Corporate Strategies to Enhance Economic Opportunity

Creating economic opportunity is a fundamental role companies play in society. However, despite being a top environmental, social & governance (ESG) priority for both CEOs and consumers, businesses often struggle to set specific socioeconomic goals and integrate them into their strategies and initiatives. This report explores how US corporations can identify, address, and collaborate on economic opportunity and related issues in the workplace, marketplace, and public sphere.

Economic opportunity refers to the chances and access individuals and groups have to participate in economic activities without discrimination or prejudice. It typically encompasses the availability of jobs, entrepreneurship prospects, and potential for upward mobility within a region or society. A focus on increasing opportunity helps all individuals have the chance to succeed based on their abilities, efforts, and choices.

Trusted Insights for What's Ahead™

- **Corporate leaders recognize that business success is tied to a healthy economy with dynamic employment and entrepreneurship opportunities**. C-Suite Outlook 2024: Leading for Tomorrow from The Conference Board shows that CEOs in the US and around the world rank economic opportunity, equality, and security as their second-highest ESG priority in 2024. Addressing economic opportunity through core business and ESG efforts can help foster a more inclusive and productive economy, and a more resilient and stable society.

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- **Corporations find it more challenging to align their ESG strategies with broader socioeconomic goals (such as enhancing opportunity) than environmental objectives**. In a poll of ESG and sustainability executives conducted by The Conference Board, 54% of respondents believe their ESG strategy aligns well with broader environmental goals. However, only 41% feel the same about broader socioeconomic goals—which may reflect a lack of agreed targets, terminology, and metrics. To improve alignment, companies can identify socioeconomic goals relevant to their business strategy and operating communities; and champion these goals across their *workplace* (workforce and operations), *marketplace* (products, services, and supply chains), and *public space* (philanthropy and government relations).
- **Businesses can promote economic opportunity in the workplace through inclusive hiring practices and talent development.** An analysis by The Conference Board of 100 randomly selected companies in the Fortune 1000 index, including half from the Fortune 100, found that just over 50% explicitly disclose that they offer work experience and skills development to underserved groups, including veterans and individuals without college degrees. Many also disclose that they emphasize pay equity, upskilling, and subsidies for employee education and childcare. Such initiatives create opportunities while serving core business interests relating to talent retention/development and future job needs.
- **Companies can leverage their unique strengths, positions, and strategies in the marketplace and supply chain to promote economic opportunity and inclusion.** Some 80% of the firms analyzed disclose that they maintain a supplier diversity program. Additionally, many businesses are implementing economic initiatives that align with their core strategies, such as financial institutions focusing on access to finance and small business growth. For added impact, efforts should be tailored to specific regions and aligned with relevant government programs—recognizing that economic development is always inherently local.
- **Firms can help create economic opportunity in the public space through corporate citizenship efforts, as well as through nonpartisan public policy engagement.** Socioeconomic goals are often embedded in corporate citizenship strategies: for example, 70% of surveyed citizenship leaders emphasize education while 58% prioritize upskilling. Successful corporate efforts to promote economic opportunity often begin with pilot citizenship programs in local communities.
- **Effective partnerships between the private and public sectors are essential for catalyzing and scaling economic opportunity initiatives.** Governments provide regulatory authority, resources, and infrastructure for economic development, while private companies contribute innovation, efficiency, and market-driven solutions. By establishing clearer lines of communication, both sectors can overcome collaboration barriers and better leverage resources and policies.

The Private Sector and Economic Opportunity

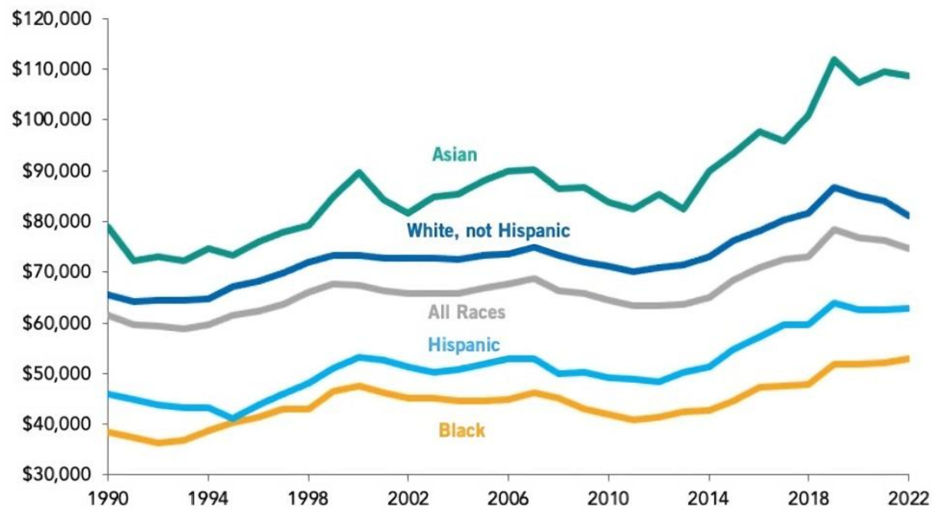
Despite concerns over inflation and long-term GDP growth, the US economy continues to generate substantial economic opportunities. Unemployment rates have been persistently low, standing at 4.1% as of June 2024, with job openings exceeding the number of unemployed workers. Entrepreneurship is also thriving, with 19% of working-age adults either starting or running a business, and higher rates observed among younger people.

However, significant economic disparities persist, particularly across racial, gender, and socioeconomic lines (see Figure 1). Regional inequalities are also evident: the Northeast and West Coast enjoy higher median incomes and a concentration of high-paying industries, whereas deindustrialized areas, rural regions, and sectors impacted by globalization and technological disruption often feel economically "left behind."

Figure 1

Income varies widely across racial and ethnic groups in the US

Median household income by race/ethnicity of household head (2022 US dollars)



Source: *Income and Wealth in the US: An Overview of Recent Data*, Peter G. Peterson Foundation, 2023

Corporate leaders recognize that long-term sustainable growth is closely tied to an inclusive and vibrant economy, especially in markets where they do business. According C-Suite Outlook 2024: Leading for Tomorrow from The Conference Board, CEOs in the US and globally rank economic opportunity, equality, and security as their second-highest ESG priority after education. Additionally, US consumers say they are highly motivated by economic factors—particularly fair prices, wages, and labor conditions—when making purchasing decisions, and engaging with companies and brands.

Figure 2

CEOs in the US and around the world rank economic opportunity, equality, and security as a top ESG priority—ahead of key environmental concerns such as GHG emissions

Q: Rank your organization's top-five ESG priorities, with one being the most important

Global CEOs		Global Other C-Suite		US CEOs		Europe CEOs		Latin America CEOs		Japan CEOs	
Education	1	Carbon and other GHG emissions	1	Education	1	Education	1	Education	1	Carbon and other GHG emissions	1
Economic opportunity/ equality/security	2	Energy transition	2	Economic opportunity/ equality/security	2	Carbon and other GHG emissions	2	Sustainable capitalism	2	Education	2
Carbon and other GHG emissions	3	Climate	3	Gender equality	3	Climate	3	Labor conditions/ rights	3	Sustainable capitalism	3
Sustainable capitalism	4	Gender equality	4	Sustainable capitalism	4	Economic opportunity/ equality/security	4	Economic opportunity/ equality/security	4	Economic opportunity/ equality/security	4
Gender equality	5	Economic opportunity/ equality/security	5	Racial equality		Energy transition	5	Gender equality	5	Labor conditions/ rights	

Source: *C-Suite Outlook 2024: Leading for Tomorrow*, The Conference Board, 2024

The dual forces of digital transformation and the renewable energy transition are likely to drive further corporate focus on issues of economic opportunity and broader socioeconomic challenges. While digital transformation holds immense economic potential, it may also displace jobs due to automation and the rise of artificial intelligence, widen the digital divide, and exacerbate inequality. Similarly, the shift to renewable energy may displace workers in traditional energy sectors and alter established economic structures, leading to greater regional disparities, and an inequitable distribution of costs and benefits. Addressing these challenges can help businesses shape a stable and inclusive business environment.

Where Companies Are Today on Setting Socioeconomic Goals and What They Can Do Differently

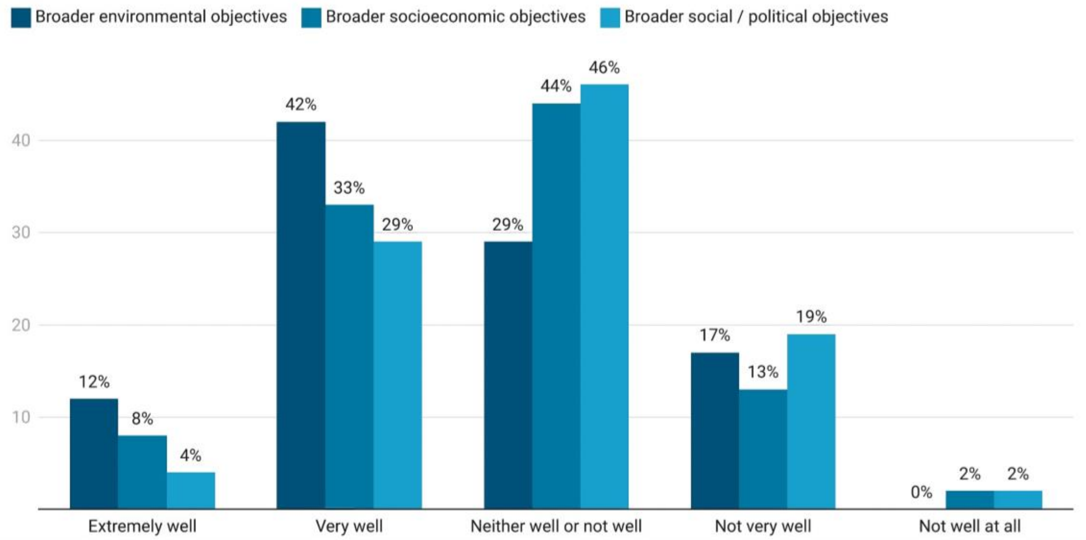
ESG strategies and broader societal economic objectives

Despite the perceived importance of economic issues, a poll of 52 ESG and sustainability executives by The Conference Board shows that companies have more effectively aligned their ESG strategies with broader environmental objectives than with socioeconomic goals such as increasing economic opportunity. This discrepancy likely reflects progress on building international consensus around key environmental issues (such as climate change); establishing regulations, frameworks, and targets; standardizing metrics; and maintaining investor support. In contrast, the lack of universally agreed-upon goals, uniform terminology, and a clear methodology for connecting corporate actions to broader economic effects makes aligning with socioeconomic objectives more challenging.

Figure 3

Most companies have more effectively tied their ESG strategy to broader environmental goals than socioeconomic objectives—which likely reflects greater clarity and consensus around environmental targets

Q: How well tied is your ESG strategy to (select one):



Note: 52 poll respondents.
Source: *Hitting the Reset Button: Setting ESG Strategy with the Broader Picture in Mind* (Roundtable Series), The Conference Board, 2023

A recent analysis by The Conference Board found that international frameworks are generally more developed and clearer on environmental goals than on broader economic or social objectives. Frameworks like the UN Sustainable Development Goals, while providing valuable guiding principles and momentum, typically have limited influence on how the private sector addresses economic opportunity due to difficulties in translating high-level global goals into actionable business strategies. Furthermore, promoting economic opportunity and development is often inherently local, depending on the specific mix of resources, industries, norms, and socioeconomic conditions unique to each area.

Economic focus areas

According to The Conference Board poll of ESG and sustainability executives, only 6% of companies are not addressing socioeconomic issues—including economic opportunity, as well as economic fairness, security, and resilience—in some capacity. Among these, economic opportunity is typically prioritized due to its close alignment with core business operations, and its essential role in catalyzing broader economic development and prosperity.

A company can begin this process by identifying specific issues and priorities that are most material and relevant to its business, integrating them into core strategy, and promoting a consistent approach toward measuring progress across the organization. For example, JPMorgan Chase organizes its enterprise-wide approach to societal impact under five pillars: business growth and entrepreneurship, careers and skills, financial health and wealth creation, environmental sustainability, and community development. This approach embeds a central focus on economic opportunity and inclusion, and aligns clearly with core business strategy.

Once specific opportunity goals are identified, senior leaders should encourage their company to focus on three key areas of activity where the business touches broader economic issues:

1. **The workplace**: A firm's workforce, operations, and associated policies and processes. Since this is an area where companies have direct impact and greater control, they may want to focus their efforts here first.
2. **The marketplace**: A firm's business strategy, products and services, and procurement activities. This is where companies can potentially have high impact, but only variable levels of control as market success depends on a multitude of factors.
3. **The public space**: A firm's political activity, corporate citizenship efforts, and public communications. This area yields moderate impact and variable control because of the current polarized environment, which can trigger backlash.

How Companies Can Address Economic Opportunity in the Workplace, Marketplace, and Public Space

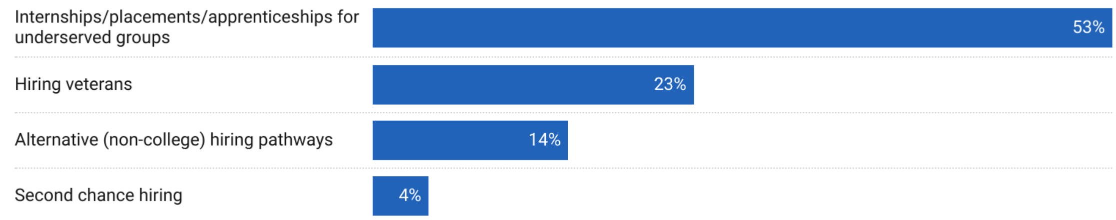
The workplace

Inclusive hiring practices enhance economic opportunity. The Conference Board analysis of publicly available materials from 100 leading US and multinational firms in the Fortune 1000 index shows that 53% disclosed that they are providing work experience and skills development to underserved groups, such as veterans and individuals without college degrees. Businesses can also consider implementing "second chance" hiring practices for individuals with previous arrest or conviction records to promote reintegration and an inclusive economy. For example, in 2023 JPMorgan Chase hired over 3,300 individuals with criminal backgrounds in the US.

Figure 5

US corporations are advancing economic opportunity through inclusive hiring practices, including internships and placements for underserved groups

How US corporations are addressing economic opportunity though their hiring practices, based on analysis of public reporting at 100 leading companies



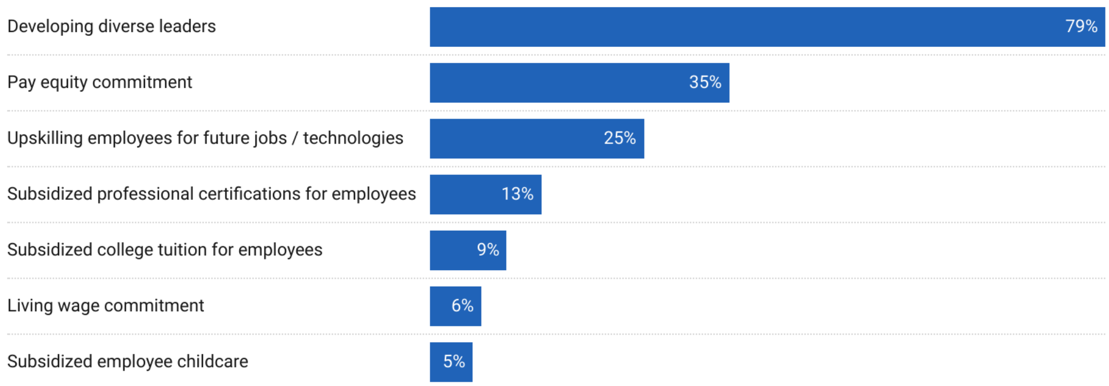
Note: Based on analysis of public reports by sample of 100 leading companies for the 2022 disclosure year.
Source: The Conference Board, 2024

A notable minority of companies are also subsidizing professional certifications (13%) and college tuition (9%) for employees, such as through Walmart's Live Better U program. When developing such programs, companies can benefit from partnering with educational institutions, identifying critical skills and certifications that align with future business needs, and setting clear eligibility criteria for reimbursement to ensure alignment with business objectives.

Figure 6

Companies promote economic opportunity and mobility through developing their own workforce, including upskilling for future job needs

How US corporations are addressing economic opportunity through their labor practices, based on analysis of public reporting at 100 leading companies



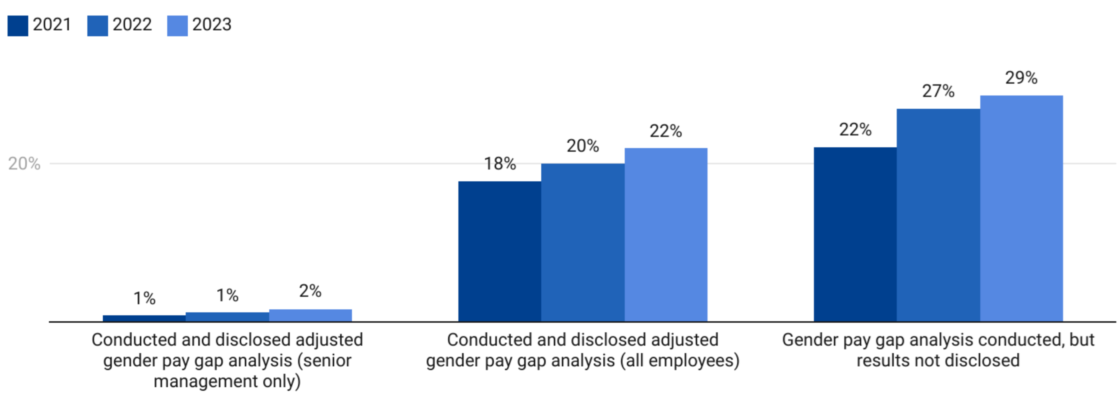
Note: Based on analysis of public reports by sample of 100 leading companies for the 2022 disclosure year.
Source: The Conference Board, 2024

Addressing gender and racial pay gaps can also contribute to a more fair and secure economic environment for employees, while boosting morale and retention. Recent corporate disclosure data show more companies are conducting and disclosing results of internal adjusted pay gap analyses. These analyses control for variables such as job role, level, location, experience, and performance to identify pay disparities between different demographic groups. Several US jurisdictions have implemented mandatory pay gap disclosures.[1]

Figure 7

53% of the largest US public companies undertook an adjusted gender pay gap analysis in 2023—up from 41% in 2021

Percentage of S&P 500 companies conducting and disclosing an adjusted gender pay gap analysis, 2021–2023 disclosure years



Source: ESGAUGE/The Conference Board, 2024

The marketplace

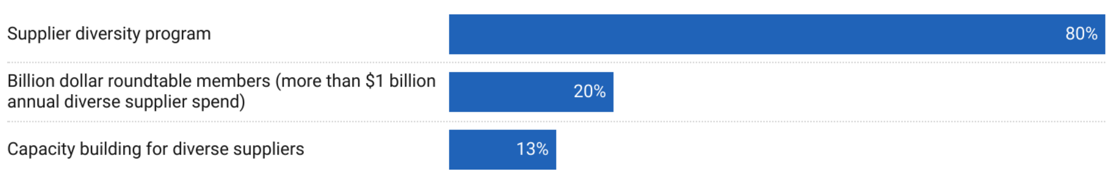
Companies can leverage their unique strengths, business strategies, and market positions to promote economic opportunity in the marketplace. A financial institution might focus on expanding access to finance, advancing financial health, and supporting small business growth and resilience in underserved communities (for example, Mastercard's Center for Inclusive Growth). A telecommunications company might invest in expanding access to high-speed broadband in rural and other underserved areas to help close the digital divide (for example, AT&T's $5 billion commitment to help 25 million people get and stay connected by 2030). In all instances, companies should tailor their efforts to the needs of specific regions and communities, and align their efforts with relevant federal and local government programs.

The supply chain is another critical area for promoting economic opportunity and inclusion: 80% of the 100 leading companies analyzed by The Conference Board disclose that they source from diverse suppliers such as minority-owned enterprises (MBEs) and women-owned enterprises (see Figure 7). In 2022 certified MBEs generated $482 billion in economic output in the US—contributing $136 billion in total wages and sustaining 1.8 million jobs.[2] However, recent Supreme Court and District Court rulings limiting affirmative action and diversity, equity & inclusion programs—coupled with persistent political division—have led to heightened scrutiny of supplier and other diversity initiatives in the US, potentially reshaping their implementation and impact in the future.

Figure 8

80% of 100 leading companies maintain a supplier diversity program—which can contribute towards economic inclusion and sustainable growth

How US corporations are addressing economic opportunity through supplier diversity, based on analysis of public reporting at 100 leading companies



Note: Based on analysis of public reports by 100 leading companies for the 2022 disclosure year.
Source: The Conference Board, 2023

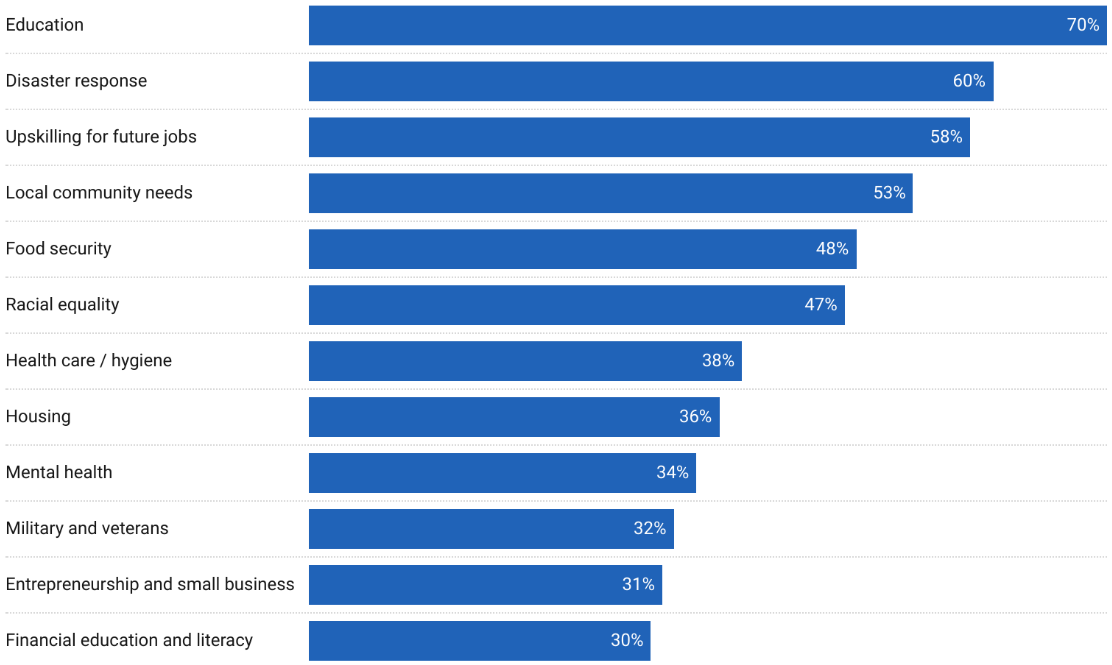
The public space

In addition to core activities in the workplace and marketplace, companies can address broader socioeconomic goals in the public sphere through such means as philanthropy and government relations. The level of direct control in this sphere is limited, and firms often collaborate with governments, non-government organizations, and other stakeholders to achieve desired outcomes. According to a 2024 survey of corporate citizenship executives from The Conference Board, economic opportunity is embedded across companies' priority citizenship issues and focus areas (see Figure 9.)

Figure 9

Socioeconomic goals are deeply embedded in many companies' corporate citizenship strategies and priority focus areas

Q: Which of the focus areas below are priority social and economi issues in your company's corporate citizenship strategy? (choose all that apply):



Note: 77 survey respondents
Source: *Annual Corporate Citizenship and Philanthropy Survey*, The Conference Board, 2024

Successful corporate efforts to promote economic opportunity and security often begin with pilot citizenship programs in specific communities, targeting socioeconomic gaps aligned with the firm's core capabilities. For example, Microsoft initially launched its TechSpark program in six communities in the US and Mexico in 2019, before later expanding to all 50 US states. The program partners with local organizations to accelerate economic growth through investments in rural broadband infrastructure, technology education, and digital transformation. To date TechSpark has mobilized $125 million in community funding, upskilled 55,000 people, and created 3,300 jobs.

Companies can also advance socioeconomic goals in the public sphere through nonpartisan policy engagement on issues directly relevant to their core business. For example, PayPal has engaged in policy discussions around fair access to financial services, supported regulations to protect underserved communities from predatory lending, and promoted digital payments and financial literacy. Effective policy engagement requires close collaboration and nonpartisan dialogue between business leaders and the public sector, as exemplified by the Committee for Economic Development, the public policy center of The Conference Board.

How the Private and Public Sectors Can Collaborate on Broader Socioeconomic Goals

While companies often “go it alone” on economic opportunity and related issues, there is enormous potential for enhanced collaboration with the public sector that can combine regulatory authority and policymaking with private innovation and efficiency. Indeed, socioeconomic goals may represent a natural fit for partnerships between corporations and government, as issues like job creation and workforce development tend to enjoy greater levels of bipartisan support than more contentious environmental and social issues that may encounter politicization and backlash.

Recent federal investments through the Infrastructure Investment and Jobs Act,[3] the Inflation Reduction Act,[4] and the CHIPS and Science Act[5] have further elevated the potential for collaboration. Additionally, the federal government is promoting economic development at the local level through the Regional Technology and Innovation Hubs program, which invests in specific regions to stimulate tech sector expansion (such as lithium batteries in Nevada and aerospace materials in Washington) and catalyze private investment.[6]

Despite the possibilities, partnership between US business and government on socioeconomic issues has been impeded by differing objectives and timelines, bureaucratic complexity and regulatory hurdles, resource constraints, and a lack of mutual understanding and trust. To overcome these barriers, both public and private entities can make important changes:

- **Enhance communication and collaboration**: Clear, consistent, and frequent communication between companies and government entities is crucial to better align socioeconomic initiatives and goals. Establishing joint task forces, public-private partnerships, and regular stakeholder meetings (such as regional economic development councils) can foster transparency and mutual understanding, ensuring that both sectors work towards common objectives.
- **Leverage resources and policies**: Corporations can better capitalize on government resources and policies by understanding and utilizing the strengths each party brings to the table. Government grants and tax incentives for research and development, combined with corporate innovation, can accelerate the commercialization of new technologies. This collaboration enhances economic opportunity by driving innovation, fairness by promoting inclusive growth, and security by ensuring technological competitiveness.
- **Create accessible jobs and fair workplaces**: Government can support economic opportunity and fairness by crafting policies that encourage job creation and ensure workplace standards. Programs like those under the Workforce Innovation and Opportunity Act (WIOA) provide funding for job training and placement services, which companies can use to upskill their employees and fill skill gaps.

Conclusion

There is a compelling opportunity for companies to increase emphasis on economic opportunity and related socioeconomic goals given the interest of CEOs, employees, suppliers, consumers, and investors; federal and state government commitments; bipartisan political support; and corporate ESG priorities. Mechanisms to bring together the private and public sectors, and promote collaboration between companies and industries are essential for clarifying roles, developing partnerships, and articulating a narrative for a more vibrant economic future.

About this Report

This report draws on insights from a Chatham House Rule roundtable of senior sustainability executives, convened by The Conference Board in November 2023, titled “Hitting the Reset Button: Setting ESG Strategy with the Broader Picture in Mind—Economic Opportunity, Fairness, and Security.” This roundtable was the third in a series of four sponsored by Weil, Gotshal & Manges LLP and accompanied by a report; this report is the third in the series.

The sample used to analyze how firms are addressing economic opportunity is 100 corporations in 20 industries, with a focus on some of the largest US public companies, specifically:

- 50% from the Fortune 100;
- 20% from the Fortune 101–250;
- 10% from the Fortune 251–500;
- 5% from the Fortune 501–1000;
- 10% from the Global Fortune 500 (non-US); and
- 5% large private companies.

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About the Knowledge Partner

Founded in 1931, Weil, Gotshal & Manges LLP has provided legal services to the largest public companies, private equity firms, and financial institutions for more than 90 years. Widely recognized by those covering the legal profession, Weil’s lawyers regularly advise clients globally on their most complex Litigation, Corporate, Restructuring, and Tax and Benefits matters. With approximately 1,100 lawyers in offices around the globe, Weil has been a pioneer in establishing a geographic footprint that has allowed the Firm to partner with clients wherever they do business.

Endnotes

[1] Mandatory pay gap disclosures are required in several US states, including California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Nevada, and Washington. Additionally, specific cities like New York City, Ithaca, and Westchester in New York; Jersey City in New Jersey; and Cincinnati and Toledo in Ohio have local ordinances with similar rules.

[2] A "diverse supplier" typically refers to a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Common classifications are small-business enterprises, minority-owned enterprises, and woman-owned enterprises. Over time, the definition of diversity has expanded to businesses owned by other minority groups such as LGBQT, veterans, and proprietors with disabilities. For example, see: *Why You Need a Supplier-Diversity Program*, Harvard Business Review, August 2020.

[3] The Infrastructure Investment and Jobs Act, passed in November 2021, allocates significant federal funding to modernize US infrastructure. It targets improvements in transportation systems—including roads, bridges, and public transit—as well as enhancements in broadband access, water systems, and energy infrastructure. The IIJA aims to create jobs and stimulate economic growth while addressing critical infrastructure needs, positioning the US for long-term competitiveness.

[4] The Inflation Reduction Act (IRA), enacted in August 2022, is designed to address economic challenges by implementing measures to reduce inflationary pressures. It includes provisions for lowering health care costs, promoting clean energy, and increasing tax enforcement. The IRA focuses on enhancing economic stability by controlling costs and supporting sustainable growth through strategic investments in energy and healthcare sectors.

[5] The CHIPS and Science Act (CHIPS Act), signed into law in August 2022, focuses on boosting domestic semiconductor manufacturing and advancing scientific research. By providing substantial funding and incentives, the legislation seeks to reduce dependency on foreign semiconductor supplies and enhance national security. The CHIPS Act also supports research and development in critical technology areas, aiming to maintain US leadership in innovation and technology.

[6] The Regional Technology and Innovation Hubs (Tech Hubs) program, launched in 2023, is a government initiative to spur technological advancement and economic development in specific regions across the US. The program invests in the expansion of tech sectors in targeted areas, such as biotech in Massachusetts and autonomous vehicles in Michigan. By fostering regional innovation ecosystems, the Tech Hubs program aims to attract private investment, create high-quality jobs, and promote regional economic diversification.

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