

OFFICE *of* MINORITY AND WOMEN INCLUSION  
2017 ANNUAL REPORT TO CONGRESS

Diane T. Ashley  
OMWI Director and Chief Diversity Officer



FEDERAL RESERVE BANK *of* NEW YORK





# Contents

Executive Summary.....	2
Overview .....	4
Workforce/Workplace Diversity and Employee Outreach .....	5
Business and Supplier Diversity .....	13
Economic Education and Community Development and Outreach Programs.....	16
Looking Forward .....	21

## *Appendices*

Appendix A: Diane T. Ashley Biographical Information .....	22
Appendix B: Federal Reserve Bank of New York Workforce Information Report .....	23
Appendix C: Employee Resource Network Community Engagement.....	24
Appendix D: Federal Reserve Bank of New York Supplier Diversity Outreach Activities.....	26
Appendix E: Federal Reserve Bank of New York Technical Assistance Forum.....	27
Appendix F: 2017 Core Measures.....	28

# Executive Summary

The Federal Reserve Bank of New York (“New York Fed” or “Bank”) is pleased to present its seventh Annual Report for the Office of Minority and Women Inclusion (“OMWI”). The report provides an update on the New York Fed’s continuing efforts to enhance its workforce diversity, business and supplier diversity, economic education, and community outreach programs that collectively satisfy the requirements of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

The Bank invests significant effort, reflected in the Bank strategy and objectives, to connect its commitment to the values of diversity and inclusion with measures of progress toward desired outcomes. At present, the Bank has identified key gaps in workforce and workplace diversity and inclusion. We seek to make progress in closing those gaps.

Highlights of this reporting year include the following:

**Strategy:** Building on the Diversity & Inclusion Strategy developed and launched in 2016, the Bank continued to focus on four main areas: workforce, workplace, suppliers, and community. The project plan for these initiatives spans the years 2016-2019, and includes annual assessments of progress as part of the Bank’s normal planning cycle.

**Human Resources:** In 2017, the Bank succeeded in recruiting a diverse intern class, 50% of whom were minorities, in line with the performance achieved in the previous year (42%). The Bank designed the ten-week Summer Intern Program (for undergraduate and graduate students) to provide interns with meaningful work assignments and exposure to various career options at the New York Fed, with the objective of converting interns into permanent hires upon their graduation.

2017 HIRING STATISTICS		
	WOMEN	MINORITIES
<b>TOTAL EXTERNAL HIRES</b> 221	32%	43%
<b>INTERNS</b> 51	36%	50%



In September, the Bank also held its third annual Undergraduate Student Summit to identify high potential, diverse undergraduate college students to participate in a two-day on-site program offering business and career development workshops.

The Bank continued the practice of educating hiring managers on how to value and manage diversity and inclusion throughout the hiring process. As one example, more than 425 hiring managers received communications from Talent Acquisition at the beginning of the hiring process, with information on the role and impact of unconscious bias in the recruitment process, as well as additional resources to help them identify and mitigate bias.

**Supplier Diversity:** In 2017, the New York Fed continued to improve upon the supplier diversity engagement model, which the Procurement Value Management function had implemented in 2015. The principles set forth by this model promote a strategy of collaboration and shared accountability among those procuring goods across the organization.

	YEAR	2013	2014	2015	2016	2017
<b>TOTAL REPORTABLE SPEND</b>	\$ (millions)	\$195.2	\$180.6	\$185.7	\$177.2	\$212.9
<b>TOTAL DIVERSE SPEND</b>	\$ (millions)	\$8.1	\$21.5	\$14.4	\$11.9	\$14.9
	%	4.1%	11.9%	7.7%	6.7%	7.0%

**Economic Education, Community Engagement and Outreach:** In 2017, Human Resources, Communications & Outreach, and the Office of Diversity and Inclusion launched a partnership with the Council for Adult and Experiential Learning (a not-for-profit organization dedicated to helping all adult learners, regardless of their backgrounds, to enhance their economic and educational opportunities).

The Bank welcomes the opportunities presented in the OMWI provision of the Dodd-Frank Act to continue strengthening its diversity and inclusion efforts. The 2017 OMWI Annual Report highlights many of the New York Fed's efforts related to workforce diversity, business and supplier diversity, economic education, and community outreach. It also includes reportable spend data concerning the Bank's minority-owned and women-owned contractors, as well as a demographic profile of the Bank's workforce. This report describes the specific steps taken and assesses the progress made, as well as challenges encountered, towards advancing diversity and inclusion. This report concludes with a discussion of the plans in place to move the Bank's initiatives forward.



# Overview

## *The Federal Reserve Bank of New York*

The New York Fed works within the Federal Reserve System (“the System” or “the Fed”) and with other public- and private-sector institutions to foster the safety, soundness, and vitality of the nation’s economic and financial systems. It is one of 12 regional Reserve Banks that, together with the Board of Governors and the Federal Open Market Committee in Washington, D.C., make up the Federal Reserve System. Congress created the Fed in 1913 to serve as the central bank of the United States.

The New York Fed serves the Second Federal Reserve District, which includes New York State, the 12 northern counties of New Jersey, Fairfield County in Connecticut, Puerto Rico, and the U.S. Virgin Islands. Though this represents a geographically small area compared with those of the other Federal Reserve Banks, the New York Fed is the largest Reserve Bank in terms of assets and volume of activity. The Bank has approximately 3,100 employees located primarily at its head office in Manhattan and its operations center in East Rutherford, NJ.

The New York Fed has three principal missions:

- to contribute to the development of monetary policy and execute the monetary policy decisions of the Federal Open Market Committee;
- to support financial stability in the United States and abroad through the supervision of financial institutions and payment systems pursuant to authority delegated by the Board of Governors, and through market- and payment systems-monitoring, as well as lender-of-last-resort responsibilities; and
- to promote and provide safe and efficient financial services to financial institutions, the U.S. government, and foreign central banks.

## *The Office of Minority and Women Inclusion*

In compliance with Section 342 of the Dodd-Frank Act, the New York Fed established an Office of Minority and Women Inclusion in 2011 and placed responsibility for the Office in the Bank’s existing Office of Diversity and Inclusion. The Bank took immediate actions to ensure compliance with all aspects of the Act, building on its long-standing efforts to promote equal employment opportunity and workforce diversity, to foster diversity with respect to the Bank’s procurement practices, and to engage in outreach to the community. The Office of Diversity and Inclusion is located within the Bank’s Executive Office, which allows for direct access to, and support by, the Bank’s President and First Vice President.



# Workforce/Workplace Diversity and Employee Outreach

*The New York Fed remains strongly committed to attracting, developing, and retaining a diverse workforce, and to fostering an inclusive work environment in which all employees have the opportunity to contribute fully and achieve professional growth. In support of this commitment, the Bank utilizes a comprehensive workforce diversity strategy that incorporates the recruitment efforts outlined in the Dodd-Frank Act.*

Appendices B and F provide information on the Bank's workforce representation in 2017.

## Progress

In 2017, the Bank built upon its commitment to fostering a diverse and inclusive workforce in order to meet the future needs of the nation's evolving economic and financial systems.

Human Resources (HR) advanced their strategy to support employees from all backgrounds in achieving their full potential. Building on efforts initiated during 2014, Human Resource's 2017 priorities included working with business leaders to recruit the best talent for the Bank through its commitment to a diverse slate in its hiring practices, and providing opportunities for staff to manage and develop their careers to their highest potential. As such, activity was focused in the areas of (1) recruitment and pipeline development; (2) talent development and retention; (3) follow up to the Bank's Employee Engagement Survey; and (4) succession planning initiatives. Accomplishments are outlined below.

## Talent Acquisition

### 1. Diversity Recruiting Pipeline Development

In 2017, the Bank continued to identify opportunities to strengthen its recruitment of diverse talent and to focus on pipeline strategy and development. Efforts were focused in three areas: (a) continuing to leverage the key strategic Diversity Partner Organizations (DPOs) to source talent at both the entry and experienced-hire levels; (b) contracting with seven retained search firms that understand the Bank's expectation that they will use their best efforts to identify a diverse slate of qualified and interested individuals to fill open positions; and (c) continuing to use enhanced diverse slate metrics and

reports that enable the Bank, and individual business areas, to better track and measure progress with respect to workforce diversity efforts.

In addition, in Q4 of 2017, the Bank centralized all of its new and existing diversity pipeline programs within Campus Recruitment. Two new positions (a Diversity & Inclusion Talent Lead and a Junior Recruiter) were added to the Campus Recruitment Team in support of this effort. The purpose of this centralization is to streamline processes across the Bank's Business Groups while proactively supporting the Bank's increased focus on cohort-based hiring at the junior talent level in an effort to boost diversity hiring.

From January 23 until July 1, 2017, the New York Fed operated under the guidance of a federally-mandated hiring freeze. This impacted the Bank's ability to fill positions externally and therefore reduced the opportunity to hire diverse talent into the Bank.

The newly hired Diversity & Inclusion Talent Lead is responsible for designing and executing a diversity and inclusion recruitment strategy at the Bank. Prior to joining the Bank, the Diversity & Inclusion Talent Lead has held positions in Diversity and Inclusion recruiting in multinational professional services firms and nonprofits. The role includes: (1) managing and strengthening the Bank's relationships with DPOs; (2) partnering with the Employee Resource Networks, Office of Diversity and Inclusion and other groups within the Bank to advance the diversity and inclusion strategy; and (3) devising and executing strategy for both campus and experienced hire recruiting that will align with the overall goals and priorities of the Bank. This position was created as a result of the Diversity & Inclusion strategic plan undertaken in 2016-17.

## a. Leveraging DPOs

The Bank also continued to leverage its partnership with INROADS and SEO Career in sourcing undergraduate student talent for the Summer Intern Program. The mission of INROADS is to develop and place talented underrepresented youth in business and industry and prepare them for corporate and community leadership. SEO Career is a professional development and internship program focused on talented Black, Hispanic, and Native American undergraduates and pre-law school candidates. SEO Career provides candidates with the education, development, growth, and experience needed to gain a competitive advantage and launch their careers. Both partner organizations continue to provide top diverse talent for the Undergraduate Student Summit. With regards to the graduate student level, the Bank started a partnership with JumpStart in Q4 of 2017. The mission of JumpStart is to connect employers with exceptionally qualified diverse professionals.

The Bank also continued to participate in the System-wide collaboration to advertise at national diversity recruiting conferences. In 2017, the Bank participated in the national conference “Power of Performance: Leadership at the Next Level,” hosted in Philadelphia, PA by the National Society of Hispanic MBAs (NSHMBA/ Prospanica) and the National Black MBA Association (NBMBA). The Bank also attended the Reaching Out MBA (ROMBA) Conference held in Boston, MA. Recruiters and representatives from the Bank’s Business Groups, the Office of Diversity and Inclusion, and Bank Resource Networks attended the conferences on behalf of the Bank. Advertising and recruiting at these and other nationally recognized conferences helped the Bank identify diverse candidates at both the entry and experienced-hire levels, and provided opportunities to further build awareness about the Fed as an employer of choice.

The Bank held its third annual Undergraduate Student Summit to identify high potential, diverse undergraduate college students. Students participated in a two-day, on-site event offering business and career development workshops. Additionally, the Summit provides brand awareness to build an interest in the New York Fed as an employer of choice, and aims to create a diverse and robust pipeline for the Summer Analyst Program. The program runs from June to August and provides students with the opportunity to gain valuable work experience in public service at the Bank. The overall Summit program included an orientation, welcome

breakfast, gold vault tour, business overview workshops (panel discussions), development workshops (insights assessments, interview preparation, and business case study), networking reception and “Interview Superday.” At the conclusion of the Summit (day two), 23 participants interviewed for the 2018 Summer Analyst Program. Seven of the 23 students will be joining our 2018 Summer Analyst Program. In addition to the Undergraduate Student Summit, the Bank hosted a Graduate Student Summit for the first time in October 2017. Similar to the undergraduate event, the Graduate Summit provided an insider’s view of the New York Fed’s core mission and responsibilities and the opportunity for participants to interview for a 2018 Summer Associate role. Twenty graduate students visited the Bank over a two-day period during the Summit and had the opportunity to hear from and network with a cross-section of Bank representatives including the Bank’s President, who delivered opening remarks at the event reception. As of the date of this report, four of the 20 students will join our 2018 Summer Associate Program.

In February 2017, the Bank hosted approximately ninety guests for its first annual Experienced Summit. The guests were a mix of diverse business professionals who had an interest in learning more about what the Central Bank does and how it operates. The topic of the evening was “The Central Bank and its Relevance to the Economy,” and the evening commenced with an opening by the Bank’s First Vice President. Attendees then heard from a panel of senior officers representing several areas of the Bank. Members of the Employee Resource Networks were invited to a reception following the panel discussion to answer questions and network with attendees. The program led to significant interest in joining the Bank from attendees, but as previously noted, the federally mandated hiring freeze impeded the Bank in its ability to make offers to interested candidates. The Summit will be run again in 2018.

In 2017, the Bank continued with its “Day in the Life” social media series featuring diverse intern candidates and highlighting various Bank Business Groups. In addition, the Bank continued the “Summer Intern Twitter Series” allowing select 2017 summer interns to “live tweet” about their summer experience at the New York Fed. The Bank also continued to rely on several social media campaigns aimed at identifying diverse talent, and also unveiled a Summer Intern video outlining our analyst and associate experiences in 2017. Social media platforms leveraged in 2017 included LinkedIn and targeted recruiting ads and sponsored



updates on Diversityjobs.com, a job site developed by LatPro connecting African Americans, Asian Americans, Hispanics, women, veterans, the disabled, members of the LGBT community, and other minority groups with diversity-friendly companies.

#### **b. Search Firm Diversity**

The Bank continues to work with search firms when necessary and, at the beginning of every search, discusses the need for diversity in the candidates presented. We have renewed contracts with seven of the original ten search firms. All have diversity practices and/or are minority-owned firms. This initiative has enhanced the diverse representation of candidates presented for consideration. The committee that is currently conducting the search for the new President of the Bank has engaged Spencer Stuart, a national executive search firm, and Bridge Partners, an executive search firm with unique expertise in attracting and retaining senior, diverse executives.

#### **c. Diverse Slate Metrics**

The use of diverse slate metrics and reports allows the Bank to better track progress with respect to this protocol at the Bank-wide and business area levels. At least annually (more frequently for larger groups), HR/Talent Acquisition meets with the heads of Bank Business Groups, along with their direct reports, for workforce updates to review hiring metrics, including the diverse slate metrics reports. Focus is intentionally placed on diversity within each Group. In 2017 the process was enhanced to increase EVP exposure to diverse slates for Officer-level hiring within the Group. As in 2016, recruiters in Talent Acquisition continued to receive biweekly diverse slate metrics separated by requisition, thereby raising transparency and awareness of progress with respect to diverse slates, and allowing for ongoing discussions with hiring managers throughout the recruiting process.

#### **d. BankingOnMyCareer.com**

Talent Management assembled and ran a cross-functional team including representatives from Communications & Outreach and the Office of Diversity and Inclusion to create a web page featuring the Bank on BankingOnMyCareer.com. The website is available to the public and helps entry- and mid-level job seekers learn about financial services and connect to potential opportunities developed by the Council for Adult

and Experiential Learning (CAEL). CAEL's mission, as stated on cael.org, is: "We advocate and innovate on behalf of all adult learners, regardless of their socio-economic circumstances, to enhance their economic and educational opportunities. We do this in partnership with postsecondary institutions, employers, government, and communities. We conduct research and develop services and tools to expand opportunities for learning, employability, and career success."

The web page created by the Bank features the New York Fed as a potential employer along with commercial banks, insurance companies, and wealth management shops. Our presence helps tell a more complete story of the financial services industry, and offers an avenue to attract diverse candidates and those who may have otherwise thought that a career in financial services was not feasible.

## **2. Talent Development and Retention**

The Bank continues to assess and enhance its tools, offerings, and programs related to career management and leadership development, and to focus on the mentoring needs of our employees. There are a variety of professional development activities that support the Bank's commitment to diversity and inclusive behavior.

Key accomplishments include:

All Bank staff are required to complete "Cultivating a Community of Diverse People and Thought," an eLearning course, every two years. The eLearning module introduces the business case for diversity, helps participants recognize inclusive behaviors, and defines maturity characteristics for organizations as they relate to diversity and inclusion.

The Bank continues to run "Maximizing Impact through Diversity & Inclusion," a half-day class focusing on diversity and inclusion as a business imperative. It provides deeper insight into the Bank's commitment to explore the role they play in the quality of work output, decision-making, and productivity.

The content of "Maximizing Impact through Diversity & Inclusion" is incorporated into the Bank's flagship leadership and management curricula, including "Preparing to Lead," a six-month, nomination-based program launched in 2014 for prospective people managers, and into the Bank's Management Development Program, a nomination-based program for existing



people managers that spans nine months. The program's goals include introducing the principles of foundational management; creating camaraderie and fostering strong networks between high-performing employees; and instilling the mindset that management begins before formal authority. As with all management and leadership development programs at the Bank, the principles of diversity and inclusion are integrated throughout the program.

The Learning & Development department designed and launched a new program focused on cognitive diversity titled "Facilitating Cognitive Diversity through Inclusive Team Meetings." The class identifies the types of meetings that benefit the most from diversification of attendees, and how to manage the meeting to ensure a benefit from that diverse representation. The class has been incorporated into the Bank's Management Development Program, and offered on a dedicated basis to the Supervision Group in line with a Group-specific strategy.

The Bank launched its third cohort of the Senior Leader Program for 24 senior Officers in 2017. The year-long program focuses on diversity and inclusive behavior as represented by emotional and social intelligence. Expert presenters on diversification of teams and inclusive behavior include Dr. Scott Page from the University of Michigan, author of "The Difference" and "The Diversity Bonus;" Dr. Mahzarin Banaji of Harvard University, developer of the Implicit Associate Test (IAT) and a leading researcher and author on implicit bias; and Dr. Richard Boyatzis of Case Western Reserve, a leading author and expert on emotional intelligence. The Bank also launched a new executive development program, "Managing and Leading Senior People," that is mandatory for all senior Officers (SVP and VP). In addition, the Management Committee (MC) charged the Leadership Subcommittee (LSC) with proposing recommendations to address employee-engagement survey findings central to people management.

The recommendations were accepted and the following actions were proposed and implemented in 2017:

- Developed and launched a communications campaign stressing the importance of people management. The campaign now serves as a branding vehicle for all people initiatives, current and future. "People Management Counts" launched in June 2017 with a reception featuring remarks from the First Vice President, two Executive Vice Presidents, and two additional featured speakers.
- Developed manager and employee tip sheets accessible to all Bank people managers and staff. The tip sheets serve as prompts for high-leverage people management interactions that managers should be practicing on a daily, weekly and monthly basis, including diversification of teams and day-to-day inclusive behaviors.
- Developed a senior Officer-level people management program. As mentioned at left, "Managing and Leading Senior People" was launched in October 2017, and it addresses the critical management challenges faced by senior Bank Officers who, by virtue of their position in the Bank, have a significant scope of influence and impact on advancing diversity and promoting an inclusive environment.

Recognizing that a key lever for inclusion is mentoring, the Bank has shifted from a formal matching- and system-based approach toward mentoring that is more tailored for Bank staff through the existing Employee Resource Networks. For example, in 2017, the Learning & Development department delivered a seminar for the "African American Latino Men's Alliance (AALMA)," one of the Bank's Resource Networks, about self-advocacy in the workplace. Approximately 15-20 leaders of the AALMA Resource Network participated. Learning & Development offered another specialized seminar in 2017 for the WoMEN's Mentoring and Empowerment Network. Additionally, ten women from the MOSAIC Resource Network participated in a series of meetings with senior leadership of the Bank covering topics such as executive presence, managing upward and managing your brand.

The Bank integrates diversity and inclusion measures and criteria into the evaluation and development of its employees. Currently, the Bank includes a diversity and inclusion competency as part of the performance appraisal. Performance reviews at the New York Fed include mid-year and year-end self-appraisals, manager appraisals, and performance review discussions. Thus, employees receive both mid-year feedback and year-end feedback on behaviors related to inclusion during the calendar year. The Bank also implemented a new 365/24/7 feedback module that allow managers to solicit feedback on behalf of their subordinates at any time of the year. Managers can use this data for just-in-time feedback discussions and/or incorporate the feedback into formal mid-year or year-end performance review discussions.

Additionally, the Bank enhanced its multi-source feedback efforts by integrating developmental 360



feedback into three distinct employee and management development programs. The new 360 feedback approach emphasizes interpersonal skills and management skills, and also includes a focus on emotional intelligence. The Bank recognizes these skills as integral to self-awareness and empathy. The 360 feedback programs are designed to yield a comprehensive report that is used to help enhance employee development.

The Bank also integrates diversity and inclusion into its annual talent review process for senior staff and junior Officers, covering more than half of the Bank's population.

In September 2017, the Bank's Management Committee conducted a formal talent review of female and diverse members of the feeder pool for the AVP and VP levels. The review identified prospective candidates for promotion to senior Officer in the next promotion cycle, and identified specific development actions for select female and minority members of the feeder pool.

Finally, diversity representation is tracked annually as part of the Bank's Officer Promotion process, and inclusive behaviors have been incorporated into the Bank's Officer Promotion criteria and nominations.

One of the specific goals included in the Bank-wide objectives is to ensure that the Bank's talent systems are fair. In a first step to measure fairness, the Bank completed three separate comprehensive analyses to assess the degree to which its talent acquisition and learning programs result in equitable outcomes for different subgroups of employees. Results of the analyses showed no systemic differences in the types of individuals the Bank sources and recruits based on gender and ethnicity. Similarly, results also indicated no systemic differences with regard to ethnicity or gender in the nomination of employees to Bank or System learning programs. This includes two in-depth internal management development programs, the New York Fed operations management program, and the Federal Reserve System Leadership programs. Lastly, the analyses also showed no systemic ethnic or gender differences in the enrollment of employees into training programs.

The Bank also offers opportunities for professional development through participation of diverse talent in the Executive Leadership Council (ELC), which is the nation's preeminent organization of black executives, both male and female, in corporate America. Female Bank Leaders attend the Women's Leadership Forum

annually. The Bank also participates in Calibr, the Executive Leadership Council (ELC)'s pipeline program focused on professional development and networking. Several employees are also members of Calibr. ELC has also benefitted the Bank through the identification of several high-profile, distinguished speakers who have taken part in the Diversity Speaker Series.

### **3. Engagement Survey**

The Bank completed its seventh biennial Employee Engagement Survey in 2016. The next survey is scheduled for April 2018. There has been organization-wide and business-level action planning to address findings from the Bank's 2016 Engagement Survey.

Major areas of focus include:

- a concerted effort to enhance people-management capabilities and accountabilities through additional learning, senior leadership endorsement, and a robust marketing campaign;
- bankwide and business Group-level focus groups to further solicit input for specific action planning; and
- activities and programs implemented in various business areas across the Bank to enhance engagement, collaboration, recognition, and people management (e.g. peer recognition, systematic idea generation, and inclusion).

### **4. Succession Planning**

The Bank engaged in its first formal Executive Vice President (EVP)-level succession plan in 2010. Considerations at that time were unidimensional and primarily focused around candidate readiness, with less emphasis on competencies including diversity and inclusion. As such, the first plan did not address diversity and inclusion.

In 2013, emphasis was placed on potential and competencies rather than tenure and "impressionistic" views of effectiveness. Since the 2013 succession plan, nine EVP roles have been filled. All of the EVP roles were filled by internal incumbents (two white females, one Hispanic male, two African American males and four white males), who were amongst those identified in the 2013 succession planning process (which had a 100% success rate) as ready successors.



In July 2017, the Bank completed and submitted the fourth formal succession plan to its Board of Directors. Since the submission of the 2015 plan, three new EVP/Group Heads were appointed (one incumbent represented the combination of two Groups), all of whom were identified in the last succession plan as “Ready Now” candidates.

The Bank continues to make strides in strengthening and aligning senior Officer development, annual senior talent reviews and the senior Officer promotion process, which was enhanced in 2017 and will be further refined in 2018.

There is a continued emphasis on building greater diversity in the pipeline. In summary, the 11 Executive Vice President/Group Heads are comprised of three white females, five white males, two African American males, and one Hispanic male. The “Ready Now” successors are comprised of four white females, five white males and one Hispanic female. The feeder pool, or those designated “Ready Longer Term,” are comprised of nine white females, nine white males, one African American male, one Hispanic female, one Asian American female, and one Asian American male.

In an effort to accelerate the advancement of high-potential diverse talent, the Bank’s Management Committee conducted a diversity talent review in 2017 focused on non-white and female members for potential promotion to senior Officers. This review has resulted in several early-identification candidates for promotion to senior Officer in 2018.

### **Diversity Educational Speakers’ Series**

As in years past, the New York Fed’s Diversity Educational Speakers’ Series continued to educate and inspire Bank employees as well as employees across the System. The series featured accomplished individuals from a variety of backgrounds and experiences. While some speakers shared their personal stories as part of cultural heritage month commemorations, virtually all speakers discussed the leadership principles underlying their lives and professional experiences. Utilizing the Employee Resource Networks in 2017, the Office of Diversity and Inclusion focused on providing diversity and inclusion educational programming across the Bank. The Employee Resource Networks deliver value as part of the Bank’s overall diversity and inclusion strategy. This year, the Office of Diversity and Inclusion focused on augmenting the business value and impact of the Bank’s ten Employee Resource Networks.

A brief overview of some of these programs is set forth below:

- **Black History Month Program — Presentation on “Black Wall Street”**

As part of the Bank’s Black History Month commemoration, University of Michigan Professor Scott Ellsworth discussed the “Black Wall Street” of Tulsa, Oklahoma. Professor Ellsworth, who was born and raised in Tulsa, described how he uncovered the history of Black Wall Street and its ultimate destruction during the Tulsa Race Riot of 1921.

- **Hispanic Heritage Month Program**

In collaboration with the Office of Diversity and Inclusion, the AALMA, MOSAIC, Generations, WoMEN, and Nightlife Resource Networks hosted this year’s Hispanic Heritage Month celebration at the Bank. For the month, the Networks put together a diverse set of programs under the theme “Ahora (Now): The Latin Experience in the 21st Century.” The signature program was a film screening of “Being Enye” followed by a discussion with filmmaker Denise Cox. The film tells the story of first-generation, American-born Latinos — also known as Generation Enye — who often struggle to navigate between two cultural identities.

- **Asian American and Pacific Islander Heritage Month Program**

In recognition of Asian American and Pacific Islander Heritage Month in May 2017, the APNA Resource Network and the Office of Diversity and Inclusion welcomed Minneapolis Fed President Neel Kashkari to the Bank for the month’s keynote program (“A Fireside Chat with Neel Kashkari: From NASA to the U.S. Central Bank”). The fireside chat covered a wide range of topics, from his unconventional career journey as an engineer, investment banker, politician, and central banker to his Twitter habits, and of course, the importance of diversity and inclusion in the workplace.

- **Distinguished Speaker Series**

In June 2017, in a collaboration between the Office of Diversity and Inclusion, Communications & Outreach, and Research & Statistics groups, the Bank welcomed Ursula Burns as part of the Distinguished Speaker Series. Ms. Burns, the first African American female CEO of a Fortune 500 company, served as the Chairman of the Board of Xerox Corporation from 2010 until May 2017. During a fireside chat with the Bank’s Corporate Group EVP, Ms. Burns shared her story with a focus on her long career; challenges she faced; the future of work in a globalized and technology-driven workplace; and individuals who inspired her on her journey.

All of these programs were streamed live and made available to other locations within the Federal Reserve System to enable them to experience the programming in real time.

## RESOURCE NETWORKS

The Bank's Resource Networks, under the direction of the Office of Diversity and Inclusion, entered their tenth year, and as part of ongoing efforts to sustain and support their business impact, an Office of Diversity and Inclusion Officer is assigned to each network as an "Office of Diversity and Inclusion Liaison." The role of the Liaison is to work closely with network Officers and leadership advisors in the general management of the Networks, and to assist each Network in developing and implementing its strategic plans, as well as planning programs throughout the year. The networks are employee-driven, Bank-sponsored groups that support or are interested in a particular diversity dimension. Notably, every network is open to all New York Fed employees. Each network has its own dedicated leadership team and an executive sponsor, who is a senior Officer of the Bank. Resource network leaders participate on an annual basis in a customized strategic-planning session that helps leaders determine how best to meet their members' needs and how to grow their network's impact. Network leaders also have the opportunity to participate in the annual Network and Affinity Leadership Congress (NALC), sponsored by Diversity Best Practices. The NALC provides a forum for New York Fed Resource Network leaders to meet with their counterparts at other organizations and exchange best practices and other information.

In recognition of the tenth anniversary of the establishment of the Resource Networks, the Bank convened a cross-group team to host a number of programs aimed at recognizing the value of the Resource Networks, culminating in a program and reception for all Bank employees: "A Decade of Diversity & Inclusion in Action: Resource Networks Commemoration and Reception."

### IN 2017, MORE THAN 40% OF NEW YORK FED EMPLOYEES ACROSS ALL LEVELS SUBSCRIBED TO THE RESOURCE NETWORKS.

In addition to promoting an inclusive work environment, the Bank's Employee Resource Networks help enhance employee engagement. Employee Resource Network programming and initiatives, which align with the Bank's strategic business objectives, fall into four broad areas: recruitment and retention of diverse talent; professional development; education/innovation; and community involvement. Resource Network professional development activities take many forms, including sponsoring senior Bank leaders for small group discussions on career development strategies. The Employee Resource Networks partner with the Office of Diversity and Inclusion on an ongoing basis to host outside speakers and experts on a range of topics of interest to Bank staff. The Employee Resource Networks also continue to sponsor a wide range of community volunteer opportunities. (See Appendix C for a comprehensive listing of Employee Resource Network Community Engagement activity in 2017.)

## Employee Resource Networks

- African American and Latino Men's Alliance (AALMA)
- Asian Professional Networking Alliance (APNA)
- Disabilities Awareness Network (FedAbility)
- Multi-generational Network (Generations)
- Mentoring, Opportunities, Support, Advancement, Inspiration, and Change for African American and Latina Women's Network (MOSAIC)
- Evening Shift Network (Nightlight)
- Lesbian, Gay, Bisexual and Transgender Employees and Allies Network (OPEN)
- Military Veterans and Families Network (Veterans)
- Women's Mentoring and Empowerment Network (WoMEN)
- Working Families Network (WFN)



In November 2017, the National Association of Securities Professionals (NASP) partnered with the Bank to provide an overview of market trends. NASP is the premier organization that assists people of color and women in achieving inclusion in the financial services industry. The session, an NASP-New York 21st Annual Pre-Symposium, “Keeping Pace when Market Dynamics Shift,” featured the head of the Bank’s Markets Group as the keynote speaker.

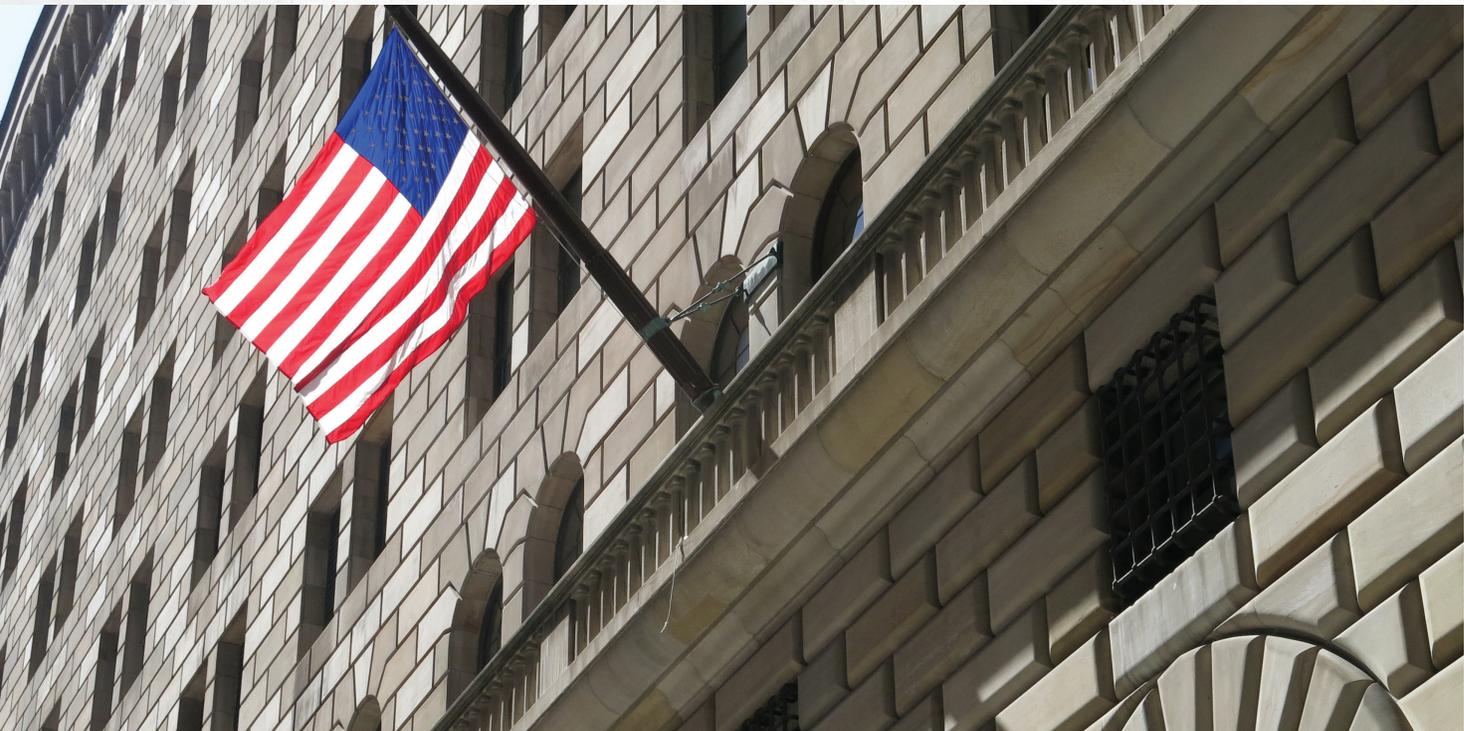
During 2017, the Bank’s Office of Diversity and Inclusion and the HR group engaged with other districts across the System to support efforts by the Conference of First Vice Presidents (CFVP) who identified three high-priority initiatives (HPIs) in the areas of diversity and inclusion. The coordinated efforts, under the direction and guidance of the System’s First Vice Presidents, will help ensure consistent communication and programming across the system.

### Challenges and Next Steps

The Bank remains firmly committed to fostering a diverse workforce and inclusive workplace that is well positioned to address the future challenges of the nation’s evolving

financial and economic systems. The New York Fed continues to work to increase diverse representation among its senior leaders and to enhance its pipeline of diverse talent. Importantly, the New York Fed regularly reassesses its diversity recruitment program to make refinements where necessary and identify new opportunities for sourcing candidates. In 2018, the Diversity and Inclusion Talent Lead will design and execute a Bank-wide diversity recruiting strategy that will include managing and strengthening the Bank’s relationships with DPOs; partnering with the Resource Networks, the Office of Diversity and Inclusion and other Groups within the Bank; and devising and executing strategy for both campus- and experienced hire-recruiting that will align with the overall goals and priorities of the Bank and position the Bank to be an employer of choice.

Many of the positions at the New York Fed require specialized skills and/or advanced study. One of the Bank’s challenges with respect to recruitment is the already strong competition for diverse talent with these skills and/or academic credentials within the financial services industry in New York City. An additional area of challenge is to ensure that the Bank is representative of the region that it supports, today and in the future.





# Business and Supplier Diversity

*The New York Fed remains committed to ensuring that all firms interested in and qualified to do business with the Bank have the opportunity to do so. In an effort to foster diversity in its business and contracting activities, the Bank seeks to promote an environment that provides access and opportunity for minority-owned and women-owned business enterprises seeking to do business with the New York Fed. Bank efforts include engaging with diversity business organizations and industry groups, integrating supplier diversity practices into its core procurement processes, conducting outreach to further develop its database of diverse firms willing and capable of doing business with the Bank, and providing technical assistance to small and diverse businesses within the Second District. The Bank's Business Groups are also committed to supporting diversity and inclusion by ensuring staff and senior leaders are aware of, and engaged in, diversity initiatives across the Bank.*

*In accordance with the Bank's standards and procedures for OMWI contracting provisions required under Section 342 of the Dodd-Frank Act, the New York Fed notifies its vendors of its commitment to workforce diversity and its expectation that Bank vendors share that commitment. The New York Fed also gathers information on the efforts of certain vendors concerning their workforce diversity.*

## Progress

The Bank continued to make progress toward its goals of expanding access and opportunity for small and diverse firms to participate in the business activities of the New York Fed. In 2017, the Bank continued to partner with a range of government agencies, community groups, and diverse business organizations to sponsor eight Access to Capital workshops for small and diverse businesses. In addition, the New York Fed continues to work to further embed its supplier diversity practices into procurement activities across all business lines. In particular, the Bank reinforces the expectation of attention to diversity in procurement, so that whenever possible, business areas include diverse suppliers on all prospective vendor lists. The New York Fed also worked on several fronts to expand its pool of diverse-owned businesses. This section of the report provides additional information regarding the Bank's efforts in all of these areas.

## Business Diversity

The Bank's Business Groups all work to support the strategic diversity and inclusion objectives for the Bank. Below are highlights from two business areas.

During June and July 2017, the Markets Group Market Operations and Monitoring Analysis (MOMA) function,

in collaboration with the Office of Diversity and Inclusion, hosted three Unconscious Bias Awareness sessions for all MOMA staff in New York and Chicago. These sessions introduced "unconscious bias" and how it potentially affects the work environment. In addition, MOMA managers attended a training session featuring Mahzarin Banaji, one of the co-founders of Project Implicit and the Implicit Association Test. Following up on the sessions, staff and managers participated in focus groups to identify specific settings or situations within MOMA that could promulgate unconscious bias. Based on feedback gathered during the focus groups, MOMA worked with the Talent Management staff in HR to design a tailored training for managers on meeting management. The sessions are scheduled to be delivered during the first quarter of 2018 and will be facilitated by external consultants.

In 2017, the Supervision Group sought to enhance its diversity and inclusion practices by forming a working group to create a series of programs, tailored to the business of supervision and consistent with Bank-wide strategic objectives. Under the direct sponsorship of the Head of Supervision, the working group is led by senior managers within Supervision and draws from membership across the group's functions. This level of active participation by supervision professionals, in collaboration with the Bank's Office of Diversity and Inclusion, supports the development of programs

that address the Group’s unique business model and challenges while maintaining the integrity of broader diversity and inclusion solutions.

The operating model envisions drawing from the universe of existing Bank and Supervision programs, and considers new options to ensure a cohesive and complete Diversity & Inclusion framework. During three stages, including building a foundation, communicating consistently, and optimizing by looking at “lessons learned” and adjusting, the operating model envisions a target state where Diversity & Inclusion will be embedded in the culture of the Supervision Group and will be reflected in a climate that enhances the experiences of staff at all levels.

### Access to Capital Forums

The Bank continued to provide “Access to Capital Forums,” a series of programs designed to serve the economic needs of small businesses in the district. The forums help support small business needs throughout the Second District and serve to connect the Bank to public audiences. Topics covered by the forums are informed by the Bank’s annual Small Business Credit Survey. The events bring together experts from the fields of traditional, alternative, and export financing, along with technical assistance providers, who offer tips on business plan formulation. In 2017, the Bank partnered with a diverse range of federal, state and local partners. Forums focus on regional industries; some have focused on food, beverage, and agricultural enterprises while

others have focused on lifestyle businesses. This year, the Bank held forums in Mayaguez, Puerto Rico; Watertown and Bronx, NY; and New Brunswick, NJ. In 2018, plans include Access to Capital programs in Syracuse and Yonkers, NY, and a hurricane recovery forum in Ponce, Puerto Rico, in January.

### Supplier Diversity

In 2017, the Bank’s Procurement Value Management function continued to improve upon the supplier diversity engagement model that it implemented in 2015. The model extends supplier diversity accountability across the entire procurement organization, tying it to performance goals, facilitating increased involvement in outreach activities, and allowing diverse vendors direct access to sourcing professionals.

To grow the Bank’s pool of diverse vendors, the New York Fed continues to develop its strategic partnerships with diverse business organizations: the New York and New Jersey Minority Supplier Development Council (NY/NJ MSDC), the Women Presidents’ Educational Organization (WPEO), the Institute for Supply Management’s (ISM) Diversity Committee, the Financial Services Roundtable for Supplier Diversity (FSRSD) and the National Minority Supplier Development Council (NMSDC). The Bank continued to participate in meetings and conferences with these organizations in 2017. [A listing of the Bank’s 2017 supplier diversity outreach activities is included as Appendix D.] The Bank also leverages these diverse business organizations to identify potential diverse

2017 ACCESS TO CAPITAL FORUMS	
<p><b>April 2017</b> Access to Capital: Entrepreneurs (Mayaguez, Puerto Rico)</p>	<p><b>October 2017</b> Access to Capital: Food, Beverage, and Agricultural Enterprises (Bronx, NY)</p>
<p><b>May 2017</b> Access to Capital: Food, Beverage, and Agricultural Enterprises (Watertown, NY)</p>	<p><b>December 2017</b> Access to Capital: Hispanic Business Community (New Brunswick, NJ)</p>



vendors, benchmark its supplier diversity efforts, and keep abreast of emerging best practices. In 2017, the New York Fed continued its active involvement in the Federal Reserve System Supplier Diversity Workgroup (FRS SDWG), a system-wide collaboration aimed at furthering supplier diversity programs and practices, as well as coordinating national supplier outreach efforts. As part of the New York Fed's involvement with the FRS SDWG, the Bank participated in a national supplier diversity conference sponsored by the NMSDC held in Detroit, Michigan. In addition, the New York Fed attended a vendor outreach fair hosted by the Federal Reserve Board of Governors. Through these opportunities, New York Fed procurement professionals were able to interact with hundreds of diverse suppliers across multiple spend categories, as well as share practices with peers from other districts.

In 2017, the Bank's procurement team completed implementation of a database solution aiming to increase the visibility of capable and willing diverse suppliers for consideration in the Bank's procurement activities. This searchable database provides Bank sourcing professionals a single repository for documenting relevant diverse suppliers, as well as the ability to quickly and efficiently identify diverse suppliers for specific business requirements.

### **Technical Assistance Forums**

In 2017, the Bank hosted two technical assistance forums for diverse firms. In partnership with the NY/NJ MSDC, the New York Fed hosted a forum for minority-owned firms in the New York/New Jersey area. Firms were provided an overview of the Bank's commitment to diversity by the Chief Diversity Officer of the New York Fed; a presentation on "Getting Your Foot in the Door" by the President & CEO of the NY/NJ MSDC; and a discussion including practical advice on the "dos and don'ts" of responding to Requests for Proposal (RFPs) and conducting vendor presentations. The forum included a networking session which gave attendees the opportunity to meet and speak directly with the Bank's procurement staff. [A copy of this technical assistance forum agenda is included as Appendix E]. In a continued effort to provide diverse suppliers with practical information that can be immediately implemented in their business, the New York Fed partnered with the WPEO to present on the topic of competitive bidding. The firms gained a comprehensive understanding regarding the purpose of competitive bidding and the reasons behind

each component of an RFP. Key takeaways included a better understanding of how an RFP is developed and how to better respond to RFPs.

### **Challenges and Next Steps**

The Bank remains committed to ensuring that minority-owned and women-owned business enterprises that are interested in and qualified to engage in business with the Bank have the maximum practicable opportunity to do so. The New York Fed will continue to look for opportunities to work with community organizations, government agencies, and diversity business organizations to sponsor programs that can help small and diverse businesses access capital and build their capacity. In addition, the Bank will continue to develop its strategic partnerships with diverse business organizations such as the NY/NJ MSDC and WPEO to host meetings and offer technical assistance events.

The Bank will continue to embed supplier diversity into its core procurement processes with enhancements to its supplier diversity engagement model. The Bank will also continue to enhance its database of minority-owned and women-owned businesses in an effort to address challenges relating to identifying and contracting with qualified minority-owned and women-owned businesses. One such enhancement is to provide a self-service portal that diverse suppliers can use to provide contact and capabilities information in lieu of relying on email. An improvement such as this will make it more convenient and efficient for suppliers to provide information for inclusion in the database.



# Economic Education and Community Development and Outreach Programs

*The Bank has a long history of providing economic education and supporting financial literacy in the Second District, particularly among high school students. An important part of the New York Fed's mission in this regard is to teach students, educators, and the wider public about the role and impact of the Federal Reserve on the economy, and to encourage underrepresented minorities and women to consider advanced study and/or careers in economics and finance.*

*In addition, the Bank supports economic vitality in the Second District by promoting constructive dialogues around the credit concerns of local communities, and by filling information gaps about business performance, credit options, and business conditions for small business owners. With that intention, the Bank regularly convenes regional, business, and community leaders to provide information, analysis, and technical assistance, and to highlight promising solutions that give special attention to low- and moderate-income communities.*

## Progress

In 2017, the Bank continued its commitment to deliver and enhance a comprehensive program that includes economic education and community outreach initiatives through its Communications & Outreach Group. The Bank delivers educational programs for high school students from underserved populations in the Second District through its targeted school outreach initiative, and by encouraging Title I high school groups to visit the Bank for educational museum tours. Additionally, the New York Fed partners with nonprofit organizations, diversity professional organizations, and schools to enhance financial literacy among underserved high school students. In 2017, the Bank deepened its partnership with the New York City Department of Youth and Community Development to provide financial literacy programs and Museum and Learning Center (MLC) tours to youth in its after-school and internship programs. The Bank also continued to engage in dialogue and build relationships with a wide range of constituencies, in line with its goal to foster economic prosperity throughout the Second District.

## Economic Education and Community Development and Outreach

In 2017, the Bank continued a systematic outreach initiative focused on students from low- and moderate-income communities. The Bank also laid the foundation

for an infrastructure to increase the number of Title I high school groups who participate in Bank programs, and to reach out to community colleges, networks, and enrichment programs serving diverse populations. Select efforts are described in more detail below.

### School Outreach Initiative

New York Fed staff visited schools across the District to present students with an introduction to the Federal Reserve System, its history, monetary policy, and college financing; and to pique student interest in economics and finance. Through the School Outreach Initiative, Bank staff volunteer to conduct presentations and interact with students across the District. In 2017, the program reached more than 640 students. Of those, 395 (62%) were students at Title I high schools. In 2018, the Outreach & Education area will enhance the program by offering presentations virtually, through webinar technology, in order to broaden the program's geographic reach.

### Fed 21

The Bank reaches community college educators through programs such as the "Federal Reserve in the 21st Century" symposium (Fed 21). The program gives college professors an opportunity to hear presentations from Bank economists and senior staff, ask questions, and



network. In recent years, the program has expanded to reach more community college professors, as well as professors from the City University of New York and State University of New York systems. In 2017, representatives from twelve community colleges attended. In addition, the program now includes presentations focused on the New York Fed's market operations. In total, the program reached 75 educators in the Second District in 2017.

### Financial Education Day

Financial Education Day is an annual system-wide program focused on promoting discussions about the importance of financial education among students and educators nationwide. In 2017, the Bank hosted 27 high school and community college educators for an evening of activities to help promote best practices in personal financial literacy. The program included a tour of the Bank's Museum and Gold Vault, to provide educators with an understanding of the Bank's educational museum tour offerings; a keynote address on college financing; and a lesson plan incorporating the Bank's research on the student loan landscape.

### High School and College Fed Challenge

The Bank continues to reach underserved communities through the Maiden Lane division of the Fed Challenges (high school and college). Created in 2015, the Maiden Lane division seeks to educate students who have minimal exposure to economics. One of the main events is a "macro boot camp" in which Bank employees teach the basics of monetary policymaking and case study analysis. In 2017, eight high schools, including some designated as Title I schools, participated in the program. Out of the eleven schools that participated at the college level, eight teams represented public institutions, including six community colleges. Across the high school- and college-level challenges, the Maiden Lane division reached more than 180 students in the Second District. Consistent with its goal of honing students' skills in policy analysis, the winning team of the College Fed Challenge's Maiden Lane division, Lehman College (in the City University of New York system), traveled to the Board of Governors to observe the National College Fed Challenge.

### Museum and Learning Center

A key pillar of Outreach & Education's strategy to broaden its reach to Second District low- and moderate-

income communities includes leveraging the Bank's newly renovated MLC. Youth outreach in the MLC has focused largely on educational programming targeting Title I schools in the region, and on offering customized programming to youth organizations that serve majority-minority populations. In 2017, these efforts took three forms: creation of content, in the form of new exhibits accessible to students and the general public, to teach about the role of the Federal Reserve; targeted outreach to Title I schools for guided educational tours; and youth and community organization outreach aligned with the Bank's goals and priorities.

- **New Exhibits and Title I Outreach:** The Bank has undertaken a multi-year effort to modernize the MLC space and exhibits, and to position the MLC as a hub for connecting the Bank with district communities through a variety of community outreach and education programming. In 2017, the MLC hosted 478 school tours, 83 (17%) of which were Title I schools. During the year, the MLC welcomed nearly 22,000 (21,954) visitors.
- **Youth and Community Outreach:** In 2017, Outreach & Education, often in collaboration with the Office of Diversity and Inclusion and the Resource Networks, delivered educational programming to a number of youth programs that serve low- and moderate-income student communities. Programming typically includes guided educational museum tours, networking opportunities with Bank staff, and an economic/ financial education learning module. This initiative aims to provide young women and minority youth across the District access to the work of the Fed, and to careers in economics, and to encourage an interest in economics and finance as a field of study and career choice.
- **Groups that visited the MLC in 2017 include:**
  - Newark (NJ) Public High School Teacher Development Day
  - NABA Northern New Jersey Accounting Careers Awareness Program (ACAP)
  - Girls Advocating Leadership and Strength
  - NYU GSTEM Summer Program
  - The NYC Department of Youth and Community Development Opportunity Youth Program
  - The Paulo Freire Charter School

### Community Development and Outreach

To help foster community development across the District, the Bank focused its efforts in 2017 on projects that make relevant and objective information available to



as broad a group of constituents as possible, and engage with low- and moderate-income audiences to better understand their needs and challenges. As a result of this two-way dialogue, the Bank has broadened the annual survey of small business owners to include more minority representation; continued to deliver technical assistance clinics to small businesses in the region; delivered new data tools to help community-development professionals; enhanced its programming to ensure Community Reinvestment Act (CRA)-qualified investments and service meet the needs of low- and moderate-income populations; and supported Bank President Dudley on his regional outreach visits to communities within the Second District. Select efforts are described in more detail below.

### National Small Business Survey

The New York Fed leads an annual survey partnership of the twelve Federal Reserve Banks. Focused on micro- and small-businesses, the Small Business Credit Survey collects data from small firms across the country and provides information about their credit and service needs to policymakers, lenders, and service providers. The survey is distributed in partnership with hundreds of local, state, and national business organizations. The 2016 survey was the first national survey sample from this partnership, yielding responses from nearly 16,000 small businesses and self-employed individuals. In 2017, the Reserve Banks produced a series of special-topic reports from the data, including reports on startups, women-owned firms, minority-owned firms, and micro-businesses. The Banks work with a diverse set of national and local chambers of commerce, including the National Black Chamber of Commerce, National Hispanic Chamber, and National Association of Women Business Owners, to distribute the survey. The 2017 survey is the second national survey sample, and a key-findings report will be released in Q1 2018.

### Community Credit

Community Credit, a new digital tool book and special report series, describes the financial health of communities by examining local credit conditions. The tool is designed to make practical and timely measures of financial well-being, viewed through the everyday lens of consumer credit, widely accessible to community development practitioners. The metrics, which center on degrees of financial access, stress, and mobility, are aimed at establishing consistent benchmarks that can be used by national and local leaders to evaluate financial-capability and economic-

mobility programs. In 2017, the Bank's Community Development team partnered with philanthropic, nonprofit, and government leaders to discuss how Community Credit measures can be used to improve financial health, help target nonprofit resources, and assist communities in measuring change over time. The Bank also piloted a city-focused Community Credit report about local credit conditions in Rochester, NY. Local stakeholders are using the city- and neighborhood-level analysis in the report to focus anti-poverty initiatives in Rochester. In 2018, local reports are being planned for Long Island, Puerto Rico, and additional localities in the Bank's Second District.

### Puerto Rico Small Business Survey

As the Puerto Rican economy grapples with a decade-long recession, policymakers and local practitioners are seeking high-quality data on the state of important sectors, including small- and medium-sized businesses. Currently, reliable data on business growth challenges or financing and credit conditions in Puerto Rico are limited. The New York Fed, in partnership with local civic groups in Puerto Rico, launched the first survey of businesses on the island in Spring 2016 to help fill this information gap. The survey includes information about business conditions, financing needs and availability, growth barriers, and technical assistance needs. A report on the 2017 findings will be released in Q1 2018, and the next survey, which will address the island's recovery from Hurricane Maria, is expected to launch in March 2018.

### Community Development Finance

Outreach & Education formally launched the Community Development Finance Initiative (CoDeFi) in November 2017. CoDeFi formalizes Outreach & Education's work in community development finance and the Community Reinvestment Act (CRA) by working closely with regional organizations to increase the effectiveness of community investments in the Second District. A community development finance progression model was created to leverage the Bank's strengths in its ability to:

- **Analyze** — offer independent, nonpartisan data-driven analysis;
- **Educate** — help guide community organizations and local actors to play a more active role in community development finance and CRA efforts; and
- **Connect** — convene and encourage collaborations between financial institutions, capital providers, community organizations, social entrepreneurs,



academia, foundations, and economic development agencies, among others.

CoDeFi is coordinated in conjunction with the Bank's Supervision Group, which leads CRA examinations of financial institutions.

Based on intelligence from a community listening session in Elmira, NY, CoDeFi launched its efforts with a resource guidebook for the city, "Investing in our Communities: A Resource Guidebook for Elmira, NY." The guidebook identifies and leverages existing data sources and pertinent resources on Elmira, a city grappling with many economic development challenges. It serves as an introduction to the community and provides context for organizations seeking to make investments in the city, including financial institutions fulfilling CRA requirements. In 2018, resource guidebooks will be developed in two additional counties: Middlesex County, NJ and Orange County, NY.

The Bank also developed a case study on broadband investment, which serves as an interactive educational tool. The case study complements a framework on broadband and CRA eligibility developed by the Dallas Fed. The framework and case study provide a toolkit for those seeking to bring digital opportunities to underserved, rural, and tribal communities through access to high-speed broadband. The case study was piloted during a CRA and Digital Divide training in New York State's North Country Region, and a training workshop was also given in Buffalo, NY in November 2017.

To aid communication and enhance knowledge sharing, Outreach & Education created an online CRA Portal—a one-stop-shop for community organizations, financial institutions, and other stakeholders to access information on the CRA. The website includes a "Find Your Bank" feature that allows users to more easily find information on the CRA performance of banks in their communities. The portal also includes information provided by the Board of Governors for financial institutions operating in designated disaster areas following the 2017 disasters in Texas, Florida and Puerto Rico.

### **Transforming Communities: Driving and Assessing Investment**

In partnership with the Local Initiatives Support Corporation (LISC), Outreach & Education organized the conference "Transforming Communities: Driving and Assessing Investment," hosted at the Bank. The conference brought together leaders in community

development finance to advance discussion of current topics in the field.

Key topics included: how existing community development finance tools impact communities and the extent to which these tools have affected community transformation; the most effective metrics to measure outcomes and access impact; and how the traditional community development sector and the emerging investing sector can address funding gaps. The audience was comprised of senior leaders representing nonprofit, public, and private sectors from the Second District. In addition to the 75 attendees, more than 340 community leaders saw the live broadcast. Among the speakers were Denise Scott, Executive Vice President for the Local Initiatives Support Corporation's (LISC) national and local programs; Eric Belsky, Director of the Division of Consumer and Community Affairs, Federal Reserve Board of Governors; and Maria Torres-Springer, Commissioner, New York City Department of Housing Preservation and Development.

### **Workforce Development Initiative**

The Bank has made a strategic effort in workforce development to promote dialogue and greater understanding of promising policies and programs that connect employers with skilled employees. Specifically, the Bank supports low- and moderate-income communities in moving toward self-sufficiency in the labor market, through forums highlighting promising research and practices. The Bank continues its workforce-development initiatives with the dual mission of helping to meet current and future employment demands.

Workforce-development efforts included four main programs in 2017. First, the Bank continued its partnership with the Business-Higher Education Forum, in conjunction with academic and IT/financial industry entities, to help increase diversity in the tech workforce. Second, in an effort to raise awareness of in-demand, middle-skill jobs in the Greater Rochester area, the Bank continued its "Leading the Way" video campaign. The video campaign is organized in conjunction with three local Pathways in Technology (P-TECH) Early College High Schools, in both urban and rural areas. The students are challenged to create short video clips demonstrating their understanding and practice of technical and professional skills applicable to key regional industries. Third, the Bank continued its efforts to build stronger partnerships between industry and post-secondary institutions by surveying 34 public New York State community colleges about their employer-



engagement efforts. The survey provides qualitative and quantitative data on the capabilities and practices of community colleges and how they engage with the private sector. The survey aims to provide a greater understanding of strategies that connect employers with a skilled workforce. A full report of the Community College Employer Engagement Survey findings, and a corresponding conference, are slated for 2018. Finally, in partnership with the Federal Reserve System, the New York Fed co-led the Investing in America's Workforce Initiative, and organized four regional meetings in Western NY, Downstate NY, Northern NJ, and Puerto Rico to better understand the opportunities and challenges of workforce-development investments. The Bank also led discussion sessions in a capstone conference in Austin, Texas in October 2017, where the Federal Reserve System released a national report of workforce insights from more than 50 regional meetings. In 2018, the Bank will contribute a paper on employer partnerships for a publication connected to this initiative.

### **President's Regional Outreach Visits**

President William C. Dudley continued to systematically tour specific regions throughout the Second District, focusing on low- and moderate-income communities. These outreach visits, which this year included trips to Plattsburgh, Potsdam, Watertown, Syracuse, Ithaca, Rochester, Buffalo, and Queens in New York, as well as Northern New Jersey, are developed as a way to share research findings and new data tools; gather insights on local economic conditions that will help inform monetary policy; and strengthen the Bank's ties with the diverse constituents of the Second District. Several regional visits in 2017 inspired additional programs, including a Community Investment Act (CRA) and Digital Divide Training in Potsdam, and a Community Credit Briefing in Rochester. In 2017, Outreach & Education also partnered with the Board of Governors to organize a workforce-development and community college regional visit in the Rochester, NY area for Governor Lael Brainard. In 2018, Presidential regional outreach visits are slated to include Puerto Rico and the U.S. Virgin Islands, and Buffalo, Niagara Falls, the Bronx, and Brooklyn in New York.

### **CUNY Scholars Program**

The Bank partners with the City University of New York (CUNY) to provide undergraduate students with real-world work experience through the CUNY Scholars

Program. CUNY Scholars are placed in business areas across the Bank and contribute to initiatives including audit, outreach, data science, strategic planning and technology. Over the last four years, the Bank has expanded the program from one student in 2013 to 15 students in 2017, across 12 business areas in eight groups. In 2018, the Bank will continue to build out this program through partnerships with The State University of New York as well as Per Scholas, a nonprofit organization dedicated to providing employment opportunities for underrepresented groups in the IT professions.

### **Community Advisory Group**

In 2017, the Bank launched a new, external advisory group, The Community Advisory Group (CAG), sponsored by Communications & Outreach. The CAG's objective is to present views and perspectives on the economy and monetary policy held by individuals and households from a diverse set of communities in the Second District to senior management of the Bank. The group is composed of leaders from the nonprofit sector, and includes organizations focused on issues such as community development, community investment, financial inclusion, and workforce development. The group focuses on understanding the economic needs and realities of individuals and households from a range of communities, such as youth, seniors, veterans, immigrants, and rural populations. The Bank currently has several advisory groups, including the Advisory Council on Small Business and Agriculture, the Upstate New York Regional Advisory Board, and the Community Depository Institutions Advisory Council.

### **Challenges and Next Steps**

An ongoing challenge for the Bank's community development and education efforts remains reaching broader audiences across the geographically diverse Second District. We continuously strive to widen our reach and to create a two-way dialogue with a variety of communities in the region. In order to do so, the Bank will aim to expand programming to more areas of New York State, New Jersey, Connecticut, and Puerto Rico. We also plan to focus on these geographic areas by enhancing analytical tools for community development and education efforts.



## Looking Forward

The Bank continues to build on the foundation created in 2011, the implementation year of Section 342 of the Dodd-Frank Act, to leverage its commitment and learning to better advance its diversity and inclusion goals with respect to workforce diversity, business and supplier diversity, and economic education and outreach. Importantly, the New York Fed's senior management team formally reaffirmed its commitment to sustaining and advancing diversity and inclusion as a means to improve the quality of outcomes and the quality of work experience for Bank employees. The Bank remains committed to dedicating the necessary Bank resources to help move more defined and targeted initiatives forward. Adhering to the strategic plan with a focus on workforce and workplace diversity, the Bank will closely monitor progress as it executes these defined strategic objectives, as well as monitoring and sustaining progress on supplier diversity, community development, outreach and economic education. To do so, the Bank will continue to collaborate across business groups within the Bank, as well as with diversity partner organizations, and to share learning and effective practices that maximize the impact of our diversity and inclusion efforts.

With respect to workforce diversity, the Bank remains committed to enhancing representation of minorities and women at the senior Officer level, and to expanding and further developing its pipeline of diverse talent. As the Federal Reserve System adhered to the spirit and intent of the federal hiring freeze, the opportunities to diversify the workforce through external recruitment diminished. The Bank is aware of this and will seek to maximize the value of each opportunity to externally recruit, to make progress toward greater workforce diversity. The New York Fed will reassess its diversity recruitment program on an ongoing basis to make refinements where necessary and identify new opportunities for sourcing candidates. The Bank will continue to work to strengthen and fully leverage its partnerships with select diversity professional organizations. Additionally, the New York Fed will continue to support its diversity recruitment social media campaign in 2018.

The 2017 Annual OMWI Report highlights many of the Bank's existing diversity and inclusion initiatives and outlines plans in place for 2018. The Bank will continue to emphasize the diverse-slate approach in procurement, ensuring that, whenever possible, business areas make a reasonable effort to include minority- or women-owned businesses on all prospective vendor lists. The New York Fed will work to enhance its sourcing and outreach efforts to grow its pool of diverse-owned vendors.

The Bank will continue to work to enhance its economic education outreach to underserved high school students, and promote careers in economics and finance to the diverse communities of the Second District. In 2018, the New York Fed will continue to reach out to Title I high schools and community colleges through programs such as the High School and College Fed Challenge. The Bank will continue to explore and refine its cohort-based hiring approach as well as explore graduate- and experienced-level engagement. In keeping with the Bank's objective to strengthen the ties between the New York Fed and local communities, the New York Fed will continue to leverage multiple avenues to engage in dialogue and build strong relationships with a wide range of Second District stakeholders.

The New York Fed appreciates the opportunity to report on its progress in strengthening the Bank's diversity and inclusion program. To effectively fulfill the New York Fed's public service mission, the Bank must continue to ensure that diversity and inclusion are core considerations in its recruitment, procurement practices, outreach, and partnerships with Second District constituencies and community groups. For this reason, the New York Fed views the principles underlying Section 342 of the Dodd-Frank Act as critical to the long-term success of its core mission.



## Appendix A *Diane T. Ashley Biographical Information*

**Diane T. Ashley**, Vice President

Chief Diversity Officer and Director, Office of Minority and Women Inclusion

The Federal Reserve Bank of New York

Diane T. Ashley is Chief Diversity Officer in the executive office of the Federal Reserve Bank of New York (FRBNY). She is also director of FRBNY's Dodd-Frank mandated Office of Minority and Women Inclusion. An industry leader with more than 20 years of experience in diversity-related roles, Ashley launched the Federal Reserve System's (FRS) first Office of Diversity and Inclusion in 2007. Her function has served as a model throughout the FRS, and has been recognized nationally. During her tenure, Ashley has made presentations at Reserve Banks, the Federal Reserve System's Conference of Board Chairs and Audit Chairs Committee, as well as Rutgers University and NYU Wagner Graduate School of Public Service. A member of the Executive Leadership Council since 2004, Ashley recently completed two terms as a board member. She is a charter planning member of the ELC Women's Leadership Forum. Notably, in 2010, she hosted ELC women in a private conversation with then-Federal Reserve Chairman Ben Bernanke. She has been an active member on six nonprofit boards. She currently serves on the boards of Rutgers University School of Business and the New York Theological Seminary, an accredited graduate institution, serving as board chair from 2002-2012. Prior to joining FRBNY, Ashley worked at Citigroup, leading efforts in diversity recruitment, workforce diversity, and the re-launch of supplier diversity. Under her leadership, Citi's spending with women and minorities increased from \$400M to \$1B, with two pilot programs established in Europe. Ashley holds a bachelor's degree in French from Yale University, with a year of study at the Sorbonne in Paris. She also earned a Master of Education degree in Human Resources Education from Boston University and a Juris Doctor from Rutgers University School of Law.

# Appendix B *Federal Reserve Bank of New York Workforce Information Report*

			JOB CATEGORIES											
			Executive/Senior Managers	First/Mid-Level Managers	Professionals	Technicians	Sales Workers	Administrative Support	Craft Workers	Operatives	Laborers & Helpers	Service Workers	TOTAL	
HISPANIC OR LATINO	MALE		1	23	99	3	0	6	5	6	0	22	165	
	FEMALE		0	22	89	0	0	30	0	11	0	2	154	
NON-HISPANIC OR LATINO	MALE	WHITE	23	328	537	1	0	22	41	8	0	57	1,017	
		BLACK OR AFRICAN AMERICAN	3	22	98	0	0	16	6	10	0	27	182	
		NATIVE HAWAIIAN OR PACIFIC ISLANDER	0	0	2	0	0	0	0	0	0	0	2	2
		ASIAN	1	54	281	1	1	12	1	18	0	5	374	
		AMERICAN INDIAN OR ALASKAN NATIVE	0	0	0	0	0	0	0	0	0	2	2	
		TWO OR MORE RACES	0	4	7	0	0	0	0	0	0	0	11	11
	FEMALE	WHITE	19	195	362	0	1	53	0	3	0	12	645	
		BLACK OR AFRICAN AMERICAN	0	39	139	0	0	55	1	17	0	8	259	
		NATIVE HAWAIIAN OR PACIFIC ISLANDER	0	0	0	0	0	0	0	0	0	0	0	0
		ASIAN	1	61	212	0	1	14	0	10	0	0	299	
		AMERICAN INDIAN OR ALASKAN NATIVE	0	0	0	0	0	0	0	0	0	0	0	0
		TWO OR MORE RACES	0	2	7	0	0	1	0	0	0	0	10	10
OVERALL TOTALS			48	750	1,833	5	3	209	54	83	0	135	3,120	

## Appendix C *Employee Resource Network Community Engagement*

PROGRAM/ PROJECT NAME	EXTERNAL PARTNER ORGANIZATION	RESOURCE NETWORK(S)	TYPE OF OUTREACH	MONTH OF OUTREACH	DESCRIPTION
<b>High School for Economics and Finance</b>	Networking for Teaching Entrepreneurship and Finance	AALMA	Financial Education	May	Volunteers judged competitions where NY metro students pitched innovative business ideas.
<b>Food Drive</b>	Food Bank for New York City	AALMA	Community Affairs	October	Volunteers interacted with and assisted families in making selections from the food bank.
<b>School Drive</b>	United Way of New York City	APNA	Supply Drive	July	Annual school supply drive benefitting low-income NYC elementary students.
<b>Read Ahead (Formerly Power Lunch)</b>	New York City Department of Education	APNA	Educational/ On-site School Visits	September & May	The year-long Read Ahead program allows Bank employees an opportunity to read to kids bimonthly during their lunch hour at a school in the nearby Chinatown community.
<b>Disability Mentoring Day</b>	National Business Disability Council & NYC Mayor's Office	FedAbility	Student Mentoring	October	FedAbility hosted a one-day mentoring program for students with disabilities (college students and recent college graduates), interested in learning about the skills and education needed to succeed in the banking industry.
<b>Special Olympics</b>	Special Olympics Committee	FedAbility	Community Outreach	June	Bank volunteers, friends and family served as athlete escorts. Each volunteer paired with a Special Olympics athlete.
<b>Clothing Drive</b>	AABR	Generations	Clothing Drive  Winter Accessories	December	Generations co-sponsored a winter accessories drive (hats/scarves/gloves) that were delivered to AABR.
<b>GALS Mentoring Initiative</b>	Girls Advocacy and Leadership Program	MOSAIC	Mentoring	April	MOSAIC sponsored a career discussion with young women during lunch.
<b>Gay Men's Health Crisis Food Services</b>	Gay Men's Health Crisis	OPEN	Other Volunteer Project	Multiple Dates	Volunteers wrapped gifts while interacting with GMHC members. Gifts were distributed during the annual holiday dinner.
<b>Military Networking</b>	Fleet Week	Veterans	Community Outreach	May	Employees hosted information sessions and luncheons for military personnel and accompanied attendees on museum and gold vault tour.
<b>Supply Drive</b>	NA	Veterans	Supply Drive	October	Veterans' Network sponsored Bank-wide collection of holiday gifts for troops abroad.
<b>High School for Economics and Finance</b>	WISE	WoMEN	Financial Education	September - March	Volunteers led an introductory personal finance course on-site for High School for Economics and Finance students.

## Appendix C *Employee Resource Network Community Engagement (continued)*

PROGRAM/ PROJECT NAME	EXTERNAL PARTNER ORGANIZATION	RESOURCE NETWORK(S)	TYPE OF OUTREACH	MONTH OF OUTREACH	DESCRIPTION
<b>United Way NYC Women's Leadership Council</b>	United Way	WoMEN	Supply Drive	September	Network built and packed Dr. Seuss literacy kits for Read NYC schools.
<b>EROC Food Drive</b>	Rutherford Community Food Pantry	Working Families Network, Generations	Supply Drive	November	Volunteers donated items to the food pantry, which meets both emergency and ongoing needs of community members.

## Appendix D *Federal Reserve Bank of New York Supplier Diversity Outreach Activities*

<b>MONTH</b>	<b>ORGANIZATION</b>	<b>ACTIVITY</b>
<b>January</b>	Women Presidents' Educational Organization	WPEO Annual Awards Breakfast
<b>February</b>	Institute for Supply Management	ISM Members Meeting
<b>March</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Strategy Session for 2017
	Financial Services Roundtable for Supplier Diversity	FSRSD Members Meeting
	Institute for Supply Management	ISM Members Meeting
<b>April</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
	Institute for Supply Management	ISM Supplier Diversity Expo
<b>May</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Members Meeting
<b>July</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Members Meeting
	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
<b>August</b>	Women Presidents' Educational Organization	NY Corporate Roundtable and Luncheon "Looking to the Future"
	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
<b>September</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
	Institute for Supply Management	ISM Members Meeting
	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
	New York and New Jersey Minority Supplier Development Council	NY/NJ MSDC Members Meeting hosted at the New York Fed
	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting
<b>October</b>	National Minority Supplier Development Council	2017 NMSDC Conference and Business Opportunity Exchange
<b>November</b>	Financial Services Roundtable for Supplier Diversity	FSRSD Benchmarking Subcommittee Meeting



## Appendix E *Federal Reserve Bank of New York Technical Assistance Forum*

### **Technical Assistance Forum for Minority-Owned Businesses in Partnership with the New York and New Jersey Minority Supplier Development Council**

This event acquainted suppliers with the Bank, reviewed best practices in responding to RFPs and provided the opportunity to meet and network with representatives of the Bank's procurement function.

#### **AGENDA**

**Friday, November 3, 2017**

#### **Presentations 9:30 AM - 11:00 AM**

- **Welcome** — Chief Financial Officer and Executive Vice President, Corporate Group and Strategic Sourcing Associate, Bank's procurement team
- **Getting Your Foot in the Door** — President & CEO of NY/NJ MSDC
- **The Bank's Commitment to Diversity** — Chief Diversity Officer, Office of Diversity and Inclusion
- **The Dos and Don'ts of RFP Responses and Vendor Presentation** — Strategic Sourcing Officer, Bank's procurement team

**Networking: 11:00 AM - 11:30 AM**

# Appendix F *2017 Core Measures*

FEDERAL RESERVE BANK OF NEW YORK							
CATEGORY	DESCRIPTION	MEASURE	2013	2014	2015	2016	2017
WORKFORCE DIVERSITY	Senior Executives	Total #	61	55	37	36	48
		% Minorities	13%	15%	14%	11%	13%
		% Women	38%	38%	32%	33%	42%
	Mid-Level Managers	Total #	678	587	793	800	750
		% Minorities	24%	24%	29%	31%	30%
		% Women	40%	40%	42%	43%	43%
Professionals	Total #	1,754	1,856	1,761	1,789	1,833	
	% Minorities	49%	50%	50%	51%	51%	
	% Women	47%	45%	44%	45%	44%	
Total External Hires	Total #	272	305	327	289	224	
	% Minorities	47%	40%	46%	46%	42%	
	% Women	32%	37%	43%	41%	32%	
Total Interns*	Total #	62	43	57	62	61	
	% Minorities	35%	49%	39%	42%	49%	
	% Women	35%	47%	39%	37%	36%	
Overall Bank Turnover Rate	%	9.7%	9.8%	9.0%	8.5%	9.1%	
SUPPLIER DIVERSITY	Total Reportable Spend	\$ (millions)	\$195.2	\$180.6	\$185.7	\$177.2	\$212.9
	Total Diverse Spend <sup>1</sup>	\$ (millions)	\$8.1	\$21.5	\$14.4	\$11.9	\$14.9
		%	4.1%	11.9%	7.7%	6.7%	7.0%
	Minority-owned <sup>2</sup>	\$ (millions)	\$5.9	\$15.7	\$8.6	\$7.2	\$8.2
		%	3.0%	8.7%	4.7%	4.0%	3.8%
	Minority-owned (men)	\$ (millions)	\$4.9	\$8.4	\$5.5	\$3.6	\$4.2
	%	2.5%	4.7%	3.0%	2.0%	2.0%	
	Minority-owned (women)	\$ (millions)	\$1.0	\$7.3	\$3.1	\$3.6	\$3.9
%	0.5%	4.0%	1.7%	2.0%	1.8%		
Women-owned <sup>2</sup>	\$ (millions)	\$3.1	\$13.0	\$8.8	\$8.4**	\$10.6	
	%	1.6%	7.2%	4.8%	4.7%	5.0%	
Women-owned (non-minority)	\$ (millions)	\$2.1	\$5.8	\$5.7	\$4.8	\$6.7	
%	1.1%	3.2%	3.1%	2.7%	3.2%		
Women-owned (minority)	\$ (millions)	\$1.0	\$7.3	\$3.1	\$3.6	\$3.9	
%	0.5%	4.0%	1.7%	2.0%	1.8%		

<sup>1</sup>Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (non-minority).

<sup>2</sup>Women-minority numbers are included in both Minority-owned and Women-owned totals.

\*Includes PhD and Law Clerk interns.

\*\*Due to a vendor reclassification from non-female to female-owned, Women-owned spend shows an increase of \$1.4M from previously reported amount. Total Reportable Spend did not change.

## Appendix F *2017 Core Measures (continued)*

		2017
		<b>FINANCIAL LITERACY<sup>1</sup></b>
	<b>Number of Events</b>	<b>135</b>
	<b>Program Type</b>	
	• <b>Teacher-centric</b>	<b>3</b>
	• <b>Student-centric</b>	<b>2</b>
	• <b>Hybrid</b>	<b>130</b>
	<b>Number of Students<sup>2</sup></b>	<b>3,048</b>
	<b>Number of Educators<sup>3</sup></b>	<b>167</b>
	<b>Number of Students Reached<sup>4</sup></b>	<b>15,573</b>

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

<sup>2</sup>Students who attended in-person programs and enrolled in online programs.

<sup>3</sup>Educators who attended in-person programs and enrolled in online professional development programs.

<sup>4</sup>Students reached through educators using a common multiplier of 75.



FEDERAL RESERVE BANK *of* NEW YORK

33 Liberty Street  
New York, NY 10045