



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

March 2015

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



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Preface: Implementing the Dodd-Frank Act

Pursuant to section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Office of Diversity and Inclusion (ODI) of the Board of Governors of the Federal Reserve System must submit an annual report to the Congress outlining the activities, successes, and challenges of the office. This is the office's report for calendar year 2014. Sheila Clark serves as the director of ODI.

See the Board's website for an overview of the Dodd-Frank Act regulatory reform effort (www.federalreserve.gov/newsevents/reform_about.htm) 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, the Board of Governors of the Federal Reserve System (the Board) established its Office of Diversity and Inclusion (ODI) to promote diversity and inclusion. ODI builds on the Board's long-standing efforts to promote equal employment opportunity and diversity and to foster diversity in procurement.

ODI's mission and scope include the responsibilities identified in section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the Office of Minority and Women

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

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 Opportunity Program, which is housed within ODI, 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 Initiative and Strategic Plan issued by the Office of Personnel Management and mandated by the President's Executive Order 13583. The Board has formal policies regarding EEO, 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) and conducts a complaint trend analysis to identify any adverse impact based on race or gender.

In addition, the Board utilizes EEO management systems to identify strengths and areas for improvement in the talent acquisition process. By identifying potential issues, the Board can develop action plans that incorporate short- and long-term objectives. ODI works in conjunction with EEO liaisons from each of the Board's 14 operational divisions, the Office of Inspector General, and 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.

To ensure the Board is aware of innovative developments and best practices, ODI consults with leading national professional organizations such as the Equal Employment Advisory Council, the Society of Human Resource Management, the Federal Inter-agency Diversity Partnership, Workforce Opportunity Network, the Conference Board, the Institute for Corporate Productivity, and the Federal Dispute Resolution Conference. These organizations conduct valuable research and benchmarking and also 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 2014 EEO-1 Report is included in this document as [appendix A](#).

Highlights of the Board's 2013 and 2014 EEO-1 reported total workforce demographics are shown in [tables 1, 2, and 3](#). The Board's total workforce is 44 percent female and 43 percent minority. The Board reported an increase of 105 (4 percent) employees in the total workforce for 2014, of which 24 were minorities and 32 were women. The percentage of minorities in the Executive Senior Level category increased from 23 percent in 2013 to 24 percent in 2014, while the representation of women remained steady at 40 percent. In the 1st/Mid. Level Manager category, the percentage of minorities decreased slightly from 53 percent in 2013 to 52 percent in 2014, as did the representation of women (from 55 percent in 2013 to 54 percent in 2014). Hispanic

Table 1. Federal Reserve Board reported total workforce demographics, 2013 and 2014

	2013	2014	Change (number)
Male	1,364	1,437	+73
Female	1,092	1,124	+32
Non-minority	1,376	1,457	+81
Minority	1,080	1,104	+24
Total employees	2,456	2,561	+105

representation in the Board's workforce continued to increase, from a total of 109 employees in 2013 to 118 employees in 2014.

The Board recognizes that a strategic approach to diversity and inclusion requires multiple, integrated, ongoing efforts. The Board continuously reviews and assesses its employment policies, procedures, and practices to ensure EEO compliance and the full utilization of our diverse and talented workforce. As examples, the Board closely monitors applicant pool

data; the programs in place to advance and promote employees, as well as those related to skill development, succession planning, and compensation equity; and the pipeline of personnel available for promotions. Results of the Board's 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 complaint investigation process to address employees' concerns and to identify trends in the workplace that may adversely affect the Board's employees.

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

Table 2. Federal Reserve Board workforce profile 2013, selected data

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

Table 3. Federal Reserve Board workforce profile 2014, selected data

	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	246	60	42	46	937	55	20	16	139	84
Female	162	40	50	54	774	45	108	84	27	16
Non-minority	310	76	44	48	1,011	59	16	12	53	32
Minority	98	24	48	52	700	41	112	88	113	68
Total employees	408	–	92	–	1,711	–	128	–	166	–

Table 4. University career fairs and recruiting outreach initiatives utilized by the Board in 2014

Clark Atlanta University
Cornell University
Drexel University
George Washington University – School of Business
James Madison University
Morehouse College
Pennsylvania State University
New York University
Rochester Institute of Technology
Spelman College
Syracuse University
University of Maryland
University of Miami
University of North Carolina at Charlotte
University of Virginia

Recruitment and Retention

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

Short-term and long-term strategies are developed to help ensure women and minorities are represented in the Board’s applicant and candidate pools and are considered for hires and/or promotions for key positions. In 2014, the Board filled 561 positions, of which 115 were interns. The percentage of positions filled across the Board’s five major job families (attorney, computer professional, financial analyst, economist, and research assistant) remained unchanged from 2013 at 55 percent.

The Board utilized a variety of sources to fill the positions. Twenty-two percent of the positions were filled internally. In filling the remaining 78 percent of positions, the Board used several methods to attract a broad range of candidates, including job boards, social media (e.g., LinkedIn, Talent Advantage, and Federal Reserve Board’s “@fed career” Twitter account), career fairs, and publications that aid in providing diverse pools of candidates with the skill sets necessary to fill positions.

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

also continues to partner with the Reserve Banks to participate in national diversity recruiting events by sharing the cost of career fairs; engagements hosted by professional organizations (including the National Society of Hispanic MBAs (NSHMBA), Asian MBA, and the Thurgood Marshall College Fund); and networking opportunities with special interest organizations. The Board is collaborating with the National Capital Region Chapter of Year Up and will participate in the Year Up program during the summer of 2015. Year Up empowers urban young adults with the skills, experience, and support to achieve their potential through professional career opportunities and higher education. It offers a one-year, intensive training program that equips students with a combination of hands-on skill development, college credits, and corporate internships.

The Board also identifies students for paid internships. The internship program enables 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 Internships for Native American Students, Workforce Recruitment Programs for college students with disabilities, and INROADS).

Training and Mentoring

In 2014, the Board nominated 25 employees to System Leadership Initiative Conferences (19 to Thrive for managers and junior-level officers; 6 to Trailblazers for mid-level officers). Ten (53 percent) of the Thrive participants were female, and five (26 percent) were minorities. Two (33 percent) of the Trailblazer participants were female, and two (33 percent) were minorities.

The Board continued to expand the Executive Coaching program and provided this development opportunity to 91 officers and managers. Of the total, 42 (48 percent) participants were female; 29 (32 percent) were minorities.

As part of the Board’s project to revamp its performance planning and appraisal process, a number of competencies were included to support professional

and leadership development. The competencies (learning agility, decision quality, drive for excellence, perspective and strategic agility, developing collaborative relationships, and effective communication) are mirrored in courses provided to employees through the Board's Organizational Development and Learning evolving core curriculum (e.g., Emotional Intelligence, Decision Making and Critical Thinking, Giving and Receiving Feedback, Interpersonal Skills and Conflict Resolution, and Situational Leadership).

Additionally, Manager Quick Start, an eight-module series, was offered twice in 2014, with a total enrollment of 32 managers. Sixteen (50 percent) were female; 16 (50 percent) were minorities. The program has received consistently high ratings, and a similar program is now being designed for Board officers. The officer program will be piloted in 2015, and the Board anticipates scheduling two cohort groups in 2016.

The Board also offered one session of Situational Leadership in 2014. Eighteen officers and managers participated in this training program; of that total, 12 (66 percent) were female and 7 (39 percent) were minorities.

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 2014, the Board launched the interactive web-based EEO and diversity training for managers and employees. The training consists of modules covering EEO compliance, disability and reasonable accommodations, diversity, and workplace harassment. The training is required of all employees, and it meets the training requirement of the Notification and Federal Employee Antidiscrimination and Retaliation Act (No Fear Act).

Successes

The Board continues to increase the pipeline (grades FR-27 through 29) for progression to official staff for minorities and women.¹ The percentage of minorities in the pipeline to official staff increased by 9 percent, from 289 in 2013 to 314 in 2014. Similarly, the percentage of women in the official staff pipeline increased by 11 percent, from 362 in 2013 to 403 in 2014. In 2014, there were 21 appointments to the

¹ Official staff is equivalent to Senior Executive Service (SES).

official staff, of which three were minorities and six were women.

The Board's long-term and short-term outreach and recruitment strategies continue to result in a diverse applicant pool of minorities and women in the Board's major job families. In 2014, the Board hired 46 computer professionals, of which 44 percent were minorities and 50 percent were women. Minorities accounted for 28 percent and women accounted for 42 percent of the 64 financial analyst hires. Women represented 40 percent and minorities represented 20 percent of the 20 attorney hires. Of the 36 economist hires, 33 percent were minorities and 19 percent were women.

The Board recognizes the low availability of minorities and women in the field of economics, and so to establish a dialogue regarding this challenge, the Board—in partnership with the American Economic Association—hosted a national summit on diversity in the economics profession on October 30, 2014, in Washington, D.C. This conference brought together presidents and research directors of the Federal Reserve Banks and chairs of college and university economics departments from around the country to open a profession-wide dialogue about diversity. Speakers and panelists discussed the state of diversity in the economics profession and examples of successful diversity initiatives in academia. A hallmark of the conference was the opportunity for collegial learning, discussion, and sharing among faculty peers to develop practical ideas about what can be accomplished in the economics profession. The proceedings of the conference are available on the Board's website at www.federalreserve.gov/newsevents/conferences/national-summit-diversity-economics-profession-program.htm.

Challenges and Next Steps

Although progress has been made as a result of recruitment and outreach activities focused on Hispanics, their representation remains low in comparison to the overall workforce.

The Board's external outreach and collaboration with Hispanic-serving institutions and several Hispanic professional associations, such as the NSH-MBA, the Association of Latino Professionals in Finance and Accounting, and the Hispanic Association of Colleges and Universities, has resulted in an

increase of applicants and interns in the major job families.

The Board will continue to pursue a comprehensive and strategic focus on diversity and inclusion as a key component of talent acquisition. This effort will identify and adopt best practices that demonstrate positive diversity outcomes in the areas of staffing, employee retention, employee engagement, and job satisfaction.

Representation of minorities in the Board's pipeline to become official staff has been increasing over the past three years, yet advancement beyond the FR-29 grade level, which is a pivotal internal position for advancement to official staff, remains low. The Board has undertaken several steps to help address this issue. In 2014, the Board administered an employee engagement survey, which may enable the Board to strengthen its talent-management practices—particularly those aimed at retaining a diverse workforce. The Board will continue implementing the succession planning and workforce planning strategies adopted in 2013, to promote leadership and accountability in order to increase diversity among the pool of official staff candidates. In addition, during the initial stages of appointing official staff, the director of ODI is

consulted and is a member of the reviewing team that evaluates proposed official staff actions. This allows the ODI director to better support inclusion and diversity at the official staff level and to ensure that the Board's leadership nomination criteria and process are inclusive.

Per the 2010 Census civilian labor force data and subsequent updates, the availability of minority and female candidates in the economist job occupation remains low. To foster recruitment, the Board continues to organize, oversee, and participate in the three programs under the purview of the American Economic Association's Committee on the Status of Minority Groups in the Economics Profession: 1) the Summer Economics Fellow Program, 2) the Summer Training Program, and 3) the Mentoring Program. In 2014, the Board held information sessions at minority professional conferences, such as the Hispanic Alliance for Career Enhancement and NSHMBA, to enhance diversity in the applicant pool for Board internships and full-time positions. Also, through its participation in the STEM Education Coalition and financial literacy programs, the Board aims to stimulate an interest in economics and math among minorities and women.

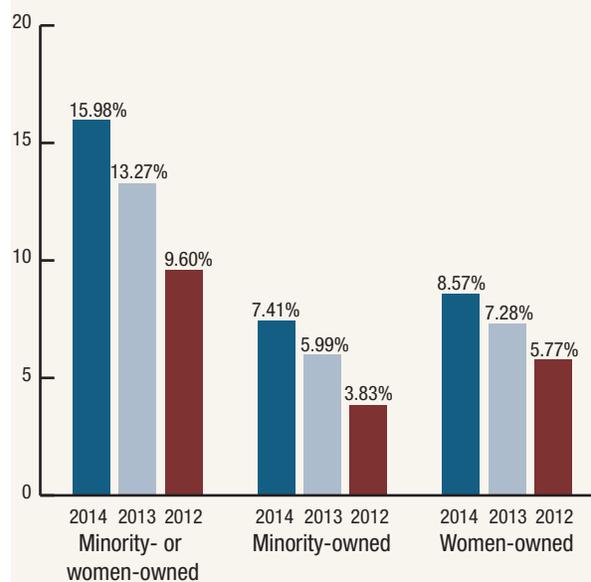
Inclusion of Minority-Owned and Women-Owned Businesses

The Procurement Section in the Board's Division of Financial Management continued to demonstrate a strong and positive commitment to the inclusion of minority-owned and women-owned businesses (M/WOBs) in the Board's acquisition process throughout 2014. As outlined below, a comprehensive program strategy was implemented by setting forth specific actions to assist the Board in fostering relationships with these types of businesses. This strategy contains objectives and activities that are aligned with the provisions of section 342 of the Dodd-Frank Act and will help position the Board to continue to cultivate positive relationships with M/WOBs. Key elements of the program strategy include

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

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

Figure 1. Percent of contract dollars awarded to minority- or women-owned businesses, 2012–14



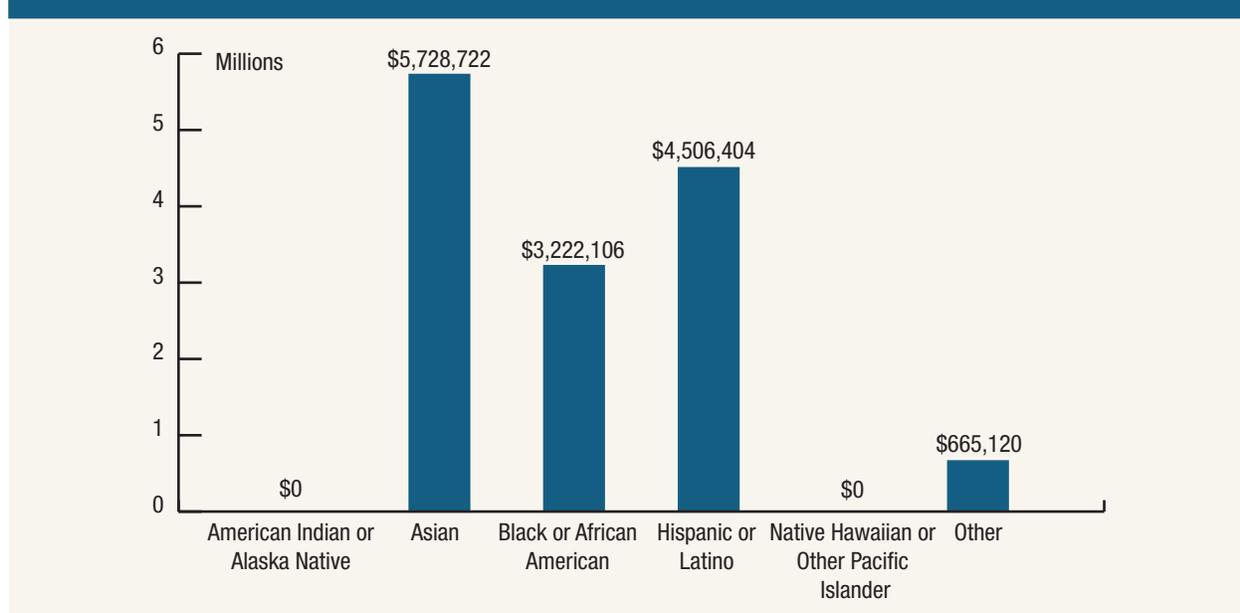
Note: Awards to businesses that are both minority-owned and women-owned are counted in the minority-owned award percentages only.

Contracts Awarded to Minority-Owned Businesses

During calendar year 2014, the Board awarded contracts for goods and services in the amount of \$190,643,728.² Of this total, \$30,463,092, or 15.98 percent, was awarded to M/WOBs, including \$14,122,354, or 7.41 percent, to minority-owned businesses and \$16,340,738, or 8.57 percent, to women-owned businesses. (Awards to businesses that are both minority-owned and women-owned are counted in the minority-owned award percentages,

² This report describes the contracts awarded by the Board for the period January 1, 2014, through December 31, 2014. The dollar amount shown represents the estimated value of the contracts rather than the actual amount spent.

Figure 2. Value of contracts awarded to minority-owned businesses, by demographic, 2014



but are not counted in the women-owned award percentages.) The total dollar value of contracts awarded to M/WOBs in 2014 represents an increase of 45 percent over contracts awarded in 2013. Figure 1 reflects the percentage of contract dollars awarded to M/WOBs over the past three years.

The Board tracks contracts awarded to the minority-owned demographic. The classifications are Asian; black or African American; Hispanic or Latino; American Indian or Alaska Native; Native Hawaiian or other Pacific Islanders; and other (nonspecific) minority-owned businesses.³ Figure 2 shows the value of contracts awarded to minority-owned businesses by demographic in 2014.

Successes

During 2014, the Federal Reserve 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 continued to support M/WOB advocacy groups by engaging in numerous outreach activities (see table 5) to provide technical assistance by presenting, exhibiting, or matchmaking at various conferences and to enhance awareness of the Board’s acquisition process. The Board also provided techni-

³ Other represents minority firms that did not select a demographic group.

cal assistance and outreach by responding to potential M/WOB contractors’ inquiries concerning upcoming procurement opportunities.

In addition to participating in external M/WOB outreach events, the Board hosted two highly successful vendor events: the Vendor Outreach Fair and the Empower Forum.

Vendor Outreach Fair

The annual Vendor Outreach Fair allows vendors to learn about the Federal Reserve System’s purchasing needs and offers them the opportunity to discuss

Table 5. Supplier diversity outreach activities, 2014

Alliance Mid-Atlantic Small Business Procurement Fair
American Small Business Chamber of Commerce
Annual Government Procurement Conference
Congressional Black Caucus Foundation’s Annual Legislative Conference
Federal Reserve Board Empower Forum
Federal Reserve Board’s Annual Vendor Fair
Greater Washington Hispanic Chamber of Commerce (GWHCC) Business Exposition
National 8(a) Association Small Business Conference
National Minority Supplier Development Council (NMSDC) Conference
National Reservation Economic Summit for Native American Businesses
U.S. Black Chambers, Inc.
U.S. Hispanic Chamber of Commerce Conference
U.S. Women’s Chamber of Commerce Conference
US Pan Asian CelebRASIAN
WBENC 2014 Summit & Salute to Women’s Business Enterprises
Women-Owned Small Business National Council Contracting Summit

Figure 3. Number of businesses participating in 2014 outreach fair, by size

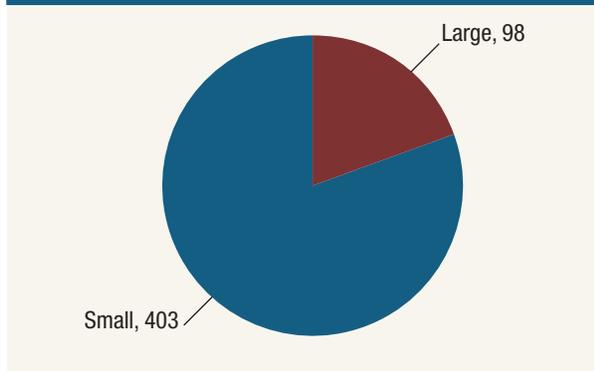
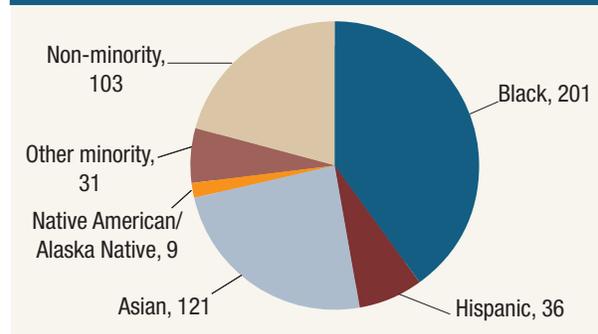


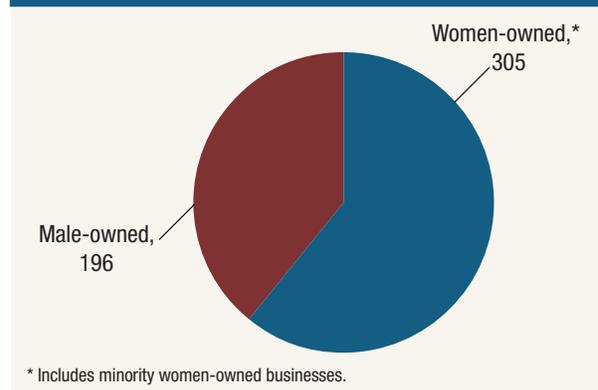
Figure 4. Number of businesses participating in 2014 outreach fair, by demographic



their business capabilities and interact with the procurement staff and Board technical representatives. The 2014 fair included new features meant to enrich and add value to participants' experience. For instance, program materials included a personal message from Federal Reserve Board Chair Janet Yellen to conference participants that set the tone for the event by reaffirming the Board's commitment to fostering diversity in the procurement process. Other enhancements included seminars on the following:

- How to Respond to the Board's Solicitation Offer and Award
- Doing Business with the Federal Reserve System
- Martin Renovation Project, General Services, and Facilities Operations
- Subcontracting with Construction Prime
- Dodd-Frank Statute: Section 342 – Office of Minority and Women Inclusion Procurement and Business Practices-Supplier Diversity

Figure 5. Number of businesses participating in 2014 outreach fair, by gender



Figures 3, 4, and 5 show the breakdown of companies participating in the 2014 fair by size, demographic classification, and gender. Overall, attendance in 2014 surpassed that of previous years' fairs: more than 500 companies participated. In addition, the U.S. Small Business Administration, other federal financial regulatory agencies, and several Federal Reserve Banks presented during the event. And in a post-conference survey of attendees, the 2014 fair received overwhelmingly positive feedback.

Empower Forum

The Federal Reserve Board began holding the Empower Forum for potential vendors in 2012. The goal of the event is to assist firms in building capacity to enhance their ability to participate in the Board's acquisition process and to identify developmental challenges where the Board can provide additional training.

In 2014, the forum was focused on the construction sector, due to the imminent Martin Building renovation project; however, participants from the consulting and service industries were also well-represented. There were 56 participants, of which 37 were African American, 7 were Native American, 8 were Hispanic, and 4 were Asian American. Sixteen participants represented women-owned companies.

Challenges

The Procurement Section continues to proactively address challenges associated with the Supplier Diversity Program identified in the Board's 2013 OMWI report.

Vendor Vetting Process

Key among these challenges is the issue of vendors' self-designation of their status as a minority-owned or women-owned business. The Board currently accepts vendors' self-designation, which may result in inaccurate data classification. To address this issue, Board staff met with representatives from the Women's Business Enterprise National Council and the National Minority Supplier Development Council to discuss their certification procedures. It was determined that the organizations' certifications can be used to validate the status of vendors during the Board's vetting process, which should promote a more efficient process for both the Board and its vendor applicants.

Beginning later this year, the vendor vetting process will include a review of financial records, vendor past performance, and possible on-site visits. In addition to validating the certification of the vendor, the Board believes that these changes will help to ensure that its contractors are financially stable and will increase the participation of M/WOBs in the acquisition process. These additional elements should provide the Board with a better understanding of vendors' capabilities relative to upcoming procurement opportunities.

Supplier Diversity Awareness

Procurement continues to recognize the need to increase Board staff's awareness and understanding

of the requirements of section 342 of the Dodd-Frank Act. The Procurement Section is developing a webinar to raise Board-wide awareness as well as educate and train staff on the importance of supplier diversity. This webinar will be implemented in 2015.

Next Steps

In 2015, the Board will build upon the efforts made in 2014 to identify, facilitate, and advance opportunities for M/WOBs to successfully participate in the contracting opportunities available at the Board.

Key actions will include

- offering training to enable vendors to increase their capacity to participate in the Board's acquisition process;
- increasing the Board's presence with advocacy groups representing M/WOBs;
- creating dashboards representing the number, dollar value, and percent of contracts awarded to M/WOBs in order to monitor changes and trends in the Board's procurement activities; and
- holding regular meetings with financial regulators and supplier diversity professionals to share information, metrics, innovations, and opportunities related to diversity and inclusion in contracting.

Finally, to increase the participation of M/WOBs in the Board's contracting activities, the Procurement Section and ODI will meet quarterly to discuss and assess the acquisition of goods and services in order to ensure full inclusion of M/WOBs in the acquisition process. In addition, a business intelligence tool, MicroStrategy, is being used to assist the Board's leadership in monitoring their business activities with M/WOBs in their contracting activities.

Financial Literacy Activities

During 2014, the Board participated in numerous community and system outreach events and programs. Examples are listed below:

- *Congressional Black Caucus Annual Legislative Conference:* The Board, in conjunction with the Federal Reserve System, sponsored a booth at the 44th Annual Legislative Conference. The conference was held from September 25 through September 27 in Washington, D.C. Approximately 1,500 financial education brochures and pamphlets were distributed to conference attendees.
- *FedEd Program:* During 2014, research assistants from the divisions of International Finance, Research and Statistics, Monetary Affairs, Consumer and Community Affairs, Management, and the Office of Financial Stability Policy and Research at the Board continued to implement a program that works with local high school students to improve understanding of personal financial subjects and the role of the Federal Reserve System in the economy. Subjects covered included the importance of saving, budgeting, using credit, establishing financial goals, avoiding identity theft, and the impact of Federal Reserve actions on those subjects. More than 40 presentations were made to middle and high school students attending 13 schools in the Washington Metropolitan Area. Presentations were made at three schools in the District of Columbia: Anacostia High School – New Heights Program; Roosevelt High School – STAY Program; and Wilson High School. Presentations were also made at two schools in Maryland: Friendly High School and Churchill High School.
- *Federal Reserve Financial Education Day 2014:* On October 22, 2014, the Board and the Federal Reserve System held training programs and seminars around the country. Subjects covered included personal budgeting, responsible borrowing, and financing postsecondary education. The event highlighted personal financial skills as an essential element for college and career readiness among young people. We were successful in reaching more students in 2014, with an increase in Board staff participating in the program. Twelve research assistants from the Board presented the program to students at five schools in Virginia: Yorktown High School; Wakefield High School; Washington-Lee High School; Bishop O’Connell High School; and Marshall High School, representing an increase from the prior year when five research assistants presented to students at three schools.
- *Education and Training Materials Distribution:* During 2014, the Board continued to provide financial literacy materials to school systems, local governments, and consumer and financial literacy educators. Materials were distributed to the Office of Minority Achievement of the Arlington Public School System, the National Women Veterans Association of America, the Defense Security Service, and the office of the Mayor of Yazoo City, Mississippi.
- *Math x Economics:* The Board hosted the third annual Math x Economics program on May 22, 2014. 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. The Board’s recruitment efforts targeted groups who are underrepresented in the field of economics, including minorities and females, especially from underserved communities. The program showed an increase in participation from 29 students in 2013 to 40 students in 2014, nearly a 40 percent increase. According to the survey completed at the end of the program, the program was well-received by participants. Descriptive statistics of the respondents are below.

Distribution of participants	Percent
Female	66
Male	34
Juniors	20
Seniors	80
African American	22
Hispanic	18
Asian	28
White	17
Did not specify ethnicity	15

- *Professional Outreach*: In 2014, Chair Yellen delivered remarks related to economic education and financial knowledge at the following events:

- 2014 Assets Learning Conference of the Corporation for Enterprise Development (see remarks,

www.federalreserve.gov/newsevents/speech/yellen20140918a.htm)

- National Summit on Diversity in the Economics Profession (see remarks, www.federalreserve.gov/newsevents/speech/yellen20141030a.htm)

- College Fed Challenge National Finals (informal remarks provided): College Fed Challenge is a team competition for undergraduate students in which teams take on the role of members of the Federal Open Market Committee. The competition encourages students to learn about the U.S. economy, monetary policymaking, and the role of the Federal Reserve System. The competition also aims to foster students' interest in economics and finance as fields for advanced study and careers.

Diversity Policies and Practices of Regulated Entities

In 2013, an interagency working group comprising the financial agency OMWI directors (the Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Securities and Exchange Commission) published proposed standards for assessing the diversity policies and practices of entities regulated by each agency. The proposed standards were published in the *Federal Register* on October 25, 2013, for public comment; the comment period was later extended to February 7, 2014, to allow interested parties adequate time to respond.⁴

⁴ See the *Federal Register* notices at www.gpo.gov/fdsys/pkg/FR-2013-10-25/pdf/2013-25142.pdf and www.gpo.gov/fdsys/pkg/FR-2013-12-24/pdf/2013-30629.pdf.

The standards seek to promote transparency and awareness of diversity policies and practices within regulated entities, and provide a framework for assessing diversity 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

The agencies carefully considered over 200 comments received and are finalizing the policy statement, which they anticipate publishing in the *Federal Register* in the second quarter of 2015.

Appendix A: EEO-1 Report for the Board of Governors of the Federal Reserve System for Calendar Year 2014

Employer Information Report EEO-1																	
Federal Reserve Board, 2014 Employer Information Report																	
Occupational Categories	Total Employees					Race/Ethnicity											
						Hispanic or Latino		Non-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	408	246	162	6	6	198	112	21	30	17	12	4	2	0	0	0	0
By percent	100.00%	60.29%	39.71%	1.47%	1.47%	48.53%	27.45%	5.15%	7.35%	4.17%	2.94%	0.98%	0.49%	0.00%	0.00%	0.00%	0.00%
1.2 1st/Mid. Level																	
By total	92	42	50	2	2	20	24	16	21	4	3	0	0	0	0	0	0
By percent	100.00%	45.65%	54.35%	2.17%	2.17%	21.74%	26.09%	17.39%	22.83%	4.35%	3.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Officials and Managers Total																	
By total	500	288	212	8	8	218	136	37	51	21	15	4	2	0	0	0	0
By percent	100.00%	57.60%	42.40%	1.60%	1.60%	43.60%	27.20%	7.40%	10.20%	4.20%	3.00%	0.80%	0.40%	0.00%	0.00%	0.00%	0.00%
2. Professionals																	
By total	1,711	937	774	48	37	627	384	87	186	155	152	17	15	1	0	2	0
By percent	100.00%	54.76%	45.24%	2.81%	2.16%	36.65%	22.44%	5.08%	10.87%	9.06%	8.88%	0.99%	0.88%	0.06%	0.00%	0.12%	0.00%
3. Technicians																	
By total	4	2	2	0	0	0	2	2	0	0	0	0	0	0	0	0	0
By percent	100.00%	50.00%	50.00%	50.00%	0.00%	0.00%	50.00%	0.00%	0.00%	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	128	20	108	1	5	3	13	15	82	0	3	1	3	0	2	0	0
By percent	100.00%	15.63%	84.38%	0.78%	3.91%	2.34%	10.16%	11.72%	64.06%	0.00%	2.34%	0.78%	2.34%	0.00%	1.56%	0.00%	0.00%
6. Craft Workers																	
By total	41	40	1	0	0	21	0	14	1	4	0	1	0	0	0	0	0
By percent	100.00%	97.56%	2.44%	0.00%	0.00%	51.22%	0.00%	34.15%	2.44%	9.76%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%
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	166	139	27	10	1	48	5	79	19	1	1	1	1	0	0	0	0
By percent	100.00%	83.73%	16.27%	6.02%	0.60%	28.92%	3.01%	47.59%	11.45%	0.60%	0.60%	0.60%	0.60%	0.00%	0.00%	0.00%	0.00%
Total Workforce																	
By total	2,561	1,437	1,124	67	51	917	540	245	339	181	171	24	21	1	2	2	0
By percent	100.00%	56.11%	43.89%	2.62%	1.99%	35.81%	21.09%	9.57%	13.24%	7.07%	6.68%	0.94%	0.82%	0.04%	0.08%	0.08%	0.00%

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