

2022 ANNUAL REPORT TO CONGRESS

OMWI

Office of Minority and Women Inclusion

• Federal Reserve Bank
of San Francisco

Bank Leadership and Key Business Partners

Leadership



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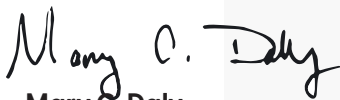
Letter and Introduction

The Federal Reserve Bank of San Francisco (“the Bank”) is pleased to provide Congress with the 2022 Annual Report of the Office of Minority and Women Inclusion (OMWI) at the Bank. The OMWI complies with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This annual report, as required by Section 342, describes the successes and challenges that the Bank experienced in 2022.

The Bank is proud of its continued progress on OMWI-related objectives, which included identifying new ways to approach diverse recruiting, elevating employee development, and supporting minority- and women-owned vendors during a challenging economy. These efforts further the Bank’s goal to create and support an economy that works for everyone.

The Bank’s Executive Leadership Team is committed to maintaining a workplace where diversity and inclusion are integrated into each of our organization’s initiatives, actions, and achievements. Overall, the Bank is encouraged by the results it has achieved during the year and is committed to continuing to identify and implement practices that will fulfill the Bank’s inclusion and diversity objectives.

As in past years, 2022 brought both successes and challenges. This report will provide information on the Bank’s progress and plans for advancing OMWI-related objectives.



Mary C. Daly

President and Chief Executive Officer



Sarah E. Devany

First Vice President and Chief Operating Officer



David M. Porter, Jr.

Executive Vice President, Strategy, People + Culture



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Executive Summary

Organizational Commitment

The Federal Reserve Bank of San Francisco is committed to the diversity of its workforce; inclusion of minority- and women-owned businesses in its procurement opportunities; and providing financial education to the diverse communities it serves. The Bank is pleased to report that it continues to make progress on these objectives.

The Bank is equally committed to the diversity of its Board of Directors and advisory groups. Of the 37 members that currently sit on our Board of Directors, 41% are racial/ethnic minorities (10% increase from 2021) and 51% are women (3% decrease from 2021). The Bank believes that its Board of Directors must include a broad and representative collection of individuals with a particular focus on business size, geographic location, industry and sector, labor, racial and ethnic, and gender diversity. To have a fully informed economic perspective, the Bank seeks to recruit diverse candidates for its Board of Directors and advisory groups.

The Office of Minority and Women Inclusion (OMWI) is integrated in the Bank's Inclusion + Diversity function, so it is part of a broad umbrella of inclusion and diversity-related strategies, resources, and activities. The OMWI complies with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This annual report, as required by Section 342, describes the successes and challenges that the Bank experienced in 2022. 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.

Employment of Minorities and Women

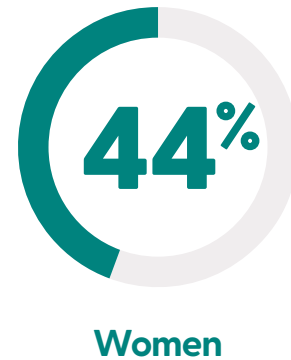
Since December 2021, the Bank has held the distinction of being the first and only Reserve Bank in the Federal Reserve System to have women leaders in both the President and First Vice President roles. President Mary C. Daly has led the Bank since 2018 and First Vice President Sarah Devany served her first full year in 2022.

The overall composition of the Bank's workforce was 62% racial/ethnic minority employees, an increase of 2%, from 60% in 2021. The representation of female employees remained consistent at 45% from 2021 through 2022.

In addition, the representation of racial/ethnic minority officers¹ remained consistent at 43% from 2021 through 2022, while the representation of women officers also remained consistent from 2021 through 2022, at 47%.

¹ Officers are defined as Assistant VP, VP, GVP, SVP, EVP, First VP/COO, and President/CEO. This differs from EEO-1 categories, which include all Officers and People Managers.

2022



"Figures are based on employees' voluntary self-disclosures. An employee may identify as both a minority and a woman."

Further results of the Bank's recruitment, development, and retention efforts are as follows:

- + Hosted a diverse group of 34 interns, 49% of whom were women and 74% were racially/ethnically diverse.
- + Expanded external partnerships with in-District universities, such as the federally designated Hispanic-Serving Institution the University of California, Merced. The Bank hired eight diverse recent graduates from UC Merced, seven of whom joined the IT department.
- + Hired 314 new employees, of which 65% were racial/ethnic minorities and 44% were women.
- + 85% of Bank employees completed one or more Bank-offered professional development courses. Hispanic/Latino and Black employees completed leadership development courses (online and in-person) at rates that were equal to or greater than their share of the employee population.



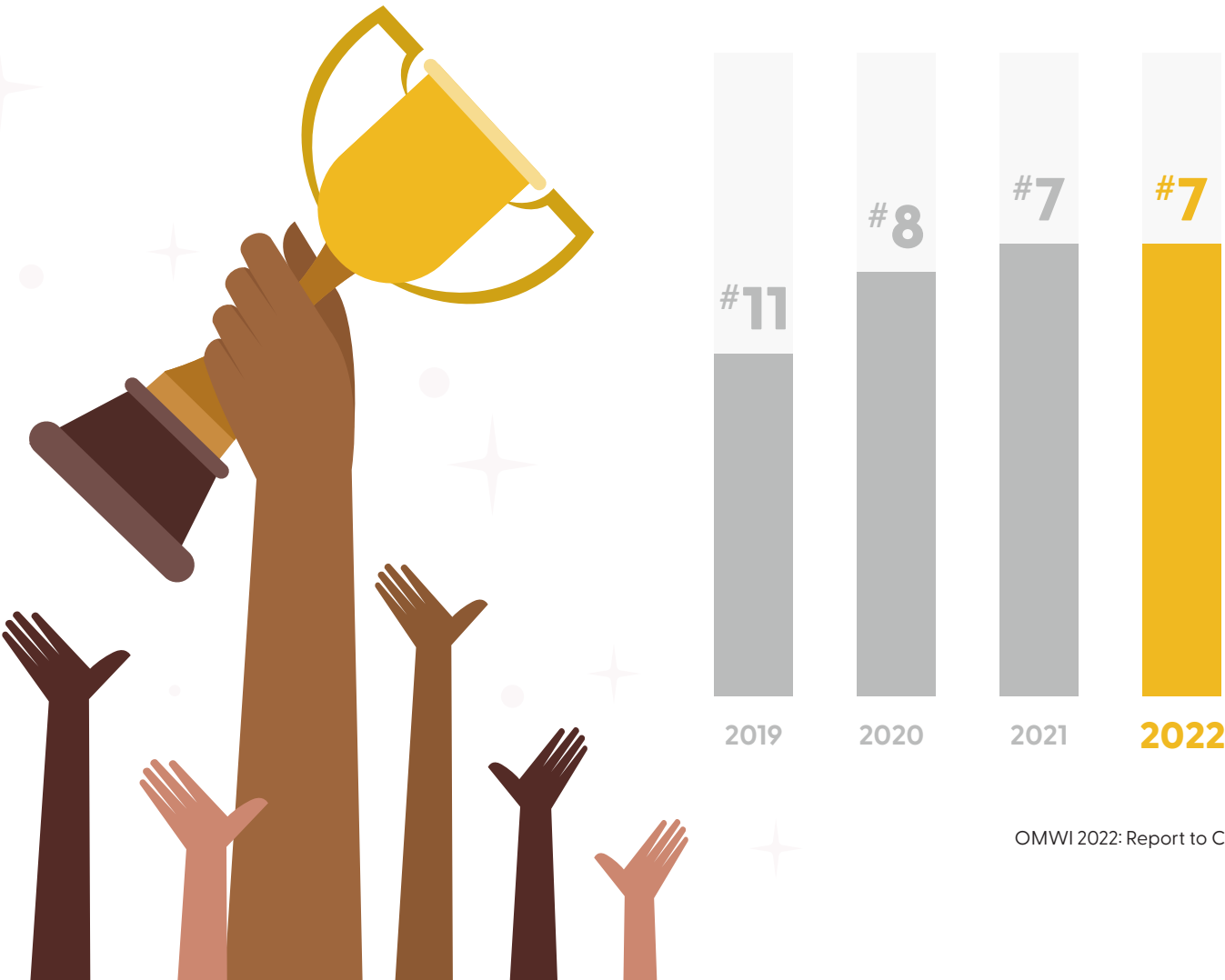
Interns meet with the Internship Council and Senior Leaders to discuss the work of the Bank.

Inclusion of Minority- and Women-Owned Businesses

The Bank is committed to supporting minority-owned and women-owned businesses through participation in Bank procurements. The Bank set a goal to increase annual spend on diverse suppliers from \$22 million in 2020 to \$30 million by 2025. In the first two years, the spend rose to \$32.9 million, exceeding our initial goal by \$2.9 million.

For the fourth consecutive year, the Bank earned a spot on the list of top businesses for Supplier Diversity, on the *San Francisco Business Times’ Top Bay Area Companies for Supply Chain Inclusion* list. The supplier diversity business community also recognized the Bank’s commitment to engage, support, educate, and connect with minority- and women-owned businesses. The Bank and the supplier diversity officer received the Agency Advocate of the Year award and was nominated for Volunteer of the Year by the Women’s Business Enterprise Council – Pacific. The Bank also received the Local Corporation of the Year award by the Western Regional Minority Supplier Development Council.

**San Francisco Business Times’ Top Bay Area Companies
For Supply Chain Inclusion List**





As part of the Support a School program, Bank volunteers spent time with students from Jesse Bethel High School to discuss the various functions of the Bank, as well as their own career paths and areas of expertise. This was one of several events and activities with the school for the 2022-23 school year.

Education and Outreach

The Bank's Education Outreach team sought to expand student access to resources and established partnerships with educators and industry thought leaders to maximize reach and amplify impact.

The SF Fed launched the Support a School Program (SSP) in 2021, partnering with Firebaugh High School in Firebaugh, CA. The student population is predominantly Hispanic/Latino and the majority come from low-income households. Bank employees engaged with approximately 350 students (50% of the student body) over the course of the 2021-2022 academic year, hosting nine events and facilitating numerous activities.

For the 2022-2023 academic year, the SF Fed is partnering with Jesse Bethel High School (JBHS) in Vallejo, CA. JBHS's student body is approximately 33% Latino, 28% Black, and 25% Asian American & Pacific Islander (AAPI). Activities throughout the academic school year include sending classroom speakers from the Bank, college and career planning, personal finance seminars, economics content, and interview preparation panels.

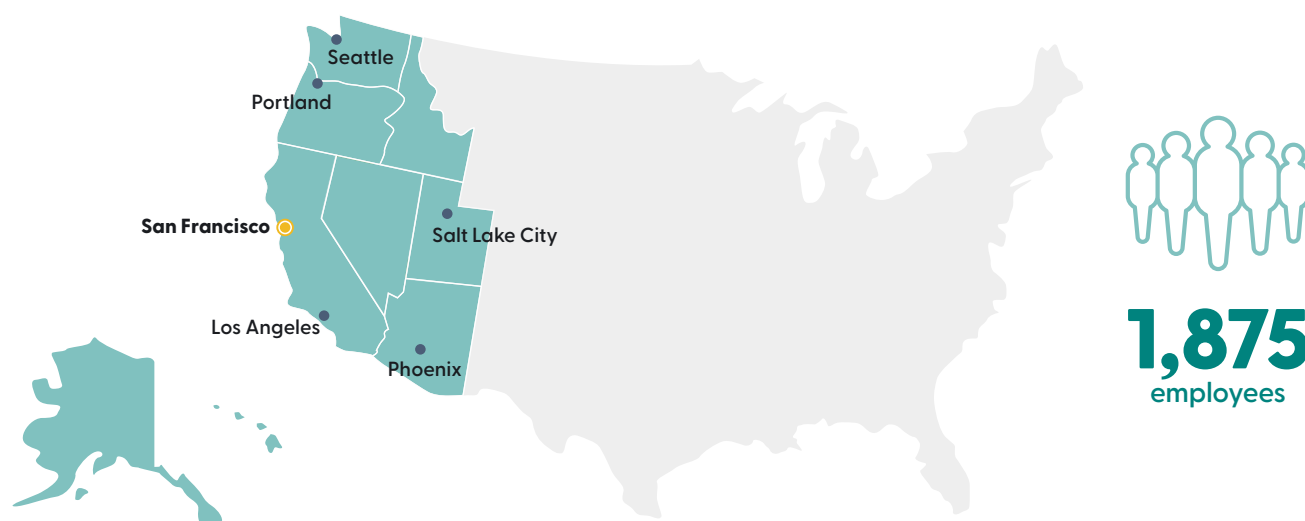
Bank Overview

The Bank 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 (Senior Vice President of People + Culture and OMWI Director) and Sara Piccolo (Group Vice President of People Success, Inclusion, and Employee Communications and OMWI Deputy Director). The OMWI is the cornerstone of Inclusion + Diversity in the Bank's People + Culture group and focuses on inclusion and diversity strategy, practices, programs, and analytics.

To meet OMWI obligations, the Bank draws on a range of functions, including the Executive Leadership Team; Management Committee; officers and managers from the People + Culture, Procurement, and Education and Outreach Teams; members of the Bank's Employee Resource Groups; and others who have championed and contributed to the Bank's inclusion and diversity progress.

Of the 12 Federal Reserve districts, the Twelfth District is the largest and most diverse in the Federal Reserve System, covering about 1.4 million square miles, or 37% of the nation's area. Our District also ranks first in the size of its economy. The Bank carries out the Fed's mission in the Twelfth District, which covers nine Western states, plus American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. Headquartered in San Francisco, the Bank has branch offices in Los Angeles, Portland, Salt Lake City, and Seattle, along with a cash processing center in Phoenix.

As of December 31, 2022, the Bank had a workforce of 1,875.² The appendices provide additional detail on the Bank's workforce composition as reported to the Equal Employment Opportunity Commission.



²Bank workforce includes all regular, full-time employees who have voluntarily self-disclosed their race ethnicity and/or gender. It does not include hourly and temporary employees.

The Work of the Bank

At the Bank, a focus on equity and inclusion supports our congressionally mandated mission to promote a healthy and sustainable economy, and to support the nation's financial and payment systems. Our leaders are dedicated to inclusion, equity, and diversity at both organizational and business line levels because it is essential to the Bank's evolution as a premier public service organization.

We are using our programs, tools, and practices to help create a healthy and inclusive local economy in which all people can fully contribute their talents and skills, regardless of their race, ethnicity, geographic location, or any other demographic factor.

Thought Leadership

The Bank publishes research studies and Economic Letters to serve the public with innovative economic research and analysis. Several of these papers contribute to a growing body of research that demonstrates how a more inclusive and equitable economy creates significant economic benefits for the entire nation.

The Bank also engages its communities through hundreds of conversations with local, business, and government representatives, along with events and virtual conferences. The Bank's Community Development team conducts research and engages with external stakeholders to promote community and economic inclusion. This engagement allows us to hear firsthand how issues like inflation, job availability, fintech, and other issues that change over time might impact our local district economies.

The Bank's research and thought leadership is accessible to all audiences, including those in academia, finance, and the public. For instance, in 2022, the Bank's Economic Research team created the online SF Fed Data Explorer tool, tracing the evolution of unemployment rates over time by demographic group.

Using data from responses to the monthly Current Population Survey (conducted by the Bureau of Labor Statistics), the tool allows researchers to compare market labor outcomes such as employment; job finding rates and earnings for various demographic groups at specific points in time; or to see how a group's experience changes over time. In doing so, the SF Fed's Data Explorer tool makes it easier to assess economic equity factors across demographic groups.

Executive Leadership Team Outreach

As in previous years, Bank leaders shared their time and expertise through presentations and public events. President Mary C. Daly participated in speeches, panels, and other public engagements throughout the year, using these opportunities, where appropriate, to spotlight inequities that negatively impact the economic opportunities of minorities and women.

In March 2022, as part of the Bloomberg Equality Summit, President Daly joined Bloomberg Economics Editor Michael McKee for a conversation on the Federal Reserve System's role in addressing inflation and inequality in the labor market. President Daly's other relevant engagements included events at the Native American Finance Officers Association (NAFOA) Conference (April 2022); the Los Angeles World Affairs Council & Townhall (February 2022); and the 2022 Asian Banking and Finance Symposium (September 2022).

In addition, David Porter, Executive Vice President of Strategy, People + Culture, was a guest speaker and participant at several events focused on diversity, equity, and inclusion. These engagements include:

- + Attended the National Society of Black Engineers (NSBE) Conference to support STEM education and career opportunities for Black engineers (March 2022).
- + Spoke at Dartmouth College's Tuck School of Business about how the Bank integrates diversity, equity and inclusion into its operations (April 2022).
- + Participated in meetings with students in Alaska at the Cook Inlet Tribal Council Fabrication Lab (May 2022).
- + Met with students participating in the Hidden Genius Program, which trains and supports Black male youth in technology creation, entrepreneurship, and leadership skills (July 2022).
- + Participated in outreach during the Walter Kaitz Foundation's Diversity Week to showcase the Bank's commitment to diversity and inclusion (October 2022).
- + Moderated a panel for the PhD Project's "Visioning Conference." The organization helps increase the number of business PhDs from historically underrepresented groups (May 2022).

Other relevant senior leadership engagement included:

- + The Portland Regional Executive spoke at the International Women's Forum in "Conversation with the Federal Reserve Portland Branch Board" (January 2022), the Oregon Bankers Association's DEI Subcommittee on the topic of "The Federal Reserve's Framework for Change" (February 2022), and the Centro Cultural Economic Symposium as part of the Economic Contribution of Hispanic Communities panel (October 2022).
- + The Salt Lake City Regional Executive gave an address at the University of Utah's International Women's Day event where she spoke about her career path, including her work at the SF Fed.
- + The Seattle Regional Executive visited community stakeholders in Alaska, including community groups representing Alaska Natives (June 2022).

Employment of Minorities and Women

The Bank is committed to the recruitment, development, and retention of minorities and women, and to promoting a workplace where all employees feel included and have a sense of belonging. The SF Fed's leadership believes that a diverse workforce is critical to achieving its mission and business objectives. The varied perspectives and experiences of our employees better equip the Bank to develop creative solutions and more effective strategies to serve the public.

The Bank has a robust set of programs and practices that support inclusion and diversity while engaging individuals at each stage of the employment lifecycle across all levels of the organization. In 2022, the Bank continued and enhanced these programs to promote broad opportunities for employment and advancement.

Successes

The following activities and successes demonstrate the Bank's efforts toward employment of a diverse workforce.

I. Demonstrated Leadership Commitment

Executive Leadership Team Commitment

The engagement of the Bank's Executive Leadership Team (ELT) represents the commitment at the highest levels of the organization, which is required to execute on an ambitious plan to build and maintain the most talented and diverse workforce possible. The ELT champions strategies and reviews data related to hiring, promotions, turnover, supplier diversity, and other key data points.

After a successful pilot of a Bank-sponsored one-on-one mentoring program with ELT members in 2021, the Mosaic Employee Resource Group (ERG), which represents and supports Black employees at the Bank, launched the Leadership Connect Series in 2022. These quarterly events featured a different ELT member answering questions and providing valuable career advice to Mosaic Steering Committee members.

Analytics and Accountability

In early 2022, the Inclusion + Diversity team worked to enhance reportable metrics, aggregating data sources into a comprehensive dashboard. Throughout the year, each ELT member used their business line's data to understand their trends and address opportunities to drive their unique I+D initiatives. The Inclusion + Diversity team continued to support business lines in facilitating their action plans.

Some notable business line accomplishments in 2022 include:

- + Supervision & Credit (S+C) hosted an inaugural “S+C Women’s Conference” in August 2022, inclusive of all S+C employees and featuring S+C thought leadership, networking, and informative discussions focusing on female leadership.
- + Legal & Risk hosted “DEI in the Modern Workplace” in July 2022, a day of discussions about how to create and sustain a successful Diversity, Equity, and Inclusion program in the modern workplace. It included speakers from the Federal Reserve Bank System as well as external law firms and legal professional organizations.



Leaders of the Supervision + Credit Group participate in a panel discussion at the first Supervision + Credit Women's Conference.

II. Focused on Employee Belonging

Employee Resource Groups

Employee Resource Groups (ERGs) promote diversity and inclusion throughout the Bank, as well as offer a broad range of perspectives on issues impacting the workplace. Throughout 2022, the Bank's 12 ERGs worked to foster a sense of community and belonging, advance communication and collaboration with business lines, and create a more positive and productive environment for all employees.

ERGs also support and further Bankwide initiatives related to the transition to a hybrid workplace, talent recruitment and retention, and career development programs. Their work, subject-matter expertise, and commitment to diversity, equity, and inclusion are critical ingredients to the Bank's success.

Professional Development & Thought Leadership

In 2022, many ERGs created large-group opportunities to engage with and learn from senior leaders throughout the Bank and the Federal Reserve System. For example, MENA, the Middle Eastern North African Network, sponsored "A Conversation with the Federal Reserve System Chief Information Officer," who shared how her background influenced her career and offered professional advice. Also, the Women's Professional Network (WPN) presented a virtual coffee chat featuring Assistant Vice Presidents who shared learnings about navigating career moves and self-advocacy.

In addition, senior leaders and long-time employees received a glimpse of the Bank and the work world through the eyes of their newer counterparts at the annual Reverse Career Panel. The event was sponsored by three ERGs – InspirAsian, which represents Asian employees; Indus, which represents South Asian employees; and Halo-Halo, which represents Filipino employees. Early career members of these ERGs shared their experiences and perspectives, shining a light on the intersection of generation and ethnicity.

The 12LGBTQF ERG again led the way to help the Bank maintain its perfect 100 score on the Corporate Equality Index, a national benchmark tool that measures policies, practices, and benefits important to lesbian, gay, bisexual, transgender, and queer employees. 2022 marked the Bank's fifth year in a row of earning a perfect 100, underscoring the Bank's position as a DEI leader.

Volunteerism

ERGs are committed to making a difference for the people and communities the Bank serves. In 2022 alone, ERG members performed a collective 379 volunteer hours. Their work spanned a dozen areas of outreach, including food drives, beach cleanups, youth mentoring, disaster relief, and community garden maintenance.



A member of the Unidos Employee Resource Group shows students intricate markings on currency that confirm its authenticity.



Members of the Mosaic Employee Resource Group gather to volunteer with Mobilize Love, a nonprofit that provides mobile outreach in San Francisco, CA.



Members of WPN, the Women's Professional Network, prepare for their Beach Cleanup project at Ocean Beach in San Francisco, CA.

One student-focused outreach project was spearheaded by Mosaic, which continued its support of the Hidden Genius Project. This nonprofit trains and supports Black males in their teens on coding, web design, entrepreneurship, and leadership skills. Mosaic volunteers served as mentors and introduced the students to the Bank's functions and its many career possibilities.

III. Recruited a Diverse Workforce

The Bank’s ongoing Talent Acquisition strategy aims to attract a qualified applicant pool and implement a more consistent use of recruitment tools and processes. In 2022, many of the Bank’s outreach, attraction, selection, and engagement strategies continued to focus on broadening the applicant pool to attract more hires from differing backgrounds. Efforts focused on building sourcing partnerships to reach diverse candidates; offering early career education and support; and increasing the internal recruiting pipeline within the Bank.

In particular, the Bank remains focused on the representation of racial/ethnic minorities and women in its officer ranks. The representation of racial/ethnic minority officers³ remained consistent at 43% from 2021 through 2022. In addition, the representation of women officers also remained consistent from 2021 through 2022, at 47%.

In 2022, the Bank hired 314 new employees, of which 65% identified as racial/ethnic minorities and 44% identified as women.



³Figures are based on employees' voluntary self-disclosures. An employee may identify as both a minority and a woman.

³ Officers are defined as Assistant VP, VP, GVP, SVP, EVP, First VP/COO, and President/CEO. This differs from EEO-1 categories, which include all Officers and People Managers.

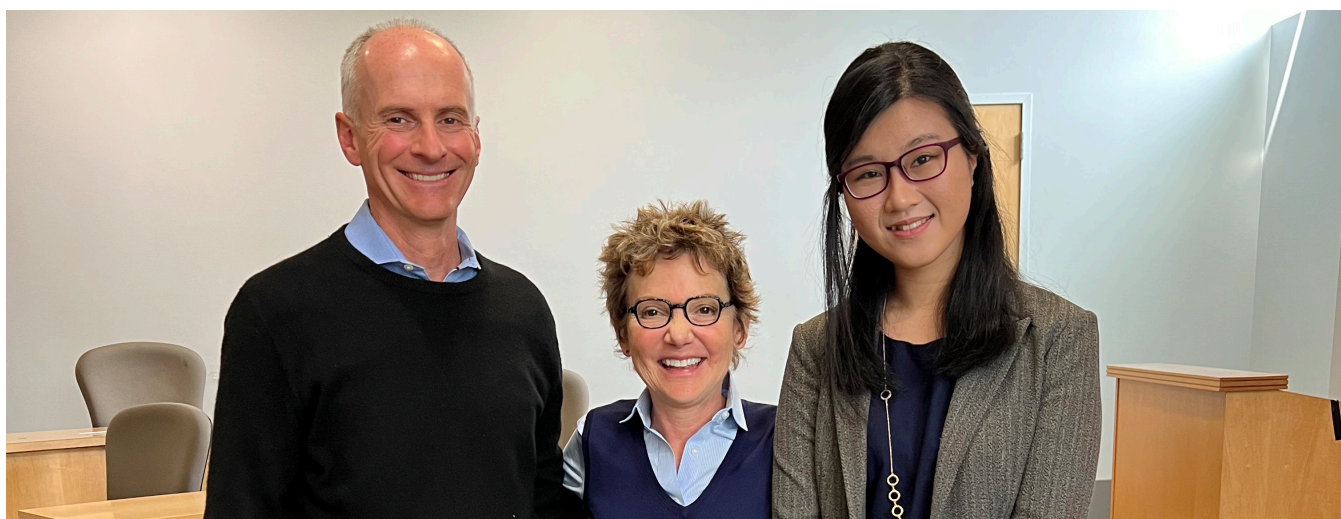
Sourcing Diverse Candidates

The Bank continues to use a broad range of online recruitment tools to source diverse candidates. In addition to advertising open positions on widely used online recruiting and social media sites like Glassdoor, LinkedIn, Twitter, and Facebook, the Bank posted openings on sites that increased job opportunity visibility with minorities and women. Specifically, the Bank utilized job boards from the American Society for Hispanic Economists, Tech Inclusion, Diversityjobs.com, Latinos in Finance, Blackjobs.com, the National Black Public Relations Society, Hispanic Public Relations Association, Utah Pride Center, the Society for Hispanic Human Resource Professionals, Women in Technology, and the California Local Job Network, which connects the Bank to more than 200 diversity partners, state employment development offices, and community-based organizations.

Partnerships

While new partner relationships were formed with professional and nonprofit organizations focused on diverse populations during the 2021 reporting period, the majority of 2022 was focused on onboarding and engaging these partners. These varied partnerships span across finance, economics, quantitative science, and information technology disciplines, extending from college through senior professional talent. The Bank engages with these partners on professional networking, support for current employees, student and junior talent mentorship, and elevating visibility and engagement with a diversity of prospective Bank candidates.

By partnering with organizations such as Sadie Collective, Latinos in Finance (LiF), National Society of Black Engineers (NSBE), and PhD Project, the Bank was able to post 240+ jobs to these partner websites and participated in five partner recruiting events, resulting in an overall reach of 500+ prospective candidates.



Executive Vice President and Director of Economic Research Sylvain Leduc and Bank President & CEO Mary C. Daly with economics graduate student Ivy Lee at a Mills College panel discussion on careers in economics.

In addition to utilizing partner job boards, the Bank encourages its employees and leaders to get involved with our partner organizations where appropriate, such as participating in peer mentoring or looking for other ways to increase engagement with our local communities. Examples include:

- + The Bank participated in the Latinos in Finance (LiF) Bootcamp, to educate college and high school students on the various careers in the finance industry and to expand the pipeline of Latino professionals. We also support their members through mentorship.
- + The Talent Acquisition team attended the 2022 National Society of Black Engineers (NSBE) Conference in Anaheim, CA, and began planning engagements with NSBE Region Six, the chapter covering most of the Twelfth District states.
- + The Talent Acquisition team partnered with Sadie Collective – an initiative to increase the number of Black women in economics, finance, data science, and policy– to run career fair booths at various Sadie Collective events. The events included their annual conference, their back-to-school event, and the “Career Pathways in Economics” event, co-sponsored with the Federal Reserve Bank of Chicago.
- + The Assistant Vice President of Regional, Community & Foreign Bank Risk was a guest speaker at the PhD Project’s annual accounting conference.

The Bank also expanded efforts to recruit veterans by participating in the Service Academy Career Conference (SACC) in August 2022. Participation in this event resulted in an experienced hire for a difficult-to-fill Risk Specialist role within the Supervision & Credit group.

Hiring Manager and Interviewer Support

Talent Acquisition fully integrated enterprise-wide education for hiring managers on interviewing and candidate selection, as well as training on building diverse candidate slates and utilizing diverse interview panels. The team continues to collaborate with and educate hiring managers on guidelines for inclusive job postings, executing diverse sourcing strategies, improving the diversity of interview panels, and structuring equitable interview processes.

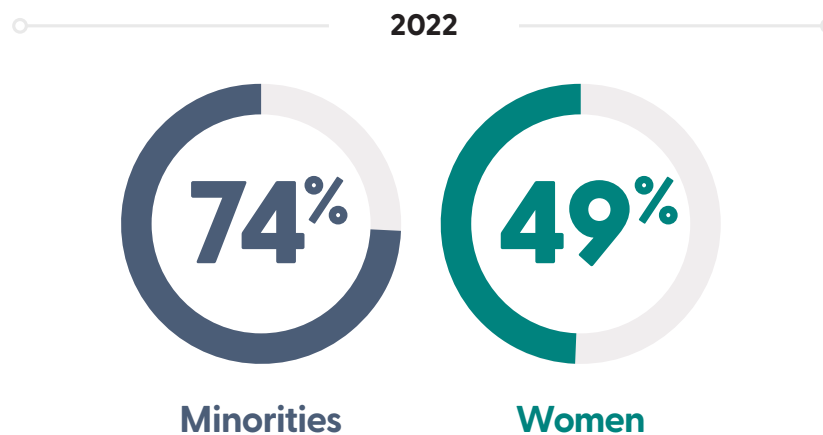
Internships and Early Career Pipelines

SF Fed Internship Program

The SF Fed Internship Program serves as a vital early career talent pipeline for the Bank. In 2022, the SF Fed Internship Program yielded the following results:

- + Hosted a diverse group of 34 interns, 49% of whom were women and 74% were racially/ethnically diverse.
- + 23 of the 34 interns were eligible to be converted to full-time employees, based on their expected graduation date. Of the 23 eligible, seven became full-time employees, a conversion rate of 30%.

Intern Class



**Figures are based on employees' voluntary self-disclosures. An employee may identify as both a minority and a woman.*

SF Fed Intern Recruiting

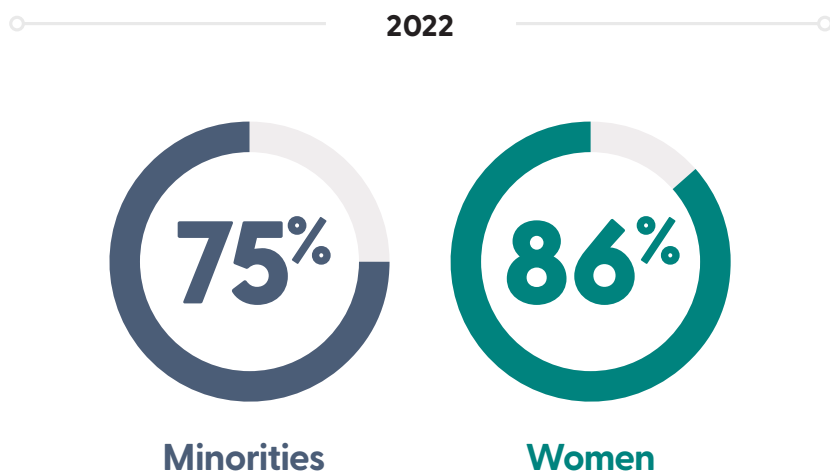
The Bank continues to utilize virtual recruiting fairs in the hybrid environment, as this approach increases engagement in the university setting. Handshake, an online career site for college students, helped the Bank engage the postsecondary talent pipeline in a virtual environment. Looking ahead, the Bank intends to enhance relationships with colleges and diversity-focused industry organizations to continue to build a broader pipeline of diverse talent.

New Partnership with the University of California, Merced

A major success in 2022 within the early career talent pipeline was the Bank's partnership with the University of California, Merced, a Hispanic-Serving Institution (HSI) that leads the UC system in the percentage of students from underrepresented racial and ethnic groups, low-income families, and first-generation college graduates.

The Bank's Information Technology Services (ITS) business provided informational sessions for near-term graduates and opened virtual and in-person interview opportunities. From this, the Bank hired eight qualified graduates, seven of whom went to ITS. These early career hires were provided supportive onboarding and training targeted to their roles, and each was paired with a mentor within their business line to ensure retention.

UC Merced Hires



**Figures are based on employees' voluntary self-disclosures. An employee may identify as both a minority and a woman.*

Research Associates

The Talent Acquisition team collaborated with the Economic Research team to partner with PreDoc, an organization that removes barriers to participation in Economic Research Associate (RA) roles for people from underrepresented backgrounds. The Bank shares opportunities with the PreDoc student base and, in September 2022, invited them to participate in a web seminar about preparing and applying for Research Associate opportunities.

Internal Recruiting Activities

In 2022, the Talent Acquisition team developed and communicated “business line recruiting plans” for business lines with elevated hiring needs. As part of the recruiting plans, the Talent Acquisition team integrated outreach to underrepresented talent groups. The team will continue to update and evaluate these plans and results into 2023.

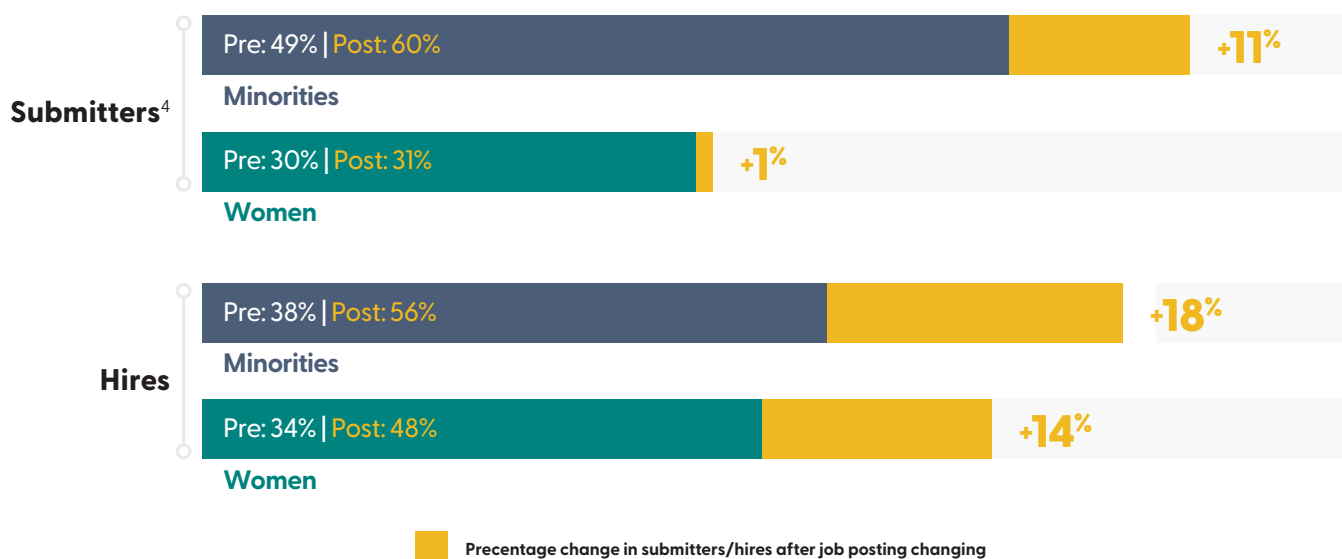
A weekly “Hot Jobs” email of seven to eight job postings is now sent to Employee Resource Group (ERG) leaders and promoted within the ERG membership, expanding job visibility with women and minority employees, while also creating awareness through referrals from those groups. This weekly email will continue in 2023.

The Bank’s Job Posting Guidelines require that all open career opportunities be posted, including internal promotions that include movement to a higher-level job. This change has led to greater visibility and equitable access to career opportunities across the Bank. Officer and Manager job postings that had a submission from a different department increased by 9% and 6%, respectively, since the change.

Additionally, when looking across demographic groups, there is greater diversity in submitters and hires for Manager and Officer roles combined.

Officer and Manager Job Posting Responses: Before and After Posting Policy Implementation

**Note: Pre: 6 months prior to change / Post: July 1, 2021 – Dec 31, 2022.*



⁴Submitter is anyone who applied to a job posting; however, they may not meet minimum requirements for the role.

IV. Emphasized Staff Development and Retention

The Bank's Talent Development group continues to focus on finding ways to ensure all employees have awareness and equitable access to development opportunities to support their career progression goals.

The Bank's employee development efforts focus on helping employees develop in their current roles as they also progress toward their career goals. This is done through mentoring, developing leaders, and creating a holistic ecosystem that supports career mobility.

Elevate Leadership Initiative

The Bank continues to build capacity to empower Bank Managers to take control of their careers with the Elevate initiative, our comprehensive leadership program. Elevate provides a framework to develop strong, capable, and inclusive leaders with the right knowledge, skills, behaviors, and mindsets to lead the Bank into our future of work. By creating more inclusive people managers who are equipped to cultivate and elevate diverse teams, the Bank can retain diverse talent and position itself as an employer of choice.

Two components of the program, Elevate Hub and Elevate Learning, were successfully launched in 2022, first as a virtual program, then a hybrid program. The Elevate Hub is an online community for leaders. This tool provides access to resources for people managers on the core topics of managing individuals and teams through the employee lifecycle. These resources are paired with guidance and key learning courses.

Elevate Learning focuses on four core pillars: Lead, Include, Develop, and Empower. The program provides cohort-based learning through virtual sessions, peer meetings, and practice exercises. Leaders work together over the extended program to develop skills, provide constructive feedback, and tackle real world challenges.

In 2022, the Bank launched three 13-month Elevate cohorts, each with about 40 leaders. These cohorts work together to discuss leadership topics, engage in peer coaching, and set development goals. Program cohorts are intentionally created to be diverse by gender, race, and ethnicity, as well as by business line, tenure, and professional level. The initial cohort recently completed the program and provided significant feedback to help advance Elevate Learning to become more engaging and effective for future cohorts. In 2023, the Bank will launch a hybrid version of the program to increase engagement and further support our hybrid environment.

Cash Degree Program

Cash Services, one of the more diverse areas of the Bank, piloted multiple programs focused on skill and career development opportunities. The Cash Degree program was created for front-line Cash Services employees who, due to the nature of the work, find it challenging to step away from their duties to take advantage of traditional development opportunities. The eight-month program launched in April 2022 with seven participants, two of whom were women and five of whom were minorities.

During the program, participants rotated into non-operational business lines in order to gain valuable Bank experience. Since completing the Cash Degree program, one participant was promoted inside Cash Services and another participant applied for and was offered a position in the Bank's Internal Audit department – a function the employee would not have been exposed to had they not participated in the Cash Degree Program.

Leadership Summit and Resources

The Bank launched a “Leadership Summit” for all Bank Officers in September 2022. This well received two-day program supported leaders in thinking about their role in driving inclusion at the Bank. Nearly 80% of all Officers attended the Leadership Summit. To further develop leaders, the Bank held a series of Leadership Check-in calls providing information to help leaders best support their teams. Subsequently a Leadership Check-in web page was designed to house resources from the calls, as well as with news, project updates, and insights to help leaders improve their people-management skills.

Career Development and Mobility

A major focus of OMWI work in 2022 was supporting the utilization of the Bank's career management framework, Navigate, and its associated tool, Basecamp. Using Navigate and Basecamp, the Bank ensures transparency in career development opportunities; all employees can find the skills, competencies, and experiences necessary to pursue a particular career path.

Career Management Tool

Basecamp is our central tool for development and supplements the Bank's formal performance management process. The tool connects jobs, competencies, development resources, and people information into one tool that uses an algorithm to recommend new career paths and opportunities.

Basecamp comprises three key areas:

- + Reflecting on career values and priorities.
- + Exploring potential career moves and identifying the steps needed to achieve career goals.
- + Taking action to progress your work and your career (by establishing performance objectives and goals).

Overall, the Bank has a high Basecamp engagement rate, with employees accessing the tool 21 times, on average, throughout the year. This is due in part to the Bank's efforts to promote Basecamp to Employee Resources Groups. In 2022, access rates were slightly higher for women (27 times per year) compared to men.

Gig Marketplace

In late 2022, the Bank launched an additional module of Basecamp that supports job development through short-term project work. This Gig Marketplace allows anyone at the Bank to post a project along with the desired skills needed. Posting jobs and project work on the Gig Marketplace avoids “shoulder tap” selections, where opportunities are filled without being posted or socialized. Taking on a gig project gives the employee new experience to add to their resume, provides an opportunity to broaden their network, and positions them to be a stronger candidate for desired roles in the future.

The transparency and experience facets of the Gig Marketplace address two issues that, historically, have hindered career growth for minorities and women across many industries and business sectors: awareness of opportunities and assumptions that they lack experience for a desired role.

Openly posting gig projects ensures that the project owners are not limited to those in their networks and allows employees to identify development opportunities quickly and easily. To date, 27 projects have been posted, and ten have been assigned. The goal is to continue to grow the tool and enable all employees to leverage the program to further develop their skills.

With these tools, the Bank helps employees establish career paths, explore mentoring opportunities, network, take on stretch assignments, and position themselves for the next stage of their career.

Succession Planning

In 2022, the Bank introduced a new approach to the succession planning process across officer levels. The focus was on meeting business needs for the organization in the coming years, while ensuring those in the officer pipeline have the right skills and capabilities to be ready to meet those needs. Initial pipelines have been identified, helping to define a process to further support, develop, and promote diverse leaders.

The Bank identified a pool of 457 potential candidates to fill 96 officer-level roles. To arrive at the pool, the Talent Development team reviewed the skills required for each officer position as well as marketplace availability. The team then used the Bank’s career management tool to identify individuals who met many of the necessary requirements.

This information was used to guide discussions with leadership to validate and gain additional insights on potential candidates, as well as identify others who may display the required skills. Talent Development is designing development plans to further help build the talent for these pipelines.

Core Learning

The Bank provides an extensive array of learning opportunities to help employees improve skills and position themselves for advancement. In 2022, 1,586 Bank employees completed one or more of 661 live-virtual or in-person courses and 3,755 recorded-virtual courses, for a total of 4,350 course completions.

These learning opportunities have high engagement rates from diverse employees. Specifically, Hispanic/Latino and Black employees completed leadership courses (online and in-person) at rates that were equal to or greater than their share of the employee population.

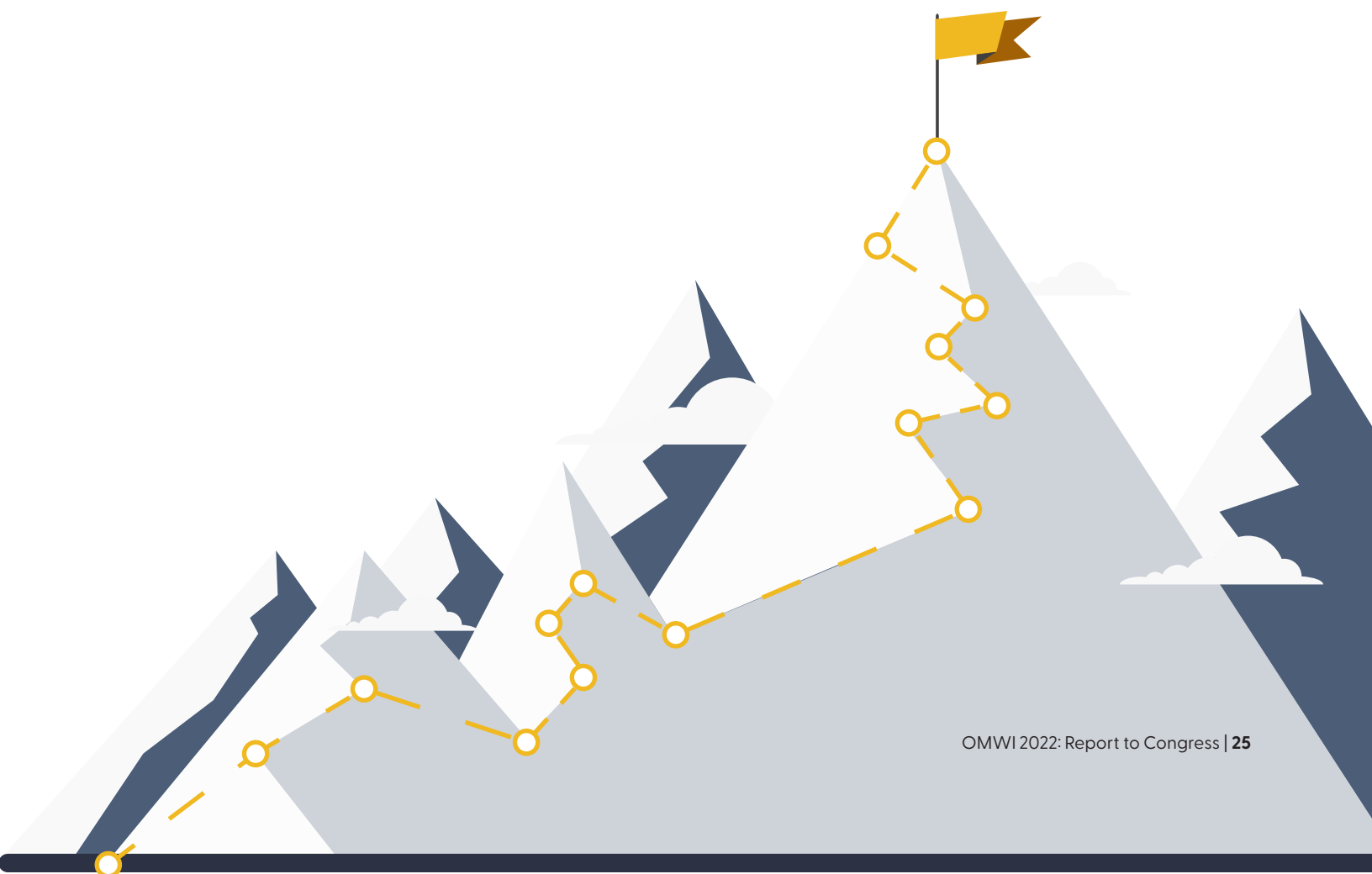
In addition to these Core Learning opportunities, managers also had access to drop-in calls with Executive Leadership Team members who shared information to help managers support their teams. The calls helped develop more informed, inclusive leaders.

Performance Management

Basecamp is the Bank's performance management tool and is where employees track their performance objectives and development goals. In 2022, 1,792 employees used Basecamp for their performance objectives, with an average of 2.5 objectives per person, and an average completion rate of 67%.

Women set an average of 2.9 performance objectives, slightly more than men with 2.1 objectives. However, the completion rate for men was higher, at 70% versus 66% for women. Black employees set the highest average number of performance objectives at 3.3, with a 71% completion rate.

At the end of the reporting period, 1,108 employees had development goals in Basecamp, with an average of six development goals per person. There is no significant difference across demographics, indicating that the various demographic groups are using the tool at equal rates.



Challenges

Overall results of efforts with strategic partners have been mixed. This is, in part, due to the length of time to move from approval of the partnership to implementation. Additionally, the Bank has worked to address the limitations of the reporting capabilities for candidate source data. The next step is to develop a clear, individualized strategy with each organization to improve results.

The Bank sees continued opportunity to make progress in early career hiring, partly due to a lack of early career roles in most business lines. To address this, we are working with large business lines (such as Information Technology Services and Supervision + Credit) to re-evaluate levels of existing roles and to commit to several early career hires in 2023.

As employees balance priorities, ensuring that they can develop within their careers remains critical. This creates a challenge to find ways to make programs and tools more accessible and directly relevant to employees' immediate learning needs. The Bank continues to build out data-driven solutions to help meet all employees where they are and support their career mobility.

Next Steps

The Bank is committed to enhancing the diversity of its workforce at all levels in the organization and fostering an inclusive workplace. To achieve this, the work of diversity and inclusion will continue to be shared cross-functionally with business partners and integrated into many facets of everyday work. The Bank's action plan for 2023 includes:

- + Continue to evolve the Inclusion + Diversity scorecard dashboard that each member of the Executive Leadership Team receives regularly and further aggregate Bank data sources.
- + Enhance support for Inclusion + Diversity initiatives within individual business lines. Update and evaluate business line recruiting plans and results.
- + Encourage employees and leaders to become members of our partner organizations where appropriate, to join in peer mentoring, attend events with, and mentor members of their communities to increase their engagement and sense of belonging.
- + Build out a full mentoring program that is supported by a mentoring functionality within the Bank's Basecamp tool. This will enable employees to become or find mentors within the Bank based on identified skills and capabilities.
- + Build mobility programs for employees in our Operations groups to help support career goals in other parts of the organization.

Inclusion of Minority- and Women-Owned Businesses

The Bank strengthened its commitment to ensuring the fair inclusion of minority- and women-owned businesses in all procurement efforts in 2022; the Bank has a goal to grow diverse supplier spend to a sustained \$30 million by 2025.

The activities described below are highlights of the Bank's efforts to increase supplier diversity and work towards the 2025 spend goal:

- + Communicating the Bank's supplier diversity policy and initiatives to employees.
- + Strengthening procurement practices and processes to improve diverse supplier participation.
- + Securing business line collaboration by setting annual targets.
- + Working on improving diverse supplier engagement by identifying and addressing barriers.
- + Maximizing partnerships with diverse supplier nongovernmental organizations and financial services organizations.
- + Providing resources for technical assistance and capacity-building opportunities.
- + Contributing to initiatives under the auspices of the System's OMWI Council and System Procurement Officers group.

Further, it is the Bank's policy to require that contractors will ensure the fair inclusion of minorities and women in their workforces, and as applicable, the workforces of their subcontractors. The Bank's Inclusion + Diversity function is responsible for ensuring compliance with this policy.

Successes

The Bank has a key objective to increase opportunities for minority- and women-owned businesses to compete for its business. To this end, the Bank's supplier diversity policy has been strongly endorsed by senior management and is the foundation for the Bank's plans and procedures. Established in 2011 and refreshed in 2016, the policy uses the guidelines of the National Minority Supplier Development Council (NMSDC).

I. Increased Spend with Minority- and Women-Owned Businesses

The Bank's total spend reported below includes expenditures on procurements originated by both the Bank and the National Procurement Office. For the 2022 fiscal year, the Bank's total expenditure on goods and services was \$164.8 million, a \$17.4 million or 11.8% increase over 2021. Of that amount, payment to minority- and women-owned businesses accounted for \$32.9 million, or 20.0% broken out as follows:



This diverse business growth is largely due to increased payments with an incumbent vendor that provides contingent vendor management services. It is also partially offset by a reduction in computer equipment and accessories, as well as food and nutrition services. A five-year trend of the Bank's procurement expenditures with minority- and women-owned businesses is attached as Appendix C.

The top five categories of diverse spend are as follows:

- + Human Resources Services—\$19.6M
- + General Building Construction & Management—\$3.7M
- + Food and Nutrition Services—\$2.0M
- + Computer Equipment & Accessories—\$1.2M
- + Information Technology Consulting Services—\$0.7M

⁵ Women-owned businesses are non-minority owned businesses.

II. Business Outreach

The Bank enhanced its external business outreach virtually and in-person with District-based and national supplier diversity groups through:

- + Conducting virtual presentations to diverse businesses on opportunities to support upcoming Bank procurements.
- + Increasing the number of matchmaking appointments between suppliers and the business area representative to allow for more meaningful engagement.
- + Engaging business areas through virtual presentations to increase diverse spend in goods and services categories related to employee safety at the Bank.
- + Celebrating diverse businesses that help our communities thrive. For example, the Bank launched Origin Stories, a series of profiles on diverse supplier partners, on the Bank's website and social media channels.
- + Attending national and regional virtual matchmaking, workshops, and networking events held by Minority Supplier Development Councils, Women Business Enterprise National Councils, National LGBT Chamber of Commerce, U.S. Hispanic Chamber of Commerce, U.S. Pacific Asian American Chamber of Commerce, National Veteran Business Development Council, Golden Gate Business Association, Disability:IN, California Hispanic Chamber, Sustainability Procurement Leadership Council, Procurement Foundry, and Industry Council for Small Business Development.
- + Delivering national and regional economic outlook presentation to Northwest Mountain Minority Supplier Development Council's Executive Briefing.
- + Hosting the in-person Financial Services Technology Solutions Summit in partnership with Western Regional Minority Supplier Development Council. This event showcased diverse information technology providers and their proposed solutions to pressing information technology challenges for financial services organizations. Bank and other financial services senior leaders served as judges and provided mentoring sessions after the event to the two finalists.

Outreach and Technical Assistance

New and continuing efforts include the following:

- + Serving on the Women's Business Enterprise Council - Pacific board of directors, co-leading the certification committee, and providing monthly input on certification activities.
- + Serving on the Executive Advisory Committee of the Minority Supplier Development Council, which provides guidance and programmatic input to the Council's Board of Directors.

- + Leading and participating in four virtual and in-person supplier diversity workshops for District-based corporate supplier diversity and procurement professionals and diverse suppliers with Minority Supplier Development Council and Women's Business Enterprise Regional Partners chapters that serve parts of the Twelfth District.
- + Conducting mentoring sessions with certified diverse suppliers located primarily within the Twelfth District.
- + Serving as the second vice-chair and attending quarterly Financial Services Roundtable for Supplier Diversity meetings, and actively participating on the executive, member services, supplier development, and research and education subcommittees.
- + Serving on the Western Regional Minority Supplier Development Council's board and executive committee, in addition to leading the education and development subcommittee for Minority Business Enterprises and corporate members.

Federal Reserve System Outreach and Leadership

The Bank participated as a member of the Federal Reserve System team at the National Minority Supplier Diversity Council and the Women's Business Enterprise National Council's national conference, matchmaker sessions, and program manager's summit.

The supplier diversity officer continued to provide leadership in the System's Supplier Diversity Workgroup and participated in major initiatives. Activities related to System Leadership include:

- + Participating in the Supplier Diversity Workgroup's good faith effort to embrace industry best practices and innovative approaches; apply insights gained from enhanced metrics and pipeline discussions; establish District community benchmarks; and refine vendor classification work streams.
- + Chairing the Workgroup's Change Control Board (CCB), charged with developing and implementing the process for standardizing Supplier Diversity spend reporting and annual Congressional reporting.
- + Worked with other Federal Reserve Banks to evolve the Supplier Diversity dashboard to create more consistent reporting across all 12 banks in the Federal Reserve system.
- + Mentoring and coaching supplier diversity professionals at several Reserve Banks and supporting the OMWI Council workstream.
- + Supporting and participating in Federal Reserve Bank supplier diversity events throughout the year.

III. Networking and Engagement

The supplier diversity and business communities have pivoted to a hybrid in-person and virtual networking and engagement environment. In 2022, the Bank participated in 43 vendor networking, matchmaking, and pitch events; met with 114 suppliers; and added 94 unique suppliers to its vendor database. The Supplier Diversity and Business Partners team engaged with potential suppliers for current and upcoming opportunities, educated suppliers on doing business with the Bank, and demonstrated the Bank's commitment to providing technical assistance and support to the diverse business community.

In 2022, seven suppliers from matchmaking events were invited to participate in Bank procurements and two diverse suppliers have been awarded a contract. More suppliers will be invited to participate in upcoming procurements.

The Supplier Diversity and Business Partners teams participated in networking and matchmaking events throughout the year to engage with potential suppliers for current and upcoming opportunities, educate suppliers on doing business with the Bank, and demonstrate the Bank's commitment to providing technical assistance and support to the diverse business community. These efforts can deepen our relationships with diverse suppliers and provide valuable feedback even when a diverse supplier does not secure a particular contract.

IV. Enhanced Supplier Diversity Program Operations

Throughout the year, the Bank continually worked to identify best practices and assess potential barriers for diverse suppliers.

The Supplier Diversity & Business Partners team reports to the Bank's Chief Financial Officer. This reporting structure enhances the focus on supplier diversity within the Bank's Executive Leadership Team. A Senior Sourcing Specialist was added to the team to ensure the Business Partners team can establish efficient strategic relationships and sourcing support for all Bank business areas.

The Bank continued its efforts to enhance internal awareness of its supplier diversity program and sourcing processes. The team is focusing on strengthening procurement practices to improve diverse supplier participation; securing business line collaboration by setting annual targets; and improving diverse supplier engagement by identifying and addressing barriers.

As the gateway to the Bank's procurement process, the Supplier Diversity and Business Partners team is aligned to be the business area's initial interface with the Procurement team. This alignment enhances the business partnership model that supports strategic procurement initiatives and enhanced integration of supplier diversity into the sourcing workflow.

The Supplier Diversity and Business Partners team assisted on diverse and non-diverse vendor sourcing requests, intake/requisition form sourcing and compliance reviews, and ongoing vendor classification requests to the Bank's groups. The team counseled business areas on producing scopes of work and evaluation criteria that ensured fair and objective evaluation of all vendors, regardless of status in diversity or size.

The Supplier Diversity and Business Partners team is developing a metrics dashboard that streamlines the reporting process for diverse supplier participation in bids, contract award, and spend by Group and business area. The dashboard will be operational in the first quarter of 2023.

In collaboration with the Procurement team, a process improvement initiative that streamlines the competitive procurement process for Bank business areas will also be socialized and implemented in the first quarter of 2023.

The team also served as procurement subject matter experts in the development of the Bank's sustainable procurement strategy and supplier code of conduct.

V. Awards and Recognition

For the fourth consecutive year, the Bank earned a spot on the list of top businesses for Supplier Diversity on the San Francisco Business Times' Top Bay Area Companies for Supply Chain Inclusion list⁶.

The supplier diversity business community also recognized the Bank's commitment to engage, support, educate, and connect with minority- and women-owned businesses. The Bank's supplier diversity officer received the Agency Advocate of the Year award and was nominated for Volunteer of the Year by the Women's Business Enterprise Council – Pacific. The Bank also received the Local Corporation of the Year award by the Western Regional Minority Supplier Development Council.

Challenges

While the Bank continues to achieve success in its supplier diversity initiatives, it also continues to encounter challenges which have been noted in prior reports but will take several years to resolve.

- + The investment in a major Systemwide initiative over ten years continued to depress the Bank's diverse supplier spend percentage over the reporting period. The Bank will continue to monitor progress on diverse dollar spend and focus efforts on sustaining the \$30 million annual spend over the next three years. These efforts, which have been successful so far, focus on a business area "grass roots" initiative combined with continued support from the Executive Leadership Team.
- + The lack of responses from minority- and women-owned businesses to procurement opportunities makes it difficult to provide consistent diverse vendor pools for the Bank's opportunities and to understand the barriers the vendors may be facing. The team will continue to improve the Bank's ability to identify and address the concerns diverse businesses have with the Bank's procurement process. The new supplier diversity dashboard and supplier follow-up will provide valuable information.

⁶In 2022, the SF Business Times did not rank the companies on the list.

- + Sourcing diverse businesses continues to be labor intensive for the Supplier Diversity/Business Partners team. The process requires ongoing business planning meetings with Bank groups and the utilization of multiple external resources, the Bank’s supplier database, and those provided through System collaboration. The Supplier Diversity and Business Partners team, having invested in this team structure, will continue to provide enhanced resources, and will upgrade and expand the technology, data collection/reporting, advance planning, and business line sourcing assistance.

Next Steps

The Bank remains committed to making every effort to increase opportunities for minority- and women- owned businesses, other diverse suppliers, and small businesses to participate in the Bank’s procurement opportunities and receive technical assistance. The Bank’s 2023 action plan will continue to implement strategies to sustain the five-year spend goal.

- + Continue to compile and address procurement process concerns from minority- and women- owned businesses including streamlining the sourcing and procurement implementation procedures; improving communication on the Bank’s procurement and Ariba platform processes; and providing sourcing updates when delays in the procurement implementation occur.
- + Enhance the business partner model through the ongoing engagement of business areas by setting annual targets and monitoring progress through quarterly metrics; improving participation in strategic planning and pipeline forecasting; providing sourcing resources, training, and supplier debriefing assistance; and facilitating diverse supplier introductions for future procurement opportunities.
- + Further strengthen partnerships with diverse supplier trade groups and financial services organizations to grow the inventory of potential suppliers; identify suppliers in hard-to-find categories; and provide resources for technical assistance, supplier development, and capacity- building. Bank representatives will host/attend at least five virtual and/or in-person supplier diversity events in 2023.

2022 Supplier Diversity Outreach Partners

National Minority Supplier Development Council
 Women’s Business Enterprise National Council
 National LGBT Chamber of Commerce
 National Veteran Business Development Council
 U.S. Pan Asian American Chamber of Commerce
 U.S. Hispanic Chamber of Commerce
 Western Regional Minority Supplier Development Council
 Women’s Business Enterprise Council – Pacific
 Women’s Business Enterprise Council – West
 Pacific Southwest Minority Supplier Development Council
 Financial Services Roundtable for Supplier Diversity

Southern California Minority Supplier Development Council
 Northwest Mountain Minority Supplier Development Council
 National Association of Women Business Owners, Bay Area Chapter
 California Hispanic Chamber of Commerce
 Sustainable Purchasing Leadership Council
 Procurement Foundry
 Disability:IN
 Golden Gate Business Association
 Industry Council for Small Business Development

OMWI Education and Outreach Programs

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

In addition, the System 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-girls, and/or majority-minority high school populations.

Successes

The Bank continued to conduct a variety of programs in 2022 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 racial/ethnic composition and geographic setting of each school, as reported in the National Center for Education Statistics database.

In 2022, the Bank entered the second year of the Support a School Program (SSP), designed to connect SF Fed employees with a local high school community for an academic year. Through engaging activities and volunteer projects, SF Fed staff promoted the importance of personal finance, college readiness, postsecondary credentials, and continuous learning.

The Bank wrapped up the inaugural SSP collaboration with Firebaugh High School, an OMWI-defined high school located in California's Central Valley, with a culminating one-day event for students focused on college and career readiness and mentoring.

The Bank formed a new partnership for the 2022-23 academic year with Jesse Bethel High School, a majority-minority high school. Over the course of the partnership, staff volunteers participated in a variety of activities with the students that included:

- + Virtual tour and overview of the Federal Reserve System
- + Personal finance workshops
- + Career seminars
- + College and career planning and mentoring

I. Provided Personal Finance, College, and Career Preparedness

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:

- + Continued to expand and promote “Invest in What’s Next”, an online college- and career-readiness course. Students are self-guided through the course, where they explore options, conduct research, and develop plans that align with their individual preferences and circumstances. Students learn economics and personal finance concepts while planning for their education, career, and future. In 2022, there were over 1,683 students from OMWI-designated high schools enrolled in the course.
- + Hosted over 175 students at virtual college- and career-readiness events, in collaboration with the Bank’s Employee Resource Groups. Virtual programs typically included an overview of the Federal Reserve System, small group mentoring sessions with staff, and a personal finance workshop.
- + Provided personal finance workshops for students and staff at Los Angeles Job Corps as part of the career success skills program. Students selected careers, created a budget, and managed expenses to track and balance a monthly budget.

II. Hosted, Sponsored, and Attended Conferences and Events

The Bank participated in and contributed to a range of conferences and events to support financial education and outreach objectives. For example, Bank representatives attended the California Association of African American Superintendents and Administrators’ (CAAASA) annual conference, focused on educational equity for students of color in public schools, K-12.

Employee Resource Group (ERG) Support

Unidos, the ERG which represents Hispanic/Latino employees, was integral to the success of the Support a School Program. The program, a 2022 OMWI Outreach initiative, introduced students at Firebaugh High School, a predominantly Latino school, to the Bank’s operations. The program provided them with financial education and mentoring, and sought to inspire them to pursue college and post-secondary education. Several Unidos members volunteered as mentors, sharing their educational and professional experiences. They worked with small cohorts of students as they created plans for life after high school using the Fed’s Invest in What’s Next online course.

The year culminated with “A Day at the Fed,” an event where Unidos guided 46 freshmen through a tour of the Cash business line and taught them how to spot counterfeit currency. The event included a discussion panel with Unidos members who shared their career journeys, highlighting the many career opportunities at the Fed.



Members of the Unidos Employee Resource Group join students from Firebaugh High School for the school's "A Day at the Fed" bank tour and panel discussion, part of the Support a School Program.

III. Increased Awareness of the Fed's Role in the Economy

The Bank continued to provide opportunities for staff to engage with communities in the Twelfth District through OMWI outreach programs.

Our collaboration with the California State University, Los Angeles economics department continued, supporting an annual mock-Federal Open Market Committee (FOMC) meeting for undergraduate economics students. The SF Fed's Los Angeles Regional Executive served as keynote speaker, providing a historical, structural, and operational overview of the Federal Reserve System.

Challenges

The Bank must remain flexible in response to the changing needs of teachers and the education system. The pandemic continues to impact schools, from student behavior and mental health to exacerbating the teacher shortage, which disproportionately affects majority-minority and low-income schools. To help mitigate the impact on vulnerable schools, the Bank is working collaboratively with school partners to identify specific student and teacher cohorts with the biggest need.

For example, the Bank's Support a School partner, Jesse Bethel High School, recently lost their business pathways program. Bank staff have been working closely with the school's administrative team to identify content-specific volunteer opportunities in the classroom to help fill the gap. The content provided is focused on economics, personal finance, and careers in financial services to help students determine their path after high school.

Next Steps

The Bank will continue to build on existing relationships with student and educator audiences with an emphasis on workforce development. Through meaningful career mentoring, open dialogue, and strengthening relationships, the Bank will inspire youth to develop skills in personal finance and to explore careers in business, economics, and finance. The desired result is a diverse pipeline of potential early career talent for the Bank, and in the communities we serve.

The Bank's OMWI action plan for 2023 is a continuation of last year's efforts, using a three-prong approach: OMWI Education Outreach; Partnerships and Engagements; and Workforce Development.

OMWI Education Outreach

Increase touch points with OMWI schools through targeted outreach and collaborations.

- + Build an engaged network of OMWI high schools to develop meaningful collaborative partnerships.
- + Continue to develop and deploy the Support a School Program, increasing students' awareness about the importance of postsecondary education and continuous learning through personal stories and coaching from Bank employees.
- + Expand access to quality programs and materials about the Federal Reserve System, careers in financial services, and college and career readiness.

Partnerships and Engagements

Leverage internal and external relationships to expand, reach, and provide meaningful volunteer opportunities for staff to engage with minority students.

- + Partner with classrooms to provide experts to share real-world application of economic concepts. Curate and implement educational resources.
- + Collaborate with nonprofit diversity partners to build relationships and provide high school students with information about career paths in economics and finance.
- + Continue to build a robust and engaged network of teachers to effectively connect with the education community and increase outreach to diverse audiences.



A Bank employee speaks to students at Jesse Bethel High School about his role at the Bank.

Workforce Development

Create a diverse pipeline of potential employees through strategic touchpoints and programming for student audiences.

- + Provide a variety of learning opportunities to develop personal finance and decision-making skills, while preparing students for careers in business, economics, and finance, including with the Federal Reserve System.
- + Launch mentoring and internship programs to support high school students as they transition to postsecondary education and training.
- + Develop a prospective candidate list of high school students interested in future careers at the Bank and, more broadly, in financial services.

Conclusion and Future Plans

This report outlines the broad range of activities and results that demonstrate the Bank's progress and continued commitment to inclusion and diversity, and to fulfilling the provisions of Section 342 of the Dodd-Frank Act. The Bank is encouraged by the impact of its efforts to date and is confident that it will continue to further its objectives for a diverse workforce and supplier pool, despite the challenges it faces in some areas.

The Bank's plans for 2023 include:

Employment of Minorities & Women

- + Maintaining and enhancing current programs while creating unique avenues to attract and secure talent.
- + Continuing action planning meetings with each respective Executive Leadership Team member and ensuring they update their commitments for the year.
- + Integrating outreach to underrepresented groups by updating and evaluating business line recruiting plans.
- + Promoting the use of the career framework tool (Basecamp) and additional opportunities for development, career planning, and other opportunities for advancement.

Inclusion of Women- and Minority- Owned Businesses

- + Taking decisive steps toward sustaining the \$30 million annual spend goal with diverse suppliers within the next three years. This includes enhancing relationships with internal groups, vendors, and potential vendors to raise awareness and help minority-owned and women-owned businesses position themselves for successful partnerships with the Bank.
- + Continue the Bank's strategy to enrich partnerships with diverse supplier groups and financial services organizations, streamline processes that may inhibit participation, share analytics and reporting with business lines using dashboards, and provide resources for technical assistance and capacity-building.

Financial Education and Outreach

- + Continue to evolve education outreach efforts tailored to OMWI high schools and first-generation college students, as well as educators, using virtual mediums that expand the Bank's reach.
- + Maximize existing relationships with students and educators while seeking out new opportunities for engagement.



Appendices

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Appendix A

Federal Reserve Bank of San Francisco Workforce Representation

TABLE 1: EEO-1 Report (as of December 31, 2022)

| Job Categories | Male | Female | Male | | | | | | Female | | | | | | Total |
|--|--------------|--------------|-----------|-------------------------------|---|-----------|--------------------------------------|-----------------------|-----------|-------------------------------|---|-----------|--------------------------------------|-----------------------|---------|
| | Hispanic (A) | Hispanic (B) | White (C) | Black or African American (D) | Native Hawaiian or Other Pacific Islander (E) | Asian (F) | American Indian or Alaska Native (G) | Two or more races (H) | White (I) | Black or African American (J) | Native Hawaiian or Other Pacific Islander (K) | Asian (L) | American Indian or Alaska Native (M) | Two or more races (N) | A-N (O) |
| 1.1 Executive or Senior Level Officials and Managers | 0 | 1 | 6 | 1 | 0 | 2 | 0 | 0 | 6 | 1 | 0 | 3 | 0 | 0 | 20 |
| 1.2 First or Mid-Level Officials and Managers | 35 | 22 | 124 | 14 | 1 | 57 | 0 | 2 | 70 | 11 | 0 | 52 | 1 | 4 | 393 |
| 2 Professionals | 55 | 53 | 220 | 32 | 2 | 213 | 4 | 11 | 160 | 35 | 1 | 235 | 2 | 8 | 1,031 |
| 3 Technicians | 0 | 1 | 4 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| 4 Sales Workers | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 5 Administrative Support Workers | 6 | 14 | 8 | 1 | 0 | 8 | 0 | 0 | 21 | 7 | 3 | 26 | 0 | 0 | 94 |
| 6 Craft Workers | 8 | 0 | 8 | 0 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| 7 Operatives | 36 | 37 | 14 | 10 | 2 | 29 | 0 | 2 | 11 | 8 | 1 | 21 | 1 | 0 | 172 |
| 8 Laborers and Helpers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 Service Workers | 33 | 14 | 38 | 9 | 2 | 26 | 0 | 0 | 3 | 7 | 1 | 2 | 0 | 0 | 135 |
| Total | 174 | 142 | 423 | 67 | 8 | 341 | 4 | 15 | 273 | 69 | 6 | 339 | 4 | 12 | 1,875 |

Appendix B

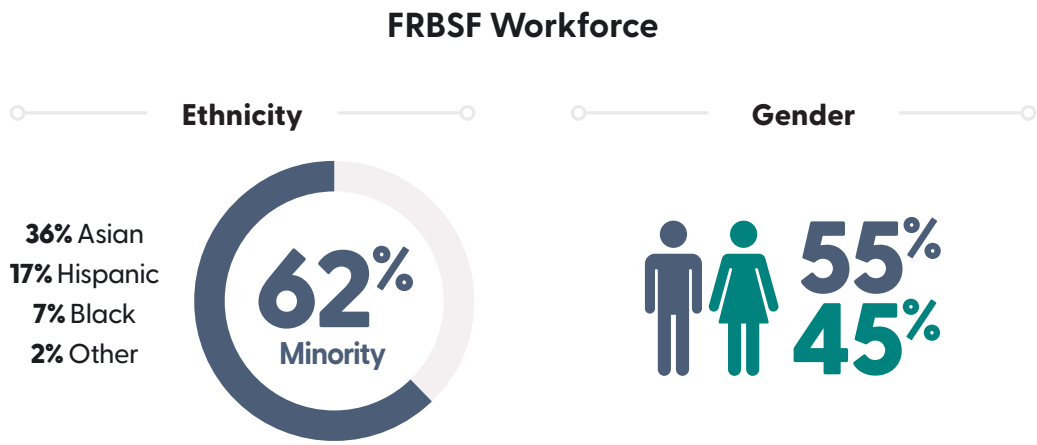
Workforce Analysis

The Workforce Representation Report (see Appendix A) shows the racial/ethnic and gender composition of the District’s workforce, as submitted annually for the Equal Employment Opportunity Commission’s EEO-1 Report. The reported numbers are based on employees’ voluntary self-disclosures of their demographic information.

The first three job categories comprise 77% of the Twelfth District’s workforce and are defined as follows:

- + **Executive/Senior Officials**
The highest ranks of the Bank organization – its top 20 officials – including the President, First Vice President, Executive Vice Presidents, and Senior Vice Presidents.
- + **First/Mid-Level Officials & Management**
Includes all other Officers and People Managers, approximately 21% of the workforce.
- + **Professionals**
Jobs in this category, which represent 55% 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, Project Managers, and Information Technology (IT) Professionals.

As of December 31, 2022, the Bank employed 1,875 individuals⁷. The overall composition of the Bank’s workforce was 62% racial/ethnic minority employees, an increase of 2%, from 60% in 2021. The representation of female employees remained consistent at 45% in 2021 from 2022. The table below shows the history of the Bank’s workforce over the past five years.



⁷ Bank workforce includes all regular, full-time employees who have voluntarily self-disclosed their race ethnicity and/or gender. It does not include hourly and temporary employees. OMWI 2022: Report to Congress | 43

Appendix B continued

| Bank Workforce Summary, 2018 – 2022 (as of 12/31/22) ⁸ | | | | | | |
|---|------------|------|------|------|------|------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Senior Executives | Minorities | 44% | 35% | 30% | 35% | 40% |
| | Women | 31% | 40% | 45% | 49% | 55% |
| Mid-Level Managers | Minorities | 47% | 50% | 49% | 49% | 51% |
| | Women | 43% | 42% | 42% | 42% | 41% |
| Professionals | Minorities | 56% | 56% | 57% | 60% | 62% |
| | Women | 44% | 44% | 44% | 47% | 47% |
| Total Workforce | Minorities | 57% | 58% | 56% | 60% | 62% |
| | Women | 42% | 42% | 43% | 45% | 45% |

⁸ Only Regular, non-hourly grade employees analyzed.

OMWI Standard Core Metrics Report

Appendix C

| Category | Description | Measure | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|----------------------------|--------------|-------|-------|------|-------|-------|
| Workforce Diversity | Senior Executives | Total # | 16 | 20 | 20 | 23 | 20 |
| | | % Minorities | 44% | 35% | 30% | 35% | 40% |
| | | % Women | 31% | 40% | 45% | 49% | 55% |
| | Mid-Level Managers | Total # | 349 | 342 | 335 | 375 | 393 |
| | | % Minorities | 47% | 50% | 49% | 49% | 51% |
| | | % Women | 43% | 42% | 42% | 42% | 41% |
| | Professionals | Total # | 940 | 949 | 1000 | 969 | 1031 |
| | | % Minorities | 56% | 56% | 57% | 60% | 62% |
| | | % Women | 44% | 44% | 44% | 47% | 47% |
| | Total External Hires | Total # | 187 | 189 | 212 | 223 | 314 |
| | | % Minorities | 58% | 55% | 57% | 57% | 65% |
| | | % Women | 42% | 44% | 43% | 50% | 45% |
| | Total Interns | Total # | 31 | 40 | 26 | 36 | 34 |
| | | % Minorities | 65% | 68% | 73% | 69% | 68% |
| | | % Women | 65% | 50% | 42% | 53% | 47% |
| | Overall Bank Turnover Rate | % | 10.5% | 11.0% | 7.3% | 14.5% | 10.8% |

| Category | Description | Measure | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|----------------------------------|---------------|--------|--------|---------|---------|---------|
| Supplier Diversity | Total Reportable Spend | \$ (millions) | \$68.7 | \$81.1 | \$152.3 | \$147.4 | \$164.8 |
| | Total Diverse Spend ⁹ | \$ (millions) | \$11.9 | \$19.5 | \$22.0 | \$28.5 | \$32.9 |
| | | % | 17.3% | 24.1% | 14.4% | 19.4% | 20.0% |
| | Minority-owned ¹⁰ | \$ (millions) | \$9.9 | \$17.3 | \$18.6 | \$24.6 | \$26.7 |
| | | % | 14.4% | 21.3% | 12.2% | 16.7% | 16.2% |
| | Minority-owned (men) | \$ (millions) | \$3.2 | \$9.5 | \$7.3 | \$8.7 | \$6.5 |
| | | % | 4.6% | 11.7% | 4.8% | 5.9% | 3.9% |
| | Minority-owned (women) | \$ (millions) | \$6.7 | \$7.8 | \$11.3 | \$15.9 | \$20.3 |
| | | % | 9.8% | 9.6% | 7.4% | 10.8% | 12.3% |
| | Women-owned ¹¹ | \$ (millions) | \$8.7 | \$10.0 | \$14.7 | \$19.9 | \$26.5 |
| | | % | 12.7% | 12.4% | 9.6% | 13.5% | 16.1% |
| | Women-owned (non-minority) | \$ (millions) | \$2.0 | \$2.3 | \$3.4 | \$4.0 | \$6.2 |
| | | % | 2.9% | 2.8% | 2.2% | 2.7% | 3.8% |
| | Women-owned (minority) | \$ (millions) | \$6.7 | \$7.8 | \$11.3 | \$15.9 | \$20.3 |
| | | % | 9.8% | 9.6% | 7.4% | 10.8% | 12.3% |

⁹ Total Diverse Spend = minority-owned (men) + minority-owned (women) + women-owned (non-minority).

^{10 & 11} Also includes totals for businesses owned by minority women.

Appendix C continued

| Category | Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|---|--------|--------|--------|--------|--------|
| Financial Literacy ^{12,13} | Program Type + Teacher Centric + Student Centric + Hybrid | Hybrid | Hybrid | Hybrid | Hybrid | Hybrid |
| | Number of Students¹⁴ | 1,730 | 2,406 | 1,311 | 1,857 | 2,459 |
| | Number of Educators¹⁵ | 289 | 258 | 102 | 258 | 205 |
| | Number of Students Reached¹⁶ | 21,675 | 19,350 | 8,967 | 19,350 | 17,834 |

¹² OMWI targeted schools are identified as inner-city, majority-minority, and all-girls high schools.

¹³ Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus.

¹⁴ Students who attended in-person programs and enrolled in online programs.

¹⁵ Educators who attended in-person programs and enrolled in online professional development programs.

¹⁶ Students reached through educators using a common multiplier of 75.

OMWI Standard Core Metrics Report

Appendix D

Board of Directors Representation

| Federal Reserve Bank of San Francisco - Bank and Branch Directors as of January 1, 2023 | | | | | | | | | | | | | | | | | |
|--|-------------------|------|--------|--------------------|--------|------------------------|---------------------------|-------|---|----------------------------------|-------------------|------|--------|------|--------|------|--------|
| Director Categories | Current Directors | | | Race/Ethnicity | | | | | | | | | | | | | |
| | | | | Hispanic or Latino | | Non-Hispanic or Latino | | | | | | | | | | | |
| | All | Male | Female | | | White | Black or African American | Asian | Native Hawaiian or Other Pacific Islander | American Indian or Alaska Native | Two or More Races | | | | | | |
| | | | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Reserve Bank Directors | | | | | | | | | | | | | | | | | |
| Class A (Total Positions 3) | | | | | | | | | | | | | | | | | |
| By total | 3 | 2 | 1 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100% | 67% | 33% | 0% | 0% | 67% | 33% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Class B (Total Positions 3) | | | | | | | | | | | | | | | | | |
| By total | 3 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100% | 67% | 33% | 0% | 0% | 33% | 0% | 0% | 33% | 33% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Class C (Total Positions 3) | | | | | | | | | | | | | | | | | |
| By total | 3 | 2 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100% | 67% | 33% | 33% | 0% | 0% | 33% | 33% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Branch Directors | | | | | | | | | | | | | | | | | |
| Branch Directors, appointed by Reserve Bank (Total Positions 16) | | | | | | | | | | | | | | | | | |
| By total | 16 | 9 | 7 | 2 | 0 | 5 | 5 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| By percent | 100% | 56% | 44% | 13% | 0% | 31% | 31% | 6% | 0% | 6% | 0% | 0% | 0% | 0% | 6% | 0% | 6% |
| Branch Directors, appointed by Board of Governors (Total Positions 12) | | | | | | | | | | | | | | | | | |
| By total | 12 | 3 | 9 | 0 | 3 | 3 | 4 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100% | 25% | 75% | 0% | 25% | 25% | 33% | 0% | 8% | 0% | 8% | 0% | 0% | 0% | 0% | 0% | 0% |
| Totals | | | | | | | | | | | | | | | | | |
| All Reserve Bank Directors (Total Positions 9) | | | | | | | | | | | | | | | | | |
| By total | 9 | 6 | 3 | 1 | 0 | 3 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| By percent | 100% | 67% | 33% | 11% | 0% | 33% | 22% | 11% | 11% | 11% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| All Branch Directors (Total Positions 28) | | | | | | | | | | | | | | | | | |
| By total | 28 | 12 | 16 | 2 | 3 | 8 | 9 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 1 |
| By percent | 100% | 43% | 57% | 7% | 11% | 29% | 32% | 4% | 4% | 4% | 4% | 0% | 0% | 0% | 4% | 0% | 4% |
| All Reserve Bank and Branch Directors (Total Positions 37) | | | | | | | | | | | | | | | | | |
| By total | 37 | 18 | 19 | 3 | 3 | 11 | 11 | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 1 | 0 | 1 |
| By percent | 100% | 49% | 51% | 8% | 8% | 30% | 30% | 5% | 5% | 5% | 3% | 0% | 0% | 0% | 3% | 0% | 3% |
| Note: Reserve Bank directors are elected or appointed to three-year, staggered terms (see https://www.federalreserve.gov/aboutthefed/directors/about.htm for more information). This report includes directors who were appointed or elected in 2022 to terms that began on January 1, 2023, as well as directors who are currently serving in existing terms. Directors are given the option to self-identify their gender and race/ethnicity. | | | | | | | | | | | | | | | | | |

