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The future is equitable

**Balancing the impact of GenAI
on Canada's Black communities**



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“ The transformational power of generative AI lies in its unparalleled ability to drive productivity and economic growth across Canada. By harnessing this technology, we stand at the brink of solving some of our nation’s most pressing challenges—reducing economic disparities, combating climate change, and improving access to education and healthcare. The potential for generative AI to revolutionize these sectors is not just vast—it is essential for our future.

As leaders, it is our duty to guide this technology towards outcomes that not only enhance productivity but also foster equitable growth across all segments of society.



Anthony Viel

CEO

Co-leader, Black Action Council, Deloitte Canada

“ The advent of generative AI is a powerful force for advancing representation for Black professionals and the broader community. By creating content that reflects the experiences and identities of Black individuals, we can ensure their stories and perspectives are seen and acknowledged. If harnessed responsibly, this technology could not only highlight the achievements and contributions of Black professionals, but also serve as a blueprint for enhancing representation across many racialized and equity-seeking groups. Together, we can mobilize the power of AI to build a more inclusive and empathetic world, where every community's voice is amplified and celebrated.



Patrice Njoh

Partner, Technology & Transformation
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Co-leader, Black Action Council, Deloitte Canada

Preface

Decoding the digital divide: What does Generative AI mean to Black professionals and the Black community?

There is a significant trust issue when it comes to artificial intelligence (AI). The risks of AI systems inheriting biases from their training data are significant and deeply concerning, reflecting societal prejudices and perpetuating existing inequities. Trust in AI is further undermined by historical and ongoing instances of biased systems leading to harmful outcomes in hiring, healthcare, and law enforcement, among others.

For Black people who have long navigated retail, financial, health and employment landscapes that often hinge on elusive connections, limited access and sheer luck, generative AI (GenAI) can level the playing field. Consider Jennett, a new immigrant who has English as a second language, impeccable academic credentials, and promising career prospects, but who struggles to navigate the financial landscape to build generational wealth. Despite her qualifications and strategic vision, Jennett finds herself on the periphery of influential networks and unable to access wealth management ideas and distinct product offerings that meet her needs.

GenAI could be a game-changer for individuals like Jennett. By democratizing access to knowledge and opportunities, GenAI makes critical information and insights accessible regardless of one's network. It can serve as a personalized coach and mentor, offering guidance, feedback, and support, thereby helping consumers navigate how to achieve financial success.



For organizations, leveraging GenAI means tapping into the rich diversity of their customers, suppliers, workforce, and community members. But it starts by actively addressing and mitigating the harmful impacts of historical legacies of inequity. AI's benefits for Black communities are contingent upon intentional equity-centred efforts to minimize bias. Neglecting to address this issue now runs the risk of perpetuating historical biases and systemic inequities. When done at scale, GenAI can be a force multiplier, amplifying equity-seeking voices to build more inclusive AI technologies. And with the low cost associated with deploying these solutions, organizations now have an opportunity to generate product offerings that are personalized to a consumer's culture, language, ethnicity and preferences. The urgency to act now is clear: This isn't simply about levelling the playing field, for organizations, it's about capitalizing on a growing untapped customer market. In the US, for example, the Black consumer market is projected to reach \$1.8 trillion in 2024.¹ As organizations look for growth markets in the AI era, understanding the needs of these populations will become the competitive differentiator to excel.

“ Embracing diversity in digital spaces is not just a choice, but a necessity for driving global innovation. The journey towards inclusivity is not only about reflecting on the past, but also about using those lessons to propel us forward. By acknowledging our history, we gain valuable insights that guide us towards a future where our digital tapestry is not only vibrant and inclusive, but also mindful of the challenges we have overcome.

Let us embrace this thoughtful path, where innovation and empathy go hand in hand. Together, we can shape a world where the digital realm mirrors the diversity and lessons of our collective human experience.



Jas Jaaj

Managing Partner, Global AI Ecosystems and Alliance Leader
Deloitte Global

“ Developing a culture of ethical AI usage is not only a responsibility but a necessity in today's world. Trust in AI hinges on our ability to prioritize transparency, fairness, and accountability throughout the tool's development and deployment. By upholding these principles, we can harness the transformative power of AI while ensuring it remains a force for good, empowering individuals and fostering a society built on trust and inclusivity.



Beena Ammanath

Leader, Global Deloitte AI Institute
Leader, Trustworthy AI, Deloitte Global

Introduction

Artificial intelligence (AI) and generative AI (GenAI) are booming. It's forecasted that GenAI could transform Canada's future economy, adding \$187 billion in productivity gains annually by 2030.² One in seven Canadian businesses are already using GenAI,³ and many more are projected to join them in the coming years. The federal government's recently announced \$2.4 billion funding package for the country's AI sector further demonstrates that Canada is AI-ready and positioned to compete on the world stage⁴—boosting Canadian businesses' ability to attract global investors, recruit top talent, and reshape the technology landscape.⁵

The surging interest in GenAI technologies is driven in part by their ease of use and their accessibility to businesses large and small.⁶ As a result, GenAI use cases have proliferated quickly,⁷ offering the potential to transform businesses, the public sector, and individuals' lives.⁸

For Black professionals, their communities, and all equity-seeking communities, GenAI's impact is complex. GenAI could be transformative, creating new opportunities for growth and career success. But to realize this potential, businesses and governments must deploy it in ways that champion diversity, equity, inclusivity and accessibility (DEIA). Failing to do so risks reinforcing historical biases and systemic inequities and widening the digital divide.

In this report, we explore the biases and inequities that have historically impacted the social, economic, and educational conditions of Black communities. For this report, we surveyed 646 executives across Canada, and conducted focus groups with executives, where we explored how inequity in AI systems can manifest in the models and algorithms underpinning today's AI and GenAI applications. We also offer business and policy leaders a guide for navigating an AI-powered future, mitigating GenAI's potential negative impacts, and creating inclusive opportunities for Black communities across Canada.

In addition to outlining the responsible AI practices and principles that enable Black communities to thrive, we provide use cases that illustrate how the responsible use of GenAI can broadly benefit equity-seeking groups across Canada. We conclude with a practical framework capturing the actions needed to ensure that these voices are incorporated into the development of AI and GenAI tools. These recommendations provide an opportunity to address and improve the historically impacted social, economic, and educational conditions within Black communities, setting the stage for a transformative new direction. Our aim is to lead with purpose, establishing robust guiding principles centred on ethics and trust to drive GenAI initiatives that champion diversity.

Context matters: Black communities, inequities, and GenAI

Throughout history, Black communities have been subjected to discrimination in various forms, including slavery, colonization, segregation, cultural alienation, intergenerational trauma, racial profiling, and unequal access to resources and opportunities.^{9,10,11,12,13} This discrimination, driven by systemic inequities and upheld by biases, has had a lasting impact on the social, economic, and educational conditions of Black communities across Canada and around the world.

Facing barriers that impede access to services and limited opportunities for career and economic advancement, many across the Black community struggle to find ways to capitalize on opportunities that support their success. Unfortunately, the rise of GenAI and other AI tools can exacerbate these issues, which include:

- **Lack of representation.** Black professionals are often under-represented in leadership and decision-making roles in organizations.¹⁴ A 2023 federal government report found that just 5% of Canadian board seats were held by visible minorities.¹⁵ A lack of representation at the top can perpetuate stereotypes about the types of services and needs required by these communities. This can be a missed opportunity for many organizations in understanding how best to tailor services and offerings to these groups. With the rise of GenAI, we see that GenAI text and image generators can further reinforce stereotypical perceptions of Black wealth. An analysis of images generated by the GenAI model Stable Diffusion found lighter skin tones predominated in images of high-paying jobs, while darker complexions were more common in images of fast-food and social workers.¹⁶

- **Disproportionate negative impacts.** AI could potentially automate nearly 40% of Canadian jobs.¹⁷ The roles most at risk are frontline food-counter attendants and related workers as well as white collar jobs (administrative assistant, general office support worker)—roles in which Black employees are highly or over-represented and, in the case of white collar jobs, roles that often serve as paths to higher-skill, higher-wage jobs.^{19,20,21,22,23}
- **Bias.** Whether conscious or unconscious, personal biases—deeply ingrained stereotypes or prejudices—can negatively affect the recruitment, treatment, and evaluation of Black professionals. Studies show that AI image generators depict Black people less frequently and portray them expressing negative emotions more often than positive ones (e.g., anger versus happiness).²⁴ Subtle yet consistent representations of this nature can influence societal perceptions, shape unexamined biases, and perpetuate stereotypes.
- **Exclusion from GenAI's economic impact and benefits.** GenAI development and decision-making power is largely concentrated among a relatively small number of businesses and other organizations—and individuals of similar education, background, and socio-economic status. In 2023, Black Canadians and new immigrants comprised just 2.6% of Canada's tech workers, compared with 4.3% of the country's population,²⁵ even as the proportion of Black women with a post-secondary education has increased.²⁶ This pattern of exclusion limits the variety of perspectives, expertise, and experiences in the GenAI sphere, which can perpetuate biases and reinforce existing power imbalances.

To address such challenges, it's not enough to tweak code or change an algorithm. Instead, organizations should adopt ethical, inclusive, and responsible approaches to using GenAI from the start—before tools and models are built and algorithms are set in motion. In Canada, steps are already being taken to embed DEIA in the AI sector. The Canadian Institute for Advanced Research (CIFAR) has established AI & Society, a program to focus on AI's ethical, legal, and social implications. The federal government's Pan-Canadian Artificial Intelligence Strategy aims to ensure that AI's benefits are accessible to all Canadians, including those in Black communities and other equity-seeking groups.

Yet more can be done. Many organizations develop equitable products reactively, only addressing inequities when they arise. We've observed this pattern in flawed facial recognition software that has misidentified Black individuals as animals, as well as in the overrepresentation of inclusive imagery in generative AI content, which led to distorted historical accuracy.^{27,28}

There is, however, a cost advantage for organizations that design AI systems and tools for equity and inclusivity from the outset, versus retrofitting solutions later when inequitable or problematic outcomes arise. A holistic approach to AI design lets developers consider demographic and social factors—such as race, gender, religion, sexuality, income, and disability—thereby expanding the intended audience, evolving product design, and improving access to services. Although some organizations may perceive upfront investments in equity-based AI design as costly, the long-term savings are far greater. By preventing inequitable outcomes and promoting social good, companies can significantly reduce legal risks, expand market share, and enhance public perception and brand trust. Taking proactive steps now allows organizations to gain a competitive edge as they align their services with the values and experiences of Black Canadians, fostering deeper customer loyalty and relevance in an increasingly diverse marketplace.

We consider how these aims can be achieved in more detail in the pages that follow.



Responsible AI in practice: Use cases

Race is a sensitive topic. Corporations are wary of appearing to be on the wrong side of race-related matters, particularly those that bring attention to negative issues affecting racialized communities. Companies in some sectors, such as financial services, government, consumer products, healthcare, and other public services, have faced highly publicized difficulties in addressing racial stigmatization and disparities.^{29,30} Introducing AI and GenAI tools in these sectors risks exacerbating these inequities—unless responsible AI principles and practices are deployed.

Our recent survey shows Canadian business leaders are concerned about the impact of AI technologies on racialized groups across (Figure 1).

Moreover, organizations that were early adopters of GenAI reported more concern than did non-adopters (64% versus 36%). Organizations that had Black people among their employees were more worried than other enterprises about the consumer and retail (50%) and public-sector (62%) industries.

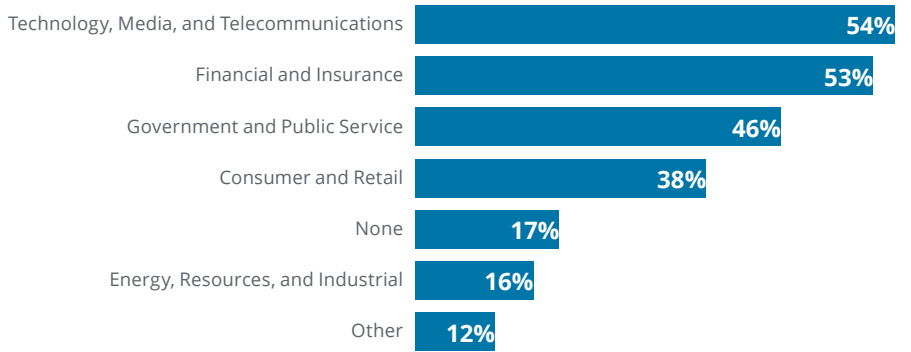


Figure 1: Industries concerned about GenAI adoption on racialized groups
Note: Respondents could choose multiple options, so percentages do not add up to 100%.

Functional areas of most concern were human resources, diversity and inclusion, legal and compliance, customer support, and finance (Figure 2).

The use cases that follow, explore how adopting and implementing responsible AI principles and practices can enable organizations to mitigate AI-related biases and discrimination, operate more inclusively, and open new avenues to growth and prosperity.

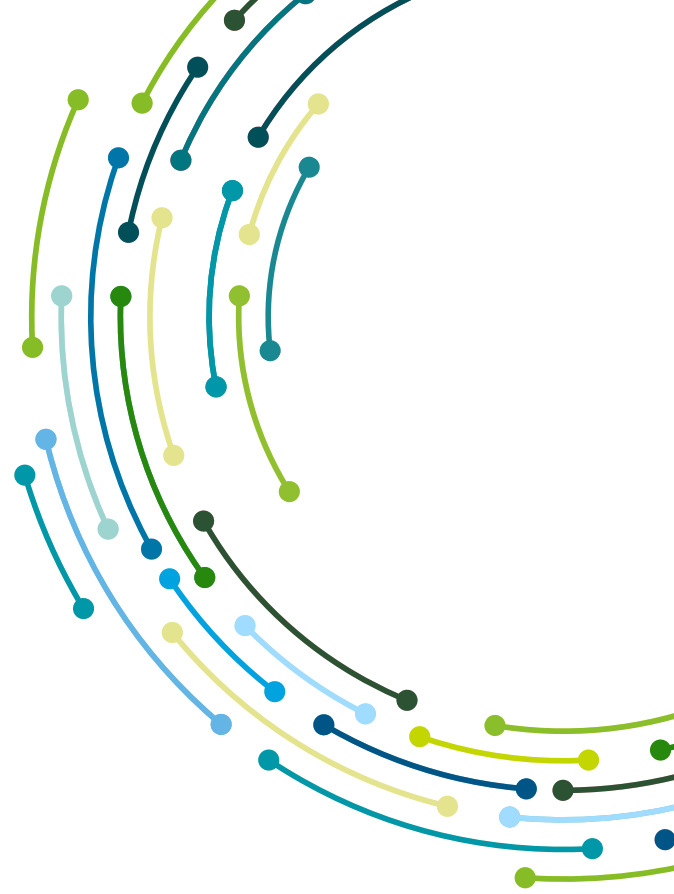


Figure 2: Concerns GenAI poses for Black professionals and equity-seeking groups

What is responsible AI?

GenAI may be new, but it accelerates and amplifies risks that have always been part of AI development and deployment—including the risk of embedded biases leading to inequitable outcomes.

Responsible AI refers to the development and deployment of AI systems that prioritize ethical considerations, fairness, transparency, and accountability. It involves ensuring AI technologies are designed and used in a manner that aligns with human values, respects privacy, and minimizes potential biases and negative impacts on individuals and society.



Use case 1: Financial services and insurance

The financial services and insurance sector is at the vanguard of the AI/GenAI revolution.^{31,32} However, these technologies can inadvertently perpetuate the biases, inequities, and discrimination that can lead to significant challenges faced by Black communities in this sector—including barriers to accessing capital, limited support for financial literacy, and a lack of trust in financial institutions.^{33,34} Following responsible AI principles could be a value-add for many banks and other financial institutions, allowing them to surface new product offerings for their consumers while attracting new clientele. By reducing biases present in current AI and GenAI tools, banks and financial institutions can change how they evaluate risk, assign credit, and create a more equitable, accessible, and inclusive financial system. As such, GenAI could be a positive catalyst for Black and other racialized communities, helping to create opportunities for future innovation to enhance financial inclusion and equity.

Overcoming the challenges

- **Credit scoring and lending:** By analyzing non-traditional data sources for credit scoring while monitoring customers' spending patterns, financial institutions could leverage GenAI to provide customers with a comprehensive view of their creditworthiness and financial health and offer personalized financial-health recommendations. Using various data sources can allow this tool to simulate multiple scenarios in order to predict creditworthiness more fairly. For financial institutions, this can reduce the potential for bias in the current lending processes and decision-making frameworks.

“Unlocking the power of financial awareness enables individuals to confidently chart their financial journey. With the cutting-edge capabilities of generative AI, we need to take care that as we use it to revolutionize financial literacy, we continue to pave the way towards a more equitable wealth distribution.”

Craig Pinnock

CFO

Northbridge Financial Corporation

- **Market-research insights:** GenAI can dive into extensive data sets to produce insightful reports on market trends and consumer behaviour in Black communities. For financial institutions, this information could be used to forecast future trends, providing a valuable edge in understanding and anticipating both the market's direction and consumer behaviour across Black communities.



- **Financial literacy and advisory assistants:** Interactive digital avatars can be used to provide personalized financial guidance, recommend tailored products and services and enhance a consumer's financial literacy. By simulating realistic scenarios and offering practical advice, these avatars can help people better understand financial concepts and make informed decisions.³⁵ And by analyzing a client's financial data, these tools could uncover patterns and trends to generate insights and recommendations that would enable a customer to make better financial choices.
- **Scenario planning:** Based on a client's current income and wealth status, GenAI could assess spending and saving patterns, future goals, and cultural norms to identify potential scenarios for financial growth, maximizing wealth-building. Black investors, in collaboration with financial institutions, could use these modelled scenarios to consider various options and take steps to mitigate risk, and make more informed decisions to capitalize on opportunities and maximize wealth.

Use case 2: AI, equity, and public services

Black Canadians have historically faced significant disparities across public services including health care, housing, education, and the criminal justice system.³⁶ For example, Black Canadians experience higher premature birth rates than white Canadians,³⁷ suffer from higher rates of uterine fibroids,^{38,39} high blood pressure,⁴⁰ sickle cell anemia,⁴¹ and adult diabetes.⁴² They also experienced mortality rates more than twice the national average during the COVID-19 pandemic.⁴³ Additionally, Black Canadians are more likely (28.6%) to live in unaffordable housing than white Canadians (16.1%), and have reported food insecurity at rates 2.8 times those reported by white Canadians.⁴⁴ The systemic barriers faced by Black students have led to lower attainment and under-representation in higher education.⁴⁵ Black Canadians also experience a significantly higher unemployment rate (12.5%) than non-racialized Canadians (7.3%)—and earn lower wages when employed.⁴⁶ Within the criminal justice system, Black Canadians face racial profiling, overrepresentation in the prison population, and higher rates of police violence, perpetuating a cycle of disadvantage and marginalization.^{47,48} The result has been a legacy of Black mistrust of public-service authorities and institutions.

Lift Impact Partners: Helping newcomers find meaningful employment

Newcomers to Canada often find it challenging to find employment that matches their skills and experiences, and many end up in roles that don't reflect their qualifications or enable them to contribute to our economy and society to their fullest potential.

LIFT Impact Partners, a national non-profit organization, is dedicated to addressing the systemic barriers that prevent Canadians from accessing meaningful employment. Deloitte has worked with LIFT to develop a multilingual enhanced technology solution that leverages GenAI to help social purpose organizations aid newcomers in finding jobs that better reflect their skills, experiences, and expertise.

“ Now is the time to act. While these tools hold great promise, we must proceed with caution to protect the most vulnerable segments of our society. To truly drive positive change, we must foster continuous dialogue and establish robust guardrails to ensure responsible usage.

Alex Coleman

Assistant Deputy Minister, CIO
Children, Youth, Social Services I & IT Cluster,
Ontario Public Service Executives

The emergence of GenAI presents a promising means to address systemic inequity and foster inclusivity. The ability of this tool to analyze vast amounts of data to identify and mitigate biases holds the potential to transform how society addresses and overcomes the persistent discrimination faced by Black Canadians and other equity-seeking groups.

Overcoming the challenges

- **Enhanced access to information:** Content-summarization tools can help make legal and civic information more accessible, ensuring Black or racialized communities have clear and understandable access to information about their rights and responsibilities. Additionally, providing this information in various formats (e.g., video, audio, text) and featuring diverse voices and perspectives can improve the overall knowledge base of these communities and their ability to access institutional services.
- **Equity-focused lens:** Adopting clear and concise governance frameworks can help ensure GenAI tools reflect the concerns of Black communities—especially as public-sector efforts to regulate AI have typically played catch-up to the evolution of these technologies.

- **Tailored health care interventions:** Algorithms can be developed to recognize higher risks for conditions faced by Black populations, helping to ensure appropriate medical interventions. For example, AI can be used to analyze demographic and health data to identify areas with low vaccination rates, and then target these areas with tailored outreach programs, predicting the most effective communication channels and resonant strategies for Black communities.
- **Personalized learning:** AI-driven educational tools can provide personalized learning plans that consider cultural contexts and learning styles, helping Black students achieve better academic outcomes. They can also identify those at risk of falling behind, and then recommend targeted interventions through mentorship and tutoring programs.
- **Culturally aware translation services:** GenAI solutions could be used to recognize and translate dialects, idioms, and cultural nuances specific to Black communities and new immigrants.

Use case 3: Reimagining work - AI/GenAI and Black Canadian voices

Black Canadians face discrimination in the hiring process.^{49,50} According to a research study that examined how employers responded to resumés from candidates with similar qualifications but with either African or Franco-Québécois last names, candidates in the latter group were invited for interviews 38.3% more frequently.⁵¹ Other research showed that Black immigrants and Black Canadians face additional barriers in the workplace, stemming from a lack of recognition for achievements and credentials, limited access to career advancement, and systemic racism.⁵² The challenges can be even more pronounced for Black women, who are 1.5 times more likely than white women to be overqualified for their jobs.⁵³

The rapid advancement of GenAI technologies (which are trained using historical data) has heightened concerns about its potential impact on the Black workforce—specifically in terms of job security,

trust, and inclusion. Black workers in Canada are overrepresented in fields at high risk for automation, including health care, office support, food services, and manufacturing,^{54,55}—often the kind of middle-skill, middle-class jobs that provided a path to upward economic mobility for racialized workers without post-secondary degrees. The use of AI in hiring, already known to exacerbate inequities, further underscores the urgent need to address these challenges.^{56,57}

But are workforces ready for GenAI adoption? Based on our survey results, only 15% of workforce leaders said they were either prepared or very prepared to use AI and GenAI tools. When asked how well equipped their organizations were to handle ethical concerns about GenAI raised by Black and other racialized members of their teams, just 30% rated themselves as prepared, with many

expecting that existing IT or organizational frameworks would address any issues that may arise.

One executive interviewed for this report said they had decided against using GenAI to protect the “jobs of humans.” Another stated their organization was focused on earning employees’ trust in their assurances that GenAI tools weren’t being used for worker surveillance.

None of the executives interviewed had considered using GenAI to enhance employees’ sense of inclusion. But what if GenAI could be an employee’s ally, helping them combat job insecurity and accelerating career progression?

Overcoming the challenges

- **Develop GenAI-driven, skills-based employment**

approaches: By using algorithms to match individuals’ skills and experience to relevant job opportunities, organizations could leverage GenAI to develop and implement new recruitment approaches that prioritize skills and knowledge and avoid focusing on past roles, candidate names, jobs, or titles.

- **Offer resumé builders for new immigrants:** GenAI could be used to create customized resúmes for candidates, allowing them to tailor their responses to specific job requirements, as well as aiding those who may not be native English speakers.

- **Build GenAI-powered training:** AI-powered platforms and tools could be used to help Black and other equity-seeking workers identify skills gaps, as well as to recommend relevant and personalized courses or other learning resources, suggest upskilling opportunities, and track learning progress.

Knockri: Equity-based hiring

Knockri is an AI-powered hiring platform developed and guided by industrial-organizational psychologists and validated by HR specialists, with the goal of reducing bias and promoting equity and diversity. It uses GenAI to assess candidates based on their skills, thereby minimizing bias in the hiring process. Additionally, the platform offers cost and time-efficiency benefits.

Deloitte collaborated with Knockri to evaluate more than 400 candidates for a large government entity. Knockri’s assessment tool employed speech-to-text analysis, focusing solely on the content of responses, thereby eliminating visual and auditory identifiers. As a result, the platform ensured fair evaluations—effectively addressing the issue of bias—and enhanced the candidate experience.

- **Develop GenAI-driven career guidance:** AI algorithms could analyze labour-market trends and identify emerging job opportunities that align with Black workers’ skills and interests. This would enable Black workers to make more informed career choices and target roles in high-demand fields.
- **Create GenAI-enabled mentorship programs:** Organizations can develop AI-powered mentorship or sponsorship programs to connect Black professionals with experienced leaders in their fields, provide guidance and support, and create opportunities for career advancement.

Use case 4: The new media landscape and Black buying power

The portrayal of Black people in the media has long been a topic of scrutiny and concern due to its significant impact on public perception and societal attitudes.⁵⁸ While there have been positive strides toward more diverse and accurate representations, many challenges persist, from under-representation to misrepresentation of Black culture.⁵⁹

However, being seen and heard is itself a powerful market driver. Black Canadians represent the third-largest visible minority group in Canada, indicating a substantial consumer base. On average, Black consumers spend more than \$3,000 monthly on products and services for their households.⁶⁰ Cultural identity also plays a major role in purchasing decisions and habits. In one study, more than one-third of respondents were unsatisfied with offerings in retail stores for Black Canadians, indicating a significant unmet demand and an opportunity to cater to Black consumers.⁶¹ An investigation by CBC’s Marketplace revealed that many Black Canadians prefer online shopping, partly due to racism and increased surveillance in physical retail stores.^{62,63}

The advent of GenAI poses both risks and opportunities for Black representation. AI systems trained on biased data can perpetuate harmful stereotypes and misinformation through deepfakes. Conversely, GenAI can foster positive change by generating inclusive content, detecting and mitigating biases, and empowering Black creators with advanced tools. It’s important to note that implementing GenAI for personalized products requires careful consideration of customer privacy, data security, and ethical issues. Companies must ensure that customer data is handled responsibly and transparently, with proper consent and privacy protections in place.

Overcoming the challenges

- **Community-driven platforms:** GenAI could leverage content from community-driven platforms to understand and make recommendations for Black consumers. This curated information could then help retailers better tailor their product offerings to the needs and demands of clientele.



- **Co-created customized product offerings:** GenAI could facilitate co-creation experiences, allowing customers to actively participate in the design processes of products that interest them. For example, in the fashion industry, customers can use GenAI tools to create various design options for their outfits, resulting in products that align with their preferences. Based on these individual interests, retailers could suggest clothing, accessories, and beauty products that cater to customers' diverse body types, skin tones, and cultural preferences.
- **Virtual try-ons:** GenAI could enable virtual try-on experiences, allowing customers to visualize how products would look on them before making a purchase. For instance, in the beauty industry, GenAI can simulate the effect of different makeup products on a customer's face, matching skin tone and colour, helping to drive more informed decisions. Given that Black consumers continue to prefer online purchasing, this may be an untapped growth opportunity.
- **Consumer analytics and insights for equity:** By using data from customer analytics and insights, GenAI can help businesses uncover biases, address gaps in representation, and make informed decisions to ensure equitable access to products, services, and experiences. A case study on Canada's automotive industry revealed that 22% of Black shoppers felt dealership sales representatives assumed they had poor credit scores, compared with only 12% of white shoppers who felt this way. The use of GenAI could help businesses detect any such patterns and implement more equitable practices.⁶⁴

Contact Centre AI (CCAI): Personalization without discrimination

Contact centres offer organizations a way to automate, streamline and enhance interactions with their customers. By leveraging natural language processing, voice assistance and chatbots, CCAIs offer tailored services based on a consumer's preferences rather than making assumptions based on race, culture, gender, sexuality or other identity markers.

For a large insurance company in Canada, Deloitte deployed CCAI to enhance their operations. Initially, the chatbot was not well-adapted to local dialects. By meticulously measuring the performance of this chatbot, we identified areas for improvement and fine-tuned the bot to deliver superior service, surpassing the default customer experience. Tailoring technology to diverse linguistic needs, not only enhanced customer satisfaction, but also set a benchmark for measuring and improving service effectiveness across different ethnic groups—a rarely addressed but crucial aspect of customer service.

A framework for action: Designing for impact

GenAI isn't magic. It's a complex tool created by humans who write the code and curate the data it uses to learn. And because GenAI often builds upon traditional AI systems, it will inherit any biases present in those frameworks and their data. That's why relying solely on convenient, societally accepted norms for AI development risks perpetuating existing inequities. Critical thinking is thus essential to ensure AI serves—rather than harms—Black and other racialized and equity-seeking communities.

Our survey revealed that 78% of leaders think GenAI systems should undergo regular audits for bias and fairness, while only one in 20 are confident that current AI and ethical frameworks can address issues of bias and discrimination. Sixty-two percent of the executive respondents we surveyed believed diverse AI teams will be key to mitigating bias in AI systems.

Building on our findings and consultations with specialists in various industries, we've identified an actionable framework that supports a human-centric, equity-centred approach to inclusive AI development.

Addressing bias and fostering inclusivity through AI governance can help ensure AI and GenAI benefit all Canadians across all groups, including Black communities. This is particularly important, as public sector efforts to regulate AI tend to lag the technology's rapid advances—therefore, having a representative framework in place can help mitigate potential issues of AI-enabled bias later on.

Figure 3: Inclusive AI Framework



Inclusive AI framework

1

Bias Mitigation

Implementing strategies to identify and reduce biases in AI training data and algorithms before they are released.

Impact

Reduces discriminatory outputs, helping ensure fair and equitable AI applications.



Example of relevance

An AI-powered hiring tool is adjusted to prevent bias against candidates from equity-seeking communities.

Trust integration

Builds confidence in the fairness of AI decisions.

Potential challenges and concerns

Ability to identify all biases in data; continuous-monitoring requirement; high cost of advanced bias-detection tools.

2

Diverse data exploration

Ensuring diverse and representative data sets that include voices and experiences of equity-seeking groups including intra-group diversity.

Impact

Enhances the accuracy and relevance of AI models for all demographic groups.



Example of relevance

AI-generated healthcare solutions incorporate sufficient data from racially diverse populations for more accurate diagnoses.

Trust integration

Ensures AI systems are seen as relevant and fair to all users.

Potential challenges and concerns

Difficulty, expense, and potential privacy concerns involved in gathering representative data.

3

Transparency and accountability

Providing clear information on AI decision-making processes and holding developers accountable for biases.

Impact

Builds trust in AI systems and promotes responsible AI development.



Example of relevance

Users can access a detailed report on how an AI system made a particular decision affecting their access to services.

Trust integration

Fosters a transparent relationship with users.

Potential challenges and concerns

Achieving transparency without compromising proprietary information or a competitive advantage.

4

Community engagement

Involving equity-seeking groups in the AI-development process to understand their needs and concerns.

Impact

Ensures AI solutions are relevant and beneficial to equity-seeking groups, thus fostering inclusivity.



Example of relevance

Feedback from minority groups is integrated into the design of a new public safety AI system.

Trust integration

Demonstrates a commitment to considering the perspectives of all communities.

Potential challenges and concerns

Effectively reaching and engaging equity-seeking communities, and then integrating their feedback into business processes.

5

Education and training

Offering education and training programs to under-represented groups to build skills in AI and technology. In parallel, the creation of anti-racism and inclusion training for the organization to continue to build a workforce that understands the issues and can interrupt bias as GenAI solutions are adopted across the enterprise.



Impact

Empowers equity-seeking people, promoting diversity in AI development and usage.

Example of relevance

Workshops are held to teach AI coding skills to communities under-represented in tech communities.

Trust integration

Equips people with knowledge, fostering trust in their individual ability to interact with AI.

Potential challenges and concerns

Securing funding and resources for training programs, and then ensuring participation of equity-seeking groups.

6

Ethical standards and fairness

Developing and enforcing ethical guidelines and policies to protect equity-seeking groups, thereby helping to ensure fairness.



Impact

Provides a framework for responsible AI use, protecting the rights and dignity of all users.

Example of relevance

A company adopts a strict policy against the use of AI for surveillance that could disproportionately target minorities.

Trust integration

Establishes a foundation of ethical behaviour and fairness in AI practices.

Potential challenges and concerns

Aligning ethical standards across different regions and legal systems, and then enforcing compliance.

7

Safety and privacy

Ensuring AI systems are secure, and that they protect the personal data of all users.



Impact

Protects individuals from harm and misuse of their data.

Example of relevance

An AI platform encrypts user data and employs strict access controls.

Trust integration

Reinforces confidence that personal data is handled responsibly.

Potential challenges and concerns

Keeping up with evolving cybersecurity threats; balancing privacy with data utility.

8

Governance

Establishing governance frameworks to oversee AI development and deployment, thus helping ensure adherence to inclusion and ethical standards.



Impact

Ensures AI initiatives align with organizational values and regulatory requirements.

Example of relevance

A company sets up an AI ethics committee to oversee all AI projects and ensure they meet inclusivity standards.

Trust integration

Provides a structured approach to maintaining ethical AI practices.

Potential challenges and concerns

Balancing governance frameworks with innovation speed; securing buy-in from all stakeholders.

When not all bias is bad

Bias cannot be removed from all AI systems—nor should it. The paradox is that as data and models become outdated or as concepts and perspectives change, removing old biases can inadvertently introduce new ones. An attempt to combat all biases could create false information to suit an even more dangerous narrative.

The reality is that we humans are biased.

But it is important to recognize that, unlike humans, AI does not understand nor has the common sense to impart bias. It learns from our collective human understanding of the world and parrots back what it sees—which, of course, is then validated by us.

There is a positive way that we can harness AI bias for social good. Take, for example, skin cancer detection in Black patients. Traditional medical algorithms often struggle to diagnose skin cancer in darker skin tones because they are primarily trained on data from lighter-skinned individuals. This bias has led to lower detection rates for Black patients, potentially delaying treatment and worsening outcomes. By intentionally designing AI systems with a bias toward better recognizing skin cancer in darker skin tones, these algorithms can address previous inequities.

We are at the beginning of this revolution. GenAI is still very new, and our hopes, aspirations, and visions for this technology are still being shaped. Based on our research results, many of us are still assessing if and how we might incorporate this powerful tool into our work lives, services and interactions with others: Fewer than 25% of the business leaders in our study said they use GenAI weekly or more frequently, and almost 60% indicated they had never used it. Ethical concerns were cited as the top reason for not using GenAI, followed by a lack of understanding about the technology, and privacy matters.

The promise of seamless automation should not be a quick fix to outsource our morality or our decision making. Instead, when AI systems are carefully and ethically implemented, the biases inherent in AI systems can help address systemic inequities and provide targeted support for Black communities across Canada. Given the opportunities presented by GenAI, the direction we take now will lay the foundation for success for Black and other equity-seeking groups.





Empowering Black communities to succeed in an AI world

We are on the verge of a technological transformation, with AI and GenAI set to reshape industries. For Black professionals and equity-seeking groups, being late adopters could mean missing out on key opportunities. For organizations, prioritizing inclusive AI development could mean reaping significant economic and financial rewards.

By integrating inclusionary AI principles, companies can tap into new markets, enhance customer loyalty, and build a more resilient workforce. The benefits can go beyond reducing bias to strengthening brand reputation, and ensuring profitable growth. Prioritizing inclusivity in AI is not just a moral imperative—it's a strategic move that fuels both financial growth and long-term success for organizations.

And this can be done. It requires organizations to approach AI ethically and responsibly, and to position DEIA and fairness at the core of all AI and GenAI endeavours. Here we offer our recommendations across key metrics on how organizations can help ensure Black professionals and communities thrive in an increasingly AI-driven world.

Technology

- Build processes to interrogate the organization's data, with the aim of ensuring the information used to train GenAI is inclusive and diverse and doesn't perpetuate existing biases. This involves incorporating data from a wide range of sources, including under-represented groups such as the Black community, so that the AI system learns from a comprehensive and representative data set.
- Automation is crucial as manual oversight isn't sufficient to identify biases or consistency of ethical principles across large-scale AI deployments. Organizations can systematically and consistently work towards more equitable AI systems by implementing

automated tools for bias detection, fairness auditing, diverse data collection, and ethical decision support. This extends towards triaging and pathways for risk mitigation, ensuring issues are swiftly routed to the appropriate stakeholders

- Technology standards should be enacted to enforce accountability and transparency, requiring organizations to conduct regular audits of their AI systems to detect and address biases. Additionally, there should be clear penalties for non-compliance to ensure organizations take these regulations seriously.

People and culture

- Creating channels for continuous feedback and incorporating this input into the design and deployment of AI systems can ensure that the voices of Black communities are heard and respected. These channels could include community advisory boards, public consultations, and partnerships with local organizations to facilitate this engagement.
- Create or leverage an AI-education system for professionals—essentially, an “AI academy”—that focuses on upskilling and reskilling diverse talent, including Black professionals. Ensure they have meaningful access to opportunities to use these AI skills, as well as equitable access to opportunities for progress and promotions.
- Commit to being an education-leading organization, with transparency about learnings and failures from real-world AI use. GenAI is a new frontier, and therefore it should foster a culture of risk-taking, experimentation, and continuous improvement.
- Monitor and audit AI systems regularly to identify and address any biases, errors, or harmful consequences that could arise over time. This includes implementing mechanisms for feedback on inappropriate prompts or outputs, reporting, and accountability.
- Enable a workplace culture that regards GenAI as a tool that

- benefits from human oversight. This involves having a sufficient, diverse pool—which includes Black professionals and leaders—to oversee AI-related decision-making processes in order to identify and address any ethical concerns that may arise.
- Help employees, users, and customers understand and control the AI systems they encounter. This includes providing them with clear information about how the systems work, what data they collect, and how decisions are reached.

Corporate governance

- Before designing or purchasing an AI-based solution, identify potential conflicts with your framework's values, societal risks, and what can be developed under your code of conduct and ethics guidelines. Leverage data impact assessments integrated with your risk assessment checklist to classify potential risks and relevant follow ups.
- Ensure an AI governance model is in place to provide senior leadership with support for DEIA in AI and GenAI. Signal commitment from these leaders via clear lines of communication and through accountability.
- Evaluate the effects of using AI and shape its usage across the enterprise. Those accountable for AI governance, including professionals responsible for DEIA leadership, can play a unique role in these endeavours, and they can provide clear and concise action plans as AI matures.
- Establish an AI steering committee that comprises diverse voices, including those of Black leaders. The resulting mix of insights and perspectives can help ensure organizations thoroughly examine and address potential benefits and risks of using AI with established incident management systems.
- Explore and establish an AI framework to guide the ethical, responsible development and use of these systems. This approach should include defining principles such as fairness, accountability, transparency, and privacy, and should align with policy initiatives being led by governments and supranational organizations. This framework should consist of a group of iterative processes and instruments that prevent or mitigate any potential harm throughout the entire lifecycle of an AI-based solution.
- Encourage AI development teams to prioritize ethical considerations by carefully selecting variables for their models, consciously excluding sensitive attributes like race or gender, even if it means sacrificing some model performance, to prevent perpetuating historical biases and ensure fair, non-discriminatory outcomes.
- Be transparent about the data used in AI training is essential for understanding an AI system's capabilities and limitations.

“ What we heard



"We are in an age where we have **tools to design our future**—education will be key as more people begin to use these tools."

"Black professionals who are **early adopters** to this technology will excel at finding unique opportunities from jobs, wealth creation, and growth."



"As Black professionals **being seen and heard is powerful**—the images created by these tools need to match our reality."

"With our rush to automate it is important that we **maintain the human element**—think critically, ask questions, and connect with others."



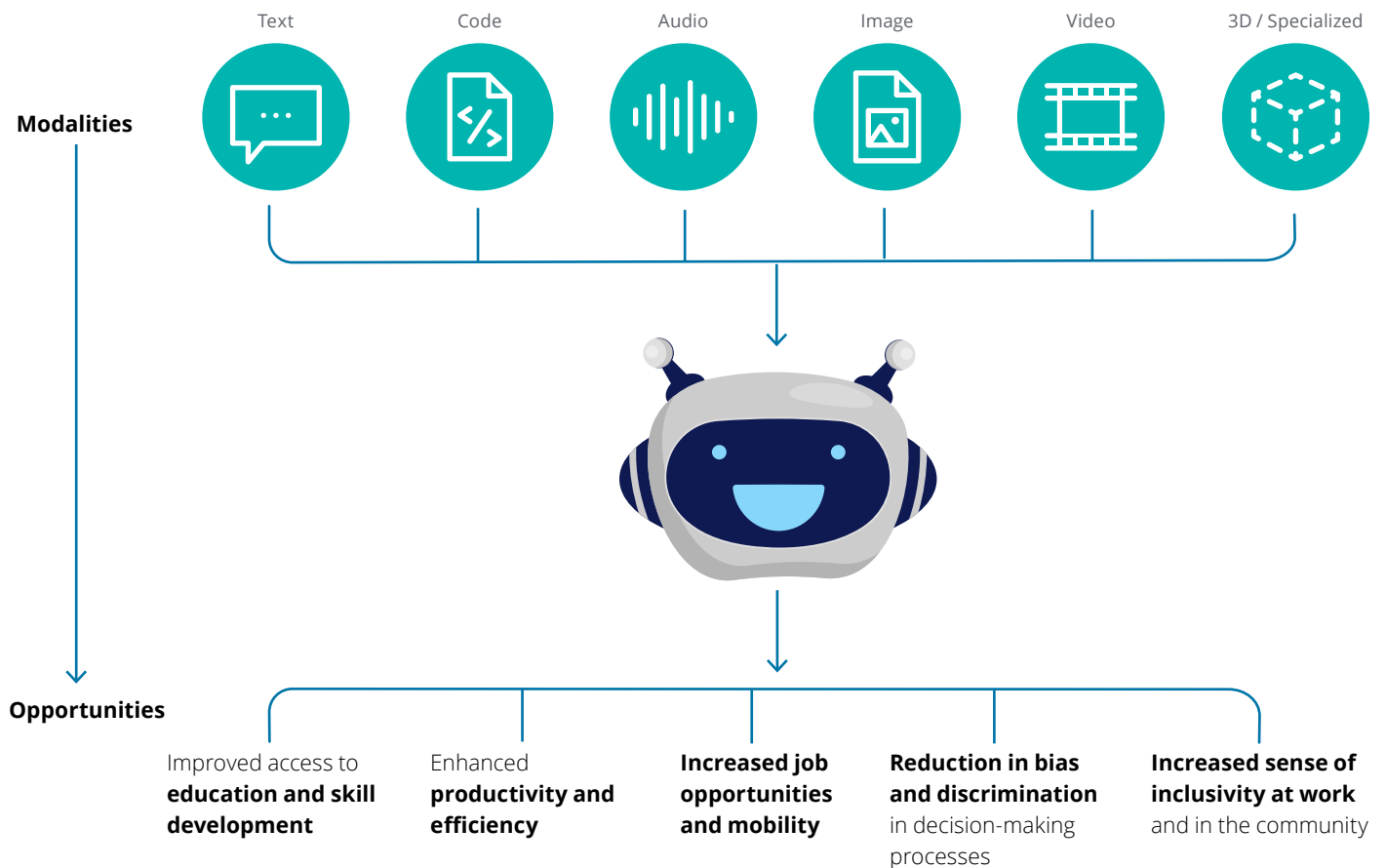
“ Inclusion and equity are not just buzzwords—they are the driving force behind AI's potential to transform lives. To truly drive positive change, we must simplify language, provide practical guidance, and emphasize the role that non-profits can play in supporting the intersection of GenAI and Black communities in Canada. By building trust, setting rigorous standards, fostering collaboration, educating communities, and engaging them in the development process, we can create AI systems that are trustworthy, equitable, and beneficial for all. Together, let's shape an inclusive AI future.

Dahabo Ahmed-Omer

CEO

BlackNorth Initiative

Survey respondents' envisioned GenAI opportunities



Working to ensure GenAI benefits everyone

AI and GenAI have the potential to make an enormous, positive impact on Canada's Black professionals and communities. But realizing this potential requires businesses, governments, and other organizations to develop and deploy these technologies in ways that address and mitigate the historical biases and inequity that affect Black Canadians.

We call on business and government leaders across Canada to embrace ethical, responsible, and inclusive AI and GenAI development and use. We encourage them to use the framework we have provided as a tool to spark reflection and action so that organizations and institutions can harness the power of GenAI with intention and care, and with a commitment to diversity, inclusion, and equity. In doing so, leaders will push back against long-standing systemic inequities, and support the full participation of Black Canadians and equity-seeking groups in Canada's prosperous, AI-powered future.

Appendix

Our methodology

- We conducted focus groups with Black leaders who have had extensive experience implementing inclusion initiatives in their organizations, gathering their perspectives on the impact of GenAI on racialized and equity-seeking groups.
- We reviewed academic and secondary research to better understand the impact of GenAI and emerging technologies on Black, racialized, and equity-seeking groups.
- We engaged Modus Research to interview 10 executives familiar with their organizations' GenAI-solution deployments, as well as their DEIA frameworks and policies. Interviewees represented the financial services, health care, information technology (IT), telecommunications, publishing, engineering, and public sectors.
- We also enlisted Modus Research to conduct a survey of diverse business executives across Canada; this research took place from June 18 to July 1, 2024, and 646 responses were received. The questionnaire was designed by an established executive business panel developed by Modus Research in collaboration with Deloitte.

Definitions of inclusionary terms:⁶⁵

- **Equity:** The principle of considering people's unique experiences and differing situations, and ensuring they have access to the resources and opportunities that are necessary for them to attain just outcomes.
- **Diversity:** The variety of identities found within an organization, group or society. Diversity is expressed through factors such as culture, ethnicity, religion, sex, gender, sexual orientation, age, language, education, ability, family status or socioeconomic status.
- **Equity-seeking group:** A group of people who, because of systemic discrimination, face barriers that prevent them from having the same access to the resources and opportunities that are available to other members of society, and that are necessary for them to attain just outcomes.
- **Inclusion:** The practice of using proactive measures to create an environment where people feel welcomed, respected and valued, and to foster a sense of belonging and engagement.

Main types of biases inherent in AI systems

- **Training data:** This bias occurs when the data used to train the AI model is not representative of the entire population or the specific use case. It can arise from overrepresentation or underrepresentation of certain groups or features in the training data set.
- **Algorithmic:** This bias is introduced by the algorithms themselves, which may have inherent limitations or design choices that favour certain outcomes over others.
- **Selection:** This occurs when the data selected for training does not accurately reflect the reality it is intended to model. This can be due to the method of data collection, or the criteria used for including data points in the training set.
- **Confirmation:** Confirmation bias can arise when an AI model reinforces pre-existing beliefs or assumptions because the training data contains or amplifies these biases.
- **Stereotyping:** This type of bias involves the perpetuation of generalized and oversimplified beliefs about a group of people.
- **User interaction:** This bias emerges from the interactions between users and an AI system, when the behaviour of the AI model changes based on how users engage with it.
- **Temporal:** This occurs when the training data is outdated and thus does not reflect current realities, leading to outputs that are no longer relevant or appropriate.
- **Geographic:** This type of bias arises when the training data is predominantly sourced from specific geographic locations, leading to a lack of generalization to other regions.

Ways to mitigate bias in AI systems

- **Data augmentation:** To reduce bias, it's important to have a variety of training data. Data augmentation involves intentionally including different perspectives and backgrounds in the training dataset. This helps the AI model learn to create fairer and more representative content.
- **Data quality and validation checks:** Implement data validation mechanisms that check for data consistency, completeness, and accuracy pre and post AI deployment.
- **Security and privacy compliance:** Ensure AI models adhere to data privacy regulations (e.g., GDPR, CCPA) by integrating privacy-preserving techniques and conducting regular privacy audits to verify that sensitive data is not being exposed or misused.
- **Adversarial training:** Think of adversarial training as a game between two computer networks. One network creates content, while the other network checks for bias. This helps the content generator learn to avoid biased outputs.
- **Reinforcement learning:** Reinforcement learning can combat bias by shaping rewards to incentivize fairness, collecting counterfactual data to explore alternative scenarios, and incorporating policy constraints to prevent biased actions. Additionally, adversarial reinforcement learning, where competing models are trained, can help the AI agent learn to avoid bias and make fairer decisions.
- **Explainability tools and bias metrics:** Explainability tools help us understand why AI models make certain decisions, while bias metrics help us measure bias in AI-generated content more accurately. Utilize fairness auditing tools to ensure AI models do not exhibit discriminatory behaviour against specific groups based on protected attributes like race, gender, or age. These tools are crucial because they allow us to identify and fix biased decisions. The code for these tools may vary depending on the specific choices and requirements, but they contribute to making AI systems fairer and more transparent.
- **Regulatory frameworks & policies:** Analyzing the outputs of the AI system, evaluating user feedback, enforcing minimum performance thresholds, completing a risk assessment, and conducting regular bias assessments can be done to actively monitor for stereotypes. Set up monitoring tools that track model performance in production, alerting stakeholders if there are significant deviations from expected behaviour or data drift. When seen, organizations can take corrective actions to address and mitigate them.
- **Regular bias monitoring, risk assessment and auditing:** Analyzing the outputs of the AI system, evaluating user feedback, completing a risk assessment, and conducting regular bias assessments can be done to actively monitor for stereotypes. When seen organizations can take corrective actions to address and mitigate them.
- **Diverse AI teams:** Building diverse and inclusive teams that develop and train AI systems can help mitigate stereotypes. Including individuals from different backgrounds and perspectives can bring a wider range of viewpoints to the table and help identify and challenge potential biases.

How do we respond?

Figure 4: Responsible AI development can mitigate the inherent biases in AI

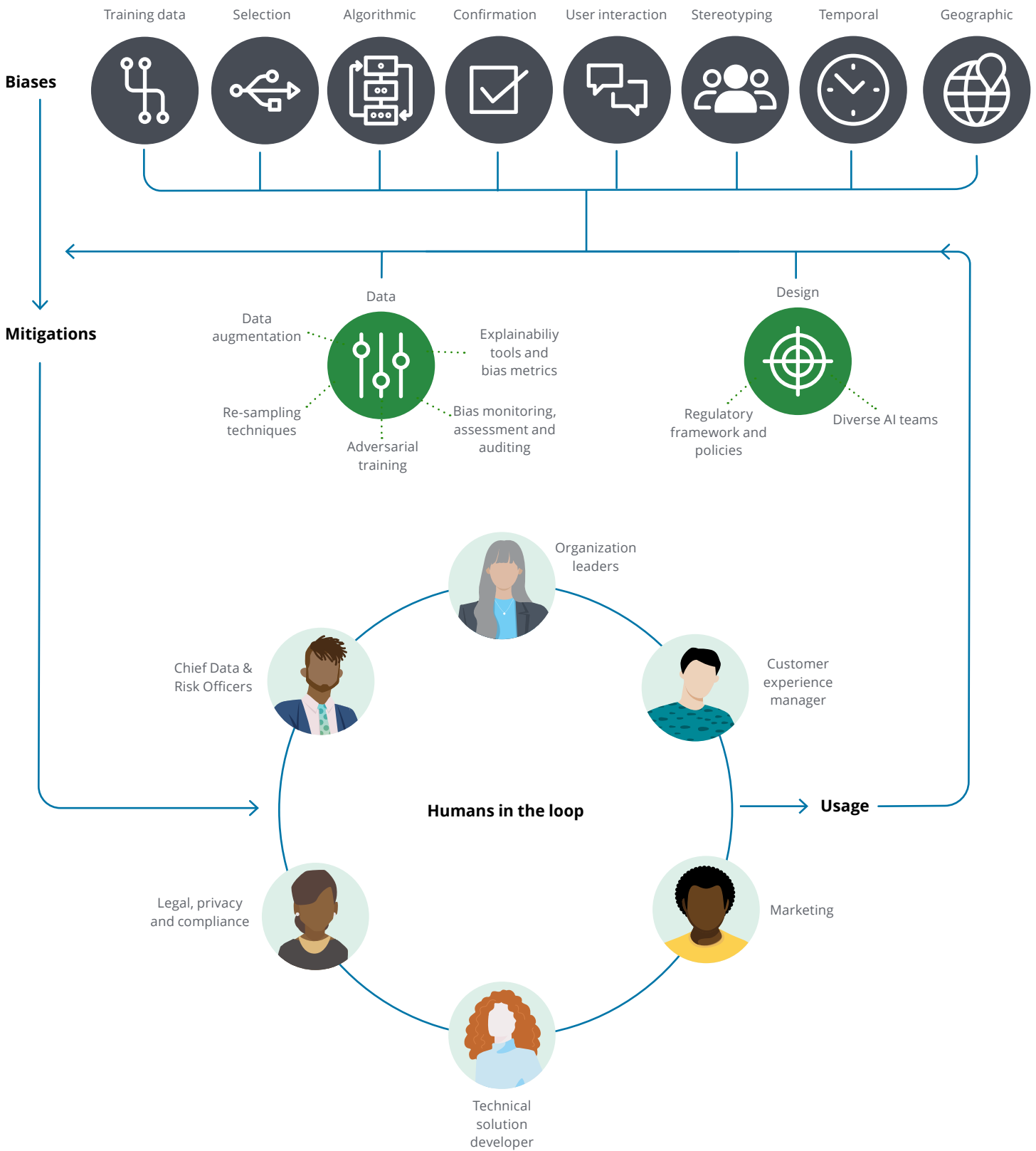
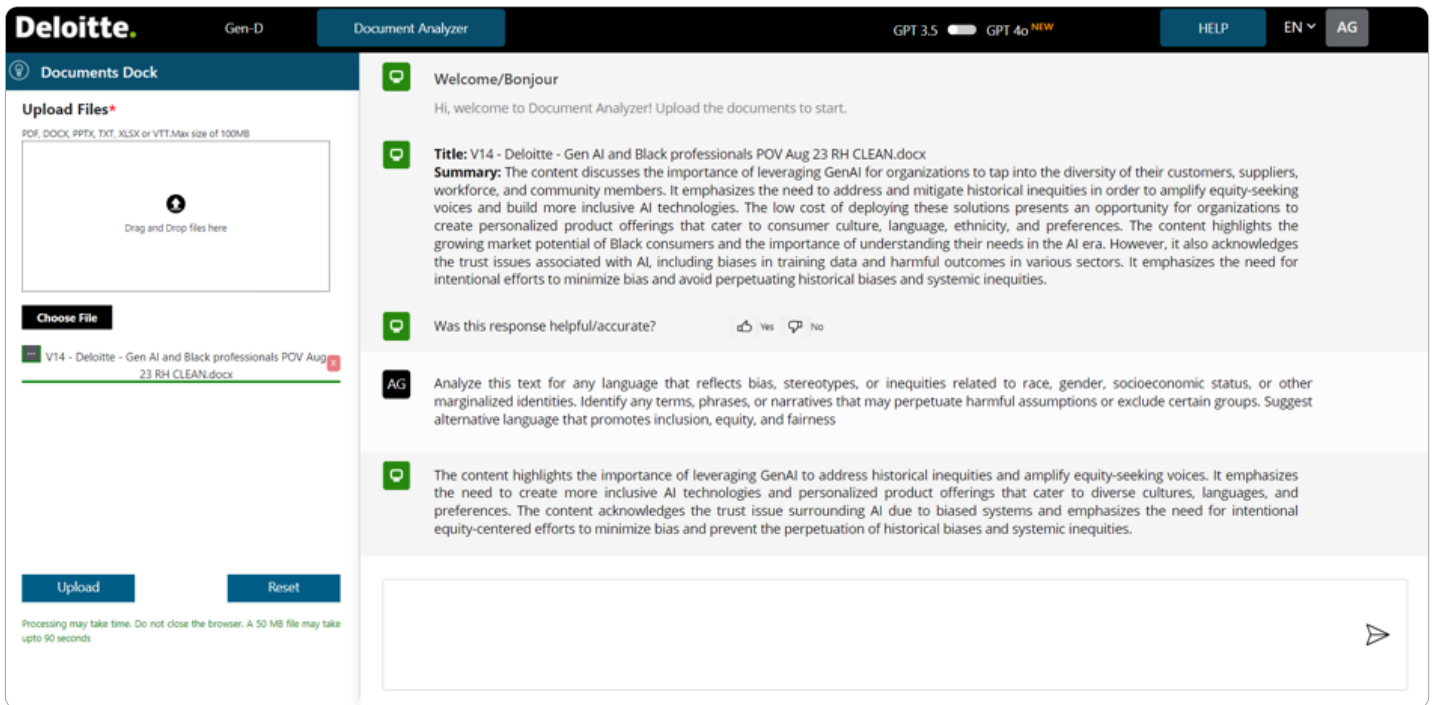


Figure 5: Screenshot of Deloitte's in-house generative AI tool displaying summary for this report



AI summary

Using our in-house generative AI tool, we examined whether it could help identify inequitable language within the report. Separately, an equity content reviewer also evaluated the document. While the AI flagged over 20 instances that could be revised to enhance the message, the human reviewer identified specific nuances related to the structure, flow, and positioning of the content. The human reviewer also pointed out areas that required further attention regarding how specific words may be perceived that the AI tool could not detect. This highlights that, when used in collaboration with humans, GenAI tools such as these can be a powerful tool to augment the detection and improvement of inclusive language.

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