

FEDERAL RESERVE BANK OF CHICAGO OFFICE OF MINORITY AND WOMEN INCLUSION

2011 Annual Report to Congress



FEDERAL RESERVE BANK OF CHICAGO

OUR MISSION

The fundamental mission of the Federal Reserve System is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems so as to promote optimal macroeconomic performance. To this end, the Federal Reserve Bank of Chicago participates in the formulation and implementation of national monetary policy, supervises and regulates financial institutions, and provides financial services to depository institutions and the U.S. government.

OUR VISION

We serve the public interest by fostering a strong economy and promoting financial stability. We accomplish this with talented and innovative people working within a collaborative and inclusive culture.

OUR STRATEGIES

The Bank's strategic plan outlines the strategies that the Seventh District has implemented to support its mission and vision. The current Bank strategies are:

Policy and Stability

Deepen our understanding of key economic and financial issues in order to strengthen our impact on policy and improve financial stability. Anticipate and respond to rapidly changing developments in financial markets, banking industry practices and supervision, payment systems, and the economic challenges faced by consumers and communities.

Payments

Promote the integrity, efficiency and accessibility of U.S. payment and settlement systems by influencing and contributing to sound public policymaking and by developing advanced electronic payment methods that create business value through our national network.

Relationships

Enrich our relationships with critical stakeholders to better understand their needs and partner to achieve common goals.

People

Foster an innovative and collaborative work environment that encourages diversity of thought. Recruit and develop the highly skilled, talented, and motivated people required to achieve our vision and goals.

DIVERSITY AND INCLUSION POLICY

The Federal Reserve Bank of Chicago values and encourages a diverse and inclusive work environment where employees are respected and given opportunities to perform to their fullest potential. We recognize and respect differences that are in keeping with our core values of integrity, respect, responsibility and excellence. The Bank aspires to become a higher performing organization by leveraging the diverse backgrounds, experiences, styles, approaches and perspectives of its employees.

The Bank's commitment to a diverse and inclusive environment is embedded in our vision, core values, Corporate Social Responsibility framework and Equal Employment Opportunity policies. We further this commitment by proactively recruiting diverse staff, creating opportunities to build a diverse and inclusive workforce at all levels of the organization, and regularly monitoring our progress. The Bank provides opportunities for learning, training, and development for all employees, as well as programs targeted to address particular needs and interests, including open and inclusive membership in professional and diversity support groups. All Bank employees are responsible for embracing diversity and inclusion.

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2011 ANNUAL REPORT TO CONGRESS

Charles L. Evans
President and
Chief Executive Officer

Gordon Werkema
First Vice President and
Chief Operating Officer

Valerie J. Van Meter
Senior Vice President,
EEO Officer and OMWI Director



From left: Gordon Werkema, Valerie Van Meter, and Charles Evans.

March 2012

Members of the 112th Congress:

As we submit the Federal Reserve Bank of Chicago's first annual Office of Minority and Women Inclusion (OMWI) Report to Congress, we reaffirm our commitment to diversity and inclusion. Twelve independent and geographically dispersed Reserve Banks were established to bring together a diversity of thoughts, industries, and regional and economic perspectives. This structure is the cornerstone of our nation's central bank.

The Federal Reserve Bank of Chicago is very committed to promoting diversity and inclusion in:

- hiring and developing staff;
- purchasing products and services from women and minority-owned business enterprises; and
- providing and promoting financial education in communities throughout the Seventh Federal Reserve District.

This report outlines a wide variety of practices at the Chicago Fed that foster diversity and inclusion in areas related to our workforce, suppliers, and financial education initiatives. Most of them exceed mandates outlined in the Dodd-Frank Act. As always, our efforts would not be possible without our collaboration with many community and business partners, many of whom are highlighted here. We appreciate their support and look forward to continuing our collective efforts in the future.

The Federal Reserve Bank of Chicago recognizes that this Report provides only a baseline by which we will measure our continued commitment to improving our diversity and inclusion efforts. We hope you find it informative.

Sincerely,

Charles L. Evans
President and Chief Executive Officer

Gordon Werkema
First Vice President and Chief Operating Officer

Valerie J. Van Meter
Senior Vice President, EEO Officer and OMWI Director

EXECUTIVE SUMMARY

The Federal Reserve Bank of Chicago — also known as the Chicago Reserve Bank or the Chicago Fed — serves the Seventh Federal Reserve District (one of 12), a large and diverse region that includes all of Iowa and most of Illinois, Indiana, Michigan and Wisconsin. Its head office is located in Chicago, where 1,196 people worked as of December 31, 2011. A Detroit branch office employs 124 people. In addition, 46 employees (mainly bank examiners) worked from a Des Moines, IA, location.¹

In 2011, the Federal Reserve Bank of Chicago utilized the opportunity presented by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA), to better coordinate and enhance its initiatives in support of diversity and inclusion (D&I). As required by the DFA, the Bank established its Office of Minority and Women Inclusion under the name of “Office of Diversity and Inclusion” (ODI). The broader scope reflected in the Office’s name demonstrates the Bank’s comprehensive approach which, while focusing on women and ethnic and racial minorities, devotes considerable efforts to promoting the inclusion of the LGBT community, veterans, and other minority groups. The ODI was tasked to build upon the Bank’s ongoing efforts and assist its leadership with developing and executing a strategic plan and D&I initiatives.

Also in 2011, the Bank launched its Corporate Social Responsibility (CSR) strategy and established a CSR Council with cross-departmental leadership. The CSR strategic framework includes all relevant activities in the areas of D&I, supplier diversity, financial literacy, economic education, community development and policy studies, regional economic outreach, environmentalism, and volunteerism. With these efforts, the Bank aspires to be recognized as an employer of choice, a valued business partner, and a trusted community stakeholder that integrates diversity and inclusion within all its business strategies.

Working collaboratively with the Bank’s senior leadership and the CSR Council, the ODI monitored the 2011 Bank-wide D&I Objectives:

1. When conducting a formal or informal bid for products or services, include (when available) one or more Minority Business Enterprises (MBE), and one or more Women Business Enterprises (WBE) in the list of vendors solicited to participate in the bid. The Bank was able to achieve this objective in 100 percent of bids.
2. Establish and/or enhance key external relationships to increase our community presence related to Supplier Diversity. The Bank established fifteen new relationships and enhanced ten existing ones.

3. Ensure that in-person interview pools for Tier 2 and Tier 3² positions include both minority and female applicants. One-hundred and twenty-two out of 153 (80 percent) of Tier 2 and 3 interview pools had one (or more) female and minority candidates.

In addition to the Bank-wide D&I Objectives, individual departments also established their own, which were periodically monitored by the ODI.

Senior leaders played a key role in promoting, internally and externally, the role and reputation of the Chicago Reserve Bank as an organization committed to advancing diversity and inclusion. Several Bank executives are members of boards and advisory committees of civic organizations such as Chicago United, Junior Achievement of Chicago and of Southeastern Michigan, the Chicago Minority Supplier Development Council (CMSDC) and its national counterpart (NMSDC), devoted to promoting diversity and inclusion in the workplace, expanding contracts with M/WBEs, and providing financial literacy. Several senior leaders also serve as sponsors of the Chicago Reserve Bank’s Diversity Employee Support Network Groups (ESNGs), which bring together female employees, employees with similar minority backgrounds (such as African-Americans, Asians, and Latinos), and members of the LGBT community.

Minority and women employment

In 2011, the Federal Reserve Bank of Chicago published its consolidated Equal Employment Opportunity (EEO) -1 report, consisting of demographic data about its entire workforce. As of December 31, 2011, 1,366 employees worked for the Chicago Reserve Bank, of which 54 percent were male and 46 percent were female. About 38 percent of employees were identified as members of a racial or ethnic minority. The Bank performed several analyses of its workforce to gauge the representation of women and minorities in senior positions and specialized job categories and concluded that, in general, the representation of women and minorities in those positions reflected the availability of female and minority candidates in the job market and in the recruitment pools for such jobs. A few exceptions to this were noted in some senior management positions and specialized jobs, such as bank examiners, where there is room for improvement in the representation of women and minorities. Progress was made from the prior year in several areas. For instance, the percentage of minorities increased in several senior positions, including officers, senior analysts and senior technology professionals.

Among key activities developed in 2011 to promote D&I among its workforce, the Federal Reserve Bank of Chicago offered

training to more than 200 Bank leaders and set the foundation for learning opportunities in 2012 for all staff. The Bank's ESNGs continued to play a key role by promoting professional development opportunities for their members and celebrating diversity within the Bank. A survey and assessment of ESNGs was conducted in 2011 to ensure further alignment between the Bank's ESNG activities and CSR framework.

Chicago Reserve Bank staff convened and/or participated in a variety of national and local diversity recruitment efforts. For example, the Second Annual Local Diversity Career Expo hosted by the Bank brought together more than 300 candidates of diverse racial and ethnic backgrounds and several organizations focused on facilitating diversity recruitment. As of this Report's writing, this event alone produced eight new hires for the Bank. The Bank also saw record numbers in its 2011 internship program, which attracted 75 interns, of which 53 percent were women and 37 percent were ethnic or racial minorities. As a result of these efforts, the Bank was able to successfully meet one of its Bank-wide D&I Objectives: to include at least one female and at least one minority candidate in 80% of its interview pools for Tier 2 and 3 positions.³

Professional development opportunities continued to be provided to all staff, with special programs targeting women and minorities, such as mentoring initiatives, efficacy training, and leadership development opportunities (such as the Hispanic Association for Career Enhancement Leadership Academy), among others. ESNGs were instrumental in designing these opportunities and recruiting participants.

Minority and women-owned businesses

As previously stated, the Federal Reserve Bank of Chicago met its 2011 goal regarding contracting with M/WBEs, ensuring that 100 percent of bids issued by the Bank included at least one MBE and one WBE, when available. Out of its total reportable expenses of about \$51.6 million, the Bank spent \$2.74 million in contracts with MBEs (approximately 5 percent of total) and \$1.57 million in contracts with WBEs (or 3 percent of total). The Bank's Procurement team also established 15 new relationships with organizations focused on promoting supplier diversity, and enhanced ten existing ones.

In 2011, the Bank's Procurement Manager received the CMSDC's Outstanding Buying/Contracting Executives Award for extraordinary commitment to expanding purchasing from minority-owned businesses. Throughout the year, the Bank sponsored a variety of opportunities for M/WBEs to learn more about how to successfully do business with the Chicago Reserve Bank. For instance, a half-day conference titled "New Strategies for a New Economy" brought together more than 85 business professionals from over 50 M/WBEs to learn from national experts and advocates, including representatives from the CMSDC,

Chicago United, and the Women's Business Development Center. Also, the Chicago Reserve Bank participated in many local and national events in order to showcase the Bank's supplier diversity program and establish relationships with M/WBEs. For example, the Bank hosted a booth at the Chicago Business Opportunity Fair, attended the Illinois Hispanic Chamber of Commerce Business Expo, and participated in the National Minority Supplier Development Council Annual Conference and Business Opportunity Fair in Atlanta, to name a few.

Financial Literacy

The Chicago Reserve Bank continued playing a proactive role in promoting financial literacy in the Seventh District in 2011. Money Smart Week (MSW), a series of free classes and activities designed to help consumers better manage their finances, now in its tenth year, continued its expansion. In the Chicago metropolitan area alone, MSW offered more than 770 free seminars, with 23,000 people participating. According to surveys collected at MSW events, approximately 63 percent of participants were women and 37 percent were minorities. The Detroit Branch held its own MSW with more than 250 events offered throughout Michigan and 6,000 participants. Many of these events were developed in partnership with majority-minority high schools, targeting youth of color.

A longstanding partnership with the nonprofit Junior Achievement of Chicago and its Southern Michigan counterpart allowed the Federal Reserve Bank of Chicago to participate in educational opportunities targeting majority-minority high schools in Chicago and Detroit. Driven mainly by Bank staff volunteers, hundreds of high school students had the opportunity to visit the Chicago Reserve Bank's headquarters, participate in job shadowing, and learn about personal finance, career planning, and the economy.

The Chicago Reserve Bank continued supporting the PhD Project, a national nonprofit dedicated to supporting minorities interested in pursuing doctoral degrees in accounting, finance, information systems, management, and marketing. The Bank also provided in-kind support to the Young Men's Educational Network, an organization promoting leadership development to African American youth from the North Lawndale neighborhood of Chicago.

OVERVIEW

This first Federal Reserve Bank of Chicago Office of Minority and Women Inclusion (OMWI) Annual Report to Congress offers a comprehensive summary of the Bank's 2011 accomplishments, challenges and opportunities as they relate to minority and women employment; inclusion of minority and women-owned businesses (M/WBEs) in contracts; and financial literacy and community outreach activities. The Report is required under Section 342 (e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act or DFA). The Chicago Fed has gone beyond mere compliance with the DFA requirements: This Report aims to be informative and transparent about the Bank's accomplishments and challenges, offering a "year in review" of the Bank's efforts to promote diversity and inclusion throughout the organization, and covering the period from January 1 through December 31, 2011.

This Overview section of the Report describes the local and national contexts in which the Bank operates as they relate to its efforts to include women and minorities in its workforce, its vendor pool, and its financial literacy outreach activities. The section describes the overall demographic profile of the Midwest and its population centers and job markets closest to the Bank's offices; looks at current economic conditions and trends in the Seventh Federal Reserve District; and considers key issues related to human capital, business environment, and financial literacy as they affect women and minorities in

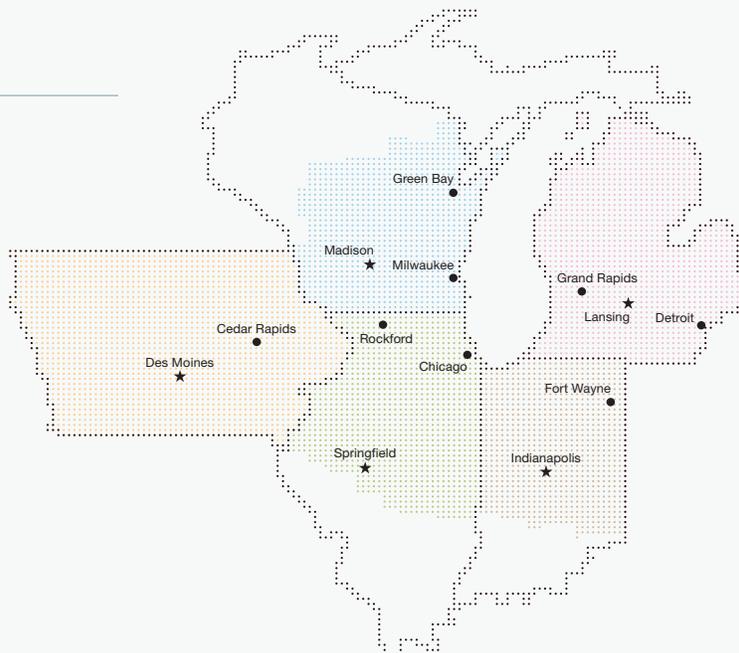
the District (especially those living and working in our largest metropolitan areas, Chicago and Detroit). The Overview also describes activities associated with the establishment of the OMWI mandated by the DFA.

Basic facts about the Federal Reserve Bank of Chicago

The Federal Reserve Bank of Chicago serves the Seventh Federal Reserve District, a large and diverse region that includes all of Iowa and most of Illinois, Indiana, Michigan and Wisconsin (see map). The Seventh District has a large national share of many important economic sectors, comprising a considerable part of the nation's manufacturing base — especially capital goods and consumer durables — as well as production agriculture and food processing. The District also concentrates a significant and growing presence of financial and business services, ranking fourth of 12 in total assets of bank holding companies located in a Reserve District, behind the New York, Richmond and San Francisco Districts, and having more individual banks than any other Federal Reserve District. The District was hit hard by the foreclosure crisis, with two states consistently placed in a list of the top 10 most affected (Michigan and Illinois). Subsequent to the housing crisis, the region also suffered the effects of the recession in all sectors, but especially in the auto industry (mainly concentrated in the Detroit metropolitan area) and manufacturing.

Federal Reserve Bank of Chicago

The Seventh District is among the most populous of the 12 Reserve Bank Districts, making up one-eighth of the nation's population. Our district is an economically diverse region that includes all of Iowa and most of Illinois, Indiana, Michigan and Wisconsin. The Seventh District has a large national share of many important economic sectors.



The District's head office is located in Chicago, where 1,196 employees worked as of December 31, 2011. A branch office exists in Detroit with 124 employees. In addition, 46 employees (mainly bank examiners) worked from a Des Moines location.⁴ Like the other eleven Federal Reserve Banks, the Chicago Fed contributes to fulfilling the dual mandate of the Federal Reserve System: promoting maximum employment and ensuring price stability. Supervision & Regulation, the Chicago Reserve Bank's largest department with 484 employees as of December 31, 2011, supervises almost 900 bank holding companies, state member banks and, since the adoption of the DFA, savings and loans institutions. In addition to this supervisory role, the Bank provides currency and coin, and other financial services to financial institutions located in the Seventh District: For example, in 2011, the Bank received and counted notes worth \$43.6 billion, and destroyed \$4 billion of unfit currency. The Chicago Fed also produces high-quality economic analysis and policy, and promotes community development and financial literacy initiatives focused on different economic sectors and communities across the District, always with the goal of promoting economic growth.

Aside from serving the public in the Seventh District, the Chicago Fed leads a variety of Federal Reserve System-wide functions throughout the country, in partnership with the other eleven Districts and the Board of Governors. The Customer Relations and Support Office (CRSO) has a strategic leadership role within the Federal Reserve System: It manages the nationwide electronic payments and information delivery network (FedLine[®]), which transacts, on average, over 71 million payments daily valued at more than \$3.8 trillion; leads national sales and marketing strategies associated with \$0.5 billion in annual revenue; and provides customer set-up and support for over 100,000 users. The Chicago Reserve Bank's Information Technology department is responsible for providing a centralized shared service for management of the Federal Reserve System's web content, including overseeing the System-wide operations of the centralized application. The Bank also has responsibility for developing and maintaining the Federal Reserve System's centralized cost accounting and budgeting applications. Supervision & Regulation (S&R) leads Supervision Technology Risks: Educate, Analyze and Manage (STREAM), a System-wide initiative focused on supporting and educating about risk identification, analysis and resolution. The S&R department also manages for the entire Federal Reserve System the Wholesale Credit Center, whose mission is to generate analytics and insight around wholesale lending for the Federal Reserve System, to identify emerging risks, and to deliver on broader supervisory responsibilities under DFA and other new mandates.

The Bank also oversees and coordinates the participation of the Federal Reserve System in national diversity recruitment



Left to right: Chicago Fed First VP Gordon Werkema, Chicago United President Gloria Castillo, former NAACP President and CEO Bruce S. Gordon, and Chicago United Board of Directors Chairman and Regional President of PNC Bank in Illinois Joseph E. Gregoire at the Chicago United Annual Leadership Conference in November 2011

conferences, as well as the System Leadership Initiative, which designs and executes training aimed at developing and maintaining strong leadership within the Federal Reserve System. More information about the Federal Reserve Bank of Chicago can be found at www.chicagofed.org

The Seventh District: Considerations regarding demography, human capital and business environment as they relate to women and minorities

Demographically, the Seventh District is one of the most diverse in the nation, including several metropolitan areas with large and/or growing populations of Latinos and African-Americans such as Chicago, Detroit, Indianapolis, and Milwaukee. A key trend related to minorities, identified by the most recent Census of 2010, is the increase of the Black and Latino populations in the Midwest,⁵ 7 percent and 49 percent respectively since 2000.⁶ In comparison, the overall population of the Midwest grew by 4 percent over the same period. These regional rates are consistent with nationwide numbers: African-American population grew 12 percent⁷ and Latino population 43 percent in the U.S. as a whole between 2000 and 2010 (overall, the U.S. population grew 10 percent over the same period). As a relevant and illustrative example, the fastest-growing county in the nation, Kendall in Illinois, experienced a 338 percent growth in Latino residents.⁸ At the same time, several inner cities in the District have experienced significant declines in their African-American population, such as Chicago, which lost more than 180,000 African-American citizens during the 2000-2010 decade. The city of Detroit's population, the majority of which is African-American, shrank 25 percent during the same period. Some researchers point out that most of these African-American city dwellers may have moved from city

TABLE 1.
Seventh District Total population and percentages of females and largest minority groups by state (2010).

	Total population	Female	%	Hispanic or Latino	%	Black or African-American	%	Asian	%	Two or more races	%
ILLINOIS	12,830,632	6,543,622	51	2,027,240	16	1,860,442	15	590,209	5	295,105	2
MICHIGAN	9,883,640	5,030,773	51	434,880	4	1,403,477	14	237,207	2	227,324	2
INDIANA	6,483,802	3,293,771	51	389,028	6	590,026	9	103,741	2	129,676	2
WISCONSIN	5,686,986	2,866,241	50	335,532	6	358,280	6	130,801	2	102,366	2
IOWA	3,046,355	1,538,409	51	152,318	5	88,344	3	51,788	2	54,834	2
TOTAL	37,931,415	19,272,817	51	3,338,998	9	4,300,569	11	1,113,746	3	809,304	2

Source: U.S. Census Bureau, American FactFinder, Census 2010

TABLE 2.
Seventh District Total population and percentages of females and largest minority groups in metro areas with Federal Reserve Bank offices (2009).

	Total population	Female	%	Hispanic or Latino	%	Black or African-American	%	Asian	%	Two or more races	%
CHICAGO	9,580,609	4,868,494	51	1,902,323	20	1,683,203	18	514,135	5	172,240	2
DETROIT	4,403,437	2,255,868	51	168,214	4	1,002,212	23	146,306	3	69,110	2
DES MOINES	562,993	286,875	51	34,769	6	22,181	4	13,512	2	12,854	2

Source: U.S. Census Bureau, American FactFinder, American Community Survey Demographic and Housing Estimates: 2009

neighborhoods into suburban areas or to the South.⁹ The tables above summarize numbers and percentages of females and the largest minority groups in states included (fully or partially) in the Seventh District, and in key metropolitan areas where Chicago Fed offices are located.

As we discuss later, in assessing the diversity of its workforce, the Federal Reserve Bank of Chicago takes into consideration not only the overall demographic data and trends in the District, but also a variety of other factors, including the local and national availability of women and minorities holding the qualifications needed to successfully compete for the jobs at the Bank. In the following section, we will delve into this issue, closely related to the significant gaps in enrollment, educational attainment, access to college, and/or professional qualifications in business, accounting or technology fields, which especially affect African-Americans, Latinos and women.

The state of human capital of minorities in our region shows significant gaps in educational attainment in the Latino and African-American communities, which have a direct effect on the ability of members of these communities to obtain well-paid jobs, especially in the banking/finance sector and other highly specialized industries. Although key states and metropolitan areas in our District show significant percentages of minorities, Illinois and Michigan, the states with the largest numbers of minorities, show low high-school graduation rates for Latinos and African-Americans. Data provided by the National Center for Education Statistics estimated that in the school year 2008-2009, the percentage of Illinois freshmen who graduated from

high school in four years was 85.7 percent for white students, versus 68.8 percent for Latinos and 60.8 percent for African-Americans. Similarly, in Michigan, an estimated 80.9 percent of white freshmen graduated in four years versus 61.2 percent of Latinos and 58.5 percent of African-Americans.¹⁰ These regional numbers are consistent with national trends in educational attainment. As a reflection of these gaps, in states like Illinois, only 20 percent of African-Americans and 10 percent of Latinos 25 years old or older hold a bachelor degree or higher diploma.¹¹

Employers in most industries, including finance and banking, require bachelor degrees even for entry-level positions, and higher degrees and specialized qualifications for many jobs. For example, due to the nature of its work, the Chicago Fed hires a significant number of individuals holding a Master of Business Administration (MBA) degree, yet the percentage of minorities (excluding Asian Americans) enrolled in the top 30 business schools was just 13.4 percent of all students in 2010.¹² Low MBA enrollment also affects women: their enrollment rate in the top 10 MBA programs in the nation is roughly 34 percent, only three points higher than ten years ago. Overall, the women's share of MBAs earned in the U.S. in 2010-2011 was 37 percent.¹³ As another example, the Chicago Reserve Bank also hires individuals with accounting backgrounds. Yet, again, according to the American Institute of CPAs, Latinos comprise only 3 percent of the profession, and African-Americans account for only one percent.¹⁴ In addition, the Chicago Reserve Bank seeks highly qualified experts in the fields of information

technology and information security, the vast majority of which continue to be white males.¹⁵ All these shortages in talent diversity create significant recruitment challenges for organizations like the Chicago Fed, which rely heavily on those career backgrounds to fill positions and diversify their workforce.

These human capital shortages affect not only recruitment from the perspective of academic credentials: it is also difficult for companies in the financial services industry to find seasoned professionals when hiring for leadership positions. A national study commissioned in 2010 by U.S. Senator Robert Menendez found that only 21 percent of executive team members in financial services corporations were women, and only 8 percent were minorities. Women of color represented a meager one percent of executives in financial services, and both African-Americans and Latinos represented less than three percent of executive teams.¹⁶ Similarly, the executive teams of the top four accounting firms in the country include only 3.5 percent of African-Americans and a similar percentage of Latinos.¹⁷

These challenging regional numbers and national trends suggest that the pool of women and minorities qualified to work in an increasingly complex sector requiring higher education for many entry-level jobs and specialized qualifications for most mid-level and senior positions, is very limited. Since the vast majority of jobs available at the Chicago Fed require, at minimum, a college degree and often highly specialized qualifications (especially, but not limited to, bank examiners, economists and information security positions), a fierce competition exists among Chicago and Detroit-based organizations in the financial sector for such scarce diverse talent.

The business environment around minority and women-owned business enterprises (M/WBEs) is both challenging and promising. The most recent data for Illinois, provided by the Office of Advocacy of the Small Business Administration, showed that between 2002 and 2007, the number of women-owned



Harvard Professor Mahzarin Banaji and Chicago Fed President Charles Evans at an implicit bias awareness seminar for Bank leaders in May 2011

companies grew by more than 20 percent to 343,151, representing around 30 percent of all businesses. The number of African-American-owned companies in the state grew around 55 percent to 106,679, representing almost ten percent of enterprises. And Latino-owned companies grew 43 percent to 56,552, representing 5 percent of total businesses in Illinois.¹⁸ The two major cities in our District, Chicago and Detroit, occupied in 2007 the second and fourth places nationally in the number of Black-owned companies, with 58,631 (or 3.1 percent of total companies) and 32,490 (or 1.7 percent) respectively.¹⁹ However, these numbers predate the financial crisis and recession that started in 2008 and whose consequences are still felt in our economy. Although minority and women-owned businesses continue to be the fastest-growing segment of new U.S. companies, it is fair to assume that the crisis has probably taken a toll on many of them.

I can attest that the Chicago Fed's leadership has been truly committed to diversify its workforce and suppliers, and to create an inclusive environment for those who work at the Bank. Importantly, the Fed has had a positive impact on the efforts of the broader Chicago business community to enhance inclusive practices through support of forums, research and education.

— Gloria Castillo, President, Chicago United

Experts acknowledge that a number of opportunities exist for women and minority-owned businesses to thrive: There is a growing number of minorities; advocacy in support of M/WBEs has expanded led, to a great extent, by the public and non-profit sectors; there is a growing demand for diversity led mainly by private companies; and a growing pool of equity capital is available for M/WBEs. Yet, challenges also exist. A weak economy, marked by tight credit markets and corporate cutbacks; increasing global competition; M/WBEs with small leadership teams; and a lack of understanding of the corporate marketplace are all factors limiting or impeding the success of these companies, especially small businesses.²⁰ In addition, the multiple and complex certification processes M/WBEs must go through to authenticate their status (along with its associated costs) increase the challenges to organizations that often are thinly staffed and have limited capacity.

As it relates to financial literacy and community development, as previously mentioned, the Seventh District has been severely affected by the housing crisis and the subsequent recession and relatively lackluster recovery. As of December of 2011, Illinois was the state with the third highest percentage of foreclosure inventory in the nation. The percentage of mortgaged homes in the process of foreclosure process was

Table 3.
Federal Reserve Bank of Chicago (FRBC) 2011 Diversity and Inclusion Objectives and Year-end Results

Objectives	Results
1. When conducting a formal or informal bid for products or services, include (when available) one or more Minority Business Enterprises (MBE), and one or more Women Business Enterprises (WBE) in the list of vendors solicited to participate in the bid.	Procurement or the business unit included at least one Minority Business Enterprise, (MBE) supplier and one Women Business Enterprise (WBE) (when available) on 100 percent of formal and informal bids.
2. Establish and/or enhance key external relationships to increase our community presence related to Supplier Diversity.	The Bank established 15 new relationships and enhanced ten existing ones.
3. Ensure that in-person interview pools for Tier 2 and Tier 3 positions include both minority and female applicants. ²⁵	122 out of 153 (80 percent) of Tier 2 and 3 interview pools have one (or more) female and one (or more) minority candidate(s).

5.4% versus the national 3.4%.²¹ The Detroit and Chicago metro areas ranked first and second nationwide as of November 2011 in the number of unsold bank-repossessed homes, with 33,000 each.²² The foreclosures crisis has led to an increased demand for financial literacy related to loan modifications and credit counseling as well as counseling on loan fraud and modification scams. In addition, unemployment rates in the District as of December 2011 were above the national average of 8.5 percent. In Illinois, the rate stood at 9.8 percent; in Michigan, at 9.3 percent; and in Indiana at 9 percent.²³ Such statistics have increased the demand for financial literacy regarding bankruptcy, budgeting and benefits. Financial literacy is also necessary on basic banking services: In Illinois, 6.2 percent of households are unbanked and 15.7 percent underbanked, according to the 2009 National FDIC Survey.²⁴ People of color have been affected by these issues at a much higher rate than the average.

The Federal Reserve Bank of Chicago’s commitment to Diversity and Inclusion (D&I)

The Chicago Fed has not taken a passive role in responding to the challenges related to including more women and minorities in its workforce, increasing business with M/WBEs, and promoting financial literacy and outreach for women and communities of color. To the contrary, during the past years, the Chicago Fed has paid special attention to the inclusion of women and minorities in its recruitment, retention and development of its workforce; its procurement of goods and services; and its community outreach and financial literacy activities. Training on D&I, as well as a designated Bank officer with responsibility for this function, have existed since the 1990s. The current Chicago and Detroit Boards of Directors, which oversee the Bank and represent a variety of interests (including commercial banks, agriculture, commerce, industry, services, labor and consumers), have played a key role in providing

guidance and leadership to the Bank’s efforts around minority and women inclusion. The Chicago Board, comprised of eight members, includes two female directors; one of minority background. Of the six members of the Detroit Board, three are women; one of minority background. Under the leadership of the Chicago Reserve Banks’ Boards of Directors, President Charles Evans, First Vice President Gordon Werkema and Senior Vice President and EEO Officer Valerie Van Meter, the Bank established its first formal Bank-wide and departmental EEO/D&I Objectives in 2007, which have been continually refined and expanded. In 2011, all Bank-wide D&I Objectives were met (see Table 3). Apart from these Bank-wide D&I Objectives, the Bank also sets D&I departmental objectives, which

Chart 1.
OMWI Organizational Chart as of Dec. 31, 2011



are monitored regularly and reported on a quarterly basis to the Bank's Management Committee and Board of Directors.

In addition to monitoring D&I Objectives, the Bank performs a thorough Workforce Analysis covering all of its departments, and department leaders meet regularly to share information and address challenges. Information on the Workforce Analysis and other tools to monitor women and minority representation in the Bank's workforce are available in the next Section. Additionally, in an effort to increase its transparency in data-sharing, in 2011 the Bank made public on its web site a summary of its workforce demographics as stated in its EEO-1 report (see Appendix).

In 2011, the Chicago Reserve Bank took advantage of the opportunity presented by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to better coordinate and enhance its initiatives around diversity and inclusion. As required by the Act, the Bank established its Office of Minority and Women Inclusion under the name Office of Diversity and Inclusion (ODI). The broader scope reflected in the name of the Office represents the Bank's comprehensive approach to D&I which, while focusing on women and minorities, devotes considerable efforts to promoting inclusion of the LGBT community, veterans, and other minority groups. Reporting to the Bank's First Vice President Gordon Werkema, the ODI is led by Senior Vice President and OMWI Director Valerie Van Meter, and was staffed in 2011 by recruiting externally and internally (see Organizational Chart at left). A valuable addition to the ODI in 2011 was Assistant Vice President Deborah Baldwin, a professional with more than 15 years of experience in the field, including her role as former manager of BP's Global Diversity and Inclusion Office. As it does when recruiting for all positions, the Bank kept diversity in mind when assembling the ODI team which, apart from including female and male staff, also includes members of the African-American, Latino and LGBT communities.

Like many leading financial firms and corporations, and parallel to the creation of the ODI, the Bank established in 2011 a cross-departmental Corporate Social Responsibility (CSR) Council, comprised of senior leadership and co-led by First Vice President Gordon Werkema and Senior Vice President and OMWI Director Valerie Van Meter. The Council meets regularly to discuss best practices in diversity and inclusion, review progress and challenges, and ensure that leaders and staff promote D&I in a coordinated and cohesive manner throughout the Bank. The Council has developed a CSR strategic framework incorporating all relevant activities in the areas of diversity and inclusion, supplier diversity, financial literacy, economic education, community development and policy studies, regional economic outreach, environmentalism, and volunteerism. The Council meets regularly to discuss best

Table 4.
FRBC 2012 Diversity and Inclusion Objectives

1. Pursue diversity in the Bank's workforce that is reflective of the market(s) from which we recruit by:
 - a. Ensuring the Bank's leaders and staff understand and support inclusion competencies
 - b. Ensuring the Bank's recruitment, workforce development, and succession planning initiatives are supportive of women and minorities
 - c. Encouraging women and minorities to consider the fields of business, finance, and economics in the pursuit of higher education
2. Support the Bank's Board of Directors in its efforts to increase diversity beyond geography and industry to include gender and race
3. Strive to ensure the fair inclusion and utilization of minority and women-owned businesses (M/WBEs) in procurement, insurance, and all types of contracts
4. Establish and/or support economic and financial education programs that are focused on female and minority high school students in urban and/or majority-minority areas
5. Develop, conduct and/or support community development programs that focus on the economic vitality of underserved communities

demonstrated practices and how each area's activities support the strategic direction of the CSR framework.

The ODI was tasked with building upon the Bank's ongoing efforts and assisting the Bank's leadership with developing and executing a strategic plan and initiatives in support of D&I. Working collaboratively with the Bank's CSR Council and Management Committee, the Office monitored the above-mentioned 2011 Bank-wide and departmental D&I Objectives, and established key 2012 D&I Objectives (see Table 4).

Senior leadership commitment to D&I is evidenced through active participation in a number of external outreach and community engagement efforts, and sponsorship of internal Employee Network Support Groups (ESNGs) devoted to promoting D&I. For example, First Vice President Gordon Werkema serves as Vice Chair of the Board of Directors of Chicago United, a nonprofit organization made up of racially diverse executives dedicated to closing the gap between race and business leadership. Senior leaders Valerie Van Meter and Deborah Baldwin also serve as Chicago United Leaders Council members. In addition, Valerie Van Meter served as a career mentor and counselor during a "speed mentoring" event hosted by the Bank, connecting six local executives from the Chicago United (CU) Leaders Council with 20 college students from the Chicago Scholars Foundation, a nonprofit organization that prepares students from their junior year in high school through college graduation and for their transition to the workforce or graduate school. The engagement of senior leadership in Chicago United's activities supports the goals of both organizations to

connect a diverse talent pipeline with opportunities in the financial and economic fields. Jeffery Marcus, Vice President of Accounting and Procurement, is a member of the Chief Procurement Officers Advisory Council to the President of the Chicago Minority Supplier Development Council (CMSDC), and Mark Hands, Supplier Diversity Manager, is an advisory board member of the CMSDC and represents the Bank on the National Minority Supplier Development Council (NMSDC) Financial Services Roundtable for Supplier Diversity, serving also on its Benchmarking Committee. And Senior Vice Presidents Valerie Van Meter and Robert Wiley are

members of the Boards of Junior Achievement of Chicago and Southeastern Michigan, respectively. Several senior leaders also sponsor the Bank's ESGs, which will be described in the next section.

The following sections delve into the three key areas where the Federal Reserve Bank of Chicago expends most of its efforts to promote diversity and inclusion, in alignment with its Corporate Social Responsibility Framework and Sec. 342 of the Dodd-Frank Act. These areas are: Minority and Women Employment; Minority and Women-Owned Businesses; and Financial Literacy/Outreach.

MINORITY AND WOMEN EMPLOYMENT

Throughout 2011, the Federal Reserve Bank of Chicago developed a variety of activities to ensure the recruitment, retention and professional development of women and employees of minority background, and strived to offer a work environment that embraced diversity and promoted inclusion. These efforts are connected to measurable indicators and regularly monitored. Progress towards objectives is shared quarterly with the Bank's Management and Human Resources committees, as well as with the Board of Directors' Governance and HR Committee. As an example, for several years the Chicago Fed has had a Bank-wide objective in the area of recruitment to ensure that in-person interview pools for all mid- to high-level, non-officer positions include both minority and female applicants. In 2011, 122 of 153 pools for such positions (or 80 percent) had at least one female and at least one minority candidate.

Different Bank departments have also established objectives related to workforce diversity such as: actively participating in organizations having diverse membership, actively participating in diversity job fairs or other hiring events, or tracking and reviewing the development opportunities for females and minorities in the department. All department objectives related to diversity and inclusion were met in 2011.

Data and tracking

The Bank collects a variety of data about the demographics of its workforce, which are studied and interpreted using several analytic frameworks. The Bank looks at the demographic breakdown of its key positions according to the Equal Employment Opportunity Commission (EEOC) categories, and makes



Attendees at the Chicago Fed's Second Annual Diversity Career Expo, co-hosted by the Human Resources Recruiting team and the Office of Diversity and Inclusion in December 2011.

comparisons between the demographics of the Bank's own job categories versus the availability of female and minority candidates in the job markets for such categories. These analyses provide the Bank a snapshot of its workforce demographic breakdown, along with an assessment of the rate at which pools of female and minority candidates qualified for different Bank jobs are being utilized.

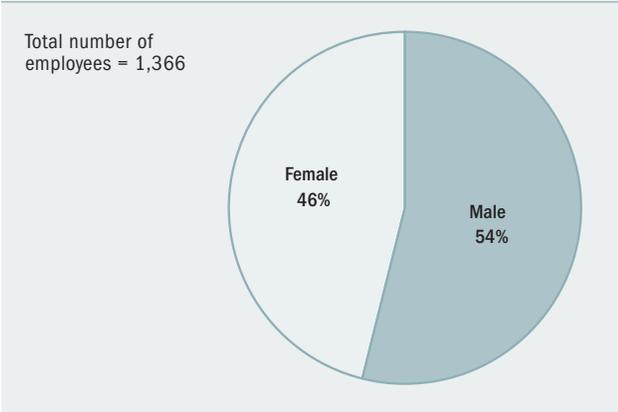
In order to foster management accountability, and as mentioned in the Overview section, the Bank's OMWI Director (and formally, as EEO Officer) has, over the past several years, conducted a series of Workforce Analysis meetings with senior management of the Bank's various departments. The scope of each meeting included reviewing workforce demographics and employment actions in order to identify trends and opportunities and address potential areas of concern. Each department also committed to specific actions for the upcoming year that would further the achievement of the Bank's D&I objectives. In support of further transparency, the Office of Diversity & Inclusion conducted leadership and staff informational sessions in 2011, sharing data and showing comparisons of the Bank's workforce makeup with that of the overall labor market. Information on the Bank's workforce was also posted both on the Federal Reserve Bank of Chicago's public and internal web sites. The following information reflects findings and data extracted from the Bank's Workforce Analysis and EEO reports. As explained above, in order to develop its analyses, the Bank utilizes both the job categories established by the Equal Employment Opportunity Commission (EEOC) and the Chicago Fed's own job classifications.

Staffing Representation: EEOC job categories

The Bank's most recent EEO-1 consolidated report submitted to the EEOC is included in the Appendix, and shows the Bank's staffing representation as of August 31, 2011. Full-year data from 2011 indicates a total staff count of 1,366, with female representation at 46 percent, and overall minority representation at 39 percent, of which Black/African-Americans make up approximately 20 percent, Hispanics/Latinos represent close to 10 percent, and Asians 8 percent of staff.

The majority of the Bank's positions fall into three EEOC categories: Officials and Managers, Professionals, and Administrative Support. Professionals make up the largest group, at about 59 percent of the Bank's workforce. Officials and Managers represent 19 percent of positions, and Administrative Support positions comprise about 14 percent of the Bank's workforce. The Officials and Managers category at the Bank is

Chart 2. FRBC Workforce demographics: Gender representation as of Dec. 31, 2011



40 percent female and 21 percent minority (12 percent Black/African-American, 5 percent Hispanic/Latino, and 4 percent Asian). The Professionals category is 47 percent female and 33 percent minority (13 percent Black/African American, 9 percent Hispanic/Latino, and 10 percent Asian). The Administrative Support category is 68 percent female and 72 percent minority (51 percent Black/African-American, 13 percent Hispanic/Latino, and 7 percent Asian).

Staffing Representation: Internal job categories of the Federal Reserve Bank of Chicago

In order to properly assess the representation of women and minorities in the Bank’s workforce, the Chicago Fed does not compare the demographic breakdown of its internal job categories with that of the general population. Due to the specialized skills and higher-level education requirements

Chart 4. FRBC EEOC categories: Percentages of females and largest minority groups as of Dec. 31, 2011

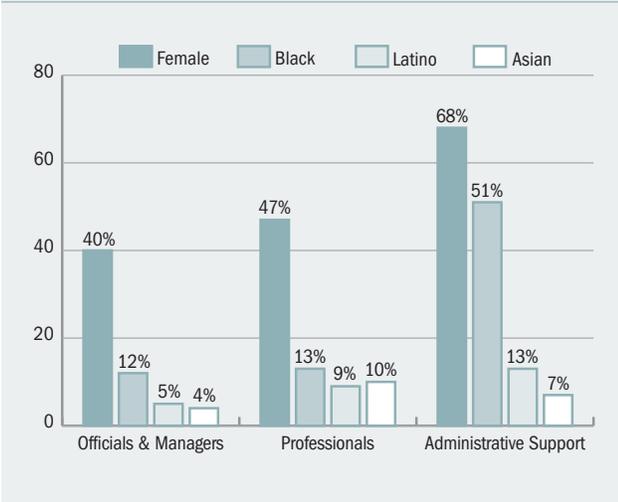
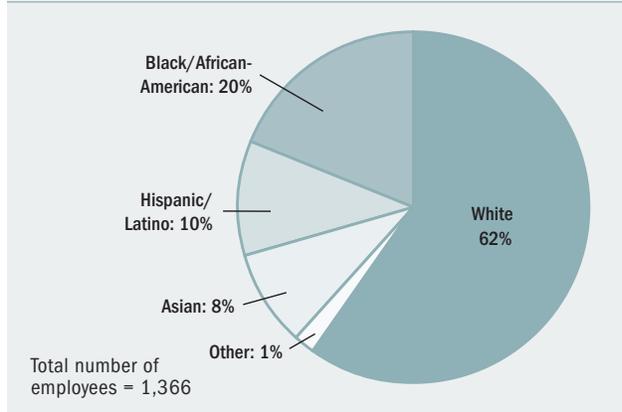


Chart 3. FRBC Workforce demographics: Race/ethnicity as of Dec. 31, 2011²⁶



needed to fill the majority of the jobs within the Chicago Reserve Bank, the overall demographic breakdown of the general population does not provide an appropriate proxy of the candidate pools from which the Bank would be able to recruit. As a result, the Bank takes into consideration the labor market availability of the workforce in each category by performing an analysis comparing the demographics of our internal job categories against the demographics of the job market for existing, comparable job categories locally or nationally (depending on the geographic scope of recruitment used for each category) and using the most recent data provided by the U.S. Census Bureau.²⁷ Through this exercise, we determine the availability of professionals in each job category and position, compared with our labor force numbers and determine whether certain demographic groups show a shortfall in representation.

The most recent of these analyses was performed looking at approximately 700 employees in the most senior job categories of the organization, including officers, managers, supervisors, senior professionals, and other upper-level categories. The analysis revealed that in comparison with the availability of professionals in the job market, the Bank does not show significant shortfalls in the overall representation of women and minorities in the upper levels of the organization, with some exceptions, the most notable being the shortage of minorities in senior bank examiner positions. Regarding minorities, although their combined representation showed no shortfalls beyond the senior examiners category, the analysis of specific groups, such as African-Americans and Latinos, reveals job categories where improvements can be made. For example, African-American representation showed shortfalls in the managers and senior professionals categories, and Latino representation showed slight shortfalls in the officers and senior professional groups. Female representation showed moderate shortfalls in the supervisors and senior professionals categories, as well as slight gaps in the most senior examiner and technology professional categories.

Year-to-year comparisons showed a noteworthy increase in minority representation in several categories, including Officers (from 13 percent in 2010 to 16 percent in 2011), upper-level Analysts (from 30 percent to 34 percent) and Technology Professionals (from 28 percent to 36 percent). Female representation grew significantly in the senior levels of Administrative Professionals (from 59 percent to 66 percent).

The total number of hires and promotions increased in 2011 from the previous year's levels. The percentage of female hires decreased by one percentage point from the previous year to 39 percent and the percentage of minority hires increased by six percentage points to 41 percent. Females comprised 43 percent and minorities 31 percent of overall promotions. Additionally, the total number of separations (voluntary and involuntary) also increased from the prior year. More than half of this increase in separations was attributed to 15 staff members who transferred to the Consumer Financial Protection Bureau, of which six were minorities and six females. The percentage representation of females in the termination statistics increased slightly from 49 percent in 2010 to 50 percent during this reporting period. The percentage representation of minorities in separations decreased from 51 percent to 44 percent.

Promoting an inclusive work environment

The commitment to diversity and inclusion at the Federal Reserve Bank of Chicago starts at the most senior leadership level. With the establishment of the Office of Diversity and Inclusion (ODI) and the development of the CSR framework, senior leadership has taken opportunities to communicate a strong and consistent message of personal commitment, and increase staff's understanding and support. Key messaging opportunities reaching the majority of the Bank's leadership and staff in all locations included a Town Hall Meeting in March 2011 to introduce the ODI and its purpose. President Charles Evans and First Vice President Gordon Werkema convened a joint meeting of the Corporate Social Responsibility Council and Management Committee to provide D&I plan input. In addition, the Bank's President and First Vice President provided the opening and closing comments respectively for an "Implicit Bias" seminar facilitated by Dr. Mahzarin Banaji of Harvard University on May 18, 2011. More than 200 of the Bank's people leaders attended the seminar, which was designed to help them recognize the effect internal biases can have on the Bank's success. It also served as the kickoff to additional leadership training in D&I to be held in 2012.

The Bank's Diversity Employee Support Network Groups (ESNGs), coordinated by the ODI, are resources to share and promote the common interests of employees with a set of characteristics and identity that is unique and reflective of their life experiences and cultural norms. They offer support



Chicago Fed Senior VP Carl Tannenbaum (center), sponsor of the Bank's Asian American Affinity Group, with AAAG leaders Siying Ge and Jeffrey Cho

for continuing education and professional development, and celebrate and educate about their particular history and heritage. The Diversity ESNGs also provide opportunities for employee involvement in internal and external events held in partnership with civic organizations and professional associations. The Bank's ESNGs also formally and informally support the Chicago Fed's D&I efforts regarding recruitment, engagement, staff development and retention.

Our Employee Support Network Group members gained access to professional and leadership development opportunities while assisting the Bank in its diversity recruitment and employee engagement efforts. We look forward to empowering our members to building professional and community connections to support their career advancement here at the Bank.

— Voncia McCoy, Chair, APPG

The first Diversity ESNG was formed in 2002, and the number of these groups has grown over the years. As of December 31, 2011, the Bank's diversity-related ESNGs included:

- African American Association for Personal and Professional Growth (APPG)
- Asian American Affinity Group (AAAG)
- Latino Resource Association (LRA)
- Seventh District Friends of Lesbians And Gays (7FLAG)
- Women's Impact Network (WIN)

Several senior leaders serve as sponsors of the Bank's Diversity ESNGs: In 2011 they included Vice President of Community Development and Policy Studies Alicia Williams (APPG); Senior Vice President of Supervision and Regulation Carl Tannenbaum (AAAG); Executive Vice President of

CRSO/Information Technology Bill Barouski (LRA); Senior Vice President and Detroit Branch Manager Bob Wiley (7FLAG); and Senior Vice President and General Counsel Liz Knospe (WIN).

One of the most visible Bank-wide acknowledgments of the value of workplace diversity is the celebration of cultural and heritage months: specifically, Black History Month (February), Women's History Month (March), Asian American and Pacific Islander Heritage Month (May), LGBT Pride Month (June), and Hispanic Heritage Month (mid-September to mid-October). During October, the Bank collectively celebrates Diversity Month to promote diversity of thought and culture by sponsoring events, external speakers and activities open to all employees.

In 2011, the ODI started to work with members of the ESNG community to strengthen their impact, influence and effectiveness. The ODI conducted an assessment of all of the groups and is in the process of developing customized Strategic Alignment Workshops to assist the ESNGs in further clarifying their goals and efforts to support the achievement of the Bank's Corporate Social Responsibility objectives.

Our partnership with the Chicago Fed has allowed hundreds of Latino MBAs from all over the country to discover and access many job opportunities available throughout the Federal Reserve System, while gaining a better understanding of the role of central banking in the economy. Together, our organizations are changing the face of leadership teams in America's financial sector one executive at a time.

— Manuel Gonzalez, CEO, National Society of Hispanic MBAs

Recruiting diverse talent

The Seventh District continued to take a lead role in coordinating the Federal Reserve System's representation at several national career conferences, such as those sponsored by the Association for Latino Professionals in Finance and Accounting (ALPFA), the Atlanta University Consortium (a coalition of Atlanta-based, Historically Black Colleges and Universities like Morehouse College, Spelman College and Clark Atlanta University), the National Black MBA Association (NBMBA), the National Society of Hispanic MBAs (NSHMBA), and the National Urban League. On December 5, 2011, the Bank hosted its Second Annual Local Diversity Career Expo, inviting the local chapters of national organizations that participate in the System Diversity conferences, as well as members of local partners focused on promoting diversity. The event attracted more than 300 candidates of diverse backgrounds. The 2010 Expo led to the hiring of 11 candidates. As of this Report's



Chicago Fed interns collect school supplies for students at Morton School of Excellence in Chicago's West Humboldt Park neighborhood in September 2011.

writing, eight new hires have been recruited via the 2011 Expo. Partnering with national organizations is a fundamental component of the Bank's strategy, both locally and System-wide.

In addition to the System and local diversity career fairs, the Bank also hosted and/or attended recruiting and career networking events organized with additional minority and women-led organizations such as the Hispanic Alliance for Career Enhancement (HACE), Step Up Women's Network (which co-hosted a Network Power Breakfast at the Bank featuring City of Chicago Treasurer Stephanie Neely), the National Society of Hispanic Professionals (with Bank staff attending the Navy Pier Latino Job Fair and Supplier Diversity Conference) and the National Association of Asian American Professionals (NAAAP). The Bank also participated in events hosted by local colleges and universities: the University of Illinois at Chicago (UIC) Diversity Job Fair, the DePaul University Fall Job & Internship Fair, and the DePaul IT Meet & Greet Students and Alumni event. Bank staff also participated in the DePaul Kellstadt Employer Connects, and "Recruit Chicago" Alumni Career Fair/UIC Forum/Northwestern SCS Mixer. Bank recruiters partnered with the University of Chicago's Women's Business Group for a recruiting and networking function. Additionally, the Chicago Reserve Bank collaborated with the Federal Reserve Bank of New York on joint presentations and networking sessions with Northwestern University's Kellogg School of Business, the University of Chicago's Booth School of Business, and DePaul University's MBA program. The Federal Reserve Bank of Chicago partnered with the National Association of Security Professionals (NASP) at the University of Pennsylvania to network and build relationships. Openings for positions were publicized both internally and externally using the Bank's networks as well as those of other organizations, such as the National Association of Securities Professionals (NASP), with which the Bank deepened its partnership around women and minority recruitment in 2011. The Bank

also used a variety of web sites hosted by its partner local and national organizations, such as nbmbaa.org, nshmba.org, and haceonline.org, to generate pools of diverse applicants. The increase in diversity recruitment activity this year was supported by the hiring of a new full-time Senior Diversity Recruiter, Meredith Morales, with several years of experience in this field.

The Bank's paid college internship program continued to thrive in 2010-2011, with a record number of 75 interns participating, (versus 30 in 2009-2010 and 50 in 2008-2009). Recruitment took place through a variety of online web sites, on-campus recruiting at several local universities, partnerships with HACE, and networking with university professors. Overall, the ethnic background of 38 percent of this year's interns was diverse, a percentage of minorities above that of the local market's workforce. In comparison with the previous two years, 2010-2011 saw the highest proportion of women interns at 53 percent of total. At least six full-time offers were made to interns, of which three were accepted. Also, the internships of several individuals were extended through the fall. Several of these were minorities, including one female. Working closely with the ODI, two interns of diverse backgrounds assisted in the implementation of the Bank's OMWI initiatives related to both workforce and supplier diversity efforts.

Providing women and minorities leadership and development opportunities

The Chicago Reserve Bank continued to support the professional development of high performing females and minorities in various ways, including sponsoring their participation in external mentoring programs. Through its 15-year partnership with Menttium Corporation and participation in Menttium 100 (a cross-company mentoring program targeting females), the Bank offered mentoring opportunities with Chicago area-based executives to seven staff members. In addition, six employees participated in Menttium's Momentum initiative (a cross-company mentoring program for minorities) during the Bank's second year of participation. Several senior Bank officers volunteered to participate as mentors in the Menttium and Momentum programs. Also in 2011, the Bank assessed and revamped its internal mentorship program, launching a new self-directed program that provides training and resources to help employees establish their own mentoring relationships with leaders in the Bank. Of the 26 initial participants, 18 were women and 12 were minorities.

Efficacy Programs were offered for the fourth year in 2011 to women and professionals of color, and for the third year to members of the LGBT community. Twenty-four professionals of color, 26 women and nine members of the LGBT community participated in one- and two-day workshops. These sessions enhance employees' knowledge about how to leverage unique



City of Chicago Treasurer Stephanie Neely (third from left) and members of the Step Up Women's Network at a recruiting event sponsored by the Chicago Fed's Women's Impact Network in July 2011.

aspects of their identities and provide strategies to enhance their professional contributions, networking skills and professional development. Efficacy program participants are eligible for membership in the Bank's Efficacy Alumni Network, which offers quarterly events for members such as networking, professional development workshops and webinars. A total of 175 staff members are part of the Efficacy Alumni Network.

The Chicago Reserve Bank works very closely with its ESNGs to provide leadership development and networking opportunities to their members. For example, several members of the Bank's Women's Impact Network (WIN) participated in a workshop that utilized the Gallup StrengthsFinder, a talent assessment tool. Each participant received a report of strengths and had the opportunity for a one-on-one coaching session with a trained facilitator. A selected group of WIN members attended high-profile conferences and networking opportunities, such as the fourth Annual Women's Leadership conference sponsored by Loyola University and The Executives' Club of Chicago Women's Speakers Series, which attracts more than 1,000 attendees – primarily women – for panel discussions showcasing women who are role models of success in corporate and civic arenas. A number of WIN members also participated in Linkage's "Women in Leadership Institute," a three-and-a-half day "immersion" learning experience with participants from global partner companies representing five continents – all committed to advancing the succession and development of women within a community of emerging female leaders.

The Federal Reserve Bank of Chicago also sponsored the participation of three employee members of the Latino Resource Association (LRA) in the Hispanic Alliance for Career Enhancement (HACE) Leadership Academy, a program that focuses on business acumen, emotional intelligence, and civic engagement. The three participants graduated in December

2011, and two of them will participate as members of HACE's Advisory Council in 2012.

Members of the Seventh District Friends of Lesbians and Gays (7FLAG) attended the "Out & Equal Workplace Summit," which provides attendees the information and resources they need to support an out and equal workplace. The Summit boasts more than 2,500 attendees who participate in over 140 workshops and caucuses designed to create an inclusive workplace. 7FLAG also sponsored the "12 Steps of Effective Networking" seminar and "The Value of Inclusion," a lecture by Dr. Richard Friend on the business benefits behind strong diversity and inclusion initiatives.

The African-American Association for Professional Growth (APPG) partnered with Chicago United to host the fourth annual Business Leaders of Color Panel Discussion and networking reception. At this panel discussion, employees heard from and interacted with recognized minority business leaders including Mabel Tung, Senior Vice President of Northern Trust, and Terrell Anderson, Chief Operations Officer of Urban Partnership Bank. This year's theme was "Navigating Your Career by Design" and included a variety of topics, including

Our Leadership Academy allowed several Chicago Fed employees to make significant progress in their journey to become high performing leaders. Both our organizations worked closely throughout this experience and learned valuable lessons about diversity and inclusion.

— Sergio Fernandez, President, Hispanic Alliance for Career Enhancement

lessons learned from instances when panelists were not in active control of their careers and ways to overcome career-related "bumps on the road."

The Federal Reserve Bank of Chicago has System-wide responsibilities for the delivery of the System Leadership Initiative (SLI). SLI conferences are coordinated to support the development of a broader group of senior leaders in the Federal Reserve System. A core element of these conferences is diversity of participants, speakers and experiences. In 2010 and 2011, SLI offered a new conference, Thrive, to reach a more diverse group of managers in earlier stages of their careers with the purpose of developing, engaging and retaining them as key talent. Also, the System Leadership Exchange is coordinated by the Seventh District for the System to help provide more open access and participation in job exchanges/projects across Districts and with the Board of Governors. Minority and female representation has improved in the System

Leadership Exchange in 2011, with 59 percent of opportunities filled by women, and 24 percent filled by minorities. During this reporting period, the SLI Trailblazers conference was offered to 85 officers at the assistant vice president level. The participation rate of women was 48 percent, and that of minorities, 21 percent, an increase in participation from the 2010 conference.

Challenges

Some of the challenges faced by the Federal Reserve Bank of Chicago in the area of recruitment of women and minority employment can be explained by the fact that, due to the nature of its work, the Bank hires to fill a significant number of very specialized positions, such as bank examiners and information security experts. The pool of qualified candidates for these positions is in general small; and even more so as it relates to female and minority candidates, both at entry and more senior levels. As discussed in the Overview, the competition for minority and women candidates in financial and technical positions is fierce in the job markets from which the Bank recruits, and the Bank's ability to compete with salaries and benefits offered by the private sector and other regulatory agencies is limited.

Additionally, the Chicago Reserve Bank experienced challenges around retention of some minorities with whom the Bank had committed significant development resources, when they were recruited by other organizations. For example, in 2011 the Supervision and Regulation department lost 15 staff members to the newly created Consumer Financial Protection Bureau, two-thirds of which were minorities and/or females. Within budgetary restrictions, the Bank is working to ensure that our compensation package is as competitive as possible, strong retention strategies are in place, and our work environment is one that promotes diversity and inclusion.

Another challenge in increasing the number of female and minority senior professionals and officers is a result of the Bank's practice of developing its own staff and promoting from within, where the pool of female and minority candidates has historically been limited. In order to meet its goals, the Bank is increasing its internal pipeline of candidates by recruiting more women and people of color externally and concentrating on their development as leaders through programs such as the ones mentioned above.

Looking ahead

In 2012, the Bank will continue monitoring its workforce demographics and will introduce a more comprehensive D&I scorecard to evaluate progress on a regular basis. In partnership with the newly created ODI, the Human Resources department will strive to continue increasing diversity in the Bank's workforce, in alignment with the Bank's strategies and the Dodd-Frank Act requirements. With the assistance of an external

vendor, ODI will coordinate diversity awareness and inclusion training for the Bank's Management Committee and all people leaders. The ODI will also offer resources to all staff through its membership with one of the leading organizations in the area of D&I, Diversity Best Practices. Further strategic alignment between ESNs and the Bank's CSR strategies, especially as they relate to D&I, is expected to increase the quality of opportunities for development of ESNs members. Enhancements to Bank-wide leadership competencies and succession strategy plans are being developed and implemented by Human Resources, and D&I is being incorporated as a key component. In addition, hiring managers will be equipped to enhance their interview skills to identify for talent, skills and experience from the D&I perspective.

The Bank will continue coordinating the Federal Reserve System's diversity recruitment efforts, and actively recruiting for the District at national/local job fairs focused on women and minorities by expanding partnerships with key organizations in the private and nonprofit sectors, including professional associations. In-house minority and women recruitment events will continue, most of them in partnership with local and national professional and development organizations, as well as with Seventh District universities with significant women/minority populations and strong business and economic programs.

MINORITY AND WOMEN-OWNED BUSINESSES

The Federal Reserve Bank of Chicago's commitment to supplier diversity has grown in depth and breadth over the past few years. The Bank has a thorough and robust Supplier Diversity Program, with detailed policies and procedures aligned with the provisions of Section 342 of the DFA. The Chicago Reserve Bank recognizes the importance of a diverse supplier base and is committed to building meaningful business opportunities for minority- and women-owned business enterprises or M/WBEs. Accordingly, it is the Chicago Fed's policy to provide M/WBE suppliers equal opportunity to compete for acquisitions through a competitive bid process. By ensuring M/WBE supplier inclusion in its acquisition and contracting process, the Federal Reserve Bank of Chicago helps promote economic and community development in the Seventh District and drives positive business results for the Bank, fostering competition and innovation while advancing diversity and inclusion strategies.

During 2011, the Chicago Reserve Bank made considerable progress in procurement/supplier diversity, with the primary goal of increasing participation of minority and women-owned businesses in contracts with the Bank. Mark Hands, formerly with the City of Chicago, was hired in 2010 as the Bank's supplier diversity program manager. Since joining the Bank, Hands has helped to significantly strengthen the Bank's supplier diversity relationships in the business community.

In 2011, the Federal Reserve Bank of Chicago spent \$51,584,470 in reportable expenditures²⁸ via contracts in ten primary categories, as defined by the United Nations Standard

Products and Services Code or UNSPSC (see Table 5 for a breakdown by category).

Out of those reportable expenses, the total amount of dollars paid by the Federal Reserve Bank of Chicago to M/WBEs was \$4.32 million (approximately 8 percent of total reportable expenses), of which minority-owned businesses comprised \$2.75 million (approximately 5 percent of total) and women-owned businesses comprised \$1.57 million (or 3 percent of total).

The breakdown of MBE spending by ethnicity was as follows:²⁹

- Hispanic/Latino-owned businesses: \$1,324,730 (2.6 percent of total reportable expenses)
- African-American/Black-owned businesses: \$698,850 (1.4 percent)
- Asian-owned businesses: \$675,760 (1.3 percent)
- Other minority-owned businesses: \$45,810 (0.1 percent)

See Chart 5 for a breakdown of reportable expenditures to M/WBEs.

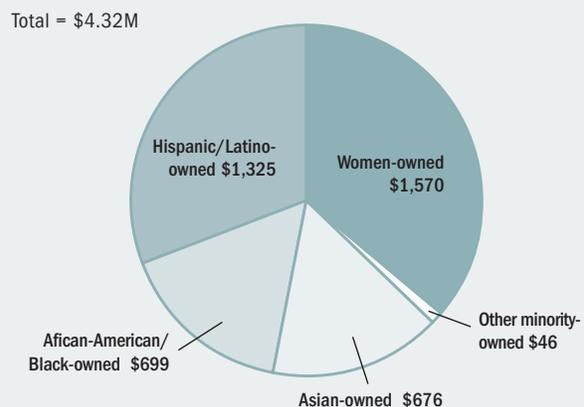
The top four MBE firms by contract volume in 2011 were: Ideal Contracting LLC (Hispanic/Latino), General Contractor; Computer Resource Solutions, Inc. (African American/Black), Auxiliary Staffing Services; AQUENT LLC (Asian), Auxiliary Staffing Services; and VIVA USA, Inc. (Asian), Auxiliary Staffing Services.

The top four WBE firms by contract volume during the same period were: Make Corporation, Auxiliary Staffing Services; AmeriCorps, Relocation Services; Mentium Corporation, Mentoring Program and Training; and Paulette Wolf & Associates, Meeting Planning Services.

Table 5.
FRBC Reportable Expenditures, percentages (2011)

Building, Construction and Maintenance Services	28%
Information Technology Broadcasting and Telecommunications	17%
Management, Business Professionals and Administrative Services	16%
Miscellaneous	10%
Travel, Food, Lodging and Entertainment	8%
Transportation, Storage and Mail Services	6%
Engineering, Research and Technology Based Services	5%
Industrial Cleaning Services	4%
Financial and Insurance Services	3%
Furniture and Furnishings	3%
Total	100%

Chart 5. FRBC Total Reportable Expenditures to M/WBEs, in thousands (2011)



Year-to-year comparisons show that the Federal Reserve Bank of Chicago's reportable spend with M/WBE suppliers increased \$1.72 million in 2011, from \$2.6 million (or 4.8 percent of total reportable spending) in 2010 to \$4.32 million (or 8.4 percent of total reportable spending) in 2011. This 40 percent increase was largely due to a significant expenditure on facility improvements performed in the Bank's Detroit Branch by Ideal Contracting, LLC.

The Federal Reserve Bank of Chicago's commitment to supplier diversity is evidenced by two of the three quarterly monitored Bank-wide D&I Objectives directly relating to increasing opportunities for engagement of M/WBEs in the Bank's purchasing of goods and services. In 2010, in order to meet the objective of increasing opportunities for M/WBEs to bid for and obtain contracts with the Bank, Procurement was able to include at least one MBE, when available, on 96 percent of all Bank bids. In 2011, the objective was changed to require not only the inclusion of at least one MBE in the list of vendors solicited for each bid, but also the inclusion of at least one WBE when available. Throughout 2011, Procurement or business units included at least one MBE and one WBE (when available) on 100 percent of all bids. A significant number of contracts were awarded to M/WBEs: in 2011, 17 M/WBEs responded to the Chicago Reserve Bank's bids, and nine or 53 percent of the M/WBEs that bid, were awarded contracts.

Another 2011 Bank-wide objective related to diversity in procurement was establishing or enhancing key external relationships to increase the Chicago Reserve Bank's community presence related to supplier diversity. The Bank established 15 new relationships in 2011, and enhanced another ten existing relationships. Key relationships in support of the Bank's Supplier Diversity efforts are explored in detail in the following pages.

The specific focus of the Supplier Diversity program in 2011 included: increasing procurement opportunities made available to M/WBE sources; increasing the Bank's presence in the community related to supplier diversity; increasing Bank staff awareness of the Bank's commitment to supplier diversity; and implementing DFA requirements and enhancing the Federal Reserve System supplier diversity efforts. In addition, the Chicago Fed's Community Development and Policy Studies department produced useful research and made presentations throughout the Seventh District to small businesses, M/WBEs, and organizations serving them.

Increasing opportunities for M/WBEs

Several events were held at the Federal Reserve Bank of Chicago to increase the knowledge of M/WBEs regarding how to contract with the Chicago Fed and other key agencies. For example, the Chicago Reserve Bank hosted representatives of roughly 50 minority and women-owned businesses to discuss

the current economic landscape and how to grow their companies in the coming year. The half-day conference was titled "New Strategies for a New Economy," and was attended by more than 85 business professionals from more than 50 M/WBEs. Panelists and participants discussed the challenges of the new economy, the characteristics of scalable suppliers, and the strategic alliances necessary to grow their business. A Chicago Fed economist also presented an overview of national and regional economic conditions. The event was co-sponsored by the Federal Reserve Bank of Chicago, the Chicago Minority Supplier Development Council (CMSDC), Chicago United, and the Women's Business Development Center (WBDC).

In 2011, the Chicago Fed hosted an MBE Multicultural Insights Workshop that provided valuable insights to 24 Consumer Package Goods (CPG) MBEs on industry trends, forecasts and the opportunity to showcase their products; as well as the Minority Investment Management Forum (MIMF), sponsored by the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce, Chicago United and Northern Trust. The MIMF is focused

When it comes to doing business with women and minority-owned companies, the Chicago Fed is a model for the public sector. Their leadership and staff don't pay lip service to supplier diversity: They make it happen.

— Hedy Ratner, Co-President, Women's Business Development Center

on increasing the flow of capital into minority-owned investment companies (MBE broker dealers). The event included a panel of public and private fund managers, one-on-one meetings, and a networking reception. Additionally, the Chicago Reserve Bank hosted an event in which U.S. Department of Energy representatives talked to key M/WBE contractors about procurement opportunities. Aligned with this event, members of the WBDC board facilitated a smaller meeting with "thought leaders" from key M/WBE organizations to discuss contracting goals and opportunities.

Our presence in the Supplier Diversity community

The Federal Reserve Bank of Chicago worked intensely in 2011 to increase its presence in the supplier diversity community, establishing 15 new external relationships and enhancing ten existing ones, as mentioned above. The Bank developed multiple activities in this area. For example, in June, 2011, Senior Vice President and OMWI Director Valerie Van Meter, Vice President of Accounting and Procurement Jeffrey Marcus, and Supplier Diversity Program Manager Mark Hands attended a

luncheon with Congresswoman Maxine Waters (D-CA) hosted by the Alliance for Business Leaders and Entrepreneurs (ABLE). A Chicago-based non-profit organization founded in 1992, ABLE is comprised of a select group of leading and emerging African-American entrepreneurs representing a broad spectrum of business men and women. At the luncheon, Congresswoman Waters shared her insights on the Dodd-Frank Act financial reform legislation. Federal Reserve Bank of Chicago staff also participated in a Small Business Administration training event and Business Expo where Congressman Luis Gutierrez (D-IL) was keynote speaker.

The Bank significantly increased its presence in the M/WBE community by strengthening its relationship with the Chicago Minority Supplier Development Council (CMSDC), hosting CMSDC's 2011 Board of Directors meetings, and thus gaining direct access to 45 representatives from corporations in the Chicago area. Jeffrey Marcus was selected in August 2011 to serve on the Chief Procurement Officers Advisory Council to the President of the CMSDC. The council members are personally selected by the President of the CMSDC for their leadership, vision and strategic commitment to business diversity development. Chicago Reserve Bank Procurement Manager Robert Bohaty received the CMSDC's Outstanding Buying/Contracting Executives Award. The award honors those individuals who have shown an extraordinary commitment to expanding corporate purchasing from minority-owned businesses. Bohaty received the award for his work supporting a long-term collaborative effort in which the Federal Reserve Bank of Chicago developed a successful business relationship with Computer Resource Solutions — an information technology consulting and staffing company and certified MBE. The Bank was also recognized for the opportunities it provided to other MBEs and its continuing support of the CMSDC. Mark Hands was announced as a new advisor to the CMSDC Board of Directors Advisory Council for 2012.

The Federal Reserve Bank of Chicago also established new memberships with the National Minority Supplier Development Council's (NMSDC) Financial Services Roundtable for Supplier Diversity, the Women's Business Development Center (WBDC), and the Michigan Minority Supplier Development Council (MMSDC), gaining access to more than 2,000 M/WBE firms throughout the Seventh District. For the fourth consecutive year, the Chicago Fed hosted a booth at one of the largest diversity supplier fairs in the country, the Chicago Business Opportunity Fair (CBOF), and was part of its Speed Dating Forum. The Chicago Reserve Bank's participation in these events provides access to more than 1,100 minority- and women-owned businesses. Chicago Reserve Bank staff also attended the Illinois Hispanic Chamber of Commerce (IHCC) 2011 Hispanic Business Expo and the 48th Annual Small

Business Administration (SBA) Small Business Week, meeting more than 50 businesses.

The Chicago Fed hosted a booth at the 25th Anniversary Entrepreneurial Women's Conference in Chicago at McCormick Place. The event provided an opportunity to network with other organizations and participate in one-on-one meetings with potential WBE suppliers. The Federal Reserve Bank of Chicago was also invited to participate in the fourth annual Allstate Supplier Diversity Exchange, an event that offers an opportunity for minority, women, LGBT and veteran-owned businesses to competitively bid for contracts with Allstate and Allstate's major suppliers. At the event, the Chicago Fed participated in one-on-one matchmaking sessions with small businesses, including M/WBE firms that later participated in several bid opportunities.

The Chicago Reserve Bank's staff also assisted in coordinating the Federal Reserve System's presence at the National Minority Supplier Development Council (NMSDC) Annual Conference and Business Opportunity Fair in Atlanta, Georgia. This was the third consecutive year the Federal Reserve System hosted a booth at the national conference. The event presented an opportunity to meet and network with potential MBE Suppliers. Participation in this conference helped the Chicago Reserve Bank find quality M/WBE suppliers to include in Bank bids in order to meet the goal of including at least one MBE and one WBE (when available) in 100 percent of bids.

Making our staff aware and our departments accountable

In order to increase staff awareness about the Federal Reserve Bank of Chicago's commitment to supplier diversity, Procurement staff provided training to the Facilities department (one of the largest purchasers in the Bank), reported progress to the District Performance Committee, Management Committee, and Board of Directors periodically, and disseminated articles via the Bank's Inside 7 internal web site. In addition, the Procurement department organized "pipeline" meetings with all Chicago Reserve Bank departments to discuss future opportunities resulting from expiring contracts, and new initiatives to increase diversity in contractors and vendors across the Bank. In order to ensure accountability, as discussed earlier, the Federal Reserve Bank of Chicago's Office of Diversity and Inclusion periodically tracks the adherence of each department to the previously mentioned Bank-wide objective related to the inclusion of M/WBEs in contract bids.

Procurement staff worked with the Chicago Reserve Bank's OMWI Director to develop the Seventh District's Supplier Diversity Policy Statement and OMWI Escalation Procedures for suppliers that do not agree with the "Fair Inclusion" contract language as required under the Dodd-Frank Act. In August, the



Chicago Fed Procurement and ODI team members with Women's Business Development Center Co-President Hedy Ratner (second from left) at the Chicago Business Opportunity Fair in September 2011

Federal Reserve Bank of Chicago hosted 55 staff members from the Federal Reserve System for a full-day workshop on best practices in supplier diversity. The workshop brought Federal Reserve System OMWI Directors and senior procurement officers together to share the methods they use and challenges they face as they continue to enhance supplier diversity practices and strategies. The workshop was facilitated by national supplier diversity expert Ralph G. Moore.

Closing the economic gaps between small businesses and the mainstream economy

The Federal Reserve Bank of Chicago's Community Development and Policy Studies (CDPS) department continued to partner in 2011 with numerous community based and regional organizations serving low- and moderate-income communities (especially in the areas of fair lending, community reinvestment, economic development, and affordable housing) in the Seventh District. The department's efforts to support small businesses often have a direct impact on many M/WBE vendors.

In the Detroit area, and following up on a Federal Reserve System-wide event held in June 2010 and attended by Federal Reserve Chairman Ben Bernanke, CDPS started a project to study the relationship between the presence of a financial institution branch in a neighborhood and the availability of credit for local small businesses, known as the *Detroit Access to Credit for Small Business Project*.³⁰ The Chicago Reserve Bank began studying how changes in the location of bank branches and other financial services providers affect the availability of credit and access to banking services for small businesses in the city of Detroit and its metropolitan area. The first step was an analysis of the financial infrastructure in Detroit, compared to three surrounding counties, looking at bank branch presence (and access) and loans to businesses across census tracts, and where

the data show gaps in financial infrastructure. A core research question was: "Are low-income and minority neighborhoods served by (proportionately) fewer banks, and do those banks make fewer loans to businesses?"

The project also involves conducting focus group discussions with distinct groups, including African-American, Latino and Middle Eastern business owners; entrepreneurs utilizing the Wayne State Research and Technology Park (commonly known as "Tech Town") facilities; and auto suppliers. The purpose of these focus groups is to allow Detroit small business owners to discuss their banking relationships and how these relationships have changed over time. The plan is to present the Federal Reserve Bank of Chicago's analytical findings to the focus groups, and use their feedback to inform the interpretation of the results, helping shape recommendations. The field research will also include in-depth interviews with bank lenders and nonbank small business lenders (such as microenterprise organizations) that will provide their perspectives on the opportunities and challenges of financing small businesses.

Additionally, CDPS staff made a variety of presentations throughout the Seventh District on issues affecting small business. For example, access to capital and job creation was the topic selected for a presentation at the O'Bannon Institute for Community Service in Bloomington, Indiana. Chicago Reserve Bank staff presented the findings of the study "Addressing the Financing Needs of Small Business" to the Latino Entrepreneurs Network in Milwaukee, Wisconsin. And a presentation was made to teachers of predominantly minority schools on the basics of the Community Reinvestment Act (CRA) at the National Association of Urban Debate Leagues. A CDPS staff member also served as a panelist at the 2011 Small Business Capital Access Forum in Chicago, IL. The panel topic was CRA eligible investments, including New Markets Tax Credits, CDFI investments, and SBA's Small Business Investment Companies. In Michigan, Chicago Reserve Bank staff based at the Detroit Branch provided economic updates to a number of organizations supporting and/or targeting M/WBEs, such as the Michigan Minority Supplier Development Council, the Original Equipment Suppliers' Association and the Genesee County Chamber of Commerce.

Challenges

The Federal Reserve Bank of Chicago has not identified, and is not aware of any significant challenges specific to minority and women-owned firms competing for contracting opportunities with the Bank. The Bank continues to actively solicit feedback from current diverse suppliers, and from advocacy organizations, on any potential barriers that M/WBEs face in competing for contracting opportunities. In addition, the Bank is committed to offering technical assistance programs to its

current diverse suppliers, as well as to other M/WBEs that have an interest in competing for new opportunities when they become available.

The few challenges encountered by the Federal Reserve Bank of Chicago in trying to meet its objectives around diverse suppliers relate to three factors. First, the contracting opportunities managed by the Bank are somewhat limited since many goods and services purchased by the Bank are managed by the National Procurement Office. Second, when bids are issued by the Federal Reserve Bank of Chicago, qualified M/WBE firms often decide not to bid. Finally, many M/WBE firms have difficulties differentiating themselves in saturated industries (for example, in the area of staff augmentation services).

The Chicago Fed works with experts and partners in the nonprofit sector, such as Chicago United, the Chicago and Michigan Minority Supplier Development Councils and the Women's Business Development Center to better understand the realities of M/WBEs and assist them in overcoming challenges and ensure equal access to bids.

Looking ahead

In 2012, the Federal Reserve Bank of Chicago's Procurement department will continue advancing its goals in close collaboration with the Office of Diversity and Inclusion by including WBEs and MBEs in all bids, expanding its presence in the community, and educating M/WBEs about how to submit successful bids and enhance their capacity to do business with the Chicago Fed and other public sector agencies. The Chicago Reserve Bank's representatives will continue to participate in local vendor fairs and community events. In addition, the Bank's M/WBE vendor management and technical assistance programs will continue to be enhanced through the Bank's partnership with M/WBE advocacy groups. In collaboration with the



Chicago Fed Procurement Manager Robert Bohaty receives the Chicago Minority Supplier Diversity Council (CMSDC) Buying/Contracting Executives Award in April 2011.

Community Development and Policy Studies department (CDPS), steps will be taken to determine if and how CDPS-led initiatives targeting small businesses can be leveraged to better inform and promote relationships between these firms and the Federal Reserve Bank of Chicago.

The Chicago Fed Procurement team will continue to work with business units to identify opportunities to contract with M/WBE suppliers through regularly scheduled meetings and the development of a 24-month pipeline report that will provide sufficient time to identify quality suppliers for every sourcing event. The Supplier Diversity Program Manager will also continue to seek every opportunity to educate the Bank on the benefits of Supplier Diversity through Bank-wide presentations to leadership, and to identify advocates for this important Bank-wide initiative.

FINANCIAL LITERACY AND OUTREACH

The Federal Reserve Bank of Chicago provides a variety of resources to individuals and organizations throughout the Seventh District, focused on increasing and enhancing financial literacy and economic education, from our Money Museum – visited by more than 40,000 people in 2011, many of them students – to our commitment of providing tools and resources to financial educators in the District through our “Econ in the Classroom” initiative. Both are managed by the Bank’s Public Affairs department. The Community Development and Policy Studies department also partners and collaborates with dozens of public, private and nonprofit organizations, producing and disseminating research and best practices, and providing forums for discussion of issues related to community and economic development.

As part of this work, the Chicago Reserve Bank has established itself as a trusted community partner in the Seventh District by convening stakeholders, producing research, and offering expertise and resources to dozens of organizations engaged in providing financial literacy to women, youth and minorities. As it implemented the provisions contained in the Dodd-Frank legislation, the Federal Reserve Bank of Chicago worked to enhance and better align its community outreach efforts related to financial literacy by maintaining key partnerships with external organizations serving women and minorities, as well as identifying and establishing new partnerships. The work of the ODI in this arena was developed in close partnership with the Public Affairs and the Community Development and Policy Studies departments. In 2011, Roberto Requejo was hired as Senior Organizational Culture Analyst for the Office of Diversity and Inclusion to increase the Bank’s external outreach and better align it with the DFA’s requirements, utilizing his 10 years of experience working with nonprofits, businesses and the public sector in the Chicago area.

Promoting financial literacy through Money Smart Week partners

In 2011, Money Smart Week, a series of free classes and activities designed to help consumers better manage their personal finances, now in its tenth year, continued its expansion throughout the Seventh District. Held in the month of April, and led by the Federal Reserve Bank of Chicago’s Manager of Outreach Programs Alejo Torres, it included more than 300 partner organizations and offered more than 770 free seminars and activities (an increase of 20 from 2010) throughout the Chicago metropolitan area. More than 32,000 people participated including 9,000 adults and 23,000 youth.

Of the 2,513 adult participants who completed surveys, 63 percent were female and 37 percent were minorities. The Detroit Branch held its eighth annual Money Smart Week in April 2011 as well. More than 250 events were offered to residents throughout Michigan, with the support of more than 70 partner organizations. In total 6,000 people participated, including 2,500 adults and 3,500 youth. Money Smart Week Iowa also continued programming in 2011 in Central Iowa, the Cedar Rapids/Iowa City Corridor and the Quad Cities.

Money Smart Week Chicago facilitated a large variety of educational opportunities to youth of color through the Chicago Reserve Bank’s partnerships with Chicago Public Schools (CPS) and the Chicago Public Library. For example, CPS, in partnership with Wealth Watchers, the Chicago Cubs and the Chicago Fed, hosted an event for students at majority-Hispanic Curie High School, including guest speaker and former Major League baseball player “Mr. Cub” Ernie Banks, who stressed the importance of sound financial decisions regardless of income. Also, Visa partnered with the Federal Reserve Bank of Chicago to host a Financial Football event for 30 students from Hinsdale South High School. Students moved down the soccer field and scored by answering financial questions correctly. In attendance as coaches and lifelines were U.S. Treasurer Rosie Rios, U.S. Congresswoman Judy Biggert, and soccer stars Brian McBride and Cobi Jones.

During Money Smart Week Chicago there were 16 events for “Saving & Planning for College.” Major topics included financial aid help and advice, and paying for college. Major



2011 Money Smart Kid contest winner Charles Tiseo (foreground) with Chicago Fed President Charles Evans, Money Smart Kid committee co-chair Kay Kamin, and Loretta Abrams, HSBC-North America (left to right).

contributors were College Aid Planners and the Illinois Student Assistance Commission. Also, nine events were designed under the theme “Teens & Money.” Major topics included money management and transitioning to adulthood. Key partners were public libraries and credit unions. A variety of financial literacy activities for children were offered, including an essay contest about the importance of financial literacy, as well as 30 events under the “Kids and Money” rubric. Topics included saving, going green, and spending wisely. Partners included Junior Achievement, public libraries, large banks and credit unions. Additionally, there were 12 events under the topic “Money Management for Women,” covering family budgeting, financial security and events for single mothers. Major contributors were Thrivent Financial for Lutherans and other nonprofit groups.

In Detroit, longtime Money Smart Week participant Wayne State University, with a student body comprised of over 40 percent minority students, continues to be a valuable partner. The University held events during Money Smart

Junior Achievement of Chicago has partnered with the Chicago Fed for almost 20 years, helping hundreds of students, mainly African-American and Latino, learn about personal finance and the way the economy works. The Fed has also opened its doors in numerous occasions for JA youth to participate in job shadowing within the Bank, demystifying the nature of the Fed's work and encouraging our students to dream big if they plan on pursuing a career in finance.

— Sandy Daffe, President, Junior Achievement of Chicago

Week for Educational Talent Search high school students at Osborn, Detroit International Academy for Women, Martin Luther King High School, and Southwestern High School (all majority African-American). Also in 2011, 46 Ford Motor Credit volunteers conducted 23 workshops on “The Keys to Understanding Financial Success.” Nineteen of the workshops were held in Detroit high schools and four were held at community-based organizations. On average, 30 consumers attended each workshop. Ford Motor Credit volunteers had such success they received requests for 20 more workshops at an additional 11 Detroit Public Schools for the week following Money Smart Week. Flagstar Bank held dozens of classes in Detroit schools on the Basics of Banking and the Basics of Budgeting. They also partnered with the nonprofit Operation Hope to present “Banking on Our Future” sessions in classrooms around Detroit.

Supporting schools and nonprofits targeting young women and youth of color

The Federal Reserve Bank of Chicago continued to be actively engaged in direct outreach to schools to promote financial literacy and economic education, mainly through its 19-year long partnership with the local chapters of Junior Achievement (JA), an international nonprofit that educates students on workforce readiness, entrepreneurship and financial literacy. In Chicago, 26 classrooms in majority Black and/or Latino elementary, middle and high schools were visited during several weeks by Bank volunteers, who taught students the fundamentals of finance. The Chicago Reserve Bank also hosted 40 students from Chicago's majority-Latino Schurz High School for a day of job-shadowing. As part of the Financial Literacy and Economic Empowerment Initiative, the Bank brought 55 juniors from Fenger Academy and Percy Julian High School – both predominantly African-American – for a tour of the Money Museum and a panel discussion/Q&A session with Federal Reserve Bank of Chicago leaders of minority background. In addition to working with JA, five employees volunteered to provide several days of mentoring, a Bank tour, and job-shadowing sessions to students of Perspectives, a local charter school with a majority of African-American students. In the Fall of 2011, the Federal Reserve Bank of Chicago started working to revise its strategy for financial literacy outreach to better align it with DFA provisions by partnering with several inner-city and girls' high-schools through its partnership with JA.

Detroit Branch staff also partnered with JA to provide financial literacy classes to students in elementary and high schools. A special event with the Detroit Economic Club was held at the Bank's building, during which high schoolers from the area were exposed to financial and economic education. Detroit Branch staff also talked with students at the predominantly African-American Golightly Academy of Finance on the state of the U.S. and Michigan economies, and presented data to students showing the correlation between higher education and lower unemployment. The Golightly Academy of Finance is a longstanding partner of the Detroit Branch, which hosts the school's graduation and provides internships to students. Additionally, in the Fall, the Detroit Branch, Visa, and the Michigan chapter of JumpStart – a nonprofit connecting college students and volunteers with preschool children to close educational achievement gaps – hosted activities on financial literacy for a total of 130 students through a day of learning.

Federal Reserve Bank of Chicago Economic Outreach Specialist Cindy Ivanac, of Public Affairs, serves on the Chicago Public Schools Advisory Board for Business and Finance Programming. The Chicago Reserve Bank sponsored the Chicago Public Schools' (CPS) Academies of Finance graduation, which was held at the Chicago Fed building. All academies are



Chicago Fed Central Bank Services Analyst Jaron Eanes teaches students of Percy Julian High School as part of the Bank's partnership with Junior Achievement.

majority-minority schools. The Federal Reserve Bank of Chicago also supported the work of Youth About Business, a national organization that reaches more than 700 high school students with transformative programming aimed at developing diverse future leaders. The Chicago Fed hosted a corporate volunteer reception for the organization and provided technical expertise for the organization's summer business camp, created in 1999 to provide high school students an opportunity to experience the business world by participating in a competition performing merger and acquisition simulations. Additionally, the Chicago Reserve Bank supported a CPS program, Econ After School, designed to expose underserved high school students to downtown Chicago business and industries. All participating schools have majority-minority populations. The kickoff event was held at the Federal Reserve Bank of Chicago. Cindy Ivanac wrote several blog entries targeting the role of women in our labor force and in the study of economics. The blog, marginalthoughts.org, targets educators and students 9 to 16 years-old and it received 28,000 single visitors in 2011. In addition, she participated on a career day panel at all-girl, inner-city high school Young Women's Leadership Charter School, and in a speed mentoring event hosted by local nonprofit Chicago Scholars Foundation.

Members of the Federal Reserve Bank of Chicago's Latino Resource Association partnered with the Chicago chapter of the National Society of Hispanic MBAs Chicago (NSHMBA Chicago), hosting its Summer Enrichment Program (SEP) for a group of high school students at the Bank in the final part of a four-week business and college prep course. During their visit, students learned about the Federal Reserve at the Money Museum and lunched with Bank managers to learn more about their backgrounds and individual roles. During a panel discussion, SEP students heard employees speak about their personal

journey to college and the importance of continuing education for their future. Students also received one-on-one feedback from volunteers as part of their final SEP project: The volunteers critiqued students' business plan designs and execution, and offered advice for future entrepreneurship. The day concluded with a presentation on communication skills delivered by a local radio host.

The Research department of the Federal Reserve Bank of Chicago continued its support of the PhD Project, a national nonprofit dedicated to increasing the number of African-American, Latino and Native American business school faculty by supporting minorities who pursue PhD degrees in the areas of accounting, finance, information systems, management, and marketing. David Marshall, Senior Vice President of Economic Research, served as keynote speaker at a PhD Project event in the summer of 2011. In addition, the Research department offered peer review of research papers to several scholars of minority background.

The Chicago Reserve Bank also continued providing in-kind support to the Young Men's Educational Network (YMEN), an organization based in North Lawndale (a majority African-American community in Chicago) promoting responsible leadership and service to the larger community through a comprehensive college preparatory program, entrepreneurial training, and a long-term mentoring network. The organization's leaders, youth, and external speakers met several times at the Federal Reserve Bank of Chicago.

Challenges

Many of the challenges associated with promoting financial literacy and economic education throughout the Seventh District stem from the fact that different states, school districts and schools have very different approaches (or none) to these subject matters, making successful initiatives difficult to replicate. The Chicago Fed works both at the System level and with individual schools, but in absence of a more coordinated and homogeneous approach to financial literacy and economic education, many times the Chicago Reserve Bank must rely on the leadership of one school or one individual to make a limited difference in the field. Additionally, some initiatives, like the Bank's partnership with Junior Achievement, rely on Bank volunteers to be implemented, making sustained, large-scale initiatives difficult in a geographic region as extensive as the Seventh District. Tracking the demographics of youth and overall participants in Money Smart Week is also complicated, as each partner is responsible for its own tracking, making the quality of data uneven. Finally, the vast majority of partners of the Chicago Reserve Bank in the financial literacy and economic education arena are public schools, community-based organizations and other nonprofits, all of

which have been hard-hit by the economic recession and have reduced capacity to implement and evaluate the effectiveness of their financial literacy programs.

Looking ahead

In 2012, the Federal Reserve Bank of Chicago will be reformulating and implementing its outreach strategy in support of Chicago Public Schools' inner-city high schools focused on Business and Finance, as well as CPS' only all-girls academy, and will ensure that the ongoing financial literacy and economic education outreach and current partnership efforts reach more minority and female audiences in high schools. Additional partnerships with external groups that provide economic and financial education and mentoring programs to female and minority high school and college students will be considered, and the Bank's Employee Support Network Groups will become increasingly engaged in supporting financial and economic education programs.

The Community Development and Policy Studies department will continue conducting research and initiatives focused primarily on low- and moderate-income communities and populations, including trends in community development finance and access to credit and banking services that directly affect small businesses and M/WBEs. Regional economic team members will continue to provide support to various non-profit



Chicago Fed Senior Vice President and OMWI Director Valerie Van Meter advises students at a "speed mentoring" event at the Bank co-hosted with the Chicago Scholars Foundation in June 2011.

organizations through serving on boards and partnering with District-based foundations and will provide analytical support and economic presentations. The Federal Reserve Bank of Chicago's partnerships with nonprofit and civic organizations, as well as private sector players and other public agencies, will also be reassessed to better align them with the DFA requirements around the inclusion of women and minorities.

CONCLUSIONS

2011 was a pivotal year in the Federal Reserve Bank of Chicago's diversity and inclusion (D&I) journey. The Bank was able to meet all of its D&I objectives, and established new, ambitious ones for 2012. Critical for the success of the Bank in promoting a diverse and inclusive workforce and work environment, attracting M/WBEs, and expanding financial literacy efforts among women and minorities in 2011 was the creation and staffing of the Office of Diversity and Inclusion, as well as the hiring and on-boarding of diversity specialists in the areas of recruitment and procurement. Along with its nascent Corporate Social Responsibility Council and framework, and with the support of senior leadership, the Chicago Reserve Bank is well prepared to enter 2012 with ambitious objectives and initiatives addressing existing challenges.

Many of the challenges encountered by the Chicago Reserve Bank as it advances its D&I agenda are systemic and pervasive, such as the limitations in the diversity of the talent pool for specialized and senior positions in banking, the difficulties that a sluggish economy is posing to the capacity of M/WBEs, or

the growing need for financial literacy resources at a time of governmental and nonprofit budget cuts. In order to tackle these challenges, the Chicago Fed is committed to continually working with its local and national partners in the public, private and nonprofit sectors, and to devote resources to enhance diversity and inclusion not only within the Bank, but also throughout the District, and beyond.

The progress and accolades achieved by the Federal Reserve Bank of Chicago in the D&I arena in 2011 are not reasons for complacency. To the contrary, they establish a high standard for the Bank and they spur its interest to continue working on areas of improvement. In order to address such areas, new initiatives are underway, ranging from educational opportunities for hiring managers, to technical assistance initiatives customized for M/WBEs, to better aligned financial literacy efforts targeting majority-female and majority-minority high schools. As a result of these continued efforts, the Bank aims to be recognized as an employer of choice, a preferred business partner, and a trusted community stakeholder.

Acknowledgements

The Federal Reserve Bank of Chicago would like to acknowledge the following partners for their support in advancing diversity and inclusion in the areas of employment, procurement, and financial literacy, among others. Due to space limitations we are unable to list all of our partners, including hundreds of organizations engaged in MoneySmart Week. We are equally thankful to those organizations omitted on this list.

<i>Alliance for Business Leaders and Entrepreneurs</i>	<i>Hinsdale South High School, Darien, IL</i>	<i>National Latino Education Institute</i>	<i>The Kaleidoscope Group, LLC</i>
<i>AmeriCorps</i>	<i>Hispanic Alliance for Career Enhancement</i>	<i>National Minority Supplier Development Council</i>	<i>The PhD Project</i>
<i>AQUENT LLC</i>	<i>Ideal Contracting, LLC</i>	<i>National Society of Hispanic MBAs</i>	<i>The University of Chicago</i>
<i>Association for Latino Professionals in Finance and Accounting</i>	<i>Illinois JumpStart</i>	<i>National Society of Hispanic Professionals</i>	<i>Thrivent Financial for Lutherans</i>
<i>Atlanta University Consortium</i>	<i>Indiana Council on Economic Education</i>	<i>National Society of Women Engineers</i>	<i>University of Illinois at Chicago</i>
<i>Center for Economic Education, University of Illinois-Chicago</i>	<i>Junior Achievement of Chicago</i>	<i>National Urban League</i>	<i>University of Illinois at Urbana-Champaign</i>
<i>Chicago Minority Supplier Development Council</i>	<i>Junior Achievement of Southeastern Michigan</i>	<i>Northern Trust</i>	<i>US Treasurer, Ms. Rosie Rios</i>
<i>Chicago Public Library</i>	<i>Latino Entrepreneurs Network, Milwaukee</i>	<i>Northwestern University</i>	<i>Visa, Inc.</i>
<i>Chicago Public Schools</i>	<i>Linkage, Inc.</i>	<i>Novations Group, Inc.</i>	<i>VIVA USA, Inc.</i>
<i>Chicago Scholars Foundation</i>	<i>Loyola University</i>	<i>O'Bannon Institute for Community Service</i>	<i>Wayne State Research and Technology Park</i>
<i>Chicago United</i>	<i>Make Corporation</i>	<i>Operation Hope</i>	<i>Wayne State University</i>
<i>Computer Resource Solutions, Inc.</i>	<i>Martin Luther King High School</i>	<i>Original Equipment Suppliers Association</i>	<i>Wealth Watchers</i>
<i>Curie Metropolitan High School, Chicago</i>	<i>Mentium Corporation</i>	<i>Osborn High School, Detroit</i>	<i>Women's Business Development Center</i>
<i>DePaul University</i>	<i>Michigan Council on Economic Education</i>	<i>Paulette Wolf & Associates</i>	<i>Working in Support of Education</i>
<i>Detroit Economic Club</i>	<i>Michigan JumpStart</i>	<i>Percy Julian High School</i>	<i>Young Men's Education Network</i>
<i>Detroit International Academy for Women</i>	<i>Michigan Minority Supplier Development Council</i>	<i>Ralph Moore & Associates</i>	<i>Young Women's Leadership Charter School</i>
<i>Econ Illinois</i>	<i>Minority Business Development Agency of the US Department of Commerce</i>	<i>Right Management Outplacement</i>	<i>Youth About Business</i>
<i>Flagstar Bank</i>	<i>Minority Investment Management Forum</i>	<i>Schurz High School, Chicago</i>	
<i>Ford Motor Credit</i>	<i>National Association of Asian Americans Professionals</i>	<i>Small Business Administration</i>	
<i>Genesee Country Chamber of Commerce</i>	<i>National Association of Securities Professionals</i>	<i>Southwestern High School, Detroit</i>	
<i>Golightly Academy of Finance, Detroit</i>	<i>National Association of Securities Professionals</i>	<i>Step Up Women's Network</i>	
<i>Harpo Studios</i>	<i>National Black MBA Association</i>	<i>The Chicago Community Trust</i>	
		<i>The Chicago Cubs</i>	
		<i>The Executives' Club of Chicago</i>	

For more information about Money Smart Week and its partners please visit www.monysmartweek.org.

ENDNOTES

- ¹ These numbers do not include 50 temporary employees.
- ² The Bank classifies its workforce in several Tiers. Tiers 2 and 3 combined include the vast majority of Bank staff. Tier 2 positions include intermediate professionals and upper-level office and clerical positions. Tier 3 positions include high-level professionals, managers, and supervisors.
- ³ See Endnote 2.
- ⁴ See Endnote 1.
- ⁵ The U.S. Census Bureau definition of the Midwest region includes the entire jurisdiction of the Seventh District, and also states located in other Districts such as Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota, as well as portions of Illinois, Indiana, Michigan and Wisconsin not covered by our District.
- ⁶ See Sonya Rastogi, Tallese D. Johnson, Elizabeth M. Hoeffel, and Malcolm P. Drewery, Jr., 2011, "The Black Population: 2010," U.S. Census Bureau (brief), September, available at <http://www.census.gov/prod/cen2010/briefs/c2010br-06.pdf>; and Sharon R. Ennis, Merarys Rios-Vargas, and Nora G. Albert, 2011, "The Hispanic Population: 2010," U.S. Census Bureau (brief), May, available at <http://www.census.gov/prod/cen2010/briefs/c2010br-04.pdf>
- ⁷ While the growth of population who self-identified as "Black or African American alone" grew 7 percent, the growth of Black or African American population in combination with other race, over 3 million people in the Midwest area, grew 90 percent between 2000 and 2010. See the U.S. Census Bureau brief "The Black Population: 2010," referenced in Endnote 6.
- ⁸ See the U.S. Census Bureau brief "The Hispanic Population: 2010," referenced in Endnote 6.
- ⁹ Frey, William H., 2011, "Black Population Dropping in Big Cities," Brookings Institution, March 22 (article and video) available at http://www.brookings.edu/interviews/2011/0323_census_migration_frey.aspx
- ¹⁰ See National Center for Education Statistics, 2011, "Public School Graduates and Dropouts from the Common Core of Data: School Year 2008-09; Table 2. Public high school number of graduates, Averaged Freshman Graduation Rate (AFGR), and estimated first-time 9th-graders, by state or jurisdiction: School year 2008-09," May, available at <http://nces.ed.gov/pubs2011/2011312.pdf>
- ¹¹ Compiled by The Chicago Community Trust using county-level data from Profiles of Illinois, 2008, Grey House Publishing (PowerPoint presentation on Educational Attainment Gap in the Chicago Region, 2011)
- ¹² See Bloomberg Businessweek, December 23, 2010, "Slowly, Top B-Schools Gain in Diversity" for highlights of an analysis based on self-reported enrollment data, available at http://www.businessweek.com/bschools/content/dec2010/bs20101222_345414.htm
- ¹³ Catalyst's Felice Information Center Catalog, 2011, "Women MBAs: Women's Enrollment and Degrees around the World," August, available at <http://www.catalyst.org/publication/250/women-mbas>
- ¹⁴ Diversity Best Practices, 2011, "Diversity Representation at Senior Levels in the Financial Industry," November.
- ¹⁵ The estimated percentage of women working in IT is between 20 and 29 percent. A similar percentage enrolls in engineering (21 percent), and computer science and technology (20 percent). For more information on this topic see Nancy Ramsey and Pamela McCorduck, 2005, "Where are the Women in Information Technology?" (report of literature search and interviews prepared by the Anita Borg Institute for Women and Technology for the National Center for Women & Information Technology, University of Colorado, Boulder), available at: http://anitaborg.org/files/abi_wherearethewomen.pdf. For breakdowns of IT professionals by ethnicity, see the survey of 776 members by the Association of Information Technology Professionals "2007 AITP Demographics Study," 2007, available at http://www.aitp.org/resource/resmgr/2008_ie_files/2007-demographics-study.pdf
- ¹⁶ The complete "2010 Corporate Diversity Report, August 2010" commissioned by U.S. Senator Robert Menendez can be found at <http://menendez.senate.gov/imo/media/doc/CorporateDiversityReport2.pdf>
- ¹⁷ Diversity Best Practices, 2011, "Diversity Representation at Senior Levels in the Financial Industry," November.
- ¹⁸ Small Business Administration, Office of Advocacy, 2011, "Small Business Profile, Illinois," February, available at <http://www.sba.gov/sites/default/files/files/il10.pdf>
- ¹⁹ U.S. Census Bureau, 2011, "Census Bureau Reports the Number of Black-Owned Businesses Increased at Triple the National Rate," press release, February 8, available at http://www.census.gov/newsroom/releases/archives/business_ownership/cb11-24.html
- ²⁰ Moore, Ralph, presentation at the conference "New Strategies for a New Economy," Federal Reserve Bank of Chicago, November 30, 2011. More information is available at http://www.chicagofed.org/webpages/utilities/newsroom/news_releases/2011/12.07_diversity_release.cfm
- ²¹ CoreLogic©, 2012, "CoreLogic© Reports 830,000 Completed Foreclosures Nationally in 2011, a Decrease of 24 Percent from One Year Ago," press release, February 8, available at <http://www.corelogic.com/about-us/news/corelogic-reports-830,000-completed-foreclosures-nationally-in-2011,-a-decrease-of-24-percent-from-one-year-ago.aspx>
- ²² The Detroit News published this information as part of a chart showing the metropolitan areas with the largest numbers of vacant properties as of November 2011, based on data from RealtyTrac, available at <http://cmsimg.detroitnews.com/apps/pbcsi.dll/bilde?Site=C3&Date=20120112&Category=BIZ&ArtNo=201120350&Ref=AR&MaxW=600&Border=0>
- ²³ U.S. Dept. of Labor, Bureau of Labor Statistics, 2012, "Regional and State Employment and Unemployment – December 2011," press release, January 24, available at <http://www.bls.gov/news.release/pdf/laus.pdf>
- ²⁴ Federal Deposit Insurance Corporation (FDIC), 2009, "FDIC National Survey of Unbanked and Underbanked Households," February, available at <http://www.fdic.gov/householdsurvey>
- ²⁵ See Endnote 2.
- ²⁶ The other categories in the Bank's reports, "Native Hawaiian or Pacific Islander," "American Indian or Alaskan Native," and "Two or More Races" represent all together approximately 1 percent of the Bank's workforce and have been grouped for the purposes of this Report and jointly referred to as "Other." The sum of all percentages does not add up to 100 percent due to rounding.
- ²⁷ The most recent information applicable to our Workforce Analysis dates back to the U.S. Census Bureau, Census 2000, Special EEO File.
- ²⁸ "Reportable expenses" include all amounts paid to third party contractors for goods and services. They exclude inter-System payments; government payments (any fees identified as taxes, payments to cities, counties, state or federal government entities including the U.S. Postal Service); employee payroll and reimbursements; legal settlements (excluding attorneys' fees); payments to international banks; payments to charities; association memberships, dues and fees; payment network fees; rent (applied specifically against building occupancy payments not for miscellaneous or unidentified payments placed in Rent GL accounts); and utilities.
- ²⁹ Ethnicity classifications are based on data provided by Dun & Bradstreet Inc.'s Supplier Risk Manager product. For the purpose of this Report's section, the "Asian Pacific American" and "Sub-Continent Asian American" classifications have been aggregated under "Asian."
- ³⁰ For more information, see Engel, Emily, 2012, "Changing Banking Infrastructure: Access to Credit by Detroit's Small Businesses," Federal Reserve Bank of Chicago, Community Development and Policy Studies blog, February 2, available at: <http://cdps.chicagofedblogs.org/?p=209>

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