



FEDERAL RESERVE BANK OF PHILADELPHIA



# 2018

## Report to Congress

---

on the Office of Minority  
and Women Inclusion

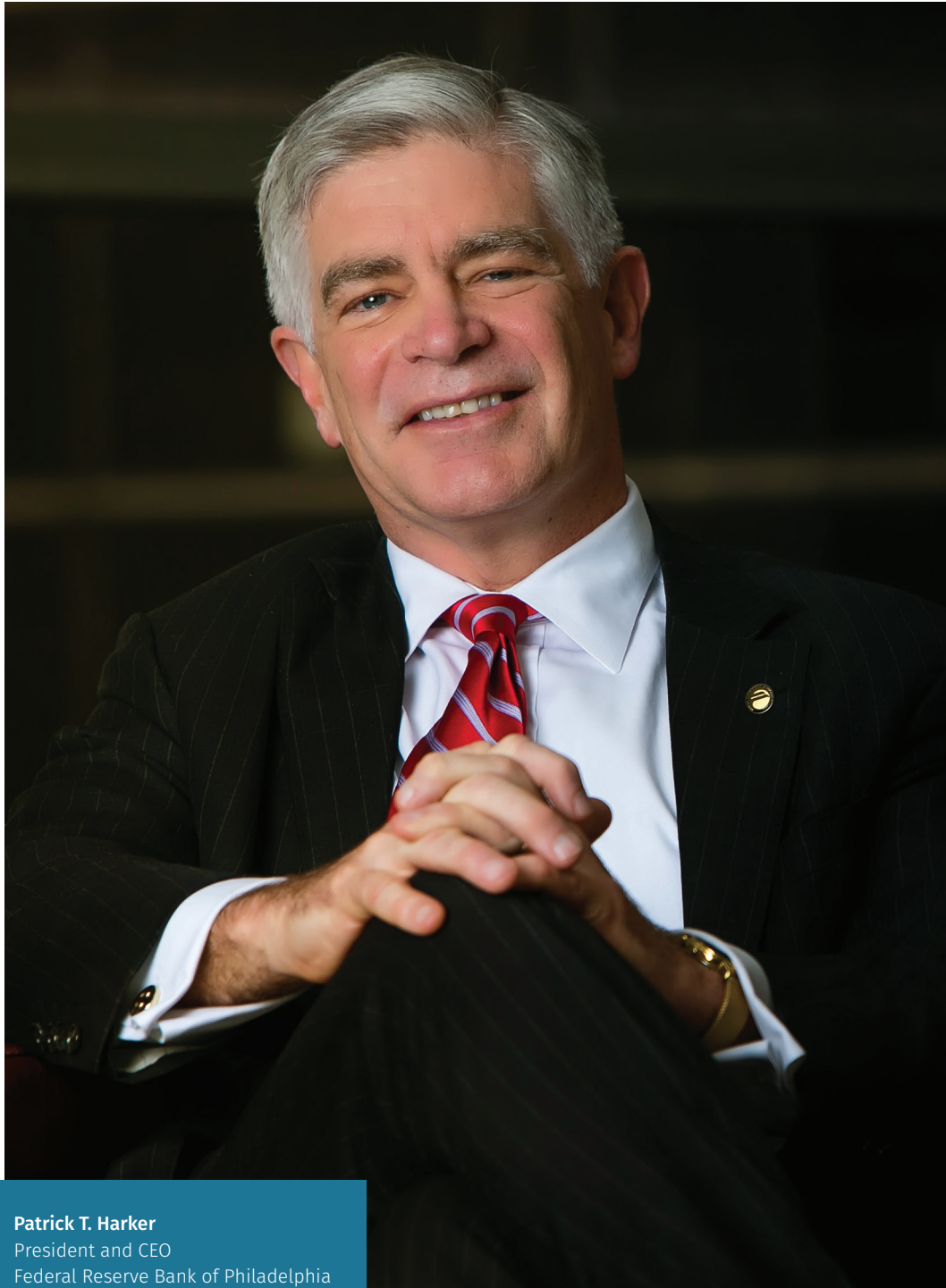
**MARCH 29, 2019**



# Contents

Letter from the President	3
Executive Summary	4
Overview of the Bank	7
The Office of Minority and Women Inclusion	10
Geography Covered	11
Minority and Women Employment	16
Minority- and Women-Owned Business Inclusion	20
Financial Literacy Activities	23
Commitment	25
Appendix A	26
Appendix B	27
Appendix C	28

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.



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

March 2019

---

In 2016, I used the opportunity of this letter to make the business case for diversity and inclusion. In 2017, we moved from the “why” to the “how,” arguing that diversity and inclusion need to be more than an added benefit or extra workstream, but a fully integrated part of an organization’s DNA.

This year, I want to highlight the “who” — our people, our partners, and our communities.

In 2018, the Bank introduced a set of strategic values: to collaborate, innovate, and be open.

These are the precepts that help us reach peak performance in our work. Although we discussed adding diversity as a value, we quickly came to the conclusion that diversity is so much a part of our core ethos that it cannot be separated out — diversity and inclusion are a part of our work; those strategic values help us excel in achieving them.

This was also the first full year of work for two of our high-priority initiatives — the Economic Growth & Mobility Project (EGMP) and the Consumer Finance Institute (CFI) — after their announced creations and initial work in 2017.

EGMP is dedicated to taking the wealth of research on issues of economic mobility, inclusion, and equitable growth, and putting it to active, practical use through partnerships in communities around the Third District. The CFI builds on its rich history of our Bank’s credit-based research to examine all aspects of how people spend, save, borrow, and earn.

While this report to Congress is important, we believe that achieving representation is more than just ticking off numbers, although the data are certainly important. For us, it is a commitment that permeates everything we do.


The issues our research focuses on — economic mobility; generational wealth; access to housing, transport, and other infrastructure; cycles of debt; access to credit; and the impact of loan systems, to name a few — are both crucial to the wider discussion of inclusion and disproportionately affect those people whose representation the Office of Minority and Women Inclusion (OMWI) seeks to increase.

We want to have a diverse, inclusive, and representative Bank, for the host of reasons we’ve laid out before — it’s not just the right thing to do, it’s the smart, business-savvy thing to do.

But we also need to understand, and work to eradicate, those economic barriers that face individuals, groups, and communities.

Policies and solutions are only as good as the information that guides them. Our research and work in the community are crucial to informing a deeply ingrained culture of inclusivity — as I wrote last year, it is “part of our DNA.” As the economy continues on its track to be the longest recovery in history, it is important to remember that some areas are left out of that good fortune and that those areas are often disproportionately represented by the very groups we’re trying to engage. Addressing that, and making it part of our daily work and discussions, helps us do everything better, from research to execution.

Sincerely,



# Executive Summary

---

The Federal Reserve Bank of Philadelphia (the Bank)<sup>1</sup> is committed to diversity and inclusion and promotes these standards in its workforce, in the businesses it engages to procure goods and services, and in the Third Federal Reserve District. We are pleased to submit this report to Congress outlining our progress toward achieving our goals with respect to these strategic objectives.

Although a formal diversity and inclusion initiative has been in place since 2007, the Bank has a long history of embracing these values. The Bank has processes and programs in place that promote workforce and supplier diversity, and it has been actively engaged in financial literacy and outreach to school systems in the region for many years.

The Bank established its Office of Minority and Women Inclusion (OMWI) in January 2011 in compliance with Section 342 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd–Frank Act or the Act). Incorporated into the Bank’s Office of Diversity and Inclusion, the OMWI has just completed its eighth year of activities that fully address and comply with the provisions of the Dodd–Frank Act.

This report details the Bank’s successes and challenges with regard to its efforts to ensure (1) the racial, ethnic, and gender diversity of staff and senior management; (2) the increased engagement of minority- and women-owned enterprises in programs and contracts and the coordination of technical assistance to these businesses, as applicable; and (3) the quality and scope of our financial education programs so that they adequately serve the diverse populations of the Third District.

## Diversity and Inclusion as Integral to Core Values

Diversity and inclusion are an integral part of the Bank’s core values and 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 in which different perspectives are valued.

The Bank’s core values embody the underlying precepts of diversity and inclusion:

- Collaborate: We work together to fulfill our mission.
- Innovate: We try new things and continue to learn.
- Be open: We are inclusive and strive for transparency.

The Bank also has a strategic plan for diversity and inclusion built around the pillars of people, culture, and community. The plan has three strategic goals: promoting an environment of respect, dignity, and equality for employees at all levels; assigning top-down accountability for creating a diverse and inclusive environment; and charging the Bank to recruit, retain, and develop the best talent available to increase diversity among its workforce and better serve the needs of Third District communities. As a part of the evolution, the Bank fine-tuned this plan, which incorporates feedback on areas of strength and opportunity gathered via a staff survey and focus groups. The plan builds on progress already made and provides a framework for next steps toward achieving measurable goals and objectives in this area.

Furthermore, the Bank has embarked on a multiyear journey to become an organization that develops leaders at all levels. To help advance this goal, the Bank offers an array of developmental programs, continuing education, and mentoring.

## Diversity and Inclusion Infrastructure

The OMWI manages the Bank’s overall approach to diversity and inclusion and acts as a hub for all related initiatives. Three other internal groups support the office’s activities: (1) the Diversity Advisory Group, led by senior executives who champion diversity and inclusion as essential priorities; (2) the Diversity Council, a group of employees that plans events and activities to promote ongoing, substantive messaging across the organization about diversity and inclusion and participates in the formulation of strategies in support of related goals and objectives; and (3) employee resource groups (ERGs), formed by employees with shared characteristics or professional interests but open to all, which serve as channels for collaboration and professional development.

---

<sup>1</sup> The Federal Reserve Bank of Philadelphia serves the Third Federal Reserve District, which comprises Delaware, southern New Jersey, and eastern and central Pennsylvania. It is sometimes known simply as the Bank or the Philadelphia Fed.



President Patrick Harker (far left) and First Vice President James Narron (far right) are pictured with past and present members of the Bank's Diversity Council.

## Minority and Women Employment

The Bank has programs in place that address diversity in recruitment, retention, leadership and professional development, and succession planning. These include internships, mentoring activities, and diversity recruiting efforts, among others. The following are a few highlights of the Bank's efforts in 2018 to recruit and retain a diverse workforce at all levels:

- The Bank continued to raise its visibility as an employer of choice with the District's historically black colleges and universities (HBCUs) through targeted outreach. Bank representatives attended a career workshop at the business school of a local HBCU to provide information on the Bank's role and functions and about career paths at the institution. In addition, the Bank sent representatives to on-campus recruiting events at two HBCUs and six other area schools, and posted open positions on job boards at HBCUs across the District.
- Celebrating its diversity and inclusion journey over the past 10 years, the Bank hosted its seventh annual industry forum, which continued to draw diversity

and inclusion practitioners and talent management leaders from across the region. The event was an opportunity to reflect on the progress made and the commitment toward ensuring a culture of inclusion where all employees can thrive. The forum highlighted the importance of conversations around inclusion and of gaining insight and perspective from colleagues with different backgrounds and experiences. Further, it emphasized that diversity and inclusion is about more than just training. It reinforced the importance of remaining vigilant in efforts to foster a workplace environment in which employees feel a sense of belonging and are able to bring their "authentic selves" to work each day.

- The Bank's employee resource groups (ERGs) continue to grow and thrive. The Bank launched its sixth ERG, Asia-Pacific Community Employee Network for Diversity (ASCEND). Open to all employees, the group aims to promote diversity and inclusion; raise awareness of the rich cultural diversity of the Asia-Pacific region; provide members with networking opportunities, resources, and tools; and help recruit, develop, and retain talent.

## Minority- and Women-Owned Businesses

The Bank through its supplier diversity program, which predates the passage of the Act, remains committed to fostering opportunities for minority- and women-owned firms to do business with the Bank. The Act gives additional guidance on efforts in this area. The following are some notable activities the supplier diversity program carried out during the year:

- The Bank's Procurement Department continued to train staff on Dodd-Frank Act requirements and the supplier diversity policy as part of its annual training. Procurement also identified diverse suppliers for consideration in the selection process for acquisitions that require competition and for smaller purchases, and presented these vendor alternatives to individual departments for future consideration.
- To increase its visibility among diverse suppliers, the Bank hosted its ninth annual Supplier Diversity/ Matchmaking event. It also participated in various local and national diverse supplier events, including the Eastern Minority Supplier Development Council's (EMSDC) 2018 Return on All Relationships (ROAR) Conference and Matchmaker, the Women's Business Enterprise Council PA-DE-sNJ's Meet and Greet events, and the Greater Philadelphia Hispanic Chamber of Commerce's Closing the Gap conference, among others.
- The Bank's outreach also included training and technical assistance for diverse vendors. In conjunction with the aforementioned supplier diversity fair, Procurement held an education session for attendees on responding to a request for proposal event using the Bank's e-procurement tool. Additional outreach included continuing to develop relationships with local chambers of commerce and other organizations targeting minorities.
- The EMSDC named a Procurement staff member as the recipient of the 2018 Alexander Nichols Lifetime Achievement Award. The award recognized her work in supplier diversity over the course of her career.

## Financial Literacy

The Bank's long-standing and highly regarded economic education and financial literacy programs continued to help teachers instruct students about personal finance. Some highlights of the Bank's financial education efforts included:

- The Bank's economic education team held 10 professional development events for OMWI teachers. This included offering the flagship Keys to Financial success personal finance course for high school students to 39 new teachers, 13 of whom represented 11 OMWI schools. The team also provided continuing support under the program for teachers from 184 schools, 77 of which are OMWI schools (43 inner-city, 67 majority-minority, and two girls').<sup>2</sup>
- Additional in-person professional development offerings reached 66 teachers from 60 OMWI schools. Combined, these teachers, who reach an estimated 4,950 students per year, received 205 professional development hours in these offerings.
- Throughout 2018, the Bank continued to partner with the Urban Affairs Coalition, the Philadelphia Higher Education Network for Neighborhood Development, and the office of Philadelphia City Councilman Allan Domb to conduct outreach to the School District of Philadelphia to increase the teaching of personal finance in the city's public schools. This work resulted in an additional increase in the number of Philadelphia teachers attending the Bank's economic and personal financial education programs.

Additional information, including some challenges the Bank experienced with regard to these goals during 2018 and next steps to address them, are outlined more fully in the remainder of this report. This report details specific activities and progress that took place from January 1, 2018, through December 31, 2018, unless otherwise indicated. The assessment of inclusion programs within regulated entities is managed by the Board of Governors of the Federal Reserve System, and is therefore not addressed in this report.

---

<sup>2</sup> These numbers do not total 77 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.



# Overview of the Bank

## Economic Inclusion Research and Outreach

The Bank's Community Development and Regional Outreach (CDRO) Department supports the Federal Reserve System's economic growth objectives by promoting community development in low- and moderate-income communities and fair and impartial access to credit in underserved markets. Economic inclusion is a key focus area of the Bank's community development research and outreach activities in the District. During 2018, CDRO conducted research exploring college access and success, the impact of automation on work, housing quality issues, the Community Reinvestment Act, transportation and job access, and workforce development investments, among other topics.

CDRO also organized a variety of outreach meetings and listening sessions to explore the needs and opportunities in low-to-moderate-income areas throughout the District. Bank senior leaders toured several locations in Pennsylvania, including Chester, State College, Wellsboro, Lancaster, Stroudsburg, and Reading to learn more about topics such as access to credit and development in rural areas,

programs to support formerly incarcerated citizens, effective workforce and economic development strategies, and immigrant integration efforts. An important part of the Bank's engagement in the District, these visits allow Bank leadership to see economic conditions in the region firsthand and inform the Bank's approach to community development.

The Economic Growth & Mobility Project (EGMP) is an important Bank-wide initiative to promote economic mobility in communities across the Third District. EGMP approaches this work through Research in Action Labs — leveraging the first-rate economic research produced by the Federal Reserve and bringing together local stakeholders to address a specific identified problem in a community related to job creation and job access, education and workforce development, and infrastructure equity. These labs facilitate collaboration among public, private, and philanthropic partners to develop innovative, entrepreneurial solutions to issues and promote long-term change toward more equitable systems.

In 2018, the Bank shared lessons learned from the first of these labs, which focused on equitable transportation in northeast Pennsylvania. This lab resulted in the formation



President Patrick Harker (on far left) and First Vice President James Narron (on far right) are pictured with the 2018 summer interns.

of a regional transportation council that is launching innovative pilots to address transportation barriers to health care and job access and ultimately foster systems change so that transportation is at the forefront of economic development and regional growth discussions. The Bank also launched a second lab, which explores innovative finance models for investing in Philadelphia's local talent pipeline.

CDRO also hosted its eighth biennial Reinventing Our Communities conference, a flagship event that brings together researchers, community development practitioners, and government leaders to explore community revitalization and building inclusive economies. Cohosted by the Johns Hopkins 21st Century Cities Initiative and the Federal Reserve Bank of Richmond, the 2018 edition took place in Baltimore and brought together over 550 attendees from across the U.S. The event theme was Investing in Opportunity — or how to foster economic mobility by building and mobilizing human, physical, social, and financial capital. Racial equity was a major emphasis, and the event offered attendees the opportunity to participate in an offsite learning lab on applying a racial equity lens to community development work. Other key topics were women and wealth building, the new geography of poverty, the future of work, affordable housing, building inclusive communities, the opioid epidemic, and much more.

## Additional Unique Third District Activities and Significant Federal Reserve System Responsibilities

The Bank holds significant Federal Reserve System (System) responsibilities and performs unique Third District activities. A description of these duties and initiatives follows.

The Bank manages the System-wide **Partnership for Progress** program on behalf of the Board of Governors. Established in 2008, the program promotes the viability of minority depository institutions (MDIs) by facilitating activities that cultivate safe and sound practices, strengthen their business strategies, and enhance their understanding of regulatory topics.

The Philadelphia Fed continued to support MDIs through the following activities during 2018:

- The Bank cosponsored Banking and the Economy:

A Forum for Minorities in Banking, with the Board of Governors and the Federal Reserve Banks of Kansas City, Atlanta, Chicago, Dallas, Richmond, and St. Louis. The forum, a national program that provides minority bank leaders with industry knowledge and professional development, was held in September in Charlotte, NC.

- The Bank participated in numerous banking workshops and seminars aimed at promoting and preserving MDIs, including the National Bankers Association's Annual Convention.
- The Bank fostered mutually beneficial partnerships between MDIs and community leaders, trade groups, the Community Development Financial Institutions Fund, and other organizations to seek support for MDIs.
- The Bank participated in an interagency task force created to address supervisory challenges facing MDIs.

The Bank is a go-to source of research and data on consumer finance issues. The **Consumer Finance Institute** produces leading-edge research on how credit markets and payment systems affect the economy. The Institute relies on the wide-ranging expertise of the Philadelphia Fed's economists, research fellows, analysts, and visiting scholars. It also offers opportunities for collaboration with outside scholars, market participants, government regulators, and consumer groups. The Institute enables these different groups to share insights and advance understanding of issues around fostering healthy household finances, a stable financial system, and a resilient economy.

The Bank's **Risk Assessment, Data Analysis, and Research (RADAR)** team is a source of data and analysis for the System on consumer loans and securities, and is composed of four groups. The Data Warehouse group manages a large collection of key U.S. consumer credit databases with powerful analytical tools for sampling, querying, mapping, reporting, and charting data. The Securities Evaluation Service analyzes all parts of the asset- and mortgage-backed securities markets in financial institutions' investment portfolios and in securities markets more broadly. The Supervisory Modeling Team is responsible for overseeing activities related to the annual Dodd-Frank Act Stress Tests (DFAST) for Retail portfolios, while the Financial Monitoring Group conducts ongoing risk analysis on the banks that participate in DFAST.

The Bank publishes two supervisory outreach newsletters on behalf of the Federal Reserve System: **Community**



Employees participate in a speed networking session hosted by Fed Talent Forward, an employee resource group that focuses on leadership and professional development.

**Banking Connections (CBC)**, launched in 2012, and **Consumer Compliance Outlook (CCO)**, launched in 2008. **CBC** covers safety and soundness issues for community banks, while **CCO** focuses on consumer compliance topics. The chief executive officer of each financial institution regulated by the Federal Reserve System routinely receives a copy of each newsletter. Both newsletters also have a number of voluntary subscribers, which have increased steadily over the years. For example, in 2018, voluntary subscriptions were up 6.3 percent for **CBC** and 8.5 percent for **CCO**.

To foster collaboration and information sharing in the supervision and regulation community, increase efficiency, and reduce administrative burden in carrying out the supervisory process, the Bank established the **Supervision Team Site Support Office (STSSO)** in 2012. Throughout 2018, the STSSO continued to develop, improve, and support its suite of business solutions across the System. These solutions support continuous monitoring and examinations across the community bank, regional bank, large and foreign bank, Large Institution Supervision Coordinating Committee, and consumer compliance portfolios. Additionally, the team introduced significant improvements to further simplify and streamline the intake of supervisory documents from supervised institutions.

The Bank's **National IT End User Services (EUS)** team provides collaboration and endpoint services for the Federal Reserve System. The Bank has responsibility for services that include messaging, productivity, unified communications, content

management, and content delivery. The EUS team works closely with Reserve Bank IT partners to deliver these services.

The Bank houses the project management team and the Central Business Administration Function for the **Collateral Management System (CMS)**, which Regional Reserve Banks use to monitor, manage, and value collateral pledged to Reserve Banks. The collateral supports extensions of credit under the discount window and the payment system risk policy. The CMS, a centralized, web-based system for recordkeeping of definitive and book-entry securities and loans, also supports the Reserve Banks' fiscal agency responsibilities regarding collateral pledged for various programs of the U.S. Department of the Treasury. The CMS team also maintains and enhances the **Subcommittee on Credit Risk Management (SCRM) Collateral Data Repository** and the **Analytical CRM Environment**, the latter of which is a tool that provides credit risk analysts with reports and dashboards.

The Bank serves as the Central Business Administration Function for the **Treasury Check Information System (TCIS)**. TCIS provides the Bureau of the Fiscal Service of the U.S. Department of the Treasury with an electronic checkbook, reconciling approximately 40 million checks and processing about 1 million check claims and inquiries per year. TCIS also affords Fiscal Service the opportunity to move from paper to electronic communication with federal agencies and non-Treasury disbursing offices, as their processes allow. The responsibility for this function will transition to the Federal Reserve Bank of Kansas City, effective April 1, 2019.

# The Office of Minority and Women Inclusion

The director of the Bank's OMWI (Appendix A) 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 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. The OMWI, which is housed in the formally named Office of Diversity and Inclusion, builds upon existing efforts to attract and retain a diverse workforce at all levels, create an inclusive workplace, foster supplier diversity, and support financial literacy education.

Senior management at the Bank supports the OMWI through the Diversity Advisory Group, which champions diversity and inclusion initiatives. The Bank works to ensure that the organization espouses diversity principles and best practices, with the understanding that these efforts strengthen the institution and enhance its ability to support the diverse communities of the Third District.

## Staffing and Structure

In her role as OMWI director, Ms. Hood reports directly to the Bank's president. She has one full-time staff member, Rebecca Robinson, assistant OMWI director and diversity officer.



Employees enjoy a high tea networking event hosted by Knowledge and Networking Opportunities for Women (KNOW), an employee resource group.

# Geography Covered

The Bank serves the Third Federal Reserve District — the smallest District by land area in the Federal Reserve System. Compared with other Districts, the population is one of the smaller, slower-growing populations and is slightly less diverse than the U.S. as a whole.

## Total Population

The Third District, which comprises eastern Pennsylvania, southern New Jersey, and all of Delaware (Figure 1), has a population of more than 13.3 million, according to the U.S. Census Bureau’s 2017 County Population Estimates data set. The distribution of that population per state is as follows:

- Delaware: 0.96 million people in three counties
- Southern New Jersey: 2.8 million people (or about 31 percent of the state’s population) in nine counties
- Eastern two-thirds of Pennsylvania: 9.5 million people (or about 74 percent of the state’s population) in 48 counties

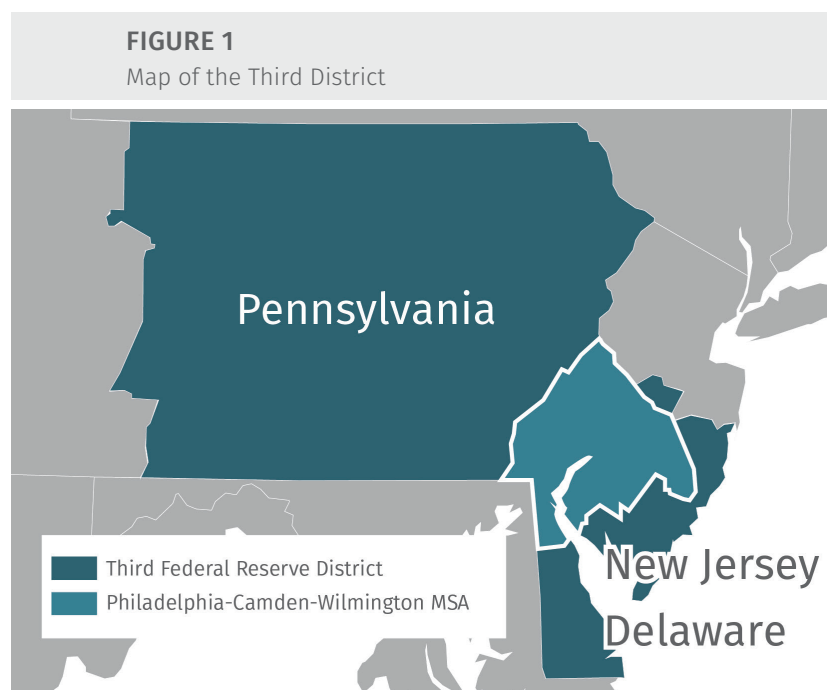
There are 23 metropolitan statistical areas (MSAs) wholly or partially located in the Third District. The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA (Philadelphia MSA) is the largest. It includes five Pennsylvania counties, four

New Jersey counties, one Delaware county, and one Maryland county. With nearly 6.1 million people, the Philadelphia MSA accounts for 46 percent of the Third District’s population. From 2010 to 2017, the District’s population grew almost 1.8 percent, compared with 5.5 percent growth for the nation. Growth was faster in Delaware, at 7.1 percent, whereas the portions of New Jersey and Pennsylvania within the Third District grew 0.5 percent and 1.7 percent, respectively. The Philadelphia MSA grew 2.2 percent during the same period.

## Racial Diversity

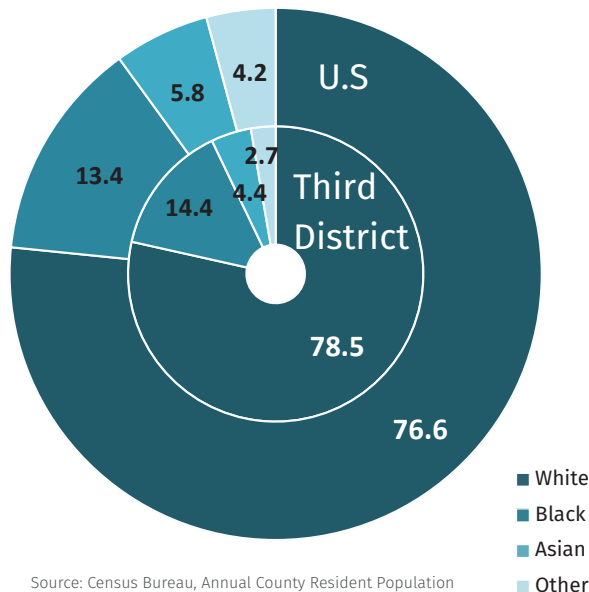
Despite the significant degree of urbanization within the Third District, overall racial diversity is in line with, although slightly trails, that of the nation. Based on 2017 census estimates, more than 23 percent of the nation’s population identified themselves as a race other than white or selected a combination of races. Within the District, more than 21 percent of the population identified themselves as other than white.

The Third District has a slightly larger percentage of black or African American residents than the nation, but the percentages of Asian and Other residents 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 (Figure 2).



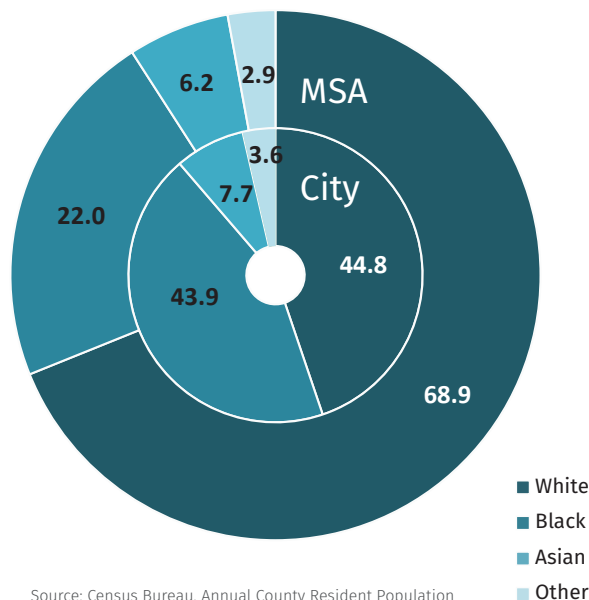
With respect to the workforce from which the Bank typically draws, the Philadelphia MSA is a more relevant geographic entity than the entire Third District, although there are numerous specialized jobs for which the relevant labor pool may be regional or national. Overall, the Philadelphia MSA has a larger share of black or African American population (22 percent) than the nation (13 percent), a similar but slightly larger share of Asian population (6 percent), and smaller shares of white (69 percent) and Other (3 percent) populations than the nation (77 percent and 4 percent, respectively).

**FIGURE 2**  
Percent of total population:  
United States and Third District



Source: Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010 to July 1, 2017

**FIGURE 3**  
Percent of total population:  
Philadelphia MSA and city of Philadelphia



Source: Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2017

In the city of Philadelphia alone, there are larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage doubles for the black or African American population in the city compared with the MSA, whereas the city's percentage of white population is lower by 24 percentage points (Figure 3).

The Hispanic population continues to be a key driver of population growth for the nation and the Third District. From 2010 to 2017, the Hispanic population in the U.S. grew by nearly 8.5 million people, or 17 percent. The Third District and the Philadelphia MSA experienced faster growth in their Hispanic populations, by 26 percent and 24 percent, respectively.

Despite the more rapid percentage growth of the Hispanic population in the local region, the share of Hispanic people in the Third District (10 percent) still lags that of the nation (18 percent). The city of Philadelphia's share is closer at nearly 15 percent (Figure 4).

### Economic Trends

The Third District's states continued to add jobs in 2018 overall, although their combined pace generally lagged that of the nation. Pennsylvania's economy added 74,800 jobs (a 1.2 percent increase), New Jersey added 61,900 jobs (a 1.5 percent increase), and Delaware added 10,200 jobs (a 2.2 percent increase) from December 2017 to December 2018. The Philadelphia MSA also experienced gains in payroll employment, adding 54,400 jobs (a 1.9 percent increase) during the same time period.

Unemployment rates have fallen 4.6 percentage points in Pennsylvania, 5.1 percentage points in Delaware, and 5.8 percentage points in New Jersey since their peak levels in early 2010 following the Great Recession and continued to improve in 2018. As of the end of 2018, unemployment rates for the three states — at 4.2 percent for Pennsylvania, 4.0 percent for New Jersey, and 3.7 percent for Delaware — were roughly in line with the national rate of 3.9 percent.

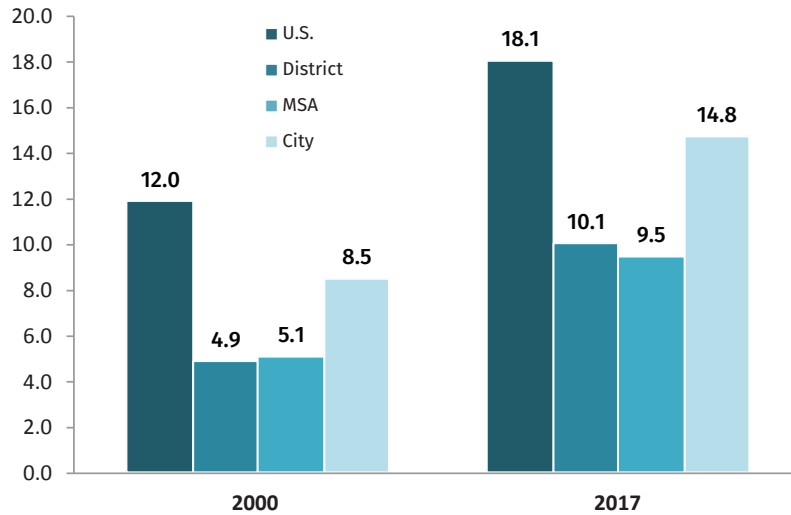
### Industry Composition

The industry composition of the three states in the Third District roughly mirrors that of the nation (Figure 5). Based on 2018 averages, the three states combined had a share of employment that was 1 percentage point or higher than the nation's share in the trade, transportation, and utilities (20 percent), and education and health services (19 percent) sectors. Within the Philadelphia MSA, some industries stood

## 2017 Population of Hispanic Origin

**FIGURE 4**

Percent of total population:  
U.S., Third District, Philadelphia MSA & city of Philadelphia



Source: Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2017

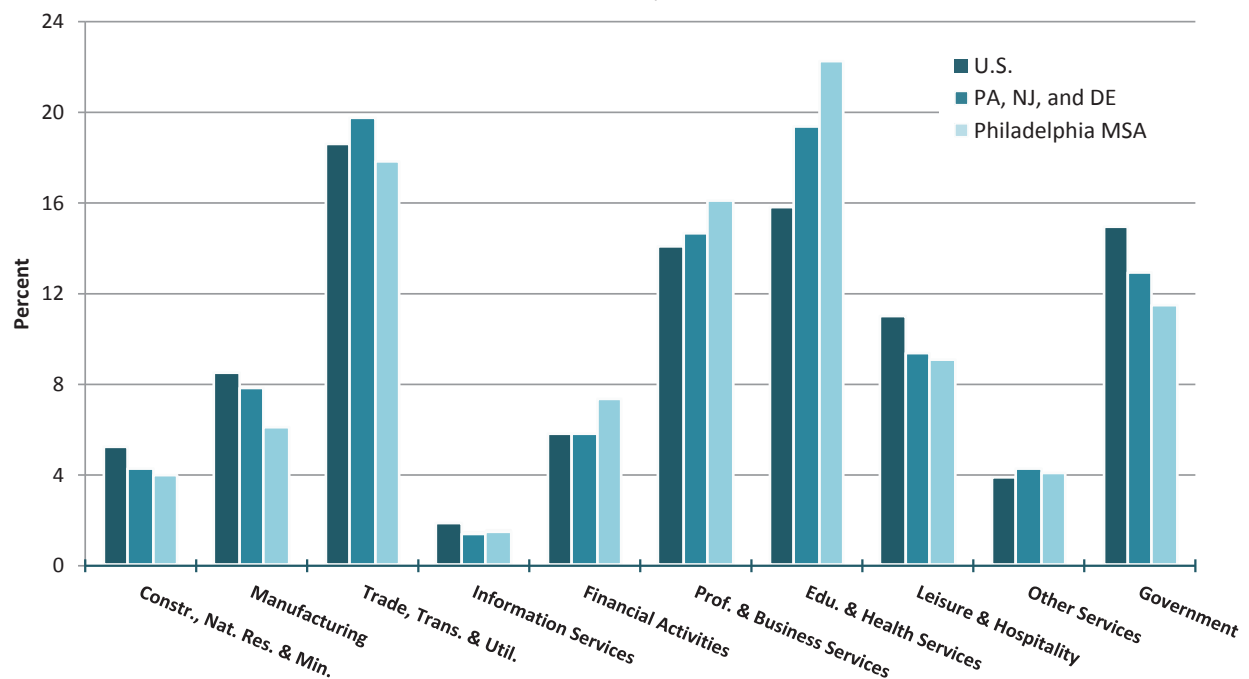
further apart from national trends: education and health services, the largest sector, represented more than 22 percent of employment; professional and business services represented 16 percent; and financial activities represented 7 percent. These particular industries have average hourly earnings that exceed the national average of all industries.

Higher-paying industries and jobs tend to require higher educational degrees. Educational attainment varies by gender and race. Overall, educational attainment is higher in the Philadelphia MSA than in the nation. According to the 2017 American Community Survey (ACS) 1-Year Estimates, compared with national rates, greater percentages of women and minorities in the Philadelphia

## 2017 Employment Shares

**FIGURE 5**

Employment shares by industry, 2018



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

**Table 1**

Bachelor's, Graduate, and Professional Degree Attainment for Population 25 Years and Older, Philadelphia MSA		
Race/Ethnicity	Men	Women
Total	37.1	38.2
White	41.0	41.9
Black or African American	18.5	24.1
Asian	61.4	53.6
Hispanic or Latino	14.6	21.0

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

MSA earn bachelor's degrees or higher. However, for black or African American men, black or African American women, and Hispanic men, this difference is within 0.3 percentage point.

In 2017, the share of women with bachelor's degrees or higher exceeded the share of men with bachelor's degrees by more than 1 percentage point for the U.S. overall and in the Philadelphia MSA (Table 1). Patterns of educational attainment by sex among races in the region generally reflect national patterns: white, black or African American, and Hispanic women have higher educational attainment than their male counterparts, whereas Asian men have higher rates of educational attainment than Asian women.

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 2017 ACS estimates, the labor force participation rate of those with bachelor's degrees or higher in the Philadelphia MSA exceeded the participation rate of those with less than a high school diploma by more than 34 percentage points (89 percent versus 55 percent). The unemployment rate for those with a bachelor's degree or higher was 2.7 percent, much lower than the unemployment rate for those with less than a high school diploma (11.8 percent).

Labor force participation and unemployment rates also vary by sex and race. On average, in the Philadelphia MSA, men between the ages of 20 and 64 have a higher labor force participation rate than do women in the same age group — more than 82 percent for men compared with 74 percent for women (Table 2). Across races for the population aged

16 years and older, labor force participation rates ranged from nearly 61 percent for the black or African American population to 66 percent for the Asian population (Table 3).

According to the 2017 ACS estimates for the Philadelphia MSA, the average annual unemployment rate for the population aged 20 to 64 years in 2015 was 5.4 percent, down 0.6 percentage point from 2016. The unemployment rate for men (5.7 percent) exceeded the rate for women (5.1 percent) (Table 4). Across races, unemployment rates for the population aged 16 years and older also fell during the year but continued to vary greatly (Table 5). The unemployment rate for the black or African American population was 10.5 percent, compared with 4.5 percent for the white population.

According to the U.S. Census Bureau 2012 Survey of Business Owners, the share of minority- and women-owned firms has increased across the nation and in Delaware, New Jersey, and Pennsylvania since 2007. In 2012, minority- and women-owned firms represented almost 29 percent and 36 percent of all businesses in the nation, respectively. In the region, only New Jersey had a higher percentage (30 percent) of minority-owned businesses than the nation; Delaware and

**Table 2**

Labor Force Participation Rates by Sex, 20 to 64 Years Old, Philadelphia MSA	
	Percent
Total	77.9
Male	82.1
Female	74.0

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

**Table 3**

Labor Force Participation Rates by Race, 16 Years and Older, Philadelphia MSA	
	Percent
Total	64.2
White	65.1
Black or African American	60.6
Asian	66.0
Hispanic or Latino	64.3

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates



Pennsylvania lagged the nation, with 20 percent and 14 percent, respectively. The rates of women-owned businesses in the region were more in line with the national average, but they still lagged somewhat: Women-owned businesses represented 33 percent, 32 percent, and 31 percent of all businesses in New Jersey, Delaware, and Pennsylvania, respectively.

**Table 4**

**Unemployment Rates by Sex, 20 to 64 Years Old, Philadelphia MSA**

	Percent
Total	5.4
Male	5.7
Female	5.1

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

**Table 5**

**Unemployment Rates by Race, 16 Years and Older, Philadelphia MSA**

	Percent
Total	5.9
White	4.5
Black or African American	10.5
Asian	6.0
Hispanic or Latino	8.5

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates



Stephen Smith, assistant vice president and counsel (at left), speaks with work-study program participants from Cristo Rey Philadelphia High School.

# 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 communities of the Third District. The Bank continued to adhere to its established standards and procedures for workforce diversity during 2018. The following details the successes and challenges in this area.

## Successes

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

- The OMWI director is a member of the management committee and serves as its advisor 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 Bank's 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. They also provide visible support for diversity and inclusion to a range of employee audiences by making opening remarks for Diversity Council and employee resource group (ERG) events, and, in some instances, by serving as an executive sponsor for an ERG.
- The Bank uses a variety of media (electronic and print) to keep all employees and external stakeholders up to date about diversity and inclusion topics and events.
- The Bank maintains a page on its external website reiterating its dedication to diversity. The Bank also features a page on its employee intranet that highlights its commitment to diversity and inclusion and provides ready access to current information for employees about activities and resources related to the diversity effort.
- The Bank further revised its strategic plan for diversity and inclusion to build on progress made under the first plan and to provide a road map for advancing the plan's goals to the next level.

### 2. Recruited a diverse workforce and promoted retention

- The Bank's overall workforce totaled 865 for the year.<sup>3</sup>

In concert with other Banks across the Federal Reserve System, the Bank 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 2018, minorities represented 36 percent of the Bank's workforce, and women made up 41 percent. Of the Bank's 72 officers, 39 percent were women. The minority officer share was 22 percent. There was 29 percent minority representation (out of 14) within senior management, and women composed 43 percent of the senior leadership team.

- In 2018, 86 people joined the Bank. Twenty-one minorities were among this group of new hires, representing 24 percent of the total. Women represented 45 percent of this group. Most of the hiring activity was driven by the Research and the Supervision, Regulation, and Credit departments.
- The Talent Management Division continued to offer short-term, interdepartmental, cross-functional developmental assignments through Grow the Home Team, a program that helps employees strengthen and expand their skills and develop new competencies. The division used this program to recruit candidates for the Urban League of Philadelphia's Urban Leadership Forum. Among the five selected were three women and four minorities. The participants reported that this program gave them enhanced self-awareness and the opportunity to hear about the work experiences of participants from other companies. They also learned to distinguish between mentors, advocates, and sponsors and understand the importance of all three roles to career success.

#### Development

- Twenty-one employees representing various Bank departments participated in the 2018 Mentoring Program as mentees. The mentors received extensive training before engaging in a six-month learning experience with the mentees. The Bank generated interest among employees to participate as mentees through the Grow the Home Team program, ensuring that all staff had an equal opportunity to be considered and attracting a diverse pool of participants across the organization. Within the mentees, there were 13 minorities (or 62 percent) and 14 women (or 67 percent).

---

<sup>3</sup> See the EEO-1 Consolidated Report in Appendix B

- There were opportunities for all employees to continue their education and development under the Bank's many programs, including tuition reimbursement, professional development, and Grow the Home Team. Of those who took advantage of professional development course offerings in 2018, 30 percent were minorities and 49 percent were women. In feedback surveys, 100 percent of participants said they believed the courses met with their objectives.
- 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 and a representative from each of the six ERGs, to leverage their networks and support the development of strategies that will yield greater diversity within applicant pools.
- The Bank undertook a multiyear change management initiative in 2017 with the goal of becoming an organization that is engaged in continuous development of strong leadership at all levels. The model requires a robust leadership pipeline, especially at the emerging level. To address this need, Talent Management developed a Leadership Fellows Program, designed to attract recent college graduates into entry-level analyst positions. To solicit candidates for this new program, in 2017, the Bank sent Talent Acquisition staff and other employee partners to on-campus recruiting events at two HBCUs and six other area colleges and universities. The Bank realized the dual benefit of exposing students to diverse role models from its workforce and generating interest in the new program among students representing diverse constituencies. This resulted in a large, diverse (33 percent women and 47 percent minorities) pool of candidates from which the Bank was able to screen and conduct interviews in 2018. This process yielded eight hires, of which half were women and 13 percent were minorities.
- The Bank renewed its contract with eQuest, a third-party aggregator tool that pushes postings to various job boards targeted toward African Americans, American Indians, Asians, Hispanics, the disabled, senior citizens, veterans, women, and the LGBTQ community. This allows the Bank to engage with 35 job sites and over 159 local organizations to disseminate job openings to diverse populations.
- The Staffing Division has adopted a Talent Acquisition model where recruiters become consultants and business partners with internal clients. This means recruiters are able to educate and develop their clients in all aspects of hiring, including sourcing, hiring, and increasing diversity hiring performance.
- Members of the workforce stepped forward to form one new employee resource group (ERG) in 2018, Asia-Pacific Community Employee Network for Diversity (ASCEND). The new ERG brings the Bank's total to six since the organization adopted its ERG policy in 2016. Empowering colleagues who desire career growth and leadership development, these groups impacted the workplace during the year through distinctive events. These events allowed diverse voices to engage in a collaborative sessions and improved members' networking skills and exposed them to leadership role models from the public sector, among other things.
- The Bank continued the practice of enrolling a small contingent of staff from various departments in LEADERSHIP Philadelphia to enrich their leadership skills and to serve the community through placement on nonprofit boards. There were three Bank representatives (including one minority and two women) in 2018.
- The job posting program, which includes officer-level positions, presents opportunities for staff to move through the organization and build their skills and knowledge of the Bank's business areas.
- **College internship programs**
  - During the year, the Bank employed 36 college students through its internship program, which provides practical and meaningful work experiences. Of the 2018 class, 28 percent were minorities and 44 percent were women.
  - To target a diverse pool of students, the Talent Acquisition Division posted open positions through various media outlets, on job boards at HBCUs and other institutions, and through Campus Philly, a nonprofit organization that aims to retain young people in the Greater Philadelphia area.
- **Mentoring**
  - For the sixth consecutive year, the Bank partnered with Cristo Rey Philadelphia High School to continue its outreach efforts in majority-minority and inner-city high schools. At the request of Cristo Rey's highly regarded work-study program, eight minority students worked part-time during the school year in the Bank's Information



Doug Harris, chief executive officer of the Kaleidoscope Group (at right), facilitates an interactive session with attendees of the Bank's seventh annual industry forum for diversity and inclusion and talent management professionals.

Technology Services (ITS) department and the Supervision, Regulation, and Credit department. Additionally, one of these Cristo Rey students was hired as summer intern in collaboration with the Philadelphia Youth Network's WorkReady Philadelphia program, which helps prepare young people for jobs. Supervisors oversaw the students' work and professional development. These experiences not only helped the students develop valuable skills but also exposed them to future career opportunities within the Bank.

• **Diversity recruiting fairs**

- The Talent Acquisition team partnered with the ITS Department to attend the Grace Hopper Celebration of Women in Computing. The three-day national conference brings together women in computing to discuss research and career interests. Over 20,000 people attended the event in Houston, and the team met with numerous excellent potential candidates.

**3. Developed and maintained partnerships with community organizations representing diverse constituencies**

- The Office of Diversity and Inclusion and the Talent Management Division jointly hosted their seventh annual industry forum, which drew officers

and leaders from the Bank and diversity and inclusion and talent management professionals from the region. The event welcomed Doug Harris, chief executive officer of the Kaleidoscope Group, to facilitate an interactive session on the three Cs: commitment (to fostering an inclusive environment), course (or strategy), and competence (or behaviors and processes).

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

- In the spirit of greater transparency for the benefit of staff and the public, the Bank published workforce representation data on the Bank's internal and external websites.
- Throughout 2018, the existing diversity and inclusion dashboard 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.
- The Bank further refined its strategic plan for diversity and inclusion, which contains measurable goals and objectives. The approved plan reflects — among other things — areas of strength and

opportunity identified by the diversity and inclusion impact survey previously disseminated to the workforce as well as critical feedback provided by focus groups with the Diversity Council and a small contingent of randomly selected employees. The plan builds on progress already made and provides a framework for a next-level approach to creating a more diverse and inclusive work environment.

- Talent Acquisition created a new hire survey to solicit feedback from new hires after their first week to understand their feelings about the hiring process during various stages. Diversity breakouts of these data will help us to ensure inclusivity.
- To help determine the extent to which Bank policies and practices support the needs of LGBTQ employees, the Bank participated in the Human Rights Campaign Foundation's Corporate Equality Index for the second time. The Bank received a score of 90 percent, 20 percentage points higher than the previous year's score. The Bank will use the opportunities for improvement that the survey identified to strengthen policies and practices in this area.

## Challenges

The Bank's diversity and inclusion efforts still face some challenges:

- Networks for recruiting minority candidates with advanced degrees in fields related to the Bank's work (e.g., Ph.D. economists and bank examiners) are limited.
- Modest turnover, particularly at the managerial level and higher, narrows opportunities for advancement.

## Next Steps

The Bank will address these challenges by:

- Drawing on the experience of our newly hired assistant OMWI director and diversity and inclusion officer, who will partner with Talent Acquisition to create an aggressive plan of exposure and sourcing in 2019.
- Updating our recruitment processes to ensure efficient, effective procedures that incorporate inclusivity into their design.
- Exploring the use of artificial intelligence tools to remove bias from our job descriptions.
- Working with the Public Affairs team to update the Bank's careers website to strategically incorporate our core values and establish an employee value proposition to attract the best possible diverse talent.
- Seeking new opportunities for finding and recruiting minority candidates with advanced degrees for managerial and leadership positions.
- Continuing to use social media to reach qualified diverse candidates.
- Pursuing ongoing relationship building with HBCU leaders, administrators, faculty, and students.



Participants of the inaugural group of Leadership Fellows are pictured speaking one-on-one with their new managers as part of the program's kickoff event.

# 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 opportunities for minority- and women-owned businesses in the organization's supply chain during the past few years. At the System level, the OMWI director, with the assistance and input from Procurement and Legal staff members, has developed and implemented initiatives and procedures. The Bank has developed standards and procedures for supplier diversity as required under the law.

The National Procurement Office (NPO), which is responsible for managing and facilitating contracts that may be used by any of the Reserve Banks, has provided additional support. The Procurement staff also follows System-accepted standards, including those created by the NPO with input from the Reserve Banks, such as the Framework for Meeting the Supplier Diversity Provisions of the Dodd-Frank Act. In addition, staff follows high-priority objectives established by the NPO that include establishing mechanisms and processes for data collection and reporting, leveraging key leaders as advocates and promoters of supplier diversity principles and initiatives, and developing common metrics and a dashboard. Through adherence to these standards, the Bank has made consistent strides in implementing OMWI supplier diversity programs and initiatives.

## Amounts Paid to Contractors

Total spend: **\$53.37** million (in 2018) (Appendix C)

Percentage of the above amount paid to minority-owned businesses (MBEs) and women-owned businesses (WBEs):

- Total diverse spend (MBEs + WBEs): **\$6.78, 12.71%** (million)
- MBEs: **\$3.95, 7.41%** (million)
- WBEs: **\$2.83, 5.30%** (million)<sup>4</sup>

## Successes

The Procurement function has an action plan in place to expand its diverse supplier pool. As a result, the Bank has enhanced access and business opportunities for small MBEs and WBEs, increased awareness of considering diverse suppliers for various acquisitions across the Bank, provided technical training to suppliers on replying to request for

proposal events, and engaged in supplier outreach events such as vendor fairs and matchmaking events.

The below outlines specified objectives and the actions taken to meet those objectives:

- 1. Provided access and opportunity to a diverse pool of suppliers that includes small MBEs and WBEs**
  - Procurement identified diverse suppliers for inclusion in the selection process for acquisition events requiring competition and for smaller purchases using department procurement cards (P-cards). Procurement presented these vendor alternatives to individual departments for future consideration.
- 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 educated Bank staff on Dodd-Frank Act requirements and the Bank's supplier diversity policy during annual staff training.
  - Trained Bank staff on the inclusion of a diverse supplier pool as part of the Bank's small purchase process for department P-cards.
- 3. Conducted training and technical assistance events for diverse suppliers**
  - In conjunction with the Bank's ninth annual Supplier Diversity Vendor Fair/Matchmaking event, Procurement provided an education session to attendees on responding to a request for proposals using the Bank's e-procurement tool.
- 4. Conducted supplier outreach**
  - In an effort to meet with suppliers and enhance the Bank's pool of available diverse suppliers, Procurement participated in various local and national diverse supplier events. These events included the Eastern Minority Supplier Development Council's (EMSDC) 2018 Return on All Relationships (ROAR) Conference and Matchmaker and the Women's Business Enterprise Council (WBEC) PA-DE-SNJ's Meet and Greet events. They also included the Greater Philadelphia Hispanic Chamber of Commerce's Closing the Gap expo, the

---

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

Chamber of Commerce for Greater Philadelphia's Diversifying the Supply Chain: A Diversity & Inclusion Program, and similar events sponsored by chambers of commerce in Pennsylvania.

## 2017 Vendor Fairs

- WBENC National Conference and Business Fair
- Federal Reserve System Board of Governors Vendor Outreach Fair
- Procurement hosted the Bank's ninth annual Supplier Diversity Vendor Fair/Matchmaking event, which allowed vendors to meet with procurement decision makers from key areas of the Bank and discuss the Bank's needs. The event showcased a video message from Fed Chairman Jerome Powell on the Federal Reserve System's commitment to supplier diversity. To expand diverse suppliers' awareness of resource offerings, the Bank reached out to partners to include representatives from several key organizations at the event, including the EMSDC, the WBEC PA-DE-sNJ, the Office of Economic Opportunity of the City of Philadelphia, the Philadelphia Industrial Development Corporation, the Pennsylvania Minority Business Development Authority, the State of New Jersey, and the State of Delaware. Local chambers

of commerce were also represented, including the Asian American Chamber of Commerce of Greater Philadelphia; the African American Chamber of Commerce of PA, NJ, and DE; the Greater Philadelphia Hispanic Chamber of Commerce; and the African American Chamber of Commerce of New Jersey.

- To expand the Bank's pool of viable WBE and MBE vendors for bid opportunities, Procurement extended its outreach to the EMSDC, the WBEC PA-DE-sNJ, and the Office of Economic Opportunity of the City of Philadelphia.
- Procurement also hosted a matchmaking event with the Federal Reserve System's managed service provider (MSP) for temporary staff and diverse suppliers to encourage networking and enhance suppliers' understanding of the MSP process.
- A Procurement staff member serves on the board of directors of the EMSDC, furthering the Bank's relationships with that organization.
- To become better acquainted with diverse suppliers in the region, Procurement continued to develop relationships with chambers of commerce in southern New Jersey and central Pennsylvania. Similarly, Procurement worked to enhance relationships with the Greater Philadelphia Hispanic Chamber of Commerce; the African American Chamber of Commerce of New Jersey; the Asian American Chamber of Commerce of Greater Philadelphia; the African American Chamber of New Jersey of PA, NJ, and DE; and the Philadelphia Minority Business Development Agency Business Center.



Pictured are teachers who participated in the 2018 Keys to Financial Success training program with (third row, second from left) Economic Education Specialist Todd Zartman and (second row, at far right) Economic Education Officer and Team Leader Andrew Hill.

## 5. Awards

- The EMSDC named a Procurement staff member as the recipient of the 2018 Alexander Nichols Lifetime Achievement Award. The award recognized her work in supplier diversity over the course of her career.

## Challenges

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

- A limited number of diverse vendors identified to date with work crews of sufficient size to handle the Bank's larger jobs
- The 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
- A limited number of diverse vendors in 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
- Specialized acquisitions, such as data purchases, that may be satisfied by a limited number of suppliers

## 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 annual Bank-wide supplier diversity training
- Maintain and enhance the practice of educating vendors on how to do business with the Bank
- With a Bank staff member serving as a board member of the EMSDC and the Bank serving as a council member of the EMSDC and the WBEC PA-DE-sNJ, pursue opportunities to attend matchmaker events and conferences and access the pool of suppliers through the Women's Business Enterprise National Council's WBENCLink online database
- Develop a plan for supplier outreach programs in 2019 that includes implementing a formal program for P-card users as a vehicle to increase diverse spend
- Manage data reporting and analysis and give periodic supplier opportunity and spend reports to senior management
- Maintain involvement with the System's purchasing managers to ensure long-term management of vendor spend, reporting evaluation, and supplier classifications
- Continue to seek external training opportunities and benchmark data on industry best practices for finding MBEs and WBEs and promoting supplier diversity



# Financial Literacy Activities

---

The Bank remains strongly committed to advancing young people’s knowledge of personal finance and economics. Economics is the study of the decisions — including personal and societal — people make when faced with scarce resources. The Bank’s work in economic education helps develop knowledge and skills individuals and families can use as they make decisions in their day-to-day lives as consumers, producers, savers, investors, and citizens. As former Fed Chairman Ben Bernanke said, “The recent crisis demonstrated the critical importance of financial literacy and good financial decision-making, both for the economic welfare of households and for the soundness and stability of the system as a whole.”

The centerpiece of the Bank’s youth financial education efforts is the Keys to Financial Success (Keys) program, a high school personal finance program designed to help teachers instruct students about personal finance using active and collaborative learning methods. The Keys 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 Bank’s outreach to OMWI teachers is summarized in Appendix C.

## Successes

- In 2018, the Bank’s economic educators completed 10 professional development programs for OMWI teachers.
- During a weeklong session in July 2018, the Bank trained 39 teachers, 13 of whom represented 11 OMWI schools, to teach the Keys course. These OMWI teachers earned a total of 384 professional development hours and will reach an estimated 975 students per year.
- The Bank continued to support teachers from a total of 184 schools, 77 of which are OMWI schools (43 inner-city, 67 majority-minority, and two girls’),<sup>5</sup> in the Keys program by providing ongoing consultation, professional development, and student pre- and post-testing.
- Additional in-person professional development offerings reached 66 teachers from 60 OMWI schools. Combined, these teachers, who reach an estimated 4,950 students per year, received 205 professional development hours in these offerings. The programs included:
  - Human Behavior and Our Economy (two evenings)

- Master Financial Educators Conference (one day)
- The Sixth Annual Federal Reserve Financial Education Day (one evening)
- Professional Development for Teachers in the University of Delaware Masters in Economic Education and Entrepreneurship Program (one day)
- FRED in the Classroom (one evening)
- Net Gen Personal Finance FinCamp Presentation (one day)
- Understanding Fiscal Responsibility (one day)
- Keys to Financial Success Training Butler County (one day)
- Keys to Financial Success Follow-up Professional Development (one evening)
- The Bank continued to market its financial literacy professional development offerings extensively through e-mail blasts to OMWI teachers, administrators, and schools.
- In June 2018, the Bank’s economic educators conducted a one-day personal finance education training program for youth educators from the Urban Affairs Coalition. The educators subsequently taught financial literacy to over 1,500 students in the Philadelphia Youth Network’s WorkReady Philadelphia summer program.
- Also in June 2018, the Bank offered three one-day professional development programs targeted to grades K–2, 3–5, and 6–8 teachers in Philadelphia. Participants in these programs received extensive grade-level appropriate personal finance lessons and training on how to use them. Forty-seven teachers from 41 schools, most of which are located in Philadelphia, earned 442 professional development hours in these programs. Together, these teachers reach an estimated 3,525 students annually.
- 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 to jointly promote economic and personal finance education programs and resources to teachers and schools.
- Throughout 2018, the Bank continued to partner with the Urban Affairs Coalition, the Philadelphia Higher Education Network for Neighborhood Development, and the office of Philadelphia City Councilman Allan

---

<sup>5</sup> These numbers do not total 77 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.

Domb to conduct outreach to the School District of Philadelphia to increase the teaching of personal finance throughout the city's public schools. This work resulted in an additional increase in the number of Philadelphia teachers attending the Bank's economic and personal financial education programs.

- In summer and fall 2018, the Bank's economic education staff worked with a museum consultant to develop designs for reimagining, renewing, and rebuilding the Bank's *Money in Motion* exhibit.
- In 2018, a total of 220 students from seven OMWI schools visited the Bank's *Money in Motion* exhibit, which features interactive quizzes and games that teach visitors about money, banking, and the Federal Reserve System.

## Challenges

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

- The School District of Philadelphia remains resistant to devoting enough classroom time to personal financial education to see measurable increases in students' knowledge of financial literacy topics. Moreover, despite extensive outreach, the district does

not take sufficient advantage of the Bank's curriculum and professional development offerings.

- Teachers who live outside driving distance of professional development providers often struggle to receive high-quality training in personal finance education.
- School administrators often struggle to decipher the quality differences between financial education curricula. Often the shortest financial literacy program is chosen over one like the Keys to Financial Success program, which takes more classroom time but offers proven student achievement results.
- School districts impose limitations 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:

- Continued efforts in collaboration with citywide partners to advance the teaching of personal finance in the School District of Philadelphia
- Expansion of online offerings to support the teaching of personal finance beyond driving distance to Philadelphia

---

<sup>5</sup> Because of building renovations, the *Money in Motion* exhibit was closed to school groups from June 1, 2018, to October 31, 2018.

## Commitment

---

Our commitment remains steadfast as we strive to make certain we're building a culture of inclusion and a workplace where every employee can feel welcome, have their voice be heard, and be respected for the differences they bring to the Bank each day. We're tracking progress according to the requirements under Section 342 of the Dodd-Frank Act relative to our workforce diversity, supplier diversity, and financial literacy activities. As an organization that develops leaders at all levels, diversity and inclusion are high priorities. The Bank has initiatives in place to increase cultural competence, help employees understand unconscious biases,

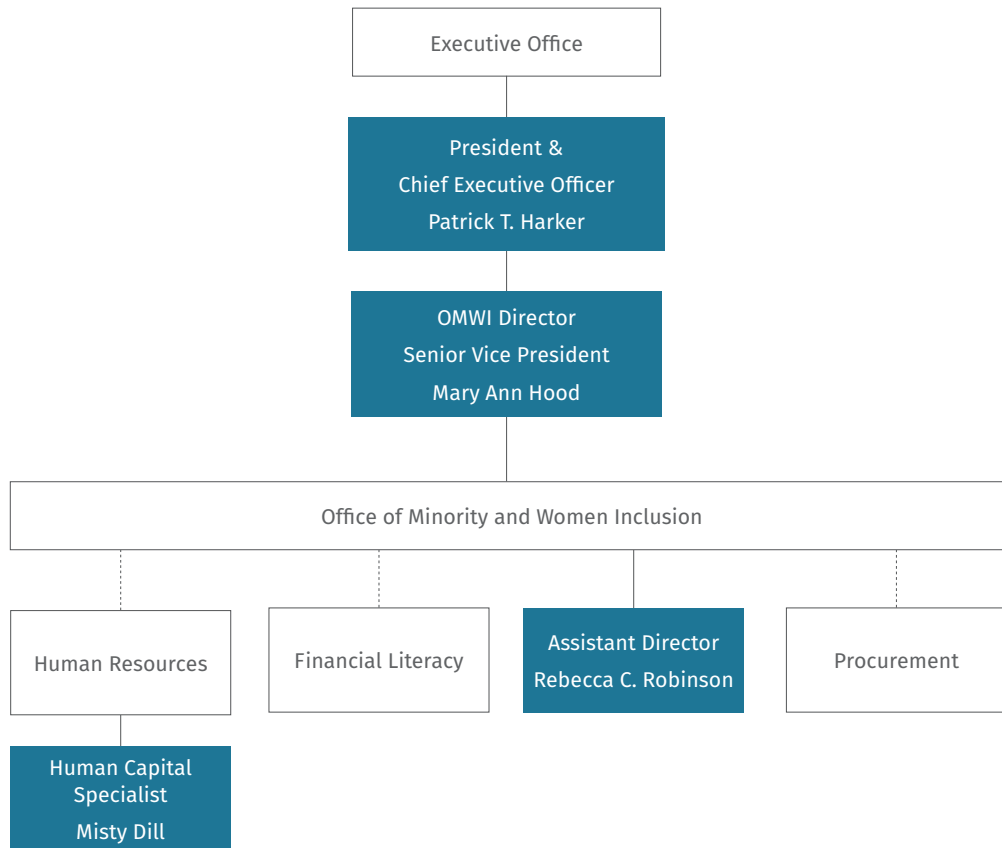
and provide employees opportunities to learn and grow. We also seek to hold ourselves accountable to achieving measurable success. To continue to make an impact, we're expanding opportunities and pursuing innovative ways to increase spending with women and minority suppliers, enhancing our outreach to improve financial literacy, and bolstering our recruiting efforts to diversify our workforce. While the achievements throughout this report reflect our successes, we are mindful of the challenges and are committed to ongoing progress and meaningful change within the Third District.



Members of the Federal Reserve Employees Encouraging Diversity and Open-Mindedness (FREEDOM Philadelphia) employee resource group are pictured with the first pride flag to hang in the Bank's Eastburn Court during Pride Month in 2018.

# Appendix A

## OMWI Organizational Chart



# Appendix B

Federal Reserve Bank of Philadelphia EEO-1 Consolidated Report by Number of Workforce as of December 31, 2018

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	0	0	7	0	0	1	0	0	3	3	0	0	0	0	14	1.6%
First/Midlevel Managers	6	2	99	16	0	13	0	0	52	8	0	9	0	0	205	23.7%
Professionals	14	11	190	30	0	49	0	4	123	44	0	27	1	2	495	57.2%
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Admin Support	1	6	3	3	0	1	0	0	20	10	0	0	0	0	44	5.1%
Craft Workers	1	0	19	0	0	1	0	0	0	0	0	0	0	0	21	2.4%
Operatives	4	1	7	1	0	3	0	1	3	10	0	4	0	0	34	3.9%
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Service Workers	4	1	24	11	0	0	0	0	7	5	0	0	0	0	52	6.0%
<b>Total</b>	<b>30</b>	<b>21</b>	<b>349</b>	<b>61</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>5</b>	<b>208</b>	<b>80</b>	<b>0</b>	<b>40</b>	<b>1</b>	<b>2</b>	<b>865</b>	<b>100.0%</b>
<b>Total by %</b>	<b>3.5%</b>	<b>2.4%</b>	<b>40.3%</b>	<b>7.1%</b>	<b>0.0%</b>	<b>7.9%</b>	<b>0.0%</b>	<b>0.6%</b>	<b>24.0%</b>	<b>9.2%</b>	<b>0.0%</b>	<b>4.6%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>100.0%</b>	

# Appendix C

## Core Metrics Table

Category	Description	Measure	2014	2015	2016	2017*	2018
Workforce Diversity	Senior Executives	Total #	11	10	11	14	14
		% Minorities	9%	10%	18%	29%	29%
		% Women	36%	50%	46%	43%	43%
	Midlevel Managers	Total #	181	176	167	160	205
		% Minorities	24%	23%	22%	21%	26%
		% Women	39%	37%	37%	39%	35%
	Professionals	Total #	444	433	467	471	495
		% Minorities	37%	40%	39%	39%	37%
		% Women	40%	40%	40%	41%	42%
	Total External Hires	Total #	52	84	112	56	86
		% Minorities	37%	42%	47%	30%	24%
		% Women	40%	39%	44%	46%	45%
	Total Interns	Total #	35	41	42	32	36
		% Minorities	49%	41%	31%	34%	28.0%
% Women		46%	46%	36%	50%	44.0%	
Overall Bank Turnover Rate	%	7.8%	14.1%	8.7%	8.3%	9.3%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$ 46.93	\$ 47.68	\$ 39.60	\$ 43.36	\$ 53.37
	Total Diverse Spend <sup>1</sup>	\$ (millions)	\$ 11.83	\$ 12.11	\$ 9.79	\$ 6.81	\$ 6.78
		%	25.2%	25.4%	24.7%	15.7%	12.7%
	Minority-owned <sup>2</sup>	\$ (millions)	\$ 7.66	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95
		%	16.3%	18.9%	21.4%	13.8%	7.4%
	Minority-owned (men)	\$ (millions)	\$ 7.66	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95
		%	16.3%	18.9%	21.4%	13.8%	7.4%
	Minority-owned (women)	\$ (millions)	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%
	Women-owned <sup>2</sup>	\$ (millions)	\$ 4.17	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83
		%	8.9%	6.5%	3.3%	1.9%	5.3%
	Women-owned (non-minority)	\$ (millions)	\$ 4.17	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83
		%	8.9%	6.5%	3.3%	1.9%	5.3%
	Women-owned (minority)	\$ (millions)	\$-	\$-	\$-	\$-	\$-
%		0.0%	0.0%	0.0%	0.0%	0.0%	

<sup>1</sup> Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (non-minority).

<sup>2</sup> Women-minority numbers are included in both Minority-owned and Women-owned Totals.

\* Data have been amended for 2017.

# Appendix C

## Core Metrics Table (continued)

		2018
Financial Literacy <sup>1</sup>	Program Type	Teacher Centric
	Number of Students <sup>2</sup>	74
	Number of Educators <sup>3</sup>	79
	Number of Students Reached <sup>4</sup>	5,925

<sup>1</sup> Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus. OMWI targeted schools are considered to be inner-city, majority-minority, and all-girls high schools.

<sup>2</sup> Students who attended in-person programs and enrolled in online programs.

<sup>3</sup> Educators who attended in-person programs and enrolled in online professional development programs.

<sup>4</sup> Students reached through educators using a common multiplier of 75.



FEDERAL RESERVE BANK OF PHILADELPHIA

[www.PhiladelphiaFed.org](http://www.PhiladelphiaFed.org) | [@PhiladelphiaFed](https://twitter.com/PhiladelphiaFed)