

For release on delivery
12:00 p.m. EDT
September 8, 2020

Statement by

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Board of Governors of the Federal Reserve System

before the

Committee on Financial Services
Subcommittee on Diversity and Inclusion

U.S. House of Representatives

September 8, 2020

Chair Beatty, Ranking Member Wagner, and members of the subcommittee, thank you for the opportunity to testify today on the important role of the Office of Minority and Women Inclusion (OMWI) at the Federal Reserve Board. The Board of Governors of the Federal Reserve System (Board) is deeply committed to an inclusive workplace and a diverse workforce, as well as to fostering diversity in our own procurement practices and those at the institutions we regulate. Diverse perspectives inspire the best ideas, lead to the best decisions, and advance the Federal Reserve's mission in service to the public. We continue to work toward increasing diversity and inclusion at all levels of the Board; promoting fair inclusion and utilization of minority- and women-owned businesses in the Board's procurement process; and supporting transparency and awareness of diversity policies and practices at regulated institutions.

The Board established its Office of Diversity and Inclusion (ODI) in January 2011 to promote diversity and inclusion throughout the Board, the Federal Reserve System, and in the financial services industry. ODI works closely with OMWI directors at the 12 Reserve Banks, recognizing that the commitment of the Board on these important issues is shared by the Banks and their leaderships. ODI administers and directs the Board's Equal Employment Opportunity compliance policies and programs and includes the Office of Minority and Women Inclusion. ODI also works to assess the Board's diversity policies, programs, and performance to determine progress and increase transparency. ODI's ongoing efforts to foster an informed dialogue on diversity best practices include participation in Equal Employment Opportunity Commission technical workshops, attendance at conferences and events held by professional organizations, and participation in financial industry groups addressing diversity issues.

The Board's OMWI, created pursuant to section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),¹ develops standards, procedures, and initiatives to ensure fair inclusion of minorities, women, and minority-owned and women-owned businesses in all activities of the Board. This includes ensuring diversity in the Board's workforce and procurement selection process along with developing standards for assessing the diversity policies and practices of regulated entities.

As required by the Dodd-Frank Act, the Board's OMWI submits an annual report to the Congress outlining its activities, successes, and challenges. I included the Board's most recent report published in March as an attachment to my testimony. I am highlighting several key areas of this report in my testimony as well as some significant accomplishments of the Federal Reserve.

- The Board is committed to equal employment opportunity and fostering diversity and inclusion in our workplace. As part of this commitment, the Board has made progress in increasing the level of diversity in senior leadership. In 2019, there were 19 appointments to the official staff, of which five were minorities (26 percent) and six were women (32 percent). Currently, there are six female division directors, of which one is African American. Eight division directors are male, of which one is Hispanic. In addition, there are three African Americans, one Hispanic, and three females who serve as deputy directors of their respective divisions. ODI staff regularly engage with division leaders to measure progress and results against the Board's diversity and inclusion standards, objectives, and actions. The Board is committed to continuing to address challenges with recruiting diverse candidates for major job functions, such as financial

¹ See <https://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>.

analysts and economists, and strengthening the pipeline to executive and senior level positions.

- The Federal Reserve System focuses considerable time and attention on increasing racial and ethnic, gender, and sectoral diversity among Reserve Bank and Branch directors.

This focus on diversity stems from our belief that these boards function more effectively when they are constituted in a manner that encourages a variety of perspectives and viewpoints. The Board works in close partnership with each Reserve Bank’s senior leaders to ensure the composition of Reserve Bank and Branch boards reflect the communities in which they serve. Information on racial and ethnic, gender, and sectoral characteristics of the boards of directors are updated annually and posted on our website.² In 2020, approximately 75 percent of Class C directors—those directors appointed by the Board to represent the public—and 70 percent of Class B directors—those elected by member banks to represent the public—are diverse in terms of race and ethnicity or gender.

- Identification of minority- and women-owned businesses for the Board’s capital projects is critical, and we align minority- and women-owned businesses with prime contractors for subcontracting opportunities, when possible. The Board has made significant progress in the inclusion of minority-owned and women-owned businesses in the Board’s acquisition process. For example, 2019 contracts awarded to minority- and women-owned businesses increased 9 percent over 2018. This was due, in part, to outreach engagements that focused on forging partnerships with minority- and women-owned businesses, creating a database of diverse suppliers, and ensuring their capabilities to

² See <https://www.federalreserve.gov/aboutthefed/directors/about.htm>.

offer goods and services are aligned with the Board's needs. In 2019, the Board paid over 14 percent (over \$40 million) of all goods and services contracts to minority- and women-owned businesses. To continue to make progress in this area, we hold technical assistance events to enable minority- and women-owned businesses to interface with prime contractors on capital projects.

- The Board has engaged in a wide range of community outreach events to increase financial literacy and help students explore the field of economics. For example, we facilitate financial literacy activities aimed at minorities and women through the Board's Federal Reserve Outreach Program (FedEd). This program is conducted by research assistants who work with local District of Columbia, Maryland, and Virginia schools with predominantly minority and female populations. As part of the Fed Challenge Program we are increasing outreach to historically Black colleges and universities (HBCUs) and Hispanic Serving Institutions, and strengthening our support of the American Economic Association (AEA) Summer Mentoring Pipeline Conference. Board staff economists will be faculty co-sponsors for the AEA Summer Program, which will be hosted by Howard University from 2021 to 2025.
- We continue to strongly encourage the institutions we regulate to provide information on their diversity policies, practices, and self-assessments. In the last two years, regulated entities slightly increased their submissions of assessments of their diversity policies and practices. However, we are not satisfied with the level of responsiveness from these entities. We continue to explore ways to facilitate greater participation. In October 2019, we worked collaboratively with the other financial regulatory agencies to host the second Diversity and Inclusion Summit. The program included various topics on the Joint

Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies as well as a panel that included major financial services company representatives who shared how their practices and policies are aligned with the standards. In November 2019, we collaborated with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the American Bankers Association to host a webinar on the Diversity Self-Assessments.

The Board is committed to fostering an inclusive work environment in which diversity is encouraged, respected, and leveraged to better serve the agency's mission. We appreciate the subcommittee's interest in the work of the Board's OMWI, and we look forward to working with you to continue to advance our shared objectives. Thank you, again, for the opportunity to testify on this important topic. I would be glad to answer any questions.



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

March 2020

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



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

March 2020

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Contents

| | |
|---|----|
| Overview | 1 |
| About the Federal Reserve | 1 |
| Office of Diversity and Inclusion and Office of Minority and Women Inclusion | 1 |
| About This Report | 2 |
| Equal Employment of Minorities and Women and Diversity, Equity, and Inclusion at the Board | 3 |
| Equal Employment Opportunity | 3 |
| Diversity, Equity, and Inclusion at the Board | 9 |
| Successes | 10 |
| Challenges and Next Steps | 14 |
| Inclusion of Minority-Owned and Women-Owned Businesses | 17 |
| Contracts Awarded to M/WOBs | 17 |
| Five-Year Trend in Awards to Minority Women-Owned Businesses, Minority-Owned Businesses, and Women-Owned Businesses | 17 |
| Contract Payments to M/WOBs | 18 |
| Second-Tier Sourcing Program | 19 |
| Successes | 20 |
| Challenges | 23 |
| Looking Ahead/Next Steps | 23 |
| Financial Literacy Activities | 25 |
| Diversity Policies and Practices of Regulated Entities | 27 |
| Stakeholders Summit | 28 |
| Appendix A: Board of Governors EEO-1 Report | 29 |
| Appendix B: Federal Reserve System Official Staff Demographics | 31 |
| Appendix C: Federal Reserve System Boards of Directors Demographics | 33 |
| Appendix D: Contract Payments to Minority- and Women-Owned Businesses by the Federal Reserve System | 35 |

Tables and Figures

| | |
|--|----|
| Equal Employment of Minorities and Women and Diversity, Equity, and Inclusion at the Board | 3 |
| Table 1. Federal Reserve Board reported total workforce demographics, 2018 and 2019 | 5 |
| Table 2. Federal Reserve Board workforce profile 2019, selected data | 5 |
| Table 3. Federal Reserve Board hiring statistics, 2019 | 5 |
| Table 4. Federal Reserve Board hires in major job families, 2019 | 10 |
| Inclusion of Minority-Owned and Women-Owned Businesses | 17 |
| Table 5. Contract awards to minority- or women-owned businesses, 2015–19 | 18 |
| Table 6. Contract payments to minority- and women-owned businesses, 2015–19 | 20 |
| Figure 1. Percentage of contract dollars awarded by demographic group, 2015–19 | 19 |
| Figure 2. Percentage of contracts awarded by summary account, 2019 | 19 |
| Financial Literacy Activities | 25 |
| Table 7. STEM x Economics program attendee distribution, 2019 | 25 |
| Diversity Policies and Practices of Regulated Entities | 27 |
| Table 8. Number of regulated entity self-assessment submissions, by institution category, 2019 | 27 |
| Table 9. Policy standards addressed in regulated entities' Diversity and Inclusion Self-Assessments, 2019 | 27 |
| Appendix A: Board of Governors EEO-1 Report | 29 |
| Employer Information Report EEO-1 | 29 |
| Appendix B: Federal Reserve System Official Staff Demographics | 31 |
| Federal Reserve Board and Banks official staff demographics, 2018 and 2019 | 31 |
| Appendix C: Federal Reserve System Boards of Directors Demographics | 33 |
| Federal Reserve System boards of directors: Bank and branch directors as of January 1, 2020 | 33 |
| Appendix D: Contract Payments to Minority- and Women-Owned Businesses by the Federal Reserve System | 35 |
| Federal Reserve System payments to minority- and women-owned businesses, 2018 and 2019 | 35 |

Overview

The Board of Governors of the Federal Reserve System (Board) is committed to fostering an inclusive workplace and diverse workforce as well as to fostering diversity in our procurement practices and at the institutions we regulate. The Board believes that diverse perspectives inspire the best ideas, decisionmaking, and—ultimately—service to the public. We continue to work toward increasing diversity and inclusion at all levels of the Board; promoting fair inclusion and utilization of minority- and women-owned businesses in the Board’s procurement process; and promoting transparency and awareness of diversity policies and practices at regulated institutions.

About the Federal Reserve

The Federal Reserve System is the central bank of the United States. It performs five general functions to promote the effective operation of the U.S. economy and, more generally, the public interest:

- **Conducts the nation’s monetary policy** to promote maximum employment, stable prices, and moderate long-term interest rates in the U.S. economy.
- **Promotes the stability of the financial system** and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad.
- **Promotes the safety and soundness of individual financial institutions** and monitors their impact on the financial system as a whole.
- **Fosters payment and settlement system safety and efficiency** through services to the banking industry and the U.S. government that facilitate U.S.-dollar transactions and payments.
- **Promotes consumer protection and community development** through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community

economic development activities, and the administration of consumer laws and regulations.

The Board in Washington, D.C., is the governing body of the System. The Board oversees the operations of the 12 Reserve Banks and shares with them the responsibility for supervising and regulating certain financial institutions and activities. (For more information about the Board and the System, see *Federal Reserve System Purposes & Functions* at <https://www.federalreserve.gov/aboutthefed/pf.htm>.)

Office of Diversity and Inclusion and Office of Minority and Women Inclusion

The Board established its Office of Diversity and Inclusion (ODI) in January 2011 to promote diversity and inclusion throughout the agency and in the financial services industry. ODI administers and directs the Board’s Equal Employment Opportunity (EEO) compliance policies and programs and includes the Office of Minority and Women Inclusion (OMWI). ODI works to assess the Board’s diversity policies, programs, and performance to determine progress and increase transparency. ODI’s ongoing efforts to foster an informed dialogue on diversity best practices include participation in Equal Employment Opportunity Commission (EEOC) technical workshops, attendance at conferences and events held by professional organizations, and participation in financial industry groups addressing diversity issues.

OMWI, created pursuant to section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),¹ develops standards, procedures, and initiatives to ensure fair inclusion of minorities, women, and minority-owned and women-

¹ See <https://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>.

owned businesses in all activities of the Board, including workforce diversity, procurement, and assessment of diversity policies and practices of regulated entities. Sheila Clark is the director of ODI and OMWI at the Board.

More information about diversity and inclusion at the Federal Reserve Board, including the Board's current *Diversity and Inclusion Strategic Plan*, is available at <https://www.federalreserve.gov/aboutthefed/diversityinclusion.htm>.

About This Report

As required by the Dodd-Frank Act, OMWI submits an annual report to the Congress outlining its activities, successes, and challenges. This is the Board's OMWI report for calendar-year 2019. Each Federal Reserve Bank also submits a separate report to the Congress summarizing its OMWI efforts and achievements.

The next sections of this report highlight the Board's successes and challenges in these key areas:

- equal employment of minorities and women and diversity and inclusion at the Board
- inclusion of minority-owned and women-owned businesses in the Board's acquisition process
- financial literacy activities aimed at minorities and women
- assessment of the diversity policies and practices of regulated entities

The appendixes of this report provide the Board's Employer Information EEO-1 Report (EEO-1 Report) for 2019 ([appendix A](#)); the combined System data for official staff demographics of the Board and Reserve Banks for 2018–19 ([appendix B](#)); the demographics of Federal Reserve System boards of directors ([appendix C](#)); and the total contract payments by the Board and Reserve Banks to minority- and women-owned businesses for 2018–19 ([appendix D](#)).

Equal Employment of Minorities and Women and Diversity, Equity, and Inclusion at the Board

The Board is committed to equal employment opportunity in all aspects of employment, and to fostering diversity and inclusion in the workplace. In support of this commitment, the Board has in place strategic objectives to attract, hire, develop, promote, and retain a highly skilled and diverse workforce.² The Board also allocates significant resources to ensure the success of its EEO and diversity and inclusion initiatives, which help enable the Board to compete with other federal agencies and the private sector for talented individuals.

Equal Employment Opportunity

Section 342 of the Dodd-Frank Act charged the Board with responsibility for developing internal standards for equal employment opportunity and the racial, ethnic, and gender diversity in the workforce and senior management of the agency. The EEO Standards and Diversity and Inclusion Standards, adopted in 2016, are posted on the Board's website at <https://www.federalreserve.gov/aboutthefed/diversityinclusion.htm>.

The standards for equal employment opportunity at the Board are aligned with the EEOC's Management Directive 715 (MD-715) and Management Directive 110 (MD-110), the Notification and Federal Employee Anti-Discrimination and Retaliation Act (No FEAR Act) of 2002, and the Board's Rules Regarding Equal Opportunity (12 C.F.R. part 268). Each of these is summarized below.

1. MD-715 contains policy guidance and standards for establishing and maintaining an effective affirmative program for EEO.³
2. MD-110 contains procedures that must be followed when processing complaints of discrimination filed by federal employees and by applicants

² See the Board's *Strategic Plan 2020–23* at <https://www.federalreserve.gov/publications/files/2020-2023-gpra-strategic-plan.pdf>.

³ See <https://www.eeoc.gov/federal/directives/md715.cfm>.

for federal employment alleging employment discrimination.⁴

3. The No FEAR Act improves accountability for anti-discrimination and whistleblower protection.⁵ The Office of Personnel Management has implemented rules regarding the reporting and training requirements under the No FEAR Act.
4. The Board's Rules Regarding Equal Opportunity set forth the requirements and procedures relating to the Board's policies to promote equal opportunity.⁶

The Board's EEO program is based on the six essential elements of a "Model EEO Agency" identified by the EEOC: (1) leadership commitment, (2) integration of EEO into the agency's strategic mission, (3) management and program accountability, (4) efficiency, (5) responsiveness and legal compliance, and (6) proactive prevention of discriminatory actions. These essential elements provide the framework to achieve the goal of a discrimination-free work environment, characterized by a culture of inclusion.

ODI works to identify EEO challenges at the Board and to develop actions to address them. ODI administers a variety of programs to address discrimination and harassment, including managing the Board EEO complaints process, encouraging alternative dispute resolution, conducting an anti-harassment program, overseeing implementation of the Affirmative Action Plan for Persons with Disabilities of section 501 of the Rehabilitation Act of 1973, and providing guidance on reasonable accommodations. ODI delivers education and training to Board employees on a variety of topics, including diversity, inclusion, inclusive leadership, unconscious bias, harassment, and the Notification and Federal

⁴ See <https://www.eeoc.gov/federal/directives/md110.cfm>.

⁵ See <https://www.gpo.gov/fdsys/pkg/PLAW-107publ174/pdf/PLAW-107publ174.pdf>.

⁶ See <https://www.gpo.gov/fdsys/pkg/CFR-2013-title12-vol4/xml/CFR-2013-title12-vol4-part268.xml>.

Employee Anti-Discrimination and Retaliation (No FEAR) Act of 2002 and its requirements. In addition, ODI collaborates across the organization with Human Resources, Employee Resource Groups (ERGs), and stakeholders to ensure the integration of diversity, equity, and inclusion principles into the Board's strategic planning, policies, and practices.

Board leaders continue to undertake a variety of efforts to ensure that diversity, equity, and inclusion is viewed as a fundamental part of the Board's mission and critical to strategic planning and workforce decisionmaking.

In 2019, the Board developed and published the agency's *Strategic Plan 2020–23*.⁷ The plan established goals, objectives, and actions to “attract, develop, and retain diverse talent with varied experience and perspectives to ensure the Board is able to meet workforce needs in a rapidly changing environment.” The plan also holds leadership accountable for guiding efforts to ensure a workplace environment within the Board that “foster[s] an inclusive culture that enables the organization to leverage staff's diverse perspectives, talents, and skills.” Throughout the development of the strategic plan, ODI participated in numerous strategic planning sessions, along with Board leaders and other experts from across the organization, to make sure the plan incorporated the principles of diversity, equity, and inclusion.

The ODI program director provides the Board's Chair and the governors with quarterly updates about the office's activities and accomplishments. Through these briefing sessions, the program director ensures that the Chair and governors remain informed and apprised on the development and implementation of potential strategies to address and correct obstacles to diversity, equity, and inclusion. Also, the ODI program director has direct access to the Chair in the event she would like to raise any issues directly with the Chair.

The program director also participates in recurring strategic activities at the Board, such as the Senior Officer Committee, Economics Inclusion Workgroup, and in other high-level meetings, to provide insight and guidance regarding EEO and diversity and inclusion.

⁷ See <https://www.federalreserve.gov/publications/files/2020-2023-gpra-strategic-plan.pdf>.

In addition to providing senior leaders with information and tools to address diversity, equity, and inclusion, ODI continues to consult with leading national professional and research organizations such as the Society for Human Resource Management, the Federal Interagency Diversity Partnership, the Mercer Diversity and Inclusion/U.S. Workforce Opportunity Network, the Conference Board, the Institute for Corporate Productivity, and the NeuroLeadership Institute. Information obtained from these resources enables ODI to provide input to Board management around leading practices and benchmarking against diversity and inclusion programs and activities.

ODI prepares and submits federally mandated EEO and diversity reports on behalf of the Board, including the Annual EEO Plan and Program Status Report required by EEOC MD-715; the Annual Federal EEO Statistical Report on Discrimination Complaints (EEOC Form 462); and the Annual No FEAR Act Report to Congress. The Board also submits its EEO-1 Report, which is published at <https://www.federalreserve.gov/aboutthefed/diversityinclusionrpt.htm>. The Board's 2019 EEO-1 Report is included in [appendix A](#) of this document.

Board leaders continued to demonstrate commitment to improving diversity, equity, and inclusion at the Board by developing outreach and recruitment strategies that enhanced the Board's capacity to recruit, attract, develop, advance, and retain a high-performing workforce regardless of race, gender, or ethnicity.

The Board continuously reviews and assesses its employment policies, procedures, and practices to ensure EEO compliance and the full utilization of its diverse and talented workforce. As examples, the Board closely monitors applicant pool data; the programs in place to advance and promote employees as well as those related to skill development, workforce and succession planning, and compensation equity; and the pipeline of personnel available for promotions. Results of the Board's assessments are considered when deciding how to address issues and trends. In addition to monitoring overall hiring and promotion, the Board also monitors the hiring, promotion, and retention of women and minorities by job category, level, and grade.

Highlights of the Board's 2018 and 2019 reported total workforce demographics are shown in [table 1](#). The Board's total workforce in 2019 was 43 percent minority and 44 percent female. The overall minority

Table 1. Federal Reserve Board reported total workforce demographics, 2018 and 2019

| Demographic | 2018 | 2019 | Change (number) |
|------------------------|--------------|--------------|-----------------|
| Gender | | | |
| Male | 1,558 | 1,571 | +13 |
| Female | 1,215 | 1,215 | 0 |
| Minority status | | | |
| Non-minority | 1,563 | 1,583 | +20 |
| Minority | 1,210 | 1,203 | -7 |
| Total employees | 2,773 | 2,786 | +13 |

workforce decreased by a net of seven employees, primarily due to retirements and voluntary separation, while the net change in the female workforce was zero.

The Board's EEO-1 Management categories are 1.1 Executive, Sr. Level Officers and Governors (grade FR-00); 1.2 Sr. Level Managers (grades FR-28 through FR-31); and 1.3 1st/Mid. Level Man-

agers. Selected data for EEO-1 categories in 2019 are shown in [table 2](#), and the detailed EEO-1 Report is available in [appendix A](#).

The percentage of minorities in the Executive, Sr. Level Officers category increased from 22 percent in 2018 to 23 percent in 2019. The percentage of minorities in the Sr. Level Manager category was 36 percent, unchanged from 2018 to 2019. The minority representation in the 1st/Mid. Level Manager category saw an increase of 4 percentage points compared to 2018, from 54 percent minority representation to 58 percent.

Recruitment and Retention

The Board recognizes that a work environment that attracts and retains top talent is essential to fulfilling its mission. ODI and the Board's Talent Acquisition and Organizational Development and Learning units collaborate continuously to promote an excellent quality of work life at the Board for all employees.

Table 2. Federal Reserve Board workforce profile 2019, selected data

| Demographic | EEO-1 categories | | | | | | | | | | | |
|------------------------|------------------|----------|-------------------|----------|------------------------|----------|---------------|----------|------------------------|----------|-----------------|----------|
| | Exec., Sr. Level | | Sr. Level Manager | | 1st/Mid. Level Manager | | Professionals | | Admin. Support Workers | | Service Workers | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Gender | | | | | | | | | | | | |
| Male | 151 | 59 | 154 | 56 | 49 | 55 | 1,050 | 55 | 14 | 16 | 114 | 82 |
| Female | 105 | 41 | 122 | 44 | 40 | 45 | 850 | 45 | 72 | 84 | 25 | 18 |
| Minority status | | | | | | | | | | | | |
| Non-minority | 198 | 77 | 177 | 64 | 37 | 42 | 1,106 | 58 | 10 | 12 | 43 | 31 |
| Minority | 58 | 23 | 99 | 36 | 52 | 58 | 794 | 42 | 76 | 88 | 96 | 69 |
| Total employees | 256 | - | 276 | - | 89 | - | 1,900 | - | 86 | - | 139 | - |

Table 3. Federal Reserve Board hiring statistics, 2019

| Demographic | Internal hires | | External hires (excluding Interns) | | Interns ¹ | | Total hires | |
|------------------------|----------------|----------|------------------------------------|----------|----------------------|----------|-------------|----------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Gender | | | | | | | | |
| Male | 67 | 54 | 138 | 56 | 64 | 50 | 269 | 54 |
| Female | 57 | 46 | 109 | 44 | 64 | 50 | 230 | 46 |
| Minority status | | | | | | | | |
| Non-minority | 71 | 57 | 160 | 65 | 81 | 63 | 312 | 63 |
| Minority | 53 | 43 | 87 | 35 | 47 | 37 | 187 | 37 |
| Total | 124 | - | 247 | - | 128 | - | 499 | - |

Note: Includes all open positions filled in 2019.

¹ Interns are temporary employees.

The Board takes several steps to ensure that minorities and women are represented in the applicant and candidate pools for hires and promotions. In 2019, the Board filled 499 positions (see [table 3](#)). Seventy-five percent of the positions, including 128 interns, were filled externally. Fifty-two percent of all positions filled were in the Board's five major job families: attorney, computer professional, economist, financial analyst, and research assistant. Among external non-intern hires, 35 percent were minorities, a decrease of 5 percentage points from the previous year, and 44 percent were female, an increase of 7 percentage points from the previous year. Among interns, 37 percent were minorities, down 4 percentage points from the previous year. Female interns increased from 47 percent in 2018 to 50 percent in 2019.

The Board used a variety of sources (see [box 1](#)) to attract a diverse pool of well-qualified candidates. To complement its use of traditional recruitment sources such as job boards, employee referrals, publications, search firms, and career fairs, the Board continued to make significant use of social media to attract diverse candidates, including

- ongoing contracting with LinkedIn to ensure all Board jobs are posted on that site;
- ongoing automatic dissemination of all Board positions to major aggregators such as Indeed, Glassdoor, and Google Jobs; and

Box 1. Federal Reserve Board applicant recruitment sources, 2019

- Board website (Careers page)
- Career fairs
- College recruiting
- Community outreach
- Employee referral
- Internal applicants
- Internet Job Boards
- JOE (Job Openings for Economists)
- Professional associations
- Professor referral
- Search firms
- Social media (LinkedIn & Twitter)
- USA Jobs website

- ongoing promotion of the Board's open positions on Twitter.

In addition, the Board targeted its career opportunities to several diversity audiences through a variety of means, including the following:

- ongoing contracting with eQuest Diversity Network (formerly, the Advantage Diversity Network), a service that disseminates the Board's job postings to a wide range of diversity and inclusion associations, schools, organizations, and job boards, with particular focus on the following communities:

- minority groups (African American, Hispanic, Asian, Native American, and others)
- women
- Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ)
- veterans and wounded veterans
- people with disabilities
- seniors

- utilization of job boards and LinkedIn groups associated with 100 Women in Finance, the Women's Bar Association, Financial Women's Association, and InHerSight
- attendance at the Society of Women Engineers Annual Conference and Career Fair to identify candidates in a variety of STEM majors and careers
- developing relationships with several agencies that place disabled workers and veterans

Additionally, the Board recruits directly from a number of colleges and universities for both full-time employees and interns. Information sessions, career fair attendance, classroom Q&A, and on-campus interviews took place throughout 2019. The Board also began using the eQuest Campus Portal to post vacancy announcements on college and university job boards to increase notifications of job opportunities. Schools selected for posting were identified either as being historically black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs), or as having a highly diverse student body population with strong academic programs relating to the job families and skill sets sought at the Board for internships and early career opportunities. Geographic diversity was also a factor.

Also in 2019, the Board's Talent Acquisition unit launched the Board Ambassador Program to educate staff of all levels how to best represent the Board while attending professional networking engagements, campus recruiting/alumni events, and community outreach engagements. This program is designed to attract candidates by connecting them with Board employees from diverse backgrounds who represent a variety of job families. Ambassadors travel to recruiting events and information sessions and provide cultural insights about their work environment and experiences at the Board. As of December 31, 2019, 158 staff members had been trained. The Board Ambassador Program has allowed Talent Acquisition to focus efforts on building new strategic relationships with colleges and universities nationwide.

Box 2 lists colleges, universities, and organizations that Board staff visited for recruiting purposes as well as recipients of Board vacancy announcements in 2019.

The Board also continued to offer the "Effectively Hiring Top Talent without Bias" classes to increase partnership and awareness among hiring managers regarding unconscious bias in the hiring process and how to create a positive, inclusive candidate experience. The training sessions resulted in 73 hiring managers successfully completing the course.

In addition, Talent Acquisition began hosting lunch and learn sessions in 2019 titled "A Look at Talent across the Board." The facilitated panel discussions are designed to highlight the various job functions, projects, and developmental opportunities available for internal staff as they consider next steps in their career progression.

Training, Mentoring, and Career Development

The Board offers leadership programs for managers and officers to build the skills required to develop current and future Board leaders. These programs are designed to build a common understanding of the expectations of Board leaders and build behaviors that strengthen the overall leadership culture at the Board. The Board's leadership development programs are critical given the central role that effective leadership plays in the Board's ability to achieve its mission.

Manager QuickStart, an eight-session, cohort-based leadership development program, is designed to help new managers develop critical skills needed to be effective in their role. Two cohorts of the program were offered in 2019 with a total enrollment of 31 managers. Seventeen participants (55 percent) were female and 13 (42 percent) were minorities. Leading at the Board, a cohort-based, multi-session program for Board officers, focuses on three core areas: leading self, leading others, and leading the organization. One cohort was offered in 2019 with a total enrollment of 17 officers. Of the total, eight participants (47 percent) were female and six (35 percent) were minorities. Both programs receive consistently high ratings from participants for supporting their development as leaders.

In 2019, the Board continued its Executive Coaching Program and provided this development opportunity to 133 officers, managers, and senior-level staff. Of the total, 73 participants (55 percent) were female and 39 (29 percent) were minorities. The Executive Coaching Program provides a collaborative, individualized learning opportunity for Board leaders to focus on their current and/or next role development with an external coach in a manner that builds competencies necessary for the Board to achieve its strategic objectives.

Additional courses supporting professional and leadership development were provided to employees through the Board's core curriculum. Online courses, such as Managing Multigenerational Employees and Using Communication Strategies to Bridge Cultural Divides, were also offered to support the Board's efforts to foster an inclusive culture. In addition to the core curriculum, the Board provided targeted training to support division-specific initiatives related to diversity and inclusion and employee engagement. Course offerings included Unconscious Bias, Microtriggers, and the Language of Inclusion in Government.

In addition to programs and courses targeted to managers and officers, the Board offers several professional development programs for Board and System staff that help foster diversity and inclusion:

- **Boardwide Mentoring Program.** This professional development program, launched in 2016, provides a forum for Board employees at all levels to focus on their long-term learning in a manner that builds cross-divisional collaboration and develops the

Box 2. Colleges, universities, and organizations targeted for recruiting and outreach by the Board in 2019

- American University
- Arizona State University
- California Institute of Technology
- California State Polytechnic University, Pomona
- California State University, San Bernadino
- Christopher Newport University
- Clark Atlanta University
- Clemson University
- Columbia University
- Cornell University
- City University of New York, Queens College
- Drexel University
- Duke University
- Florida A&M University
- Florida International University
- Gallaudet University
- George Mason University
- George Washington University
- Georgetown University
- Georgia Institute of Technology
- Hampton University
- Harvard University
- Harvey Mudd College
- Howard University
- Indiana University
- James Madison University
- Massachusetts Institute of Technology
- Michigan State University
- Morehouse College
- Morgan State University
- Mount Saint Mary's University (Los Angeles)
- North Carolina Agricultural and Technical State University
- North Carolina Central University
- North Carolina State University
- Penn State
- Princeton University
- Rice University
- Rochester Institute of Technology
- Rutgers University
- Saint Mary's College of California
- Spelman College
- St. Mary's University of San Antonio
- Stanford University
- State University of New York at Buffalo
- Syracuse University
- Texas A&M University - College Station
- Texas A&M University - Kingsville
- University of Alabama
- University of California, Berkeley
- University of California, Davis
- University of California, Irvine
- University of California, Los Angeles
- University of California, San Diego
- University of California, Santa Barbara
- University of California, Santa Cruz
- University of Chicago
- University of Florida
- University of Illinois
- University of Maryland
- University of Maryland Eastern Shore
- University of Maryland, Baltimore County
- University of Miami
- University of Michigan
- University of New Mexico
- University of North Carolina
- University of Pennsylvania
- University of Puerto Rico
- University of Texas at Austin
- University of Texas at El Paso
- University of Virginia
- University of Washington
- University of Wisconsin
- Vanderbilt University
- Virginia Polytechnic Institute and State University
- Washington University
- William & Mary
- Williams College
- Society of Women Engineers National Conference
- 40 Plus
- American Association of Blacks in Energy
- Bolling Air Force Base
- Community Services Agency, Metropolitan-Washington Council
- AFL-CIO
- Consortium for Citizens with Disabilities
- American Job Center (formerly DCWorks!)
- Home Builders Institute
- Jubilee Jobs
- National Council on Disability
- National Disability Rights Network
- National Governors Association
- District of Columbia Office of Youth Programs/ Passport to Work Program
- The American Association of People with Disabilities
- The Catholic University of America (Cardinal Connection)
- The Community Foundation for the National Capital Region
- The Manufacturing Institute
- The Partnership for Working Families
- Veterans Hiring Program, U.S. Department of Veterans Affairs
- Wider Opportunities for Women
- Workforce Recruitment Program for College Students with Disabilities

skill sets necessary for the Board to achieve its business goals. Each year, the program has had one cohort of matched mentors and mentees. In 2019, there were 20 mentor-mentee pairs (40 participants). Women made up half (50 percent) of the cohort, and 16 participants (40 percent) were minorities.

- **Leading and Managing People (LAMP).** This employee advisory group is made up of leader representatives from each of the Board's 15 divisions. Five (33 percent) of the 15 voting committee members are minorities and 14 (93 percent) are women. LAMP supports the development of leadership and management skills of current and future leaders in order to foster the Board's ability to execute its mission at a consistently high level. LAMP pursues its mission by undertaking activities that heighten awareness of the importance of effective leadership and management and encourage the development of those skills. In undertaking its activities, LAMP coordinates with the Management Division's Organizational Development and Learning section, the Office of Diversity and Inclusion, and the System Leadership Initiative programs.
- **System Leadership Initiative (SLI) programs.** SLI is a suite of leadership development conferences and rotational developmental opportunities that are available to employees across the System. There are three tiers of leadership development offered through SLI's programs:

—**Thrive:** This annual conference exposes selected managers and/or new officers to the challenges and realities of leading in the System, and helps them develop the capabilities needed to lead in a dynamic environment. In 2019, the Board sent seven participants to the Systemwide conference. Four (57 percent) of the seven participants were women and three (43 percent) were minorities.

—**Trailblazers:** This conference exposes officers to leadership competencies such as influencing decisionmaking. It also helps them develop their skills to more effectively lead within their functions, develop a broader perspective on Reserve Bank district and System strategies that they are asked to support, and build networks with peers and senior leaders. In 2019, the Board sent eight participants to the Trailblazers conference. Four (50 percent) of the eight participants were women and none were minorities.

—**System Leadership Conference (SLC):** This highly immersive program for high-potential, strong performing, influential officers features a combination of case studies, academic experts, and dialogue with other System leaders. In 2019, the Board sent four participants to the SLC. Three (75 percent) of the four participants were women and two (50 percent) were minorities.

—**System Leadership Exchange (SLE):** This rotational program, which is open to all System staff, supports job shadowing, critical work assignments, customized/knowledge development, and advisory role opportunities. SLE opportunities are unique in nearly every aspect (location, subject matter, time commitment, duration, etc.) and promote workforce and development efforts that help improve the strength and diversity of the System's talent. In 2019, five Board employees participated in the SLE; all were women and two (40 percent) were minorities.

The Board also offered several rotational assignments throughout 2019. Rotational assignments provide opportunities for employees to develop knowledge, new skills, and a broader understanding of the operations and programs of the Board. They involve a temporary assignment in a different work unit performing the duties of a different position for a specified period, typically 6 to 12 months.

Diversity, Equity, and Inclusion at the Board

The *Diversity and Inclusion Strategic Plan 2016–19*, published in 2016, provides the foundation to guide the Board's efforts in creating and sustaining a high-performing workforce that embraces diversity and empowers all employees to achieve their full potential. Further, the plan details specific objectives and actions that are aligned with the Board's diversity and inclusion and EEO standards in the areas of organizational commitment, workforce diversity, workplace inclusion, supplier diversity, and sustainability. ODI, in its role of leading the Board's diversity and inclusion efforts, assesses progress, monitors accountability, and modifies objectives as needed for each identified strategy. The *Diversity and Inclusion Strategic Plan 2020–23* is currently being developed.

The Board continues to reinforce the importance of fostering a diverse, equitable, and inclusive culture

Table 4. Federal Reserve Board hires in major job families, 2019

| Demographic | Attorney | | Computer Prof. | | Economist | | Financial Analyst | | Research Assistant | |
|------------------------|-----------|----------|----------------|----------|-----------|----------|-------------------|----------|--------------------|----------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Gender | | | | | | | | | | |
| Male | 8 | 62 | 31 | 65 | 29 | 73 | 51 | 55 | 33 | 52 |
| Female | 5 | 38 | 17 | 35 | 11 | 28 | 42 | 45 | 30 | 48 |
| Minority status | | | | | | | | | | |
| Non-minority | 10 | 77 | 23 | 48 | 30 | 75 | 67 | 72 | 49 | 78 |
| Minority | 3 | 23 | 25 | 52 | 10 | 25 | 26 | 28 | 14 | 22 |
| Total | 13 | – | 48 | – | 40 | – | 93 | – | 63 | – |

Note: Includes internal and external hires.

through the implementation of actions identified in its *Diversity and Inclusion Strategic Plan*, which includes ongoing leadership and management training focusing on conscious inclusion, unconscious bias behaviors, and employee engagement. As detailed in earlier sections of this report, the Board continued to enhance and strengthen its efforts to promote diversity and inclusion among its workforce. Successes for 2019 are highlighted in the next section.

Successes

Diversity in Official Staff Pipeline and Major Job Family Hires

In 2019, there were 19 appointments to the official staff,⁸ of which 5 (26 percent) were minorities and 6 (32 percent) were women.

The Board's long-term and short-term outreach and recruitment strategies continue to produce diverse applicant pools for major job families (see [table 4](#)). The percentage of women hired into the economist job family increased 2 percentage points, from 26 percent in 2018 to 28 percent in 2019. The computer professional job family had a 13 percentage point increase in minority hires, from 39 percent in 2018 to 52 percent in 2019, and the number of female hires increased 11 percentage points, from 24 percent to 35 percent. The number of women hired into the research assistant job family increased 5 percentage points, from 43 percent in 2018 to 48 percent in 2019.

⁸ Official staff is equivalent to Senior Executive Service.

Employee Engagement and Inclusion

The Board in 2019 continued to promote an inclusive environment in which employees have an opportunity to contribute, develop, and meet their career objectives.

Measuring Board staff engagement plays a critical role in gaining insight into employees' thoughts and attitudes toward their work and the overall environment. Since 2016, the Board has conducted biennial engagement surveys, and it conducted its first pulse survey in 2019. As a result, the Board has initiated several changes aimed at improving the work environment, including the continuation of its mentoring and leadership programs as well as increasing the number of rotational assignments. Some common activities supported at the division level include the creation of staff advisory groups to work with leadership to create actions plans to address staff development, training in unconscious bias for leaders and giving effective feedback, and postings about division inclusion activities on intranet sites.

The Board acknowledges ERGs are key components of workplace inclusion programs, providing a direct benefit to both employees and the organization through professional development, awareness, and education. All employees are encouraged to participate in ERGs sponsored by the Board. These groups provide networking and outreach opportunities to all interested employees, and they also sponsor cultural and educational programs.

The Board supports seven ERGs: the African American ERG; the Asian American Pacific Islander ERG; Advocacy for the Diverse Abilities, Needs, and Con-

tributions of Employees; the Hispanic ERG; the Lesbian, Gay, Bisexual, Transgender, Queer, and Allies ERG; the Women's ERG; and the Veterans ERG.

One new ERG was added in 2019 (Veterans ERG), and ERG membership continued to grow throughout the year. ERGs host events and programs that focus primarily on highlighting their missions, raising cultural awareness, and building community. ERGs continue to post meetings, events, and contact information on their websites to facilitate connections and drive membership. In addition, periodic news items are posted on the Board's internal website to highlight ERG activities and increase awareness about the groups.

Board governors and the Executive Committee of the Board (ECB), made up of the Board division directors, meet annually with the leaders of the ERGs. The meetings enable the ERG leaders to inform the governors and ECB about each ERG's mission, activities, and annual operating plans.

The Board recognizes that having flexible workplace policies and benefits impacts engagement and increases productivity and employee retention. At the end of calendar-year 2019, 1,277 (46 percent) of eligible employees participated in the Board's telework program.

Meanwhile, the Board Mentoring Program, which completed its fourth year in 2019, not only helps foster engagement but also supports the Board's *Strategic Plan* by encouraging more cross-divisional teamwork, providing developmental opportunities for employees and leaders, and preparing employees to meet the current and future strategic and operational goals of the Board.

The Board also continues to provide several leadership development courses. Courses and content are designed around Board core competencies, which have embedded principles of diversity and inclusion. The Board's Organizational Learning and Development staff work with ODI to ensure the courses and content integrates these principles in meaningful and actionable ways.

Leadership Engagement and Accountability in Diversity, Equity, and Inclusion

Ensuring diversity and inclusion at the Board requires a long-term, holistic approach that focuses

on doing the utmost to bring people in and provide them paths for success, which in turn requires having an overall culture and organization that is keenly focused on diversity and demonstrates ongoing commitment at all levels, starting with leadership. Board leaders demonstrated their commitment through a variety of means in 2019. For example, Chair Jerome Powell and other Board members presented at various economic forums and conferences focused on addressing workforce diversity and economic inclusion.

During the year, the Board also advanced the Diversity and Economic Inclusion Workgroup, which was established in 2016 to discuss diversity and economic inclusion concerns and activities. The Chair leads the workgroup, with participation by the governors. The workgroup provides regular updates throughout the year. The OMWI director continues to participate, along with division directors, senior staff, and Board members.

Board leaders are held accountable for advancing diversity, equity, and inclusion in their divisions through Diversity and Inclusion Scorecards. These templates are used for measuring both progress and results against the Board's diversity and inclusion standards, objectives, and actions. Divisions establish their objectives and set their action measures, which focus on leadership engagement, talent acquisition, talent development, and supplier diversity. ODI assesses the effectiveness of the Board's progress in accomplishing its strategic diversity and inclusion goals through the collective evaluation of all division Diversity and Inclusion Scorecards. The divisions report on their progress every six months and meet with ODI staff to discuss results.

The Board is committed to ensuring equal opportunity in the employment of all persons, including persons with disabilities, persons with targeted disabilities, and disabled veterans. In 2019, the Board solicited voluntary self-identification of disability data to allow employees to update their status to ensure the Board is creating and sustaining a diverse workforce representative of persons with disabilities.

ODI continuously reviews and assesses its employment policies, procedures, and practices to ensure EEO compliance and the full utilization of its diverse and talented workforce. As examples, the Board closely monitors applicant pool data; the programs in place to advance and promote employees as well as those related to skill development, workforce

and succession planning, and compensation equity; and diversity within the pipeline of personnel for promotion consideration. Results of the Board's assessments are considered when deciding how to address issues and barriers and trends. In addition, the Board monitors hires, promotions, and retention of women and minorities by job category, level, and grade.

Strategic Communication of Diversity, Equity, and Inclusion

The Board uses multiple communication channels to disseminate information about its diversity and inclusion strategies and initiatives. The following are a few examples:

- Chair Jerome Powell participated in an employee forum hosted by the ERGs.
- Governor Lael Brainard recorded a video on engagement and the importance to achieving the Board's missions through its workforce. The video was posted on the Board's internal website.
- The ODI program director promoted the Board's diversity and inclusion program through the agency's intranet by highlighting diversity and inclusion initiatives and resources available to support employees with their careers, and discussing the responsibility all employees have to create and maintain a culture of belonging.
- Board divisions continued to use diverse internal communication methods and channels, such as town halls, intranet sites, podcasts, staff meetings, and discussion groups, to convey diversity and inclusion messages to employees.
- To promote awareness of the Board's culture and diversity and inclusion initiatives, all new employees during onboarding are given information on the Board's *Diversity and Inclusion Strategic Plan*, and information pertaining to EEO policies and ERGs is also made available.

Education and Training to Support Diversity, Equity, and Inclusion

Understanding that leadership drives inclusion, the Board continues to provide skill training for senior leaders and managers. Leaders increasingly need to role model and demonstrate inclusion so that they

can consistently maximize the contributions of all staff and ensure effective relationships. To achieve this objective, the workshop "Leading with Conscious Inclusion" was offered in 2018 and 2019, and is scheduled again for 2020. Training also is provided on the impact of unconscious bias on hiring, promotion, and workforce engagement.

The LAMP advisory group and Human Resources sponsored the workshop "Inclusion: A Community of Effort" in 2019. Presenters discussed creating connections, interaction safety, and joining versus judging mindsets. Organizations that practice these things develop a more diverse, inclusive, creative, and innovative environment.

As the Board works toward attracting, developing, and retaining a diverse talent pool, it assesses the work environment to identify and eliminate barriers to full employment opportunities for all groups of people. The Board continues to comply with the requirements of the No FEAR Act, which requires training of all employees. The training educates employees about their responsibilities to foster a workplace free from bias, discrimination, and harassment and about identifying and preventing inappropriate workplace behaviors that contribute to discrimination, harassment, or retaliation. All employees are required to complete mandatory No FEAR Act training on a two-year cycle, which will occur in 2020.

In 2019, the content of the No FEAR computer-based training was updated. The training modules were revised to better align with the Board EEO policies and procedures and the *Diversity and Inclusion Strategic Plan 2016–19*. The Board's No FEAR Act training includes modules on diversity and inclusion, EEO and discrimination, discriminatory workplace harassment, and disability discrimination and reasonable accommodation. In 2020, the Board will supplement the No FEAR Act training with additional education and skills training consisting of web-based and classroom formats that focus on diversity, equity, civil treatment, harassment and discrimination, EEO, and inclusive behaviors.

To reinforce the Board's no-tolerance policy with respect to an equitable workplace, the Board in 2019 facilitated harassment and bystander intervention training to employees and managers.

External Outreach and Recruitment Activities Targeting Minority and Women Economists

The Board engaged in several significant outreach and recruitment initiatives in 2019 to address diversity in the economics profession.

The Board's economics divisions (Research and Statistics, Monetary Affairs, International Finance, and Financial Stability) continue to collaborate on a variety of diversity and inclusion initiatives to support and encourage increased representation of women and minority groups in the economics profession. These initiatives involve partnerships with outside organizations—such as the American Economic Association (AEA), the Bank of England, the European Central Bank, the National Economic Association, and the American Society of Hispanic Economists—as well as System and internal efforts.

In 2019, the Board collaborated with the AEA in several ways to address the state of diversity in the economics profession, including participating in the AEA's Summer Mentoring Pipeline Conference and mentoring breakfasts at the AEA annual meeting. The Board supports the AEA Summer Training Program (AEASP), which aims to increase diversity in the economics profession by preparing talented undergraduates who are seriously considering PhD programs in economics. In 2019, Board staff from the economic research divisions met with the AEASP students and participated in a panel discussion about job opportunities for research assistants and summer internships at the Board and the Federal Reserve Banks. As a result of these efforts, nine AEASP graduates are currently in full-time research assistant positions at the Board.

The Board committed resources to Howard University to host the AEA Summer Program for five years beginning in 2021, and subsequently Howard's application was approved. The Board will provide economic staff each summer to support an advanced-level Research Methods class. The economists will serve as instructors as well as mentors to students from underrepresented communities within the economics profession.

The teaching and mentoring partnership with Howard University's Department of Economics continued in 2019. Thirty-five Board staff were involved as instructors, teaching assistants, and research mentors for the Financial Literacy/R-Programming course

offered at the Board through Howard's Department of Economics. Eighteen students completed the course in 2019. The goals are to help students build the critical skills and knowledge required for post-graduate and professional success in the economics field and to establish mentoring relationships between students and Board economists. As a result of this activity, four Howard students were hired by the Board.

In April and October, the Board hosted "Exploring Careers in Economics," an event that welcomed more than 200 students in-person to the Board in Washington, D.C.—and many more nationwide via webcast—to discuss career opportunities and diversity in economics and to learn about career paths within the System. The videos of the events were viewed more than 3,300 times in 2019, and approximately two-thirds of the in-person attendees at the October event reported after the event that they would consider a career at the Board.

In addition, Board staff were involved in the inaugural conference of the Sadie Collective, an organization that encourages and supports young black women in pursuing careers in economics and related fields. Governor Brainard addressed the conference, a Board staff member participated on a panel, and other Board staff met with students who were interested in learning more about economics and career opportunities at the Board.

The Board's economic outreach specialist continued collaboration and partnership with faculty, career services offices, and aligned third-party organizations in mentoring and counseling students to encourage greater interest in the field of economics. The specialist has strategically identified HBCUs, HSIs, and colleges and universities with high enrollments of women and minority students in economics majors to reach a broad array of students across the country. Through in-person and virtual visits and engagements with students and academic departments from over 22 states, Puerto Rico, and Washington, D.C., the specialist reached approximately 2,000 students in 2019, and personally connected with 85, of which 57 have applied to become Board research assistants or interns. In addition, several of these students have contacted the Federal Reserve Banks about employment opportunities.

The Board's Economics Divisions Diversity Council meets regularly to discuss various topics related to diversity and inclusion, including ways to address the

issue of inclusion of minorities and women in the economics profession. Implicit-bias awareness training is required for all staff involved in recruiting activities.

Challenges and Next Steps

Addressing diversity within its workforce continues to be a priority for the Board, as well as addressing the challenges it faces.

Increasing Hispanic Representation in Board Workforce

The Board continues to work to address the low representation of Hispanics in its workforce, however, their overall participation rate remained steady at 5 percent in 2018 and 2019. To further improve Hispanic employment in its major job families, the Board will continue to focus on increasing the participation rate of Hispanics, with special emphasis on hiring opportunities in major families with underrepresentation of Hispanics. The Board will collaborate with the Hispanic ERG to identify strategies to improve the low participation. ODI, in partnership with Human Resources and Board divisions, will continue to assess and implement strategies and actions outlined in the *Diversity and Inclusion Strategic Plan* to meet objectives and strengthen existing partnerships with external Hispanic organizations in addressing Hispanic employment.

Availability of Minority and Women Economists

The availability of minority and female economists in the national educational and professional pipeline remains persistently low, which continues to create ongoing recruitment challenges for the Board.

To help address challenges in the broader profession, Board staff serve on the AEA's Committee on the Status of Women in the Economics Profession (CSWEP) and the Committee on the Status of Minority Groups in the Economics Profession (CSMGEP) and support the new AEA Committee on Equity, Diversity, and Professional Conduct.

In addition, the Board co-hosted the second conference on gender and career progression with the Bank of England and the European Central Bank in October 2019. The conference highlighted cutting-edge research on the benefits that diversity conveys to

organizations, the factors that keep women from advancing in their careers, and interventions that have been shown to increase diversity.

The Board's Economics Divisions Diversity and Inclusion Council, in collaboration with the Board's African American ERG and its Women's ERG, also hosted the "Status of Black Women in the Economics Profession" event in 2019 to highlight the challenges facing black women in economics and the lack of blacks and Hispanics within the economics field. Featured speakers included representatives from the Sadie Collective and a nationally recognized expert in diversity in economics and in STEM.

Under the purview of the AEA's CSMGEP and CSWEP, the Board will continue to organize, oversee, and participate in the three programs intended to foster a long-term strategy in the recruitment of minority economists: (1) the Summer Economics Fellows Program, (2) the Summer Training Program, and (3) the Mentoring Program. In order to identify potential research candidates more often, the Board plans to track and engage AEASP participants with the goal of converting eligible, high-performing interns to research assistants.

Finally, Board staff partnered with staff at the Federal Reserve Bank of New York to create an interactive website that highlights the enrollment of women and minority students in economics majors at all colleges and universities in the United States. The website, "Who is Being Trained in Economics? The Race, Ethnicity, and Gender of Economics Majors at U.S. Colleges and Universities," is available at <https://www.newyorkfed.org/data-and-statistics/data-visualization/diversity-in-economics>. It allows schools to compare themselves with their peers and to identify institutions that are particularly effective in contributing to diversity and inclusion in the economics profession. The Board also continues to stimulate an interest in economics and math among minorities and women through its participation in financial literacy programs and educational partnerships with underserved communities (see the "Financial Literacy Activities" section for details).

Increasing Minority Representation among Official Staff

The Board has made progress in increasing the representation of minorities who are in the pipeline to official staff and are already among the official staff; however, it continues to explore ways to identify tal-

ent for official staff positions. Targeted recruitment strategies include the use of executive search firms and expansion of outreach and recruitment sources, which have resulted in more diverse applicant pools, as well as expansion of leadership development efforts at the Board, including coaching, mentoring,

and job-shadowing. The OMWI director participates in the official staff recruitment process and leadership development programs and also reviews and evaluates processes for proposed official staff appointments.

Inclusion of Minority-Owned and Women-Owned Businesses

The Board's commitment to support minority- and women-owned businesses (M/WOBs) promotes economic development and contributes to the local and national economies. In addition, the supplier diversity efforts support the Board's mission and contribute to the vitality of the communities we serve.

During 2019, the Board continued its efforts to enhance its Supplier Diversity Program. The Board increased its minority- and women-owned supplier development through centers of excellence⁹ and by adapting its best practices to reflect those of the National Minority Supplier Development Council (NMSDC). Utilizing these practices, the Board continues to refine its processes and to provide M/WOBs opportunities and to build capacity.

The Board's Supplier Diversity Program benefited significantly from stakeholder collaboration to develop acquisition strategies to ensure diverse firms are offered opportunities in several facets of the acquisition process. These collaboration efforts helped to identify qualified M/WOBs with capabilities that align with the Board's operational needs. M/WOBs were consistently included in the market research process and invited to participate in the Board's competitive acquisitions. Providing M/WOBs opportunities to compete for contract awards also aids in supporting local and national advocacy groups representing these businesses in the community and encourages economic growth.

The achievements highlighted in this report are the result of continuous efforts to expand the Supplier Diversity Program to ensure to the maximum extent possible the fair inclusion of M/WOBs in the acquisition process.

⁹ A center of excellence is a team, a shared facility, or an entity that provides leadership, best practices, research, support, and/or training for a focus area.

Contracts Awarded to M/WOBs

During 2019, the Board awarded a total of \$245,035,956 in contracts for goods and services.¹⁰ Of this total, \$44,993,737, or 18.4 percent, was awarded to M/WOBs including \$28,808,729, or 11.8 percent, to minority-owned businesses and \$16,185,008, or 6.6 percent, to non-minority women-owned businesses. In 2019, M/WOB contract awards increased 9.0 percentage points over 2018.

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

The Board's contract awards over the last five years (2015–19) demonstrate the progress it has made in awards to M/WOBs. The average percentage of contract awards to M/WOBs over the last five years is 16.5 percent. In 2018, the Board's total contract awards to all businesses were higher due to acquisitions related to major renovations. Because these construction contracts were awarded to large firms, the percentage of total awards to M/WOBs in 2018 declined to 9.4 percent. In 2019, the total contract awards to M/WOBs increased as a result of enhancements the Board made to its Second-Tier Sourcing Program. Second-tier sourcing is the process of subcontracting suppliers to support a tier 1/prime contractor's fulfillment of a contract, and the Board's program is discussed later in this section.

¹⁰ This report describes the contracts awarded by the Board for the period January 1, 2019, through December 31, 2019, and includes contracts for the Board's Office of Inspector General as well as the Board's currency program. The dollar amount shown represents the total obligated amount of the contracts rather than the actual amounts paid to contractors. The substantial decrease in total dollars awarded in 2019, compared to 2018, is a result of fewer capital construction awards in support of major renovations of Board facilities.

Table 5. Contract awards to minority- or women-owned businesses, 2015–19

| Demographic | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Dollars | Percent |
| By business type | | | | | | | | | | |
| Total awards, all businesses¹ | 245,035,956 | 100.00 | 449,664,574 | 100.00 | 156,986,687 | 100.00 | 155,189,977 | 100.00 | 214,867,580 | 100.00 |
| Minority-owned ^{2,3} | 28,808,729 | 11.76 | 26,728,169 | 5.94 | 17,663,074 | 11.25 | 17,671,644 | 11.39 | 24,128,891 | 11.23 |
| Non-minority women-owned | 16,185,008 | 6.61 | 15,456,878 | 3.44 | 10,327,487 | 6.58 | 12,693,869 | 8.18 | 13,332,172 | 6.20 |
| Total minority-owned and women-owned² | 44,993,737 | 18.36 | 42,185,047 | 9.38 | 27,990,561 | 17.83 | 30,365,514 | 19.57 | 37,461,063 | 17.43 |
| By demographic group | | | | | | | | | | |
| American Indian or Alaska Native | 283,462 | 0.12 | 265,890 | 0.06 | 102,261 | 0.07 | 0 | 0.00 | 0 | 0.00 |
| Asian American | 15,983,889 | 6.52 | 14,060,994 | 3.13 | 8,913,998 | 5.68 | 6,476,066 | 4.17 | 7,428,282 | 3.46 |
| Black or African American | 3,037,286 | 1.24 | 2,848,024 | 0.63 | 2,653,874 | 1.69 | 3,216,920 | 2.07 | 1,829,100 | 0.85 |
| Hispanic or Latino | 9,314,410 | 3.80 | 8,915,284 | 1.98 | 5,482,823 | 3.49 | 5,455,102 | 3.52 | 13,065,762 | 6.08 |
| Native Hawaiian or other Pacific Islander | 107,420 | 0.04 | 388,318 | 0.09 | 388,580 | 0.25 | 1,181,906 | 0.76 | 1,210,920 | 0.56 |
| Other minority ⁴ | 82,262 | 0.03 | 249,659 | 0.05 | 121,538 | 0.08 | 33,810 | 0.02 | 594,826 | 0.28 |

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

¹ The substantial increase in total dollars awarded in 2018, compared to 2017, reflects contracts to undertake major renovations of Board facilities.

² “Minority-owned” includes minority women-owned businesses.

³ The term *minority* means an individual who falls within one or more of the following race and ethnic categories: Hispanic or Latino, African American, Native Hawaiian or other Pacific Islander, Asian, and American Indian or Alaska Native. The term *minority-owned* business means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one or more minority individuals; and (ii) more than 50 percent of the net profit or loss accrues to one or more minority individuals. The term *women-owned* business means a business that meets the following criteria: (i) more than 50 percent of the ownership or control is held by one or more women; (ii) more than 50 percent of the net profit or loss accrues to one or more women; and (iii) a significant percentage of senior management positions are held by women.

⁴ *Other minority* means those businesses designating “minority-owned” but not designating Asian American, African American, Hispanic American, or Native American.

Source: Oracle/MicroStrategy, 2015–19.

Table 5 shows the amounts and percentages of contract awards to M/WOBs over the past five years.

Trends in Contract Dollars Awarded by Demographic Group

The Board tracks contract awards to minority-owned businesses by demographic groups. This percentage is compared to the total contract dollars awarded by the Board. The Board reports contract awards to Asian American, Black or African American, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or other Pacific Islander, and other (nonspecific) minority-owned businesses.¹¹

Figure 1 shows the percentage of total contracts awarded to different demographic groups for 2015–19.

¹¹ *Other* represents minority businesses that did not select a demographic group.

Trend in Awards by Board Summary Account

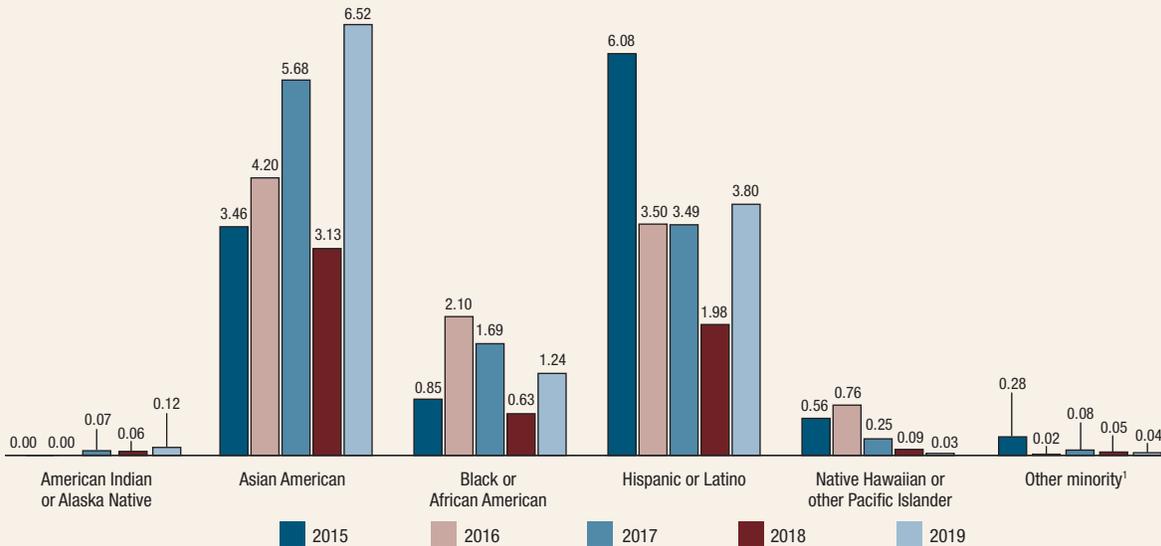
To better understand the types of contract awards and to aid in developing targeted outreach strategies, the Board tracks awards by summary account codes. In 2019, contractual and professional services; capital (land, building, software and vehicles); other capital (furniture and equipment, leasehold improvements, and intangible); and software purchases accounted for almost 90 percent of the Board’s total dollars awarded (see figure 2).

Contract Payments to M/WOBs

In addition to tracking total contracts awarded to M/WOBs, the Board also tracks contract payments made to M/WOBs during the calendar year. “Contract payments” are the actual funds the Board pays out to contractors for goods and services provided.

In 2019, the Board paid a total of \$279,222,670 to contractors. Of this total, \$40,078,344, or 14.4 per-

Figure 1. Percentage of contract dollars awarded by demographic group, 2015–19



Note: Total awarded in 2019 was \$245,035,956; total awarded in 2018 was \$449,664,574; total awarded in 2017 was \$156,986,687; total awarded in 2016 was \$155,189,977; and total awarded in 2015 was \$214,867,580.

1. *Other minority* means those businesses designating "minority-owned" but not designating Asian American, African American, Hispanic American, or Native American.

cent, was paid to M/WOBs, including \$29,450,261, or 10.6 percent, to minority-owned businesses and \$10,628,083, or 3.8 percent, to women-owned businesses. The 2019 payments of \$40,078,344 to M/WOBs was \$9,648,017, or 31.7 percent, higher

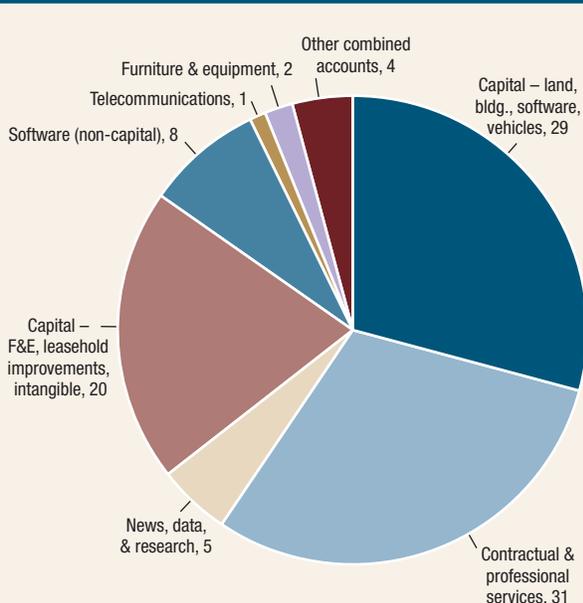
than 2018. Table 6 shows the amounts and percentages of payments to M/WOBs over the past five years.

Second-Tier Sourcing Program

As part of its Second-Tier Sourcing Program, the Board requires prime suppliers to forecast and proactively manage and improve their supplier diversity efforts by awarding subcontracts to diverse vendors. The program seeks to meet the second-tier contracting goals for federal agencies set by the Small Business Administration.¹²

In 2019, the Board’s supplier diversity subcontracting performance increased with its prime suppliers, specifically those suppliers that support the major renovation efforts. These prime suppliers reported more than \$26,000,000 in spending with M/WOBs.

Figure 2. Percentage of contracts awarded by summary account, 2019



Note: F&E is furniture and equipment.

¹² The Small Business Administration second-tier contracting goals are as follows: 23 percent of prime contracts for small businesses, 5 percent of prime and subprime contracts for women-owned small businesses, 5 percent of prime and subprime contracts for small disadvantaged businesses, 3 percent of prime and subprime contracts for service-disabled veteran-owned small businesses, and 3 percent of prime and subprime contracts for HUBZone-certified small businesses.

Table 6. Contract payments to minority- and women-owned businesses, 2015–19

| Demographic | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Dollars | Percent |
| By business type | | | | | | | | | | |
| Total payments, all businesses | 279,222,670 | 100.00 | 220,851,211 | 100.00 | 149,460,423 | 100.00 | 148,670,418 | 100.00 | 154,264,257 | 100.00 |
| Minority-owned ^{1,2} | 29,450,261 | 10.55 | 21,958,426 | 9.94 | 15,618,616 | 10.45 | 16,300,360 | 10.96 | 12,833,443 | 8.32 |
| Non-minority women-owned | 10,628,083 | 3.81 | 8,471,902 | 3.84 | 7,890,796 | 5.28 | 8,260,979 | 5.56 | 9,755,909 | 6.32 |
| Total minority-owned and women-owned² | 40,078,344 | 14.35 | 30,430,327 | 13.78 | 23,509,412 | 15.73 | 24,561,339 | 16.52 | 22,589,352 | 14.64 |
| By demographic group | | | | | | | | | | |
| American Indian or Alaska Native | 268,810 | 0.10 | 86,115 | 0.04 | 87,577 | 0.06 | 0 | 0.00 | 0 | 0.00 |
| Asian American | 14,573,524 | 5.22 | 11,418,655 | 5.17 | 8,100,211 | 5.42 | 5,075,631 | 3.41 | 5,406,022 | 3.50 |
| Black or African American | 2,687,428 | 0.96 | 2,665,733 | 1.21 | 2,235,793 | 1.50 | 2,876,120 | 1.93 | 1,122,953 | 0.73 |
| Hispanic or Latino | 11,755,086 | 4.21 | 7,050,701 | 3.19 | 4,628,029 | 3.10 | 6,204,852 | 4.17 | 5,118,261 | 3.32 |
| Native Hawaiian or other Pacific Islander | 120,620 | 0.04 | 429,879 | 0.19 | 379,436 | 0.25 | 1,215,121 | 0.82 | 672,896 | 0.44 |
| Other minority ³ | 44,793 | 0.02 | 307,343 | 0.14 | 187,570 | 0.13 | 928,633 | 0.62 | 513,311 | 0.33 |

Note: Contract payments are the actual funds the Board pays out to contractors for goods and services provided. Data are per calendar year. Components may not sum to totals and may not yield percentages shown because of rounding.

¹ “Minority-owned” includes minority women-owned businesses.

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

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

Source: Oracle/MicroStrategy, 2015–19.

Subcontracting

For the contract period through December 31, 2019, prime suppliers reported cumulative subcontract awards as follows:

- **Hensel Phelps Construction Company (HP):** The Board awarded \$257,741,403 to HP related to construction for the Martin building renovation. Of this total, \$24,073,047, or 9.3 percent, was awarded to M/WOBs, including \$15,748,000, or 6.1 percent, to minority-owned businesses and \$8,325,047, or 3.2 percent, to women-owned businesses.
- **EYP Architecture & Engineering PC (EYP):** The Board awarded \$2,156,540 to EYP related to the basis of design for the 1951 Constitution Avenue building renovation. Of this total, \$147,507, or 6.8 percent, was awarded to M/WOBs, including \$61,461, or 2.9 percent, to minority-owned businesses and \$86,046, or 4.0 percent, to women-owned businesses.
- **FORTUS-Excellence in Design-Callison RTKL-Quinn Evans JV (FORTUS):** The Board awarded \$41,968,452 to FORTUS related to the design of the Eccles–1951 Constitution Avenue building

renovation. Of this total, \$2,187,821, or 5.2 percent, was awarded to M/WOBs including \$596,678, or 1.4 percent, to minority-owned businesses and \$1,591,143, or 3.8 percent, to women-owned businesses.

The Board will continue to encourage its prime suppliers to use M/WOBs in its contracting opportunities. This indirect spend has been beneficial to the Board’s overall supplier diversity spend initiatives.

Successes

The Board strives to continuously improve its contracting opportunities for M/WOBs. To that end, the Procurement team continues working cross-functionally with client divisions to strengthen existing efforts and develop new strategic initiatives to ensure sustainable supplier diversity results. In 2019, the Procurement team participated in several outreach engagements, including expos, matchmaking sessions, seminars, workshops, and annual conferences designed to educate suppliers on how to do business with federal government agencies. These events were primarily hosted by local and national

Box 3. Supplier diversity outreach activities, 2019

- Federal Procurement Conference (Office of Small and Disadvantaged Business Utilization)
- Federal Financial Regulatory Agencies: Connections That Count
- Federal Reserve Bank of Atlanta – Supplier Diversity Forum
- Federal Reserve Bank of New York – Business Smart Week
- Federal Reserve System Senior Procurement Officers and Supplier Diversity Summit
- Greater Washington Hispanic Chamber of Commerce Business Exposition
- National 8(a) Association Small Business Conference
- National LGBT Chamber of Commerce International Business and Leadership Conference
- National Minority Supplier Development Council National Conference
- National Veterans Small Business Engagement Conference
- Society of American Military Engineers Small Business Conference
- U.S. Department of Agriculture Small Business Event
- U.S. Hispanic Chamber of Commerce Conference
- U.S. Hispanic Legislative Summit
- U.S. Pan Asian American Chamber of Commerce CelebrAsian Conference
- U.S. Women’s Chamber of Commerce Conference
- Veterans in Business National Conference
- Women’s Business Enterprise National Council National Conference & Business Fair
- Women’s Business Enterprise National Council Summit and Salute

Chambers of Commerce, advocacy groups, and other federal government agencies.

In addition, the Supplier Diversity Program manager moderated and hosted several educational sessions about “Doing Business with the Board.” In these highly engaging and interactive sessions, suppliers learned how to navigate the Board’s acquisition process and received tips for winning contracts with the Board. These sessions increased the participants’ overall understanding of the Federal Reserve Board, including who we are and what we do. The learning objectives of these sessions included

- how to register to do business with the Board,
- how to market capabilities to the Board,
- how to identify upcoming contracting opportunities,
- understanding the differences between appropriated and non-appropriated agencies, and
- how to compete for contract awards with financial regulatory agencies.

These efforts helped to prepare vendors to participate in the Board’s acquisition process and allowed the Procurement team to successfully search and find exceptional and competitive M/WOBs that are positioned to provide the Board products and services. These businesses offered competitive pricing and per-

formed at or above expectations to support the Board’s needs.

The outreach engagements were designed and implemented to focus on three strategies: (1) forging partnerships with the local, regional, and national M/WOB communities; (2) creating or having access to a database of M/WOBs that can offer the Board quality goods and services; and (3) reviewing M/WOBs’ capabilities to offer goods and services that are aligned with the Board’s needs.

See [box 3](#) for a list of the Board’s supplier diversity outreach activities during the year.

Highlights

Outreach to M/WOBs

During 2019, Procurement staff engaged in several key outreach activities that furthered the success of the Board’s Supplier Diversity Program.

Federal Reserve System Senior Procurement Officers and Supplier Diversity Summit

This System event was designed to build collaborative relationships among the System’s supplier diversity professionals and the senior procurement officers in order to share lessons learned and best practices that will serve to further enhance the

participants' knowledge and continually strengthen the supplier diversity processes throughout the System.

Federal Regulatory Agencies: Connections That Count

The Board cohosted (with other federal financial regulatory agencies) a technical assistance event to provide M/WOBs an opportunity to meet with federal financial services regulators, who make over \$1 billion in annual purchases. Over 200 M/WOBs attended this event, which also provided information about federal contracting and how to write smart and winning proposals. This event was coordinated specifically to be educational in nature and to support attendees in gaining information that will assist in building capacity.

Business Smart Week

The Federal Reserve Bank of New York's Business Smart Week event included workshops, seminars, and activities designed to share knowledge and provide M/WOBs, as well as internal stakeholders, with the tools to manage their businesses. These offerings were coordinated specifically to be educational in nature and to support attendees in gaining information that will provide insight with respect to the awareness of supplier diversity initiatives.

Women's Business Enterprise National Council (WBENC) National Conference

The Board participated in the WBENC National Conference & Business Fair. The Board shares WBENC's commitment to expanding women's business opportunities in the marketplace. WBENC is the largest conference of its kind for women business owners in the United States. The conference features lectures and presentations from today's thought leaders, engaging panel discussions, one-on-one matchmaker sessions, and a notable business fair. More than 3,000 women-owned businesses attended the conference.

National LGBT Chamber of Commerce (NGLCC)

The Board engaged and collaborated with the NGLCC to secure a national partnership for the System. The NGLCC is the business voice of the LGBT community and advocates expanding economic opportunities and advancements for LGBT-owned businesses. This partnership allowed the

System to (1) have representation on the NGLCC Procurement Council, (2) expand its reach to support M/WOBs within the LGBTQIA+ community, and (3) ensure that these firms are consistently included in the market research process and invited to participate in the Board's competitive contracting process.

National Minority Supplier Development Council National Conference

The Board's Procurement staff participated in the NMSDC National Conference. NMSDC provides a nationwide link between corporations and minority-owned businesses. Through its network of 36 regional councils across the country, NMSDC provides increased procurement and business opportunities for minority-owned businesses of all sizes. The conference included a business opportunity fair, plenary sessions, and workshops. Procurement staff had the opportunity to share information with more than 2,000 minority-owned businesses that attended the Business Opportunity Fair portion of the conference.

Internal Engagement

In 2019, the Board continued to engage with and educate its employees about the Supplier Diversity Program through multiple channels and tools.

• ***Internal Client-Division Meetings***

Supplier diversity continued to be a strategic initiative discussed at internal division meetings in 2019. The Procurement team highlighted supplier diversity objectives and key initiatives in its meetings. The Supplier Diversity Program manager met regularly with the contract specialists and other internal stakeholders to implement cross-functional strategies that helped the Board successfully achieve its supplier diversity objectives.

• ***Supplier Diversity Metrics***

The Board continued to track its supplier diversity results and make them available Boardwide through the supplier diversity reporting system. Reporting consists of dashboards and metrics that provide internal stakeholders data to measure performance against supplier diversity initiatives.

• ***Quarterly Supplier Diversity Accomplishments***

The Procurement team distributed a quarterly newsletter to the Board's internal stakeholders by email. It was a key vehicle for sharing program

information, as well as recent supplier diversity activities, and accomplishments.

- **Acquisition Policy/Procedure Enhancements**

The Procurement team enhanced and released the latest version of the Board's acquisition procedures. Applying these improved contracting practices helps ensure M/WOBs are included in the market research process and have an opportunity to participate in the Board's competitive acquisition process.

System and Interagency Engagement

To further strengthen its Supplier Diversity Program, Board staff engage and collaborate with other groups at the Federal Reserve System and other federal agencies.

- **Federal Reserve System Supplier Diversity Working Group**

The Supplier Diversity Working Group is composed of supplier diversity practitioners from the Reserve Banks and the Board. They collaborate for the primary purpose of exchanging information regarding methods, initiatives, and best practices that support the execution of the business activities and supplier diversity programs required under section 342 (c) of the Dodd-Frank Act.

- **Office of Small Disadvantage Business Utilization (OSDBU) Meetings**

The Supplier Diversity Program manager met regularly with federal government OSDBU members in 2019. This advocacy and advisory group is responsible for promoting the use of small disadvantaged and women-owned businesses. The group also advocates for small, veteran-owned, service-disabled veteran-owned, and HUBZone small businesses.

Organization Educational Training

The Procurement team continued to conduct supplier diversity trainings throughout the year. Procurement staff trained Contracting Officers Representatives (CORs) and contracting staff on their key role as drivers of supplier diversity when procuring goods and services. The training also covers how to support the success of upcoming projects by working with prime suppliers to optimize M/WOBs' participation and accurately reporting subcontracting.

- **Lunch and Learn**

This educational session provided a collaborative learning opportunity to ensure employees understand the importance of supplier diversity to the Board. Internal stakeholders learned how supplier diversity drives change, fuels the economy, and is aligned with the Federal Reserve's goals.

- **Procurement Customer Forum**

The forum provided Board staff with information on updated procurement policies and featured presentations on key acquisition topics, including supplier diversity.

Challenges

Much of the Board's current and future procurement activity involves acquisitions to support the major capital project initiatives historically awarded to large companies. Through outreach engagement, the Procurement team will meet with M/WOBs that have indicated that they can provide services through subcontracting opportunities. The Procurement team will host a series of construction industry engagements that bring together (1) potential prime suppliers, (2) the Board's Facilities team, and (3) prospective subcontractors. The meeting agendas will focus on the capital project requirements and doing business with the potential prime suppliers and the Board. The events will also provide an opportunity for vendors to discuss their capabilities.

Looking Ahead/Next Steps

The inclusion of M/WOBs is integrated into the way the Board does business and has been a strategic focus since the inception of its supplier diversity initiatives. In alignment with the Board's mission, the Procurement function will continue to develop ongoing strategic program activities in the following areas for 2020:

- **Supplier diversity objectives development.** Collaborate cross-functionally with the ODI liaisons to develop objectives and accountability with each client division.
- **Supplier development.** Identify procurement opportunities for and support the development of M/WOBs to grow and be competitive in the Board's acquisition process.

- **Subcontracting performance.** Educate prime suppliers on the requirements to include M/WOBs in major projects, provide accurate reporting, and encourage achievable subcontracting goals.
- **Outreach.** Support organizations and increase activities that align with the Board's supplier diversity objectives around capital projects.
- **Communications and training.** Continue to communicate and educate both internal and external stakeholders about the Board's Supplier Diversity Program. Develop and implement a comprehensive communications campaign titled "Be Intentional."
- **Employee recognition.** Recognize Board staff who drive high levels of supplier diversity results and support supplier diversity initiatives throughout the year.

Financial Literacy Activities

During 2019, the Board participated in community and Board outreach events and programs designed to enhance financial literacy for a wide variety of audiences. Examples are listed below.

- Federal Reserve Outreach Program (FedEd):** In 2019, the FedEd Outreach Program continued its efforts to teach personal finance and economics to high school students in the Washington, D.C., area. Fifty-four volunteers from the Board gave presentations on topics such as saving, borrowing, credit scores, consumer decisionmaking, and the role of the Federal Reserve. Over the past year, FedEd leadership focused on establishing relationships with more local high schools, particularly those in the District of Columbia with high representation of minority students. As a result, FedEd reached 2,200 students from 21 schools in 2019, giving approximately 45 in-school presentations and hosting students during 10 events held at the Board. These engagements included discussions about economics and the Federal Reserve with participants such as Chair Jerome Powell and the Board's Chief Financial Officer Ricardo Aguilera. In addition, four Federal Reserve research assistants taught AP Macroeconomics to students at Benjamin Banneker High School in the District of Columbia, many of whom received exam scores qualifying them for college course credit.
- Congressional Black Caucus Foundation Annual Legislative Conference:** The Board, representing the System, sponsored a booth at the foundation's 48th Annual Legislative Conference. The conference was held from September 19–21 in Washington, D.C. Financial education information and materials were distributed to approximately 500 conference attendees.
- STEM x Economics:** The Board hosted its annual STEM x Economics program on December 7, 2019,

for 14 high school students (juniors and seniors) from the Washington, D.C., area who have an interest and aptitude for mathematics. The goals of the program are to introduce economics and STEM as a degree of study in college, to help students explore economics and other STEM professions that utilize mathematics disciplines, and to increase interest and participation of females and minorities in STEM careers.

Attendees participated in interactive activities that introduced them to the field of economics, mathematics and technology. Economists from the Board's economic research divisions and Division of Information Technology professionals conducted panel discussions on the relationship between mathematics and research; career paths in economics; technology; and relevant coursework for both STEM and economics. Research assistants also shared insights into their career choices and what influenced their decisions. The demographic profiles of the student attendees are shown in [table 7](#).

Table 7. STEM x Economics program attendee distribution, 2019

| Participants | Number | Percent |
|-------------------|--------|---------|
| Female | 6 | 43 |
| Male | 8 | 57 |
| Juniors | 5 | 36 |
| Seniors | 9 | 64 |
| African American | 8 | 57 |
| Hispanic | 0 | 0 |
| Asian | 1 | 7 |
| Pacific Islander | 0 | 0 |
| White | 3 | 21 |
| Two or more races | 2 | 14 |

Diversity Policies and Practices of Regulated Entities

The Dodd-Frank Act required the establishment of an OMWI within each federal financial regulatory agency to develop standards for assessing the diversity policies and practices of institutions regulated by agencies. In January 2019, the Board sent 804 letters to institutions requesting submission of their calendar-year 2018 Diversity and Inclusion Self-Assessment. The Board received 103 submissions, up from 88 submissions received in 2018. The majority of institutions submitting assessments used the Board's electronic Diversity Self-Assessment Template, available on the Board's website at https://www.federalreserve.gov/aboutthefed/files/omwi_policy_template.pdf, to prepare and submit their assessments. With regard to the low response rate, some regulated entities have noted/cited concerns that the confidential and proprietary information they would be sharing in an effort to be transparent could be made public.

Table 8 shows the number of self-assessment submissions by institution category. Table 9 shows a breakdown of the 2019 submissions by policy standards addressed in the self-assessments.

The Board reviewed data from the diversity assessments to determine a baseline of submission data and to identify diversity and inclusion leading practices. Assessment highlights include the following:

- Narrative descriptions of executed actions and outcomes strongly aligned with leading practices,

Table 8. Number of regulated entity self-assessment submissions, by institution category, 2019

| Category | Number of institutions |
|------------------------------------|------------------------|
| Bank holding companies | 29 |
| Financial holding companies | 48 |
| Intermediate holding companies | 2 |
| Savings and loan holding companies | 3 |
| State member banks | 21 |
| Total | 103 |

Table 9. Policy standards addressed in regulated entities' Diversity and Inclusion Self-Assessments, 2019

| Standard | Number of institutions | Percentage of institutions |
|---|------------------------|----------------------------|
| Organizational commitment to diversity and inclusion | 102 | 99 |
| Workforce profile and employment practices | 102 | 99 |
| Procurement and business practices (supplier diversity) | 55 | 53 |
| Practice to promote transparency of diversity and inclusion | 90 | 87 |
| Entities' self-assessment | 99 | 96 |

analytics, and organizational commitment, such as diversity and inclusion policies, establishment of executive diversity and inclusion councils, and establishment of metrics.

- Workforce profile and employment practices provided evidence of recruitment and active outreach with external diversity and inclusion professional organizations and educational institutions.
- Meetings to discuss diversity and inclusion initiatives, policies, and practices were held with business leaders to address accountability.
- Companies continue to identify interventions to address cultural changes.
- More than 70 percent of respondents have ERGs that play a role in recruitment at college and professional career fairs, employee engagement activities such as mentoring, skill-building workshops, and financial education programs.
- A majority of the respondents (68 percent) reported regularly conducting training on workplace civil treatment, equal opportunity, unconscious bias, and diversity inclusion.
- Respondents are utilizing external professional executive organizations for management talent, including but not limited to the National Association of Female Executives, Executive Leadership Council, Hispanic Association on Corporate

Responsibility, National Organization on Disability, Out & Equal, and OUT Leadership.

OMWI has identified the following areas for priority focus:

- development and implementation of internal auditing and reporting systems that ensure effectiveness of diversity, equity, and inclusion policies and practices
- enhancement of diversity reporting to board of directors and executive committee members to include workforce representation, hiring, promotion, and/or attrition data as well as survey results on employee engagement by demographics
- continued use of metrics in benchmarking ways to address executive pipeline issues
- annual procurement reporting to include a tracking system for diversity spend for goods and services
- increasing supplier diversity reporting (information on supplier diversity was provided by 53 percent of respondents)

These focus areas will be addressed at the next Financial Regulatory Agencies' Diversity & Inclusion Summit, to be held in 2020.

Stakeholders Summit

The Board continues to emphasize the importance of institutions' Diversity and Inclusion Self-Assessments and how impactful policies and practices can create and sustain diversity and inclusion in the financial industry.

To that end, on November 20, 2019, the Board's OMWI collaborated with the Federal Deposit Insur-

ance Corporation, the Office of the Comptroller of the Currency, and the American Bankers Association to host a webinar on the Diversity Self-Assessments. Approximately 200 entities participated. An overview of the purpose and value of the webinar was by provided the financial regulators and participants' questions were addressed.

On October 23, 2019, the second Financial Regulatory Agencies' Diversity & Inclusion Summit was hosted at the Federal Reserve Bank of Chicago. Approximately 120 companies participated. The primary purposes of the summit were to

- continue open communication and sharing of diversity and inclusion policies and practices within the financial industry;
- explore ways to collaborate with the industry in addressing the lack of diversity, leading practices, recruitment, outreach, and organizational accountability; and
- provide information on types of additional reports companies could include in their self-assessments.

Summit participants reported that they developed a better understanding of the intent of the diversity self-assessment and ways in which they could establish more effective communication regarding their practices with the OMWI offices. The sharing of information from companies within the financial industry was beneficial in benchmarking their initiatives and results.

It is the intent of the regulators to convene a diversity summit for regulated entities in 2020 in order to increase the awareness and collaboration within the financial industry to address the lack of diversity within the financial industry.

Appendix A: Board of Governors EEO-1 Report

| Employer Information Report EEO-1 | | | | | | | | | | | | | | | | | |
|---|-----------------|--------|---------------------------|--------------------|--------|------------------------|--------|---|--------|----------------------------------|--------|-------------------|--------|------|--------|------|--------|
| Federal Reserve Board, 2019 employer information report | | | | | | | | | | | | | | | | | |
| Occupational categories | Total employees | | | Race/ethnicity | | | | | | | | | | | | | |
| | | | | Hispanic or Latino | | Non-Hispanic or Latino | | | | | | | | | | | |
| | White | | Black or African American | | | Asian | | Native Hawaiian or other Pacific Islander | | American Indian or Alaska Native | | Two or more races | | | | | |
| | All | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| 1.1 Exec., Sr. Level Officers, FR-00 | | | | | | | | | | | | | | | | | |
| By total | 256 | 151 | 105 | 4 | 5 | 124 | 74 | 11 | 12 | 10 | 11 | 0 | 0 | 0 | 0 | 2 | 3 |
| By percent | 100.00 | 58.98 | 41.02 | 1.56 | 1.95 | 48.44 | 28.91 | 4.30 | 4.69 | 3.91 | 4.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.78 | 1.17 |
| 1.2 Sr. Level Managers, FR-28 through FR-31 | | | | | | | | | | | | | | | | | |
| By total | 276 | 154 | 122 | 9 | 5 | 106 | 71 | 14 | 31 | 21 | 14 | 0 | 0 | 0 | 0 | 4 | 1 |
| By percent | 100.00 | 55.80 | 44.20 | 3.26 | 1.81 | 38.41 | 25.72 | 5.07 | 11.23 | 7.61 | 5.07 | 0.00 | 0.00 | 0.00 | 0.00 | 1.45 | 0.36 |
| 1.3 1st/Mid. Level Managers | | | | | | | | | | | | | | | | | |
| By total | 89 | 49 | 40 | 4 | 1 | 21 | 16 | 23 | 21 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100.00 | 55.06 | 44.94 | 4.49 | 1.12 | 23.60 | 17.98 | 25.84 | 23.60 | 1.12 | 2.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Officials and Managers Total | | | | | | | | | | | | | | | | | |
| By total | 621 | 354 | 267 | 17 | 11 | 251 | 161 | 48 | 64 | 32 | 27 | 0 | 0 | 0 | 0 | 6 | 4 |
| By percent | 100.00 | 57.00 | 43.00 | 2.74 | 1.77 | 40.42 | 25.93 | 7.73 | 10.31 | 5.15 | 4.35 | 0.00 | 0.00 | 0.00 | 0.00 | 0.97 | 0.64 |
| 2. Professionals | | | | | | | | | | | | | | | | | |
| By total | 1,900 | 1,050 | 850 | 62 | 35 | 685 | 421 | 90 | 202 | 194 | 171 | 0 | 0 | 0 | 0 | 19 | 21 |
| By percent | 100.00 | 55.26 | 44.74 | 3.26 | 1.84 | 36.05 | 22.16 | 4.74 | 10.63 | 10.21 | 9.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.11 |
| 3. Technicians | | | | | | | | | | | | | | | | | |
| By total | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. Sales Workers | | | | | | | | | | | | | | | | | |
| By total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5. Admin. Support Workers | | | | | | | | | | | | | | | | | |
| By total | 86 | 14 | 72 | 0 | 2 | 2 | 8 | 11 | 59 | 1 | 2 | 0 | 0 | 0 | 1 | 0 | 0 |
| By percent | 100.00 | 16.28 | 83.72 | 0.00 | 2.33 | 2.33 | 9.30 | 12.79 | 68.60 | 1.16 | 2.33 | 0.00 | 0.00 | 0.00 | 1.16 | 0.00 | 0.00 |
| 6. Craft Workers | | | | | | | | | | | | | | | | | |
| By total | 29 | 28 | 1 | 1 | 0 | 11 | 1 | 12 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100.00 | 96.55 | 3.45 | 3.45 | 0.00 | 37.93 | 3.45 | 41.38 | 0.00 | 13.79 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7. Operatives | | | | | | | | | | | | | | | | | |
| By total | 10 | 10 | 0 | 2 | 0 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100.00 | 100.00 | 0.00 | 20.00 | 0.00 | 0.00 | 0.00 | 80.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8. Laborers and Helpers | | | | | | | | | | | | | | | | | |
| By total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9. Service Workers | | | | | | | | | | | | | | | | | |
| By total | 139 | 114 | 25 | 10 | 3 | 40 | 3 | 59 | 18 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100.00 | 82.01 | 17.99 | 7.19 | 2.16 | 28.78 | 2.16 | 42.45 | 12.95 | 3.60 | 0.72 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total workforce | | | | | | | | | | | | | | | | | |
| By total | 2,786 | 1,571 | 1,215 | 92 | 51 | 989 | 594 | 229 | 343 | 236 | 201 | 0 | 0 | 0 | 1 | 25 | 25 |
| By percent | 100.00 | 56.39 | 43.61 | 3.30 | 1.83 | 35.50 | 21.32 | 8.22 | 12.31 | 8.47 | 7.21 | 0.00 | 0.00 | 0.00 | 0.04 | 0.90 | 0.90 |

Appendix B: Federal Reserve System Official Staff Demographics

| Federal Reserve Board and Banks official staff demographics, 2018 and 2019 | | | | | | | | | | | | |
|--|------------------------------------|----------|------------------------------------|----------|------------------------|----------|------------------------------------|----------|------------------------------------|----------|------------------------|----------|
| Demographic | 2019 | | | | | | 2018 | | | | | |
| | Federal Reserve Board ¹ | | Federal Reserve Banks ² | | Federal Reserve System | | Federal Reserve Board ¹ | | Federal Reserve Banks ² | | Federal Reserve System | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Gender | | | | | | | | | | | | |
| Male | 148 | 59 | 981 | 58 | 1,129 | 58 | 143 | 59 | 958 | 58 | 1,101 | 58 |
| Female | 103 | 41 | 724 | 42 | 827 | 42 | 99 | 41 | 698 | 42 | 797 | 42 |
| Minority status | | | | | | | | | | | | |
| Non-minority | 193 | 77 | 1,286 | 75 | 1,479 | 76 | 188 | 78 | 1,260 | 76 | 1,448 | 76 |
| Minority | 58 | 23 | 419 | 25 | 477 | 24 | 54 | 22 | 396 | 24 | 450 | 24 |
| Total officers | 251 | – | 1,705 | – | 1,956 | – | 242 | – | 1,656 | – | 1,898 | – |

¹ Excludes governors.
² Includes Presidents and First Vice Presidents.

Appendix C: Federal Reserve System Boards of Directors Demographics

| Federal Reserve System boards of directors: Bank and branch directors as of January 1, 2020 | | | | | | | | | | | | | | | | | |
|---|-------------------|------|---------------------------|--------------------|--------|------------------------|--------|---|--------|----------------------------------|--------|-------------------|--------|------|--------|------|--------|
| Director categories | Current directors | | | Race/ethnicity | | | | | | | | | | | | | |
| | | | | Hispanic or Latino | | Non-Hispanic or Latino | | | | | | | | | | | |
| | White | | Black or African American | | | Asian | | Native Hawaiian or other Pacific Islander | | American Indian or Alaska Native | | Two or more races | | | | | |
| | All | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Board-appointed directors | | | | | | | | | | | | | | | | | |
| Class C (total positions 36) | | | | | | | | | | | | | | | | | |
| By total | 36 | 18 | 18 | 2 | 2 | 9 | 9 | 6 | 6 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| By percent | 100 | 50 | 50 | 6 | 6 | 25 | 25 | 17 | 17 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 0 |
| Branch directors, appointed by Board of Governors (total positions 71) | | | | | | | | | | | | | | | | | |
| By total | 68 | 35 | 33 | 3 | 4 | 18 | 22 | 10 | 5 | 2 | 2 | 0 | 0 | 0 | 0 | 1 | 0 |
| By percent | 96 | 49 | 46 | 4 | 6 | 25 | 31 | 14 | 7 | 3 | 3 | 0 | 0 | 0 | 0 | 1 | 0 |
| Other directors | | | | | | | | | | | | | | | | | |
| Class A (total positions 36) | | | | | | | | | | | | | | | | | |
| By total | 36 | 27 | 9 | 1 | 0 | 24 | 9 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100 | 75 | 25 | 3 | 0 | 67 | 25 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Class B (total positions 36) | | | | | | | | | | | | | | | | | |
| By total | 36 | 19 | 17 | 0 | 0 | 11 | 15 | 7 | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| By percent | 100 | 53 | 47 | 0 | 0 | 31 | 42 | 19 | 6 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 |
| Branch directors, appointed by Reserve Banks (total positions 95) | | | | | | | | | | | | | | | | | |
| By total | 92 | 61 | 30 | 6 | 4 | 40 | 19 | 8 | 3 | 4 | 1 | 0 | 0 | 1 | 2 | 1 | 0 |
| By percent | 97 | 64 | 32 | 6 | 4 | 42 | 20 | 8 | 3 | 4 | 1 | 0 | 0 | 1 | 2 | 1 | 0 |
| Totals | | | | | | | | | | | | | | | | | |
| All head-office directors (total positions 108) | | | | | | | | | | | | | | | | | |
| By total | 108 | 64 | 44 | 3 | 2 | 44 | 33 | 15 | 8 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 |
| By percent | 100 | 59 | 41 | 3 | 2 | 41 | 31 | 14 | 7 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 |
| All branch directors (total positions 166) | | | | | | | | | | | | | | | | | |
| By total | 160 | 96 | 63 | 9 | 8 | 58 | 41 | 18 | 8 | 6 | 3 | 0 | 0 | 1 | 2 | 2 | 0 |
| By percent | 96 | 58 | 38 | 5 | 5 | 35 | 25 | 11 | 5 | 4 | 2 | 0 | 0 | 1 | 1 | 1 | 0 |
| All System directors (total positions 274) | | | | | | | | | | | | | | | | | |
| By total | 268 | 160 | 107 | 12 | 10 | 102 | 74 | 33 | 16 | 6 | 4 | 0 | 0 | 2 | 2 | 3 | 0 |
| By percent | 98 | 58 | 39 | 4 | 4 | 37 | 27 | 12 | 6 | 2 | 1 | 0 | 0 | 1 | 1 | 1 | 0 |

Note: Reserve Bank directors are elected or appointed to three-year, staggered terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information). This report includes directors who were appointed or elected in 2019 to terms that began on January 1, 2020, as well as directors who are currently serving in existing terms. Totals reflect six vacant positions and four directors who chose not to self-identify their gender and/or race/ethnicity.

Appendix D: Contract Payments to Minority- and Women-Owned Businesses by the Federal Reserve System

Federal Reserve System payments to minority- and women-owned businesses, 2018 and 2019

Dollars in millions

| Demographic | 2019 | | | | | | 2018 | | | | | |
|---|-----------------------|---------------|-----------------------|---------------|------------------------|---------------|-----------------------|---------------|-----------------------|---------------|------------------------|---------------|
| | Federal Reserve Board | | Federal Reserve Banks | | Federal Reserve System | | Federal Reserve Board | | Federal Reserve Banks | | Federal Reserve System | |
| | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| Total reportable spend | 279.22 | 100.00 | 1,600.31 | 100.00 | 1,879.53 | 100.00 | 220.85 | 100.00 | 1,497.12 | 100.00 | 1,717.97 | 100.00 |
| By business type | | | | | | | | | | | | |
| Minority-owned ^{1,2} | 29.45 | 10.55 | 188.32 | 11.77 | 217.77 | 11.59 | 21.96 | 9.94 | 145.53 | 9.72 | 167.49 | 9.75 |
| Non-minority women-owned | 10.63 | 3.81 | 32.94 | 2.06 | 43.57 | 2.32 | 8.47 | 3.84 | 29.41 | 1.96 | 37.88 | 2.20 |
| Total minority-owned and women-owned² | 40.08 | 14.35 | 221.26 | 13.83 | 261.34 | 13.90 | 30.43 | 13.78 | 174.94 | 11.69 | 205.37 | 11.95 |
| By demographic group | | | | | | | | | | | | |
| American Indian or Alaska Native | 0.27 | 0.10 | 1.82 | 0.11 | 2.10 | 0.11 | 0.09 | 0.04 | 0.36 | 0.02 | 0.45 | 0.03 |
| Asian American | 14.57 | 5.22 | 82.06 | 5.13 | 96.63 | 5.14 | 11.42 | 5.17 | 48.80 | 3.26 | 60.22 | 3.51 |
| Black or African American | 2.69 | 0.96 | 90.48 | 5.65 | 93.17 | 4.96 | 2.67 | 1.21 | 84.60 | 5.65 | 87.27 | 5.08 |
| Hispanic or Latino | 11.76 | 4.21 | 8.69 | 0.54 | 20.45 | 1.09 | 7.05 | 3.19 | 6.35 | 0.42 | 13.40 | 0.78 |
| Native Hawaiian or other Pacific Islander | 0.12 | 0.04 | 0.00 | 0.00 | 0.12 | 0.01 | 0.43 | 0.19 | 0.00 | 0.00 | 0.43 | 0.03 |
| Other minority ³ | 0.04 | 0.01 | 5.26 | 0.33 | 5.30 | 0.28 | 0.31 | 0.14 | 5.42 | 0.36 | 5.73 | 0.33 |

¹ "Minority-owned" includes minority women-owned businesses.

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

³ *Other minority* means those businesses designating "minority-owned" but not designating Asian American, African American, Hispanic American, Hawaiian American, or Native American.

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0320

