


# 2021

OFFICE OF MINORITY  
AND WOMEN INCLUSION

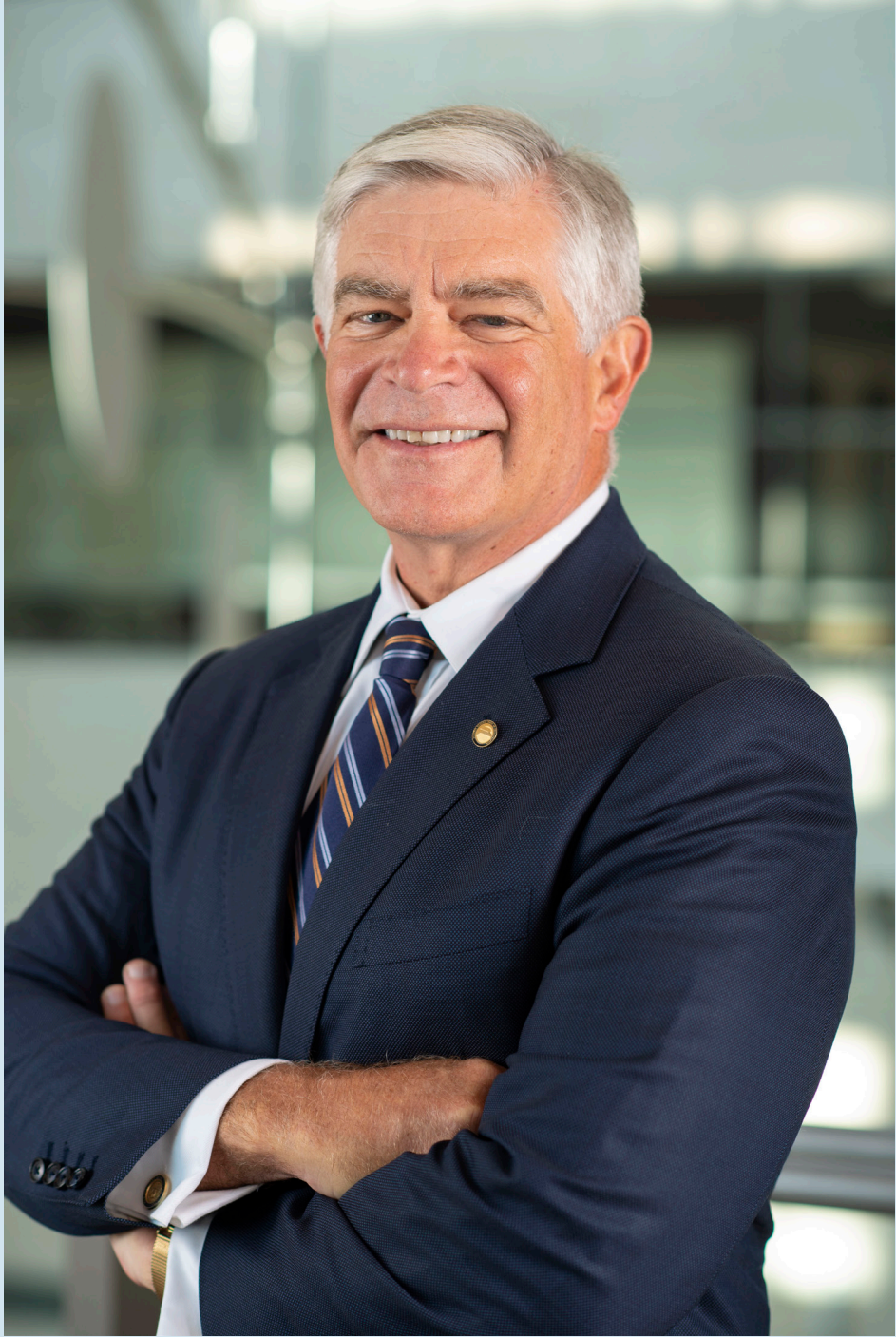
FEDERAL RESERVE BANK  PHILADELPHIA



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.

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



# Letter from the President

The report in front of you lays out in great detail the Federal Reserve Bank of Philadelphia's commitment to diversity, equity, and inclusion and the important steps we've taken to promote these goals throughout our District and within our Bank.

But more than a statement of fact, this report is an expression of our deepest values. That's because, here at the Philadelphia Fed, diversity, equity, and inclusion are personal to each of us. The Third District encompasses not only the poorest big city in the U.S. but also Delaware, southern New Jersey, and central and eastern Pennsylvania. The District comprises urban and rural communities and everything in between, and these areas each come with distinct needs and challenges. Diversity, in other words, isn't merely an abstract concept. It's our lived reality, every day.

That reality underlines our commitment to fostering an economy in which all Americans can thrive and realize their full economic potential. As you'll learn in this report, in 2021, our pathbreaking work not only trained a spotlight on problems but also offered potential solutions. The Philadelphia Fed's robust research and outreach teams worked tirelessly to redress long-standing inequities in homeownership, child care, access to jobs, and credit for small businesses. We refuse to leave anybody on the sidelines.

Within the Bank itself, we made great progress in 2021 as well. A rigorous pay equity study found no systemic pay inequities due to race, ethnicity, or gender. We continued to expand our pool of diverse suppliers. And each of us undertook unconscious bias training, ensuring that all Philadelphia Fed employees can bring their true selves to work.

We know that fostering diversity, equity, and inclusion is not just a moral imperative, but an economic one as well. Fostering an economy where all Americans can thrive is essential to fulfilling the Federal Reserve's mandate for full employment. And in an era where employers must compete for workers, we know we must do anything we can to create a diverse and welcoming workplace. The bottom line? Diversity, equity, and inclusion will remain a top priority this year and in the years to come.

Sincerely,





# Executive Summary

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The Federal Reserve Bank of Philadelphia (the Bank)<sup>1</sup> is committed to diversity, equity, 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, equity, 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.

## Diversity, Equity, and Inclusion Are Integral to Core Values

Diversity, equity, 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.

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<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 also referred to as the Bank or the Philadelphia Fed.

The Bank's core values embody the underlying precepts of diversity, equity, 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, equity, 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.

## 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. The following are a few highlights of these activities during 2021:

- We increased our percentage of total hires that are people of color, to 53 percent. (See Appendix C.)
- The Bank employed 41 college students through our internship program, which provides practical and meaningful work experiences. There was an increase of interns who are people of color in the 2021 class, to 49 percent. To target a diverse pool of students, the Talent Acquisition Division posted open internship positions through a variety of online job boards, diversity websites, print media, and diverse community

organizations. The Bank also marketed the program to several local historically black colleges and universities (HBCUs).

- We scored 100 percent in the Human Rights Campaign Foundation's Corporate Equality Index. It was our third consecutive year achieving this mark. Each year we have made progress in our goal to become a "Best Place to Work" for the LGBTQ+ community.

## Minority- and Women-Owned Businesses

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 2021:

- The Bank expanded our pool of diverse suppliers to over 225 vendors.
- Our procurement team partnered with the Federal Reserve Banks of Atlanta and Richmond in a joint virtual supplier summit with over 75 vendors in attendance.
- Diverse vendors have been identified to handle larger projects.

## 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. In support of these efforts, during the year, the Bank:

- continued to facilitate our Keys to Financial success program through virtual training programs.
- offered our first two-week, mostly asynchronous

refresher training for existing Keys teachers.

- continued work on the multiyear pilot Federal Reserve Education Fellows program, to expand the teaching of economics and student awareness of careers in economics in five majority-minority school districts in Delaware, Georgia, and Missouri.

Additional information, including some successes and challenges the Bank experienced with regard to

these goals during 2021 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, 2021, through December 31, 2021, 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.



Beverly Pepper's *Phaedrus* outside the Federal Reserve Bank of Philadelphia's building

# Overview of the Bank

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## Economic Inclusion Research and Outreach

Our Community Development and Regional Outreach (CDRO) Department supports the Federal Reserve System's economic growth objectives by promoting access to opportunity in underserved communities. The team works directly with communities and produces research that informs policy to create systemic change.

The COVID-19 pandemic continued to underscore economic stresses on businesses and consumers in communities across the region. These impacts have been particularly acute for select demographic groups, including women and people of color. CDRO responded by conducting research, developing tools, and hosting convenings to address barriers and inform policy solutions to promote an equitable economic recovery.

This year, CDRO focused on workforce, housing, and small businesses and, in particular, on issues of race and gender equity in these areas. The following are examples of key research and initiatives:

- 1. Identifying problems and offering solutions to long-standing barriers to labor market participation made more acute and apparent during the COVID-19 pandemic**

Early in the year, a study to assess those most impacted by the pandemic revealed workforce disparities that informed our programming.

- "Who's Employed in the Early Months of the COVID-19 Recession?" looked at changes in the employment rate from 2019 to 2020 for residents of Delaware, New Jersey, and Pennsylvania and found particularly large declines for three groups of workers with no more than a high school diploma: Black men, Black women, and Hispanic women.







In response to the workforce barriers identified, CDRO continued to produce and promote tools to identify upward mobility paths.

- The Occupational Mobility Explorer is an online tool that helps workers identify opportunities to transfer their skills from one occupation to a similar — but higher-paying — occupation in the same labor market.
- To share the tool more widely, CDRO hosted an event through a strategic partnership with AL DÍA that included leaders from local colleges and several other major media outlets focused on people of color. Back to Work: Leveraging Your Skills to Find Better Opportunities introduced Black and Hispanic workers, particularly those in low-wage and unstable jobs, to resources available to connect them to better-paying jobs in the region during the economic recovery.

We recognize that women face specific challenges throughout the pandemic, including access to quality child care. Our Economic Growth & Mobility Project (EGMP) is partnering with local stakeholders in Delaware on a Research in Action Lab to address child care access in the state. The

partnership is exploring how to remove barriers for people returning to work after the pandemic and has produced research and tools toward that end.

- *The Role of Early Childhood Education in Delaware’s Business Sector Pandemic Recovery and Beyond* found that access to early childhood education could allow parents in Delaware to participate fully in the labor force and could foster a more equitable recovery from the COVID-19 pandemic.
- The Delaware Child Care Map: An Interactive Tool allows policymakers, nonprofits, child care providers, and local businesses to understand more about the local child care landscape. This information can help stakeholders advocate for investments in child care and consider opportunities to expand quality child care options, particularly for low-wage workers.

To further address workforce barriers for women in particular, CDRO produced a series of briefs exploring equitable workforce recovery.

- “Reworked: A Conversation on an Inclusive Recovery for Workers” features the views of several experts on solutions to the “shecession” — the disproportionate impact of the pandemic on women in the workforce. These briefs focus on short-term and long-term solutions to improve labor market outcomes for women, particularly Black, Hispanic, and immigrant women.

## 2. **Advancing placed-based interventions to help vulnerable homeowners and renters**

To foster policy discussions on eviction prevention, CDRO released a research series to address systemic disparities that have impacted access to rental housing.

- *Household Rental Debt During COVID-19* is a series of reports, originally published in 2020 and updated in 2021, showing that while the

labor market shows signs of recovery amid the ongoing COVID-19 pandemic, rental debt remains a pressing issue for many households, especially those headed by minorities and women.

As the pandemic continued, CDRO produced another series of briefs on systemic challenges that Black Philadelphians have faced around homeownership and some potential solutions to improve outcomes.

- *Supporting Philadelphia's Black Homeowners in the Aftermath of the COVID-19 Crisis* highlights the importance of improving labor market outcomes and economic mobility and better targeting housing policies to ensure Black homeowners can reap the full benefits of their investment in residential real estate.
- *What's Behind the Racial Homeownership Gap in Philadelphia?* underscores the need to address Philadelphia's Black-White homeownership gap, which was wider in 2019 than it was 30 years ago. The brief finds that would-be Black homeowners in the city face significant long-standing obstacles, the most common being lack of access to mortgage credit, income stagnation, and rapid home price growth.

### **3. Expanding access to capital for small business owned by people of color in New Jersey**

Small businesses endured unprecedented challenges as a result of the COVID-19 pandemic and the recession that followed. In response, our EGMP continued to work with community stakeholders on a Research in Action Lab focused on New Jersey. As part of the lab, EGMP hosted a series of listening sessions to better understand the unique challenges Black-, Hispanic-, Asian-, and immigrant-owned firms faced during the pandemic and released a mixed-methods study.

- *Small Business Credit Survey: COVID-19 and Disparate Firm Conditions in New Jersey* provides a review of small business conditions

in New Jersey during the recent economic crisis, using data from the Federal Reserve's *Small Business Credit Survey* and feedback from a series of listening sessions.

The lab culminated with an event hosted in partnership with the New Jersey Economic Development Authority and other community leaders. The event explored what state agencies have done to overcome the challenges faced during the pandemic by businesses owned by people of color and how to strengthen New Jersey's small business sector and foster an inclusive recovery.

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*We recognize that women face specific challenges throughout the pandemic, including access to quality child care.*

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- Main Street in the Garden State featured research on how New Jersey small businesses are faring in the post-pandemic recovery and incorporated a discussion with small business owners in New Jersey, with a special focus on Black-, Hispanic-, Asian-, and immigrant-owned firms.

### **4. Working directly with communities to strengthen the small business sector**

In 2020, CDRO launched the Reinventing Our Communities (ROC) Cohort Program to encourage



strong local economies by helping communities across the U.S. address barriers to opportunity. CDRO continued to advance the important work of the program with a second cohort in 2021, which focused on equitable small business recovery after the COVID-19 pandemic.

This yearlong training equipped community stakeholders with the knowledge and skills to bolster their local small business sector. Cross-sector community groups from five Federal Reserve Districts participated. These groups were in Broward County, Florida (Federal Reserve Bank of Atlanta); Central Minnesota (Federal Reserve Bank of Minneapolis); Allentown, Chester County, Lancaster, Wayne County, and York, all in Pennsylvania (Federal Reserve Bank of Philadelphia); Charleston, SC (Federal Reserve Bank of Richmond); and Las Vegas, NV (Federal Reserve Bank of San Francisco).

The program helped these cohorts explore barriers that small businesses owned by people of color face in their communities and plan for a more equitable recovery. The cohorts engaged in equity-focused training and peer-to-peer learning and received personalized support in developing local small business recovery plans. Increasing the success of underserved businesses supports small business owners, employees, customers, and local residents and, in turn, strengthens local economies.

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

The Federal Reserve Bank of Philadelphia manages the System-wide **Partnership for Progress (PFP)** program on behalf of the Board of Governors. Established in 2008, PFP promotes the viability of minority depository institutions (MDIs) by facilitating activities designed to cultivate safe and sound practices, strengthen their business strategies, and provide technical assistance.

In addition to managing PFP, the Philadelphia Fed supported MDIs through the following activities during 2021:

- Participated in the planning of the 2021 Interagency Minority Depository Institution and CDFI Bank National Conference held virtually September 27–30, 2021, for MDIs and community development financial institutions
- Cosponsored the sixth annual Banking and the Economy: A Forum for Minorities in Banking, along with the Federal Reserve System. The forum, a national program that provides minority bank leaders with industry knowledge and professional development, was held virtually October 18–22, 2021, and attracted over 500 participants
- Fostered relationships with MDIs and other interested parties through virtual meetings to keep stakeholders apprised of available resources and to share feedback with the Board of Governors
- Participated in an interagency task force created to address supervisory challenges facing MDIs



Tesia Lemelle of the Philadelphia Fed manages Partnership for Progress

The Bank publishes two supervisory outreach newsletters on behalf of the Federal Reserve System: *Community Banking Connections*, which was launched in 2012 and focuses on safety and soundness topics, and *Consumer Compliance Outlook*, which was launched in 2008 and focuses on consumer compliance topics. The publications are particularly helpful to community banks, including MDIs, because they explain complex requirements, discuss supervisory expectations, and share sound practices. Receiving this information on a quarterly basis provides great value to our stakeholders.

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 CFI 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 CFI 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** team is a source of data, policy analysis, and research on consumer finance and fixed income for the Federal Reserve System and comprises four groups. The Data Warehouse manages a large collection of key U.S. consumer credit databases with powerful analytical tools for sampling, querying, mapping, reporting, and charting these 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. Retail Modeling

and Research conducts research on various aspects of consumer finance and fixed income and also oversees the Supervisory Modeling Team, which is responsible for overseeing activities related to the annual Dodd-Frank Act Stress Tests (DFAST) for retail portfolios. The Financial Monitoring Group conducts ongoing risk analysis on the banks that participate in DFAST.

Our **National IT End User Services (EUS)** team provides collaboration services for the Federal Reserve System. The Bank has responsibility for services that include messaging, productivity solutions, unified communications, and content management. 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, the payment system risk policy, and the special lending facilities established in response to the economic impact of the COVID-19 pandemic. 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 additionally 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

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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, equity, and inclusion, and Misty Dill, DEI specialist, contribute 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, Equity, 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.

The senior management at the Bank supports the OMWI through the Diversity Advisory Group, which champions diversity, equity, 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, Equity, and Inclusion Infrastructure

The OMWI manages our overall approach to diversity, equity, 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, equity, 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, equity, 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

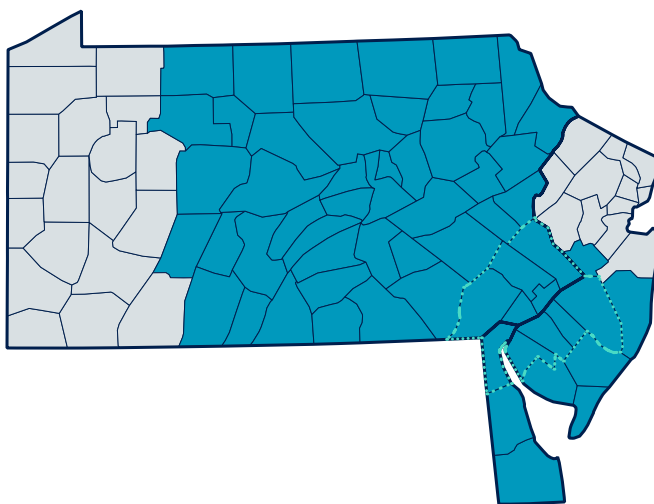
The Bank serves the Third Federal Reserve District — the smallest District by land area in the Federal Reserve System. Compared with other Districts, the population is one of the smaller, slower-growing populations and is slightly less diverse than the U.S. as a whole.

## 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 2020 County Population Estimates data set. The distribution of that population per state is as follows:

- Delaware: nearly 987,000 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

**FIGURE 1** Map of the Third District



 Philadelphia-Camden-Wilmington MSA  
 Third District 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 more than 6.1 million people, the Philadelphia MSA accounts for nearly 46 percent of the Third District’s population.

From 2010 to 2020, the District’s population grew more than 2 percent, compared with roughly 6 percent growth for the nation. Delaware has grown faster, at 10 percent, while New Jersey and Pennsylvania have grown only about 1 percent. In the portions of the states within the Third District, population grew 0.1 percent in New Jersey and 2 percent in Pennsylvania. The Philadelphia MSA grew more than 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 trailing, that of the nation. Based on 2020 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.

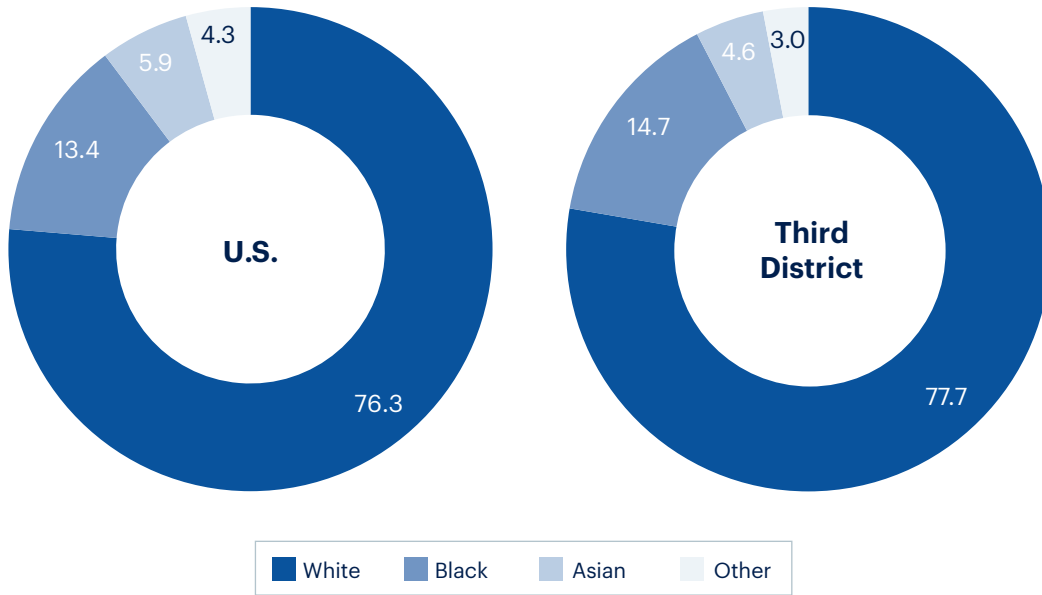
The Third District has a slightly larger percentage of Black or African American residents than the nation, but the percentages of Asian and Other residents are smaller in the District than in the nation. The Other category includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Two or More Races (Figure 2).



**FIGURE 2**

**2020 Population by Race**

Percent of total population: United States and Third District

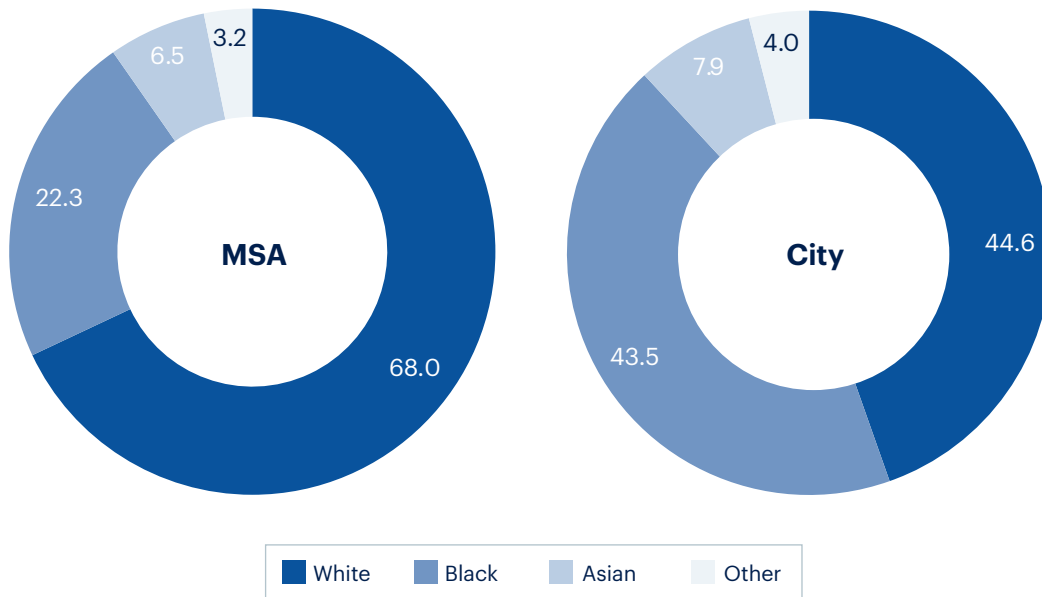


Source: Census Bureau, Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States: April 1, 2010 to July 1, 2019, and Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2020.

**FIGURE 3**

**2020 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, 2020

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 (68 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 that of the MSA, whereas the city's percentage of White population is lower by 23 percentage points (Figure 3).

The Hispanic population has been a key driver of population growth for the nation and the Third District. The Third District and the Philadelphia MSA have experienced faster growth in their Hispanic populations compared with nation overall over the past decade. 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 16 percent (Figure 4).

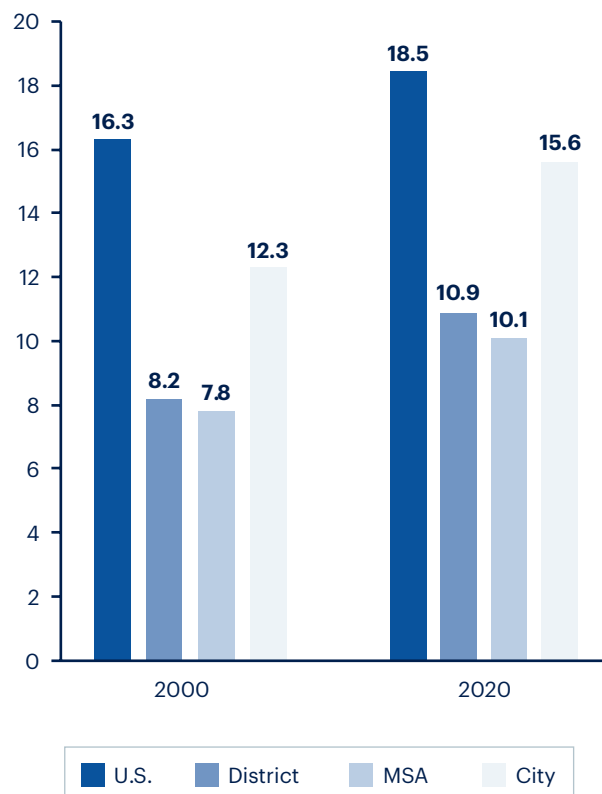
## Economic Trends

The ongoing COVID-19 pandemic continued to impact the recovery of national and local labor markets. As of December 2021, the national payroll employment level remains roughly 3.5 million jobs (or 2 percent) lower than payroll employment in February 2020. The Third District states have been recovering more slowly than the nation: Relative to pre-pandemic levels, payroll employment remains down by 3 percent in Delaware (representing roughly 14,500 jobs), 4 percent in New Jersey

(156,000 jobs), and 5 percent in Pennsylvania (288,000 jobs), as well as by 4 percent in the Philadelphia MSA (116,000 jobs).

Unemployment rates — which had recorded historically high rates following the initial outbreak of the pandemic in the spring of 2020 — continued to decline in the nation and the Third District states throughout 2021. Unemployment rates have fallen 1.1 percentage points for Delaware, 1.5 percentage points for New Jersey, and 1.9 percentage points for Pennsylvania from December 2020 to December 2021, compared with 2.5 percentage points for the

**FIGURE 4** 2020 Population of Hispanic Origin  
Percent of total: U.S., Third District, Philadelphia MSA, and City of Philadelphia



Source: Census Bureau, Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States: April 1, 2010 to July 1, 2019, and Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2020.



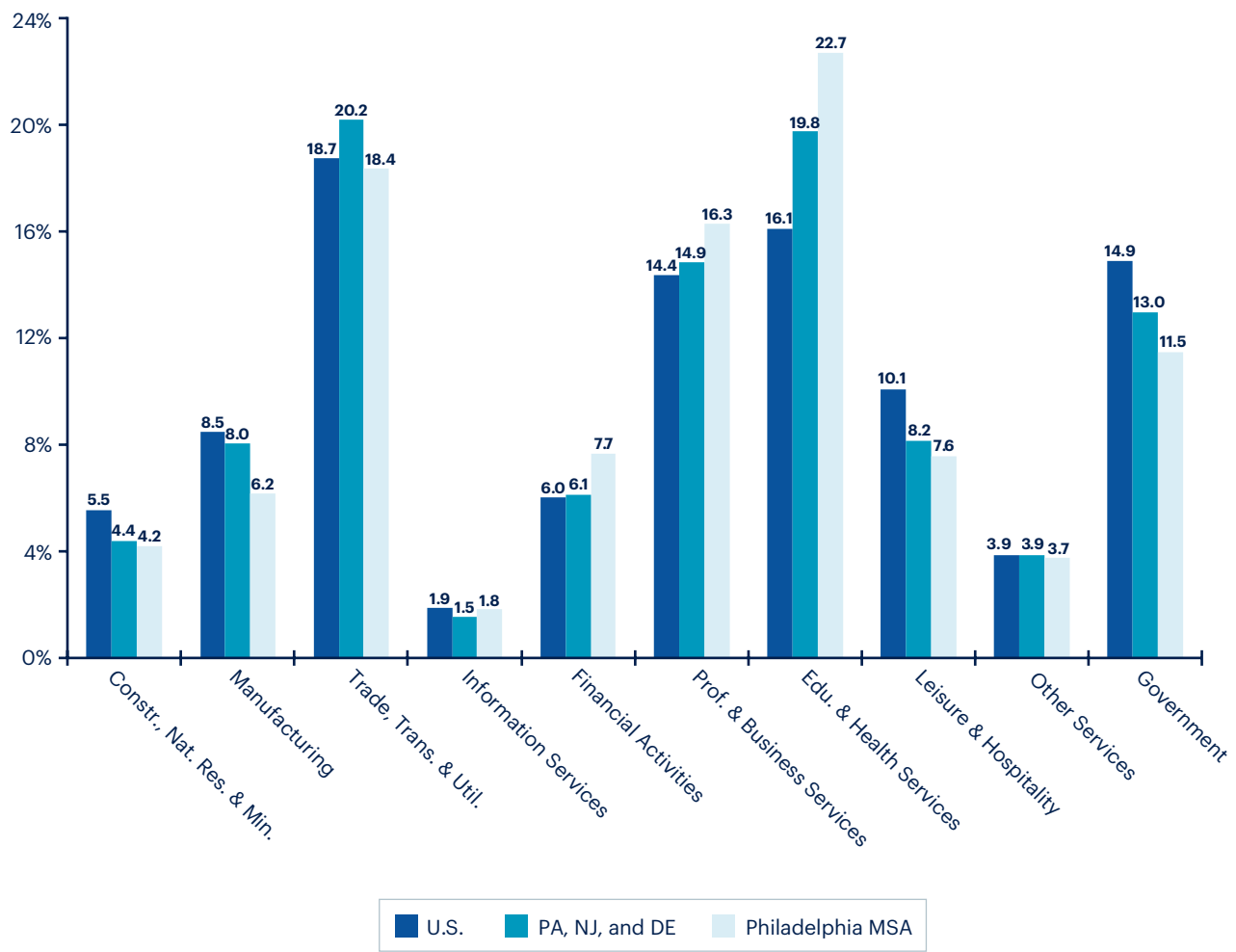
nation. However, rates remain somewhat elevated relative to pre-pandemic levels: Unemployment rates are up by roughly 0.5 percentage point for Pennsylvania, Delaware, and the nation, and up by 2.6 percentage points for New Jersey.

## Industry Composition

The industry composition of the three states in the Third District roughly mirrors that of the nation (Figure 5). Based on 2021 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 (13 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

**FIGURE 5** Employment Shares by Industry, 2021



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



*As levels of educational attainment increase, labor force participation rates generally increase and unemployment rates decrease.*



nation, and lower concentrations of employment in manufacturing (6 percent), leisure and hospitality (8 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,<sup>2</sup> compared with national rates, greater percentages of females and most minorities in the Philadelphia MSA earn bachelor’s degrees or higher. 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 those degrees by more than 1.6 percentage points for the U.S. overall and about 1 percentage point in the Philadelphia MSA. Patterns of educational attainment

<sup>2</sup> The Census Bureau did not release the standard ACS 1-year estimates for 2020 because pandemic-related data collection disruptions in 2020 severely affected the data quality of the statistics.

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 generally increase and unemployment rates decrease. According to the 2019 ACS estimates,<sup>3</sup> 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

**TABLE 1**

<b>Bachelor’s, Graduate, and Professional Degree Attainment for Population 25 Years and Older, Philadelphia MSA</b>		
<b>Race/Ethnicity</b>	<b>Males</b>	<b>Females</b>
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

<sup>3</sup> 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. Monthly state-level data on labor force participation from the Bureau of Labor Statistics indicate that labor force participation rates remain below pre-pandemic levels in our region, and while labor force participation during the pandemic has rebounded for some groups of workers, it remains depressed for others. For example, participation rates for females and workers with a high school diploma fell sharply at the onset of the pandemic and have shown little improvement since.

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 the Philadelphia MSA, males between the ages of 20 and 64 had a higher labor force participation rate than 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 points 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).

**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 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 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 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



# Minority and Women Employment

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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 its established standards and procedures for workforce diversity during 2021. The following details the successes and challenges in this area.

## Successes

### 1. Reinforced our commitment to diversity, equity, and inclusion

- 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 Advisor Group on the status of diversity, equity, and inclusion (DEI) initiatives, actions, and outcomes. The OMWI team provides annual progress reports to the Bank's board of directors' Management and Budget Committee regarding DEI objectives.
- Senior leaders continue to support 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 DEI topics and events. Our external and internal websites highlight the Bank's commitment to DEI. Our intranet offers a section titled Crossing the Bridge to Antiracism, Empathy, and Allyship, which provides resources and tools to aid all employees in understanding the impacts of racial inequity and how to be an ally. The name of the series honors the 1965 crossing of the Edmund Pettus Bridge by the late Congressman John Lewis and others in the pursuit of equal voting rights, economic opportunity, and racial justice.

### 2. Developed strategic initiatives to recruit a diverse workforce and promote retention

## Recruitment

- The Talent Acquisition team renewed the contract with Datapeople (formerly TapRecruit), 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 Datapeople 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 our Information Technology Services Department to attend the virtual 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 Talent Acquisition team attended the Women in IT virtual career event in November.
- In November, for the second year, the Talent Acquisition team participated in Black & Brown Students in Tech, a virtual recruiting event sponsored by Campus Philly for over 100 college students and recent graduates interested in pursuing careers in technology. Invitees included students from more than 30 different Philadelphia schools, colleges, and universities in Boston; New York; Washington, D.C.; and Maryland, as well as several HBCUs and local employers.
- The Bank renewed its contract with eQuest, a third-party aggregator tool that pushes postings to various job boards aimed at Black individuals, American Indians, Asians, Hispanics, people with disabilities, older workers, 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 Circa (formerly 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.

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*In 2021, the Office of DEI piloted an initiative to elevate the awareness and importance of equitable representation in the workforce.*

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- The Bank renewed its contract with DiversityJobs.com to post our open positions on a series of additional websites.
- The Bank entered into a contract with RecruitMilitary.com to post all open positions on its website, which connects employers with veterans.
- The Talent Acquisition Division partnered with our Strategic Communications and Digital Engagement Department to develop a process for posting hard-to-fill and high-priority job openings on the Bank’s LinkedIn, Facebook, and Twitter feeds.
- The Talent Acquisition Division added language to all job postings to be more inclusive and welcoming to applicants with disabilities.
- The Talent Acquisition Division advertised our 2022 summer internships and positions in our



Leadership Fellows Program on Handshake, HBCUconnect.com, and HBCU20x20; in the *EOE Journal*; and on social media platforms, including Facebook, LinkedIn, and Twitter.

- The manager of Talent Acquisition and the assistant vice president of DEI continue to meet biweekly to ensure alignment on DEI recruitment initiatives and discuss partnership opportunities for improvement.
- The Bank moved to operationalize the Federal Reserve System OMWI Key Leader questions, which focus on equity and removing barriers in the processes of recruitment and development.
- The Talent Acquisition Division updated the Strategy Meetings Guide, which hiring managers use for all open positions. During these meetings they discuss, among other concerns, posting open positions to diverse sourcing locations, creating diverse interview panels, and incorporating interview questions on diversity in the hiring process. The update includes the addition of the System OMWI Key Leader questions and a section on overcoming bias in the interview process.
- Our internal job posting program, which includes officer-level positions, presents opportunities for all employees to move through the organization and build their skills and knowledge of the Bank's business areas.
- There was an increase in 2021 in the percentage of total hires that were people of color, to 53 percent. (See Appendix C.)
- The Bank employed 41 college students through our internship program, which provides practical and meaningful work experiences. There was an increase in the percentage of interns who were people of color in the 2021 class, to 49 percent.

To target a diverse pool of students, the Talent Acquisition Division posted open positions through a variety of online job boards, diversity websites, print media, and diverse community organizations. We also marketed the program to several local HBCUs.

## Retention and Development

- Mitigating bias and understanding its impact and providing the tools to examine our behaviors are part of our ongoing learning curriculum and a key element in the DEI strategy. We launched mandatory unconscious bias training for all employees facilitated by FranklinCovey. The goals for the three-hour session were to teach employees to identify and adjust for bias at the individual and organizational level, cultivate meaningful connections that allow for more equitable interactions and decision-making, and how to choose courage to make real change on issues of diversity, equity, and inclusion. These outcomes help us to make progress toward ensuring that there is a culture of inclusion and high performance in which each employee feels a true sense of belonging.
- 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 provide a baseline of skills and knowledge to employees to help them incorporate inclusive behaviors into their daily interactions around the workplace and in conducting Bank business.
- Our ERG structure integrates three strategic pillars: employee experience, professional development, and community outreach. ERG activities align with these pillars to increase retention and engagement, promote a respectful environment, and strengthen stakeholder relationships. During the year, our ERGs hosted initiatives to encourage employee engagement and provide support while many employees were working remotely:

- The Working Families ERG hosted a virtual event for Take Our Daughters and Sons to Work Day.
- The Talent Forward ERG launched a leadership journey series featuring Bank leaders, who shared successes and challenges they have navigated in their careers. Talent Forward also developed an inclusive mentoring program, Career Forward, to empower college students in their transition from university to career.
- The African Heritage ERG continued to host courageous conversations for employees to share experiences about racism, empathy, and allyship. The ERG also hosted a virtual event for Black History Month.
- Our Freedom ERG hosted a virtual event with the first transgender state senator, Sarah McBride.
- In addition, all the ERGs and the Diversity Council collaborated on “care, share, and support” sessions for employees to connect about their experiences and challenges adapting and remaining productive in the new environment in which many employees are working remotely due to the continuing pandemic.
- Talent Management offers many opportunities for all employees to continue their education and development through programs such as Grow the Home Team. The program allows a diverse pool of employees to share their subject-matter expertise or develop their business acumen through short-term assignments and leadership-shadowing opportunities in different departments. Through this program, Talent Management recruited candidates for the Urban League of Philadelphia’s Urban Leadership Forum. Participants reported that this program gave them enhanced self-awareness and the opportunity to hear about the varied work experiences of professionals from other companies.
- In 2021, we continued to offer the Leaders Academy, our signature program for developing skills for people leaders. With approximately a 95 percent participation rate among people leaders, the program expanded in 2021 to include individual contributors. The content will be revised as needed to address the leadership needs of individual contributors and newly hired managers.
- Our Mentoring Program offers 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 continues to offer the Leadership Fellows Program for entry-level professionals, which offers exposure to a range of Bank departments through yearlong rotations. The program reached a milestone in 2021, as the first cohort completed the three-year program. To mark this achievement, the Bank held a



The pride flag hangs outside our building during Pride Month



virtual recognition ceremony with certificates for the six graduating fellows. Three of the fellows have transitioned into higher-level permanent positions within the Bank. The participants have reported that they appreciate the diverse learning experiences the program offers and how it has allowed them to broaden their understanding of the Bank's functions, strengthen their leadership capabilities, and build their professional networks.

- In an effort to build greater collaboration among functional managers, Talent Management partnered with Bank managers to conceive and launch the Philadelphia Fed's Managers'

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*The Bank offered resources to employees focusing on skills and techniques to work productively from home and to manage their stress levels.*

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Networking Community. The group meets quarterly to network and share best practices and discuss issues of interest to people leaders.

- To continue to address the challenges of remote work and stress from the pandemic, the Bank offered resources to employees focusing on skills and techniques to work productively from home and to manage their stress levels. The Bank shared videos and brief articles, and offered virtual learning experiences, including drop-in calls, and peer-to-peer

interaction. Topics included the challenges of balancing work and home life and child and elder care. The Bank also provided leadership with information and resources to support employees' physical and mental well-being and created a forum for leaders to share tips and techniques to maintain employee accountability for performance, engagement, and teamwork.

- Talent Management is in the development phase for a new apprenticeship program to build on-ramps into employment at the Bank while supporting the Bank's strategic goals of economic mobility, DEI, and the Federal Reserve System's TalentNext program, which develops talent among our IT workers. The apprentice program will initially provide three entry-level positions in 2022 within IT for recent high school graduates or individuals with GEDs from underrepresented communities within the Third Federal Reserve District. The design of the apprenticeship program will allow us to expand it to other business lines within the Bank or to other Federal Reserve Districts, allowing the Bank and Federal Reserve System to have a greater impact on equity, opportunity, and economic mobility in our communities.
- The Bank continued to enroll 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. Held external community outreach and events**

- The Office of Diversity, Equity, and Inclusion hosted our 10th annual industry forum. Held virtually for the first time, the event drew a record number of attendees. Lily Zheng, coauthor of *The Ethical Sellout* and *Gender Ambiguity in the Workplace*, provided the keynote and led a panel discussion with prominent DEI leaders, including Dijuana C. Beamon of People's United Bank,







Juan Otero of Comcast Corporation, Tyrone Stoudemire of Hyatt Hotels Corporation, and Isaias Zamarripa of Bristol Myers Squibb. With a theme of “What’s Equity Got to Do with It?,” the forum focused on how workplaces must take necessary steps to enhance DEI strategies that promote and advance equity and lead to meaningful results and sustainable change.

- The Bank continues to partner with Cristo Rey Philadelphia High School, a private majority-minority inner-city high school, on its highly regarded work–study program. The Bank sponsored nine students during the 2021–2022 school year. The program helps students develop valuable professional skills and exposes them to future career opportunities within the Bank.

#### 4. Assessed and measured activities that promote the retention and engagement of all employees

- The Office of DEI submits qualitative and quantitative demographic information on employee life cycle dimensions and feedback mechanisms in a quarterly headline report to the Bank’s risk management committee and Human Resources leadership.
- In 2021, the Office of DEI piloted an initiative to elevate the awareness and importance of equitable representation in the workforce. This initiative will expand Bank-wide in 2022.
- The Bank has continued the use of employee feedback mechanisms to increase retention and gain insights into the employee experience. New employees receive surveys at their six-month and one-year marks. Departing employees receive an exit survey and their supervisor receives a regrettable loss survey. The 2021 data indicate that employees are satisfied with the people at the Bank, the work, our mission, professional development offerings, work–life balance, and flexible scheduling and feel that the Bank is a supportive environment. Opportunities for improvement include virtual networking and relationship building, diversified career and

development opportunities, timely feedback from management, and the Bank’s openness to new approaches and its hierarchical structure.

- Listening sessions and “courageous conversations” sessions held with employees about systemic racial issues are a part of the learning journey that continue to provide insights and understanding on the employee experience for communities of color. The Office of DEI summarized feedback from these sessions and acted upon the recommendations for transparency in our workforce demographics across job groups, data on promotions, and a pay equity analysis across gender and ethnicity. The Office of DEI published an inaugural *Year in Review* that communicated about our structure, mission, and vision; the Bank’s workforce representation and demographic data on the employee life cycle; our accomplishments with respect to DEI; and what employees can expect to see in the future regarding our Bank’s ongoing DEI journey.
- To help determine the extent to which our policies and practices support the needs of



Lily Zheng, diversity consultant and author, provided the keynote for our DEI forum

LGBTQ+ employees, the Bank continues to participate in the Human Rights Campaign Foundation’s Corporate Equality Index. Although this is our third time receiving 100 percent, our aim is to continuously improve in our commitment by modifying our policies to become a “Best Place to Work” for the LGBTQ+ community.

## Challenges

The Bank’s diversity, equity, and inclusion efforts still face some challenges:

- Networks for recruiting underrepresented 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 people-leader level, narrows opportunities in advancement for all employees, including women and people of color.
- There are gaps in the trending data on female representation.

## Next Steps

To address these challenges, the Bank will:

- continue to provide transparency around workforce data and other information on hiring, representation, and promotions;
- seek to tap into the talent pool of women and people of color who left the workforce during the pandemic;
- monitor Datapeople to ensure our recruitment processes are effectively reaching a diverse talent pool;
- partner with the Strategic Communications and Digital Engagement Department to increase promotion of career opportunities within the Bank and the Federal Reserve System on our website and social media platforms;
- bolster our online presence to recruit people of color and women;
- strengthen relationships with HBCU leaders, administrators, faculty, and students; and
- think differently about how we can attract and recruit entry-level and underrepresented groups.

# Minority- and Women-Owned Business Inclusion

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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 (NPO), which manages and facilitates contracts that may be used by any Reserve Bank, provides additional support. Our Procurement staff follows System-accepted standards. We are 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: **\$70.48 million** in 2021 (Appendix C)

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

- Total diverse spend: **\$5.02 million, 7.1 percent<sup>4</sup>**
- MBEs: **\$3.04 million, 4.3 percent**
- WBEs: **\$3.58 million, 5.1 percent**

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<sup>4</sup> 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 225 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 supplier outreach 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. The team presented these vendor alternatives to individual departments for future consideration.
- The Bank invited 16 new diverse suppliers to participate in the bidding process in 2021.

**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 annual staff training.

**3. 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 Eastern Minority Supplier Development Council (EMSDC) and Women's Business Enterprise Center (WBEC) national conferences.

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*Procurement engaged in supplier outreach and held virtual calls with our business lines to introduce new diverse vendors for their upcoming projects.*

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- Procurement partnered with the Federal Reserve Banks of Atlanta and Richmond and held a joint virtual supplier summit with over 75 vendors in attendance. Upcoming sourcing projects were identified and vendors in those categories were invited to breakout matchmaking sessions.
- 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.
- New vendors have been identified to handle the Bank's larger facilities projects and this past year have started to complete smaller jobs that were extremely successful.

## Challenges

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

- 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 fewer number of suppliers with large-scale capabilities

- 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 work group 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

## 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
- Host an internal Supplier Diversity Campaign to continue to spread awareness
- Partner with the Federal Reserve Banks of Atlanta and Richmond for our second Annual Supplier Diversity event
- Maintain and enhance the practice of educating vendors on how to do business with the Bank. We have a Doing Business with the Federal Reserve Bank event scheduled for June 21, 2022, with the Women's Business Enterprise National Council.



Philadelphia Fed Assistant OMWI Director Rebecca Robinson (left) and Nancy Bonner, procurement and vendor relations manager (right)



# Financial Literacy Activities

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The Bank remains strongly committed to advancing young people's knowledge of personal finance and economics. Our 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. 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

- In light of the ongoing pandemic, the Bank's economic educators continued to offer Keys to Financial Success training online to high school teachers. In 2021, the team refined the mostly asynchronous online Keys training program for teachers and developed a new refresher training for retooling existing Keys teachers with the revised curriculum and online resources.
- The Bank presented a special winter/spring offering of the Keys monthlong training in March 2021. Teachers from six OMWI schools participated in the training. These OMWI teachers earned a total of 180 professional development hours and will reach an estimated 450 students annually.
- During the annual monthlong training in July 2021, the Bank trained teachers representing 11 OMWI schools to teach the Keys course. These OMWI teachers earned a total of 390



professional development hours and will reach an estimated 975 students annually.

- In summer 2021, the Bank also offered its first two-week, mostly asynchronous refresher training for existing Keys teachers. Teachers from 11 OMWI schools participated in the training. These OMWI teachers earned a total of 210 professional development hours and reach an estimated 1,050 students annually.
- Our Economic Education team continued to provide support to teachers from hundreds of schools, many which are OMWI schools, in the Keys program. We did this through ongoing consultation and professional development offerings.
- Throughout the pandemic, the Bank has offered online professional development opportunities on a number of personal finance and economics topics. These courses often draw OMWI teachers. For instance, 12 OMWI teachers attended our multi-evening webinar series, *Entrepreneurship and You*.
- As in previous years, the Bank marketed its financial literacy professional development offerings extensively through email blasts to OMWI teachers, administrators, and schools.
- Throughout 2021, our Economic Education staff continued work on designing a museum installation to replace our existing *Money in Motion* exhibit. Once completed, the updated, interactive exhibit will increase our capacity to deliver personal financial and economic education to school groups from Philadelphia and surrounding areas.
- The Bank's economic educators, 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 up to 30 teachers from those districts beginning in summer 2022 and result in them teaching an estimated 2,250 students annually.

## Challenges

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

- The pandemic continued to represent the most significant current challenge to school-based personal financial education. With schools, educators, and students all under considerable stress, personal financial education is very likely receiving less emphasis than it did before the pandemic.
- Teachers are consistently reporting significant difficulties in their classrooms and schools due to the ongoing pandemic. Those challenges leave them often too exhausted to pursue professional development outside school hours.
- It remains uncertain when the pandemic will be over or when in-person professional development offerings will once again be possible at the Bank. This continues to make planning future programs difficult.

## Next Steps

Efforts to overcome these challenges include:

- Our Economic Education team is planning a summer 2022 Keys teacher training, which will combine three days of training at the Bank coupled with asynchronous online training. This approach couples our pre-pandemic, in-person best practices with our successes delivering online teacher training during the pandemic.
- In 2022, we will conclude the design phase and start production and construction of the Bank's reimagined public exhibit.

# Commitment

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While 2021 brought lingering uncertainties, we kept moving forward toward our diversity, equity, and inclusion goals, more determined than ever in our commitment to the communities of the Third District and the nation. As the economy began its long road to recovery from the pandemic, we turned our attention to research and outreach focusing on ways to ensure a more equitable economy. With the national tragedies and widespread unrest of 2020 behind us but in no way resolved, we moved forward with renewed energy and dedication in our efforts to ensure that all in our District have access to economic opportunity.



Senior Vice President  
and OMWI Director  
Mary Ann Hood

This report reflects the tangible actions we've taken to make progress toward achieving our objectives to diversify our workforce and supplier base, increase financial literacy in the Third District, and ensure inclusion, both in our workplace and externally. For us, these efforts are about more than meeting the requirements under Section 342 of the Dodd–Frank Act. They are essential to our mission.

During the year, our staff conducted research and developed tools to address barriers to opportunity and find pathways to building a more equitable economy. Our economic educators continued to train teachers in a virtual format and made strides toward launching an updated exhibit to serve local visitors and a program to increase financial literacy in specific majority-minority school districts across our nation. By partnering with our colleagues in the Federal Reserve System, we increased the number of women and minority vendors in our supplier pool that have the capacity to handle larger projects.

We pushed forward with an increased focus on developing skills and knowledge among our staff. Our virtual capabilities enabled employees to participate in online interactive unconscious bias training to better understand bias and how to mitigate it. As our Talent Acquisition team expanded the Bank's presence on diverse job board sites to attract a wider range of candidates, for the third year in a row we scored 100 percent on the Human Rights Campaign's Corporate Equality Index. We are proud that we continue to be a "Best Place to Work" for the LGBTQ+ community. The Bank also conducted a pay equity analysis that, we are pleased to report, found no systemic pay inequities due to race, ethnicity, or gender — and which will be included in our DEI strategy going forward.

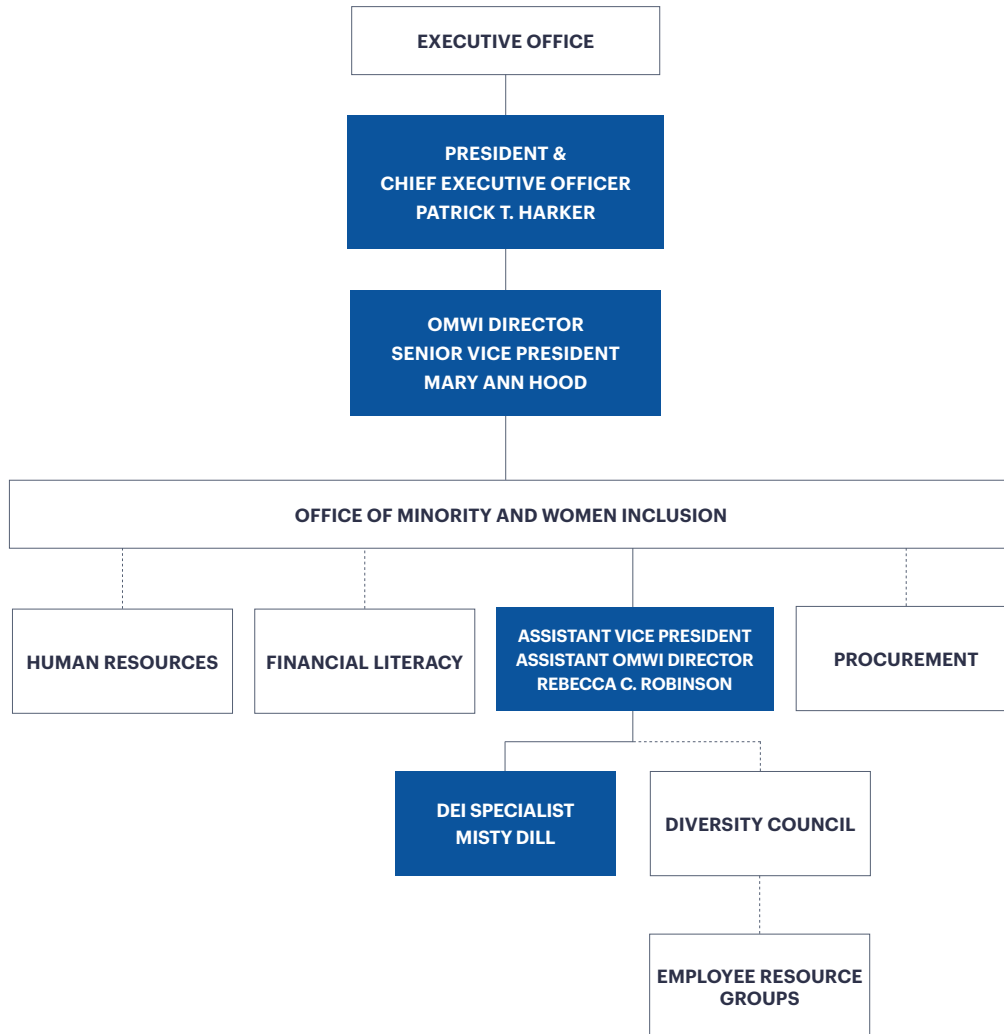
We navigated through unparalleled circumstances and made significant strides in achieving our goals in 2021. As we look ahead, we understand there will be challenges, but we are optimistic in our resolve to stay true to our mission and help our employees and the communities in the Third District thrive.





Alexander Calder's *White Cascade* in the Bank's atrium





## Appendix B

### Federal Reserve Bank of Philadelphia EEO-1 Consolidated Report by Number of Workforce as of December 31, 2021

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	0	0	0	4	3	0	0	0	0	16	1.8%
First/Midlevel Managers	5	2	89	18	0	12	0	0	52	11	0	3	0	1	193	22.2%
Professionals	18	13	194	23	0	58	0	6	124	47	0	34	1	1	519	59.7%
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	2.8%
Operatives	3	1	7	2	0	3	0	1	0	9	0	4	0	1	31	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	18	8	0	0	0	0	7	3	0	1	0	0	43	4.9%
<b>Total</b>	<b>33</b>	<b>22</b>	<b>342</b>	<b>53</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>7</b>	<b>207</b>	<b>85</b>	<b>0</b>	<b>42</b>	<b>1</b>	<b>3</b>	<b>869</b>	<b>100.0%</b>
<b>Total by %</b>	<b>3.8%</b>	<b>2.5%</b>	<b>39.4%</b>	<b>6.1%</b>	<b>0.0%</b>	<b>8.5%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>23.8%</b>	<b>9.8%</b>	<b>0.0%</b>	<b>4.8%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>100.0%</b>	
<b>Previous Year</b>	<b>34</b>	<b>22</b>	<b>351</b>	<b>51</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>6</b>	<b>217</b>	<b>81</b>	<b>0</b>	<b>42</b>	<b>1</b>	<b>3</b>	<b>879</b>	
	<b>3.9%</b>	<b>2.5%</b>	<b>39.9%</b>	<b>5.8%</b>	<b>0.0%</b>	<b>8.1%</b>	<b>0.0%</b>	<b>0.7%</b>	<b>24.7%</b>	<b>9.2%</b>	<b>0.0%</b>	<b>4.8%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>100%</b>	



## Appendix C

### Core Metrics Table

Category	Description	Measure	2015	2016	2017	2018	2019	2020	2021
Workforce Diversity	Senior Executives	Total #	10	11	14	14	16	17	16
		% Minorities	10%	18%	29%	29%	25%	24%	19%
		% Women	50%	46%	43%	43%	44%	41%	44%
	Midlevel Managers	Total #	176	167	160	205	182	190	193
		% Minorities	23%	22%	21%	26%	26%	27%	27%
		% Women	37%	37%	39%	35%	36%	36%	36%
	Professionals	Total #	433	467	471	495	520	527	519
		% Minorities	40%	39%	39%	37%	37%	37%	39%
		% Women	40%	40%	41%	42%	39%	43%	42%
	Total External Hires	Total #	84	112	56	86	61	52	58
		% Minorities	42%	47%	30%	24%	34%	42%	53%
		% Women	39%	44%	46%	45%	39%	50%	41%
	Total Interns	Total #	41	42	32	36	38	38	41
		% Minorities	41%	31%	34%	28%	34%	45%	49%
% Women		46%	36%	50%	44%	39%	45%	41%	
Overall Bank Turnover Rate	%	14.1%	8.7%	8.3%	9.3%	6.8%	3.4%	7.8%	
Supplier Diversity	Total Reportable Spend	\$( millions)	\$ 47.68	\$ 39.60	\$ 43.36	\$ 53.37	\$ 51.29	\$ 75.36	\$ 70.48
	Total Diverse Spend <sup>1</sup>	\$( millions)	\$ 12.11	\$ 9.79	\$ 6.81	\$ 6.78	\$ 7.03	\$ 8.25	\$ 5.02
		%	25.4%	24.7%	15.7%	12.7%	13.7%	11.0%	7.1%
	Minority-Owned <sup>2</sup>	\$( millions)	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95	\$ 3.85	\$ 4.87	\$ 3.04
		%	18.9%	21.4%	13.8%	7.4%	7.5%	6.5%	4.3%
	Minority-Owned (men)	\$( millions)	\$ 8.99	\$ 8.47	\$ 5.99	\$ 3.95	\$ 1.96	\$ 2.72	\$ 1.44
		%	18.9%	21.4%	13.8%	7.4%	3.8%	3.6%	2.0%
	Minority-Owned (women)	\$( millions)	\$-	\$-	\$-	\$-	\$ 1.90	\$ 2.15	\$ 1.60
		%	0.0%	0.0%	0.0%	0.0%	3.7%	2.8%	2.3%
	Women-Owned <sup>2</sup>	\$( millions)	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83	\$ 5.08	\$ 5.53	\$ 3.58
		%	6.5%	3.3%	1.9%	5.3%	9.9%	7.3%	5.1%
	Women-Owned (nonminority)	\$( millions)	\$ 3.12	\$ 1.32	\$ 0.82	\$ 2.83	\$ 3.18	\$ 3.39	\$ 1.98
%		6.5%	3.3%	1.9%	5.3%	6.2%	4.5%	2.8%	
Women-Owned (minority)	\$( millions)	\$-	\$-	\$-	\$-	\$ 1.90	\$ 2.15	\$ 1.60	
	%	0.0%	0.0%	0.0%	0.0%	3.7%	2.8%	2.3%	

<sup>1</sup>Total Diverse Spend = Minority-Owned (women) + Minority-Owned (men) + Women-Owned (nonminority).

<sup>2</sup>Women-Owned (minority) numbers are included in both Minority-Owned and Women-Owned totals.

## Appendix C

### Core Metrics Table (continued)

		2021
Financial Literacy <sup>1</sup>	Program Type	Teacher Centric
	Number of OMWI students reached in person and online <sup>2</sup>	93
	Number of OMWI educators reached in person and online <sup>3</sup>	63
	Number of OMWI students reached through educators <sup>4</sup>	4,725

<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.

<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.

## Appendix D

### Federal Reserve Bank of Philadelphia Directors as of January 1, 2022

Director Categories	Current Directors			Race/Ethnicity														
				Hispanic or Latino		Non-Hispanic or Latino												
						White		Black or African American		Asian		Native Hawaiian or other Pacific Islander		American Indian or Alaska Native		Two or More Races		
All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Reserve Bank Directors</b>																		
<b>Class A (Total Positions 3)</b>																		
By total	3	3	0	0	0	3	0	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%	0%
<b>Class B (Total Positions 3)</b>																		
By total	3	2	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0
By %	100%	67%	33%	0%	0%	33%	33%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Class C (Total Positions 3)</b>																		
By total	3	1	2	1	0	0	1	0	1	0	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%	0%
<b>Totals</b>																		
<b>All Reserve Bank Directors (Total Positions 9)</b>																		
By total	9	6	3	1	0	4	2	1	1	0	0	0	0	0	0	0	0	0
By %	100%	67%	33%	11%	0%	44%	22%	11%	11%	0%	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 2021 to terms that began on January 1, 2022, as well as directors who are currently serving in existing terms. Directors are given the option to self-identify their gender and race/ethnicity.

