



# 2022

OFFICE OF MINORITY  
& WOMEN INCLUSION





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.

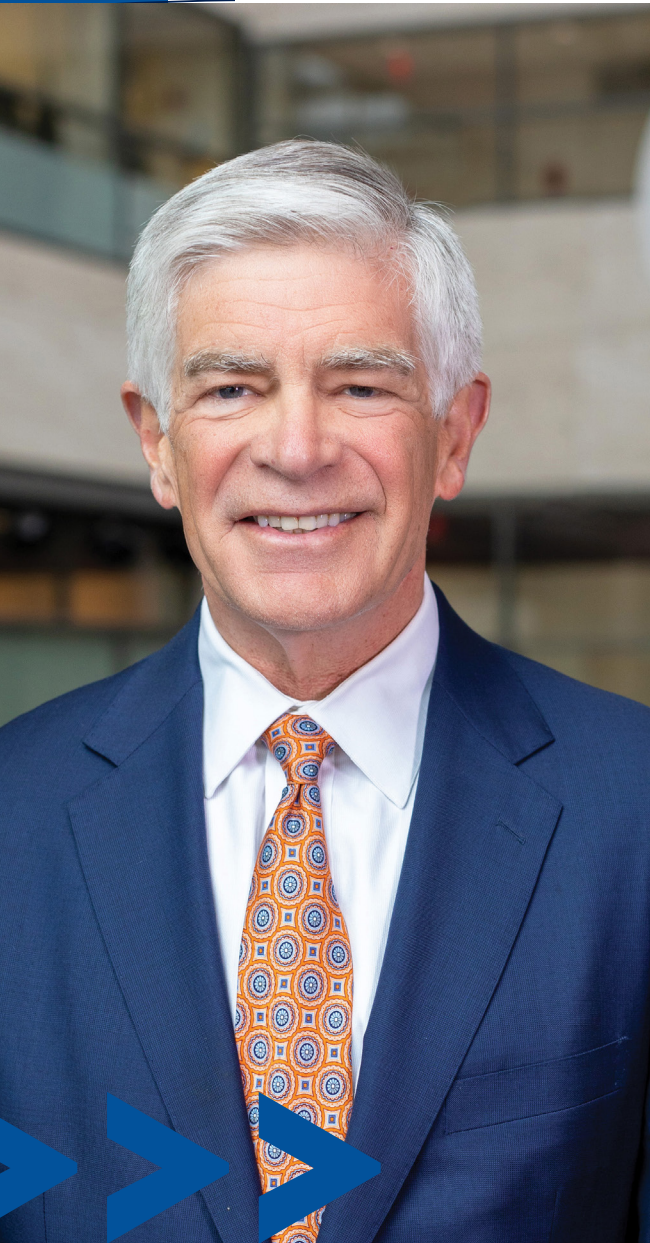


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# LETTER FROM THE PRESIDENT



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

At the Federal Reserve Bank of Philadelphia, we're committed to serving the people and communities of the Third District, which comprises Delaware, southern New Jersey, and eastern and central Pennsylvania. With a goal of fostering a thriving region and strong overall economy, we understand that the work of diversity, equity, and inclusion is something that applies both inside and outside our four walls.

We are dedicated to ensuring a diverse workforce that celebrates differences and gives everyone a fair chance. By doing this we hope to not only attract qualified candidates but also create a culture that empowers employees and strengthens how we do business.

As we transitioned from a predominantly remote workforce to a hybrid model for most of our staff in 2022, we seized the opportunity to engage employees with opportunities to feel connected and heard. We continue to improve transparency around career pathways and ensure pay equity. We launched the IT apprentice program to provide a ladder up for workers without a four-year degree.

Our supplier diversity program continues to make inroads, increasing our pool of diverse vendors and inviting new suppliers to participate in the bidding process. After pivoting to hold online programs for teachers during the pandemic, for the first time, our economic educators offered a completely asynchronous Keys to Financial Success — our flagship program that trains teachers to educate students about personal finance.

Through groundbreaking research, we strive to uncover disparities in how certain segments of our society experience the economy. We seek to build leadership skills among minority depository institutions, increase access to credit for small businesses, address childcare challenges for working families, and promote wealth building in communities of color and marginalized groups.

Diversity is often described as a “journey,” and we must never lose sight of that. The Philadelphia Fed is a source for sterling research and is committed to continuous learning and discovery. We know we have more steps ahead and remain steadfast in our mission to advance a strong U.S. economy in which everyone can participate.

Sincerely,

Patrick T. Harker

A handwritten signature in black ink, appearing to read 'Patrick T. Harker', written in a cursive style.



# EXECUTIVE SUMMARY

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

The Philadelphia Fed has had a formal diversity and inclusion initiative in place since 2007 and an even longer history of embracing these values. The Bank has processes and programs in place that promote workforce and supplier diversity and 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 employees 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 integral to the Bank's core values. We embrace them 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, 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 is committed to providing equitable opportunities through our efforts to recruit, hire, retain, develop, and promote our employees. The following are a few highlights of these activities during 2022:

- The Bank continued to equip every employee with the competence and confidence to contribute to a culture where employees are seen and valued as their authentic selves. Many employees served as leaders or participants in our employee resource groups and on our Diversity Council. All employees also completed unconscious bias training.
- We increased our representation of people of color: among senior executives, to 33 percent, and among midlevel managers, to 30 percent. We also increased female hires, to 45 percent. (See Appendix C.)
- The Bank employed 45 college students through our internship program, which provides practical and meaningful work experiences. There was an increase in female interns, to 51 percent.
- For the fourth consecutive year, we scored 100 percent in the Human Rights Campaign Foundation's Corporate Equality Index, earning the designation of a "Best Place to Work" for the LGBTQ+ community.

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

## 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 accomplishments from 2022:

- The Bank expanded our pool of diverse suppliers to over 300 vendors from just over 225 in 2021.
- Our Procurement team partnered with the Federal Reserve Banks of Atlanta and Richmond in a joint virtual supplier summit, which drew over 90 vendors. We identified upcoming sourcing projects and invited vendors in those categories to breakout matchmaking sessions.
- Nine new diverse suppliers were able to participate in the bidding process.

## 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, our Economic Education team:

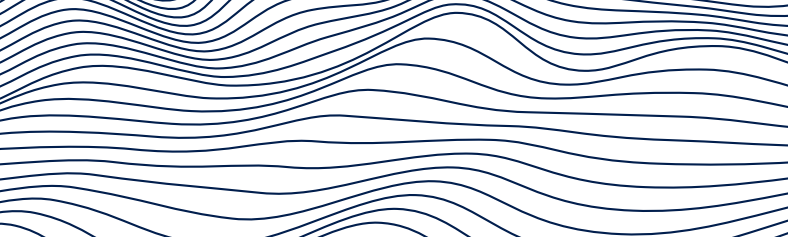
- offered its first completely asynchronous online Keys to Financial Success, our flagship professional development program that trains high school teachers to teach kids about personal finance.
- assisted the Washington State Financial Education Public–Private Partnership to bring the Keys curriculum to teachers in Washington State.
- 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.

Additional information, including successes and challenges the Bank experienced with regard to these goals during 2022 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, 2022, through December 31, 2022, 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.



Employees engage at the Coffee Connections Understanding Inflation event.





White Cascade, public art in the lobby of our building.



# 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 access to opportunity in underserved communities. Economic stresses imposed by the pandemic were particularly acute for people of color across our region. This year, CDRO focused on wealth building, small business, and workforce and, in particular, on issues of racial equity in these areas. The following are examples of key initiatives:

### 01 ADDRESSING THE RACIAL WEALTH GAP IN PHILADELPHIA

The Equitable Wealth Initiative addresses systemic barriers that prevent some communities and neighborhoods in

Philadelphia from building long-term wealth. For this two-year engagement launched in 2022, CDRO partnered with United Way of Greater Philadelphia and Southern New Jersey and diverse stakeholders to build relationships, share data and research, and understand the role narratives play in wealth-building policy and program design. The goal of the program is shifting the paradigm from one that focuses on income-based poverty alleviation and unequal outcomes in communities of color to one that centers on equity in the systems, institutions, and practices that support building generational wealth.

As part of this work, we will publish a report in 2023 on how Philadelphia communities experience wealth inequality. This will include a qualitative study designed to capture Philadelphia residents’ experiences with building wealth. The report will also design an action plan for future work in this space and create a network for sharing best practices, informing policy needs, and identifying resources and opportunities for wealth-building programs in Philadelphia.

### 02 EXPANDING ACCESS TO CREDIT FOR SMALL BUSINESSES OWNED BY PEOPLE OF COLOR IN NEW JERSEY

Our **Economic Growth & Mobility Project** team in CDRO worked closely with the New Jersey Economic Development Authority on a Research in Action Lab focused on the challenges facing small businesses owned by people of color and creating opportunities for public and private collaborations.

As part of the lab, CDRO released a survey report on recovery trends by race and ethnicity for 1,350 New Jersey small employer firms (those with at least one and fewer than 500 employees). The survey found that New Jersey small businesses made progress in 2021, but most had not yet recovered to levels they saw before the pandemic. The report also showed that firms owned by people of color lag their White counterparts across most financial metrics.

The lab culminated with an event in Trenton, NJ, that allowed community and Bank leaders to learn how small businesses in the area fared during the pandemic and about barriers that stand in the way of a full recovery. A tour of local businesses and a community roundtable gave small business owners a way to elevate their experiences and speak to potential solutions.



### 03

#### WORKING DIRECTLY WITH COMMUNITIES TO STRENGTHEN LOCAL LABOR MARKETS

CDRO continued to lead national racial equity capacity building through its signature Reinventing Our Communities Cohort Program. This yearlong training aims to expand economic opportunity through strategies to achieve racial equity and more inclusive regional economies.

In 2022, we launched the third cohort, focused on workforce development and addressing structural barriers to the labor market. The cohorts engaged in equity-focused training and peer-to-peer learning and are currently receiving support to integrate their equity frameworks into workforce development plans.

We also partnered with seven Federal Reserve Banks to expand the program to cohorts in 11 communities: Boone County, Missouri (St. Louis Fed); Chattanooga, Tennessee (Atlanta Fed); East Hartford, Connecticut (Boston Fed); Greater Ohio and Erie County, Pennsylvania (Cleveland Fed); Gloucester County in New Jersey, Sussex and Kent Counties in Delaware, and York County in Pennsylvania (Philadelphia Fed); northeastern Oklahoma (Kansas City Fed); southwestern Minnesota (Minneapolis Fed); and Yolo County, California (San Francisco Fed).



Markita Morris-Louis, CEO of Compass Working Capital, at the Equitable Wealth Symposium.

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

The Bank manages the Federal Reserve's 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 Bank supported MDIs through the following activities during 2022:

- With the Federal Reserve System, cosponsored the seventh annual Banking and the Economy: A Forum for Minorities in Banking. The forum is a national program that provides minority bank leaders industry knowledge and professional development. Held in a hybrid format at the Federal Reserve Bank of Atlanta on September 27–28, the forum attracted over 250 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. This included hosting four virtual listening sessions with MDIs and community development financial institutions.

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

These publications can be helpful to community banks, including MDIs, because they explain complex requirements and supervisory expectations and share sound practices. Each of these newsletters published several articles in 2022 on community development financial institutions, special purpose credit programs, the Federal Reserve's supervision program for state member banks, and considerations for banks partnering with fintech firms.

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 (RADAR)** 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. (1) 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 these data. (2) 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. (3) The Retail Modeling and Research Group 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 Federal Reserve Stress Tests for retail portfolios. (4) The Financial Monitoring Group conducts ongoing risk analysis on the banks that participate in the Stress Test Program.

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)**. Regional Reserve Banks use the CMS 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 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.”

# THE OFFICE OF MINORITY AND WOMEN INCLUSION

The director of the Bank's OMWI (Appendix A) was Mary Ann Hood, who served in this capacity in addition to her role as senior vice president of Human Resources and Equal Employment Opportunity (EEO) officer. She was also actively involved in the Federal Reserve System's Council of OMWI Directors. She retired in 2022 after a distinguished 40-year career with the Federal Reserve. Kelly Jones transitioned into the role in December. Rebecca Robinson, assistant OMWI director, vice president of diversity, equity, and inclusion (DEI), and chief diversity officer (CDO), and Misty Dill, DEI specialist, contribute to this effort. At the end of 2022, the Office of Diversity, Equity, and Inclusion (ODEI) expanded the team to include an additional DEI specialist, Roderick Rogers.

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. Housed in the formally named Office of Diversity, Equity, and Inclusion, our OMWI 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 and inclusion initiatives as essential priorities. 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 strategy: (1) the Diversity Advisory Group; (2) the Diversity Council, a group of employees that plans events and activities to promote ongoing, substantive messaging across the organization about DEI and participates in the formulation of strategies in support of related goals and objectives; and (3) employee resource groups, formed by employees with shared characteristics or professional interests but open to all, which serve as channels for collaboration and professional development.



**Kelly Jones**

*Senior Vice President of Human Resources  
OMWI Director*



**Rebecca Robinson**

*Vice President of DEI and CDO  
Assistant OMWI Director*



**Misty Dill**

*DEI Specialist*



**Roderick Rogers**

*DEI Specialist*





# GEOGRAPHY COVERED

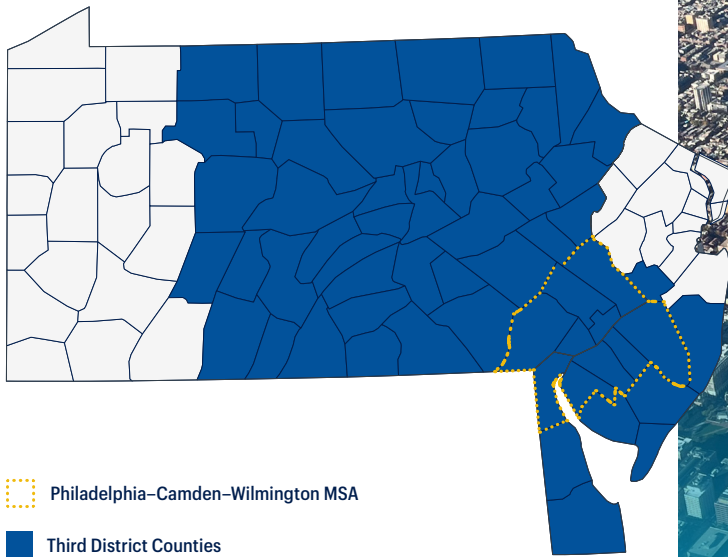
The Bank serves the Third Federal Reserve District — the smallest District by land area in the Federal Reserve System. Compared with other Districts, the population is one of the smaller, slower-growing populations and is slightly less diverse than the U.S. as a whole.

## Total Population

The Third District, which comprises eastern Pennsylvania, southern New Jersey, and all of Delaware (Figure 1), has a population of more than 13.6 million, according to the U.S. Census Bureau’s 2021 County Population Estimates data set. The distribution of that population per state is as follows:

- Delaware: more than 1 million people in three counties
- Southern New Jersey: more than 2.9 million people (or about 31 percent of the state’s population) in nine counties
- Eastern two-thirds of Pennsylvania: nearly 9.7 million people (or roughly 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 6.2 million people, the Philadelphia MSA accounts for nearly 46 percent of the Third District’s population.

From 2020 to 2021, the District’s population grew 0.1 percent, somewhat slower than 0.3 percent growth for the nation.<sup>2</sup> Delaware has grown faster, at over 1 percent, while New Jersey and Pennsylvania’s populations declined 0.2 percent and 0.3 percent, respectively. In the portions of the states within the Third District, population grew 0.5 percent in New Jersey but declined 0.2 percent in Pennsylvania. The Philadelphia MSA population also declined 0.3 percent during the same period.



The Philadelphia metropolitan statistical area is the largest in the Third District.

<sup>2</sup> In the preceding decade, from 2010 through 2019, the District population grew more than 4 percent, slower than that of the nation, which grew 7 percent.

## Racial Diversity

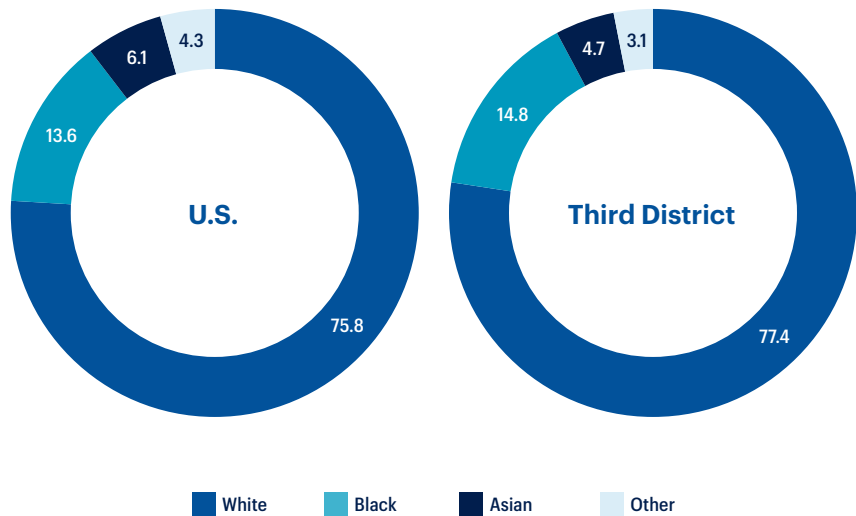
Despite the significant degree of urbanization within the Third District, overall racial diversity is in line with, although slightly trailing, that of the nation. Based on 2021 census estimates, 24 percent of the nation’s population identified themselves as a race other than White or selected a combination of races. Within the District, more than 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).

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 (14 percent) and a similar but slightly larger share of Asian population (7 percent). The Philadelphia MSA also has smaller shares of White (68 percent) and Other (3 percent) populations than the nation (76 percent and 4 percent, respectively).

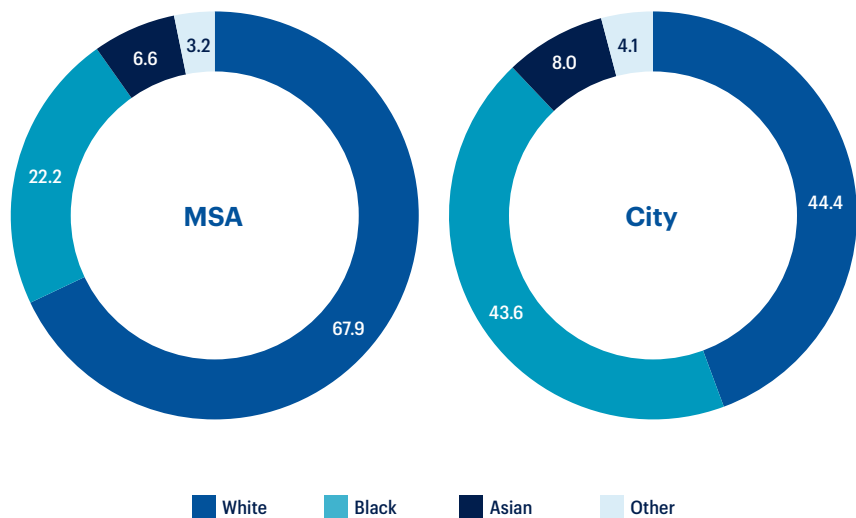
In the city of Philadelphia alone, there are larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage roughly doubles for the Black or African American population in the city compared with that of the MSA, whereas the city’s percentage of White population is lower by more than 23 percentage points (Figure 3).

**FIGURE 2. 2021 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, 2020, to July 1, 2021

**FIGURE 3. 2021 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, 2020, to July 1, 2021

The Hispanic population has been a key driver of population growth for the nation and the Third District. The Third District and the city of Philadelphia have experienced faster growth in their Hispanic populations compared with the nation overall from 2010 to 2021. 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

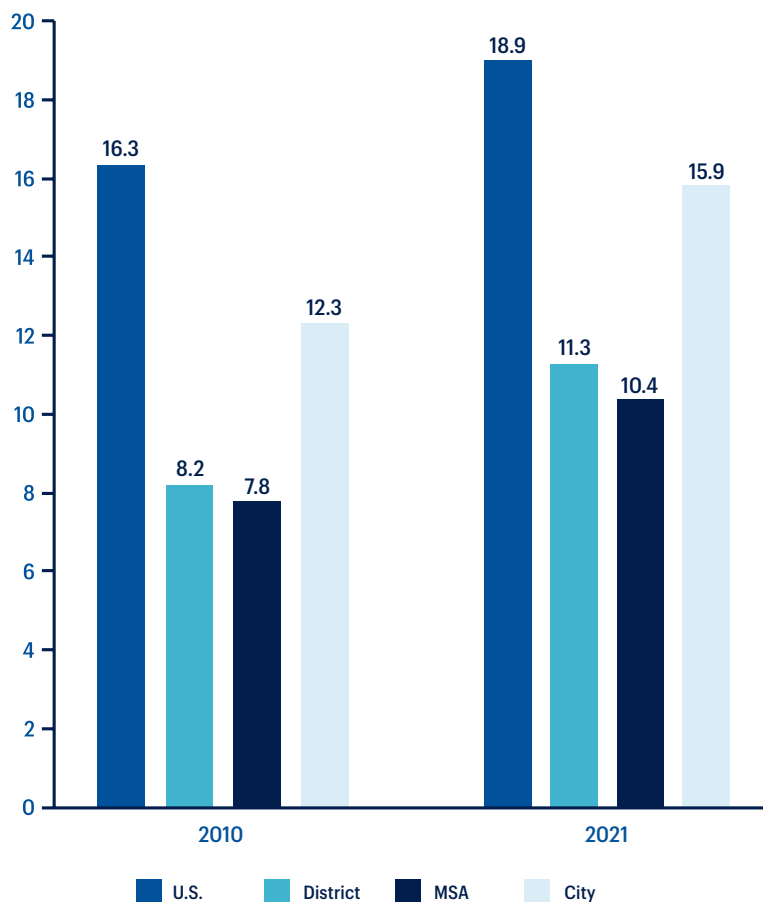
The national and local labor markets continued to recover — and in some cases more than fully recovered — following the initial severe impacts of the ongoing COVID-19 pandemic.

As of December 2022, both the nation and New Jersey had more than recovered the payroll jobs lost at the initial outbreak of the pandemic: The national payroll employment level, which surpassed February 2020 levels in July 2022, sits more than 1 million jobs (or 0.7 percent) higher than pre-pandemic payroll employment. Payroll employment in New Jersey fully recovered by August 2022 and was up 0.8 percent (36,000 jobs) relative to pre-pandemic levels. The remaining Third District states and the Philadelphia MSA have nearly recovered: Relative to pre-pandemic levels, payroll employment remains down by 1 percent in Delaware (representing roughly 6,000 jobs) and Pennsylvania (73,000 jobs), and 0.3 percent in the Philadelphia MSA (8,000 jobs).

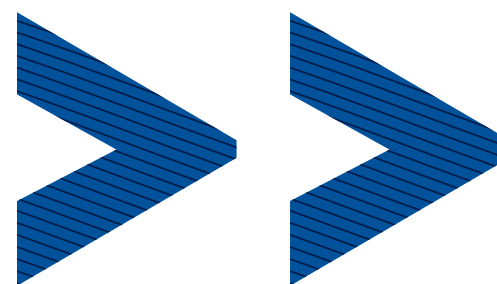
Unemployment — which had recorded historically high rates following the initial outbreak of the pandemic in the spring of 2020 — continued to decline in the nation and the Third District states throughout most of 2022, stabilizing at low rates by the end of the year. Unemployment rates have fallen 0.4 percentage point for Delaware, 1.7 percentage points for New Jersey, and 1.6 percentage points for Pennsylvania from December 2021 to December 2022, compared with 0.4 percentage point for the nation. With the exception of Delaware, where the unemployment rate remains 0.7 percentage point above its 2019 average, unemployment rates have returned to or fallen below pre-pandemic levels: Rates are roughly the same in New Jersey, down 0.2 percentage point for the nation, and down 0.6 percentage point in Pennsylvania relative to their respective 2019 averages.

**FIGURE 4. 2021 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, 2020, to July 1, 2021.





## Industry Composition

The industry composition of the three states in the Third District roughly mirrors that of the nation (Figure 5). Based on 2022 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 (19 percent) and a share of employment that was at least 1 percentage point lower than the nation's share in construction, natural resources, and mining (4 percent), leisure and hospitality services

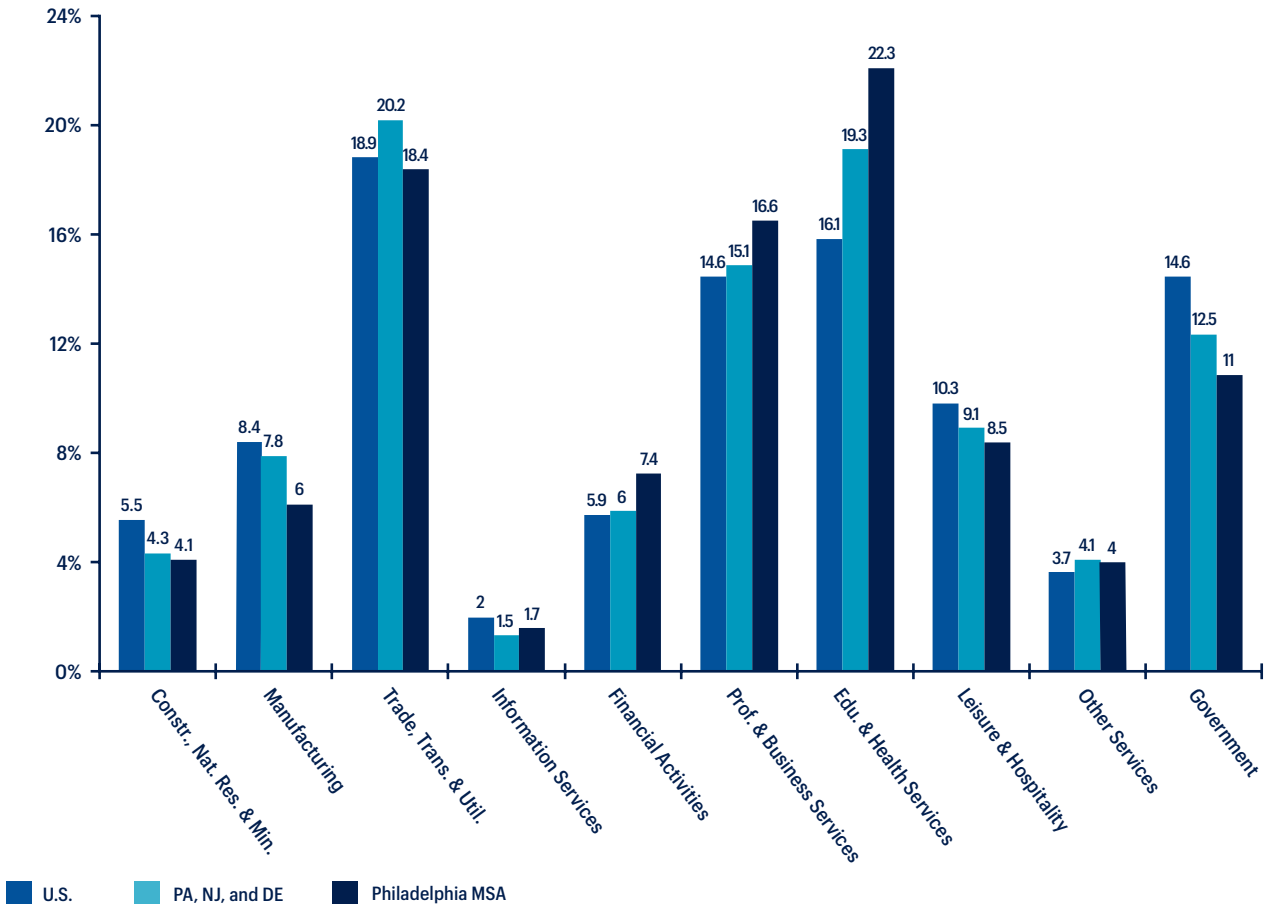
(9 percent), and government (13 percent). The Philadelphia MSA has higher concentrations of employment in higher-paying industries like education and health services (22 percent), professional and business services (17 percent), and financial activities (7 percent) than the nation, and lower concentrations of employment in manufacturing (6 percent), leisure and hospitality (9 percent), and government (11 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 2021 American Community Survey (ACS) 1-Year Estimates, compared with national rates, greater percentages of males, females, and most minorities in the Philadelphia MSA earn bachelor's degrees or higher. However, for Black or African American females, the rate of educational attainment in the Philadelphia MSA was below the national rate.

In 2021, the share of females with bachelor's degrees or higher exceeded the share of males with those degrees by more than 2.1 percentage points for the U.S. overall and by 1.5 percentage points in the Philadelphia MSA. Patterns of educational attainment

FIGURE 5. Employment Shares by Industry, 2022



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

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).

**TABLE 1**

Bachelor's, Graduate, and Professional Degree Attainment for Population 25 Years and Older, Philadelphia MSA		
Race/Ethnicity	Males	Females
Total	41.1	42.7
White	47.0	48.3
Black or African American	22.4	26.4
Asian	62.4	57.3
Hispanic or Latino	20.0	25.5

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

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 2021 ACS estimates, the labor force participation rate of those with bachelor's degrees or higher in the Philadelphia MSA exceeded the participation rate of those with less

than a high school diploma by 30 percentage points (89 percent versus 59 percent). The unemployment rate for those with a bachelor's degree or higher was 3.7 percent, much lower than the unemployment rate for those with less than a high school diploma (12.8 percent).

Labor force participation and unemployment rates also vary by sex and race. On average, in 2021, 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 — 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 62 percent for the Black or African American population to almost 67 percent for the Asian and Hispanic populations (Table 3).

According to the 2021 ACS estimates for the Philadelphia MSA, the average annual unemployment rate for the population aged 20 to 64 years was 6.8 percent. The unemployment rate for males (7.1 percent) exceeded the rate for females (6.6 percent) (Table 4). Unemployment rates for the population aged 16 years and older ranged from 5.7 percent for the White and Asian populations to 11.9 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	79.9
Male	83.0
Female	76.9

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

**TABLE 4**

Unemployment Rates by Sex, 20 to 64 Years Old, Philadelphia MSA	
	Percent
Total	6.8
Male	7.1
Female	6.6

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

**TABLE 3**

Labor Force Participation Rates by Race, 16 Years and Older, Philadelphia MSA	
	Percent
Total	65.4
White	65.8
Black or African American	62.0
Asian	66.8
Hispanic or Latino	66.7

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

**TABLE 5**

Unemployment Rates by Race, 16 Years and Older, Philadelphia MSA	
	Percent
Total	7.4
White	5.7
Black or African American	11.9
Asian	5.7
Hispanic or Latino	9.9

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates

# MINORITY AND WOMEN EMPLOYMENT

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 2022. The following details the successes and challenges in this area.

## Successes

### 01

#### 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 Advisory Group on the status of DEI initiatives, actions, and outcomes. The OMWI team provides annual progress reports to the Bank's board of directors' Management and Budget Committee regarding diversity, equity, and inclusion 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 our commitment to DEI. Our intranet offers a section titled Crossing the Bridge to Antiracism, Empathy, and Allyship, which provides resources and tools to aid 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.
- As part of our efforts to integrate equity into our strategy, the ODEI developed a toolkit for leaders, Keys to Equity, that provides methods to remove barriers and ensure access in all aspects of the employee pipeline. The toolkit outlines why DEI is a strategic imperative, the impact of workforce representation, and actions leaders can take at

each point of the life cycle to ensure all employees experience equitable treatment and belonging.

- The ODEI launched an inaugural Diversity, Equity, and Inclusion Champion Award, which recognizes an employee who has made outstanding contributions to advancing DEI at the Bank and in Third District communities. Award criteria include actively promoting and raising awareness about the importance of DEI, advocating and championing ERGs, and embracing a workplace culture that is supportive of differences.
- The ODEI published the second *Year in Review* for employees. This report communicates 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 in the future regarding our Bank's ongoing DEI journey. This year, we added a section, "Actions That Create Impact," which emphasizes how no one person can create a culture of inclusion and belonging; it requires all of us working together to drive sustainable change.
- In addition to the report, we have begun recognizing employee promotions through internal communications channels. Sharing this information internally recognizes and celebrates our employees' accomplishments and provides greater transparency in how we are promoting and driving an inclusive and equitable workplace culture through professional development and advancement opportunities.

### 02

#### 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 to optimize job descriptions and increase the appeal to qualified job seekers by removing biased wording.
  - We also added language to all job postings to be more inclusive and welcoming to applicants with disabilities and promote our Abilities ERG.
  - To increase our exposure to diverse audiences and build our reputation as an employer of choice, the Bank advertises career opportunities in a variety of ways, including cross-postings to over 120 diversity websites, historically black colleges and universities (HBCUs), and military websites such as RecruitMilitary.com.



- » eQuest is a third-party aggregator tool that we use to push postings to various job boards aimed at Black, American Indian, Asian, and Hispanic candidates; people with disabilities; older workers; veterans; women; and the LGBTQ+ community.
- » We also advertise in the *Equal Opportunity Employment Journal* and *Equality Magazine*. The latter publishes our openings in *The Black Perspective*, *Hispanic-Today*, *Women in Business & Industry*, and *Veterans Enterprise*.
- » In 2022, the Bank entered into contracts with Fairygodboss.com (female candidates), Prospanica.org (Hispanic candidates), and Professional Diversity Network (individuals with disabilities, women, people of color, veterans, and other under-represented groups). These supplement our existing contracts with CircaWorks.com (formerly LocalJobNetwork) and DiversityJobs.com.
- » During 2022 we also participated in the ROMBA career fair, which focuses on LGBTQ+ MBA students and graduates.
- » At the national level, the Federal Reserve System advertises in numerous diversity-oriented publications.
- » The Bank continues to amplify our presence on social media and promote career opportunities on LinkedIn. We are developing a process for posting hard-to-fill and high-priority job openings on the Bank's LinkedIn, Facebook, and Twitter feeds.
- » Talent Acquisition advertised our 2022 summer internships and Leadership Fellows Program openings on Handshake, HBCUconnect.com, and the *EOE Journal*. We also highlighted these programs on social media.
- » Talent Acquisition partnered with Talent Management, our Information Technology Services Department, and the workforce development organization JEVS to hire three IT apprentices to allow local workers without a four-year degree access to meaningful employment opportunities. The 18-month state-approved apprentice program will allow these individuals to be considered for full-time employment upon completion.
- » The manager of Talent Acquisition and the vice president of DEI meet biweekly to ensure alignment on DEI recruitment initiatives and discuss partnership opportunities for improvement.
- » Talent Acquisition further refined a guide that hiring managers use for all open positions to ensure diversity in the hiring process. The guide provides information on processes such as posting open positions to diverse sourcing locations, incorporating candidate interview questions on diversity, and creating diverse interview panels. One key update was the addition of guidance on overcoming bias in the interview process.
- » 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.
- » 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.
- » We increased our representation of people of color among senior executives to 33 percent and among midlevel managers to 30 percent, and our female hires to 45 percent. (See Appendix C.)
- » The Bank employed 45 college students through our internship program, which provides practical and meaningful work experiences. There was an increase of female interns, to 51 percent.

**“We increased our representation of people of color among senior executives to 33 percent and among midlevel managers to 30 percent.”**

➤ **Retention and Development**

- » Mitigating bias and understanding its impact and providing tools to examine our behaviors are a part of our ongoing learning curriculum and a key element in our DEI strategy. The launch of our Bank-wide mandatory unconscious bias training in 2021 was a great starting point for engaging in this work. In a survey, 97 percent of employees said they found the sessions valuable.
- » The unconscious bias learning journey continued in 2022, with a five-week program that included weekly emails and access to FranklinCovey's eLearning portal. The unconscious bias course became an onboarding learning requirement for all new hires in 2022. The course learning objectives will continue to focus on the skills 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 choose courage to make real change on issues of DEI. The outcomes will ensure all employees are aware of the components of a workplace culture of inclusion and strong sense of belonging.
- » Modeling inclusive behaviors requires that all employees, not just leaders, have the ability to steer their DEI learning journey through participation in the education sessions championed by the Diversity Council or one of our employee resource

groups. Allowing all employees to take ownership of inclusionary practices is part of our cultural mindset and the way we do business. The Bank has a dynamically engaged ERG community, each with its own executive sponsor who provides coaching and guidance to the group, while being a DEI champion, advocate, and ally. 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 led a culture of inclusion through the following:

- » We launched our eighth ERG, the Abilities ERG, which focuses on visible and invisible disabilities. The ERG hosted an accessibility innovation challenge, an accessible communication workshop, and a hybrid conversation featuring Special Olympics athlete and advocate Loretta Claiborne.
- » Our Women United ERG hosted a women's history month panel discussion on how research-based evidence of gender and racial bias in communities is vital to advancing equitable solutions. To support personal and professional development, the ERG held a networking event and a personal



Employees attend the Women United ERG's annual tea and coffee chat.





Talent Forward ERG members assemble backpack drive donations.



Employees participate in a Diwali crafting event.



The Women United ERG held a menstrual product drive for a local school.

finance session. To support the community, the ERG also held a menstrual product drive for a local high school and partnered with the Working Families ERG to host a coffee chat focused on recent research examining child care-related challenges.

- ▶ The Talent Forward ERG continued its leadership journey series featuring Bank leaders who shared successes and challenges they have navigated in their careers. Talent Forward also continued Career Forward, its inclusive mentoring program that empowers college students in their transition from university to career. The ERG also partnered with Community College of Philadelphia (CCP) to host a backpack drive, supported by CCP's Upward Bound program, which works to increase college enrollment and high-school graduation rates for students from low-income households.
- ▶ The African Heritage ERG hosted virtual events for Black History Month, including Black Gives Back: Talking with Local Black Business Owners and a presentation by Brandon P. Fleming, nationally acclaimed Harvard educator and author of *Miseducated: A Memoir*.
- ▶ Freedom ERG hosted a virtual event featuring guest speaker Dr. Vivienne Ming, a renowned theoretical neuroscientist, entrepreneur, and author. Ming's presentation focused on her research using artificial intelligence (AI) and its use as a tool for positive change and her gender transition experience. Freedom ERG also hosted a Progress Pride Flag raising event for employees outside the Bank in June.
- ▶ The ERGs and the Diversity Council continued to collaborate on Care, Share, and Support sessions for employees to connect and engage in dialogue on transitioning to a hybrid work environment. Discussion topics included work-life balance, child and elder care, coping mechanisms, engagement, and psychological safety.
- ▶ Additional events through our ERGs included Rock Your Socks for Down Syndrome awareness; a PTSD/Mental Health Awareness Panel; a fireside chat with Jane Hyun, author of *Breaking the Bamboo Ceiling*; a Diwali crafting event; and a National Work and Family Month Panel.

- » The transition from a predominantly remote working environment during the pandemic to a hybrid environment for many of our employees provided an opportunity to engage over 150 new employees and reengage other employees with the ERGs and the Diversity Council. The ODEI held a hybrid event, Building Bridges That Connect Us All. The chairs of each group discussed how membership and participation in events builds allyship, increases employee engagement, and provides networking opportunities and professional and personal development.
- » ERG leaders and members continue to support an environment where all belong and feel safe to be their authentic selves. The ODEI hosted an educational summit for the chairs/cochairs of the ERGs and Diversity Council, facilitated by DEI thought leader Joseph Santana. The interactive session provided leaders with development resources and strategies to assist them in their roles as ERG leaders and cultural DEI ambassadors. There was also time for networking and shared learning about ways to support each other.
- » The thought leader and respected industry consultant McKinsey offered the Connected Leaders Academy to the Federal Reserve System. Responding quickly to this free learning experience, we offered the fall 2022 sessions to a range of employees at all levels. The program provides foundational and executive leadership training to Black, Asian, and Hispanic or Latino employees and offers a forum for participants to discuss the unique challenges they face as workers and leaders. We plan to continue this program.
- » The Bank maintains foundational-level talent management programs to support the development of leaders at all levels, including Leaders Academy, a management development program focusing on the requisite skills to help current managers learn the “people side” of leading; Grow the Home Team, a short-term, part-time work-based assignment program; and a Mentoring Program. In 2022, we revised the content of the Leaders Academy to meet the changing needs of the Bank; we will offer the updated curriculum in 2023.
- » 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.



Employees network at the Building Bridges That Connect Us All event.

- » In 2022, Talent Management piloted a new manager curriculum introducing the behaviors characterizing an effective people leader. The curriculum contains the aforementioned Leaders Academy, recommended readings, quarterly peer sharing, and LinkedIn Learning content specific for new managers on topics including managing change, how to build collaborative teams, and giving consistent and constructive feedback. It also highlights the new competency model and inclusive leadership skills.
- » Talent Management also created a people leader community called Leadership Exchange. It included effective practices from industry thought leaders focusing on the transition to the hybrid workplace, with a session on the Bank’s diversity recruiting strategy and performance results.
- » To provide equitable opportunities for all, we are focusing on identifying and removing barriers to career pathways within the Bank. Fed Academy-Career Pathways (FACP) was launched this year and combines multiple career development opportunities. The intent of this program is to build new onramps into the Bank, while supporting the Bank’s strategic goals of economic mobility, DEI, and the Federal Reserve’s Talent Next program. The aforementioned apprentice program is part of the FACP.
- » The Leadership Fellows Program, an entry-level three-year rotational program, supports the strategic objective of growing distinctive leaders at every level. A fourth cohort of six analysts was hired last year, despite a tight hiring market. The overall program continues to receive very favorable feedback from participants and sponsors.
- » The Bank continued to enroll a small contingent of employees from various departments in the core program of LEADERSHIP Philadelphia, which helps staff members enrich their leadership skills and serve the community through placement on nonprofit boards.



### 03

#### HELD EXTERNAL COMMUNITY OUTREACH AND EVENTS

- The ODEI hosted our 11th annual industry forum, Accelerating Change: Advancing DEI to the Next Level. Hosted virtually for the second time, the event drew attendees from across the world. Michael C. Bush, CEO of Great Place to Work, provided the keynote and led a virtual discussion focusing on how organizations are driving change. Bush is a noted speaker and entrepreneur who helps organizations create more diverse, equitable, and inclusive workplaces. Joining Bush was a panel of DEI leaders including Sheryl Battles, Pitney Bowes; David L. Casey, Tapestry, Inc.; and Brandy N. Smith, Lincoln Financial Group. The group shared their expertise and insight on how diversity strengthens organizations.
- The Bank has continued our partnership with Cristo Rey High School and again hosted nine students for a work-study program in 2021–2022, despite the challenges brought on by the pandemic. Cristo Rey is a private majority-minority high school that offers high-quality education to students regardless of family income, and 100 percent of its graduates have been admitted into college.

### 04

#### ASSESSED AND MEASURED ACTIVITIES THAT PROMOTE THE RETENTION AND ENGAGEMENT OF ALL EMPLOYEES

- To help determine the extent to which our policies and practices support the needs of LGBTQ+ employees, the Bank continues to participate in the Human Rights Campaign Foundation's Corporate Equality Index. We received 100 percent for the fourth consecutive year, and we strive to continuously improve in our commitment to being a "Best Place to Work" for the LGBTQ+ community.

- Employee engagement is core to an inclusive and welcoming environment. In 2022, the Bank launched the biannual engagement and DEI survey, which had a high participation rate of 85 percent. We expanded the DEI section to 10 questions. Positive responses to newly added questions were higher than the global norm for PwC, the vendor that administers the survey and provides trending data. For "I would recommend my organization as a great place to work for women and members of underrepresented groups," our responses were 4 percent higher than the norm, and for "I am satisfied with the actions leadership has taken to build a diverse and inclusive work environment," 13 percent higher. Overall, employees said they feel a sense of belonging and are treated with respect and dignity.
- To ensure that employees feel connected to others and feel a sense of belonging, we conducted a pulse survey six months after implementing the hybrid work model. The survey found that overall, employees feel connected, feel included, and are working effectively.
- The Bank has continued the use of additional employee feedback mechanisms. New employees receive surveys at their six-month and one-year marks. Departing employees complete an exit survey and their supervisors fill out a regrettable loss survey. The 2022 data indicate that employees are satisfied with the people, the work, our mission, opportunities for development, work-life balance, flexible scheduling, and a supportive environment. Opportunities include expanded remote options, competitive salaries, streamlined onboarding processes, and simplification of internal processes.
- The ODEI 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 HR leadership. In addition, the ODEI provides senior leaders with workforce representation information on business units.

**“We strive to continuously improve in our commitment to being a ‘Best Place to Work’ for the LGBTQ+ community.”**

**The ERGs and Diversity Council provide diverse opportunities for learning, allyship, and connection. There is an opportunity to better qualify and quantify the value of these opportunities.**

## 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.
- Overall representation remains a focus for the Bank. Progress in female representation continues to be a challenge.
- Formal department presentations to Bank senior leadership on workforce representation reinforce the importance of providing an equitable and inclusive environment for all; however, there are many departments that have minimal employee hires or movement.
- The ERGs and Diversity Council provide diverse opportunities for learning, allyship, and connection. There is an opportunity to better qualify and quantify the value of these opportunities to all employees and how they build a culture where all find a sense of belonging.
- The Human Rights Campaign is enhancing the requirements for employers to achieve a score of 100 percent on its Corporate Equality Index, beginning in 2023. We have started the process of determining where gaps exist and what actions we need to take.

## 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 that our recruitment processes are effectively reaching a diverse talent pool;
- continue education efforts for hiring managers around unconscious bias;
- continue to 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;
- think differently about how we can attract and recruit entry-level and underrepresented groups; and
- launch the next phase of DEI learning.



**Our FREEDOM ERG held a Progress Pride Flag raising event in June.**



# MINORITY- AND WOMEN-OWNED BUSINESS INCLUSION

The Bank’s Procurement team, 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 and best practices for supplier diversity.

The Federal Reserve System’s National Procurement Office (NPO), which manages and facilitates contracts 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, we have made consistent strides in implementing OMWI supplier diversity programs and initiatives.

## Amounts Paid to Contractors

Total spend: **\$50.78 million** in 2022 (Appendix C)

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

- > Total diverse spend: **\$6.88 million, 13.5%**<sup>3</sup>
- > MBEs: **\$4.33 million, 8.5%**
- > WBEs: **\$5.20 million, 10.2%**

## Successes

Our Procurement team expanded its diverse supplier pool and currently has over 300 diverse vendors to draw from, up from just over 225 in 2021. 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 calls with our business lines to introduce new diverse vendors for their upcoming projects.

Outlined here are the specific objectives and the actions we’ve taken to meet them:

### 01

#### 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 nine new diverse suppliers to participate in the bidding process in 2022.

### 02

#### 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 refreshed our staff on Dodd–Frank Act requirements and the Bank’s supplier diversity policy during annual staff training.

<sup>3</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.



## 03

### CONDUCTED SUPPLIER OUTREACH

- In an effort to meet with vendors and enhance the Bank's available diverse suppliers, our Procurement team participated in various diverse supplier events. These events included the Eastern Minority Supplier Development Council (EMSDC) and Women's Business Enterprise Center (WBEC) national conferences.
- Procurement partnered with the Federal Reserve Banks of Atlanta and Richmond to host a joint virtual supplier summit with over 90 vendors in attendance. We identified upcoming sourcing projects and invited vendors in those categories 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.

### 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; and
- specialized acquisitions, such as data purchases, that may be satisfied by fewer suppliers with large-scale capabilities.

### 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 third 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 July 2023, with the Women's Business Enterprise National Council
- 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

The NPO continues to partner with the Supplier Diversity Work Group (SDWG), Reserve Bank procurement organizations, and the OMWI to leverage new insights gained from enhanced metrics and sourcing customer demand pipeline discussions to drive the supplier diversity program. System Procurement will work to mitigate diverse spend concentration risk and create broader supplier pools to reduce the reliance on a small number of suppliers. The SDWG will also focus on repeatable outreach strategies that can be leveraged at the local, regional, and national levels. In 2023, a new supplier diversity dashboard will be launched. To "reflect the communities we serve through our spend," new community benchmarks will replace the opportunity-based ones (including known new and renewing contracts). These new benchmarks, found in Disparity Studies for each Reserve Bank head office city and state, will be displayed on a revised dashboard scheduled for delivery in paper form, while an automated version is being created. These initiatives will continue to strengthen the supplier diversity program, showcase our progress, and educate internal employees on benefits of using diverse suppliers.

# 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 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, 30- to 40-hour training we offer to educators in the Third District and beyond. 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 January, the Bank’s economic educators offered a completely asynchronous online Keys to Financial Success professional development program for teachers who were teaching high school personal finance in the spring but had not yet been through the 30-hour training. In the summer, the team offered a blended Keys professional development program that combined three days of in-person training at the Bank with online prework. This model brought together the best of the online and in-person training modalities.

**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.**



Participants in the Bank’s Keys to Financial Success program.

- The Bank presented its first completely asynchronous online Keys training in January. Teachers from two OMWI schools participated in the training. These OMWI teachers earned a total of 120 professional development hours and will reach an estimated 300 students annually. Development of this asynchronous online training now allows us to prepare teachers who have an urgent need to begin implementation of the Keys curriculum in their classrooms.
- During the annual monthlong training in July 2022, the Bank trained teachers representing seven OMWI schools to teach the Keys course. These OMWI teachers earned a total of 280 professional development hours and will reach an estimated 525 students annually.
- As part of our Keys to Financial Success program, the Bank’s economic educators have assisted the Washington State Financial Education Public–Private Partnership to bring the Keys curriculum to teachers in Washington State. As part of these efforts, eight teachers participated in the July 2022 training.
- 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, 11 OMWI teachers attended our webinar on Girls and Economics.

- As in previous years, the Bank marketed its financial literacy professional development offerings extensively through email blasts to OMWI teachers, administrators, and schools.
- 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. In June 2022, the team trained 17 teachers from those school districts to better teach economics to their own students. Those teachers are expected to reach, on average, 1,275 students annually. Our Bank’s Economic Education team is leading a research project to measure the effectiveness of the pilot on increasing students’ economics achievement scores and awareness of careers in economics.

## Challenges

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

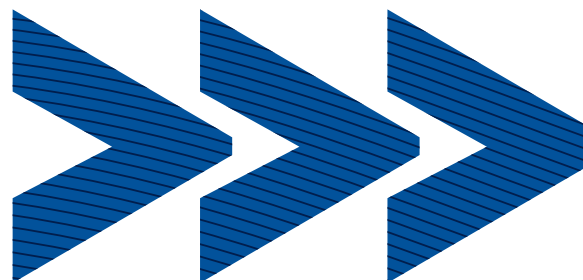
- The pandemic changed teachers’ expectations about professional development. Professional development providers across the region report that teachers

are less willing to participate in these programs, particularly those that meet away from their school and outside school hours.

- Online professional development opportunities do not provide the same level of preparation for teaching K–12 students. Moreover, many teachers have been exhausted by webinars and other online professional development activities.
- The pandemic adversely affected many students’ math and reading achievement. Schools are now seeking to close those achievement gaps. Classroom time for other subjects such as personal finance has likely shrunk in many schools as a result.

## Next Steps

As part of our efforts to overcome these challenges, our Economic Education team is planning a webinar series in 2023 aimed at increasing teachers’ awareness of personal finance topics. The series will provide personal finance teachers with activities and other resources for teaching various aspects of the *National Standards for Financial Literacy*. We believe this series will make more teachers aware of programs such as Keys to Financial Success while providing curriculum resources they can use right away in their classrooms.





# COMMITMENT

The Federal Reserve Bank of Philadelphia is committed to meeting the requirements under Section 342 of the Dodd–Frank Act. This report reflects our ongoing efforts around diversity, equity, and inclusion. We see these activities as mission-enhancing opportunities that aid in increasing diversity within our workforce, cultivating a workplace culture that centers equity in our processes and policies, and removing barriers for individuals, small businesses, and communities to thrive.

We have expanded our financial literacy activities in the regions we serve across the Third District and beyond. Our supplier diversity initiatives are making an impact: We have increased diverse spend with underserved businesses by leveraging virtual tools and in-person vendor matchmaking events to connect potential suppliers with purchasing stakeholders. Our Community Development and Regional Outreach team and other programs delivered innovative research and initiatives on important topics such as systemic barriers that impact wealth building in communities of color.

Internally, the Diversity Council and employee resource groups provided insights and support to transitioning employees from a predominantly remote model to the hybrid environment with the Care, Share, and Support sessions and other impactful programming. Over 150 employees hired during the pandemic participated in the Building Bridges That Connect Us All event to meet and network for the first time since joining the Bank. For the fourth year in a row, we have scored 100 percent on the Corporate Equality Index, earning the designation of a “Best Place to Work” for the LGBTQ+ community.

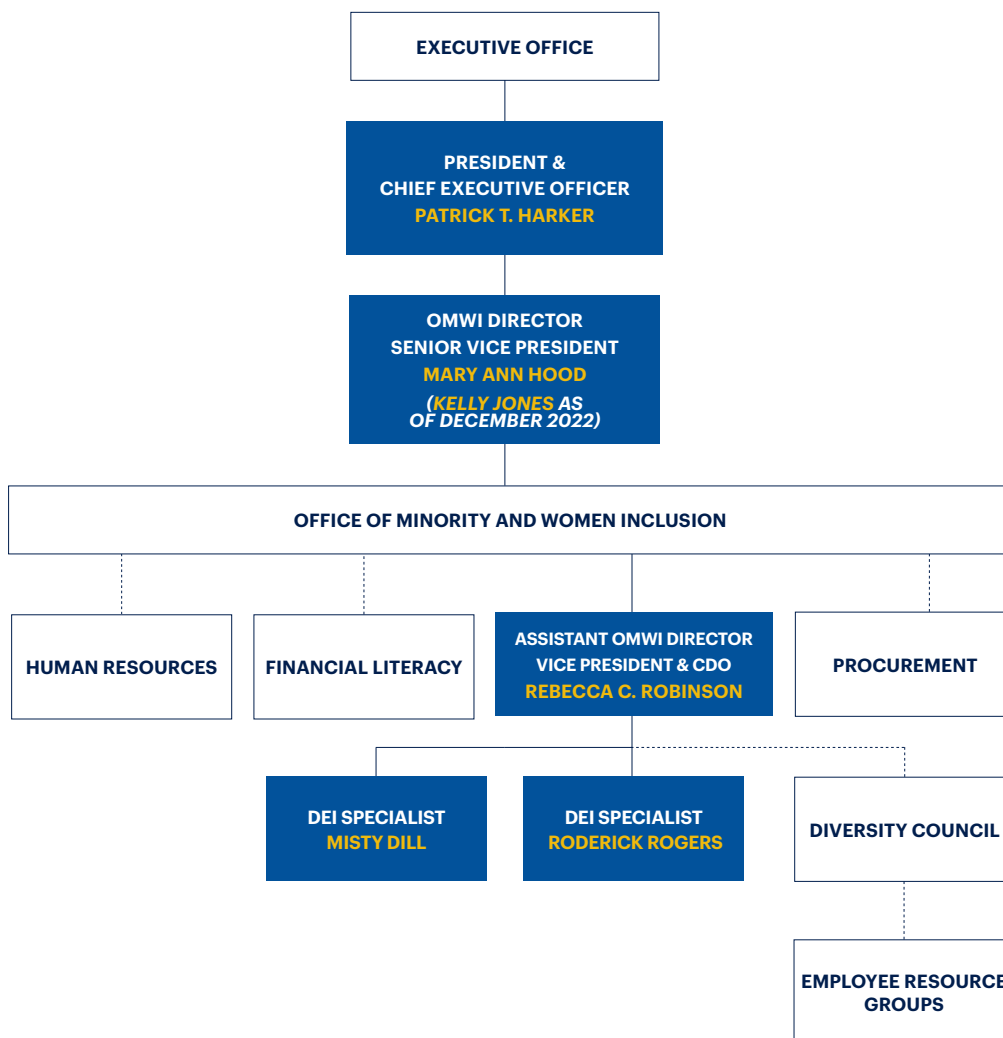
Though we’ve made improvements, we recognize that our work is work in progress, and we are dedicated to eliminating barriers, improving racial equity, and accelerating change that impacts the well-being our employees and the communities we serve in the Third District and strengthens the overall economy.



President Patrick Harker (second from left) with Diana Rogers of the New Jersey Economic Development Authority (second from right) during a community tour in Trenton, NJ.

# APPENDIX A

## OMWI Organizational Chart



## APPENDIX B

### Federal Reserve Bank of Philadelphia EEO-1 Consolidated Report by Number of Workforce as of December 31, 2022

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	1		9	2					3	3					18	2.1%
First/Midlevel Managers	5	2	84	20		14			53	12		5		1	196	22.6%
Professionals	17	12	189	28		59		9	128	46		30	1	2	521	60.2%
Technicians															0	0.0%
Sales Workers									1						1	0.1%
Admin Support	1	6	4	1		1			14	11					38	4.4%
Craft Workers	1		20			1									22	2.5%
Operatives	2	1	8	2		4		1		9		3		1	31	3.6%
Laborers & Helpers															0	0.0%
Service Workers	4	1	19	5					6	3		1			39	4.5%
<b>Total</b>	<b>31</b>	<b>22</b>	<b>333</b>	<b>58</b>	<b>0</b>	<b>79</b>	<b>0</b>	<b>10</b>	<b>205</b>	<b>84</b>	<b>0</b>	<b>39</b>	<b>1</b>	<b>4</b>	<b>866</b>	<b>100.0%</b>
<b>Total by %</b>	<b>3.6%</b>	<b>2.5%</b>	<b>38.5%</b>	<b>6.7%</b>	<b>0.0%</b>	<b>9.1%</b>	<b>0.0%</b>	<b>1.2%</b>	<b>23.7%</b>	<b>9.7%</b>	<b>0.0%</b>	<b>4.5%</b>	<b>0.1%</b>	<b>0.5%</b>	<b>100.0%</b>	
<b>Previous Year</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>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%</b>	



## APPENDIX C

### OMWI Core Metrics Report

**Note:** This appendix was originally published with incorrect years in the table header. The header initially listed the years as 2015–2021, but the data were for the years 2016–2022. As soon as the error was discovered, this report was updated so that the header reflects the correct years.

Category	Description	Measure	2016	2017	2018	2019	2020	2021	2022
Workforce Diversity	Senior Executives	Total #	11	14	14	16	17	16	18
		% Minorities	18%	29%	29%	25%	24%	19%	33%
		% Women	46%	43%	43%	44%	41%	44%	33%
	Midlevel Managers	Total #	167	160	205	182	190	193	196
		% Minorities	22%	21%	26%	26%	27%	27%	30%
		% Women	37%	39%	35%	36%	36%	36%	37%
	Professionals	Total #	467	471	495	520	527	519	521
		% Minorities	39%	39%	37%	37%	37%	39%	39%
		% Women	40%	41%	42%	39%	43%	42%	42%
	Total External Hires	Total #	112	56	86	61	52	58	94
		% Minorities	47%	30%	24%	34%	42%	53%	49%
		% Women	44%	46%	45%	39%	50%	41%	45%
	Total Interns	Total #	42	32	36	38	38	41	45
		% Minorities	31%	34%	28%	34%	45%	49%	44%
% Women		36%	50%	44%	39%	45%	41%	51%	
Overall Bank Turnover Rate	%	8.7%	8.3%	9.3%	6.8%	3.4%	8.6%	11.5%	
Supplier Diversity	Total Reportable Spend	\$(millions)	\$ 39.60	\$ 43.36	\$ 53.37	\$ 51.29	\$ 75.36	\$ 70.48	\$ 50.78
	Total Diverse Spend <sup>1</sup>	\$(millions)	\$ 9.79	\$ 6.81	\$ 6.78	\$ 7.03	\$ 8.25	\$ 5.02	\$ 6.88
		%	24.7%	15.7%	12.7%	13.7%	11.0%	7.1%	13.5%
	Minority-Owned <sup>2</sup>	\$(millions)	\$ 8.47	\$ 5.99	\$ 3.95	\$ 3.85	\$ 4.87	\$ 3.04	\$ 4.33
		%	21.4%	13.8%	7.4%	7.5%	6.5%	4.3%	8.5%
	Minority-Owned (men)	\$(millions)	\$ 8.47	\$ 5.99	\$ 3.95	\$ 1.96	\$ 2.72	\$ 1.44	\$ 1.68
		%	21.4%	13.8%	7.4%	3.8%	3.6%	2.0%	3.3%
	Minority-Owned (women)	\$(millions)	\$-	\$-	\$-	\$ 1.90	\$ 2.15	\$ 1.60	\$ 2.65
		%	0.0%	0.0%	0.0%	3.7%	2.8%	2.3%	5.2%
	Women-Owned <sup>2</sup>	\$(millions)	\$ 1.32	\$ 0.82	\$ 2.83	\$ 5.08	\$ 5.53	\$ 3.58	\$ 5.20
		%	3.3%	1.9%	5.3%	9.9%	7.3%	5.1%	10.2%
Women-Owned (nonminority)	\$(millions)	\$ 1.32	\$ 0.82	\$ 2.83	\$ 3.18	\$ 3.39	\$ 1.98	\$ 2.55	
	%	3.3%	1.9%	5.3%	6.2%	4.5%	2.8%	5.0%	
Women-Owned (minority)	\$(millions)	\$-	\$-	\$-	\$ 1.90	\$ 2.15	\$ 1.60	\$ 2.65	
	%	0.0%	0.0%	0.0%	3.7%	2.8%	2.3%	5.2%	

<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

### OMWI Core Metrics Report (continued)

		2022
Financial Literacy <sup>1</sup>	Program Type	Teacher-centric
	Number of OMWI students reached in person and online <sup>2</sup>	103
	Number of OMWI educators reached in person and online <sup>3</sup>	61
	Number of OMWI students reached through educators <sup>4</sup>	4,575

<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, 2023

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

#### 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	2	1	0	0	1	1	1	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%

##### Class C (Total Positions 3)

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

#### Totals

##### All Reserve Bank Directors (Total Positions 9)

By total	9	7	2	1	0	4	1	1	1	0	0	0	0	0	0	0	0
By %	100%	78%	22%	11%	0%	44%	11%	11%	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 2022 to terms that began on January 1, 2023, as well as directors who are currently serving in existing terms. Directors are given the option to self-identify their gender and race/ethnicity.