

Why disability inclusion in the workplace is an investor issue, with Ted Kennedy, Jr: podcast transcript

Fiona Reynolds

Welcome everyone to a very special episode of the PRI podcast. My name's Fiona Reynolds. I'm the CEO of the PRI and today I'm really delighted to be joined by our special guest Ted Kennedy, Jr. So, Ted as an amputee has been an active leader in the movement to expand opportunities for persons with disabilities. In addition to working as a leading healthcare regulatory attorney, he is the chair of the board of the American Association of People with Disabilities (AAPD), one of the US's preeminent civil rights and public policy organisations dedicated to social reform and equal rights for people with disabilities. Ted also advises employers on best practices and compliance with the Americans With Disability Act and lectures worldwide on healthcare policy and disability law. Today we'll be discussing why disability inclusion in the workplace is an S issue, or a social issue, for investors and why they should look at diversity from a strategic perspective, mitigating risk and realizing opportunities that disabilities bring.

And one of the signature programmes that Ted's involved with, The Disability Equality Index, is now the nation's leading corporate benchmark tool for disability equality and inclusion. I've really got a personal interest in this issue. I've grown up with two brothers with disability and I think that inclusion both in the workplace but in society more generally for people with disabilities is obviously really, really important. So, from my perspective, of course it's also important that investors are promoting diversity and inclusion within their own firms and within their portfolios by ensuring current practices and cultures are breaking down the barriers that are still there today for a more diverse workforce, for many issues of diversity, but particularly for people with disabilities. So, Ted you and the Kennedy family in general have been long-time advocates for the equality inclusion of people with disabilities. Could you speak more about your passion for economic independence and inclusion?

Ted Kennedy, Jr

Thank you Fiona and thank you to the PRI for working with us to try to make disability, equality and inclusion the next chapter of ESG corporate social responsibility. You know, you mentioned my personal history of being a pediatric bone cancer survivor and an amputee and life-long advocate for individuals with disabilities. But many people know my family as being strong advocates for disability equality and inclusion. Really with my uncle President John F. Kennedy making this a priority in his administration due to my aunt Rosemary, my father's sister (my father is late Senator Edward Kennedy), grew up with a member of their family having an intellectual disability. So, they saw firsthand how often that she was ignored and excluded and how other people treated her based on her disability. And really, and that is really the spark that, for example, my aunt Eunice Kennedy Shriver starting the special Olympics, which is now of course a worldwide movement, not just in sports, but also in inclusion as well.

And really my father in the United States Senate, leading a lot of the legislative initiatives to try to make disability rights civil rights, a human rights issue, and working for fully equality and inclusion for the world's many million people with disabilities. So today I chair AAPD and we are one of the leading civil rights organisations for persons with disabilities in the United States and while we've made great progress since the signing of the Americans With Disabilities Act 30 years ago, this whole area of economic independence or job opportunities for people with disabilities is still very stubborn. We know, and you know, Fiona, from your own experience, that people with disabilities have a tremendous amount to offer. And people who are able and willing to work still have trouble getting a job, which is why now we recognize that there's a limit to how much government institutions can do to ensure equality and inclusion.

We have to engage our corporate partners to make sure that they can do their part. And that's one of the things that we're doing and that I hope to discuss later on in the podcast is the joint investor statement that has been signed by many of the leading pension plans in the United States, many of your members at the PRI, we're hoping to expand this. But we know now through various studies that companies that lead on disability equality and inclusion actually outperform their peers. So, this is not just the right thing to do. It's actually, the sustainable thing to do and it leads to better performance and outsized shareholder returns.

Fiona Reynolds

That's fantastic. And as I was talking about with my brother Chris, who had an intellectual disability, it was really important for him in our family when everyone else was going off to work, to feel like he was able to go off to work and do the things that everybody else did. And it made a huge difference in his life. Unfortunately, he passed away from cancer five years ago now, and he's no longer with, but I really understand what you're talking about in terms of people need to feel part of the community and need to feel that they are able to contribute in the ways that everyone else is. It's really not that hard. And you talked about the special Olympics and he was involved in the special Olympics and that was really important too to feel that you went off and participated in sport and all the other things that everybody, all the other kids and all the other adults did as well. So, I thank your family for all the work that they have put into these issues.

To those that are unfamiliar with disability inclusion, in what ways is the effort to expand the rights and opportunities of people with disabilities similar I suppose to other historical ESG efforts such as, LGBTQ rights and climate change?

Ted Kennedy, Jr

Well, I think, you know, we grew up, Fiona, in a culture that looked at disability as some kind of charitable mission, charitable enterprise. And what we've done in the United States is to try to reframe that understanding to be more of a civil rights orientation and move away from the charity-based approach to a rights-based approach to disability, law and policy. So, in the same way as the civil rights movement of the 1960s in the United States and the women's movement and the LGBT rights

movement, we have now adopted many of the similar strategies and tactics of these other disenfranchised groups. Now people with disabilities, and when I mean disability, I mean all types of disabilities, both mental and physical, have been some of the most marginalized individuals in our society and around the world and the developing world. People with disabilities face unspeakable horrors in their community, largely due to misunderstanding, prejudice, stereotype and whatever.

We've made great progress in eliminating a lot of the architectural barriers, at least some of the developed countries have, and I'm talking about getting rid of the stairs and having more elevators and ramps and so on. But one area that's been really persistently stubborn is the area of employment or what we call economic opportunity, because for people with disabilities to really achieve true equality, they need to be able to have an equal opportunity to participate in the American dream and to be able to live the life that everyone wants. And so that is why we decided a number of years ago, four or five years ago, to create what's called the Disability Equality Index. As you mentioned in your introduction, it is now the leading corporate benchmarking tool for disability equality and inclusion. About 180 of the Fortune 500 currently have adopted it.

But there are many, many other companies around the world. Many companies have not. And so that's why we are focusing on the shareholder initiative because like the work that you've done at the PRI regarding climate change and so many other important issues and workplace fairness, et cetera, we are piggybacking on a lot of these initiatives to show that actually companies that do lead, and there are many companies that are actually doing the right thing, and we want to showcase what can be done. And we are working with many institutions from financial services to manufacturing to transportation companies, airlines, et cetera, who are doing unique and innovative things in terms of attracting people with disabilities, promoting them, giving them opportunity. And we want to identify the best practices and try to replicate those in companies around the world.

Fiona Reynolds

So why do you think that investors should choose to look at disability inclusion as a matter of human capital management when they're engaging with companies? Obviously, we need companies to be including disability in their human capital management as well. But what advantages does that offer for advocates for employees with disabilities and the companies as well? And for investors, of course.

Ted Kennedy, Jr

Well, I thank you for that question because it's really important. You know, many studies have been done over the years that have shown that individuals with disabilities make great employees. A lot of people assume that, well, if you have a disability, how can you actually perform at a premium level? So, there's a lot of misperception out there and people if just given the chance, can demonstrate incredible attributes that a lot of companies are really seeking. For example, lower turnover rate, higher loyalty. And we know the companies that do have a more diverse workplace do outperform their peers. So, in December of 2018 the global consulting firm, Accenture, who I'm sure you know, worked with us to look at the companies that were in our existing Disability Equality Index. So, they took at the time about 180 companies and they looked at their performance, their financial performance over time, and compared

those with their peers.

And what did they find? They published a study a little over a year ago called Getting To Equal: The Disability Inclusion Advantage. And they showed that companies that led on disability inclusion had two times the profitability and four times more likely to outperform their peers in terms of total shareholder returns. So, we had always known that people with disabilities brought value to companies, but we never really had the definitive document that the definitive study, so to speak, to really prove that in with that study with the Accenture study. And I invite your listeners to go on to Google 'Accenture getting to equal', it's a very comprehensive study. With that study, we brought it to many of the leading investors in the United States, including Tom DiNapoli at New York Common, Tobias Reed, the treasurer of the state of Oregon. We now have many, many states signed on, many of the leading investors such as CalSTRS, State of Illinois, Oregon, Massachusetts, Rhode Island, and most recently other assets managers such as Voya Financial and Bank of America have also signed on to this joint investor statements. So, because these investors know that companies that lead on disability inclusion outperform their peers, it has become a shareholder issue and we're just trying to again, accelerate the adoption of disability inclusion for all companies around the world.

Fiona Reynolds

Yeah. Because of course it's not just an American issue, it's a global issue and something that all countries can be doing more and that investors in all countries can be doing more certainly about. And I think that obviously institutional investors need to use their leverage to encourage their managers, the managers that they use to be able to be doing more about this.

Data from the Disability Equality Index was the bedrock for the Accenture report. As researchers examine the last four years that the DEI data, could you tell us a bit more about this foundational source of data and why it might be a great starting point for corporations in the Fortune 1000.

Ted Kennedy, Jr

Sure. Thank you. Well, in my experience, companies want to do the right thing, but many of them just don't know where to start. They really, when you talk about disability inclusion many companies just really don't even know what that means. And many companies may be embarrassed that they're not doing more, even have to ask the questions. So, we have a conference every year in the United States where we have over 2000 of the leading companies across the globe, most of these companies are global companies, in fact, who come and learn. We have workshops. They can meet their peers and learn how to get started on this journey. The first thing companies need to do is sign up to take the Disability Equality Index. And the deadline is approaching at the end of January. So, I know many of the listeners here may want to again go on to disabilityequalityindex.org and get all the information.

The benchmarking tool is very transparent and I think what makes us is, you know, we're not just a pledge, you know, I think many of the folks who I've spoken to, many of the investors have sort of pledge fatigue, I guess you could call it, but we are, we are like a plan. The Disability Equality Index and the benchmarking tool is actually a work plan for companies to help them better identify areas in which

they can improve. And many companies are actually doing this that they may not know. So, we look at culture. Many of the businesses that we work with have a written statement of commitment to diversity and inclusion that specifically mentions disability. For example, most of the companies that we work with have a senior executive, either a person with a disability or somebody internally known as being a person, an ally of people with disabilities.

We ask businesses that we work with, for example, to commit to enterprise-wide access. That means that all of the company's buildings and lease locations, et cetera and facilities, should be accessible to and usable by all people. And then we also focus, as you know, on the area of employment and community engagement. A new area that we've focused on is the area of supplier diversity, which is another area in which PRI members have focused on, women and minority-owned firms, for example. Well now part of the billion dollar round table that you might be familiar with, has now made disability owned businesses one of their criteria. So, we work with companies and show them how they can expand their business dealings with veteran-owned businesses, service disabled, veteran owned businesses and disability-owned businesses. Much in the same way that women and minority-owned firms have just needed an opportunity to compete for business with many of these larger companies.

Fiona Reynolds

So that's fantastic how much has been achieved in such a short space of time and getting awareness around this issue. But where do you want to see the conversation in the private sector going in the next five years? I'm wondering what developments make you most excited?

Ted Kennedy, Jr

What I'd like to see happen over the next five years is more companies become more engaged in the issue of disability inclusion. You know, diversity inclusion. Now Fiona, it's like a buzzword in corporate America and we want to make sure that people who are disabled are included in that conversation, because a lot of the times people think about diversity, they're thinking about racial or ethnic or you know, including various different types of individuals. We want to make sure that people with disabilities are also included in those discussions. But specifically, you know, we have this joint investor statement. It's been signed by many of the leading institutional investors in the United States. We're going to be expanding this investor statement and growing it to foundations, endowments and international organisations as well. Many of these initiatives are started by the usual sort of subject, the plans that are sort of in the leading vanguard of a lot of these ESG issues in the past.

Those are the plans that we went to ask them to adopt this, a joint investor statement on disability inclusion. And if you Google joint investor statement disabilities, you'll see what this statement asks companies to do. I think they're realistic goals. It's very concrete. And we know that other companies want to get started but don't know exactly how. A number of the state treasurers and others, CIOs of the plans that we've worked with in the United States have actually now written to the CEOs, large companies who have not been visible or have no track record on advancing disability equality. And as you know, you look at where a lot of the action is, there's again, a limit to how much government can do to advance disability quality. There's a lot that companies can do.

And we're ready at AAPD and at Disability:IN, which is our sister organisation, to work with companies to help them get there. So again, my goal is that every single company in the Fortune 1000 would adopt this benchmarking tool. And also, one of our initiatives is to not just get these institutional investors to sign on, but there are underlying managers. So, for example, if you are Tom DiNapoli who was, again, I mentioned his name again because he's one of the people who is helping to spearhead this effort for us in the United States. And one of the leading institutional investors obviously globally is now going to be calling on his underlying managers, the people who are all of his limited partner relationships who want to do business with New York Common as all money managers do, and asking them to help implement the disability inclusion initiative.

So that's another area that we'll be pointing to. You know, one of the other areas is our local governments and our educational institutions. Many states and municipalities also want to make sure that they are doing the right thing in terms of their transportation functions and the hiring that they do. One of the reasons why I was so excited to get on the phone and do this with you, Fiona, is that we want to bring this area of disability inclusion in a more global way. So, we've now got our footing in the United States, but our goal is to also go to nations around the world. We've got a busy year coming up, next year will be the 30th anniversary of the signing with the Americans with Disabilities Act. So, we have a lot of activities and people with disabilities are now more empowered than ever before.

And I'll just tell you one other mention. One other thing is that for a lot of companies and these CEOs tell me it's not just the individuals with disabilities who they are giving an opportunity to it. They know that the people who go to work at those companies every single day, they want to know that the company that they work for has a mission and shares their goals of equality and fairness and justice and acceptance of all people. That is why this initiative is being sponsored also by nearly every single disability rights organisation in the United States of America because people with disabilities make up a huge market share and companies are recognizing that people with disabilities and their friends and families are becoming much more sophisticated now, Fiona, in terms of identifying which companies authentically support them and their families and their mission.

[Fiona Reynolds](#)

That's fantastic and I think you're completely right. More and more people want to go to work in a place that really thinks about inclusion, diversity, sustainability, and walks the talk. Don't just, you know that they don't just say that they're doing things that they actively demonstrate it and I think that's the other thing from an investor perspective, we also need to be doing that. We can't just be talking to corporations about everything that they do. We have to be doing these things as well. But we're going to continue the discussion on this topic. You know, it's something that I feel very passionate about. So, the next thing we're going to be doing is a webinar on the 19th of February. So, I'm hoping that people who've listened to this podcast will want to also participate in that webinar. And we'll include some discussion with it, an investor who's been involved so that they can say first-hand how they've gone about working with the statement and what they've done with their managers, et cetera.

So, there's more information. But I think the other thing is that we will on our platform have up the joint statement. So, we really want investors to look at that statement and we'll also put up some other links to some of the documents that we've talked about today.

So, Ted I really want to thank you for taking the time to talk to investors. I do think that, like you were saying in the beginning, I think it's one of those issues that once you start talking about it, it makes complete sense that when you think about diversity, that you need to think about it more broadly and think about people with disabilities. But I don't think that it's an issue that has been discussed widely in the investment industry. So I really appreciate you bringing this to life as an issue and I really do hope that as we have this discussion and we have the webinar and I'm hoping that more and more investors will get behind people with disabilities and start including it in their programmes. But thank you very much for your time today.

Ted Kennedy, Jr.

Thank you for, I'm looking forward to working with you and the PRI.