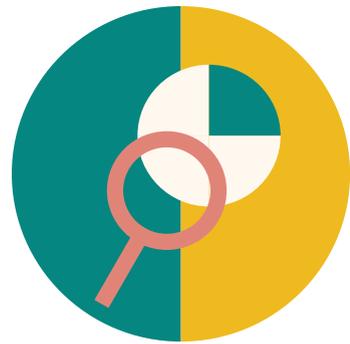


# FRAMEWORK FOR CHANGE

PROGRESS REPORT  
2021

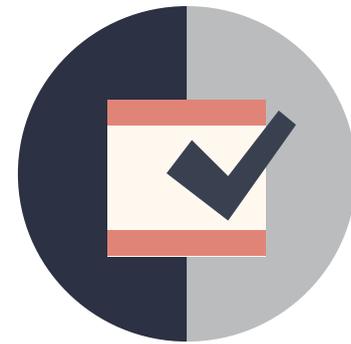
# Our Framework for Change



**EVIDENCE**



**DIALOGUE**



**PRACTICE**

## Table of contents

<b>LETTER FROM DAVID PORTER</b>	<b>4</b>
Executive Vice President, Strategy, People + Culture	
<b>OUR FRAMEWORK GOALS</b>	<b>7</b>
<b>OUR PROGRESS</b>	
EVIDENCE	<b>10</b>
DIALOGUE	<b>25</b>
PRACTICE	<b>34</b>



## Equity and Inclusion

At the San Francisco Fed, we care about equity because we care about how economic output connects to our congressionally mandated mission: to promote a healthy and sustainable economy and support the nation's financial and payment systems. In other words, our focus on equity is a core part of our work.

From a racial and ethnic perspective, research tells us that inequities in the U.S. have a clear impact on the economy and the size of the economic pie, both now and in the future. Our country can only reach its full economic potential when all people have equitable access to economic and educational opportunities. As a public service organization, it is also our responsibility to represent all of the people we serve and accurately reflect the diversity of our communities.

In February 2021, the San Francisco Fed launched our [Framework for Change](#), our public commitment to taking action that will result in greater racial and ethnic equity in our organization and the communities we serve. Our Framework has two major goals: documenting where racial and ethnic inequities exist and how they affect our economy, and taking concrete steps to become a premier public service organization that serves all members of our nation.

One year into this journey, we've taken meaningful first steps to advance the Framework both internally and externally. This report is a summary

of our progress—and a reaffirmation of our commitment to continue this important work.

Through the Framework for Change, we are using our tools and responsibilities to help foster a healthy and inclusive economy in which everyone can fully contribute their talents and skills—regardless of their race, ethnicity, gender, geographic location, or any other demographic characteristic. We hope you will assist these efforts by sharing your experiences leading this work within your organizations.

Let's continue our work towards greater equity, together.



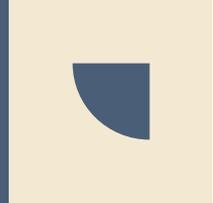
David M. Porter, Jr.  
Executive Vice President  
Strategy, People + Culture





# OUR FRAMEWORK FOR CHANGE GOALS

The San Francisco Fed's Framework for Change is our commitment to taking action that will result in greater racial and ethnic equity in our organization and the communities we serve across the Federal Reserve's Twelfth District. We are transparent about our goals, and will publish our progress annually so we are accountable to ourselves and to the American public.

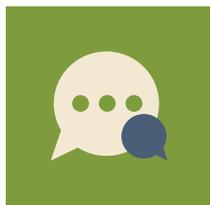




## Evidence

Build an extensive body of research—based on both quantitative and qualitative data—that informs Americans on the economic impacts of racial and ethnic equity and inequity and inspires bold actions and ideas that drive a strong and healthy economy.

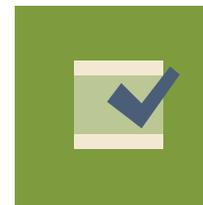
- + Break down data by race and ethnicity to go below the surface of aggregate indicators and provide a more holistic understanding of economic health.
- + Support San Francisco Fed and external researchers in examining the implications of racial and ethnic equity for the economy and use our voice and platforms to disseminate that research.
- + Examine challenges and solutions promoting an inclusive financial system that enables equitable access to credit for all communities, including low-income communities and communities of color.



## Dialogue

Expand the dialogue on the economic impact of racial and ethnic equity and inequity, using our networks to deepen understanding and spark meaningful conversations while ensuring we engage with people who reflect the diverse communities of the Twelfth District.

- + Increase the frequency of our connections with community, business, and government representatives—from roundtable discussions and speaking engagements to one-on-one conversations—by 50% in 2022.
- + Broaden the external audiences we reach with an initial focus on increasing outreach to Hispanic communities across the Twelfth District.



## Practice

Evolve and implement policies and processes that advance our institutional equity goals, guard against the influence of potential individual biases, and help us reflect the communities we serve, so that we can become a model for the equity and inclusion necessary for our economy to thrive.

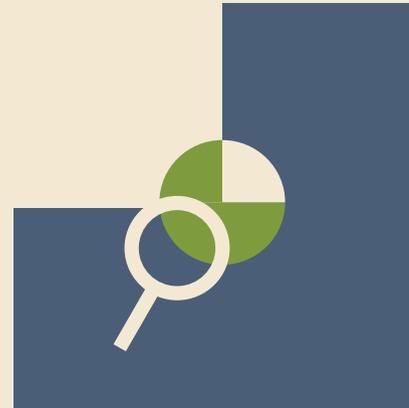
- + Use our convening power to host collaborative community events that meet the needs of the communities we serve.
- + Engage our employees to ensure they understand how equity is connected to our mission and stay aware of the actions the Bank is taking to promote equity in our organization and the communities we serve.
- + Take multiple actions to enhance how we hire, develop, and reward our talent with the aim of reflecting the demographics of the Twelfth District.
- + Target an annual spend to minority- and women-owned suppliers of \$30 million by 2025 (a 36% increase over our diverse supplier spend in 2020).
- + Improve the diversity of our Twelfth District Boards of Directors and Advisory Councils so that by 2025, they will reflect the diversity of the communities we serve.



## OUR PROGRESS: **EVIDENCE**

“You can’t fix what you don’t understand.”

– Sylvain Leduc  
Executive Vice President  
and Director of Economic Research



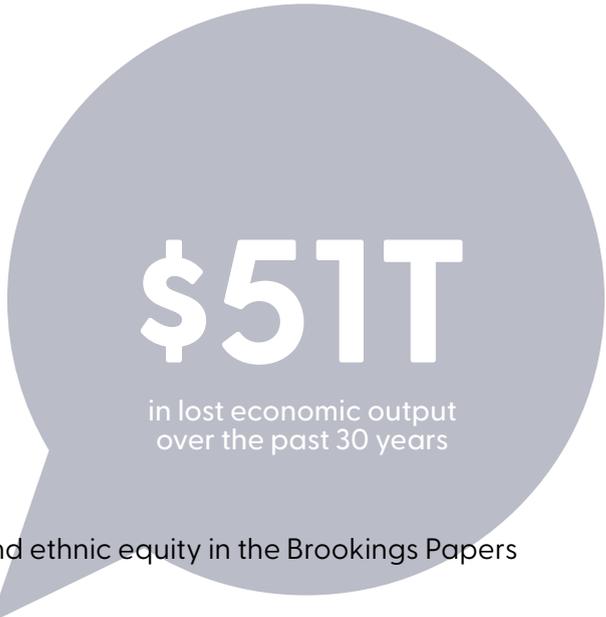
## Understanding the economic impact of inequities

Research shows that inequities translate into real economic losses—stifling growth, capacity, and resilience by leaving millions of people on the sidelines, underutilizing skills, and missing opportunities for innovation. As a data-driven organization, the San Francisco Fed contributes to research on the economic impact of inequities while examining solutions and progress over time—work that is essential to meeting our congressionally mandated mission. These efforts are increasingly critical given the changing demographics of the labor force, the majority of which is expected to be people of color by 2050, according to the [U.S. Bureau of Labor Statistics](#).

“Over the long-term projection period, the share of white non-Hispanics in the labor force is expected to decrease. A decline in the number and share of White non-Hispanics is accompanied by faster growth of other racial and ethnic groups.”

– [Spotlight on Statistics, U.S. Bureau of Labor Statistics](#)

Publishing research that examines the root causes and consequences of racial economic disparities, as well as the economic gains from racial and ethnic equity, is a cornerstone of our Framework for Change. In April 2021, we published a working paper, “[The Economic Gains from Equity](#),” that discussed our thought experiment to estimate the economic costs of persistent educational and labor market disparities by gender and race. In September, we presented [updated findings](#) using a revised



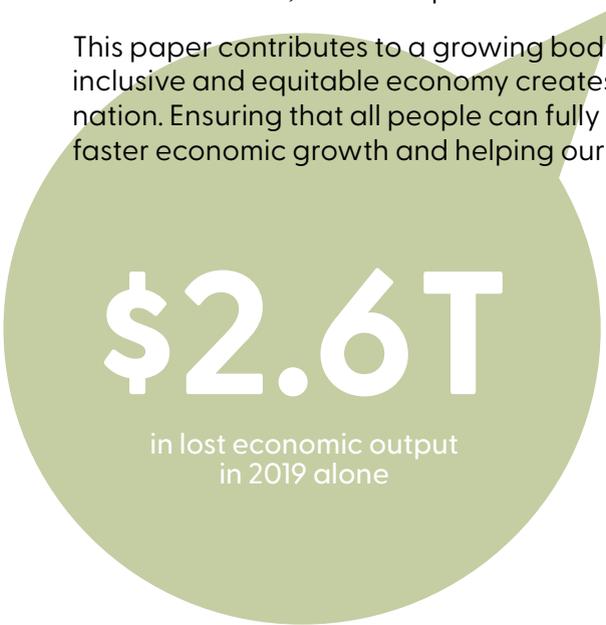
**\$51T**

in lost economic output  
over the past 30 years

methodology to focus exclusively on racial and ethnic equity in the Brookings Papers on Economic Activity. The paper found:

- + Our economy missed out on a total of \$51 trillion over the past 30 years due to racial and ethnic disparities.
- + In 2019 alone, these inequities cost us \$2.6 trillion—the entire GDP of France.

This paper contributes to a growing body of research that demonstrates a more inclusive and equitable economy creates significant economic benefit for the entire nation. Ensuring that all people can fully participate in the economy will be crucial to faster economic growth and helping our country stay competitive globally.



**\$2.6T**

in lost economic output  
in 2019 alone

“The opportunity to participate in the economy and to succeed based on ability and effort is at the foundation of our nation and our economy. Unfortunately, structural barriers have persistently disrupted this narrative for many Americans, leaving the talents of millions of people underutilized or on the sidelines. The result is lower prosperity, not just for those affected, but for everyone.”

– Shelby R. Buckman, Laura Y. Choi, Mary C. Daly, and Lily M. Seitelman,  
“The Economic Gains from Equity”

In addition to focused research on the impact of racial and ethnic equity, we have taken steps to incorporate equity considerations across a broader spectrum of our research in two ways:

- + **Disaggregating data by race and ethnicity** to provide a more comprehensive understanding of the diverse communities we serve.
- + **Addressing racial and ethnic equity implications in the analysis of the research**, even if we are unable to provide disaggregated data.

This analysis informs San Francisco Fed President Mary Daly’s preparations for Federal Open Market Committee (FOMC) meetings, driven by the FOMC’s approach to thinking about maximum employment as a broad and inclusive goal.

# Our progress

## Economic research

In 2021, we produced nine working papers, economic letters, and presentations on topics related to racial and ethnic equity, including:

- + Nicolas Petrosky-Nadeau, Olivia Lofton, and Lily Seitelman, *FRBSF Economic Letter* (April 5, 2021), "[Parental Participation in a Pandemic Labor Market](#)."

"Among the most severely affected were Black and Hispanic mothers. They dropped out of the labor force at nearly twice the rate of white mothers."

- + A seminar presentation from Paul Goldsmith-Pinkham, *Yale University* (April 12, 2021), "The Great Equalizer: Medicare and the Geography of Consumer Financial Strain," discussed combined data on universal health insurance and geographic variations in debt collections, including data on racial shares by geographic location.

- + Simon Kwan, *FRBSF Economic Letter* (August 2, 2021), "[Minority Banks during the COVID-19 Pandemic](#)."

"Minority banks remain resilient despite lower profits and higher expected loan losses [compared to non-minority banks]."



37  
publications & events

- + Evgeniya A. Duzhak, *FRBSF Economic Letter* (September 7, 2021), "[How Do Business Cycles Affect Worker Groups Differently?](#)" (See [page 22](#) to learn more about this research.)

"Racial disparities in worker outcomes are often hidden by the headline numbers. When you study the labor market, it turns out that one size does not fit all."

As part of our commitment to better understand the U.S. economy's potential in support of our maximum employment mandate, in 2021 the San Francisco Fed launched an essay contest for graduate students, "[Unlocking Our Potential](#)." We sought essays that address various aspects of gender, racial, and ethnic equities, their underlying causes, and their economic consequences. This spring, two essays will be selected for publication in our *FRBSF Economic Letter*; selected students will also be invited to spend the summer of 2022 as San Francisco Fed Economic Research scholars.

## Community development research

In 2021, we produced 37 research publications, presentations, and events on topics related to racial and ethnic equity, including:

- + "[Child Care in the Twelfth Federal Reserve District: Snapshots by State](#)" (February 2021) provides data profiles of the child care market in each of the nine states that comprise the Twelfth Federal Reserve District, and highlights the role of child care in enabling parents to participate in the work force and reducing gender and racial disparities in economic participation.

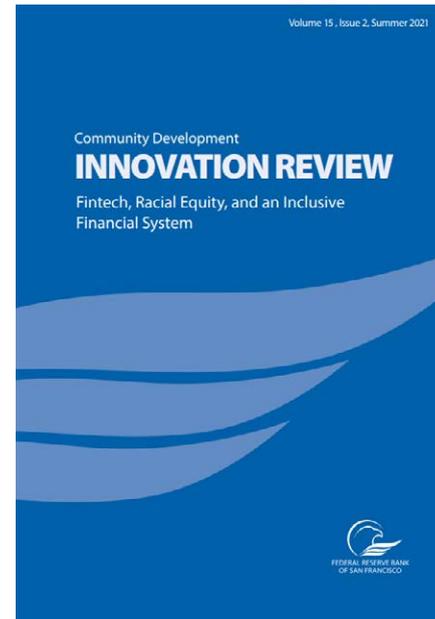


+ *Community Development Innovation Review* (CDIR) Volume 15, Issue 2 (August 2021), “Fintech, Racial Equity, and an Inclusive Financial System”

“Fintech leaders are well-positioned to enable greater access to the financial system and are also faced with the potential for deepening existing inequities. This issue provides a starting place to explore this tension.”

+ “Envisioning a U.S. Economy that Works for Everyone,” a virtual event held on September 3, 2021, highlighted the Economic Gains from Equity Labor Market Simulation Tool, which simulates the economic gains of reducing racial and gender gaps for each state. The event brought together thought leaders and practitioners to discuss the benefits that accrue to all of us by closing racial and gender gaps in economic outcomes as well as strategies that can be implemented to help build an economy where everyone can thrive.

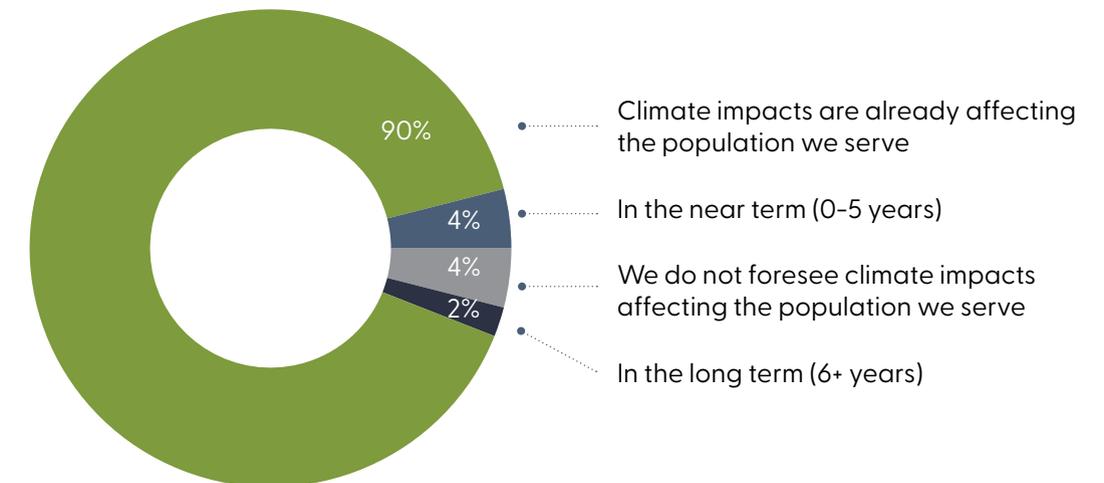
+ On October 14, 2021, the “Equitable Access to Small Business Credit” event kicked off the San Francisco Fed’s efforts to increase access to small business credit for underserved communities, including low-income communities and communities of color. The event brought together small business leaders, lenders, and researchers to discuss challenges and opportunities to expand access to small business credit and explore potential options for action.



+ Elizabeth Mattiuzzi and Eileen Hodge, “Climate-Related Risks Faced by Low- and Moderate-Income Communities and Communities of Color: Survey Results” (December 9, 2021)

“Although respondents report that the lingering pandemic and longer-term issues of racial and economic inequality are the most pressing issues facing families and communities, climate risks are compounding these issues.”

Our Community Development team fielded a survey targeting professionals in the western U.S. from a broad range of sectors whose work on community development-related issues impacts low-income communities and communities of color. Over 250 respondents shared their perceptions of how climate-related risks may be affecting the communities they serve and their organizations’ work.



315  
mentions

## Sharing our research

In 2021, our research on topics related to the economic impact of racial and ethnic equity was showcased 315 times externally, including in the following publications:

- + [Inequality Cost U.S. Nearly \\$23 Trillion Since 1990; May Worsen](#), Bloomberg, September 8

“This is a simple exercise, in many ways, to demonstrate an important point, which is that the gains to GDP are for everyone and closing the gaps isn’t a zero-sum game,’ Daly told reporters on a call.”

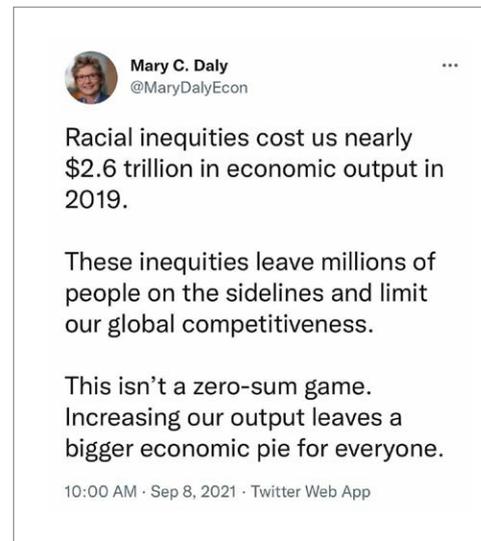
- + [Fed’s Daly says equity is path to faster U.S. growth](#), Reuters, September 29

“We can take for granted that the outcomes we see today are inevitable, and watch as the pandemic makes existing gaps deeper and our prospects for future growth even slower,’ Daly wrote. ‘Or,’ she said, ‘we can see them as a sign that resources aren’t being used to their fullest and that people with great potential are being kept each day from realizing it.’”

- + [Racism costs Americans trillions. Biden and the Fed say they’re working to change that.](#), Washington Post, November 23

“Overcoming issues that hinder robust, broad-based economic growth, Daly said, requires changing a mind-set that now too often blames disadvantaged individuals instead of society taking ownership for correcting its deficiencies.

‘The gaps we tolerate are costing us trillions of dollars,’ she added, ‘which is the economic pie for everyone.’”



We also shared our research through our digital channels, resulting in:

- + **5,236** engagements over **111** published San Francisco Fed social media posts featuring content related to the economic impact of inequities
- + **1,300+** clicks to website links shared on the Bank’s social media posts
- + **12,514** unique views on equity-related website pages



## Our work ahead

Given the challenges of the pandemic and the San Francisco Fed’s remote working posture, we did not host any new visiting scholars in 2021. In 2022—the pandemic permitting—we will aim to **invite scholars focused on the economic impacts of racial and ethnic disparities to the Bank** so we can learn new and diverse perspectives on these issues. We will also focus on bringing in external voices and experts from different fields for **interdisciplinary discussions on racial and ethnic equity** and the impact of racial and ethnic disparities on the economic health of communities across the Twelfth District.

The Community Development team will also continue to **build capacity to conduct community-based participatory research** (CBPR), which seeks to bring community input and engagement into research. CBPR aims to combine academic research expertise with community expertise to help minimize the limitations that researchers face when designing, implementing, and interpreting research on issues outside their lived experience. By helping to lead a Community Development learning community on this topic across the Federal Reserve System and exploring potential topics to apply CBPR approaches at the San Francisco Fed, we seek to root more research in the experiences of the communities we serve, which will help improve research quality and build community capacity.

Finally, the San Francisco Fed will continue the work we began this year on **access to credit and financial inclusion** by holding additional convenings in 2022 to engage diverse stakeholders on specific ways to move ideas to action. (See the feature, “Increasing Equitable Access to Small Business Credit,” on [page 30](#) for more information.)

Through all of these efforts in the next year and beyond, we will advance our Framework for Change goals of continuing to expand our library of equity research and disaggregating data by race and ethnicity to deepen our understanding of the U.S. economy.



[EVIDENCE IN ACTION]

## Why does unemployment vary by race or ethnicity and gender?

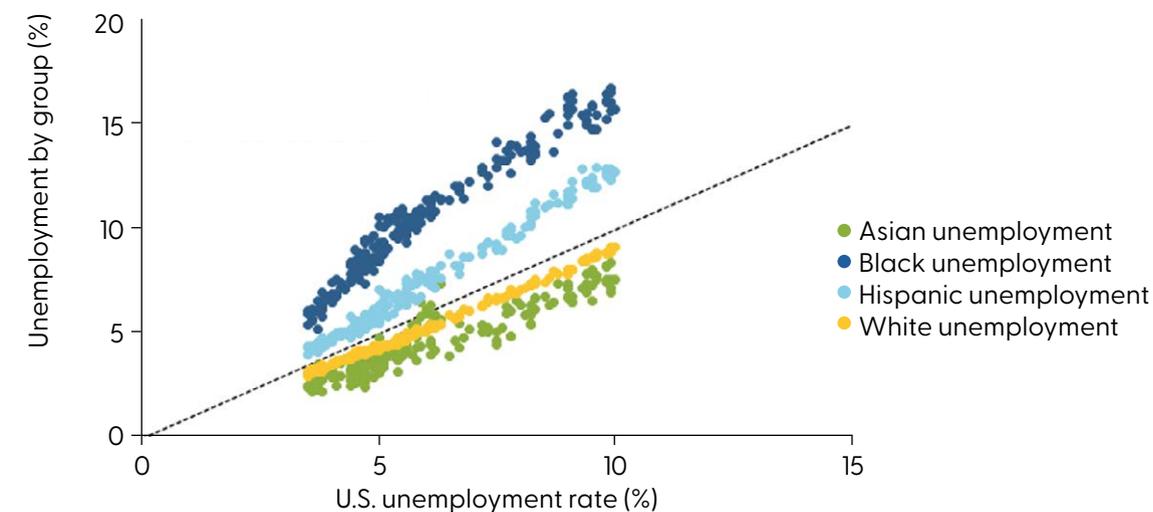
In early 2021, as Evgeniya (Genya) Duzhak considered research topics to tackle in her new role as a regional policy economist, she asked herself, “What is one thing that everybody can relate to when it comes to the economy?” Her answer was employment and unemployment—whether people have jobs and can work to put food on the table—and the diverse experiences that people have in the labor market at any given time.



“Even if you think our economy is growing and unemployment rates are small, once you look at different groups of people, you realize that not everybody is in the same boat,” said Genya.

Genya’s *Economic Letter*, “[How Do Business Cycles Affect Worker Groups Differently?](#)” was published in September 2021. She explores how unemployment varies across groups according to race or ethnicity and gender, and has different sensitivities to the business cycle.

### BREAKDOWN OF UNEMPLOYMENT RATE BY RACE AND ETHNICITY



Genya’s research, looking at jobless rates by demographic groups, shows that Black and Hispanic workers—particularly men—are the most sensitive to periods of economic growth and decline.

She also found that education and type of occupation matter. Workers with lower levels of education, especially Black and Hispanic workers, and occupations that rely on manual labor and employ a higher proportion of men, experience more job instability.

Explaining the gaps between who can or cannot find jobs at different stages of the economic cycle can help us know more about how to improve the labor

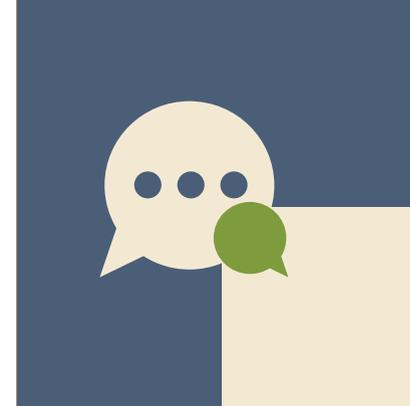
market outcomes for those workers who will likely be more affected by economic fluctuations.

“What we’ve learned is that one size does not fit all,” said Genya. “And while the majority might be doing well, we also want to make sure that other groups are reaching their potential, so everyone reaches maximum employment.”

And why does that matter to Genya, as a San Francisco Fed employee?

“The SF Fed is here to serve people and make sure that everyone is, in simple terms, getting as much out of life as we can. Coming from a different culture, I’ve seen different types of people, different ways of life. You need to learn people’s stories and understand these differences. Then, you can fine-tune your policy, your tools, and reach more people than you could have otherwise.”

Learn more by reading the [Economic Letter](#) or watching the [video summary](#).



## OUR PROGRESS: **DIALOGUE**



“We want to continue to develop relationships that will strengthen over time. This will help us better understand the challenges and the opportunities in the communities we serve, and it will help us share research and resources that may be helpful to our communities.”

– *Darlene Wilczynski*  
Regional Executive, Seattle



# Creating a foundation for meaningful conversations

Our Framework for Change recognizes that engaging in open conversation with our communities is critical to understanding the economic impact of racial and ethnic inequities and identifying solutions that address their root causes. The San Francisco Fed is focused on developing relationships that will help us better understand the challenges and opportunities in the communities we serve. In turn, this will also help us share research and resources that may be helpful to our communities.

To ensure the Bank has the necessary people and tools to maintain a robust dialogue with the communities we serve and with our own employees, in 2021 we took the following actions to build a foundation that will enable us to deepen our knowledge and spark meaningful conversations:

- + **Adapted the role of our five Regional Executives** to be fully dedicated to community engagement and recruitment for San Francisco Fed Boards and Advisory Councils in their respective regions within the Twelfth District. Two new Regional Executives were hired in Portland and Los Angeles.
- + **Launched a new relationship management database** to begin tracking our engagement and community events, key stakeholders, and topics discussed, with the goal of using these metrics to ensure we are reaching diverse audiences across our District.
- + **Created new roles to expand the Bank’s engagement** with diverse audiences, including local, state, and federal government officials and Native American, Alaska Native, and Native Hawaiian communities.

- + **Shared Bankwide messages to educate our employees** about the Framework for Change and how it supports our mission, including a communication from the San Francisco Fed Inclusion Alliance about individual actions every employee can take to advance racial and ethnic equity at the Bank.

## Building our capacity in 2021



## Our progress

In 2021, we made progress towards our goals through the following:

### In the community

- + **138** conferences and roundtables with community and business leaders
- + **706** direct engagements with business and community leaders
- + **82** meetings with local, state, and federal elected officials and their offices

### At the San Francisco Fed

- + **6** internal events or event series on topics related to racial and ethnic equity and its impact on the U.S. economy, including **2** events with San Francisco Fed board members that each attracted more than **200** attendees
- + **36** stories related to racial and ethnic equity published on the Bank's employee intranet, generating **8,326** unique views
- + **1** new Employee Resource Group—the Middle Eastern-North African Network—established
- + **59%** of employees participating in at least one Employee Resource Group

**138** conferences and roundtables  
**706** engagements with leaders  
**82** meetings with elected officials  
**6** internal events  
**36** intranet stories  
**1** new Employee Resource Group  
**59%** of employees participating in Employee Resource Groups

“No matter who we are or what field we’re in, we must all join this journey to be as equitable and as inclusive as our country is diverse... We wouldn’t be doing our job if we ignored what inequity is doing to our economy.”

– *Becky Potts, Regional Executive, Salt Lake City, One Utah Business Diversity Summit, November 4, 2021*



## Our work ahead

In 2022, our goal is to increase the frequency of our connections with community stakeholders by 50% and continue to host events that meet the needs of the communities we serve.

To meet these targets, we will focus on these areas:

- + Continuing to **invest in our capacity and improve our systems**, including our relationship management database.
- + Being more deliberate and intentional about **building relationships in the communities with which we’ve historically had fewer engagements**, including communities of color across the Twelfth District.
- + **Deepening our relationships with our Board of Director and Advisory Council members** to help us strengthen our connections with local communities.

We will also keep our employees informed about and engaged with our Framework for Change to help them understand its connection to their everyday work and our mandate as a Federal Reserve Bank. As part of these efforts, in 2022 the Inclusion Alliance will hold listening sessions with employees to identify gaps in understanding and gather input on ways to advance the Framework inside the Bank.

[DIALOGUE IN ACTION]

## Increasing equitable access to small business credit

On October 14, 2021, the San Francisco Fed hosted an event to kick off an ongoing effort to increase access to small business credit for underserved communities, including low-income communities and communities of color. As President Mary Daly said: “Small businesses are the fabric of our communities. They make healthy, resilient communities. And having everybody be able to participate in that is important for the individuals, but also important for our broader economy.”

Through dialogue with small business leaders, lenders, and researchers, we seek to understand the root causes of inequitable access to credit and identify possible solutions towards a more inclusive financial system. More than 1,000 people from every state in the Twelfth District, along with participants from Guam and the Northern Mariana Islands, registered for our October event, with 352 joining us live.

Discussion sessions included panels with small business borrowers and small business lenders who shared their experiences and advice on getting credit to underserved communities; a research session to understand what the data says about equitable access to small business credit; and a keynote presentation from Sheila Bair, former chair of the Federal Deposit Insurance Corporation.

**352**  
live attendees



Host of NPR’s Marketplace Kai Ryssdal moderates a panel focused on the perspective of small business borrowers. Speakers included Silvia Castro, Suazo Business Center; Chris James, National Center for American Indian Enterprise Development; Bulbul Gupta, Pacific Community Ventures; and Cecil Plummer, Western Regional Minority Supplier Development Council.

Here are some of the perspectives we gathered:

“What we can do better through policy is making sure we incentivize banks to report and track their interactions with small businesses from underrepresented communities. We also should look at alternative underwriting criteria.”

– Cecil Plummer, President, Western Regional Minority Supplier Development Council

“We need regulators to listen to what’s being said for the communities and be willing to enact good, strong, smart regulations so that we can get more capital on the ground to the people that need it most and by the people that have a history of delivering that.”

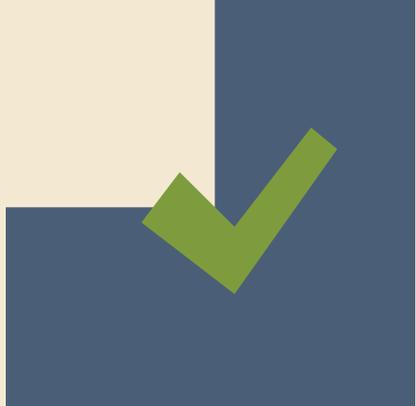
– Pearl Wicks, EVP and COO, HOPE Enterprise Corp

“We need to make sure that the ideas we brainstorm today—we actually try to put these ideas in place...Our hope is not only that this conference is a great source of new ideas and sharing of information, but that it also leads to the ideas being put into action. And for that to happen, regulators need to have an open mind.”

– Sheila Bair, former chair, Federal Deposit Insurance Corporation

The event surfaced several themes that have high potential to expand access to small business credit, such as the use of alternative data to assess small business risk and solutions based on the experiences of community development financial institutions, minority depository institutions, and non-bank fintechs that reach underserved borrowers. In the coming year, we will continue to convene and engage diverse stakeholders to learn how we can move ideas to action.





## OUR PROGRESS: **PRACTICE**

“We’re working to ensure that every employee who wants to grow and advance in their career has the opportunity and the resources to do so. These efforts will promote a more diverse, equitable, and inclusive experience that lifts all employees.”

– *Rita Aguilar*  
Senior Vice President of People + Culture



## Developing a roadmap for internal change

As public servants, San Francisco Fed employees make decisions every day that have an impact on how we serve the community. To meet our mission and create unreserved opportunity for all Americans, we recognize the importance of advancing racial and ethnic equity within our own organization, so we can reflect the people we serve while enabling all of our employees to reach their full potential.

In the first year of the Framework for Change, we focused on developing a strategic plan to evaluate and evolve our internal processes and policies to increase equity and help guard against the potential influence of bias. We took meaningful steps to begin implementing this plan, including:

- + **Engaging with managers, Employee Resource Groups, and employees** to gather feedback on proposed plans to enhance how we hire, develop, and reward our talent with the aim of reflecting the demographics of the Twelfth District.
- + **Evolving our job posting guidelines**, increasing transparency into career opportunities by making managerial and executive opportunities open to applicants Bankwide.
- + **Building new partnerships with professional organizations and nonprofits** serving diverse populations to share job opportunities at the San Francisco Fed and to create opportunities for thought partnership, networking, professional development, and deeper engagement with prospective candidates.

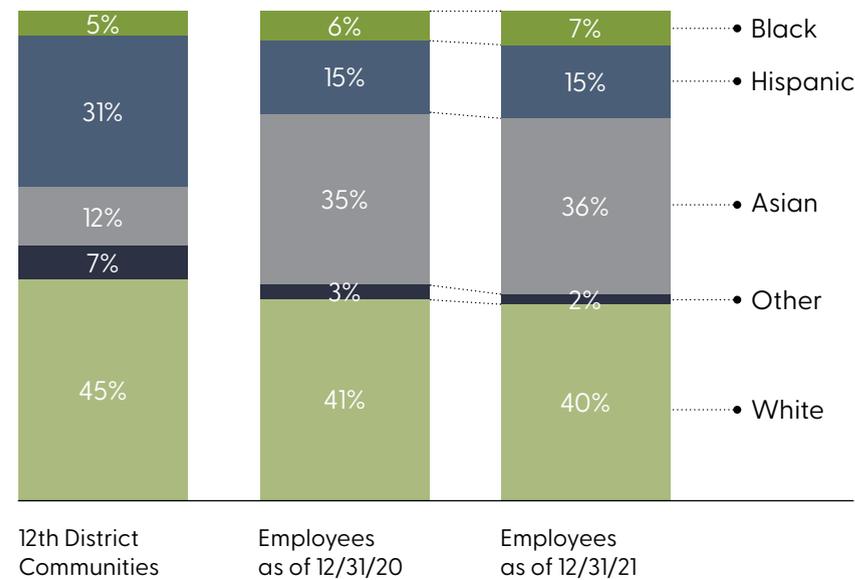
We also set clear targets for increasing [supplier diversity](#) and [board diversity](#) as part of our Framework for Change, and shared these goals publicly through Medium.com articles authored by San Francisco Fed leaders.



# Our progress

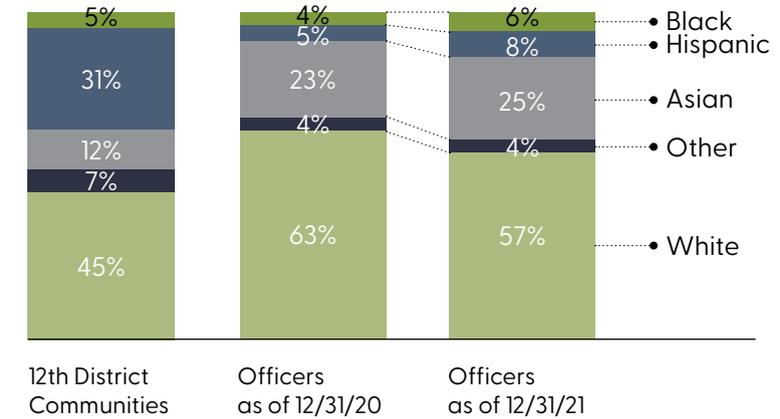
Our goal is to evolve and implement policies and processes that will help the San Francisco Fed—from our employees to our board of directors—reflect the communities we serve.

## 12TH DISTRICT EMPLOYEES COMPARED TO 12TH DISTRICT COMMUNITIES\*

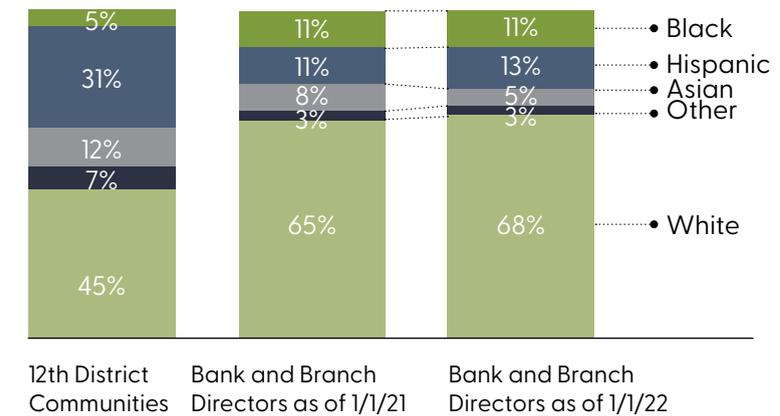


\*Demographics of 12th District communities are based on 2020 US Census data.

## 12TH DISTRICT OFFICERS COMPARED TO 12TH DISTRICT COMMUNITIES\*



## 12TH DISTRICT BANK AND BRANCH DIRECTORS COMPARED TO 12TH DISTRICT COMMUNITIES\*



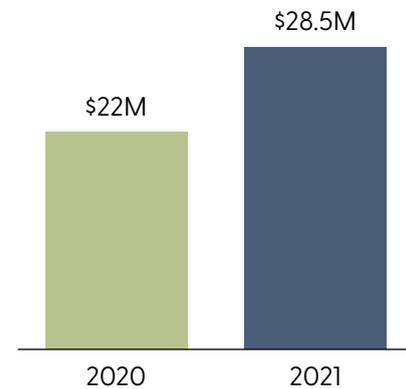
\*Demographics of 12th District communities are based on 2020 US Census data.

Increasing supplier diversity is also an important part of our Framework for Change. In 2021, the Bank's spending on minority and women-owned businesses increased by \$6.5 million.

Some of the supplier diversity practices that helped contribute to our progress include:

- + **Updating internal processes** to make the Supplier Diversity and Business Partners team the initial point of contact on procurement for groups across the Bank. This alignment supports collaboration on strategic procurement initiatives, enhanced integration of supplier diversity into the sourcing workflow, and setting of annual targets.
- + **Expanding the review of all competitive requisitions valued at \$35,000 or above** for diverse supplier participation, resulting in a 97% increase in diverse supplier referrals for 2021.
- + **Pivoting to virtual networking and engagement**, with the Bank participating in 60 vendor events, meeting with over 100 suppliers, and attending virtual summits and workshops hosted by national and regional business development and leadership councils who support small and diverse businesses.

### SPEND ON DIVERSE SUPPLIERS



## Our work ahead

In addition to continuing our efforts to meet the goals we've set for supplier diversity and board diversity, we will advance our work to hire, develop, and reward our talent in 2022 by:

- + **Launching a comprehensive leadership development initiative** to support all people managers as they aim to lead inclusively and empower diverse teams. The initiative will include a learning program for participants, access to a resource hub with management tools and guidance, and a feedback tool to provide managers with holistic feedback and support them with setting goals for further development.
- + **Deepening our organizational partnerships** to help source and engage with diverse talent. In 2022, the Bank will expand its portfolio of partnerships to reach a broader audience from diverse populations and fields within the Twelfth District.

[PRACTICE IN ACTION]

## When diverse suppliers thrive, everyone benefits

Lynn Reddrick, Assistant Vice President, Supplier Diversity + Business Partners, has spent the last 20 years in the field of supplier diversity, proactively encouraging organizations to engage with small, local, and diverse businesses—those owned by women, minorities, veterans, people with disabilities, and LGBTQ people.



She says the success of diverse suppliers means success for all of us: “More jobs are created. More dollars circulate. More tax revenues go back to communities.”

The San Francisco Fed’s commitment to supplier diversity has never been stronger. Since 2012, we have more than quadrupled spending on minority- and women-owned suppliers, from just \$5 million in 2012 to \$28.5 million in 2021. This year, we set a new target of \$30 million annual spend to diverse suppliers within the next five calendar years as part of our Framework for Change.

### CELEBRATING OUR DIVERSE SUPPLIER PARTNERS

To celebrate diverse businesses that help our communities thrive, in November 2021 we launched Origin Stories, a series of profiles on our diverse supplier partners.

“When I first started the company, it wasn’t with the intent of being a “woman-owned company”—it was just about hiring the best people, doing the best job, and it’s still like that for us today. But there are very few dealerships that are women-owned—it’s male-dominated. So being certified as a diverse supplier has had an impact, as people are looking to diversify their suppliers.”

– *Dannine Sheridan, President and Founder  
Sheridan Group*



“As a business owner, it’s easy to think about how well you’re doing based on the commas and zeros of your revenue. But when I look at a contract, I’m thinking, how many jobs does this contract create? It is very gratifying to offer meaningful employment and make an impact in the community.”

– *Ronda Jackson, Founder and CEO  
Decor Interior Design*



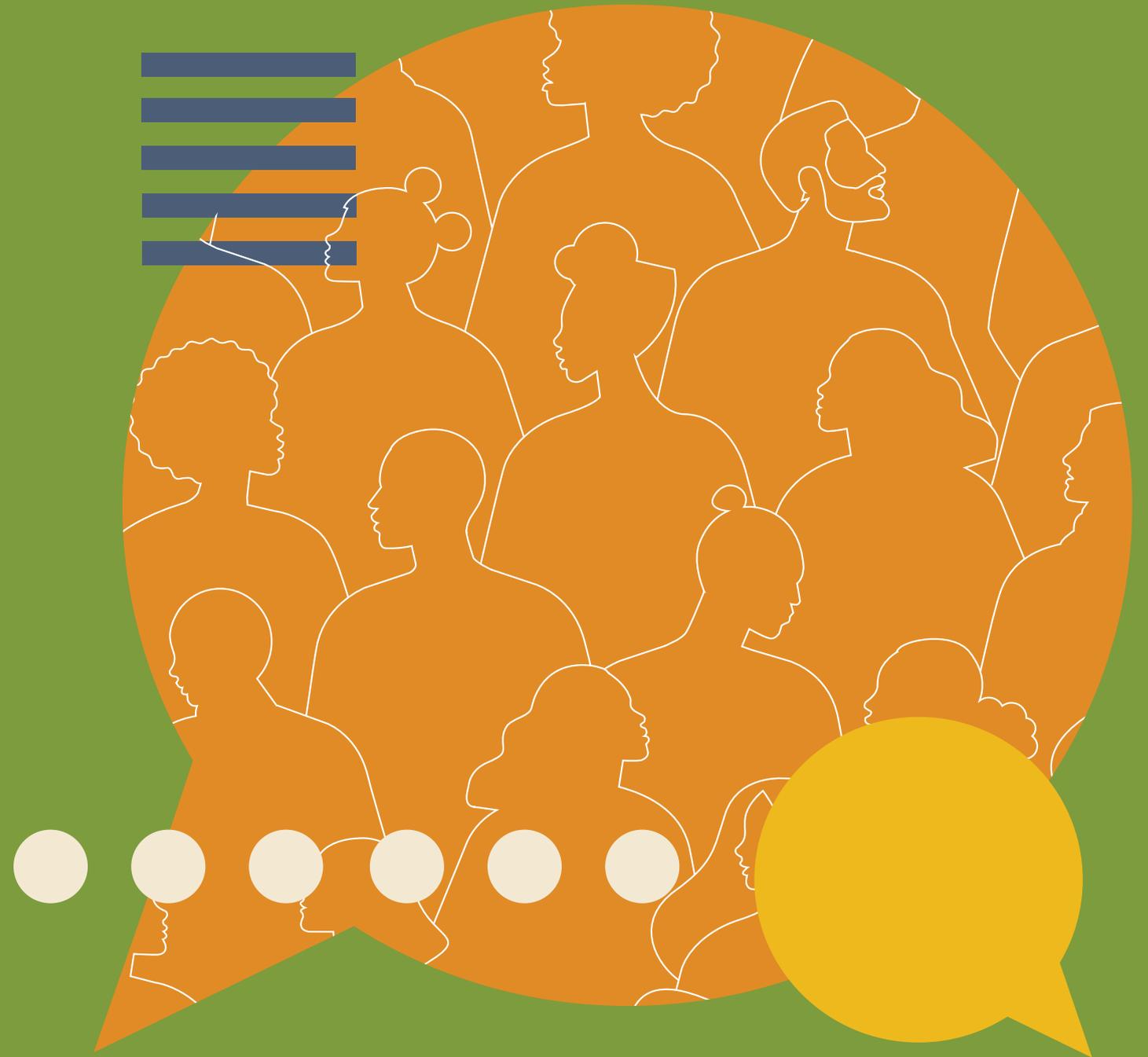
### RECOGNITION

- + San Francisco Fed ranked No. 7 on the 2021 Top Bay Area Companies for Supplier Diversity list by the Western Regional Minority Supplier Development Council and San Francisco Business Times (up from #8 in 2020 and #11 in 2019).
- + In January 2022, the Bank was awarded Agency of the Year from the Women’s Business Enterprise Council – Pacific, which honors women-owned businesses and their corporate and government partners.

[Read more](#) about our supplier diversity efforts and how this work helps to create an economy that works for everyone.

“Leaving gaps unaddressed is clearly unfair. But it’s also unproductive. It keeps millions of people on the sidelines or underutilized, and sells the economy short. No entrepreneur would ever stand for it. The question is, why do we?”

– *President Mary C. Daly*





#unreservedopportunity | [frbsf.org](https://frbsf.org)