SILICON VALLEY LEADERSHIP GROUP

THE FUTURE OF ERG LEADERSHIP: STRATEGIC INSIGHTS FROM THE SVLG ERG CONSORTIUM

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Foreword

SJSU | LUCAS COLLEGE AND GRADUATE SCHOOL OF BUSINESS

At the SJSU's Lucas College and Graduate School of Business we are excited at the opportunity to work with the Silicon Valley Leadership Group's Employee Resource Group (ERG) Consortium. ERGs foster an inclusive, empowered workplace culture where employees can connect, lead, and thrive through shared identities, interests, and experiences thereby strengthening both community and mission alignment. Supporting ERGs aligns directly with the Lucas College and Graduate School of Business' mission to serve the dynamic Silicon Valley economy by fostering inclusive leadership, innovation, and community engagement. By partnering on this ERG initiative, we are extending our commitment to real-world collaboration, workplace equity, and the development of future-ready leaders who reflect the diversity and values of our region.

Over the last decade, ERGs have grown in number and size, and become a common feature in large organizations. Supporting ERGs is especially pivotal at this point in time when DEI programs are being subject to more scrutiny and coming under critical review. Increasingly recognized for their value creation, their rising numbers and the increased funding/resource allocation speaks to their increasing strategic importance in companies. This report from SVLG provides critical insights sharing national trends related to these affinity groups while at the same time presenting their Silicon Valley specific findings from data collected at ERG Consortium events, convenings and interviews. The Consortium, which now represents 10 industries and has 330 members across 55 companies, acknowledges that companies are at various stages of evolution in their ERGs. While all are anchored in the belief of providing an avenue for human connection, there are variances in the extent to which some have greater C-suite support and/or resources. The report highlights some interesting trends around ERGs providing a space to drive conversations around broader cultural issues such as changing cultural expectations around the return-to-office transition as well as more substantive policy questions around whether ERG engagement should be integrated into the performance management system of companies.

That ERGs are thinking of these issues is an indication that these groups stand at an inflection point and have reached a defining stage where their purpose and impact is shifting beyond outcomes such as employee retention and morale. How ERGs respond, and as the white paper reflects 'find a balance between grassroots engagement focused on inclusion and strategic alignment' will determine how they evolve and how their contributions are formally recognized. I hope the readers find the white paper a source of insight and inspired continued dialogue. At the Lucas College and Graduate School of Business we stand with the Consortium's collective effort to foster workplaces that reflect the inclusive values we champion here at the university.

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About SVLG and the ERG Consortium

The Silicon Valley Leadership Group (SVLG) was founded in 1977 by David Packard of Hewlett-Packard as a forum for employers to collaborate on issues and campaigns that affect the economic health and quality of life in Silicon Valley. Today, it is the leading business association of the innovation economy. Our members' vision of leadership embodies accountability, equity, inclusion, and environmental stewardship, and we're applying an entrepreneurial mindset to solving the toughest challenges facing both our nation and the region.

In December 2023, SVLG launched the ERG Consortium to address persistent workforce inclusion and retention challenges in Silicon Valley through a proven solution—employee resource groups (ERGs). Rooted in Packard's belief in collective problem solving, the Consortium's goal is to build community and enhance the impact of ERGs through cross-company collaboration.

Recognizing the evolving role of ERGs as both strategic business units and cultural pillars, the Consortium convenes ERG leaders, inclusion and belonging professionals, and executives from a diverse range of industries to share best practices in executive support, employee engagement, resource allocation, and long-term sustainability.

Two years after its inception, the ERG Consortium has catalyzed the creation of new ERGs, fostered cross-company partnerships, and launched national-level events. With more than 300 ERG co-chairs and DIB leaders engaged, it is already driving innovation and delivering meaningful impact for both emerging startups and established organizations.

SVLG SILICON VALLEY LEADERSHIP GROUP

Figure 1.

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Executive Summary

The most effective ERGs are more than just social or networking spaces; they serve as vital engines for business innovation, employee engagement, and leadership development. Research consistently demonstrates that organizations with strong ERGs see higher retention rates, improved employee satisfaction, and greater diversity in leadership pipelines. Additionally, ERGs are valuable assets in shaping corporate culture, fostering inclusion, and strengthening alignment between employee and business objectives.

Despite their growing importance, however, many ERGs struggle with the co-constitutive challenges of measuring impact, inconsistent executive and management support, and unclear funding mechanisms. As businesses face increased scrutiny over diversity, equity, and inclusion (DEI) investments, ERGs must adapt to shifting corporate priorities while demonstrating clear, measurable value.

This white paper synthesizes findings from SVLG ERG Consortium events, member interviews, and research in the field to share best practices and real world insights that can help ERGs evolve into fully integrated, business-aligned entities. It begins with an overview of ERG formation and strategic value.

This is followed by deep dives into three areas our research has surfaced as levers for ERGs to become more institutionalized and thus more effective: executive engagement, strategic resourcing, and professional growth. These levers, embedded in our final section, key recommendations, are clear opportunities for ERG leaders and management to leverage ERGs—both as needed contexts for connection, and as incubators for innovation that enhance employee engagement, retention, and professional growth.

While DEI programs face increasing scrutiny and fluctuating investment on the national stage, the ERG Consortium has found that many Silicon Valley companies continue to lead in their commitment to fostering ERGs as key drivers of inclusion, innovation, and employee engagement. Additionally, as companies accelerate return-to-work policies, Consortium ERGs are offering structured vehicles for authentic connection, bringing together employees across differences to align on shared goals for themselves and their peers. The ERG Consortium is committed to driving these conversations, equipping companies with the tools and insights needed to transform ERGs into sustainable, high-impact programs that shape the workplace in Silicon Valley and beyond.

Key Findings

Executive Engagement Matters

Active C-suite engagement and institutionalized, material executive support have a direct impact on ERG retention, visibility, and alignment with corporate goals.

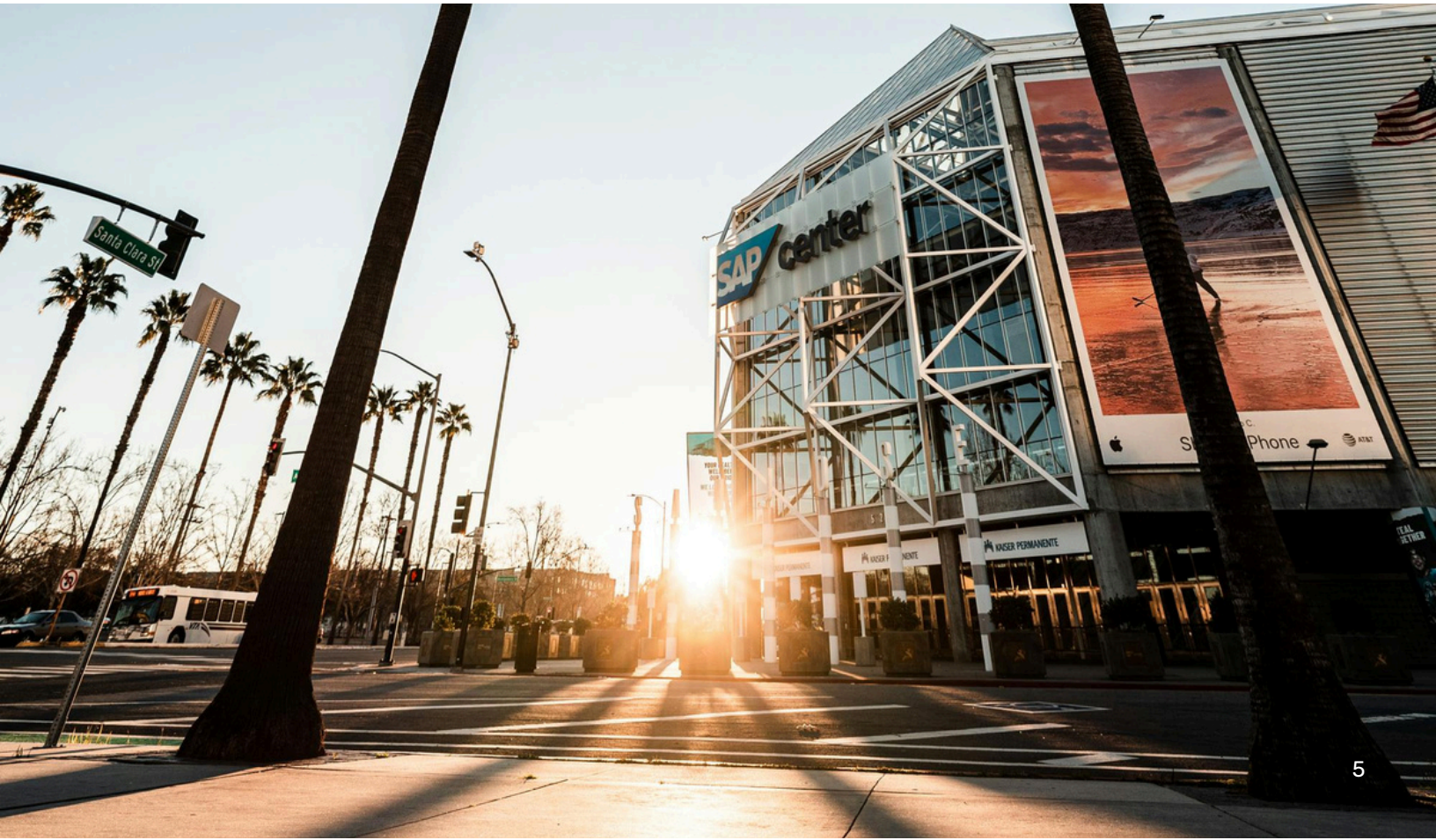
Braiding Resources to Maximize Impact

While some companies provide dedicated ERG budgets, others operate on informal or ad-hoc funding models. The lack of clear resource allocation often limits ERG programming, engagement, and long-term sustainability. To enhance impact, ERGs can diversify their funding sources by building partnerships within the organization and externally.

Professional Development is an Untapped Opportunity

ERG leadership fosters critical workplace skills such as strategic planning, cross-functional collaboration, and communication. However, many organizations fail to formally recognize ERG leadership within performance evaluations, promotions, and talent development programs. Those that do integrate ERG work into leadership pathways and career advancement frameworks see stronger employee retention and skill growth.

Figure 2.



Introduction

Background

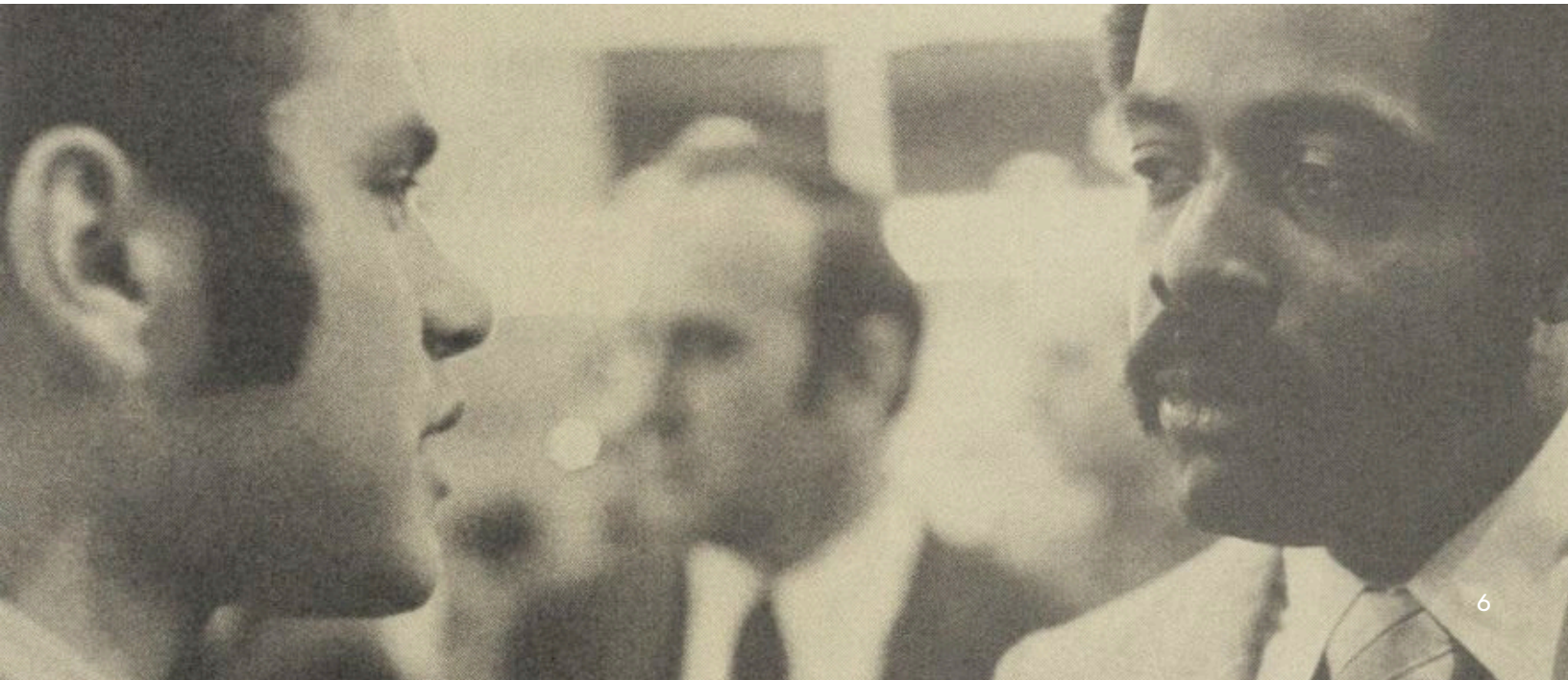
Employee Resource Groups (ERGs) have operated in corporate settings for over 50 years, emerging in response to workplace inequities and social movements. The first known ERG, the National Black Employee Caucus at Xerox, formed in 1969. Silicon Valley pioneer Ken Coleman, pictured below, founded with Howard Smith Hewlett Packard's first ERG in 1972, and HP launched the first LGBT ERG in 1978.

Today, effective ERGs function as structured, business-aligned initiatives that go beyond networking to foster employee engagement and drive innovation. A McKinsey report shows that over 90% of Fortune 500 companies have ERGs, reflecting their growing significance. Some companies support a few site-based ERGs, while others operate more than a dozen with a global reach.

ERG activities typically include hosting networking events, conducting mentorship programs, organizing cultural awareness initiatives, and advocating for inclusive policies. Many ERGs also contribute to business success by offering insights into diverse markets, supporting recruitment efforts, and developing future leaders.

Structurally, ERGs most often consist of employee-led committees with executive sponsors, dedicated budgets, and alignment with HR or DEI departments. Some ERGs emerge from grassroots efforts, where employees advocate for their establishment and "pitch upward" to gain executive sponsorship over time. Others are initiated or maintained through a top-down approach, where HR or DEI teams provide support, set clear objectives, and allocate resources to sustain ERG activities.

Figure 3.



ERGs in 2025 navigate an increasingly complex landscape. Findings from McKinsey and Pew highlight a growing disconnect between executive sponsorship and ERG leader support, putting ERG sustainability at risk. Cultural shifts on the federal level add heightened political scrutiny and further pressure, reinforcing the need for ERGs to embed themselves within core business strategies rather than function as standalone initiatives.

Set against this backdrop, the central case for ERGs lies in their ability to cultivate a resilient and engaged workforce. The rise in workplace isolation, exacerbated by the shift toward hybrid work models, highlights a pressing need for companies to foster greater social and professional connectivity.

A recent KPMG survey underscores this trend, revealing that employees seek workplace communities not just for collaboration but for deeper human connection, mentorship, and a sense of belonging. In an increasingly digital work environment, these relationships are essential for job satisfaction and overall well-being. Respondents emphasized that strong social bonds improve resilience and engagement—factors that directly impact retention and productivity. Importantly, they also believe that their companies should invest more into creating the conditions for these social relationships to form.

Figure 4.

This white paper examines key trends, challenges, and best practices shaping ERG strategy. Amid the aforementioned social and political headwinds companies face in 2025, organizations must find a balance between grassroots engagement focused on inclusion and belonging and strategic business alignment.

The following sections explore best practices among SVLG ERG Consortium companies, delving into their structures, operational challenges, and strategic initiatives, setting these where possible in the context of national trends. We aim to provide a roadmap to support Silicon Valley companies with actionable strategies to enhance ERG effectiveness.

Figure 5.

"Most professionals—especially Gen Z employees—believe that companies should facilitate work friendships through extracurricular, non-work-related activities like holiday parties and happy hours (40%). Employee Resource Groups (ERGs) focused on inclusion are also of interest (39%), particularly among more mid-level and senior employees."

—KPMG Survey, 2024

Methodology

This white paper is informed by insights from ERG Consortium informational interviews and event discussions, as well as a growing broader literature on ERGs.

Data Collection Approach

The findings in this report stem from three sources:

- ERG Consortium Convenings and Events
  - Design Thinking Workshops – Two hands-on problem-solving sessions hosted and facilitated by ERG Consortium partners that identified core ERG challenges and generated strategic solutions.
  - San Francisco Bay University Event – A forum on the role of ERGs in retaining diverse talent and the importance of access, inclusion, and leadership.
  - Annual Convenings – Two events in partnership with key member companies that brought together hundreds of Silicon Valley DEI leads and ERG co-chairs featuring panels, as well as plenary and small-group discussions surfacing a wide array of issues.
- One-on-One Interviews with ERG Leaders
  - SVLG staff conducted informal informational interviews with over 40 Consortium-member ERG co-chairs, HR and DEI professionals, and executive sponsors.
  - These interviews focused on ERG structure, funding models, executive support, membership engagement, and impact measurement.
- Comparative Research & Industry Trends
  - This report includes research on employee engagement, retention, and professional development from McKinsey, the Rise Journey, USC's Marshall School of Business and others to set Silicon Valley ERGs in dialogue with broader national trends.

Key Areas of Exploration

Our exploration sought to answer the following questions:

- What challenges do ERG leaders face in driving engagement, securing executive buy-in, and aligning with business priorities?
- What funding models and resources support ERG sustainability, and how do companies structure financial and operational support?
- How do ERGs impact career development, retention, and corporate culture, and what role do they play in fostering leadership pipelines?
- What innovative strategies and best practices have emerged in ERG management and engagement, and how can they be adapted across industries?

ERG Consortium Profile

330 Consortium members across **55** companies

10 INDUSTRIES REPRESENTED

Top 10 Job Titles for Consortium Members

- Vice President
- Director
- Principal Product Manager
- Chief Officer
- Managing Director
- Senior Director
- Executive Director
- HR Director
- Senior Manager
- Program Mangaer

Distribution of ERG Maturity

Mature (10+ Years)	Mid-Level (5-10 Years)
25%	29.2%
Newer (1-5 Years)	**Brand New**
36%	16.7%

Distribution of ERG Affiliations

- Gender
- Latine
- Black
- AAPI
- Multicultural
- Education
- Veterans
- Ability Status
- Climate
- Young Professionals

Industry Sector

Technology	– 15	Finance	– 5
Education	– 8	Communications	– 4
Media & Entertainment	– 7	Government/Nonprofit	– 3
Healthcare	– 7	Consulting	– 3

Source: ERG Consortium self-reporting and SVLG internal classification

Executive Engagement

Executive and managerial support plays a pivotal role in shaping the impact, sustainability, and strategic alignment of Employee Resource Groups (ERGs). While ERGs are often grassroots-led initiatives, their effectiveness is influenced significantly by the level of investment and engagement from company leadership. Strong executive sponsorship can elevate ERGs beyond affinity spaces, integrating them into business strategy, talent development, and corporate culture. Conversely, a lack of visible leadership support, structured resources, or performance recognition can hinder ERG growth and limit their long-term viability.

Our review of national ERG research reveals a complex and evolving landscape. While the majority of companies maintain or increase ERG funding, gaps persist in areas such as C-suite prioritization, executive sponsor training, and the formal integration of ERG leadership into performance evaluations. Despite some high-profile corporate rollbacks in DEI, evidence suggests that ERGs remain a strong force for workplace inclusion, with many organizations adapting their approaches to ensure long-term support.

In Silicon Valley, interviews with SVLG ERG Consortium members highlight both best-in-class executive engagement and ongoing challenges. Several ERG Consortium organizations have deeply institutionalized ERG support, ensuring direct C-suite involvement in governance and performance tracking, while others struggle with inconsistent managerial backing. Some organizations find that executive presence enhances ERG visibility, while others caution that overly structured leadership involvement can unintentionally stifle grassroots participation. The intersection of executive sponsorship, managerial support, and ERG sustainability remains a critical area for innovation and standardization.

This section explores national trends and insights from Silicon Valley companies to provide a nuanced understanding of how executive and managerial backing can enable ERGs to thrive. By examining structured sponsorship models, gaps in support, and best practices for leadership alignment, we aim to offer actionable recommendations for strengthening ERG impact at all organizational levels.

Figure 6.

National Trends

A 2023 survey conducted by The Rise Journey highlights the strengths and gaps in executive and managerial support for ERGs at the national level. While 65% of organizations reported that a C-Suite representative is involved in ERG budget and compensation discussions, executive engagement often remains inconsistent.

C-Suite leaders primarily support ERGs by fostering internal communities (62%), hosting educational events (36%), and participating in ERG activities (33%). However, 24% of respondents indicated uncertainty about what the C-Suite prioritizes for ERGs, pointing to a communication gap that can undermine strategic alignment and long-term ERG sustainability.

Beyond C-Suite involvement, executive sponsorship plays a crucial role in ERG effectiveness. Many organizations assign Executive Sponsors at the VP or C-Suite level to guide ERG initiatives, but 57% of organizations do not provide formal training for these sponsors despite a desire to do so. Without structured guidance, executive sponsors may struggle to effectively advocate for ERG goals or integrate them into broader company strategies. Those who collaborate closely with HR and DEI teams tend to drive more impactful ERG-led initiatives, reinforcing the importance of equipping sponsors with the necessary skills and resources.

Direct managerial support remains another key challenge. ERG leaders often juggle their ERG responsibilities alongside their core job functions, with many reporting that they dedicate 1-5 hours per week to ERG activities without formal workload adjustments. A lack of protected time can hinder ERG initiatives and discourage employee participation.

Additionally, ERG contributions are frequently undervalued in performance reviews—only 24% of organizations currently recognize ERG leadership in evaluations, though 57% express interest in integrating it into formal review processes. Without clear recognition, ERG leaders may struggle to demonstrate the professional value of their work, limiting career growth opportunities and weakening ERG sustainability.

Figure 7.

Snapshot of C-Suite Engagement

Fostering internal communities	Participating in ERG activities
62%	**33%**
Hosting educational events	**Uncertainty about what C-Suite prioritizes**
36%	**24%**

—The Rise Journey Survey, 2023

Findings from the SVLG ERG Consortium

Executive and C-suite support for ERGs varies widely across companies within the ERG Consortium, shaping both the perceived value of ERG contributions and the tangible support provided to ERG leaders and members. At one major financial firm, executive support is deeply institutionalized. An ERG leader from this organization noted, "We have full support from executives—our CEO, since he began, has chaired the DEI council and attends every meeting." This top-down engagement helps set a clear organizational tone that ERG work is valued and integral to the company's culture and business goals.

> "We have full support from executives—our CEO, since he began, has chaired the DEI council and attends every meeting."
> - ERG Chair, Technology Sector

> "Time spent on ERGs is baked into our DEI goals, tied to financial metrics. We measure—what did we do this year to make a difference?"
> - ERG Chair, Finance Sector

At a leading SVLG-member consulting firm, executives recognize ERG leadership by tying it directly to career progression. They do this by documenting and factoring ERG efforts into performance evaluations. A senior ERG leader from this firm shared, "As an effective co-chair, it goes into my metrics to show how it moves the needle—it impacts my basis increase and variable comp." At companies with more robust and mature ERGs, executives work collaboratively with ERGs to clearly define leadership roles, enabling contributions to be measured, evaluated, and even compensated.

However, one technology company offered a more nuanced example of executive engagement. A co-chair noted that while the CFO and other executives are strong champions of the women's ERG, excessive leadership involvement sometimes dampened employee engagement. Staff-level participants reported to her that as executive participation increased, they found the group less relevant to their concerns, and attendance numbers dwindled. This underscores the delicate balance required in executive sponsorship: while essential, it must be inclusive and non-intrusive to foster genuine participation. Other interviews echoed this sentiment, suggesting that a lighter executive presence often allows members to engage more openly and authentically, free from concerns about hierarchy or backlash.

> "People don't show up because the group is no longer interesting or relevant to them."
> - ERG Chair, Finance Sector

Another potential disconnect between leadership and staff-level employees is reflected in a conversation with a DEI lead at a media and entertainment company, who pointed out that despite clear executive involvement and investment, no ERG co-chairs are above the manager level, making it challenging for ERG leaders to have their efforts translated into professional growth opportunities.

> "We keep our HR teams separate from our affinity groups so that the affinity groups can raise issues about internal policy without them getting downplayed—and then we bring these issues to HR.
>
> Our recommendation: maintain great relationships with HR but keep these efforts separate."
> - ERG Chair, Technology Sector

A best practice for securing executive support involves establishing clear communication channels and demonstrating the layered business value of ERG initiatives. Communication gaps create missed opportunities for recognizing ERG work within formal performance evaluations. They also obscure the ways ERG leadership advance company priorities. DEI leads and co-chairs can bridge gaps by aligning ERG goals with corporate objectives and presenting managers with quantitative and qualitative metrics to display how ERGs impact job satisfaction, retention, and other company-wide priorities.

On the other hand, managers of ERG leads should revise evaluative frameworks to align ERG leadership activities with recognized performance metrics such as 'professionalism' and 'culture building.' By formalizing this approach, organizations not only acknowledge the impact of ERGs on employee engagement and retention (as seen at the leading financial and consulting firms referred to on page 12) but also create pathways for ERG leaders to gain recognition and career advancement opportunities. Such an approach strengthens the business case for ERG initiatives and provides managers with clear criteria to evaluate and support ERG leaders on their teams.

Figure 8.

Another powerful strategy for building long-term support revealed through Consortium interviews is to invite managers and executives to engage in ERG activities. Several companies in the ERG Consortium have successfully implemented this approach. A communications company ensures each ERG not only has an executive sponsor, but integrates them into mentoring programs and product feedback meetings. Similarly, two technology companies hosted company-wide ERG events that welcomed all employees, including those not yet involved in ERGs. To maximize leadership visibility and engagement, ERG co-chairs at both companies proactively invited C-suite executives to attend in person and virtually, providing them with a firsthand view of the impact ERGs have on workplace culture and employee development. Importantly, both companies offered their CEOs platforms to speak and worked closely with their corporate communications teams to amplify executive involvement through internal and external communications collateral—allowing executives to shine in ways that aligned with their enterprise's mission and vision.

ERGs that proactively invite executives to meetings, mentorship programs, or collaborative events—rather than waiting for leadership to take interest—tend to secure stronger backing and greater alignment with corporate goals.

Formalizing ERG Contributions

To integrate ERG-specific metrics into standard performance review processes, use a modular approach that seamlessly fits within existing frameworks. This method allows ERG leadership and participation to be recognized without overhauling the entire performance evaluation system. Here are some practical strategies:

1. Create an ERG Leadership Module:
Develop a standardized "ERG Leadership & Participation" section that can be added to performance review templates across departments. This module would include:

- Core Competencies: Communication, project management, leadership, and community building.
- Quantitative Metrics: Meeting attendance, budget management, event execution, and membership growth.
- Qualitative Inputs: Feedback from ERG members, testimonials from peers, and examples of initiatives led.

2. Incorporate ERG Metrics into Existing Categories:
Align ERG-specific contributions with broader performance categories such as:

- Professional Development: Recognize how ERG roles build transferable skills (e.g., leadership, strategic planning) that relate to key job functions.
- Community Engagement: Include ERG activities under corporate social responsibility or community-building initiatives.
- Interpersonal Skills: Highlight how running meetings, coordinating various stakeholders, and delivering on employee priorities improve collaboration and empathy.

Spotlight: Executive Engagement in Practice

One member's approach to ERGs—or Employee Networks, as they term them—demonstrates the impact of executive sponsorship. Their CEO chairs the DEI council, ensuring ERGs are aligned with corporate goals. Executive sponsors attend meetings, provide mentorship, and advocate for ERG leaders in performance evaluations. There is also a national coherence to how ERGs are structured and celebrated across the company, which was recently standardized in a playbook that is used internally to support and grow ERG efforts.

Strategic Resourcing

Funding is crucial to ERG sustainability. Without a structured budget, ERGs struggle to organize impactful programs, secure leadership buy-in, and demonstrate long-term business value. Yet, national research reveals significant disparities in how ERGs are funded, how much financial support they receive, and how transparently these budgets are managed. While some organizations allocate structured funding through DEI or HR budgets, others rely on inconsistent, ad hoc financial support.

Our review of large-scale national ERG surveys helps benchmark how these financial dynamics play out within Silicon Valley organizations. Research from The Rise Journey and USC's Center for Effective Organizations suggest that most companies fund ERGs at below $25,000, and that a sizable portion of ERGs receive little to no financial support. These studies also highlight the need for clear funding mechanisms and greater financial transparency.

Insights from the SVLG ERG Consortium emphasize that funding remains a core challenge for Silicon Valley ERGs. While some organizations have established structured funding models—such as enterprise-level allocations or split-funding systems—many ERG leaders report ongoing frustrations with inconsistent financial support and delays in accessing approved budgets.

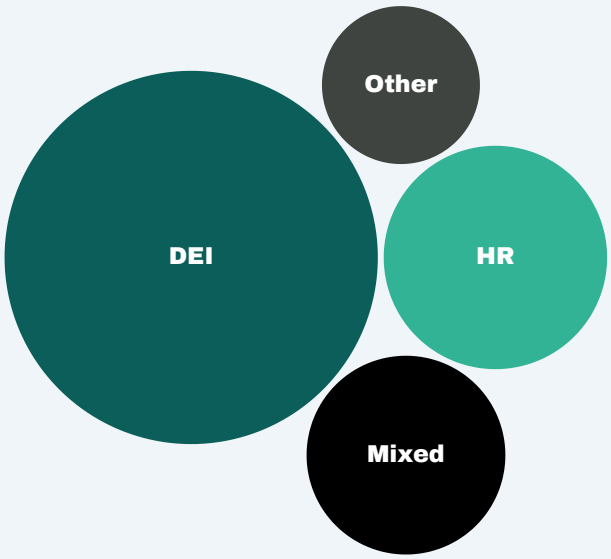
To address these challenges, ERG leaders are increasingly adopting strategies that integrate their initiatives with broader company priorities such as professional development, executive engagement, and volunteerism. By aligning their efforts with these broader organizational goals, ERGs can demonstrate clear business value, making a stronger case for sustained investment.

Figure 9.

National Trends

There is significant variation in the sources of ERG funding, the amounts allocated, and budget transparency.

Figure 10.



—USC Survey, 2023

A 2023 USC Center for Effective Organizations survey of 3,464 employees from 41 organizations found that 67% of ERGs were funded through the DEI budget, 24% from the HR budget, and smaller portions from mixed sources (19%) and other buckets (12%). In terms of budget size, 81% of companies allocated less than $25,000 per ERG annually. 51% of respondents reported individual ERG budgets of less than $10,000, 2% reported no budget at all, 1% budgets of $250,000 or more, and 3% budgets ranging from $100,000 to $249,999. Larger budgets were typically awarded after ERGs demonstrated clear business impact.

The Rise Journey 2023 State of the ERG Report, with 239 participants, majority from companies over 500 employees, found significant polarization in funding, as the two most common responses regarding budgets were "More than $10,000" (29%) and "We do not have a budget" (26%). Their survey also highlighted transparency issues—nearly 19% of respondents lacked access to budget information, suggesting that DEI funding remains opaque in many organizations.

Expectedly, there is correlation between company size and ERG budget allocation. Organizations with over 10,000 employees were most likely to allocate more than $10,000 to DEI, whereas smaller companies (under 100 employees) frequently reported having no budget at all. A small but significant percentage of companies operate on DEI budgets under $5,000 (9%) or even less than $500 (3%), limiting their ability to drive sustainable change.

Figure 11.

Encouragingly, among companies with dedicated DEI funding, the majority had budgets exceeding $1,500, indicating that when funds are allocated, they tend to be meaningful rather than token amounts. Additionally, whereas in 2022, 16% of organizations allocated over $10,000 to ERGs, in 2023, 29% reported having budgets above $10,000, pointing to an increase in higher-budget ERGs.

The 2025 ERG Resourcing Report, conducted by Verbate.io, a company specializing in employee engagement and organizational culture research, gathered responses from over 100 ERG Program Managers and DEI leaders across mid-to-large-sized organizations in North America and Europe, with companies spanning technology, finance, healthcare, and retail.

The report found that a majority of organizations are maintaining or increasing their investment in Employee Resource Groups (ERGs). 84% of ERG Program Managers reported that their organizations are either sustaining or expanding ERG resources in 2025. Specifically, 60% of companies are keeping ERG resources consistent with 2024 levels, while 24% are increasing their investment in ERG programs.

While most organizations continue to support ERGs, 14% of companies are reducing their ERG budgets in 2025. However, no organizations in the survey reported plans to eliminate ERG support entirely this year, indicating that despite some financial constraints, ERGs remain a valued part of corporate DEI efforts.

Despite these trends, external challenges continue to impact ERGs. Large corporations such as Amazon, Google, Meta, and Walmart have altered their Diversity, Equity, and Inclusion (DEI) initiatives in part due to legal challenges. In the federal sector, concerns have emerged regarding workplace conditions for LGBTQ employees, with fears of discrimination or termination contributing to an increasingly hostile work environment. These broader socio-political shifts may shape the future of ERG sustainability and corporate DEI strategies moving forward.

Figure 12.

84% of organizations plan to sustain or expand ERG resources in 2025—a sign of resilience amid shifting corporate priorities.

—Verbate Report, 2024

Figure 13.

Findings from the SVLG ERG Consortium

Funding remains a critical challenge for members of the SVLG ERG Consortium. While some groups benefit from structured, institutionalized funding mechanisms, others navigate unpredictable terrain.

Consortium interviews reveal variability in ERG funding sources and allocation models, as well as creative strategies that stretch funding to optimize impact. For example, some companies have established enterprise-level funding mechanisms where dedicated funds are allocated to each ERG, regardless of size. To maximize these resources, ERG leaders coordinate events strategically, and spread engagement opportunities across the year to ensure equitable access to programming for all groups.

Key Takeaway

Maximize funding by coordinating budgets across ERG groups to ensure engagement opportunities are spaced strategically throughout the year.

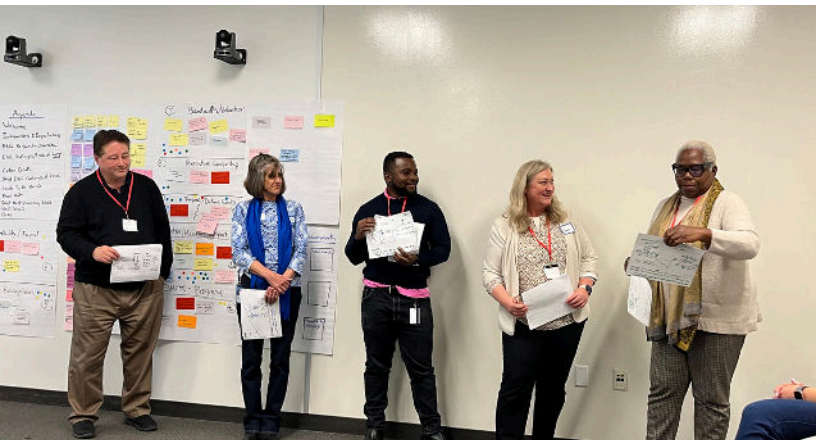


Figure 14.

Figure 15.

In other companies, ERGs operate under a split funding model where enterprise-wide initiatives—such as keynote speakers and major corporate events—are managed by DEI leadership, while ERGs focus on site-specific or regional engagement. A benefit of this model is that smaller ERGs may benefit from the additional capacity that DEI divisions can provide; however, every ERG is different in terms of membership and programmatic goals, meaning split governance can potentially hinder ERG efforts to be responsive to the specific needs of their members.

Interviews also surfaced several recurring challenges in securing or expanding ERG funding. ERG co-chairs frequently reported frustration with the absence of a formalized procurement process, making it difficult to plan and execute programs efficiently. In companies where budgets are centrally managed, co-chairs often face delays and inconsistent financial support as their programs compete with broader DEI initiatives.

In response to these challenges, ERGs are increasingly focused on demonstrating clear returns on investment. With heightened attention on impact and accountability, ERG leaders are prioritizing initiatives that meaningfully address member needs and foster sustained engagement. By aligning activities with strategic priorities and ensuring each effort builds momentum for future programming, ERGs can create a stronger case for consistent support.

Developing sustainable funding requires ERG leads to think strategically about resourcing, and ensure that their allocations align with multiple overlapping corporate priorities. For instance, ERGs that host events or initiatives highlighting executives better position themselves to unlock new resources in the form of communications teams—teams which can then help to tell the story of ERG efforts across the company.

Furthermore, aligning ERG funding with broader company objectives, such as establishing educational partnerships with local academic institutions, can open up additional funding from departments like Corporate Social Responsibility, Talent Acquisition and University Relations. These strategies not only diversify funding streams for ERGs, they increase collaboration across teams, and increase the potential for meaningful organization-wide impact.

Spotlight: Scaling ERG Impact through Strategic Partnerships

A co-chair at one leading technology company is growing her Education and Outreach ERG and expanding her company's brand by leveraging regional associations. Her ERG now hosts several events each year that connect her colleagues to area students, but her partner associations-SVLG and the Bay Area K-16 Collaborative-handle student outreach, logistics, and transportation, allowing her ERG team to focus on content and executive and employee engagement rather than coordination.

This ERG leader:

- Used partner entities to scale and coordinate efforts, bringing hundreds of students to her company without adding significant internal workload.
- Expanded reach into high schools and colleges, strengthening her company's relationships with decision makers in the education market and expanding its talent pipeline.
- Intentionally integrated executives into these ERG-led events, ensuring their visibility and connection to the work. At the same time, she engaged several dozen young professionals at her company, creating opportunities for them to participate, network, and contribute. This approach strengthened executive buy-in and fostered a sense of community and purpose among early-career employees, aligning with their desire for meaningful engagement and giving back.

Takeaway for ERG Leaders:

- Align ERGs with business goals to gain more support.
- Use external partnerships to scale impact without overloading volunteers.
- Leverage ERGs to boost company influence in key industries.

By strategically tapping into SVLG and K-16C, this co-chair has expanded her company's community impact, strengthened its brand, and made her ERG more valuable.

Figure 16.

Professional Growth

Employee Resource Groups (ERGs) have emerged as powerful incubators for professional growth, providing employees with critical leadership experiences that extend beyond their formal job descriptions. By taking on ERG leadership roles, employees gain hands-on experience in strategic planning, project management, event coordination, and stakeholder engagement—skills that are essential for career advancement but not always accessible in day-to-day roles.

Research consistently shows that ERG participation can be a transformative career accelerator, with employees who engage in these groups often developing stronger leadership competencies, broader internal networks, and deeper cross-functional expertise. However, the extent to which ERG contributions translate into career advancement depends largely on how organizations visibilize and support ERG involvement. In companies where ERG leadership is aligned with formal talent development frameworks, employees see clear pathways for growth. Conversely, where ERG work is treated as extracurricular, its professional impact can go unrecognized, limiting its ability to serve as a stepping stone for career mobility.

This section explores national trends and SVLG ERG Consortium-member best practices that highlight how ERGs contribute to leadership development and career progression. Here, we examine how organizations can maximize the professional development potential of ERGs while ensuring that employee contributions are valued, recognized, and rewarded. Lastly, best practices will exemplify the importance of developing scalable and duplicable leadership models that bolster the ERG sustainability.

Figure 17.

National Trends

Data suggest that effective ERGs fuel professional development and career advancement. ERGs offer employees opportunities to develop skills outside of their day-to-day roles, such as organizational and strategic thinking, which are crucial for long-term professional growth

In a 2019 survey of 363 business professionals, the Institute for Corporate Productivity (i4cp) compared leadership training in high-performing vs lower-performing companies. Their findings revealed that high-performing companies overwhelmingly found ERG participation to be more effective than formal training programs for developing leadership skills. For instance, 87% of respondents from high-performing firms said ERGs were more effective than other leadership development practices in fostering collaboration. Similarly, 82% agreed that ERGs were more effective at nurturing inclusive behaviors, and 81% said ERGs were better at enabling work with diverse teams. The report emphasized that ERGs are often "untapped goldmines" for leadership development, offering employees opportunities to lead projects, mentor others, and gain visibility. It concluded that companies treating ERGs as strategic talent-development initiatives, rather than just social groups, see greater engagement and can identify future leaders through ERG involvement.

However, this impact on career advancement is not automatic. As a 2025 survey of 11,356 ERG participants found, it depends on how effectively the ERG is integrated into the organization's development and talent management processes. Many ERG leaders still do not perceive clear career rewards for their involvement, pointing to a need for companies to formally recognize and leverage ERG work—for example, by considering ERG leadership in performance reviews or creating mentorship links to senior management.

Figure 18.

ERG members are more likely to say they consistently participate in innovation, unlocking agility across the organization.

–i4cp Article, 2019

Figure 19.

Findings from the SVLG ERG Consortium

> "We have four or five officers each doing something—events, marketing, comms—it's like a mini nonprofit."
> - ERG Chair, Healthcare Sector

The role of ERGs in professional development and career advancement varies across Silicon Valley organizations, but a consistent theme emerges: ERG leadership functions as a significant growth opportunity for employees, providing them with valuable leadership experience, strategic planning skills, and organizational insight. Many ERG leaders liken their roles to running a small nonprofit organization, requiring an intrapreneurial mindset to sustain and scale efforts. This framing is echoed across multiple companies where ERG leaders balance responsibilities across event planning, marketing, communications, and membership engagement, effectively operating as cross-functional team leaders.

> "We invite senior staff to our meetings and junior staff to present. We also record all meetings and send them out to presenters' managers."
> - ERG Chair, Technology Sector

One recurring strategy HR and DEI leaders are using to tie ERG participation to professional growth is ensuring alignment with performance evaluations. Some organizations have begun co-creating Key Performance Indicators (KPIs) with ERG leaders to measure their impact in ways that translate to formal recognition. For instance, ERG co-chairs who actively discuss their work with managers and integrate it into their development plans are better positioned to showcase how ERG leadership contributes to their growth. At companies where ERG participation is institutionalized within career frameworks, employees see clearer pathways to advancement.

Another best practice is to offer ERG leaders regular opportunities to network internally—both in structured and informal ways—with professionals and managers from across different functions. This ongoing connection helps build relationships and visibility beyond their immediate teams. As one ERG co-chair from a leading financial institution shared when asked about compensation for their role: "The opportunities our company provides ERG co-chairs for career mobility and cross-functional growth far outweigh any financial compensation we might receive."

Best Practice

ERG co-chairs can also play an active role in tying ERG participation to professional development. As part of their regular ERG programming, one co-chair actively invites junior employees to present at ERG meetings, making sure to also invite the employees' managers and other executives to attend. Afterward, the co-chair takes the initiative to share the recorded presentations with managers to further amplify the employee's visibility. This practice not only helps junior employees develop and showcase critical skills like presenting, facilitating, and organizing but also creates layered connections between employees, managers, and leadership—reinforcing the role of ERGs as strategic incubators for talent development.

ERGs can also provide external growth opportunities by connecting employees with resources outside of the office. For example, companies participating in initiatives like CLEO (Consortium of Latino Employee Organizations) and SVLG's ERG Consortium provide co-chairs, members, and executive sponsors with broader networking and learning opportunities that amplify company branding while strengthening internal strategy. Several ERG Consortium members have cited participation in external opportunities as a key driver of innovation, leading to new creative outlets for member engagement and growth.

As ERGs evolve, a key challenge is ensuring their contributions are recognized and tied to career growth. Companies that embed ERG leadership into talent development—through KPIs, performance reviews, and mentoring—turn ERGs into engines for leadership development. Adopting best practices like showcasing junior talent, fostering cross-functional internal networks, and connecting talent to external opportunities, organizations strengthen both employee growth and leadership pipelines.

Key Takeaway

Participation in external opportunities is a key driver of innovation, leading to new creative outlets for member engagement and growth.

Examples of ERG Consortiums

ERG LEADERSHIP ALLIANCE™

CLEO Consortium of Latino Employee Organizations

United Partnerships

"The conversations at the holiday event revealed how much we have in common with completely different industries. We're in advanced manufacturing, so I didn't think we'd have the same challenges as [a media and entertainment member], but it turns out we both operate on 24-hour clocks, nonstop production and reporting cycles, so we had some of the same exact internal communications and member engagement challenges—and they gave us great advice!"
- ERG Chair, Technology Sector

Onboarding and Leadership Transitions

While ERG leadership offers a powerful vehicle for skill development, its impact depends on how leaders are trained and supported. Across the SVLG ERG Consortium, companies highlighted that new leaders often assume their roles without formal guidance, or a structured path into or out of their respective roles, resulting in inconsistent experiences and variable effectiveness. As one ERG leader at a Silicon Valley manufacturing company shared, “Before I came to the ERG, I had great mentors, but I didn’t have a playbook for how I was supposed to handle situations as a leader.” In response, this company’s Veterans ERG began developing a structured onboarding process for new local and global leaders—an emerging best practice echoed by other Consortium members.

Effective onboarding ensures new leaders are aligned with the ERG’s mission and scope and equipped with tools to drive impact from day one. This includes clarity on event approval processes, executive sponsor relationships, strategic priorities, and expectations for communication and collaboration. Without this foundation, new leaders risk burnout, role confusion, or missed opportunities for influence and collaboration.

The following example of an ERG onboarding plan highlights how structured support can equip emerging leaders for success while reinforcing a unified mission and strategy, particularly critical for ERGs with multiple chapters seeking to scale impact, ensure consistency, and sustain momentum across locations.

Spotlight: Onboarding Future Leaders at a Veterans ERG

To address inconsistent leadership transitions, one leading ERG developed a structured onboarding model for new leaders across local and international chapters. Their approach includes a detailed playbook, stakeholder maps, and guidance on strategic priorities—ensuring that incoming leaders understand their scope, decision-making authority, and available support systems from day one.

The result? Stronger alignment across chapters, more confident leadership, and a scalable model that reinforces shared values and long-term impact.

Actionable Takeaways for ERG Leaders and Program Managers:

Create a Leadership Playbook
Document roles, approval processes, key contacts, and annual milestones.

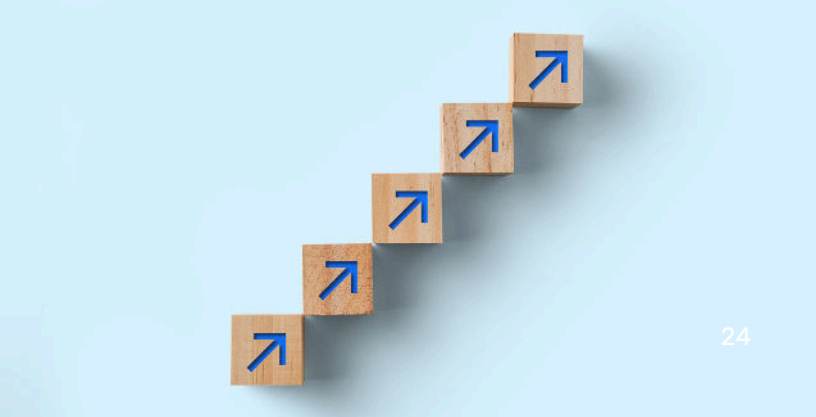
Include a Short Orientation Session
Introduce the ERG’s mission, structure, and expectations in a concise onboarding call or video.

Clarify Scope and Authority
Spell out what leaders can do independently and what requires sponsor or HR input.

Map Key Relationships
Identify executive sponsors, DEI leads, and internal partners early in the process.

Build Feedback Loops
Establish 30-, 60-, and 90-day check-ins to support integration and success.

Figure 20.



Key Recommendations

Drawing on SVLG Consortium insights and national trends, the following recommendations offer actionable steps to strengthen ERG effectiveness and impact:

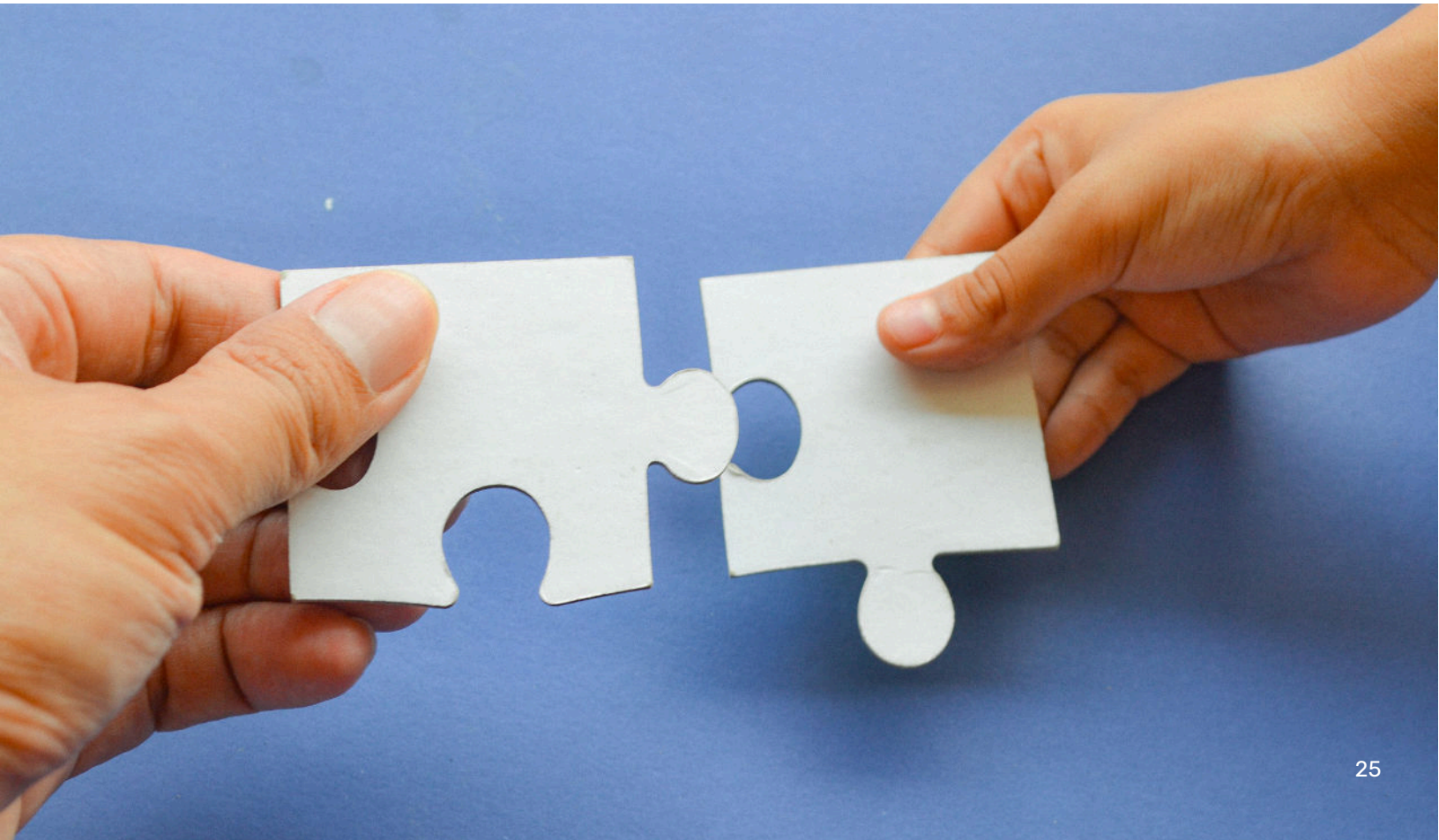
Strengthen Cross-ERG and Cross-Company Collaboration to Maximize Impact

Why? Many ERGs operate in silos, limiting their ability to amplify impact, secure executive buy-in, and drive broader cultural change. Cross-company collaboration offers ERG leaders access to shared knowledge, resources, and proven strategies, reducing the need to "reinvent the wheel."

Best Practice: The growing prominence of ERG conveners such ERG Leadership Alliance, Consortium of Latino Employee Organizations (CLEO), United Partnerships, and the SVLG ERG Consortium signal that ERGs are evolving beyond social spaces into strategic initiatives that drive innovation. Organizations that promote cross-ERG collaboration—whether through joint events, shared resources, or inter-company partnerships—see stronger engagement, visibility, and long-term sustainability.

Action Steps: Foster joint ERG initiatives, including networking events, mentorship programs, and business impact projects. Engage with inter-company consortiums to enable knowledge-sharing, benchmarking, and best practice exchanges.

Figure 21.



Create Reporting Tools that Capture True ERG Impact

Why? ERGs play a critical role in employee engagement, leadership development, and retention, yet many organizations struggle to effectively measure and communicate their impact. Without clear data, ERGs risk being perceived as merely extracurricular rather than essential to business success. Establishing both quantitative and qualitative assessment methods ensures that ERGs are recognized for their contributions to business objectives and workplace culture.

Best Practice: A robust impact measurement approach should include both quantitative and qualitative assessments:

- **Quantitative Case:** To assess business impact, compare the retention rates of ERG members with the overall employee population to identify potential correlations. Additionally, work with HR to administer an anonymous employee satisfaction survey that includes a question on ERG membership and analyze the correlation between ERG participation and job satisfaction levels.
- **Qualitative Case:** Conduct interviews with ERG co-chairs that focus on core performance categories such as leadership, teamwork, and communication to elucidate qualities cultivated through ERG leadership. A qualitative analysis can also reveal connections between an employee's commitment to their core work responsibilities and ERG contributions. Detractors may represent ERG participation as merely extracurricular, but in-depth interviews can help tell a different story of growth, development, and belonging, all of which are relevant to the business's capacity to retain talent.

Action Step: Develop customized ERG impact reporting tools that integrate survey data, retention metrics, and leadership testimonials into a compelling narrative. Use this data to demonstrate ERG value to executives, managers, and potential sponsors, ensuring continued investment and organizational support.

Figure 22.

Establish Formal Recognition and Career Pathways for ERG Leaders

Why? ERG leadership develops critical business and leadership skills, yet many ERG leaders struggle to have this work recognized in performance evaluations or career progression.

Best Practice: Organizations that integrate ERG leadership into their performance review systems see higher engagement among key talent and stronger, more diverse leadership pipelines. Implementing ERG-specific Key Performance Indicators (KPIs) within evaluation frameworks ensures that ERG work is measured, valued, and linked to professional development opportunities, including promotions and compensation adjustments.

Action Step: Develop an ERG Leadership Competency Framework that formally positions ERG leadership as a recognized leadership development track. This framework should align ERG competencies explicitly with those required for advancement within the firm. Additionally it should integrate structured mentoring opportunities with senior executives to enhance visibility and career advancement for ERG leaders.

Formalize Executive Support

Why? ERG leaders often experience inconsistent executive support. Without active engagement, ERGs may struggle to secure resources, align with business strategy, or gain visibility within the organization.

Best Practice: Organizations that structure executive engagement clearly help ensure that this engagement goes beyond symbolic support. Effective approaches include executives actively participating in ERG meetings, programs, and supporting the alignment of ERG initiatives with business priorities. When executives play an active role, ERGs gain credibility, access to decision-making spaces, and stronger long-term sustainability.

Action Step: Develop a tiered engagement model for executives, clearly defining levels of involvement:

- **Tier 1 (Active Sponsor):** Attends ERG meetings, provides career mentorship, and advocates for ERG initiatives in leadership discussions.
- **Tier 2 (Strategic Advocate):** Champions ERG initiatives within leadership circles, securing resources and visibility without direct involvement in day-to-day ERG operations.
- **Tier 3 (Endorser):** Publicly supports ERG work, acknowledges its value, and reinforces its importance without hands-on participation.

Develop a Standardized ERG Budgeting Framework

Why? ERGs across industries report that inconsistent funding models limit their ability to plan long-term, sustain employee participation, and measure impact.

Best Practice: Companies with structured, transparent ERG funding models report higher engagement, better resource planning, and more sustainable ERG programs.

Action Step: Establish a tiered funding model that provides a baseline budget for all ERGs, with additional funding based on membership size, engagement levels, and strategic initiatives. Ensure the budgeting process is transparent, with clear criteria for requesting additional resources and aligning funding with corporate priorities.

Charter Template

Vision Statement

"[Insert a compelling quote from leadership, executive sponsor, or other institutional figure of importance related to organization's commitment to diversity, equity, and/or inclusion.]"

Consistent with our organization's commitment to diversity, equity, and inclusion, [ERG Name] exists to support, celebrate, and empower [identity/community group]. This ERG provides members with opportunities for professional development, community outreach, peer support, and education [include or replace core values] that contribute to a more inclusive and engaged workplace.

ARTICLE 1: NAME

This employee resource group shall be known as [ERG Name].

ARTICLE 2: MISSION

The mission of [ERG Name] is to [state purpose, e.g., support and empower employees who identify as X, and their allies, through programs that foster belonging, career growth, and community engagement].

The ERG aims to create a safe, inclusive space for members, promote awareness among the broader employee community, and support organizational goals related to diversity and inclusion.

Key focus areas may include but are not limited to:

- **Community Engagement**: Organize volunteer activities, outreach events, and partnerships with local organizations and schools.
- **Professional Development**: Host workshops, mentorship opportunities, and skills-based training to support career advancement.
- **Equity & Belonging**: Promote practices that foster a welcoming, inclusive environment for all employees.
- **Social Connection**: Facilitate informal gatherings, celebrations, and events to strengthen connections among members.
- **Communications**: Distribute regular newsletters or updates highlighting upcoming events, milestones, and member stories.

ARTICLE 3: MEMBERSHIP

Membership is open to all employees who support the mission and goals of [ERG Name]. Employees can join by subscribing to the ERG's communications or participating in events. Membership is voluntary and inclusive of allies.

Contact emails for regional groups or chapters (if applicable):

- [Region1_ERG@company.com]
- [Region2_ERG@company.com]
- [Etc.]

ARTICLE 4: LEADERSHIP

[ERG Name] will be guided by a Leadership Board composed of Co-Chairs and optional Site/Chapter Leads representing various regions or departments.

ARTICLE 5: AMENDMENTS

Any member of the ERG Leadership Board may propose changes to this charter. Amendments will be adopted by majority vote of the Board and implemented immediately or as specified.

ARTICLE 6: EXECUTIVE SPONSOR

An Executive Sponsor (Director-level or above) will support [ERG Name] and its initiatives.
Executive Sponsor Responsibilities:

- Attend ERG leadership meetings at least quarterly
- Host or attend ERG events as needed
- Advocate for ERG priorities within senior leadership circles
- Provide guidance and alignment with organizational goals

Prior affiliation with the ERG's community is appreciated but not required. A strong commitment to equity, diversity, and inclusion is essential.

Sources

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Figure 2: Photo by Albee K. from Pexels.

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Figure 4: Photo by SVLG's ERG Consortium Fall 2024 Gathering Event.

Figure 5: KPMG, *Survey: Workplace Friendships Play a Critical Role in Employee Mental Health, Job Satisfaction*.

Figure 6: Photo by Ivan S. from Pexels.

Figure 7: The Rise Journey's State of the ERG Report.

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Figure 10: USC Center for Effective Organizations survey

Figure 11: Photo from Freepik.

Figure 12: Verbate, *Report: How Companies are Resourcing their Employee Resource Groups in 2025*.

Figure 13: Photo by SVLG and Texas Instruments' Women in Tech Connect Event.

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Figure 17: Photo from 2024 ERG Consortium Holiday Party.

Figure 18: Great Place to Work, *Untapped Energy Report*.

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