

A recession could unwind DEI progress at agencies

June 7, 2022 | By [TOOLKITS](#) | Reading time: 7 minutes

A recession appears to be on the horizon, and layoffs and cost cutting is now **threatening to unwind critical diversity progress advertising and marketing agencies have made within their ranks in recent years.**

Ongoing inflation and looming interest rate hikes are continuing to stoke [fears of recession](#) among business leaders, and many businesses are already taking measures to cut their costs and headcounts. At tech companies, 16,000 jobs were cut in May, and the bloodletting has continued into [June](#). This week, Tesla announced it would cut 10% of its staff, while Meta recently instituted a hiring freeze and Cameo and On Deck each laid off around a quarter of their employees.

For agencies – which already adjust their headcounts regularly in response to client demands – a cut in marketing budgets will inevitably speed up any planned workforce adjustments. Various employee-related initiatives will also be on the chopping block as agencies focus on their core businesses, and some agency staffers are becoming increasingly concerned about what cutbacks could mean for diversity, equity and inclusion efforts at their companies.

One agency communications head, speaking under condition of anonymity, told Toolkits: **“So much of my work has been focused on touting our diversity numbers, our improvements in that arena. But if a budget cut comes, I know that a lot of funding there will disappear, or at least be diminished in some respect. So it makes for a bad story to tell.”**

While layoffs would not focus on people from underrepresented groups – that’s illegal, of course – the agency staffer suggested that more junior hires may likely be first to go. And because their agency has more recently made diverse hiring a priority, that could mean those new hires are also more likely to be from minority groups.

Agency executives interviewed for this story said that layoffs present **a two-fold problem for agency DEI efforts:** For one, many agencies were prompted by the racial justice protests of 2020 to revamp their recruitment efforts and focus on hiring more employees from underrepresented backgrounds. That means BIPOC, LGBTQ, and other minoritized employees probably index highly among recent hires.

Secondly, during an economic downturn, DEI initiatives are more likely to be seen as “extra” and not essential to a company’s operation, leading those programs to receive less attention and funding. This situation is caused in part by a pervasive attitude within the industry that DEI initiatives should belong to one particular department, or even [one particular person](#), as opposed to being [embedded within a company’s day-to-day](#).

There is some indication of how this has played out in advertising-adjacent roles, such as in content marketing. [Just last month](#), Netflix **implemented cuts across its team, including at Tudum, its new brand publication. These cuts were among the 150 additional full-time and contract staff members that were let go, and marginalized groups were disproportionately represented among the released employees.** A former Netflix employee told Protocol. “It is

really frustrating to feel like those communities are the expendable ones.”

How to limit the impact of layoffs on DEI efforts

The industry is still struggling to come back from a staffing deficit of over 35,000 employees since the beginning of the pandemic, per a [Forrester](#) report. But if layoffs are inevitable for a company, there are steps agency heads can take to prevent a disproportionate impact on their underrepresented staff, and to continue to support DEI programs in unpredictable economic times:

- **If one of your teams has more entry-level or diverse talent than other areas of your business (like Tudum at Netflix), ensure you are setting that team up for success.** Too often, certain teams are laid off because their metrics are not as impressive as the rest of the organization's, but the disparity is because those teams have not been given the same tools and resources, reports [Ragan](#).
- **Work on integrating women, people of color, and LGBTQ employees at all levels and focus areas.** Diverse talent should be distributed throughout your entire organization, not concentrated within a specific team or overly represented among new hires.
- **Reassessing your traditional layoff strategy may help preserve diverse talent.** Critically examine the demographics of the employees you plan to lay off. New hires, contract workers, and people in roles such as HR and administrative positions that may be viewed as “nonessential” are often the first to go when companies need to cut costs. But women and people of color tend to be overrepresented in those groups, per [Protocol](#).
- **Finally, if you do have to lay employees off, provide them with a high-quality severance package and services to help them find a new position.** [HBR](#) argues that company leaders also need to be mindful of the emotional impact layoffs may have, particularly if those layoffs affect DEI staff, noting that DEI initiatives suffered after the infamous Zoom layoff of over 1,000 Better.com employees. **Leadership needs to own the impact of their actions and pledge to prioritize DEI in the future if they want to continue providing a welcoming environment for their employees in the face of an economic downturn.**

Plastic surgery to combat ageism in the workplace

Discrimination against older adults in the workplace is on the rise, according to a recent [AARP](#) report that found over 80% of older employees have experienced ageism at work – the highest percentage ever reported. As employee turnover continues to rock agencies, some older employees are considering an extreme solution to the hiring discrimination they have witnessed: plastic surgery to make themselves appear younger than they are, as covered by [WorkLife](#). In order to create an environment where older employees do not feel they need to physically alter themselves to be accepted at work, agencies can critically examine their hiring practices, including revising the language in their job descriptions and moving towards a blind recruitment process.

DNA encourages people to come out at work

The Seattle-based DNA agency recently completed the process of becoming certified through the National LGBT Chamber of Commerce as an official LGBT Business Enterprise, as reported by [AdAge](#). The agency is celebrating by implementing its #ComeOutToWork initiative, in which it is compiling videos of people explaining why they came out to their employers and colleagues, and how their experience of being authentically themselves in the workplace is progressing since coming out.

PR professionals mostly satisfied with DEI efforts at agencies

Muck Rack's recently released [2022 State of PR Survey](#) found that the majority of PR professionals feel that DEI initiatives are considered important at their company. The report surveyed 1,887 professionals working in PR roles at brands, agencies, nonprofits, and

government organizations. Beyond the DEI findings, the report also states that over half of PR professionals report working late hours or on weekends at least once a week, or regularly working more than 40 hours per week, meaning [mental health resources](#) to prevent burnout could be a real priority for this group moving forward.

4 simple ways to create an inclusive agency environment

Che-Na Stephenson, group creative director at Venables Bell + Partners, writes for [AdAge](#) on four straightforward steps ad agencies can take to make sure they are truly welcoming for employees of all backgrounds:

- Ensure your organization has a dedicated social impact mission.
- Executive leadership needs to invite employees to provide feedback on DEI initiatives and provide an environment where employees feel comfortable speaking up about how external events (racial justice protests, etc.) are impacting them.
- Provide time off for employees to engage in social activism.
- Create and enforce inclusive policies around abortion benefits, LGBTQ partnerships, and all types of family planning.

We're also reading:

- **How Asian American and Pacific Islander (AAPI) marketing employees can embrace their culture in agency workspaces** and how allies can support them, per [AdWeek](#).
- WPP hires WeWork's LJ Louis as global chief talent and inclusion officer, **with a plan to enhance diversity in its recruitment and hiring practices**, as reported by [AdWeek](#).

[PURCHASE TOOLKITS](#)

[ADVISORY SERVICES](#)

[ABOUT](#)

[CONTACT](#)

[MANAGE ACCOUNT](#)

© 2022 [Toolkits](#) | [Privacy Policy](#) | [Sitemap](#)

Why agency leaders must do more to include immigrant women of color