

Former Morgan Stanley Diversity Head Files Lawsuit Against Wall Street Giant On Racial Discrimination Allegations

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The former head of global diversity at Morgan Stanley has sued the financial services company on racial discrimination allegations. Marilyn Booker claims she was fired in December after pushing proposals to combat the lack of diversity at the company.

“Rather than seriously examine its own role in perpetuating inequalities in hiring, pay and promotion, and in fostering toxic workplace cultures and consumer discrimination, Morgan Stanley has instead repeatedly stopped short of any meaningful major overhauls during prior opportunities for change,” the suit said.

Booker had been employed at Morgan Stanley for 26 years. She served as the company’s global diversity head from 1994 to 2010, and then worked in the wealth management division of the firm for most of the past decade prior to her dismissal.

“Most troubling, Morgan Stanley has, in true hypocritical fashion, actively sought to silence those who speak out and try to advocate for change when it comes to diversity and inclusion,” the suit continues. “Marilyn Booker was one such Morgan Stanley victim. She paid the ultimate price by losing her job merely because she pushed too hard for reforms that would disrupt the status quo on White dominance and result in more Black and minority employees at Morgan Stanley.”

James Gorman, the chief executive of Morgan Stanley, recently announced the company would promote two black women to positions on its operating and management committees. Gorman also called the protests after the death of 46-year-old African-American George Floyd, “a turning point in race relations.”

The suit claims Morgan Stanley decreased Booker's diversity budget "year after year" and alleges black Morgan Stanley employees were subjected to “racial discrimination and [a] toxic harassing environment.” The company, along with Gorman and Booker's ex-boss Barry Krouk, were named as defendants in the lawsuit.

“We strongly reject the allegations made in this claim and intend to vigorously defend ourselves in the appropriate forum. 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. We will continue to advance our high priority efforts to achieve a more diverse and inclusive firm,” the company responded in a statement.

Top financial service companies often have little diversity in their senior ranks. Only 2.2% of Morgan Stanley's senior executives last year were black. JP Morgan Chase also has struggled with diversity, as only 4% of its top executives are African-American.

The Floyd protests have prompted multiple Wall Street giants to support African-American communities and the Black Lives Matter movement.

Goldman Sachs has launched a \$10 million fund for racial equity "to support the vital work of leading organizations addressing racial injustice, structural inequity and economic disparity." Bank of America has pledged \$1 billion over the next four years to help minority communities and black-owned businesses recover from the impact of the coronavirus.