

EPISODE 1171

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[INTRODUCTION]

[00:00:59]

FT: Our guest today has made it her mission to make workplaces more equitable and inclusive, and she’s been doing it for 20 years. Welcome to So Money, everybody. I’m your host, Farnoosh Torabi.

Daisy Auger-Dominguez is a human capital executive and expert on diversity, equity, and inclusion. She is currently Chief People Officer at VICE Media Group. Before VICE, she founded and led Auger-Dominguez Ventures, a consultancy that transformed the leading companies and organizations of our times. This includes Moody’s, The Walt Disney Company, Viacom, Google. Here she’s with us to offer her recommendations for employers, for companies, for business leaders.

Stay tuned because around the 15-minute mark, latter part of our interview, Daisy talks about her upbringing, the financial background she was raised with, and what it taught her about the importance of creating legacy while you’re alive. Such a rich story. Here is Daisy Auger-Dominguez.

[INTERVIEW]

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FT: Daisy Auger-Dominguez, welcome to So Money. Thank you for joining us.

[00:02:03]

DAD: Thank you so much, Farnoosh. I'm thrilled to be here.

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FT: You have spent the better part of your career, which is now spanning two decades, helping major companies create more equitable and inclusive workplaces. This is something that today we all know about, we recognize. It's a trend. It's an important trend. Going back all those years, how has the blueprint, if there's a blueprint, changed or evolved?

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DAD: Well, it's interesting, Farnoosh. When you said blueprint, I smiled because my first thought was, well, there has never been a really clear blueprint, which is part of the challenge. But it's because every organization is different. While originally 20 plus years ago this work really started in affirmative action place, organizations began thinking about diversity from a demographic perspective when le thinking about, well, the future of the work is going to change. The talent marketplace is shifting. The demand for services are shifting, and so organizations need to adjust to the times.

But in those early days, it was really compliance-driven. It was very much about let's just get a few folks of color in the door, and that was really how diversity was looked at originally from a racial and ethnic representation. Then over the years, it started shifting from a compliance-driven element to it's the right thing to do for business. Now, we've got to do this for our businesses. This is how we're going to grow. We're going to thrive.

But in between there, there was a bit of a shift of, well, it's not just for the business. It's also for your people. You have to do the right things. You've seen these shifts happen. Every time that gains have been made in diversity, equity, and inclusion, you can almost tie them to recessions because every time there's been an economic recession, all those gains are lost, all the investments that were made in those programs no longer being made. Now, we have to deal with 2008 financial crisis. Now, we're dealing with COVID. When that happens, then everything gets pushed back, and it's about survival as an organization and all those things that we kept on saying were integral to who we are as a business get lost in the shuffle.

What's happening now as you've seen this past year in the wake of the pandemic and the economic crisis and social unrest is that organizations are now realizing and individuals are becoming aware of the systemic failures that we've been talking about for many, many years as integral to not just the success of their employees but frankly their survival. That I think is where the blueprint is being redefined.

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FT: That is fascinating. I never thought about it in the context of recessions, but it makes sense. In the world we live in today, I think it's so much harder to hide behind your lack of progress, your lack of accountability with social media, with employees encouraged to speak out, whistleblowers, the news covering all of this stuff. It's so important, and I think at the same time putting more pressure on companies to make this a priority.

When you were talking to companies, let's say, 20 years ago about helping them in these areas, what was the why behind it? What was the context? I feel like today the motivation could be a little driven by feeling like you can't escape it. You have to do it.

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DAD: You would think what's happening. Sadly, it's optimistic of me. I mean, I think as you were asking me that question, I remembered my first diversity inclusion job, which was at Moody's, came about as a result of a lawsuit. Part of the remediation was to create a diversity and inclusion role. Many roles like that, like chief diversity officer roles in large companies and medium-sized companies as well have been created in direct reaction to a crisis, to a lawsuit, to a public shaming, increasingly now more shareholders taking action and employees.

But 20 years ago, that was really where a lot of these roles came about, and so they were given to individuals. Quite frankly, I wasn't a diversity and inclusion practitioner when I first had my job. They were most likely given to people of color and organizations. They were most likely given to HR functions. They were seen as purely people, not business-driven in its intent, aside from IBM, which was one of the original leaders in looking at this work from a business perspective.

I'm sad to say that what we saw this summer was the same thing. What we saw this summer was a bit of what you're saying is as a result of social media, as a result of employee uprisings

quite frankly, and no longer having just two stakeholders, your shareholders and your employees. Now, the third stakeholder is community. Now, the third stakeholder is your communities, which can be consider your clients or your prospective clients but as these communities globally that are speaking and connecting and engaging and driving discourse around the value or lack of value of your organization in a way that never existed before with quite a lot of power.

Because when you have a Twitter campaign, as we saw this summer, against organizations, you start seeing business value deteriorate almost instantly. You start seeing communities rise up and say, "No more. We will not do this." You start seeing employees either leave organizations, which by the way they've been doing for decades but now leaving much more vocally with speaking to the toxic workplaces and the challenges in the organizations that they face.

You're seeing a lot more of that, and what you saw this summer was companies respond in a very reactionary way, which is the way that they've done for years sadly, which is, "Okay. Then let's put someone in that job. Let's not necessarily give them the right resources to do the work. Let's not necessarily give them the right training and the right support." In some cases, they do a little bit of that. But the solution is let's just put someone there.

In many cases, they are really talented and well-intended individuals who are not really suited for these roles because these are really complex organizational functions that require a skill set in diversity, equity, and inclusion, as well as a really strong business grounding to understand how businesses operate and function, as well as huge influencing skills to do a lot of work that quite frankly doesn't fall under your remit. That is the behind-the-scenes work that organizations should be doing. But frankly, I find them being a lot more reactive than thoughtfully responsive.

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FT: Does your work also touch on equal pay? If so, what are your recommendations on that front?

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DAD: On the pay equity piece, listen, there's no going back. We at VICE this summer launched our second pay equity study. This was something that we had already done over a year ago, so we weren't new to this. But if we hadn't, this would have probably been the first year we did as with many companies. Pay equity has increasingly become one of the most vocally sort of active initiatives when thinking about equity, and it should. What we pay, how we think about employees, how we reward, how we incentivize employees should not be driven by who you are. It should be driven by the work that you do.

But for decades plus, that has not been the case and mostly marginalized employees, women, people of color. When you think black, indigenous, people of color, people with disabilities, LGBTQ, by and large most organizations, those are the groups where if companies are really honest, and as we're seeing with some of these pay equity reports that have been released across companies, those are the groups that are generally most negatively impacted.

But you'll find in organizations also, Farnoosh, that for a news, and I've had this experience having run many of these pay equity studies, that the marginalized communities certainly are more negatively impacted. But I found that all employees have been impacted by just poor and inconsistent pay practices.

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FT: How did you get into this area, Daisy? How do you become the go-to woman for this very important initiative, which is – I mean, I can only imagine. I mean, now I know you're in-house at VICE, which I want to also talk about that transition. But going back in time, what started you on this path?

[00:10:54]

DAD: I started like many of my peers have. I started in the workplace as a young woman of color, barely able to navigate an environment that I was not accustomed to, and very early on started seeing women and people of color silently marginalized and cast aside. As a woman of color myself realizing, well, these folks are going somewhere else and doing much better than here, so it must not be them. It must be the organization. There's something wrong with the system. There's something wrong.

But back then, we didn't even have this language. Back then, all I knew was it wasn't fair. It wasn't what I believed the organizations that we deserved should be and look like. So I just became a quiet activist, if you will, internally in organizations. At Moody's, I was the one who would go to the Black MBA conference, the Asian MBA conference, the Hispanic MBA conference when I managed our global foundation. I actually started at Moody's as a credit risk analyst, but then eventually I managed our global foundation. When I managed our global foundation, I was the one that would go to HR and let them know that we were developing the future talent of America, black, brown talent, and that we weren't hiring them.

I was always that quiet voice that was just letting people know and activating against what I believed but with very little skill to do it, quite frankly. That's the experience for a lot of us. It's very different now. I mean, you've got college courses now that talk about diversity, equity, and inclusion. I've spoken at Columbia University at their HR management programs around how to design diversity, equity, and inclusion programs. You've got academics that are focused on it now. You've got a body of research on this work that is just really profound. I don't think we need to go very far to find the value of this work.

When I started, it was about, well, you need to make the business case for this. Now, whenever I lecture or I speak at organizations, I like to start by telling people. I was like, "I'm not going to start with the business case because that's been done." I was like, "If you –"

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FT: So much of this work it seems, and not to oversimplify this, is to teach empathy. How do you do that so that they can then lead from that place and not sidestep or undermine or marginalize their workforce?

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DAD: Yeah. I mean, this – I always tell folks this work starts with you, and that means that you have to turn a mirror on yourself. Face that mirror and start asking yourself really hard questions that we don't often ask ourselves. Those questions have to do with what are the unintended outcomes of our daily actions. Who do I talk to more often? Who don't I talk to? When I'm designing a meeting agenda, who do I give speaking parts to and who don't I do? When we used to be in the offices, who sits near power and who doesn't? Who gets a seat at the table and who doesn't?

I don't know if you, like me, have been in organizations with these massive tables and you see that not everybody sits in the table. They have to sit outside of it. I've always been really [inaudible 00:14:13]. Who makes those decisions? In some cases, they're very intentionally driven. Most of the cases, they're unintentionally driven but we walk into – I've walked into rooms where I've sat. There's been a seat at the table, and I've sat on the outside because I remember being a young employee and going, "Well, I'm not worthy of that seat." Or I have already noticed the patterns of who gets to sit where, and I know I'm not worthy.

It's those unintended messages and those daily actions that impact the behavior and norms of an organization. We for far too long not been concerned with that. We believe that organizations need to be professional and that they need to be well organized and well managed and that that will be done in a measured way. Well, the fact of the matter is that none of that is objective. Professionalism is based on white standards of professionalism that define how someone that looks like me should behave, should act. If I have too thick of an accent, if I am dressed in a too colorful way, if I am too friendly in a meeting or too engaging, all of those are usually signals of you don't belong here. This is not what this workplace looks like.

That's what many of our workplaces have been for far too long and that means that talent like me, you're right, gets sideswiped, gets sidelined, gets marginalized, gets ignored, and most often gets silenced. Again, this whole business case around diversity and inclusion means that when we're silencing the voices that are supposed to be creating our next innovative products, that are supposed to be bringing us ideas and notions that are beyond our everyday, then we are losing on tremendous value for organizations.

A lot of this work is around reflection. A lot of this work is around intentionality, thinking about what you know, what you don't know. A lot of this is about asking questions that you're not comfortable asking and being able to sit in discomfort, being willing to sit in ambiguity, being willing to sit in that place of I'm not quite comfortable here but I have to recognize that my discomfort is new. But others around me have been facing a discomfort that has come at a price, and that price has been my comfort for a really long time.

I'm okay with being in a little bit of an uncomfortable place right now. Let me sit in this and let me think about what is it that I take for granted. What is it that I tolerate? We tolerate a lot of bad behaviors in the workplace, Farnoosh, that really ultimately define what the cultural makeup of an organization is. We don't question about whose behavior we tolerate and whose

behavior we don't. We don't question who are we reflexively sympathetic to and who we aren't. It's that line of questioning that will get us to that place you're mentioning, that place of empathy, that place of understanding, that place of not seeing what you want to see in someone but truly seeing someone and valuing them.

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FT: Daisy, you recently left your flourishing consulting career to work in-house at VICE. Why did you want to make that transition? It feels like it would have been a really big decision.

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DAD: It was and I was really enjoying consulting and I was approached about this role right at the beginning of the pandemic. It was a time where I saw, as I mentioned earlier, the same cycle happening in organizations, and I was fearing companies retrench back, sort of push back on other diversity and inclusion efforts. I had clients that didn't want to do that, and so I was really excited about redefining that.

Then I met Nancy Dubuc who's the CEO of Vice Media Group, and I loved her story. I love the fact that this is an organization that has been growing and thriving for over 20 years with a youth focus in a way that most organizations that I had worked for. I've worked for some of the world's largest companies; Google and Disney and Viacom and Time Warner. Every one of those companies wanted to reach the youth voice. Here's Vice, like fully smacked in the middle of it and doing it in a way that is irreverent and truth-seeking. There was something that was really, really attractive about that.

Then coupled with this quiet transformation that Nancy has been leading for the last couple of years, that has really been focusing on building a healthier workplace culture across this global entity. Then you added to that that she was really keen on not bringing a traditional leader to the organization. She wanted to bring someone that was going to lead from the front and that was going to lead with culture. That's everything that makes my heart sing, and so I decided to – I became a believer. I was like I became a believer, and the idea of being able to work for a female CEO was really exciting to me, and the idea of being able to reshape cultural DNA in an organization that has been doing that for so long with a lens on the voice of today was really what brought me here. It's been an amazing adventure.

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FT: Daisy, let's talk a little bit about your personal financial experiences. How did you learn about money? Is there a memory from growing up that really stands out because it taught you something important?

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DAD: It's funny when you asked me that question. The first place that I went to was remembering or thinking about as a child, knowing that some people had a lot of money and some people didn't have a lot of money, and it didn't make sense why that happened. The reason why I say that is because I was raised by my grandparents, and we were raised in a bit of a commune, if you will. It was a community where all of my grandfather's brothers and sisters lived, and it was a family commune, and we inherited that house as part of my grandfather being a member of his family.

But what was unique about us was that my grandfather is the illegitimate child of his father who was the patriarch and the creator of a lot of wealth for their family. While we were part of this community, we weren't wealthy at all. I mean, we didn't inherit anything. We inherited this house. We were given. We were part of this house and we were part of this community, but I grew up with my grandparents who worked for a living. We hadn't inherited. But then I would be part of this community of family members that were just like really wealthy and who didn't worry about money. But I grew up worrying about money all the time. My grandparents worried about money all the time.

To me, money was this really complicated concept, and it was something that was necessary. But it was also something that for my grandmother in particular – My grandmother and my grandfather both grew up in abject poverty, and they made their way up to this working class life. They lived in the United States for several years, came back to the Dominican Republic, got their home, raised me as their kind of last child, their grandchild, and they put everything into me. I went to an international school and I went to school with kids from all over the world and I went to school with kids of tremendous wealth and power because that's who could afford going to an international school when you lived in a Caribbean island.

I knew from an early age that it was a tremendous sacrifice for my family to send me to the school and that that meant that people had to earn money to do that, that there was an

exchange of money to do that. But I also remember growing up with friends who never worried about money. That was never something that they even thought of or considered because they had so much of it.

To me, there's always been this interplay of the very practical nature of money and the very – To me, I associate that with access and power, the entitlement that money buys you that really has kind of no rhyme or reason when you think about it. It's unmerited in many ways because sometimes you inherit it. Many times, like I was used to you just work really hard for it. I don't know if that's helpful.

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FT: Yeah. I did not go to international school but I know that I've heard stories where this is like where the princes and the princesses send their kids and the royal family and the oil tycoons. What an opportunity though, right?

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DAD: Yeah.

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FT: I mean, for you. What was your takeaway? Do you think you had a better relationship with money, a better appreciation for money? Or are you a little like resentful? What was the bottom line for you there?

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DAD: I became very practical about money like my grandmother was practical about money. To me, it was a means to an end and it was an immense security. I grew up with, again, very old-school grandparents but a very forward-thinking grandmother who was adamant that I would not need to fight for money and for security and for independence the way that she had. The standard phrase in my house was my grandfather on weekends – In the Dominican Republic, regardless of your social class, most people have maids. On Sundays, we didn't have a maid, and so that was the day that we cooked or we went out. My grandmother was a terrible cook, and so we went out often. My grandfather would complain to my grandmother

that I couldn't cook, and I always remember my grandmother's retort was always, "She doesn't need to learn how to cook. She's going to be a professional someday."

To me, I equated being a professional with money, with access, with privilege. I then gone to university and I came to university in the United States because that's what I had been prepared to do. Then I went and got my masters. Then I went on and had my first job in finance. Really, for me, all of that was about pursuing that path that my grandmother had set for me and pursuing financial freedom. That was what fundamentally my mindset came for me because money was always so tied with hard work and a means to an end.

To me, eventually that end meant financial freedom and securing generational wealth for my family that I saw so many others have. I always said I grew up with a lot of proximity to wealth. I just wasn't wealthy. I was like I was right there. I was really close to it. I went to all the parties and I went to all those events you. As a result, I became – I gained that fluidity, if you will, of I can navigate spaces of tremendous wealth, and I can navigate spaces of lack of wealth, and I'm comfortable in all those places.

It was very clear that the desire for my grandmother was for her you could look at it another way. For her, it was just that she wanted me to be wealthy. But it wasn't that she wanted me to be wealthy. She wanted me to be free. She wanted me to be able to make my choices, and that's been my driving factor when I think of money.

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FT: Along those lines, what's an example of how your financial freedom has allowed you, has afforded you a really great choice in life, a really great door to open?

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DAD: Well, my first thought when you asked that question is that I'm sending my daughter to private school. I have the financial freedom to choose what education I give to my daughter, and that is tremendous privilege, and that is privilege that's been afforded to me by the hard work and by what I have earned. That's allowed me that. I went to undergraduate at NY. I'm sorry. I went to undergraduate at Bucknell University and graduate school at NYU. For both, I needed scholarships. My father couldn't afford to send me to those schools, but I paid off my school debt in seven years, all of it, my undergrad and my graduate school debt.

I was adamant the minute I got my first job at Moody's Investor Service as a credit risk analyst. I was adamant on saving and paying off my debt right away because I did not want to be – There's both the good and the bad. The good is that I was trying to seek freedom, but there's also these golden handcuffs and this tightness of like, “I need to make money so that I do not have to be tied.” But debt has always terrified me. The only that I have is the mortgage to my home, and that's smart debt. That's why I use it because I have taught myself sound financial principles. But I do not have any other debt. When I married my husband, my husband had credit card debt, and the first thing I did was put him on a plan. We're going to pay off that debt.

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FT: Good. That was your honeymoon.

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DAD: That is like, “If you're going to be with me, that's what we're going to do.” Again, I've been so driven by that concept of both financial freedom and building financial freedom for my family, so I want my daughter to be able to have choices that I didn't have. I'll give you an example. Right after graduate school, I did a fellowship in public affairs, the Choral Fellows program. Also, for someone that was considering financial freedom, my initial choices were in public service. That's not really the place to do it but it's probably –

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FT: Not exactly a get rich scheme. No.

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DAD: No, no. It's probably why I went into it. It's not probably. It is very much why I went into the private sector. But in that year of that fellowship, I was making very little. My father was helping me with paying my rent, and then I was using the stipend that I received as a fellowship for living. Right after I finished that program, I got my job actually at Moody's. My landlord who's this lovely man who I never met, I used to literally send him my rent every month in a little envelope. I just sent him a cute little note every month like, “Thank you so much. The

apartment's doing great.” He lived upstate somewhere. He called me one day out of the blue and said, “Listen. I’m selling that apartment, and you've been such a great tenant that I’d like to give you an option to buy it.”

Farnoosh, it was like \$50,000. I don't even – I can't even remember, but it felt like so much money to me at that point, and it broke my heart to say no. This is an apartment in Fort Greene. That would have been a mint right now if I had been able to buy it. But I did not have the financial freedom and flexibility then. I want my daughter, whenever she's 27, if she is in the same position as I was when I was 27, to be able to say, “Hey. I’ve got this,” what she does because I have a trust for her and I have – She’s got – I have pockets of money for her everywhere that she can say, “Hey, I have this money that my parents have saved for me, and this is what I’m going to invest it in.”

Or that she can say, “Hey, I have this money and I need an extra 10, 20,000, whatever it is. Mom and dad, can you lend me that money because this is an investment that I want to make and here's the reason why.” I want to be able to give my daughter that freedom and I can give my daughter that freedom. So this is a long-winded answer to give you around what freedom has given me. I can do that for my daughter now and I want her to have that freedom.

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FT: You are truly building a legacy as you live, a financial legacy. I don't know if you're familiar with *Die with Zero*. It's a book about a flip side mentality of like a lot of people want to like leave all this money in their will for the next generation. You can certainly do that but maybe give it to the generation that is still alive and while you're alive. We appreciate it to give that money to your daughter in her 20s, as opposed to in her 60s.

[00:30:32]

DAD: Absolutely. I mean, as you’re saying that, I just remembered. Another bit of freedom that I was able to gain from the money that I’ve earned over my years is that I was able to help pay for my brother's college education. I was able – Just like my daughter has a college fund, I created two college funds from them. My father was able to tap into those college funds for both of them, and that I was able to do because of the financial choices that I made, of the houses that I bought and sold. What I earned from selling those homes I put –

The first time that I sold my apartment in New York, this was an apartment, by the way, that used to be my parents' apartment and my grandparents apartment. My grandmother gave me the apartment. I renovated it and lived in it for many years. Then when I sold it, my father looked at me and said, "Hey, that's your apartment. You're the one that invested in it." When I sold it, I allocated the gains to my brothers and I said, "Well, I've made this much money." I was able to have that opportunity because – By the way, this was an apartment that back in this – These were the apartments that the HDFC apartments that back in the '70s were given to low-income families, and my grandmother bought it for like \$500.

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FT: Oh, my gosh.

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DAD: It was a ridiculous amount of money. Then it stayed in my family, and I inherited it. Even though I was outside of the income bracket for HDFC because I had inherited, I was able to keep it. When I sold it, it had restrictions. I certainly did not make market on it but I made sufficient gains on it that I was able to distribute the money. What I did was that I distributed money for my brothers for their college education and for my daughter's college education. Then the rest of it towards the house that we eventually bought in California when we lived in California, which when we sold we made also a profit on. Then that money was used to buy the apartment that we live in now in Brooklyn.

I have been making all those decisions and I think they've been really smart financial decisions, but each of them have allowed me to make bigger and bolder moves, while also to your point giving money to the to the generation that's living now that needs help. My brothers are graduating from college. Well, one already graduated a couple years ago, and the other one's graduating in May with like \$8,000 in debt, like their standard debt because I was also adamant that they needed to have some debt because they need to learn how to pay off. So they have to learn the value of money but they're also not being burdened by not being able to make choices because they owe so much. That was the balance that I wanted to create for them too.

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FT: Daisy Auger-Dominguez, thank you so much. These are stories that I will never forget. I'm so glad we had time to go there to have these conversations about your personal money experiences. Congratulations, by the way, on everything. This is so inspirational.

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DAD: Thank you so much, Farnoosh. I appreciate it and I feel that the inspiration I owe tremendously, I owe a huge debt of gratitude to all the hard work that my grandparents and my parents did to put me in this position. Now, I'm giving back to the other generation.

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FT: And paying it forward, paying it forward in the best ways. Daisy, thank you. Have a great one.

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DAD: Thank you. You too, Farnoosh.

[END OF INTERVIEW]

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FT: Thanks so much to Daisy for joining us. You can check her out at daisyauger-dominguez.com. That link is on our website at So Money Podcast. Be sure to stay tuned for our Friday episode of Ask Farnoosh. We're going to be talking about whether it's a good time to buy a house, and even if you can, should you, and some money lessons for your 30s. I'm Farnoosh Torabi. I hope your day is So Money.

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