

Top Hat Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Member 1: Emmalina Simonis	Senior	Marketing & Sales
Member 2: Emma Smith	Senior	Business Administration
Member 3: Kamryn Wilson	Sophomore	Management & Finance
Member 4: Taylor Ayres	Freshman	Marketing & Data Analytics

Advisor(s): Stacy Collins

Topic Title: DEI Initiatives at a Major Corporation

Audience: NASCAR Board of Directors

Executive Summary

President Trump's recent Executive Order 14173 has led to the dismantling of all diversity programs in executive departments and agencies; however, the order has also had a significant impact on the Diversity, Equity, and Inclusion (DEI) initiatives of well-known public companies. This has caused ongoing concerns regarding the ethical responsibility of high-profile corporations such as NASCAR. Despite NASCAR being a private corporation that can legally abstain from most federal executive orders, the company should consider re-evaluating its initiatives due to prevalent social and political pressures and its heavy sponsorship relationship to brands that are evolving their DEI stance. NASCAR and DEI, two impactful forces in our society today, race to relevance as they both shine brightly in current headlines.

NASCAR's long-standing, successful diversity effort, Drive for Diversity (D4D), has received backlash for encouraging diverse drivers and crewmembers, which highlights the issue's inevitable conflict. Unlike prominent companies such as Target, Walmart, and Ford, which are cutting back on their DEI initiatives in response to the backlash via social media response, NASCAR has stood firm on its beliefs, standards, and responsibility regarding DEI. We believe that a focus on the stabilization of NASCAR's DEI programs could assist them in sustaining their ethical obligations while better acknowledging the political climate.

Within our proposal, we recognize the need to look at both short-term solutions and a long-term implementation plan. Specifically, in the short term, NASCAR could change the name and eligibility requirements of NASCAR's D4D program, its main DEI initiative. A rebranding effort with a focus on a new target audience and core value implementation has the potential to subtly shift consumer mindsets on NASCAR's DEI stance. Eligibility requirements for D4D could also include socioeconomic status and LGBTQ+ individuals to broaden groups, classes, and perspectives within the program. In the long term, we advise NASCAR to focus on diversifying viewership through proactive target audience initiatives, which we will expand upon further within our recommendations. These efforts would not only expand NASCAR's cultural reach but also solidify its relevance across a broader, more diverse fanbase.

NASCAR is already supporting DEI efforts, represented in their Drive for Diversity Program, but we believe that it is NASCAR's responsibility as one of the largest racing organizations to exceed these current operations. Our recommendations are not only the right thing to do but also align with the values that NASCAR stands by, increasing goodwill in response.