

OPINION *TRADE SECRETS*

# The financial argument for a diverse client base

By Jamie Biesiada   | Dec 17, 2020

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It's morally important to have a diverse client base.

Cathy Brooks-Oliver, owner of CBO Custom Travel in Scottsdale, Ariz., believes so, emphatically. "I'm a citizen of this world, and specifically, I am a citizen of the United States. I want my client base to reflect the environment and world that I move in."

And there is also a compelling financial argument behind diversifying your client base.

In a 2018 study, Mandala Research found that Black travelers contributed \$63 billion to the U.S. travel and tourism economy, up 31% from \$48 billion in 2010. Last month, new research from MMGY Global found that Black leisure travelers spent \$109.4 billion on travel in 2019. It's difficult to compare similar, but different studies, yet even so, the increase from Mandala's 2018 number to MMGY's 2019 number would represent a whopping 73%.

"There is a moral argument, but then there's the financial argument," said Ursula Petula Barzey, a Black Travel Alliance board member and digital content creator for Caribbean & Co.

Barzey pointed to the MMGY study, which also established that Black travelers' overnight stays accounted for more than 13% of the U.S. leisure travel market.

She also pointed to data from the U.S. Census Bureau that indicates the U.S. as a whole will continue to become more diverse over time.

According to the bureau's "Demographic Turning Points of the United States: Population Projections for 2020 to 2060," originally published in March 2018 and revised in February, the U.S. will become an increasingly diverse nation in the years ahead.

The country's non-Hispanic white population will fall from 199 million in 2020 to 179 million in 2060, even though the U.S. population as a whole continues to grow, according to the report. Although that demographic will remain the single largest race designation, by 2045, the Census Bureau projects, non-Hispanic white people will no longer make up the majority of the U.S. population.

Black citizenry is projected to grow as a percentage of population. In 2016, Black people represented around 13% of the total population. By 2060, they will represent 15%, reflecting a numerical growth rate of 41%. Going forward, the fastest-growing racial group will be those who report being two or more races.

"Really, from a financial standpoint, if you don't embrace diversity and inclusion you're leaving money on the table," Barzey said.

As a Black travel advisor, Brooks-Oliver said she understands why some Black advisors cater specifically to Black travelers: The travel industry at large does not. But for her, a diverse client base is important. "I feel like if I just serve one community, then I'm not doing my job as a travel advisor," she said.

Whether for moral or financial reasons -- or both -- it makes sense for advisors to seek diversity in one's client base.

"It's a smart business decision to tap into that market," Brooks-Oliver said. "It's the right thing to do, but it's also a good business idea."

Barzey agreed.

"If the moral argument cannot win the day, let's go back to the financial argument," she said. "Think about the big picture. Think about the changing demographics. Think about what it means for the company and how it's going to look on social media.

Because, trust me, people are paying attention now more than ever, and if you continue to post the same images, with no diversity, you're going to get called out."

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