

**NATION  
SWELL**

# What's happening in DEI right now

**February 2025**

# Political, cultural, and economic context

- **Political, legal, and cultural context:** [Federal actions](#), [shifting public sentiment](#), and [evolving business strategies](#) are leading a divergence in approaches to DEI initiatives. While some companies are scaling back in response to political and legal pressures, others remain fairly steadfast, integrating DEI and social impact principles as foundational to their organizational identity and strategy.
  - **Backlash and polarization:** Public sentiment around DEI has grown increasingly polarized. Anti-DEI activism, fueled by conservative influencers and think tanks, has pressured high-profile corporations to scale back their initiatives. Conversely, pro-DEI advocates emphasize the business and ethical case for maintaining diversity efforts.
  - **Global reactions and business implications:** Internationally, the rollback of DEI policies in the U.S. is drawing concern, particularly among global firms operating in markets with stronger diversity mandates. Multinational companies face the challenge of reconciling these divergent regulatory and cultural expectations.
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  - **Language shift in the private sector:** Corporations are increasingly reframing DEI efforts, integrating goals into larger Environmental, Social, and Governance (ESG) frameworks or emphasizing terms like "inclusion" over "diversity."
  - **Decline in DEI positions:** DEI-related job postings declined by 40% between January 2022 and late 2024. Factors contributing to this reduction include economic challenges, political shifts, and evolving corporate strategies.
  - **Employee expectations and talent retention:** Many employees, especially younger and more diverse talent pools, expect organizations to uphold inclusive values. Companies stepping back from DEI risk losing credibility with these key constituencies, even as they seek to align with changing political climates.

# Considerations influencing corporate DEI postures

## **Regulatory compliance:**

Adjusting to the Trump administration's directives and preparing for increased scrutiny of DEI initiatives by federal agencies.

## **Reputational risk:**

Balancing the risk of public backlash against the benefits of maintaining DEI programs. Companies must navigate polarized public opinions on diversity issues.

## **Employee and talent expectations:**

Companies risk losing talent if they step back from DEI, particularly as younger, more diverse generations enter the workforce.

## **Financial considerations:**

Cost-cutting pressures often make DEI programs vulnerable to budget reductions.

## **Historical commitments:**

Companies with long-standing DEI programs may find rollback incompatible with their organizational identity, making steadfast commitment a more natural path.

## **Activist pressures:**

External campaigns from both pro- and anti-DEI groups force companies to carefully evaluate their public positions and messaging.

# Corporate response to DEI threats

Corporate strategies vary widely, reflecting differing risk tolerances, historical commitments, and organizational values. As corporations respond to the evolving DEI landscape, three archetypes have emerged. Each reflects varying degrees of commitment, adaptation, and resistance to external pressures.

## The three archetypes

**Retrench and scale back**

**Reframe and proceed**

**Stand firm and defend**

*Note: We advise caution when trying to categorize companies based on media reporting alone. See further guidance [here](#).*

# Archetype:

## Retrench and scale back

Companies fitting this archetype are cutting back or eliminating DEI programs entirely, often under pressure from political, legal, or activist groups.

### What they're doing

- Ending public DEI reporting and diversity initiatives (e.g., racial equity training, diverse hiring).
- Removing representational targets and pausing diversity surveys.
- Withdrawing sponsorship of LGBTQ+ events and racial equity philanthropy.
- In some cases, cutting DEI positions and teams.

### Why they're doing it

- Legal concerns, particularly post-2023 Supreme Court ruling on affirmative action.
- Political activism and external pressures fueling corporate caution.
- Cost-cutting measures making DEI programs vulnerable to budget cuts.

## What they're saying:

"We are willing to change alongside our associates and customers who represent all of America. We've been on a journey and know we aren't perfect, but every decision comes from a place of wanting to foster a sense of belonging." – [Walmart corporate statement](#)

"The legal and policy landscape surrounding diversity, equity and inclusion efforts in the United States is changing. The Supreme Court of the United States has recently made decisions signaling a shift in how courts will approach DEI. It reaffirms longstanding principles that discrimination should not be tolerated or promoted on the basis of inherent characteristics." - [Meta internal memo to employees](#)

"In 2020, we set aspirational hiring goals and focused on growing our offices outside California and New York to improve representation...but in the future we will no longer have aspirational goals." – [Alphabet's chief people officer in an email to staff](#)

# Archetype:

## Reframe and proceed

Instead of abandoning DEI altogether, some organizations are shifting diversity goals within broader frameworks and rebranding efforts under more neutral or business-focused terminology.

### What they're doing

- Renaming DEI as “Inclusion” or “Belonging” with a cultural focus.
- Integrating DEI into ESG strategies to maintain relevance.
- Reducing public emphasis while keeping internal goals.
- Auditing practices to ensure regulatory compliance.

### Why they're doing it

- Embedding DEI within ESG reduces scrutiny and controversy.
- Framing DEI as a business driver avoids political polarization.
- Legal and activist pressures push companies to refine DEI strategies.
- Maintaining inclusion commitments while avoiding public backlash.

# Case example: Disney

An internal memo to employee on February 11, 2025 detailed that Disney will make the following changes to its DEI strategy:

## **Executive compensation adjustments:**

Disney replaced the standalone "Diversity & Inclusion" metric in executive performance evaluations with a broader "Talent Strategy" factor, focused more on how values drives business success ([Axios](#)).

## **Rebranding Employee Resource Groups:**

The company rebranded its "Business" Employee Resource Groups (BERGs) to "Belonging" Employee Resource Groups ([Business Insider](#)).

## **Discontinuation of "Reimagine Tomorrow" Hub:**

Disney is dissolving its "Reimagine Tomorrow" digital hub, which was launched to amplify underrepresented voices ([Business Insider](#)).

## **Content advisory changes:**

The company is removing advisories that were previously placed ahead of some older films, such as "Dumbo" and "Peter Pan," which warned viewers about negative cultural depictions ([Financial Times](#)).

## **Alignment with business goals:**

According to its internal memo, these changes reflect Disney's effort to align its DEI initiatives more closely with its core business objectives and company values ([Reuters](#)).

# Archetype:

## Stand firm and defend

This archetype is characterized by companies that are maintaining or reinforcing their DEI initiatives despite mounting pressures. These organizations view DEI as integral to their values, brand, and business success.

### What they're doing

- Defending DEI as essential for retention, innovation, and shareholder value.
- Opposing efforts to limit DEI, citing compliance and business benefits.

### Why they're doing it

- Long-term DEI investments make rollback difficult (e.g., Apple since 1993, Costco since 2004).
- View existing compliance controls as more than sufficient to maintain legality.
- Diversity supports innovation, retention, and stakeholder alignment.
- Strong DEI cultures risk internal backlash if commitments weaken.

## What they're saying:

“

“Among other things, a diverse group of employees helps bring originality and creativity to our merchandise offerings, promoting the 'treasure hunt' that our customers value” –

[Costco spokesperson](#)

“

“Well, bring them on.” – [Jamie Dimon, CEO of JPMorgan Chase](#), when asked about anti-DEI activists targeting his organization

“

“Our commitment to an enterprise rooted in respect and inclusion is appropriate and necessary. The report requested by this proposal would not provide meaningful additional information...Our commitment to inclusion ... does not and has never included quotas or systematic preferences, nor does it mean compromising merit...The demands of our business and our steadfast commitment to serve our members mean that we cannot afford to do anything but hire and promote the most qualified individuals.” –

[Costco's board of directors](#)

“

“The proposal is unnecessary as Apple already has a well-established compliance program. The proposal also inappropriately attempts to restrict Apple's ability to manage its own ordinary business operations, people and teams, and business strategies...The proposal inappropriately seeks to micromanage the Company's programs and policies by suggesting a specific means of legal compliance.” – [Apple's statement](#) in opposition to anti-DEI shareholder proposal

# Unpacking responses to DEI shareholder proposals

## The context

**Shareholder proposals targeting DEI initiatives:** In 2025, several major companies, including Apple, Coca-Cola, IBM, and Berkshire Hathaway, are facing shareholder proposals challenging their Diversity, Equity, and Inclusion (DEI) programs ([Fortune](#)).

**Conservative groups behind anti-DEI proposals:** The National Center for Public Policy Research, a conservative think tank, has been actively submitting proposals to abolish DEI programs in various companies, citing potential litigation, reputational, and financial risks ([Reuters](#)).

**Corporate responses to DEI shareholder challenges:** While some companies are scaling back their DEI initiatives due to external pressures and legal considerations, others, like Apple and Costco, are defending their programs and urging shareholders to reject proposals aimed at dismantling DEI efforts ([Reuters](#)).

**Proxy statement response to 2025  
anti-DEI shareholder proposal:  
[Costco](#) (pg. 32-33)**

“Among other things, a diverse group of employees helps bring originality and creativity to our merchandise offerings, promoting the “treasure hunt” that our customers value. That group also helps to provide insights into the tastes and preferences of our members. And we believe (and member feedback shows) that many of our members like to see themselves reflected in the people in our warehouses with whom they interact.”

“Combined with our obedience to the law, service to our employees, members and suppliers has rewarded our shareholders. This is our code of ethics. Our focus on diversity, equity and inclusion is not, however, only for the sake of improved financial performance but to enhance our culture and the well-being of people whose lives we influence.”

**Proxy statement response to 2025  
anti-DEI shareholder proposal:  
[Apple](#) (pg. 87)**

“At Apple, we believe that how we conduct ourselves is as critical to Apple’s success as making the best products in the world. We seek to conduct business ethically, honestly, and in compliance with applicable laws and regulations, and our Business Conduct and Compliance policies are foundational to how we do business. And we strive to create a culture of belonging where everyone can do their best work.”

## **CEO letter in 2024 proxy statement: [JPMorgan](#) (pg. 3-4)**

“In addition, the Board is actively overseeing the Firm's efforts in addressing climate change and promoting diversity, equity, and inclusion (DEI). As a global financial institution, we play a crucial role in supporting our clients' decarbonization strategies and helping to address the broader challenges of transitioning to a low-carbon economy. We are committed to making informed decisions based on the best interests of our Firm and clients, rather than adhering to simplistic statements or arbitrary rules.

Furthermore, we firmly believe in the value of DEI, both as a moral imperative and as a strategic driver of success. By fostering a diverse and inclusive workforce, we enable innovation, smarter decision making, and better financial results for our business and the economy as a whole. We continue to work closely with management to promote equal treatment, opportunity and access throughout our organization.”

## **LinkedIn post from Chief Diversity Officer, 2024: [Microsoft](#)**

“As we embark on our 50th year at Microsoft, with one of the most inclusive missions in the industry, let’s remember who we have always been. Succeeding at our mission to empower every person and every organization on the planet to achieve more requires inviting in different perspectives and lived experiences to Microsoft so we can innovate and deliver aligned to our ambition. Each of us doing our best work depends on us collectively creating the conditions for all employees at Microsoft to thrive. The world is counting on Microsoft to apply all we know about diversity and inclusion to realize an AI-enabled future that includes everyone. The work is not done, and we remain committed to push ahead for progress together.”

# Cutting through the noise for leaders

## Key observations for DEI leaders

1

**Executive orders don't change existing federal law.** The recent Trump EOs signal political priorities and direct changes in how the federal government operates, but they don't change the federal laws that govern workplace equity and anti-discrimination.



**Let EOs inform adjustments—not overhauls. Your legal obligations, organizational values, and business goals are still your compass.**

2

**Beware of oversimplified narratives.** The supposed divide between DEI “defenders” and those “abandoning” DEI is often exaggerated in the media. Remember that changes in terminology or role eliminations don't always equal rollbacks, and having a DEI program “in name” doesn't mean it's driving real impact.



**Remain curious and skeptical: What's actually happening beneath the surface?**

3

**DEI is evolving, not collapsing.** No doubt, the context has shifted. Some companies are engaging in performative and politically-motivated retreats, but others are re-evaluating and improving their strategies in good faith—linking DEI to business outcomes and creating more durable programs.



**Progress isn't linear; ask what can be done in this moment to strengthen for the future.**

# Cutting through the noise for leaders

## Key observations for DEI leaders

4

**CEOs' political instincts are shaping strategies.** Leaders like Jamie Dimon (“bring them on”) and Mark Zuckerberg (more “masculine energy”) are sending dramatically different signals about DEI. Whether it’s public declarations or quiet pivots, CEOs’ political and cultural alignment is having an outsized influence on decisions right now.



**Programs rooted in shared value are more resilient to leadership changes and political moods**

5

**Terminology matters less than substance.** Some companies are changing or eliminating terms like “DEI” to deflect attention; others are standing firm.



**Whether your program uses familiar terminology or not, its effectiveness and legal exposure lie in its substance—not its name.**

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