

A blue-tinted photograph of the Federal Reserve Building in Washington, D.C. The building is a grand neoclassical structure with a prominent portico supported by tall columns. A flagpole with the American flag stands in front of the building. The sky is overcast with soft clouds.

# Report to the Congress on the Office of Minority and Women Inclusion

April 2014

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM





Report to the Congress on the  
Office of Minority and Women  
Inclusion

April 2014

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# Preface: Implementing the Dodd-Frank Act

Pursuant to section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Office of Diversity and Inclusion (ODI) of the Board of Governors of the Federal Reserve System must submit an annual report to the Congress outlining the activities, successes, and challenges of the Office. This is the Office's report for calendar year 2013. Sheila Clark serves as the director of ODI.

See the Board's website for an overview of the Dodd-Frank Act regulatory reform effort ([www.federalreserve.gov/newsevents/reform\\_about.htm](http://www.federalreserve.gov/newsevents/reform_about.htm)) and a list of the implementation initiatives recently completed by the Board as well as several of the most significant initiatives that the Board expects to address in the future ([www.federalreserve.gov/newsevents/reform\\_milestones.htm](http://www.federalreserve.gov/newsevents/reform_milestones.htm)).



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# Introduction

In January 2011, pursuant to section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Board of Governors of the Federal Reserve System (the Board) established its Office of Diversity and Inclusion (ODI) to promote diversity and inclusion. ODI builds on the Board's long-standing efforts to promote equal employment opportunity and diversity and to foster diversity in procurement.

ODI's mission and scope include the responsibilities identified in section 342 for the Office of Minority

and Women Inclusion (OMWI), as well as Equal Employment Opportunity (EEO) compliance and programs, and initiatives addressing diversity and inclusion. ODI works to assess the Board's diversity policies, programs, and performance to determine progress and increase transparency. ODI's ongoing effort to foster an informed dialogue on diversity best practices includes participation in Equal Employment Opportunity Commission (EEOC) technical workshops, attendance at conferences and events held by professional organizations, and participation in financial industry groups.



# Equal Employment of Minorities and Women

The Board is committed to equal employment opportunity in all aspects of employment, and to fostering diversity and inclusion in the workplace. In support of its commitment, the Board has in place strategic objectives to attract, hire, develop, promote, and retain a highly skilled and diverse workforce. The Board also allocates significant resources to ensure the success of its equal employment opportunity (EEO) and diversity and inclusion initiatives, which assist in enabling the Board to compete with other federal agencies and the private sector for talented individuals.

## Equal Employment Opportunity

The Board's Equal Employment Program, which is housed within the Office of Diversity and Inclusion (ODI), strives to meet the "Essential Elements of a Model EEO Program" as prescribed in the Equal Employment Opportunity Commission's (EEOC) Management Directive 715 (MD-715) and the Government-Wide Diversity and Inclusion Strategic Plan 2011 issued by the Office of Personnel Management and mandated by the President's Executive Order 13583. The Board has formal policies regarding equal employment opportunity, reasonable accommodation, and discriminatory workplace harassment, and the EEO Program undertakes training and analysis to ensure that the Board complies with all applicable laws and regulations. The Board uses elements of MD-715 (which includes an annual barrier analysis) as the primary metric to assess the effectiveness of its diversity policies and initiatives. Further, the Board reviews quarterly employment transaction data (i.e., hires and promotions) to determine any adverse impact based on race or gender as well as a complaint trend analysis.

In addition, the Board utilizes EEO management systems to identify strengths and areas for improvement in the talent acquisition process. By identifying potential issues, the Board can develop action plans that incorporate short- and long-term objectives. ODI works in conjunction with EEO liaisons from each of the Board's 15 operational divisions and Board leadership to ensure that inclusion and diver-

**Table 1. Federal Reserve Board reported total workforce demographics, selected data, 2012 and 2013**

|                 | 2012  | 2013  | Change (number) |
|-----------------|-------|-------|-----------------|
| Male            | 1,315 | 1,364 | +49             |
| Female          | 1,072 | 1,092 | +20             |
| Non-minority    | 1,339 | 1,376 | +37             |
| Minority        | 1,048 | 1,080 | +32             |
| Total employees | 2,387 | 2,456 | +69             |

sity exist at all levels of employment throughout the Board and that divisions identify and approach diversity challenges with transparency. Divisions also develop their own additional EEO and diversity strategies, such as management development, succession planning, and accountability, and include these strategies in management performance objectives.

To ensure the Board is aware of innovative developments and best practices, ODI consults with leading national professional organizations such as the Equal Employment Advisory Council, the Society of Human Resources Management, the Federal Inter-agency Diversity Partnership, Workforce Opportunity Network, the Conference Board, and the Federal Dispute Resolution Conference. These organizations conduct valuable research and benchmarking, and highlight relevant best practices, which ODI shares with division EEO liaisons to meet the Board's needs.

The Board annually submits to the EEOC an EEO Program Status Report as well as its EEO-1 Report, which is published at [www.federalreserve.gov/aboutthefed/diversityinclusionrpt.htm](http://www.federalreserve.gov/aboutthefed/diversityinclusionrpt.htm). The Board's 2013 EEO-1 Report is included in this document as appendix A.

Highlights of the Board's 2012 and 2013 EEO-1 reported total workforce demographics are shown in tables 1, 2, and 3. The Board's total workforce is 44 percent female and 44 percent minority. The Board reported an increase of 69 (3 percent) employ-

ees in the total workforce for 2013, of which 32 were minorities and 20 were women. The percentage of minorities in the Executive Senior Level category increased from 21 percent in 2012 to 23 percent in 2013. In the 1st/Mid. Level Manager category, the percentage of minorities increased from 42 percent in 2012 to 53 percent in 2013 and the representa-

tion of women decreased from 65 percent in 2012 to 55 percent in 2013. The representation of women remained at 40 percent in the Executive Senior Level category. Hispanic representation in the Board's workforce continued to increase from a total of 106 employees in 2012 to 109 employees in 2013.

**Table 2. Federal Reserve Board workforce profile, 2012**

|                        | EEO-1 categories |          |                        |          |               |          |                        |          |                 |          |
|------------------------|------------------|----------|------------------------|----------|---------------|----------|------------------------|----------|-----------------|----------|
|                        | Exec. Sr. Level  |          | 1st/Mid. Level Manager |          | Professionals |          | Admin. Support Workers |          | Service Workers |          |
|                        | Number           | Percent  | Number                 | Percent  | Number        | Percent  | Number                 | Percent  | Number          | Percent  |
| Male                   | 211              | 60       | 27                     | 35       | 839           | 54       | 26                     | 18       | 158             | 82       |
| Female                 | 140              | 40       | 51                     | 65       | 723           | 46       | 119                    | 82       | 34              | 18       |
| Non-minority           | 277              | 79       | 45                     | 58       | 914           | 59       | 21                     | 14       | 57              | 30       |
| Minority               | 74               | 21       | 33                     | 42       | 648           | 41       | 124                    | 86       | 135             | 70       |
| <b>Total employees</b> | <b>351</b>       | <b>-</b> | <b>78</b>              | <b>-</b> | <b>1,562</b>  | <b>-</b> | <b>145</b>             | <b>-</b> | <b>192</b>      | <b>-</b> |

**Table 3. Federal Reserve Board workforce profile, 2013**

|                        | EEO-1 categories |          |                        |          |               |          |                        |          |                 |          |
|------------------------|------------------|----------|------------------------|----------|---------------|----------|------------------------|----------|-----------------|----------|
|                        | Exec. Sr. Level  |          | 1st/Mid. Level Manager |          | Professionals |          | Admin. Support Workers |          | Service Workers |          |
|                        | Number           | Percent  | Number                 | Percent  | Number        | Percent  | Number                 | Percent  | Number          | Percent  |
| Male                   | 231              | 60       | 38                     | 45       | 894           | 54       | 24                     | 18       | 124             | 82       |
| Female                 | 153              | 40       | 47                     | 55       | 747           | 46       | 112                    | 82       | 28              | 18       |
| Non-minority           | 294              | 77       | 40                     | 47       | 960           | 59       | 18                     | 13       | 41              | 27       |
| Minority               | 90               | 23       | 45                     | 53       | 681           | 41       | 118                    | 87       | 111             | 73       |
| <b>Total employees</b> | <b>384</b>       | <b>-</b> | <b>85</b>              | <b>-</b> | <b>1,641</b>  | <b>-</b> | <b>136</b>             | <b>-</b> | <b>152</b>      | <b>-</b> |

The Board recognizes that a strategic approach to diversity and inclusion requires multiple, integrated, ongoing efforts. The Board continuously reviews and assesses its employment policies, procedures, and practices to ensure EEO compliance and the full utilization of our diverse and talented workforce. As examples, the Board closely monitors applicant pool data; the programs in place to advance and promote employees, as well as those related to skill development, succession planning, and compensation equity; and the pipeline of personnel available for promotions. Results of the Board's assessment(s) are considered when deciding how to address issues and trends.

In addition to monitoring hiring and promotion, the Board also monitors the retention of women and

minorities by job category, level, and grade. In the event there are concerns about retention, ODI works with management to address any issues.

Further, the Board utilizes the complaint investigation process to address employees' concerns and to identify trends in the workplace that may adversely affect the Board's employees.

ODI and the Office of Employee Relations collaborate to ensure that the Board properly administers its EEO policies, including those relating to reasonable accommodations for employees with disabilities, and its workplace-related policies, such as adverse actions and disciplinary actions.

## Recruitment and Retention

The Board recognizes that a work environment that attracts and retains top talent is essential. ODI, Human Resources, Employee Relations, and Organizational Development and Learning collaborate continuously to promote an excellent quality of work life at the Board for all employees.

Short-term and long-term strategies are developed to help ensure women and minorities are represented in the Board’s applicant and candidate pools and are considered for hires and/or promotions for key positions. In 2013, the Board filled 409 positions, of which 113 were summer interns. Fifty-seven percent of the positions filled were in the following major job families: attorney, computer professional, financial analyst, economist, and research assistant.

The Board utilized a variety of sources to fill the positions. Thirty-nine percent of the positions were filled internally. In filling the remaining 61 percent of positions, the Board used a variety of methods to attract a broad range of candidates, including job boards, social media (e.g., LinkedIn Talent Advantage, Federal Reserve System’s Diversity Twitter account), career fairs, and publications that aid in providing diverse pools of candidates with the skill sets necessary to fill positions.

Additionally, as part of its strategy to attract diverse pools of talented applicants, the Board recruits from a number of colleges and universities for full-time positions, including those listed in [table 4](#).

The Board also continues to partner with the Reserve Banks to participate in national diversity recruiting events by sharing the cost of career fairs, engagements hosted by professional organizations (National Society of Hispanic MBAs, Asian MBA (AMBA), and the Thurgood Marshall College Fund), and networking opportunities with special interest organizations. The Board is collaborating with the National Capital Region chapter of Year Up and will have a formal internship program during the summer of 2014. Year Up empowers urban young adults with the skills, experience, and support to achieve their potential through professional career opportunities and higher education. It offers a one-year, intensive training program that equips students with a combination of hands-on skill development, college credits, and corporate internships.

**Table 4. University career fairs and recruiting outreach initiatives utilized by the Board in 2013**

|   |
|---|
| Big East Career Fair                                    |
| Carnegie Mellon University                              |
| Christopher Newport University                          |
| Clark Atlanta University                                |
| Columbia University – Engineering Consortium            |
| Cornell University                                      |
| Drexel University                                       |
| Florida A&M University                                  |
| Florida International University                        |
| George Washington University – School of Business       |
| Hampton University                                      |
| Howard University                                       |
| James Madison University                                |
| Morehouse College                                       |
| New Jersey Institute of Technology                      |
| Pennsylvania State University                           |
| New York University – Polytechnic School of Engineering |
| Rochester Institute of Technology                       |
| Scholarship for Service                                 |
| Spelman College   |
| Syracuse University                                     |
| University of Maryland                                  |
| University of Miami                                     |
| University of North Carolina at Charlotte               |
| University of Virginia                                  |

In addition, the Board identifies students for paid summer internships. The internship program helps enable the Board to identify candidates for future employment opportunities and provides students hands-on opportunities and insight into the mission and work of the Board and the Federal Reserve System. Many of the students are recruited through colleges and universities (including Historically Black Colleges and Universities), special interest publications, and diversity focused organizations (e.g., the Hispanic Association of Colleges and Universities, Washington Internship for Native American Students, Workforce Recruitment Programs – College Students with Disabilities, and INROADS).

## Training and Mentoring

In 2013, the Board continued to provide Workplace Harassment Prevention training and counseling services to divisions to address EEO and/or diversity issues and trends. Other diversity-related training included “Conflict Resolution,” “Diversity Management Awareness,” “Fierce Conversations,” and “Micro-Triggers.”

In compliance with the training requirements of the Notification and Federal Employee Antidiscrimination and Retaliation Act (No FEAR Act), the Board has contracted with Navex Global to provide No FEAR web-based training in 2014. This training is required for all employees. The segments will cover EEO compliance, disability and accommodations, and discriminatory workplace harassment.

The Federal Reserve System Leadership Exchange Program, in conjunction with division-specific mentoring programs, enables participants to develop skills relating to their careers. The exchange and mentoring programs provide hands-on learning, promote exposure to different employment experiences, and broaden cross-system opportunities and visibility.

The Board's talent development processes also correlate to six performance competencies:

- decision quality
- learning agility
- drive for excellence
- perspective and strategic
- collaborative relationships
- effective communications

The competencies are grouped by employee role (e.g., manager or officer) and include desired behaviors in shaping, guiding, and leveraging diversity and inclusion.

Talent is developed through participation in the Executive Coaching Program, the System Senior Leadership Initiative, and the Quick Start for Managers Program. The Quick Start for Managers Program provides several interactive learning sessions for new managers to design a plan of action to help enable them to be successful. The sessions are: "Exploring Your Role as a Manager," "Motivating and Engaging Others," "Influencing and Managing Up," "Managing Results," "Providing High-Impact Feedback," "Navigating Conflict," "Building High Performance Teams," and "Realizing Your Impact." A Quick Start program for officers will be developed in 2014.

Employees are encouraged to take part in development opportunities through self-assessment, coaching, mentoring, service on task forces, participating in significant high priority projects, and taking on special assignments.

In 2013, a total of 149 officers and managers participated in leadership programs, of which 46 percent were female and 31 percent were minorities.

## Successes

Minorities in the pipeline (grades FR-27 through 29) to official staff increased by 13 percent, from 256 in 2012 to 289 in 2013.<sup>1</sup> The Board's outreach initiatives resulted in more diverse applicant pools for major job families, such as financial analyst and information technology (IT) professional. Out of a total of 409 hires, 167 were minorities. The minority hires included 15 Hispanics in the major job families.

## Challenges and Next Steps

Although there was some improvement, there continue to be challenges in the hiring of Hispanics in the overall workforce, and in the hiring of minorities in the job families of economist, program analyst, and regulatory and business analyst.

To help improve the current state of low Hispanic representation, the Board has strengthened its recruiting for major job occupations through its relationships with professional associations and academic institutions, such as the Association of Latino Professionals in Finance and Accounting, the National Society of Hispanic MBAs, and universities with significant Hispanic representation (e.g., Florida International University, the University of Maryland, and the New Jersey Institute of Technology), and by sourcing applicants for internships through organizations such as the Hispanic Association of Colleges and Universities.

Further, the Board also anticipates exploring new sources for recruitment of Hispanics such as partnering with community colleges that have joint programs with four-year universities and colleges to identify juniors for summer internship positions. This will enable students to gain experience in critical job occupations and encourage future applicants and candidates for job opportunities after degree completion.

The Board continues to address low representation of minorities in the official staff as well as in the pipeline to become official staff. During calendar year 2013, the official staff had 20 new appointments, of

<sup>1</sup> Official staff is equivalent to Senior Executive Service.

which 14 were internal promotions. While 8 women were appointed, no minorities were appointed. This can be attributed to insufficient availability of minorities in the senior professional levels from grades FR-28 through 29 from which official staff is drawn. Although minorities were not appointed to the official staff of the Board in 2013, there was an increase of 36 percent in minority managers (grades FR-25 through 27). The potential for these managers to reach senior professional levels in the long-term should increase the number of minorities in the pipeline from which official staff is selected. Under a broad management mandate, succession planning and workforce planning strategy objectives are being established to ensure leadership and accountability in addressing this issue. In addition, during the initial stages of appointing official staff, the director of ODI is now consulted and is a member of the reviewing team (which also includes representatives from the Human Resources Department and the Division of Financial Management) that evaluates proposed actions. This allows the ODI director to better support inclusion and diversity at the official staff level

and to ensure that the Board's leadership nomination criteria and process are inclusive.

The Board has also completed an availability analysis utilizing the 2010 Census civilian labor force data to determine minority representation in the major occupations of the Board. The census data continue to show significant low availability of minorities, particularly in the economist job occupation for all minority groups and women. To address this, the Board continues to organize, oversee, and participate in the three programs under the purview of the American Economic Association's Committee on the Status of Minority Groups in the Economics Profession (CSMGEP): (1) the Summer Economics Fellow Program; (2) the Summer Training Program; and (3) the Mentoring Program. The Board also plans to expand its participation at a number of recruitment and outreach events that target minority and women students and experienced professionals in the occupations of financial analyst, IT, quality assurance, system analyst, and attorney.



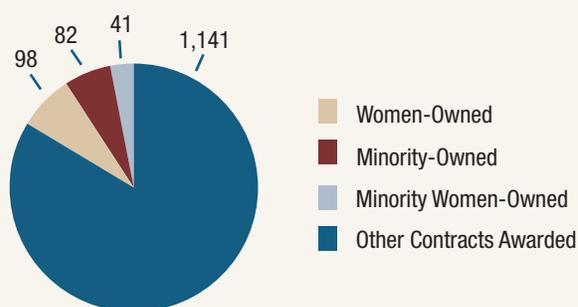
# Inclusion of Minority-Owned and Women-Owned Businesses

The Procurement Function in the Board's Division of Financial Management continued to demonstrate a strong and positive commitment to the inclusion of minority-owned and women-owned businesses in the Board's acquisition process. As outlined below, a comprehensive program strategy was implemented by setting forth specific actions to assist the Board in fostering relationships with these types of businesses. This strategy contains objectives and activities that are aligned with the provisions of section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and will help position the Board to continue to cultivate positive relationships with minority-owned and women-owned businesses. Key elements of the program strategy include

- establishing a supplier diversity policy that reaffirms the Board's commitment to equal opportunity in the acquisition process;
- developing an internal and external communication plan, including the design and dissemination of informational brochures and the creation of an external website where vendors can register their companies with the Board and obtain information on upcoming procurement opportunities;
- creating a vendor management system that allows Procurement to track the status of minority-owned and women-owned businesses throughout the acquisition process;
- conducting capacity-building workshops;
- reviewing subcontractor plans from prime contractors; and
- preparing quarterly reports for senior management that describe the status and results of the Supplier Diversity Program.

Through implementation of the program strategy and through networking with minority-owned and women-owned firms, Procurement has made significant progress in fostering success for those firms seeking to do business with the Board.

**Figure 1. Distribution of contracts awarded by the Board, 2013**



## Successes

The accomplishments of the Supplier Diversity Program complement the Board's long-standing commitment to support the inclusion of minority-owned and women-owned businesses in the procurement process. During 2013, the Board increased the number of contracts awarded to minority-owned and women-owned businesses. This was due in part to an increased focus on providing technical training, enhancing outreach activities, and holding meetings with senior leaders and division representatives to discuss their role and responsibility in implementing Dodd-Frank Act requirements related to supplier diversity. The Board awarded 1,362 contracts in 2013; [figure 1](#) shows the distribution of those contracts among minority-owned businesses, women-owned businesses, minority women-owned businesses, and other businesses. The Board awarded contracts for goods and services in the amount of \$158,196,516.<sup>2</sup> Of this total, \$20,997,715, or 13.3 percent, was awarded to minority-owned or women-owned businesses. This represents a 54.9 percent increase in the dollar value of contracts awarded to minorities and

<sup>2</sup> This report describes the contracts awarded by the Board for the period January 1, 2013 through December 31, 2013. The dollar amount shown represents the estimated value of the contracts rather than the actual amount spent.

**Table 5. Contract awards for minority-owned and women-owned businesses, 2011 through 2013**

|  | 2013 <sup>1</sup> |         | 2012 <sup>2</sup> |         | 2011 <sup>3</sup> |         |
|--|-------------------|---------|-------------------|---------|-------------------|---------|
|  | Dollars           | Percent | Dollars           | Percent | Dollars           | Percent |
| Minority-owned businesses <sup>4</sup> | \$ 6,806,841      | 4.3     | \$ 3,726,415      | 2.6     | \$ 9,028,526      | 7.2     |
| Women-owned businesses <sup>4</sup>    | \$11,520,842      | 7.3     | \$ 8,145,183      | 5.8     | \$ 4,237,038      | 3.4     |
| Minority women-owned businesses        | \$ 2,670,032      | 1.7     | \$ 1,685,031      | 1.2     | \$ 2,148,583      | 1.7     |
| Total                                  | \$20,997,715      | 13.3    | \$13,556,629      | 9.6     | \$15,414,147      | 12.3    |

<sup>1</sup> Total contracts awarded in 2013 were \$158,196,516.  
<sup>2</sup> Total contracts awarded in 2012 were \$141,168,580.  
<sup>3</sup> Total contracts awarded in 2011 were \$125,070,569.  
<sup>4</sup> Does not include contracts with minority women-owned businesses.

women in 2012. Table 5 summarizes the Board’s contract awards for the period 2011–2013.

### Outreach Activities

The Procurement Function implemented an effective outreach program to minority-owned and women-owned businesses. As part of these efforts, Procurement participated in events hosted by a wide array of organizations that promote the growth and development of minority-owned and women-owned businesses. A listing of these outreach events is shown in table 6.

The Board hosted its annual vendor outreach fair in May. The fair, which allows vendors to interact with the procurement staff and Board technical representatives, was an overwhelming success. More than 400 companies, along with the U.S. Small Business Administration, other federal financial regulatory agencies, the Federal Reserve Bank of Richmond, and 87 Board staff members participated in the event. Vendors were

given the opportunity to learn about the Board’s purchasing needs, to attend a seminar on “How to Do Business with the Board,” and to discuss their business capabilities with Board representatives and staff from other agencies. Figure 2 shows a breakdown of companies participating in the fair.

### Providing Technical Assistance

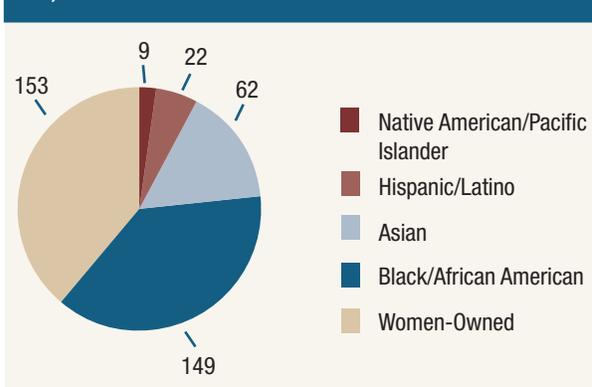
A significant amount of time and effort was devoted to supplier development. Procurement provided guidance to interested vendors to help them be more competitive in the procurement process. Technical assistance included discussing how to do business with the Board, providing information on upcoming contracting opportunities, monitoring the period of performance during the life of the contract, and preparing post-contract award debriefs. Debriefs include the following information:

- an evaluation of significant weaknesses or deficiencies in the offeror’s proposal;

**Table 6. Supplier diversity outreach activities, 2013**

|   |
|---|
| National 8(a) Association Small Business Conference                         |
| Alliance Mid-Atlantic Small Business Procurement Fair                       |
| National Reservation Economic Summit for Native American Businesses         |
| WBENC 2013 Summit & Salute to Women’s Business Enterprises                  |
| U.S. Hispanic Chamber of Commerce Conference                                |
| Women-Owned Small Business National Council Contracting Summit              |
| Federal Reserve Board’s Annual Vendor Fair                                  |
| Greater Washington Hispanic Chamber of Commerce (GWHCC) Business Exposition |
| Annual Government Procurement Conference                                    |
| US Pan Asian CelebRASIAn  |
| National Minority Supplier Development Council (NMSDC) Conference           |
| U.S. Women’s Chamber of Commerce Conference                                 |
| American Small Business Chamber of Commerce                                 |
| U.S. Black Chambers, Inc.   |
| Congressional Black Caucus Foundation’s Annual Legislative Conference       |

**Figure 2. Participation of minority-owned and women-owned businesses at the Board’s annual vendor fair, 2013**



- the overall cost or price and technical rating, if applicable, of the successful offeror and the debriefed offeror;
- past performance information on the debriefed offeror;
- the overall ranking of all offerors; and
- a summary of the rationale for the award to assist the offeror in preparing more comprehensive proposals for future acquisitions.

## Internal Training and Automation Support

During 2013, Procurement enhanced the Contracting Officer Technical Representative (COTR) training to include discussions of Dodd-Frank Act requirements, the COTR's responsibility in supporting supplier diversity initiatives, and the competitive advantages of the inclusion of minority-owned and women-owned businesses.

Procurement also implemented a system to track the status of vendors throughout the acquisition process. This system allows the Board's staff to identify where barriers may exist within the acquisition process, and helps staff develop targeted technical training for vendors. Other automation initiatives included

- implementing a business intelligence reporting tool that provides trend analyses and dashboards to assist Procurement and Board divisions in evaluating their procurement activity;
- developing a web-based tutorial video, "How to Do Business with the Board," which will be located on the Board's public website when completed; and
- creating a link to expiring contracts on the Board's public website.

## Challenges

Among the challenges faced by the Procurement Function in 2013 is the issue of vendors' self-designation of their status as a minority-owned or women-owned business. The Board currently accepts vendors' self-designation, which may result in inaccurate data classification. To address this issue, the Board plans to meet with the Women's Business Enterprise National Council (WBENC) and National Minority Supplier Development Council (NMSDC) to validate their certification procedures so that their certifications can be used during the Board's vetting process. This will help validate vendors' status more efficiently during the acquisition process.

In addition, Procurement continues to recognize the need to increase Board staff awareness and understanding of Dodd-Frank Act requirements as they relate to supplier diversity. Procurement and ODI have implemented a strategy to raise awareness within the agency that includes educating and training staff on the importance of supplier diversity, holding regular meetings with senior leadership to discuss the Supplier Diversity Program and garner their support, and engaging division leadership to work as champions by supporting the inclusion of minority-owned and women-owned businesses in their contracting opportunities.

Finally, Procurement is working to revise existing acquisition policies and procedures that have become outdated and do not reflect the objectives of the Supplier Diversity Policy approved in 2013. Acquisition policies and procedures are being revised to reflect the commitment and objectives of the Supplier Diversity Program.



# Financial Literacy Activities

During 2013, the Board continued to participate in community and Federal Reserve System outreach events and programs, examples of which are listed below.

- Congressional Black Caucus Annual Legislative Conference:* In September 2013, the Board, in conjunction with the Federal Reserve System, sponsored a booth at the 43rd Annual Legislative Conference. Financial education materials and information were distributed to conference attendees. The Board also provided support for the Financial Education Youth Summit convened by the Congressional Black Caucus held at the U.S. Capitol Visitor Center and Trinity Washington University.
- FedEd Program:* During 2013, research assistants from divisions within the Board continued to implement a program developed to work with local high school students to improve their understanding of personal finances and the role of the Federal Reserve System in the economy. Subjects covered include the importance of saving, budgeting, using credit, establishing financial goals, and the impact of Federal Reserve policy on those subjects. More than 40 presentations were made to middle and high school students in the Washington metropolitan area. Presentations were made at ten schools in the District of Columbia: Roosevelt High School; Wilson High School; Coolidge High School; Dunbar High School; Anacostia High School; Ballou High School; Washington Latin Public Charter School; Edmund Burke School; KIPP DC Charter School; and St. Albans School. Presentations were made at two schools in Virginia—Annandale High School and Marshall High School—and one school in Maryland—Stone Ridge School of the Sacred Heart. Presentations were also made at the District of Columbia Public Schools Central Office to preview the FedEd Program for the New Heights Providers Meeting, the Sumner School for
- the DC Future Business Leaders of America, and the Heights School.
- Federal Reserve Financial Literacy Day:* On October 23, 2013, the Board and the Federal Reserve System held training programs and seminars around the country on such topics as saving, budgeting, credit use, and the establishment of financial goals. Board research assistants presented the program to classes at two schools in the District of Columbia: Cardozo High School and the Columbia Heights Education Campus.
- Math x Economics:* On May 23, 2013, the Board hosted the Math x Economics program for a second year in a row. The goal of the program was to introduce students to economics as a potential course of study in college and as a future career option. The Board's recruitment efforts targeted groups who are underrepresented in the field of economics, including minorities and females, especially from underserved schools. A total of 29 students from Washington metropolitan area schools attended. The students completed a survey at the end of the program; all 29 participants said they would recommend the program to other students. The descriptive statistics of the respondents are listed below.

| Distribution of participants | Percent |
|------------------------------|---------|
| Female                       | 56      |
| Male                         | 44      |
| Juniors                      | 78      |
| Seniors                      | 22      |
| African American             | 25.9    |
| Hispanic                     | 18.5    |
| Asian                        | 18.5    |
| White                        | 18.5    |
| More than one ethnicity      | 14.8    |
| Did not specify ethnicity    | 3.7     |

- *Education and Training Materials Distribution:* During 2013, the Board continued to provide financial literacy materials to consumer education and financial literacy groups, including the University of Maryland Extension Family and Consumer Sciences Center, the YMCA of Metropolitan Washington, Operation HOPE, and It Takes a Community to Raise a Child (located in New York City).
- *Professional Outreach:* On April 3, 2013, Chairman Bernanke delivered remarks to the 13th Annual Redefining Investment Strategy Education (RISE) Forum. His remarks highlighted the importance of promoting economic and financial knowledge

among people of all ages and walks of life. He stated that the Board and the 12 Federal Reserve Banks are all deeply involved in economic education and in supporting the work of teachers, schools, and national organizations.

On November 13, 2013, Chairman Bernanke hosted the annual Teacher Town Hall Meeting at the Federal Reserve Board. Federal Reserve Banks also held gatherings around the country to provide educators the opportunity to listen to the Chairman and ask questions. His remarks covered the origins, history, and role of the Federal Reserve, and how it has helped shape the nation's economy and financial system.

# Diversity Policies and Practices of Regulated Entities

In 2013, an interagency working group comprising the financial agency OMWI directors (the Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Securities and Exchange Commission) published proposed standards for assessing the diversity policies and practices of entities regulated by each agency. The proposed standards were published in the *Federal Register* on Octo-

ber 25, 2013, for public comment; the comment period was later extended to February 7, 2014.<sup>3</sup>

The interagency working group is meeting to review all comments received and expects to adopt final standards in 2014.

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<sup>3</sup> See the *Federal Register* notices at [www.gpo.gov/fdsys/pkg/FR-2013-10-25/pdf/2013-25142.pdf](http://www.gpo.gov/fdsys/pkg/FR-2013-10-25/pdf/2013-25142.pdf) and [www.gpo.gov/fdsys/pkg/FR-2013-12-24/pdf/2013-30629.pdf](http://www.gpo.gov/fdsys/pkg/FR-2013-12-24/pdf/2013-30629.pdf).



# Appendix A: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar Year 2013

| Employer Information Report EEO-1   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
|---|--------------------|---------|--------|------------------------|---------------------------|--------|--------|---------|---|-------|----------------------------------|-------|-------------------|-------|--------|-------|--------|
| Federal Reserve Board, 2013 Employer Information Report                     |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| Occupational Categories   | Total Employees    |         |        | Race/Ethnicity         |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
|   |                    |         |        | Non-Hispanic or Latino |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
|   | Hispanic or Latino |         | White  |                        | Black or African American |        | Asian  |         | Native Hawaiian or Other Pacific Islander |       | American Indian or Alaska Native |       | Two or More Races |       |        |       |        |
|   | All                | Male    | Female | Male                   | Female                    | Male   | Female | Male    | Female                                    | Male  | Female                           | Male  | Female            | Male  | Female | Male  | Female |
| <b>1.1 Exec. Sr. Level Managers, Governors, Officers, FR-29 &amp; FR-28</b> |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 384                | 231     | 153    | 4                      | 6                         | 187    | 107    | 23      | 29  | 16    | 9                                | 1     | 2                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 60.16%  | 39.84% | 1.05%                  | 1.56%                     | 48.70% | 27.86% | 5.99%   | 7.55%                                     | 4.17% | 2.34%                            | 0.26% | 0.52%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>1.2 1st/Mid. Level</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 85                 | 38      | 47     | 1                      | 2                         | 17     | 23     | 17      | 19  | 3     | 3                                | 0     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 44.71%  | 55.29% | 1.18%                  | 2.35%                     | 20.00% | 27.06% | 20.00%  | 22.35%                                    | 3.53% | 3.53%                            | 0.00% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>Officials and Managers Total</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 469                | 269     | 200    | 5                      | 8                         | 204    | 130    | 40      | 48  | 19    | 12                               | 1     | 2                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 57.36%  | 42.64% | 1.07%                  | 1.71%                     | 43.50% | 27.72% | 8.53%   | 10.23%                                    | 4.05% | 2.56%                            | 0.21% | 0.43%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>2. Professionals</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 1,641              | 894     | 747    | 49                     | 34                        | 594    | 366    | 90      | 184                                       | 139   | 150                              | 20    | 13                | 0     | 0      | 2     | 0      |
| By percent  | 100.00%            | 54.48%  | 45.52% | 2.99%                  | 2.07%                     | 36.20% | 22.30% | 5.48%   | 11.21%                                    | 8.47% | 9.14%                            | 1.22% | 0.80%             | 0.00% | 0.00%  | 0.12% | 0.00%  |
| <b>3. Technicians</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 6                  | 2       | 4      | 0                      | 0                         | 0      | 2      | 2       | 2   | 0     | 0                                | 0     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 33.33%  | 66.67% | 0.00%                  | 0.00%                     | 0.00%  | 33.33% | 33.33%  | 33.33%                                    | 0.00% | 0.00%                            | 0.00% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>4. Sales Workers</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 0                  | 0       | 0      | 0                      | 0                         | 0      | 0      | 0       | 0   | 0     | 0                                | 0     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 0.00%              | 0.00%   | 0.00%  | 0.00%                  | 0.00%                     | 0.00%  | 0.00%  | 0.00%   | 0.00%                                     | 0.00% | 0.00%                            | 0.00% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>5. Admin. Support Workers</b>  |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 136                | 24      | 112    | 1                      | 5                         | 5      | 13     | 17      | 86  | 1     | 4                                | 0     | 2                 | 0     | 2      | 0     | 0      |
| By percent  | 100.00%            | 17.65%  | 82.35% | 0.74%                  | 3.68%                     | 3.68%  | 9.56%  | 12.50%  | 63.24%                                    | 0.74% | 2.94%                            | 0.00% | 1.47%             | 0.00% | 1.47%  | 0.00% | 0.00%  |
| <b>6. Craft Workers</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 41                 | 40      | 1      | 0                      | 0                         | 21     | 0      | 14      | 1   | 4     | 0                                | 1     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 97.56%  | 2.44%  | 0.00%                  | 0.00%                     | 51.22% | 0.00%  | 34.15%  | 2.44%                                     | 9.76% | 0.00%                            | 2.44% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>7. Operatives</b>  |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 11                 | 11      | 0      | 0                      | 0                         | 0      | 0      | 11      | 0   | 0     | 0                                | 0     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 100.00% | 0.00%  | 0.00%                  | 0.00%                     | 0.00%  | 0.00%  | 100.00% | 0.00%                                     | 0.00% | 0.00%                            | 0.00% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>8. Laborers and Helpers</b>  |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 0                  | 0       | 0      | 0                      | 0                         | 0      | 0      | 0       | 0   | 0     | 0                                | 0     | 0                 | 0     | 0      | 0     | 0      |
| By percent  | 0.00%              | 0.00%   | 0.00%  | 0.00%                  | 0.00%                     | 0.00%  | 0.00%  | 0.00%   | 0.00%                                     | 0.00% | 0.00%                            | 0.00% | 0.00%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>9. Service Workers</b>   |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 152                | 124     | 28     | 7                      | 0                         | 38     | 3      | 76      | 23  | 3     | 1                                | 0     | 1                 | 0     | 0      | 0     | 0      |
| By percent  | 100.00%            | 81.58%  | 18.42% | 4.61%                  | 0.00%                     | 25.00% | 1.97%  | 50.00%  | 15.13%                                    | 1.97% | 0.66%                            | 0.00% | 0.66%             | 0.00% | 0.00%  | 0.00% | 0.00%  |
| <b>Total Workforce</b>  |                    |         |        |                        |                           |        |        |         |   |       |                                  |       |                   |       |        |       |        |
| By total  | 2,456              | 1,364   | 1,092  | 62                     | 47                        | 862    | 514    | 250     | 344                                       | 166   | 167                              | 22    | 18                | 0     | 2      | 2     | 0      |
| By percent  | 100.00%            | 55.54%  | 44.46% | 2.52%                  | 1.91%                     | 35.10% | 20.93% | 10.18%  | 14.01%                                    | 6.76% | 6.80%                            | 0.90% | 0.73%             | 0.00% | 0.08%  | 0.08% | 0.00%  |

