

Congress of the United States

Washington, DC 20515

June 26, 2023

James D. Taiclet
Chief Executive Officer
Lockheed Martin
6801 Rockledge Dr,
Bethesda, MD 20817

Dear James D. Taiclet:

A recent USA Today and Center for Investigative Reporting report¹ highlighting the lack of diversity in leadership positions at Lockheed Martin, and the other leading federal contractors, prompts further examination of your business diversity practices in your operations. Representation in senior roles is essential to reducing the racial wealth gap. Yet more needs to be done to expand opportunities for diverse owned companies working with the largest federal contractors.

Large private enterprises have a crucial role to play in hiring diverse owned businesses, large and small, through utilizing their services as part of their spending on vendors. The largest federal contractors have considerable reach and federal contracting deploy substantial resources with an array of businesses, but historically, Black, Brown, and women owned companies have been excluded from the more lucrative professional services contracting opportunities. Indeed, as the study notes, you and the other largest federal contractors were each paid more than \$3 billion in federal contract funding.

The traditional playbook to enhance business diversity among vendors has not evolved with the U.S. economy. Many corporations have embraced well-intentioned supplier diversity programs emphasizing construction, catering, janitorial services, security and other manual, commodity, or lower wage roles. However, this approach excludes people of color from the parts of the economy where wealth and jobs are created today, such as legal, accounting, media, financial services, and technology fields.

A McKinsey & Company article² details how focusing supplier diversity efforts solely on low-margin industries, significantly limits the potential positive impact and wealth creation that would result from encouraging corporations and anchor institutions to work with minority businesses and minority business leaders in all parts of the economy.

¹ <https://revealnews.org/article/federal-contractor-diversity-public-data/>

² <https://www.mckinsey.com/capabilities/operations/our-insights/expand-diversity-among-your-suppliers-and-add-value-to-your-organization>

As the reach of your company is vast and has an incredibly positive impact on the economic vitality of the nation, we encourage you to take steps to increase the utilization of diverse owned businesses, especially in the professional services sector. Please share with our offices in a response back to this correspondence the following information:

- Do you currently track what your company/institution/enterprise spends with diverse owned vendors? If so, can you please provide that information?
- Do you currently break down this information by categories, including the following: legal, communications, marketing/media services, financial services, human resources, technology, engineering, accounting? If so, can you please provide that information?
- Do you currently use the term “business diversity” as opposed to “supplier diversity” to more precisely capture the broad range of services reflected in your enterprise spending?
- Do you currently break down this information by racial and ethnic categories, beyond simply the term “minority”? If so, can you please provide that information?
- Do you track your spending on women owned businesses? If so, can you please provide that information?
- Do you have a Committee at the Board level, or efforts to report on developing strategies to increase your company’s utilization of diverse owned companies? If so, can you please summarize some of those plans?

To meet the challenges our country is facing related to the racial wealth gap and improving equity and inclusion, all stakeholders must consider multi-dimensional approaches to creating more opportunity. The largest federal contractors have a duty to take steps to accelerate this change. We appreciate your leadership and the crucial role your company plays within the economy and society and look forward to your response and partnership in this important initiative.

Sincerely,



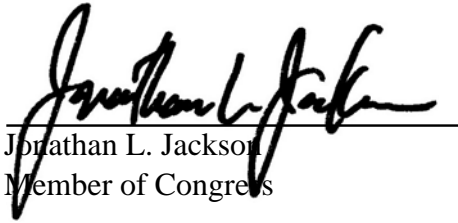
Robin L. Kelly
Member of Congress




Tony Cardenas
Member of Congress



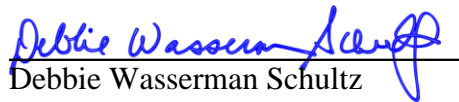
Bonnie Watson Coleman
Member of Congress




Jonathan L. Jackson
Member of Congress




Henry C. "Hank" Johnson, Jr.
Member of Congress




Debbie Wasserman Schultz
Member of Congress



Dan Goldman
Member of Congress



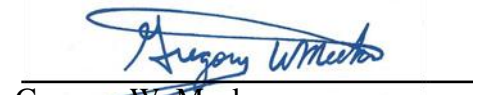
Emanuel Cleaver, II
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