

Morgan Stanley's ex-diversity chief suing firm, alleges racial discrimination

 [foxbusiness.com/markets/morgan-stanley-diversity-chief-suing-alleges-racial-discrimination](https://www.foxbusiness.com/markets/morgan-stanley-diversity-chief-suing-alleges-racial-discrimination)

James Leggate

Morgan Stanley's former global head of diversity is suing the finance firm, accusing it of racial discrimination, illegal retaliation and violating the Equal Pay Act.

Marilyn Booker alleged in the lawsuit that Morgan Stanley suffers from “white male-centric leadership” at the expense of the low number of black and other people of color working there. She accused the company of silencing any employees who advocated for greater diversity and inclusion.

Before a recent promotion, 13 of the 16 members of Morgan Stanley’s operating committee were men and 14 of the 16 were white, according to the lawsuit. None of the committee members were black. And only one of the 14 members of the company’s board of directors is black.

“Black lives did not matter at Morgan Stanley,” the complaint states.

A Morgan Stanley spokesperson told FOX Business the firm rejects the allegations and intends "to vigorously defend" itself.

"We are steadfast in our commitment to improve the diversity of our employees and have made steady progress – while recognizing that we have further progress to make," the spokesperson said in a statement. "We will continue to advance our high priority efforts to achieve a more diverse and inclusive firm."

Pushing for reforms to bring in more black employees even cost Booker her job, according to the suit. She was fired from her job of 26 years in December after months of asking Morgan Stanley leadership to listen to her plan to address a lack of diversity and “unequal and marginalized treatment she saw inflicted on employees of color.”

“Having had no performance issues, Ms. Booker was blindsided,” the suit states.

The company said it let go about 1,500 employees in December as part of a workforce reduction.

Booker filed the lawsuit the week after Morgan Stanley announced it was donating \$5 million to the NAACP Legal Defense and Education Fund and the New York Post reported Morgan Stanley CEO James Gorman had promoted two black women, including one to the

operating committee, and created a new \$25 million group inside the firm dedicated to diversity amid widespread protests over George Floyd's death and the treatment of black Americans by police.

However, Booker alleged in the suit that racial bias inside Morgan Stanley has increased since Gorman was appointed CEO. She joined Morgan Stanley in 1994 as its first diversity officer and held the role until 2010 when Gorman took over as CEO and moved her to a new, short-lived “office of development.” That group was eliminated the next year, and Booker said in the suit that outgoing CEO John Mack helped create a new position for her leading another new office, the “urban markets group.”

Marilyn Booker, Managing Director & Head of Morgan Stanley’s Urban Markets Group, is a passionate advocate of improving the prosperity of urban communities. Learn more about Marilyn & the women who make up our communities & businesses. <https://t.co/0tVCtw8w5I> [#WomensHistoryMonth](https://t.co/0tVCtw8w5I) [pic.twitter.com/SWRJed9F13](https://t.co/0tVCtw8w5I)

— Morgan Stanley (@MorganStanley) March 29, 2018

The lack of diversity at the top is reflected throughout the company, according to Booker. She said Morgan Stanley has appointed 1,382 managing directors since 2012. Less than 3 percent of them are black, while about 97 percent are white, she said.

Between 2017 and 2019, there was a “sudden mass exodus” of black managing directors leaving Morgan Stanley, according to Booker’s lawsuit. And while the company would make “significant offers” to keep white MDs from leaving the company, Booker alleged there was no effort made to stop the black MDs from going.

“The sentiment at the firm was ‘good riddance’ and ‘glad to see you go,’ rather than, ‘why are they leaving us?’ or ‘how could we do better,’” she said in the complaint.