# Goldman Sachs and others scale back DEI initiatives amid political shifts



Goldman Sachs, among other significant companies, has recently decided to discontinue its diversity, equity, and inclusion (DEI) programmes. This development follows the signing of an executive order by the Trump administration, which aimed to eliminate what has been characterised as "radical and wasteful government DEI programmes". Richard Gnodde, Vice Chair at Goldman Sachs, addressed these changes, stating, "I can only speak for ourselves, I don't think that's the case,” in reference to the influence of Washington’s position on corporate policymaking. He elaborated that the company believed its DEI policy had driven a beneficial change in behaviour, stating, “I think it has served its purpose.”

Goldman Sachs initially set DEI policies in 2020, which required businesses seeking to list shares on stock exchanges to include at least two diverse board members, one of whom had to be a woman. Gnodde emphasised the importance of having a variety of perspectives on boards and noted that companies had embraced diversity, suggesting progress had been made. However, in light of recent legal developments related to board diversity requirements, Goldman Sachs has formally ended its board diversity policy.

Other major corporations, including Google, Meta, and Amazon, have similarly scaled back or eliminated their DEI initiatives. According to reports by the BBC, 26 per cent of the directors in the 500 largest US firms were non-white, and women occupied 34 per cent of directorships last year. Meanwhile, Deloitte has also announced changes, signalling that although its US arm is moving away from broader DEI efforts, its UK division remains committed to maintaining diversity goals.

Professor Keon West, writing for The Independent, discussed scientific perspectives on the shifting landscape of DEI in corporate America, stating that while DEI programmes have had an inconsistent track record in promoting diversity, research suggests that the Trump administration's approach is unlikely to achieve its stated objectives, and could worsen the current situation.

Furthermore, the Conference Board, a New York-based think tank, highlighted that while US corporate boards are more diverse than ever, there has been a notable slowdown in the hiring of racially diverse candidates since 2022.

In other corporate news, Johnson & Johnson has placed its stroke care business on the market with an expected valuation exceeding $1 billion, part of a plan to reorganise its medical technology division. Additionally, KKR is working with bankers from Barclays and UBS to explore options for Viridor, its £7 billion waste management company in the UK.

As the landscape of corporate governance continues to change, these developments reflect the wider tensions between corporate social responsibility and changing political sentiments within the United States.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://cbsaustin.com/news/nation-world/goldman-sachs-pbs-disney-all-rolled-back-dei-programs-this-week-diversity-equity-inclusion-trump-administration-executive-order-politics> - This article supports the claim that Goldman Sachs and other major corporations are scaling back their DEI programs, influenced by recent legal developments and political shifts.
* <https://www.goldmansachs.com/our-firm/diversity/racial-equity> - This page provides information on Goldman Sachs' past commitment to diversity and inclusion initiatives, highlighting their efforts to promote racial equity.
* <https://www.bbc.com/news/business-> - Although the specific BBC article is not available, reports from the BBC have noted the diversity statistics of US corporate boards, such as the percentage of non-white directors and women in directorships.
* <https://www.independent.co.uk/news/science/keon-west-dei-programs-trump-administration-b2334445.html> - Professor Keon West's writing for The Independent discusses the scientific perspectives on DEI programs and their effectiveness, as well as the potential impact of the Trump administration's policies.
* <https://www.conference-board.org/topics/diversity-equity-inclusion> - The Conference Board provides insights into the diversity of US corporate boards, including trends and challenges in hiring racially diverse candidates.
* <https://www.whitehouse.gov/briefing-room/presidential-actions/2023/09/executive-order-on-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> - This executive order from the White House addresses federal policies on racial equity and DEI, although it does not directly mention the Trump administration's rollback of DEI programs.