



2020MWI

Office of Minority and Women Inclusion





Letter from the President	3
Executive Summary	4
Overview of the Bank	7
The Office of Minority and Women Inclusion	12
Geography Covered	13
Workforce Diversity	19
Supplier Diversity	25
Financial Literacy Activities	28
Commitment	30
Appendix A	31
Appendix B	32
Appendix C	33
Appendix D	35

CONTENTS

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.



LETTER FROM THE PRESIDENT



The OMWI report in your hands — or on your screen — lays out in great detail the work we do every day to foster diversity and inclusion, both within our Bank and throughout the District we serve. But more than that, this report is a statement of our values.

Here at the Philadelphia Fed, diversity and inclusion are personal to all of us. The Third District covers not only the poorest big city in the U.S. but also Delaware, southern New Jersey, and central and eastern Pennsylvania. These areas each come with distinct needs and challenges.

The COVID-19 pandemic has only heightened the strain on many of our communities. But despite the challenges of the pandemic, the Philadelphia Fed’s work on diversity and inclusivity hasn’t slowed down. To the contrary, the events of the past year only served to strengthen our resolve to build a fair and inclusive economy that serves all Americans.

In this report, you’ll read about the important steps we took in 2020 that illustrate that commitment. We conducted research to highlight growing economic gaps by race and gender and to inform policy decisions. We launched the equitable workforce recovery strategy to address disparities in the labor market being widened by the COVID-19 crisis. In a virtual environment, we used our convening power to build local capacity on racial equity across the Third District through initiatives like our Reinventing Our Communities Cohort Program.

Within the Bank, we made significant strides. We expanded our pool of diverse suppliers and now count more than 200 female- and minority-owned businesses in our supplier pool. We improved the diversity of our staff, with a particularly notable increase in female hires. And we designed and implemented an internal assessment and reporting system to promote the employment of minorities and women.

Diversity and inclusion are not just moral issues; data show that inequality has a negative impact on GDP growth. The Federal Reserve cannot hope to achieve a strong economy if we leave people behind. In other words, our values and our business goals are fully aligned. That’s why diversity and inclusion were at top of all of our minds throughout 2020 — and will continue to be so in the years to come.

Sincerely,



EXECUTIVE SUMMARY

The Federal Reserve Bank of Philadelphia (the Bank)¹ is committed to diversity and inclusion, and we promote these standards in our workforce, in the businesses we engage 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.

This report details the Bank's successes and challenges with regard to our 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.

¹ 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.



Diversity and Inclusion Are 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.



Workforce Diversity

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. The following are a few highlights of these activities during 2020:

- We increased female hires to 50 percent of all hires.
- We employed 38 college students through our internship program. Of the 2020 class, 45 percent were people of color and 45 percent were female. Our internships give students real-life work experience and opportunities to network with peers and other professionals around the Bank.
- We launched the Veterans ERG, our seventh employee resource group (ERG). The mission of the Veterans ERG is to promote veterans as highly valued leaders, team members, and contributors to the Bank’s mission, while providing a network to interact within the Bank and to contribute meaningfully to veteran-focused initiatives in the community. The Veterans ERG is open to all members of the Bank who support the men and women who serve our country.
- We scored 100 percent in the Human Rights Campaign Foundation’s Corporate Equality Index. It was our fourth time submitting to the index. Each year we have made progress in our goal to become a “Best Place to Work” for the LGBTQ+ community.



Supplier Diversity

Through our supplier diversity program, which predates the 2010 passage of the Dodd–Frank Wall Street Reform and Consumer Protection Act, we remain committed to fostering opportunities for minority- and women-owned firms to do business with the Bank. The following are some notable activities we carried out during 2020:

- The Bank expanded our outreach to diverse suppliers even during the COVID-19 pandemic by holding three virtual events.
- Our procurement team added 111 new diverse suppliers, comprising 93 women-owned

businesses (WBEs) and eight minority-owned businesses. The Bank invited 23 of these suppliers to participate in the bidding process.

- To reinforce the importance of procurement card (P-card) spending, the Bank conducted informational sessions with the president and CEO of the Women's Business Enterprise Center, who shared the importance of providing WBEs with opportunities.



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. Highlights of these efforts during the year include:

- The Bank was able to facilitate our flagship Keys to Financial success program during the pandemic through virtual meetings.
- Our Economic Education team held professional development programs for teachers from OMWI schools. This included hosting the Keys course, which trained teachers representing 17 OMWI schools. These professional development courses trained teachers to reach an estimated 1,650 students annually.
- The Bank bolstered our support of OMWI teachers through email communication, Zoom sessions, and one-on-one virtual consultations during the pandemic.

Additional information, including some successes and challenges the Bank experienced with regard to these goals during 2020 and next steps to address them, is outlined more fully in the remainder of this report. This report details specific activities and progress that took place from January 1, 2020, through December 31, 2020, 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.





OVERVIEW OF THE BANK



Economic Inclusion Research and Outreach

Our Community Development and Regional Outreach (CDRO) Department supports the Federal Reserve System’s economic growth objectives by promoting equal access to opportunity through research and outreach. The COVID-19 pandemic placed extraordinary economic stresses on businesses and consumers in communities across the region. These challenges were particularly pronounced for select demographic groups, including women and people of color. CDRO developed responsive programming that focused on educating local communities on racial equity, conducting research to inform policy solutions to address disparities, and promoting equitable workforce development strategies.

1. Conducting research to highlight growing economic disparities by race and gender and inform policy solutions to promote a more equitable recovery

- As the pandemic’s disruptions began to spread through the economy, CDRO published COVID-19: Equity in Recovery (April), a series of

research briefs identifying those most affected:

- “Which Workers Will Be Most Impacted?” finds that the workers most at risk due to closures and social distancing are likely to be younger, to be non-White or Latino, and to earn less than lower-risk workers.
- “What Small Businesses Will Be Impacted by COVID-19?” finds that about 32 percent of small businesses nationwide are economically vulnerable because of the efforts to stem the pandemic. In addition, at least 20 million employees of small businesses directly affected by the pandemic are at risk of being dislocated. Vulnerable small business employees, who are primarily younger, less educated, and non-White, are more likely to be at risk from the economic fallout from COVID-19.
- “Which Neighborhoods and Households Will Be Most Impacted by COVID-19?” shows that the economic impact has fallen hardest on neighborhoods and households that were already struggling. The findings for Philadelphia alone indicate that the highest-risk neighborhoods are generally lower income and higher poverty, which suggests the crisis is worsening place-based economic inequality.

- As the pandemic wore on, CDRO published *Household Rental Debt During COVID-19* (October). The study estimates that, as a result of pandemic-related job losses, 1.3 million renter households would accrue \$7.2 billion in unpaid rent by the end of 2020. In particular, Hispanic households, Black households, and family households headed by single women are more likely to have rental debt and may be at risk of eviction when the national moratorium expires.
- Additional research focused on gender and personal financial outcomes. *Gender Disparities in Financial Well-Being from the Survey of Household Economics and Decision-Making* (October) analyzes gender differences with respect to banking habits, credit access, and retirement planning. Using data from a 2018 Fed survey on household economics and decision-making, the analysis suggests that men’s and women’s financial lives are different across a number of dimensions.

2. Building local capacity on racial equity in communities

Our CDRO team completed its inaugural Reinventing Our Communities (ROC) Cohort Program, a racial equity training program that reached nine communities, eight in the Third District and one in the Fifth District (the Richmond Fed’s region). Cohorts comprised representatives of local nonprofits, government, business, and philanthropies. Over eight months, each group participated in racial equity training, received technical support and peer-learning on a topical issue, and developed a racial equity plan to solve a local challenge. The Bank is developing a toolkit on leading community-level racial

equity training to share across the Federal Reserve System so that other Reserve Banks can explore similar programs in their regions.

3. Promoting equitable workforce recovery strategies

In October, CDRO launched a new approach to address gaps in the labor market intensified by the COVID-19 crisis. As our research has highlighted, workers of color and low-wage workers have been disproportionately impacted by this economic downturn. Informed by these findings, our strategy explicitly considers race and will look at talent development, job creation, and barriers to accessing quality jobs.

- Our Economic Growth & Mobility Project, an initiative of our CDRO Department that works with community partners to tackle specific barriers to economic mobility, announced three new Research in Action Labs. These labs will operate at a statewide level to elevate efforts in recovery by focusing on the following issues:



- **Pennsylvania:** The digital divide, including issues of broadband access and uptake, and digital literacy. As our research has shown, broadband is less accessible for residents of rural, low- and moderate-income, and predominantly Black and Latino neighborhoods. This lab will foster digital inclusion, which is necessary to ensure an equitable recovery.
- **Delaware:** Access to childcare and early childhood education. Given the disproportionate number of women leaving the labor market, this lab will focus on the critical nature of childcare in workforce recovery.
- **New Jersey:** Access to capital for minority-owned small businesses. As data show that minority-owned businesses face challenges in accessing financing, this lab will inform state-level stakeholders how they can support the small businesses most impacted by this crisis.
- As part of this plan, the CDRO team is also building upon our research into opportunity occupations, decent-paying jobs that don't require a four-year degree. Exploring a Skills-Based Approach to Occupational Mobility looks at ways that workers could advance from low-wage jobs to opportunity occupations by focusing on skills overlap between different types of jobs. The research has resulted in a pilot program with the nonprofit Education

Design lab and a set of community colleges across the country that will apply this framework to design programs. We are exploring additional real-life applications of this research to help dislocated workers across the District, with an emphasis on Black and Latino workers.



Additional Unique Third District Activities and Significant Federal Reserve System Responsibilities

Racial Equity Learning Community

The Racial Equity Learning Community (RELC) is a multiracial, Federal Reserve staff-driven community development initiative. Formed in late 2019 to build capacity, share knowledge, and foster collaboration on racial equity, RELC has three goals: (1) create a shared narrative across the Federal Reserve around racial equity and why it matters for our work at the Fed; (2) develop a framework and strategies for advancing racial equity in our community development work; and (3) inform and encourage an expanded discussion of racial equity across the Federal Reserve System.

Over the past year, RELC worked to build the Federal Reserve System's capacity to increase our understanding of and approach to racial equity. In 2020, RELC achieved key milestones:

- **Building knowledge and networks:** RELC now includes more than 40 staff members and has representation from every Reserve Bank and the Board of Governors. The group completed a root cause analysis for the racial inequities that persist in community development work and created subcommittees to develop strategies and accountability metrics that address these issues. In addition, RELC identified core principles and strategic priorities for the group, and the leadership coalesced these insights into the RELC guiding principles.

“The Bank also has a strategic plan for diversity and inclusion built around the pillars of people, culture, and community.”



- **Socializing content and expertise:** RELC leadership engaged senior Federal Reserve leadership on the guiding principles. These principles were ratified by the Committee on Research, Public Information, and Community Affairs and shared with the Council of Presidents and the Board of Governors. Several Reserve Bank presidents have shared the principles with their senior leadership, and the RELC leadership team has worked with public information officers to inform the development of racial equity talking points for the Federal Reserve System.
- **Supporting efforts that promote racial equity:** The RELC also engages and provides support on System efforts such as Racism and the Economy, a series of virtual public events focusing on structural racism; FedCommunities, a hub for the Fed’s community development work; and the American Voices Project, a national study led by Princeton and Stanford universities, to incorporate RELC principles and strategies into these initiatives.
- **Institutionalizing our commitment:** RELC created a “delegate” role and identified at least one delegate for each Reserve Bank and the Board of Governors. Delegates will serve as the liaisons between RELC and individual Reserve Banks to ensure consistent implementation of RELC standards and clear and open channels of communication.



by facilitating activities designed to cultivate safe and sound practices, strengthen their business strategies, and provide technical assistance.

To continue supporting MDIs during 2020, we:

- cosponsored the fifth annual Banking and the Economy: A Forum for Minorities in Banking with the Federal Reserve System. The national event provides minority bank leaders with industry knowledge and professional development. Held September 21–25, 2020, the virtual forum attracted over 700 participants.
- supported the national outreach efforts to MDIs through various channels, including holding webinars on the discount window and the Paycheck Protection Program and sharing information on other technical assistance resources available in light of the recent challenges due to COVID-19.
- continued to foster relationships with MDIs and other interested parties through virtual meetings to keep stakeholders apprised of resources available and to share feedback with the Board of Governors.
- participated in an interagency task force created to address supervisory challenges facing MDIs.



Partnership for Progress

The Federal Reserve Bank of Philadelphia manages the **Partnership for Progress** for the Federal Reserve System on behalf of the Board of Governors. Established in 2008, the program promotes the viability of minority depository institutions (MDIs)

Federal Reserve System Publications

The Bank publishes two supervisory outreach newsletters on behalf of the Federal Reserve System: *Community Banking Connections*, which launched in 2012 and focuses on safety and soundness topics, and *Consumer Compliance Outlook*, which launched in 2008 and focuses on consumer compliance topics. The publications are

distributed nationwide at no charge and provide practical regulatory information to help community banks, including MDIs, operate in a safe and sound manner, comply with federal laws and regulations, and stay abreast of supervisory guidance. For example, in response to the pandemic, each publication devoted its second issue of 2020 to COVID-19 topics and guidance. The publications continue to be well received by bankers, trade groups, regulators, and other stakeholders.

Other Unique Responsibilities

The Bank is a go-to source of research and data on consumer finance issues. Our **Consumer Finance Institute (CFI)** 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.

Our **Risk Assessment, Data Analysis, and Research (RADAR)** team is a source of data and policy analysis on risk in consumer credit and securities for the System. It is composed of five 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. During the COVID-19 pandemic, it is also involved in supporting some of the Federal Reserve’s credit facilities.

- The Supervisory Modeling Team is responsible for overseeing activities related to the annual Dodd–Frank Act Stress Tests (DFAST) for retail portfolios.
- The Financial Monitoring Group conducts risk analysis on the banks that participate in DFAST.
- RADAR’s Research function conducts research on consumer credit and securities markets in coordination with the Bank’s CFI.

Our **National IT End User Services** team provides collaboration services for the Federal Reserve System. The Bank has responsibility for such services as messaging, productivity, unified communications, content management, and content delivery. End User Services 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).

Regional Reserve Banks use this to monitor, manage, and value collateral pledged to Reserve Banks. The collateral supports



extensions of credit under the discount window, the payment system risk policy, and the special lending facilities established in response to the economic impact of the pandemic. The CMS, a centralized, web-based system for record keeping 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 Collateral Data Repository**, which stores securities vendor data and collateral valuation and eligibility rules.



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 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. Rebecca Robinson, assistant OMWI director and assistant vice president of diversity and inclusion, contributes to this effort.

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. Our 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 (DAG), 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.



Diversity and Inclusion Infrastructure

The OMWI manages our 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 DAG, led by senior executives who make diversity and inclusion 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.



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 2019 County Population Estimates data set. The distribution of that population per state is as follows:

- **Delaware:** nearly 974,000 people in three counties
- **Southern New Jersey:** nearly 2.8 million people (or about 31 percent of the state’s population) in nine counties
- **Eastern two-thirds of Pennsylvania:** more than 9.5 million people (or about 75 percent of the state’s population) in 48 counties

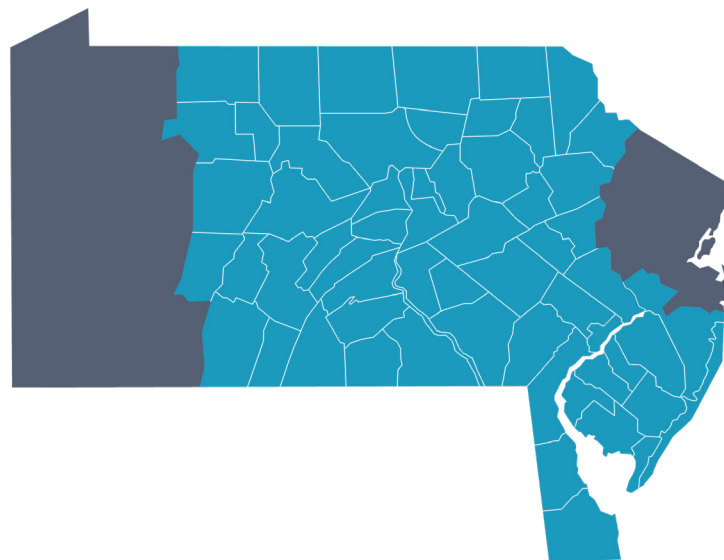
There are 23 metropolitan statistical areas (MSAs) wholly or partially located in the Third District. The Philadelphia–Camden–Wilmington, PA–NJ–DE–MD MSA (Philadelphia MSA) is the

largest. It covers 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 2019, the District’s population grew 2.0 percent, compared with 6.3 percent growth for the nation. Growth was faster in Delaware, at 8.4 percent, but was only about 1 percent each for New Jersey and for Pennsylvania. In the portions of the states within the Third District, population declined 0.1 percent in New Jersey but grew 2.0 percent in Pennsylvania. The Philadelphia MSA grew 2.3 percent during the same period.



Figure 1
MAP OF THE THIRD DISTRICT



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



Racial Diversity

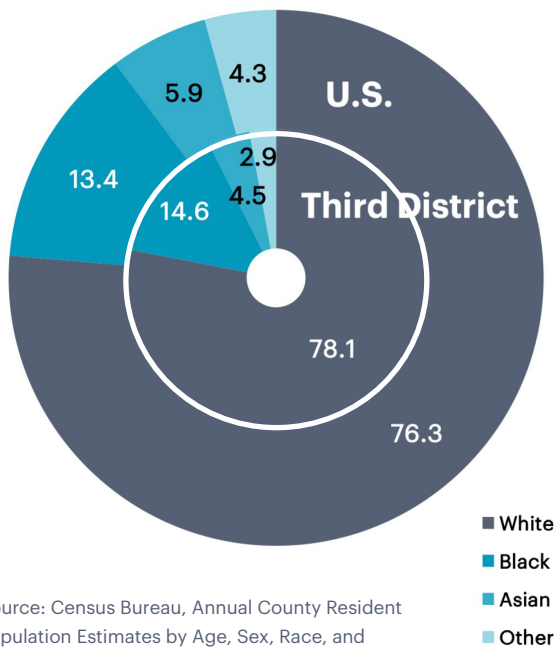
Despite the significant degree of urbanization within the Third District, overall racial diversity is in line with, although slightly trails, that of the nation. Based on 2019 census estimates, nearly 24 percent of the nation’s population identified themselves as a race other than White or selected a combination of races. Within the District, 22 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 (Figure 2). 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 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 (76 percent and 4 percent, respectively).

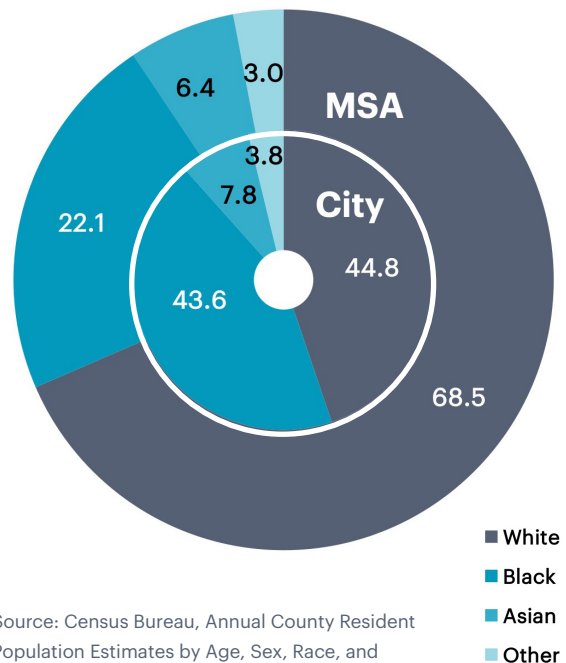
In the city of Philadelphia alone, there are larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage roughly doubles for the Black or African American population in the city compared with the MSA, whereas the city’s percentage of White population is lower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

Figure 2: 2019 Population by Race
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, 2019

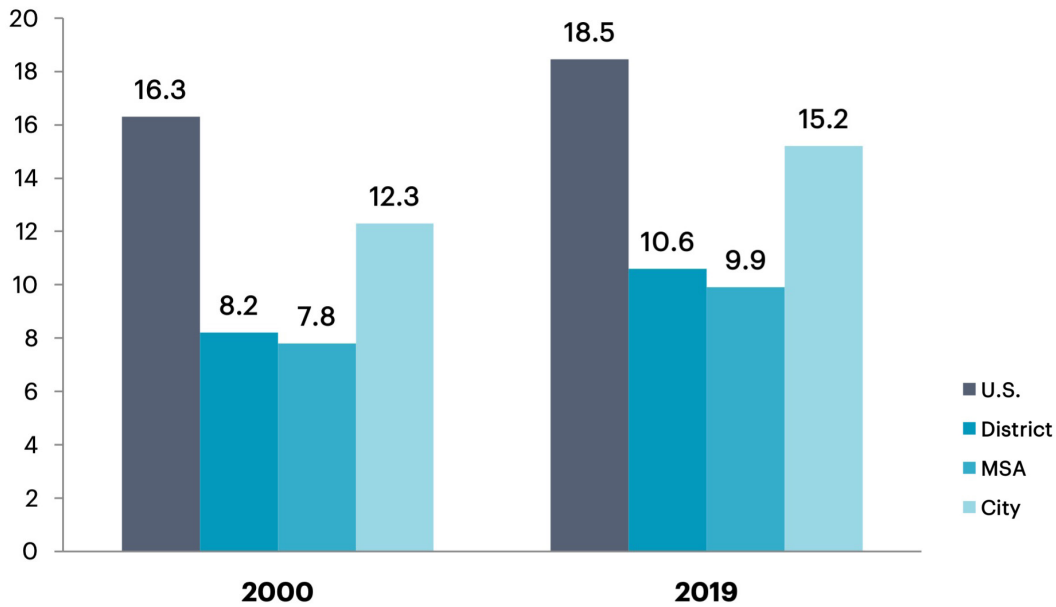
Figure 3: 2019 Population by Race
PERCENT OF TOTAL POPULATION:
PHILADELPHIA MSA AND CITY OF PHILADELPHIA



Source: Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2019

Figure 4: 2019 Population of Hispanic Origin

PERCENT OF TOTAL: U.S., THIRD DISTRICT, 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, 2019

“The COVID-19 pandemic and actions taken to control the spread had severe impacts on local labor markets.”

The Hispanic population continues to be a key driver of population growth for the nation and the Third District. From 2010 to 2019, the Hispanic population in the U.S. grew by more than 10 million people, or nearly 20 percent. The Third District and the Philadelphia MSA experienced faster growth in

their Hispanic populations, of 33 percent and 28 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 (11 percent) still lags that of the nation (19 percent). The city of Philadelphia’s share is closer to the nation’s at 15 percent (Figure 4).



Economic Trends

The COVID-19 pandemic and actions taken to control the spread had severe impacts on local labor markets. The nation lost more than 22 million payroll jobs from February 2020 to April 2020 (a decline of 14.5 percent). The Third District states lost more



than 2 million jobs combined over the same period, experiencing a sharper decline of 18.8 percent: Pennsylvania’s economy lost more than 1.1 million jobs, New Jersey’s lost more than 831,000 jobs, and Delaware’s lost 84,500 jobs. Through December 2020, labor markets experienced uneven growth and had only partially recovered: Pennsylvania had regained nearly 613,000 jobs (or 55 percent of what had been lost), New Jersey had regained more than 479,000 jobs (58 percent recovered), and Delaware had regained more than 41,000 jobs (49 percent recovered). The nation overall had regained more than 12.3 million jobs (56 percent recovered).

impacts. Relative to their peaks during the pandemic, unemployment rates have come down 9.4 percentage points in Pennsylvania, 9.2 percentage points in New Jersey, and 10.6 percentage points in Delaware. However, rates remain elevated relative to January 2020 levels, up 2.0 percentage points in Pennsylvania, 3.8 percentage points in New Jersey, and 1.3 percentage points in Delaware as of the end of 2020. Pennsylvania’s and Delaware’s unemployment rates, at 6.7 percent and 5.3 percent, respectively, were in line with or below the national rate of 6.7 percent as of December 2020, while New Jersey’s unemployment rate sat higher at 7.6 percent.

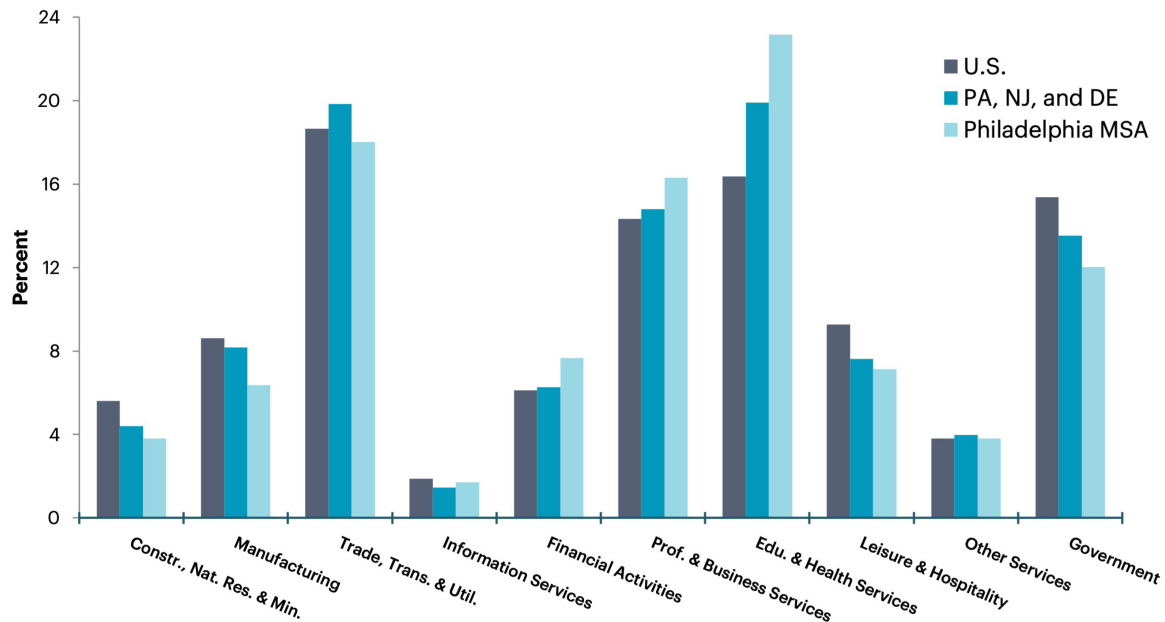
Unemployment rates were relatively low at the beginning of 2020 in the Third District states, increased sharply to historic levels in the spring following the outbreak of the COVID-19 pandemic and measures taken to control the spread, then declined but remained elevated by the end of the year as labor markets continued to grapple with the pandemic’s



Industry Composition

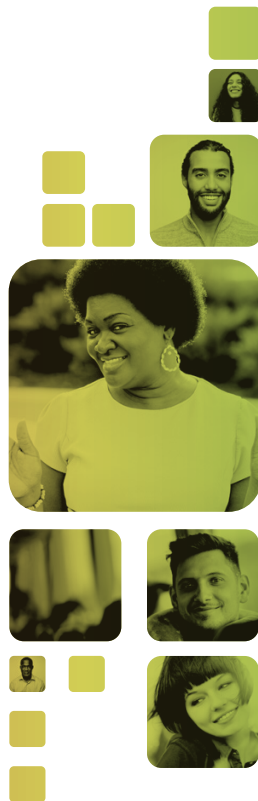
The industry composition of the three states in the Third District roughly mirrors that of the nation

Figure 5: Employment Shares by Industry, 2020



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

(Figure 5). Based on 2020 averages, the three states combined had a share of employment that was at least 1 percentage point higher than the nation's share in trade, transportation, and utilities (20 percent) and education and health services (20 percent) and a share of employment that was at least 1 percentage point or lower than the nation's share in construction, natural resources, and mining (4 percent), leisure and hospitality services (8 percent), and government (14 percent). The Philadelphia MSA has higher concentrations of employment in higher-paying industries like education and health services (23 percent), professional and business services (16 percent), and financial activities (8 percent) compared with the nation, and lower concentrations of employment in manufacturing (6 percent), leisure and hospitality (7 percent), and government (12 percent).



Higher-paying industries and jobs tend to require higher educational degrees. Educational attainment varies by sex and race. Overall, educational attainment is higher in the Philadelphia MSA than in the nation. According to the 2019 American Community Survey (ACS) 1-Year Estimates, greater percentages of females and greater percentages of most minority groups in the Philadelphia MSA earn bachelor's degrees or higher compared with national rates. However, for Black or African American females and Hispanic males and females, rates of educational attainment are similar to but slightly below (by less than a percentage point) those for the nation overall.

In 2019, the share of females with bachelor's degrees or higher exceeded the share of males with bachelor's degrees by more than 1.6 percentage points for the U.S. overall and 0.9 percentage point in the Philadelphia MSA. Patterns of educational attainment by sex among races in the region generally reflect national patterns: White, Black or African American, and Hispanic females have higher educational attainment than their male counterparts, whereas Asian males have higher rates of educational attainment than Asian females (Table 1).

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 2019 ACS estimates,² 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 nearly 33 percentage points (89 percent versus 57 percent). The unemployment rate for those with a bachelor's degree or higher was 2.5 percent, much lower than the unemployment rate for those with less than a high school diploma (9.7 percent).

Labor force participation and unemployment rates also vary by sex and race. On average, in 2019, in

Table 1

Bachelor's, Graduate, and Professional Degree Attainment for Population 25 Years and Older, Philadelphia MSA		
RACE/ETHNICITY	MALES	FEMALES
Total	38.5	39.5
White	43.1	44.2
Black or African American	19.8	24.4
Asian	61.5	56.0
Hispanic or Latino	16.0	18.4

Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates

Table 2**Labor Force Participation Rates by Sex,
20 to 64 Years Old, Philadelphia MSA**

	PERCENT
Total	80.0
Male	83.3
Female	76.9

Source: U.S. Census Bureau, 2019 American Community Survey
1-Year Estimates

Table 3**Labor Force Participation Rates by Race,
16 Years and Older, Philadelphia MSA**

	PERCENT
Total	65.6
White	66.4
Black or African American	62.9
Asian	66.6
Hispanic or Latino	66.4

Source: U.S. Census Bureau, 2019 American Community Survey
1-Year Estimates

Table 4**Unemployment Rates by Sex,
20 to 64 Years Old, Philadelphia MSA**

	PERCENT
Total	4.9
Male	5.1
Female	4.6

Source: U.S. Census Bureau, 2019 American Community Survey
1-Year Estimates

Table 5**Unemployment Rates by Race,
16 Years and Older, Philadelphia MSA**

	PERCENT
Total	5.3
White	4.0
Black or African American	9.5
Asian	3.6
Hispanic or Latino	6.4

Source: U.S. Census Bureau, 2019 American Community Survey
1-Year Estimates

the Philadelphia MSA, males between the ages of 20 and 64 had a higher labor force participation rate than did females in the same age group — more than 83 percent for males, compared with 77 percent for females (Table 2). Across races for the population aged 16 years and older, labor force participation rates ranged from nearly 63 percent for the Black or African American population to almost 67 percent for the Asian population (Table 3).

According to the 2019 ACS estimates for the Philadelphia MSA, the average annual unemployment rate for the population aged 20 to 64 years was 4.9 percent, down 0.5 percentage point from the rate in 2018. The unemployment rate for males (5.1 percent) exceeded the rate for females (4.6 percent) (Table 4). Unemployment rates for the population aged 16 years and older decreased over the year across all races except for the Hispanic population but continued to vary greatly, ranging from 3.6 percent for the Asian population to 9.5 percent for the Black or African American population (Table 5).

² At the time of publishing this report, 2019 ACS estimates were the most recent Census Bureau estimates available for educational attainment, labor force participation, and unemployment rates at the MSA level by sex and by race. However, national employment data for 2020 show the disproportionate impacts of the pandemic on women and people of color. Additionally, a recent Philadelphia Fed analysis on employment in the Third District states between May 2020 and October 2020 found that high-school-educated Black men, Black women, and Hispanic women experienced sharper declines in employment rates than White men (with either a high school diploma or less, or some college or more) and both White women and Hispanic men with at least some college education.



WORKFORCE DIVERSITY

The Bank is committed to fostering an inclusive work environment in which diversity is respected. Diversity among our workforce and leadership is part of our mission to serve the communities of the Third District. The Bank continued to adhere to our established standards and procedures for workforce diversity during 2020. The following details the successes and challenges in this area.



Successes

1. Reinforced the commitment 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 on diversity issues. The OMWI team briefs senior management and the Diversity Advisory Group on the status of diversity and inclusion initiatives, actions, and outcomes. The OMWI team provides annual progress reports to the Bank’s board of directors’ Management and Budget Committee regarding diversity and inclusion objectives.

- Senior leaders bolster our commitment toward an inclusive culture by serving as executive sponsors for employee resource groups (ERGs).
- The Bank uses a variety of communication channels to keep employees and external audiences up to date about diversity and inclusion topics and events. Our external website and our intranet each have significant space dedicated to highlighting our commitment to diversity and inclusion and our related initiatives.

2. Recruited a diverse workforce and promoted retention

Recruitment

- The Talent Acquisition team began utilizing TapRecruit in the third quarter, a software program that uses artificial intelligence (AI) to optimize job descriptions by removing biased wording and increasing the appeal to qualified job seekers. It addresses seven forms of bias — ableism, ageism, sexism, nationalism, racism, religionism, and elitism — using research-based AI. Our goal in using TapRecruit is to improve the diversity and quality of our recruiting

process by reaching a more expansive and diverse candidate pool.

- Our Talent Acquisition team partnered with the Information Technology Services Department to attend the Grace Hopper Celebration of Women in Computing in November. The three-day national conference brings together women in computing to discuss research and career interests. Over 30,000 people attended the virtual event, and the team spoke with numerous potential candidates.
- The team participated in the ROMBA Conference, the world’s largest gathering of LGBTQ+ business students and alumni, in October. The event includes a career fair for recruiting LGBTQ+ M.B.A. talent. The team spoke with many potential candidates at this virtual event, which took place over a two-week period.
- In November, the Talent Acquisition team participated in Black & Brown Students in Tech, a virtual recruiting event sponsored by CampusPhilly.com for over 100 college students and recent graduates interested in pursuing careers in tech. Students from more than 30 different Philadelphia schools and from colleges and universities located in Boston; New York; Washington, D.C.; and Maryland were invited, along with several historically Black colleges and universities (HBCUs) and local employers.
- 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 numerous diversity job sites and local diversity organizations to disseminate job openings to these populations.
- The Bank renewed its contract with



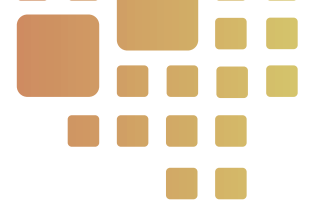
LocalJobNetwork.com to share our job postings on PA Career Link (state job bank), other diversity websites, and diversity community organizations within our recruiting area.

- The Bank renewed its contract with DiversityJobs.com to post our open positions on a series of additional websites.

Retention and Development

- The Talent Acquisition Division has adopted a model in which recruiters become consultants and business partners with internal clients. Our recruiters conduct strategy meetings with hiring managers for all open positions to discuss, among other concerns, the posting of open positions to diverse sourcing locations, creating diverse interview panels, and including interview questions regarding diversity in the hiring process.
- Our internal 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.
- We saw an increase in female hires, to 50 percent of the total. (See Appendix C.)





“The Bank employed 38 college interns through our program that provides practical and meaningful work experiences.”

- The Bank employed 38 college interns through our program that provides practical and meaningful work experiences. Of the 2020 class, 45 percent were people of color and 45 percent were female. To ensure a diverse pool of students, we posted open positions through several online job boards and a variety of diversity websites, print media, and community organizations. The program was also marketed to several local HBCUs.
- The Bank has integrated three strategic pillars into the ERG structure: the employee experience, professional development, and community outreach. ERG activities are aligned with these pillars to increase retention and engagement, promote a respectful environment, and strengthen stakeholder relationships. The ERGs hosted several initiatives during the year to encourage engagement and support remote employees. Working Families shared resources on childcare and learning tools for children. Talent Forward ERG developed a remote mentoring initiative to build on professional skills and working relationships. The African Heritage ERG hosted courageous conversations for employees to share experiences about racism, empathy, and allyship. All the ERGs collaborated on the

care, share, and support sessions to provide encouragement and a sense of belonging for all employees while working remotely during the pandemic.

- The Office of Diversity and Inclusion hosted a Town Hall to address the racial unrest of the summer. The event presented resources to better understand the root causes of racism and ways to move toward equity and justice for all through acknowledgment, empathy, and allyship.
- Talent Management has many programs that allow employees to further their education and development. Grow the Home Team provides a wide range of shadowing and short-term assignments that enable a diverse pool of employees to share their subject-matter expertise by working on different projects or develop their business acumen. Through this program, Talent Management recruited candidates for the Urban League of Philadelphia’s Urban Leadership Forum. The participants reported that this program gave them enhanced self-awareness and the opportunity to hear about the diverse work experiences of participants from other companies.
- The Mentoring Program gives employees a chance to network and learn from Bank leaders in a six-month time frame. Many mentee and mentor pairs continue to meet after the program, highlighting its success in helping employees and leaders to build collaborative long-term relationships and quality professional networks.



- The Bank continued to offer the core training and development program Valuing Diversity, Practicing Inclusion to Bank employees at all levels. The goal of this program is to build a baseline of skills and knowledge for employees to help them incorporate inclusive behaviors into their daily interactions around the workplace and in conducting Bank business.



- In response to a theme from our 2019 employee engagement survey, the Bank launched a new career development framework that focuses on the partnership between the employee and manager to create a career growth plan. The Bank developed planning templates and discussion guides for this collaborative employee–manager partnership model. The Bank also produced video testimonials featuring employees reflecting on key career decisions that impacted their current role, sharing thoughts on the value their jobs bring to the Bank’s mission and professional development insights from taking on stretch assignments, including participating in the System Leadership Exchange Program and leading ERGs. The Bank conducted a virtual Career Development Showcase, which featured presentations from Bank groups and Federal

Reserve System programs that provide career growth opportunities to build business acumen, expand professional networks, and strengthen leadership skills.

- To develop a robust leadership pipeline, especially at the emerging level, the Bank offers the Leadership Fellows Program. It is designed to attract entry-level applicants, who gain exposure to a range of Bank functions through yearlong rotations as broad-based analysts. Fourteen analysts remain in the program, with two transitioning into other positions within the Bank. The program receives favorable feedback, with participants saying they appreciate the diverse learning experiences they have received to broaden their understanding of different Bank functions, strengthen their leadership capabilities, and build their professional networks.
- The Bank uses feedback mechanisms to increase retention and gain insights into the newer employee experience. New employees receive an onboarding survey at their six-month mark, and then another survey when they reach their one-year anniversary. The feedback so far from 2020 indicates that employees feel connected to

“The Bank continued to offer the core training and development program Valuing Diversity, Practicing Inclusion to Bank employees at all levels.”

the mission, appreciate the support from management, enjoy the welcoming culture, and find meaning in their work.

- To address the challenges of remote work and stress from the pandemic, the Bank offered employees virtual learning experiences using drop-in calls, videos, assessments, brief articles, and peer-to-peer interaction focusing on skills and techniques to work productively from home and to manage stress levels. Topics included the challenges of balancing work and home life and child and elder care. The Bank supplied information and resources for leaders to support their staff's physical and mental well-being and a forum to share tips and techniques to maintain employee accountability for performance, engagement, and teamwork.
- The Bank enrolls a small contingent of staff from various departments in the core program of LEADERSHIP Philadelphia, a nonprofit organization. The program helps staff members enrich their leadership skills and serve the community through placement on nonprofit boards.

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

- The Office of Diversity and Inclusion hosted our annual industry forum virtually, which drew attendees from beyond the region. The year's theme was Crossing the Bridge: The Intersection of Justice and Equity in the Workplace. Mary Frances Winters, founder and CEO of the Winters Group, facilitated and led a panel discussion with Renée Cardwell Hughes, president and CEO of Opportunities Industrialization Center, Inc.; Zachary Nunn, CEO and founder of Living Corporate, LLC; and Theresa Torres, chief diversity, equity and inclusion officer, Federal Reserve Bank of New York.

- For the past eight years, the Bank has partnered with Cristo Rey Philadelphia High School, a majority-minority inner-city school, on a highly regarded work-study program. These experiences not only help students develop valuable skills but also expose them to future career opportunities within the Bank.



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 publishes workforce representation data on our employee intranet and external website.
- Throughout 2020, the Office of Diversity and Inclusion collaborated with our Enterprise Risk Management Department to develop new quarterly diversity, equity, and inclusion reports to more effectively track progress in key areas of the employee life cycle, as well as other critical related strategic activities.
- As a result of the listening sessions with employees of color, the Bank is expanding our transparency on workforce data regarding hiring and promotions.

- Talent Acquisition uses a new hire survey to solicit feedback from new employees after their first week to understand their feelings about the hiring process. Diversity breakouts of these data help us ensure we are considering inclusion in our analysis.



- To help determine the extent to which policies and practices meet the needs of LGBTQ+ employees, the Bank participated in the Human Rights Campaign Foundation's Corporate Equality Index. We received a score of 100 percent, as we did last year. As this is our fourth time submitting to the index, we have shown continuous improvement by modifying our policies to become a "Best Place to Work" for the LGBTQ+ community.



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.
- Minimal turnover, particularly at the managerial level and higher, narrows opportunities for advancement.



Next Steps

The Bank will address these challenges by:

- expanding our transparency on workforce data regarding hiring and promotions;
- creating a plan for sourcing and training through a partnership between Talent Acquisition and the assistant OMWI director and diversity and inclusion officer;
- monitoring TapRecruit to ensure that our recruitment processes are effective in increasing the diverse talent pool;
- partnering with the Strategic Communications and Digital Engagement team to develop the Bank's careers website to incorporate our core values into recruitment messaging and establish an employee value proposition to attract the best possible diverse talent;
- bolstering our online presence to recruit people of color and female candidates; and
- strengthening relationships with HBCU leaders, administrators, faculty, and students.



SUPPLIER DIVERSITY

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 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, which manages and facilitates contracts that may be used by any Reserve Bank, provides additional support. Our Procurement staff follows System-accepted standards. We have 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 dashboards. 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 in 2020: **\$75.36 million**³ (Appendix C)

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

- Total diverse spend: **\$8.25 million, 11.0 percent**⁴
- MBEs: **\$4.87 million, 6.5 percent**
- WBEs: **\$5.53 million, 7.3 percent**

³ \$34.62 million of the reportable spend was on a multiyear mechanical electrical infrastructure upgrade project. No diverse vendors were successful in this competitive bid.

⁴ Minority women-owned business spend is reflected in the numbers for both MBEs and WBEs but is captured only once in the total diverse spend.



Successes

Our Procurement team expanded its diverse supplier pool and currently has over 200 diverse vendors on file. As a result, we have enhanced access and business opportunities for small MBEs and WBEs. Procurement has also increased awareness across the Bank for considering diverse suppliers for various acquisitions. This past year Procurement engaged in the supplier outreach program How to Do Business with the Federal Reserve Bank of Philadelphia and held virtual calls with our business lines to introduce new diverse vendors for their upcoming projects.

Outlined below are the specific objectives and the actions we've taken to meet them:

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

- Our Procurement team identified diverse suppliers for inclusion in the selection process for acquisition events requiring competition and for smaller purchases using department P-cards. In addition, we implemented dashboards to share the P-card minority spend with the business units as part of the awareness. The

“Procurement has also increased awareness across the Bank for considering diverse suppliers for various acquisitions.”

team presented these vendor alternatives to individual departments for future consideration.

- We added 111 new diverse suppliers, comprising 93 WBEs and eight MBEs in 2020. The Bank invited 23 of these suppliers to participate in the bidding process in 2020.



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 our staff on Dodd-Frank Act requirements and the Bank's supplier diversity policy during our annual staff training.

3. Held How to Do Business with the Federal Reserve Bank of Philadelphia

- Procurement hosted three virtual sessions on this topic with over 125 suppliers in attendance from both the Eastern Minority Suppliers Developments Council (EMSDC) and the Women's Business Enterprise Council (WBEC). We identified four vendors to have meet and

greeted and to participate in future bidding opportunities.

4. Conducted supplier outreach

- In an effort to meet with vendors and enhance the Bank’s available diverse suppliers, our Procurement team participated in various virtual diverse supplier events. These events included the EMSDC and WBEC national conferences.
- Procurement hosted Supplier Diversity Starts with You, a virtual lunch ‘n’ learn event for Bank staff. The session featured Elizabeth Walsh, president and chief executive officer of the WBEC, who educated employees about the importance of supplier diversity.
- To expand the Bank’s pool of viable WBE and MBE vendors for bid opportunities, our Procurement team extended its outreach to the EMSDC, the WBEC PA–DE–sNJ, and the City of Philadelphia’s Office of Economic Opportunity.
- A member of our Procurement staff serves on the WBEC, furthering the Bank’s relationships with that organization.



Challenges

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

- 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

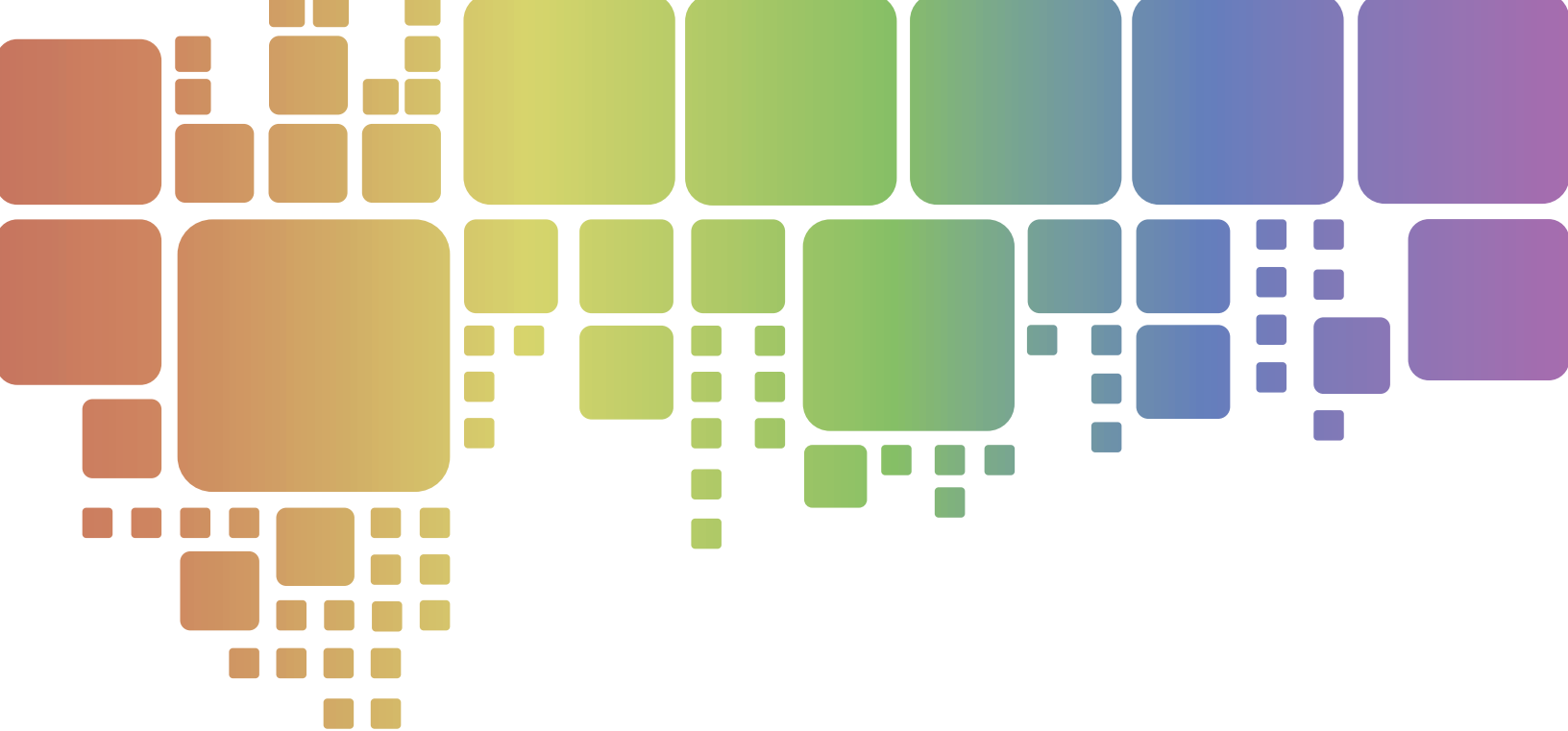


Next Steps

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 council member of 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 WBENC Link online database
- Manage data reporting and analysis and provide supplier opportunity and spend reports to senior management on a quarterly basis
- Maintain involvement with the System’s supplier diversity workgroup to ensure long-term management of vendor spend, reporting evaluation, and supplier classifications
- Continue to seek 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. Our work in economic education helps individuals and families develop knowledge and skills they can use as they make decisions in their day-to-day lives as consumers, producers, savers, investors, and citizens. These efforts are key to our mission to increase access to credit and help people and communities thrive.

The centerpiece of our youth financial education efforts remains the Keys to Financial Success (Keys) program. Keys is a high school personal finance program that helps teachers instruct students about personal finance using active and collaborative learning methods. The Keys professional development course is an intensive, weeklong program we offer to educators in the Third District. This includes teachers who work in inner-city, girls’, and majority-minority high schools. The Bank’s outreach to OMWI teachers is summarized in Appendix C.



Successes

- With the onset of the pandemic, the Bank’s economic educators converted the annual weeklong, in-person Keys to Financial Success training to a monthlong online training for high school teachers. The program was offered mostly asynchronously with weekly one-hour Zoom meetings. The development of this online training program required us to deploy significant staff resources rapidly to convert the existing in-person offering to an online format and ensure the continuity of this offering.
- During the monthlong training in July 2020, the Bank trained teachers, representing 17 OMWI schools, to teach the Keys course. These OMWI teachers earned a total of 540 professional development hours and will reach an estimated 1,350 students annually.



- Our Economic Education team continued to provide support to teachers from hundreds of schools, many of which are OMWI schools, in the Keys program. We did this through ongoing consultation and professional development offerings.
- Beginning in March 2020, in response to the pandemic, the Bank’s economic educators offered additional assistance for K–12 teachers making the rapid switch from in-person teaching to online instruction. This additional assistance came in the form of webinars (many offered nationally in cooperation with economic education staff at other Reserve Banks), email communication, and one-on-one consultations through email, on Zoom, and on the phone.
- As in previous years, the Bank marketed its financial literacy professional development offerings extensively through emails to OMWI teachers, administrators, and schools.



- 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 2020, our economic education staff continued work on plans to overhaul the Bank’s Money in Motion exhibit. Once completed, the updated exhibit will increase our capacity to deliver personal financial and economic education to school groups from Philadelphia and the area.
- In 2020, despite postponement caused by the pandemic, the Bank’s economic education staff, in partnership with counterparts from

the Federal Reserve Banks of Atlanta and St. Louis, continued work on the multiyear pilot Federal Reserve Education Fellows program. The program aims to expand the teaching of economics and student awareness of careers in economics in five majority-minority school districts in Delaware, Georgia, and Missouri. The program is expected to train 30 teachers from those districts beginning in summer 2022 and result in them teaching an estimated 3,343 students annually.



Challenges

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

- The pandemic represents the most significant current challenge to school-based personal financial education. With schools, educators, and students all under considerable stress as a result of the need for social distancing and the use of hybrid or online learning, personal financial education is very likely receiving less emphasis than it did before the pandemic.
- Many proven curriculum resources for teaching personal finance assume in-person instruction. While our economic education team has invested considerable time in deploying online alternatives, it’s likely that the impact on student achievement is not the same.
- It remains unclear when the pandemic will be over or when in-person professional development offerings will once again be possible. This makes planning difficult.



Next Steps

Efforts to overcome these challenges include:



- Our Economic Education team is working to increase the number of times each year we offer the new Keys to Financial Success online training. In 2021, we will seek more collaborations with colleagues at other Reserve Banks and other partners, both in the Third District and nationwide, to increase the reach of

the Keys program, particularly to underserved populations.

- In 2021, we will continue work to rebuild the Bank’s public exhibit into a more effective tool for hosting school groups once the pandemic is over.

COMMITMENT



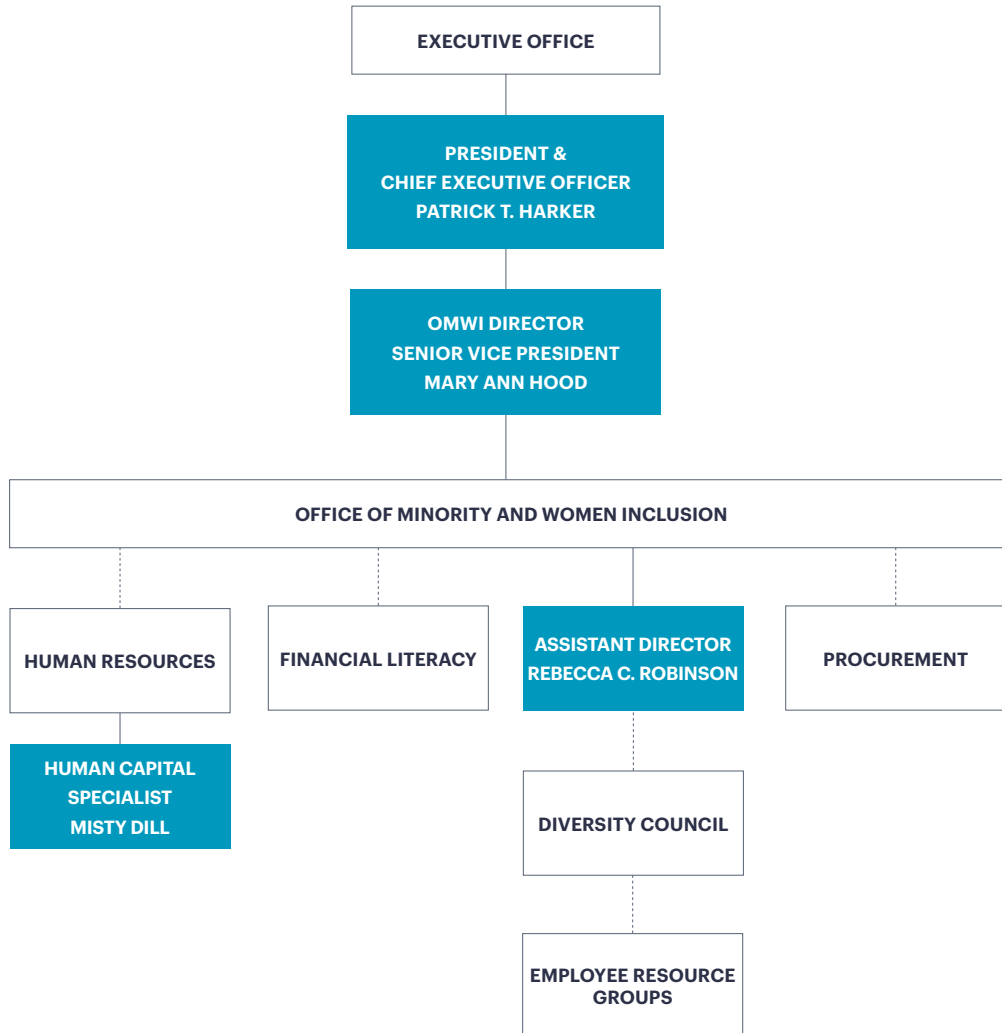
We can’t look back on 2020 without recognizing that the COVID-19 pandemic and other significant events challenged us in ways we could never have anticipated. The pandemic and ensuing economic crisis, along with widespread social unrest over racial injustice, have changed the world and presented immense obstacles. However, they have not altered our unwavering commitment and resilience in advancing our diversity and inclusion goals. For the Bank, these goals are more than just requirements under Section 342 of the Dodd–Frank Act; they are essential to how we approach our mission of service to the communities of the Third District and the U.S. The information shared in this report highlights how we’ve been able to respond to challenges, move forward on our objectives, and track our progress related to the diversity of our workforce and suppliers and the delivery of our financial literacy programs that are so important to increasing access to economic opportunity for all.

As remote work and virtual events quickly became our new normal, we relied on technology to provide minimal disruption in recruiting and onboarding. We continue to improve our processes and technological capabilities to enhance the pool for talent in underrepresented groups and women. By hosting virtual supplier diversity events, we were able to increase opportunities for women and minority suppliers to participate in the bidding process. Virtual learning allowed us to offer our financial literacy programs to the diverse populations we serve. We were also able to continue outreach through our Community Development and Regional Outreach Department, which moved quickly to respond to the crisis and to educate local communities on racial equity to address disparities that impact communities of color.

During 2020, we leaned into uncomfortable conversations and listened to our employees of color about the challenges they face due to systemic racism and discussed ways to achieve greater equity for all. We made progress facing unprecedented challenges and, as we look to the future, are inspired and encouraged to continue to make a difference in the communities we serve in the Third District.

APPENDIX A

OMWI ORGANIZATIONAL CHART



APPENDIX B

FEDERAL RESERVE BANK OF PHILADELPHIA EEO-1 CONSOLIDATED REPORT BY NUMBER OF WORKFORCE AS OF DECEMBER 31, 2020

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	9	0	0	1	0	0	4	3	0	0	0	0	17	1.9%
First/Midlevel Managers	6	2	86	17	0	12	0	0	53	10	0	4	0	0	190	21.6%
Professionals	18	13	203	23	0	54	0	5	131	44	0	32	1	3	527	60.0%
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Sales Workers	0	0	0	1	0	0	0	0	1	0	0	0	0	0	2	0.2%
Admin Support	1	5	3	1	0	0	0	0	19	12	0	0	0	0	41	4.7%
Craft Workers	1	0	22	0	0	1	0	0	0	0	0	0	0	0	24	2.7%
Operatives	3	1	8	1	0	3	0	1	2	8	0	5	0	0	32	3.6%
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Service Workers	5	1	20	8	0	0	0	0	7	4	0	1	0	0	46	5.2%
Total	34	22	351	51	0	71	0	6	217	81	0	42	1	3	879	100.0%
Total by %	3.9%	2.5%	39.9%	5.8%	0.0%	8.1%	0.0%	0.7%	24.7%	9.2%	0.0%	4.8%	0.1%	0.3%	100.0%	
PREVIOUS YEAR	33	20	346	52	0	69	0	5	213	80	0	41	1	3	863	
	3.8%	2.3%	40.1%	6.0%	0.0%	8.0%	0.0%	0.6%	24.7%	9.3%	0.0%	4.8%	0.1%	0.3%	100%	

APPENDIX C

CORE METRICS TABLE

CATEGORY	DESCRIPTION	MEASURE	2015	2016	2017	2018	2019	2020
WORKFORCE DIVERSITY	Senior Executives	Total #	10	11	14	14	16	17
		% Minorities	10%	18%	29%	29%	25%	24%
		% Women	50%	46%	43%	43%	44%	41%
	Midlevel Managers	Total #	176	167	160	205	182	190
		% Minorities	23%	22%	21%	26%	26%	27%
		% Women	37%	37%	39%	35%	36%	36%
	Professionals	Total #	433	467	471	495	520	527
		% Minorities	40%	39%	39%	37%	37%	37%
		% Women	40%	40%	41%	42%	39%	43%
	Total External Hires	Total #	84	112	56	86	61	52
		% Minorities	42%	47%	30%	24%	34%	42%
		% Women	39%	44%	46%	45%	39%	50%
	Total Interns	Total #	41	42	32	36	38	38
		% Minorities	41%	31%	34%	28%	34%	45%
% Women		46%	36%	50%	44%	39%	45%	
Overall Bank Turnover Rate	%	14.1%	8.7%	8.3%	9.3%	6.8%	3.4%	
SUPPLIER DIVERSITY	Total Reportable Spend	\$ (millions)	\$ 47.68	\$ 39.60	\$ 43.36	\$ 53.37	\$ 51.29	\$ 75.36
	Total Diverse Spend ¹	\$ (millions)	\$ 12.11	\$ 9.79	\$ 6.81	\$ 6.78	\$ 7.03	\$ 8.25
		%	25.4%	24.7%	15.7%	12.7%	13.7%	11%
	Minority-owned ²	\$ (millions)	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95	\$ 3.85	\$ 4.87
		%	18.9%	21.4%	13.8%	7.4%	7.5%	6.5%
	Minority-owned (men)	\$ (millions)	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95	\$ 1.96	\$ 2.72
		%	18.9%	21.4%	13.8%	7.4%	3.8%	3.6%
	Minority-owned (women)	\$ (millions)	\$-	\$-	\$-	\$-	\$ 1.90	\$ 2.15
		%	0.0%	0.0%	0.0%	0.0%	3.7%	2.8%
	Women-owned ²	\$ (millions)	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83	\$ 5.08	\$ 5.53 ³
		%	6.5%	3.3%	1.9%	5.3%	9.9%	7.3%
	Women-owned (nonminority)	\$ (millions)	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83	\$ 3.18	\$ 3.39
		%	6.5%	3.3%	1.9%	5.3%	6.2%	4.5%
Women-owned (minority)	\$ (millions)	\$-	\$-	\$-	\$-	\$ 1.90	\$ 2.15	
	%	0.0%	0.0%	0.0%	0.0%	3.7%	2.8%	

¹ Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (nonminority).

² Women-minority numbers are included in both Minority-owned and Women-owned totals.

³ The sum of Women-owned nonminority and minority is different from the total Women-owned due to rounding.

APPENDIX C

CORE METRICS TABLE (CONTINUED)

		2020
FINANCIAL LITERACY ¹	Program Type	Teacher Centric
	Number of OMWI students reached in person and online ²	125
	Number of OMWI educators reached in person and online ³	22
	Number of OMWI students reached through educators ⁴	1,650

¹ Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus.

² Students who attended in-person programs and enrolled in online programs.

³ Educators who attended in-person programs and enrolled in online professional development programs.

⁴ Students reached through educators using a common multiplier of 75.

APPENDIX D

FEDERAL RESERVE BANK OF PHILADELPHIA DIRECTORS AS OF JANUARY 1, 2021

DIRECTOR CATEGORIES	CURRENT DIRECTORS			RACE/ETHNICITY													
				HISPANIC OR LATINO		WHITE		BLACK OR AFRICAN AMERICAN		ASIAN		NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER		AMERICAN INDIAN OR ALASKA NATIVE		TWO OR MORE RACES	
	All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female

RESERVE BANK DIRECTORS CLASS A (TOTAL POSITIONS 3)

By total	3	3	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0
By %	100%	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CLASS B (TOTAL POSITIONS 3)

By total	3	1	2	0	0	1	2	0	0	0	0	0	0	0	0	0	0
By %	100%	33%	67%	0%	0%	33%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CLASS C (TOTAL POSITIONS 3)

By total	3	1	2	1	0	0	1	0	1	0	0	0	0	0	0	0	0
By %	100%	33%	67%	33%	0%	0%	33%	0%	33%	0%	0%	0%	0%	0%	0%	0%	0%

TOTALS ALL RESERVE BANK DIRECTORS (TOTAL POSITIONS 9)

By total	9	5	4	1	0	4	3	0	1	0	0	0	0	0	0	0	0
By %	100%	56%	44%	11%	0%	44%	33%	0%	11%	0%	0%	0%	0%	0%	0%	0%	0%

Note: Reserve Bank directors are elected or appointed to three-year, staggered terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information). This report includes directors who were appointed or elected in 2020 to terms that began on January 1, 2021, as well as directors who are currently serving in existing terms. Currently, there are no vacancies on the Philadelphia Reserve Bank board and all directors opted to self-identify their gender and race/ethnicity.

