

GUIDE

What a Second Presidential Term for Donald Trump Means for DEI

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Introduction

Dear colleagues,

As we navigate this next chapter, it's essential to reaffirm our commitment to the vital work of diversity, equity, and inclusion. In a recent national study, Seramount found that **over three-quarters of U.S. employees remain deeply committed to supporting their employers in fighting racism and injustice**. Moreover, nearly 80 percent emphasize the importance of working in an inclusive organization. The importance of this mission resonates strongly with our workforce, and we must stay the course.

This guide explores the implications of the recent election for DEI work present and future. By examining key policy stances, we aim to equip DEI leaders with a clear understanding of what these changes mean for building inclusive workplaces.

We conclude with a reflection on "Thinking Bigger About DEI," a new Seramount initiative focused on meeting current challenges by capitalizing on new DEI opportunities, from rapidly diversifying workplace and consumer demographics to new global approaches to DEI. The ever-evolving future of work requires expanding DEI impact across the entire organizational ecosystem.

At this vision implies, the Seramount team is dedicated to providing the data and resources you need to foster collaboration and understanding. We'll continue to help you bridge divides, ensuring leaders can unite their teams regardless of political affiliations. Now, more than ever, focusing on resilience, unity, and allyship will be essential. We are enriched by our differences, but we are also more similar than we might realize. Let's work together to deepen our understanding of each other and continue to find common ground. By doing so, we can create environments where every individual feels valued and included.

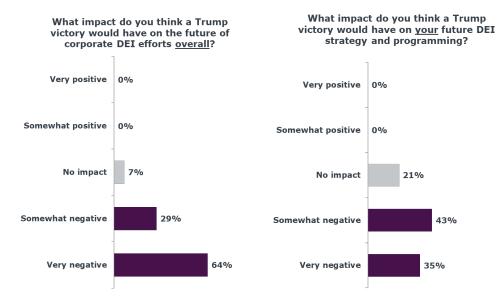
Subha Barry

President, Seramount

How DEI Leaders Feel About a Second Trump Term

On October 16, 2024, Seramount held an <u>Employee Voice Session (EVS)</u> with Chief Diversity Officers (CDOs) and other DEI leaders to share their plans and concerns around the upcoming US presidential election in an anonymous and psychologically safe environment. This session included questions about the impact leaders believed a Donald Trump presidency would have on the future of both corporate DEI efforts overall and their own work.

DEI leaders generally anticipated a second Trump term would have a negative impact on both DEI work overall and their work at their own companies. In total, 93 percent believed a Trump presidency would have a negative impact on the future of corporate DEI efforts overall, and 78 percent believed a Trump presidency would have a negative impact on their own future DEI strategy and programming.



In comments, DEI leaders were particularly fearful of policies that could potentially block and even criminalize DEI efforts. Within their own companies, they anticipated having to be more strategic and quiet regarding how they framed their ongoing DEI work.

All comments below are quoted verbatim.

"Blanket policies that limit the impact or **criminalizes DEI initiatives**. Amplified attacks on the work."

"Project 2025, our democracy overall, our safety as a country."

"Elimination of Department of Education and of DEI efforts and civil rights as a result of Project 2025 and Agenda47."

"We'll need to strategize around in our internal programming and client work."

"Continued attack against DEI initiatives."

"We have to be careful not to let the anti-DEI rhetoric distract us from the great DEI initiatives that we have in place."

"The state of DEI in the workplace and **how we move forward with the DEI** strategy."

"**Grateful our company repeatedly re-affirms commitment** (in words and actions) to DEI regardless of cultural forces/factors."

"We will have to **think about the initiatives we move forward with**. We will have to think about employee sentiment."

President-Elect Trump's Plans for DEI

"Every institution in America is under attack from this Marxist concept of 'equity."

President-Elect Donald Trump, 2023

Attacks on Equity

In his first term as president and throughout his campaign, President-elect Donald Trump has spoken out against <u>"wokeism."</u> At the core of these attacks is his intent to take aim at the core tenets of diversity, equity, and inclusion. These include working to understand one another across lines of difference and creating a sense of belonging for members of Historically Excluded Talent groups (HET).

Late in his first term as president, Trump created the 1776 Commission and <u>The 1776</u> <u>Report</u>. The Commission was formed in part to counter <u>The New York Times's 1619</u> <u>Project</u>, which framed American history through the lens of the African-American experience in US history. In his <u>Executive Order</u> establishing the Commission, Trump wrote of The 1619 Project and other works of critical race theory: "This radicalized view of American history lacks perspective, obscures virtues, twists motives, ignores or distorts facts, and magnifies flaws, resulting in the truth being concealed and history disfigured. Failing to identify, challenge, and correct this distorted perspective could fray and ultimately erase the bonds that knit our country and culture together."

One of President-elect Trump's <u>earliest promises</u> in his 2024 campaign was to overturn President Biden's <u>Executive Order On Advancing Racial Equity and Support</u> for <u>Underserved Communities Through the Federal Government</u>. Introduced in Biden's first month as president, <u>the order</u> "emphasized the enormous human costs of systemic racism, persistent poverty, and other disparities." Trump has <u>described it as</u> a "Marxist executive order that seeks to impose racist and woke sexual ideology across the federal government ... Instead of making decisions based on merit or qualifications, these policies from Biden are enforced based on skin color and sexual identity." According to his campaign website, Trump "<u>has pledged</u> to eradicate any attempt to weaken America's institutions through these harmful and discriminatory 'equity' programs." He <u>will also</u> "urge Congress to create a restitution fund for Americans who have been unjustly discriminated against by these 'equity' policies."

Challenges to DEI Trainings

In September 2020, during his first term, President Trump issued the <u>Executive Order</u> on <u>Combating Race and Sex Stereotyping</u>. The order sought "to promote economy and efficiency in Federal contracting, to promote unity in the Federal workforce, and to combat offensive and anti-American race and sex stereotyping and scapegoating" by limiting the content of federal diversity trainings. Along with the executive order, Trump issued a directive to federal agencies <u>ending diversity trainings</u> that included references to critical race theory or White privilege. In the <u>directive</u>, his team wrote, "Executive Branch agencies have spent millions of taxpayer dollars to date 'training' government workers to believe divisive, anti-American propaganda These types of 'trainings' not only run counter to the fundamental beliefs for which our Nation has stood since its inception, but they also engender division and resentment within the Federal workforce." Although the executive order focused exclusively on federal agencies and federal contractors, it attracted <u>immediate concern</u> from organizations across sectors. The order was quickly <u>revoked by President Biden</u>, but Trump has promised to reinstate it "on day one."

Trump's <u>campaign website</u> conveys his intent to cut federal funding for any school or program "pushing Critical Race Theory or gender ideology on our children." He also <u>pledged to eliminate</u> school administrative positions responsible for overseeing DEI programming.

An End to "Disparate Impact" Claims

In his first term, President Trump's administration <u>sought to eliminate</u> the doctrine of "disparate impact," which is a core principle of Title VI of the 1964 Civil Rights Act. Under <u>disparate impact</u>, the Justice Department currently holds that policies and practices can be deemed discriminatory if they are not intended to discriminate but have a disparate impact on members of a protected group. Private organizations have faced disparate impact claims related to <u>a wide array</u> of employment issues, from hiring policies to dress codes. Federal laws currently prohibit job discrimination based on race, color, sex, sexual orientation, gender identity or expression, national origin, religion, age, military status, equal pay, pregnancy, disability, or genetic information.

Disparate impact is also known as <u>"unintentional discrimination."</u> Under <u>the Trump</u> <u>administration's proposal</u> in January 2021, only intentional discrimination would be prohibited under the law. The administration also sought to undermine the use of disparate impact within the <u>U.S. Department of Housing & Urban Development</u> (<u>HUD</u>); that policy change was blocked by the Biden administration.

Trump's first administration also undermined the use of disparate impact claims in public education. Specifically, in 2018, President Trump <u>revoked guidelines</u> issued by President Barack Obama that sought to address race and disability-based discrimination in school disciplinary policies.

The American Civil Liberties Union (ACLU) argues that President-elect Trump is likely to go even further to undermine the disparate impact doctrine in a second term, writing, "A second Trump administration threatens to altogether stop enforcement of civil rights on behalf of individuals from historically marginalized groups."

Legal Attacks on DEI Efforts

One area that is particularly ripe for President-elect Trump's activism is that of claims related to "reverse racism" against White and men employees. Trump has repeatedly expressed concerns about reverse racism. In <u>an interview with *Time* magazine</u>, he stated, "I think there is a definite anti-white feeling in this country and that can't be allowed either." However, he was vague in his response to a follow-up question of how he planned to address this as president, saying: "I don't think it would be a very tough thing to address, frankly. But I think the laws are very unfair right now. And education is being very unfair, and it's being stifled. But I don't think it's going to be a big problem at all. But if you look right now, there's absolutely a bias against White and that's a problem."

His running mate, Senator and Vice president-elect J.D. Vance, has an even stronger record of criticizing DEI. In 2023, he wrote to the incoming president of his alma mater, Ohio State University, to express concerns about the school's DEI initiatives. He wrote: "I am concerned by recent news reports that considerations related to 'diversity, equity, and inclusion' have been infused into the university's hiring practices and curricula It seems that the rot of 'DEI'-a modern gloss on racism, antisemitism, and other ancient prejudices—is pervasive at Ohio State." Then, in June 2024, he and Rep. Michael Cloud introduced the Dismantle DEI Act in Congress. The Act would eliminate all federal DEI programs and funding for federal agencies, as well as educational accreditation agencies and contractors and organizations that received federal funding. Senator Vance said: "The DEI agenda is a destructive ideology that breeds hatred and racial division. It has no place in our federal government or anywhere else in our society. I'm proud to introduce this legislation, which would root out DEI from our federal bureaucracy by eliminating such programs and stripping funding for DEI policies anywhere it exists. Americans' tax dollars should not be coopted to spread this radical and divisive ideology-this bill would ensure they are not." The Act has not yet passed either chamber of Congress.

In his previous term, Trump used the courts to address some of his concerns about perceived anti-White bias. His appointments of Neil Gorsuch, Brett Kavanaugh, and Amy Coney Barrett to the Supreme Court during his first term contributed to the 2023 ruling in *Students for Fair Admissions v. Harvard* and *Students for Fair Admissions v. Harvard* and *Students for Fair Admissions v. University of North Carolina*, which made affirmative action illegal in higher education admissions. Given his strong record of appointing conservative justices, he likely will continue to appoint more anti-DEI judges if elected and further solidify the rightward bent of the Court.

President-elect Trump also has another, more immediate means of power at his disposal for undermining DEI: the administrative state. Trump is likely to reshape the intent of the EEOC and Title VII of the Civil Rights Act in order to use them to challenge race- or sex-based initiatives aimed at promoting diversity and inclusion on the grounds of reverse racism. In addition to dismantling critical race theory in schools, <u>his campaign website</u> pledges to "open Civil Rights investigations into any school district that has engaged in race-based discrimination."

During his first term, President Trump enabled the federal bureaucracy to <u>undermine</u> <u>DEI efforts</u> at corporations and schools. For example, in 2020, his Department of Labor argued that <u>Microsoft's commitment</u> to double their numbers of Black/African American people managers, senior individual contributors and senior leaders in their US workforce by 2025 constituted "unlawful discrimination on the basis of race," which violated Title VII of the Civil Rights Act. Trump's administration also sued <u>Princeton University</u> and <u>Yale University</u> for discrimination related to their affirmative action policies years before the Supreme Court's June 2023 joint ruling in *Students for Fair Admissions v. Harvard* and *Students for Fair Admissions v. University of North Carolina*, which banned affirmative action in higher education. (These efforts were quietly dropped when President Biden took office.)

Trump's efforts to <u>use federal power to undermine DEI work</u> will continue into a second term. Specifically, <u>he has pledged</u>, "I will instruct the Department of Justice to make clear that any such discrimination is completely and totally illegal, and to investigate the unlawful domination and discrimination and civil right abuses carried out by the Biden administration."

Paid Family Leave

In 2018, <u>Trump's proposed budget</u> included a provision for six weeks of paid parental leave. The following year, he signed a bill <u>guaranteeing paid parental leave</u> for federal civilian employees. In his final State of the Union address, he advocated for the passage of the <u>Advancing Support for Working Families Act</u>. However, the proposed legislation <u>did not guarantee job protection</u> for the person taking leave, and Congressional Republicans and Democrats disagreed about <u>how to fund it</u>. Although Trump has not made any promises specific to paid leave during his 2024 campaign, <u>Vice president-elect J.D. Vance said</u> during the campaign, "I think there is a bipartisan solution here because a lot of us care about this issue."

Project 2025 & DEI

Throughout his campaign, President-elect Trump <u>repeatedly denied</u> having any involvement with, or even awareness of, <u>Project 2025</u>. However, because many members of his first presidential administration worked on the document, political commentators believe <u>its policies will heavily inform his second term</u>. Vice president-elect J.D. Vance has a <u>clear connection to Project 2025</u>, having written the forward for a forthcoming book by Kevin D. Roberts, the leader of the conservative think tank <u>The Heritage Foundation</u>, under whose oversight Project 2025 was written.

Project 2025 includes four "pillars": an 887-page policy plan, a database of potential conservative appointees willing to serve in government, training seminars for prospective appointees, and a battle plan for each federal agency. The policy plan, titled <u>Mandate for Leadership</u>, is the most commonly referenced component of the program.

According to an analysis by GLAAD, a nonprofit LGBTQ advocacy organization, "DEI" is mentioned a total of <u>39 times</u> in *Mandate for Leadership* and is always framed in a negative light. Specifically, *Mandate for Leadership* details the following strategies for dismantling DEI principles, practices, and programming within schools, the government, and even the private sector:

- **Removing the language of DEI from all federal legislation and agency documents:** "The next conservative President must make the institutions of American civil society hard targets for woke culture warriors. This starts with deleting the terms sexual orientation and gender identity ("SOGI"), diversity, equity, and inclusion, gender, gender equality, gender equity, gender awareness, gender-sensitive, abortion, reproductive health, reproductive rights, and any other term used to deprive Americans of their First Amendment rights out of every federal rule, agency regulation, contract, grant, regulation, and piece of legislation that exists" (p. 4–5).
- Encouraging the Federal Trade Commission (FTC) and Congress to investigate DEI and ESG Work at Private Organizations. Project 2025 suggests that many private organizations are exploiting DEI and ESG as loopholes. Specifically, Project 2025 states: "There is a movement of firms attempting to use both ESG and DEI as a sort of reputational laundering to avoid enforcement of potentially criminal activity. The FTC should set up an ESG/DEI collusion task force to investigate firms—particularly in private equity—to see if they are using the practice as a means to meet targets, fix prices, or reduce output. Congress should investigate ESG practices as a cover for anticompetitive activity and possible unfair trade practices.... Managers, particularly in publicly traded corporations, who use their power to advance sets of fashionable moral beliefs, such as ESG/DEI, introduce agency problems into the shareholder relationship and appropriate corporate wealth for their own benefit" (p. 873–874).
- Eliminating DEI-related policies and programming from all federal offices and departments. This includes:
 - Banning within all federal offices and departments the use of taxpayer funds to teach Critical Race Theory (CRT) trainings
 - Eliminating DEI-related policies from the various branches of the armed forces

- Eliminating DEI offices within federal agencies
- Terminating the employment of federal employees who participate "in any critical race theory or DEI initiative, without objecting on constitutional or moral grounds" (p. 708)
- Undermining antidiscrimination measures, especially those related to race/ethnicity and LGBTQ+ status. This includes:
 - Eliminating the use of disparate impact theory "as a valid theory of discrimination" (p. 583)
 - Rescinding Executive Order 11246, which requires federal contractors and subcontractors to commit to nondiscrimination, and eliminating the Office of Federal Contract Compliance Programs (OFCCP), which is charged with enforcing it
 - Restricting the application of the Supreme Court's decision in *Bostock* v. *Clayton County*, which extended Title VII prohibitions against sex discrimination to members of the LGBTQ+ community, and refocusing federal enforcement of sex discrimination laws "on the biological binary meaning of 'sex' " (p. 585)
 - Rescinding all federal regulations prohibiting discrimination based on LGBTQ+ status
- Reforming the EEOC and obstructing its abilities to address and regulate workplace discrimination and inequities. Project 2025 argues that the EEOC should "disclaim its regulatory pretensions" and "reorient its enforcement priorities toward claims of failure to accommodate disability, religion, and pregnancy (but not abortion)" (p. 586–587). It also proposes prohibiting the EEOC from collecting information and data on race/ethnicity, arguing, "Crudely categorizing employees by race or ethnicity fails to recognize the diversity of the American workforce and forces individuals into categories that do not fully reflect their racial and ethnic heritage" (p. 583).
- Eliminating DEI departments, initiatives, and programming from schools that receive public funding. Project 2024 wants to "eliminate Marxist indoctrination and divisive critical race theory programs and abolish newly established diversity, equity, and inclusion offices and staff" (p. 103).
- Leveraging Title VII of the Civil Rights Act to attack DEI: Project 2025 argues that the president should direct the Department of Justice and the Equal Employment Opportunity Commission (EEOC) to use Title VII "to enforce Title VII to prohibit racial classifications and quotas, including humanresources classifications and DEI trainings that promote critical race theory" (p. 582–583). Project 2025 also proposes amending Title VII to prohibit the collection of data on race/ethnicity.

Corporate Taxes

President-elect Trump has pledged to <u>lower the corporate tax rate</u> from 21 percent to 15 percent for companies that manufacture their products in the United States. He would also extend provisions in a 2017 tax law that benefit businesses, including a deduction for "pass-through" business entities and deductions for US-based research and their investments in machinery and equipment. Trump has also proposed imposing severe tariffs on imported goods into the United States, particularly from China, which economists project would lead companies to raise prices on those products for consumers and could result in retaliatory tariffs on goods the United States exports to other countries.

Immigration

Hard-line stances on immigration have been a through line of President-elect Trump's first term and both presidential campaigns. After pushing to <u>build a wall</u> on the border between the United States and Mexico in his first term, he now advocates for <u>mass</u> <u>deportations</u> of undocumented immigrants. According to his <u>campaign website</u>, "In cooperative states, President Trump will deputize the National Guard and local law enforcement to assist with rapidly removing illegal alien gang members and criminals." He <u>opposes reforming</u> the employment-based immigration system to raise the cap on employment-based visas and temporarily <u>suspended many H-1B visas</u> during his first term as president.

Reproductive Rights

President-elect Trump's appointments of Neil Gorsuch, Brett Kavanaugh, and Amy Coney Barrett to the Supreme Court during his first term contributed to the 2022 Court ruling in Dobbs v. Jackson Women's Health Organization that overturned Roe v. Wade and eliminated nationwide protections for abortion. <u>His campaign website</u> boasts, "President Trump's three appointees delivered the biggest win for life in a generation in overturning Roe v, Wade." However, Trump repeatedly declined to support a national ban on abortion during his campaign, emphasizing that his plan is to leave the issue up to the states. In an interview in October, he stated: "I think that it's something that's off the table now, because I did something that everybody has wanted to do, I was able to get it back to the states Now, we'll see what happens. I will say this, that issue has been, in my opinion, largely defused." Trump also stated during his campaign that he would not enforce the Comstock Act to ban mail delivery of abortion medications, a policy supported by some Republican leaders. Meanwhile, Senator J.D. Vance previously advocated for a nationwide ban on abortion and endorsed a report criticizing in vitro fertilization but has moderated his views since joining the Trump campaign.

New Challenges

As this guide has demonstrated, a second term for President-elect Donald Trump brings significant challenges for DEI leaders. The Trump and Project 2025 agendas propose to cut to the very heart of DEI work, banning the language used by advocates and undermining the legal protections currently provided for Historically Excluded Talent. The proposals detailed in this guide demonstrate that DEI leaders are justified in fearing that a second Trump term will negatively impact their work.

Continued Commitment

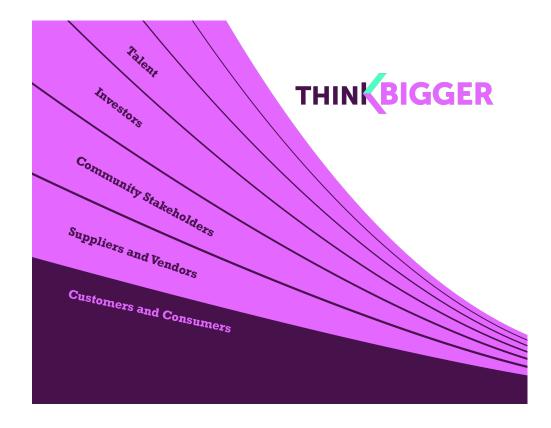
It is important to remember that regardless of Trump's election, the vast majority of US employees remain supportive of DEI goals. <u>Seramount's recent research</u> found that 76 percent of employees are committed to helping their company fight racism and injustice within the organization, and 78 percent believe it is very important for their company to be an inclusive organization.

Regardless of which of Trump's policies are ultimately enacted, Seramount will be here to equip you to best position your work and organization in a changing environment.

Critical Opportunities

Despite the unprecedented challenges facing DEI initiatives, our research reveals critical opportunities. The evolving landscape calls for greater organizational investment and a broader, more strategic approach to DEI. As workplaces, customer bases, partners, suppliers, and communities become increasingly diverse by the day, organizations must also evolve, developing a more agile, holistic DEI practice capable of unlocking the work's full potential. DEI's future hinges upon leaders' ability to integrate the practice into the entire organizational infrastructure, maximizing and broadcasting DEI's business and community impact.

This shifting demographic reality is undeniable. In the U.S. and globally, diversity is reshaping the ecosystems in which organizations operate—impacting talent pools, customer and consumer profiles, corporate partnerships, investor expectations, supply chains, and community stakeholders. Multicultural consumers, for instance, already make up nearly 40% of the U.S. population—a figure that continues to rise. These dramatic changes bring unprecedented opportunities for impact across business functions, from product equity to inclusive marketing and design.



Expanding Impact and Perspective

Seramount's *Think Bigger* initiative is rooted in this expanded perspective about DEI's present and future value proposition. Our latest research shows that the most impactful DEI leaders are reframing the narrative, inspiring their organizations to think more broadly about the work's relevance to every aspect of the business. We've repeatedly heard from leading companies across all industries how thinking bigger about DEI delivers both measurable social impact and bottom-line results—from mitigating AI bias and legal risk to advancing health equity and employee productivity.

We're proud to support organizations of all sizes, across industries, and at every stage of their DEI journey, providing insights and strategies to create meaningful, global impact. Whether you're developing a transnational approach, navigating the post-election environment, or seeking cutting-edge ideas from around the world, we're here to help you expand your DEI efforts—and maximize their potential for transformative change during turbulent times.

Learn more about partnering with us to expand the impact of DEI by <u>scheduling a call with one of our experts.</u>