

# FAITH-BASED EMPLOYEE RESOURCE GROUPS

## Overview

Employee resource groups (ERGs) are voluntary, employee-led groups whose aim is to build camaraderie while providing learning, support, career development, and growth opportunities for employees in furtherance of the employer's business. They are sanctioned by companies for employees who share a common characteristic or affinity, such as age, gender, ethnicity, religion, or hobby. ERGs seek to provide support tailored to the members' unique characteristics and give members of these groups a sense of belonging while also granting these groups a substantive voice within the corporation.

Most Fortune 500 companies sponsor ERGs. While some corporations offer broad "inter-faith" ERGs, many do not offer ERGs that would be capable of fostering deep camaraderie and a meaningful voice for employees who hold to specific faith commitments like Roman Catholicism, evangelical Christianity, and Judaism. Only 12.4 percent of Fortune 500 companies report that they have faith-based ERGs—despite the fact that the American workforce overwhelmingly identifies as religious. While companies are not required to have ERGs, once in place, refusing to permit religious-based ERGs while permitting secular ERGs is likely illegal under Title VII of The Civil Rights Act of 1964. If ERGs are permitted in the workplace, then religious ERGs should be allowed and should be given the same opportunities as other company ERGs.

# TALKING POINTS

- When companies offer ERGs, they should do so on an equal basis and equal terms, regardless of the employee's religious beliefs.
- Sponsoring secular ERGs while forbidding religious invites reputational and legal risk. It also sends an exclusionary message to employees that is disrespectful of religion and discriminatory against religious employees.
- Corporations model respect for religious freedom when they do not practice or tolerate religious discrimination within the workforce, including with respect to ERGs, and treat employees well regardless of religious views.

# KEY DATA

- [Gallup polling](#) finds that **68 percent of Americans** identify with a Christian religion, while an additional **7 percent of Americans** identify with a non-Christian religion. **Forty-five percent** of Americans also say that religion is “very important” in their life.
- The 2024 [Corporate Religious Equality, Diversity & Inclusion \(REDI\) Index](#) reports that only **12.4 percent of Fortune 500 companies** report having faith-based ERGs
- [Freedom at Work survey](#), conducted by Ipsos and released through Viewpoint Diversity Score, found:
  - **74 percent of employees** were unaware that some companies may not allow employees to organize ERGs around distinct religious commitments; and
  - **63 percent of employees** agree that companies should treat ERGs equally regardless of whether they are religious or non-religious.



# LEGAL CONSIDERATIONS FOR EMPLOYEE RESOURCE GROUPS

## RESEARCH THE REQUIREMENTS

Title VII of The Civil Rights Act of 1964 provides that “[i]t shall be an unlawful employment practice for an employer (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual’s race, color, religion, sex, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual’s race, color, religion, sex, or national origin.” In sum, employers are prohibited from treating some employees worse than others because of race, color, religion, sex, or national origin.

Furthermore, in 2024, in *Muldrow v. City of St. Louis*, the United States Supreme Court clarified that Title VII not only prohibits discriminatory hiring and firing practices but also any harmful employment action that is taken based on race, color, sex, national origin, or religion. This not only places hiring, promotion, and firing decisions in legal crosshairs, but also many “softer” programs like scholarships, mentorships, and employee resource groups.

With one notable exception,<sup>1</sup> the overwhelming weight of precedent recognizes that employment decisions that treat religious employees differently than secular employees constitute discrimination under Title VII of the Civil Rights Act of 1964. The Supreme Court stated in *E.E.O.C. v. Abercrombie & Fitch Stores, Inc.* that “employer policies that treat religious practices less favorably than similar secular practices” may violate Title VII. Numerous other courts have come to similar conclusions. In *Chalmers v. Tulon Co. of Richmond*, the Fourth Circuit Court of Appeals noted that proof of religious discrimination “might consist of evidence that the employer treated the employee more harshly than other employees of a different religion, or no religion, who had engaged in similar conduct.” In *Savel v. MetroHealth Sys.*, the Sixth Circuit Court of Appeals held a disparate claim under Title VII was viable where the employer “categorically denied all religious exemption requests while granting some nonreligious exemption requests” for the COVID-19 shot. And, in *Cole v. Grp. Health Plan, Inc.*, the Eighth Circuit Court of Appeals held that “[t]he failure to reasonably accommodate an employee’s religious practices and singling out religious adherents for inequitable treatment both constitute religious discrimination under Title VII.”

<sup>1</sup> In *Moranski v. Gen. Motors Corp.*, the Seventh Circuit Court of Appeals held that an employer that prohibits religious ERGs generally does not constitute discrimination based on religion because it does not discriminate between religions. In other words, the fact that a prohibition on religious ERGs treated religious employees differently than secular employees was irrelevant to the court because the company “treat[ed] employees with all religious positions identically.”

The weight of these decisions are in accord with Title VII's plain language, which makes it unlawful for an employer "to discriminate against any individual...because of such individual's...religion." Therefore, if an employer supports or permits secular ERGs but refuses to permit religious or faith-based ERGs, the employer's conduct likely violates Title VII.

## CONCLUSION

ERGs can be an important part of a company's culture. While ERGs are not legally mandated, once ERGs have become part of the workplace, companies need to ensure that they are not prohibiting ERGs that are religious in nature. To allow non-religious ERGs but prohibit ERGs that are religious in nature is likely illegal under Title VII of The Civil Rights Act of 1964. Therefore, if ERGs are permitted in the workplace, religious ERGs should be permitted and should be given the same opportunities as other company ERGs.

## ADDITIONAL RESOURCES

- **Cross-Company Christian Employee Group Newsletter** – A quarterly publication that focuses on Christian employee group news/activities in corporations and Christian connections between faith and work. The goal is to share cross-company Christian ERG events/news. Contact [lucas.divine@gehealthcare.com](mailto:lucas.divine@gehealthcare.com) to be added to the distribution list.
- **Faith and Work Movement** – A global community in the marketplace that exists to equip individuals and workplace groups in global corporations to fulfill their purposes and do good ([here](#)).
- **Bloomberg** (Feb. 2024) "[Companies Embrace Religion as New Facet of Diversity Efforts](#)"
- **New York Times** (Sept. 2023) "[What Happens When the Boss Invites You to Bible Study](#)"
- **Wall Street Journal** (May 2023) "[Corporate Diversity Programs Get Religion](#)"
- **Dare to Overcome** – Religious Freedom Business Foundation's national conference for Fortune 500 faith-oriented ERGs, co-sponsored by The Catholic University of America's The Busch School of Business ([here](#)).
- **Faith at Work Summit** – an annual nationwide event designed to facilitate cooperative learning, motivated by the shared goal of serving Jesus more effectively and faithfully in the marketplace ([here](#)).

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