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All for One, and One for All

Coalitions for Citizen Success¹

“[I]f you don’t have a coalition with you, you will have a coalition against you.”

—Former Israeli Prime Minister Shimon Peres

Case in Point Equality Means Business By Nadine Smith*



SKIP O'ROURKE/Tampa Bay Times

From left: Mark Creek, Jane Keys, John Huls, and Linda Smith applaud the Hillsborough County Commission’s unanimous vote to repeal the county’s ban of gay pride recognition, a reversal that followed nearly eight years of advocacy by citizen groups such as Equality Florida.

¹We are very grateful to Ryan Smart, president of 1000 Friends of Florida (1000fof.org) and former manager of the Florida Conservation Coalition (floridaconservationcoalition.org) for his insightful feedback on this chapter.

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In January 2015, Indiana Governor Mike Pence was considered a strong contender for the Republican presidential nomination. Touting two balanced budgets, 100,000 new jobs, and an overall record that he called the envy of “49 other governors,” Pence had joined the field of prospects in Las Vegas to meet top GOP campaign financiers. But within three months, Governor Pence’s presidential hopes were dashed and his political future in jeopardy.

The reversal of political fortunes began on March 26, when Pence signed Senate Bill 101, the so-called Religious Freedom Restoration Act, over the sustained objections of civil rights advocates and business leaders across his state. At least 30 law professors had warned that the Indiana bill was part of an antigay backlash and would permit businesses to turn away lesbian, gay, bisexual, and transgender (LGBT) customers.

The Indiana Chamber of Commerce and other local employers spoke out against the new law, calling it bad for business. CEOs from nine major employers—Angie’s List, Salesforce Marketing Cloud, Anthem Inc., Eli Lilly and Company, Cummins, Emmis Communications, Roche Diagnostics, Indiana University Health, and Dow AgroSciences—called for an immediate repeal of the law and urged Republican leadership to ban discrimination based upon sexual orientation or gender identity.

Max Levchin, who co-founded PayPal and now serves as chairman of Yelp and CEO of Affirm, tweeted to his followers: “What is happening in Indiana is pretty unbelievable. However it’s dressed up, it’s a signal that discrimination is welcome in this state.”

Salesforce’s CEO Marc Benioff announced his company would reduce any investment in Indiana and tweeted “Today we are canceling all programs that require our customers/employees to travel to Indiana to face discrimination.”

Tourism officials were panicked. At least 10 national conventions threatened to pull out of Indiana. Entertainers canceled tour dates, and nearly a dozen state governors and big-city mayors banned taxpayer-funded travel to events in Indiana by government employees. NASCAR publicly criticized the move, and the NCAA began discussing moving its headquarters away from Indianapolis.

Governor Pence and legislators scrambled to reverse the bill, but the damage lingers. The call for a clear nondiscrimination law has intensified, and polls show Pence in a political toss-up for reelection. A survey taken in November 2015 showed that the governor’s approval rating had dropped to 47 percent—a 15 percent decline from its 62 percent level in 2014.² As of March 2016, the *Washington Post*’s political blog — *The Fix*— noted that Pence, “once a safe bet for reelection, is now considered vulnerable after his approval ratings plummeted in the religious freedom debate.”³

²Tony Cook, “Poll: Pence Approval Still Sags,” *IndyStar*, November 5, 2015, www.indystar.com/story/news/politics/2015/11/04/poll-pence-approval-still-sags/75178220/

³Amber Phillips, “How North Carolina’s Controversial ‘Bathroom Bill’ Could Backfire on Republicans,” *Washington Post*, March 24, 2016, www.washingtonpost.com/news/the-fix/wp/2016/03/24/like-indiana-north-carolinas-controversial-lgbt-law-could-be-a-blessing-in-disguise-for-democrats/

The Fix ranked Pence as one of the five incumbent governors most likely to lose their reelection bids in November 2016.⁴

Although the Indiana controversy grabbed headlines around the world, it was not the first time that major companies had weighed in on the topic of LGBT rights. In February 2014, then-Arizona Governor Jan Brewer waited until the 11th hour to veto a similar bill that had drawn strong opposition from major corporations and sports organizations, including Apple, American Airlines, AT&T, Intel, Delta Air Lines, the Super Bowl host committee, and Major League Baseball.

Beyond speaking out against anti-LGBT legislation, companies have coalesced to support LGBT-inclusive laws. Hundreds of top-brand businesses signed onto a friend-of-the-court brief as the U.S. Supreme Court considered the cases that made marriage equality for same-sex couples the law of the land.

So why would major corporations, which aim to maximize profits and often eschew controversy, wade right into the middle of the contentious battle for LGBT rights? Though individual leaders may be moved by the message of equal rights and social justice, they have also come to the clear understanding that economic viability is affected by diversity. As a result, LGBT advocates around the nation are actively making common cause with business leaders to form pro-equality coalitions that transcend any other partisan or ideological differences.

LGBT rights are a proxy through which top talent evaluates which companies, municipalities, and states are modernizing for a vibrant future. Millennials, who already make up the largest generational cohort in the workforce, will be 75 percent of all employees by 2030, according to the Bureau of Labor Statistics.⁵ For this generation diversity and inclusion are nonnegotiable, according to a Deloitte study on the impact of millennials on the workplace. “Millennials value inclusion as a critical tool that enables business competitiveness and growth, and as millennials flood leadership ranks, their perspectives will demand a shift in traditional diversity and inclusion models,” the authors state. “Millennials are refusing to check their identities at the doors of organizations today, and they strongly believe these characteristics bring value to the business outcomes and impact.”⁶

Today, companies are using their diversity ratings across a spectrum of issues as a competitive edge. They know that the action or inaction of cities, counties, and state government on these matters directly affects their ability to draw and retain top talent.

⁴Amber Phillips, “Republicans Have a Shot at a Record Number of Governors’ Seats in 2016,” *Washington Post*, March 11, 2016, www.washingtonpost.com/news/the-fix/wp/2016/03/11/republicans-have-a-shot-at-a-record-number-of-governors-seats-in-2016/?tid=a_inl

⁵Alastair Mitchell, “The Rise of the Millennial Workforce,” *Wired*, August 2013, www.wired.com/insights/2013/08/the-rise-of-the-millennial-workforce/

⁶Christie Smith and Stephanie Turner, *The Radical Transformation of Diversity and Inclusion: The Millennial Influence* (New York: Deloitte University Leadership Center for Inclusion, 2015), 15; See for the first quotation the introduction to this publication, at www2.deloitte.com/us/en/pages/about-deloitte/articles/radical-transformation-of-diversity-and-inclusion.html

And business has been playing a role at the local and state level for years on LGBT issues, including in Florida where 56 percent of the state's 20 million residents are protected from discrimination based on sexual orientation and gender identity.⁷

The case of Hillsborough County—best known for its county seat, Tampa—represents an excellent example of the impact of business leadership on equality issues even in the face of legislative hostility. The path to victory included rallying public support while businesses articulated a strong economic case. This combined approach provided entrenched opponents a face-saving path to support LGBT equal rights and basic protections.

HILLSBOROUGH'S NOTORIOUS GAY PRIDE BAN

In May 1995, Hillsborough County Commissioners voted 4–3 to repeal a county non-discrimination ordinance that banned discrimination based on sexual orientation. The measure had passed four years earlier, prompting LGBT rights opponents to launch an effort to rescind the protections. They managed to undo the county's law by a one-vote margin.

Ten years later, in 2005, the county commission had shifted more dramatically to the right. In a 5–1 vote, the commission banned the county from “recognizing gay pride.” An overzealous manager in the county library system ordered a gay author's display removed, but the ban appeared to have no actual legal impact. County attorneys could not identify one activity that was permitted before the ban passed that was no longer permitted afterward. Still the measure did achieve its primary goal: to single out and denigrate gay residents in the county. The backlash began immediately.

Convention planners announced Hillsborough County was being taken off the list for future consideration. The Florida Library Association passed a resolution refusing to hold conferences in Hillsborough until the antigay law was rescinded. At least one convention, organized by the Mississippi-based Sardis Mini Systems, cancelled plans to bring 2,000 people and an estimated \$1 million to the county.⁸

In response, Key West hosted a “Pride in Exile” event, letting Hillsborough know that LGBT people and their economic clout were welcomed further south.

For nearly two decades, Hillsborough held the reputation as a hostile place for LGBT people. The City of Tampa tried to distance itself from the economic fallout, but Tampa Pride, one of the largest events in the city, faded away. St. Petersburg capitalized, launching what became one of the largest gay pride events in the country.

The Hillsborough pride ban vote provoked sustained protests, and it also inspired a former police officer to make an historic run for office. In 2008, Kevin Beckner became the first out gay person on the Hillsborough County Commission.

His first few years of service saw little progress, but Beckner's presence reignited the community's engagement, especially as LGBT equality initiatives met with continued opposition from county officials. In 2009, the Republican majority struck

⁷Florida Business for a Competitive Workforce, “Fast Facts,” flcompetitiveworkforce.com/fast-facts-update/

⁸Fidel Ortega, “Tampa's Pride Ban Hits City in Pocketbook,” *LNEWS*, August 9, 2005, news.blogspot.ca/2005/08/tampas-pride-ban-hits-city-in.html

down Beckner's proposal of domestic partnership benefits for county employees. The next year, they blocked an effort to pass a Hillsborough County employee non-discrimination policy. And during Beckner's first five years, the majority of commissioners refused to sign a proclamation to recognize the GaYBOR District Coalition, the alliance of LGBT-owned or -supportive businesses in Tampa's Historic Ybor City neighborhood, or to welcome the weeklong celebration "GaYBOR Days."

By 2013, the tide began to turn. Beckner was reelected handily, and he convinced the board to adopt an economic development strategy endorsing the principle that inclusion and diversity would help the county attract jobs. Major metropolitan areas around the state, like Orlando and Miami, had adopted strong LGBT-inclusive nondiscrimination laws, and Hillsborough's refusal to do so was a continuing thorn in the Tampa Bay region's reputation.

When the GaYBOR Days proposal came forward this time, it reflected the goals of the adopted job creation strategy. Commissioner Ken Hagan became the fourth to sign the GaYBOR Days proclamation in support of gay tourism and business, and the rest of the commission quickly followed suit. For the first time since 1991, a majority of county commissioners took a pro-LGBT stance. The economic argument was providing long-time opponents a place to stand; one foot planted in the past comforting their political base, the other navigating the rapidly growing public and corporate support for LGBT equality.

This first win created momentum in Hillsborough County. Commissioners next turned to the pride ban, which they repealed unanimously despite the fact that the majority of board members had previously voted to pass it or uphold it. The winds had shifted, and it was time for equality advocates to pursue protections that had been stripped away or denied.

Commissioners at first refused to take up the issue of a domestic partnership registry. But community leaders were already moving swiftly to garner support for a countywide nondiscrimination ordinance that included sexual orientation and gender identity.

Working with Equality Florida and key supporters, Commissioner Kevin Beckner began to reach out to the local business community. Some key leaders were already part of Equality Means Business, a program Equality Florida had launched in 2008 to improve Florida's national and international reputation as a welcoming and inclusive place to live and play. The advisory council roster for the program boasts 50 major corporations including Disney, Florida Blue, Wells Fargo, CSX, Morgan Stanley and a host of top law firms including Carlton Fields Jordan Burt, a firm that became a leading advocate in Hillsborough County. Large and small employers began adding their names to a letter calling for an LGBT-inclusive nondiscrimination law:

We are area business people who believe that updating our County's Human Rights Ordinance to include sexual orientation and gender identity is critically important to our future. There are specific reasons this effort has attracted our support.

First, it would be very good for our businesses. Studies have shown that businesses of all sizes simply cannot discriminate and at the same time maximize profits and outperform the competition. We know that discrimination is hurtful, divisive, and artificially excludes highly talented employees from our businesses, and this ordinance will help eliminate it.

Second, enacting this ordinance is critical to our County's overall economic development. In order to grow, prosper, and provide the kinds of jobs and economic opportunities our citizens rightly expect, Hillsborough County must attract the best and the brightest. Currently 91% of Fortune 500 companies have sexual orientation protections and 61% have now added gender identity. Those are values shared by us and many local companies in addition to ours—Raymond James, Tech Data, Wells Fargo, Home Shopping Network, CSX, Florida Blue, C1 Bank, to name a few. Taking this important step will not only help all persons who want to live and work in Hillsborough County feel welcome regardless of their sexual orientation or gender identity, but it will attract employers and workers who choose to live and work in communities that are diverse and inclusive. These companies and individuals turn away from areas that fail to provide protections for diverse populations; 25 other Florida cities and counties know this and have already passed similar ordinances.

Third, Floridians believe this is the right thing to do. A recent survey by the Bob Graham Center for Public Service shows that 73% of respondents in Florida support this type of ordinance, and a recent national poll shows that 70% of American small businesses already prohibit discrimination on the basis of sexual orientation.

As local business people, we need your help and support. We'd like very much to discuss this matter further at your convenience.

The passage of this important Equal Rights Ordinance will help us grow and prosper along with hundreds of other businesses throughout the County.

The time has come—and it's the right thing to do.⁹

On Oct 2, 2014, the Equal Rights Ordinance passed unanimously.

That letter from business leaders wasn't the only correspondence commissioners received that week. Three major hospitals in Hillsborough wrote letters calling for the passage of a domestic partnership registry as a tool to help them serve the community better. Domestic partnership registries give unmarried people who live together the right to have health care visitation and make decisions on matters like medical care and funeral arrangements. The measure that had been killed twice before sailed through fewer than two weeks after the Equal Rights Ordinance was passed. Hillsborough had gone from one of the worst counties on equality to a leader on LGBT-inclusive protections. The voice of the business community had been crucial.

And the connection to economic impact was more than a talking point. Business executives agree that LGBT discrimination has a substantial impact on the workplace. Research shows that, conservatively, Florida businesses are losing more than \$362 million annually in productivity and turnover costs alone.¹⁰

⁹BOCC Meeting Agenda Supplement, Hillsborough County Florida, October 1, 2014, Agenda Item No. D-1, "As Local Businesses, We Seek Your Support for an Equal Rights Ordinance," agenda.hillsboroughcounty.org/cache/00003/533/D-1.PDF

¹⁰Thinkspot Inc., *The Link between Economic Competitiveness & Workplace Equal Opportunity in Florida* (St. Petersburg, FL: Equality Means Business Advisory Board, 2015), eqfl.org/emb/economic_impact_study

A December 2015 column in the *Times* of London—“Corporate America Has No Choice But to Join the March to Equality”—succinctly explained why corporations understand that equality means business:

As Bob Witeck, an LGBT business strategist in Washington, says, many big American companies feel they have no choice but to embrace inclusive advertising: “A lot of the companies that are doing this are legacy brands. They have been around for more than a century. They have a constant challenge to remain relevant. That means being expansive and inclusive.”

So if American companies are taking this route, it is not only to reach gay audiences, and their collective buying power estimated at \$884 billion, but to connect with younger generations who expect inclusion as a reflection of their outlook. More than 45 per cent of consumers under 34 years old say that they are more likely to do repeat business with an LGBT-friendly company, according to a Google consumer survey. Of these, more than 54 per cent say that they would choose an equality-focused brand over a competitor. Overall levels of support in America for same-sex marriage are running at 58 per cent, rising to 76 per cent among 18 to 29-year-olds and 62 per cent for those aged 30 to 49.

Corporate America is only too aware of these numbers.¹¹

POSTSCRIPT: THE ALLIANCE CONTINUES

Business leaders soon validated in North Carolina the premise of that December 2015 *Times* column.

In February 2016, the Charlotte City Council voted 7–4 to extend antidiscrimination measures to LGBT residents—reversing a failed vote from the previous year.¹² But Charlotte’s new law did not last long. In late March 2016, the North Carolina Legislature convened a surprise session to pass legislation banning local governments from enacting their own antidiscrimination policies—and prohibiting transgender citizens from using bathrooms that do not match the gender of their birth.¹³ North Carolina Governor Pat McCrory signed the bill on the same day it was passed.

The new state law created a strong reaction from the North Carolina and national business communities. Companies with major North Carolina operations, such as American Airlines and Bank of America, condemned the legislation.¹⁴ Organizers of

¹¹ Alexandra, Frea, “Corporate America Has No Option but to Join the March to Equality,” *Times*, December 22, 2015, www.thetimes.co.uk/tto/business/columnists/alexandrafrea/article4646768.ece?shareToken=a8b3640aa8ad19bc48ae45ed55644749

¹² Steve Harrison, “Charlotte City Council Approves LGBT Protections in 7–4 Vote,” *Charlotte Observer*, February 22, 2016, www.charlotteobserver.com/news/politics-government/article61786967.html

¹³ “Dave Philipps, “North Carolina Bans Local Anti-Discrimination Policies,” *New York Times*, March 23, 2016, www.nytimes.com/2016/03/24/us/north-carolina-to-limit-bathroom-use-by-birth-gender.html

¹⁴ Emery P. Dalesio, “N.C. Law Angers Businesses,” *U.S. News & World Report*, April 1, 2016, www.usnews.com/news/us/articles/2016-04-01/companies-reconsidering-north-carolina-over-lgbt-rights

the High Point Market—a biannual furniture expo with an estimated \$5 billion annual economic impact to the state—expressed concern over the effect of the new law on their trade shows.¹⁵ More than 130 major business executives from around the nation asked the governor and legislature to repeal the law.¹⁶ The National Basketball Association (NBA) hinted that it might relocate its 2017 All-Star game away from Charlotte without a change in the law.¹⁷

While many businesses expressed concern about the legislative and gubernatorial actions, at least one started the shift to real economic consequences. In April 2016, PayPal reversed plans it had announced just two weeks earlier to place a global operations center in Charlotte—thus depriving North Carolina of 400 well-paying jobs and nearly \$4 million in capital investment.¹⁸ As PayPal President/CEO Dan Schulman said in his announcement, “This decision reflects PayPal’s deepest values and our strong belief that every person has the right to be treated equally, and with dignity and respect. These principles of fairness, inclusion and equality are at the heart of everything we seek to achieve and stand for as a company. . . . As a company that is committed to the principle that everyone deserves to live without fear of discrimination simply for being who they are, becoming an employer in North Carolina, where members of our teams will not have equal rights under the law, is simply untenable.”¹⁹

BUILDING YOUR OWN COALITION: A STEP-BY-STEP GUIDE TO FORGING AN EFFECTIVE ALLIANCE

Whether you are a utility ratepayer concerned about new federal air quality regulations, a developer frustrated with the local zoning process, a farmer who wants the state to invest more in research to prevent agriculture disease, or a small businessperson worried about the impacts of a nearby proposed mega shopping center, you are much more likely to succeed if you have the active support of a broad base of citizens and interests. The following guidelines will help you create and sustain the coalition that you will need to turn your goal into reality.

¹⁵Jackie Wattles, “North Carolina’s \$5 Billion Trade Show Says LGBT Bathroom Law Is Bad for Business,” *CNN Money*, March 28, 2016, money.cnn.com/2016/03/28/news/economy/north-carolina-bathroom-bill-high-point/

¹⁶Letter addressed to Governor McCrory, from Human Rights Campaign and Equality North Carolina, [rc-assets.s3-website-us-east-1.amazonaws.com//files/assets/resources/NC_CEO_Letter_\(3\).pdf](http://rc-assets.s3-website-us-east-1.amazonaws.com//files/assets/resources/NC_CEO_Letter_(3).pdf)

¹⁷Si Wire, “NBA: North Carolina anti-LGBT Law Could Impact Charlotte All-Star Game,” *Sports Illustrated*, March 24, 2016, www.si.com/nba/2016/03/24/north-carolina-anti-lgbt-law-all-star-game-charlotte

¹⁸Michael Hiltzik, “As PayPal Cancels Expansion, the Consequences of N.C.’s anti-LGBT Law Get Real,” *Los Angeles Times*, April 5, 2016, www.latimes.com/business/hiltzik/la-fi-hiltzik-paypal-nc-20160405-snap-htmlstory.html

¹⁹Dan Schulman, “PayPal Withdraws Plan for Charlotte Expansion,” PayPal news release, www.paypal.com/stories/us/paypal-withdraws-plan-for-charlotte-expansion