



FEDERAL RESERVE BANK
OF SAN FRANCISCO

Federal Reserve Bank Of San Francisco

OMWI

OFFICE OF MINORITY
AND WOMEN INCLUSION

2017 Annual Report to Congress



KEY BUSINESS PARTNERS

From left to right: Lynn Reddick (Supplier Diversity Program Manager), Jody Hoff (Economic Education Director), Lindsey Walker (Talent Acquisition and Development Director)

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BANK LEADERSHIP

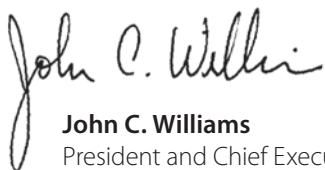
From left to right: Rita Aguilar (Director, Office of Minority and Women Inclusion), John Williams (President and Chief Executive Officer), Teuila Hanson (Senior Vice President, People + Culture), Mark Gould (First Vice President and Chief Operating Officer)

INTRODUCTION

We are pleased to provide to Congress the 2017 Annual Report of the Office of Minority and Women Inclusion (OMWI) at the Federal Reserve Bank of San Francisco.

As senior leaders and champions of diversity and inclusion, we are very pleased that the Bank continued to make notable progress on its OMWI-related objectives in 2017. This is largely due to the high level of attention that the Bank's senior leadership places on diversity and inclusion (D&I), and the efforts exerted at all levels of the organization to execute our D&I strategies. As was the case heading into 2017, the Bank's 2018 strategic direction continues to place heavy emphasis on diversity and inclusion; D&I is one of three areas of strategic focus articulated in our strategic plan. This commitment extends to supporting our work throughout the Bank to ensure equal access for minorities and women to employment and business opportunities, and to expanding the reach of our financial education programs.

While the Bank has made noteworthy progress in key areas of focus, we remain committed to implementing additional practices to enhance the Bank's diversity at all levels and contribute to our inclusive work environment. This report provides information on our progress and plans for advancing OMWI-related objectives in the future.



John C. Williams

President and Chief Executive Officer



Mark Gould

First Vice President and Chief Operating Officer



Rita Aguilar

Director, Office of Minority and Women Inclusion

EXECUTIVE SUMMARY

The Federal Reserve Bank of San Francisco (the Bank) is committed to the diversity of its workforce, to the inclusion of minority- and women-owned businesses in the Bank's procurement opportunities, and to providing financial education to the diverse communities we serve. We are pleased to report that the Bank continues to make progress toward these objectives.

The Bank's Executive Committee, comprised of senior leaders from across the organization, recognizes the significant value that a diverse workforce with broad perspectives contributes to carrying out the Bank's mission. The Bank's strategic plan lists Diversity and Inclusion (D&I) as one of three areas of strategic focus, specifically stating that we will strive to "cultivate a work environment that represents the communities we serve and embraces differences." Toward this end, the Executive Committee promotes a culture that is inclusive of all individuals regardless of their innate characteristics or background, and fosters an environment where each employee has the ability to contribute to his or her full potential. It believes that the Bank benefits from being visibly diverse at all levels of the organization to help attract, engage, develop, and retain a high-performing workforce. This includes our boards of directors and advisory groups, the former of which are comprised of 37 members, of which 30% are minority and 38% are female (versus 32% for both in 2016, and up from 22% and 30% in 2014). The Executive Committee also champions equal access and procurement opportunities for minority- and women-owned businesses.

The Office of Minority and Women Inclusion (OMWI) is integrated into the Office of Diversity and Inclusion (ODI), so that the OMWI is part of a broad umbrella of diversity-related functions, resources, and activities. The OMWI complies with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) by seeking to ensure: (1) the diversity of the Bank's workforce at all levels; (2) the fair inclusion of minority- and women-owned businesses in the business and activities of the Bank; (3) that the Bank's contractors, and subcontractors as applicable, are fairly including minorities and women in their workforce; and (4) that the Bank's financial education curriculum reaches a diverse audience. This annual report, as stipulated by Section 342, describes the successes and challenges the Bank and the ODI experienced in 2017. Information pertaining to diversity and inclusion for regulated entities is contained in the Federal Reserve Board of Governors report, as they are the primary regulator of such entities.

ACCOMPLISHMENTS

During 2017, the Bank's efforts to recruit, develop, and retain a diverse workforce included these accomplishments.

Increasing our minority representation in management by over 2%, from 41% to 43% of all managers and officers combined. This improvement was a result of strong hiring and promotion of minorities at the management levels, combined with very low minority turnover.

Hiring 132 new employees, of which 54% were minority and 37% were female.

Hosting a diverse group of 35 interns, of which 57% were minority and 51% were female. Additionally, four interns converted to full-time positions during the year, including two minorities and one female.

Continuing to grow two of our newer Employee Resource Groups (ERGs) formed in 2016 – Mosaic (African-American) and Lazos (Hispanic) – while forming a new ERG, the Young Professionals Network. Overall, 40% of Bank employees participate in at least one of our ERGs, which hosted over 30 activities and events in 2017.

Conducting a year-long diversity campaign to raise awareness and engage management and employees on building a diverse and inclusive environment at the Bank. This included a series of internal communications and manager/employee training sessions.

Minority representation in management increased from 41% to 43%.

The Bank's supplier diversity achievements included the following:

While our proportion of diverse spend dipped from 25% in 2016 to 19% in 2017 (largely due to completion of a major project), it is still up significantly from less than 6% in 2011, our first year of OMWI reporting.

Continuing to increase the Bank's visibility in the supplier diversity community, both locally and nationally, through outreach, participation, and hosting of events for advocacy groups.

Receiving three industry awards in 2017 from the supplier diversity business community, recognizing the Bank's commitment to engage, support, educate, and connect with minority- and women-owned businesses.



Supplier Diversity Manager Lynn Reddrick discusses procurement opportunities with potential vendors

Highlights of the Bank's financial education efforts included:

Launching Season 3 of the popular podcast series *Does College Matter?*

The series promotes financial literacy and the value of education by featuring women and minority entrepreneurs sharing their personal journeys after high school. Season 3 received over 1.1 million downloads, bringing the combined total downloads for the first three seasons to 3.7 million.

In collaboration with the Federal Reserve Bank of Richmond, **completed the third and final module of the online course, *Invest in What's Next: Life After High School***. The new module, "Evaluating My Plan," launched

in February 2018 and is designed to help high school students evaluate their post-secondary plan, gauge their level of preparedness for college, and test their plan against various scenarios. In 2017, 9,500 students, including 3,270 from OMWI-designated high schools, enrolled in the course.

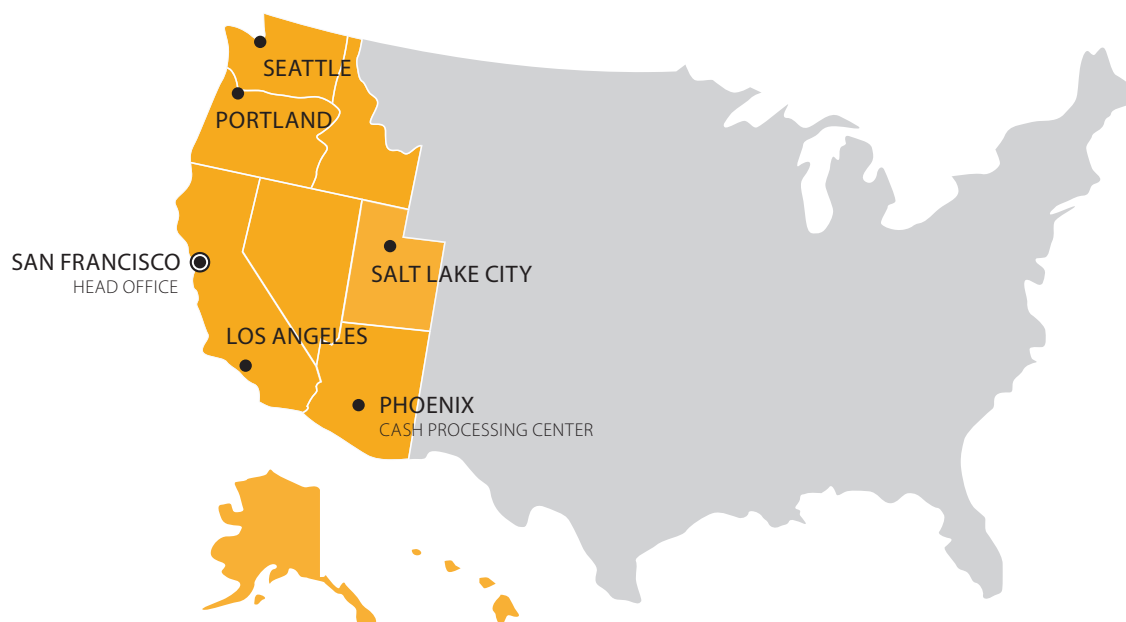
Conducting dozens of financial education

and other outreach efforts detailed below to diverse audiences, reaching thousands of students and educators. The Bank's senior executives, including President Williams, were featured speakers at many of these events.

Additional detail, including some of the challenges we experienced during the year and next steps for 2018, are outlined more fully in the remainder of this report. Overall, we are very encouraged by the progress made in 2017 and look forward to implementing further plans in 2018.

BANK OVERVIEW

The Federal Reserve Bank of San Francisco established the Office of Minority and Women Inclusion (OMWI) in accordance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Bank's OMWI is headed by Rita Aguilar, vice president and OMWI director. The OMWI is part of People + Culture's broader Office of Diversity and Inclusion (ODI), which focuses on the Bank's D&I strategy, practices, programs, and analytics. People + Culture and the ODI are led by senior vice president Teuila Hanson.



Map of the Twelfth District

To meet OMWI obligations, we draw on a range of functions, including officers and managers from the People + Culture, Procurement, and Community Engagement functions, as well as the Bank's Diversity Council, Employee Resource Groups (ERGs), and others who have championed and contributed to the progress of the Bank's diversity.

The Federal Reserve Bank of San Francisco, the Twelfth District of the Federal Reserve System (illustrated in Figure 1), is the largest district geographically. In addition to the head office in San Francisco, four branch offices are located in Los Angeles, Portland, Salt Lake City, and Seattle, along with a cash processing center in Phoenix. As of December 31, 2017, the Bank's workforce was comprised of 1,688 employees. Appendix B provides additional detail on the Bank's workforce composition as reported to the Equal Employment Opportunity Commission.



Outreach event at a local high school

MISSION

The mission of the Federal Reserve Bank of San Francisco is to promote low inflation, full employment and financial stability, and to provide services to financial institutions and the U.S. Treasury. Key functions that support our mission are:

Cash Product Office provides strategy, policy development, business direction, automation tools, and operational support to all Reserve Banks in meeting global demand for U.S. currency and coin.

Cash Services provides currency and coin to financial institutions in the Twelfth District.

Communications and Community Engagement includes our economic education, community development, and public affairs functions. This group communicates, educates, and increases public understanding of the Federal Reserve to foster public confidence in the nation's central bank. It also manages media relations, the Bank's social media presence, and Congressional outreach programs.

Economic Research conducts research on monetary policy, banking, financial markets, and the regional economy.

Financial Institution Supervision and Credit (FISC) provides oversight of financial institutions to promote a safe, sound, and stable banking and financial system. FISC's credit risk management function serves as a contingency lender to depository institutions.

Information Technology Services delivers innovative, business-oriented technology solutions to a broad base of District and Federal Reserve System customers.

Statistics collects and analyzes regulatory and financial report data from depository institutions, for use in monetary policy and financial institution oversight.

The Bank also has a variety of support functions which help the Bank achieve its mission, including Facilities, Finance, People + Culture, Legal, Police Services, and Procurement.

EMPLOYMENT OF MINORITIES AND WOMEN

The Bank is committed to the recruitment, development, and retention of minorities and women, and to promoting a workplace culture where employees feel included and have a sense of belonging. The Bank's leadership believes there is significant value to a diverse workforce and the contributions it can make toward achieving the Bank's mission and business objectives. This conviction is reflected in one of three areas of focus in the Bank's Strategic Direction: "Cultivate a work environment that represents the communities we serve and embraces differences."



2017 Intern Class

The Bank has a strategy and robust system of programs and practices to support diversity and inclusion, including most recognized best practices. Our approach seeks to engage individuals at each stage of the employment lifecycle and across all levels of the organization. In 2017, the Bank continued and enhanced these programs to promote broad opportunity for employment and advancement.

SUCCESSSES

We are pleased to report the following activities and successes that demonstrate our efforts toward employment of a diverse workforce.

DEMONSTRATED LEADERSHIP COMMITMENT

A key to our diversity and inclusion strategy is demonstrating leadership commitment, both internally and externally. In 2017, we did that in the following ways:

Strategic Direction

Diversity and inclusion has become a key priority for the Bank. In fact, the Executive Committee established Diversity and Inclusion (D&I) as one of three primary areas of strategic focus in the Bank's strategic direction approved by our Board of Directors. As such, D&I topics are covered regularly for both Executive and Management committee meetings, including status reports on the Bank's progress on OMWI goals, updates on key D&I initiatives, and experiential exercises to help Bank leaders learn through discussion of their personal experiences.

Leadership Outreach

The Bank's senior leaders continue to be strong advocates for diversity in public forums. Beyond participation in many of the events highlighted elsewhere in this report, additional public outreach efforts by Bank leadership have included:

- President Williams delivered an address to business students at Howard University in early November. His comments included an overview of the Federal Reserve, the importance of diversity, and career opportunities in economics and finance.
- Mary Daly, executive vice president and director of economic research, wrote an article – “How to Achieve Diversity: Stop Making Excuses” – that was featured in *American Banker*.
- Mary also had several speaking engagements on diversity throughout the year:
 - Featured speaker at FRB Minneapolis's “National Coming Out Day” event in October
 - Video testimonial for the University of Missouri, Kansas City's Pride Summit in April
 - A “fireside chat” for a local women's leadership/networking group in October
 - Several speaking engagements at local high schools on her career path, life experiences, and the importance of attending college
 - As part of a national Federal Reserve effort, visited traditionally diverse colleges to encourage majoring and careers in economics and business.
- Teuila Hanson, senior vice president over People + Culture, was a panelist for UC Berkeley's “Women In Leadership” conference in March, and for marketing firm Marketo's diversity event in September.

Diversity Council

The Bank's Diversity Council, led by Mary Daly, commenced work on their three primary objectives that they had identified in late 2016. The three initiatives are:

- 1. Diverse Interview Slates for People Manager Positions.** Similar to the NFL's "Rooney Rule," this initiative seeks to ensure that minority and women candidates are interviewed for people manager positions and receive actionable feedback post-interview. A Bankwide pilot commenced in October and is set to run through June 2018, after which results will be assessed for inclusion into an official Bank practice.
- 2. Sponsorship.** While often related to mentoring, sponsorship is generally more focused on career counseling and advocacy for management or other key opportunities. This effort will initially focus on assessing and expanding Bank leader networks to reach more diverse candidates, as well as provide tools to help Bank leaders become sponsors.
- 3. Interview/Selection Training and Practices.** This initiative was intended to review the Bank's existing interview training and related resources, to help ensure that all hiring managers (and others who may conduct interviews) are trained on how to conduct objective and fair interviews, and avoid unconscious bias that may influence the selection process. A group of Diversity Council members developed a set of recommendations for consideration by our talent acquisition and development groups.

A key to our diversity + inclusion strategy is demonstrating leadership commitment.

Integration Of The People + Culture Division

After the integration of the OMWI function into Human Resources in 2016, the Bank's Internal Communications unit was added in 2017, thus forming the People + Culture division. The new alignment enables diversity and inclusion initiatives to be more fully integrated into the Bank's programs, practices, and communications, thus creating a broader and more seamless reach for D&I efforts.

Awareness & Analytics

In addition to regular briefings for the Executive and Management committees and the Diversity Council, the ODI began division-level discussions with all divisions in 2017, to increase awareness and identify actions to strengthen diversity and inclusion. Each session included a review of key diversity metrics, followed by a recommendation of additional steps the division can take to improve D&I. Each division committed to the action plans, which will be the subject of follow-up meetings in 2018. To supplement the action planning sessions and provide more timely metrics, People + Culture's analytics team is in the final stages of developing a D&I dashboard that incorporates diversity data.

FOCUSED ON EMPLOYEE ENGAGEMENT AND CULTURE

The Bank has placed a significant emphasis the past two years on improving the Bank's employee culture, to make sure all employees feel welcome and engaged, and to position the Bank as a destination employer. 2017 efforts included:

LGBT Practices

The Bank received a perfect score of 100 on the Human Rights Campaign's "Corporate Equality Index," which is a national benchmarking tool measuring corporate policies and practices related to the inclusion of lesbian, gay, bisexual, and transgender employees. This is the first time the Bank received a perfect score, reflecting the development of gender transition guidelines and increased employee volunteer work for LGBTQ causes.

Diversity Campaign

The ODI led a year-long campaign to raise awareness and engage leaders and employees on building a diverse and inclusive environment at the Bank. The goal was to help employees understand the importance of D&I, and to educate employees on how they can personally contribute to fostering an inclusive workforce. The D&I section of the Bank's intranet was redesigned and updated to reflect new content, and there were 40 intranet stories that highlighted D&I efforts throughout the year. The campaign included people manager workshops conducted by OMWI Director, Rita Aguilar, who discussed the Bank's perspectives on D&I and why it is important, and engaged participants in exercises to increase awareness of and share tips on inclusive behavior. There were a total of 12 sessions across all district locations, attended by 171 people managers.

Unconscious Bias Training

ODI partnered with the NeuroLeadership Institute (NLI) to host bias training events for all levels of the organization. The NLI hosted a half-day workshop for the Bank's senior executives (including the president and first vice president), that covered how bias can appear in the workplace, how it can be minimized, and tactics to reduce bias in decision-making. The NLI also delivered two additional sessions:

- A detailed session for people managers covering much of the material from the leadership session.
- A keynote presentation to all employees that provided a general understanding of bias, and ways to mitigate it and make better decisions.

Employee Policies

As part of an ongoing effort to foster an inclusive environment and encourage employees to bring their authentic self to work, People + Culture rolled out a "Dress for Your Day" approach to work attire. On days when business need does not require formal attire, employees are encouraged to dress in a manner that makes them comfortable and expresses who they are.

Employee Surveys

In 2017, the Bank focused on efforts to remove barriers to employees doing their best work. Our employee surveys indicated that employees felt more enabled throughout the year, especially Hispanics and African Americans. These groups expressed that there has been progress in removing barriers, allowing them to be more effective and productive. Additionally, employees are understanding, supporting, and adopting the Bank's D&I efforts.

Employee Resource Groups (ERGs)

The Bank's network of ERGs continues to grow and serve as a valuable driver of employee engagement and inclusivity. ERGs are employee-driven affinity groups with Bank officer sponsorship that promote a sense of community and engagement for employees, provide professional development opportunities, and allow employees to lead and contribute to the Bank's strategic objectives. Currently, 40% of Bank employees are participating in ERGs. In April, the ODI hosted its second annual ERG Fair to showcase individual ERG objectives and activities, and encourage increased membership throughout the District. This effort led to over 120 new ERG members in 2017.

The ERG Fair and other ERG outreach efforts in recent years have helped drive the growth of two of the Bank's newer ERGs, and the formation of a key new ERG in 2017:

- Lazos, the Hispanic heritage and culture group first established in 2016, continued to expand its membership (currently 45 members) and hosted two events in 2017. In celebration of Hispanic Heritage month, they hosted their inaugural event by interviewing two senior vice presidents – Adrian Rodriguez and Erik Revai – about how they have achieved success in their careers. Lazos also partnered with the Los Angeles Police Department in hosting a book drive for underserved Hispanic communities in the area.
- Mosaic, the African-American professional network also formed in 2016, continued to expand its presence and membership (currently 60 members), and is actively partnering with our talent acquisition area to try to increase African American representation in our applicant pools. Mosaic hosted several events in 2017:
 - A Black History Month celebration that featured a presentation on the history of Black culture by Dr. Claybon Lea Jr. and African-American cultural music performed by Dr. Jacqueline Hairston.
 - An employee panel event titled "His Story of Work and Family," where African-American male employees shared the challenges and successes they have experienced in their careers.
 - Partnered with the Women's Professional Network (WPN) in August to host world-renown artist Phoebe Beasley at the Los Angeles branch. Her works are featured at the White House, U.S. embassies, and the Smithsonian Institution, and she is perhaps best known for collaborating with Maya Angelou to illustrate the poems of Langston Hughes.
 - A backpack drive to collect school supplies for African-American students at a local high school, where members also shared their career insights and spoke about career opportunities at the Bank.

- The Young Professionals Network (YPN) is our newest ERG. It held a kick-off event in late 2017, and plans to start formal programming in 2018. The YPN will fill a key need, helping our young professionals navigate their unique challenges, while also helping to recruit our future workforce.

These three join our already strong line-up of ERGs, which includes the Women's Professional Network (WPN), 12LGBTf (lesbian, gay, bisexual, transgender, and friends), FedAble (employees who identify as disabled or differently-abled), Chinese Culture and Language Group (CC&LG), Filipino American Network, and Indus at the Fed. Our identity-based ERGs hosted over 30 activities and events in 2017, with highlights including:

- The WPN's Buddy Program, which pairs new employees with more-tenured ones, connected 37 buddy pairs in 2017. The WPN also hosted two "Coffee Talks," which feature Bank leaders sharing leadership insights and career advice. Both events were broadcast districtwide, with over 120 participants.
- The CC&LG hosted a panel discussion in June called "Growing Up Asian in America," which featured panelists sharing their unique family and cultural experiences, and how that influences them in the workplace. The CC&LG also hosted their annual Chinese New Year celebration in February and a Dragon Boat festival event in May, with guest speakers discussing their historical significance.
- The Filipino American Network hosted a panel event for Asian Heritage Month that featured prominent Filipino "trailblazers" within their industries.
- Indus at the Fed hosted two events – a presentation on the effect of demonetization on the Indian economy, and a talk by executive vice president Gopa Kumar, who shared his career path and future outlook for information technology at the Fed.
- In celebration of Pride Month, the 12LGBTf organized the second employee "Pride Banner" photo in support of diversity and equality. In addition, the 12LGBTf hosted a screening of the documentary Codebreaker: The Alan Turing Story, which included the film's creator and executive producer Patrick Sammon moderating a discussion of the documentary.

The Bank has placed a major emphasis on improving employee culture.

RECRUITED A DIVERSE WORKFORCE

Since 2007, the Federal Reserve System has collaborated on strategic national diverse recruiting efforts across all Federal Reserve locations. The Federal Reserve's recruiting strategy uses a collaborative and cost-effective approach toward participation in national diversity-focused conferences, and collaborates with local Reserve Banks for regional conferences. During 2017, the System collectively attended the National Black MBA Association (NBMBA) and Prospanica (formerly the National Society of Hispanic MBAs (NSHMBA)) conferences, and jointly presented the "Power of Performance Leadership" at the Next Level Conference and the Grace Hooper Celebration of Women in Computing Conference. Working closely with these nationally-recognized organizations enhances marketing and branding awareness for prospective employees. More than 430 resumes were collected at these conferences, with approximately 52 sent to hiring managers, resulting in 22 face-to-face interviews. Three offers were extended and two candidates accepted. Additionally, there are approximately 87 resumes in the pipeline for future job openings.

Diversity advertising via online, print, and social media vehicles aligns with conference presence in positioning the Federal Reserve as an employer of choice. In 2017, the System advertised in the Black EOE Journal, Hispanic Network Magazine, Professional Woman's Magazine, Diversity in STEAM Magazine, and Diversity Woman Magazine. These magazines were distributed at several diversity recruiting conferences, including ones that the Federal Reserve was not able to attend. In 2017, the System expanded its social media outreach, including LinkedIn, Twitter, Facebook, and the social media channels of the publications listed above.

Locally, the Bank's recruitment strategy aligns closely to this approach, and includes broad participation in professional and university career outreach events, an emphasis on online presence through social media, as well as partnerships with professional and community organizations to achieve a diverse applicant pool. Internally, there has been an emphasis on increased partnership with business areas throughout the hiring process, to help achieve more diverse opportunities. This involves partnering with hiring managers to review recruiting strategies and job postings. Our talent acquisition area also shares applicant flow data with hiring managers during the hiring process, to help address potential diversity deficiencies.

Hiring Summary

In 2017, the Bank hired 132 new employees. Of those, 54% were minority and 37% female. The majority of our external hires, 70%, were to management and professional positions. Of those, 51% were minority and 40% were female.

GOLD Internship Program

The Growing Opportunities for Leadership and Diversity (GOLD) internship program is a key initiative in developing a strong entry-level pipeline for the Bank. The Bank continues to enhance the program, positioning it as a vehicle to market the Bank's career opportunities to broader audiences. Highlights in 2017 included:

- The Bank hosted a diverse group of 35 summer interns, including 57% who were ethnically diverse and 51% female. The Bank continued to leverage its partnerships with Students Rising Above, which provides corporate internship and placement opportunities for low-income

individuals who are first-generation college students; and Scholarship for Service, a program funded by the National Science Foundation which seeks to increase the number of qualified students entering the fields of information assurance and cyber-security. A total of five interns were provided to the Bank as a result of those partnerships.

- Additionally, four interns were converted to full-time positions this year, including two minority and one female. Two other interns accepted extended/new internship assignments, a practice that has led to full-time conversions in the past (including one in 2017). Another of our Summer 2017 interns, a female minority, accepted a full-status position at the Board of Governors.
- The Bank recruited at a variety of universities in the District, including Cal State Sacramento, Saint Mary's College, Cal State Dominguez Hills, UC Berkeley, UCLA, Cal State East Bay, Cal Poly Pomona, San Francisco State University.

Partnerships with Professional Associations

The Bank continued to proactively source diverse talent and participate in career events hosted by professional organizations, including the local and national chapters of the following:

- Prospanica
- National Black MBA Association
- Women in Technology
- Women in Federal Law Enforcement
- RecruitMilitary

STEM

The Bank continued to partner with local STEM (science, technology, engineering, and mathematics) and community-focused initiatives to help increase visibility as an employer of choice for young women and minorities in the technology and engineering fields.

Career Fairs

The Bank participated in the following career fairs targeting minority and diverse candidates:

- Scholarship for Service
- National Black MBA Association and Prospanica
- Grace Hopper, Celebration of Women in Computing
- San Francisco LGBT Center

The Bank also hosted the UC Berkeley Women & Minorities in Economics Club in May. The students were given a tour, heard directly from early-career professionals and senior leaders (Mary Daly delivered the keynote address), followed by networking. The talent acquisition team also partnered with our economic education group in hosting 100 students from East LA Community College and Cerritos Community College, conducting resume and interviewing workshops for the students.

Veteran and Military Events

The Bank participated in several military- and veteran-focused events, including five RecruitMilitary events held in Oakland, Los Angeles, and Phoenix.

Online Advertising

The Bank continued to use a broad range of online recruitment tools to source diverse candidates. Targeted sites included:

- Women in Technology
- Women in Federal Law Enforcement
- NACELink (online job posting and college recruiting system)
- CareerBuilder Diversity
- California Job Journal
- DiversityComm Digital

The Bank also continued to use DiversityJobs.com, in association with the California Local JobNetwork, which provides online gateways to over 200 diversity partners, state employment development offices, and community-based organizations. Additionally, the Bank continued to leverage and partner with social networking sites including Glassdoor, LinkedIn, and Twitter.

Job Postings

The Bank's president and first vice president have committed to posting available job openings, including those at the most senior levels of the organization, to foster transparency and help ensure that a diverse pool of internal and external candidates were being considered for these positions.

EMPHASIZED STAFF DEVELOPMENT

The Bank's talent development team worked on the following efforts to promote diversity and inclusion:

Interview Training

The Bank continues to offer interview training for all interviewers. The "Effective Interviewing" course, revamped in 2016, was offered quarterly in 2017 as a part of the core curriculum available for all managers; after 2016's initial offering, 37 additional interviewers attended in 2017. This training focuses on the importance of diverse panels, behavioral interviewing, mitigating unconscious bias, using OneBank Behaviors (competencies) for consistent assessment, and best practices for the overall candidate experience.

People Manager Training

The talent development team continued the delivery of core people manager training – “Manager Essentials” – that covers the following topics:

- New Manager Training – unconscious bias, setting expectations, and communication.
- Coaching & Development – the GROW model (goal, reality, options, will), golden rules of coaching, and best/leading practices.
- Feedback & Accountability – communicating goals and expectations, giving and receiving feedback, and addressing challenging situations.
- Motivating & Delegating – encouraging and celebrating achievement, importance of recognition, and the benefits of delegation.
- Effective Interviewing – as described above.

For the five modules combined, 44 separate sessions were offered with total attendance of 454.

System Leadership Initiative (SLI)

There were 11 Bank managers that participated in the two SLI Thrive conferences in 2017 – 36% were female and 45% were ethnic minorities. The Bank also had three participants for the new Senior Leadership Conference pilot – two were women, including one ethnic minority.

Mentoring

The Bank offers two mentoring programs that seek to provide networking, exposure, and career development opportunities:

1. The **OneBank Peer Mentoring Program** is designed to bring together managers, supervisors, team leads, and individual contributors who may be aspiring to become managers. They meet in an informal and confidential group setting to network with those outside their areas, provide career development support, share diverse management perspectives and leadership experiences, and discuss day-to-day people management issues/challenges and Bank developments. Participation in the OneBank Peer Mentoring Program increased to 137 participants in 2017 (including 14 officer sponsors); 56% of participants were minority and 57% were women. Participation has grown sharply in recent years, up from only 41 participants in 2014. In 2017, the groups were encouraged to discuss a set of suggested D&I topics that were provided to the groups by ODI.
2. The **Mentor Bank** is designed to allow employees at any level to select from a group of qualified mentors to assist in their individual and professional growth at the Bank. Mentors provide mentees with career advice, insights on the work environment and Bank culture, and opportunities to network with other Bank employees. Participation in the Mentor Bank program for 2017 included 28 available mentors and 29 mentee pairings. This program will be refreshed in 2018.

Performance Management

The Bank's performance management approach continued to evolve in 2017, focusing on ongoing conversations between employees and managers, with written reviews replaced by quarterly check-in conversations. The intent is to support an environment of continual feedback, where employees and managers engage in open, honest, and constructive dialogue on their performance, as well as individual growth and development plans.

CHALLENGES

- The Bank continues to face hiring challenges related to the employment of women and minorities. Nearly 25% of vacancies filled in 2017 were in the technology sector, and while the availability of women and minorities in our region is adequate, that pool is subject to intense competition due to the continued growth in technology companies. Driven by media reports on the lack of diversity in the technology industry, these organizations have substantially increased their targeting of diverse candidates, creating further competition for the Bank.
- While the Bank continues to focus on national markets to supplement the highly competitive local labor market, candidates are often reluctant to relocate to the Twelfth District due to the very expensive housing markets in San Francisco and Los Angeles. The Bank will continue to look for ways to address these challenges, including alternate work arrangements (remote work, flexible hours, etc.) as a means to offset this challenge.

NEXT STEPS

The Bank is committed to enhancing the diversity of its workforce at all levels in the organization, including minority and women representation consistent with labor market availability, through targeted sourcing and outreach activities that promote awareness of job opportunities, and inspire youth to consider education and careers in finance. Our action plan for 2018 includes the following:

- Increase targeted outreach to diverse community groups and partners, develop new partnering opportunities, and increase communication of the Bank's business objectives and career opportunities to a broader audience.
- Continue to provide and enhance training programs and electronic modules for hiring managers and their delegates in interviewing and selection skills, adoption of standard selection criteria based on objective performance indicators, and mitigating the impact of unconscious bias.
- Enhance awareness of the availability of diverse candidate pools. Our talent acquisition unit will continue to work with departments during the interview and selection process to help ensure a diverse slate of candidates, as well as conduct reviews of diverse candidate availability.
- Continue to consider potential remote work arrangements outside of San Francisco, including branch offices, to help deal with San Francisco's competitive labor market and high cost-of-living.
- Review the Bank's summer internship program to ensure we're providing the best experience possible and increase opportunities for conversion to full-time positions.
- Further expand the Bank's university outreach strategy to include on-campus diversity organizations and groups, in addition to the standard career services/fairs. Ensure continued partnership with historically Black colleges and universities, and Hispanic colleges and universities.

INCLUSION OF MINORITY- AND WOMEN-OWNED BUSINESSES

The Bank is committed to ensuring, to the maximum extent possible, the fair inclusion of minority-owned and women-owned businesses in the Bank's procurement needs.

This commitment includes:

- Communication of the supplier diversity policy and initiatives to all Bank management and staff.
- Development and maintenance of a comprehensive outreach program.
- Outreach efforts to familiarize minority- and women-owned businesses with the Bank's supplier needs and procedures.

The Bank has a primary objective to increase the opportunity for minority- and women-owned businesses to compete for its business. To this end, the Bank has established a supplier diversity policy which was strongly endorsed by the Bank's senior management. This policy is the foundation for our plans and procedures. The Procurement Division's procedures, established in 2011 and refreshed in 2016, use the best practice guidelines of the National Minority Supplier Development Council (NMSDC).

Additionally, the Federal Reserve System's OMWI directors, senior procurement officers, and supplier diversity managers collaborate to identify opportunities that will further the Federal Reserve's supplier diversity objectives, including national outreach efforts, collective participation in national conferences, and development of capacity building and technical assistance initiatives. In 2017 the Federal Reserve System participated in two national conferences and trade fairs:

- Women's Business Enterprise National Council (WBENC), the largest certifier of women-owned businesses in the U.S. The conference had over 300 exhibit booths and over 3,500 registered attendees, leading to 85 vendor registrations at the Federal Reserve's booth.
- National Minority Supplier Development Council, the largest certifier of Asian, Black, Hispanic, and Native American businesses. The conference had over 700 exhibit booths, 20 targeted workshops and sessions, and more than 6,000 registered attendees, leading to 81 vendor registrations at the Federal Reserve's booth.

The Bank's leadership in the supplier diversity realm continues to shine.

SUCCESSSES

The Bank's leadership in the supplier diversity realm – both within the Federal Reserve System and in industry – continues to shine, with the supplier diversity business community recognizing the Bank's commitment to engage, support, educate, and connect with minority- and women-owned businesses. The Bank received the following industry awards for its supplier diversity efforts:

- A Community Partner Impact award for engaging, educating, and connecting with certified women's businesses from the Women's Business Enterprise Council – West's Southern California Forum.
- The Bay Area Business Roundtable Spotlight Award for demonstrating outstanding commitment to the economic health and vitality of Bay Area businesses and communities, and exemplary leadership to the Roundtable. The Bank's achievement was recognized by California's lieutenant governor.
- A nomination for the Robert L. Ryan award from the Northwest Mountain Minority Supplier Development Council, reflecting our commitment and dedication to creating business opportunities and advancing the development of minority business growth and success.

AMOUNTS PAID TO CONTRACTORS

The Bank's total spend reported below includes expenditures on procurements that both the Bank and the National Procurement Office originated. For the 2017 fiscal year, the Bank's total expenditure on goods and services was \$62.4 million¹. Of that amount, payment to minority- and women-owned businesses accounted for \$12.0 million, or 19.3%, broken out as follows:

- Minority-owned businesses²: \$9.9 million or 15.8%.
- Women-owned businesses: \$2.2 million or 3.5%.

As shown in Appendix C, the Bank's proportion of spend with minority- and women-owned businesses has grown substantially over the past five years, from 10.1% in 2013 to 19.3% in 2017 (it was less than 6% in 2011, our first year of OMWI reporting). That said, the Bank completed a major technology project in 2016 that had contributed to increased minority spend in recent years; the completion of that project contributed to a large decrease in minority spend compared to 2015, when it peaked at \$16.7 million.

Beyond these results, we are also pleased to report on a number of activities and successes related to the Bank's supplier diversity objectives.

1. The total dollar amount of spend (i.e., includes all vendor payments except those made for/to association memberships, dues and fees; international banks; charities; inter-company/inter-Fed transfers; government payments; legal settlements; payment network fees; rent; and utilities).

2. Minority women-owned business spend is captured in spend for minority-owned businesses only, and is not double counted in the women-owned business spend category.

CONTINUED OUTREACH AND NETWORKING

The Bank continued to increase its visibility in the supplier diversity business community, both nationally and within the District, through outreach, communication, and technical assistance events. This increased visibility was achieved through both Federal Reserve System and Bank-initiated activities.

Networking

The Bank hosted or participated in 23 matchmaking and networking events, and three national conferences for minority and women-owned businesses hosted by the following advocacy groups:

- Women’s Business Enterprise National Council
- National Minority Supplier Development Council
- United States Pan Asian American Chamber of Commerce
- California Hispanic Chamber of Commerce
- Western Regional Minority Supplier Development Council
- Astra Women’s Business Alliance
- Women’s Business Enterprise Council - West
- Southern California Minority Supplier Development Council
- Northwest Mountain Minority Supplier Development Council
- Financial Services Roundtable for Supplier Diversity
- Bay Area Business Roundtable
- National Association of Women Business Owners, Bay Area Chapter
- San Francisco African American Chamber of Commerce
- Billion Dollar Roundtable
- Chicago Minority Supplier Development Council

Technical Assistance

The Bank planned, hosted, or participated in these six technical assistance meetings:

- Hosted two technical assistance workshops in the LA Branch for the Southern California WBENC regional partner. These provided guidance on goal setting to increase performance and long-term growth, and RFP development tools and tips.

- Hosted the fifth annual Minority-owned Business Enterprises Input Committee technical assistance meeting for certified members of the Western Regional Minority Supplier Development Council. This included workshops, B2B networking, a vendor fair, and pitch opportunity.
- Hosted a supplier diversity panel discussion and recognition event for the San Francisco chapter of the National Association of Women Business Owners.
- Conducted its first technical assistance webinar on market research tips for certified members of the Western Regional Minority Supplier Development Council. Members of the Bank's Research Library created and presented the content for this 45-minute webinar.
- Participated in a Financial Services Industry Day event hosted by the Western Regional Minority Supplier Development Council with a presentation on "Updates You Need to Know from the World of Cyber Security on Vendor Risk Management," authored and presented by members of the Bank's Information Security team.

Industry Leadership

The Bank's supplier diversity manager, Lynn Reddrick, continues to provide outstanding leadership in the supplier diversity community. 2017 highlights included:

- Served as a panelist for a "Relevant Trends MBEs Needs to Know!" session at the Western Regional Minority Supplier Development Council Financial Services Industry Day.
- Served on three boards and an executive council for the following organizations:
 - Financial Services Roundtable for Supplier Diversity (board co-secretary and two committees)
 - Astra Women's Business Alliance (board member)
 - Western Regional Minority Supplier Development Council (board member and three committees)
 - Bay Area Business Roundtable (executive council)

ENHANCED THE BANK'S SUPPLIER DIVERSITY PROGRAM OPERATIONS AND AWARENESS

The Bank continued its efforts to identify best practices, enhance its supplier diversity program, and drive internal and external awareness. 2017 initiatives included:

- Conducted internal training sessions on how to identify/report diverse suppliers. This included promoting an internal supplier diversity portal and providing expanded resources for all Bank divisions.
- Worked with financial planning and division budget coordinators to review and identify options to use budget meetings to encourage supplier diversity and accelerate division contract planning.

- Utilized the 2016-18 procurement pipeline report, division input, and Procurement's new 30/60/90-day contract expiration report to assist in identifying upcoming opportunities for diverse suppliers.
- Completed 41 reviews of statements of work, evaluation criteria, and bidder lists for requisitions valued at \$100,000 or more. This review identifies potential barriers for diverse and small suppliers, recommends diverse suppliers, and identifies and assesses patterns over time.
- Fulfilled 37 diverse vendor sourcing assistance requests to departments, and responded to ongoing vendor classification requests from division sourcing staff.
- Continued to expand the Bank's database of vendors that have expressed interest in doing business with the Bank. The database includes a risk rating for each vendor using the Dun & Bradstreet Supplier Risk Management software.
- Promoted the Federal Reserve System web portal and vendor registration to those vendors with a footprint beyond the Twelfth District at supplier diversity vendor events and in marketing materials.
- Participated in a spend visibility initiative with other Reserve Banks using Tableau software to visually depict and analyze diversity spend data. This software will be used as a tool to provide Bank management with a review of the supplier diversity program status.
- Worked to expand the Bank's technical assistance for diverse businesses utilizing more Bank resources. These efforts included developing guidelines for businesses to follow when creating videos, comprehensive tools for researching and targeting business opportunities, and cyber security requirements that businesses must follow to do business with the Bank.

PROVIDED LEADERSHIP FOR THE FEDERAL RESERVE SYSTEM'S SUPPLIER DIVERSITY EFFORTS

- The supplier diversity program manager continued to provide strong leadership for the Federal Reserve System's supplier diversity efforts. Contributions in 2017 included:
- Continued to co-chair the Federal Reserve System's Supplier Diversity Program Managers Workgroup, including its diversity data collection work stream, strategic planning subcommittee, and planning/facilitation/presentations at several national and local conferences.
- Participated in the OMWI Council's Supplier Diversity Workgroup, and its subgroup involved with enhancing the Federal Reserve's external participation.
- Contributed to Federal Reserve procurement leadership, contract visibility, and metrics work groups.
- Participated in the inaugural Federal Reserve Procurement Learning Center Conference, in addition to delivering a supplier diversity stakeholder presentation with Atlanta's supplier diversity manager.

CHALLENGES

While the Bank achieved success in its supplier diversity initiatives, it encountered challenges, some of which have been previously noted:

- A significant source of the Bank's minority- and women-owned business spend is with a managed service provider for contract staffing. The Bank's major projects that require contingent labor significantly impact the Bank's diverse spend, as evident in the significant decline in diverse spend in 2017 due to the completion of a major project and resulting reduction in business requirements for contingent labor.
- Sourcing diverse businesses continues to be very labor intensive for both business lines and the Bank's procurement function, and requires additional support, training, and engagement. The procurement team will continue to expand and upgrade the technology, data collection/reporting, advance planning, business line sourcing assistance, and other resources for business areas to source diverse suppliers.
- Despite ongoing outreach and improved access to diverse supplier resources, business lines and the procurement function encounter challenges in identifying qualified minority- and women-owned businesses for unique, specialized, and large-scale needs.
- The lack of responses from minority- and women-owned businesses to some procurement opportunities makes it difficult to understand the barriers they may be facing. The Bank will enhance its effort to work with business lines to identify and determine the concerns minority- and women-owned businesses have with our procurement process.

NEXT STEPS

The Bank remains committed to making every effort to increase the opportunity for small businesses and minority- and women-owned businesses to participate in our procurement opportunities and receive technical assistance. Our action plan for 2018 includes the following:

- Support the Bank's Diversity and Inclusion strategic focus to drive supplier diversity awareness and support the engagement of business lines by providing necessary advance-planning tools, training, and resources that facilitate the sourcing of diverse and non-diverse suppliers, and utilize spend visibility software to publish metrics across divisions to assess progress. Supplier diversity will also become a point of emphasis in ODI's action planning sessions with all Bank divisions.
- Continue to enhance partnerships with diverse supplier advocacy groups and financial services organizations to grow our directory of potential service providers, and host and provide resources for districtwide technical assistance and capacity-building opportunities.
- Collaborate with the Federal Reserve System and OMWI Council supplier diversity workgroup to enhance: sourcing; sharing and better utilization of vendor and spend data; common metrics and reporting; pipeline planning; business line engagement; standardizing vendor reportable and diversity classifications; Federal Reserve presence at national conferences; and supplier diversity best practices.

FINANCIAL EDUCATION

The Bank is committed to financial and economic education efforts that engage OWMI audiences (urban, inner-city, all-girls, and majority-minority schools) and promote financial well-being. Through various activities, curriculum, and events, the Bank strives to build awareness of job opportunities within the Federal Reserve System; help minorities, women, and youth to develop skills in personal financial decision-making; and explore careers in business, economics, and finance.

In addition, the Reserve Banks and Board of Governors partner to identify opportunities for the Federal Reserve System to collaborate on financial literacy programming, mentoring opportunities, and other related activities for inner-city, all-girl, and majority-minority high school populations.



President Williams meets with local high school students

SUCCESSES

The Bank's Economic Education & Outreach team continued to conduct a variety of programs in 2017 to support economic and financial education for OMWI-designated audiences throughout the Twelfth District. The data provided in this report is school-based and specifically reflects the ethnic composition and setting of each school (urban, rural, and suburban), as reported in the National Center for Education Statistics database. Beyond these economic education efforts, we also highlight other contributions by Community Development that advance economic education and/or opportunities to OMWI-designated populations.

PROVIDED PERSONAL FINANCE EDUCATION

The Bank continued to develop and deploy educational content and programming to foster learning opportunities, support learner engagement, and expand access to high quality teaching materials, including the following:

- Launched Season 3 of the popular podcast series *Does College Matter?* The series promotes financial literacy and the value of education by featuring women and minority entrepreneurs sharing their personal journeys after high school. Season 3 received over 1.1 million downloads, bringing the combined total downloads for the first three seasons to 3.7 million.
- In collaboration with the Federal Reserve Bank of Richmond, the Bank completed the third and final module of the online course, *Invest in What's Next: Life After High School*. The new module, "Evaluating My Plan," launched in February 2018 and is designed to help high school students evaluate their post-secondary plan, gauge their level of preparedness for college, and test their plan against various scenarios that could derail their educational path, such as the negative financial impact of starting and not completing school. In 2017, 9,500 students, including 3,270 from OMWI-designated high schools, enrolled in the course. As a result of taking the course, these students were able to:
 - explore their job interests and desired lifestyle
 - assess levels of education needed to reach their goals
 - research school options
 - develop a long-term plan for income, saving, and spending
 - determine how to fund their education and manage student loans
- Continued the Education Advisory Group (EAG) program, which was comprised of four community college and 16 high school teachers selected for their leadership potential and commitment to education. The EAG helped identify and address challenges in economic education and provided feedback on the Bank's educational resources. Selected teachers

The "Does College Matter?" podcast series has received over 3.7 million downloads.

represented a diverse set of schools from across the Twelfth District such as Walden Grove High School, a medium-sized school in rural Sahuarita, Arizona, and Los Altos High School, a large suburban school in Southern California. This small group of classroom educators allows the Bank to amplify our messaging and expand our reach to target audiences throughout the District.

- Collaborated with the Student Investment Lab and Fund (SILAF) and Galileo High School in San Francisco to create a student-led project examining the Federal Reserve Bank of San Francisco's online college calculator and the economic benefits of attending college. SILAF is a non-profit organization that works with high school students to provide financial literacy programs and civic engagement projects that generate economic equity in their communities.
- Provided personal finance programming in collaboration with the Academy of Business Leadership to underserved, high-potential teens from the greater Los Angeles area. Sessions focused on budgeting, saving, and financing college.

HOSTED, SPONSORED, AND ATTENDED CONFERENCES AND EVENTS

The Bank participated in, and contributed to, a range of conferences and events in support of our financial education and outreach objectives, including the following:

- Held a "Day at the Fed" event for 100 students from two designated Hispanic-serving institutions: Cerritos and East Los Angeles Community Colleges. The day-long event included workshops on budgeting and saving, how to fund college, résumé writing and interview skills, and the purposes and functions of the Federal Reserve. The Bank's OMWI Director, Rita Aguilar, served as the keynote speaker, and Federal Reserve employees volunteered to share their own academic and professional paths as part of a panel discussion.
- Partnered with the Bank's African American ERG, Mosaic, to collect school supply donations from Bank staff on behalf of students enrolled in the African American Male Achievement program at Skyline High School in Oakland, CA. Over 50 backpacks filled with necessary school supplies were distributed to students during an outreach event that featured a panel discussion of Federal Reserve employees discussing careers at the Fed and sharing their personal academic and career journeys.
- Hosted a professional development program for Southern California high school teachers in conjunction with the Federal Reserve System's Financial Education Day. This one-day event focused on approaches and resources for teaching personal finance. Sessions included: Math in the Real World; Teaching Personal Finance Framework in History & Social Studies; Building Financial Capability; and Preparing your Students for Life After High School.
- Presented personal finance resource sessions at regional and national conferences and trainings:
 - Financial Education Public-Private Partnership Training Institute
 - California Council on Social Studies Conference
 - National Council on Social Studies Conference
 - Association Career Technical Education of Arizona
 - California Business Education Association

TABLE 1: FINANCIAL EDUCATION OUTREACH EVENTS

		2016	2017
Financial Literacy ¹	Program Type		
	— Teacher centric	Hybrid	Hybrid
	— Student centric		
	— Hybrid		
	Number of Students ²	4,077	3,600
	Number of Educators ³	185	181
	Number of Students Reached ⁴	13,875	13,575

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/or 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.

LEVERAGED COMMUNITY DEVELOPMENT AUDIENCES

In addition to Economic Education & Outreach's contributions, we also highlight efforts by the Bank's Community Development department in advancing economic education and/or opportunities to OMWI-designated populations through their various meeting, convenings, and conferences, including the following:

- New Community Advisory Council. In 2017, the Bank launched a new Community Advisory Council (CAC) in order to augment its other boards and councils, but with a specific emphasis on underserved and lower-income communities. The 14 members of the council represent a wide cross-section of community development practitioners and advocates, and bring a focus on the economic and social challenges facing their communities, which are primarily the minority areas of the district. Not only will the CAC bring the voices of the communities they serve to the Bank, but 70% of the members themselves are from diverse backgrounds and 50% are female.
- Participated in a meeting in Los Angeles with the United States Bankruptcy Court, the UCLA Anderson School of Business' Health Care Institute, and public advocacy law firm Public Counsel to devise a financial literacy help desk for families undergoing bankruptcy proceedings with the intention of lessening their stress through financial health and wellness training.

- Collaborated with UCLA to host quarterly convenings of the Advancing Women's Health Equity Initiative in Los Angeles in support of financial wellness and health literacy training for low-wage working women. To further explore investments in the work, the Bank co-facilitated a full day conference with UCLA and Local Initiative Support Corporation LA, titled Health, Wealth & Housing: Promoting Cross-Sector Collaborations for Equity with key note and panel speakers demonstrating evidence of positive outcomes of the three interventions.
- Played an instrumental role on the Resource Council of the Los Angeles Education Partnership by introducing financial institutions to opportunities to invest in the Community School model of teacher training and student goal setting in South Los Angeles schools, and aiming to enhance minority youth opportunities for college or career by serving as volunteer mock interviewers and providing résumé building guidance.
- Presented at a Greenlining Institute forum that addressed concerns around bank branch closures in rural towns and cities in the Central Valley, how communities can help bring financial institutions and services to areas with branch closures, and Community Reinvestment Act (CRA) activity in the Central Valley, which has a high Latino population.
- Launched a partnership in the Bay Area that brings together small business lenders (CDFIs), health practitioners, and nail salon owners (mostly immigrants from Vietnam) to provide loans for the purchase of ventilation systems and other equipment to improve the health of nail salon workers. The program includes efforts to build the financial capability of immigrant small business owners.
- Convened banks and the state Department of Human Services in Honolulu to explore partnership opportunities to build the financial capability of low-income residents which are predominantly minority. The effort is focusing on the opportunity to serve formerly homeless families in a transitional shelter with financial capability training and access to affordable bank products.
- Hosted a forum in Phoenix, Arizona to bring together nonprofit organizations, local government agencies and CRA officers from financial institutions to discuss and identify strategies to expand economic inclusion and financial capability for Arizonans with a focus on the Hispanic community. The forum included a presentation of the Arizona data from the FDIC National Survey of Unbanked and Underbanked Households and an overview of the Bank's "Underemployment in the Western Region" report.
- Presented the results of the Federal Reserve's small business survey at the "Closing the Gap: Lending to Minority Small Businesses Conference" in Sacramento. The panel analyzed the state of the small business lending industry and explored the opportunities to close the gap and increase access to capital in the minority business community.
- Spoke at the "Women and Small Business Real Estate Summit" on the Bank's work on small business and the small business credit survey results. The event was focused on minority and women-owned businesses.

CHALLENGES

In recent years, the Bank shifted its educational resources primarily to online and mobile formats. While this is a more efficient mode of delivery that has a far greater reach, it has made it more difficult to determine exactly how many OMWI schools we serve.

NEXT STEPS

Motivated by the dramatic increase in post-secondary costs, growing student debt, and significantly lower completion rates for first generation and low-income students, the Bank is committed to engaging OMWI audiences to build awareness of the Federal Reserve System, inspire youth to develop skills in personal finance, explore careers in business, economics, and finance, and become active participants in creating their future. To achieve these goals, we will re-establish direct contact with OMWI schools and continue to expand efforts to create content and develop programming around college and career readiness.

Our action plan for 2018 includes:

- Coordinating targeted, in-person outreach at OMWI schools throughout the Twelfth District.
- Continuing to experiment with new content and test innovative solutions via teacher and student surveys and focus groups, targeting feedback from low-income and OMWI schools.
- Discovering ways to expand college readiness and grow our capacity to provide relevant materials and resources.
- Continuing to build a robust and engaged network of teachers to effectively engage with our target audiences, and expand and amplify content delivery mechanisms to increase outreach to diverse audiences.
- Promoting the Invest in What's Next personal finance modules at conferences, events, and targeted marketing channels. We will continue to augment this online resource to make it easier for teachers to implement in the classroom, such as integrating the course into a learning management system with a pre/post-test option allowing teachers to track student progress and knowledge gain. In addition, the Bank will continue to build out the "For Educators" page with classroom activities and assessments complementing the course.
- Continuing to update financial and economic education resources and activities to ensure that they meet the needs of OMWI audiences.

CONCLUSIONS AND FUTURE PLANS

This report outlined the broad range of activities and results that demonstrate the Bank's progress and continued commitment to diversity and inclusion, and fulfilling the provisions of Section 342 of the Dodd-Frank Act. We are encouraged by the results of our efforts, and are confident that our persistence will continue to further our objectives for a diverse workforce and a diverse supplier pool despite the challenges we face in some areas.

Our plans for 2018 include:

- Leveraging the Bank's commitment to diversity and inclusion, as evident in the Bank's strategic focus on those areas. Work with the Executive and Management committees to execute the Bank's various D&I strategies, programs, and practices.
- Building on our successful diversity campaign by conducting an inclusion campaign to help all management and employees cultivate a more inclusive and engaging environment.
- Continuing to grow our ERG network and use them as a vehicle to enhance the Bank's diversity and inclusion efforts, and overall engagement of our employee population.
- Advancing the diversity of our workforce, including representation of minorities and women, through targeted sourcing and outreach activities that promote awareness of job opportunities.
- Working with individual business lines to develop strategies and action plans toward increasing the Bank's diversity and inclusion objectives.
- Increasing the opportunity for minority- and women-owned businesses to participate in our procurement efforts by expanding partnerships with advocacy groups, providing resources for technical assistance, and enhancing our internal supplier diversity process, resources, and awareness. Over time, these efforts should help identify potential suppliers for the Bank's business needs.
- Actively developing partnerships with diverse community groups and school systems with large concentrations of urban and inner-city, all-girls, and majority-minority schools by continuing to expand content delivery mechanisms to increase outreach to these diverse audiences.

We appreciate the opportunity to provide this report to Congress and welcome feedback that may assist in continuing to successfully meet our goals on minority and women inclusion in the Bank.



FRB-SF employees talking to students about career opportunities

APPENDIX A

WORKFORCE ANALYSIS

The Workforce Representation Report, provided as Appendix B, shows the ethnic and gender composition of the District's workforce, as submitted annually for the Equal Employment Opportunity Commission's EEO-1 report.

This year's submission used data as of 12/31/2017. The first three job categories listed comprise 75% of the District's workforce and are defined as follows:

Executive/Senior Officials

This category represents the highest ranks of the organization – its top 13 officials – and includes the president, first vice president, executive vice presidents, and senior vice presidents.

First/Mid Officials & Management

Includes all other officers and people managers, approximately 18% of the workforce.

Professionals

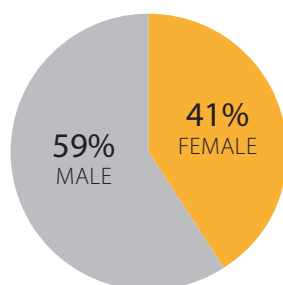
Jobs in this category, which represents 56% of the workforce, generally require bachelor or graduate degrees, professional certification, and/or comparable experience. The positions in this group include economists, bank examiners, analysts, auditors, and information technology professionals.

As of 12/31/2017, the Bank employed 1,688 individuals. The overall composition of the Bank's workforce, consistent with 2016 and recent years, was 56% minority and 41% female. The table below shows the history of the Bank's workforce over the past five years. As shown, the Bank has made notable progress over the period in employment of minorities in the management and professional ranks, especially at the senior executive level. Female representation has increased marginally.

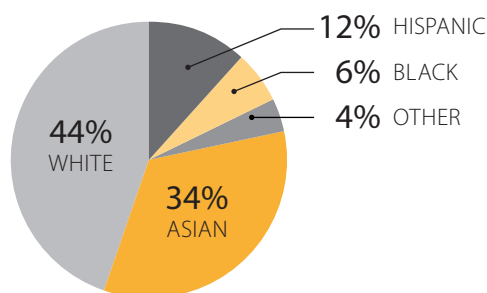
TABLE 2: BANK WORKFORCE SUMMARY, 2013-2017 (AS OF DECEMBER 31)

EEO-1 Category		2013	2014	2015	2016	2017
Senior Executives	Minorities	21%	25%	33%	50%	46%
	Women	36%	33%	25%	25%	31%
Mid-Level Managers	Minorities	42%	40%	40%	41%	43%
	Women	41%	44%	42%	42%	41%
Professionals	Minorities	51%	54%	55%	54%	55%
	Women	44%	44%	45%	42%	43%
Total Workforce	Minorities	54%	54%	55%	55%	56%
	Women	41%	42%	42%	41%	41%

**FRBSF WORKFORCE
BY GENDER**



**FRBSF WORKFORCE
BY ETHNICITY**



The Bank also compares its workforce representation to various public benchmarks for comparable jobs. A comparison of the Bank's workforce representation to 2015 Equal Employment Opportunity Commission (EEOC) data in the key EEO-1 categories (for all industries) shows the following:

- The Bank's representation of minorities in the management/executive level exceeds national minority representation at that level by over 21%; our female representation exceeds by 3%. For the officer, manager, and professional grouping combined, we exceed by comparable national levels by 26%, while that of women is almost 6% less than the national level (this is likely due in part to our high proportion technical positions in our professional ranks, where female representation traditionally lags).
- California Comparison: Because 87% of the Bank's jobs are in the two California offices, we also compare our workforce representation to corresponding benchmarks for California. Here too, the Bank's representation in the management/executive grouping is greater than the California benchmark for minorities by 4% and 3% greater for females. Looking at all management and professionals combined, we exceed for minorities by 4% while lagging for women by 2%.

APPENDIX B

FEDERAL RESERVE BANK OF SAN FRANCISCO WORKFORCE REPRESENTATION (DECEMBER 31, 2017)

Numeric data

Job Categories	Hispanic		Not Hispanic												Total
	Male	Female	Male						Female						
			White	Black	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Exec/Senior Officials	2		5			2			2	1				1	13
First/Mid Officials & Mgrs	18	15	113	7	1	38		4	62	6		43		1	308
Professionals	34	27	284	20	2	190	1	9	145	22		207	3	3	947
Technicians			2												2
Sales Worker	1		1			1			1						4
Administrative	20	17	14	8	1	30	2		33	9	1	25	1		161
Craft Workers	6		15	1		4	1								27
Operatives	14	14	6	3	1	14			2			18	1		75
Service Workers	29	7	51	12	2	21		4	9	8	3	4		1	151
Total	124	80	491	51	7	300	4	17	254	48	4	297	5	6	1,688

Percentage data

Job Categories	Hispanic		Not Hispanic												Total
	Male	Female	Male						Female						
			White	Black	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Exec/Senior Officials	15%	0%	38%	0%	0%	15%	0%	0%	15%	8%	0%	0%	0%	8%	1%
First/Mid Officials & Mgrs	6%	5%	37%	2%	0%	12%	0%	1%	20%	2%	0%	14%	0%	0%	18%
Professionals	4%	3%	30%	2%	0%	20%	0%	1%	15%	2%	0%	22%	0%	0%	56%
Technicians	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Sales Worker	25%	0%	25%	0%	0%	25%	0%	0%	25%	0%	0%	0%	0%	0%	0%
Administrative	12%	11%	9%	5%	1%	19%	1%	0%	20%	6%	1%	16%	1%	0%	10%
Craft Workers	22%	0%	56%	4%	0%	15%	4%	0%	0%	0%	0%	0%	0%	0%	2%
Operatives	19%	19%	8%	4%	1%	19%	0%	0%	3%	3%	0%	24%	1%	0%	4%
Service Workers	19%	5%	34%	8%	1%	14%	0%	3%	6%	5%	2%	3%	0%	1%	9%
Total	7%	5%	29%	3%	0%	18%	0%	1%	15%	3%	0%	18%	0%	0%	100%

Note: Data are rounded.

APPENDIX C

OMWI STANDARD CORE METRICS (AS OF DECEMBER 31)

Category	Description	Measure	2013	2014	2015	2016	2017
Workforce Diversity	Senior Executives	Total #	14	12	12	12	13
		% Minorities	21%	25%	33%	50%	46%
		% Women	36%	33%	25%	25%	31%
	Mid-Level Managers	Total #	277	292	306	322	308
		% Minorities	42%	40%	40%	41%	43%
		% Women	41%	44%	42%	42%	41%
	Professionals	Total #	838	854	908	936	947
		% Minorities	51%	54%	55%	54%	55%
		% Women	44%	44%	45%	42%	43%
	Total External Hires	Total #	177	165	190	206	132
		% Minorities	52%	54%	55%	50%	54%
		% Women	46%	46%	37%	35%	37%
	Total Interns	Total #	25	23	32	25	35
		% Minorities	64%	74%	72%	60%	57%
		% Women	40%	39%	59%	36%	51%
	Overall Bank Turnover Rate	%	9.9%	11.3%	9.5%	10.7%	9.1%
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$55.7	\$71.5	\$70.0	\$69.9	\$62.4
	Total Diverse Spend ¹	\$ (millions)	\$5.6	\$10.5	\$18.6	\$17.6	\$12.0
		%	10.1%	14.6%	26.5%	25.2%	19.3%
	Minority-owned ²	\$ (millions)	\$4.4	\$7.9	\$16.7	\$15.3	\$9.9
		%	7.9%	11.0%	23.9%	21.8%	15.8%
	Minority-owned (men)	\$ (millions)	\$3.8	\$7.3	\$4.2	\$4.3	\$1.4
		%	6.8%	10.2%	6.0%	6.2%	2.3%
	Minority-owned (women)	\$ (millions)	\$0.6	\$0.6	\$12.5	\$10.9	\$8.4
		%	1.1%	0.8%	17.9%	15.6%	13.5%
	Women-owned ²	\$ (millions)	\$1.8	\$3.2	\$14.4	\$13.3	\$10.6
		%	3.3%	4.4%	20.5%	19.0%	17.0%
	Women-owned (non-minority)	\$ (millions)	\$1.2	\$2.6	\$1.8	\$2.3	\$2.2
		%	2.2%	3.6%	2.6%	3.4%	3.5%
	Women-owned (minority)	\$ (millions)	\$0.6	\$0.6	\$12.5	\$10.9	\$8.4
		%	1.1%	0.8%	17.9%	15.6%	13.5%

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.

		2016	2017
Financial Literacy ¹	Program Type		
	— Teacher centric	Hybrid	Hybrid
	— Student centric		
	— Hybrid		
	Number of Students ²	4,077	3,600
	Number of Educators ³	185	181
	Number of Students Reached ⁴	13,875	13,575

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/or all-girls 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.

OMWI OFFICE OF MINORITY
AND WOMEN INCLUSION



FEDERAL RESERVE BANK
OF SAN FRANCISCO

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