



2015

REPORT TO CONGRESS
on the Office of Minority and
Women Inclusion
March 31, 2016

Submitted by Mary Ann Hood
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Women Inclusion

FEDERAL RESERVE BANK OF PHILADELPHIA

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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.

Contents



Letter from the President	3
Executive Summary	4
Overview of the Bank	6
System-Level Activities	8
The Office of Minority and Women Inclusion	10
Geography Covered	11
Minority and Women Employment	17
Minority- and Women-Owned Business Inclusion	22
Financial Literacy Activities	25
Commitment	28
Appendix A	29
Appendix B	30
Appendix C	31
Appendix D	32

March 2016

For the Federal Reserve Bank of Philadelphia, diversity and inclusion are among our most highly regarded core values. We are committed to maintaining an environment in which all employees can reach their full potential and where different perspectives can flourish. These precepts have long been embedded into our DNA. Our formal diversity and inclusion program was first established in 2007 and the Office of Minority and Women Inclusion followed in January 2011. Since then, we have continued to increase our efforts year after year.

In 2015, the Bank extended our impact through programs that promote three important criteria: develop a diverse pool of personnel, help businesses and organizations in the Third District adopt diversity and inclusion best practices, and increase knowledge of these critical issues in the community at large.

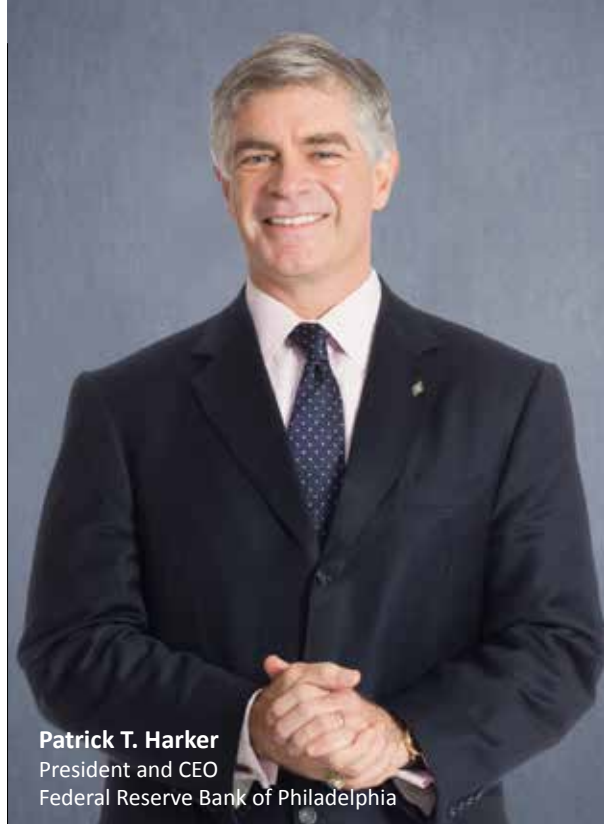
The reach of these programs was felt far and wide. The Bank's initiatives gained the recognition of our peers for overall strategic direction and commitment to inclusion and diversity at all levels. In fact, we received two special honors last year, the first of which was the Human Resources Award for Excellence in Diversity from the Delaware Valley Human Resources Department of the Year Award. The award acknowledged the Bank's successful strategy in integrating diversity initiatives into our talent management efforts and in engaging leaders to learn, develop, and practice a culture of inclusion. The second award rated the Bank as the 2015 Regional Corporation of the Year, a tribute from the Eastern Minority Supplier

Development Council. This organization, which connects minority businesses enterprises with corporations that champion supplier diversity, recognized the Bank's innovative thought leadership and our steadfast commitment to creating opportunities for minority-business enterprises.

In addition to the awards, the Bank advanced a culture of diversity and inclusion to a broader audience through four noteworthy efforts this year. First, the Bank held our fourth annual Diversity and Inclusion Industry Forum in October to promote discussion about cutting-edge issues related to diversity and inclusion initiatives that sustain business impact. The forum, which exceeded all previous attendance records, attracted nearly 80 talent management practitioners from Third District companies and the Federal Reserve System. The attendees tackled the timely issue of unconscious bias in the workplace and helped to extend the conversation into the Philadelphia business community.

Second, we extended our outreach to the three historically black colleges and universities (HBCUs) in our District: Delaware State University, Cheyney University of Pennsylvania, and Lincoln University. Through ongoing efforts to develop relationships with HBCU faculties and administrations, a Bank officer hired a student intern from Lincoln University he met during an outreach visit. The intern has since joined the Philadelphia Fed as a full-time employee.

Third, we have also been actively engaged in promoting financial literacy and outreach to schools



Patrick T. Harker
President and CEO
Federal Reserve Bank of Philadelphia

within the Third District. In 2015, we provided 89 teachers with financial literacy curricula to share with more than 6,500 students annually.

The fourth component of our approach focuses on continuous quality improvement. We generated critical employee feedback through a Diversity and Inclusion Impact Survey, the results of which highlighted our strengths and pinpointed some challenges that will help us refine and refresh our strategy going forward in 2016. We view our progress in diversity and inclusion as paramount, but we know we still have more to do.

We will continue developing relationships with our colleagues and in our community to share best practices as we remain focused on our mission to improve the lives and businesses of those in the Third District.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick T. Harker". The signature is fluid and cursive, written over a white background.

Executive Summary



The Federal Reserve Bank of Philadelphia (the Bank)¹ is pleased to submit this report to Congress regarding our programs and practices that support Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act). The Bank established its Office of Minority and Women Inclusion (OMWI) in January 2011 and has just completed the fifth year of OMWI-related activities that fully address and comply with the provisions of the Dodd-Frank Act.

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 promoting financial literacy and outreach¹ school systems within the region for many years.

Diversity and inclusion are core values of the Bank and, as such, are embraced as important strategic initiatives, fully aligned with the organization's mission. The Bank is committed to fostering an environment in which all employees can reach their full potential and different perspectives are

allowed to flourish, resulting in the emergence of innovative and creative solutions that advance organizational objectives.

One of the Bank's four strategic goals — designated as "Invest" — among other things specifically calls for an emphasis on intellectual capital and the promotion of a collaborative, inclusive work environment as a means to improve Bank-specific capabilities of the staff.

The Bank also has a strategic plan for diversity and inclusion that promotes an environment of respect, dignity, and fairness for employees at all levels; assigns accountability from the top down for creating a diverse and inclusive environment; and supports a culture of openness and transparency with regard to personal and career advancement. The intention is to build a community and internal reputation as a leader and role

model for workplace diversity and inclusion; to recruit, retain, and develop the best talent to increase diversity throughout the Bank; and to better serve the needs of communities within the Bank's geographic boundaries. In 2015, to gauge the extent to which the Bank is making progress against the goals articulated in the strategic plan for diversity and inclusion, employees were asked to complete a Diversity and Inclusion Impact Survey. Although some opportunities for improvement were identified, the results confirmed that much has been accomplished.

The OMWI 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. This office is the hub of the Bank's diversity and inclusion infrastructure. Other key components are the Diversity

¹ The Federal Reserve Bank of Philadelphia is the Third Federal Reserve District. It is sometimes known simply as the Bank, the FRB Philadelphia, or the FRBP.



Nine students from the summer intern program recapped their work experiences at the Bank; they are pictured here with D. Blake Prichard (far left), first vice president of the Federal Reserve Bank of Philadelphia.

Advisory Group, led by senior executives who champion diversity and inclusion as important strategic initiatives, and the Diversity Council, populated by employees from all levels who engage in activities designed to promote ongoing, substantive messaging across the organization about diversity and inclusion for the benefit of all employees. Diversity Council members also participate in the formulation of strategies in support of diversity and inclusion goals and objectives.

The Bank is committed to fostering a diverse and inclusive workforce at all levels. In 2015, minority representation within senior management increased to 10 percent versus 9 percent in 2014. Similarly, the representation of women in senior management rose to 50 percent versus 36 percent in 2014.

Workforce diversity efforts continue to address recruitment, retention, leadership, and other professional development and succession planning. Programs and practices are in place, such as internships, mentoring activities, and diversity recruiting. Our internship programs provide developmental opportunities for individuals with diverse backgrounds, skills, and experiences.

The Bank's supplier diversity program predates 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.

TABLE 1

M/WBE Expenditures	2011	2012	2013	2014	2015
Total Diverse Spend in Millions	4.84	2.81	4.13	7.66	8.99
% MBEs	4.41%	2.36%	3.42%	7.44%	12.30%
% WBEs	6.77%	3.17%	5.21%	8.89%	6.56%

The Dodd-Frank Act gives additional guidance on efforts in this area. The strategic activities of the Procurement function, which leads the supplier diversity effort, have yielded significant increases over the past five years in the Bank's spend with minority business enterprises (MBEs) and women's business enterprises (WBEs) (Table 1). Specifically, total diverse spend rose from \$4.84 million in 2011 to \$8.99 million in 2015. Expanding outreach to such vendors by attending local and national sourcing events continued to be a key activity for the Bank in 2015. The Bank includes appropriate provisions in new and renewal contracts for goods and services. Also, as outlined in the Dodd-Frank Act, the Bank has implemented a process for reviewing contractors' good faith efforts on inclusion.

The Bank's economic education and financial literacy programs are valued resources for teachers, and the content of various curricula has been enhanced and updated over the past several years. Through facilitated workshops, presentations in school districts, and conferences, these programs equip teachers to deliver effective financial literacy curricula to students of all ages. The Bank's Money in Motion exhibit introduces visiting students 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. All of this impactful educational programming continued in earnest in 2015.

The Bank has been recognized by its peers for its strategic direction with regard to diversity and inclusion overall as well as its commitment to supplier diversity. During 2015, the Bank received the Human Resources Award for Excellence in Diversity from the Delaware Valley Human Resources Department of the Year Award organization. Furthermore, the Bank was selected by the Eastern Minority Supplier Development Council (EMSDC) as the 2015 Regional Corporation of the Year.

The Bank is committed to workforce diversity, supplier diversity, and financial literacy. This report details specific work that was done and the progress that was made from January 1, 2015, through December 31, 2015, unless otherwise indicated. The assessment of inclusion programs within regulated entities is managed by the Board of Governors of the Federal Reserve System and, therefore, is not addressed in this report.

Overview of the Bank



UNIQUE THIRD DISTRICT ACTIVITIES AND SIGNIFICANT SYSTEM RESPONSIBILITIES

Listed here are unique Third District activities and significant Federal Reserve System responsibilities.

The Bank 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, stocks, and loans pledged to the Federal Reserve Banks and U.S. Department of the Treasury (the Treasury). The CMS provides for collateral valuation functionality and makes complex monitoring tools available to credit risk analysts. The CMS team also maintains and enhances the Subcommittee on Credit Risk Management (SCRM) Collateral Data Repository and the Analytical CRM Environment, an SCRM data analytical tool that provides credit risk analysts with reports and dashboards.

The Bank's **Community Banking Connections** publication is a nationwide System resource for community banks. This quarterly publication, which has an online equivalent, is designed to provide timely and effective communication of regulatory

guidance and supervisory messages geared specifically to community banks to help them succeed. The Bank also continues to publish **Consumer Compliance Outlook**, another quarterly System publication, which focuses on consumer compliance issues.

The mission of the **Groupware Leadership Center** is to coordinate and oversee the planning, implementation, and operation of the System's enterprise end-user messaging and collaboration technologies. This includes e-mail, instant messaging, web conferencing, external collaboration services, wireless handheld devices, and videoconferencing.

The Third District conceived, developed, and served as the managing Bank for **Partnership for Progress**, an innovative outreach and technical assistance program for minority-owned banking institutions across the country. The Third District currently assists the Board of Governors in managing the System-wide program while managing the activities in the Third District. The program seeks to help minority-owned banking 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 a web-based resource and

information center. The program also seeks to enhance these institutions' vital role in providing access to credit and financial services in communities that have been historically underserved.

The **Program in Consumer Credit & Payments** is an initiative at the Bank 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 among all interested parties, with the ultimate goal of informing policy and policymakers.

Risk Assessment, Data Analysis, and Research (RADAR) is composed of two groups. The Data Warehouse group manages a huge data warehouse that features a wide array of key U.S. consumer credit databases with powerful analytical tools for sampling, querying, mapping, reporting, and charting data. RADAR also has a Securities Evaluation Service for all parts of the asset-backed securities/mortgage-backed securities markets to evaluate securities in financial institutions' investment portfolios and to conduct analysis in securities markets more broadly.

The Bank established the **Supervision Team Site Support Office (STSSO)** in 2012 to foster collaboration, knowledge, and information sharing in the supervision and regulation community regarding SharePoint Supervision team sites. These team sites are designed to increase efficiency and to reduce administrative burden in the execution of the core supervisory process. Throughout 2015, the STSSO continued to develop and deploy these team site solutions across the System in support of continuous monitoring

and examinations across the Community Bank, Regional Bank, Large Bank, Foreign Bank, Large Institution Supervision Coordinating Committee, and Consumer Compliance portfolios.

The Bank is the CBAF for the **Treasury Check Information System (TCIS)** and the **Post Payment System (PPS)**. The TCIS provides the Bureau of the Fiscal Service of the Treasury with an electronic checkbook, reconciling approximately 60 million checks yearly and processing about 1 million check claims and

inquiries per year. TCIS also provides the Bureau of the Fiscal Service with 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 Bank develop a post-payment solution for all payments, both check and electronic. This multi-year effort will consolidate the activities of five existing, disparate systems into one application and will provide the Treasury with capabilities not present in the legacy applications. The first PPS release, which was installed in September 2014, established the computing environments and initial data flows to be used for subsequent releases. PPS Release 2.0 was implemented in November 2015 and provided enhanced reporting by introducing a portal for access and offering capability related to return payments.

The **Treasury Collateral Management and Monitoring (TCMM)** application is a centralized system that focuses on collateral handling and monitoring for the Treasury's fiscal collateral programs. The TCMM application provides financial institutions, federal program agencies, the Treasury, and the Bank collateral operations staff with the ability to manage amounts to be collateralized and to monitor collateral balances and deficiencies. The FRB Philadelphia team managed the TCMM application until June 1, 2015. At that time, the application and business line were transitioned to FRB St. Louis.



The Human Resources Department received the HR Award for Excellence in Diversity from the Delaware Valley HR Department of the Year Award organization in recognition for integrating diversity practices and training into its institutional culture; seated, from left: Misty Dill, senior analyst; Mary Ann Hood, senior vice president, Human Resources; and Karen Vaughn, associate director of the Office of Diversity and Inclusion; standing, from left: Steve Hart, vice president, Human Resources; D. Blake Prichard, first vice president; and Patrick T. Harker, president and CEO.

System-Level Activities



DIVERSITY RECRUITING

Since 2007, the Federal Reserve System has collaborated to implement and execute the strategic national diversity recruiting and advertising efforts across all Reserve Banks, the Board of Governors, and Federal Reserve Information Technology. The Federal Reserve System's diversity recruiting strategy uses a collaborative and cost-effective approach toward participation in five national, diversity-focused conferences and several regional conferences. Diversity advertising via online, print, and social media vehicles aligns with conference presence to position the System as an employer of choice.

During 2015, the Federal Reserve System collectively attended the following five national diversity conferences of the following organizations: Equal Opportunity Publications (EOP) STEM Diversity Career Fair and Expo, Association of Latino Professionals in Finance and Accounting (ALPFA), National Black MBA Association (NBMBA), National Society of Hispanic MBAs (NSHMBA), and Thurgood Marshall College Fund Leadership Institute and Recruitment Fair (TMCF). Working closely with these nationally recognized organizations supports diverse hires and creates awareness among prospective employees for the Federal Reserve System.

At the NSHMBA and ALPFA conferences, the Federal Reserve System participated in professional development workshops. At ALPFA, Juan Miranda, supervision manager at FRB Chicago, presented "Becoming a Strategic Leader — Effective Skills Needed to Think and Manage Successfully." In addition, Fed employees volunteered as career coaches during the NSHMBA conference. At ALPFA, Cristina Juvier, vice president of Human Resources at FRB Chicago, participated in the "Women of ALPFA" panel discussion on Latinos' role as financial and wellness decision makers in their family.

The Federal Reserve System was highlighted in an advertisement

that was featured in *Hispanic Network Magazine* and *Professional Woman's Magazine*. These magazines were distributed at the NSHMBA and NBMBA conferences.

SUPPLIER DIVERSITY

The Board of Governors and the Federal Reserve Banks continue to expand their combined national presence by participating in the Women's Business Enterprise National Council (WBENC) conference and the National Minority Supplier Development Council (NMSDC) conference. From June 23 to 25, 2015, the Federal Reserve System participated in the WBENC conference in Austin, TX, and from October 18 to 21, 2015, it participated in the NMSDC Conference and Business



Bob McWilliams, Procurement and vendor relations manager, and Pam Wells, Procurement specialist, discussed the vendor application and selection process with individual vendors during the Bank's Supplier Diversity Fair.

Opportunity Fair in San Diego, CA. Staff from the Federal Reserve Banks worked at the conferences and gathered information from more than 80 vendors at WBENC and 60 vendors at NMSDC. To deepen its national conference participation, the Federal Reserve System organized and facilitated one-on-one matchmaking meetings with vendors at both fairs.

Exhibiting at these conferences allows the Federal Reserve System to reach a significant portion of its target audience. These conferences attract a sizable number of diverse vendors seeking procurement opportunities. Participation helps promote the Federal Reserve System's role as a trusted adviser throughout the financial services industry.

The Board of Governors and the Federal Reserve Banks are planning to participate in national supplier diversity conferences in 2016 to build additional awareness and understanding of business opportunities through its national presence and facilitation of one-on-one matchmaking meetings.

FINANCIAL LITERACY

The Federal Reserve Banks and the Board of Governors coordinate financial education efforts each October. In 2015, these events focused on building human capital, including the importance of education and soft skills in maximizing employability. This work highlights the Federal

Reserve System's commitment to the financial education of high school students from majority-minority schools, girls' schools, and low-income households.

SYSTEM LEADERSHIP INITIATIVE

The Bank participated in the System Leadership Initiative (SLI), a development program for the Federal Reserve System's key talent sponsored by the Federal Reserve Bank presidents. In 2015, two conferences were offered at the emerging and senior executive leadership tiers. Notably, sessions on bias, particularly unconscious bias, were presented by one industry expert at both conferences. The SLI team has worked to develop the content and has worked with all the speakers in addressing broader collaboration issues, engaging different perspectives, and getting the most from leading diverse teams. Because the leadership conferences reach a broad array of talent across the Federal Reserve System, the OMWI directors and SLI continued to collaborate on expanding the content and discussing diversity and inclusion at the leadership conferences.

The Federal Reserve System's Leadership Exchange Program affords a critical avenue to support career development for professionals across the System. Assignments vary in duration (up to one year) and include job shadows, critical work assignments, and targeted development opportunities. Table 2 provides data on the 2015 participation rates.

An annual summary of the 2015 program was provided to the OMWI directors in February 2016 to encourage their ongoing support of these development programs and to solicit their assistance in building awareness of opportunities available throughout the year. Participation by women and minorities is tracked and reported to ensure that development opportunities are reaching a diverse pool of leaders. The diversity of participants will continue to be emphasized by conveying the importance of evaluating traditional and nontraditional candidates to participate and report progress on a regular basis to System Human Resources and OMWI leaders.

TABLE 2

	Thrive Conference Manager/New Officer (Emerging Leaders)	Senior Leadership Conference
Women	49%	44%
Minorities	27%	13%

The Office of Minority and Women Inclusion



The director of the Bank's OMWI is Mary Ann Hood, who serves in this capacity in addition to her role as the Bank's senior vice president of Human Resources and an Equal Employment Opportunity (EEO) officer. She is also actively involved in the Federal Reserve System's Council of OMWI Directors.

In accordance with Section 342 of the Dodd-Frank Act, the 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 and inclusion initiatives, aligned with the Bank's overall strategic goals. The Bank 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, Hood reports directly to the FRB Philadelphia president and has a staff of two full-time employees: Karen J. Vaughn, associate director, and Misty Dill, senior analyst.



Members of the Nardhana Academy of Dance celebrated diversity through the arts during a Unity Week performance at the Bank.

Geography Covered



The Bank is responsible for the Third District — the smallest District by land area in the Federal Reserve System. Compared with other Districts, the population of the Third District tends to be among the smaller, slower growing Districts in the Federal Reserve System. The Third District is only slightly less diverse than the United States as a whole.

TOTAL POPULATION

According to the U.S. Census Bureau's 2014 county population estimates, the Third District's population was 13.2 million. The Third District (Figure 1) includes:

- all of Delaware (0.9 million

- people in three counties),
- the southern half of New Jersey (2.8 million people, or about 33 percent of the state's population in nine counties), and
- the eastern two-thirds of Pennsylvania (9.4 million people, or about 75 percent of the state's population in 48 counties).

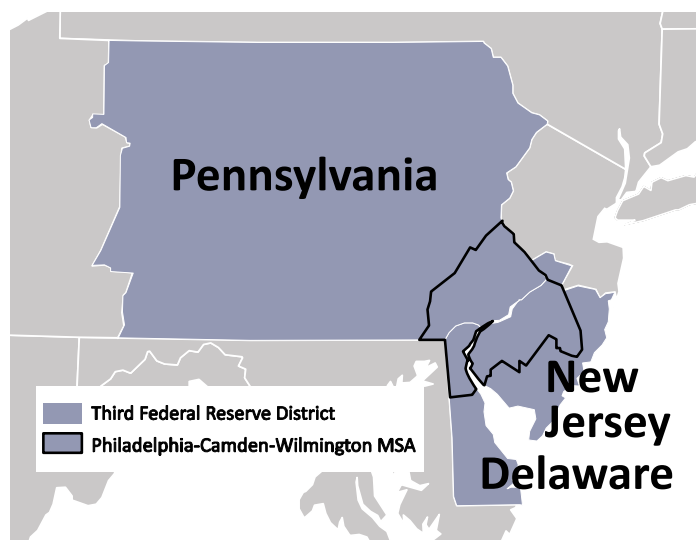
There are 23 metropolitan statistical areas (MSAs) wholly or partially located in the Third District. The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA (Philadelphia MSA) is the largest by far. It includes five Pennsylvania counties, four New Jersey counties, one Delaware county, and one Maryland

county. With more than 5.9 million persons, the Philadelphia MSA alone (excluding Cecil County, MD) accounts for 45 percent of the Third District population. The still larger Philadelphia-Reading-Camden, PA-NJ-DE-MD combined statistical area (Philadelphia CSA) accounts for 53 percent of the Third District's population.²

From 2000 to 2014, the Third District's population grew 1.1 percent compared with 3.9 percent for the nation. Growth was faster in Delaware at 4.0 percent, while the portions of New Jersey and Pennsylvania within the Third District grew at 0.4 percent and 1.0 percent, respectively. The Philadelphia MSA (excluding Cecil County, MD) grew 1.3 percent over the same period.

FIGURE 1

Map of the Third District



Source: Federal Reserve Bank of Philadelphia

RACIAL DIVERSITY

Despite the significant degree of urbanization within the Third District, the overall racial diversity is somewhat less than that of the nation. Based on 2014 Census estimates, 22.6 percent of the nation's population self-identified as a race other than white or selected a combination of races. Within the Third District, 20.6 percent of

² The Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA consists of the following MSAs: Atlantic City-Hammonton, NJ; Dover, DE; Ocean City, NJ; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Reading, PA; and Vineland-Bridgeton, NJ.

the population identified as other than white (Figure 2).

While the Third District has a slightly greater percentage of blacks or African Americans than the nation, the percentage of Asian and Other populations are smaller in the District than in the nation. The Other category includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Two or More Races.

With respect to the workforce from which the Bank typically draws, the Philadelphia MSA is a more relevant geographic entity,

although there are numerous specialized jobs for which the relevant labor pool may be regional or national. Overall, the percent of Asian and Other populations in the Philadelphia MSA and the nation are similar. However, the Philadelphia MSA has a greater black population (22.0 percent) than the nation (13.2 percent) and a smaller white population (69.5 percent) than the nation (77.4 percent) (Figures 2 and 3).

In the City of Philadelphia alone, there are slightly larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage doubles

for the black population in the city compared with the MSA, while the city's percentage of white population is lower by 25 percentage points (Figure 3).

The Hispanic population continues to be a key driver of population growth for the nation and the Third District. From 2000 to 2014, the Hispanic population in the United States grew by more than 4.6 million or 9.1 percent, according to U.S. Census statistics. The Third District and the Philadelphia MSA experienced faster growth in their Hispanic populations, by 13.5 percent and 12.3 percent, respectively.

2014 Population by Race

FIGURE 2

Percent of total population:
U.S. and Third District

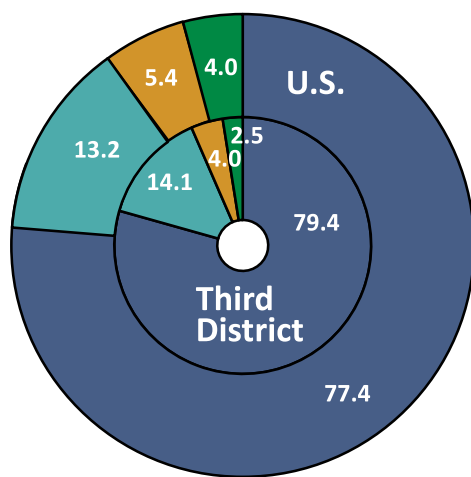
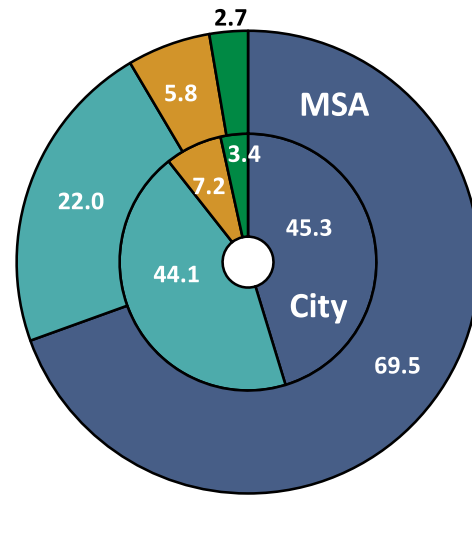


FIGURE 3

Percent of total population:
Philadelphia MSA and the City of Philadelphia



Source: U.S. Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2014

Despite the more rapid percentage growth of the Hispanic population in the local region, the percentage of Hispanics in the Third District (9.2 percent) is still only slightly more than half that of the nation (17.4 percent). The City of Philadelphia is closer with 13.6 percent (Figure 4).

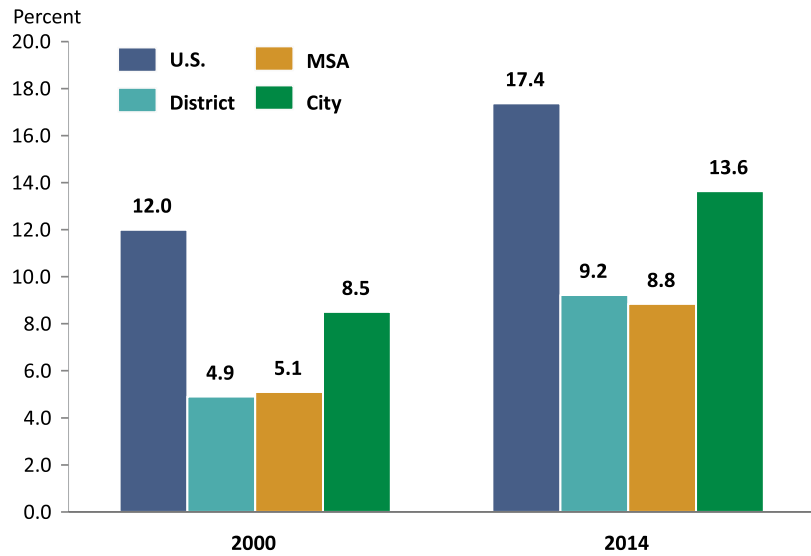
ECONOMIC TRENDS

The Third District continues to make progress toward regaining jobs lost because of the Great Recession, but it lags the nation. Whereas the nation recovered and regained more than the number of jobs lost during the recession in the first half of 2014, the Third District took longer: Delaware recovered all its jobs at the end of 2014; Pennsylvania recovered and gained jobs during the first half of 2015, consistently exceeding the number lost; and New Jersey continued to lag behind, only recovering 75 percent of jobs lost in late 2015. By October 2015, the Philadelphia-Wilmington-Camden MSA had just recovered all jobs lost.

FIGURE 4

2014 Population of Hispanic Origin

Percent of total population: U.S., Third District, Philadelphia MSA, and City of Philadelphia



Source: U.S. Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2014

Unemployment rates have fallen 3.6 percentage points in Delaware and Pennsylvania and 4.4 percentage points in New Jersey since their peak levels in early 2010

following the Great Recession, but they remain elevated compared with prerecessionary averages. As of October 2015, unemployment rates were near but slightly above the national average in all three states.



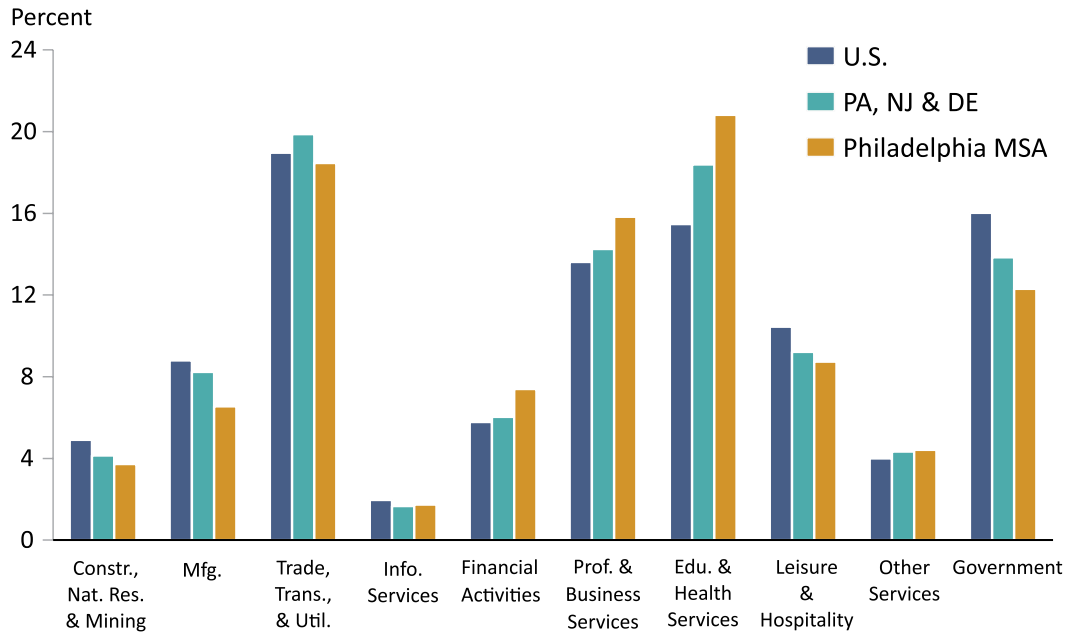
The Honorable Renée Cardwell Hughes, CEO of the American Red Cross of Eastern Pennsylvania and retired Court of Common Pleas judge, was the keynote speaker at a special Diversity Council program during Black History Month.

INDUSTRY COMPOSITION

The industry composition of the three states within the Third District roughly mirrors that of the nation (Figure 5). Based on 2014 averages, the three states combined had a higher share of employment in the education and health services (19

FIGURE 5

Employment Shares by Industry, 2014



Source: U.S. Bureau of Labor Statistics, FRBP Research Department

percent) and trade, transportation, and utilities (20 percent) sectors than in the nation. Within the Philadelphia-Wilmington-Camden MSA, some industries stood further apart from national trends: education and health services, the largest sector, represented 21 percent of employment; professional and business services represented 16 percent; and financial activities represented 7 percent. These particular industries have average hourly earnings that exceed the national average of all industries.

Higher-paying industries and jobs tend to require higher educational degrees. In general, patterns of educational attainment in our region

for women and minorities reflect national averages. Larger shares of women earn higher educational degrees in the Philadelphia MSA than in the nation.

Disproportionately lower shares of blacks and Hispanics earn bachelor's degrees or higher compared with national average attainment rates and compared with whites or Asian Americans among men and women. In the Philadelphia MSA, these educational attainment gaps for blacks and Hispanics are slightly more pronounced. In general, compared with national averages, a higher percentage of Hispanics have bachelor's degrees or

higher in the Philadelphia MSA; however, the percentage of blacks with bachelor's degrees or higher is lower in the region than in the nation. Similar to the U.S., the share of women with bachelor's degrees or higher narrowly exceeds the share of comparably educated men overall in the Philadelphia MSA (Table 3), mostly driven by higher educational attainment rates for women among blacks and Hispanics.

Educational attainment strongly impacts labor opportunities and participation. As levels of educational attainment increase, labor force participation rates increase, and unemployment rates decrease.

According to the U.S. Bureau of Labor Statistics (BLS) 2014 annual averages for MSAs, the labor force participation rate of those with bachelor's degrees or higher (76 percent) in the Philadelphia MSA exceeded the participation rate of those with less than a high school diploma (38 percent) by roughly 40 percentage points. The unemployment rate for those with a bachelor's degree or higher was 3.5 percent, much lower than the unemployment rate for those with less than a high school diploma (10.0 percent).

Labor force participation and unemployment rates also vary by gender and race (Table 4). On average, men have a higher labor force participation rate than women in the Philadelphia MSA, with a participation rate of more than 69 percent compared with more than 58 percent for women. This gender gap holds true across different races to varying degrees. Across different races, men have a higher participation rate by at least 10 percentage points, with the exception of blacks or African Americans where men and women have comparable participation rates.

According to the BLS estimates for the Philadelphia MSA, the average annual unemployment rate in 2014 was 6.5 percent, down more than 1 percentage point from 2013. Across races, unemployment rates also fell over the year but continued to vary greatly: The unemployment rates for Hispanics and blacks were 11.6 percent and 10.7 percent, respectively,

TABLE 3

BACHELOR'S, GRADUATE, AND PROFESSIONAL DEGREE ATTAINMENT FOR POPULATION 25 YEARS AND OLDER (%), PHILADELPHIA MSA		
Race/Ethnicity	Men	Women
Total	35.2	35.4
White	39.2	38.9
Black or African American	16.2	21.4
Asian	57.5	52.9
Hispanic or Latino	12.4	18.2

Source: U.S. Census Bureau, 2014 American Community Survey

TABLE 4

LABOR FORCE PARTICIPATION RATES IN PHILADELPHIA MSA BY GENDER AND RACE (%), 2014 ANNUAL AVERAGES		
Race/Ethnicity	Men	Women
Total	69.1	58.3
White	71.0	59.1
Black or African American	59.7	57.1
Asian	73.1	50.5
Hispanic or Latino	70.0	57.2

Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2014

TABLE 5

UNEMPLOYMENT RATES IN PHILADELPHIA MSA BY GENDER AND RACE (%), 2014 ANNUAL AVERAGES		
Race/Ethnicity	Men	Women
Total	7.4	5.5
White	6.0	4.8
Black or African American	14.1	7.9
Asian	5.4	5.4
Hispanic or Latino	10.9	12.5

Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2014

compared with 5.4 percent for whites and Asians. Comparing genders, unemployment rates for women were lower than for men on average; rates were lower among white and black women and higher among Hispanic women. See Table 5 for specific details.

According to the 2012 Census Bureau Survey of Business Owners, the share of minority-owned firms and women-owned firms increased across the nation and in Delaware, New Jersey, and Pennsylvania since 2007. In 2012, minority-owned firms and women-owned firms represented 28.9 percent and 36.0 percent of all businesses in the nation, respectively. In our region, only New Jersey (30 percent) has a higher percentage of minority-owned businesses than the nation; Delaware (20 percent) and Pennsylvania (14 percent) lag behind. The rates of women-owned businesses in our region are more in line with the national average, but they still lag somewhat: Women-owned businesses represent 33 percent, 32 percent, and 31 percent of all businesses in New Jersey, Delaware, and Pennsylvania, respectively.



Kirk Anderson, an information technology support specialist in the Groupware Leadership Center (GLC), and Angela Harris-Thompson, GLC groupware specialist, represented the Bank at the 2015 Urban League of Philadelphia's Urban Leadership Forum. Anderson's team was honored for developing, planning, and executing innovative sessions on basic personal financial skills for high school students.

Minority and Women Employment



The Bank 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 workforce diversity and has continued to adhere to the same policies during 2015.

SUCCESSSES

In 2015, the Bank reported success in four key areas with regard to its workforce diversity objectives. Specific achievements are highlighted here.

1. Communicated standards for the racial, ethnic, and gender diversity of the workforce and senior management

- The OMWI director is a member of the Bank's management committee and serves as its adviser regarding diversity issues.
- The OMWI director briefs senior management on the status of diversity and inclusion initiatives, actions, and outcomes.
- The OMWI director makes annual progress reports to the Board of Directors' Management and Budget Committee regarding diversity and inclusion objectives.
- Members of senior management attend Diversity Council

meetings on a rotating basis to reinforce their commitment to workplace diversity and inclusion, address concerns from the group, and share advice about proposed strategies and programming.

- The Bank uses a variety of media (electronic and print) to communicate to all employees and external stakeholders frequently and visibly about diversity and inclusion topics and events.
- The Bank maintains a page on its external website to reiterate its dedication to diversity to all stakeholders. The Bank also features a page on its intranet that highlights its commitment to diversity and inclusion and that provides ready access to current information for employees about activities and resources related to the diversity effort.
- The Bank continues to execute a strategic plan for diversity and inclusion.
- The Bank's ninth core competency of "appreciating and valuing diversity" in its management and leadership development and employee performance assessment systems reinforces the message that diversity is a priority and that it is essential for all employees to play a role in creating a culture of inclusion. As a result, behavioral change

that is consistent with this competency is an increasing part of the conversation during performance evaluations.

2. Recruited a diverse workforce and promoted retention

- In terms of its overall workforce, the Bank experienced a decline of approximately 6 percent over the course of 2015. Its population consisted of 852 employees³ in 2015 in contrast to 903 in 2014. In concert with other Banks across the Federal Reserve System, the FRB Philadelphia posts OMWI information on its external and internal websites to promote greater transparency to constituents and staff. By doing so, the Bank makes public its EEO-1 workforce representation data. These data indicate that, in 2015, minorities represented 36 percent of the Bank's workforce (down from 37 percent in 2014) and women 37 percent (down from 39 percent in 2014). Of the Bank's 62 officers, 35 percent were women (unchanged from 2014). The minority officer count increased from 20 percent in 2014 to 23 percent in 2015.

³ See the EEO-1 Consolidated Report in Appendix B.

- In 2015, 84 people joined the Bank. Thirty-five minorities were in this group of new hires, representing 42 percent of the total, a notable increase from 37 percent in 2014. Women represented 39 percent of this group, compared with 36 percent in 2013 and 40 percent in 2014. Most of the hiring activity was driven by the Supervision, Regulation, and Credit and Law Enforcement departments.
- To further enhance existing sourcing strategies, the Bank continued to convene the Diversity and Inclusion Strategic Outreach Team, composed of a group of Bank leaders representing diverse communities, to leverage their networks and support the development of

strategies that will yield greater diversity within applicant pools.

- The Bank remained focused on deepening relationships with Third District historically black colleges and universities (HBCUs) to raise the Bank's brand within these institutions as an employer of choice. An officer from Information Technology Services shared his expertise with an information security class at Lincoln University and subsequently hired a student from the class as a summer intern. The associate director from the Office of Diversity and Inclusion joined Delaware State University's Industry Advisory Board as chair of the board's Student Development

Committee. She participated in the design and delivery of programming that allowed her to encourage students to explore career opportunities at the Bank.

- To further its strategic priority to recruit, retain, and develop the best talent available, the Bank's Staffing Division continued to use social media as a valuable sourcing strategy by posting open positions on the Bank's Twitter page and Federal Reserve System's social media pages. Staffing also expanded its use of LinkedIn Recruiter, a resource to reach passive candidates, thereby giving the Bank an opportunity to penetrate a previously untapped source and extend its reach for talent.



Howard J. Ross, founder and chief learning officer of Cook Ross, Inc., delivered a keynote address on the topical issue of “Unconscious Bias in the Workplace: What It Is, Why It Matters, and What You Can Do About It” at the Bank’s Industry Forum.

- The Staffing Division further broadened its connections with the minority professional organization ALPFA through networking with members and posting open positions on its LinkedIn page.
- Talent Management continued to bolster Grow the Home Team, an interdepartmental, short-term, cross-functional developmental assignment program designed to help employees strengthen and expand their skills and develop new competencies. The Bank's Talent Management division leveraged this program to recruit candidates for the Urban League of Philadelphia's Urban Leadership Forum.
- **College Internship Programs**
 - The Bank employed 41 college students through its internship program, which is designed to provide a practical and meaningful work experience. Many of the interns were minorities (41 percent) and women (46 percent). Five interns (12 percent) from this group subsequently converted to full-time employment at the Bank. Of the five, three (60 percent) were minorities and three (60 percent) were women.
 - The Staffing Division posted open positions through various media outlets; job boards at HBCUs and other institutions; minority

student organizations at area campuses; 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 tristate region.

- Through the Bank's College Seminar Series, Public Affairs and Talent Acquisition hosted a seminar and networking event in 2015 titled "Smart Money: Manage Your Credit in Any Economy" for approximately 100 college students through Campus Philly. Campus Philly also featured the Bank as Employer of the Month on its website in 2015.
- **Mentoring**
 - For the third consecutive year, the Bank partnered with Cristo Rey Philadelphia High School to further its outreach efforts in majority-minority and inner-city high schools. At the request of Cristo Rey's highly regarded work-study program, eight students worked part-time during the school year in the Bank's Human Resources, Financial Management Services, and Information Technology Services departments. Additionally, two of these Cristo Rey students were hired as summer interns, in collaboration with Philadel-

phia Youth Network and WorkReady Philadelphia. Supervisors oversaw the work and professional development of the students. These experiences not only helped the students develop valuable skills but also exposed them to future career opportunities within the Bank.

- **Diversity Recruiting Fairs**
 - To maximize exposure to diverse candidates, the Bank participated in ALPFA's national convention.
 - Volunteers from the Bank attended job fairs, including the Veteran's Opportunity Job Fair and the annual AL DÍA Diversity Career Fair.
- **Development**
 - The Bank's Leaders Academy, a series of engaging workshops and electives, focuses on the requisite skills needed to help current and future managers perform the "people side" of leading. The program content was derived from extensive one-on-one and small group conversations that Talent Management staff had with employees, existing managers, and recently promoted or externally hired managers. This critical input helped shape the pilot program format and learning objectives while validating the

issues of greatest concern for leaders at the Bank. The pilot was conducted from January 2014 to June 2015. During the summer of 2015, additional surveys and focus groups were scheduled for participants to explore the curriculum's strengths and areas of improvement for the next cohort set to begin in 2016. Talent Management will continue to work closely with participants and Bank management to revise the Leaders Academy to meet the organization's current leadership needs to fulfill its strategic objectives.

- o The Bank moved ahead with the mentoring pilot program in 2015. This successful program provided a one-on-one mechanism to assist employees in their career development while cultivating their social networks. A process of assigned pairings from the Leaders Academy was used, which considered gender, ethnicity, generation, department, and role. This inclusive program allowed participants to enhance leadership competencies, increase visibility within the Bank, gain career support, learn key job skills, and enhance cultural competence. A proposal to transition the program into a Bank-wide endeavor was reviewed by senior management and

approved for implementation in 2016.

- o The Bank continued the practice of enrolling a small contingent of staff from various departments in LEADERSHIP Philadelphia, a local program designed to enrich their leadership skills and to serve the community through participation on nonprofit boards. There were three Bank representatives (two women and one man) in 2015.
- o There were opportunities for all employees to continue their education and development under the Bank's many programs, including tuition reimbursement, professional development, and the Grow the Home Team program, which provides developmental experiences through rotation or talent exchange assignments within the Bank's functional areas. Of those who took advantage of professional development course offerings in 2015, 40 percent were minorities and 53 percent were women; 100 percent of these participants believed the objectives for these courses were met.
- o The Bank supported continuous skills development for existing leaders by encouraging participation in the SLI conferences previously discussed. One

leader (a woman) attended the Senior Leadership Conference, and five midlevel leaders (including four women and two minorities) attended the Thrive Conference, a three-day management development conference for Federal Reserve System leaders.

- o 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.

3. Maintained partnerships with community organizations representing diverse constituencies

- The Bank sent representatives to the Extreme Practice Interview Expo 2015, an event sponsored by Philadelphia Academies, Inc., that is focused on helping high school students practice interview techniques to prepare for entry into the workforce.
- Members of the Bank's senior management team attended the Eastern Minority Supplier Development Council (EMSDC) recognition event. The OMWI director accepted the 2015 Regional Corporation of the Year award and commented on the Bank's commitment to diversity and inclusion, which provided visibility to regional minority professionals.

4. Designed and implemented an internal assessment and reporting system to measure activities to promote the employment of minorities and women

- The Bank proceeded with executing the 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.
- To determine how well the Bank is meeting the goals of the strategic plan for diversity and inclusion, the 2015 Diversity and Inclusion Impact Survey was distributed to all employees. The results of the survey provided key insights regarding progress made on the plan's objectives as well as opportunities for improvement. These data will be used to inform updates to the plan in the coming year.
- In the spirit of greater transparency for the benefit of staff and the general public, the Bank published workforce representation data on the Bank's internal and external websites.
- Throughout 2015, the diversity and inclusion dashboard, which was developed previously, was reviewed on a quarterly basis to track progress in key areas of the employee life cycle as well as other critical diversity and inclusion strategic activities.

CHALLENGES

The Bank's diversity and inclusion efforts still face some challenges, including the following:

- There are limited networks for recruiting minority candidates with advanced degrees in fields related 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

Moving forward, the Bank will face these challenges by:

- seeking new opportunities for finding and recruiting minority candidates with advanced degrees for managerial and leadership positions;
- continuing to use social media to reach diverse qualified candidates; and
- continuing to expand relationships with HBCU leaders, administrators, faculty, and students.



Students from the Cristo Rey Philadelphia High School took center stage as they described what they learned during their work internships at the Bank.

Minority- and Women-Owned Business Inclusion



The Bank's Procurement function, in collaboration with the Federal Reserve System Council of OMWI Directors, has steadily increased participation by minority- and women-owned businesses in the organization's contracts over the past few years. The development and implementation of initiatives and procedures related to this task have been carried out at the Federal Reserve System level by the OMWI director, with assistance and input from Procurement and Legal staff members. The Bank has developed standards and procedures for supplier diversity as 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 Federal Reserve Banks in the Federal Reserve System. Procurement staff also follows standards accepted by the Federal Reserve System, such as the Framework for Meeting the Supplier Diversity Provisions of the Dodd-Frank Act created by the NPO with input from the Federal Reserve Banks. The Bank has made consistent strides in implementing OMWI supplier diversity programs and initiatives.

AMOUNTS PAID TO CONTRACTORS

Total spend: \$47.68 million (in 2015)

Percentage of the above amount paid to:

- Total diverse spend (MBEs + WBEs) \$8.99 (million)
- Minority-owned businesses, 12.30%, \$5.86 (million)
- Women-owned businesses, 6.56%, \$3.13 (million)⁴

SUCCESSSES

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 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 engaged in supplier outreach.

1. Provided access and opportunity to a diverse pool of suppliers that includes MBEs and WBEs

- Procurement 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.

- Procurement implemented standards and procedures for self-assertions and determinations relative to supplier workforce diversity.

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

- To encourage all purchasers of Bank goods and services to include MBEs and WBEs as potential suppliers for acquisitions, regardless of payment method, Procurement incorporated requirements from the Dodd-Frank Act and the Bank's supplier diversity policy into Bank-wide Procurement-related training.
- Staff participated in internal annual training events to educate attendees about the Dodd-Frank Act's supplier diversity requirements.
- The Procurement function disseminated a Bank-wide communication to signal a top-down commitment to supplier diversity, conveying the benefits of widening the vendor pool further and directing purchasers to the resources available to assist them in identifying certified minority- and women-owned

⁴ Minority women-owned business spend is captured in spend for minority-owned businesses and is not counted twice in the women-owned business category.

businesses.

- Procurement incorporated language relative to the Dodd-Frank Act’s requirements into the Bank’s request-for-proposal process and new contracts and inserted “good faith effort” determination language into new contracts and renewals that meet established criteria.

3. Conducted training and technical assistance events for diverse suppliers

- In conjunction with the seventh annual Supplier Diversity Vendor Fair/Matchmaking Session, Procurement hosted an on-site workshop primarily for the benefit of MBEs and WBEs to provide a hands-on demonstration of the online automation used in the bid process. The Q&A segment of the workshop was devoted to explaining the process that the Bank uses to buy goods and services.

4. Conducted supplier outreach

- Procurement met with diverse suppliers and developed leads to enhance the Bank’s supplier pool by attending the EMSDC’s Procurement Conference and Trade Show, the Women’s Business Enterprise Council (WBEC) PA-DE-sNJ’s Navigating the Corporate and Government Marketplace Conference and Trade Show, and similar events sponsored by cham-

bers of commerce within Pennsylvania (Figure 6).

- Procurement hosted the Bank’s seventh annual Supplier Diversity Vendor Fair/Matchmaking Sessions. This fair served as one of Philadelphia’s Minority Enterprise Development Week events, which provided vendors with the opportunity to meet and discuss the Bank’s needs with procurement decision makers from key areas of the Bank. Partners that provided diverse vendors included the EMSDC, the WBEC PA-DE-sNJ, the Office of Economic Opportunity of the City of Philadelphia, the Pennsylvania Minority Business Enterprise Center (PA-MBEC), the Pennsylvania Minority Business Development Authority, the Asian American Chamber of Commerce of Greater Philadelphia, the African-American Chamber of Commerce, and the Greater Philadelphia Hispanic Chamber of Commerce.

- A Procurement staff member and the OMWI associate director appeared as guests on a local radio talk show, *The Boardroom Meeting* on WWDB-AM, to share information about the Bank’s efforts to foster diversity and inclusion throughout the organization and to promote supplier diversity. *The Boardroom Meeting* is a program that focuses on vital community issues, including matters of concern to business owners.
- To obtain viable WBE and MBE vendors for bid opportunities, Procurement extended its outreach to the EMSDC, WBEC PA-DE-sNJ, and Office of Economic Opportunity of the City of Philadelphia.
- A Procurement staff member serves on the board of directors of the EMSDC, furthering the Bank’s relationships with that organization.
- To become acquainted with diverse suppliers in the region, Procurement continued to develop relationships with southern New Jersey and

FIGURE 6

2015 VENDOR FAIRS

- Greater Philadelphia Chamber of Commerce Procurement Pipeline
- WBENC National Conference and Business Fair
- EMSDC Procurement Conference and Trade Show
- Federal Reserve System Board of Governors Vendor Outreach Fair
- NMSDC Conference and Business Opportunity Exchange

central Pennsylvania chambers of commerce. Similarly, Procurement has enhanced relationships with the Greater Philadelphia Hispanic Chamber of Commerce, the Asian American Chamber of Commerce of Greater Philadelphia, and PA-MBEC.

CHALLENGES

The Bank continues to face several challenges in furthering its inclusion of minority- and women-owned businesses. These challenges include the following:

- Limited number of diverse vendors identified to date with work crews of sufficient size to handle the Bank's larger jobs
- 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
- Limited diverse vendors in the areas where there is a high amount of spend (e.g., research data)
- Competition with major corporations for regional or national Federal Reserve System contracts

NEXT STEPS

To meet these challenges, the Bank intends to do the following:

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

WBENCLink online database

- Develop a plan for supplier outreach programs in 2016
- 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
- Enhance the online Supplier Diversity registration portal
- Continue to seek external training opportunities and benchmark data relative to industry best practices for finding MBEs and WBEs and promoting supplier diversity.



Ihssane Leckey, a Bank employee from the Financial Statistics Department, shared her firsthand experiences growing up in Morocco as part of the Diversity Council's Passport Series. Highlights included the cuisine, customs, and history of this North African country. The ongoing series offers an in-depth look at cultures around the globe that are represented by Bank employees.

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 (Keys) high school program, which is designed to help teachers instruct students about personal finance using active and collaborative learning methods.

The Keys teacher-training professional development course is an intensive, weeklong program offered free of charge to educators in the Third District, including those who work in inner-city, girls', and majority-minority high schools. The Federal Reserve Bank's outreach to OMWI teachers is summarized in Appendix D.

SUCCESSSES

- In 2015, the Reserve Bank's economic educators completed 11 events of professional development for OMWI teachers.
- During a weeklong session in July 2015, the Bank trained 33 teachers, 13 of whom represented 13 OMWI schools, to teach the Keys course. These teachers earned a total of 390 professional development hours and will reach an estimated 975 students per year.
- The Bank continued to support teachers from a total of

150 schools, 61 of which are OMWI schools (32 inner-city, 56 majority-minority, two girls'),⁵ in the Keys program by providing ongoing consultation, professional development, and student pre- and post-testing.

- Additional professional development offerings reached 78 teachers from 63 OMWI schools. Combined, these teachers, who reach an estimated 5,850 students per year, received 814 professional development hours. The programs offered included:
 - Personal Finance for the Middle School Classroom (three evenings)
 - Economic and Personal Financial Education for South Jersey Summer Institute for Educators (one day)
 - Economic and Personal Financial Education for the University of Delaware Master's in Economic Education & Entrepreneurship for Educators (one day)
 - Making Sense of Money and Banking (five days)
 - The Third Annual Federal Reserve Financial Educa-

⁵ These numbers do not total 61 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.

tion Day (one day)

- Cards, Cars, and Currency (two days)
- World History and Economics (one day)
- High School Personal Finance (one evening)
- Webinar: Keys to Financial Success Program (one hour)
- Webinar: Teaching About the First and Second Banks in Your Classroom (one hour)
- The Bank continued to send brochures and marketing e-mails to Third District OMWI high schools to ensure that principals and teachers received materials that fully describe each of the Bank's professional development offerings.
- The Bank also continued to distribute *The Federal Reserve and You*, a multipart modular video that covers the purposes and functions of the Federal Reserve System. High school teachers use this video to educate students about the Federal Reserve System, money, and banking. As of December 31, 2015, the Bank had distributed 27,317 copies of the DVD and received hundreds of thousands of web page views on the Bank's website and on YouTube, which contains video clips.
- The Bank maintained partnerships with the University

of Delaware, the Pennsylvania Jump\$tart Coalition for Personal Financial Literacy, the New Jersey Council for Economic Education, and the New Jersey Coalition for Financial Education.

- On March 18, 2015, the Bank's economic education advisor appeared on *Comcast Newsmakers* in southern New Jersey to talk about the Keys program and how it can help New Jersey schools meet the state's requirement that every student receive a semester of personal finance before graduation.
- On March 31, 2015, the Bank's economic education advisor appeared on WITF-FM's *Smart Talk* radio show in the Harrisburg, PA, market to discuss personal financial education.
- On April 3, 2015, the op-ed, "Delaware Tops in Teaching Kids About Money," writ-

ten by the Bank's economic education advisor, appeared in Delaware's *The News Journal*.

- On April 26, 2015, *The Bucks County (PA) Courier Times* published an article, "Learning Money Management," that highlighted the Federal Reserve Bank's efforts to promote personal financial education in Bucks County schools using the Keys program.
- On May 12, 2015, an article about the Reserve Bank's Keys program appeared in the *Delaware Business Times*.
- On November 23, 2015, the *Philadelphia Inquirer* published an article, "Fed to Help Teachers Learn Finance," that highlighted the Bank's efforts to expand the reach of the Keys program.
- In the fourth quarter of 2015, the Federal Reserve Bank developed its first online professional development module

on how to teach about money creation. In 2016, this program will be piloted and then distributed to teachers nationwide.

- A total of 369 students from 10 OMWI schools visited the Bank's Money in Motion exhibit in 2015.

CHALLENGES

There are still challenges to overcome in the efforts to improve financial literacy, including the following:

- Teacher availability for professional development programs and the willingness of schools to adopt new curricula
- Competing priorities for instructional time, particularly in urban schools
- Wariness of teachers to attend professional development programs from unfamiliar providers
- Limitations imposed by school



More than 30 teachers attended the five-day Making Sense of Money and Banking teacher-training course at the Bank to promote financial literacy for youths in the Third District.

districts on the number and length of field trips to educational venues such as the Bank's Money in Motion exhibit.

NEXT STEPS

Efforts to overcome these challenges include the following:

- A pilot for a new online pro-

fessional development module for high school teachers on how to teach students about fractional reserve banking

- Continued development of new online webinars and video-based resources that expand teachers' understanding of personal finance and economics and how to teach these subjects in the K–12

classroom

- Release of nine new videos describing how the Keys program can be used to teach personal finance to high school students
- Continued efforts to distribute curriculum resources and live teacher-training programs to schools, particularly OMWI schools.

Commitment



Diversity and inclusion are core values of the Bank and are aligned with the organization's strategic initiatives and mission. The Bank's efforts toward advancing diversity and inclusion in our workforce and in our supply chain are outlined within this report. While much has been accomplished over the past several years, continued progress requires leadership and commitment. The Diversity and Inclusion Strategic Plan provides the foundation for continued advancement of the Bank's objectives and reinforces the commitment of the senior leadership and staff of the Bank to address the challenges and opportunities that exist. Some of the next steps for 2016 include:

- Continue to expand recruiting sources for diverse candidates and use the internship program, which draws a diverse pool of candidates, as a source for increased hiring of recent college graduates for entry-level positions
- Offer targeted development for leadership and personal development to enhance work experience, build retention, and strengthen the pipeline for advancement
- Pursue industry best practices for identifying MBEs and WBEs as prospective bidders
- Develop a program for supplier outreach to increase the number of minority- and women-owned businesses

that respond to requests for proposal for goods and services

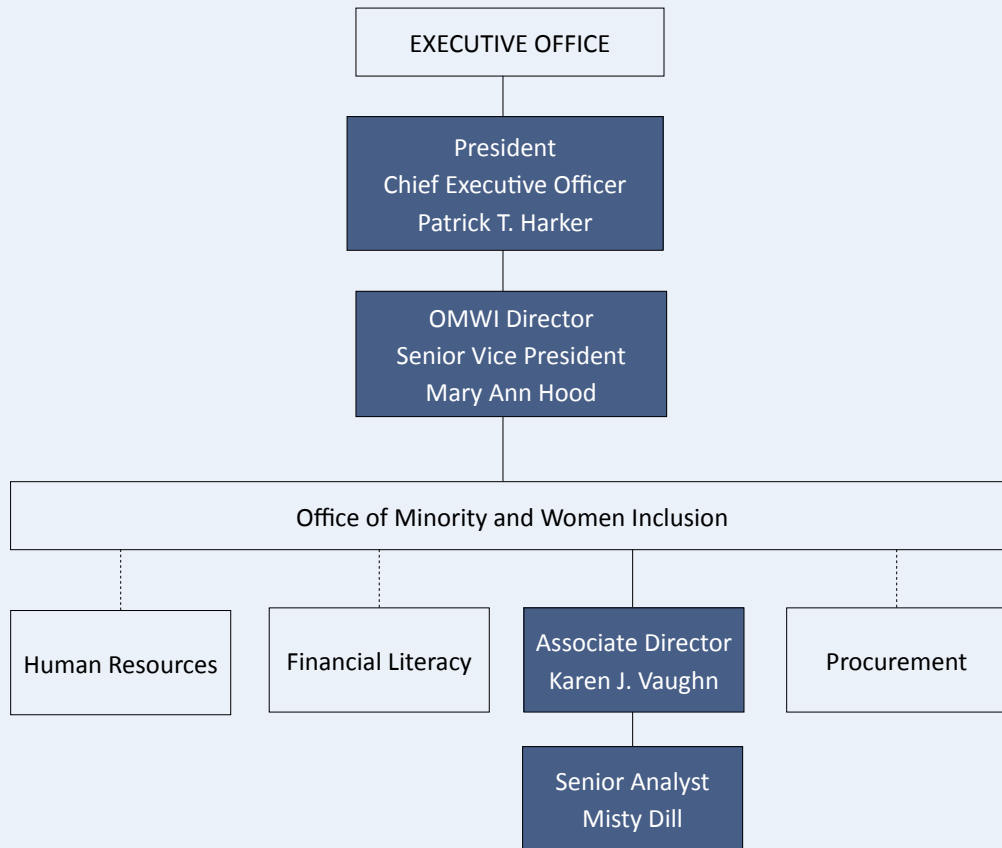
- Expand our outreach to teachers by offering new on-line programming, webinars, and video-based resources for professional development

The Federal Reserve Bank of Philadelphia recognizes the importance of creating a diverse and inclusive work and business environment and remains dedicated to the strategy and action plans in pursuit of this objective.

Appendix A



OMWI Organizational Chart



Appendix B



EEO Consolidation Report (as of August 2015)

Federal Reserve Bank of Philadelphia EEO-1 Consolidated Report by Number of Workforce for 8/31/15																
EEO Job Categories	Hispanic		Male Non-Hispanic						Female Non-Hispanic						Total	Total by %
	Male	Female	White	Black	Native Hawaiian or Pacific Islander	Asian	Native American	Two or More Races	White	Black	Native Hawaiian or Pacific Islander	Asian	Native American	Two or More Races		
Executives/Sr. Officials			4			1			5						10	1.2%
First/Midlevel Managers	4		86	10		10		1	50	11		4			176	20.7%
Professionals	13	6	161	32	3	45		4	100	49		20			433	50.8%
Technicians		1	23	3		6			6	3		3			45	5.3%
Sales Workers															0	0.0%
Admin Support	4	5	18	7		5			25	21		2			87	10.2%
Craft Workers	4		24	5		3			2	2					40	4.7%
Operatives															0	0.0%
Laborers & Helpers															0	0.0%
Service Workers	4	2	34	11					5	5					61	7.2%
Total	29	14	350	68	3	70	0	5	193	91	0	29	0	0	852	100.0%
Total by %	3.4%	1.6%	41.1%	8.0%	0.4%	8.2%	0.0%	0.6%	22.7%	10.7%	0.0%	3.4%	0.0%	0.0%	100.0%	

Appendix C



Top Two EEO-1 Categories Utilization Analysis (as of August 2015)

Philadelphia Utilization Analysis by EEO-1 Categories (All Aggregate Data)									
FRB Philadelphia Data (as of 8/31/15)									
Philadelphia CBSA (Core-Based Statistical Area) EEO-1 Aggregate Statistics (2014)									
Minority Analysis									
Top Two EEO-1 Categories	FRBP Total Population	FRBP Minorities By Total and Percent		Philadelphia CBSA EEO-1 Totals	Philadelphia CBSA Minorities By Total and Percent		Expected # of Minorities in Job Group*	Standard Deviation — Minorities**	Is there Under-representation in the Job Group?
Executive/Sr. Level Officials	10	1	10.0%	20,989	2,010	9.6%	1	-0.05	No
First/Midlevel Officials	176	40	22.7%	124,528	22,369	18.0%	32	-1.65	No
Totals	186	41	22.0%	145,517	24,379	16.8%	31	-1.93	No
Female Analysis									
Top Two EEO-1 Categories	FRBP Total Population	FRBP Women By Total and Percent		Philadelphia CBSA EEO-1 Totals	Philadelphia CBSA Women By Total and Percent		Expected # of Women in Job Group*	Standard Deviation — Women**	Is there Under-representation in the Job Group?
Executive/Sr. Officials	10	5	50.0%	20,989	6,191	29.5%	3	-1.42	No
First/Midlevel Officials	176	65	36.9%	124,528	52,390	42.1%	74	1.38	No
Totals	186	70	37.6%	145,517	58,581	40.3%	75	0.73	No

Definitions

*Expected # of Protected Employees in Job Group (the columns of Expected # of Minorities in Job Group and Expected # of Women in Job Group) shows the # of employees in the job group that is expected, given the composition of the regional labor force.

**Standard deviation (the columns of Standard Deviation — Minorities and Standard Deviation — Women) is a statistical analysis of adverse impact or workforce utilization of employees in protected groups. If the standard deviation is greater than 2.0 to 2.5, there is a possible under-utilization of employees in that job group.

Appendix D



Metrics Table

Topic	Measure	Metric	Comments/Notes
Management Representation	Top 2 EEO-1 Categories – Sr. Execs & Midlevel Mgrs.	#	186
	% Women	%	70 = 38% (CBSA – 40%)
	% Minorities	%	41 = 22% (CBSA – 17%)
Hiring Statistics	Total External Hires	#	84
	% Women	%	33 = 39%
	% Minorities	%	35 = 42%
Interns	Total Interns	#	41
	% Women	%	19 = 46%
	% Minorities	%	17 = 41%
MBE and WBE Expenditures	Total Spend (in millions)	\$	47.68
	% WBE	%	6.56%
	% MBE	%	12.30%
Financial Education	# of Events	#	11
	# of Students Attended	#	0
	# of Educators Attended	#	89
	# of Students Reached	#	6,675

CBSA=core-based statistical area



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