2014
REPORT TO
CONGRESS
on the Office of Minority
and Women Inclusion
March 31, 2015

FEDERAL RESERVE BANK OF PHILADELPHIA
Submitted by Mary Ann Hood, Director of the Office of Minority and 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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This is our fourth annual “Report to Congress” in support of provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act). This report will detail the diversity and inclusion actions taken at the Federal Reserve Bank of Philadelphia during 2014, most of which are a continuation of the strong programs we have sponsored for many years that evidence our commitment to diversity and inclusion as core values for the Bank.

The report includes the work of the Bank’s Office of Diversity and Inclusion (ODI), formally established following the passage of the Act, which required each Reserve Bank and the Board of Governors, as well as other regulatory agencies, to establish an Office of Minority and Women Inclusion (OMWI). The Act requires the office to develop standards and procedures to ensure the inclusion of minorities and women in all matters “relating to diversity in management, employment, and business activities.”

The report also includes activities of our Bank’s long-standing initiatives, including a Diversity Council consisting of Bank employees who meet regularly to foster a greater appreciation of workplace diversity, an active diversity recruitment program, and a program by our Procurement function to increase minority- and women-owned businesses in the supplier ranks.

The Bank maintains its commitment to diversity and inclusion in recruiting, hiring, and promoting individuals in all job categories. All human resources actions are administered in accordance with these standards. The Bank will continue to offer all employees diverse educational and developmental opportunities to provide them with the resources to perform effectively in their jobs and to develop their maximum potential.

The Bank maintains its commitment to equal employment opportunity (EEO). The senior vice president of Human Resources, who serves as the designated EEO officer and director of the ODI, is responsible for overseeing the effectiveness of the Bank’s Diversity, EEO, and Outreach programs.

In all of these activities, the Bank recognizes the value of diversity and inclusion as a business imperative. The Bank is committed to a long-term and sustained focus, and management at every level recognizes the importance of this commitment to promoting diversity and inclusion throughout the Bank.

Sincerely,

Charles I. Plosser
President and CEO
Federal Reserve Bank of Philadelphia

The Bank maintains its commitment to diversity and inclusion in recruiting, hiring, and promoting individuals in all job categories.
The Federal Reserve Bank of Philadelphia (the Bank)\(^1\) is pleased to submit this report to Congress regarding our programs that support Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act). The Bank established its Office of Minority and Women Inclusion (OMWI) in January 2011 and has just completed the fourth year of OMWI-related activities that fully support and comply with the provisions of the Act.

The Bank has had a formal diversity and inclusion initiative since 2007 and has processes and programs in place to promote workforce and supplier diversity. The Bank also has been actively engaged in financial literacy and outreach to school systems within the region for many years.

The OMWI manages the Bank’s overall approach to creating an environment in which diversity is understood as an organizational strength, and inclusion is the expected behavior for all matters in the workplace. This office is the hub of the Bank’s diversity and inclusion infrastructure, which also includes the Diversity Advisory Group, led by senior executives who champion diversity, and the Diversity Council, populated by employees from all levels who engage in activities designed to promote ongoing, substantive messaging across the organization about diversity and inclusion for the benefit of all employees. Diversity Council members also participate in the formulation of events and programs in support of diversity and inclusion goals and objectives.

The organization’s embrace of diversity and inclusion as an important strategic initiative is reflected in the Bank’s overall strategic plan. One of its four strategic goals — designated as “Invest” — among other things, specifically calls for an emphasis on intellectual capital and the promotion of a collaborative, inclusive work environment as a means to improve Bank-specific capabilities of the staff. The Bank also has a strategic plan for diversity and inclusion that directs it to promote an environment of respect, dignity, and fairness for employees at all levels; assign accountability from the top down for creating a diverse and inclusive environment; promote a culture of openness and transparency with regard to personal and career advancement; build a community and internal reputation as a leader and role model for workplace diversity and inclusion; and seek to recruit, retain, and develop the best talent to increase diversity throughout the Bank and to better serve the needs of communities within the Bank’s geographic boundaries.

The Bank is committed to fostering a diverse and inclusive workforce, and workforce diversity efforts continue to address recruitment, leadership development, and succession planning. Programs and practices are in place to advance diversity goals and objectives, such as internships, mentoring activities, and diversity recruiting. Our internship programs provide developmental opportunities for individuals with diverse backgrounds, skills, and experiences.

In 2014, the Bank completed delivery of foundational outreach to school systems within the region for many years.

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\(^1\) The Federal Reserve Bank (FRB) of Philadelphia is the Third Federal Reserve District. It is sometimes known simply as the Bank, the FRB Philadelphia, or the FRBP.
diversity and inclusion training to employees at all levels. The goal of this training program, which took place over a two-year period, was to provide a baseline of skills and knowledge to all employees that will help them incorporate inclusive behaviors into their daily interactions around the Bank and in conducting Bank business.

The Bank’s supplier diversity program predates the passage of the Act and remains focused on fostering opportunities for minority- and women-owned firms to do business with the Bank. The Act gives additional guidance on efforts in this area. Providing technical assistance to such vendors continued to be a key activity for the Bank in 2014. The Bank includes appropriate provisions in new and renewal contracts for goods and services. Also, as outlined in the Act, the Bank has implemented a process for reviewing contractors’ good faith efforts on inclusion.

The Bank’s economic education and financial literacy programs are essential resources for teachers, and the content of various curricula has been enhanced and updated over the past several years. Through facilitated workshops, presentations in school districts, and conferences, these programs equip schoolteachers to deliver effective financial literacy curricula to students of all ages. The Bank’s Money in Motion exhibit introduces visiting students to the concepts of money and banking, financial instruments, and monetary policy in an interactive climate.

Other customized, online educational programs provide additional resources for teachers throughout our region and beyond.

The Bank experienced slight growth in its workforce over the course of the year. Its population consisted of 903 employees in 2014 in contrast to 889 in 2013. Most of the hiring activity continued to be driven by the Supervision, Regulation & Credit and Information Technology Services departments. In concert with other Banks across the Federal Reserve System (System), the Federal Reserve Bank of Philadelphia posts OMWI information on its external and internal websites to promote greater transparency to constituents and staff. In this way, the Bank makes public its EEO-1 workforce representation data. These data indicate that, in 2014, minorities represented 37 percent of the Bank’s workforce (down from 38 percent in 2013), and women, 39 percent (unchanged for three years in a row). Of the Bank’s 66 officers, 23, or 35 percent, were women, compared with 24, or 36 percent, in 2013. The minority officer count increased from 11 to 13, representing 20 percent of the officer ranks, versus only 16 percent in 2013 (Table 1). From January to December 2014, 52 people joined the Bank. Nineteen minorities were in this group of new hires, representing 37 percent of the total, a noticeable decrease from 41 percent in 2013 (Table 1). On the other hand, the upward trend in terms of representation of women among new hires continued, as women represented 40 percent of this group, compared with 36 percent in 2013 and 25 percent in 2012.

The Bank is committed to workforce diversity, supplier diversity, and financial literacy. This report details specific work that was done and the progress that was made from January 1, 2014, through December 31, 2014, unless otherwise indicated. The assessment of inclusion programs within regulated entities is managed by the Board of Governors and, therefore, is not addressed in this report.

2 See the EEO-1 Consolidated Report in the Appendix.

<table>
<thead>
<tr>
<th>Total Number of Officers</th>
<th>Minority</th>
<th>Female</th>
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<tbody>
<tr>
<td>2012 61</td>
<td>18% 11</td>
<td>31% 19</td>
</tr>
<tr>
<td>2013 67</td>
<td>16% 11</td>
<td>36% 24</td>
</tr>
<tr>
<td>2014 66</td>
<td>20% 13</td>
<td>35% 23</td>
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</table>

<table>
<thead>
<tr>
<th>Total Number of Benefit-Eligible New Hires</th>
<th>Minority</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 73</td>
<td>44% 32</td>
<td>25% 18</td>
</tr>
<tr>
<td>2013 97</td>
<td>41% 40</td>
<td>36% 35</td>
</tr>
<tr>
<td>2014 52</td>
<td>37% 19</td>
<td>40% 21</td>
</tr>
</tbody>
</table>
Overview of the Bank

UNIQUE THIRD DISTRICT ACTIVITIES & SIGNIFICANT SYSTEM RESPONSIBILITIES

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

The Bank houses the project management team and the Central Business Administration Function (CBAF) for the Collateral Management System (CMS), a centralized web-based system used for recordkeeping of definitive and book-entry securities, and stocks and loans pledged to the Reserve Banks and the Treasury Department. The CMS provides for collateral valuation functionality and makes complex monitoring tools available to credit risk management analysts.

The Bank’s publication, Community Banking Connections, is a nationwide System resource for community banks. This quarterly publication, which has an online equivalent, is designed to provide timely and effective communication of regulatory guidance and supervisory messages geared specifically to community banks to help them succeed. The Bank continues to publish Consumer Compliance Outlook, another quarterly System publication, which focuses on consumer compliance issues.

The mission of the Groupware Leadership Center (GLC) is to coordinate and oversee the planning, implementation, and operation of the System’s national infrastructure for enterprise end-user communication and collaboration technologies (e-mail, instant messaging, team work spaces, video services, etc.).

The Third District conceived, developed, and served as the managing Bank for Partnership for Progress, an innovative outreach and technical assistance program for minority-owned banking institutions in the country. The Third District currently assists the Board of Governors in overseeing the System-wide program while managing the activities in the Third District. The program seeks to help minority-owned banking institutions confront their unique challenges, cultivate safe and sound practices, and compete more effectively in today’s marketplace through a combination of one-on-one guidance, workshops, and a web-based resource and information center. The program also seeks to enhance these institutions’ vital role in providing access to credit and financial services in communities that have been historically underserved.

The Program in Consumer Credit & Payments (PCCP) is an initiative at the Bank focused on investigating and analyzing a broad range of issues related to consumers’ use of payment instruments and credit. The program uses a cross-functional approach, working with individual areas of the Bank to identify and facilitate collaboration, research, and analysis. It also provides communication tools and opportunities to share information with all interested parties, with the ultimate goal of informing policy and policymakers.

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

The Bank established the Supervision Team Site Support Office (STSSO) in 2012 to foster collaboration, knowledge, and information sharing in the Supervision and Regulation community regarding SharePoint Supervision team sites. These team sites are designed to increase efficiency and reduce administrative burden in the execution of the core supervisory process. Throughout 2014, the STSSO developed and deployed these team sites across the System in support of the Community Bank, Large Bank, and Large Institution Supervision Coordinating Committee portfolios.

The Bank is the Central Business Administration Function (CBAF)
for the Treasury Check Information System (TCIS) and the Post Payment System (PPS). The TCIS provides the Financial Management Service of the U.S. Department of the Treasury with an electronic checkbook, reconciling approximately 66 million checks yearly and processing about 1 million check claims and inquiries per year. The TCIS also affords the Bureau of the Fiscal Service the opportunity to move from paper to electronic communication with federal agencies and non-Treasury Disbursing Offices, as their processes allow. In addition, the Treasury has requested that the Bank develop a post payment solution for all payments — check and electronic. This multiyear effort will consolidate the activities of five existing, disparate systems into one application and will provide the Treasury with capabilities not present in the legacy applications. The first PPS release, which was installed in September 2014, established the computing environments and initial data flows to be used for subsequent releases.

The Treasury Collateral Management and Monitoring (TCMM) application is a centralized system that focuses on collateral handling and monitoring for the Treasury’s fiscal collateral programs. The TCMM provides financial institutions, federal program agencies, the Treasury, and the Bank collateral operations staff with the ability to manage amounts to be collateralized and to monitor collateral balances and deficiencies.
DIVERSITY RECRUITING
Since 2007, the System collaborated to implement and execute the strategic national diversity recruiting and advertising efforts across all 12 Reserve Banks, the Board of Governors, and the Federal Reserve Information Technology (FRIT) organization. The System’s diversity recruiting strategy uses a collaborative and cost-effective approach toward participation in national, diversity-focused conferences and regional conferences. Diversity advertising via online, print, and social media vehicles aligns with conference presence to position the System as an employer of choice.

During 2014, the System collectively attended six national diversity conferences: Women in Technology International (WITI), Association of Latino Professionals in Finance and Accounting (ALPFA), National Association of Asian American Professionals (NAAAAP), National Black MBA Association (NBMBAA), National Society of Hispanic MBAs (NSHMB), and Thurgood Marshall College Fund (TMCF) Leadership Institute and Recruitment Fair. Working closely with these nationally recognized organizations supports diverse hires and creates awareness among prospective employees for the System. To proactively source talent, the System collected more than 400 resumes, sent more than 80 resumes to hiring managers, conducted 10 face-to-face interviews, made two job offers, and hired two new staffers.

At NSHMB, the System participated in a professional development workshop. Steve Hart, assistant vice president of Human Resources at the Bank, presented “Leading with Impact and Purpose — A Holistic Approach.” In addition, eight Fed System employees volunteered as career coaches during the NSHMB conference.

The System was highlighted in an advertisement that was featured in both Hispanic Network Magazine and Professional Woman’s Magazine. These magazines were distributed at the 2014 NSHMB and NBMBAA conferences. Diversity/Careers in Engineering & Information Technology will include an article featuring Brittany Brown, emerging talent specialist at the Federal Reserve Bank of Richmond. The article will focus on diversity careers in engineering and information technology.

The System was named one of the “Best of the Best Top Finance & Banking Companies” in the spring 2014 issues of Black EOE Journal, Hispanic Network Magazine, and Professional Woman’s Magazine. The System was also featured in these magazines’ lists of the “Best of the Best Top Diversity Employers” published in their summer 2014 issues.

SUPPLIER DIVERSITY
The Board of Governors and the Federal Reserve Banks continued to expand their combined national presence by participating at the national conferences and business fairs of the Women’s Business Enterprise National Council (WBENC) and the National Minority Supplier Development Council (NMSDC). On June 23–25, 2014, the System participated in the WBENC conference in Philadelphia. Twenty-two representatives from the Reserve Banks worked a booth at the conference and gathered information from more than 100 vendors. During the fair, the Reserve Banks parti-
pated in one-on-one matchmaking meetings with 48 vendors.

On November 2–5, 2014, the System participated in the 2014 NMSDC Conference and Business Opportunity Fair in Orlando, FL. Twenty-three representatives from the Reserve Banks worked a booth at the conference and gathered information from more than 90 vendors. To deepen its national conference participation, the System organized and facilitated one-on-one matchmaking meetings with 24 vendors.

Exhibiting at these conferences offers the System the ability to reach a significant portion of our target audience. These conferences attract a high number of diverse vendors seeking procurement opportunities. Participation helps promote the System’s role as a trusted advisor throughout the financial services industry.

FINANCIAL LITERACY

Through financial education initiatives, the Reserve Banks and the Board of Governors partnered to encourage young women and minorities to pursue careers in the financial services sector. In October 2014, the System sponsored a financial education day with the theme of college and career readiness. Additionally, the System worked to advance the knowledge and application of basic financial concepts and to encourage high school students, especially young women and minorities, to pursue postsecondary education.

SYSTEM LEADERSHIP INITIATIVE (SLI)

The System Leadership Initiative (SLI) is a development program for the System’s key talent sponsored by the presidents of the Reserve Banks. In 2014, the System offered three conferences at the emerging and mid-level leadership tiers. Since these leadership conferences reach a broad pipeline of talent across the System, the OMWI directors and SLI continued to collaborate to expand the content and discussion of diversity and inclusion at the leadership conferences. The 2014 speakers who specifically addressed diversity and inclusion included Dr. Scott E. Page, University of Michigan, and Doug Harris, Kaleidoscope Group. Other external speakers and System senior leaders also incorporated discussions and examples on the importance of diversity and inclusion into their presentations. Several OMWI directors were also leaders in residence at the conferences, serving as mentors to emerging leaders.

The System’s Leadership Exchange Program affords a critical avenue to support career development for professionals across the System. Assignments vary in duration (up to one year) and include job shadows, critical work assignments, and targeted development opportunities. In 2014, 37 assignments were sponsored, with participation from every Reserve Bank and the Board of Governors. Minority and female participation continued to be strong, although participation declined from 2013 (Table 2). An update was provided to the OMWI directors in November 2014 to encourage their ongoing support of these development programs and to solicit their assistance in building awareness of the opportunities available throughout the year.

Minority and female participation is tracked to ensure that development opportunities are reaching a diverse pool of leaders. The greatest challenge is that participants typically have only several years of experience or specialized expertise, so additional time may be needed to recruit and develop the pipeline for participants to attend a System leadership program. The Bank will continue to emphasize the importance of diversity among the participants in the leadership program by conveying the importance of broadly evaluating traditional and nontraditional candidates to participate and by regularly reporting progress to System Human Resources and OMWI leaders.

<table>
<thead>
<tr>
<th>Conference/Program</th>
<th>Female</th>
<th>Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Exchange Program</td>
<td>46% (-4%)</td>
<td>22% (-12%)</td>
</tr>
<tr>
<td>Thrive Conference Manager/New Officer (Emerging Leaders)</td>
<td>55% (+5%)</td>
<td>19% (+6%)</td>
</tr>
<tr>
<td>Trailblazers Conference Assistant Vice President (Midlevel Leadership)</td>
<td>47% (+17%)</td>
<td>22% (+8%)</td>
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</table>

(%) - Change from 2013
The director of the Bank’s OMWI is Mary Ann Hood. Ms. Hood serves in this capacity in addition to her role as the Bank’s senior vice president of Human Resources and EEO officer. She is also actively involved in the Federal Reserve System Council of OMWI Directors.

In accordance with Section 342 of the Dodd-Frank Act, the OMWI is responsible for all matters relating to diversity in management, employment, and business activities at the Bank. Although formally named the Office of Diversity and Inclusion, it houses the OMWI function. The OMWI builds upon existing efforts to attract and retain a diverse workforce at all levels, to create an inclusive workplace, and to foster supplier diversity.

Members of senior management are champions of diversity and inclusion initiatives, aligned with the Bank’s overall strategic goals. The Bank works to ensure that diversity principles and practices permeate the organization, with the understanding that these efforts strengthen the Bank as an institution and enhance its ability to support the diverse communities that comprise the Third District.

**STAFFING AND STRUCTURE**

In her role as OMWI director, Ms. Hood reports directly to the president and has a staff of two full-time employees: Karen Jackson Vaughn, associate director, and Misty Dill, senior analyst.
Geography Covered

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

TOTAL POPULATION

According to the U.S. Census Bureau’s 2012 county population estimates, the Third District’s population was estimated at 13.2 million. The Third District (Figure 1) includes:

- all of Delaware (0.9 million people in three counties),
- the southern half of New Jersey (2.8 million people, or about 33 percent of the state’s population in nine counties), and
- the eastern two-thirds of Pennsylvania (9.4 million people, or about 75 percent of the state’s population in 48 counties).

Of the 48 Pennsylvania counties within the Third District, 28 counties were urbanized as of 2012; moreover, these urbanized counties accounted for 90 percent of the total population. Statewide, all Delaware and New Jersey counties were designated as urbanized.

There are 23 metropolitan statistical areas (MSAs) wholly or partially located in the Third District. The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA (Philadelphia MSA) is the largest by far. It includes five Pennsylvania counties, four New Jersey counties, one Delaware county, and one Maryland county. With more than 5.9 million persons, the Philadelphia MSA alone (less Cecil County, MD) accounts for 45 percent of the Third District population. The still larger Philadelphia-Reading-Camden, PA-NJ-DE-MD combined statistical area (Philadelphia CSA) accounts for 53 percent of the Third District population. From 2000 to 2012, the Third District’s population grew 7.3 percent compared with 11.3 percent for the nation. Growth was robust in Delaware at 17.0 percent, while those portions of New Jersey and Pennsylvania within the Third District grew at 7.0 percent and 6.5 percent, respectively. The Philadelphia MSA (less Cecil County, MD) grew 5.6 percent over the same period.

RACIAL DIVERSITY

Despite the significant degree of urbanization within the Third District, the overall racial diversity is somewhat less than that of the nation. Based on 2012 Census estimates, 22.0 percent of the nation’s population identified themselves as a race other than White, or selected a combination of races. Within the Third District, 20.1 percent of the population identified as other than White.

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

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FIGURE 1
Map of the Third District
While the Third District has a slightly greater percentage of Black or African American than the nation, the percentages of Asian and Other are smaller in the Third District than in the nation. The Other category includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Two or More Races.

With respect to the workforce from which the Bank typically draws, the Philadelphia MSA is a more relevant geographic entity, although there are numerous specialized jobs for which the relevant labor pool may be regional or national. Overall, the percent of Asian and Other populations in the Philadelphia MSA and the nation are very similar. However, the Philadelphia MSA has a greater Black population (21.8 percent) than the nation (13.1 percent) and a smaller White population (70.2 percent) than the nation (77.9 percent) (Figure 2A).

Looking at only the City of Philadelphia, there are slightly larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage doubles for the Black population in the city compared with the MSA, while the city’s percentage of White population is lower by 25 percentage points (Figure 2B).

**EMERGING HISPANIC POPULATION**

From 2000 to 2010, the Hispanic population in the United States grew by more than 15 million people, which accounts for 56 percent of the nation’s total population growth.4

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**2012 Population by Race**

**FIGURE 2A**

Percent of total population
United States and Third District

**FIGURE 2B**

Percent of total population
Philadelphia MSA & the City of Philadelphia

Source: U.S. Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010, to July 1, 2012
The emerging Hispanic population grew even more rapidly in the Third District and in the Philadelphia MSA than in the nation. From 2000 to 2012, the Hispanic population grew by 48.5 percent in the nation, 90.6 percent in the Third District, and 74.5 percent in the Philadelphia MSA.

Despite the more rapid percentage growth of the Hispanic population since 2000, the percentage of Hispanics in the Third District (8.7 percent) is still only about half that of the nation (16.9 percent). The City of Philadelphia is closer with 13 percent (Figure 3).

**ECONOMIC TRENDS**
The Third District continues to make progress toward regaining jobs lost because of the Great Recession, but it lags the nation. By October 2014, the nation had not only recovered 100 percent of the 8.7 million jobs lost from its peak employment level to its trough, but it gained more than 1.3 million additional jobs. Through September 2014, Delaware, Pennsylvania, and New Jersey have recovered nearly 97 percent, 84 percent, and 46 percent of their lost jobs, respectively. In the Philadelphia-Wilmington-Camden MSA, roughly 57 percent of jobs have been regained.

Unemployment rates have fallen 1.9 percentage points in Delaware, 3.0 percentage points in Pennsylvania, and 3.2 percentage points in New Jersey since their peak levels in early 2010 following the Great Recession, but they remain elevated compared with prerecessionary averages. As of September 2014, unemployment rates remained above 6 percent in Delaware and New Jersey, higher than the national average, while Pennsylvania’s unemployment rate sat slightly below that of the nation.

During Hispanic Heritage Month, the Diversity Council hosted a program highlighting leaders who are agents of change in the Hispanic community and in the community as a whole: Richard Negrin (from left), deputy mayor for administration and coordination and managing director of the City of Philadelphia; Cynthia Figueroa, president and CEO of Congreso de Latinos Unidos; and the Honorable Carlos I. Giralt Cabrales, consul of the Consulate of Mexico in Philadelphia.
INDUSTRY COMPOSITION

The industry composition of the three states within the Third District roughly mirrors that of the nation (Figure 4). Based on 2013 averages, the three states combined have a higher share of employment in the education and health services (18 percent); trade, transportation, and utilities (20 percent); and professional and business services (14 percent) sectors than in the nation. Within the Philadelphia-Wilmington-Camden MSA, some industries stand further apart from national trends: education and health services, the largest sector, represent 21 percent of employment; professional and business services represent 16 percent; and financial activities represent 7 percent. These particular industries have average hourly earnings that exceed the national average of all industries.

Higher-paying industries and jobs tend to require higher educational degrees. In general, patterns of educational attainment in our region for women and minorities reflect national averages. Larger shares of women earn higher education degrees in the Philadelphia MSA than in the nation.

Disproportionately lower shares of blacks and Hispanics earn bachelor’s degrees or higher compared with whites or Asian Americans among men and women. The gaps in educational attainment for blacks and Hispanics at the national level are also reflected in the rates for the Philadelphia MSA (Table 3). Compared with national averages, a higher percentage of Hispanics have bachelor’s degrees or higher in the Philadelphia MSA; however, the percentage of blacks with bachelor’s degrees or higher is lower in the region than in the nation. This pattern is consistent when attainment rates are broken down by gender. With the exception of the overall average

FIGURE 4

Employment Shares by Industry, 2013

and whites alone, women in the Philadelphia MSA have higher educational attainment rates than men across different races for bachelor’s, graduate, and other professional degrees.

Educational attainment strongly impacts labor opportunities and participation. As levels of educational attainment increase, labor force participation rates increase and unemployment rates decrease. According to the U.S. Bureau of Labor Statistics (BLS) 2013 annual averages for metropolitan areas, the labor force participation rate of those with bachelor’s degrees or higher (77 percent) in the Philadelphia MSA exceeded the participation rate of those with less than a high school diploma (37 percent) by nearly 40 percentage points. The unemployment rate for those with a bachelor’s degree or higher was 3.6 percent, much lower than the unemployment rate for those with less than a high school diploma (16.2 percent).

Labor force participation and unemployment rates also vary by gender and race (Table 4). On average, men have higher labor force participation than women in the Philadelphia MSA, with a participation rate of nearly 70 percent compared with nearly 58 percent for women. This gender gap holds true across different races. Hispanic men had the highest labor force participation rate among men, at 75 percent, whereas white and black women had the highest rates among women, in line with the average of 58 percent.

According to the BLS estimates for the Philadelphia MSA, the average annual unemployment rate in 2013 was 8.3 percent. Across races, unemployment rates varied greatly (Table 5): The unemployment rates for blacks and Hispanics were 14.6 percent and 12.2 percent, respectively, compared with 6.9 percent for whites and 5.5 percent for Asians. Unemployment rates for women were lower than for men on average and by race, with the exception of Asian women.

According to the 2007 Census Bureau Survey of Business Owners, minority-owned firms and women-owned firms represented 21.3 percent and 28.8 percent of all businesses, respectively, in the nation. In our region, only New Jersey (23 percent) has a higher percentage of minority-owned businesses than the nation; Delaware (15 percent), Philadelphia MSA (17 percent), and Pennsylvania (10 percent) lag behind. The rates of women-owned businesses in our region are more in line with

### TABLE 3

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<th>Race/Ethnicity</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>35.1</td>
<td>34.1</td>
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<tr>
<td>White</td>
<td>38.9</td>
<td>37.7</td>
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<tr>
<td>Black or African American</td>
<td>16.7</td>
<td>19.8</td>
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<tr>
<td>Asian</td>
<td>48.8</td>
<td>52.1</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>15.5</td>
<td>18.2</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2013 American Community Survey

### TABLE 4

<table>
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<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>69.5</td>
<td>57.8</td>
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<tr>
<td>White</td>
<td>71.7</td>
<td>58.4</td>
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<tr>
<td>Black or African American</td>
<td>60.2</td>
<td>57.7</td>
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<tr>
<td>Asian</td>
<td>72.3</td>
<td>47.6</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>75.0</td>
<td>51.0</td>
</tr>
</tbody>
</table>

the national average, but they still lag somewhat: Women-owned businesses represent 26 percent, 27 percent, 27 percent, and 28 percent of all businesses in Delaware, New Jersey, Pennsylvania, and the Philadelphia MSA, respectively. These data, however, are outdated and predate the Great Recession, which likely had a large impact on many of these businesses. Newer estimates of minority- and women-owned firms will be available in late 2015.

### TABLE 5

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Men</th>
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<td>Hispanic or Latino</td>
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Three Philadelphia leaders were guest speakers for a Black History Month event, presented by the Diversity Council, on the Lessons of Inclusion from the Life and Legacy of Nelson Mandela: Alyn Waller (seated, from left), senior pastor of Enon Tabernacle Baptist Church; Tobey Daluz, partner at the Ballard Spahr law firm; and Charles Ramsey, police commissioner of Philadelphia.
The Bank is committed to fostering an inclusive work environment in which diversity is respected and leveraged to better serve the Third District.

**ACCOMPLISHMENTS**

The Bank has many accomplishments in its diversity and inclusion efforts. Specific achievements in these areas are highlighted here.

**1. Commitment to Diversity and Inclusion**

- The OMWI director briefs senior management on the status of diversity and inclusion initiatives, actions, and outcomes.
- The OMWI director is a member of the management committee and serves as its advisor regarding diversity issues.
- The Bank communicates frequently and visibly around diversity and inclusion topics and events.
- The Bank maintains a page on its external website to reiterate its dedication to diversity. The Bank also features a page on its intranet to highlight its commitment to diversity and inclusion and to provide ready access to current information for employees about activities and resources related to the diversity effort.
- The Bank has developed, communicated, and executed a strategic plan for diversity and inclusion.
- The Bank’s ninth core competency in its management and leadership development and employee performance assessment systems, “appreciating and valuing diversity,” reinforces the message that diversity is a priority and that it is essential for all employees to play a role in creating a culture of inclusion.

**2. Recruitment and Retention**

- To further enhance existing sourcing strategies, the Bank continued to convene a team of Bank leaders representing diverse communities to leverage their networks and support the development of strategies that will yield greater diversity within applicant pools.
- As a result of conversations with a local HBCU, the Bank amplified its relationship with the university through an

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5 Historically Black Colleges and Universities

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In honor of Women’s History Month, the Diversity Council hosted a panel discussion with five senior officers of the Federal Reserve Bank of Philadelphia about career paths and the impact of diversity and inclusion on the Federal Reserve System: Mary Ann Hood (from left), senior vice president of Human Resources; Milissa Tadeo, senior vice president of Corporate Affairs; Loretta Mester, then-executive vice president and director of Research; Jeanne Rentezelas, senior vice president and general counsel; and Donna Franco, senior vice president and CFO of Financial Management Services.
innovative collaboration. The Bank accepted the invitation to join the institution’s inaugural industry advisory board, the goal of which is to enhance employment opportunities for its students and to inform student career development.

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

- The Staffing Division further broadened its connections with minority professional organizations by hosting at the Bank the Women of ALPFA Conference, organized by the Philadelphia Chapter of the Association of Latino Professionals in Finance and Accounting (ALPFA). By networking with event participants, the Staffing Division and OMWI attendees raised awareness of career paths at the Bank that align with ALPFA members’ educational background and skills.

- Talent Management continued to bolster Grow the Home Team, an interdepartmental, short-term, cross-functional developmental assignment program designed to help employees strengthen and expand their skills and develop new competencies. Talent Management leveraged this program to recruit assistants to handle administrative matters relating to diversity and inclusion training delivery, as well as candidates for the Urban League of Philadelphia’s Urban Leadership Forum.

- **College Internship Programs**
  - The Bank employed approximately 42 college students through its internship program, which is designed to provide a practical and meaningful work experience. A significant number of the interns were minorities and women. In addition to their assigned responsibilities, 30 of the students visited the New York Federal Reserve Bank to gain an understanding of the varied responsibilities of the Fed. Five interns from this group converted to full-time employment at the Bank. Of the five, one was a minority and two were women.
  - Staffing advertised open positions through various media; job boards at HBCUs and other institutions; minority student organizations at area campuses; and with Campus Philly, a nonprofit organization that fuels economic growth by encouraging
college students to study, explore, live, and work in the Greater Philadelphia tri-state region.

- The Bank also hosted a networking event on behalf of Campus Philly, with area employers and approximately 100 students, to explore careers in accounting and finance.

- **Mentoring**
  - A representative from Human Resources served as a judge for Rowan University’s Dress for Success program to prepare students for interviews. The Bank also participated in several career day events in such venues as South Philadelphia High School, Mastery Charter School, and the University of Delaware, to help high school and college students understand various opportunities related to their fields of interest, including the financial services industry.
  - For the second year in a row, the Bank partnered with Cristo Rey Philadelphia High School to further its outreach efforts in majority-minority and inner-city high schools. At the request of Cristo Rey’s highly regarded work-study program, eight students worked part-time throughout the school year in the Bank’s Human Resources, Financial Management Services, and Information Technology Services departments. Additionally, two of these Cristo Rey students were hired as summer interns, in collaboration with the Philadelphia Youth Network and WorkReady Philadelphia. Supervisors oversaw the work and professional development of all these students. These experiences not only helped the students develop valuable skills but also exposed them to future career opportunities within the Bank.

- **Diversity Recruiting Fairs**
  - To maximize exposure to diverse candidates,
the Bank participated in various local and national job fairs in urban communities or with a focus on minorities and women. For example, to broaden efforts, the Bank participated in Enon Tabernacle Baptist Church’s job fair and posted jobs to be announced following church services.

- Volunteers from the Bank attended job fairs sponsored by Haverford College, the Urban League of Philadelphia, Rowan University, and the University of Delaware, as well as the Veteran’s Opportunity Job Fair and the annual Al Dia Latino Community Job Fair.
- The NSH MBA national conference was held in Philadelphia. Several Bank officers helped raise the profile of both the System and the Bank as employers of choice by conducting mock interviews for attendees and assisting with elevator speech development. A Human Resources officer also conducted a 90-minute leadership workshop.

- **Development**
  - The Bank launched Leaders Academy, an ambitious new leadership development program designed to empower and support employees in reaching their career goals while meeting the strategic and business needs of the Bank. This cohort-based program focuses on the people side of managing, which reinforces the Bank’s commitment to fostering an inclusive workplace that engages individuals and supports their growth. In all, 23 men and 19 women made up the two cohorts; 15 members of the group were minorities.
  - As a complement to Leaders Academy, the Bank also launched a Mentoring Pilot Program. Leaders Academy participants were invited to fill 20 slots, 10 each for mentors and mentees. The resulting group was diverse across multiple dimensions. These supportive partnerships counted as an elective toward successful completion of Leaders Academy.
  - The Bank continued the practice of enrolling a small contingent of staff from various departments in LEADERSHIP Philadelphia to enrich their leadership skills and serve the community through placement on nonprofit boards. There were three Bank representatives (two women and one man) in 2014.
  - There are opportunities for...
all employees to continue their education and development under the Bank’s many programs, including tuition reimbursement; professional development; and the Grow the Home Team program, which provides developmental experiences through rotation or talent exchange assignments within the Bank’s functional areas.

- The Bank supported continuous skills development for existing leaders by encouraging participation in the SLI conferences discussed previously. All told, 11 emerging leaders (including four women and two minorities) attended the Thrive conference, five midlevel leaders (including three women and two minorities) attended the Trailblazers conference, and two leaders from the Bank (one woman and one man) stepped out of their comfort zone by accepting System Leadership Exchange assignments with other Reserve Banks.

- The job posting program presents opportunities for staff to move through the organization and build their skills and knowledge of the Bank’s business areas.

3. Partnerships with Community Organizations Representing Diverse Constituencies

- The Bank sent representatives to Extreme Practice Interview Expo 2014, an event sponsored by Philadelphia Academies Inc. that is focused on helping high school students practice interview techniques to prepare for entry into the workforce.
- The Bank hosted a panel discussion focusing on the various roles attorneys play at the Bank on behalf of Rutgers School of Law’s Pre-Law Undergraduate Scholars (PLUS) Program. Program participants, who were talented minority students from colleges and universities across the country, also gained insights into the Bank’s role and functions, as well as its commitment to diversity and inclusion.

4. Internal Assessment and Reporting System to Measure the Effectiveness of Activities to Promote the Employment of Minorities and Women

- The Bank executed the strategic plan for diversity and inclusion that contains measurable goals and objectives. This document provides a framework for creating a more diverse and inclusive work environment.
- In the spirit of greater transparency for the benefit of staff and the general public, the Bank published workforce representation data on the Bank’s internal and external websites.
- The Bank successfully concluded enterprisewide foundational diversity and inclusion training.
- The Bank implemented human resources and diversity and inclusion performance indicators to capture a range of data relative to these functions. Data will be analyzed to determine the impact of diversity and inclusion strategies.

CHALLENGES

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

- There are limited networks through which to recruit minority candidates with advanced degrees in fields relevant to the Bank’s work (e.g., Ph.D. economists, bank examiners).
- Modest turnover, particularly at the managerial level and higher, narrows the opportunities for advancement.

NEXT STEPS

Moving forward, the Bank endeavors to face these challenges by

- seeking new opportunities for finding and recruiting minority candidates with advanced degrees for managerial and leadership positions;
- continuing to use social media to reach diverse qualified candidates;
- continuing to expand relationships with HBCU leaders, administrators, faculty, and students; and
- cultivating relationships initiated with women’s colleges in the Third District.
Minority- and Women-Owned Business Inclusion

The Bank’s Procurement function, in collaboration with the OMWI Council, is working to increase participation by minority- and women-owned businesses in the organization’s contracts. The development and implementation of initiatives and procedures related to this task have been carried out at the System level by the OMWI director, with assistance and input from Procurement and Legal staff. The Bank has developed standards and procedures for supplier diversity as required under the law. Additional support has been provided by the National Procurement Office (NPO), which is responsible for managing and facilitating contracts that may be used by any of the Reserve Banks in the System. Procurement staff also follows standards accepted by the System, such as the Framework for Meeting the Supplier Diversity Provisions of the Dodd-Frank Act created by the NPO with input from the Reserve Banks. The Bank has made strides in implementing OMWI supplier diversity programs and initiatives.

**AMOUNTS PAID TO CONTRACTORS**

Total spend: $46.93 (million) in 2014

Percentage of the above amount paid to:

- Total diverse spend minority business enterprises (MBEs) and women’s business enterprises (WBEs) $7.66 (million)
- Minority-owned businesses, 7.44 percent, $3.49 (million)
- Women-owned businesses, 8.89 percent, $4.17 (million)

**ACCOMPILISHMENTS**

The Procurement function has an action plan in place to ensure a sustained approach to achieving supplier diversity goals and objectives. As a result, the Bank enhanced access and business opportunities for small MBEs and WBEs; increased awareness of supplier diversity across the Bank to create access and opportunity to a diverse pool of suppliers for all acquisitions; conducted technical assistance events for diverse suppliers; and conducted supplier outreach.

1. **Provided access and opportunity to a diverse pool of suppliers that includes small, minority- and women-owned businesses**
   - Procurement met with key stakeholders in an effort to ascertain upcoming new Third District purchases and new acquisitions and to keep vendor diversity considerations in the forefront of any planned acquisitions.
   - Procurement implemented standards and procedures for self-assertions and determinations relative to supplier workforce diversity.
   - In an effort to provide guidance to Bank staff on how to include diverse suppliers in acquisitions, Procurement updated and distributed a document on Supplier Diversity in the Procurement Process. This guide was also provided to Bank staff as part of annual Bank-wide training.

2. **Increased awareness of supplier diversity across the Bank**
   - To encourage all purchasers of Bank goods and services to include MBEs and WBEs as potential suppliers for acquisitions, regardless of payment method, Procurement incorporated requirements from the Act and the Bank’s supplier diversity policy into Bank-wide procurement-related training.
   - Staff participated in internal annual training events to educate attendees about the Act’s supplier diversity requirements.
   - Procurement disseminated a Bank-wide communication to signal a top-down commitment to supplier diversity, conveying the benefits of widening the vendor pool in furtherance thereof, and directing purchasers to resources available to assist them in identifying certified minority- and women-owned businesses.
   - Procurement incorporated language relative to the Act’s requirements into the Bank’s request-for-proposal (RFP) process and new contracts, and inserted “good faith effort” determination language into...
new contracts and renewals meeting established criteria.

- To prequalify vendors, Procurement created a supplier profile form.

### 3. Conducted training and technical assistance events for diverse suppliers

- In conjunction with the sixth annual Supplier Diversity Vendor Fair/Matchmaking Session, Procurement hosted an on-site workshop primarily for the benefit of MBEs and WBEs to provide a hands-on demonstration of the online automation used in the bid process. The Q&A segment of the workshop was devoted to explaining the process that the Bank uses to buy goods and services.
- A Procurement staff member was a panelist for a session titled “Supplier Diversity: Strategy for Growth” held at an event hosted by the Bank for the Greater Philadelphia Hispanic Chamber of Commerce. The panel discussed relevant supplier diversity issues and growth strategies such as diversification, product development, market penetration, market development, and how to do business with the Bank.
- The System’s Partnership for Progress and Procurement jointly hosted a panel discussion titled “Access to Capital/Credit” during the Procurement Conference and Trade Show of the Eastern Minority Supplier Development Council (EMSDC). Minority, small business association, and community development financial institution (CDFI) lenders provided insights on how to gain access to capital or credit to increase capacity, manage cash flow, and support other purposes.
- In a partnership with the Greater Philadelphia Hispanic Chamber of Commerce, Procurement hosted a panel discussion on “How to Do Business with the FRBP and Access to Capital/Credit” during Minority Enterprise Development Week, an annual nationwide conference that provides critical information to foster the growth and competitiveness of the minority business community. The Greater Philadelphia Hispanic Chamber of Commerce served as the cochair for the Philadelphia region’s conference.

### 4. Conducted supplier outreach

- By attending the EMSDC’s Procurement Conference and Trade Show, the Women’s Business Enterprise Council (WBEC) PA-DE-sNJ’s Navigating the Corporate and Government Marketplace Conference and Trade Show, as well as similar events sponsored by chambers of commerce within Pennsylvania, Procurement met with diverse suppliers and developed leads to enhance the Bank’s supplier pool.
- Procurement hosted the Bank’s sixth annual Supplier Diversity Vendor Fair/Matchmaking Sessions to introduce MBEs and WBEs to decision-makers and purchasers of goods and services for the Bank. Partners that provided diverse vendors included the EMSDC, the WBEC PA-DE-sNJ, the Office of Economic Opportunity of the City of Philadelphia, the Pennsylvania Minority Business Development Agency, the Asian American Chamber of Commerce of Greater Philadelphia, and the Greater Philadelphia Hispanic Chamber of Commerce.
- Through Procurement’s “Meet the Generals” construction matchmaking outreach effort, diverse businesses were able to meet with general contractors that are under contract with the Bank for possible second tier opportunities, as well as with the Bank’s Facilities and Procurement staff for possible first tier opportunities.
- To obtain viable WBE and MBE vendors for bid opportunities, Procurement extended its outreach to the EMSDC, the WBEC PA-DE-sNJ, and the Office of Economic Opportunity of the City of Philadelphia.
- A Procurement staff member serves on the Board of Directors of the EMSDC, furthering the Bank’s relationships with that organization.
- To become acquainted with diverse suppliers in the region, Procurement continued to develop relationships with
southern New Jersey and central Pennsylvania chambers of commerce. Similarly, Procurement has enhanced relationships with the Greater Philadelphia Hispanic Chamber of Commerce and the Asian American Chamber of Commerce of Greater Philadelphia.

5. Awards
- The Bank’s Procurement function received the Advocate of the Year award from the EMSDC.
- Procurement nominated an MBE that provides software licenses and maintenance for the Bank for the Class 2 (Annual Sales Between $1M and Less Than $10M) Supplier of the Year award from the EMSDC. The MBE won the award.

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

- Limited number of diverse vendors identified to date with work crews of sufficient size to handle the Bank’s larger jobs
- Perception on the part of some diverse vendors that the Bank purchases goods and services using the same guidelines, processes, and practices as federal government agencies
- MBEs and WBEs that are unresponsive to bid opportunities
- Limited diverse vendors in the areas where there is a high amount of spend (e.g., research data)
- Competition with major corporations for regional or national System contracts

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

- Continue to communicate and reinforce the importance of using a diverse supplier pool for acquisitions by conducting Bank-wide supplier diversity training annually
- Maintain and enhance the practice of hosting an annual Supplier Diversity Vendor Fair to educate vendors about how to do business with the Bank
- As a council member of the EMSDC and WBEC PA-DE-sNJ, pursue additional opportunities to attend matchmaker events and conferences and to access the pool of suppliers through the WBENCLink online database
- Develop a plan for supplier outreach programs in 2015
- Manage data reporting and analysis and provide periodic supplier opportunity and spend reports
- Maintain involvement with the System’s purchasing managers to ensure long-term management of vendor spend, supplier classifications, and reporting evaluation
- Enhance the online Supplier Diversity registration portal
- Continue to seek external training opportunities and benchmark data relative to industry best practices for finding MBEs and WBEs and promoting supplier diversity
Helping educators to more effectively teach personal finance in their classrooms is a priority and a long-standing practice within the Bank. The centerpiece of its youth financial education effort is the Keys to Financial Success (Keys) high school personal finance program, which is designed to help teachers instruct students about personal finance using active and collaborative learning methods.

The Keys to Financial Success teacher-training professional development course is an intensive, weeklong program offered free of charge to educators in the Third District, including those who work in inner-city, girls’, and majority-minority high schools.

ACCOMPLISHMENTS

- During a weeklong session in July 2014, the Bank trained 33 teachers, six of whom represented five OMWI schools (four of which were majority-minority and two of which were inner-city), to teach the Keys course. These six teachers reach an estimated 450 students per year.
- The Bank continued to support teachers from a total of 52 OMWI schools (22 inner-city, 48 majority-minority, four girls’)7 in the Keys program by providing ongoing consultation, professional development, and student pre- and post-testing.
- Additional professional development offerings reached 38 teachers from 34 OMWI schools. Combined, these teachers, who reach an estimated 2,850 students per year, received 512.5 professional development hours. These programs were:
  - Keys to Financial Success Professional Development Update
  - Making Sense of Money and Banking
  - Federal Reserve Financial Education Day
  - Entrepreneurship and You
  - The Federal Reserve and You video
  - Geography and the Economy
  - High School Economics
  - Middle School Economics
- The Bank continued to send brochures and marketing e-mails to Third District OMWI high schools to ensure that principals and teachers received materials that fully describe each of the Bank’s professional development offerings.
- The Bank also continued to distribute The Federal Reserve and You, a multipart modular video that covers the purposes and functions of the System. High school teachers use this video to educate students about the System, money, and banking. As of November 30, 2014, the Bank has distributed 21,272 copies of the DVD, and has received more than 227,766 web page views on our website that contain clips of the film.
- The Bank maintained partnerships with the University of Delaware, the Pennsylvania JumpStart Coalition for Personal Financial Literacy, the New Jersey Council for Economic Education, and the New Jersey Coalition for Financial Education.
- On June 20, 2014, the Bank’s Keys program was highlighted on WHYY’s First. The television feature was filmed with teachers and students at William Penn High School (New Castle, DE), a majority-minority high school.
- On June 30, 2014, the Bank’s economic education advisor appeared on Comcast Newsmakers to discuss the importance of K–12 financial education.
- In May 2014, a research paper on the effectiveness of the Bank’s Keys program appeared in the International Review of Economics Education. The authors found that the Keys program, on average, increases students’ knowledge of personal finance by more than 60 percent based

7 These numbers do not total 52 because, in many cases, the schools qualify in more than one category. For example, a school may be both an inner-city and a girls’ school.


• This past year, the Bank’s economic education advisor has served on a team of economic educators tasked with writing new standardized tests for measuring student knowledge of personal finance. The project is led by the national Council for Economic Education.

• In August 2014, the Bank posted three videos that explain some of its core personal finance and economic education programs on its YouTube channel.

• Four hundred and thirty-seven students from 11 OMWI schools visited the Bank’s Money in Motion exhibit in 2014.

**CHALLENGES**

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

• Continued restraint in school budgets that impacts both teacher availability for professional development programs and the willingness of schools to adopt new curricula

• Competing priorities for instructional time, particularly in urban schools

• Wariness of teachers to attend professional development programs from providers they have never heard of before

• Limitations imposed by school districts on the number and length of field trips to educational venues such as the Bank’s Money in Motion exhibit

**NEXT STEPS**

Efforts to overcome these challenges include the following:

• Development of new online webinars and video-based resources that expand teachers’ understanding of personal finance and economics and how to teach these subjects in the K–12 classroom

• Use of shorter, live teacher-training programs and webinars to introduce the Bank’s economic and personal financial education activities to teachers unfamiliar with the programs

• Continuation of efforts to distribute curriculum resources and live teacher-training programs to schools, particularly OMWI schools
Summary

The Federal Reserve Bank of Philadelphia promotes workforce diversity as part of the core values of the Bank. When recruiting and promoting staff, the Bank seeks to select from a diverse pool of candidates and uses various media to advertise and recruit diverse talent. The Bank continues to track progress made to enhance diversity among the Bank population, and considers the ability to manage a diverse workforce as a core competency for management staff.

The Procurement function, in conjunction with OMWI, continues to work to increase participation by minority- and women-owned businesses in the organization’s contracts. Management staff has participated in events hosted by the Bank to meet and speak with vendors about the types of goods and services that the Bank requires. Additionally, over the past few years, the Bank has stepped up its supplier outreach within the tri-state region, including outreach to the Minority Supplier Development Council of PA, NJ, DE, and the Office of Economic Opportunity of the City of Philadelphia, with the objective of obtaining viable WBE and MBE vendors for bid opportunities. As a result of these efforts, the Bank increased total diverse spend as a percentage of total reportable spend to 16.33 percent in 2014. The procurement programs that the Bank has in place have been instrumental in identifying and including minority- and women-owned businesses in the bidding process.

With respect to financial literacy, through the Keys program, the Bank continued to provide ongoing consultation, professional development, and student testing materials to teachers at numerous inner-city, majority-minority, and girls’ schools. This program helps educators to more effectively teach personal finance in their classrooms. This year, the Bank’s economic education advisor served on a team of economic educators tasked with writing new standardized tests for measuring student knowledge of personal finance. The project is led by the national Council for Economic Education. Each year, the Bank continues to look for new and different ways to make an impact on financial literacy in the Third District.

The Bank is committed to diversity and inclusion and to meeting all requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Bank has programs in place to ensure a continued focus on OMWI initiatives. The Bank fully supports the Office’s efforts to enhance the diversity of the workforce and to support the diverse communities that comprise the Third District.
EEO-1 Consolidated Report (as of August 2014)

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