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

March 2016
Report to the Congress on the Office of Minority and Women Inclusion

March 2016
This and other Federal Reserve Board reports and publications are available online at www.federalreserve.gov/publications/default.htm.

To order copies of Federal Reserve Board publications offered in print, see the Board’s Publication Order Form (www.federalreserve.gov/pubs/orderform.pdf) or contact:

Publications Fulfillment
Mail Stop N-127
Board of Governors of the Federal Reserve System
Washington, DC 20551
(ph) 202-452-3245
(fax) 202-728-5886
(e-mail) Publications-BOG@frb.gov
Preface: Implementing the Dodd-Frank Act

The Board of Governors of the Federal Reserve System (Board) is responsible for implementing numerous provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The Dodd-Frank Act requires, among other things, that the Board produce reports to Congress on a number of topics.

The Board maintains a Regulatory Reform website, which provides an overview of regulatory reform efforts implementing the Dodd-Frank Act and a list of the implementation initiatives completed by the Board as well as the most significant initiatives the Board expects to address in the future.¹

Contents

Introduction ........................................................................................................................................... 1

Equal Employment of Minorities and Women .................................................................................. 3
  Equal Employment Opportunity ........................................................................................................ 3
  Recruitment and Retention ............................................................................................................... 4
  Training and Mentoring ................................................................................................................... 5
  Successes ......................................................................................................................................... 7
  Challenges and Next Steps ............................................................................................................ 8

Inclusion of Minority-Owned and Women-Owned Businesses ....................................................... 9
  Contracts Awarded to M/WOBs ....................................................................................................... 9
  Contract Payments to M/WOBs ...................................................................................................... 10
  Successes ...................................................................................................................................... 12
  Challenges .................................................................................................................................. 14
  Next Steps ................................................................................................................................... 14

Financial Literacy Activities ............................................................................................................. 17

Diversity Policies and Practices of Regulated Entities ..................................................................... 19

Appendix: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar-Year 2015 ...................................................................................................................... 21
Tables and Figures

Equal Employment of Minorities and Women

- Table 1. Federal Reserve Board reported total workforce demographics, 2014 and 2015 ........................................ 3
- Table 2. Federal Reserve Board workforce profile 2015, selected data ................................................................. 4
- Table 3. Federal Reserve Board hiring statistics, 2015 ......................................................................................... 5
- Table 4. Federal Reserve Board hires in major job families, 2015 ................................................................. 7

Inclusion of Minority-Owned and Women-Owned Businesses

- Table 5. Contract awards to minority- or women-owned businesses, 2011–15 .................................................... 10
- Table 6. Contract payments to minority- and women-owned businesses, 2011–15 ................................................. 12
- Figure 1. Percent of total awards by demographic group .................................................................................. 11
- Figure 2. Contracts awarded by summary account, 2015 ............................................................. 11

Financial Literacy Activities

- Table 7. Math x Economics program attendee distribution ............................................................................. 17

Appendix: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar-Year 2015

- Employer information report EEO-1 .................................................................................................................. 21
Introduction

In January 2011, the Board of Governors of the Federal Reserve System (the Board) established its Office of Diversity and Inclusion (ODI) to promote diversity and inclusion throughout the agency and in the financial services industry. ODI builds on the Board’s long-standing efforts to promote equal employment opportunity and diversity and to foster diversity in procurement. Implementing section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Office of Minority and Women Inclusion (OMWI) is housed within ODI. The OMWI function under ODI is required to submit an annual report to the Congress outlining its activities, successes, and challenges. This is ODI’s report for calendar-year 2015. Sheila Clark is the OMWI director and director of ODI.

ODI’s mission and scope include the responsibilities identified in section 342 for the OMWI, as well as Equal Employment Opportunity (EEO) compliance 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 addressing diversity issues.

---

2 See the Board’s website for an overview of the Dodd-Frank Act regulatory reform effort (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).
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 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 strives to meet the “Essential Elements of a Model EEO Program” as prescribed in the EEOC’s 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 conducts 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.

Table 1: Federal Reserve Board reported total workforce demographics, 2014 and 2015

<table>
<thead>
<tr>
<th>Demographic</th>
<th>2014</th>
<th>2015</th>
<th>Change (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1,437</td>
<td>1,511</td>
<td>+74</td>
</tr>
<tr>
<td>Female</td>
<td>1,124</td>
<td>1,162</td>
<td>+38</td>
</tr>
<tr>
<td>Non-minority</td>
<td>1,457</td>
<td>1,534</td>
<td>+77</td>
</tr>
<tr>
<td>Minority</td>
<td>1,104</td>
<td>1,139</td>
<td>+35</td>
</tr>
<tr>
<td>Total employees</td>
<td>2,561</td>
<td>2,673</td>
<td>+112</td>
</tr>
</tbody>
</table>

ODI works in conjunction with EEO liaisons from each of the Board’s 15 operational divisions and with Board leadership to ensure that inclusion and diversity 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. Further discussion of this appears on page 7 of this report.

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 for Human Resource Management, the Federal Interagency Diversity Partnership, Workforce Opportunity Network, the Conference Board, and the Institute for Corporate Productivity. 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. The Board’s 2015 EEO-1 Report is included in the appendix to this document.

Highlights of the Board’s 2014 and 2015 reported total workforce demographics are shown in table 1.

---

The Board’s total workforce in 2015 was 43 percent female and 43 percent minority. The Board reported an increase of 112 (4 percent) employees in the total workforce for 2015, of which 35 were minorities and 38 were women.

In 2015, the Board reevaluated the EEO-1 categories assigned to job functions and performed reclassifications in order to more accurately reflect the management structure at the Board. A new EEO-1 category, Sr. Level Managers (grades FR-28 through FR-31), was established within the Management category. Following the reclassification, the EEO-1 Management categories are 1.1 Executive, Sr. Level Officers and Governors (grade FR-00), 1.2 Sr. Level Managers (grades FR-28 through FR-31), and 1.3 1st/Mid. Level Managers. Selected data for EEO-1 categories in 2015 is shown in table 2 above, and the detailed Employer Information Report EEO-1 is available in the appendix.

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 its 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 assessments 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 administrative complaint investigation process to address employees’ concerns and to identify trends in the workplace that may adversely affect the Board’s employees.

Meetings are held regularly with division management to discuss analytics associated with the division’s diversity and inclusion scorecard objectives, actions, and outcomes. The scorecard objectives cover four performance areas: Leadership Engagement, Talent Acquisition, Talent Management, and Supplier Diversity.

ODI and the Board’s 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 and the Board’s Talent Acquisition and Organizational Development and Learning units collaborate continuously to promote an excellent quality of work life at the Board for all employees.

The Board takes steps to ensure that minorities and women are represented in the applicant and candidate pools for hires and promotions. In 2015, the Board filled 576 positions (see table 3). Seventy-eight percent of the positions, including 118 interns,
were filled externally. Among external non-intern hires, 36 percent were minorities and 40 percent were female. Among interns, 38 percent were minorities and 42 percent were female. Sixty-one percent of all positions filled were in the Board’s five major job families (attorney, computer professional, financial analyst, economist, and research assistant).

The Board utilized a variety of sources (see box 1) to attract a diverse pool of well-qualified candidates to fill positions. To complement the Board’s use of traditional recruitment sources such as job boards, employee referrals, publications, and career fairs, the Board made significant use of social media, such as LinkedIn Talent Advantage and Twitter, to attract diverse candidates. Combined, the Board’s LinkedIn and Twitter job-posting followers increased by over 37 percent in 2015. The Board also developed and published a new diversity-focused recruitment brochure and video. And as a part of its diversity-focused recruitment initiative, the Board’s recruiters joined LinkedIn affinity groups such as Diversity – A World of Change, Diversity Recruiter Network, the National Black MBA Association, the Association of Latino Professionals in Finance and Accounting, Prospanica (formerly the National Society of Hispanic MBAs), and the Wounded Warrior Project’s Warriors to Work.

Additionally, the Board recruits directly from a number of colleges and universities for both full-time employees and interns (see box 2).

The Board hired summer interns in 2015 through colleges and universities and diversity-focused organizations (e.g., Historically Black Colleges and Universities, the Hispanic Association of Colleges and Universities, Washington Internships for Native Students, Workforce Recruitment Programs – College Students with Disabilities, and INROADS). The internship program provides students hands-on opportunities and insight into the mission and work of the Board and the Federal Reserve System and helps enable the Board to identify candidates for future employment opportunities. Students are also recruited through special interest publications.

### Box 1. Federal Reserve Board applicant recruitment sources, 2015
- Board website (Careers page)
- Career fairs
- College recruiting
- Employee referral
- Internal applicants
- Internet job board
- JOE (Job Openings for Economists)
- Professional associations
- Professor referral
- Rehire
- Reserve Banks
- Social media (Twitter)
- Temp/contractor
- USA Jobs website

### Table 3. Federal Reserve Board hiring statistics, 2015

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Internal hires</th>
<th>External hires (excluding interns)</th>
<th>Interns</th>
<th>Total hires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Male</td>
<td>69</td>
<td>53</td>
<td>197</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>60</td>
<td>47</td>
<td>132</td>
<td>40</td>
</tr>
<tr>
<td>Non-minority</td>
<td>87</td>
<td>67</td>
<td>212</td>
<td>64</td>
</tr>
<tr>
<td>Minority</td>
<td>42</td>
<td>33</td>
<td>117</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>-</td>
<td>329</td>
<td>-</td>
</tr>
</tbody>
</table>

### Training and Mentoring

In 2015, the Board nominated 10 employees for the System Leadership Initiative conference, Thrive (for manager-level leaders). Six (60 percent) participants were female and two (20 percent) were minorities.

The Board also continued to expand its Executive Coaching program and provided this development opportunity to 104 officers and managers. Of the total, 51 (49 percent) participants were female; 31 (30 percent) were minorities.
In addition, Manager Quick Start, an eight-module series, was offered three times in 2015, with a total enrollment of 28 managers. Fourteen (50 percent) participants were female, and four (14 percent) were minorities. This program has received consistently high ratings from participants, and in 2015, the design for a similar program for Board officers was completed. A pilot of the officer program is scheduled for the second quarter of 2016, and the Board anticipates scheduling two cohort groups in 2017. The Board also offered three sessions of Situational Leadership in 2015. Twenty-two officers and managers participated in this training program. Of that total, 9 (41 percent) were female and 10 (45 percent) were minorities.

Additional courses supporting professional and leadership development were provided to employees through the Board’s core curriculum. Course offerings focused on several key areas, including emotional intelligence, decisionmaking and critical thinking, giving and receiving feedback, interpersonal skills and conflict resolution, and business writing skills.

To ensure consistency and fairness in evaluating performance, a new performance appraisal system was adopted Boardwide in 2015. Major elements of the program included standardizing competencies across the organization; aligning the competencies with internal training offerings in 2015; providing multiple training sessions about the process for employees and leaders throughout 2015; holding workshops with leaders to ensure performance ratings are used consistently within the divisions of the Board; and creating a comprehensive, interactive website with tools, guides, and video training modules to increase understanding and adoption of the program.

In addition, the Board continued to address results from an employee engagement survey administered in 2014, which included questions focused on diversity and inclusion as well as career development for all employees. The information gleaned from that survey has resulted in the creation of new professional development programs at the Board. For instance, in addition to training classes targeted at specific job families and leadership levels, a Boardwide Mentoring Program was developed in 2015, and the first cohort will be implemented in 2016. The goal of the program is to strengthen the Board’s internal talent pool and increase cross-divisional collaboration. All Board employees may apply for the Mentoring Program, and additional cohorts are planned in coming years. Also, an internal website aimed at assisting employees and managers with planning developmental activities for all employees was created and launched in 2015. Additional tools, videos, and guides for the website will be developed and launched in 2016. Further, succession planning strategies started in 2013 will continue to expand across the Board, and strategic workforce planning efforts started in 2015 will become more formalized and targeted. The Board will administer another employee engagement survey in 2016 to help determine whether actions taken since the last survey are directionally correct and are meeting goals.

Finally, the Board continues to provide customized training to increase employee awareness and knowledge of equal opportunity federal laws and their application within the workplace. In 2015, the Board fulfilled the training requirements of the Notification and Federal Employee Antidiscrimination and Retaliation Act (No FEAR Act) by requiring all new
managers and employees to complete the web-based No FEAR training within the required time frame. The training consists of modules covering EEO compliance, disability and reasonable accommodations, diversity, and workplace harassment. Boardwide No FEAR training for 2016 is scheduled to take place in the second quarter.

**Successes**

The Board continues to increase pools for progression to official staff for minorities and women in pipeline grades FR-27 through FR-31. Minorities in the pipeline grades increased by 18 percent, from 314 in 2014 to 370 in 2015. Similarly, the percentage of women in the official staff pipeline increased by 12 percent, from 403 in 2014 to 453 in 2015. In 2015, there were 27 appointments to the official staff, of which 7 (26 percent) were minorities and 9 (33 percent) were women.

These efforts to address the challenge of increasing minorities in the pipeline to official staff also support succession and workforce planning objectives outlined as part of the “Workforce” Strategic Pillar in the Board’s 2016–19 Strategic Plan.

Meanwhile, the Board’s long-term and short-term outreach and recruitment strategies have resulted in major job family hires from a diverse applicant pool of minorities and women (see table 4).

In 2015, the Board implemented a Diversity Scorecard to assist divisions in pursuing a comprehensive and strategic focus on diversity and inclusion as a key metric. The scorecard establishes accountability for the setting of diversity objectives and for actions by divisions to achieve those objectives. The scorecard objectives cover four performance areas: Leadership Engagement, Talent Acquisition, Talent Management, and Supplier Diversity.

In order to measure the progress of its employment and diversity inclusion practices, the Board developed a diversity analytics dashboard for each division. The dashboard enables management to assess diversity in hires, promotions, and retention. ODI also utilizes the dashboard to identify areas needing focus.

In addition, the Board undertook several significant initiatives in 2015 to address diversity in the economics profession. For example, it collaborated with Howard University to establish a teaching and mentoring program to build relationships between Board economists and the university’s economics faculty and students. The Board also is developing a research program to document the demographic attrition at each stage of the professional development pipeline for economists in order to better understand the different experiences and outcomes for minorities and women at various stages in their educational and professional development. Insights gleaned from the program can be used to support the goal of increasing minority and women representation in economics. In addition, to encourage the study of economics as a major, a team of economic research assistants from the Board visited local high schools, focusing on schools with demographically diverse populations. The Board reviewed the recruiting processes and practices for its economic research assistant positions, and based on assessment, expanded its recruitment sources to include additional minority organizations. And as a follow-up to the National Summit on Diversity in the Economics Profession held in October 30, 2014, in Washington, D.C., the Board continued to collaborate with the American Economic Association to address the state of diversity in the economics profession and identify successful diversity initiatives in academia.

---

**Table 4. Federal Reserve Board hires in major job families, 2015**

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Attorney</th>
<th>Computer Prof.</th>
<th>Economist</th>
<th>Financial Analyst</th>
<th>Research Assistant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>Male</td>
<td>9</td>
<td>69</td>
<td>34</td>
<td>62</td>
<td>35</td>
</tr>
<tr>
<td>Female</td>
<td>4</td>
<td>31</td>
<td>21</td>
<td>38</td>
<td>12</td>
</tr>
<tr>
<td>Non-minority</td>
<td>9</td>
<td>69</td>
<td>30</td>
<td>55</td>
<td>33</td>
</tr>
<tr>
<td>Minority</td>
<td>4</td>
<td>31</td>
<td>25</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>-</td>
<td>55</td>
<td>-</td>
<td>47</td>
</tr>
</tbody>
</table>

---

4 Official staff is equivalent to Senior Executive Service (SES).

Challenges and Next Steps

As a result of recruitment and outreach activities focused on Hispanics, representation increased slightly from a total of 118 in 2014 to 127 in 2015, but remains low in comparison to the overall workforce. However, to address workforce diversity and to further improve Hispanic employment in its major job families, the Board will continue to build and strengthen its external outreach and collaboration with several Hispanic professional associations and academic institutions such as Prospanica, the Association of Latino Professionals in Finance and Accounting, the Hispanic Association of Colleges and Universities, and Hispanic-Serving Institutions (HSIs).

Additionally, to address the low representation of blacks/African Americans and Hispanics in its economic research assistant job family, the Board is exploring new sources for summer intern research assistants, including building partnerships with colleges and universities. The Board will continue to enhance a comprehensive and strategic focus on diversity as a key component of its human capital strategy. The Board is developing a diversity strategic plan, to be implemented by second quarter of 2016, with objectives to support the execution of the Board’s missions and to ensure that the workforce is diverse and that the Board’s policies and practices support an inclusive culture.

Increasing minority representation in official staff is an ongoing objective and challenge for the Board. Targeted outreach activities, recruitment strategies, and talent development opportunities continue to be implemented and evaluated for desired outcomes. In addition, the Board continues its participation in minority recruitment events at Historically Black Colleges and Universities and at Hispanic professional conferences and career fairs for MBAs, as well as in events for information technology professionals and financial and legal professionals as part of its efforts to increase minorities in the pipeline workforce.

The availability of minority and female professional economists in the educational and professional pipeline remains persistently low, which creates recruitment challenges for the Board. In order to address this challenge, the Board aims to stimulate an interest in economics and math among minorities and women through its participation in financial literacy programs. Under the purview of the American Economic Association’s Committee on the Status of Minority Groups in the Economics Profession, the Board will continue to organize, oversee, and participate in the three programs intended to foster a long-term strategy in the recruitment of minority economists: 1) the Summer Economics Fellow Program; 2) the Summer Training Program; and 3) the Mentoring Program.

---

6 As defined by the Hispanic Association of Colleges and Universities, Hispanic-Serving Institutions (HSIs) are colleges, universities, or systems/districts where total Hispanic enrollment constitutes at least 25 percent of the total enrollment. See www.hacu.net/hacu/HSI_Definition.asp.
Inclusion of Minority-Owned and Women-Owned Businesses

The Procurement function of the Board’s Division of Financial Management, working with ODI, is responsible for the fair inclusion and utilization of minority- and women-owned businesses (M/WOBs) in the Board’s procurement process. Staff from ODI and the Procurement function meet regularly to assess the results of the supplier diversity objectives and activities and to determine whether additional efforts are needed to help M/WOBs compete successfully in the Board’s acquisition process. The Supplier Diversity Program has four primary objectives:

• Compliance
  —Meet the statutory compliance requirement set forth in section 342(c) of the Dodd-Frank Act.

• Education, training, and communication
  —Increase awareness among Board staff about the Board’s Supplier Diversity Program, with the aim of supporting the participation of M/WOBs in the acquisition process.
  —Provide technical assistance to these vendors to enhance their ability to qualify and successfully compete in the Board’s acquisition process.

• Reporting tools and processes
  —Improve automation to track, report, and monitor contracts awarded to M/WOBs.

• Access, opportunity, and engagement
  —Collaborate and coordinate efforts with advocacy groups representing M/WOBs to expand M/WOBs’ access to and participation in the Board’s acquisition process.
  —Utilize the Acquisition Planning Forecast of the Board’s contracting opportunities to serve as a roadmap for M/WOBs to participate in the acquisition process. This information is published on the Procurement section of Board’s website (www.federalreserve.gov/aboutthefed/procurement/procuring-the-future.htm) and distributed at outreach events.

    —Ensure M/WOBs have access to resources and events to learn how to do business with the Board. For instance, Procurement staff participate in outreach events so they can include qualified vendors in the Board’s buying process.

Through implementation of the program objectives and through networking with M/WOBs, the Procurement function has made significant progress in fostering success for those businesses seeking to do business with the Board.

Contracts Awarded to M/WOBs

During calendar-year 2015, the Board awarded contracts for goods and services in the amount of $214,867,580.7 Of this total, $37,461,063, or 17.43 percent, was awarded to M/WOBs, including $24,128,891, or 11.23 percent, to minority-owned businesses and $13,332,172, or 6.20 percent, to women-owned businesses. The total dollar value of contracts awarded to M/WOBs represents an increase of 22.97 percent over contracts awarded in 2014.

Five-Year Trend in Awards to Minority–Women Owned Businesses, Minority-Owned Businesses, and Women-Owned Businesses

Since the inception of the Board’s OMWI program in January 2011, the Board has tracked the percentage of contracts awarded to M/WOBs as well as the percentage of awards to minority-owned businesses and women-owned businesses. Table 5 shows the amounts and percentages of contract dollars awarded to M/WOBs over the past five years.

---

7 This report describes the contracts awarded by the Board for the period January 1, 2015, through December 31, 2015, and includes contracts for the Board’s Office of Inspector General as well as the Board’s currency program. The dollar amount shown represents the total obligated amount of the contracts rather than the actual amounts paid to contractors.
Trend in Awards by Demographic Group

In addition to reporting the percentage of awards to M/WOBs as required under section 342, the Board in 2014 also began tracking awards to minority-owned businesses by demographic groups. Specifically, the Board tracks and reports contracts awarded to Asian, black or African American, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or other Pacific Islanders, and other (non-specific) minority-owned businesses.¹

Compared with the previous year, the percentage of contract dollars awarded to Hispanic- or Latino-owned businesses and Asian American-owned businesses significantly increased in 2015, growing by 189.94 percent and 29.67 percent, respectively. Awards to Native Hawaiian or other Pacific Islanders also increased in 2015 compared to 2014, while awards to remaining groups either stayed the same (American Indian or Alaska Native) or dipped slightly (black or African American and other minority). Figure 1 shows the percent of total contracts awarded to different demographic groups in 2014 and 2015.

Trend in Awards by Board Summary Account

To better understand the types of purchases that constitute the majority of its contracting awards, the Board tracks its acquisitions by summary accounting codes. In 2015, contractual and professional services; capital assets (construction and software); printing and binding; and news, data, and research purchases accounted for more than two-thirds of the Board’s total dollars awarded. As shown in figure 2, seven accounting codes comprised more than 80 percent of the Board’s awards.

Contract Payments to M/WOBs

Besides tracking total contracts awarded to M/WOBs, the Board also tracks contract payments made to M/WOBs during the calendar year. “Contract payments” are the actual funds the Board pays

---

¹ “Minority-owned” for 2014 and 2015 includes minority women-owned businesses.

² The term “minority” means an individual who falls within one or more of the following race and ethnic categories: Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, and American Indian or Alaska Native. The term “minority-owned business” means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one (1) or more minority individuals; and (ii) more than 50 percent of the net profit or loss accrues to one (1) or more minority individuals. The term “women-owned business” means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one (1) or more women; (ii) more than 50 percent of the net profit or loss accrues to one (1) or more women; and (iii) a significant percentage of senior management positions are held by women.

³ “Other minority” means those businesses designating “minority-owned” but not designating Asian American, Black American, Hispanic American, or Native American.

Note: Awards are contracts awarded between January 1 and December 31. “Percent” columns reflect the percentage of total contracts awarded for the calendar year. Components may not sum to totals and may not yield percentages shown because of rounding.

---

Table 5. Contract awards to minority- or women-owned businesses, 2011–15

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollars</td>
<td>Percent</td>
<td>Dollars</td>
<td>Percent</td>
<td>Dollars</td>
</tr>
<tr>
<td><strong>By business type</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total awards, all businesses</td>
<td>214,867,580</td>
<td>100.00</td>
<td>190,643,728</td>
<td>100.00</td>
<td>158,196,516</td>
</tr>
<tr>
<td>Minority-owned¹,²</td>
<td>24,128,891</td>
<td>11.23</td>
<td>14,122,354</td>
<td>7.41</td>
<td>6,806,841</td>
</tr>
<tr>
<td>Non-minority women-owned</td>
<td>13,332,172</td>
<td>6.20</td>
<td>16,340,738</td>
<td>8.57</td>
<td>11,520,842</td>
</tr>
<tr>
<td>Minority women-owned</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td>2,670,032</td>
</tr>
<tr>
<td>Total minority-owned and women-owned³</td>
<td>37,461,063</td>
<td>17.43</td>
<td>30,463,092</td>
<td>15.98</td>
<td>20,997,715</td>
</tr>
<tr>
<td><strong>By demographic group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td>n.d.</td>
</tr>
<tr>
<td>Black or African American</td>
<td>1,829,100</td>
<td>0.85</td>
<td>3,222,106</td>
<td>1.69</td>
<td>n.d.</td>
</tr>
<tr>
<td>Native Hawaiian or other Pacific Islander</td>
<td>1,210,920</td>
<td>0.56</td>
<td>0</td>
<td>0.00</td>
<td>n.d.</td>
</tr>
<tr>
<td>Other minority³</td>
<td>594,826</td>
<td>0.28</td>
<td>665,120</td>
<td>0.35</td>
<td>n.d.</td>
</tr>
</tbody>
</table>

Note: Awards are contracts awarded between January 1 and December 31. “Percent” columns reflect the percentage of total contracts awarded for the calendar year.

Components may not sum to totals and may not yield percentages shown because of rounding.

¹ “Minority-owned” for 2014 and 2015 includes minority women-owned businesses.

² The term “minority” means an individual who falls within one or more of the following race and ethnic categories: Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, and American Indian or Alaska Native. The term “minority-owned business” means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one (1) or more minority individuals; and (ii) more than 50 percent of the net profit or loss accrues to one (1) or more minority individuals. The term “women-owned business” means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one (1) or more women; (ii) more than 50 percent of the net profit or loss accrues to one (1) or more women; and (iii) a significant percentage of senior management positions are held by women.

³ “Other minority” means those businesses designating “minority-owned” but not designating Asian American, Black American, Hispanic American, or Native American.

n.d. No data available.

out to contractors for goods and services provided. Performance of a contract might not occur within the same year the contract is awarded. Payments made during the year in many instances are for goods or services provided under contracts awarded in a previous year. As a result, a direct correlation between the dollar amounts for contract payments and contract awards in a given year does not exist.

In 2015, the Board paid a total of $154,264,257 to contractors. Of this total, $22,589,352 or 14.64 percent, was paid to M/WOBs, including $12,833,443, or 8.32 percent, to minority-owned businesses and $9,755,909, or 6.32 percent, to women-owned businesses. The total dollar value of contracts paid to M/WOBs in 2015 represents an increase of 5.84 percent over amounts paid in 2014. Specifically for minority-owned businesses, the total dollar value of amounts paid in 2015 was 29.38 percent higher than in 2014, while for women-owned businesses, it was...
14.61 percent lower than in 2014. Table 6 shows contract payments the Board made to M/WOBs from 2011 through 2015.

Successes

Quick Response Code and Board Website Enhancements

The Federal Reserve Board enhanced its digital outreach and resources for vendors in 2015. For example, Procurement staff developed a Quick Response (QR) code for vendors to use at outreach events. The vendor’s smartphone serves as a QR code scanner, displaying the code and converting it to the Board’s URL (website), thereby taking vendors directly to procurement-related web pages, with information about the Board’s Supplier Diversity Program, tips for winning Board contracts, frequently asked questions, and forecast of contract opportunities. In addition, the Board’s Procurement web pages were enhanced by adding new links to give vendors seeking to do business with the Board quick access to related policies and resources (such as the Board’s Acquisition, Supplier Diversity, and Small Disadvantaged Business Acquisition policies and the Diversity and Inclusion web page).

External Programs to Build Capacity and Provide Technical Assistance to M/WOBs

During 2015, the Board increased its presence in the supplier diversity community locally and nationally by continuing to implement a comprehensive outreach strategy. As part of this strategy, the Board developed programs to build capacity and provide technical assistance to diverse vendors. The Board continued to support M/WOB advocacy groups by engaging in numerous outreach activities (see box 3) to provide technical assistance by presenting, exhibiting, or matchmaking at various conferences and to enhance awareness of the Board’s acquisition process. These events were hosted by industry, federal agencies, and advocacy groups reaching a broad and diverse audience of over 20,000 conference delegates. The Board also provided technical assistance by responding to potential M/WOB contractors’ inquiries regarding upcoming procurement opportunities. The Board also held regular meetings with financial regulators and other supplier diversity professionals.
to share information, metrics, innovations, and opportunities related to diversity and inclusion in contracting.

In addition, the Board—along with the Supplier Diversity Working Group, which includes other federal financial regulatory agencies—developed and planned a technical assistance program on behalf of the agencies’ OMWI offices. The event, held in August 2015, brought together M/WOBs to learn about the resources available to move their businesses forward. This event also provided opportunities for businesses to receive technical assistance and to connect with representatives from various organizations that provide support to M/WOBs, as well as decision-makers from the eight principal financial regulatory agencies. Over 300 vendors participated.

**Vendor Outreach Fair**

In addition to participating in external M/WOB outreach events, the Board hosted its annual Vendor Outreach Fair. The fair allows vendors to learn about the Federal Reserve System’s purchasing needs and offers them the opportunity to discuss their business capabilities and interact with the Procurement staff and Board technical representatives. The 2015 fair included educational seminars designed to enable vendors to increase their capacity to participate in the Board’s acquisition process, and covered topics such as the following:

- Responding to the Board’s Solicitation, Offer, and Award
- Navigating the Federal Reserve System Procurement Process
- Martin Building Renovation Project
- Doing Business with the FIRREA Agencies (OCC, NCUA, SEC, CFPB, FDIC) and the Board

The fair included presentations by the U.S. Small Business Administration, other federal financial regulatory agencies, and several Federal Reserve Banks. Overall, more than 300 companies participated.

**Enhanced Internal and External Communication to Support the Supplier Diversity Program**

The Procurement staff promotes the Board’s web-based vendor registration system during outreach events. More than 1,000 businesses have registered with the Board using the web-based application, and the list of registered vendors is available to internal
purchasers of goods and services to use as a tool to identify M/WOBs interested in doing business with the Board. In 2015, the vendor registration system was refined by asking vendors to indicate how they heard about the Board. This enhancement will help Procurement staff to determine the return on investment and measure results of outreach events. The Board also developed new materials and provided training to improve efficiencies for Procurement staff attending outreach events representing M/WOBs.

The Board participated in the Federal Reserve System Procurement Summit in September 2015. This summit was designed to bring System procurement and supplier diversity professionals together to strategize on how to provide access, opportunities, and engagement for vendors and to further engage leadership and stakeholders to support the Supplier Diversity Program. Best practices were also shared during the summit.

During 2015, the Procurement function enhanced its service portfolio by providing transparency and visibility to divisions and other stakeholders regarding contract awards. Specifically, it improved automation support in this area and implemented a business-intelligence reporting tool that provides trend analyses and dashboards to help divisions evaluate their procurement activities relevant to the Supplier Diversity Program in contracts awarded to M/WOBs.

**Tier 2 Program**

The Board’s Procurement function is developing a subcontracting program for vendors in support of its Supplier Diversity program. In accordance with the Paperwork Reduction Act, documentation requesting approval to collect information from vendors regarding subcontracting was submitted to the Office of Management and Budget and final approval to collect information was granted in November 2015. The program will be finalized and implemented in the second quarter of 2016.

**Challenges**

During 2015, the Procurement function addressed the challenges associated with the Supplier Diversity Program identified in the Board’s OMWI report for 2014. Although, the Board does not require certification, the Procurement function utilized the Central Contractor Registration to verify the status of minority-owned and women-owned businesses. The Procurement function also implemented a vetting process that assisted in increasing the participation of M/WOBs in the acquisition process.

To increase Board staff’s awareness and understanding the requirements of section 342 of the Dodd-Frank Act, the Procurement function hosted a series of training sessions and a forum to educate staff on the importance of supplier diversity. Additionally, Procurement staff is working on a webinar and expects to finalize and implement it in the 3rd quarter of 2016. The Board is aware of the many challenges facing M/WOBs; therefore, Procurement staff collaborates with advocacy groups representing M/WOBs in order to better understand the challenges these businesses face when seeking to work with the Board and to help them navigate the Board’s acquisition process.

Procurement staff also continues to raise awareness within the agency by holding regular meetings with Board senior leadership to discuss the Supplier Diversity Program and garner their support, and by engaging division leadership to work as champions by supporting the inclusion of M/WOBs in their existing contracting opportunities.

**Next Steps**

The Board will continue to build upon the efforts made in 2015 to identify, facilitate, and advance opportunities for M/WOBs to successfully participate in the contracting opportunities available at the Board.

Key actions for 2016 will include:

- Developing a procurement dashboard that provides divisions with real-time supplier information data, including vendor classification, number and dollar-value of awarded contracts, and type of purchases. This will enable divisions to monitor supplier diver-

---

10 The report for calendar-year 2014 was published in March 2015 and is available at [www.federalreserve.gov/publications/](http://www.federalreserve.gov/publications/).
sity activity and measure outcomes of objective(s) on the diversity and inclusion scorecard.

- Implementing a plan to support a major construction project by hosting networking meetings where large general construction businesses that might be included as prime contractors for the construction project could meet with M/WOBs who could serve as subcontractors on the project.

- Soliciting information from the Board’s primary contractors regarding their second-tier sourcing with M/WOBs in an effort to better track such subcontracts.

Finally, the Board will continue its broad outreach campaign to increase awareness among potential vendors of its contracting opportunities and to encourage M/WOBs to compete for Board contract awards. Further efforts will be made to engage in nurturing and fostering relationships with advocacy groups that represent minority and women-owned businesses.
Financial Literacy Activities

During 2015, the Board participated in community and system outreach events and programs. Examples are listed below.

• **FedEd Program**: Throughout 2015, research assistants from the Board continued to give presentations on personal finance and the role of the Federal Reserve System in the economy to local high schools. As in previous years, presentations included topics such as budgeting, saving, banking, taxes, credit, long-term financial planning, and how the Federal Reserve affects the economy. Additionally this year, in order to strengthen ties with community partners and enhance the effectiveness of the financial literacy lessons, there was an increased focus on giving multiple financial literacy presentations to the same classrooms over the course of a semester. As a result, 17 presentations were given to 115 students at four area high schools. In the District of Columbia, presentations were given at Anacostia High School, McKinley Technology High School, and Luke C. Moore Academy. In Virginia, presentations were given at Woodgrove High School.

• **Congressional Black Caucus Foundation Annual Legislative Conference**: The Board, representing the Federal Reserve System, sponsored a booth at the 45th Annual Legislative Conference. The conference was held from September 17–19 in Washington, D.C. Financial education information and materials were distributed to approximately 500 conference attendees.

• **Math x Economics**: The Board hosted the fourth annual Math x Economics program on December 3, 2015. The goal of the program is to introduce students to economics as a potential course of study in college, and as a future career option. Recruitment efforts targeted groups who are underrepresented in the field of economics, including minorities and females, especially from underserved communities. Forty students from the Washington, D.C., metropolitan area accepted the invitation to participate, with a total 31 students (75 percent) actually attending. Five educators also attended the program. The program was well-received by the participants: students who attended completed a survey at the end of the program to offer feedback, and all respondents indicated they would recommend the program to other students. Demographic profiles of the student attendees are shown in table 7.

<table>
<thead>
<tr>
<th>Table 7. Math x Economics program attendee distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participants</strong></td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Juniors</td>
</tr>
<tr>
<td>Seniors</td>
</tr>
<tr>
<td>African American</td>
</tr>
<tr>
<td>Hispanic</td>
</tr>
<tr>
<td>Asian</td>
</tr>
<tr>
<td>White</td>
</tr>
<tr>
<td>Did not specify ethnicity</td>
</tr>
</tbody>
</table>
Diversity Policies and Practices of Regulated Entities

On June 10, 2015, the “Final Interagency Policy Statement Establishing Joint Standards for Accessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (policy statement) was published in the Federal Register. The final standards became effective on the publication date. In accordance with issuing the final interagency policy statement, the request for comments on the information-collection aspects of the final joint statement was published on November 6, 2015. The agencies collectively received four comment letters: two from industry trade associations, one from an advocacy organization, and one from an individual. The comments received were documented and addressed in the review.

On February 29, 2016, the agencies received approval from the Office of Management and Budget to collect information pursuant to the Joint Standards for Accessing the Diversity Policies and Practices. The information from the self-assessment may be used to monitor diversity and inclusion trends and identify leading policies and practices in the financial services industry. The agencies continue to collaborate on the implementation of the policy statement in order to include clarification on the joint standards, identify venues to participate in with entities and other stakeholders, and provide technical assistance to the regulated entities.

The standards provide a framework for regulated entities to assess, establish, and/or strengthen their diversity policies and practices in four major areas:

- Organizational commitment to diversity and inclusion
- Workforce profile and employment practices
- Procurement and business practices and supplier diversity
- Practices to promote transparency of organizational diversity and inclusion

---

### Appendix: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar-Year 2015

#### Employer information report EEO-1
Federal Reserve Board, 2015 employer information report

<table>
<thead>
<tr>
<th>Occupational categories</th>
<th>Total employees</th>
<th>Hispanic or Latino</th>
<th>Non-Hispanic or Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>White</td>
<td>Black or African American</td>
</tr>
<tr>
<td></td>
<td>All Male Female</td>
<td>Male Female Male Female</td>
<td>Male Female Male Female</td>
</tr>
<tr>
<td>1.1 Exec., Sr. Level Officers, FR-00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>231</td>
<td>145</td>
<td>86</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>62.77%</td>
<td>37.23%</td>
</tr>
<tr>
<td>1.2 Sr. Level Managers, FR-28 through FR-31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>240</td>
<td>136</td>
<td>104</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>56.67%</td>
<td>43.33%</td>
</tr>
<tr>
<td>1.3 1st/Mid. Level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>85</td>
<td>38</td>
<td>47</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>44.71%</td>
<td>55.29%</td>
</tr>
<tr>
<td>Officials and Managers Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>556</td>
<td>319</td>
<td>237</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>57.37%</td>
<td>42.63%</td>
</tr>
<tr>
<td>2. Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>1,774</td>
<td>984</td>
<td>790</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>55.47%</td>
<td>44.53%</td>
</tr>
<tr>
<td>3. Technicians</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>4. Sales Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>By percent</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>5. Admin. Support Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>118</td>
<td>15</td>
<td>103</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>12.71%</td>
<td>87.29%</td>
</tr>
<tr>
<td>6. Craft Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>35</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>7. Operatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>11</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>8. Laborers and Helpers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>By percent</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>9. Service Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>175</td>
<td>145</td>
<td>30</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>82.86%</td>
<td>17.14%</td>
</tr>
<tr>
<td>Total workforce</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By total</td>
<td>2,673</td>
<td>1,511</td>
<td>1,162</td>
</tr>
<tr>
<td>By percent</td>
<td>100.00%</td>
<td>56.53%</td>
<td>43.47%</td>
</tr>
</tbody>
</table>

1 Officials and Managers job category: Job functions were re-aligned in 2015 to accurately reflect appropriate management classifications.