GORDIAN KNOT SOCIETY

HEALTH EQUITY IS ON THE TABLE, TAKE YOUR SEAT AND DIG IN

Engaging the Private Sector in Social Justice Reform

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Abstract

A body of evidence conclusively proving why and how the private sector should and can be significantly involved in social justice reform, highlighting the actions required by businesses and the real, tangible benefits that can be achieved. Businesses can exercise their power by pulling operational, marketing, product, supply chain, and human resources levers to positively impact the living conditions in the communities where they coexist with consumers, including the physical, economic and work, social, and service environments.

Key Words

- Business
- Economics
- Environment
- Health
- Health Disparities
- Health Equity
- Human Resources
- Investing
- Marketing
- Operations
- Pollution
- Private Sector
- Social Determinants of Health
- SDOH
- Social Justice Reform
- Supply Chain

Introduction

There are many methods of measuring the health of a population; however, the CDC and other health agencies use three specific metrics to evaluate a population's dynamic state of physical, mental, and social well-being: infant mortality, age-adjusted death rates, and life expectancy. Compared to other wealthy nations and despite soaring healthcare spending, the United States ranks near the bottom, if not the bottom, in each of these metrics.

One has to wonder why this is occurring in the land of milk and honey. Is the US simply a gluttonous nation full of citizens failing to make responsible decisions about their health? This oft-lampooned stereotype demonstrates how seriously this myth has been taken. Many believe the key to changing the course is simply educating people on healthy eating and exercise while also discouraging unhealthy tobacco, alcohol, and drug habits. However, it turns out that what creates health has little to do with making healthy decisions, and everything to do with *having the opportunity* to make healthy decisions. The poor health status of Americans is driven by significant health disparities that exist because this nation has failed to provide everyone the opportunity to make decisions that support good health outcomes. For example, how ridiculous does it sound to stress a new walking routine to an individual who does not have access to a safe space to walk, or an avocado toast recipe for someone whose only accessible food outlet is a gas station? Despite their best efforts, it is easy for those with privilege to miss the proverbial for the trees; Black Americans are more likely to die at early ages from all causes. Black Americans:

- are 30% more likely to die from heart disease than white Americans.
- have the highest mortality rate of any racial group for most major cancers.
- are 60% more likely to be diagnosed with diabetes and twice as likely to die from diabetes than white Americans.
- are 50% more likely to have a stroke and 60% more likely to die from a stroke than white Americans.
- have 2.3 times the infant mortality rate as non-Hispanic whites.

Until recently, structural racism in medicine led to textbooks that held these discrepancies to be due to genetic differences. However, when the data is examined, it is evident that these differences have both nothing and everything to do with the color of a person's skin. It is critical to understand that these disparities are not biological. There is a growing body of evidence demonstrating that a person's ZIP code is the single largest predictor of health - it informs the physical, social, economic, and service living conditions that ultimately dictate whether or not someone has the opportunity to make healthy decisions. These living conditions are referred to by public health specialists as the "social determinants of health," often abbreviated as SDOH. Extreme variations in SDOH can lead to dramatic health inequities such as those described in the data above. Many Black, brown, and Asian people live in neighborhoods that are afflicted with SDOH that have been shown to support poor health outcomes. For example, 45% of poor black children live in neighborhoods with concentrated poverty, while only 12% of poor white children live in similar neighborhoods. Racist policies like redlining that segregated Black and brown people into neighborhoods with poor conditions and ongoing structural racism has made it difficult, if not impossible, for people living in poverty to improve their conditions, and ultimately their health.

Academia, the government, philanthropic, and advocacy organizations have been at the table working on health equity for almost fifty years. Researchers first took note of health inequities in small studies in the 1980s, and then larger studies confirming these findings began emerging in 1990. The establishment of a specific goal for eliminating health disparities made its first appearance in the federal government space with the introduction of Health and Human Services' "Healthy People 2000" initiative, released in 1990. State and local health departments have also taken a leadership role in promoting health equity, particularly in the last decade. Major philanthropic and advocacy organizations joined the fight in the mid-nineties and early 2000s with dramatic initiatives to address disparities.

All this work has been going on for decades, but the private sector has only been marginally engaged at best. Why? The full answer is complex, but ignorance and privilege play a huge role. Some professionals might spend their entire career without ever once having to contemplate racism, SDOH, or their role in health disparities, we can assume many people can honestly claim a similar experience. CEOs could blissfully claim ignorance through about May of 2020, but that is no longer a valid excuse. You'd have to live in a cave to claim ignorance these days; COVID-19 and George Floyd's murder have brought these issues forward in a way that they can no longer be overlooked or ignored. It is a sad statistic that the most vulnerable communities in the United States accounted for the majority of both COVID-19 cases and deaths throughout the pandemic. There is no longer any plausible deniability of how SDOH impacts health outcomes; how should this best be addressed?

Now is the time for the private sector to come to the health equity table and take charge of their seat which has been collecting dust. Corporate entities have incredible power that, when used effectively, could result in real and lasting change. For example, the discriminatory "bathroom bill" was overturned in North Carolina after businesses boycotted the state, and stay tuned for what happens in Georgia after their legislation limiting voting has been opposed by the MLB, Delta, Coca Cola, and others.

While many businesses are becoming more aware of how they can make a positive impact, the majority are not going to come to the table simply because of social pressure. Milton Friedman's doctrine that the sole responsibility of business is to maximize profits for its shareholders, not to create social well-being, has turned unrestrained capitalism into a dangerous beast. The Gordian Knot Society asserts that a business can actually achieve both, maximize both profits and social well-being. Healthy communities ultimately lead to increased productivity due to a more efficient workforce and less expenditure on sickness, but that is really just the tip of the iceberg. Social justice is everyone's business. However, it's not just "the right thing to do," it really is the right thing to do for the bottom line, too.

Part One: The Environmental Impact

We assert that the private sector creates or reinforces the conditions that lead to health disparities through the impact of their operations on the environment.

Earth Day 2021 was definitely one for the record books. President Biden recommitted the U.S. to the Paris Climate Agreement and pledged the country will slash greenhouse gas emissions by at least 50% by 2030. Dozens of companies from Proctor & Gamble to Budweiser made sustainability commitments. This isn't a new idea, but these kinds of commitments are being made by increasingly more companies. Despite these efforts, UN Secretary-General Antonio Guterres described the planet as “at the verge of the abyss” because no one is doing enough, and in particular, not the private sector.

In the United States, health equity and opportunity are inextricably linked. The burdens of disease and poor health are inequitably distributed among groups of people based on whether or not they can afford to avoid the fallout. The disadvantaged are left to suffer exposure that leads to a higher incidence of chronic diseases such as asthma, cancer, heart disease, impaired cognition, autism, eye diseases, and low birth weight. If the private sector were willing to truly put the environment and public health ahead of short-term profit, the positive impact would be significant.

It is difficult to argue for a better economic system than capitalism; however, this structure doesn't operate effectively when left unchecked or unchallenged. Over the past four decades, government intervention and control government intervention and control have been intentionally diminished, and corporate influence in politics has increased, reaching an inflection point with the Citizens United decision in 2010. As corporations have gotten stronger, executive pay has grown exponentially (some might say disgracefully), the wealth gap has expanded, the health of Americans has declined, and our environment has suffered greatly. By creating pollution and generating carbon emissions, corporations have contributed heavily to environmental degradation and its resultant impact on public health. Corporations have led the way to create this mess, and now is the time for them to step up to the health equity table by aggressively addressing climate change, air and plastic pollution, and chemical harm.

Fossil fuel companies have known for over half of a century that climate change is real, man-made, and impacts the sustainability of the human race. Big oil companies that manufacture plastic packaging knew their products weren't truly recyclable, yet created entire marketing campaigns around this lie. Now, these oil companies are facing financial risks associated with stranded assets, plastic pollution of land and oceans, and the greenwashing associated with their “circular solutions.” Petrochemical companies are estimated to have $56 billion of US and $400 billion of global plastic production capacity that is at risk of becoming stranded. Investors will undoubtedly begin shying away from businesses with such significant underlying business risks. Businesses will face adverse effects from climate change. Extreme weather will impact supply chains and investors are demanding that risks are addressed. Continuing to operate a business model with high risk associated with environmental factors is costly and imprudent; however, corporations that address these public health risks sooner will ensure a more stable and lower-risk business model. By reducing and controlling pollution and greenhouse gas emissions, companies can reduce their business risk, reduce their cost of capital, and positively impact public health.

Air pollution is considered to be the major environmental risk factor in the incidence and progression of some diseases such as asthma, lung cancer, ventricular hypertrophy, Alzheimer's and Parkinson's diseases, psychological complications, autism, retinopathy, fetal growth, and low birth weight. Long-term exposure to pollutants can increase the risk of emphysema more than does smoking two packs of cigarettes a day. The burden of this lies largely at the feet of the private sector; as of 2017, only approximately 6% of global CO2 emissions came from the residential sector, while the industry and energy sectors were responsible for approximately 65%. Without regulation, there are no consequences or repercussions for this poisoning of the environment.

Plastics have quite literally consumed our world. Between 1950 and 2017, 9.2 billion tons of plastic have been produced, and most of that is still with us. There is so much plastic in the ocean that a vortex of plastic waste and debris has formed a 7.7 million square mile garbage patch in the Pacific Ocean. However, out of sight is out of mind, right? The patch is so far from any country's coastline, no nation will take responsibility for or provide adequate funding to clean it up. Plastics pose a massive environmental and public health threat that is amplified because they really never go away. "Plastic pollution is not just an oceans issue. It's a climate issue and it's a human health issue," said Claire Arkin, communications coordinator for the Global Alliance for Incinerator Alternatives, a global network aiming to reduce pollution and eliminate waste incineration. Legal action is bubbling up, including a lawsuit against ten major consumer products companies (including Crystal Geyser Water, The Clorox Company, and others) for "the nuisance created by their plastic packaging, including polluting California waterways with plastic trash and touting products as recyclable when they're not." If the plastic industry remains on its current track, it is projected to consume 19% of the world's carbon budget by 2040. As if that's not enough, the current emissions rate for plastic production is roughly double that for oil production; shifting from oil to plastic production will most likely worsen the climate change problem. As much as plastics are polluting our environment, they are also polluting our bodies and our food sources. It is estimated that people around the world consume a credit card's worth of plastic each week. Plastics are being found in 8 out of 10 babies and even fetuses. Virtually all adults have been found to have phthalates in their bodies. Phthalates are used in food packaging, flooring, wall coverings, and medical devices, and have been linked to reproductive health issues like low sperm count and early onset of puberty in animals. Endocrine-disrupting chemicals, which can be found in plastics, are now linked to a dramatic drop in sperm counts - an adult male today has 50% as much sperm as his grandfather - as well as tanking testosterone levels. Bisphenol A, another chemical found in plastics, has been linked to infertility and miscarriage.

Plastic production doesn't just create significant pollution and contribute to climate change, it is also a social justice issue. Because plastic products are made from petrochemicals, manufacturing facilities emit toxic chemicals like trichloroethane, acetone, and benzene into the environment. The chemicals released are considered dangerous to human health and contribute to skin and lung irritation, as well as cardiac arrhythmia and respiratory arrest. Compounding this problem, most plastic manufacturing facilities are in low-income neighborhoods. People who can't afford to move are forced to live in toxic fumes.

Private industry must stop prioritizing short-term profits and start addressing the problems that the currently popular business model of "shareholder just capitalism" is worsening by the minute. Companies that score high on ESG (Environmental, Social and Corporate Governance) metrics often outperform their peers in stock performance. Investors are recognizing the role businesses should be taking, and rewarding companies who have the right focus, but not just for their ethical stance. Investors can see where the bottom line is and the savvy money realizes that high ESG means a company is a good bet for profits.

While consumers increasingly distrust businesses to do the right thing, there is yet hope. In order to win back consumer trust, companies need to do a better job disclosing the potential problems they are creating while also explaining how they plan to address them. This includes transparent reporting of all emissions, including supply chain emissions. Increasingly, companies are being asked to make ESG commitments like reducing carbon or investing in offsets. These strategies are critical for companies to move to a stakeholder-focused model. Currently, businesses pretend there are no negative effects, but non-profits, government agencies, and the medical community are revealing the truth, leading to more consumer distrust. Consumers may assume the worst from companies if they don't expressly know otherwise. Businesses must begin to accept the damage their products have caused. One way to do this is with Extended Producer Responsibility (EPR), which requires companies to be willing to accept the long-term effects of their products or packaging. While plastic packaging may be cheaper in the short run, when a company takes into account the cost of managing the disposal of plastics, other packaging will undoubtedly be considered more cost-effective.

In the event the preceding facts aren't convincing enough, sustainable equity funds outperformed their traditional peers in 2020. This makes complete sense because who would invest in outdated, high-risk business models when you can invest with management teams who can do more than just focus on quarterly profit growth? More forward-thinking companies must join the sustainability bandwagon and change the paradigm for how businesses are operated.

…because continuing to do just what we have been doing or paying lip service here and there will keep us on the same path careening toward the abyss.

Part Two: The Economic & Work Impact

We assert that the private sector creates or reinforces the conditions that lead to health disparities through the impact of the way they operate.

To paraphrase Lincoln's famous address at Gettysburg, corporations are made of people, they are formed by people, and they exist to serve people. While these points may be irrefutable, things may get a bit more tense when we question which people they exist to serve. Clearly, the products or services of a corporation exist to benefit its consumers. Perhaps even more obvious is the fact that corporate profits are generated to enrich the lives of the company's shareholders. Now, let us consider the costs and benefits of expanding that final sphere from that of shareholders to the larger classification of stakeholders.

If we define a stakeholder as anyone that has an interest in the operations of an organization, then we can quickly see that this category includes consumers, suppliers, employees, and their families, as well as the communities surrounding a corporation's physical locations. One could argue that a non-shareholder employee has a substantially larger stake in the success of a corporation than a non-employee shareholder. The shareholder likely owns their stock as part of a larger diversified investment portfolio, while the employee's entire livelihood may rely exclusively on the company for which they work.

Historically, it is common for enterprises to sacrifice the well-being of their stakeholders for the wealth of shareholders. By doing so, they have failed to use the power they have to positively impact the economic and work environments of the communities in which they operate. For employees, this impacts wages, benefits, and workplace safety - all key determinants of their current and future health. Making a living wage impacts one's ability to purchase basic needs like food, housing, transportation, and health care. Parity in wages is required for eliminating health disparities. Despite some progress, Black men, on average, make only $0.80 to every $1.00 a white man makes. Even when gainfully employed, employees who are not offered health insurance benefits are less likely to receive preventative care and suffer poorer care outcomes for cancer and chronic disease, largely due to delayed diagnosis. Working conditions are essential contributors to social inequality in health. While obvious risks such as noise, chemicals, and unsafe machinery may be the first to come to mind, other risks plague modern working conditions. The rise in nonstandard work hours and the shift to a 24/7 economy are linked to sleep disorders and other physical health problems including coronary heart disease and peptic ulcer disease. Additionally, people working under significant stress (insecure or precarious employment), even in office environments, are likely to smoke more, exercise less, and have an unhealthy diet.

Stakeholders may also include local small businesses seeking to partner. In addition to employment practices, businesses can use their buying power to generate economic opportunities for underserved communities through their supply chain decisions and practices. Minority-owned businesses are under-represented although there are no differences in lack of will or talent. Black-owned businesses comprise only 2.2% of the nation's 5.7 million employer businesses, despite Black Americans constituting more than 14% of the total population. By more deliberately partnering with minority-owned businesses, the private sector can work to change this. Instead, an enterprise may opt for the cheapest supply chain options, but doing so is a missed opportunity to invest in health equity and may put the business at risk. If we are to examine cases where outsourced labor or international suppliers are used in regions with little regulatory oversight, issues may elevate to levels that include child labor, forced labor, or inhumane working conditions. Potential effects on consumers may stem from issues in product design and packaging.

The United States Department of Labor issues a report annually to draw attention to goods produced through child or forced labor. The 2020 list of products from over 70 countries includes items from fish and rice to construction bricks and gold. Twenty-four new products were added to the list in the year 2020 alone. The 2019 Toxic Textiles Report by Green America points out some issues a bit closer to home. Popular apparel companies like Forever 21 and J. Crew occupy the worst spots in the report, for reasons including an absence of, or unwillingness to, disclose company policies on factory safety.

In recent years, billions of dollars have been awarded in product liability claims against American corporations. For example, links between RoundUp weedkiller and cancer cases led to an $11 billion settlement with consumers. In 2020, Pacific Gas and Electric pled guilty to 84 counts of involuntary manslaughter after their failure to maintain equipment caused a fire that destroyed the town of Paradise, California. How many lives could be saved, and how much property loss avoided if companies exercised consistent quality control over their products?

Of course, positive activity is not simply the absence of the negative. It is not enough for regulators, watchdog groups, and consumer behaviors to discourage cruelty, pollution, and irresponsibility. Once the misdeeds of bad actors have been eliminated, it will take good deeds to create the necessary change. Thankfully, there are already several examples of for-profit entities that are leading this charge. Companies are starting to flex their public service muscles by weighing in on issues like voting rights, Diversity Equity & Inclusion (DEI), systemic racism, and even the wealth gap.

To provide better outcomes for workers, many forward-thinking companies are writing solutions into their employee benefits packages. Beyond meeting the requirements of OSHA, several businesses have moved beyond traditional medical and dental insurance. Progressive benefits programs today can include mental health benefits, disability insurance, and generous amounts of paid leave for new mothers and fathers. Going one step further are the companies with robust wellness programs. Exploring the efforts of over 40 sample programs included such features as healthy snacks, personal training, massage services, and nutritional cooking classes. A look at the policies of Google shows that they have an expanded view of healthcare. Onsight canteens serve healthy and nutritious meals. Plant life and natural light are omnipresent in work areas. Some Google locations feature their own chiropractic, physical therapy, and massage services as well as onsite gyms. Some might argue that one additional mental health benefit at Google is the ability to bring your dog to work! Is it any wonder that Google enjoyed a 6-year run at the top of Fortune's List of 100 Best Places to Work?

Global footwear giant Nike has not always been a model citizen in the area of corporate responsibility. Over several years, however, Nike has made tremendous efforts to improve the lives of all stakeholders including employees, supply chain partners, and even the environment. They started with a robust disclosure about their supply chain and production practices and followed through by committing to publishing annual improvement goals and impact reports. In the areas of product and packaging, they use post-consumer recycled materials in some products, and redesigned Nike boxes to reduce packaging and eliminate chemical discharges. Lastly, their "Move to Zero" initiative set forth long-term goals for a greatly reduced carbon footprint. Their commitment to shifting to 100% renewable energy in all of their operations by 2025 is evident in the fact that they have already done so in all Nike-owned or operated facilities in North America.

One can find many examples of corporations that are making great efforts to improve the lives of all stakeholders, including consumers, suppliers, employees, and all those with whom they share an ecosystem. While we encourage an expanded view of the term "stakeholder" we do not believe that benefitting all stakeholders needs to exclude what is best for those who are also shareholders. "Doing good" is good for business. A 2018 Accenture Study showed that 64% of consumers say their purchasing consideration is driven by a company's ethical values and authenticity. Furthermore, 42% of consumers have stopped doing business with a company because of its words or actions about a social issue. This clear connection between corporate behavior and sales figures will only be more prevalent over time, as the percentages above only increased as the ages of the study participants decreased. Investments in the health and wellness of employees can lead to decreased corporate hiring and training costs, thanks to improved employee retention. Increased productivity and reduced time lost to injury and illness may also result. The last clear benefit to shareholders is reflected in the market price of their shares. A recent Morningstar study examined the performance of investment funds where the component companies demonstrated a focus on sound environmental and social governance. Eleven out of these twelve funds outperformed the S&P 500 in the most recent calendar year. Business leaders can clearly do the right thing for their shareholders (and their bonus compensation) by paying attention to what is best for all stakeholders.

Part 3: The Social Impact

We assert that the private sector creates or reinforces the conditions that lead to health disparities through their impact on media, marketing, and culture.

The COVID-19 pandemic has exposed a number of cracks in the American health ecosystem, highlighting deep-seated disparities. The disproportionate rates of infection in communities of color became a call to action within the public health community, urging actionable efforts toward reversing health inequity. Some companies have implemented Diversity, Equity, and Inclusion (DEI) initiatives to address unconscious bias and robust anti-racism education programs to address issues at the organizational level. Others have launched internal initiatives aimed at aggressively diversifying workforces to more accurately reflect the racial and ethnic makeup of the population outside their office doors. Have their products and marketing strategies embraced this paradigm shift?

Beyond systemic biases, the events of 2020 illuminated numerous social determinants that underpin disparities — from food deserts and residential redlining to employment and education, many of which are drawn along racial lines. As a result, marketers are finally making more concerted efforts to understand how their work impacts diverse populations. Are they taking what they've learned into account when creating new products or programs, or updating existing ones? Klick SVP of Diversity Strategy Amy Gomez stated, "A more overt recognition and exploration of how our personal biases as marketers keep us from adequately supporting multicultural [customers] makes us better equipped to find solutions."

Marketers must realize the value of cross-cultural marketing; in the wake of the pandemic, customers are listening. Advocates of such approaches were previously met with resistance — "the system wasn't accustomed to it," says Victor Paredes, VP of creative strategy at venerable multicultural agency UWG. But now, brands are more open to these ideas. Why? What are the benefits of designing socially conscious products and marketing?

If a company is not actively thinking about equity during the design and development process, it can and will create a product that perpetuates oppression and racism. For example, racial discrimination has been found in facial recognition and health care risk algorithms.

Companies may have marketing practices that increase disparities, especially if the product is something that itself drives poor health like tobacco, soda, or junk food. African and Hispanic Americans drink more sodas and — no surprise — display a higher prevalence of obesity and type 2 diabetes than their white counterparts. When asked, they say that their soda-drinking habits are strongly influenced by television advertising, especially when commercials feature celebrities of their own race or ethnicity.

"The food and beverage marketing environment and messages about physical activity and nutrition need to change dramatically to accelerate movement toward health equity," says Northwestern University's Ellen Wartella, a leading scholar of the role of media in children's development. "Advertising works, and the kinds of messages that children receive are influential." Advertisers spend more than $12 billion per year to reach the youth market; children view more than 40,000 commercials each year. Companies have an opportunity to build lifelong relationships with their consumer base by choosing messages and products that align with healthy and socially equitable behaviors.

Businesses can increase their bottom line when they help lead the way toward equity. "Cultural competence in business means that your company understands and appreciates cultural differences. It means that you approach your business strategy through a lens of diversity, inclusion, and belonging so individuals of all backgrounds feel included to either work at your company or be a customer," explains Rebecca Riserbato. There are two key reasons why companies would do well to involve themselves in rebranding or stressing their cultural competence.

First, by facilitating an environment of open and honest communication in a diverse setting, companies can attract the best talent for their employee base. A mountain of evidence supports the idea that diverse A mountain of evidence supports the idea that diverse organizations perform better:

- When there is an optimal gender balance within an organization, employee engagement increases by 4 percentage points, gross profit increases by 23% and brand image strengthens by 5 percentage points.
- Higher levels of ethnic diversity increase revenue by a whopping 15%.
- According to Glassdoor, 67% of active and passive job seekers say that when evaluating companies and job offers, it is important to them that the company has a diverse workforce.
- Most studies surrounding diversity in the workplace have found that for every 1% increase in gender diversity, company revenue increases by 3%.

Second, on the consumer side, cultural competence is important because consumers are less likely to support a company that lacks diversity. In today's socially aware marketplace, companies have been shamed for their lack of inclusion or tone-deaf behavior. Conversely, support of DEI and social justice causes has made some companies become wildly popular:

- How a brand responds to racial injustice strongly influences whether consumers buy or boycott them. 60% of Americans believe "brands should publicly speak out on systemic racism and racial injustice following the death of George Floyd and other recent racially motivated attacks on Blacks." The figure increases to 78% among the 18—34 age group and 88% among Black people.
- Companies should be aware that "tacking on'' a "multicultural component" to a pre-existing campaign may further alienate the demographics with which they seek to do business. Simply translating materials into another language tokenizes inclusion and can insult communities of color by making it obvious that they are just an afterthought. "There

is no global marketplace anymore, there's only a marketplace," stresses Niclas Hulting. It's imperative to avoid cross-cultural incompetence that insults your customers or shames your product; advertising history is littered with the corpses of companies or products who failed at this standard.

- Producing effective campaigns promoting racial justice may help companies sell their products more effectively. For example, Black shoppers typically spend more on cosmetics, hair products, and skincare than white consumers, amounting to more than $1 billion each year. Proctor & Gamble is working to address systemic bias in the marketing and advertising industry and recently launched a campaign to tell more inclusive stories about Black America. "There is an economic benefit as well as a societal benefit," asserted Damon Jones, spokesperson for P&G. "When you get this stuff right, it's good for business."
- Subtle but respectful and strategic marketing can support some communities while not alienating others. For example, Subaru noticed a group of consumers (lesbians) who often felt unwelcome and invisible, created ads for them, and supported causes that they cared about. This strategic marketing was successful because it was not only a delight for the target audience to engage in some playful decoding, but the rest of the audience only noticed features like bike racks and just thought that two sisters were hiking together. As a result, Subaru increased revenue and market share, plus they developed a loyal customer base. However, "The origin of this now decades-long relationship between lesbians and Subarus was not greedy. It was forward-thinking," asserts Caitlin Weiner in Th-Ink Queerly.
- Despite the backlash in the wake of Nike's endorsement deal with Colin Kaepernick, the sportswear company saw an estimated 31% increase in online sales after it debuted a new campaign featuring the former San Francisco 49ers quarterback over Labor Day weekend 2018. Nike 2018 sales increased a total of 10% over 2017, and another 10% in 2019 over 2018. During the 2020 pandemic, sales only decreased about 7% - Nike loyalists still purchased more merchandise during the pandemic than they did prior to the company's alignment with social justice values.

Choosing not to take a side on polarizing issues can be just as damaging to a brand as choosing the "wrong" side to support. For example, in 2017, after then-president Donald Trump signed executive order 13769 known as the "Muslim travel ban," Uber's rival, Lyft, donated a million dollars to the anti-travel-ban lobby while Uber stayed out of the fray. Within the space of a weekend, 200,000 Uber customers deleted their Uber apps and switched to Lyft.

With great change comes great reward, but there are pitfalls to avoid on the road to culturally competent marketing. The message to brands is clear; if corporations want to be considered socially conscious, they must take the time to understand the various arguments and issues before choosing a stance, the foresight to know that it is impossible to please everyone, and the courage to stick to their guns during any potential fallout. Conversely, let Uber be a reminder that not taking a side at all could be a poor strategy. Taking a stand on racism might seem like a risky move, but given the current sociopolitical climate, staying silent could hurt a brand's reputation even more.

However, in an effort to reach a broad audience, not all companies want to have their corporate identity aligned with a particular social movement. "Large businesses want people to buy their product, to support their company, whether they are hardcore Democrats or hardcore Republicans, or in between," said Ronn Torossian, head of 5W Public Relations. Lloyd Carney, a former tech executive who currently sits on several boards, said "smart" companies are taking steps to address social causes internally, allowing them to avoid potential backlash. His opinion is that "it's one of those things where it's better to make quiet noise… A press release is the worst thing you can do in this highly politicized environment." Even if a company opts to avoid a public stance, the evidence demonstrates that by implementing DEI initiatives within their corporate structure, they can have a positive impact on their bottom line.

Consumers have options in the marketplace and they can tell when a company's motives are not authentic. A company must do more than "stand with" Black and brown people, they must employ and support their communities. This support can be active or passive. A company may choose to identify itself as an "ally" in a supportive non-racist position, indicating its support for change with limited action, which seems the least one can do. An authentic corporate ally must be proactively involved in anti-racist actions and campaigns. However, if a brand or company has a poor record of internal DEI initiatives, consumers are literally not going to buy the hype.

Anyone who understands the reference in "Where's the Beef?" will quickly see how advertising can infect our culture. However, these days, marketing is more targeted to each consumer based on their individual digital footprint through search engines and social media. Fewer people see the same advertisements, with possibly the exception of annual Superbowl campaigns. While this makes it more difficult to influence large-scale shifts in the social environment, on the flip side, it may contribute to the ease with which people continue to live in their own "bubble;" marketing that is delivered to each consumer is typically just what they want to hear. Perhaps if brands were willing to consider operating from a position of collective beneficence and less from objective objective capitalist sociopathy, they could authentically earn a consumer's business. What kind of market share could a business acquire if they put a greater (or even entire) portion of their advertising budget into projects designed to ameliorate social justice issues that plague potential consumers (buying goodwill) instead of spending that money figuring out ways to convince us that they have, for example, a bigger, juicer beef patty? Many of the techniques used to collect customer data and provide targeted marketing have recently been used outside of the marketing sector. It is concerning that our very democracy is being hijacked by technological tools intended for profit-making which have been easily repurposed into political influencing. One may question why we need these tools at all.

Geeta Menon and Tina Kiesler in the Harvard Business Review described brand authenticity as, "the extent to which consumers perceive a brand to be faithful to itself (continuity), faithful to its customers' expectations for the brand to deliver on its promises (credibility), motivated by caring and responsibility towards the community (integrity), and reflecting values that consumers consider important (symbolism)." Menon and Kiesler further defined continuity and credibility as "corporate-oriented" and focused on the company and its customers, while integrity and symbolism are "societally oriented" and focused on issues outside the scope of the company. While both are important and valid ways of expressing a brand's position, actions with a societal orientation may be perceived as more authentic to consumers.

Alicia Garza, who originated the phrase "Black Lives Matter" in a Facebook post from July 2013, explained how it's not enough to simply post a sign or repeat her words, companies must prove their allyship by taking action. "It really is a very direct assertion of both a problem and a solution at the same time… I think what's become clear is that some of the discomfort with this statement is that it forces you to choose sides. You can't say some Black lives matter, or they kind of matter, or they matter sometimes. The statement asks you, 'Do you believe Black lives matter?' And if so, is that the world that we live in right now? And if not, what are we going to do to close the gap there?"

We know that structural racism and inequity lead to poor health, when are we collectively going to take responsibility for these constructs that result in "stress, depression and long long-lasting, cumulative damage to the body and brain." The media, advertising, corporate culture, and hiring practices all have the power to influence the social environment of our neighborhoods. They can help push it toward one that is inclusive, or one that ignores or perpetuates structural racism and prevents or slows change. According to a 2020 Nielsen report, consumers are more likely now to expect brands to take a stance on social justice issues. Sincere efforts are needed to repair relationships and open dialogues with potential employees and customers who have previously been left out. Companies will benefit by creating campaigns targeted respectfully to Black and brown consumers. Those who actually take the time to listen, understand people better, and gain a more precise understanding of their experience can use it to build a more nuanced, culturally competent relationship with their employee base and consumers.

Part 4: The Service Impact

We assert that corporate donations and financial engagement strategically focused on improving conditions in the communities where organizations operate will ultimately lead to economic benefits for the organizations themselves.

Thus far, we have focused on how business operations can shape community environmental, economic, and social conditions through internal human resources, supply chain, product, and marketing practices, but business can also shape the local service environment through how they chose to invest in local communities. Community institutions shape outcomes for residents - closing systemic gaps in community institutions is key to achieving equity.

For example, there had been efforts to revitalize downtown Tucson, Arizona from the late '90s, but with limited noticeable progress. However, in 2013, efforts shifted away from a purely government-led project to a new model that focused instead on establishing private partnerships and generating private investment. The new bustling downtown is at the center of a revitalization that extends across the city as more and more businesses are expanding or relocating operations to Tucson, including both small businesses and giants like Amazon and Caterpillar.

As the economic and service environments thrive in Tucson, we hypothesize that the public health of the community will begin to rise as well, even in the middle of a pandemic. The strong public-private partnerships have positioned it for a strong comeback as COVID-19 restrictions are rolled back. The focus on private engagement follows the blueprints of success from other mid-sized cities. Austin has also been undergoing a revitalization for several years and has seen improvement in some key community health indicators. The infant mortality rate, for example, dropped from 5.6 deaths per 1,000 live births in 2014 to just 4 in 2021.

While companies devote much time and talent to their overall business strategy, limited resources are typically directed to strategies for corporate giving and community benefit. They may be conducted in a piecemeal fashion, and in many cases miss an opportunity to enhance business performance while also enhancing the community. The ability of companies to successfully operate depends heavily on the circumstances of the communities that surround them. Tenured Tucson businesses that invested in revitalization projects are now reaping the rewards. Nova Home Loans, for example, is a Sun Corridor investor and is currently enjoying a booming real estate market. Nova is tiny in the mortgage business, but powerhouse Quicken Loans is making a similar bet with a $500 million investment to the revitalization of Detroit.

When done well, community investment has the potential to improve the factor conditions that enhance a business's operations and/or productivity, or the demand conditions that dictate the size of the market and/or their financial capacity. In an ideal world, they can do both, simultaneously.

Many organizations put education as a top priority in their corporate giving strategy, but others have probably not thoroughly thought about how education investments might help them grow a larger pool of local talent to meet their own human resources needs (factor conditions) and/or equip their customers with the skillset to make use of their products (demand conditions). In 1997, Cisco donated networking equipment to a local school, but the equipment went unused as nobody at the school knew how to set it up or operate it. This inspired the Cisco Networking Academy, a free training program to educate individuals on how to build and operate a network. The program has helped to educate 12.7 million students in 180 countries, building technical skills in communities, fueling Cisco talent pipelines, and those of potential customers who now have the skills in-house to install and utilize Cisco products.

Most companies are not as lucky as Cisco has been with their charitable investments. They are either missing the mark or not giving enough to substantially impact on either the community or their bottom line. Corporate giving increased by 13.4% in 2019, totaling $21.09 billion, but as a percentage of profits, this represents less than 1% of corporate profits which topped $2,250 billion in 2019. At corporate giving's peak in 1986, corporations gave 2.1% of their profits.

Businesses can and should up their game; companies that are more socially responsible are also more likely to successfully market to, recruit, and retain younger generations. By 2025, 75% of the workforce will be millennials, three-quarters of which indicate they would take a pay cut to work for a more socially responsible company. Where companies focus also matters, as the past year has heightened awareness and concerns around racial justice and equity with a particular focus on health equity. "The world is changing, and the expectations of how companies engage are changing," said Brandee McHale, Citi's head of community investing and development.

If we want to have any hope of health equity in America, the private sector must come to the table, and they should be fully prepared to split the bill with taxpayers. This isn't a stretch if they stop thinking about paying the bill as "charity" and start thinking about it as investment, as a good business strategy. Tucson is just one example of what can happen when the private sector steps up, brings funding and new skillsets to fill the gaps in the current patchwork of poorly funded public programs. When we pool our collective resources, we can make incredible progress. The impact can be truly transformative for our communities, bring economic rewards to businesses that invest, and put us on a faster track to health equity.

Conclusion

We assert that to truly address power imbalances inherent in health, organizations that operate within the systems that impact health must change.

The private sector has a role in shaping the living conditions of our communities and the resultant health inequities that have rendered the United States one of the least healthy wealthy nations on the planet. Prospective recommendations to ameliorate these conditions will enrich the businesses who choose to enact them. Businesses can no longer operate "as usual" without the potential of destroying the very arena in which they operate.

The relationship between individuals and the conditions in which they live is akin to fish living in an aquarium. When the aquarium is dirty, or the fish are poorly fed, they will never reach their full health potential, despite any individual effort. While this aquarium analogy is simplified, it nods at our own environments which are made up of physical conditions (e.g., exposure to toxins), economic and working conditions (e.g., employment and income), social conditions (e.g., the experience of racism, class, gender), and service conditions (e.g., education), all of which are heavily influenced by community policies and institutions. Unequal living conditions lead to problems like poverty, unemployment, poor education, inadequate housing, fractured transportation, exposure to violence, and neighborhood deterioration (social or physical). These conditions ultimately influence choices and behaviors over a lifetime and over generations, all contributing to health outcomes...and right now, those outcomes are markedly inequitable.

This is a call to action for the private sector to join a fight that has been going on without them, somewhat unsuccessfully, for over 30 years. Their power, participation, and purpose are needed to substantially move the dial on these issues. Businesses can and must correct the impacts they have made on environmental, economic, social, and service living conditions in our communities while also reaping significant financial rewards. It has now been demonstrated how simple and effective these changes can be, some of them requiring merely a greater mindfulness during decision-making, and others requiring a change in structure and function of practices, but all of them benefitting not just the socio-economic climate in the geographical and virtual sphere of the business's operations, but also the business itself. No business leader could fail to see the positive implications of these changes; we can't imagine ignoring this evidence. "Now is not the time to retreat. Instead, it is the time to accelerate. The profound multifaceted crisis we are facing has made it even more obvious that business and society cannot thrive if employees, customers, and communities are not healthy; if our planet is on fire; and if our society is fractured," said Hubert Joly, former chairman and CEO of Best Buy

Recently, Shell, Chevron, and Exxon, the world's three largest oil companies, made headlines on the same day. All are being held accountable, in some way, for their impacts on the physical environment. Fossil fuel companies have touted their (unenforceable and frequently unmet) commitments to reducing the impact of their operations on the climate, but they may now be legally responsible for the impacts of their products as well, which are directly linked to more than a third of all greenhouse gas emissions. This is a signal to all companies, not just the fossil fuel industry, that they will be held accountable for the environmental impacts of their operations and products. Producers of plastic products and/or those with plastic packaging should take particular notice. Canada began paving the way for plastics restrictions, declaring it a toxic substance with legislation passed in mid-May. Change has been painfully slow, but momentum is growing. Companies will no longer be permitted to freely pollute communities and/or produce products that put our health at risk without suffering any consequences. Implementing changes now puts change leaders ahead of the curve, with an opportunity to reap any benefits of that position.

Companies would also be wise to rethink their human resource practices, which shape the economic and work environments of our communities. Last week, the Society for Human Resource Management released a report revealing that in the last year alone, racial inequity has cost U.S businesses $58.7 billion in lost productivity and $54,1 billion in absenteeism. Reimagining and replacing recruitment and retention policies with more equitable, inclusive practices could have a substantial impact on the bottom line, while also helping to alleviate the economic disparities that contribute to poor health. How much of that $112,8 billion does your company want to retain?

We would be remiss if we did not acknowledge the substantial progress that has been made in the social environments of our communities in the past year. The pandemic and George Floyd's murder mobilized companies in unprecedented ways that have begun to chip away at systemic racism. Companies have committed to recruiting and retaining diverse talent, have hired diversity and inclusion officers, changed branding and logos, and launched marketing campaigns that call for inclusion and action against racism. Now comes the harder part – fulfilling the commitments while amplifying and sustaining this change. A sustained push toward equity is the right thing to do for society, but it is also the right thing to do for a company's bottom line. According to a 2020 Kantar report, brands like Nike, UPS, and Toyota that are recognized for their high commitment to purpose have grown at more than twice the rate of others. "If brands don't get it right, they'll be left behind, and a whole new crop of organizations will be built to service the next generations," said Krystle Walter, Managing Director of Virtue.

Private sector financial power has the potential to bring change to the poorly funded education, healthcare, and social service environments in our communities, and when done strategically, can also provide a competitive advantage. It seemed that this power might finally be harnessed for good when American corporations pledged a collective $50 billion toward racial equity causes after Floyd's murder last year. Unfortunately, few have followed through on their commitments. According to an analysis by Creative Investments Research, less than 1% of that has actually been fulfilled. To move the dial, we need more than just words and empty promises. When communities and organizations don't receive the funds, the cost of the fallout and loss of credibility could have a greater financial impact than the amount that was promised. Conversely, building trust in the community increases brand loyalty and customer appreciation, creating relationships with consumers that are impossible to buy with marketing tools.

If we want our fish to be healthy and swim in a clean aquarium, we have to change the way we care for them. We challenge the private sector to bring their social, political, and financial capital to bear on making and sustaining changes that support the well-being of both individuals and communities by collaborating with advocacy groups to effect change in systems that reinforce division. The paradigm shift's leading-edge is fixing power imbalances where none ought to exist, as in the health care disparities that disproportionately affect immigrants, people in poverty, the LGBTQ+ community, and people of color. Listen and learn from black and brown voices advocating to illuminate the importance of antiracism and social justice, such as Ijeoma Oluo, Ibram X. Kendi, Michelle Alexander, and Lace Watkins. Businesses that are committed to understanding why people are angry and feel disenfranchised can learn how to begin healing from their collective infection of implicit bias, start using their relative privilege to be a force for social justice, and reap the civic and economic rewards.

Like a fine meal, we have served up multiple courses; however, we do not intend that a business try to consume them all at once. The private sector would be best suited to start with a cocktail hour where they can gain an understanding (and trust) of the communities that they operate in, employ in, and sell in by mingling with the individuals and organizations that have been at this dinner party for decades. The Institute for Healthcare Improvement suggests increasing contact with people who are different from yourself to begin reducing implicit bias. By building bridges with people from other communities, backgrounds, and identities, we can see each other as more than our racial or cultural stereotypes - we begin to see each other as fellow humans. This understanding will help identify the community challenges and opportunities that a business is best suited to impact through changes to its internal operations, the products it produces, the way it markets itself, and/or contributes to the local community.

The system is broken, and we aim to fix it. Take your seat at the table and dig in.

References

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