2016 Report to Congress on the Office of Minority and Women Inclusion

March 31, 2017
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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.
Welcome to our report on the progress of the Office of Minority and Women Inclusion at the Federal Reserve Bank of Philadelphia. In the following pages, you’ll see how we fared on a variety of measures in our efforts to create a diverse workforce and vendor base. On this page, I want to make clear why it’s important.

An active program that encourages diversity reflects an inclusive approach that I consider a core value. It also reflects the longstanding culture of inclusion that makes the Philadelphia Fed such an outstanding organization.

But that commitment to diversity isn’t just about doing the right thing. It’s a smart business move, and plays a major part in our success.

Diversity in the workforce makes an organization better. It makes us stronger, more strategic, and more agile. Why? Because when you bring people together who have different backgrounds, different life experiences, and different points of view, it makes us see things in new ways. That might lead to an innovative solution to a problem, an inventive approach to team-building, or an original way to give our work greater impact. And the simple act of challenging ourselves to see things from a different perspective is an exercise in critical thinking in itself.

Ultimately, homogeneity can breed stasis and groupthink.

A diverse staff also helps to shape an organization that can recruit and retain top talent. People want to see that they’re represented in the workplace — at all levels. That’s especially true as we look to build the next generation of employees.

As the baby boomers start to enter retirement, it will be more important than ever.

After the financial crisis, the recession, and a slow recovery, we’re finally seeing a labor market at or near full health. There are pockets that still need help, and we must pay attention to those demographic and geographic areas. But overall, the labor market is strong. This is excellent for the country, and is a principal goal for the Fed. But the availability of more jobs means more competition for workers, and if we want to recruit and retain the best, we need to play to our strengths. One of those is our diverse workforce. There’s a whole new generation of talent out there, and we want them working for us.

We take the mission of diversity seriously at the Philadelphia Fed, and it shows. I welcome you to our 2016 OMWI report.

Sincerely,
Executive Summary

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

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

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

This report details the Bank’s successes and challenges with regard to its efforts to ensure a) the racial, ethnic, and gender diversity of staff and senior management; b) 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 c) that our financial education programs adequately serve the diverse populations of the Third District.

Diversity and Inclusion as Core Values

Diversity and inclusion are core values of the Bank and are embraced as important strategic initiatives fully aligned with the organization’s mission. The Bank is committed to fostering an environment in which all employees can reach their full potential and in which different perspectives are valued.

One of the Bank’s four strategic goals calls for an emphasis on intellectual capital and the promotion of a collaborative, inclusive work environment as a means to improve the capabilities of the staff.

The Bank also has a strategic plan for diversity and inclusion built around the pillars of people, culture, and community. The plan has five strategic priorities: promoting an environment of respect, dignity, and equality for employees at all levels; assigning top-down accountability for creating a diverse and inclusive environment; supporting a culture of openness and transparency with regard to personal and career advancement; calling for building the Bank’s reputation internally and externally as a leader and model for workplace diversity and inclusion; 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. In 2016, the Bank updated this plan, incorporating feedback on areas of strength and opportunity gathered via a staff survey and focus groups. The plan builds on progress already made and provides a framework for next steps toward achieving measurable goals and objectives in this area.

Diversity and Inclusion Infrastructure

The OMWI manages the Bank’s overall approach to diversity and inclusion and acts as a hub for all related initiatives. Two other internal groups support the office’s activities: 1) the Diversity Advisory Group, led by senior executives who champion diversity and inclusion as essential priorities; and 2) the Diversity Council, a group of employees that plans events and activities to promote ongoing, substantive messaging across the organization about diversity and inclusion. Diversity Council members also participate in the formulation of strategies in support of diversity and inclusion goals and objectives.

The infrastructure expanded in 2016 with the adoption of an employee resource group (ERG) policy and the subsequent formation of two ERGs — one for working families and another for women. These new channels for collaboration and professional development were met with great enthusiasm and have had an immediate impact in terms of employee engagement and in raising the visibility of diverse leaders. Events hosted by the ERGs have been well-attended and created space for cross-level and cross-functional networking among employees. Additional ERGs are planned.

Minority and Women Employment

The Bank has programs in place that address diversity in recruitment, retention, leadership and professional develop-
ment, and succession planning. Programs and practices are in place, such as internships, mentoring activities, and diversity recruiting. Our internship programs provide developmental opportunities for individuals with diverse backgrounds, skills, and experiences. The following are highlights of the Bank’s efforts in 2016 to recruit and retain a diverse workforce at all levels:

- The Bank welcomed 112 new employees, of which nearly half (53, or 47 percent) were minorities and 49 (or 44 percent) were female, representing a 5 percent increase in minority and female hires over 2015. In addition, minority representation among senior management grew to 18 percent from 10 percent in 2015 (although the representation of women decreased slightly — from 50 percent to 46 percent).
- The Bank continued to raise its visibility as an employer of choice with the District’s historically black colleges and universities (HBCUs). As a member of Delaware State University’s Industry Advisory Board, the Office of Diversity and Inclusion’s associate director created an opportunity for an officer in the Bank’s supervision and regulation unit to attend a career workshop at the institution’s College of Business to teach students about the Bank and advise them on career paths within the organization.
- The OMWI and the Bank’s Talent Management Division hosted their fifth annual industry forum, which continued the tradition of promoting conversation around and best practices for workplace inclusion. Approximately 70 diversity and inclusion and talent management professionals around the Third District as well as Bank officers and managers attended the event, which addressed the inclusive leadership imperative from the executive’s perspective.

Minority- and Women-Owned Businesses

The Bank’s supplier diversity program, which predates the passage of the Act, 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. The supplier diversity program’s initiatives resulted in the following accomplishments:

- The Bank’s total diverse spend with minority business enterprises (MBEs) and women’s business enterprises (WBEs) decreased between 2015 and 2016 (see Appendix D) from $8.99 million to $8.47 million due to the decrease in total reportable spend. However, the percentage of total diverse spend increased from 18.85 in 2015 to 21.38 in 2016.
- The Procurement unit continued to educate Bank staff on the importance of supplier diversity, disseminating Bank-wide messages communicating its commitment to these principles and holding training sessions for staff members on guidelines and requirements. Procurement also incorporated language on the Act’s provisions into request-for-proposal procedures and new contracts and inserted “good faith effort” determination language into contracts and renewals that meet established criteria.
- The Bank increased its visibility with diverse vendors through outreach and by attending and hosting events, including joining the Federal Reserve System’s (the System) supplier diversity team at the Women’s Business Enterprise National Council’s National Conference and Business Fair and the National Minority Supplier Development Council Conference and Business Opportunity Exchange.

Financial Literacy

The Bank’s longstanding and highly regarded economic education and financial literacy programs continued to help teachers instruct students about personal finance. Some highlights of the Bank’s financial education activities included:

- The Bank’s economic education team held 11 professional development events for OMWI teachers and for the first time delivered a professional development program online for 82 teachers — 27 from OMWI schools — who together reach an estimated 2,025 students annually.
- The team trained 30 teachers, nearly half of whom (14) represented 13 OMWI schools, in its flagship Keys to Financial Success high school personal finance course. It also provided continuing support under the program for teachers from 166 schools, of which 69 are OMWI schools.
- Economic educators sought to increase the visibility and reach of resources for teachers by visiting and sending informational materials to Third District schools. The team also partnered with the City of Philadelphia and local nonprofits to conduct outreach to the School District of Philadelphia to establish a pilot program based on the Keys to Financial Success curriculum in 10 or more high schools.

Additional information, including some challenges the Bank experienced with regard to these goals during 2016 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, 2016, through December 31, 2016, unless otherwise indicated. The assessment of inclusion programs within regulated entities is managed by the Board of Governors of the Federal Reserve System and is therefore not addressed in this report.
Overview of the Bank

Unique Third District Activities and Significant System Responsibilities

The Bank holds significant Federal Reserve System responsibilities and performs unique Third District activities.

The Bank houses the project management team and the Central Business Administration Function for the Collateral Management System (CMS), a centralized web-based system for recordkeeping of definitive and book-entry securities, stocks, and loans. CMS is used by the Reserve Banks to monitor, manage, and value collateral pledged to Reserve Banks to support extensions of credit under the discount window and payment systems risk policy. CMS also supports the Reserve Banks’ fiscal agency responsibilities regarding collateral pledged for various programs of the U.S. Department of the Treasury. Because all collateral holdings and their corresponding market prices are stored within CMS, analysts can view and query an institution’s entire collateral portfolio through the system. The CMS team also maintains and enhances the Subcommittee on Credit Risk Management (SCRM) Collateral Data Repository and the Analytical CRM Environment, a SCRM data analytical tool that provides credit risk analysts with reports and dashboards.

The Bank publishes two national newsletters on behalf of the System, Community Banking Connections and Consumer Compliance Outlook. Both provide practical regulatory information to help community banks operate in a safe and sound manner and comply with applicable laws and regulations, the former focusing on safety and soundness and the latter on consumer compliance.

The Groupware Leadership Center coordinates and oversees the planning, implementation, and operation of the System’s enterprise end-user messaging and collaboration technologies. This includes e-mail, instant messaging, web conferencing, external collaboration services, wireless handheld devices, and videoconferencing.

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

Throughout 2016, the Bank continued to support MDIs through the following activities:

- Formalized a partnership between the Supervision, Regulation, and Credit and Community Development Studies & Education departments to share management and oversight of PFP and diversify programming for MDIs
- Delivered technical assistance on a wide variety of topics tailored to MDIs by identifying additional resources and providing targeted supervisory guidance
- Hosted and participated in numerous banking workshops and seminars aimed at promoting and preserving MDIs, including the National Bankers Association’s Legislative and Regulatory Conference
- Fostered mutually beneficial partnerships between MDIs and community leaders, trade groups, the Community Development Financial Institutions (CDFI) Fund, and other organizations to seek support for MDIs
- Conducted a webinar in October 2016 to educate MDIs and examiners on the PFP program and related supervisory topics
- Participated in an interagency task force created to address supervisory challenges facing MDIs

PFP coorganized the biannual Interagency Minority Depository Institution and CDFI Bank National Conference, which will take place April 5–6, 2017, in Los Angeles. Conference organizers expect more than 175 attendees. The theme is “Expanding the Impact: Increasing Capacity and Influence.”

The Program in Consumer Credit & Payments investigates and analyzes 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 among 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 large system that features a wide array of key U.S. consumer credit databases with powerful analytical tools for sampling, querying, mapping, reporting, and charting data. The Securities Evaluation Service analyzes all parts of the asset- and mortgage-backed securities markets in financial institutions’ investment portfolios and in securities markets more broadly.
The Bank established the **Supervision Team Site Support Office (STSSO)** in 2012 to foster collaboration, knowledge, and information sharing in the supervision and regulation community through the development and implementation of team sites designed to increase efficiency and reduce administrative burden in the execution of the core supervisory process. Throughout 2016, the STSSO continued to develop and deploy team site solutions across the System in support of continuous monitoring and examinations across the community bank, regional bank, large and foreign bank, Large Institution Supervision Coordinating Committee, and consumer compliance portfolios.

The Bank serves as the Central Business Administration Function for the **Treasury Check Information System (TCIS)** and the **Post Payment System (PPS)**. TCIS provides the Bureau of the Fiscal Service of the U.S. Department of the Treasury with an electronic checkbook, reconciling approximately 62 million checks and processing about 1 million check claims and inquiries per year. TCIS also affords Fiscal Service the opportunity to move from paper to electronic communication with federal agencies and non-Treasury disbursing offices, as their processes allow. 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 separate systems into one application and will provide the Treasury with capabilities not present in the legacy applications. Installed in September 2014, the first PPS release established the computing environments and initial data flows for subsequent releases. Additional major and minor releases have been implemented providing Fiscal Service and federal agencies with enhanced functionality, automation, and reporting capabilities.
The Office of Minority and Women Inclusion

The director of the Bank’s OMWI (Appendix A) is Mary Ann Hood, who serves in this capacity in addition to her role as the Bank’s senior vice president of Human Resources and Equal Employment Opportunity (EEO) officer. She is also actively involved in the System’s Council of OMWI Directors.

In accordance with Section 342 of the Dodd–Frank Act, the OMWI is responsible for all matters relating to diversity in management, employment, and business activities. The OMWI, which is housed in the formally named Office of Diversity and Inclusion, builds upon existing efforts to attract and retain a diverse workforce at all levels, create an inclusive workplace, foster supplier diversity, and support financial literacy education.

The OMWI is supported by senior management through the Diversity Advisory Group, who champions diversity and inclusion initiatives. The Bank works to ensure that diversity principles and best practices permeate the organization, with the understanding that these efforts strengthen the institution and enhance its ability to support the diverse communities of the Third District.

Staffing and Structure

In her role as OMWI director, Ms. Hood reports directly to the Bank’s president. She has one full-time staff member, Karen J. Vaughn, associate director.
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 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 Delaware (Figure 1), has a population of 13.2 million, according to the U.S. Census Bureau’s 2014 County Population Estimates data set. The distribution of that population per state is as follows:

- Delaware: 0.9 million people in three counties
- Southern New Jersey: 2.8 million people (or about 33 percent of the state’s population) in nine counties
- Eastern two-thirds of Pennsylvania: 9.5 million people (or about 75 percent of the state’s population) in 48 counties

There are 23 metropolitan statistical areas (MSAs) wholly or partially located in the Third District. The Philadelphia–Camden–Wilmington, PA–NJ–DE–MD MSA (Philadelphia MSA) is the largest. It 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 (excluding 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 District’s population.2

From 2010 to 2014, the District’s population grew 1.1 percent compared with 3.1 percent for the nation. Growth was faster in Delaware at 4.0 percent, while those portions of New Jersey and Pennsylvania within the Third District grew at 0.4 percent and 1.0 percent, respectively. The Philadelphia MSA (excluding Cecil County, MD) grew 1.3 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 2014 Census estimates, 22.6 percent of the nation’s population identified themselves as a race other than white or selected a combination of races. Within the District, 20.6 percent of the population identified themselves as other than white.

While the Third District has a slightly greater percentage of black or African American residents than the nation, the percentages of Asian and Other 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 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 (22.0 percent) than the nation (13.2 percent) and a smaller white population (69.5 percent) than the nation (77.4 percent).

In the City of Philadelphia alone, there are slightly larger percentages of Asian and Other populations than in the Philadelphia MSA. However, the percentage doubles for the

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2 The Philadelphia–Reading–Camden, PA–NJ–DE–MD 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.
The black population in the city compared with the MSA, while the city’s percentage of white population is lower by 24 percentage points (Figure 3).

The Hispanic population continues to be a key driver of population growth for the nation and the Third District. From 2010 to 2014, the Hispanic population in the U.S. grew by more than 4.6 million people, or 91 percent. The Third District and the Philadelphia MSA experienced faster growth in their Hispanic populations, by 13.5 percent and 12.3 percent, respectively.

Despite the more rapid percentage growth of the Hispanic population in the local region, the percentage of Hispanics in the Third District (9.2 percent) is still only slightly more than half that of the nation (17.4 percent). The City of Philadelphia is closer with 13.6 percent (Figure 4).

**Economic Trends**

The Third District continued to add jobs, but its pace generally lagged that of the nation. After having fully regained the jobs lost during the Great Recession, Pennsylvania and Delaware’s economies gained 78,000 and 17,000 additional jobs, respectively, through December 2016. New Jersey’s job recovery lags behind but continued to make progress, recovering nearly 98 percent of jobs lost in the Great Recession by the end of 2016. By November 2016, the Philadelphia–Wilmington–Camden MSA had more than recovered jobs lost — adding a further 66,000 jobs.

Unemployment rates have fallen 3.1 percentage points in Pennsylvania, 4.4 percentage points in Delaware, and 51 percentage points in New Jersey since their peak levels in early 2010 following the Great Recession, but they remain slightly elevated compared with prerecession averages. As of the end of 2016, Pennsylvania’s unemployment rate exceeded the national rate by nearly 1 percentage point, New Jersey’s was the same as that of the nation, and Delaware’s was 0.4 percentage point below the national rate.

**Industry Composition**

The industry composition of the three states within the Third District roughly mirrors that of the nation (Figure 5). Based on 2016 averages, the three states combined had a 1 percentage point or higher share of employment than the nation in the trade, transportation, and utilities (20 percent) and education and health services (19 percent) sectors. Within the Philadelphia–Wilmington–Camden MSA, some industries stood further apart from national trends: education and
health services, the largest sector, represented 21 percent of employment; professional and business services represented 16 percent; and financial activities represented 7 percent. These particular industries have average hourly earnings that exceed the national average of all industries.

Higher-paying industries and jobs tend to require higher educational degrees. Educational attainment varies by sex and race. Overall, educational attainment is higher in the Philadelphia MSA than in the nation. Compared with national rates, a higher percentage of women and minorities in the Philadelphia MSA earn bachelor’s degrees or higher, with the exception of black men, black women, and Hispanic men.

In 2015, for the U.S. overall, the share of women with bachelor’s degrees or higher slightly exceeded the share of men with bachelor’s degrees; in the Philadelphia MSA, the shares were equal (Table 1). Patterns of
Educational attainment by sex among races in our region generally reflect national patterns: black and Hispanic women have higher educational attainment than their male counterparts, whereas more Asian men have higher education degrees than Asian women.

Educational attainment strongly impacts labor opportunities and participation. As levels of educational attainment increase, labor force participation rates increase, and unemployment rates decrease. According to the 2015 American Community Survey (ACS) 1-Year 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 roughly 34 percentage points (88 percent versus 54 percent). The unemployment rate for those with a bachelor’s degree or higher was 3.1 percent, much lower than the unemployment rate for those with less than a high school diploma (15.5 percent).

Labor force participation and unemployment rates also vary by sex and race. On average, in the Philadelphia MSA, men between the ages of 20 and 64 have a higher labor force participation rate than do women in the same age group — almost 83 percent for men compared with more than 75 percent for women (Table 2). Across races for the population aged 16 years and older, labor force participation rates varied from almost 61 percent for blacks to more than 66 percent for Asians and whites (Table 3).

According to the 2015 ACS estimates for the Philadelphia MSA, the average annual unemployment rate for the population aged 20 to 64 years in 2015 was 6.7 percent, down almost one percentage point from 2014. The unemployment rate for men (7.2 percent) exceeded the rate for women (6.2 percent) (Table 4). Across races, unemployment rates for the population aged 16 years and older also fell over the year but continued to vary greatly (Table 5). The unemployment rates for blacks and Hispanics were 12.0 percent and 10.3 percent, respectively, compared with 5.6 percent for whites.

According to the U.S. Census Bureau 2012 Survey of Business Owners, the share of minority- and women-owned firms increased across the nation and in Delaware, New Jersey, and Pennsylvania since 2007. In 2012, minority- and women-owned firms represented 28.9 percent and 36.0 percent of all businesses in the nation, respectively. In our region, only New Jersey has a higher percentage (30 percent) of minority-owned businesses than the nation; Delaware and Pennsylvania lag behind, with 20 percent and 14 percent, respectively. The rates of women-owned businesses in our region are more in line with the national average, but they still lag somewhat: Women-owned businesses represent 33 percent, 32 percent, and 31 percent of all businesses in New Jersey, Delaware, and Pennsylvania, respectively.

### Economic Inclusion

The Bank’s Community Development Studies & Education (CDS&E) Department supports the System’s economic growth through various initiatives and programs aimed at promoting economic inclusion by increasing access to credit and business opportunities for underserved communities.

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#### Table 2

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<th>Labor Force Participation Rates by Sex, 20 to 64 Years Old, Philadelphia MSA</th>
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<tr>
<td>Total</td>
<td>78.8</td>
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<tr>
<td>Male</td>
<td>82.6</td>
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<tr>
<td>Female</td>
<td>75.2</td>
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Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

#### Table 3

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<th>Labor Force Participation Rates by Race, 16 Years and Older, Philadelphia MSA</th>
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<tr>
<td>Total</td>
<td>65.1</td>
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<tr>
<td>White</td>
<td>66.3</td>
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<tr>
<td>Black or African American</td>
<td>60.5</td>
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<tr>
<td>Asian</td>
<td>66.4</td>
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<tr>
<td>Hispanic or Latino</td>
<td>65.7</td>
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Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates
objectives by promoting community development in low- and moderate-income communities and fair and impartial access to credit in underserved markets. Economic inclusion is a key focus of CDS&E’s research and outreach in the District.

In 2016, CDS&E’s research explored consumer credit trends by age, borrower credit access and performance after loan modifications, gentrification and residential mobility in Philadelphia, and philanthropic grantmaking for community and economic development, among other topics.

CDS&E also organized a variety of outreach meetings, including the biennial Reinventing Our Communities conference. Focused on the theme of “Transforming Our Economies,” the event explored inclusive economic development strategies and drew 434 community development practitioners, policy-makers, researchers, and students from 29 states, Washington, D.C., and Canada. Other events during the year highlighted such topics as low- and moderate-income mortgage origination and servicing, workforce development, meeting the financial needs of older adults, summer employment opportunities for high school students, the intersection of financial and public health, gentrification and neighborhood change, and affordable housing.

CDS&E also led four neighborhood tours for senior leadership. An important part of the Bank’s engagement in the District, these visits allow Bank staff and leadership to see economic conditions in the region firsthand and inform the Bank’s approach to community development and economic education. President Harker met with Mayor Dana L. Redd of Camden, NJ, and other leaders from the private and public sectors to discuss economic development and community revitalization efforts in that city. Additionally, Chair Janet Yellen and President Harker joined CDS&E on a tour that highlighted workforce development initiatives and commercial corridor revitalization in West Philadelphia. The department also hosted an economic and workforce development briefing and community revitalization tour of Harrisburg, PA, highlighting the computer numerical control machinist training program at the Harrisburg Area Community College. Lastly, President Harker visited Roxborough High School in Philadelphia to learn how its curriculum combines academic and technical classes around a career theme to prepare students for the 21st-century workplace.

### Table 4

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<tr>
<td>Total</td>
<td>6.7</td>
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<tr>
<td>Male</td>
<td>7.2</td>
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<td>Female</td>
<td>6.2</td>
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Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

### Table 5

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<td>Total</td>
<td>7.1</td>
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<tr>
<td>White</td>
<td>5.6</td>
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<tr>
<td>Black or African American</td>
<td>12.0</td>
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<tr>
<td>Asian</td>
<td>6.4</td>
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<tr>
<td>Hispanic or Latino</td>
<td>10.3</td>
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Source: U.S. Census Bureau, 2015 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 and leveraged to better serve the communities of the Third District. The Bank continued to adhere to its established standards and procedures for workforce diversity during 2016. The following details the successes and challenges in this area.

Successes

1. Communicated standards for the racial, ethnic, and gender diversity of the workforce and senior management
   • The OMWI director is a member of the management committee and serves as its advisor regarding diversity issues.
   • The OMWI director briefs senior management on the status of diversity and inclusion initiatives, actions, and outcomes.
   • The OMWI director makes annual progress reports to the Board of Directors’ Management and Budget Committee regarding diversity and inclusion objectives.
   • Members of senior management attend Diversity Council meetings on a rotating basis to reinforce their commitment to workplace diversity and inclusion, address concerns from the group, and share advice about proposed strategies and programming. They also provide visible support for diversity and inclusion to a range of employee audiences by making opening remarks for Diversity Council and ERG events.
   • The Bank uses a variety of media (electronic and print) to frequently communicate to all employees and external stakeholders about diversity and inclusion topics and events.
   • The Bank maintains a page on its external website reiterating its dedication to diversity to all stakeholders. The Bank also features a page on its employee intranet that highlights its commitment to diversity and inclusion and provides ready access to current information for employees about activities and resources related to the diversity effort.
   • The Bank updated its strategic plan for diversity and inclusion to build on progress made under the first plan and to provide a roadmap for advancing the plan’s goals to the next level.
   • The Bank’s ninth core competency of “appreciating and valuing diversity” in its management and leadership development and employee performance assessment systems 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. Recruited a diverse workforce and promoted retention
   • The Bank experienced an increase of approximately 2 percent in its overall workforce over the course of 2016. Its population consisted of 874 employees in 2016 in contrast to 852 in 2015. In concert with other Banks across the System, the Bank posts OMWI information on its external and internal websites to promote greater transparency to constituents and staff. By doing so, the Bank makes public its EEO-1 workforce representation data. These data indicate that, in 2016, minorities represented 37 percent of the Bank’s workforce (up from 36 percent in 2015) and women made up 39 percent (up from 37 percent in 2015). Of the Bank’s 62 officers, 35 percent were women (unchanged from 2015). The minority officer share remained unchanged at 23 percent from 2015 to 2016. Minority representation within senior management increased to 18 percent in contrast to 10 percent in 2015. There was a slight decline in women’s representation, from 50 percent in 2015 to 46 percent in 2016.
   • In 2016, 112 people joined the Bank. Fifty-three minorities were in this group of new hires, representing 47 percent of the total, a notable increase from 42 percent in 2015. Women represented 44 percent of this group, compared with 40 percent in 2014 and 39 percent in 2015. Most of the hiring activity was driven by the Supervision, Regulation, and Credit (SRC) and Cash Services departments.
   • To further enhance existing sourcing strategies, the Bank continued to convene the Diversity and Inclusion Strategic Outreach Team, composed of a group of Bank leaders representing diverse communities, to leverage their networks and support the development of strategies that will yield greater diversity within applicant pools.
   • The Staffing Division further raised the Bank’s profile among minority professionals with advanced degrees and skill sets by broadening its connections with minority professional organizations. Representatives from the division networked with members of the Association of Latino Professionals in Finance and Accounting during a local reception and posted open positions on the group’s LinkedIn page. Bank representatives also attend-

1 See the EEO-1 Consolidated Report in Appendix B and the Top Three EEO-1 Categories Utilization Analysis in Appendix C.
Exploring black history — Pamela Jolly, Founder and CEO of Torch Enterprises, gave a presentation exploring the business perspective of several African Americans across generations, detailing how their legacies contributed to the expansion of the American promise of wealth creation to all people.
The Talent Management Division continued to offer the National Association of Black Accountants Philadelphia Chapter’s Corporate Partnership Forum, which featured a panel discussion on diversity and inclusion in the accounting field. They not only gained exposure to seasoned talent from the financial services industry, but also learned about strategies for attracting, retaining, and promoting diverse talent from the corporate leaders who served on the panel.

- The Bank remained focused on deepening relationships with Third District historically black colleges and universities (HBCUs) to raise the Bank’s brand within these institutions as an employer of choice. The associate director from the Office of Diversity and Inclusion, as a member of Delaware State University’s Industry Advisory Board, leveraged this position to make connections with faculty and administrators at the institution’s College of Business. This opened the door for an officer from SRC, who is a member of the Diversity and Inclusion Strategic Outreach Team, to attend a career workshop at the school to educate the students about the role and functions of the Federal Reserve Bank and advise them about career paths within the Bank. Direct interaction with the students during the workshop and the career fair that followed reinforced the Bank’s brand as an employer of choice.

- To further its strategic priority to recruit, retain, and develop the best talent available, the Bank’s Staffing Division continued to use social media as a valuable sourcing strategy by posting open positions on LinkedIn, the Bank’s Twitter page, and System social media pages. Staffing also expanded its use of Glassdoor, a job and recruiting website. The Bank posts openings on the site and has created a company profile, which promotes our mission and the benefits of working for the System, thereby giving the Bank an opportunity to penetrate a previously untapped source and extend its reach to a diverse pool of talent.

- The Talent Management Division continued to offer short-term, interdepartmental, cross-functional developmental assignments through the Grow the Home Team program, which is designed to help employees strengthen and expand their skills and develop new competencies. The Bank’s Talent Management Division leveraged this program to recruit candidates for the Urban League of Philadelphia’s Urban Leadership Forum, and a minority woman and a white man were selected. They reported that among the benefits they derived as participants in this program were strategies for creating a personal brand, networking with professionals from other companies, developing lasting relationships with fellow participants, and gaining insights into their own professional development from individuals who work outside of the Federal Reserve culture.

- The Bank adopted an Employee Resource Group (ERG) policy. In its communications to the employees about this new opportunity, the Bank indicated that the formation of such groups is encouraged and that they will support overall business objectives as they promote diversity and inclusion. Shortly thereafter, two ERGs were chartered: one for working families and another for women. Both launched successful membership drives, and the leaders of both attended an ERG Summit, sponsored by the local chapter of Prospanica (formerly, the National Society of Hispanic MBAs), to network with peers from other companies and learn best practices. The advent of ERGs generated great interest, excitement, and energy. More ERGs are planned.

- College Internship Programs
  - The Bank employed 42 college students through its internship program, which is designed to provide a practical and meaningful work experience. Nearly one-third (31 percent) were minorities and more than one-third were women (36 percent). Eight interns (19 percent) from this group subsequently converted to full-time employment at the Bank. Of the eight, three (38 percent) were minorities and one (13 percent) was female.
  - The Staffing Division posted open positions through various media outlets; on job boards at HBCUs and other institutions; with 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 tristate region.

- Mentoring
  - For the fourth consecutive year, the Bank partnered with Cristo Rey Philadelphia High School to continue its outreach efforts in majority-minority and inner-city high schools. At the request of Cristo Rey’s highly regarded work-study program, eight students worked part-time during the school year in the Bank’s SRC and Information Technology Services departments. Additionally, two of these Cristo Rey students were hired as summer interns, in collaboration with Philadelphia Youth Network and WorkReady Philadelphia. Supervisors oversaw the work and professional development of the 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
  - Volunteers from the Bank attended the annual
• **AL DÍA News Diversity Career Fair**, which, although open to all, is designed to help expose employers to job seekers from the Hispanic community.

  - **Development**
    - The Bank began the second version of its Leaders Academy, a series of engaging workshops and electives focusing on the requisite skills to help current and future managers cultivate a deeper understanding of the “people side” of leading. This version of the program is an update of the pilot that began in 2014 and concluded at the end of 2015. A diverse cohort of 31 employees participated. Of this group, 11 were minorities and 15 were women.
    - The 2016 Mentoring Program was built on a successful pilot launched in 2015. Twenty mentors received extensive training before engaging in a six-month learning experience with 20 mentees. The Bank leveraged the Grow the Home Team program to generate interest among employees to participate as mentees. This ensured that all employees had an equal opportunity to be considered and also attracted a widely diverse pool of participants across the organization. Within the combined group of mentors and mentees, there were 11 minorities and 16 women. At the final December check-in, both sides of the pairings expressed that the program was a very positive experience that met or exceeded their expectations.
    - The Bank continued the practice of enrolling a small contingent of staff from various departments in LEADERSHIP Philadelphia to enrich their leadership skills and to serve the community through placement on nonprofit boards. There were four Bank representatives (including one minority and two women) in 2016.
    - There were opportunities for all employees to continue their education and development under the Bank’s many programs, including tuition reim-
bursements, professional development, and the Grow the Home Team program. Of those who took advantage of professional development course offerings in 2016, 41 percent were minorities and 51 percent were women. Ninety-nine percent of participants believed the objectives for these courses were met.

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

3. Developed and maintained partnerships with community organizations representing diverse constituencies
   - Members of the Bank’s Staffing Division met with the vice president of strategic partnerships from the Greater Philadelphia Hispanic Chamber of Commerce to plan future events that will expand talent outreach.
   - The Staffing Division hosted a professional development career expo at the Bank, which was jointly sponsored by the local Prospanica and National Black MBA Association chapters.
   - The Bank participated in the U.S. Army/Drexel University Cybersecurity Event in a continuing effort to locate reliable sources for veteran recruitment. This was the first of a series of forums designed to improve communication and coordination among the military, academia, and industry stakeholders.
   - The OMWI and Talent Management Division jointly hosted their fifth annual industry forum, which drew Bank officers and leaders and local diversity and inclusion and talent management professionals. The event featured a roundtable that included a mix of CEOs and chief diversity officers who shared insights about their commitment to diversity and inclusion, explained why inclusive leadership is critical to achieving organizational goals, and discussed metrics for gauging the success of diversity and inclusion efforts overall.

4. Designed and implemented an internal assessment and reporting system to measure activities to promote the employment of minorities and women
   - The Bank updated its strategic plan for diversity and inclusion, which contains measurable goals and objectives. The revised plan reflects — among other things — areas of strength and opportunity identified by the diversity and inclusion impact survey disseminated to the workforce last year as well as critical feedback provided by focus groups with the Diversity Council and a small contingent of randomly selected employees. The plan builds on progress already made and provides a framework for a next-level approach to creating a more diverse and inclusive work environment.
   - In the spirit of greater transparency for the benefit of staff and the public, the Bank published workforce representation data on the Bank’s internal and external websites.
   - Throughout 2016, the previously developed diversity and inclusion dashboard was reviewed on a quarterly basis to track progress in key areas of the employee life cycle as well as other critical diversity and inclusion strategic activities.
   - To help determine the extent to which Bank policies and practices support the needs of LGBT employees, the Bank participated in the Human Rights Campaign Foundation’s Corporate Equality Index for the first time and received a score of 70 percent. The Bank will use the opportunities for improvement that the survey identified to strengthen policies and practices in this area.

Challenges

The Bank’s efforts to recruit and retain a diverse staff still face some barriers:

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

Next Steps

Moving forward, the Bank will adjust its strategy 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; and
- continuing to expand relationships with HBCU leaders, administrators, faculty, and students.
Minority- and Women-Owned Business Inclusion

The Bank’s Procurement function, in collaboration with the System’s Council of OMWI Directors, has steadily increased participation by minority- and women-owned businesses in the organization’s contracts over the past few years. At the System level, the OMWI director, with the assistance and input from Procurement and Legal staff members, has developed and implemented initiatives and procedures. The Bank has developed standards and procedures for supplier diversity as required under the law. 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 Reserve Banks. The Bank has made consistent strides in implementing OMWI supplier diversity programs and initiatives.

Amounts Paid to Contractors

Total spend: $39.60 million (in 2016) (Appendix D)

Percentage of the above amount paid to:

- Total diverse spend (MBEs + WBES): $8.47 million, 21.38%
- Minority-owned businesses: $7.15 million, 18.07%
- Women-owned businesses: $1.32 million, 3.33%

Successes

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 engaged in supplier outreach.

1. **Provided access and opportunity to a diverse pool of suppliers that includes small MBEs and WBES**
   - Procurement met with key stakeholders in an effort to ascertain upcoming new 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 related to supplier workforce diversity.

2. **Increased awareness of supplier diversity across the Bank to create access and opportunity to a diverse pool of suppliers for all acquisitions**
   - To encourage all purchasers of Bank goods and services to include MBEs and WBES as potential suppliers for acquisitions, regardless of payment method, Procurement incorporated requirements from the Dodd–Frank Act and the Bank’s supplier diversity policy into Bank-wide procurement-related training.
   - Staff participated in internal annual training events to learn about the Dodd–Frank Act’s supplier diversity requirements.
   - The Procurement function disseminated a Bank-wide communication to signal a top-down commitment to supplier diversity, conveying the benefits of widening the vendor pool further and directing purchasers to the resources available to assist them in identifying certified minority- and women-owned businesses.
   - Procurement incorporated language related to the Dodd–Frank Act’s requirements into the Bank’s request-for-proposal process and new contracts and inserted “good faith effort” determination language into new contracts and renewals that meet established criteria.

3. **Conducted training and technical assistance events for diverse suppliers**
   - In conjunction with the seventh annual Supplier Diversity Vendor Fair/Matchmaking Sessions, Procurement hosted an on-site workshop conducted by an NPO representative 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 participated in a panel discussion for the National Association of Women Business Owners — Greater Philadelphia Chapter to educate women business owners on how to do business with the Bank.

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1 Minority women-owned business spend is captured in spend for minority-owned businesses and is not counted twice in the women-owned business category.
4. **Conducted supplier outreach**

- Procurement met with diverse suppliers and developed leads to enhance the Bank’s supplier pool by attending the Eastern Minority Supplier Development Council (EMSDC) 2016 Conference and Business Opportunity Exchange; the Women’s Business Enterprise Council (WBEC) PA-DE-sNJ Meet and Greet Meetings and Disruptive Change in Procurement: The Impact on Supplier Diversity panel discussion; and similar events sponsored by chambers of commerce within Pennsylvania.

- Procurement hosted the Bank’s seventh annual Supplier Diversity Vendor Fair/Matchmaking Sessions. This fair served as one of Philadelphia Minority Enterprise Development Week events, which provided vendors with the opportunity to meet and discuss the Bank’s needs with procurement decision makers from key areas of the Bank as well as the NPO. Partners that provided diverse vendors included the EMSDC, the WBEC PA-DE-sNJ, the Office of Economic Opportunity of the City of Philadelphia, the Philadelphia Industrial Development Corporation, the Pennsylvania Minority Business Development Authority, the State of New Jersey, the State of Delaware, the Asian American Chamber of Commerce of Greater Philadelphia, the African American Chamber of Commerce, and the Greater Philadelphia Hispanic Chamber of Commerce.

- A Procurement staff member presented the Bank’s Supplier Diversity Strategic Plan and Procurement Processes to the U.S. Department of State’s Mandela Washington Fellows at Rutgers University’s Business School and the Rutgers Centers for Global Advancement and International Affairs. This program is a partnership between Rutgers and the U.S. Department of State as part of former President Barack Obama’s flagship Young African Leaders Initiative (YALI) that empowers young people through academic coursework and leadership training. The purpose was to provide valuable tools that the YALI professionals can take with them to enhance or modify their careers or small businesses.

- To obtain viable WBE and MBE vendors for bid opportunities, Procurement extended its outreach to the EMSDC, WBEC PA-DE-sNJ, and 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, the Asian American Chamber of Commerce of Greater Philadelphia, and PA-Minority Business Enterprise Center.

Challenges

The Bank continues to face several barriers to furthering its inclusion of minority- and women-owned businesses. These 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
- 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 address these issues, 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 board member of the EMSDC and council member of the WBEC PA-DE-sNJ, pursue opportunities to attend matchmaker events and conferences and to access the pool of suppliers through the WBENCLink (Women’s Business Enterprise National Council) online database
- Develop a plan for supplier outreach programs in 2017
- Manage data reporting and analysis and give periodic supplier opportunity and spend reports to senior management
- Maintain involvement with the System’s purchasing managers to ensure long-term management of vendor spend, supplier classifications, and reporting evaluation
- Enhance the online Supplier Diversity registration portal
- Continue to seek external training opportunities and benchmark data on industry best practices for finding MBEs and WBEs and promoting supplier diversity
Financial Literacy Activities

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

The centerpiece of the Bank’s youth financial education efforts is the Keys to Financial Success (Keys) program, a high school personal finance program designed to help teachers instruct students about personal finance using active and collaborative learning methods. The Keys professional development course is an intensive, weeklong program offered free of charge to educators in the Third District, including those who work in inner-city, girls’, and majority-minority high schools. The Bank’s outreach to OMWI teachers is summarized in Appendix D.

Successes

- In 2016, the Bank’s economic educators completed 11 professional development events for OMWI teachers.
- During a weeklong session in June 2016, the Bank trained 30 teachers, 14 of whom represented 13 OMWI schools, to teach the Keys course. These teachers earned a total of 409.5 professional development hours and will reach an estimated 1,050 students per year.
- The Bank continued to support teachers from a total of 166 schools, 69 of which are OMWI schools (36 inner-city, 62 majority-minority, two girls’), in the Keys program by providing ongoing consultation, professional development, and student pre- and post-testing.
- Additional in-person professional development offerings reached 53 teachers from 46 OMWI schools. Combined, these teachers, who reach an estimated 3,975 students per year, received 727.25 professional development hours. The programs offered included:
  - Economics Across the Curriculum (three days)
  - Economics in Action (two evenings)
  - Entrepreneurship and You (three evenings)
  - The Fourth Annual Federal Reserve Financial Education Day (one evening)
  - Geography and the Economy (three evenings)
  - Making Sense of Money and Banking (five days)
  - Professional Development for Teachers in the Pennsylvania Family and Consumer Sciences Academy (one day)
  - Professional Development for Teachers in the University of Delaware Masters in Economic Education and Entrepreneurship Program (one day)
  - Professional Development for Teachers in the Chamber of Commerce Southern New Jersey’s Summer Institute for Teachers

- In July 2016, the Bank conducted its first online professional development program for teachers. Eighty-two teachers, 27 from OMWI schools, completed the three-hour professional development program on fractional reserve banking and the money multiplier. Together, these teachers reach an estimated 2,025 students annually.
- In April and December 2016, an economic education specialist visited six OMWI high schools in Philadelphia to present to students on personal financial education. This one-hour program reached over 280 students.
- To raise the visibility of its offerings, 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. Since 2013, over 27,000 copies of the DVD have been distributed.
- The Bank maintained partnerships with the University of Delaware, the Pennsylvania Jump$tart Coalition for Personal Financial Literacy, the New Jersey Council for Economic Education, the New Jersey Coalition for Financial Education, and the American Institute for Economic Research to jointly leverage and promote economic and personal finance education programs and resources to teachers and schools.
- In the summer and fall of 2016, the Bank partnered with the Urban Affairs Coalition, the Philadelphia Higher Education Network for Neighborhood Development, the Office of the Controller for the City of Philadelphia, and the office of Philadelphia City Councilman Allan Domb to conduct outreach to the School District of Philadelphia to establish a pilot personal finance course based on the Keys program in 10 or more Philadelphia high schools.
The Bank would provide the curriculum materials and teacher training for this proposed program.

- In 2016, a total of 821 students from 19 OMWI schools visited the Bank’s Money in Motion exhibit, which features interactive quizzes and games that teach visitors about money, banking, and the Federal Reserve System.

Challenges

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

- States have largely not required the teaching of personal finance, although New Jersey does require one semester of personal finance in high school prior to graduation.
- Schools remain reluctant to take on new initiatives to support high-quality financial education for a variety of reasons. Competing priorities for instructional time, particularly in urban schools, is a major factor. In addition, school administrators often struggle to decipher the quality differences between financial education curricula.
- School districts impose limitations on the number and length of field trips to educational venues such as the Bank’s Money in Motion exhibit.

Next Steps

Actions to confront these obstacles include the following:

- Continued relationships with outside partners to advance a multi-school pilot of the Keys course in Philadelphia high schools
- Development of an online professional development program to allow teachers to be trained to use the Keys curriculum without the need to attend the in-person training in the summer
Commitment

The Bank’s diversity and inclusion strategy is aligned with the organization’s mission. As noted in this report, one of the Bank’s strategic goals calls for an emphasis on intellectual capital and the promotion of an inclusive work environment to further enhance the capabilities of staff. The Bank’s commitment to a diverse and inclusive work environment is embedded in our values and in our human capital policies and practices. In addition, we have furthered outreach efforts to minority- and women-owned businesses to expand access and to provide opportunities to conduct business and provide goods and services to the Bank. The Bank continues to build strong relationships with women and minority supplier diversity councils in the region to expand our network of providers to meet current and future business needs. The Federal Reserve Bank of Philadelphia has longstanding and valuable economic education and financial literacy programs. In addition to providing teacher training programs at the Bank, in 2016 the Bank’s economic educators conducted their first online professional development program, expanding our reach to area teachers. Since its inception in 2011, each year the Office of Minority and Women Inclusion has focused on enhancing diversity and inclusion within the workforce, in our business dealings, and in providing meaningful education related to financial literacy. This organization remains committed to meeting the requirements under Section 342 of the Dodd–Frank Act and to track and monitor performance accordingly.
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<th>EEO Job Categories</th>
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<td>356</td>
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## Philadelphia Utilization Analysis by EEO-1 Categories (All Aggregate Data)

### Minority Analysis

<table>
<thead>
<tr>
<th>Top Three EEO-1 Categories</th>
<th>FRB Total Population</th>
<th>FRB Minorities by Total and Percent</th>
<th>Philadelphia CBSA EEO-1 Totals</th>
<th>Philadelphia CBSA Minorities by Total and Percent</th>
<th>Expected # of Minorities in Job Group*</th>
<th>Standard Deviation — Minorities**</th>
<th>Is There Possible Under-representation?</th>
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</thead>
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<tr>
<td>Executive/Sr. Level Officials</td>
<td>11</td>
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### Female Analysis

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<th>Top Two EEO-1 Categories</th>
<th>FRB Total Population</th>
<th>FRB Females By Total and Percent</th>
<th>Philadelphia CBSA EEO-1 Totals</th>
<th>Philadelphia CBSA Females By Total and Percent</th>
<th>Expected # of Females in Job Group*</th>
<th>Standard Deviation — Females**</th>
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### Definitions

*Expected # of Protected Employees in Job Group* (the columns of Expected # of Minorities in Job Group and Expected # of Females in Job Group) shows the # of employees in the job group that is expected, given the composition of the regional labor force.

**Standard Deviation:** The figures in the columns of Standard Deviation — Minorities and Standard Deviation — Females are a statistical analysis of adverse impact or workforce utilization of employees in protected groups. If the Standard Deviation is greater than 2.0 to 2.5 there is a possible underutilization of employees in that job group.
### Workforce Diversity

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Measure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executives</td>
<td>Total #</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>% Minorities</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Women</td>
<td>45%</td>
<td>45%</td>
<td>36%</td>
<td>50%</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Midlevel Managers</td>
<td>Total #</td>
<td>160</td>
<td>167</td>
<td>181</td>
<td>176</td>
<td>167</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Minorities</td>
<td>20%</td>
<td>22%</td>
<td>24%</td>
<td>23%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Women</td>
<td>37%</td>
<td>34%</td>
<td>39%</td>
<td>37%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Professionals</td>
<td>Total #</td>
<td>403</td>
<td>434</td>
<td>444</td>
<td>433</td>
<td>467</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Minorities</td>
<td>37%</td>
<td>38%</td>
<td>37%</td>
<td>40%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Women</td>
<td>41%</td>
<td>41%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Total External Hires</td>
<td>Total #</td>
<td>73</td>
<td>97</td>
<td>52</td>
<td>84</td>
<td>112</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Minorities</td>
<td>44%</td>
<td>41%</td>
<td>37%</td>
<td>42%</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Women</td>
<td>25%</td>
<td>36%</td>
<td>40%</td>
<td>39%</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Total Interns</td>
<td>Total #</td>
<td>32</td>
<td>38</td>
<td>35</td>
<td>41</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Minorities</td>
<td>41%</td>
<td>42%</td>
<td>49%</td>
<td>41%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Women</td>
<td>28%</td>
<td>34%</td>
<td>46%</td>
<td>46%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Overall Bank Turnover Rate</td>
<td>%</td>
<td>6.7%</td>
<td>5.5%</td>
<td>7.8%</td>
<td>14.1%</td>
<td>8.7%</td>
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</tbody>
</table>

### Supplier Diversity

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Measure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Reportable Spend</td>
<td>$ (millions)</td>
<td>$50.84</td>
<td>$47.84</td>
<td>$46.93</td>
<td>$47.68</td>
<td>$39.60</td>
<td></td>
</tr>
<tr>
<td>Total Diverse Spend(^1)</td>
<td>$ (millions)</td>
<td>$2.81</td>
<td>$4.13</td>
<td>$7.66</td>
<td>$8.99</td>
<td>$8.47</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>5.52%</td>
<td>8.63%</td>
<td>16.33%</td>
<td>18.85%</td>
<td>21.38%</td>
<td></td>
</tr>
<tr>
<td>Minority-owned(^2)</td>
<td>$ (millions)</td>
<td>$1.20</td>
<td>$1.64</td>
<td>$3.49</td>
<td>$5.86</td>
<td>$7.15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.36%</td>
<td>3.42%</td>
<td>7.44%</td>
<td>12.3%</td>
<td>18.07%</td>
<td></td>
</tr>
<tr>
<td>Minority-owned (men)</td>
<td>$ (millions)</td>
<td>$0.95</td>
<td>$1.32</td>
<td>$3.00</td>
<td>$2.94</td>
<td>$2.27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>1.87%</td>
<td>2.76%</td>
<td>6.38%</td>
<td>6.17%</td>
<td>5.72%</td>
<td></td>
</tr>
<tr>
<td>Minority-owned (women)</td>
<td>$ (millions)</td>
<td>$0.25</td>
<td>$0.32</td>
<td>$0.50</td>
<td>$2.92</td>
<td>$4.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.49%</td>
<td>0.66%</td>
<td>1.06%</td>
<td>6.12%</td>
<td>12.33%</td>
<td></td>
</tr>
<tr>
<td>Women-owned(^2)</td>
<td>$ (millions)</td>
<td>$1.61</td>
<td>$2.49</td>
<td>$4.17</td>
<td>$3.13</td>
<td>$1.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.17%</td>
<td>5.21%</td>
<td>8.89%</td>
<td>6.56%</td>
<td>3.33%</td>
<td></td>
</tr>
<tr>
<td>Women-owned (non-minority)</td>
<td>$ (millions)</td>
<td>$1.61</td>
<td>$2.49</td>
<td>$4.17</td>
<td>$3.13</td>
<td>$1.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.17%</td>
<td>5.21%</td>
<td>8.89%</td>
<td>6.56%</td>
<td>3.33%</td>
<td></td>
</tr>
<tr>
<td>Women-owned (minority)</td>
<td>$ (millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (non-minority).

\(^2\) Women-minority numbers are included in both Minority-owned and Women-owned Totals.
<table>
<thead>
<tr>
<th>Financial Literacy¹</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Type</td>
<td>Teacher Centric</td>
</tr>
<tr>
<td>Number of Students²</td>
<td>280</td>
</tr>
<tr>
<td>Number of Educators³</td>
<td>83</td>
</tr>
<tr>
<td>Number of Students Reached⁴</td>
<td>6,225</td>
</tr>
</tbody>
</table>

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

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

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

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