



Business Case of DEI in AEC

a white paper by SMPS HXB Research

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Intro

In a rapidly evolving industry like Architecture, Engineering, and Construction, the question is no longer whether Diversity, Equity, Inclusion, and Belonging (DEI&B) matter, it's how they shape success. This paper presents findings from a research initiative by the SMPS Human Experience Research Committee, aimed at uncovering the tangible impacts of DEI&B on organizational performance, innovation, and financial outcomes across the AEC sector. Through a synthesis of industry data, case studies, and academic research, we explore how prioritizing human experience is not just the right thing to do, it's a strategic advantage.



About the Research

This research was initiated to explore and articulate the business case for DEI&B within the AEC industry. As organizations across the country, and across sectors, grapple with evolving expectations around DEI&B, it has become increasingly important to assess how these principles connect to business outcomes and operational success. While the national conversation around DEI&B has shifted in recent years, our aim is not to weigh in on political discourse but to provide clear, evidence-based insights that AEC firms can use to inform their strategic priorities.

Our target audience includes AEC firms of all sizes, particularly those involved with the Society for Marketing Professional Services (SMPS), who are looking for practical guidance on the value and implementation of DEI&B practices in the workplace. By grounding this research in industry-specific data and case examples, we hope to support organizations in understanding how DEI&B efforts can contribute to employee engagement, financial performance, innovation, and long-term growth. This paper serves as both a snapshot of the current DEI&B climate in the AEC space and a resource for firms aiming to align inclusive practices with measurable business benefits. It is our belief that by examining DEI&B through a business lens, we can provide useful tools and perspectives to help firms navigate today's challenges while positioning themselves for a more resilient and forward-thinking future.

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Sub Committee Credit: Asa Baird, Shirley Che, and Tamara Grimm FSMPS, LEED AP, CPSM, SMBA



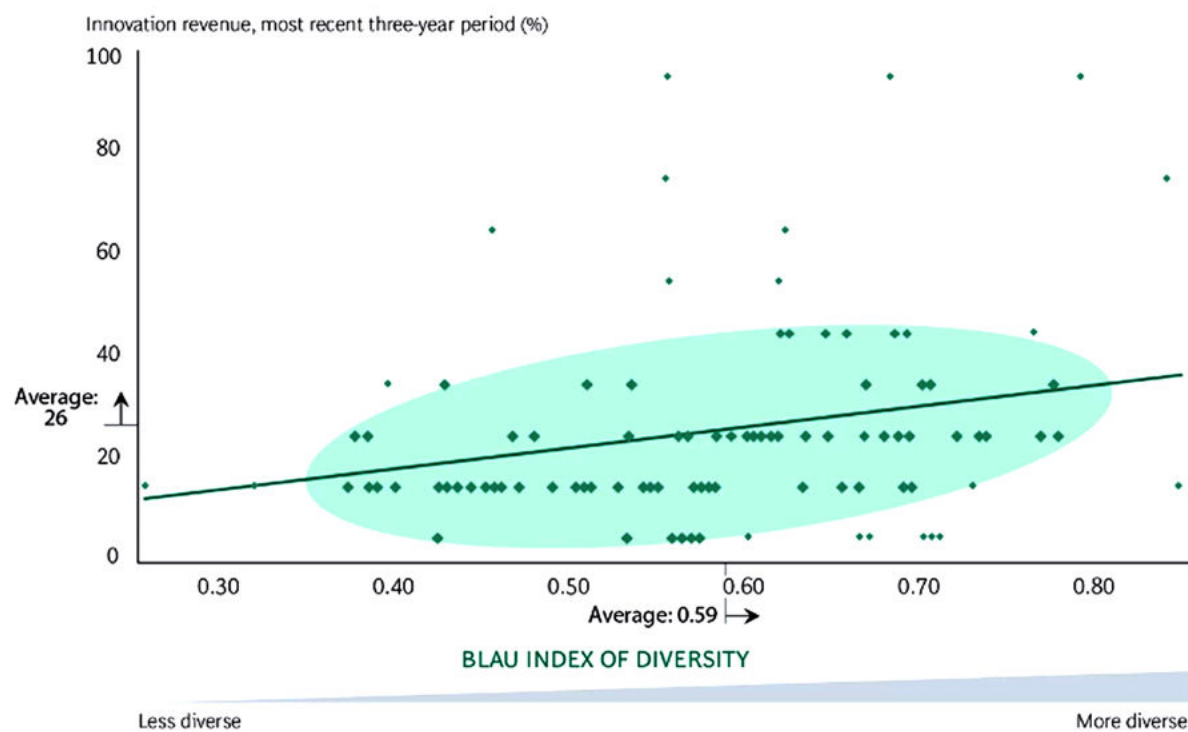
Business Case for DEI&B

The business case for DEI&B is rooted in its ability to drive tangible benefits for organizations, particularly in industries that rely on collaboration, problem-solving, and stakeholder engagement. One of the most significant advantages of a diverse and inclusive workforce is **enhanced creativity and innovation** (Exhibit 1 & 2). When individuals from different backgrounds, experiences, and perspectives collaborate, they

generate a wider range of ideas and solutions. This diversity of thought is especially critical in industries like Architecture, Engineering, and Construction, where innovation leads to more efficient designs, sustainable building solutions, and cutting-edge technological advancements. By fostering an inclusive environment where all voices are valued, companies can unlock the full creative potential of their teams.

Exhibit 1

The Relationship Between Diversity & Innovation is Positive and Statistically Significant



BCG and the Technical University of Munich **plotted 98 companies** according to two variables: their diversity (expressed as a Blau index number) and their innovation revenue.

The **diagonal line** shows the relationship between those two variables—that is, the average innovation revenue associated with each diversity number.

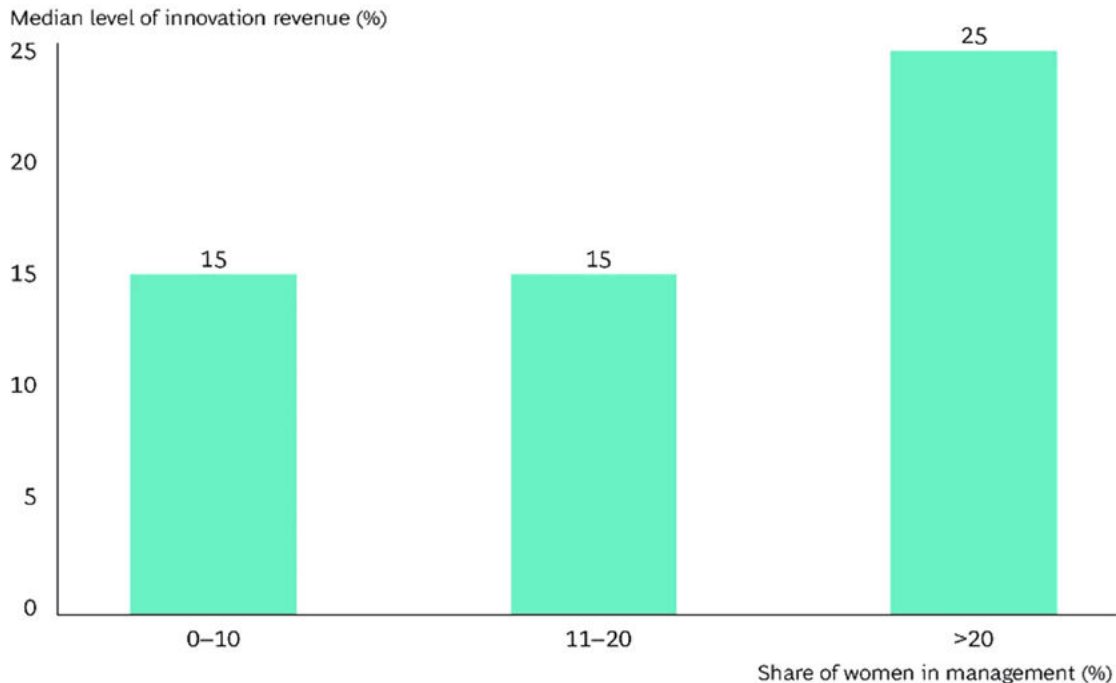
The **diamonds** represent the 98 companies' individual diversity number and innovation revenue, and show how innovation revenues deviate from the general trend.

Source: 2016 survey of German, Swiss, and Austrian companies by BCG and Technical University of Munich. Ninety-eight of the surveyed companies provided the necessary information for this analysis.

Note: The shown relationship is positive (Pearson's $r = 0.253$) and statistically significant ($p < 0.05$). Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period.

Exhibit 2

Innovation Jumps Once the Proportion of Female Managers Rises Above 20%



Source: 2016 BCG survey.

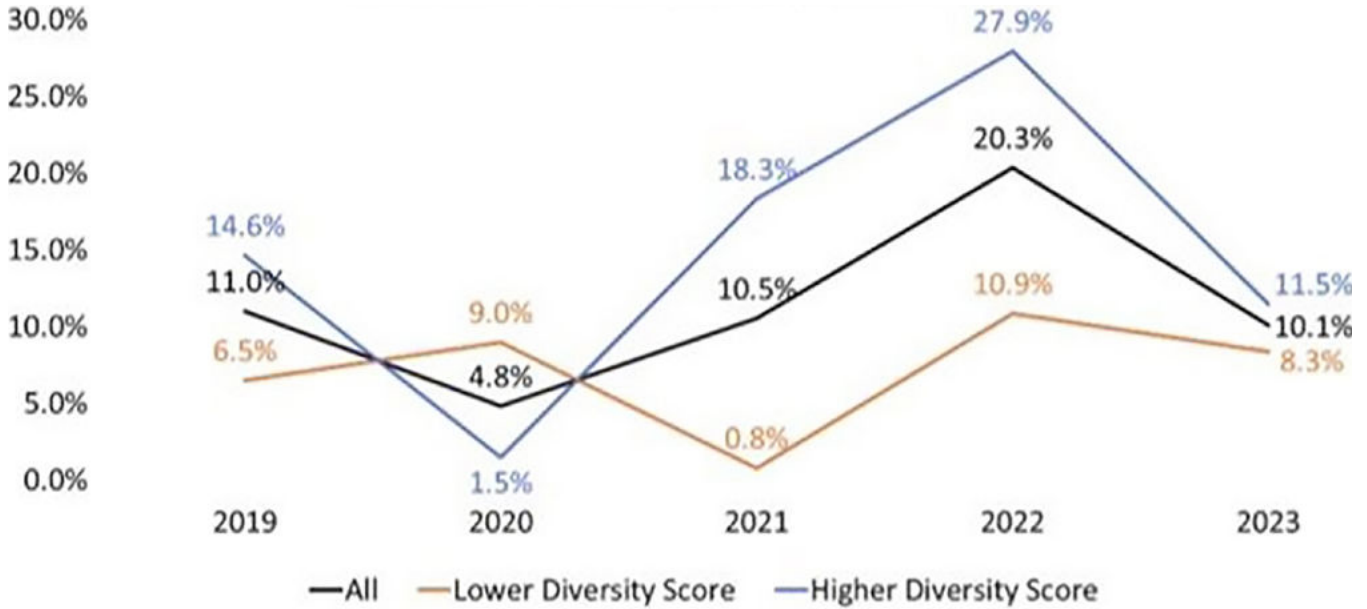
Note: Innovation revenue = the percentage of revenue from new products or services in the most recent three-year period. In this analysis, the sample size in the three categories varies from 28 to 34.

The Mix That Matters, 2017

Beyond fostering innovation, DEI&B has a **measurable impact on financial performance** (Exhibit 3). Studies show that companies with diverse leadership teams outperform their less diverse counterparts in profitability and revenue growth. This is because inclusive companies are better equipped to understand and serve diverse markets, leading to increased customer satisfaction and brand loyalty.

Additionally, DEI&B plays a crucial role in **talent attraction and retention**. In an increasingly competitive job market, top talent seeks employers who prioritize inclusivity and equity. Organizations that embrace DEI&B not only attract a broader pool of skilled professionals but also create workplaces where employees feel valued and engaged, reducing turnover and associated hiring costs.

Furthermore, diverse teams contribute to **better decision-making**, as they bring a variety of perspectives that challenge assumptions and mitigate groupthink. Finally, DEI&B strengthens client and community relationships, especially in industries that directly impact public spaces and infrastructure. Companies that prioritize inclusivity are better positioned to understand and meet the needs of diverse clients and communities, leading to measurable improvements in strong partnerships, increased trust, and long-term success.

Exhibit 3*Gross Service Revenue Change Over Prior Year*

The Impact of DEI&B Programs on Engineering Firms, ACEC 2024

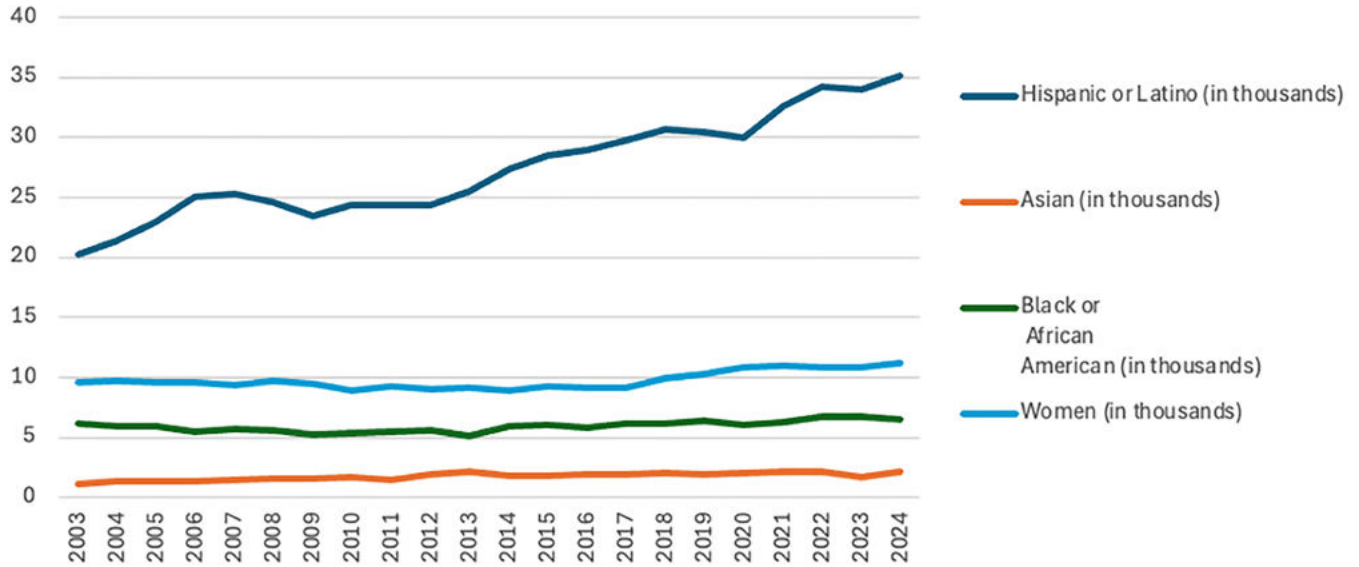
Challenges for DEI&B in the AEC Industry

Despite the clear business case for Diversity, Equity, and Inclusion in the Architecture, Engineering, and Construction industry, significant challenges hinder progress. One of the most persistent barriers is the historical lack of diversity within the AEC industry. For decades, AEC has been dominated by a relatively homogenous workforce, particularly in leadership and technical roles. This lack of representation has created a cycle where underrepresented groups, including women and minorities, struggle to see themselves in the industry, leading to lower recruitment and retention rates. Additionally, historical exclusionary practices and systemic barriers have limited access to opportunities, making it difficult for diverse talent to break into and advance within AEC professions. Although Hispanic and

Latino participation in the architecture, engineering, and construction industries has steadily increased over the last 20 years, the count of Asian workers, Women workers, and Black workers has remained roughly the same (Exhibit 4 & 5). These findings validate further research on demographic representation in the AEC industry explaining that, while women and minorities have seen increased hiring rates in the AEC sector, representation still lags behind the general population.

Exhibit 4

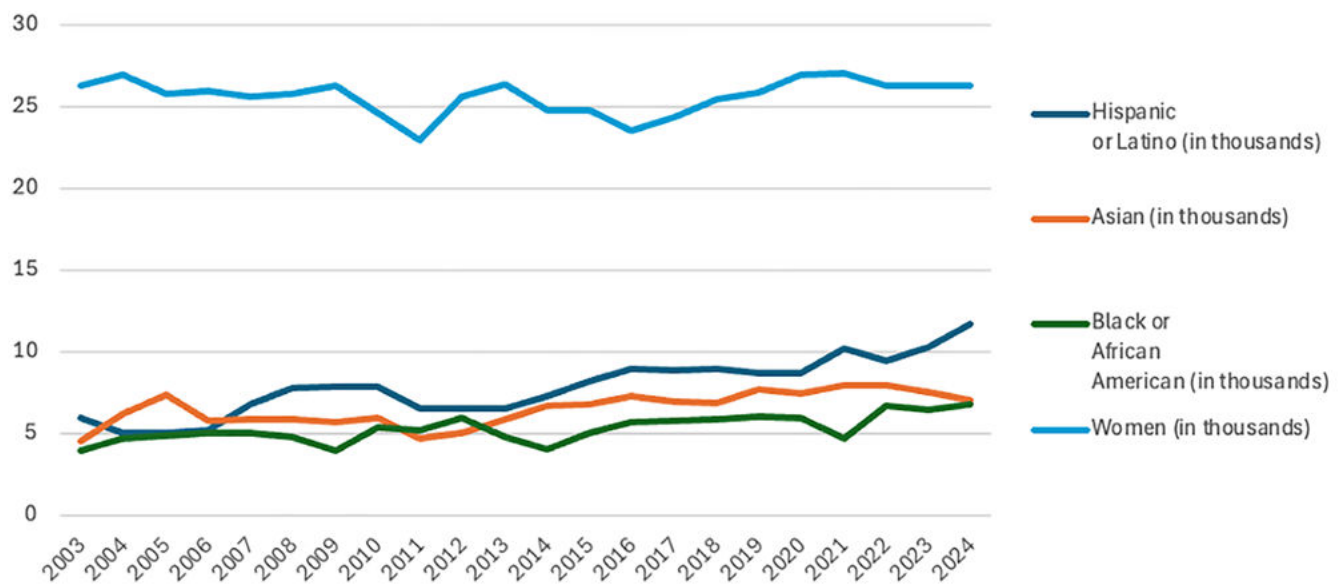
Construction Workforce Demographics (total in thousands) 2003-2024



Bureau of Labor Statistics (2003-2024)

Exhibit 5

Architectural, Engineering, and Related Services Workforce Demographics (total in thousands) 2003-2024



Bureau of Labor Statistics (2003-2024)

Beyond historical challenges, cultural barriers present another major hurdle. Many AEC firms operate within deeply ingrained workplace cultures that may inadvertently reinforce biases and be resistant to change. Unconscious bias in hiring, promotions, and team dynamics can limit opportunities for underrepresented professionals, while long-standing traditions in the industry may discourage open conversations about DEI. Additionally, the nature of construction sites and engineering firms, where team cohesion and hierarchy are often prioritized, can make it difficult for diverse voices to be heard and valued.

Lastly, implementation challenges further slow DEI&B efforts. Many AEC firms, particularly smaller ones, face limited resources to develop and sustain DEI&B initiatives. Without dedicated funding, training, or personnel, DEI&B programs can struggle to gain traction. Furthermore, a lack of leadership commitment remains a critical roadblock. Without buy-in from executives and senior leaders, DEI&B initiatives often lack the strategic prioritization needed for long-term success. Addressing these challenges requires intentional effort, industry-wide collaboration, and a shift in mindset to ensure that DEI&B becomes an integral part of the AEC industry's future.

Future Trends & Opportunities

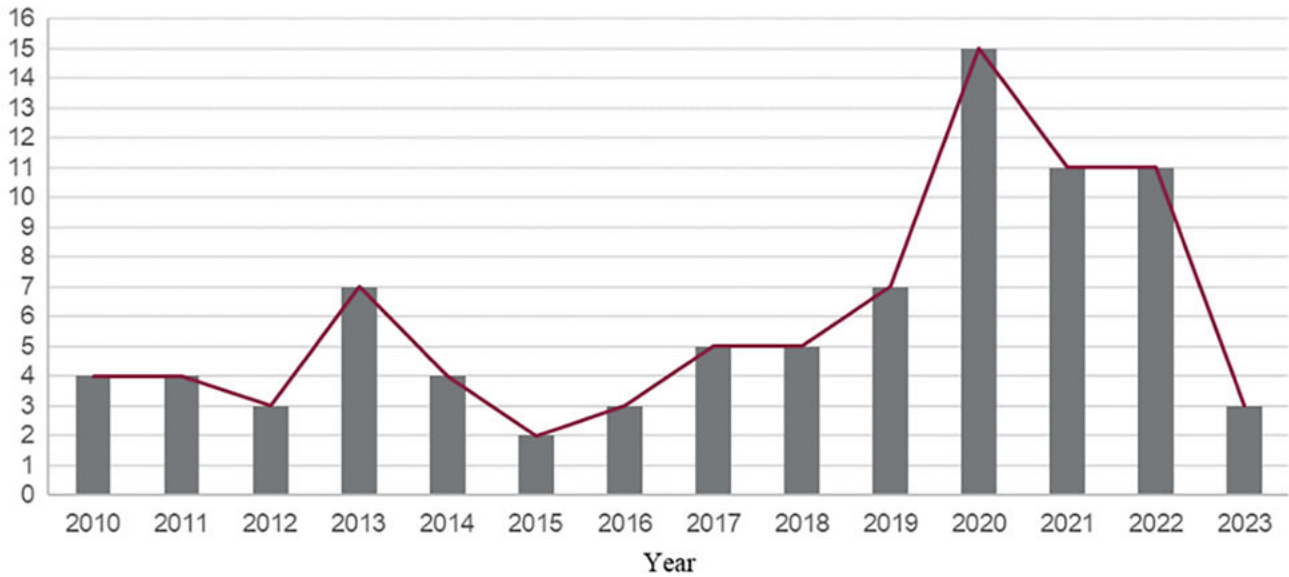
Looking ahead for DEI&B, the AEC industry is poised to evolve as organizations recognize the growing need for a more diverse and equitable workforce. One of the most significant opportunities lies in expanding research on the experiences of women and minorities in AEC (Exhibit 6 & 7). While some studies have highlighted the barriers these groups face, there is still a need for deeper insights into their career trajectories, workplace experiences, and contributions to innovation and project success. Future research can help industry leaders develop targeted strategies to improve recruitment,

retention, and advancement opportunities, ensuring that underrepresented groups have a stronger presence in leadership roles. Additionally, as organizations collect more data on DEI&B efforts, there is an opportunity to quantify the financial and operational benefits of a diverse workforce, further strengthening the business case for inclusive practices.



Exhibit 6

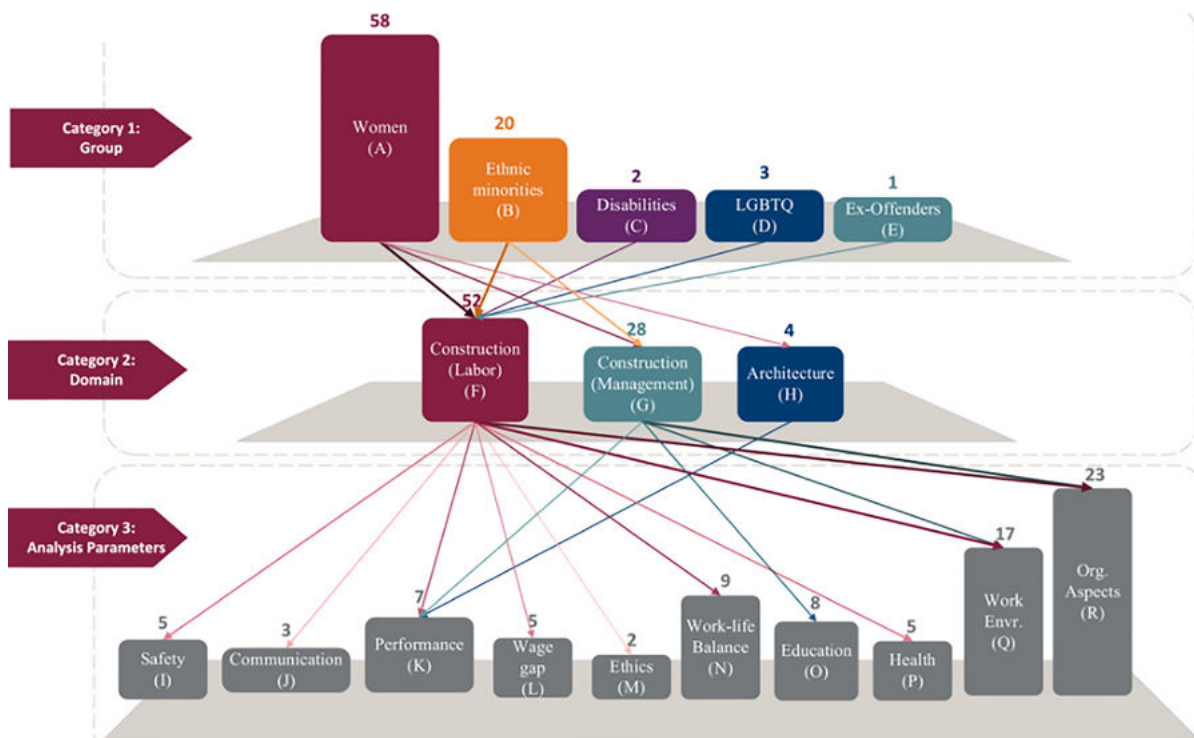
Annual # of Publications on DEI&B in AEC



A Systematic Literature Review on Diversity, Equity, and Inclusion in the AEC Industry

Exhibit 7

Overview of the Demographic Makeup of Literature in AEC



A Systematic Literature Review on Diversity, Equity, and Inclusion in the AEC Industry

As the AEC workforce diversifies, the literature on DEI&B is likely to shift toward a more nuanced understanding of intersectionality, inclusive leadership, and the long-term impact of diverse teams on project outcomes. Companies that proactively invest in DEI&B will not only enhance their competitive advantage but also contribute to broader industry trends, such as sustainability and smart cities, by ensuring that infrastructure and design projects reflect the needs of

diverse communities. Additionally, with increasing global collaboration, firms that embrace DEI&B will be better positioned to navigate cross-cultural partnerships and international projects. Moving forward, the conversation around DEI&B in AEC will likely shift from overcoming barriers to leveraging diversity as a key driver of innovation, resilience, and long-term success.

Findings & Summary

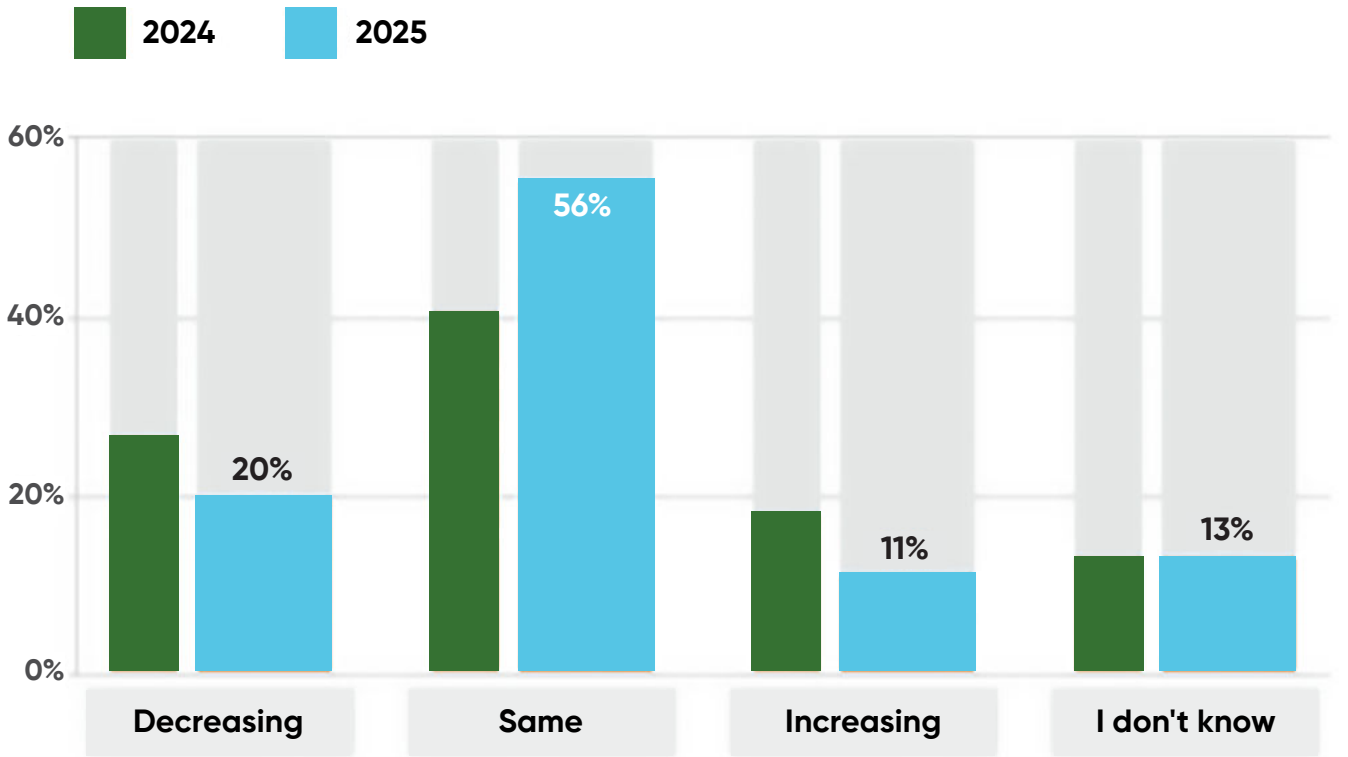
Incorporating DEI&B strategies in the AEC industry is not just a moral imperative, it's a strategic business decision with far-reaching benefits. As this white paper demonstrates, firms that embrace diversity, equity, inclusion, and belonging are better positioned to foster innovation, attract and retain top talent, and build stronger relationships with clients and communities. While challenges remain, particularly around entrenched cultural norms and historical underrepresentation, the future holds significant promise for firms willing to lead with intention.

Despite the current conversation and recent backlash for DEI&B initiatives, many organizations are maintaining their relationships with DEI, recognizing the importance of inclusive initiatives for organizational excellence (Exhibit 8). By treating DEI&B as an integral component of organizational strategy supported by thoughtful training, leadership commitment, and data-driven decision-making, AEC firms can build more resilient, forward-thinking organizations equipped to thrive in a rapidly evolving industry.



Exhibit 8

Are DEI budgets increasing or decreasing in your organization this year?



Pulsely 2025 State of DEI Report: The Great DEI Shake-Up



Closing: SMPS Findings and Further Examples

The evidence is clear: cultivating a diverse, equitable, and inclusive workplace is not just a social imperative; it is a business advantage that endures beyond political trends. As the data and case studies in this report show, AEC firms that prioritize the human experience of both employees and clients unlock greater creativity, stronger performance, and lasting success. DEI&B is not a passing initiative; it is a powerful strategy for building resilient and thriving organizations.

At SMPS, we believe that people are the heart of every successful business. We are committed to creating an environment where each individual feels seen, valued, and empowered to thrive within our organization, across the firms we represent, and throughout the AEC industries.

We focus on building stronger connections, supporting meaningful engagement, and fostering workplaces where everyone can grow and contribute fully. Through

intentional actions, we aim to expand access to opportunity, enhance the member experience, and strengthen the fabric of our industry; one person, one firm, one relationship at a time.

We understand that our collective strength comes from the richness of our varied experiences, perspectives, and backgrounds. SMPS is dedicated to offering programs and initiatives that celebrate those differences while supporting connection, learning, and shared success.

By prioritizing human experience in all that we do, we help transform how we do business and how people experience it.



Some recent examples include:

- **ACE Mentorship:** SMPS and the ACE Mentor Program of America (ACE) formed a partnership to enable workforce development within the architecture, engineering, and construction (A/E/C) industry. This collaboration strengthens both organizations' efforts to inspire and support the next generation of industry leaders. (READ MORE HERE: <https://www.smeps.org/2025/03/24/smeps-and-ace-mentor-program-partner-to-promote-workforce-development-in-the-a-e-c-industry/>)
- **ElevateHER:** SMPS acquired ElevateHER® from Zweig Group—a strategic move that underscores a shared commitment to ensuring a sustainable workforce and improving the human experience in the A/E/C industry. (READ MORE HERE: <https://www.smeps.org/2025/03/31/smeps-to-acquire-elevateher-from-zweig-group/>)
- **Scholarships and Certification:** Through the SMPS Foundation, we provide \$25,000 in scholarships to students from across the country attending historically black colleges and universities (HBCUs) to provide awareness and accessibility to the A/E/C industries. Scholarship recipients will receive mentorship, support, and access to SMPS

programming through a student membership included as part of the scholarship award package. (READ MORE about our Action Plan activities here: <https://www.smeps.org/human-experience-in-business/>)

- **Certification:** Many A/E/C professionals do not have a blueprint to successfully activate an internal DEI program within their firm. By developing the DEI Certificate program, SMPS equips members with the tools and roadmap to create a more inclusive and welcoming workplace. (Read more about the program here: <https://www.smeps.org/dei-certificate/>)

SMPS recognizes, respects, and values the dignity of all people. We are committed to fostering a workplace and industry that embraces the full spectrum of the human experience in business, ensuring that everyone feels a sense of belonging—within our organization, the firms we represent, the communities we serve, and the A/E/C industry. We will continue to embrace opportunities to redefine what it means to center on the human experience in the AEC business.



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