

# REPORT TO THE CONGRESS

## on the Office of Minority and Women Inclusion

**March 29, 2013**

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This document contains an annual summary of the actions of the Office of Minority and Women Inclusion with regard to the requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.



FEDERAL RESERVE BANK  
OF PHILADELPHIA

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This is the second annual “Report to Congress,” as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Its purpose is to outline the diversity and inclusion actions taken at the Federal Reserve Bank of Philadelphia during the past year. The Philadelphia Fed has long viewed diversity and inclusion as core values and has many programs that support its commitment.

The report includes the work of the Bank’s Office of Diversity and Inclusion (ODI), which, among other things, develops standards and procedures to ensure the inclusion of minorities and women in all matters “relating to diversity in management, employment, and business activities,” as requested by Dodd-Frank.

In recent years, the Philadelphia Fed has instituted several initiatives to support its commitment, including a Diversity Council of our employees who meet regularly to foster a greater appreciation of workplace diversity, an active diversity recruitment program, and a program to increase women- and minority-owned businesses in the Bank’s supplier ranks.

We are committed to diversity and inclusion in recruiting, hiring, and advancement across all job categories. All human resources actions are administered in accordance with these standards. The Bank offers all employees diverse educational and developmental opportunities to provide them with the resources to perform effectively in their jobs and develop to their maximum potential.

We are committed to equal employment opportunity. The senior vice president of Human Resources, who serves as the designated EEO officer and director of the ODI, is responsible for overseeing the effectiveness of the Bank’s diversity, EEO, and outreach programs.

In all of these activities, the Bank cultivates an environment that strengthens and supports diversity. The Bank’s management at every level will continue to promote diversity and inclusion throughout the Federal Reserve Bank of Philadelphia.

Sincerely,

## EXECUTIVE SUMMARY

The Federal Reserve Bank of Philadelphia is pleased to submit this report to Congress regarding implementation and execution of the mandates contained in Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (act). As per the requirements of the act, the Bank established an Office of Minority and Women Inclusion (OMWI) in January 2011 and has just completed the second year of OMWI-related activities. Assessment of inclusion programs within regulated entities is being managed by the Board of Governors and, therefore, is not addressed in this report.

The Bank has had a formal Diversity and Inclusion initiative since 2007 and has processes and programs in place to promote workforce and supplier diversity. The Bank has also been actively engaged in financial literacy and outreach to school systems within the region for many years. The Office of Diversity and Inclusion manages the Bank's overall approach to creating an environment in which diversity is understood as an organizational strength and inclusion is the expected behavior for all matters in the workplace.

The Bank is committed to fostering a diverse and inclusive workforce, and workforce diversity efforts continue to address recruitment, leadership development, and succession planning. Programs and practices are in place to advance diversity goals and objectives, such as internships, mentoring activities, and diversity recruiting. Our internship programs provide developmental opportunities for individuals with diverse backgrounds, skills, and experiences.

Likewise, the Bank's supplier diversity program pre-dates the passage of the Dodd-Frank Act and remains focused on fostering opportunities for minority- and women-owned firms to do business with the Bank. The act provides additional guidance on efforts in this area. The Bank includes appropriate provisions in new and renewal contracts for goods and services. A process for reviewing contractors' good faith efforts on inclusion has been implemented, as outlined in the act.

The Federal Reserve Bank of Philadelphia's economic education and financial literacy programs are well received by teachers, and the content of the curriculum has been enhanced and updated over the past several years. Through facilitated workshops, presentations in school districts, and conferences, our programs equip school teachers to deliver effective financial literacy curricula to students of all ages. Students' visits to the Bank's Money in Motion exhibit introduce them to the concepts of money and banking, financial instruments, and monetary policy in an interactive climate. Other customized, online educational programs provide additional resources for teachers throughout our region and beyond.

In concert with other Banks across the Federal Reserve System (System), the Federal Reserve Bank of Philadelphia posts OMWI information on its external and internal websites to promote greater transparency to staff and constituents. In this way the Bank makes public its EEO-1 workforce representation data, which are provided annually to the Equal Employment Opportunity Commission. These data indicate that in 2012, minorities represented 36 percent and women were 39 percent of the Bank's overall workforce. Out of a total Bank officer population of 61, 11 (18 percent) were minorities and 19 (31 percent) were women.

The Federal Reserve Bank of Philadelphia is committed to workforce diversity, supplier diversity, and financial literacy. This report details specific work that was done and the progress that was made during 2012 in accordance with the requirements of the Dodd-Frank Act.

## OVERVIEW

The Federal Reserve Bank of Philadelphia helps formulate and implement monetary policy, supervises banks and bank and savings and loan holding companies, and provides financial services to depository institutions and the federal government. It is one of the 12 regional Reserve Banks that, together with the Board of Governors in Washington, D.C., make up the Federal Reserve System.

Since 2007, the Federal Reserve System has collaborated to implement and execute strategic national diversity recruiting and advertising efforts across all 12 Reserve Banks, the Board of Governors, and FRIT, our centralized Federal Reserve Information Technology (FRIT) organization. The System Diversity Recruiting project uses this collaborative and cost-effective approach to participation in five national diversity-focused conferences and several regional conferences. Diversity advertising via online, print, and social media vehicles aligns with our presence at conferences to position the Fed as an employer of choice.

During 2012, representatives of the Federal Reserve System collectively attended the following five national diversity conferences: National Urban League (NUL), National Black MBA Association (NBMBAA), National Society of Hispanic MBAs (NSHMBA), Association of Latino Professionals in Finance and Accounting (ALPFA), and Thurgood Marshall College Fund Leadership and Recruitment fair (TGMCF). Regional diversity conferences included participation at the Atlanta University Consortium (AUC), the National Association of Asian American Professionals (NAAAP), the Hispanic Consortium for Colleges and Universities (HACU), the Black Data Processors Association (BDPA), and LGBT Out for Work.

Working closely with these nationally recognized organizations helps Reserve Banks make successful diverse hires and creates awareness of the Federal Reserve System as a diverse employer. In order to proactively find talent, the System screened over 1,000 resumes, interviewed more than 60 candidates via phone and on-site interviews, and used Twitter to advertise opportunities and increase visibility. Additionally, more than 20 Federal Reserve System employees served as career management coaches by volunteering to assist over 500 job seekers at the NSHMBA conference with resume review, career coaching, and mock interviews. The Federal Reserve System also had an

opportunity to feature three of our Latino executives in a NSHMBA e-newsletter, highlighting our success stories as a diverse employer.

Moreover, the System was recognized for its national diversity recruiting work when Professional Woman's Multi Cultural magazine, the Black EOE Journal, and Hispanic Network magazine cited the Fed as being among the top 10 employers committed to diversity and inclusion among financial institutions.

The Federal Reserve Bank of Philadelphia, along with the other regional Reserve Banks, is supported by the National Procurement Office (NPO). The NPO is a procurement function within the Federal Reserve System that develops and executes national contracts for certain goods and services that, when purchased collectively, provide the best value for multiple Reserve Banks. The Reserve Banks work together to identify opportunities to further the System's supplier diversity programs, practices, and actions. This includes coordinating national outreach efforts as well as participating in national supplier diversity conferences. In 2012, the Federal Reserve System collaboratively participated in two supplier diversity conferences to reach minority- and women-owned firms. The conferences attended were sponsored by the Women's Business Enterprise National Council (WBENC) and the National Minority Supplier Development Council (NMSDC).



Participants in the Congressional Black Caucus Youth Leadership Summit

The Reserve Banks and Board of Governors partner to identify opportunities for the Federal Reserve System to collaborate on financial literacy programming, mentoring opportunities, and other related activities for inner-city high schools, girls' high schools, and high schools with majority minority populations. In 2012, coordinated programming included events such as the Congressional Hispanic Caucus's Ready to Lead sessions and the Congressional Black Caucus's Youth Leadership Summit.

The director of the FRB Philadelphia's<sup>1</sup> Office of Minority and Women Inclusion is Mary Ann Hood. Ms. Hood serves in this capacity in addition to her role as the Bank's senior vice president of Human Resources and EEO officer. She is also actively involved in the Federal Reserve System Council of OMWI Directors.

In accordance with Section 342 of Dodd-Frank, the Federal Reserve Bank of Philadelphia OMWI is responsible for all matters relating to diversity in management, employment, and business activities at the Bank. Although formally named the Office of Diversity and Inclusion, it houses the OMWI function. The OMWI builds upon existing efforts to attract and retain a diverse workforce at all levels, create an inclusive workplace, and foster supplier diversity.

Members of senior management are champions of diversity as part of an important strategic initiative, aligned with the Bank's overall strategic goals. The Bank continuously works to ensure that diversity principles and practices permeate the organization, with the understanding that these efforts strengthen the Bank as an institution and enhance its ability to support the diverse communities that comprise the Third District.

## Staffing and Structure

In her role as OMWI director, Ms. Hood reports directly to the president and has a staff of two full-

time employees, Karen Jackson Vaughn, deputy director, and Ruth Bonilla, analyst.

## Geography Covered

The Federal Reserve Bank of Philadelphia is responsible for the Third Federal Reserve District, which covers eastern Pennsylvania, southern New Jersey, and the state of Delaware. In terms of characteristics, this tri-state region contains diverse bases of industrial concentration as measured by employment.<sup>2</sup> Prominent industries with employment concentrations in several metropolitan areas are education and health services, manufacturing, government, and finance.<sup>3</sup> Recent U.S. Census Bureau reports indicate that African-Americans



make up 11.3 percent of the population in Pennsylvania, 14.6 percent in New Jersey, and 21.9 percent in Delaware. Hispanic-Americans represent 5.9 percent of Pennsylvania's population, 18.1 percent of New Jersey's, and 8.4 percent of Delaware's. The Asian-American community is 2.9 percent of Pennsylvania's citizenry, 8.7 percent of New Jersey's, and 3.4 percent of Delaware's. Representation of

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<sup>1</sup> The Federal Reserve Bank (FRB) of Philadelphia is the Third Federal Reserve District. It is sometimes known simply as the FRB Philadelphia or the FRBP.

<sup>2</sup> Timothy Schiller, "Industry Concentration in Tri-State Metropolitan Areas," Federal Reserve Bank of Philadelphia *Research Rap Special Report* (April 2008).

<sup>3</sup> Schiller (April 2008).

Native Americans is small in all three states: in Pennsylvania they are 0.3 percent of the population, 0.6 percent in New Jersey, and 0.7 percent in Delaware. According to a 2007 Census Bureau Survey of Business Owners, minority-owned businesses are 9.8 percent, 23.3 percent, and 15.2 percent, respectively, of all businesses in Pennsylvania, New Jersey, and Delaware. Furthermore, women-owned businesses are 27 percent of all businesses in Pennsylvania, 27.3 percent in New Jersey, and 25.9 percent in Delaware.

## Unique Third District Activities and Significant System Responsibilities

Listed below are unique Third District activities and significant System responsibilities:

The Federal Reserve Bank of Philadelphia houses the project management team and the Central Business Administration Function (CBAF) for the **Collateral Management System (CMS)**, a centralized web-based system used for recordkeeping of definitive and book-entry securities, commercial paper, and customer notes pledged to the Reserve Banks and the Treasury Department. CMS provides for collateral valuation functionality and makes complex monitoring tools available to credit risk management analysts.

The FRBP developed a new publication, **Community Banking Connections**, a nationwide Federal Reserve System resource for community banks. This quarterly newsletter, which has an online equivalent, is designed to provide timely and effective communication of regulatory guidance and supervisory messages geared specifically to community banks in order to help them succeed. Philadelphia continues to publish **Consumer Compliance Outlook**, another quarterly System newsletter that focuses on consumer compliance issues.

The **Groupware Leadership Center's (GLC)** mission is to coordinate and oversee the planning, implementation, and operation of the Federal Reserve System's national infrastructure for enterprise end-user communication and collaboration technologies (e-mail, instant messaging, team work spaces, video services, etc.).

The Third District conceived, developed, and is the managing Reserve Bank for **Partnership for Progress**, an innovative outreach and technical assistance program for minority-owned banking institutions. The program seeks to help these institutions confront their unique challenges, cultivate safe and sound practices, and compete more effectively in today's marketplace through a combination of one-on-one guidance, workshops, and an interactive web-based resource and information center. The program also seeks to enhance their vital role in providing access to credit and financial services in communities that have been historically underserved.

The **Program in Consumer Credit and Payments (PCCP)** is an initiative at the Federal Reserve Bank of Philadelphia focused on investigating and analyzing a broad range of issues related to consumers' use of payment instruments and credit. The program uses a cross-functional approach, working with individual areas of the Bank to identify and facilitate collaboration, research, and analysis. It also provides communication tools and opportunities to share information with all interested parties, with the ultimate goal of informing policy and policymakers.

**Risk Assessment, Data Analysis, and Research (RADAR)** is a data warehouse featuring a wide array of key U.S. consumer credit data sets with powerful analytical tools for querying, mapping, reporting, and charting data. RADAR also has a separate securities evaluation service that provides the ability to conduct surveillance on all parts of the asset-backed securities/mortgage-backed securities markets and evaluate securities in investment portfolios at banks and other systemically important institutions.

The FRBP led the development of and houses the **Supervision Team Site Support Office (STSSO)**. This was established in 2012 to implement solutions and provide ongoing support for the Supervision and Regulation business line, with a specific focus on the core supervisory process.



The Federal Reserve Bank of Philadelphia is the CBAF for the **Treasury Check Information System (TCIS)**. TCIS provides the U.S. Treasury's Financial Management Service with an electronic checkbook, including reconciliation of approximately 120 million checks yearly and the processing of about 1 million check claims and inquiries per year. It also affords the Financial Management Service the opportunity to move from paper to electronic communication with federal agencies and non-Treasury Disbursing Offices, as their processes allow. In addition, the Treasury has requested that the FRB Philadelphia develop a post payment solution for all payments – check and electronic. This effort would consolidate the activities of five existing, disparate systems into one application.

The **Treasury Collateral Management and Monitoring (TCMM)** application is a centralized system focusing on collateral handling and monitoring for the Treasury's fiscal collateral programs. TCMM provides financial institutions, federal program agencies, the U.S. Treasury, and the Federal Reserve Bank of Philadelphia collateral operations staff with the ability to manage amounts to be collateralized and to monitor collateral balances and deficiencies.

## Minority and Women Employment

The Federal Reserve Bank of Philadelphia is committed to fostering an inclusive work environment in which diversity is respected and leveraged to better serve the Third District. In support of this commitment, the Bank has developed standards and procedures for promoting workforce diversity.

## Accomplishments

The FRBP has many accomplishments in its diversity and inclusion efforts. Specifically, the Bank has developed and communicated standards for equal employment opportunity and diversity of the workforce and senior management, recruited a diverse workforce and promoted retention, developed and maintained partnerships with community organizations representing diverse constituencies, and designed and implemented an internal assessment and reporting system to measure activities to promote minority and women employment. Specific

achievements in these areas are highlighted below:

### 1. Commitment to Diversity and Inclusion

- The OMWI director briefs senior management on the status of diversity and inclusion initiatives, actions, and outcomes.
- The OMWI director is a member of and serves as an advisor to the Management and Policy Committee regarding diversity issues.
- The OMWI director uses internal electronic channels to widely communicate the status of OMWI initiatives to employees.
- The FRBP maintains a page on its external website to reiterate the Bank's dedication to diversity. The Bank also created a diversity and inclusion page on its intranet to highlight its commitment to diversity and provide employees ready access to current information about activities and resources related to the diversity effort.
- The FRBP has developed and communicated a strategic plan for diversity and inclusion.

### 2. Recruitment and Retention

- To further enhance existing sourcing strategies, assembled a team of Bank leaders representing diverse communities to leverage their networks and support the development of strategies that will yield greater diversity within applicant pools and enhance the Bank's brand within communities of color.
- Expanded outreach to HBCUs<sup>4</sup> and women's colleges within the Third Federal Reserve District by attending an HBCU on-campus career fair, visiting the campus of a women's college to speak to students about opportunities at the Bank, sending a representative to an HBCU to lead a workshop on professionalism for women students, and hosting a luncheon at the Bank for key administrators from an area women's college to share information about the summer internship program.
- Posted open positions on the Bank's Twitter and Facebook pages.
- Commenced use of LinkedIn Recruiter, a social media resource to reach passive candi-

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<sup>4</sup> Historically Black Colleges and Universities

dates, thereby giving the Bank an opportunity to penetrate a previously untapped source and extend its reach for talent.

- Launched Grow the Home Team, an inter-departmental, short-term, cross-functional developmental assignment program designed to help employees strengthen and expand their skills and develop new competencies.

**College Internship Programs:**

- Hired over 30 students for the Bank’s intern program, which is designed to provide practical and meaningful work experience. A significant number of the interns were minorities and women. In addition to their assigned responsibilities, students attended a series of presentations by leaders from across the organization to further expand their knowledge of the Bank’s roles and functions. One of these interns was subsequently hired into a full-time position.
- Advertised open positions through various media, job boards at HBCUs and other institutions, and with Campus Philly, a nonprofit organization that fuels economic growth by encouraging college students to study, explore, live, and work in the Greater Philadelphia tri-state region.

**Mentoring:**

- At the System level, three women leaders were provided temporary assignments in other Districts, at the behest of the System Leadership Exchange, to enhance their skills, gain exposure to different perspectives, and expand their networks and visibility across the System.
- The FRBP hired two minority high school students as summer interns, in collaboration with Philadelphia Youth Network and WorkReady Philadelphia, to expose them to career opportunities within the Bank. The Bank also provided mentors for the high school summer interns and those who participated in the United Way’s Shadowing Day at the Bank. A key outcome from these relationships is student exposure to career paths within

the Bank.

- The Bank’s staffing manager was featured in *Al Dia*, a Philadelphia Latino newspaper, for presenting Careers in Banking to diversity job fair participants.
- The FRBP hosted a financial literacy workshop for students from majority minority high schools.



Participants in the Congressional Black Caucus Youth Leadership Summit

**Development:**

- There are opportunities for all employees to continue their education and development under the Bank’s many programs, including tuition reimbursement, professional development, FR System leadership conferences, and the Grow the Home Team program, which provides developmental experiences through rotation or talent exchange assignments within the Bank’s functional areas.

- The job posting program presents opportunities for staff to move through the organization and build their skills and knowledge of the Bank’s business areas.

2012 Diversity Recruiting Fairs
Al Dia Job Fair
Association of Latino Professionals in Finance and Accounting
National Black MBA Association
National Society of Hispanic MBAs
Atlanta University Center Consortium
National Association of Asian American Professionals
National Urban League
Thurgood Marshall College Fund
Philadelphia Diversity Job Fair

### Diversity Recruiting Fairs:

- To maximize exposure to diverse candidates, the Bank participated in various local and national job fairs in urban communities or with a focus on minorities and women. Sponsoring organizations included the Association of Latino Professionals in Finance and Accounting, the National Black MBA Association, the National Association of Hispanic MBAs, the Atlanta University Center Consortium, the National Association of Asian American Professionals, the National Urban League, the Thurgood Marshall College Fund, the Philadelphia Diversity Job Fair and the Al Dia Job Fair. The Bank leveraged Twitter and Facebook to connect with an even broader audience regarding its participation in this recruitment forum.

2012 Diverse Community Partnerships
Philadelphia Academies Program
Philadelphia Youth Network
Leadership Philadelphia
WorkReady Philadelphia

### 3. Partnerships with Community Organizations Representing Diverse Constituencies

- Participated in “Connect the Dots,” a networking event for high school students and business leaders.

- Participated in Extreme Interview Expo 2012, an event focused on helping high school students practice interview techniques to prepare for the workforce.
- Continued the practice of enrolling a cohort of staff from various departments in Leadership Philadelphia to enrich their leadership skills and serve the community through placement on nonprofit boards.

### 4. Internal Assessment and Reporting System to Measure the Effectiveness of Activities to Promote the Employment of Minorities and Women

- Finalized a strategic plan for diversity and inclusion that contains measurable goals and objectives. This document provides a framework for creating a more diverse and inclusive work environment.
- Analyzed evaluations completed by staff who attended diversity awareness programs to assess learning outcomes and program effectiveness.
- In the spirit of greater transparency for the benefit of staff and the general public, published workforce representation data on the Bank’s internal and external websites.
- Launched a foundational diversity and inclusion training and education program, beginning with a module specifically designed for Bank leaders.
- Instituted metrics to monitor the effectiveness of sourcing strategies and the hiring process.

### Challenges

- There are limited networks through which to recruit minority candidates with advanced degrees in fields relevant to the Bank’s work (e.g., Ph.D. economists, bank examiners).
- Modest turnover, particularly at the managerial level and higher, narrows the opportunities for advancement.

### Next Steps

- Seek new opportunities for finding and recruiting minority candidates with advanced degrees for managerial and leadership positions.

- Continue to use social media to reach diverse qualified candidates.
- Continue to expand relationships with HBCU leaders, administrators, faculty, and students.
- Cultivate relationships initiated with Third District women’s colleges.

## MINORITY- AND WOMEN-OWNED BUSINESS INCLUSION

The FRBP’s Procurement function, in collaboration with the OMWI council, is working to increase participation by minority- and women-owned businesses in the organization’s contracts. The development and implementation of initiatives and procedures related to this task have been carried out at the Reserve Bank level by the OMWI director, with assistance and input from Procurement and Legal staff. The Bank has developed standards and procedures for supplier diversity required under the law. Additional support has been provided by the National Procurement Office (NPO), which is responsible for managing and facilitating contracts that may be used by any of the Reserve Banks in the Federal Reserve System. Procurement staff also follow standards accepted by the System, such as the Framework for Meeting the Supplier Diversity Provisions of the Dodd-Frank Bill created by the NPO with input from the Reserve Banks. The FRBP has made strides in implementing OMWI supplier diversity programs and initiatives.

### Amounts Paid to Contractors

Total spend: \$50.84 million (in 2012)

Percentage of the above amount paid to:

- Total diverse spend (MBE + WBE) \$2.81 (million)
- Minority-owned businesses, 2.36% (\$1.20 million)
- Women-owned businesses, 3.17% (\$1.61 million)<sup>5</sup>

<sup>5</sup> Minority women-owned business spend is captured in spend for minority-owned businesses and is not double counted in the women-owned business category.



Members of the Bank’s Diversity Council with participants in the program held at the Bank to mark Women’s History Month

### Accomplishments

The Procurement function has an action plan in place to ensure a sustained approach to achieving supplier diversity goals and objectives. As a result, the Bank enhanced access and business opportunities for small, minority- and women-owned enterprises (MBEs and WBEs), increased awareness of supplier diversity across the Bank to create access and opportunity to a diverse pool of suppliers for all acquisitions, conducted technical assistance events for diverse suppliers, and conducted supplier outreach.

#### 1. Provided access and opportunity to a diverse pool of suppliers that includes small, minority- and women-owned businesses.

- Met with key stakeholders in an effort to ascertain upcoming new District purchases and new acquisitions and to keep vendor diversity considerations in the forefront of any planned acquisitions.
- Implemented standards and procedures for self-assertions and determinations relative to supplier workforce diversity.
- Developed, printed, and distributed a document on Supplier Diversity in the Procurement Process to provide guidance to Bank staff on how to include diverse suppliers in acquisitions. This guide was also provided to Bank staff as part of annual Bank-wide training.

**2. Increased awareness of supplier diversity across the Bank to create access and opportunity to a diverse pool of suppliers for all acquisitions.**

- Incorporated requirements from the act and the Bank’s supplier diversity policy into Bank-wide procurement-related training to encourage all purchasers of Bank goods and services to include MBEs and WBEs as potential suppliers for acquisitions, regardless of payment method.
- Participated in internal annual training events to educate attendees about the act’s supplier diversity requirements.
- Disseminated a Bank-wide communication to signal top-down commitment to supplier diversity, conveying the benefits of widening the vendor pool in furtherance thereof, and directing purchasers to resources available to assist them in identifying certified minority- and women-owned businesses.
- Incorporated language relative to the act’s requirements into the Bank’s RFP process and new contracts. Inserted “good faith effort” determination language into new contracts and renewals meeting established criteria.

**3. Conducted technical assistance events for diverse suppliers.**

2012 Vendor Fairs
Greater Philadelphia Chamber of Commerce – “Vetwork Your Business”
Greater Philadelphia Chamber of Commerce Procurement Pipeline
PA-DE-NJ Minority Supplier Development Council’s Annual Procurement Conference and Trade Show
Small Business Expo – Philadelphia Business Journal
Federal Reserve System Board of Governors Vendor Outreach Fair
Women’s Business Enterprise Council PA-DE-sNJ —Navigating the Corporate and Government Marketplace Conference and Trade Show

- Hosted two on-site workshops primarily for the benefit of MBEs and WBEs to provide a hands-on demonstration of the online automa-

tion used in the bid process. The question and answer segment of the workshop was devoted to explaining the process the Bank uses to buy goods and services. The City of Philadelphia’s Office of Economic Opportunity advertised the event on the Bank’s behalf.

**4. Conducted supplier outreach.**

- Met with diverse suppliers and developed leads to enhance the Bank’s supplier pool by attending the PA-NJ-DE Minority Supplier Development Council’s Annual Procurement Conference and Trade Show as well as similar events sponsored by chambers of commerce within Pennsylvania.
- Participated in the Greater Philadelphia Chamber of Commerce “Vetwork Your Business” procurement event aimed at veteran-owned businesses and services and promotes businesses owned by disabled veterans.
- Became a member of the Women’s Business Enterprise Council (WBEC) of PA, DE, and Southern NJ. The WBEC is a national organization that certifies businesses as being 51 percent owned by a woman or women.
- Hosted the Bank’s fourth annual Supplier Diversity Fair to introduce MBEs and WBEs to decision makers and purchasers of goods and services for the Bank.
- Extended outreach to the Minority Supplier Development Council of PA-NJ-DE and the Office of Economic Opportunity of the City of Philadelphia to obtain viable WBE and MBE vendors for bid opportunities.
- Initiated relationships with southern New Jersey and central Pennsylvania chambers of commerce to become acquainted with diverse suppliers in the region.
- Initiated relationships with the Greater Philadelphia Hispanic Chamber of Commerce and the Asian American Chamber of Commerce of Greater Philadelphia, to become acquainted with diverse suppliers in the region.

**Challenges**

- Limited number of diverse vendors identified to date with work crews of sufficient size to handle the Bank’s larger jobs.



Members of the Bank's Diversity Council

- Perception on the part of some diverse vendors that the Bank purchases goods and services using the same guidelines, processes, and practices as federal government agencies.
- MBEs and WBEs whose ability to engage in the Bank's electronic bidding process is compromised due to limited technological capability.
- MBEs and WBEs that are unresponsive to bid opportunities.
- Competition with major corporations for regional or national Federal Reserve System contracts.

- Develop a plan for supplier outreach programs in 2013.
- Manage data reporting and analysis and provide periodic supplier opportunity and spend reports.
- Maintain involvement with the Federal Reserve System's purchasing managers to ensure long-term management of vendor spend, supplier classifications, and reporting evaluation.
- Continue to seek external training opportunities and benchmark data relative to industry best practices for finding MBEs and WBEs and promoting supplier diversity.

## Next Steps

- Continue to communicate and reinforce the importance of using a diverse supplier pool for acquisitions by conducting Bank-wide supplier diversity training annually.
- Maintain the practice of hosting an annual Supplier Diversity Fair to educate vendors about how to do business with the Bank.
- As a council member of the WBEC, pursue additional opportunities to attend matchmaker events and conferences and to access the pool of suppliers through the WBENCLink online database.

## FINANCIAL LITERACY ACTIVITIES

Helping educators to more effectively teach personal finance in their classrooms is a priority and a long-standing practice within the Bank. The centerpiece of its youth financial education effort is the Keys to Financial Success high school personal finance program, which is designed to help teachers instruct students about personal finance using active and collaborative learning methods.

Keys to Financial Success is an intensive, week-long program offered free of charge to teachers in the



Participants in the Bank's 2012 intern program

Third District, including those who work in inner-city, girls', and majority minority high schools.

## Accomplishments

- Trained 35 teachers, 14 of whom represented nine OMWI schools (all nine schools were majority minority), to teach the Keys course.<sup>6</sup> These 14 teachers reach an estimated 1,025 students per year.
- Continued to support teachers from a total of 47 OMWI schools (19 inner city, 43 majority minority, four girls)<sup>7</sup> in the Keys program by providing ongoing consultation, professional development, and student pre- and post-testing.
- Provided additional professional development offerings to 53 teachers from OMWI schools. Combined, they received 605 professional development hours. These teachers also reach an estimated 3,975 students per year. These programs were:
  - Keys to Financial Success Professional Development Update
  - Making Sense of Money and Banking
  - Making Sense of Money and Banking II

<sup>6</sup> Two of these teachers were from two separate OMWI schools in the Second Federal Reserve District.

<sup>7</sup> These numbers do not total 47 because in many cases, the schools qualify in more than one category. For example, a school may be both an inner city and a girls' school.

- Entrepreneurship and You
  - Hosted a four-hour program on personal finance on September 21, 2012 for 62 students from three majority minority/inner city high schools in Philadelphia.
  - Continued to send brochures to Third District OMWI high schools to ensure that principals and teachers received brochures that fully describe each of the Reserve Bank's professional development offerings.
  - Completed production of a multi-part modular video that covers the purposes and functions of the Federal Reserve System. This is another tool for high school teachers to use to educate students about the System, money, and banking.
  - In 2012, the Reserve Bank's economic education staff updated the Keys to Financial Success curriculum to reflect changes in various support materials.
  - Maintained partnerships with the University of Delaware, the Pennsylvania JumpStart Coalition for Personal Financial Literacy, and the New Jersey Coalition for Financial Education.
  - Served on the Pennsylvania Department of Education's Task Force on Economic Education and Personal Financial Literacy. The task force has developed a set of recommendations for improvements to K-12 personal financial education in Pennsylvania.

- Served on a writing committee for the new National Standards in Financial Literacy.
- One hundred forty-six students from five OMWI schools visited the Reserve Bank’s “Money in Motion” exhibit in 2012.

## Challenges

- Cuts in school budgets that impact teacher availability.
- Competing priorities in urban schools.
- Reluctance of some schools to devote classroom time to financial education in light of the focus on standardized testing and other competing demands.

## Next Steps

- Expand outreach to teachers in Philadelphia through a developing partnership with the Philadelphia Federation of Teachers.
- Intensify outreach to OMWI high schools.
- Distribute the Reserve Bank’s new video about the Federal Reserve System and make it available to high school teachers, particularly those in OMWI schools, and the public in DVD and web-based formats.

## SUMMARY

The organization of the Bank’s Office of Diversity and Inclusion provides for diversity and inclusion to be a shared responsibility throughout the Bank, including those units that support the daily activities of the office such as Human Resources, Procurement, and Community Development as well as the Bank’s senior leaders and staff. This collaborative effort has provided the Bank with a strong foundation to build on as we strive to enhance diversity in the workforce and among the network of suppliers doing business with us. Financial literacy has been and will continue to be an important focus of our outreach efforts.

The Federal Reserve Bank of Philadelphia is committed to promoting workforce diversity as part of the core values of the Bank. When recruiting and promoting staff, the Bank seeks to select from a diverse pool of candidates and uses various media

to advertise and recruit diverse talent. The Bank continues to track progress made to enhance diversity among the Bank population and considers the ability to manage a diverse workforce as a core competency for management staff.

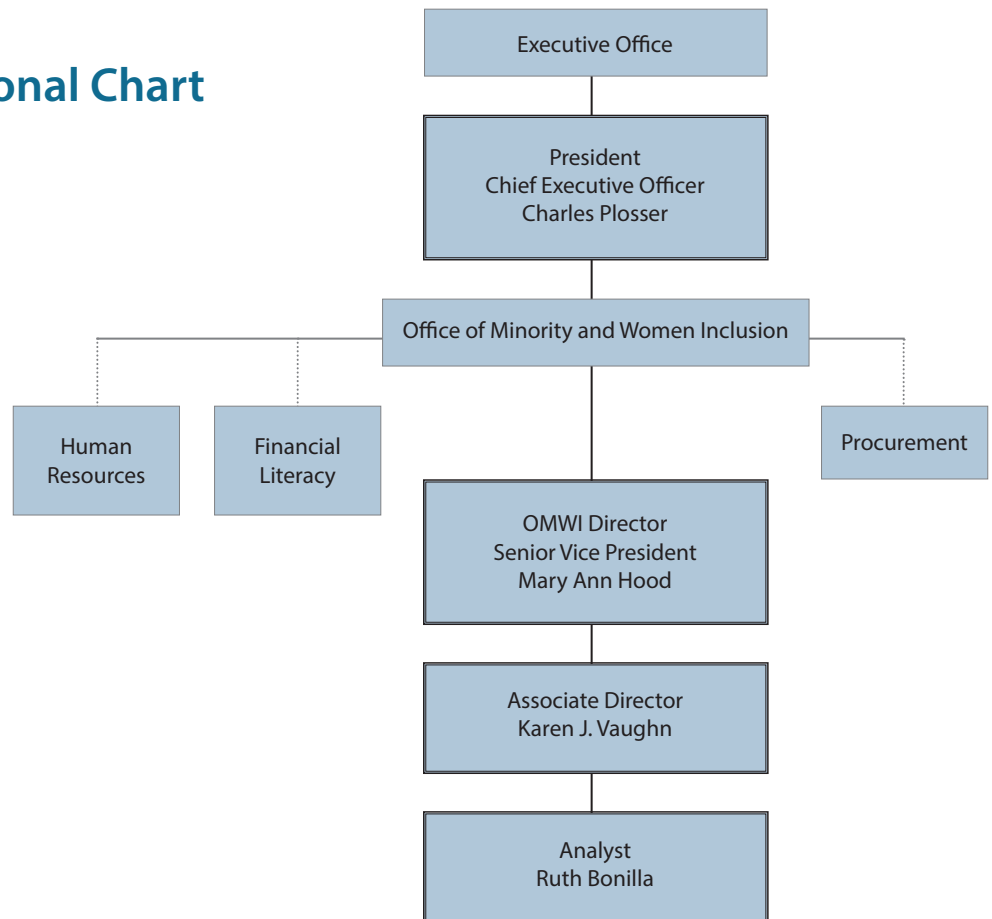
The Procurement function, in conjunction with the OMWI office, is working to increase participation by minority- and women-owned businesses in the organization’s contracts. Bank management has gained an increased awareness of the benefit of supplier diversity, and management staff has participated in events hosted by the Bank to meet and speak with vendors about the types of goods and services that the Bank requires. Additionally, the Bank has stepped up its supplier outreach within the tri-state region, including outreach to the Minority Supplier Development Council of PA, NJ, DE and the Office of Economic Opportunity of the City of Philadelphia, with the objective of obtaining viable WBE and MBE vendors for bid opportunities. The Bank will continue to conduct Bank-wide supplier diversity training and work with organizations that can help us expand our network of diverse vendors.

With respect to financial literacy activities, the Bank plans to continue its outreach to schools in our urban areas and to train teachers, equipping them with instructional material to educate students on personal finance. The staff recently updated the Keys to Financial Success curriculum and supporting materials, and we will continue to provide an annual, week-long intensive program on this topic for teachers in the Third District. Under the Bank’s volunteer efforts, our staff also supports a financial literacy program in a Philadelphia grade school at the first grade level.

The Federal Reserve Bank of Philadelphia is committed to diversity and inclusion and to meeting all requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Bank has programs in place to ensure a continued focus on OMWI initiatives. The Bank fully supports the office’s efforts to enhance the diversity of the workforce and to support the diverse communities that comprise the Third District.



## Appendix A OMWI Organizational Chart



## Appendix B EEO-1 Consolidated Report

FEDERAL RESERVE BANK OF PHILADELPHIA EEO-1 CONSOLIDATED REPORT															
2012 EEO-1 DATA (8/16/2012 - 8/31/2012)	HISPANIC OR LATINO		NOT HISPANIC OR LATINO												OVER-ALL TOTALS
			***** MALE*****						***** FEMALE*****						
JOB CATEGORIES	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
EXECUTIVE/SR OFFICIALS & MANAGERS			5			1			5						11
FIRST/MID OFFICIALS & MANAGERS	3		79	12		7			49	9		1			160
PROFESSIONALS	9	4	164	28	3	34			91	49		21			403
TECHNICIANS			22	3		6			7	3		3			44
SALES WORKERS															0
ADMINISTRATIVE SUPPORT	3	5	27	17		9			32	36		3			132
CRAFT WORKERS	6		20	6		3			3	2					40
OPERATIVES															0
LABORERS & HELPERS															0
SERVICE WORKERS	2	2	34	15					4	2	1				60
<b>TOTAL</b>	<b>21</b>	<b>11</b>	<b>351</b>	<b>81</b>	<b>3</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>191</b>	<b>101</b>	<b>1</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>850</b>



FEDERAL RESERVE BANK OF PHILADELPHIA