



Juneteenth Reflection: Learning from the past to create a better future

Juneteenth marks the day in U.S. history when the last enslaved Black people learned they were free after the end of the Civil War. But the impact of financial and social barriers put in place before and after that day on June 19, 1865, are still being felt today.

Multiple systems that lead to ongoing issues of inequality—unequal access to affordable housing, quality education, jobs, and financial products—limit how Black Americans create wealth and hand it down over generations.

One of the more striking consequences of these barriers is the racial wealth gap, which could be more accurately described as a chasm. Black respondents to a May 2020 Prudential Financial Wellness Census reported a median \$2,000 in retirement assets. That compares with a median \$100,000 for white respondents. The gap between Black and white households is most pronounced, but it's not the only one: Hispanics and Latinos, women and many other groups experience gaps compared with white respondents as well.

This Juneteenth marks over one full year since the murder of George Floyd. The national dialogue on racial equity and inclusion that accelerated following that tragedy landed on top of the ongoing health and economic crises. This made for a tragic and turbulent year, which laid bare the reality of life for so many.

Many companies, including Prudential, asked themselves what more they could do to address the disparities that permeate society, such as the racial wealth gap. While Prudential has worked for decades to expand access to financial products and empower people to improve their lives, we created nine [Commitments to Advance Racial Equity](#) in July 2020 to outline how we would take further action for our employees, with our business, and in society. We've made the following progress in the months since we announced our commitments, with plans to share further updates as the year unfolds:

1. **We committed to evaluating and improving our talent practices.** We used an equity lens to implement new recruitment, interviewing and promotions processes across the U.S. These talent practices are supported by investments in our technology that proactively matches employees with jobs based on their skills and offers open access to more internal opportunities. These changes ultimately expand the diversity of talent across our organization and our talent pipeline.
2. **We committed to establishing representation goals at all levels.** We've renewed and expanded our practice of tying executive compensation to reaching representation goals, including for our most senior leadership: increasing their overall diversity by 10% and increasing our percentage of Black and Latinx senior-most leaders by at least 25% by 2023.
3. **We committed to mandating inclusion training for all U.S. employees.** We've launched an inclusion training journey for all U.S. employees that includes three mandatory and four recommended programs. Our goal is to have 100% of eligible U.S.-based employees complete at least one such program by year-end.
4. **We committed to creating greater transparency of our diversity data.** We shared deeper levels of diversity data with employees and in our [ESG Summary Report](#) published in March.

This included, for the first time, our EEO-1 representation information and the results of our 2018 and 2020 pay equity analyses.

5. **We committed to marking Juneteenth as a day of education and reflection, and to offering scheduling flexibility on Election Day.** We've offered employees a week of programming leading up to Juneteenth that supports further education and reflection as well as a meeting-free day to engage. National Election Day in 2020 was also meeting-free and included up to two hours of paid time off for non-exempt employees to vote.
6. **We committed to designing and delivering products, services and operations to improve racial equity outcomes.** We're transforming our enterprise and equipping leaders to intentionally and strategically embed inclusion into the development of new products and business initiatives. We are also increasing the number and spend on diverse vendors and are creating distribution platforms to reach diverse customers.
7. **We committed to allocating resources for R&D to incubate inclusive products, services and distribution channels.** We're leveraging partnerships within the public and independent sectors to enhance our competencies and insights so that we can more fully meet the needs of a diverse customer base. We're partnering on fintech solutions with the Financial Solutions Lab to cultivate and scale innovative ideas and practices that improve the financial health of low- to moderate-income populations, with a particular focus on Black and Latinx communities. Through a [partnership with the U.S. Department of Veterans Affairs](#), we are providing [financial wellness tools and resources to veterans and military families](#) at no cost. We're also working with behavioral economists from the Duke Center for Advanced Hindsight to create and test interventions to help low- to moderate-income households increase their financial well-being.
8. **We committed to accelerating our social justice public policy agenda.** In line with our values, Prudential is taking an advocacy role in jurisdictions where we have a major presence on social justice issues such as: voting rights, paid family and medical leave, second-chance hiring, and policing reforms. We've already used our platform to publicly voice our values and oppose discrimination in all its forms, and have deepened and expanded our financial support of Black-led social justice organizations on the front lines of policy issues.
9. **We committed to investing in institutions, ventures and high-impact nonprofits that seek to remove structural barriers to Black economic empowerment.** We have more than \$110 million in active corporate contributions and foundation grants focused on advancing racial equity and justice.

As we know from our more than four decades engaging on these issues, this work requires both sustained commitment and a sense of urgency. It's up to us to act on this momentum, drive change for the better. That's why we've made bold, multiyear commitments and embedded these inclusive practices into our core business strategy.

Juneteenth is a moment to reaffirm our commitment to creating equal opportunity for all. This requires questioning and dismantling long-standing societal and economic barriers. Only then will we build a better society where everyone can thrive.

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