

## Consultants Pledge to Start Reporting Internal Diversity Data

By Justin Mitchell

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A group of 24 investment consultants have pledged to begin reporting their diversity statistics as part of a wider effort to increase reporting in the institutional investment industry at large.

The consultants are all members of the Institutional Investing Diversity Cooperative, which was launched earlier this year by consultant Verus with the support of eVestment. Other founding members of the group, known as IIDC for short, include Angeles Investments, Aon, Marquette Associates, Meketa Investment Group, NEPC and Segal Marco Advisors, among others. Since its founding, major consultants such as Callan, Fund Evaluation Group, Mercer and RVK have also signed on.

### Consultants Making the Pledge

#### IIDC Members

Angeles Investments

Aon

Canterbury Consulting

Ellwood Associates

LCG Associates

Marquette Associates

Meketa Investment Group

Milliman Advisors

NEPC

SageView Advisory Group

Segal Marco Advisors

SEI

Verus

Asset Consulting Group

AndCo

## IIDC Members

Callan LLC

Cardinal Investment Advisors

FEG Investment Advisors

Fiducient Advisors

Mercer

Russell Investments

RVK, Inc.

Sellwood Consulting, LLC

Willis Towers Watson

Source: IIDC.

The IIDC has already been pushing for asset managers to report their diversity data, so it makes sense for consultants to follow suit, said Shelly Heier, president at Verus.

“I like to think about the phrase that people in glass houses don’t throw stones,” she said. “If we’re asking this about the managers, we need to be willing to provide the same.”

To start out, the initiative will provide members a great deal of flexibility with how much data they will report in what it calls a “best efforts approach.” If a firm is unable to provide the information requested for a particular category, they will have the opportunity to explain why in a separate section.

“Each of us are in a different stage of this journey and, very specifically, a different stage of the data collection journey,” Heier said.

Additionally, firms may decide whether or not to post the information publicly or provide it upon request.

Some members have already begun putting together their own diversity reports. NEPC released its first diversity, equity and inclusion progress report earlier this year. Last month, it unveiled a new program to expand its reach to diverse managers. Meketa has sent questionnaires out to asset managers and published information about its own internal diversity.

Wilshire, which is not an IIDC member, released its third diversity report this year, as reported.

IIDC’s template considers diversity at many levels, including a firm’s overall employees, shareholders, leadership, boards of directors and investment professionals.

Eventually, the firm may bring on a third party to help oversee data collection and to possibly collate the information gathered into a larger report. The objectivity that comes from a third party preparing the data might also make all the IIDC members, who are still competitors in the investment consultant space, more comfortable, Heier said.

The Diverse Asset Managers Initiative, known as DAMI, has been publishing similar reports on diversity at the consultant level for the last few years, as reported. Executive director and founder Robert Raben called the IIDC's plan a "game-changer" for the asset management industry.

"Once a critical mass of [investment consulting] firms report their diversity – specifically of their ownership and senior teams – we can move on to the more salient question: Why are firms so overwhelmingly white and male?" Raben said in a statement. "By exploring this problem with transparency and critical reflection, we can discover precisely what it will take to bring talented people of color and women into leadership roles at these powerful companies."

Heier said Verus and other IIDC members have been hearing from clients interested in learning how diverse consultants' workforces are. **Anna Dunn Tabke**, a principal at search firm Alpha Capital Management, said some of her clients have been asking about it as well, although it has not been a focus for most. Still, access to more information could be useful, she said.

"In the past, we've used the DAMI study along with our own research and requests for data to build out bespoke reporting for our interested clients," she said in an email. "The IIDC template looks like it could be helpful in giving clients better data on diversity."

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