



OFFICE OF MINORITY  
AND WOMEN  
INCLUSION

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

September 8, 2020

The Honorable Joyce Beatty  
Chair  
Subcommittee on Diversity and Inclusion  
Committee on Financial Services  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Ann Wagner  
Ranking Member  
Subcommittee on Diversity and Inclusion  
Committee on Financial Services  
U.S. House of Representatives  
4340 O'Neill House Office Building  
Washington, DC 20515

Chair Beatty, Ranking Member Wagner, and Members of the Subcommittee:

Thank you for the opportunity to testify about the work of the Office of Minority and Women Inclusion (OMWI) at the U.S. Securities and Exchange Commission (SEC). Under OMWI's leadership and guidance, the SEC pursues strategies and initiatives that are focused on enhancing diversity, inclusion, and opportunity in the agency's senior management and professional occupations. The SEC also strives to foster an inclusive work environment where all employees are treated fairly, valued, and respected. Beyond our workforce, we are committed to promoting diversity and inclusion in the SEC's supplier network and in the industry participants the agency oversees. At the SEC, diversity and inclusion is embraced as an essential strategy for effective mission performance as well as a matter of legal compliance.

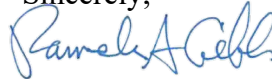
I am honored to present OMWI's most recent Annual Report to Congress, which highlights the actions we have taken to promote diversity and inclusion in the SEC's workforce, increase opportunities for minority-owned and women-owned businesses to contract with the agency, and implement other requirements of Section 342 of the Dodd Frank Act. In addition, I am pleased to present the SEC Diversity and Inclusion Strategic Plan for Fiscal Years 2020-2022 (the Strategic Plan). The Strategic Plan provides a framework for the SEC to make continued progress and includes measurable actions that are designed to further integrate diversity, inclusion, and opportunity in the strategic decision-making of the agency, enhance organizational effectiveness, and meet future challenges. Importantly, the Strategic Plan recognizes that diversity, inclusion, and opportunity should be reflected in the outward-facing aspects of the SEC's work, including through ensuring that our investor education and outreach efforts sufficiently encompass underserved communities.

Lastly, I want to share a recent message from SEC Chairman Jay Clayton on Strengthening the Fabric of the SEC through Diversity, Inclusion and Opportunity, which was sent at the conclusion of OMWI-led discussion sessions on racism and racial justice with our divisions and offices. The Chairman's message to SEC employees highlights some of the tangible ways in which our agency has worked to establish a foundation for enhancing diversity, inclusion, and opportunity as well as near-term initiatives being considered to improve our culture, enhance internal and external opportunity, and promote accountability. These initiatives,

which include specific hiring committee and advisory committee selection process, incorporate recommendations submitted by our Employee Affinity Groups and individual colleagues to address these important issues.

My oral statement will highlight the contents of the Annual Report as well as some of the initiatives the agency has been pursuing since it was submitted in March. I look forward to working with you to increase diversity, inclusion, and opportunity at the SEC and in the entities we regulate.

Sincerely,



Pamela Gibbs  
Director

Enclosures

Office of Minority  
and Women Inclusion

# Annual Report

TO CONGRESS

MARCH 2020

U.S. SECURITIES AND EXCHANGE COMMISSION

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**Disclaimer:** This is a report of the staff of the U.S. Securities and Exchange Commission. The Commission has expressed no view regarding the analysis, findings, or conclusions contained herein.

## INTRODUCTION

The U.S. Securities and Exchange Commission’s (SEC, Commission, or agency) Office of Minority and Women Inclusion (OMWI) is pleased to submit its Annual Report to Congress for Fiscal Year (FY) 2019 pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act).<sup>1</sup> The report summarizes the actions taken to promote diversity and inclusion in the SEC’s workforce, increase opportunities for minority-owned and women-owned businesses to contract with the agency, and implement other statutory requirements. This report covers the period October 1, 2018 to September 30, 2019, unless otherwise noted.

The major sections of this report address OMWI’s responsibilities in four areas: (1) Workforce Diversity and Workplace Inclusion; (2) Supplier Diversity; (3) Diversity Policies and Practices of SEC-Regulated Entities; (4) and SEC Contractors’ Workforce Inclusion of Minorities and Women. The report highlights the progress the SEC has made toward attaining the goals and objectives of the Dodd-Frank Act, as well as areas of focus for the agency’s ongoing efforts to promote diversity and inclusion.

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<sup>1</sup> Pub. L. No. 111-203, 124 Stat. 1376, July 11, 2010, codified as 12 U.S.C. § 5452. Section 342(e).

## ORGANIZATIONAL OVERVIEW

### U.S. Securities and Exchange Commission

The SEC is a bipartisan Commission consisting of up to five Commissioners appointed by the President and confirmed by the Senate. The President designates one Commissioner to serve as Chairman of the Commission. Jay Clayton is the current Chairman of the Commission. The SEC's mission is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. Accordingly, as outlined in the SEC's Strategic Plan, the SEC's goals are to focus on the long-term interests of our Main Street investors; recognize significant developments and trends in our evolving capital markets and adjust our efforts to ensure we are effectively allocating our resources; and elevate the agency's performance by enhancing our analytical capabilities and human capital development.

The SEC oversees the nation's securities markets and certain market participants, including broker-dealers, investment companies, investment advisers, clearing agencies, transfer agents, credit rating agencies, and securities exchanges, as well as organizations such as the Financial Industry Regulatory Authority, Municipal Securities Rulemaking Board, and the Public Company Accounting Oversight Board. The agency's functional responsibilities are carried out through five divisions and 25 offices, each of which is headquartered in Washington, DC. The SEC also has 11 regional offices located throughout the country.

### The Office of Minority and Women Inclusion

In accordance with Section 342 of the Dodd-Frank Act, the SEC established OMWI in July 2011, and assigned the office responsibility for all matters related to diversity in the agency's management, employment, and business activities. The Director of OMWI, Pamela Gibbs, is a Senior Officer reporting directly to the Chairman. OMWI's permanent staff is also comprised of a deputy director, attorney advisers, a data analyst, and management and program analysts dedicated to the office's major functional areas—workforce diversity and inclusion and supplier diversity.

OMWI is responsible for providing leadership and guidance for the SEC's diversity and inclusion efforts. Section 342 of the Dodd-Frank Act requires the OMWI Director to develop standards for ensuring equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the agency; increasing participation of minority-owned and women-owned businesses in the SEC's programs and contracts; and assessing the diversity policies and practices of entities regulated by the SEC.<sup>2</sup> The OMWI Director is also required to advise the Commission on the impact of the SEC's policies and regulations on minority-owned and women-owned businesses.<sup>3</sup>

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<sup>2</sup> See Section 342(b)(2)(A)-(C).

<sup>3</sup> See Section 342(b)(3).

Further, Section 342 of the Dodd-Frank Act requires the OMWI Director to develop procurement procedures that include a written statement that a contractor shall ensure, to the maximum extent possible, the fair inclusion of minorities and women in the workforce of the contractor and, as applicable, its subcontractors.<sup>4</sup> As a result of this requirement, the OMWI Director is required to establish standards and procedures for determining whether agency contractors and subcontractors have failed to make good faith efforts to include minorities and women in their workforces.<sup>5</sup>

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<sup>4</sup> See Section 342(c)(2).

<sup>5</sup> See Section 342(c)(3)(A).

## NEW INITIATIVES IN FY 2019

The SEC champions diversity and inclusion as an essential strategy for maximizing effectiveness and efficiency in the performance of its three-part mission. In FY 2019, the SEC continued to pursue initiatives and activities to advance the diversity and inclusion goals and objectives of the Dodd-Frank Act. Several new initiatives from the past year are described below.

### Promoting Diversity and Inclusion at the SEC

Visible leadership commitment, as demonstrated through agency policy, communications, and actions, has propelled the SEC's continuing progress toward achieving its diversity and inclusion goals and objectives. SEC Chairman Jay Clayton's advocacy and support for diversity, inclusion, and opportunity were most instrumental in the development of the SEC's **Diversity and Inclusion Strategic Plan for Fiscal Years 2020-2022**, which will help guide the agency's ongoing efforts to enhance diversity and inclusion in the agency's workforce, foster diversity among the agency's vendors and suppliers, and promote diversity and inclusion within the entities the SEC regulates.

The five overarching goals of the Diversity and Inclusion Strategic Plan are:

- » Demonstrate leadership commitment and accountability;
- » Foster a connected culture;
- » Build a diverse talent pipeline;
- » Leverage diversity and inclusion for mission effectiveness; and
- » Promote business diversity with SEC stakeholders.

Each of these goals is designed to support the three major goals described in the overall SEC Strategic Plan for Fiscal Years 2018-2022.<sup>6</sup> The Diversity and Inclusion Strategic Plan includes actions that are designed to help more fully integrate diversity and inclusion in the agency's strategic decision-making, enhance mission effectiveness, and meet future challenges.

OMWI led the development of the Diversity and Inclusion Strategic Plan and sought input from all levels of the SEC, including the Chairman, Commissioners, leadership and staff from every division and office, Employee Affinity Groups, and the SEC Diversity Council. A draft was made available to all SEC staff for comment prior to formulating the final Diversity and Inclusion Strategic Plan issued on March 25, 2020.<sup>7</sup>

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<sup>6</sup> See SEC Strategic Plan for Fiscal Years 2018-2022.

<sup>7</sup> See Diversity and Inclusion Strategic Plan for Fiscal Years 2020-2022.



In July 2019, Chairman Clayton moderated an agency-wide **Town Hall** on key human capital issues at the SEC, with a focus on diversity, inclusion, and opportunity. The Directors of OMWI, Office of Human Resources (OHR), and Office of Equal Employment Opportunity (OEEO) discussed a range of topics, including how the agency might reinforce a culture of openness, expand professional and career development offerings, and increase participation in Employee Affinity Groups. The SEC has taken steps to address comments and concerns raised during the Q&A segment of the Town Hall. For example, the SEC published on the agency's intranet guidance concerning inclusion of employees with disabilities in the workplace, which was responsive to comments and concerns about disability etiquette.

With support from the SEC Chairman and Commissioners, the SEC launched a **Mentoring Program** on a pilot basis in FY 2018. Following the marked success of the pilot, the agency converted the Mentoring Program to a continuing program in FY 2019. The Mentoring Program focuses on professional development and encourages collaboration among employees in different divisions and offices. The 30 mentoring pairs participating in the pilot attended a speaker series, mentor and mentee meet-ups, and a capstone event. The second cohort of 30 mentoring pairs began the 10-month program in October 2019. The SEC's Office of the Chief Operating Officer oversees the Mentoring Program with assistance from OMWI and the Office of Public Affairs.

In FY 2019, the SEC Diversity Council, in partnership with OMWI and OHR, developed the **SEC Diversity Dashboard**. This interactive platform is designed to increase transparency, provide employees access to current workforce data, and show the progress toward, and challenges of, building and sustaining a diverse workforce. The Diversity Dashboard allows for multiple views of the SEC's workforce, including the composition of divisions and offices by gender, race, ethnicity, occupations, and generations.

### Interagency Efforts to Promote Diversity and Inclusion

In keeping with the tradition of collaboration and cooperation, the SEC and other federal financial regulatory agencies hosted three major conferences in 2019.

In May 2019, the agencies held a **Joint OMWI Symposium**. The day-long conference featured a keynote address from Congresswoman Joyce Beatty, Chairwoman of the House Committee on Financial Services' Subcommittee on Diversity and Inclusion, and included sessions led by diversity and EEO professionals that covered a range of topics relevant to the work of OMWI. The Joint OMWI Symposium was conceived as an opportunity to give agencies the opportunity to share leading practices, enhance cooperation between programs, and invigorate the members of OMWI teams as they continue to carry out their responsibilities under the Dodd-Frank Act.

The Offices of Minority and Women Inclusion held their second **Financial Regulatory Agencies' Diversity and Inclusion Summit** in October 2019 at the Chicago Reserve Bank. In addition to providing a forum for business leaders and diversity professionals from financial services institutions to discuss best practices for advancing diversity and inclusion, the Summit gave the OMWI Directors an opportunity to highlight the benefits of conducting self-assessments of diversity policies and practices and encourage regulated entities to share diversity self-assessments with their primary financial regulators.

In December 2019, Offices of Minority and Women Inclusion from all eight federal financial regulatory agencies hosted their third **OMWI Joint Procurement Technical Assistance** event for companies interested in building and growing their federal contracting opportunities. “Connections that Count” was the theme of the day-long event held at George Mason University in Arlington, Virginia. The event featured sessions on strategies for successful teaming arrangements, business models and blueprints for growth, and other useful topics for potential and existing vendors with the government. The 135 attendees also had an opportunity to network and meet representatives from the Minority Business Development Agency and the Northern Virginia Procurement Technical Assistance Center, among others.

The SEC continued to carry out existing programs and initiatives to enhance diversity and inclusion throughout the SEC’s workforce and business activities in FY 2019. Those efforts are described in more detail in the sections that follow.

## WORKFORCE DIVERSITY AND WORKPLACE INCLUSION

The SEC recognizes that sustained efforts are needed to attract, hire, develop, and retain high-quality, diverse talent for all levels of the agency's workforce in order to successfully perform its mission. To that end, the SEC strives to cultivate a workplace culture that values diversity, encourages collaboration, flexibility and fairness, and allows all employees to contribute to their full potential. The agency pursues a comprehensive strategy for building and maintaining a diverse workforce and fostering an inclusive workplace, key components of which include:

- » Engaging in outreach and recruitment to attract diverse candidates for employment and internship opportunities;
- » Training for employees, supervisors, and managers in equal employment opportunity and diversity awareness, including training by OMWI, OEEEO, and OHR for hiring managers with the lifting of the hiring freeze in FY 2019;
- » Supporting employee participation in leadership development training programs;
- » Incorporating support for agency diversity and inclusion efforts in a performance standard for supervisors and managers;
- » Monitoring and analyzing internal demographics to assess diversity at all levels of the agency's workforce and identify opportunities for improvement; and
- » Evaluating the effectiveness of the agency's workforce diversity initiatives.

All SEC divisions and offices have a key role in supporting the agency's efforts to build and maintain a diverse workforce and cultivate an inclusive work environment. Although OMWI is responsible for all matters related to diversity and inclusion in employment at the SEC, OMWI coordinates and collaborates with OHR, OEEEO, and other offices to execute the agency's strategy for workforce diversity and inclusion.

The SEC Diversity Council also plays an important role in promoting diversity and inclusion at the SEC. SEC Chairman Jay Clayton currently serves as the chair of the Diversity Council and its 20 members include representatives from agency management, the National Treasury Employees Union (NTEU), and SEC Employee Affinity Groups.

In FY 2019, as in previous years, the SEC continued to direct efforts towards enhancing diversity in the agency’s senior management positions and five designated “mission critical occupations”—attorney, accountant, economist, securities compliance examiner, and information technology (IT) management. Employees in these occupations comprised 78.2 percent of the SEC workforce as of the end of FY 2019. The SEC workforce continues to become more diverse. The data for FY 2017 to FY 2019 show:

- » The representation of women among Senior Officers continued the upward trend, increasing from 38.9 percent in FY 2017 to 41.8 percent in FY 2019.
- » Minorities held 24.8 percent of supervisory and management positions in FY 2019, up from 24.1 percent in FY 2017.
- » Minorities represented 27 percent of new hires into mission critical occupations in FY 2019; more than double their 13.6 percent of new hires in these occupations in FY 2018, when hiring restrictions remained in effect, though slightly lower than their 29 percent of new hires in mission critical occupations in FY 2017.

## Outreach and Recruitment

Strategic outreach and recruitment has been the cornerstone of the SEC’s strategy for enhancing workforce diversity. As in the previous year, the agency continued to focus on developing a pipeline of talent for future careers at all levels of the agency—executives, professionals, recent graduates, and students.

### DIVERSITY PARTNERSHIPS

The SEC maintains relationships with minority and women professional associations and educational organizations to help further the agency’s workforce diversity objectives. These collaborative relationships, referred to as “Diversity Partnerships” at the SEC, provide a variety of opportunities for outreach and recruitment. Partnering organizations also agree to disseminate information about current SEC employment and internship opportunities and share information and best practices for promoting diversity and inclusion. In addition to the formal partnerships, the SEC collaborates regularly with academic institutions and educational organizations.

In FY 2019, the SEC maintained its Diversity Partnerships with student-focused organizations, such as the National Black MBA Association, National Association of Asian MBAs, and the Council on Legal Education Opportunity, Inc. The SEC also continued its Diversity Partnerships with several minority professional associations, including the Association of Latino Professionals for America, and the National Association of Black Accountants. For a complete list of organizations that have entered into Diversity Partnerships with the SEC, see Appendix A.

#### OUTREACH EVENTS AND ADVERTISING

In FY 2019, OMWI coordinated the SEC's participation in 24 diversity outreach and recruitment events to inform professionals and students about employment at the SEC, and the SEC regional offices participated in dozens more. The agency also distributed job advertisements to 265 recruitment sources. Over 50 SEC employees actively participated in diversity outreach by serving as speakers and panelists at conferences, participating in meetings of partnering organizations, and representing the SEC at career fairs and outreach events held on campuses of minority-serving colleges, universities and law schools. For a list of the FY 2019 outreach and recruitment events, see Appendix B.

#### STUDENT OUTREACH INITIATIVES

In FY 2019, the SEC continued efforts to encourage interest in future careers and internships with the agency through outreach activities geared toward students. In March 2019, the SEC welcomed 45 students and the Dean of Students from the Florida International University (FIU) College of Law. The event included a career panel consisting of an Attorney Advisor in the Office of the Administrative Law Judge, a Supervisory Trial Counsel in the Division of Enforcement, a Senior Counsel in the Office of Market Intelligence, and the Chief Attorney Advisor in the Miami Regional Office (MIRO). The panelists all spoke about their career journeys, work at the SEC and relevant life experiences. SEC Chairman Clayton attended the networking session that concluded the event.

Additionally, in July 2019, the SEC welcomed 35 students and four counselors from the Hispanic National Bar Association Foundation's Summer Law Camp (HNBF). Participants were high school students interested in pursuing careers in law. Students were introduced to securities law, the work of the SEC, and financial services legal careers more broadly. MIRO's Chief Attorney Advisor's presentation on "Savings and Investing for Students" was a highlight of the event, and the Office of Investor Education and Advocacy (OIEA) provided financial literacy materials to the students. The event concluded with a networking session between the students and SEC staff.

For nearly 10 years, the Professionals Reaching Out to Promote Excellence and Learning for Students (PROPELS) financial literacy and mentoring program has been held at headquarters and several regional offices. Students from high schools with high minority populations participate in the PROPELS program to gain exposure to careers in business, finance, law, and information technology and learn about the importance of financial education.

In FY 2019, more than 250 students participated in the PROPELS program. SEC headquarters hosted 35 high school students from National Academy Foundation, a public magnet school in Baltimore, Maryland. As discussed in more detail below, SEC regional offices engaged in a variety of financial education and career exploration activities as part of PROPELS.

## DIVERSITY OUTREACH AND INITIATIVES IN REGIONAL OFFICES

SEC staff in regional offices have been indispensable to the success of the agency's initiatives to promote workforce diversity and inclusion. They have been especially helpful in carrying out activities prescribed by Section 342(f) of the Dodd-Frank Act for seeking diversity at all levels of the agency's workforce. For example, staff from the Miami and Chicago regional offices conducted outreach and recruitment on the campuses of several historically black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs) in their regions in FY 2019, including FIU, Southern University, Florida A&M University, Nova Southeastern University, St. Thomas University, and Roosevelt University. In addition, staff from the Atlanta, Chicago, Miami, and Philadelphia regional offices represented the SEC at conferences, career fairs, and other diversity outreach events.

MIRO continued to actively support the SEC's efforts to promote workforce diversity and inclusion. In FY 2019, MIRO staff participated in 25 diversity outreach, recruitment, and education events for diverse professionals, law students, and business students. In addition, MIRO staff delivered over 20 financial education presentations to high school students at schools, career fairs, and teen programs in South Florida, reaching approximately 1,500 students. Further, MIRO attorneys taught a 14-week Securities Law course at FIU College of Law in FY 2019. The course, which has been taught since 2009, explores all aspects of SEC enforcement from the perspectives of both the government and the private practitioner.

In addition to activities aimed at promoting workforce diversity and inclusion, staff from regional offices worked to ensure the SEC's outreach, education, and consultation efforts extended to investors and businesses of all backgrounds. For example, in July 2019, the Atlanta Regional Office (ARO), the SEC's new Office of the Advocate for Small Business Capital Formation, and Morehouse College's Innovation and Entrepreneurship Center hosted an event for minority entrepreneurs and investors.<sup>8</sup> Participants had an opportunity to share success stories, best practices, solutions to challenges faced in raising capital, and resources to support new ventures. Morehouse students, faculty and business leaders also attended a networking event and a student entrepreneur exhibit. In FY 2019, the ARO Director also conducted outreach with leaders of the NAACP, 100 Black Men of Atlanta, and the Urban League of Greater Atlanta.

As part of the FY 2019 PROPELS program, staff in the Chicago, Denver, Los Angeles, Philadelphia and San Francisco regional offices mentored high school students about careers in financial services and financial literacy. The Philadelphia Regional Office staff paired with high school students twice during FY 2019 to discuss career paths and acquiring the necessary skills to pursue those paths, in addition to conducting mock interviews. Staff from the Los Angeles Regional Office supported the Junior Achievement Finance Park in Studio City, California, providing assistance to the all-day financial literacy simulation program for 50 students.

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<sup>8</sup> See video "[Reaching New Heights – Conversations on Raising Capital for Businesses of Color.](#)"

The Denver Regional Office staff hosted about 30 teens from the Boys and Girls Club of Metro Denver for a program that included an overview of the SEC, job opportunities and career paths in government service, financial literacy, and one-on-one mentoring. The Chicago Regional Office staff hosted an event for 45 students from a nearby public high school who are in the prelaw program.

The Diversity Committees and Employee Affinity Groups in several regional offices conducted programs and activities to commemorate Special Observances and heritage months, which help to foster greater awareness, support understanding of diversity, and promote an inclusive workplace culture. For a list of programs to commemorate Special Observances, see Appendix C.

### STUDENT INTERNS

The SEC provides internship opportunities for undergraduate, graduate, and law students to learn about securities regulations and the work of the SEC through the Student Honors Program. The ten-week internship is offered at headquarters and in the SEC's 11 regional offices. From fall 2018 to summer 2019, 666 students participated in the Student Honors Program; 44 (6.6 percent) were from HBCUs and HSIs—educational institutions specified in Section 342(f) (1) of the Dodd-Frank Act as outreach and recruitment sources.

## Diversity Training

Making diversity and inclusion training readily available to managers and employees continues to be a key element of the SEC's strategy for building and maintaining a diverse workforce and fostering an inclusive workplace. OMWI works closely with SEC University (SECU), a component of OHR, to offer on-demand, web-based courses, as well as classroom training, related to diversity and inclusion throughout the year. In FY 2019, SECU continued to make available online classes on unconscious bias. The SEC also expanded its library of training videos to include a new four-part series collaboratively created by OMWI, OHR, and OEEO on transgender awareness and inclusion in the workplace.

In FY 2019, OMWI staff completed the in-person unconscious bias training for supervisors and staff in regional offices, conducting training in the New York, Atlanta, Denver, Salt Lake, and Chicago regional offices. More than 350 SEC regional office staff received unconscious bias training in FY 2019, which was delivered separately for supervisors and staff. OMWI plans to offer in-person unconscious bias training to divisions and offices at headquarters in FY 2020.

Further, in FY 2019, the SEC offered over two dozen training events aimed at increasing understanding and awareness of workforce diversity and inclusion. The training events covered a wide range of topics such as building bridges across cultural divergence, understanding workplace diversity, and preventing harassment. More than 1,100 employees participated in diversity and inclusion related training in FY 2019.

## Leadership Development Programs

The SEC provides employees with numerous opportunities to acquire the skills and certifications needed to succeed in their positions and progress in their careers. SECU offers classroom-style and e-Learning programs in technical areas. In addition, the agency supports participation in career and leadership development programs, some of which are described below.

- » The **Aspiring Leader Program** is an internal noncompetitive, interactive blended learning program designed to strengthen the leadership and management skills of SEC non-supervisory (SK-13 and SK-14) employees. In FY 2019, the SEC selected 50 employees to participate in the Aspiring Leader program. This year, SECU also launched a new core skills training program specifically for Administrative and Support professionals.
- » The **Women in Leadership Program** is an external leadership development program conducted by the Brookings Institute. Through the Women in Leadership program, individuals from across federal agencies learn how to strengthen leadership qualities and explore key elements of senior leadership success while maintaining authenticity and balance. The SEC selected five employees to participate in the Women in Leadership program in FY 2019.
- » The **Excellence in Government (EIG) Fellows Program** is coordinated by the Partnership for Public Service and strengthens the leadership skills of experienced federal employees through a combination of innovative coursework, best practices benchmarking, challenging action-learning projects, executive coaching and government-wide networking. During this competitively-based program, EIG Fellows remain in their full-time jobs, meet every six weeks and spend approximately 21 days total in session(s). This program is offered to employees in both supervisory and non-supervisory roles. In addition to activities with the Partnership for Public Service EIG Fellows, SEC Fellows participated in cohort meetings at SEC headquarters to explore and share in more depth what they were learning and how this information could be applied to improve organizational performance, workplace relationships, and productivity within the SEC. In FY 2019, the SEC supported the participation of nine employees in the EIG Fellows program.
- » The **Career Advancement Program (CAP)** sponsored by the non-profit organization Management Leadership for Tomorrow (MLT) is a 12-month external professional development program geared toward mid-career professionals who aspire to senior leadership roles. MLT aims to transform the career trajectories of diverse leaders by providing the skills, coaching and connections needed to accelerate their careers. Participants in this highly specialized leadership development program attend a week-long in residence seminar and receive ongoing one-on-one executive coaching. In FY 2019, one employee participated in MLT's CAP.



## Monitoring and Analyzing Internal Demographics

In FY 2019, OMWI continued to provide each of the SEC’s divisions and offices a quarterly workforce demographic profile, which tracks personnel activity (e.g., hiring, promotions, and separations) by gender, race, and ethnicity. OMWI also conducted briefings for newly appointed division and office heads to provide an overview of the current state of diversity and inclusion in their organizations. In addition to monitoring and providing this personnel activity data on a quarterly basis, OMWI works with senior management to develop strategies to continue increasing representation of minorities and women in mission critical occupations.

## Evaluating Performance

### APPLICANT DATA ANALYSIS

OMWI obtained from the Office of Personnel Management (OPM) demographic data for the applicants for vacancies in the agency’s mission critical occupations—attorney, accountant, economist, securities compliance examiner, and IT management—filled through the USAJOBS.gov website. In FY 2019, 5,675 applications were submitted for vacancies in mission critical occupations and 3,631 or 64 percent of the applications were from individuals who voluntarily disclosed their gender, race, and ethnicity as part of their USAJOBS profiles.<sup>9</sup> OMWI analyzed data from applicants who provided demographic information to determine the levels of diversity in applicant pools.

Figure 1 shows data from applicants for mission critical occupations who self-identified their gender, race, and ethnicity. In FY 2019, the representation of each minority group among applicants for each mission critical occupation was higher than the group’s representation in the same occupations in the Civilian Labor Force (CLF).<sup>10</sup> The representation of women among applicants for all mission critical occupations except attorney was lower than their representation in these occupations in the CLF in FY 2019.

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9 Because self-identification of demographic information is voluntary, it is not possible to determine whether those who provided information have the same characteristics as those who did not. Therefore, caution must be used when drawing conclusions about the application rates of demographic groups.

10 The Civilian Labor Force includes all persons 16 years of age and over, except those in the armed forces, who are employed or who are unemployed and seeking work. CLF data are defined by the Bureau of the Census and the Bureau of Labor Statistics and are reported in the most recent decennial or mid-decade census, or current population survey, under title 13 of the United States Code or any other reliable statistical study. *See* 5 CFR 720.202(d).

**Figure 1: FY 2019 Applications for Mission Critical Occupations Compared to Occupational CLF**

		Men	Women	White	Black	Hispanic	Asian	All Other
<b>0905 General Attorney</b>	Applied	63.4%	36.6%	53.7%	19.5%	13.7%	11.6%	1.5%
	OCLF	66.7%	33.3%	86.4%	4.7%	4.4%	3.6%	1.0%
<b>0510 Accounting</b>	Applied	53.0%	47.0%	31.9%	37.8%	10.3%	18.9%	1.1%
	OCLF	39.9%	60.1%	76.0%	8.1%	6.1%	8.6%	0.1%
<b>1831 Securities Compliance Examining</b>	Applied	65.6%	34.4%	48.4%	19.4%	12.9%	19.4%	0.0%
	OCLF	54.7%	45.3%	72.4%	12.3%	6.7%	7.7%	0.0%
<b>0110 Economist</b>	Applied	71.6%	28.4%	64.2%	7.5%	11.9%	14.9%	1.5%
	OCLF	67.1%	32.9%	81.0%	5.5%	5.2%	7.1%	0.1%
<b>2210 IT Management</b>	Applied	78.9%	21.1%	26.2%	33.1%	10.2%	28.8%	1.7%
	OCLF	70.4%	29.6%	73.1%	11.1%	7.6%	7.1%	1.5%

Source: Applicant flow data from OPM retrieved using USA Staffing MD-715 "A" Tables - Mission Critical Occupations Distribution by Race, Ethnicity, and Sex on November 12, 2019. OCLF reflects the occupational CLF retrieved from Census 2010 EEO Tabulation using occupational cross-classification provided by EEOC.

Though not a precise measure of the impact of the SEC’s outreach and recruitment efforts, the analysis of applicant demographic data provides OMWI with some measure of the effectiveness of diversity outreach and recruitment initiatives and can be used to identify areas for strategic outreach. In addition, OEEO regularly looks at applicant demographic data to examine the fairness and inclusiveness of agency recruitment efforts.

## Current State of Diversity

### FY 2019 SEC WORKFORCE PROFILE

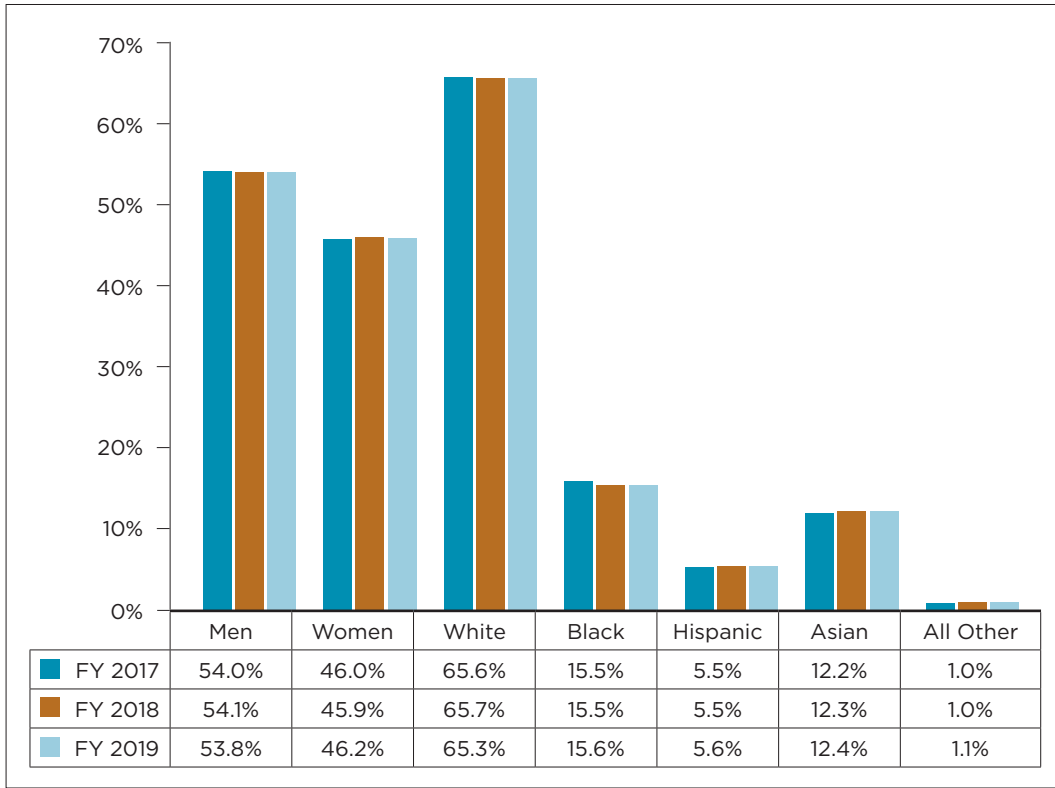
As of the end of FY 2019, the SEC workforce had 4,365 employees (4,266 permanent and 99 temporary employees).<sup>11</sup> Nearly two-thirds of SEC employees worked at the agency’s headquarters in Washington, DC, and one-third worked in the SEC’s 11 regional offices.

The SEC workforce had 83 fewer employees as of the end of FY 2019 than in FY 2018. The overall demographic composition of the SEC workforce, however, remained relatively unchanged.

Figure 2 shows the SEC workforce representation by gender, race, and ethnicity. As of the end of FY 2019, men comprised 53.8 percent and women comprised 46.2 percent of the SEC workforce. The breakdown of the SEC workforce by race and ethnicity was as follows: 65.3 percent of SEC employees self-identified as White, 15.6 percent as Black or African American, 12.4 percent as Asian, 5.6 percent as Hispanic or Latino, 0.4 percent as American Indian or Alaskan Native, 0.6 percent as Two or More Races, and less than 0.1 percent as Native Hawaiian or Other Pacific Islander.

<sup>11</sup> Unless otherwise noted, data is reported for permanent and temporary employees.

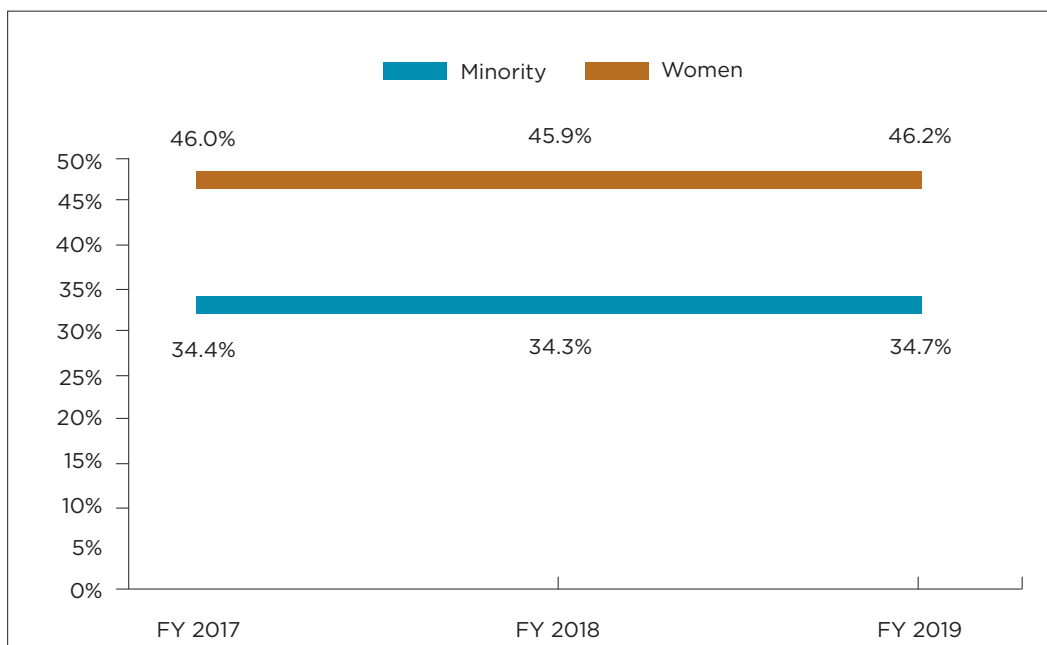
**Figure 2: Workforce Composition by Gender, Race, and Ethnicity FY 2017 - FY 2019**



Source: Federal Personnel and Payroll System (FPPS) FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories.

The three-year trend in the representation of women and minorities in the SEC workforce is shown in Figure 3. The overall representation of minorities and women increased slightly from

Figure 3: Women and Minority Representation FY 2017 - FY 2019



Source: FPPS FY 2019 data retrieved on November 12, 2019.

FY 2017 to FY 2019.

#### SEC WORKFORCE COMPARED TO THE FEDERAL WORKFORCE AND CLF

Figure 4 shows how the demographic composition (i.e., gender, race, and ethnicity) of the SEC workforce, as of the end of FY 2019, compared to the demographic composition of the Federal workforce and the CLF. These comparisons provide a frame of reference for the present level of diversity in the SEC workforce and the progress made toward building and maintaining a workforce drawn from all segments of society. As of the end of FY 2019, at 46.2 percent, the representation of women in the SEC workforce was higher than their representation in the Federal workforce, but lower than their representation in the CLF (48.1 percent).

Minorities collectively represented 34.7 percent of the SEC workforce as of the end of FY 2019, which was 26 percent higher than their representational percentage in the CLF (27.6 percent), and 8 percent lower than their representational percentage in the Federal workforce (37.6 percent). The SEC workforce had a lower representation of Black or African American employees (15.6 percent) and Hispanic or Latino employees (5.6 percent) than the FY 2019 Federal workforce, and a lower representation of Hispanic or Latino employees than the CLF. The percentage of Asian employees in the SEC workforce exceeded their representational percentage in both the CLF and Federal workforce.

Figure 4: FY 2019 SEC Workforce Compared to CLF and Federal Workforce

Demographic Groups	SEC FY 2019 Workforce	FY 2019 Federal Workforce*	2010 Civilian Labor Force
<b>Men</b>	53.8%	<b>56.3%</b>	<b>51.9%</b>
<b>Women</b>	46.2%	<b>43.7%</b>	<b>48.1%</b>
<b>White (Non-Minority)</b>	65.3%	<b>62.4%</b>	<b>72.4%</b>
<b>Minority</b>	<b>34.7%</b>	<b>37.6%</b>	<b>27.6%</b>
Black or African American	15.6%	18.5%	12.0%
Hispanic or Latino	5.6%	9.2%	10.0%
Asian	12.4%	6.0%	3.9%
Native Hawaiian or Other Pacific Islander	0.1%	0.5%	0.1%
American Indian or Alaska Native	0.4%	1.7%	1.1%
Two or More Races	0.6%	1.8%	0.5%

Source: FPPS FY 2019 data retrieved on November 12, 2019. Federal workforce data from the Office of Personnel Management and CLF data from Census 2010 EEO Tabulation. \*Data current as of December 2018, retrieved on January 3, 2020.

#### WORKFORCE ANALYSIS BY OCCUPATION

The SEC has employees in over 50 occupations. Figure 5 shows the percentage of each demographic group in the 15 most prevalent occupations in the SEC workforce. It also reveals gender and racial differences in employment patterns.

Attorney is the most prevalent occupation in the SEC workforce; 42.1 percent of all SEC employees were in the attorney occupation as of the end of FY 2019. Attorney is the most prevalent occupation for both men and women as well as for three of the four largest racial and ethnic groups in the SEC workforce, though differences exist in the degree of prevalence. As of the end of FY 2019, 50 percent of White, 36.1 percent of Asian, and 31.7 percent of Hispanic or Latino employees were employed as attorneys. Attorney was the second most prevalent occupation for Black or African American employees (18.8 percent) as of the end of FY 2019. A slightly greater percentage of Black or African American employees were employed in positions in the Miscellaneous Administration and Program Series (19 percent).

Figure 5: FY 2019 Percent of Demographic Group in Top 15 Occupations

	SEC	Men	Women	White	Black	Hispanic	Asian	All Other
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>0905 General Attorney</b>	42.1%	43.1%	41.0%	50.0%	18.8%	36.1%	31.7%	22.2%
<b>0510 Accounting</b>	19.8%	21.0%	18.4%	21.8%	11.2%	20.6%	20.3%	13.3%
<b>1831 Securities Compliance Examining</b>	7.5%	9.1%	5.6%	7.5%	4.3%	10.5%	8.9%	8.9%
<b>2210 Information Technology Management</b>	6.6%	8.9%	3.9%	4.4%	9.3%	13.6%	7.7%	13.3%
<b>0301 Miscellaneous Administration &amp; Program</b>	5.5%	2.7%	8.7%	2.6%	19.0%	1.7%	9.3%	8.9%
<b>0343 Management &amp; Program Analysis</b>	3.5%	2.4%	4.8%	2.2%	9.0%	2.4%	4.5%	6.7%
<b>0110 Economist</b>	2.2%	2.9%	1.4%	2.2%	0.6%	3.9%	2.4%	4.4%
<b>0950 Paralegal Specialist</b>	1.9%	0.8%	3.3%	1.4%	4.3%	0.9%	3.7%	4.4%
<b>0201 Human Resources Management</b>	1.2%	0.6%	1.9%	0.6%	4.0%	0.6%	0.8%	4.4%
<b>1102 Contracting</b>	1.1%	1.0%	1.2%	0.7%	2.1%	0.9%	2.0%	4.4%
<b>1160 Financial Analysis</b>	1.0%	1.4%	0.6%	0.8%	0.4%	3.1%	0.4%	0.0%
<b>0340 Program Management</b>	0.7%	0.8%	0.7%	0.9%	0.3%	0.0%	0.4%	4.4%
<b>0501 Financial Administration &amp; Program</b>	0.7%	0.3%	1.2%	0.4%	2.6%	0.2%	0.8%	0.0%
<b>0303 Miscellaneous Clerk And Assistant</b>	0.7%	0.4%	1.0%	0.2%	3.4%	0.0%	0.0%	0.0%
<b>0318 Secretary</b>	0.6%	0.0%	1.3%	0.2%	2.6%	0.4%	0.8%	0.0%
<b>All Other Occupations</b>	4.9%	4.6%	5.0%	4.1%	8.1%	5.1%	6.3%	4.7%

Source: FPPS FY 2019 data retrieved November 12, 2019. "All Other" includes Native Hawaiian/Pacific Islander, American Indian/Alaska Native, Two or More Races. Mission critical occupations are highlighted in brown.

The majority of White, Asian, and Hispanic or Latino employees worked in the agency's mission critical occupations shown in brown in Figure 5. As of the end of FY 2019, 85.9 percent of White employees, 84.7 percent of Asian employees, and 71 percent of Hispanic or Latino employees worked in these occupations. In comparison, as of the end of FY 2019, 44.2 percent of Black or African American employees worked in mission critical occupations.

## MISSION CRITICAL OCCUPATIONS

The SEC has largely directed outreach and recruitment efforts toward enhancing diversity in the agency’s mission critical occupations. As discussed earlier, new hires in these occupations amongst racial and ethnic groups did increase in FY 2019 over FY 2018. Figure 6 shows how the workforce representation of minorities and women in each mission critical occupation, as of the end of FY 2019, compared to their availability in these occupations in the CLF. The SEC relies on the comparisons with the occupational CLF benchmarks to assess the agency’s progress towards improving diversity in mission critical occupations and to identify areas of focus for ongoing outreach and recruitment strategies.

As of the end of FY 2019, the percentage of women in all SEC mission critical occupations except the attorney occupation was below the percentage of women in these occupations in the CLF. The percentage of Black or African American employees in the securities compliance examiner and economist occupations in the SEC workforce was lower than their representational percentage in these two occupations in the CLF. The percentage of Hispanic or Latino employees in the attorney, economist, and IT management occupations in the SEC workforce was slightly lower than their representational percentage in the same occupations in the CLF.

Minorities collectively represented 22.4 percent of attorneys, 28.2 percent of accountants, 34 percent of economists, and 34.4 percent of securities compliance examiners in the SEC workforce. In contrast, minorities collectively held 56.4 percent of IT management positions in the SEC workforce, which was more than double the percentage of minorities in the IT man-

Figure 6: FY 2019 SEC Workforce Mission Critical Occupations Compared to Occupational CLF

		Men	Women	White	Black	Hispanic	Asian	All Other
<b>0905 General Attorney</b>	SEC Workforce	55.0%	45.0%	77.6%	7.0%	4.2%	10.7%	0.5%
	OCLF	66.7%	33.3%	86.4%	4.7%	4.4%	3.6%	0.9%
<b>0510 Accounting</b>	SEC Workforce	57.0%	43.0%	71.8%	8.8%	5.8%	12.9%	0.7%
	OCLF	39.9%	60.1%	76.0%	8.1%	6.1%	8.6%	1.2%
<b>1831 Securities Compliance Examining</b>	SEC Workforce	65.6%	34.4%	65.6%	8.9%	6.7%	17.5%	1.2%
	OCLF	54.7%	45.3%	72.4%	12.3%	6.7%	7.7%	0.9%
<b>0110 Economist</b>	SEC Workforce	71.1%	28.9%	66.0%	4.1%	6.2%	21.6%	2.1%
	OCLF	67.1%	32.9%	81.0%	5.5%	5.2%	7.1%	1.3%
<b>2210 IT Management</b>	SEC Workforce	72.5%	27.5%	43.6%	22.0%	6.6%	25.8%	2.1%
	OCLF	70.4%	29.6%	73.1%	11.1%	7.6%	7.1%	1.5%

Source: FPPS FY 2019 data retrieved on November 12, 2019. OCLF data from Census 2010 EEO Tabulation. “All Other” includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories.

agement occupation in the CLF (26.9 percent).

Figure 7 shows employees in mission critical occupations by gender, race, and ethnicity from FY 2017 to FY 2019. The percentage of minorities in mission critical occupations increased marginally over the three-year period. The percentage of Asian and Black or African American employees in mission critical occupations increased negligibly, while the percentage of Hispanic or Latino employees decreased slightly. The percentage of women in mission critical occupa-

**Figure 7: Mission Critical Occupations FY 2017 – FY 2019**

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	3,592	2,115	1,477	2,581	314	185	481	31
	100.0%	58.9%	41.1%	71.9%	8.7%	5.2%	13.4%	0.9%
<b>FY 2018</b>	3,477	2,041	1,436	2,504	303	177	464	29
	100.0%	58.7%	41.3%	72.0%	8.7%	5.1%	13.3%	0.8%
<b>FY 2019</b>	3,413	1,995	1,418	2,450	300	175	460	28
	100.0%	58.5%	41.5%	71.8%	8.8%	5.1%	13.5%	0.8%
<b>Percent Change (FY 2017 - FY 2019)</b>	<b>-5.0%</b>	<b>-5.7%</b>	<b>-4.0%</b>	<b>-5.1%</b>	<b>-4.5%</b>	<b>-5.4%</b>	<b>-4.4%</b>	<b>-9.7%</b>

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories.

tions increased slightly from FY 2017 to FY 2019.

#### SUPERVISORS AND MANAGERS

Generally, SEC employees at grade levels SK-15 (e.g., branch chiefs), SK-17 (e.g., assistant directors), and Senior Officers (e.g., associate directors, deputy directors, and directors) serve in supervisory and managerial positions. Senior Officers, the highest-ranking employees at the SEC, are equivalent to Senior Executive Service personnel at other federal agencies. As of the end of FY 2019, the SEC workforce had 894 supervisors and managers.<sup>12</sup>

Figure 8 shows the number and percentage of SEC supervisors and managers by gender, race, and ethnicity from FY 2017 to FY 2019. The percentage of women among SEC supervisors and managers increased from 37.5 percent in FY 2017 to 38.5 percent in FY 2019. Minorities collectively held 24.8 percent of supervisory and managerial positions at the SEC as of the end of FY 2019, up from 24.1 percent in FY 2017. The percentage of Hispanic or Latino and Asian supervisors and managers increased over the three-year period, while the percentage of Black or African American and all other racial minority groups in supervisory and management positions decreased slightly.

12 The SEC also had employees in supervisory positions in the SK-9 to SK-14 grade levels. In FY 2019, of the 894 managers and supervisors, 25 supervisors were at these grade levels.



Figure 8: Supervisors and Managers FY 2017 – FY 2019

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	902	564	338	685	82	41	88	6
	100.0%	62.5%	37.5%	75.9%	9.1%	4.5%	9.8%	0.7%
<b>FY 2018</b>	898	557	341	681	79	41	92	5
	100.0%	62.0%	38.0%	75.8%	8.8%	4.6%	10.2%	0.6%
<b>FY 2019</b>	894	550	344	672	79	44	94	5
	100.0%	61.5%	38.5%	75.2%	8.8%	4.9%	10.5%	0.6%
<b>Percent Change (FY 2017 - FY 2019)</b>	<b>-0.9%</b>	<b>-2.5%</b>	<b>1.8%</b>	<b>-1.9%</b>	<b>-3.7%</b>	<b>7.3%</b>	<b>6.8%</b>	<b>-16.7%</b>

Source: FPPS FY 2019 data retrieved on November 12, 2019. “All Other” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Supervisors and Managers include all irrespective of their grades but excludes leaders and team leads.

### SENIOR OFFICERS

Figure 9 presents data on the gender, race, and ethnicity of Senior Officers from FY 2017 to FY 2019. As of the end of FY 2019, the SEC had 146 Senior Officers, three more than at the end of the previous fiscal year.

In FY 2019, as in the two previous fiscal years, the representation of women among Senior Officers increased. Women represented 41.8 percent of Senior Officers as of the end of FY 2019, compared to 38.9 percent in FY 2017. The representation of women among Senior Officers was higher than the representation of women among Senior Executives in the Federal workforce. According to OPM’s FedScope, women made up 34 percent of Senior Executives in the Federal workforce in FY 2019.

The representation of minorities among Senior Officers increased slightly from FY 2017 to FY 2019. Minorities held 13 percent of Senior Officer positions as of the end of FY 2019, compared to 12.8 percent in FY 2017. In contrast, minorities held 21.1 percent of Senior Executive positions in the Federal workforce in FY 2019. Black or African American representation among Senior Officers increased from 4.8 percent in FY 2018 to 6.2 percent in FY 2019. Hispanic or Latino representation among Senior Officers remained unchanged from FY 2018 at 1.4 percent; Asian representation among Senior Officers decreased from 5.6 in FY 2018 percent to 4.1 percent in FY 2019.

Figure 9: Senior Officers FY 2017 - FY 2019

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	149	91	58	130	7	3	8	1
	100.0%	61.1%	38.9%	87.2%	4.7%	2.0%	5.4%	0.7%
<b>FY 2018</b>	143	87	56	125	7	2	8	1
	100.0%	60.8%	39.2%	87.4%	4.9%	1.4%	5.6%	0.7%
<b>FY 2019</b>	146	85	61	127	9	2	6	2
	100.0%	58.2%	41.8%	87.0%	6.2%	1.4%	4.1%	1.4%
<b>Percent Change (FY 2017 - FY 2019)</b>	<b>-2.0%</b>	<b>-6.6%</b>	<b>5.2%</b>	<b>-2.3%</b>	<b>28.6%</b>	<b>-33.3%</b>	<b>-25.0%</b>	<b>100.0%</b>

Source: FPPS FY 2019 data retrieved on November 12, 2019 and includes employees in the SO pay plan. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Includes only permanent and temporary employees in the SO pay plan.

### NEW HIRES

The hiring restrictions imposed near the end of FY 2017 were lifted in FY 2019, and as a result, the SEC on boarded more new hires than in the previous fiscal year. As shown in Figure 10, the SEC workforce on boarded 86 new employees by the end of FY 2019, representing a 62 percent increase from the FY 2018 hiring level.

More than half of new hires as of the end of FY 2019 (51.2 percent) were women, up from 41.5 percent in FY 2018. The percentage of minorities among new hires also increased to 34.9 percent in FY 2019, up from 13.2 percent in FY 2018. Each minority group's percentage among new hires was higher in FY 2019 than in the previous fiscal year.

Figure 10: New Hires Trend by Gender, Race, and Ethnicity FY 20177 - FY 2019

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	166	100	66	112	12	11	28	3
	100.0%	60.2%	39.8%	67.5%	7.2%	6.6%	16.9%	1.8%
<b>FY 2018</b>	53	31	22	46	3	0	4	0
	100.0%	58.5%	41.5%	86.8%	5.7%	0.0%	7.5%	0.0%
<b>FY 2019</b>	86	42	44	56	11	6	12	1
	100.0%	48.8%	51.2%	65.1%	12.8%	7.0%	14.0%	1.2%

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Includes permanent and temporary employees.

Figure 11 shows new hires into mission critical occupations by gender, race, and ethnicity from FY 2017 to FY 2019. The percentage of women among new hires into mission critical occupations increased by nearly 10 percentage points over the three-year period. The SEC had more new hires into mission critical occupations in FY 2019 than in FY 2018, and the percentage of minorities among new hires into mission critical occupations increased, from 13.6 percent in FY 2018 to 27 percent in FY 2019.

**Figure 11: New Hires into Mission Critical Occupations FY 2017 – FY 2019**

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	124	81	43	88	6	5	22	3
	100.0%	65.3%	34.7%	71.0%	4.8%	4.0%	17.7%	2.4%
<b>FY 2018</b>	44	27	17	38	2	0	4	0
	100.0%	61.4%	38.6%	86.4%	4.5%	0.0%	9.1%	0.0%
<b>FY 2019</b>	63	35	28	46	5	3	9	0
	100.0%	55.6%	44.4%	73.0%	7.9%	4.8%	14.3%	0.0%

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Includes permanent and temporary employees.

## SEPARATIONS

Figure 12 shows the separations by gender, race, and ethnicity since FY 2017. In FY 2019, 172 employees left the SEC; 84.3 percent of the separations were due to resignations and retirements.

**Figure 12: Workforce Separations by Gender, Race, and Ethnicity FY 2017 – FY 2019**

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	249	148	101	167	37	10	30	5
	100.0%	59.4%	40.6%	67.1%	14.9%	4.0%	12.0%	2.0%
<b>FY 2018</b>	200	112	88	143	23	11	21	2
	100.0%	56.0%	44.0%	71.5%	11.5%	5.5%	10.5%	1.0%
<b>FY 2019</b>	172	98	74	126	23	6	16	1
	100.0%	57.0%	43.0%	73.3%	13.4%	3.5%	9.3%	0.6%

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Includes permanent and temporary employees.

Women made up a slightly smaller percentage of separating employees in FY 2019 than in FY 2018. Similarly, the percentage of minorities among separating employees (26.7 percent) was lower in FY 2019 than in FY 2018 (28.5 percent).

Separations from mission critical occupations by gender, race, and ethnicity from FY 2017 to FY 2019 are shown in Figure 13. In FY 2019, 75.5 percent of employees who separated from the SEC were in mission critical occupations. The percentage of minorities separating from mission critical occupations was slightly lower in FY 2019 than in FY 2018.

The net effect of the increase in percentage of minorities among new hires and the slight decrease in the percentage of minorities among separations was a slight increase in the overall representation of minorities in mission critical occupations.

**Figure 13: Separations from Mission Critical Occupations FY 2017 – FY 2019**

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	162	109	53	117	11	6	26	2
	100.0%	67.3%	32.7%	72.2%	6.8%	3.7%	16.0%	1.2%
<b>FY 2018</b>	152	98	54	116	9	10	15	2
	100.0%	64.5%	35.5%	76.3%	5.9%	6.6%	9.9%	1.3%
<b>FY 2019</b>	130	78	52	100	8	5	16	1
	100.0%	60.0%	40.0%	76.9%	6.2%	3.8%	12.3%	0.8%

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories. Includes permanent and temporary employees.

## PROMOTIONS

Figure 14 shows promotions by gender, race, and ethnicity from FY 2017 to FY 2019. For purposes of this report, promotions include all instances where employees are converted to a higher pay grade. Accordingly, the data reflects career-ladder, competitive, and temporary promotions, as well as conversions to a higher-level position.

Minorities received 41.4 percent of promotions in FY 2019, an increase from 40 percent of promotions in FY 2018. Compared to FY 2018, the percentage of promotions received by Black or African American and Asian employees increased slightly in FY 2019, while there was no change in the percentage of promotions received by Hispanic or Latino employees. Women received 48.7 percent of the promotions in FY 2019, a decrease from 50.6 percent of promotions in FY 2018 though above FY 2017 (48.1 percent).

Figure 14: Promotions FY 2017 - FY 2019

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
<b>FY 2017</b>	559	290	269	330	103	44	76	6
	100.0%	51.9%	48.1%	59.0%	18.4%	7.9%	13.6%	1.1%
<b>FY 2018</b>	502	248	254	301	92	38	66	5
	100.0%	49.4%	50.6%	60.0%	18.3%	7.6%	13.1%	1.0%
<b>FY 2019</b>	304	156	148	178	56	23	40	7
	100.0%	51.3%	48.7%	58.6%	18.4%	7.6%	13.2%	2.3%

Source: FPPS FY 2019 data retrieved on November 12, 2019. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories.

## Work Environment

### EMPLOYEE AFFINITY GROUPS

SEC Employee Affinity Groups have been instrumental in helping to cultivate a workplace culture that attracts diverse talent and encourages employee engagement and retention. Employee Affinity Groups foster inclusion at the SEC by providing educational, cultural, and networking opportunities for SEC employees. They also serve as resources for outreach and recruitment initiatives.

SEC Commissioners and Senior Officers serve as executive sponsors for Employee Affinity Groups. OMWI provides program support for all Employee Affinity Groups except the Veterans Committee, which receives program support from OHR. In FY 2019, nine Employee Affinity Groups were active at the SEC:

- » African American Council;
- » American Indian Heritage Committee;
- » Asian American and Pacific Islander Committee;
- » Caribbean American Heritage Committee;
- » Disability Interests Advisory Committee;
- » Hispanic and Latino Opportunity, Leadership, and Advocacy Committee;
- » Lesbian, Gay, Bisexual, and Transgender (LGBT) Committee;
- » Veterans Committee; and
- » Women's Committee.

Employee Affinity Groups have a major role in planning and conducting SEC-sponsored programs and activities to commemorate Special Observances. These programs celebrate the diversity in the SEC workforce and enhance cross-cultural awareness and understanding. For a list of the FY 2019 programs and activities for Special Observances, see Appendix C.

### FEDERAL EMPLOYEE VIEWPOINT SURVEY (FEVS)

The Partnership for Public Service annually publishes rankings for the Best Places to Work in the Federal Government, which are based on the Federal Employee Viewpoint Survey (FEVS) administered by OPM. The SEC ranked fifth among 25 mid-size agencies in 2019, dropping two places from the previous year. The agency's overall FEVS average score decreased slightly from 74 percent positive in 2018 to 72 percent positive in 2019.

The scores on three indices related to engagement and satisfaction also decreased compared to last year; Global Satisfaction was 75 percent positive (down 7 percentage points), New Inclusion Quotient Index (the New IQ) was 69 percent positive (down 2 percentage points), and Employee Engagement was 76 percent positive (down 2 percentage points). Despite the decreases, the SEC scores still were higher than the government-wide averages and the averages for mid-size agencies on all three indices, and show the SEC remains an employer of choice within the federal government. Opportunities for improving employee satisfaction and engagement exist, and SEC managers, staff, and union representatives are working to make those improvements.

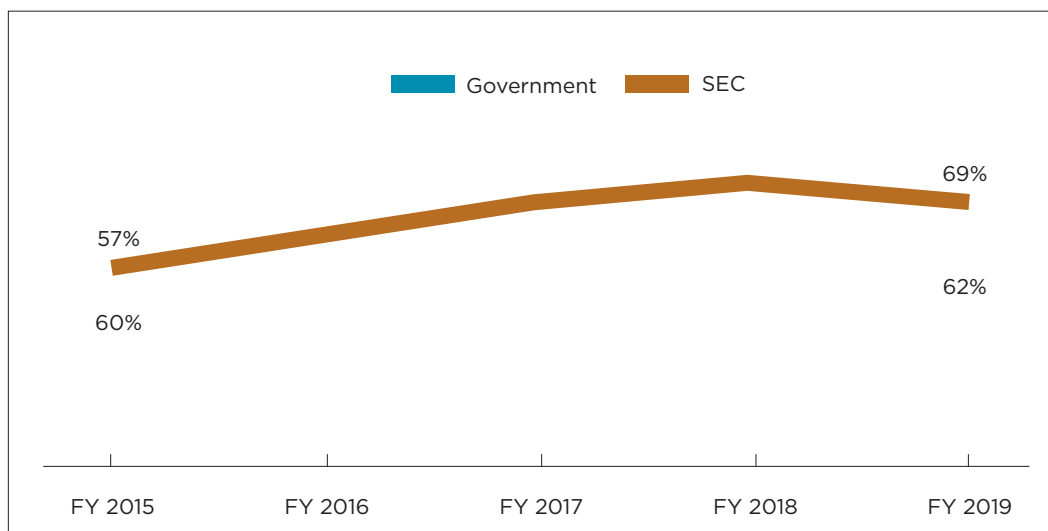
### FEVS INCLUSION QUOTIENT INDEX

The New IQ empirically measures enabling conditions that lead to an inclusive workplace. The New IQ is made up of 20 FEVS questions grouped into the following “5 Habits of Inclusion:”

- » Fair: Are all employees treated equitably?
- » Open: Does management support diversity in all ways?
- » Cooperative: Does management encourage communication and collaboration?
- » Supportive: Do supervisors value employees?
- » Empowering: Do employees have the resources and support needed to excel?

The New IQ score reflects the percentage of positive responses to the questions corresponding to each “habit” of inclusion. The SEC's overall New IQ for 2019 was 69 percent positive, which was 2 percentage points lower than the agency's overall New IQ for 2018, but still 9 percentage points higher than 2015. The SEC's scores on each Habit of Inclusion decreased: Fair (down 4 percentage points), Open (down 2 percentage points), Cooperative (down 2 percentage points), Supportive (down 3 percentage points), and Empowering (down 4 percentage points). The decrease seen in the New IQ was consistent with the decreases in the percent of positive scores seen in items across the FEVS in 2019. Still the trend calculations shown in Figure 15 show the SEC New IQ in 2019 was 12 percentage points higher than it was in 2015.

Figure 15: SEC's New IQ vs. Government Average



Source: OPM's Federal Employee Viewpoint Survey 2019 retrieved on February 10, 2020.

In addition to the New IQ, OMWI tracks the percentage of positive responses to three diversity-related FEVS questions, as shown in Figure 16. Although the percentage of positive scores on each question decreased by a percentage point, the scores increased since FY 2015, and suggest support for the agency's diversity and inclusion efforts continues.

Figure 16: SEC Scores on Selected Diversity Related FEVS Questions

Question	2015	2016	2017	2018	2019
<b>Q34</b> - Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	63%	65%	67%	67%	66%
<b>Q45</b> - My supervisor is committed to a workforce representative of all segments of society.	72%	76%	80%	82%	81%
<b>Q55</b> - Supervisors work well with employees of different backgrounds.	64%	68%	77%	78%	77%

Source: OPM's Federal Employee Viewpoint Survey 2019 retrieved on February 10, 2020.

## Challenges and Next Steps

The SEC continues to make progress towards achieving diversity at all levels of the workforce, but opportunities for improvement still exist. Developing a pipeline of diverse talent for senior management and certain mission critical occupations continues to be the focus of the SEC's ongoing diversity and inclusion efforts. The agency will also continue to work towards getting more students from minority serving institutions to apply for internships with the SEC.

## SUPPLIER DIVERSITY

The SEC actively embraces its obligations under Section 342 of the Dodd-Frank Act to promote the increased utilization of minority-owned and women-owned businesses (MWOBs) in the agency's business activities. Establishing and maintaining a diverse supplier base maximizes the SEC's ability to procure the best goods and services to meet its contracting needs. To implement the agency's strategy for promoting supplier diversity, OMWI works closely with the Office of Acquisitions (OA), which is responsible for all contracting activities at the agency.

The SEC follows the Federal Acquisition Regulation (FAR), which includes provisions that require contracting officers to set aside certain requirements for competition solely among specific categories of small businesses.<sup>13</sup> This authority allows the SEC to increase opportunities for MWOBs that are small businesses to compete for contracts through the Small Disadvantaged Business, 8(a) Certified, Women-Owned Small Business, and Economically Disadvantaged Women-Owned Small Business programs administered by Small Business Administration (SBA).

In FY 2019, the SEC continued to pursue supplier diversity initiatives for ensuring the utilization of MWOBs in the agency's business activities. As discussed in more detail below, the data show:

- » Contract payments to MWOBs increased to \$139.4 million or 32.1 percent of SEC total contract payments in FY 2019 from \$124.4 million or 31.6 percent in FY 2018.
- » Contract awards to MWOBs decreased slightly to \$141.3 million or 29.2 percent of SEC total contract awards in FY 2019 from \$143.8 million or 31.9 percent in FY 2018.

### Supplier Diversity Initiatives

#### OUTREACH AND TECHNICAL ASSISTANCE

While the SEC's supplier diversity efforts extend to MWOBs of all sizes, over 90 percent of MWOBs awarded SEC contracts in FY 2019 were small businesses under SBA size standards. As a result, OMWI and the Small Business Specialist in OA collaborate on outreach activities that are designed to make MWOBs and small businesses more aware of SEC requirements and participation in agency contracting. The SEC also provides potential contractors technical assistance on how to conduct business within the SEC procurement space.

OMWI and OA jointly host a monthly "Vendor Outreach Day" at SEC headquarters. This event provides MWOBs and small businesses with an individualized opportunity to learn about the SEC's contracting needs and present their business capabilities to OMWI's Supplier Diversity Officer, the SEC's Small Business Specialist, and other key SEC personnel. In FY 2019, 69 businesses participated in Vendor Outreach Day.

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<sup>13</sup> See FAR Subpart 19.5 – Set-Asides for Small Businesses for more information.



In addition, OMWI participates in external business networking events and procurement matchmaking sessions to increase the interaction between MWOBs and the SEC. During FY 2019, OMWI engaged with hundreds of potential suppliers by participating in 10 national business conferences and procurement matchmaking sessions, including the 29th Annual Government Procurement Conference; CelebrAsian Procurement and Business Conference; National 8(a) Association Conference; National Reservation Economic Summit; and the National Minority Supplier Development Council Conference and Business Expo.

#### OTHER INITIATIVES TO PROMOTE SUPPLIER DIVERSITY

OMWI continues to maintain an electronic Supplier Diversity Business Management System (SDBMS) to collect up-to-date business information and capabilities statements from diverse suppliers interested in doing business with the agency. SDBMS is used to assist OA and SEC program offices with identifying MWOB suppliers for market research purposes. SDBMS is also a valuable tool for SEC prime contractors needing assistance with meeting subcontracting requirements. Information about contractors registered in SDBMS is disseminated to prime contractors to promote and encourage partnerships with diverse suppliers. Further, OMWI uses the SDBMS to regularly disseminate information to MWOBs about SEC contracting opportunities, industry days, and supplier diversity outreach events.

The self-registry web portal added to SDBMS in FY 2018 enables MWOBs to securely complete business profiles in the SDBMS. This functionality has contributed to OMWI's ongoing efforts to augment the repository of interested diverse suppliers. In FY 2019, OMWI actively engaged with vendors registered in the system based on a fit relative to the company's North American Industry Classification System (NAICS) categories, SEC current and forecast business needs, and conversations with the companies about their current capabilities and goals.

Another useful tool for MWOBs is the "Potential Competitive Contracting Opportunities Forecast" (Forecast) published by OA on the SEC.gov website. The Forecast lists competitive contracting opportunities that may occur during the fiscal year, including project descriptions and projected date of the procurement. The Forecast also indicates the SEC division with the potential contracting need and the anticipated acquisition strategy.

OMWI maintains a webpage for Supplier Diversity Outreach, provides a dedicated email address, and telephone line for contracting inquiries and outreach, and interacts daily with vendors seeking information about how they can do business with the SEC.

## Supplier Diversity Performance Metrics

### CONTRACT PAYMENTS<sup>14</sup>

Figure 17 shows the total number of contractors the SEC paid and the number of MWOBs receiving contract payments from FY 2015 to FY 2019. In each fiscal year since FY 2015, nearly a quarter of firms receiving SEC contract payments have been classified as MWOBs. Of the 404 firms receiving contract payments in FY 2019, 110 or 27.2 percent were MWOBs. Non-minority women-owned businesses (i.e., women-owned firms without minority designations) represented 6.9 percent of the firms receiving SEC contract payments in FY 2019.<sup>15</sup> The percentage of non-minority women-owned businesses among firms receiving contract payments had decreased in FYs 2015–2017, but their percentage increased the last two fiscal years.

Figure 17: SEC Contractors Receiving Payments FY 2015 - FY 2019

	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
<b>SEC Total</b>	504	100.0%	405	100.0%	430	100.0%	427	100.0%	404	100.0%
<b>All Other Firms</b>	381	75.6%	294	72.6%	323	75.1%	318	74.5%	294	72.8%
<b>Total MWOBs</b>	123	24.4%	111	27.4%	107	24.9%	109	25.5%	110	27.2%
Asian	39	7.7%	44	10.9%	26	6.0%	31	7.3%	32	7.9%
Black	28	5.6%	27	6.7%	29	6.7%	25	5.9%	22	5.4%
Hispanic	14	2.8%	9	2.2%	15	3.5%	14	3.3%	17	4.2%
Other Minority	9	1.8%	6	1.5%	12	2.8%	11	2.6%	11	2.7%
Non-minority Women	33	6.5%	25	6.2%	25	5.8%	28	6.6%	28	6.9%

Source: Federal Procurement Data System (FPDS) and Delphi retrieved on November 12, 2019. Firm count uses distinct count of Supplier Number. "Non-minority Women" include women-owned businesses without minority designations.

Figure 18 shows SEC total contract payments and the payments made to MWOBs in each fiscal year since FY 2015. The SEC paid \$433.4 million to contractors in FY 2019, of which \$139 million or 32.1 percent was paid to MWOBs. Although the percentage of the SEC total contract payments to MWOBs increased half a percentage point from FY 2018 to FY 2019, it was lower than the average of the four previous fiscal years (33.4 percent).

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- 14 "Contract payments" are the actual funds the SEC paid out to contractors for goods and services provided. Performance of a contract may not occur within the same fiscal year the contract is awarded. Payments made during the fiscal year in many instances are for goods or services provided under contracts awarded in prior fiscal years. As a result, the dollar amounts for contract payments and contract awards in a given fiscal year are not comparable.
- 15 In the contract payment data, businesses that are both minority- and women-owned are counted in the minority group categories. For example, an Asian women-owned business would be counted only as an Asian-owned business.

Contract payments to Asian American-owned businesses increased slightly to 15.1 percent of SEC total contract payments in FY 2019, from 14.7 percent in FY 2018. Hispanic American-owned businesses, Black/African American-owned businesses, and non-minority women-owned businesses saw negligible decreases (less than half a percentage point) in their percentages of the SEC total contract payments from FY 2018 to FY 2019.

Figure 18: Contract Payments by MWOB Category FY 2015 – FY 2019 (Amount in Millions)

	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
<b>SEC Total</b>	\$362.9	100.0%	\$380.9	100.0%	\$371.0	100.0%	\$393.5	100.0%	\$433.4	100.0%
<b>All Other Firms</b>	\$239.8	66.1%	\$257.3	67.6%	\$237.3	64.0%	\$269.1	68.4%	\$294.4	67.9%
<b>Total MWOBs</b>	\$123.2	33.9%	\$123.6	32.4%	\$133.7	36.0%	\$124.4	31.6%	\$139.0	32.1%
Asian	\$52.9	14.6%	\$72.7	19.1%	\$68.7	18.5%	\$57.9	14.7%	\$65.5	15.1%
Black	\$18.9	5.2%	\$16.2	4.3%	\$14.7	4.0%	\$10.0	2.5%	\$9.7	2.2%
Hispanic	\$19.6	5.4%	\$5.8	1.5%	\$14.2	3.8%	\$15.7	4.0%	\$16.9	3.9%
Other Minority	\$4.3	1.2%	\$8.0	2.1%	\$16.2	4.4%	\$23.9	6.1%	\$29.1	6.7%
Non-minority Women	\$27.6	7.6%	\$20.8	5.5%	\$20.0	5.4%	\$16.8	4.3%	\$17.9	4.1%

Source: FPDS and Delphi retrieved on November 12, 2019. "Non-minority women" includes women-owned businesses without minority designations.

## CONTRACT AWARDS<sup>16</sup>

Figure 19 shows the total number of MWOBs awarded SEC contracts in each fiscal year since FY 2015, and their percentage among firms awarded SEC contracts. The percentage of MWOBs among firms awarded SEC contracts increased since FY 2015. In FY 2019, the SEC awarded contracts to 381 firms, of which 111 or 29.1 percent were classified as MWOBs. Women-owned businesses represented 14.2 percent of the firms awarded SEC contracts in FY 2019, and their percentage among firms awarded SEC contracts increased slightly since FY 2015.

**Figure 19: MWOBs with SEC Contract Awards FY 2015 – FY 2019**

	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
<b>SEC Total</b>	549	100.0%	484	100.0%	438	100.0%	413	100.0%	381	100.0%
<b>Total MWOBs</b>	145	26.4%	126	26.0%	115	26.3%	107	25.9%	111	29.1%
<b>WOBs</b>	75	13.7%	63	13.0%	54	12.3%	54	13.1%	54	14.2%
<b>MW-OBs</b>	35	6.4%	35	7.2%	26	5.9%	26	6.3%	27	7.1%
<b>MOBs</b>	105	19.1%	98	20.2%	83	18.9%	78	18.9%	84	22.0%
Asian	45	8.2%	42	8.7%	33	7.5%	31	7.5%	31	8.1%
Black	30	5.5%	28	5.8%	26	5.9%	26	6.3%	26	6.8%
Hispanic	20	3.6%	16	3.3%	12	2.7%	13	3.1%	14	3.7%
Native American	3	0.5%	5	1.0%	6	1.4%	6	1.5%	6	1.6%
Other	7	1.3%	7	1.4%	6	1.4%	2	0.5%	7	1.8%

Source: FPDS retrieved on November 12, 2019. WOBs include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

Figure 20 shows the dollar value of contract awards to MWOBs in each fiscal year since FY 2015, and the percentage of SEC contract dollars awarded to MWOBs. Of the \$484 million in SEC contract awards made in FY 2019, \$141.3 million or 29.2 percent of SEC contract dollars were awarded to MWOBs. This represents a decrease of 2.5 percentage points from FY 2018, and a decrease of nearly 5 percentage points since FY 2015.

Contract awards to minority-owned businesses represented 24.7 percent (\$119.4 million) of SEC contract awards; awards to women-owned businesses represented 11.3 percent (\$54.9 million), and awards to minority women-owned businesses represented 6.8 percent (\$32.9 million). The amount awarded to MWOBs in FY 2019 was \$2.5 million less than the amount awarded to MWOBs in FY 2018, representing a decrease of 2.5 percentage points.

16 "Contract awards" are the net amount of funds obligated for all contract actions, which includes new awards and modifications that the SEC entered into the Federal Data Procurement Systems (FPDS) during the fiscal year.

Figure 20: Contract Awards by MWOB Category FY 2015 - FY 2019 (Amount in Millions)

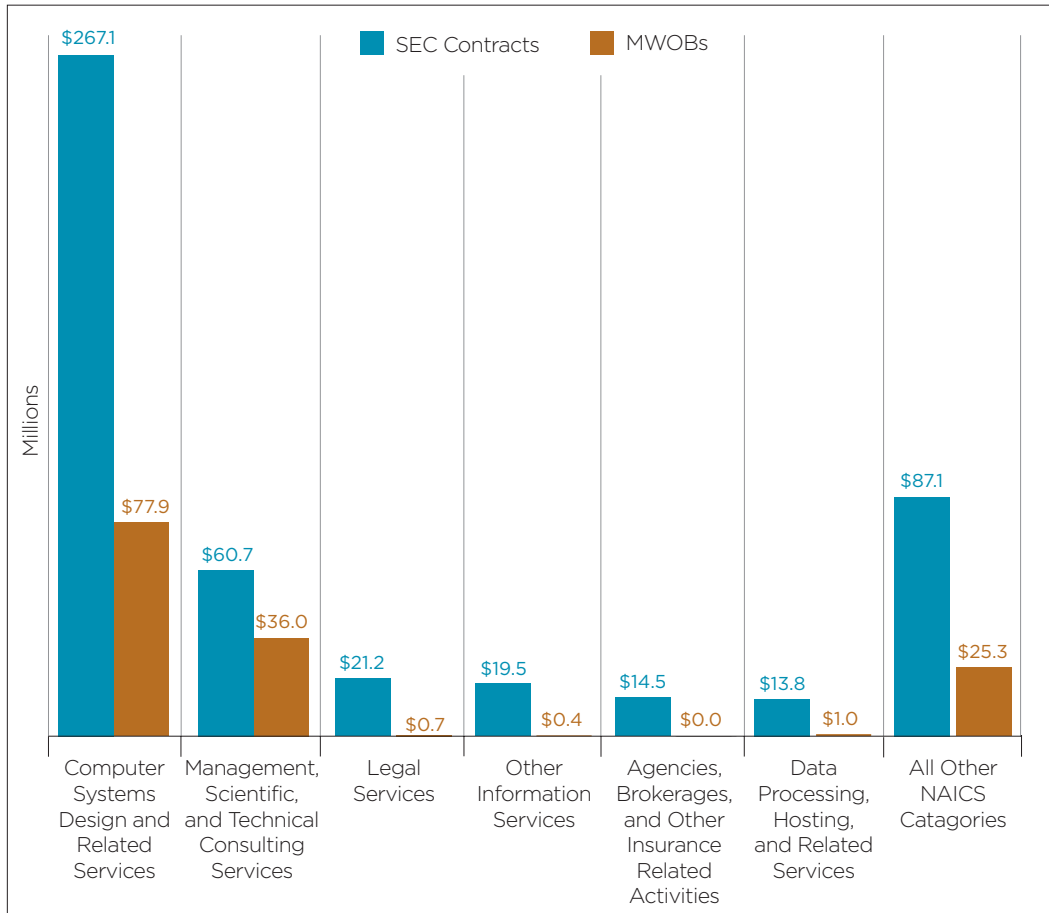
	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
<b>SEC Total</b>	\$456.9	100.0%	\$486.0	100.0%	\$418.9	100.0%	\$451.0	100.0%	\$484.0	100.0%
<b>Total MWOBs</b>	\$155.6	34.1%	\$153.9	31.7%	\$142.5	34.0%	\$143.8	31.9%	\$141.3	29.2%
<b>WOBs</b>	\$73.3	16.0%	\$75.6	15.6%	\$57.0	13.6%	\$61.3	13.6%	\$54.9	11.3%
<b>MW-OBs</b>	\$49.0	10.7%	\$50.2	10.3%	\$34.7	8.3%	\$33.8	7.5%	\$32.9	6.8%
<b>MOBs</b>	\$131.3	28.7%	\$128.5	26.4%	\$112.4	26.8%	\$116.2	25.8%	\$119.4	24.7%
Asian	\$73.3	16.0%	\$71.1	14.6%	\$72.6	17.3%	\$65.1	14.4%	\$72.6	15.0%
Black	\$30.4	6.7%	\$24.8	5.1%	\$12.8	3.1%	\$12.0	2.7%	\$14.4	3.0%
Hispanic	\$11.1	2.4%	\$15.7	3.2%	\$5.0	1.2%	\$17.9	4.0%	\$15.0	3.1%
Native American	\$5.6	1.2%	\$9.3	1.9%	\$14.9	3.6%	\$14.3	3.2%	\$13.7	2.8%
Other	\$11.0	2.4%	\$7.7	1.6%	\$7.1	1.7%	\$6.9	1.5%	\$3.7	0.8%

Source: FPDS retrieved on November 12, 2019. WOBS include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

#### MAJOR CONTRACT AWARD CATEGORIES

Figure 21 shows the distribution of SEC contract awards by NAICS categories. The largest percentage of SEC contract dollars was awarded for contracts in the NAICS category of Computer Systems Design and Related Services, followed by Management, Scientific, and Technical Consulting Services. These categories also accounted for the two largest percentages of SEC contract dollars awarded to MWOBs. In FY 2019, contract awards in these two categories accounted for 67.7 percent of SEC contract dollars awarded and 80 percent of the contract dollars awarded to MWOBs.

Figure 21: SEC and MWOBs Contract Amount by NAICS Category (Amount in Millions)



Source: FPDS retrieved on November 12, 2019.

“All Other NAICS Categories” includes, among others:

- » Investigation and Security Services (5616)– \$10.7 million in SEC contract awards, with \$1.4 million awarded to MWOBs;
- » Software Publishers (5112)– \$10.5 million in SEC contract awards, with \$0.6 million awarded to MWOBs;
- » Computer and Peripheral Equipment Manufacturing (3341)– \$9.1 million in SEC contract awards, with \$7.7 million awarded to MWOBs;
- » Other Professional, Scientific, and Technical Services (5419)– \$7.4 million in SEC contract awards, with \$0.8 million awarded to MWOBs;
- » Accounting, Tax Preparation, Bookkeeping, and Payroll Services (5412)– \$6.7 million in SEC contract awards, with \$2.9 million awarded to MWOBs; and
- » Business Support Services (5614)– \$5.6 million in SEC contract awards, with all awarded to MWOBs.

## One IT Program

In FY 2018, the SEC's Office of Information Technology launched a program to streamline the acquisition process for information technology platforms and services. The resulting Indefinite Delivery Indefinite Quantity (IDIQ) contract covers seven service channels that include platform application management and development; business systems delivery; IT infrastructure management; data management; IT governance; technology business management; and information security. This broad enterprise contract vehicle, titled "One IT," could be used to award up to \$2.5 billion in procurements over the 10-year period of performance.

One IT has a significant "pool" of contractors which includes several MWOBs. The SEC awarded three contracts to large businesses in late FY 2018, and 15 to small businesses in early FY 2019. Ten of the small businesses in the One IT pool are MWOBs, and seven are women-owned businesses. In FY 2019, the SEC initiated its first One IT on-ramp opportunity, allowing interested small business firms to submit proposals to become One IT contract holders. The on-ramp proposals are currently under evaluation.

## Next Steps

OMWI will continue monitoring how the One IT program impacts the participation of MWOBs in this spend category, which historically has accounted for over 50 percent of SEC contract awards. OMWI also is exploring ways to connect SEC's One IT prime contract holders with diverse information technology firms seeking contract opportunities. In the meantime, OMWI will continue outreach to information technology suppliers in an effort to increase the SEC's diverse base of One IT contract holders.

## DIVERSITY POLICIES AND PRACTICES OF SEC-REGULATED ENTITIES

In January 2018, the SEC introduced the “Diversity Assessment Report for Entities Regulated by the SEC” (Diversity Assessment Report) to complement the *Joint Standards for Assessing Diversity Policies and Practices of Entities Regulated by the Agencies* (Joint Standards) issued by the SEC and five other financial regulatory agencies in a June 2015 interagency policy statement.<sup>17</sup> The Diversity Assessment Report was developed to help SEC-regulated entities conduct voluntary self-assessments of their diversity policies and practices and provide them with a template for sharing information about their diversity self-assessments with the SEC, as contemplated under the Joint Standards.

Over the course of 2018, the SEC invited approximately 1,300 of its largest regulated entities (investment advisers, broker-dealers, municipal advisors, and self-regulatory organizations) to share information about their self-assessments of diversity policies and practices by completing and submitting the Diversity Assessment Report to OMWI. Although the Joint Standards envision that regulated entities would conduct self-assessments of their diversity policies and practices at least annually, the SEC will collect diversity self-assessment information from its regulated entities every two years. In January 2020, the SEC began inviting regulated entities to once again submit Diversity Assessment Reports and will send additional requests later this year.

As was noted in OMWI’s Annual Report to Congress for FY 2018, the number of individual diversity self-assessments received from SEC-regulated entities during the first year was lower than expected. Accordingly, the SEC has taken steps to get more entities to share information about efforts to enhance diversity and inclusion in their organizations.

At educational events and conferences hosted by industry trade associations and professional organizations, the SEC will continue to encourage regulated entities to conduct self-assessments of their diversity policies and practices and share their self-assessments with OMWI. For example, the SIFMA Compliance and Legal Conference and Practicing Law Institute SEC Speaks Conference held in 2019 provided opportunities for the SEC to engage regulated entities in discussions about the benefits of diversity and inclusion. The SEC has used these annual forums to promote the Joint Standards and raise awareness about the Diversity Assessment Report and will continue to do so in the future.

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17 See the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies,” Release No. 34-75050; File No. S7-10-15; 80 FR 33016 (June 10, 2015).



The SEC joined with other financial regulatory agencies to host the second Financial Regulatory Agencies' Diversity and Inclusion Summit in October 2018. The Summit provided OMWI Directors an opportunity to promote the value of diversity self-assessments and encourage regulated entities to share them with their primary financial regulators. It also gave participants a chance to discuss steps that might be taken to increase the number of responses. The OMWI Directors plan to jointly host a diversity and inclusion focused event for regulated entities similar to the Summit annually.

Several participants at the Summit said requests for diversity self-assessments were not sent to the right person in their institutions. In response to these comments, OMWI is sending emails to chief compliance officers of SEC-regulated entities requesting that they provide the appropriate point of contact in their organizations to receive future communications about the Diversity Assessment Report. Sending the request to the appropriate person at the outset should help increase the number of responses.

Further, the SEC plans to host a series of webinars for regulated entities to encourage them to conduct diversity self-assessments and address their questions about the Diversity Assessment Report. The agency will highlight that the Joint Standards are intended to be applied in a manner appropriate to the regulated entity's unique characteristics, such as workforce size, governance structure, total assets, and geographic location, and that some standards may not be applicable to every regulated entity. By emphasizing that not every standard will apply, the SEC hopes entities that may have been deterred from sharing diversity self-assessments because they could not respond "yes" to most of the questions asked in the Diversity Assessment Report will choose to respond.

## SEC CONTRACTORS' WORKFORCE INCLUSION OF MINORITIES AND WOMEN

To implement the requirements of Section 342 of the Dodd-Frank Act related to the workforce diversity of agency contractors, the SEC includes its Contract Standard for Contractor Workforce Inclusion (Contract Standard) in all solicitations and contracts for services with a dollar value of \$100,000 or more. The Contract Standard also is to be included in subcontracts for services with a dollar value of \$100,000 or more awarded under the contract.

The Contract Standard requires the service contractor, upon entering into a contract with the SEC, to confirm it will ensure, to the maximum extent possible and consistent with applicable law, the fair inclusion of minorities and women in its workforce. The Contract Standard further requires a contractor to provide documentation, upon the request of the OMWI Director, demonstrating it has made good faith efforts to ensure the fair inclusion of minorities and women in its workforce and, as applicable, demonstrating its covered subcontractor(s) has made such good faith efforts.

Section 342 of the Dodd-Frank Act directs the OMWI Director to determine whether a contractor has failed to make good faith efforts to include minorities and women in its workforce, and requires the agency administrator to take appropriate action if the OMWI Director makes such a determination. OMWI conducts post-award reviews, referred to as "Good Faith Effort Reviews," to determine whether contractors have complied with the requirements of the Contract Standard to make good faith efforts to ensure workforce inclusion of minorities and women.

In FY 2019, OMWI reviewed a total of 29 contractors (27 prime and 2 subcontractors). In each review, OMWI determined that the information and representations in the contractor's submission appeared to indicate the contractor had taken actions demonstrating good faith efforts to comply with the requirements of the Contract Standard. During the review, OMWI also compared the diversity in the contractor's workforce by EEO-1 job categories to the diversity in the same EEO-1 job categories in the relevant labor market, using the 2006-2010 Census EEO Tabulation as the benchmark. Where OMWI's analysis of a contractor's workforce data revealed that the representation of women or minorities in an EEO-1 job category (e.g., Officials and Managers and Professionals) was lower than would be expected, OMWI advised the contractor that the particular job categories should be areas of focus for its ongoing diversity efforts. In the case of 10 contractors (9 prime and one subcontractor) or 34.4 percent of the reviews conducted in FY 2019, OMWI identified job categories that should be the focus of diversity efforts.

## CONCLUSION AND FY 2020 OUTLOOK

For the SEC, leveraging diversity and inclusion throughout the agency is a strategic imperative. Promoting workforce diversity and inclusion and supplier diversity assists the SEC in maintaining the highest standards in pursuit of its mission. The new Diversity and Inclusion Strategic Plan provides the SEC a blueprint for building upon and continuing the progress toward achieving the agency's diversity and inclusion goals and objectives. Although SEC leadership, managers, and supervisors in all divisions and offices will have direct responsibility for the Plan's implementation, promoting diversity and inclusion and ensuring opportunity are an individual and collective responsibility. As the SEC endeavors to make diversity and inclusion a prominent part of the workplace culture, in FY 2020, the agency will focus on successfully executing the Diversity and Inclusion Strategic Plan and meeting the timetables and milestones for specified actions.

## APPENDIX A. OMWI FY 2019 DIVERSITY PARTNERS

Organization Name
ASCEND, Inc.
Association of Latino Professionals For America
Council on Legal Education Opportunity, Inc.
D.C. Diverse Partners Network, Inc.
Hispanic Association of Colleges and Universities
Hispanic National Bar Association
Hispanic Bar Association of the District of Columbia
International Leadership Foundation
National Association of Asian MBAs
National Association of Black Accountants
National Association of Black Accountants, Metropolitan D.C. Chapter
National Bar Association
National Bar Association, Greater Washington Area Chapter
National Black MBA Association, D.C. Chapter
National Society of Hispanic MBAs
National Society of Hispanic MBAs, D.C. Chapter
Thurgood Marshall College Fund
United Negro College Fund
White House Initiative on HBCUs
Women's Bar Association

Source: Office of Minority and Women Inclusion.

## APPENDIX B. FY 2019 OUTREACH AND RECRUITMENT EVENTS

Event	Date
National Association of Black Accountants (NABA) Western Regional Student Conference	October 2018
Securities Industry and Financial Markets Association (SIFMA) SIFMA Women's Leadership Forum	October 2018
Human Capital Management Forum	October 2018
National Asian Pacific American Bar Association (NAPABA) Convention	November 2018
2020 Women on Boards - National Conversation on Board Diversity	November 2018
Florida International University (FIU) Law College Visit at SEC	March 2019
National Diversity Coalition Washington DC Town Hall Meeting	March 2019
SIFMA Compliance and Law Conference	March 2019
Native American Finance Officers Association (NAFOA) Conference	April 2019
NY SIFMA Diversity and Inclusion Conference	May 2019
National Association of Black Accountants (NABA) National Convention & Expo	June 2019
National Black Prosecutors Association Job Fair	July 2019
National Bar Association Convention	July 2019
Hispanic National Bar Foundation (HNBF) Law Camp Visit to SEC	July 2019
National Urban League Conference	July 2019
ALPFA Convention	August 2019
UNIDOS Conference	August 2019
LGBT Bar Association Lavender Law Conference and Career Fair	August 2019
ASCEND Conference	August 2019
Congressional Hispanic Caucus Institute (CHCI) Leadership Conference	September 2019
Congressional Black Caucus Foundation (CBCF) Legislative Conference	September 2019
African American Financial Advisors (AAAA) Conference	September 2019
National Black MBA Association (NMBBAA) Conference and Career Expo	September 2019
Hispanic National Bar Association (HNBA) Convention	September 2019

Source: Office of Minority and Women Inclusion.

## APPENDIX C. FY 2019 PROGRAMS FOR SPECIAL OBSERVANCES

Program and Speaker
<p><b>Disability Awareness Month (October 2018)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (HQ): Leslie Long, Vice President for Adult Services for Autism Speaks</li> </ul>
<p><b>Veterans Day Commemoration (November 2018)</b></p> <ul style="list-style-type: none"> <li>» Panel Discussion (HQ): featuring Brigadier General David Blackledge, U.S. Army (retired); and Executive Vice President of Melwood Veterans Services LLC, and Ronald Spector, Vietnam veteran and Professor at George Washington University Elliott School of International Affairs; moderated by Chairman Jay Clayton</li> </ul>
<p><b>Native American Heritage Month (November 2018)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (HQ): V. Heather Sibbison, Native American Law and Policy Practitioner</li> </ul>
<p><b>African American History Month (February 2019)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (Philadelphia Regional Office): Mark C. Alexander, Dean and Professor of Law at Villanova University Charles Widger School of Law</li> <li>» Panel Program (Atlanta Regional Office): Black Migration and Urban Realities with Guest Speakers: Christy Garrison, Instructor at Atlanta Metropolitan State College; Deryl Bailey, Professor at University of Georgia, College of Education; and Samuel T. Livingston, Associate Professor at Morehouse College</li> <li>» Guest Speaker (Chicago Regional Office): E. Patrick Johnson, Professor at Northwestern University</li> <li>» Guest Speaker (HQ): Dr. Henry Louis Gates, Jr., Harvard Scholar and Emmy Award-winning Filmmaker, and screening of documentary “The African Americans - Many Rivers to Cross”</li> <li>» Guest Speaker (New York Regional Office): Robert Fields, President and Executive Director at Weeksville Heritage Center</li> </ul>
<p><b>Women’s History Month (March 2019)</b></p> <ul style="list-style-type: none"> <li>» Coffee Networking Event (HQ): featuring Commissioner Hester Peirce</li> </ul>
<p><b>Asian American Pacific Islander Month (May 2019)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (New York Regional Office): Joon H. Kim, Partner at Cleary Gottlieb Steen &amp; Hamilton LLP</li> <li>» Guest Speaker (Philadelphia Regional Office): Nelson S. T. Thayer, Jr., Assistant U.S. Attorney for the Eastern District of Pennsylvania</li> </ul>
<p><b>Caribbean American Heritage Month (June 2018)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (HQ): Venroy July, Partner at Miles &amp; Stockbridge P.C.</li> <li>» Guest Speakers (Philadelphia Regional Office): Christopher Chaplin, Honorary Consul for the Jamaican Consulate in Pennsylvania; and Michel Francios, Electrophysics/Electrical/Biosensor Engineer</li> </ul>
<p><b>Lesbian, Gay, Bisexual and Transgender (LGBT) Pride Month (June 2018)</b></p> <ul style="list-style-type: none"> <li>» TED Talk Presentation and Discussion (HQ): “Love No Matter What” by Andrew Solomon</li> <li>» Guest Speaker (New York Regional Office): Stacey Friedman, General Counsel at JPMorgan Chase</li> </ul>
<p><b>Hispanic Heritage Month (September 15–October 15, 2018)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (New York Regional Office): The Honorable Dora L. Irizarry, Chief U.S. District Judge for the Eastern District of New York</li> <li>» Panel Discussion: featuring former SEC Commissioners, Troy Paredes and Roel Campos and moderated by Chairman Jay Clayton</li> </ul>
<p><b>LGBT History Month Event (October 15, 2019)</b></p> <ul style="list-style-type: none"> <li>» Guest Speaker (Philadelphia Regional Office): Leonore F. Carpenter, Associate Professor of Law at Temple University Beasley School of Law, “Does Title VII of the Civil Rights Act of 1964 Prohibit Employment Discrimination Based on Sexual Orientation or Gender Identity?”</li> </ul>

Source: Office of Minority and Women Inclusion.



OFFICE OF MINORITY AND WOMEN INCLUSION  
U.S. Securities and Exchange Commission  
100 F Street NE | Washington, DC 20549

# Diversity and Inclusion

STRATEGIC PLAN

FISCAL YEARS 2020-2022

U.S. SECURITIES AND EXCHANGE COMMISSION





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Our continued commitment to promoting diversity, inclusion, and equal opportunity is critical to allowing the Commission to attract and retain talent with the mix of skills and expertise needed to maximize our effectiveness.



## MESSAGE FROM THE CHAIRMAN



The U.S. Securities and Exchange Commission depends on an effective, highly skilled workforce to carry out its mission—protecting investors; maintaining fair, orderly, and efficient securities markets; and facilitating capital formation. Our continued commitment to promoting diversity, inclusion, and equal opportunity is critical to allowing the Commission to attract and retain talent with the mix of skills and expertise needed to maximize our effectiveness. In addition, leveraging diversity and inclusion throughout the agency helps ensure the Commission’s regulatory programs and guidance reflect the diversity of the investors and businesses who depend on our work.

Put simply, in order to perform at the highest level, we need to ensure that our work and our workforce reflect a diversity of thoughts, backgrounds, and experiences.

I am pleased to present the SEC’s first Diversity and Inclusion Strategic Plan. This Plan, which was developed with input from staff throughout the Commission, outlines our goals and strategies for continuing to build a workforce that will deliver on our mission and fulfill our obligations to the investing public. The Plan also recognizes that diversity, inclusion, and opportunity should be reflected in the outward-facing aspects of the Commission’s work, including through ensuring that our education and outreach efforts adequately encompass underserved communities. Importantly, the Plan sets measurable goals for Fiscal Years 2020–2022 upon which we can evaluate our progress.

I have said on many occasions that the Commission’s greatest asset is its workforce. Implementing the Diversity and Inclusion Strategic Plan will help further our broader goals of increasing our capabilities; leveraging our shared commitment to investors; and promoting diversity, inclusion, and equality of opportunity among the Commission’s staff. Each of us is responsible for ensuring the success of this Plan, and I look forward to working with my colleagues at the Commission to achieve these important objectives.

## INTRODUCTION

At the U.S. Securities and Exchange Commission (SEC), we recognize that our people are our most important asset. We also recognize that diversity, inclusion, and opportunity are essential to the agency's ability to effectively carry out its mission. These fundamental and value-enhancing tenets of our mission-oriented culture dictate that we continuously work to attract, hire, develop, and retain high-quality, diverse talent. Doing so allows us to build and maintain a workforce that reflects a diversity of backgrounds and experiences, as well as the diversity of investors and market participants we serve. We also must strive to cultivate an inclusive work environment in which all employees are meaningfully engaged and have the opportunity to develop and succeed. Similarly, beyond our workforce, we are committed to promoting diversity and inclusion in the SEC's supplier network and in the industry participants the agency oversees.

The SEC developed this Diversity and Inclusion Strategic Plan (Plan) for Fiscal Years 2020–2022 to provide a blueprint to build upon. We aim to continue making progress toward promoting workforce diversity, inclusion, and opportunity, as well as supplier diversity, in light of the dynamic and ever-changing nature of the markets we oversee. These dynamics include shifting demographics and emerging technologies that affect the way we work and interact.

This Plan includes measurable actions that are designed to help fully integrate diversity, inclusion, and opportunity in the strategic decision-making of the agency, enhance organizational effectiveness, and meet future challenges. This Plan envisions that SEC leadership, managers, and supervisors in all divisions and offices will assume direct responsibility for its implementation, recognizing that promoting diversity and inclusion and ensuring opportunity are both an individual and a collective responsibility and should be a prominent part of the fabric and culture of the agency.

## DEFINING DIVERSITY AND INCLUSION

**Diversity** is defined broadly and refers to the range of similarities and differences in individual and organizational characteristics that shape our workplace. These include national origin, language, race, color, disability, ethnicity, gender, age, religion, sexual orientation, gender identity, socioeconomic status, veteran status, and family structure. The concept also encompasses other differences among people, including geographic differences and, importantly, diversity of thought and life experiences.

**Inclusion** refers to a culture that connects each employee to the organization; encourages collaboration, flexibility, and fairness; and leverages diversity throughout the organization so that all employees are able to participate and contribute to their full potential.

# THE MISSION CASE FOR DIVERSITY AND INCLUSION

There is strong support for the conclusion that diversity in both leadership and the workforce is essential for maximizing mission effectiveness and impact. Research demonstrates that organizations with a diverse workforce, especially within the senior management ranks, outperform their peers over time.<sup>1</sup> Diverse organizations have proven to be more capable than their counterparts in attracting top talent, developing stronger relationships with customers and stakeholders, improving decision-making and innovation, and increasing employee engagement and satisfaction. Incorporating a diversity of thought and perspectives into an organization's approach to solving problems and furthering its mission helps that organization achieve better outcomes.

In addition to these diversity-driven advantages in performance, federal law directs all federal agencies to seek to achieve a workforce drawn from all segments of society, to ensure equal employment opportunity, and to integrate diversity and inclusion as a key component of their human resources strategies.<sup>2</sup> Federal law specifically requires federal financial regulatory agencies, including the SEC, to develop standards for workforce diversity, and to take specific affirmative steps to seek diversity at all levels of the agency's workforce in a manner consistent with applicable law.<sup>3</sup>

Diversity alone, however, is not sufficient to achieve these performance advantages. The power of diversity is greatly amplified in organizations that value differences and cultivate and empower diversity of thought within the organization. A culture of inclusion is not only essential to equitable and fair practices, but, when coupled with diversity, inclusion enhances mission effectiveness and innovation. A substantial body of research, and our own organizational history, strongly supports the notion that a tangible, continuous commitment to diversity and inclusion, and human capital development more generally, creates organizations that are more resilient and effective at achieving their missions than organizations that do not invest in, and address, their people and culture.

For these reasons, the SEC has embraced diversity and inclusion as both a matter of legal compliance and as a mission imperative. Continuing, deepening, and expanding our commitment to diversity and inclusion will assist the agency in maintaining the highest standards of excellence in pursuit of its mission on behalf of investors and market participants.

# GOALS OF THIS DIVERSITY AND INCLUSION STRATEGIC PLAN

This Plan sets forth five overarching goals in support of diversity and inclusion:



## **GOAL 1: Demonstrate leadership commitment and accountability**

Demonstrate leadership commitment and accountability through agency policy, messaging, and behavior that advances diversity and inclusion goals and objectives. (SEC 2018–2022 Strategic Plan Goal 3.1)



## **GOAL 2: Foster a connected culture**

Cultivate a supportive, welcoming, inclusive, and fair work environment that allows employees to feel connected to the agency’s mission and contribute to their full potential. (SEC 2018–2022 Strategic Plan Goals 3.1, 3.5)



## **GOAL 3: Build a diverse talent pipeline**

Pursue a comprehensive strategy to build and maintain a high-performing workforce drawn from all segments of American society. (SEC 2018–2022 Strategic Plan Goal 3.1)



## **GOAL 4: Leverage diversity and inclusion for mission effectiveness**

Use SEC resources and services in a manner that reflects diversity of investors and businesses. (SEC 2018–2022 Strategic Plan Goals 1.1, 1.2, 1.3, 1.4, 2.2)



## **GOAL 5: Promote business diversity with SEC stakeholders**

Advance diversity and inclusion in the SEC supplier base and with entities regulated by the SEC. (SEC 2018–2022 Strategic Plan Goals 1.4, 2.4, 3.2, 3.4)

These five goals are designed to support the three major goals described in the overall [SEC Strategic Plan for Fiscal Years 2018–2022](#):

SEC Goal 1: Focus on the long-term interests of our Main Street investors.

SEC Goal 2: Recognize significant developments and trends in our evolving capital markets and adjust our efforts to ensure we are effectively allocating our resources.

SEC Goal 3: Elevate the SEC’s performance by enhancing our analytical capabilities and human capital development.





## SEC DIVERSITY AND INCLUSION GOALS

### GOAL 1: Demonstrate leadership commitment and accountability

Demonstrate leadership commitment and accountability through agency policy, messaging, and behavior that advances diversity and inclusion goals and objectives. (SEC 2018–2022 Strategic Plan Goal 3.1)

1a. Strategic Planning	Maintain a strategic plan that aligns diversity and inclusion efforts with SEC strategic goals and objectives.
1b. Communication Strategy	<p>Create and implement a communications strategy that further elevates diversity and inclusion as a key strategic priority and reinforces leadership commitment.</p> <p>Develop additional investor outreach content and engagement initiatives specifically for diverse audiences, including traditionally underserved communities.</p>
1c. Accountability	<p>Clarify—through outreach by Office of Minority and Women Inclusion (OMWI), Office of Human Resources (OHR), and Office of Equal Employment Opportunity (OEEO)—existing diversity and inclusion expectations for Senior Officers, managers, and supervisors, including how diversity and inclusion performance impacts evaluation results.</p> <p>Explore the feasibility of division- and office-level diversity and inclusion performance metrics to promote accountability and best practices.</p>
1d. Transparency	Raise awareness by including information about diversity and inclusion on the SEC’s external website, and maintaining a Diversity Dashboard and other tools to provide updated diversity data to Senior Officers and SEC employees.



**GOAL 2: Foster a connected culture**

Cultivate a supportive, welcoming, inclusive, and fair work environment that allows employees to feel connected to the agency’s mission and contribute to their full potential. (SEC 2018–2022 Strategic Plan Goals 3.1, 3.5)

<p>2a. Equal Employment Opportunity</p>	<p>Use quantitative and qualitative data to evaluate programs and processes and identify barriers that may deter inclusivity and opportunity for all.</p> <p>Continue to develop and implement initiatives designed to prevent discrimination, harassment, and other actions that undermine our commitment to diversity, inclusion, and equal opportunity.</p> <p>Process, resolve, and adjudicate claims of discrimination, including retaliation.</p>
<p>2b. Fair and Unbiased Selection Processes</p>	<p>Administer a fair and systematic approach for recruiting, evaluating, and selecting individuals for competitive service, excepted service, senior management, and professional development programs, including when assembling selection panels.</p>
<p>2c. Employee Engagement and Satisfaction</p>	<p>Use employee feedback, including Federal Employee Viewpoint Survey data, to create, update, and implement action plans to improve organizational culture; encourage leadership approaches that support employee engagement and belonging; and address specific employee concerns.</p>
<p>2d. Career Development and Mentorship</p>	<p>Continue to sponsor employees for external leadership development programs (e.g., Excellence in Government Fellows Program, the Women in Leadership Program, and Career Advancement Program).</p> <p>Maintain and further develop the SEC Mentoring Program to enhance opportunities for career development, and encourage collaboration among divisions and offices.</p>

<p>2e. Disability Inclusion</p>	<p>Ensure the SEC work environment is welcoming, accessible, and inclusive of individuals with disabilities; encourage support for programs and activities of the Disability Interests Advisory Committee; and support hiring and promotion of individuals with disabilities, including the use of special hiring authorities.</p> <p>Ensure SEC's programs and activities are accessible to diverse segments of the public.</p>
<p>2f. Employee Affinity Groups and Diversity Committees</p>	<p>Support participation in Employee Affinity Groups (EAGs) and Regional Office Diversity Committees, and programs and activities sponsored by EAGs and Diversity Committees; encourage attendance at programs commemorating Special Observances and heritage months; and promote engagement by and with the entire SEC community.</p>
<p>2g. Diversity and Inclusion Training</p>	<p>Provide training and education in collaboration with SECU on diversity and inclusion matters.</p> <p>Offer opportunities for agency-wide and targeted discussions (e.g., Town Hall meetings, roundtables, and small group discussions) on issues related to diversity and inclusion, such as generational diversity, unconscious bias, disability inclusion, and other critical topics.</p>

### GOAL 3: Build a diverse talent pipeline

Pursue a comprehensive strategy to build and maintain a high-performing workforce drawn from all segments of American society. (SEC 2018–2022 Strategic Plan Goal 3.1)

<p>3a. Outreach and Recruitment</p>	<p>Engage in strategic outreach and broad recruitment, utilizing a variety of sources including diverse professional organizations, to maximize the agency’s ability to attract a diverse pool of applicants for employment and internship opportunities.</p> <p>Engage with colleges and universities, including women’s colleges, Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, and other minority-serving institutions, through career fairs, networking and recruiting events.</p> <p>Conduct outreach and recruitment at job fairs and other events hosted by various organizations supportive of diverse communities, including disability advocacy groups and veterans.</p> <p>Support Regional Offices in their local outreach and recruitment activities.</p> <p>Support and leverage the SEC’s intern program as a recruiting pipeline, and follow up with students over time to gauge interest in applying to the SEC for permanent employment opportunities.</p>
<p>3b. Diversity Partnerships</p>	<p>Establish and maintain partnerships with minority, women, and other diverse professional associations to help develop and maintain a pipeline of diverse candidates for employment in professional occupations, such as attorney, accountant, examiner, economist, and information technology professional.</p>
<p>3c. Data-Driven Strategies</p>	<p>Collect and analyze applicant flow data to track and monitor employment trends and inform division and office outreach and recruitment strategies.</p> <p>Use data sources to inform outreach and recruitment strategies.</p>

3d. Senior Officers and Managers	Establish a goal for enhancing diversity among Senior Officers using diversity metrics from other federal agencies and the private sector as benchmarks to measure progress.
3e. Mid-Career Professionals	<p>Explore establishing development opportunities for mid-career professionals, such as a rotation program.</p> <p>Consider ways to promote diversity in SEC fellows programs in Accounting and Economics.</p>
3f. Student Intern Diversity	<p>Engage organizations that seek to place minority students in internships when feasible, as part of a strategy for recruiting diverse interns and encouraging their interest in careers at the SEC and in the financial services industry.</p> <p>Explore the possibility of paid internships, including, to the extent permitted by applicable law, partnering with nonprofit organizations that can provide resources, or facilitating the ability for student interns to “split” their summers with paying internships elsewhere.</p>

## GOAL 4: Leverage diversity and inclusion for mission effectiveness

Use SEC resources and services in a manner that reflects diversity of investors and businesses. (SEC 2018–2022 Strategic Plan Goals 1.1, 1.2, 1.3, 1.4, 2.2)

4a. Diverse Perspectives	<p>Promote diverse participation and perspectives in all facets of the SEC's mission and in the SEC's Advisory Committees.</p> <p>Promote rules and market practices that are effective in meeting the needs of a diverse public and that promote participation in the capital markets for all Americans.</p>
4b. Connecting with Underserved Communities	<p>Ensure outreach, education, and consultation efforts extend to investors and potential investors and businesses in diverse and underserved communities.</p>
4c. Public-Facing Diversity and Inclusion	<p>Identify opportunities to embed diversity and inclusion priorities into public-facing aspects of the SEC's work. Ensure that diverse voices are represented in programming, such as agency-wide events, mission-focused training, advisory committee composition, and participation in roundtables and similar events.</p>
4d. Investment Frauds Targeting Diverse Populations	<p>Leverage the SEC's diverse workforce, Employee Affinity Groups, and regional presence to expand outreach and enforcement efforts focused on halting "affinity fraud" schemes that target minority communities, ethnic and religious communities, language minorities, and the elderly.</p>



## GOAL 5: Promote business diversity with SEC stakeholders

Advance diversity and inclusion in the SEC supplier base and with entities regulated by the SEC. (SEC 2018–2022 Strategic Plan Goals 1.4, 2.4, 3.2, 3.4)

<p>5a. Supplier Diversity</p>	<p>Enhance the SEC website and OMWI supplier database to communicate contracting opportunities and connect with diverse suppliers.</p> <p>Promote utilization of minority-owned, women-owned, and veteran-owned businesses through sustained efforts by the Office of Acquisitions, OMWI, and program offices.</p> <p>Engage in outreach and technical assistance to promote the utilization of minority-owned, women-owned, and veteran-owned businesses in agency business activities.</p> <p>Leverage technology to support supplier Good Faith Effort reviews.</p>
<p>5b. Regulated Entities</p>	<p>Promote diversity and inclusion with entities regulated by the SEC by encouraging SEC-regulated entities to conduct self-assessments of their diversity policies and practices and share their self-assessments with the SEC.</p>

## SEC EMPLOYEE AFFINITY GROUPS

Group
African American Council
American Indian Heritage Committee
Asian American Pacific Islander Committee
Caribbean American Heritage Committee
Disability Interests Advisory Committee
Hispanic and Latino Opportunity, Leadership, and Advocacy Committee
Lesbian, Gay, Bisexual, and Transgender Committee
Veterans Committee
Women's Committee



## HOW THIS PLAN WAS DEVELOPED

Maintaining a culture that promotes diversity and inclusion requires recognizing the value of each member of our community. In developing this Diversity and Inclusion Strategic Plan, OMWI engaged with the Chairman and other Commissioners, division and office leadership, and stakeholder groups inside and outside the Commission. Importantly, OMWI held listening sessions to understand what concerns, achievements, and opportunities are most important to SEC staff throughout the Commission. OMWI held structured or informal discussions with dozens of employees from every division and office, Regional Office, Employee Affinity Group, and the Diversity Council. OMWI also held publicized open “office hours” for any SEC employee to share their views.

OMWI received input from all levels of the SEC, including non-supervisors, supervisors, more recent employees, and those with decades at the SEC. OMWI incorporated perspectives received over time from stakeholders, such as entrepreneurs and investors with whom OMWI has been in contact at public events, and suggestions and concerns offered to the SEC by minority-owned and women-owned businesses. A draft version of this Plan was made available to all SEC staff for comment prior to formulating the final Plan.

## ENDNOTES

1. *See e.g.*, Vivian Hunt, Sara Prince, Sundiatu Dixon-Fyle, and Lareina Yee, “[Delivering through Diversity](#),” McKinsey & Company, January 2018; Sarah Greesonbach, [Diversity & Inclusion Research Roundup: Top Studies You Need to Know](#), Glassdoor.com, February 22, 2019; Michelle Kim, [Compilation of Diversity & Inclusion “Business Case” Research Data](#), Medium.com, March 26, 2018.
2. *See* [Civil Service Reform Act](#), 5 U.S.C. 2301(b)(1) and 2302(b); [Executive Order 11478 of August 8, 1969](#), as amended, [Equal Employment Opportunity in the Federal Government](#); and [Executive Order 13583 of August 18, 2011](#), [Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce](#).
3. [Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010](#), 12 U.S.C. 5452 (b)(2)(A) and (f), requires the SEC, through the Office of Minority and Women Inclusion, to develop standards for equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the agency, and to take specific affirmative steps to seek diversity in the workforce of the agency at all levels in a manner consistent with applicable law.



U.S. Securities and  
Exchange Commission  
100 F Street NE  
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Strengthening the Fabric of the SEC Through Diversity, Inclusion and Opportunity  
Aug. 12, 2020

Colleagues,

In many things in life, tangible improvement over the long-term is only possible with daily attention. I believe advancing diversity, inclusion and opportunity in the workplace — and more generally in our society — is one of those things. Said another way — perhaps a more strategic way — you often can best achieve your long-term goals by focusing on available near-term actions that will have meaningful immediate impact.

Over the last several months, even though we have been physically separated, we have come together as a Commission, as colleagues, as friends and as fellow Americans to speak with one another about race, racism, diversity, inclusion and opportunity. Among many other topics, we have discussed how we can improve our workplace culture in ways that will benefit everyone, including the public we serve. We have had discussions in groups, large and small, structured and free flowing, formal and informal. I thank NTEU, OMWI, OEEO, the [Diversity Council](#), the Employee Affinity Groups ([EAGs](#)), in particular the African American Council, and every division and office that has participated. I especially want to thank Pam Gibbs, along with Robert Marchman and Dwayne Boyd, for leading so much of the work to support these vital discussions.

I have been struck by the extent to which some of our colleagues have felt the sting of bias in their lives, including at our workplace, as conveyed in the personal experiences that have been shared. I thank them for their courage and candor. These conversations also have affirmed my belief that continued, collective reinforcement of our legal, moral and professional responsibilities will further strengthen our culture and our performance, including in ways that enhance our mission effectiveness. The conversations will continue.

While we have done much in the past few months and have much work to do in the days ahead (more on that below), I want to acknowledge the foundation for enhancing diversity, inclusion and opportunity that OMWI and others have helped us establish and that our colleagues throughout the agency have enthusiastically supported. As just very few examples, I am pleased that the SEC (1) approved its Diversity and Inclusion [Strategic Plan](#) in March (the goals of which are reflected in many of the initiatives discussed below); (2) created the position of Senior Policy Advisor on Diversity and Inclusion in December 2019; (3) released two upgraded dashboards on diversity in our workforce and in FEVS in March and June; (4) in April initiated the Un.Covering Task Force to promote inclusion in our workplace; and (5) launched manager training on conscious equity in May. The Diversity Council, EAGs, and others have worked tirelessly to make this happen. Here, I thank NTEU for their work and engagement, directly as well as through the Diversity Council and other channels.

Externally, we are working to bring more diverse perspectives in the public-facing and mission-oriented work of the Commission. For example, OASB's Small Business Forum recently highlighted the experiences of African American women in venture capital and the Asset Management Advisory Committee held a special public meeting on the issue of minority underrepresentation in the asset management industry. More generally, we are working to ensure that the SEC's independent advisory committees consider diversity and inclusion in their membership, their areas of expertise and their events. I have seen these actions, and many others, foster yet more discussion and recommendations on how we can improve as a Commission.

With that recent background, I turn to near-term actions. As a result of the efforts of many hundreds (yes, many hundreds) of colleagues throughout our organization, I am pleased to announce the Commission will move forward with the initial near-term actions listed below. In deciding on these near-term actions, we took into account suggestions from the organizations mentioned above, as well as suggestions from individuals and small groups, representing perspectives from throughout the Commission. Our criteria for this initial list is straightforward. We chose actions that are specific, have the potential to improve our organization in terms of culture, internal and external opportunity, and accountability and importantly, that can be implemented, funded, finalized or approved in the near term. Some of these initiatives are new and others are prior suggestions that require a nudge, which I am pleased to provide. We are engaged, of course, with NTEU and many others on the particulars of these initiatives, as well as longer-term initiatives, and we will continue that dialogue as we move forward. Importantly, while implementing some initiatives will involve additional guidance or action from OMWI and OHR, I must stress that the work of creating a more diverse and inclusive organization belongs to all of us, including division and office directors and other senior officers and managers. As in so much of what we do — including coming up with this list of near-term actions and implementing them — ours is a team effort.

The selection of these initial actions is unlikely to please everyone. Some may view them as insufficient and others as unduly burdensome. In their way, both views are worthy of consideration as we move forward. Certainly, these actions alone will not address much of the pain felt by our colleagues, particularly our African American colleagues, and to which much of our society is recently, and belatedly, more attuned. Importantly, not all of our ideas and actions will succeed as intended. What I do ask, regardless of whether you believe it is too much or too little, is that we be willing to take these steps, learn and, where we fall short, adjust. And where we meet success, invest further to improve our culture in a substantive and sustained manner.

#### *Near-Term Initiatives*

With that as context, the following are a set of initiatives that the agency will be pursuing in the near term to improve our culture, enhance internal and external opportunity, and promote accountability:

- 1. Enhance Diversity on Hiring Committees and Interview Panels:** Increasing emphasis and transparency on the diversity of the panels who select and promote our colleagues can help us advance diversity in the overall workforce.
- 2. Develop New Protocols to Promote Equity and Opportunity for Selection to Senior Leadership Positions:** Taking additional steps to ensure we recruit, interview and assess candidates for senior positions in ways that can help us achieve a more diverse leadership cadre.
- 3. Improve Succession Planning by Providing More Leadership Development Opportunities:** Building out the planned *Senior Officer Cohort Program* and discussing with NTEU a proposed *Rotational Program*, which can help more colleagues get exposure to new assignments and career opportunities.
- 4. Require Annual D&I Training for Managers and Supervisors:** A common baseline understanding of requirements and opportunities can improve accountability and promote a culture of inclusion.

5. **Require Annual Division and Office Reporting on D&I Engagement:** Many divisions and offices engage in mission-related outreach and engagement, including in ways that can help build interest in future employment by potential SEC candidates; division and office heads should report on how they have proactively woven diversity, inclusion and opportunity into those efforts.
6. **Enhance Inclusion for Colleagues with Disabilities:** We have worked to promote inclusion for persons with disabilities during mandatory telework. We should explore ways to improve during our current operating status and take specific actions to support all of our colleagues when we begin to transition back to our offices.
7. **Establish a Paid D&I-focused Summer Internship Program:** This is one of the most frequently-mentioned ideas and building a more diverse pipeline at the Commission will benefit us all.

#### *Additional Initiatives*

In addition to the above near-term actions, which, again, are just a subset of the proposals we are considering — ones that are straight-forward enough to approve and implement now — I want to acknowledge that there are many other suggestions for action that individuals and groups are discussing actively, many of which are also contemplated in the Diversity and Inclusion Strategic Plan. The themes of culture, opportunity for current and future colleagues and accountability also feature prominently in these suggestions, which I emphasize are both compelling and numerous. For example, additional initiatives our thoughtful colleagues have proposed for consideration include:

- Establishing a fellows program focused on bringing more diverse legal and business talent to our team at various levels;
- Increasing the number of participants in our Mentor Program and initiating formalized peer-to-peer career-focused discussions;
- Increasing accountability and clarifying how we can better measure and appropriately reflect diversity and inclusion performance by divisions and offices and individual leaders;
- Expanding methods for employees to express work preferences and professional development interests;
- Researching how procedures, such as job definition decisions, may be adjusted to increase diversity, particularly in management roles traditionally held by attorneys; and
- Highlighting diverse voices and themes in our internal and external communications programs.

Some of these ideas are excellent and moving them forward could be highly beneficial. However, doing so may require additional time and resources to consider, research, clarify, design, approve formally, fund or implement them. In that regard, we will discuss proposed changes as appropriate with NTEU and we will continue to work with organizations such as OMWI, OHR, OEEEO, the Diversity Council, and others to make our diversity-related initiatives strategically sound and mutually reinforcing. Those efforts are crucial; our goal is that they continue in parallel, not in series, with implementing the near-term objectives listed above.

In closing, I emphasize that the near-term actions listed above are the next, positive steps in our efforts to promote continued, daily progress in the short term, even as we consider many additional proposals

and work more generally to implement our Diversity and Inclusion Strategic Plan. In the face of many challenges, I believe that we are planting these seeds of progress in fertile ground due to the caring, purposeful and positive engagement of so many throughout the Commission and the hard work over time by our colleagues in OMWI, the Diversity Council, the EAGs, NTEU and others. I encourage you to engage in the dialogue surrounding these efforts, to reach out to these organizations and to consider how you can support the themes discussed here through your role in the Commission. You may also share your ideas by emailing [diversity@sec.gov](mailto:diversity@sec.gov).

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