board of Directors

Built for Everyone: Creating a Better World through Inclusion.

CSI recognizes that the built environment impacts the health, safety, and welfare of millions around the world every day. To respond to the deeply human needs of those different cultures and contexts, CSI:

- Seeks out and values every individual difference and contribution,
- Promotes dignity and respect for all,
- Continually increases its cultural competency and cultural humility,
- Facilitates courageous conversations around diversity, equity, and inclusion (DEI) in the construction industry and beyond; and
- Is inclusive by design.

CSI DE&I Statement approved by the CSI Board of Directors, 2021

What about the AECO Industry in Particular?

We know many companies and organizations in the U.S. have developed DE&I plans. But why is this relevant for the construction industry?

From Surviving to Thriving

The construction industry will need to attract an estimated 546,000 additional workers on top of the normal pace of hiring in 2023 to meet the labor demand, according to Associated Builders and Contractors. This dramatic shortfall, combined with rapid changes in the demographics of the U.S. workforce, is one core reason companies and associations alike are making changes and addressing DE&I issues to meet the needs of the industry.

In addition, there are increasing penalties for those not addressing DE&I in their companies, in the form of missed contract opportunities that require demonstration of a commitment to DE&I, increased lawsuits relative to DE&I issues, and decreased profitability in part through a disregard [for the buying power of underserved populations](#) and the potential growth those markets represent. Companies not addressing DE&I are also ignoring the clear correlations over several decades of research to [profitability](#).

The built environment is created and managed by a wide range of professionals, including architects, planners, landscape architects, specifiers, engineers, quantity surveyors, contractors, facility managers, and more. Professions like these that mirror the diversity of the society have a much greater chance of creating a built environment that suits society. We know this mirroring of society's demographics is not presently the case in the construction industry in the U.S. and abroad.

According to the [Bureau of Labor Statistics](#), only 9.9% of construction professionals are women whereas 47% of the general U.S. workforce is female. In regard to race, 30.7% of professionals in the industry are Hispanic or Latino (mostly in the laborer ranks), 6.2% are Black (where 12% of the general U.S. workforce is Black), and only 2% are Asian (6% in the general U.S. workforce). Black female architects represent just four-tenths of one percent of all working architects, as the [American Institute of Architects \(AIA\) reported in 2019](#).

In the U.S., only 2% of the construction workforce are members of the LGBTQIA+ community. What makes this statistic even more sobering is that over half of them reported they felt their identity kept them from progressing in their careers. Also, 71% of them said they “heard repeated LGBT-oriented insults at work.”

We know the built environment can contribute to a more equitable, inclusive, and cohesive society if the places where we live, the facilities we use, and our neighborhoods and meeting places are designed to be accessible and inclusive—and we need diverse professionals in our workplaces to help us do that.

We also know that people experience the built environment differently according to who they are – their social, cultural, and economic background. The full diversity of this experience needs to be considered if all users are to be comfortable and feel that a particular space or place belongs to them. Only by having a diverse staff and leadership can companies and organizations in the construction industry, such as CSI, understand this fully.

The construction industry still has a particularly long way to go with regard to DEI issues when compared with other industries, such as the wide range of medical and education fields. With the talent shortage growing more and more severe, companies now need to pursue DEI initiatives with a greater sense of urgency. This is true for CSI members in their own organizations, for CSI chapters and regions in pursuing volunteers, and CSI headquarters in trying to attract and retain staff.

One Case Study: Women in Construction

This industry, like many others, suffered great losses during the 2008 recession and the 2020 COVID pandemic, key among them the losses of projects and workers.¹ As projects return, the industry needs more workers,² and the pool of available workers now is more diverse than ever.³ The demographics of the nation are irrefutably changing,⁴ and the construction industry must prepare for those changes. In fact, there are great opportunities for expanding the nature and impact of the industry because of these changes.⁵

¹ U.S. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis (via FRED Blog)

² U.S. Bureau of Labor Statistics, Monthly Review, June 2021; Statista Research Dept 8 Feb 2023. (13% of labor force decrease in 2020 due to COVID, or 975,000 jobs as of April 2021.)

³ National Center for Construction Education and Research, 20 October 2022. “Connecting with Construction’s Underrepresented Groups.”

⁴ Congressional Budget Office Report, “The Demographic Outlook: 2022 to 2052”, 7 July 2022.

With these significant changes taking place, finding ways to expand the workforce and ensure the professional growth of people who have traditionally been underrepresented in the AECO workforce has become a vital business imperative. Creating a robust, thoughtful, and engaging strategy to make AECO workplaces more welcoming and inclusive to a wide variety of employees is vital to address these external forces that could otherwise be threats to the industry.

To give just one example of potential growth, conditions are ripe for an influx of women into the field of construction. As the evidence below illustrates, at least some sectors of the construction industry have already done a good job of creating safe and inclusive environments for women--although this is not widely known, and stereotypes of the male-dominated industry still remain a barrier to their participation:

- A [recent survey of more than 1,000 women construction workers](#) found that nearly eight in 10 love their jobs and that their managers treat them respectfully. This is counterintuitive to many male-dominated industries and widely unknown by those outside the construction industry.
- The gender pay gap in commercial construction is virtually nonexistent in some sectors of the industry, with [women earning 99.1% of what their male counterparts make](#). That's 10 percentage points higher than the national gender wage gap of all other industries combined. But the stereotypes, barriers, and obstacles that women still face in our industry are no secret.
- Many people don't know about the 1998 class-action lawsuit and settlement ([Jenson v. Eveleth Taconite Co.](#)) that established a civil rights precedent on hostile work environments for women in construction, but sharing this information could be beneficial in attracting more women into the industry.
- According to industry statistics, women can [secure a leadership role in construction in much less time](#) than in competing industries.

With a massive shortage of workers and with construction projects booming, now is the time to make a change and bring more women (and other underrepresented groups) into the industry. Construction jobs are reliable, and they pay well, with income potential up to 30% higher than more traditional female-dominated careers (in some sectors). But there is still much work to be done.

Many women are still hesitant to join the construction industry because of a lack of education, training, and apprenticeship opportunities. However, this is rapidly changing as an increasing number of industry trade groups and nonprofit organizations develop attainable pathways to entry-level construction jobs. [The National Association of Women in Construction \(NAWIC\) promotes dozens of national programs](#) and resources dedicated to developing the next generation of female construction employees. Just as CSI does with our Construction Camp for Girls.

⁵ Lisa Robinson, "Diversity in Construction: Seven Tips for Successful DEI Programs." Construction Executive, May 31, 2021. Also see: Payne, Gary. "Diversity & Inclusion in the Construction Industry," Odgers Berndtson, 20 February 2020.

A majority of respondents in CSI focus groups in 2020 believed a focus on DEI, if woven throughout the organization, could help CSI be more vibrant, more of a leader in the AECO community, attract younger and more diverse members, and be more sustainable and profitable in the long term.

Educating and Serving the Industry

What happens when the built environment is designed almost exclusively by one group of people for a population that is rapidly changing?

Many AECO employers aren't yet fully equipped to handle increased diversity in a way that maximizes the assets a diverse workforce brings.⁶ Nor are they equipped to build an inclusive environment and culture that aids in the retention of employees (thereby reducing cost⁷).

Finally, AECO employers need to understand more clearly the link between diversity and innovation, including the kinds of innovation necessary in the built environments they create—innovations needed to best serve more diverse workers, families, and communities, all of whose needs have changed and are continuing to change.⁸

As an association serving the construction industry, CSI is committed to equipping professionals with the tools they need to succeed and thrive both now and in the future. One of the major challenges for employers across all industries is this increasing diversity of available talent.⁹ This is particularly acute in industries like construction that have not traditionally been very diverse.¹⁰

⁶ Matteo Zallio. On Inclusion, Diversity, Equity, and Accessibility in Civil Engineering and Architectural Design. A Review of Assessment Tools. Published online by Cambridge University Press: 27 July 2021.

⁷ Chase Charaba, "Employee retention: The real cost of losing an employee", in PeopleKeep.com, 2 February 2023. Also see: Society for Human Resource Management, "What benefits can employers offer to improve employee retention?", <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/benefits-to-improve-employee-retention.aspx>

⁸ Arthur Langer, "Four Ways Diversity Will Save the Construction Industry." Construction Executive, 2018. 2018c. <https://www.constructionexec.com/article/four-ways-diversity-will-save-the-construction-industry>

⁹ William Frey, "The nation is diversifying even faster than predicted, according to new census data," Brookings Institution, 1 July 2020. <https://www.brookings.edu/research/new-census-data-shows-the-nation-is-diversifying-even-faster-than-predicted/> Also see: Rashi Dubey and Arlene S. Hirsch "Viewpoint: Building a Business Case for Diversity and Inclusion", Society for Human Resource Management, March 19, 2018. And also: Holtmann, Andy. "Why Diversity Matters in Construction and 6 Tips to Successful DEI Programs." Viewpoint website. <https://www.viewpoint.com/blog/why-diversity-matters-in-construction-and-6-tips-to-successful-d-i-programs>

¹⁰ Lori Moes, "How Technology And Diversity Are Changing Construction (For The Better)," Forbes Magazine, 18 December 2020. <https://www.forbes.com/sites/forbesfinancecouncil/2020/12/18/how-technology-and-diversity-are-changing-construction-for-the-better/?sh=3f413de22855>

Helping the Industry Master Change

Addressing these challenges from an association standpoint means facing them head-on and creating products and services that will create awareness, education, new tools, and skill- building to enable AECO businesses to attract and retain the best talent they can for their future needs. It is upon this foundation that CSI's organizational focus on diversity, equity, and inclusion stands.

Call it what you will—the impact is the same whether we call it DE&I or simply “Managing Change.” We need to help the AECO industry adapt to a rapidly changing world. Remaining oblivious to the demographic and social forces surrounding the industry—or wishing them away—will not help the industry succeed any more than ignoring technological forces that are threatening our livelihoods. Addressing all of these challenges is the responsibility of an association like CSI.

Just as CSI has provided the technical knowledge and tools that have evolved and changed over the 75 years since its founding, CSI must now also provide the knowledge and tools to help its members address diversity, equity, and inclusion, one of the most pressing issues of the 21st century for businesses.¹¹ Indeed, the work of any association and its representative industry cannot be considered separately from the organizational, social, and economic context in which it operates.¹²

Just as the members of CSI have responsibilities to their employers, CSI has a responsibility to its members to build their professional acumen and enable them to add value to their employers—to help them win a seat at the table where decisions are made. These needs and responsibilities are and always have been in concert with one another. They cannot be met without consideration of the conditions in which these employers must operate. And one of the most pressing conditions faced by employers today is the increasing diversity of their potential workforce.

Tapping Untapped Markets

As CSI members' employers are realizing the impact of their own DE&I work (or lack thereof) on winning contracts,¹³ avoiding lawsuits,¹⁴ and becoming employers of choice,¹⁵ so too must CSI as an organization. Attracting diverse and new members will help CSI thrive for many years to come. Simply put, to ignore this untapped market makes no business sense, given the demographic, technological, and workplace changes in the U.S.^{16 17}

¹¹ Robin J. Ely and David A. Thomas, “Getting Serious About Diversity: Enough Already with the Business Case,” Harvard Business Review, November-December 2020.

¹² “Diversity Matters,” from McKinsey & Company, McKinsey Classics, February 2020.

¹³ “Why Diversity and Inclusion Matter (Quick Take)/Diversity and Inclusion are Key to Healthy Business” from the Catalyst website—a long article with an extensive and useful bibliography. <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/>

¹⁴ Edward Chang and Bonnie Levine, “To Drive Diversity Efforts, Don’t Tiptoe Around Your Legal Risk Address it directly with your lawyers from the start.” Harvard Business Review, July-August 2022

<https://hbr.org/2022/07/to-drive-diversity-efforts-dont-tiptoe-around-your-legal-risk>

¹⁵ Anselm A. Beach and Albert H. Segars, “How a Values-Based Approach Advances DEI. A new model for developing diversity, equity, and inclusion in the organization can increase employee satisfaction.” MIT Sloan Management Review, June 07, 2022.

¹⁶ Michael Page, “Diversity in Construction: Where We Are, Where We Need to Go.” <https://www.michaelpage.com/advice/management-advice/development-and-retention/diversity-construction-where-we-are-where-we-need>

¹⁷ “The U.S. In 2050 Will be Very Different than it is Today”, David Wessel, Senior Fellow & Director, Hutchins Center at the Brookings Institution <https://www.pgpf.org/us-2050/research-summary#:~:text=America%20will%20also%20be%20more,will%20have%20more%20than%20doubled.>

Taskforce Resource Guide

CSI DIVERSITY, EQUITY, AND INCLUSION TALKING POINTS AND FAQ

Document Purpose:

To prepare key volunteers for conversations with members and other stakeholders about CSI's Diversity, Equity, and Inclusion initiative/focus.

Talking Points

What is Diversity, Equity, and Inclusion?

Diversity is the presence of differences within a given setting. While CSI has a wide range of diverse professions in its membership, we don't have as much diversity in terms of gender, age, race, and other important dimensions of diversity that can help us look at challenges from many different viewpoints. This is rapidly changing as the demographics of the U.S. shift, and CSI needs to help its members be future-ready to fulfill its mission as an organization.

Equity is the practice of ensuring that processes and programs are impartial, and fair, and provide equal access for every individual. We need to ensure our policies and procedures are free of unintentional bias.

Inclusion is the process of ensuring that people feel a sense of belonging in the workplace and/or organization. While diversity sometimes "happens" by virtue of demographic changes, being inclusive only occurs with intention and action. Inclusion takes intentional and focused action. In the context of CSI, addressing these three issues together will create a more innovative, accessible, and sustainable organization better positioned to adapt to demographic and other societal changes both now and in the future.

What is the problem CSI is trying to solve?

In a rapidly changing world, CSI must tap into existing and potential membership audiences, leverage the diversity it already has for greater innovation, and ensure its sustainability and profitability at a time when the very relevance of associations is being tested. To do this, we must create a culture of belonging for all people, both inside the industry and among those who might join the construction community, were it more inclusive. This means ensuring that we hear and value all voices—not just newcomers or those from underrepresented groups, but also our more seasoned members as well.

What does the Diversity, Equity, and Inclusion (DEI) Task Force do?

The DEI Task Force members, first seated in November 2021, are the "feet on the ground" for CSI's DEI work. They assess plans and progress against goals for the CSI DEI Initiative, provide twice-yearly reports to the Board of Directors, and meet twice each month to provide insights and input to key CSI staff.

What is the DEI statement the Board approved in August 2021?

Built for Everyone: Creating a Better World through Inclusion.

CSI recognizes that the built environment impacts the health, safety, and welfare of millions around the world every day. To respond to the deeply human needs of those different cultures and contexts, CSI:

- Seeks out and values every individual difference and contribution,
- Promotes dignity and respect for all,
- Continually increases its cultural competency and cultural humility,
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- Is inclusive by design.

This statement was approved by the CSI Board of Directors on August 31, 2021, to ensure CSI is walking the talk around diversity, equity, and inclusion.

Possible questions/objections from members

1. CSI should stick to the topic of construction and not lose focus by talking about this politically correct nonsense.
 - a. As in any industry, the success of the construction industry depends on the quality of the people who are attracted to work in construction or an allied field. The “war for talent” we are seeing now will continue to increase in severity, and those industries that are addressing DE&I issues now will be the winners by attracting diverse candidates, providing an equitable playing field, and utilizing that diversity for greater innovation. This is true for CSI and for the organizations of our members as well.
2. I don’t want my dues money to fund what is essentially political propaganda.
 - a. Addressing Diversity, Equity, and Inclusion in CSI is a business issue, not a pedagogical or academic one. We are not engaging in intellectual discourse around systems of oppression; we are looking at our own systems to ensure they are equitable for all CSI members and prospective members. This is not an academic or political endeavor but a practical and business one driven by workforce shortages and increasing diversity.
3. Isn’t this just another name for a quota system?
 - a. We are not setting numerical goals for representation within CSI. Instead, we are ensuring that there are no barriers to participation for any group of interested stakeholders. In many cases, institutions that establish quotas are usually far too busy congratulating themselves for their surface-level changes to worry about the finer details, such as retention rates or the roles into which they are recruiting minority staff. The kinds of problems that are caused by homogeny in the workplace are not immediately fixed simply by having more women and minorities “in the room.” We are looking beyond surface-level changes to ensure that diversity is followed by equity and inclusion.

4. CSI shouldn't take political positions.

- a. Acknowledging the dignity of all human beings, respecting the unique contributions they can make because of their differences and not in spite of them, and wanting to build a stronger organization by leveraging the diversity of the people in it—these are not political positions though they have wielded as such in recent years, particularly by some in the U.S.

5. What kinds of resources will CSI provide on DEI topics?

- a. We are building our Learning Library for members to include curated resources on diversity, equity, and inclusion that are of particular interest and use to those in the construction industry and built environment professions. As we continue this work, we will be creating more resources to help build awareness and skills within CSI around DEI issues.

6. How will you know when you've reached your goal with the DEI initiative?

- a. Diversity, Equity, and Inclusion are “complex” issues, not merely complicated ones that can be “solved” in the ways we are used to solving problems. Our goal is to make measurable progress every year. We will know we have made progress when everyone in the organization is thinking about the implications of DE&I in the decisions they make, when our gatherings and staff show more visible diversity, and when we are viewed as an “employer of choice” and “association of choice” for many different kinds of people in the varied professions related to the built environment.

Created by the CSI DE&I Task Force

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