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Building Your Diversity, Equity, Inclusion, and Belonging (DEIB) Blueprint in Fintech

INTRODUCTION

The fintech industry has the potential to revolutionize how we transfer, invest, manage money, and expand financial access and inclusion. However, to live up to this promise, the industry itself must look inward to foster greater levels of diversity, equity, inclusion, and belonging (DEIB).

The problem is that many fintech companies don't know where to start.

That's why Fintech Is Femme has partnered with Array – a company that, at three and a half years old, is six months into their DEIB journey. This report seeks to spark conversations around what's possible across the fintech industry and to instill the idea that no matter how early organizations are in their corporate journey, it's never too early (or too late) to begin building your own DEIB blueprint.

We acknowledge that the road to 'perfect' doesn't exist and we also appreciate that the road to where we want to go is long and winding. But with the industry metrics, models, actions, and best practices outlined in this report, we aim to equip our fintech peers with information they can lean on for support and guidance.

We hope this report encourages fintechs of all sizes and shapes to begin, continue, or reinvigorate the conversation around embedding DEIB within their cultures. By leading with transparency and sharing metrics around where some of us are today, we can begin to plot the course toward a more inclusive future for the fintech industry – together.

Let's get started!

In this report, we aim to:

Understand

- Outline the value of DEIB in the fintech industry today

Assess

- Highlight peer, industry, and population metrics and models to guide your work

Act

- Step through an example with Array and learn tangible actions your organization can take to build your DEIB blueprint from the ground up

Learn

- Showcase DEIB initiatives and best practices implemented by leading fintech companies

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Section 1- Understand Why DEIB in Fintech Matters

UNDERSTAND

Why DEIB in Fintech Matters

Why should fintech companies care about DEIB?

The answer is simple: DEIB drives innovation and growth. When fintech companies embrace DEIB, they are better able to reflect the diverse needs and preferences of their customers. This can lead to the development of unique and innovative products and services that cater to the needs of underserved communities. Diverse teams encourage innovation by bringing different perspectives and experiences to the table. Companies that promote DEIB benefit from increased creativity, better problem-solving skills, and faster decision-making.

DEIB can positively impact your company's bottom line. According to the McKinsey report [Diversity Wins: How Inclusion Matters](#), companies with gender diversity are more likely to have financial returns above their industry average. Furthermore, the report reveals that companies with ethnic and cultural diversity in their leadership ranks are **36% more likely to outperform their peers in profitability.**

How is DEIB critical for fueling financial progress?

Inclusivity and diversity have the power to change the status quo and improve financial outcomes for marginalized communities. Financial exclusion remains a significant barrier that hinders progress, but fintech has the potential to change this. With the right approach to DEIB, fintech can provide financial services to communities that have been historically excluded from traditional banking. This helps to level the playing field in the financial industry and drive progress.

The Link Between Growth and DEIB

By engaging with customers from diverse backgrounds, fintech companies can gain insights into their unique financial challenges and develop solutions that are more relevant and effective. This can lead to increased customer loyalty and retention, as customers are more likely to remain loyal to companies that understand and cater to their specific needs. As consumers become more socially conscious and prioritize supporting companies that align with their values, companies that prioritize DEIB can benefit from a positive reputation and increased brand loyalty.

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Section 2- Assess Industry Metrics and Maturity Models

ASSESS

Industry Metrics and Maturity Models

“The tech industry loves to talk about how it is changing the world. Yet retrograde, gendered patterns and habits have long fueled tech’s extraordinary money-making machine. Breaking out of them might ultimately be the most innovative move of all.” - Historian Margaret O’Mara

Diversity in the fintech workforce is still not good enough. So what is going on?

Fintech companies face a significant challenge related to people data because they **must decide whether to align with the demographics of the tech industry or those of the finance industry**. It can be difficult to find data that represents both.

Throughout this section, we focus on external metrics that come from finance, tech, and the U.S. workforce, as well as internal fintech metrics that come from leading fintech companies focusing on DEIB.

External Metrics

External metrics can be a helpful input for assessing and comparing diversity and inclusion in different industries and sectors. By analyzing statistics for tech, finance, and the overall U.S. workforce, we can identify trends and disparities, pinpointing where progress has been made and where there is still work to be done. These metrics can be especially valuable for fintech companies seeking to promote DEIB.

In the tech and finance industry, women and Black, Indigenous, and People of Color (BIPOC) are significantly underrepresented. The overall U.S. workforce is becoming more diverse, with women and people of color making up a growing share of the labor force. However, there is still work to be done to ensure that all workers have equal access to opportunities and are not held back by biases or systemic barriers.

Table 1.0 External Workforce Metrics

% of Workforce	Finance <small>(2021-2023)</small>	Tech <small>(2021-2023)</small>	U.S. <small>(2022-2023)</small>
Women	<u>46%</u>	<u>25%</u>	<u>47%</u>
Women in Leadership*	<u>15%</u>	<u>11%</u>	<u>32%</u>
Hispanic/Latinx	<u>10%</u>	<u>8%</u>	<u>17%</u>
Black/African American	<u>6%</u>	<u>7%</u>	<u>13%</u>
Asian	<u>9%</u>	<u>20%</u>	<u>6%</u>
American Indian/ Alaskan Native	<u>0.1%</u>	<u>.005%</u>	<u>1%</u>
Other/Unknown	<u>4%</u>	-	-

**Women in Leadership is anyone in the role of Director, VP, GM, and Executive levels (i.e. CEO, COO, CFO)*

Industry Metrics

Many fintech companies struggle to find reliable benchmarking data on DEIB given the newness of the industry. Since it can be challenging to locate reliable data on DEIB efforts for fintech companies specifically, we did the research for fintech companies that are at the forefront of advancing DEIB in the fintech industry.

In creating this report, it was essential to understand that **knowledge is power**. Knowing where we stand as an industry, even if we're imperfect, is a valuable tool to help circumvent a lot where DEIB gaps persist. **It's much harder to achieve equity when we don't realize how far away we are.**

Table 1.1 Internal Workforce Metrics: Women & U.S.

Women	 ALLOY	 ELLEVEST	 TALA
% Women Overall	54%	82%	45%
% Women in Leadership*	32%	84%	50%
Total Employees	<u>~285</u>	<u>~122</u>	<u>~640</u>

U.S.	 ALLOY	 ELLEVEST	 TALA
% BIPOC Overall	53%	55%	84%
Asian American, Pacific Islander, Native Hawaiian	27%	27%	46%
Black/African American	7%	18%	23%
Hispanic/Latinx	5%	9%	17%
Middle Eastern or North African	2%	-	-
Two or More	7%	-	.87%
White	47%	45%	16%
Other Race, Ethnicity, or Origin	5%	-	-
% BIPOC in Leadership* Roles	32%	50%	43%
Total Employees	<u>~ 285</u>	<u>~122</u>	<u>~640</u>

*Women in Leadership and BIPOC in Leadership is anyone in the role of Director, VP, GM, and Executive levels (i.e. CEO, COO, CFO)

(-) Indicates information is not available

Percentages and total employees provided by the listed company unless otherwise noted.

While each company has its unique characteristics, understanding the broader trends in this space can shed light on the common challenges faced by the industry. By leveraging this knowledge, you can gain insights into where to focus your efforts to have the most significant impact on your DEIB strategy and the industry as a whole.

Limitations and Considerations When Using External Data

While external benchmarks can be helpful in framing your progress, relying solely on these metrics may not provide the whole picture, as they often do not capture the nuances of individual company cultures and DEIB initiatives. To address this, fintech firms must also gather industry-specific data to inform their strategies and ensure their actions align with their goals. By doing so, they can create a more inclusive work environment and foster diversity of thought, which can drive innovation and ultimately benefit both the company and its customers.

In addition to external benchmarking data from peer companies, the broader industry, and population trends, fintech companies should also regularly leverage:

- Trends from our industry around usage and impact
- **Projections on how the country and broader industry are expected to change**



Maturity Models

Maturity models are often used to evaluate the current level DEIB progress and pinpoint opportunities for enhancement and growth. These models typically consist of several stages or levels of maturity, with each level representing a higher degree of DEIB integration within the organization.

At the lowest level, an organization may be considered "unaware" or "non-responsive" to DEIB issues, with no formal policies or initiatives in place.

As an organization progresses through the maturity model, it will have more advanced DEIB practices and policies in place. This may include more comprehensive training and education programs, diverse hiring practices, and the implementation of metrics to track DEIB progress.

The highest level of the maturity model is when DEIB efforts are fully integrated into the organization's culture and operations. At this level, DEIB is seen as a core value and is woven into all aspects of the organization, from hiring and promotion to product development and marketing.

However, it's important to note that just because a company is at the **beginning of its DEIB journey and therefore at the "bottom" of the maturity model, doesn't mean it's a negative thing.**

What typical maturity models fail to consider is the length of time a company has invested in its DEIB journey. It's important to acknowledge that every organization has its unique journey, and good is relative to the amount of time invested. **Rather than shaming companies for being at the beginning of their DEIB journey, these models provide transparent guides as a starting point or benchmark.**

DEIB maturity models can be a helpful tool in prioritizing where to focus efforts and resources to drive impact. By identifying specific areas that need improvement, companies can take actionable steps to address those issues and make meaningful progress.

Remember: Progress takes time and progress is continual. There is not one fintech company that is doing everything right, all of the time. However, we can learn from those fintech companies that are investing in DEIB and continuing to improve.

Let's dive into the [maturity model stages](#), keeping in mind that these are designed to guide you and your company to a place of DEIB maturity. You may find that certain parts of your company or certain initiatives fall along different points in this maturity spectrum. **That is ok. Change is not always linear.**

Further, while this outlines a broad approach to DEIB maturity, the goalposts are constantly shifting and there is no endpoint for this important work.

Stage 1: Awareness

- Your organization acknowledges the importance of DEIB and has started to educate employees on the topic.

Stage 2: Commitment

- Your organization has made a commitment to DEIB and has begun to develop policies and initiatives to support it.

Stage 3: Integration

- Your organization has implemented concrete DEIB programs and initiatives, such as diversity training, recruitment goals, and employee resource groups.

Stage 4: Optimization

- Your organization has DEIB as part of its culture, policies, and practices, and regularly measures and reports on progress.

Stage 5: Sustainability

- Your organization continuously improves its DEIB efforts, shares best practices with others, and serves as a leader in the field.

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Section 3- Act

Building a DEIB Blueprint from the Ground Up FEATURING ARRAY

ACT

Building a DEIB Blueprint From the Ground Up

FEATURING ARRAY

Start Early

It's one thing to say your organization supports diversity, equity, inclusion, and belonging. It's another to build a strategy that brings that vision to life. While investing in this work is rewarding – and challenging – at any stage, a critical time to jump in is when your organization is at the early stages of development and growth.

“If you don't start early – when you're scaling, when you're building – it can become almost impossible later on. If you're in a company that found success early by only doing something one way, then that sameness becomes normalized. There's a better chance we can do something better if we start earlier.” – Martin Toha, CEO- Array

Array's DEIB Journey:
Six Months
In



Focus on the outcomes you want to achieve, then work backward to build out your action plan.

In year one, Array's DEIB Strategy is underpinned by three primary objectives:

1. To collect and measure DEIB data.
2. To create ongoing opportunities for amplification, recognition, learning, and engagement.
3. To ensure that DEIB is integral to – and not separate from – their culture.

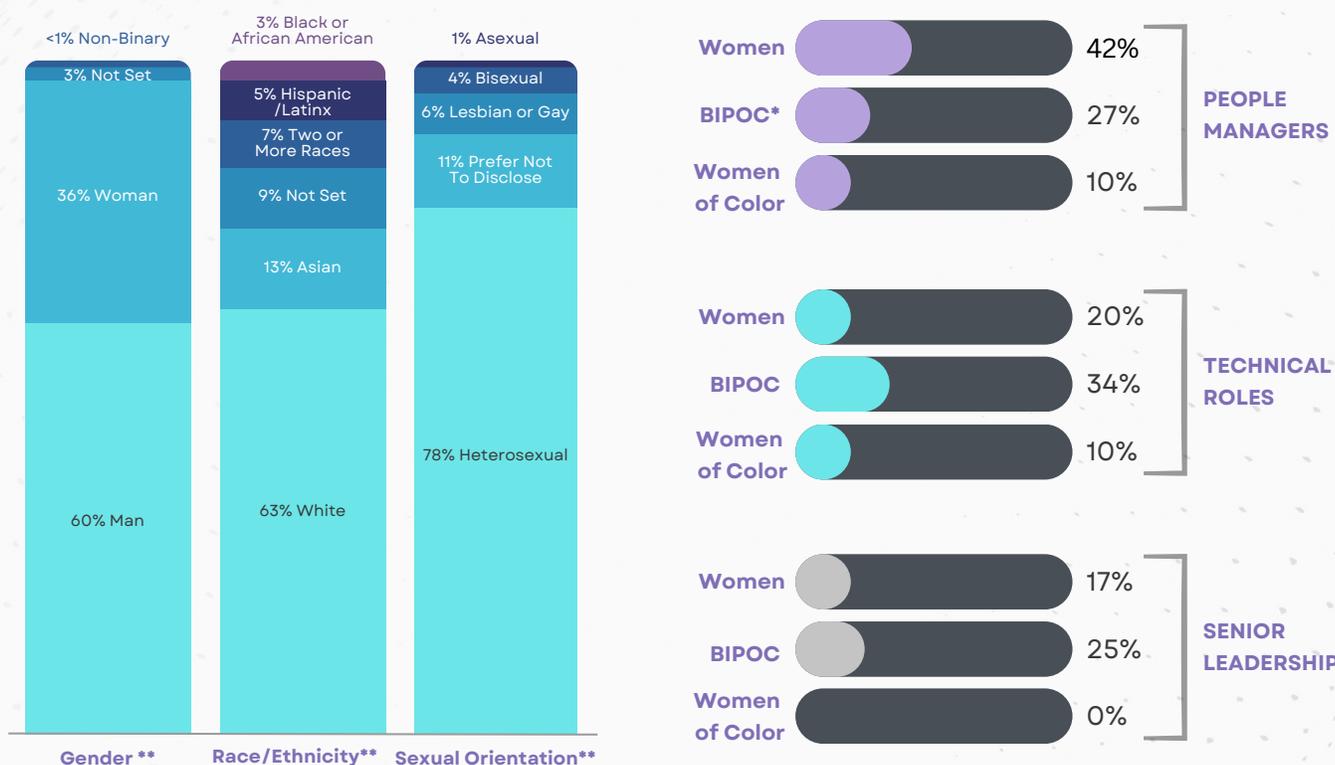
Objective 1: Collect and analyze DEIB data

Why? Organizations can only know where they're going if they know where they've been.

Knowing where to invest time, support, and resources in any DEIB strategy is contingent upon having reliable data on your people and your processes. While seemingly straightforward, this step is critical, complex, and often overlooked.

Two of Array's core operating principals are to **work with a focused curiosity** and **take ownership**. Collecting DEIB data can support ongoing action, transparency, thoughtful analysis, and accountability.

Array's Baseline



Actions Array took in the first six months:

- Implemented voluntary self-ID campaigns.
- Ensured the data is set up to perform thoughtful, intersectional analyses.

As a next step, Array will...

- Evaluate whether the data categories and variables accurately capture dimensions of diversity of our workforce population.

*BIPOC is a broad term for Black, Indigenous, People of Color. This term was created as an umbrella term to describe people of color and acknowledge the unique lived experiences and frequent erasure of Black and Indigenous communities. We recognize that this terminology can be limiting and are committed to continuously refining our language and data to most appropriately and accurately reflect our people.

** Based on voluntary self-identification

Objective 2: Create ongoing opportunities for amplification, recognition, learning, and engagement.

Why? Keep your people at the center of this work.

As one of its primary DEIB initiatives, Array embarked on acknowledging monthly cultural and heritage celebrations to amplify Array's dynamic and diverse community, increase learning, awareness, and empathy, and deepen the connection between our internal workforce and our external community of clients and customers.

Central to these efforts is ensuring that people feel celebrated without being burdened by the weight or responsibility of educating others about their identity or lived experience (unless that is something they choose).

Actions Array took in the first six months:

- Stood up monthly heritage and cultural celebrations, learning events, and employee spotlights based on the needs of Array's diverse community.

As a next step, Array will...

- Expand professional development opportunities
- Strengthen relationships with external partners seeking to empower and uplift various communities within your organization, particularly those who belong to historically excluded or underrepresented groups.

Objective 3: Ensure that DEIB is integral to – and not separate from – your culture.

Why? A culture that promotes diversity, equity, inclusion, and belonging benefits everyone.

Organizations at the beginning of their evolution and cultural development have the flexibility to build the culture they'd like to see. This practice can allow you to ensure that the principles of DEIB are foundational to the culture you hope to build.

Actions Array took in the first six months:

- Embed principles of Diversity, Equity, Inclusion, and Belonging into a new cultural framework.

As a next step, Array will...

- Continuously collect workforce sentiment data to understand the impact of cultural initiatives

Array's Cultural and DEIB Framework



What's Next

Marching towards positive change starts with understanding the value fintech organizations are striving for with our collective DEIB efforts, and ultimately taking the first step to creating the change we want to see.

Array is continuing to prioritize initiatives that are going to help them to grow, as well as retain great talent. Internally, they're focused on building a rewarding and respectful culture and one where there are equitable systems for growth and development.

Progress isn't passive. To move forward, organizations must be honest and reflective about their progress, keep their goals at the forefront, and maintain an active commitment to this work.

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Section 4-
Learn
DEIB Best
Practices from
Established
Leaders

LEARN

DEIB Best Practices from Established Leaders

As part of our research on DEIB in the fintech industry, we had the privilege of working directly with Alloy, Tala, and, Ellevest three fintech companies that are leading the way in DEIB efforts. These companies have committed to creating an inclusive and diverse work environment that prioritizes the needs of underrepresented groups, and have implemented various DEIB practices to achieve this goal.

Through our conversations with these companies, we learned about the specific DEIB initiatives they have implemented and the positive impact these efforts have had on their employees, customers, and overall business operations.

These companies have shown that prioritizing DEIB can lead to increased employee engagement, improved customer satisfaction, and ultimately, increased profitability.

In this section, we will highlight some of the specific DEIB initiatives and practices implemented by these fintech companies, with the hope that other companies can learn from their experiences and apply similar practices to their own DEIB efforts. We believe that by sharing the successes of these companies, we can contribute to the broader effort of creating a more diverse, equitable, and inclusive fintech industry.



"We've partnered with various organizations to diversify our candidate pools, such as Afrotech, Code2040, and Latinas in Tech, to name a few. We prioritize communicating our DEIB initiatives externally through monthly DEIB blogs."

– Kim Nguyen, VP of People, Alloy

Alloy is a global Identity Decisioning Platform committed to creating an inclusive workplace and building a team in which people from all backgrounds can bring their whole or best selves to work, share their voices, find a sense of belonging, and have equitable opportunities to thrive. To achieve its mission of promoting DEIB, Alloy:

- Established a DEIB committee and five Employee Resource Groups (ERGs) that work in tandem with leadership and people teams to achieve the DEIB mission
- Built out strategic DEIB roadmaps that align with company goals and are tied to strategic pillars such as manager training programs to model and lead change, inclusive hiring training for interviewers, and representation of marginalized groups at every level of the company
- Publishes its DEIB metrics, including breakdowns of gender, race, and sexual identity, quarterly to hold itself accountable



The “global nature of our company and the example set by our leadership team have made diversity the foundation of our dynamic company culture.”
Shivani Siroya, CEO of Tala

Tala provides financial services for millions of people around the world who don't have access to these services. Due to the global nature of the company, as well as examples set by the leadership team, diversity is the foundation for a dynamic company culture that brings creativity and rigor to every new challenge, and Tala has worked to develop equality of opportunity through its cultural foundations and organizational structure. Tala has:

- A team of 570+ worldwide that mirrors the diverse backgrounds of their customers to ensure representation
- A Leadership team that was hand-selected based on leaders who value diversity and belonging
- Operational behaviors, which are informed by each of their founding principles, codify how the values are present in their day-to-day actions. The operating behaviors guide how employees work together, treat each other, and approach day-to-day business



“Diversity and inclusivity are not only a moral imperative but also a business requirement that helps us better serve a broad spectrum of clients”
– Sally Krawcheck, CEO of Ellevest

Ellevest is a financial company that for the past 10 years has committed to addressing the gender money gap and DEIB initiatives, which is a persistent issue in the financial industry. To achieve its mission, the organization recognizes the importance of DEIB in its business practices. As part of the **Ellevest** DEIB strategy, they:

- Implemented various initiatives and policies to promote a more inclusive and diverse workplace.
- A recruiting and hiring practices that prioritize DEIB to ensure that their workforce reflects the diversity of their clients.
- Are working to remove unconscious bias from its hiring process by implementing diverse interview panels, using standardized interview questions, and conducting blind resume reviews.
- Implemented training and education on DEIB-related topics such as unconscious bias, microaggressions, and cultural competency. This training is designed to help employees identify and address their own biases and build a more inclusive workplace.

Conclusion

Through the deliberate and consistent adoption of DEIB practices, fintech companies can foster a work environment that is conducive to creativity, innovation, and collaboration among employees with diverse backgrounds, experiences, and perspectives. This is because DEIB initiatives can help attract and retain a more diverse talent pool, which can lead to better decision-making, improved customer satisfaction, and increased growth for your company.

We understand that the road to a more inclusive future for the fintech industry is long and winding, and there is no perfect solution. However, with the metrics, models, actions, and best practices outlined in this report, we hope to equip our fintech peers with the information they need to lead with transparency and accountability in their efforts. By working together to embed DEIB within the fintech industry, **we can ensure that everyone has equal access to the benefits of financial technology.**



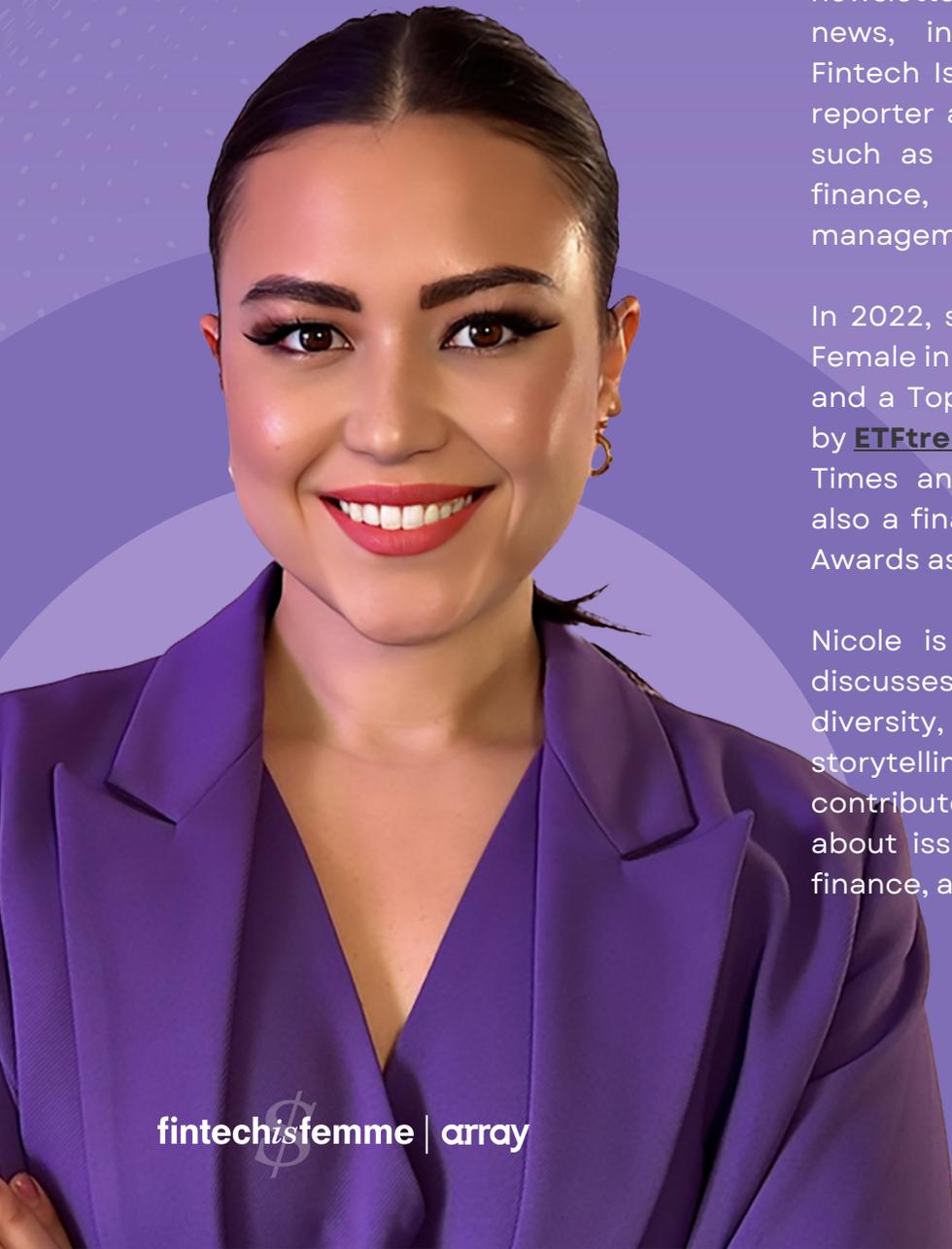
About Fintech Is Femme

About Nicole Casperson, Fintech Is Femme

Nicole Casperson is a journalist, podcast host, and founder of the media company Fintech Is Femme, leading the charge of creating an equitable and diverse industry. With more than 60,000 subscribers to her podcast and newsletter, Nicole is a trusted source of news, insights, and analysis. Before Fintech Is Femme, Nicole was a finance reporter and editor covering B2B niches such as housing and mortgages, auto finance, investments, and wealth management.

In 2022, she was named a Top Inspiring Female in Fintech by NYC Fintech Women and a Top Influencer in Financial Twitter by [ETFtrends.com](https://www.ETFtrends.com) and featured in the LA Times and Nasdaq Trade Talks. She is also a finalist for Fintech Nexus Industry Awards as DEIB Trailblazer 2023.

Nicole is a sought-after speaker who discusses topics such as fintech, diversity, community building, and storytelling. She is also a regular contributor to [Forbes.com](https://www.Forbes.com) and writes about issues that affect gender equity, finance, and technology.



About Array

Array fuels financial progress for many of the world's leading fintechs, financial institutions, and digital brands with a suite of private-label fintech solutions that can be easily embedded. Array drives engagement and revenue for our clients by helping them stand out in a crowded market and forge deeper relationships with their customers. More than a suite of products, Array is building a platform to help consumers own their financial future.

Array was founded in 2020 by Martin Toha and Phillip Zedalis. Key investors include Battery Ventures, General Catalyst, and Nyca Partners.

To learn more visit array.com.



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