

# PUBLICATION

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## The Changing Landscape of Corporate America: The Elite Sixteen—Are There More to Come?

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**C-H-A-N-G-E** requires a directional shift or transformation. Despite one's desire not to interrupt the status quo, change challenges the current cultural norms. Traditionally, the accepted cultural norms have excluded the influence of people of color. Our country is now experiencing exponential growth in communities of color, and, with this growth, a new voice and economic power is emerging. Unfortunately, leadership in Corporate America has been slow to reflect this shift.

The percentage of people of color running Fortune 500 companies is disproportionate to the percentage of this group's population in our country. Currently, there are only 16 racially diverse Fortune 500 chief executive officers, a number that equates to roughly three percent. This three percent is clearly lower than the CEOs' representative communities, which make up 34 percent of the U.S. population. Why does this matter? It matters because the African-Americans, Asians and Native Americans' buying power, their total amount of income available after taxes for purchasing goods and services, is estimated at \$1.5 trillion—an increase of 65 percent since 2000. The combined African-American and Hispanic markets are larger than the economies of all but 14 countries in the world. It is clear that people of color contribute substantially to the economic well-being of the United States, but the decisions as to the goods and services offered to this group is predominantly controlled by non-racially diverse CEOs.

How can a corporation embrace the change? It is simple. First, partner with institutions of higher education producing students of color who are both intellectually and socially engaged. These individuals understand the current business model and can provide insight to the growing markets of color. Second, corporations should aim to train and retain employees of color to take on future leadership roles—this must be an intentional effort. To truly embrace the growing communities, corporations must not only hire employees of color in entry level positions, but also hire and develop them for leadership positions—it is within these positions that employees of color are able to influence the services and goods marketed to their growing communities.

It is economically feasible and beneficial for corporations to begin to embrace the change and deviate from Eurocentric societal norms. Corporations that begin to do this will be ahead of their competitors, socially, morally, and most importantly, financially. These corporations will also see greater buy-ins from the communities of color. These communities deserve to have a representative class of leadership among the businesses that service and market to them. Anything less is similar to the age old inadequacy of "taxation without representation."