

A blue-tinted photograph of the Federal Reserve Building in Washington, D.C. The building's classical architecture, featuring a portico with columns and a pediment, is visible. An American flag flies on a tall pole in front of the building. The sky is overcast with dark clouds.

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

March 2013

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



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

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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 (the Dodd-Frank Act), the Office of Diversity and Inclusion 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 2012.

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).

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Introduction

In January 2011, pursuant to section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the 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. The Board has welcomed the new requirements under sec-

tion 342 as a complement to its existing efforts as well as an opportunity to strengthen those efforts.

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. Sheila Clark serves as the director of ODI.

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. The Board believes that it can assemble the workforce needed to complete its important mission only by attracting and hiring talented individuals without regard to race, gender, color, creed, nationality, or sexual preference, and by providing an inclusive and respectful work environment that allows its employees to fully use their individual talents to advance the mission of the Board most effectively.

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 Office of Diversity and Inclusion (ODI) has oversight for equal employment opportunity and diversity and inclusion initiatives for the Board.

The Board's Equal Employment Program, which is housed within 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 sexual harassment, and the EEO Program undertakes training and analysis to ensure that the Board complies with all applicable laws and regulations. The Board uses MD-715 (which includes an annual barrier analysis) as the primary

Table 1. Federal Reserve Board reported total workforce demographics, selected data, 2011 and 2012

	2012	2011	Change (number)
Male	1,315	1,238	+77
Female	1,072	1,036	+36
Non-minority	1,339	1,276	+63
Minority	1,048	998	+50
Total employees	2,387	2,274	+113

metric to assess the effectiveness of its diversity policies. In addition, the Board conducts an impact analysis on employment transaction data (i.e., hires and promotions) and a complaint trend analysis. Each of the Board's 15 operational divisions has an EEO liaison who works with ODI to address recruitment and retention issues specific to the liaison's division. ODI, in conjunction with each EEO liaison, monitors progress on increasing workforce diversity.

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 2012 EEO-1 report is included in this document as appendix A.

Highlights of the Board's 2011 and 2012 EEO-1 reported total workforce demographics are shown in tables 1, 2, and 3. The Board's total workforce is 45 percent female and 44 percent minority. The Board reported an increase of 113 (5 percent) employees in the total workforce for 2012. The percentage of minorities in the Executive Senior Level category increased from 19 percent in 2011 to 21 percent in 2012. The percentage of minorities decreased from 46 percent in 2011 to 42 percent in 2012 in the 1st/Mid. Level Manager category compared to increases in previous years as noted in the MD-715 for 2007–10. The representation of women increased from 53 percent in 2011 to 65 percent in 2012 in the

1st/Mid. Level Manager category and decreased slightly in the Executive Senior Level category from 41 percent in 2011 to 40 percent in 2012. Hispanic

representation in the Board’s workforce continued to increase from a total of 94 employees in 2011 to 106 employees in 2012.

Table 2. Federal Reserve Board workforce profile, 2011

	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	201	59	38	47	775	53	27	18	142	80
Female	142	41	43	53	684	47	127	82	35	20
Non-minority	277	81	44	54	859	59	19	12	57	32
Minority	66	19	37	46	600	41	135	88	120	68
Total employees	343	–	81	–	1,459	–	154	–	177	–

Table 3. 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
Total employees	351	–	78	–	1,562	–	145	–	192	–

The Board recognizes that a strategic approach to diversity and inclusion requires multiple, integrated, ongoing efforts. The Board continuously reviews and assesses our 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: the pipeline in place to advance and promote young workers, efforts relating to skill development, succession planning, compensation equity, and analysis of applicant pool data. 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 issues.

Further, the Board utilizes the complaint investigation process to address employees’ concerns. This process is also utilized as a means of identifying

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

Table 4. University career fairs and recruiting outreach initiatives utilized by the Board in 2012

Pennsylvania State University Career Fair – Interns
University of North Carolina at Chapel Hill – Diversity Job & Internship Fair
College of William & Mary – Diversity Job Fair
Virginia Tech – Business & Engineering Career Fairs
George Washington University School of Business
University of Maryland – College Park
AUCC: Spelman & Morehouse Colleges and Clark Atlanta University
University of Pittsburgh
Howard University
Florida A&M University
West Virginia University – Engineering
Florida International University
Hampton University
James Madison University
Syracuse University – IT and Business Career Fairs
University of Maryland – Baltimore County
Gallaudet University
University of Virginia – Diversity Fair
Columbia University Engineering Consortium

the Board’s applicant and candidate pools and are considered for hires and/or promotions for key positions. In 2012, the Board filled 427 positions, including 116 summer interns. The positions were filled in the following major job families: financial analysis, information technology, economics, human resources, and legal.

The Board utilized a variety of sources to fill the positions. Thirty-five percent of the positions were filled through internal promotions. In filling the remaining 65 percent of positions, the Board used a variety of methods to reach out to a broad range of qualified candidates, including job boards, social media (e.g., LinkedIn Talent Advantage, Federal Reserve System’s Diversity Twitter account), professional associations (e.g., National Black MBA Association, National Society of Hispanic MBAs, HBCU Connect), career fairs, and publications that aid in providing diverse pools of candidates with the skill sets—or the potential to develop such skill sets—necessary to fill positions.

Additionally, as part of its strategy to attract 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 Black MBA Association, National Society of His-

panic MBAs, and the Association of Latino Professionals in Finance and Accounting), and networking opportunities with special interest organizations.

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).

Internally, to help ensure equal opportunity and diversity in their divisions, the Board appoints Division Liaisons to work directly with ODI. Divisions also develop their own equal employment opportunity and diversity strategies, such as management development, succession planning, and accountability, and include these strategies in management performance objectives.

To ensure Division Liaisons are 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 Interagency Diversity Partnership, Workforce Opportunity Network, and the Conference Board. These organizations conduct valuable research and benchmarking, and highlight relevant best practices, which ODI shares with Division Liaisons to meet the Board’s needs.

Training and Mentoring

In 2012, 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 “Leading in a Diverse Environment and Working in a Diverse Environment,” “Conflict Resolution,” and “Diversity Management Awareness.” In compliance with the mandates of the No FEAR Act, the Board is enhancing the No FEAR web-based training to be implemented in the spring of 2013. This training is required for all employees.

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 experiences, and broaden cross-system opportunities and visibility.

The Board also has a Quick Start for Managers program, which provides several interactive learning sessions for managers to design a plan of action to help enable them to be successful managers. 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.”

Successes

At the officer level, the Board increased its staff by seven positions in 2012, of which six, or 86 percent, were minorities. Female representation in 1st/Mid-Level Manager category increased from 53 percent in 2011 to 65 percent in 2012. Further, the Board’s outreach initiatives resulted in more diverse applicant pools for major job families, such as financial analyst and IT professional, as well as 26 minority hires (out of a total 66 hires). The minority hires included seven Hispanics in job categories with low Hispanic representation. Overall, there was an increase of Hispanic representation from a total of 94 employees in 2011 (4.1 percent of the workforce) to 106 employees in 2012 (4.4 percent of the workforce).

Challenges

Although there was some improvement, there continue to be challenges in hiring minorities in the economist job family and Hispanics in the overall employee workforce.

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, such as the Association of Latino Professionals in Finance and

Accounting, and by sourcing applicants for internships through organizations such as the Hispanic Association of Colleges and Universities.

The Board also continues to address these challenges through participation in educational forums, mentoring programs, and summer internships sponsored by the American Economic Association’s Committee on Status of Minority Groups in Economics Profession (CSMGEP), of which the Board is a member.

In recent years, a senior staff member or an economist has represented the Board on CSMGEP. CSMGEP was established by the American Economic Association (AEA) to increase the representation of minorities in the economics profession, primarily by broadening opportunities for the training of underrepresented minorities. CSMGEP, which comprises economists from all areas of the profession, also works to ensure that issues related to the representation of minorities are considered in the work of the AEA, and engages in other efforts to promote the advancement of minorities in the economics profession. The Board representative helps to organize and oversee the three programs under the purview of CSMGEP: (1) the Summer Economics Fellows Program, which matches advanced graduate students or junior faculty with research-oriented sponsoring institutions (including the Board) for a short residency, during which fellows are expected to work in one of their own research projects while participating in the research community of the sponsoring institutions; (2) the Summer Training Program, which is designed to provide undergraduate students with a program of study and research opportunities that prepare them with a better understanding of what the study of economics entails at the doctoral level and career options for doctoral graduates; and (3) the Mentoring Program in which students are matched with a mentor who sees them through the critical junctures of their graduate program (including the transition from course work to research) or the early stages of their post-graduate career.

Board economics staff have been actively involved in all three CSMGEP programs serving as mentors in the Mentoring Program, instructors in the Summer Training Program, and sponsors for the Summer Fellows program.

Inclusion of Minority-Owned and Women-Owned Businesses

The Procurement Section in the Board's Division of Financial Management continues to demonstrate a strong and positive commitment to the inclusion of minority-owned and women-owned businesses in the Board's acquisition process. A comprehensive program strategy has been implemented by setting forth specific actions to assist the Board in fostering relationships with these types of businesses. This strategy contains objectives and activities with detailed steps that are aligned with the provisions of section 342 of the Dodd-Frank Act to help position the Board to cultivate minority-owned and women-owned businesses. Through networking with minority-owned and women-owned firms, the Procurement Section has made significant progress in fostering success for minority-owned and women-owned businesses looking to do business with the Board.

Outreach Activities

The Board is committed to executing a dynamic and effective outreach program to minority-owned and women-owned businesses. As a part of Procurement's Supplier Diversity Plan, the Procurement staff participated in numerous external outreach programs and activities. The Board designed and implemented an outreach plan primarily focused on three strategies: (1) forging partnerships with the local, regional, and national minority-owned and women-owned business communities; (2) creating or having access to a database of minority-owned and women-owned firms that can offer the Board quality goods and services; and (3) reviewing minority-owned and women-owned firms offering goods and services aligned with the Board's expected needs. As will be discussed, the Board has made significant progress in implementing each of the three strategies outlined above.

Providing Technical Assistance

In April 2012, ODI and the Federal Reserve Bank of Richmond's Office of Minority and Women Inclu-

sion sponsored an Empower Forum. The goal of the forum was to provide capacity-building resources for minority-owned and women-owned businesses. Featured sessions included "How to do business with the Federal Reserve System and other Government agencies," "Sustaining minority-owned and women-owned businesses during challenging economic times," "Building successful and beneficial relationships to grow business," "Challenges of accessing capital," and "Top characteristics of emerging businesses."

Federal Reserve Board Chairman Ben Bernanke provided opening remarks, and presentations were given by the following partnering organizations: U.S. Department of the Treasury, Minority Business Development Agency, Small Business Investor Alliance, Interise, Women's Business Enterprise National Council, United States Hispanic Chamber of Commerce, and the U.S. Pan Asian American Chamber of Commerce. Representatives from the Board and the Federal Reserve Bank of Richmond participated in and led various panel discussions and workshops.

Fifty percent of the total participants at the forum were minority-owned businesses of which 50 percent were African American, 36 percent were Asian American, and eight percent were Hispanic American; 35 percent of the total participants were women-owned businesses. The largest number of participants represented companies that focus on business services and information technology. Other sectors represented were: law firms, management, consulting, and the service industry.

Further, the Supplier Diversity Specialist, hired by the Board in 2011, has continued to work with suppliers to provide technical assistance in order to increase the participation and identification of diverse suppliers in the Board's acquisition process. A major initiative in 2012 was the implementation of an external vendor management system. This web-based application allows vendors to register their

companies' information with the Board to become potential suppliers.

The Board is very proud that its Procurement Section was named 2012 Minority Business Advocate of the Year by the Minority Business Development Agency (MBDA) Business Center of Washington, D.C. Through the Board's Supplier Diversity Program, the Procurement Section worked closely with the MBDA to raise awareness among minority-owned firms of contracting opportunities at the Board, and to provide technical assistance regarding the Board's acquisition process.

Program Enhancements

The Board has made a number of internal program enhancements. The Procurement Section now requires that for all procurements greater than or equal to \$50,000, staff members are to make concerted efforts to include minority-owned and women-owned companies in the solicitation process by reviewing the solicitations and adding to the list of potential vendors qualified companies identified through the Procurement vendor management system or through other means. The Board is also making efforts to review U.S. General Services Administration and Federal Supply Schedule purchases to ensure that, where possible, minority-owned and women-owned companies are included in contracting opportunities. In 2013, the Board also plans to solicit information from its telephone and utility company contractors regarding their second-tier sourcing with minority-owned and women-owned companies in an effort to better track such subcontracts.

Successes

In 2012, the Procurement Section made substantial progress in its supplier diversity initiatives, which are designed to foster the fair inclusion and utilization of minority-owned and women-owned businesses in the Board's acquisition process.

The Board incorporated supplier diversity language in contracts, including a statement requiring contractors to confirm their commitment to equal opportunity in employment and contracting, and to the fair inclusion of minorities and women in their workforce.

As mentioned earlier, the Board implemented a web-based application allowing vendors to register their companies' information with the Board to become potential suppliers. Approximately 900 companies have registered with the Board using the web-based application. This information is available to internal purchasers of goods and services (such as the Procurement Section) to use as a tool to identify registered minority-owned and women-owned companies for solicitations. The site also allows internal users to export stored data in a way that allows Procurement and other Board users to measure and track the progress made to include minority-owned and women-owned companies in the solicitation process. Ultimately, this system will also be used to communicate information to potential suppliers regarding goods and services projected in the Board's forecast of contract opportunities and networking/outreach opportunities.

The Board held its annual Vendor Outreach Fair in May 2012. Vendors were able to conduct one-on-one meetings to share their capabilities with representatives from several Board functional areas, including Human Resources, Benefits, Employee Relations, Staffing, Information Technology, Facilities, Communications, Staff Development, Organizational Development and Learning, Space Planning, and Automation Programs Applications. Representatives from the Small Business Administration and from the Federal Reserve Bank of Richmond were also in attendance to meet with vendors. Approximately 116 of the roughly 200 firms that attended the event were minority-owned and/or women-owned firms.

Further, the Board designed capacity-development workshops on "How to do Business with the Federal Reserve Board," and conducted these workshops at the 2012 Vendor Outreach Fair and at other outreach events. These capacity workshops are designed to assist minority-owned and women-owned firms with overcoming obstacles that inhibit them from successfully competing in the Board's acquisition process.

The Board also obtained memberships in national and local organizations which serve as a method to connect directly with qualified minority-owned and women-owned companies. Memberships in these types of organizations will provide direct access to diverse suppliers that demonstrate the ability to provide high-quality goods and services.

The Board significantly strengthened its relationships in the business community by forging key external relationships through collaboration. Relationships with the following key external organizations were either established or enhanced, through organization memberships and/or participation in conferences and outreach events: the Greater Washington Hispanic Chamber of Commerce, the U.S. Hispanic Chamber of Commerce, the Office of Small and Disadvantaged Business Utilization (OSDBU), the U.S. Black Chamber of Commerce, Women Impacting Public Policy, the U.S. Women’s Chamber of Commerce, the U.S. Pan Asian American Chamber of Commerce, the Minority Business Development Agency, the National Minority Supplier Development Council, the MD/DC Minority Supplier Development Council, the Chicago Minority Supplier Development Council, the Women Business Enterprise National Council, the National Association of Small Disadvantaged Businesses, the Small Business Administration, the National 8(a) Association, and the National Center for American Indian Enterprise Development. The Board continues to work to identify additional opportunities for outreach and networking events with minority-owned and women-owned companies, locally and nationally.

Contracts with Minority-Owned and Women-Owned Businesses

In reviewing the 2012 contract awards, the Board identified a critical need to implement a systematic process to track, monitor, and forecast the progress of contracts from inception to completion, including the contract option years. To address this need, Procurement staff is working with technical support staff to discuss requirements for an automated system that will track contracts.

The Board continues to maintain indefinite-delivery/indefinite-quantity (IDIQ) contracts for information technology consulting services with several minority-owned and women-owned firms, through which the Board can order consulting services. Out of 15 total IDIQ contracts for IT consulting services, eight are with minority-owned or women-owned companies, and the Board will continue to place task orders with these firms on an ongoing basis. In an effort to further the Board’s contracting activity with minority-owned and women-owned construction firms, the Board conducted a competitive solicitation, offer, and award process that resulted in the award of sev-

eral Basic Ordering Agreement construction contracts to minority-owned firms. The Board plans to issue task orders for construction projects to these firms during 2013 and beyond.

During 2012, the Board’s contracts for goods and services totaled \$141,168,580. Of that amount, a total of \$13,556,629, or 9.6 percent, was awarded to minority-owned or women-owned businesses. Contracting with minority-owned businesses decreased in 2012 compared to 2011, due in part to a number of construction contracts that concluded in 2011. At the same time, however, contracts issued to women-owned businesses increased significantly, from 3.4 percent of contract expenditures in 2011 to 8.4 percent in 2012, and contracts with minority women-owned businesses also expanded.

Table 5. Contract awards for minority-owned and women-owned businesses, 2011 and 2012

	2012 ¹		2011 ²	
	Dollars	Percent	Dollars	Percent
Minority-owned businesses ³	\$3,726,415	2.6	\$9,028,526	7.2
Women-owned businesses ³	\$8,145,183	8.4	\$4,237,038	3.4
Minority women-owned businesses	\$1,685,031	1.2	\$2,148,583	1.7

¹ Total contracts awarded in 2012 were \$141,168,580.

² Total contracts awarded in 2011 were \$125,070,569.

³ Does not include contracts with minority women-owned businesses.

Challenges

Much of the Board’s procurement activity involves acquisition of economic data, generally purchased from large companies. ODI and Procurement offices have met with minority-owned and women-owned businesses that have indicated that they can provide these services, and expect to host a meeting between the Board’s research divisions and these prospective vendors. The meeting agenda will focus on the Board’s requirements for economic data, and will provide an opportunity for vendors to discuss their capabilities.

The Procurement section continues to actively solicit and review minority-owned and women-owned vendors to participate in the Board’s contracting activities. Procurement collaborates with advocacy groups representing minority-owned and women-owned firms to better understand the challenges of these

businesses and provide assistance to help them navigate the Board's acquisition process.

Looking Ahead

The Board will continue to improve its acquisition process to enhance the ability of minority-owned and women-owned firms to successfully compete. Among its strategies are comprehensive training programs for all Board employees, supplier diversity performance plans for procurement staff, targeted outreach programs, revised procurement policies, and the adoption of online tools and resources. The Board is currently finalizing a draft Supplier Diversity Policy which will assist the Board in implementing policies that will increase the number of contracts awarded to minority-owned and women-owned businesses.

To maximize the impact on minority-owned and women-owned firms, the Board will focus on increasing the participation of small business enterprises in its acquisition process. To that end, the Board will post on Procurement's external webpage a forecast of upcoming solicitations to inform firms of contracting opportunities. The Board will continue to collaborate with other Federal banking agencies, the OSDBU, and the Federal Reserve System Supplier Diversity Work Group to share successful "best practices" and to integrate those practices into the Board's business processes and systems to capture

relevant data and monitor improvements in the inclusion of minority-owned and women-owned firms. The Board will provide resources to its end users who participate in the Board purchase card program to allow them to purchase from minority-owned and women-owned companies to the maximum extent practicable.

In addition, the Board plans to host networking meetings for vendors in specific markets such as economic research/data and legal services in order to expand opportunities for the Board to contract with minority-owned and women-owned firms in these industries. In preparation for a major construction project anticipated to take place in the next few years, the Board plans to host networking meetings where large general construction firms that might be included as prime contractors for the construction project could meet with minority-owned and women-owned construction firms that could serve as subcontractors on the project. The Board also plans to solicit information from its primary contractors regarding their second-tier sourcing with minority-owned and women-owned companies in an effort to better track such subcontracts.

Finally, the Board will continue to nurture and foster relationships with small minority-owned and women-owned firms to broaden its access to quality products and services.

Financial Literacy Activities

During 2012, the Board continued to participate in community outreach events and programs, examples of which are listed below.

- *Conversation with the Chairman: A Teacher Town Hall Meeting:* In August 2012, Chairman Bernanke held a town hall meeting with teachers and educators across the 12 Reserve Bank Districts to discuss the need for personal financial education in the wake of the recent financial crisis. Chairman Bernanke took questions in person and via videoconference from K–12 and post-secondary educators of economics, personal finance, and related disciplines, who were gathered at Federal Reserve Bank offices across the country.
- *Congressional Black Caucus Annual Legislative Conference:* In September 2012, the Board, in conjunction with the Federal Reserve Banks, sponsored a booth at the 42nd Annual Legislative Conference. Financial education materials and information on how to access the System’s public website for additional information regarding financial literacy were distributed to exhibit fair attendees. The Board also provided support for the Financial Education Youth Summit convened by the Black Caucus held at the U.S. Capitol Visitor’s Center and Trinity Washington University.
- *FedEd Program:* During 2012, research assistants from divisions within the Board continued to expand upon and 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 included the importance of saving, budgeting, use of credit, and the establishment of financial goals. In 2012, more than a dozen presentations were made to middle and high school students in the Washington metropolitan area. Presentations were made at six schools: Friendly High School and Sherwood High School in Maryland; Cardozo High School and The Duke Ellington School of the Arts in Washington, D.C.; and the Academy of Finance at T.C. Williams High School in Virginia.
- *Math x Economics:* In May 2012, the Board hosted a one-day program for high school juniors and seniors who are exceptionally talented in mathematics. 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.
- *D.C. Public Schools Partner Fair:* In June 2012, Board research assistants participated in the “Connecting School Leaders and Community Partners” event held at Eastern High School in Washington, D.C. The research assistants distributed information on the Federal Reserve Board’s FedEd program as well as other financial literacy materials from the Federal Reserve System. As a result of this activity, several school administrators requested presentations for their students. Presentations have been scheduled for the 2013 school year.
- *Education and Training Materials Distribution:* During 2012, 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, and Operation HOPE.
- *Financial Literacy Day on the Hill:* The Board participated in the 10th annual “Financial Literacy Day on the Hill” on April 17, 2012, in the Hart Senate Building in Washington, D.C., and provided financial publications and education program information to participants.

Diversity Policies and Practices of Regulated Entities

In 2012, an interagency working group comprising the financial agency OMWI Directors (the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Securities Exchange Commission) continued to coordinate closely in the development of standards for assessing the diversity policies and practices of entities regulated by each agency. The priority of the interagency working group is to meet the provisions of section 342(b)(3) of the Dodd-Frank Act pertaining to the development of standards to assess the diversity policies and practices of entities regulated by the agencies, and ensure that all entities are subject to similar standards regardless of regulator.

The interagency working group completed the following activities in 2012:

- held meetings with the EEOC, the Department of Labor, Office of Federal Contract Compliance Programs, and the Department of Justice to determine available resources;
- held industry, trade, and public roundtables throughout the United States, and telephone conferences with industry, trade, and state banking representatives;
- held meetings with community interest group representatives to broadly discuss implementation of section 342 of the Dodd-Frank Act; and
- held meetings with banking and industry trade representatives to gather information and discuss leading practices in recognition of the wide-ranging

sizes, markets, and complexities of the regulated entities.

The roundtables referenced above, held with the OMWI Directors, regulated entities, industry trade organizations, and consumer organizations in Washington, D.C.; Chicago; Dallas; New York City; Charlotte; and Denver, were attended by more than 100 representatives. In addition, two roundtable conference calls were held to enable community bankers from across the country to provide input. The information and suggestions gathered from these meetings have assisted the interagency group's efforts in developing a direction for standards that would promote diversity best practices while not disrupting existing, successful programs or imposing undue burdens on the financial services and banking industry. Attendees responded to questions and shared suggestions and concerns regarding standards and implementation methods. Using this input, as well as diversity best practices research information, the OMWI Directors have drafted proposed interagency standards.

The interagency OMWI Directors plan to publish for comment a Proposed Policy Statement proposing joint standards to assess the diversity policies and practices of regulated entities during spring 2013. The standards describe leading diversity practices for the financial services industry in four key areas: organizational commitment, workforce profile and employment practices, supplier diversity in procurement and business practices, and transparency of organizational diversity and inclusion policies.

Appendix A: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar Year 2012

Employer Information Report EEO-1																	
Federal Reserve Board, 2012 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
1.1 Exec. Sr. Level Managers, Governors, Officers, FR-29 & FR-28																	
By total	351	211	140	4	6	176	101	19	21	11	10	1	1	0	0	0	1
By percent	100.00%	60.11%	39.89%	1.14%	1.71%	50.14%	28.77%	5.41%	5.98%	3.13%	2.85%	0.28%	0.28%	0.00%	0.00%	0.00%	0.28%
1.2 1st/Mid. Level																	
By total	78	27	51	0	1	15	30	8	19	4	1	0	0	0	0	0	0
By percent	100.00%	34.62%	65.38%	0.00%	1.28%	19.23%	38.46%	10.26%	24.36%	5.13%	1.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Officials and Managers Total																	
By total	429	238	191	4	7	191	131	27	40	15	11	1	1	0	0	0	1
By percent	100.00%	55.48%	44.52%	0.93%	1.63%	80.25%	30.54%	6.29%	9.32%	3.50%	2.56%	0.23%	0.23%	0.00%	0.00%	0.00%	0.23%
2. Professionals																	
By total	1,562	839	723	39	41	559	355	86	186	133	126	17	15	1	0	4	0
By percent	100.00%	53.71%	46.29%	2.50%	2.62%	66.63%	22.73%	5.51%	11.91%	8.51%	8.07%	1.09%	0.96%	0.06%	0.00%	0.26%	0.00%
3. Technicians																	
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%
4. Sales Workers																	
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%
5. Admin. Support Workers																	
By total	145	26	119	1	5	6	15	18	93	1	4	0	0	0	2	0	0
By percent	100.00%	17.93%	82.07%	0.69%	3.45%	4.14%	10.34%	12.41%	64.14%	0.69%	2.76%	0.00%	0.00%	0.00%	1.38%	0.00%	0.00%
6. Craft Workers																	
By total	42	41	1	0	0	23	0	13	1	4	0	1	0	0	0	0	0
By percent	100.00%	97.62%	2.38%	0.00%	0.00%	54.76%	0.00%	30.95%	2.38%	9.52%	0.00%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%
7. Operatives																	
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%
8. Laborers and Helpers																	
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%
9. Service Workers																	
By total	192	158	34	9	0	53	4	93	28	3	1	0	1	0	0	0	0
By percent	100.00%	82.29%	17.71%	4.69%	0.00%	27.60%	2.08%	48.44%	14.58%	1.56%	0.52%	0.00%	0.52%	0.00%	0.00%	0.00%	0.00%
Total Workforce																	
By total	2,387	1,315	1,072	53	53	832	507	250	350	156	142	19	17	1	2	4	1
By percent	100.00%	55.09%	44.91%	2.22%	2.22%	34.86%	21.24%	10.47%	14.66%	6.54%	5.95%	0.80%	0.71%	0.04%	0.08%	0.17%	0.04%

