Let’s look at the top 10 economic benefits of workplace diversity.

1. **A diverse workforce drives economic growth.** Our nation’s human capital substantially grows as more women, racial and ethnic minorities, and gay and transgender individuals enter the workforce. A McKinsey & Company study, for example, found that the increase in women’s overall share of labor in the United States—women went from holding 37 percent of all jobs to 47 percent over the past 40 years—has accounted for about a quarter of current GDP.

2. **A diverse workforce can capture a greater share of the consumer market.** By bringing together individuals from different backgrounds and experiences, businesses can more effectively market to consumers from different racial and ethnic backgrounds, women, and consumers who are gay or transgender. It is no surprise, then, that studies show diversifying the workplace helps businesses increase their market share.

3. **Recruiting from a diverse pool of candidates means a more qualified workforce.** When companies recruit from a diverse set of potential employees, they are more likely to hire the best and the brightest in the labor market. In an increasingly competitive economy where talent is crucial to improving the bottom line, pooling from the largest and most diverse set of candidates is increasingly necessary to succeed in the market.

4. **A diverse and inclusive workforce helps businesses avoid employee turnover costs.** Businesses that fail to foster inclusive workplaces see higher turnover rates than businesses that value a diverse workforce because they foster a hostile work environment that forces employees to leave. The failure to retain qualified employees results in avoidable turnover-related costs at the expense of a company’s profits. Having a diverse and discrimination-free work environment helps businesses avoid these costs.

5. **Diversity fosters a more creative and innovative workforce.** Bringing together workers with different qualifications, backgrounds, and experiences are all key to effective problem-solving on the job. Similarly, diversity breeds creativity and innovation. Of 321 large global enterprises—companies with at least $500 million in annual revenue—surveyed in a Forbes study in 2011, 85 percent agreed or strongly agreed that diversity is crucial to fostering innovation in the workplace.

6. **Businesses need to adapt to our changing nation to be competitive in the economic market.** Census data tell us that by 2050 there will be no racial or ethnic majority in our country. Further, between 2000 and 2050 new immigrants and their children will account for 83 percent of the growth in the working-age population. Our economy will grow and benefit from these changing demographics if businesses commit to meeting the needs of diverse communities as workers and consumers.

7. **Diversity is a key aspect of entrepreneurialism.** Our nation’s entrepreneurs are a diverse set of people of color, women, gay, and transgender individuals. According to the Census Bureau, people of color own 22.1 percent of U.S. businesses. Moreover, women own 28.8 percent of U.S. businesses, and Latina-owned businesses in particular are the fastest-growing segment of the women-owned business market. According to the National Gay and Lesbian Chamber of Commerce, gay or transgender individuals own approximately 1.4 million (or approximately 5 percent) of U.S. businesses.

8. **Diversity in business ownership, particularly among women of color, is key to moving our economy forward.** The diversity of our nation’s business owners helps boost employment and grow our economy. For example, women of color own 1.9 million firms. These businesses generate $165 billion in revenue annually and employ 1.2 million people. Latina-owned businesses in particular have total receipts of $55.7 billion since 2002.
9. Diversity in the workplace is necessary to create a competitive economy in a globalized world. As communities continue to grow, it’s important to harness the talent of all Americans. Businesses should continue to capitalize on the growth of women, people of color, and gay and transgender people in the labor force. Our increasing diversity is a great opportunity for the United States to become more competitive in the global economy by capitalizing on the unique talents and contributions that diverse communities bring to the table.

10. Diversity in the boardroom is needed to leverage a company’s full potential. By 2050 there will be no racial or ethnic majority in the United States, and our nation’s boardrooms need to represent these changing demographics. Currently people of color and women only represent about 14.5 percent and 18 percent, respectively, of corporate boards among the senior management of Fortune 500 companies. Recruiting board directors with a breadth of expertise and varied experiences will make companies more proficient.


Increase in Productivity

Workforce diversity can bring about an increase in productivity and competitive advantages. conclude Kelli A. Green and her University of Florida colleagues in their paper, "Diversity in the Workplace: Benefits, Challenges, and the Required Managerial Tools." Employers can offer more solutions to customers because of new ideas and processes brought into the organization. Workplace diversity increases employee morale and causes employees to desire to work more effectively and efficiently. Diversity in leadership within a firm allows managers to bring in new skills and methods for achieving unity within their teams.

Increase in Creativity

Workforce diversity increases creativity within a company because heterogeneous groups are cross-fertilizing one another within the organization. According to EthnoConnect, a consulting company specializing in workforce diversity, employees from different backgrounds bring in a variety of solutions on how to achieve a common goal. As more diverse ideas are suggested, the chances of finding a workable answer are improved. In atmospheres when brainstorming is necessary, more ideas are formed because team members are culturally diverse. For example, employees from China working in American companies may approach a problem totally differently than do American workers. Some companies have successfully created innovative processes by taking ideas from several employees.