

## **News Release**

For Immediate Release

# Annual Survey Conducted by The Rise Journey Reveals Continued Increase in ERG Investment Amid Workplace Economic Uncertainty

The Rise Journey's 2022 State of the Employee Resource Group (ERG) Report features year over year data trends, ERG structural best practices and more.

**New York, May 22, 2023** – The Rise Journey has released its third annual State of the Employee Resource Group (ERG) Report which features key findings from the company's 2022 ERG Lead Compensation Survey. The report highlights how ERGs are currently structured and supported throughout a variety of organizations and provides insight into how the structure and support of such groups can be optimized to amplify their impact.

"This report provides insight into what's possible when people are seen not as costs, but as investments," said Jessica Lambrecht, Co-Founder and Chief Executive Officer of The Rise Journey. "We hope that our findings will encourage organizations to embrace the power of diversity and inclusion, and harness the potential of ERGs to drive organizational success."

Administered by The Rise Journey, a human resources (HR) strategy and organizational culture consultancy, the survey aims to help understand the developing landscape of ERGs, including current compensation and budgeting trends. Using this data, the goal of the report is to provide helpful strategic direction to HR and diversity, equity, and inclusion (DEI) professionals when navigating discussions, implementing and maintaining well-structured and equitable ERG programs in the workplace. This year's survey data reveals that organizations recognize business impact and have continued to increase their investment in ERGs.

### **ERG Types**

ERGs exist to address the needs of employees from a broad span of identities, while aligning with broader organizational goals. According to this year's survey, the most common ERGs serve LGBTQIA+, women, Black, Asian American/Pacific Islander, and Latine/Hispanic employees. Each group has, on average, at least two leads, regardless of the group or organization's size. Sixty seven percent of group leads spend an average of 0–3 hours per week fulfilling ERG-related duties and responsibilities.

## **ERG Lead Compensation Practices**

In 2020, only 6 percent were compensating leads in some form. In 2021, 26 percent were. In 2022, 46 percent were. Of the organizations considering compensating ERG leads, that number almost doubled from 24 percent in 2020 to 45 percent in 2021 and has remained at 45 percent in 2022.

This year, data revealed that ERG lead compensation took the forms of both cash and non-monetary compensation, with the most common form being additional professional development and mentorship opportunities followed by spot bonuses, organization swag, and annual stipends.

As for the organizations that are compensating monetarily with cash, that number is trending upward as well to 24 percent in 2022. The majority of businesses that compensate ERG leads with cash are paying either a flat rate annually or in a bonus form. Only six organizations cited they are paying their ERG leads hourly, with 50 percent of those paying more than \$20/hour. Of those surveyed, on average, group leaders receive \$2,136 annually for their efforts.

## **Budget**

Nearly a quarter of groups (21%) had an annual budget between \$1,500 to \$5,000. An equal percentage of groups had no budget at all. A slightly smaller percentage (17%) had an annual budget of \$5,000 to \$10,000. This equates to roughly \$15–\$20 per employee allocated toward an ERG's annual budget. 26 percent of respondents with budgets this size had 1,001–5,000 employees. This equates to roughly \$2–5 per employee allocated toward an ERG's annual budget.

For all organizations, despite size, the majority have an ERG budget that ranges between \$1.5K–\$10K, however there are small organizations with larger budgets per ERG and large organizations orgs with smaller budgets, so there continues to be no clear trend between the size of an organization and their ERG budget.

#### **Training Leads and Access to Information**

Developing an ERG lead training program allows for best practices on how to understand the budget; when, where, how it can be used; the split between different ERG spending; and how to talk about budgets with your ERG. An alarming percentage of respondents noted that they do not have access to ERG budget information, even though this information can be utilized to support employees learning how to better manage budgets and calculate its ROI.

#### Measuring ERG Impact

Only 24 percent of organizations currently include ERG leadership in their performance reviews. Although 47 percent indicated that they would like to do so, this is hard when just more than half (53%) of ERG leads have individual goals and slightly more than one-third (36%) of groups have collective goals. While organizations would like to measure the impact of their ERGs, this remains something they have yet to put into practice. Survey comments suggest the primary challenges for creating these metrics include a lack of familiarity with ERG goals overall, in addition to a lack of internal resources for making these changes to existing processes.

#### **ERG Contribution to Organizational Culture**

ERGs provide resources and serve as a connector between underrepresented employees and the organization at large. They create a sense of belonging for employees who may have been marginalized in the past and provide a safe space for employees to acclimate to corporate culture and find community. In doing this, productivity, retention and overall organizational culture benefit.

## Survey Methodology and 2022 State of the ERG Report

To help understand the current landscape of ERGs and whether or not companies compensate ERG leads, 187 HR and DEI professionals, ERG leads, and ERG participants were surveyed between April 2022 and August 2022. Participants represented nonprofit and for-profit organizations, start-ups, and multinational companies of various sizes and industries. This year, 84 percent of participants worked at for-profit organizations.

Disclaimer: An open call for participants may result in voluntary response bias. The aim of this report is to provide qualitative research on practical approaches that any organization can utilize. The survey data's purpose is to provide helpful strategic direction, not statistical conclusions.

This is the third consecutive year the survey has been conducted. Each year has allowed for The Rise Journey to more clearly make predictions and provide recommendations to workplace leaders through the form of an annual report. The report includes a mix of qualitative and quantitative data trends on ERG lead compensation practices, budget strategy, ERG impact measurement, performance management and more.

Click here to download the 2022 State of the ERG Report.

## **About The Rise Journey**

The Rise Journey is an HR strategy and organizational culture consultancy built on the ethos that all businesses deserve equitable HR and DEIBA practices to help facilitate positive organizational change - even if they are small businesses, have lean HR teams, or have limited resources. Founded in 2018, The Rise Journey addresses the gap in DEIBA and organizational development. The company's mission is to provide high-value, metrics-driven support to facilitate organizational change based on inclusion and social impact for small HR teams. Rise is a fully bootstrapped, women-owned small business with a team and advisors that span regions, nationalities, race, ethnicity, disability, socioeconomic status, immigrant background, and other areas of diversity. Learn more at The Rise Journey's website.

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