



Report to the Congress on the Office of Minority and Women Inclusion

March 2017

FEDERAL RESERVE BANK OF CHICAGO



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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 designated 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

Conduct high-quality research and analysis that informs public policy in pursuit of improved economic outcomes and greater financial stability. Anticipate and respond to developments in financial markets and institutions, payment systems, and the economic challenges faced by workers, businesses, consumers and communities.

Financial Stability

Promote the stability of banking and financial markets by:

- Identifying, analyzing and addressing risks impacting the financial system;
- Conducting effective macro and micro prudential supervision;
- Protecting consumers of financial services and ensuring equal access to credit; and
- Ensuring market liquidity through condition monitoring and prudent and timely lending.

Payments

Foster the integrity, efficiency and accessibility of U.S. payment systems.

- Partner with System entities to execute the Financial Services' Strategic Plan by leveraging customer

relationships, market research and product development expertise.

- Utilize our research expertise and industry relationships to address strategic payments issues end-to-end and serve as a catalyst for change.
- Provide a secure and resilient FedLine network.
- Maintain confidence in the nation's currency through efficient operations, uninterrupted currency supply and strong counterfeit currency detection.

Relationships

Invest in relationships through collaboration to create shared value with internal and external stakeholders.

- Gather and deliver information relevant to our mission regarding the economy, financial institutions, payments and the community.

People

Recruit, retain and develop the highly skilled staff and leaders required to achieve our mission. Foster a collaborative, challenging and inclusive environment that promotes a workforce diverse in thought, background and perspective.

Risk & Control Environment

Achieve operational excellence in a risk-focused environment.

- Identify, evaluate and manage risks appropriately.
- Safeguard our people, information and assets.
- Maintain strong controls in our operations and processes.

Our Core Values

Our values make us what we are. Through them, we make a promise to each other that all our work will reflect who we are as a team.

Integrity

We are honest, fair, courageous and independent in order to maintain strong public confidence in our Bank and in the Federal Reserve System.

Respect

We value diverse talents and perspectives and empower one another to advance our mission.

Responsibility

We are accountable for our individual and collective actions and honor our commitments to the public and one another.

Excellence

We strive to achieve the highest level of performance in pursuit of our mission.

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, 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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Executive Summary

During 2016, the Federal Reserve Bank of Chicago (FRBC and the Bank) continued advancing its diversity and inclusion (D&I) strategies through the work of its Office of Diversity and Inclusion (ODI), now in its sixth year of existence. The ODI is a support office to all Bank departments with special partnerships developed with Human Resources, Internal Communications, Procurement, and Public Affairs. In addition to collaborating with internal stakeholders, the ODI works with an array of public, private and nonprofit partners, aspiring to become a community partner of choice for organizations advancing D&I in the Seventh Federal Reserve District. The ODI focus areas are workforce diversity, supplier diversity, and financial literacy and outreach to majority-minority and all-girl high schools. In 2015, the ODI convened a Working Group comprised of District Leadership Council (DLC) members and other key stakeholders to develop a Bank-wide, three-year (2016 through 2018) Strategic Plan for Diversity and Inclusion. The Working Group was sponsored by President Charlie Evans and First Vice President Ellen Bromagen. During the first quarter of 2016, the D&I strategic plan – which included directives for goals, objectives, and metrics – was endorsed by varying governing bodies of the Bank. The Bank’s D&I Strategic Plan Workgroup and Corporate Social Responsibility (CSR) Advisory Committee, comprised of leaders from key Bank departments, along with the FRBC’s Board of Directors and Executive Committee, provided guidance and support to the ODI efforts. The Volunteer Council (VC), which was formed in 2014, complements the CSR Advisory Committee’s role on volunteer efforts in the Seventh District. The District’s collective efforts led to significant achievements in the following areas:

Minority and Women Employment

- The overall percentage representation of females and minorities at the Officials and Managers category increased by one percentage point from 2015.
- The Bank employed 48 college interns, of which females represented 37 percent, and 39 percent were minorities.

- The Bank’s Human Resources department continued to coordinate the Federal Reserve System’s Diversity Recruitment Conference strategy by participating in several key national conferences such as those hosted by the National Black MBA Association (NBMBA) and Prospanica (formerly known the National Society of Hispanic MBAs (NSHMBA)).
- The District continued its active leadership of the Financial Services Pipeline (FSP) Initiative, a coalition of firms working to increase career progressions and representations of African Americans and Latinos in Chicago’s financial services sector. FSP membership expanded to 20 firms and the coalition conducted its third annual Intern Career Conference – hosting over 180 students – as well as its third annual FSP Summit.

Minority-and Women-Owned Business:

- The Bank spent approximately \$6.7 million with M/WBEs, or 10.1 percent of its total reportable spending, compared to 2015 with \$5.8 million with M/WBEs, or 9.7 percent.
- The Bank successfully hosted its third Business Smart Week Initiative, a technical assistance conference serving 350 participants in Chicago and Detroit. Participants included a significant number of M/WBEs.
- The Bank continued to partner with nonprofit organizations to increase minority- and women-owned businesses’ participation in procurement opportunities throughout the Seventh District.
- Through a partnership with the Bank’s Customer Relations and Support Office, the Chicago Fed continued to enhance and coordinate the Federal Reserve System’s presence at national supplier diversity conferences.

Financial Literacy and Community Outreach:

- Volunteers from the Bank impacted a total of 103 high school classrooms, serving as teachers, mentors and presenters at majority-minority and all-girl high schools located throughout Chicago.

- Nine high school interns are working part-time jobs in seven different Bank departments through a partnership with the Corporate Work Study Program at majority-minority Cristo Rey and Christ the King high schools.
- More than 175 teachers attended the fifth year of Teacher Night at the Fed programs at the Detroit branch.

In addition to the 2016 accomplishments highlighted in the Executive Summary, the Bank had many others relating to workforce diversity, supplier diversity, and financial literacy that are described throughout the report.

Introduction

In 2011, the Bank expanded its approach to achieving the scope mandated by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) to better coordinate and enhance its diversity and inclusion (D&I) initiatives. As required by the Dodd-Frank Act, the Bank established its Office of Minority and Women Inclusion (OMWI) under the name “Office of Diversity and Inclusion” (ODI). 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 under-represented groups. Reporting to the Bank’s First Vice President and Chief Operating Officer Ellen Bromagen, recently appointed Senior Vice President and OMWI Director Nokihomis Willis leads the ODI along with the Bank’s Human Resources and Internal Communications (HRIC) department. Aligning HRIC and ODI under Nokihomis Willis’ executive leadership portfolio integrates Diversity and Inclusion (D&I) into all aspects of the Bank’s human capital processes and continues collaboration with the Bank’s leadership teams on implementation of our D&I Strategic Plan and responses to the 2016 employee engagement survey.

Now in its sixth year of existence, the ODI coordinates and supports the Bank in meeting its goals to be recognized as a great place to work, a valued business partner, and a trusted community stakeholder that integrates diversity and inclusion within all its business strategies. The ODI has helped refine and implement the Bank’s D&I Strategy.

During the third and fourth quarters of 2015, the ODI convened a Working Group comprised of District Leadership Council (DLC) members and other key stakeholders to develop a Bank-wide, three-year (2016 through 2018) Strategic Plan for Diversity and Inclusion. The Working Group was sponsored by President Charlie Evans and First Vice President Ellen Bromagen.

The Working Group’s priorities were based on feedback from the 2015 listening tours¹ attended by 400 employees

from Chicago, Detroit, and Des Moines, and on the results of Mercer’s Financial Services Industry Survey.² The Group was tasked with creating a D&I Strategic Plan to:

- Better integrate diversity and inclusion within the business, processes and culture of the Bank and those of its departments and business lines;
- Better understand how relationships are built within the Bank and with external partners, and ensure a diversity and inclusion lens was applied to them via inclusive behaviors on the part of leaders and staff;
- Better measure success and gaps in diversity and inclusion in the Bank and its departments through the development and monitoring of relevant quantitative and qualitative metrics; and
- Guide Bank-wide and departmental objectives and action plans, as well as individual diversity and inclusion development plans for leaders and staff.

Intercultural Development Inventory (IDI) Assessment

In 2016, the Bank continued offering and administering a pilot to evaluate the Intercultural Development Inventory (IDI) tool, which is used to help organizations and individuals assess and enhance their skills related to cultural competency and inclusion. During the IDI pilots, business units are provided with a group feedback session where they learn where they are aligned within the monocultural-to-multicultural continuum. All participants are offered a one-on-one confidential session with a Qualified Administrator to review their individual assessments. Those who participate in these sessions are also provided with an individual development plan along with coaching to further advance their multicultural competency. In support of the Bank’s commitment and increased participation in this assessment tool, Senior Vice President and OMWI Director Nokihomis Willis became a certified Qualified Administrator for the IDI in addition to D&I Senior Business Analyst Reynaldo Solivan and D&I Consultants Dina Levi and Jia-Shin Osiel.

Unconscious Bias Workshops

In 2016, representatives from HRIC and ODI attended an Unconscious Bias Learning Lab at the Cook Ross Institute in preparation for conducting internal sessions regarding unconscious bias. The Bank continued facilitating interactive workshops offered in 2015 that helped employees to become aware of how assumptions impact choices around communication, innovation, hiring, engagement, management, promotion, and building organizational culture.

Benefits from the interactive workshops offered are:

- Developing a deeper capacity to identify invisible assumptions and concealed patterns of thinking;
- Becoming aware of perceptions and how such awareness can be used for constructive behavior;
- Understanding some of the science, research, and impact of unconscious bias so that individuals can be more conscious in their decision making; explore the way the mind perceives difference and how that perception impacts business so that individuals can use it to enhance engagement, innovation and collaboration in their respective business units;
- Identifying business situations where biases may exist so that individuals can address biases in those situations;
- Practicing new strategies to recognize and mitigate bias so that individuals can cultivate skills to affect change in decision-making, evaluation, and interpersonal and group interactions;
- Creating action plans so that individuals can move toward inclusion within one's sphere of influence, especially regarding relationships with direct reports, teams, managers and internal/external clients.

(Adapted from Cook Ross Institute).

Seventh District Employee Engagement Survey

In 2016, the Bank conducted an employment engagement survey to: 1) measure and understand employee engagement (retention); 2) gauge inclusive behavior by leadership and within work units (diversity & inclusion); 3) assess demonstration of the Bank's leadership competencies (leadership performance); and 4) provide leadership team members feedback designed to enhance their effectiveness (leadership feedback).

The survey was designed in part to measure inclusion within the Seventh District. To that end, a D&I index was created and included questions from the Financial Services Pipeline Initiative (FSP) to assess our District's retention drivers for various subgroups of our employee

population. The survey results were shared with the District in May 2016, and for the sake of transparency, demographic results were shared with the District in October 2016 to further understanding of the employee experience for various subgroups.

Plans to address survey findings at the District and department level were developed throughout the third and fourth quarters of 2016 as part of the implementation of the District's D&I Strategic Plan. Focus group conversations with various subgroups to further understand their collective responses will resume in the first quarter of 2017. A pulse survey, to measure progress towards objectives, will be conducted in the first quarter of 2017.

Silo-Busting Initiative

In early 2016, the Executive Committee³ members introduced three initiatives to the Bank (Fed Informed, Emerging Trends and Silo-Busting) that helped shape the year and build on the Bank's "We Serve" vision. The Initiatives focus on further educating employees about the work being done in the Bank and the role we play as an organization; encouraging development, collaboration and inclusiveness through cross-department opportunities; and taking a proactive approach to identifying trends that may affect the Bank and the work we do.

In particular, the Silo-Busting Initiative focuses on identifying opportunities for employees to participate on projects, initiatives or other work in areas outside of their own department. Once projects are identified, employees from any area are encouraged to apply for opportunities that meet their interests, skill sets and development goals. Projects vary in nature, duration and level of qualification. One of the main objectives of this Silo-Busting initiative is to be intentionally more inclusive about providing opportunities across the Bank to support staff development and attract diverse candidates who might not otherwise gain exposure to other departments and work experiences.

Seventh District Leadership Competency Refresh

The Bank is currently reviewing its leadership competency model, with an objective of including an inclusion competency. The benefit to the organization in revising the leadership competencies is further development of Bank leaders and reinforcement of the new D&I strategy. The inclusion competency will be one indicator used to hold leaders accountable for displaying inclusive behaviors to support our culture. The review and assessment of the Bank's leadership competency model was completed in December 2016. Plans to seek input from Executive Committee members, leaders at all levels and staff will resume in 2017. The project team expects to introduce the refreshed competency later in 2017.

Minority and Women Employment

Promoting Diversity and Inclusion within the Bank's Workforce

The Bank continued to promote diversity and inclusion within its workforce in 2016, aiming to further enhance a workplace that embraces and supports people of different backgrounds, as well as diversity of thought. To that end, the Bank closely monitored the demographics of its workforce, with special attention to gender, race and ethnicity. The Bank also expanded its emphasis on attracting diverse talent within the District and as the coordinator of the Federal Reserve System's diversity recruiting conference strategy. Training and development opportunities targeting retention and professional growth were offered to staff, with a focus on offerings customized to the perspectives of women and minorities. Diversity-oriented affinity groups, known as Employee Support Network Groups (ESNGs) within the Bank, played a key role in creating a workplace where women, racial and ethnic minorities, members of the LGBT community, employees from different generations, and veterans are supported in their professional and personal development, in efforts to educate Bank staff about their respective communities, and in volunteer work in partnership with nonprofit organizations.

As mentioned earlier, during the third and fourth quarter of 2015 the ODI convened a Working Group comprised of District Leadership Council (DLC) members and other key stakeholders to develop a Bank-wide, three-year (2016 through 2018) Strategic Plan for Diversity and Inclusion.

Working Group members concluded that while the Bank made significant progress in D&I during prior years, a number of challenges remained. Similar to other financial services organizations, the Bank had advanced in its D&I journey, in particular after the creation of the ODI. Yet, further movement was needed in order to achieve full integration of D&I within the Bank's businesses and processes and advance organizational transformation. The D&I strategic plan is

expected to provide a road map and help move the organization towards a stage where D&I is performance and business case-driven (rather than compliance-focused), efforts are placed on culture and behavioral change (rather than on events, activities and trainings), and specific D&I competencies are built in at all levels of the organization.

The D&I strategic plan is designed to improve performance for the Bank and align business units' D&I goals with departmental strengths and business needs. The D&I strategic plan is also transformational and goal-oriented. It avoids purely compliance-based and process-based approaches. Rather, the D&I strategic plan seeks to become fully integrated with key Bank processes, with a focus on HR and talent management. The D&I strategic plan covers the following three main areas of focus:

1. Culture:

A strong emphasis is placed on culture, behaviors and competencies, with a focus on leadership accountability. Data collected through a series of listening tours, where close to 400 employees participated, showed that some inclusion indicators⁴ were less visible than others in the Bank. Additionally, the visibility of such indicators varied depending on the job level of the people surveyed, with significant differences among officers, managers and supervisors, and staff.

In order to address these differences, the Working Group recommended adopting a Bank-wide goal that stated "We will consistently demonstrate inclusive competencies." This goal would be realized through the Bank-wide objective to "Improve employee engagement." The metric to measure the outcome of this objective are the ratings of inclusion and engagement in the Bank and its business units. The tool to collect information will be the Bank's employee engagement survey, taken every two years, as well as more frequent pulse surveys drafted with input from business units that will be conducted in the second quarter 2017.

Understanding that leadership plays a key role in changing culture, the Working Group recommended developing a leadership competency around inclusion so all leaders understand what inclusion means, that they know how to demonstrate inclusive behaviors, and are held accountable to consistent expectations. New learning and development opportunities were also encouraged to provide support to leaders.

2. Talent Pipeline:

Research commissioned by the Financial Services Pipeline (FSP) Initiative and our own internal workforce analysis show differences in the rates of hiring, promotion and exits of the Bank's employees based on race/ethnicity and gender similar to other FSP members. The FSP report "Bridging the Diversity Gap" recommends bridging those rates to parity in order to increase diversity significantly over the next five years. For this strategic area, the Working Group adopted the Bank-wide goal that "We will progressively close parity gaps in our talent pipeline." The Bank-wide objectives under this goal will work to close parity gaps in connection to race/ethnicity and/or gender as they relate to (1) hiring, (2) retention, and (3) promotion. The tool to measure progress advancing these objectives is the Bank's Internal Labor Market Analysis. The frequency of data collection will be annual. A definition of "parity" has been developed and customized for the Bank based on Mercer's formula.

3. Community/Branding:

The Working Group agreed on leveraging one of the Bank's key resources, its relationships with key strategic community partners in D&I, to continue making a positive impact in Chicago and Detroit and ensure our brand is connected to the promotion of opportunities among disadvantaged communities. The Bank-wide goal adopted for this strategic area is "We will actively support the work of our D&I strategic partners." Objectives under this goal include advancing our high school and college outreach with a focus on minority and female students, and continue supporting minority- and women-owned business enterprises (M/WBEs). Metrics for this objective are, respectively, number of students impacted through our work with strategic partners and the number of M/WBEs supported through outreach opportunities such as certification and technical assistance, as well as the number of M/WBEs included in Bank bids. Results will be reported every six months and tracked by using surveys of students, M/WBEs, and procurement databases.

During the first quarter of 2016, the Bank-wide three year D&I Strategic Plan – including directives for goals, objectives, and metrics – was endorsed by varying governing bodies of the Bank. The endorsement was followed by a series of individual meetings with Executive Committee members and their respective leadership teams. During these meetings representatives from ODI, HRIC, Procurement, and the business units discussed 2016 Engagement Survey results, workforce and parity analyses, and supplier diversity activity. These meetings were followed by a second series of meetings to begin developing department D&I objectives that would support the Bank's approved D&I goals related to culture, talent pipeline, and community branding.

Staffing Representation: EEOC Job Categories

As of December 31, 2016, the Federal Reserve Bank of Chicago's total regular help staff level was 1,545, an increase of three percent from the 1,501 regular help employees working for the Bank as of December 31, 2015. Overall the Bank's female percentage representation remained unchanged, at 45 percent, in 2016. Overall minority percentage representation also remained unchanged, at 40 percent, in 2016. Black/African-American employees represented 17 percent of the Bank's workforce (no change from 2015), Hispanic/Latinos 12 percent (no change from 2015), and Asians ten percent (no change from 2015). Other minorities represented one percent of the total (no change from 2015). See Table 1.

The majority of the Bank's positions fall into three EEOC job groups or categories: Officials and Managers (top two EEOC job categories combined); Professionals; and Administrative Support.⁵ The Officials and Managers category represents 21 percent of the positions in the Bank (no change from 2015). The Profes-

Table 1. Federal Reserve Bank of Chicago reported total workforce demographics, 2015 and 2016

	2015	2016	Change (number)
Male	821	849	28
Female	680	696	16
Non-Minority	906	930	24
Minority	595	615	20
Total Employees	1501	1545	44

professionals category continues to be the largest, comprising about 62 percent of the Bank's workforce (an increase from 61 percent in 2015). The Administrative Support category represents 10 percent of the Bank's workforce (a slight decrease from 11 percent in 2015).

The Bank's Officials and Managers category, which includes the higher tiers of the organization, was 46 percent female and 28 percent minority in 2016 (an increase of one percentage point from 2015 for both females and minorities). Percentage representation in 2016 within Officials and Managers by race/ethnicity was 10 percent Black/African-American (no change from 2015), nine percent Hispanic/Latino (no change from 2015), and seven percent Asian (no change from 2015). In 2016, female percentage representation remained unchanged within the Professionals category, at 45 percent. The representation of minorities was 38 percent (an increase from 37 percent in 2015). The Professionals category is 14 percent Black/African-American (no change from 2015), 10 percent Hispanic/Latino (no change from 2015), and 13 percent Asian (an increase of one percentage point from 2015).

The Administrative Support category was 67 percent female in 2016 (an increase compared with 66 percent in 2015), while percentage representation for minorities in this category decreased marginally to 69 percent from 71 percent in 2015. The Administrative Support category is 44 percent Black/African-American (a decrease from 46 percent in 2015), 18 percent Hispanic/Latino (also a decrease from 19 percent in 2015), and six percent Asian (no change from 2015). See Table 2 and Table 3.

Staffing Representation: Internal Job Groups 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 groups with that of the general population. Due to the specialized skills and higher-level education requirements needed to fill the majority of the jobs within the 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 considers the labor market availability of the workforce in each of the Bank's job groups. Then it analyzes the

Table 2. Federal Reserve Bank of Chicago workforce profile 2015, selected data

	EEO-1 categories									
	Exec. Sr. Level		1st/Mid. Level Manager		Professionals		Admin. Support Workers		Service Workers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	6	50.0%	169	54.7%	499	54.7%	54	34.0%	71	84.5%
Female	6	50.0%	140	45.3%	413	45.3%	105	66.0%	13	15.5%
Non-minority	11	91.7%	223	72.2%	573	62.8%	46	28.9%	33	39.3%
Minority	1	8.3%	86	27.8%	339	37.2%	113	71.1%	51	60.7%
Total Employees	12	100.0%	309	100.0%	912	100.0%	159	100.0%	84	100.0%

Table 3. Federal Reserve Bank of Chicago workforce profile 2016, selected data

	EEO-1 categories									
	Exec. Sr. Level		1st/Mid. Level Manager		Professionals		Admin. Support Workers		Service Workers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	6	46.2%	169	53.8%	531	55.3%	49	33.1%	70	84.3%
Female	7	53.8%	145	46.2%	429	44.7%	99	66.9%	13	15.7%
Non-minority	11	84.6%	226	72.0%	598	62.3%	46	31.1%	28	33.7%
Minority	2	15.4%	88	28.0%	362	37.7%	102	68.9%	55	66.3%
Total Employees	13	100.0%	314	100.0%	960	100.0%	148	100.0%	83	100.0%

demographics of such job groups against the demographics of the job market for existing, comparable job groups locally or nationally (depending on the geographic scope of recruitment used for each job group) using the most recent data provided by the U.S. Census Bureau.⁶ Through this exercise, the Bank determines the availability of professionals in each job group and position, compared with the labor force numbers, and determines whether certain demographic groups show a shortfall in representation.

The most recent of these analyses was performed looking at approximately 900 employees in the upper-level job groups of the organization, including Officers, Managers, Economists, Analysts, Technology Professionals, and other upper-level job groups. Although there are exceptions, the analysis revealed that in 2016, in comparison with the availability of women and minorities in the labor force, the Bank made gains from prior years in the representation of women and minorities for some of these upper-level job groups.

In regard to female representation, the Bank closed the gap between its representation and the labor market availability (LMA) in the Upper Level Technology Professionals job group. As previously reported, this has been a challenge for the Bank due to the significant gender gap that still exists in the supply of talent. In 2016, the female representation in the same job group was five percent above the LMA, which is a significant increase from the one percent below reported in 2015.

Compared to the LMA, the Bank's female representation made a two percentage point gain in the Officers internal job group in 2016. Additionally, the Managers, the Administrative Professionals, and the Economists internal job groups also saw improvements in female representation compared to the LMA in 2016. Another improvement in regard to female representation occurred in the Examiners internal job group where the gap between the Bank's representation and the LMA has been reduced by two percentage points.

Minority representation in both the Managers and the Analysts internal job groups had a three percentage point increase above the LMA in 2016, while representation in the Technology Professional internal job group increased by one percentage point in 2016.

Diversity Recruiting

The Bank's Human Resources and Internal Communications (HRIC) department coordinates the Federal Reserve System's diversity recruiting conference strat-

egy, and leads complementary efforts to attract diverse talent to staff its Chicago headquarters, Detroit Branch and Des Moines office. Assistant Vice President Amy Kiernan, Vice President Kathryn Medina, and Senior Vice President Nokihomis Willis coordinated both sets of efforts in 2016.

Since 2007, the Federal Reserve System (the "System") has collaborated to implement and execute strategic national diversity recruiting conference participation and advertising efforts across all Reserve Banks, the Board of Governors and Federal Reserve Information Technology (FRIT). The System's diversity recruiting conference strategy uses a collaborative and cost-effective approach towards participation in several national, diversity-focused conferences and several regional conferences. Diversity advertising via online, print, and social media vehicles aligns with a conference presence to position the System as an employer of choice.

During 2016, the System collectively attended the following five national diversity conferences: Association of Latino Professionals in Finance and Accounting (ALPFA), National Society of Hispanic Professionals (NSHP), National Black MBA Association (NBM-BAA), Prospanica (formerly the National Society of Hispanic MBAs (NSHMBA)), and the Thurgood Marshall College Fund Leadership and recruitment fair (TMCFL). Working closely with these nationally recognized organizations supports and creates marketing and branding awareness of the Federal Reserve System among prospective employees. In order to proactively source talent, the System collected more than 400 resumes, sent approximately 35 resumes to hiring managers, and conducted several face-to-face interviews.

At the ALPFA conference, the System participated in a Student Resume Critique session. At the Prospanica Conference, the System participated in the Career Management Center supporting coaching, real-time document editing, live interview practice and hands-on social media.

The Federal Reserve System was highlighted in an advertisement that was featured in both the *Hispanic Network Magazine* and *Professional Woman's Magazine*. These magazines were distributed at the 2016 Prospanica Conference, National Black MBA Association Conference as well as the National Association of Women MBAs Conference.

In addition to the System-wide diversity recruiting conference project management efforts, the Federal

Table 4. University career fairs and recruiting outreach initiatives utilized by FRBC in 2016

University of Chicago
DePaul University
The University of Illinois at Chicago
Illinois Institute of Technology
University of Michigan

Reserve Bank of Chicago participated in a variety of local recruiting and career-focused events. The Bank participated in The Chicago Scholars First Look Career Conference, National Association of Professional Women, and a LGBT career fair.

The Bank partnered in career fairs, professional development sessions, and other recruitment opportunities with the University of Chicago, DePaul University, the University of Illinois at Chicago, Illinois Institute of Technology, and the University of Michigan. The Bank also hired a total of 48 summer interns in 2016. There were a total of 19 (39 percent) minority interns and a total of 18 (37 percent) female interns. Of the 48 summer interns, two interns were converted to full-time regular employees, one of whom is a minority.

Training and Development

In 2016, the Bank reinforced its efforts to support the Bank-wide talent management strategy by continuing *Leadership by Design* workshops and seminars to strengthen talent and continue to improve the Seventh District's succession plan. This year, the Bank expanded upon the success of the *Conversations Matter* course developed in 2015 in collaboration with the ODI and an external vendor for instructional design by creating an Individual Contributor focused offering. The course aligns with the *Leadership by Design* philosophy and the Bank's continued "We Grow" performance management efforts.

In alignment with the People Leader version of *Conversations Matter*, the Individual Contributor version is highly interactive and provides practice opportunities for participants to reflect upon their performance and refine the acceptance and delivery of crucial messages. The course further teaches staff members how to balance their needs with the organization's needs and how to give and receive feedback. In addition to these desired outcomes, the Individual Contributor course provides staff with a framework to understand the purpose and process of performance management, a thorough

knowledge of the Performance Management Conversation Framework, practice strengthening conversation skills through interactive participation, and tools to create a plan to strengthen the staff member's own performance. The course was piloted in May with a group of 16 participants representing 10 separate business functions. Of the participants, seven were minorities and seven females.

In addition to the *Conversations Matter for Individual Contributors* course, the Bank continued to offer the following courses/programs: *Conversations Matter for People Leaders*, *Leadership Mentoring Program*, *Bank-Wide Mentoring Program*, *Q5 Career Development Workshop*, *Internal Consulting*, *Leader Coach*, *Change Leadership*, *Transition to Management*, and *Writing Constructive Feedback*. The total participation for these offerings was 241 Bank employees, of whom 111 were minorities and 151 females.

The Bank's Talent Review initiative is a major undertaking that provides data to inform various leadership development programs. People leaders at the Officer and Manager level are assessed with respect to the Bank's five leadership competencies; readiness for movement to various types of roles; development priorities identified by leadership; and self-reported career interests, work experiences and background. The talent review process is used to gather information for use in succession planning. Oftentimes, through the natural course of the review, potential successors are discussed, as well as actions required to prepare successors for a successful transition to a new role if selected. HRIC's facilitation of the discussion helps ensure that such topics are discussed and noted, and that development needs are acted upon in coordination with the business units.

The last Bank-wide Pipeline Talent Review was completed in 2016 (following our Bank-wide Officer talent review in 2015). The Bank defines Pipeline Talent as staff below the Officer level. Pipeline talent is assessed through the Bank's Talent Review processes. HRIC supports business units in evaluating their talent against the Bank's leadership competencies and assessing them for movement from Individual Contributor to People Leader, or from Manager/Team Leader to Officer. Through facilitated calibrations, stretch-assignments can be aligned to staff's identified areas for development and the organization's business needs.

In 2016, the Bank expanded our training and development offerings. Building on the success of the Conver-

sations Matter course for People Leaders implemented in 2015, the staff-focused course launched this year to better prepare both staff and manager for development and performance conversations utilizing a shared methodology (called Conversations Matter for Individual Contributors). Redoubling effort in both formal and informal marketing has yielded increased participation in terms of number of female, minority, and total participants. The Leadership Mentoring Program was further refined with the addition of a cohort model and supporting activities to increase the exposure and relationship building opportunities mentoring pairs have with fellow participants. Further, advances in the technology and methodology of the Talent Review has allowed for providing additional data points, recommendations, and robust reporting to business unit leadership.

Throughout 2017, the Bank will continue to focus on local talent development initiatives to meet the diverse and changing needs of the Bank.

System Leadership Initiative

The System Leadership Initiative (SLI) is an executive development strategy for the Federal Reserve's key talent, sponsored by the presidents of the Federal Reserve Banks. The Federal Reserve Bank of Chicago manages SLI for the System. In 2016, two conferences were offered at the emerging and mid-level leadership tiers. As the leadership conferences reach a broad pipeline of talent across the System, the System OMWI directors and SLI staff continued to collaborate to expand the content and discussion of diversity and inclusion topics. External speakers and System senior leaders incorporated discussions and examples on the importance of diversity and inclusion into their presentations.

The System Leadership Exchange Program affords an important additional avenue to support career development for professionals across the Federal Reserve System through offering exchange assignments.

In 2016, minority and female participation in the conferences was strong and comparable to representation at these levels across the System. The Thrive conference (managers and new officers) had attendance of 55 percent female and 27 percent minority. The Trailblazers Conference (mid-level officers) had favorable attendance with 49 percent female and 26 percent minority. In addition, 47 exchange assignments were offered and completed by participants, of which 46 percent were females and 41 percent were minorities. In 2016, marketing and communications efforts for the SLI were

expanded. As a result, the SLI is reaching a broader, more diverse group of leaders.

Through an expanded RFP process, the SLI broadened the pool of resources used to include more female/minority owned businesses. Additionally, three-year contracts were established with Cook Ross and Kaleidoscope Group, which will help expand the diversity and inclusion content in the conferences. Evaluations from participants acknowledge the inclusive focus of the conferences and efforts to highlight the topic of diversity and inclusion in the System.

The greatest challenge the SLI continues to face is meeting the strong demand for the Thrive Conference, which is for emerging leaders and has the greatest diversity of leadership in the pipeline. To respond to the demand the SLI is offering more sessions and developing content that can be used with leaders outside the formal conferences.

Going forward the SLI will continue to collaborate with the System's OMWI Council and the Bank's Human Resources leadership to ensure content for conferences supports the System's diversity and inclusion strategies.

Successes

As mentioned earlier, the Bank closed the gap between its female representation and the LMA, in the Upper Level Technology Professionals job group. This has been a challenge for the Bank due to the significant gender gap that still exists in the supply of talent. The Bank's female representation also made a two percentage point gain in the Officers internal job group in 2016 compared to the LMA.

The Managers, the Administrative Professionals, and the Economists internal job groups also saw improvements in female representation compared to the LMA in 2016. Minority representation in both Managers and Analysts internal job groups had a three percentage point increase above the LMA in 2016, while representation in the Technology Professional internal job group increased by one percentage point in 2016.

Diversity Employee Support Network Groups

The Bank's diversity-oriented affinity groups, known as Employee Support Network Groups (ESNGs), are coordinated by the ODI. Employee Support Network Groups give members the opportunity to interact with each other and contribute to the Bank's performance and work environment. They do this through

the context of their cultural, professional, and social experiences. The groups offer support for continuing education and professional development, and celebrate their particular histories and heritages while creating community and educating the Bank staff. The diversity ESNGs also provide opportunities for employee involvement in internal and external events held in partnership with non-profit organizations (with a focus on volunteerism in financial literacy and mentoring of high school students). The Bank's ESNGs also support the district's diversity and inclusion efforts in recruitment, engagement, development, and retention, in partnership with professional associations.

The first diversity ESNG was formed in 2002. The number of these groups has grown over the years, and as of December 31, 2016 the Bank has seven diversity-related ESNGs:

- African American Association for Personal and Professional Growth (APPG)
- Asian American Affinity Group (AAAG)
- Generational Empowerment Network (GEN)
- Latino Resource Association (LRA)
- Spectrum
- Veterans Support Group (VSG)
- Women's Impact Network (WIN)

Senior leaders serve as executive sponsors of the Bank's Diversity ESNGs. As of September, 2016, these were Andre Reynolds, Vice President (APPG); Alpesh Patel, Vice President (AAAG); Emily Greenwald, Vice President (GEN); Matt LaRocco, Vice President (LRA); Kelly Emery, Vice President (Spectrum); Julie Williams, Senior Vice President (WIN); and Fred Martin, Vice President (VSG).

The ODI continued to intensify its work with members of the ESNG community to strengthen their impact, influence and effectiveness. Strategic plans are designed with three main focus areas:

- Culture
- Talent Pipeline
- Community & Branding

The ODI continues to support ESNGs to bring greater depth to their programming. In 2016, the ODI worked with the ESNGs to further define the efficacy of event planning as it relates to strategic planning, and aligning the missions of the ESNGs with the overall D&I

Strategic Plan. ESNG board members were presented with the Bank-wide engagement survey results broken down by demographic identifiers so strategic planning can address key areas of opportunity within the various sectors of the Bank community. The intention is for ESNGs to be able to help inform the Bank leadership as to the experiences of each group as the ODI determines direction for programming and initiatives, and for the ESNGs to develop their own programming and initiatives to help further the efforts of the Bank.

Financial Services Pipeline (FSP) Initiative

The ODI continued to support the Financial Services Pipeline (FSP) Initiative, which was founded in 2013 as a joint initiative with The Chicago Community Trust and 15 Chicago-based financial institutions to address the lack of Latinos and African-Americans in the financial institutions of the Chicago region.

In May 2016, CME Group, in conjunction with the CME Group Foundation, hosted a forum to introduce "Chicago's Financial Services Pipeline: Bridging the Diversity Gap – Building African-American and Latino Talent Pipelines." The Forum brought more than 60 education, nonprofit, financial, and corporate professionals, as well as leaders from the FSP member institutions, together to learn about the Initiative and projects that the Initiative is beginning to launch in Chicago. Specifically, the purpose of the forum was for participants to:

- Learn about the work completed to date by the Initiative.
- Learn about projects emanating from recently completed research.
- Discuss ways that this work intersects with potential partnering organizations.

In July 2016, over 160 interns and students joined business leaders from 16 Chicago-area financial services firms and six non-profit organizations at the Third-Annual FSP Initiative Summer Intern Career Conference, hosted by the Federal Reserve Bank of Chicago. The Career Conference is part of the collaborative effort to increase the representation of Latinos and African-Americans, at all levels, within the Chicago-area financial services industry and increase cultural competency within the sector. The conference focused on promoting and explaining the many jobs and roles available in the financial services industry, as well as the diverse backgrounds of the professionals in these positions. Intern attendees' feedback was overwhelmingly positively for the experience. One such attendee said that "it was incredibly inspiring and uplifting to

have the opportunity to come together with other young professionals of color working in the financial services industry.” Attendees especially appreciated the opportunity to meet and network with each other, with one attendee saying that “the ability to talk to people my age who are minorities and interested in the financial services industry was great.”

In October 2016, the FSP Initiative hosted the Third Annual FSP Summit at the Federal Reserve Bank of Chicago. More than 120 executives and professionals from the 20 member firms as well as representatives from partner organizations and colleges/universities attended the summit. The event focused on the following objectives:

- Continue to make the case for the FSP by sharing FSP Index data.
- Extend engagement within FSP member firms beyond those involved already.
- Share specifics regarding FSP projects being launched.
- Share existing exemplary practices in member firms.

Challenges

While there were increases as previously reported, the Bank continues to experience challenges in expanding female and minority representation, especially in the Officials and Managers category. In 2016, the overall percentage representation of females and minorities at these levels increased by one percentage point from 2015. In the Professionals category, which frequently serves as a pipeline for leadership positions, female percentage representation remained unchanged, while minority percentage representation increased by one percentage point compared to 2015. Female representation in both the Officials and Managers and the Professionals categories continues relatively strong at 46 and 45 percent, respectively; however, for African-Americans and Latinos percentage representation remained unchanged during this reporting period in the same categories.

While progress has been made toward closing the gaps in underutilized job groups, challenges are especially prevalent for minority representation in the Officers job group and for both minorities and females in the Knowledge Leaders⁷ internal job groups. Since many of these positions are traditionally filled with internal talent that has years of experience and expertise, it is challenging to find external talent that meets the qualifications. Creating more diverse pools in the entry level job groups may allow for a bigger pool of diverse talent over time for these upper level positions.

The challenges facing the Bank in its efforts to increase the diversity of staff, especially at more senior levels within the organization, are varied and complex. With respect to recruitment, the timing of the Bank’s participation in diversity recruitment and career conferences does not always align with the timing of open positions, and due to the need to serve as good stewards of the public’s funds, the Bank does not hire in anticipation of future open positions. In addition, openings for entry-level roles are not in abundance, and it has become increasingly difficult to compete for diverse talent in the experienced mid-level, more specialized roles for which the Bank often seeks candidates.

Another challenge is to ensure the retention of the Bank’s diverse staff. A number of factors including the Bank staff’s regulatory experience and expertise, their extensive training, and the often lucrative private-sector salaries and variable/bonus pay available to them – negatively impacts the Bank’s ability to retain and develop staff to assume even higher management levels. The need to focus on the retention of diverse staff is heightened by the increasing number of employees eligible for retirement in the coming years, which could also have a negative impact on the Bank’s representation of females and minorities. The Bank continues to face common challenges identified in prior years as it relates to the development of talent already in the organization. Limited upward mobility is a key concern, particularly at the leadership level.

Next Steps

The Bank will continue to lead the System’s participation at national diversity recruiting conferences and will implement short- and long-term recruiting recommendations and related success measures in an effort to maximize the impact of System-level advertising and diversity recruiting. The System’s participation in such conferences will focus on identifying female and minority candidates, building a pipeline of diverse talent, and marketing and branding the Federal Reserve System on a national level. In order to maximize the outcomes of these events, the strategy will focus on pre-screenings, on-site interviews, and networking geared toward critical open positions.

In 2016, the Recruiting department made targeted efforts to close the underutilization gaps for female Upper Level Examiners and Technology, and made significant progress in closing the gap by increasing marketing efforts through career fairs and recruiting at various universities. Focus continues on the minority representation in Officer, Knowledge Leader, and Examiner

positions, as the gap between the Bank's minority representation and the LMA increased slightly in 2016. While there was a slight increase in the number of open positions within the job groups, there were several openings across these three job groups that did not have women and/or minority applicants. The Bank will continue to review our strategies and seek to identify new initiatives, with specific focus on the Bank's Strategic Partnerships and ESNGs for strategic sourcing efforts.

As of December 2016, all business units have established frameworks, including goals, objectives and metrics, that will support the Bank's 2016-2018

Diversity and Inclusion Strategic Plan. Achievement of the various business unit action plans serves to further support the District's efforts to retain talent and increase engagement of employees at all levels and in varying subgroups. HRIC and ODI will also finalize their new combined vision and strategies, which include building a great place to work by 1) recruiting and developing talent at all levels, 2) focusing on the needs of employees, business units and the Bank at large and 3) developing talent to meet those objectives. Several roadmap initiatives to achieve the strategies will serve to further increase the Bank's diversity and inclusion efforts.

Minority- and Women-Owned Businesses

The 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. The Bank has a thorough and robust Supplier Diversity Program Strategy, with detailed policies and procedures aligned with the provisions of Section 342 of the Dodd-Frank Act. Accordingly, it is the Bank'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 Bank 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.

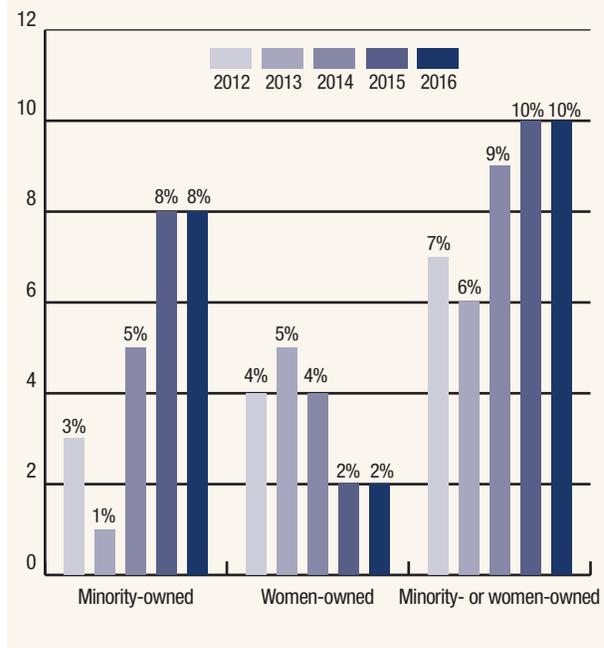
In 2016, the Bank had five primary supplier diversity goals:

1. Continue to integrate the supplier diversity process into the Procurement function in collaboration with the Procurement Manager and the Office of Diversity and Inclusion.
2. Upgrade the supplier diversity program management information to provide meaningful metrics and identify new procurement opportunities.
3. Expand the Business Smart Week Initiative to include other Federal Reserve Banks.
4. Develop and execute Bank-wide supplier diversity educational and awareness strategies.
5. Build upon the Bank's leadership role in the Federal Reserve System Supplier Diversity Workgroup (SDWG), and expand the National Conference presence to convey the Bank's commitment to supplier diversity.

Contract Spend and Opportunities for Minority- and Women-Owned Businesses

In 2016, the Bank had a total reportable spend⁸ for goods and services in the amount of \$66.6 million. Of this total, \$6.7 million, or 10.1 percent, was paid to M/WBEs. Of the \$6.7 million paid to M/WBEs, minority-owned businesses represented \$5.1 million and women-owned businesses totaled \$1.6 million. Through the implementation of the Supplier Diversity

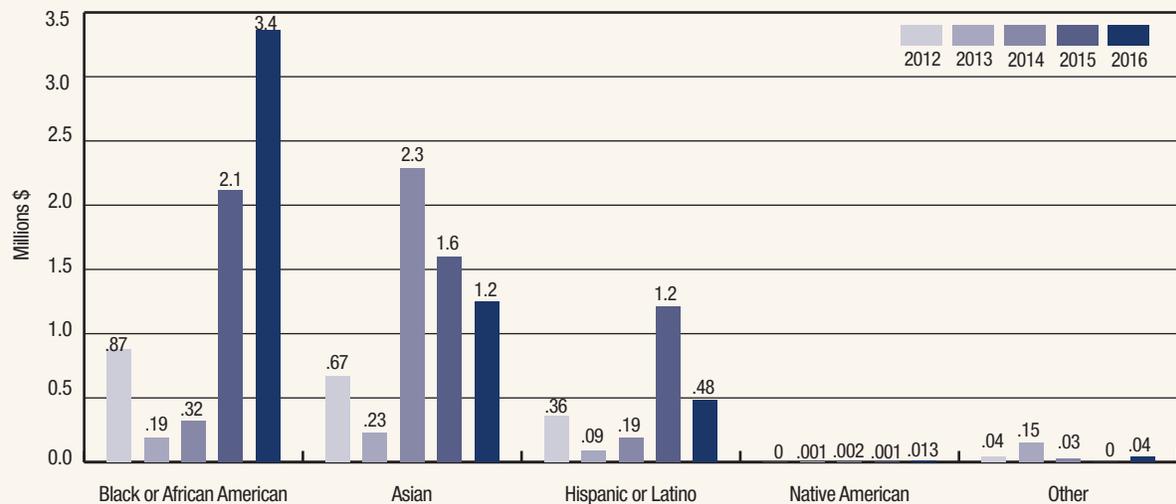
Figure 1. Percent of contract dollars awarded to minority- or women-owned businesses, 2012-2016



Program Strategy and networking with M/WBEs, procurement and supplier diversity have made positive strides in increasing opportunities for those firms to do business with the Bank. Over the last two years, the Bank has increased its percentage of spend with M/WBEs by 10.1 percent in 2016, achieving the highest level in the past five years. See Figure 1. Spend with minority- and women-owned businesses are tracked by ethnicity. The classifications are African-American or Black, Asian, Hispanic, Native American, and other. See Figure 2.

The Bank also continues to monitor and identify opportunities to increase Tier 2 spend opportunities with M/WBE suppliers. The Bank spent \$13.2 million on 19 projects, which generated \$1.9 million in Tier 2 spend with the Bank's general contractor, Executive

Figure 2. Value of contracts awarded to minority-owned businesses, by demographic, 2012-2016



Construction, Inc. (ECI). In addition, the Bank captured \$332 thousand in Tier 2 M/WBE spend from Sodexo, Inc. and \$6,790 from Office Depot/Max in 2016. When Tier 1 and Tier 2 spend are added together, the Bank's reportable spend with M/WBEs totals \$9.0 million, or 13.5 percent of total reportable spend.

The Bank increased its spend with M/WBEs in 2016 through a number of different efforts involving numerous Bank functional areas. New supplier diversity Bank-wide objectives were developed in collaboration with Procurement and the Office of Diversity and Inclusion. These new measures emphasize the importance of greater inclusion in the procurement process for all business units of the Bank.

The Bank also completed the implementation of Enterprise Procurement Information Center (EPIC), a sourcing request tracking tool and a database of pre-qualified suppliers, in various categories of spend including M/WBEs, which can be accessed online for any acquisition of \$10,000 or more. This integration of procurement and supplier diversity helps to identify opportunities early in the process and provides more time to review M/WBEs criteria for bid events. The integration of supplier diversity into the sourcing process will increase opportunities for minority- and women-owned businesses and improve the Bank's business relationship with diverse suppliers.

Successes

The Bank successfully expanded its third annual Business Smart Week initiative in July 2016, in Chicago and also at the Detroit Branch, with participation from the Board of Governors, the Federal Reserve Bank of Cleveland, and the Federal Reserve Bank of St. Louis. The Federal Reserve Bank of Atlanta also held a Diverse Supplier Connection event in July as part of Business Smart Week. Among others, the event featured Agile 1, the Systems Managed Service Provider (MSP), which gave a program overview to 28 M/WBE staffing firms. Business Smart Week hosted approximately 380 participants across the Federal Reserve System in 2016, compared to 250 participants in 2015 and 140 participants in 2014.

The Bank expanded its outreach efforts to include Asian-owned, Veteran-owned, and Lesbian, Gay, Bisexual and Transgender (LGBT)-owned businesses. During 2016, the Bank hosted Access to Capital Forums for the Chicago Gay Lesbian Chamber of Commerce and attended the Asian Pacific American Chamber of Commerce (APACC) East-West Connection in Troy, Michigan in which the Bank participated in one-on-one matchmaker meetings with Asian-owned businesses. In addition, and as part of Business Smart Week in Detroit, the Bank hosted a "How to do Business with the Federal Reserve and the Financial Services Industry" event for the National Veteran Business Development Council (NVBDC). There were approximately 150 attendees.

Table 5. Supplier diversity outreach activities, 2016

Chicago Business Opportunity Fair 49 (CBOF49) – Chicago
Illinois Hispanic Chamber of Commerce Business Conference – Chicago
Women's Business Development Center 30th Anniversary Celebration – Chicago
Michigan Procurement Conference – Detroit
Women's Business Development Center Networking, Procurement and Matchmaking Event – Rosemont
Asian Pacific American Chamber of Commerce East- West Connection – Troy
Women Business Enterprise National Conference National Conference – Orlando
National Minority Supplier Development Council National Conference – Chicago
LGBT Chamber of Commerce of Illinois Access to Capital Event – Chicago
Women's Business Development Center Bankers Breakfast
National Veteran Business Development Council Federal Reserve Matchmaking Event – Detroit
Chicago Minority Supplier Development Council Procurement Luncheon
Financial Services Roundtable for Supplier Diversity Symposium – Chicago
Turner Construction Graduation – Chicago
Business Smart Week – Chicago and Detroit

The Bank co-led the effort to work collaborate with the SDWG members to develop a strategic plan that aligns with System objectives of the National Procurement Office (NPO), the Strategic Planning Office (SPO), and OMWI Council. The SDWG members created work streams and action plans to advance supplier diversity System-wide.

Moreover, the Bank successfully completed its educational and awareness campaign which laid out the business case for supplier diversity to employees. Diverse businesses reinvigorate a stagnant economy, create sustainable jobs, and positively contribute to the tax base, which is consistent with the Bank's mission and vision to foster a strong economy and maximize employment. Education and awareness were communicated Bank-wide through a series of D&I integration meetings and in collaboration with Procurement and Payment Services. One of the collaboration events included an Open House for Bank employees to get an understanding of Procurement, Supplier Diversity and Payment functions.

Supplier Diversity has participated in the Bank's Silo-Busting Initiative⁹ by asking staff to assist in the Women's Business Development Center (WBDC) and the National Minority Supplier Development Council (NMSDC) certification committees, which certify M/WBE in the Chicagoland area. These committees are vital to developing a pipeline of qualified diverse vendors from which corporations can select. Participation in this process helps staff understand how Supplier Diversity contributes to the Bank's overall mission.

The Bank also combined its supplier diversity and community outreach efforts by having 21 Bank employees serve as volunteers at the National Minority Supplier Development Council (NMSDC) National Conference at Chicago's McCormick Center. The NMSDC is one of the Bank's Strategic Partners in encouraging supplier diversity within our organization and the community.

Challenges

Integrating Supplier Diversity within the business processes of the Bank continues to be a challenge. In addition, the Bank must continue to develop and enhance sourcing processes, tools and capacity-building strategies to support the Bank in finding vendors that provide quality products and services at the best value.

Over the last several years, it has also been challenging to convert raw spend data into actionable spend intelligence. Procurement's goal in 2017 is to continue to develop a dashboard that will provide sourcing-ready views of the Bank's System spend data and allow the Bank to make evidence-based procurement decisions that could lead to cost savings or uncover M/WBE utilization opportunities System-wide.

Contracting opportunities managed by the Bank continue to be somewhat limited as some purchases of goods and services are handled by the Federal Reserve System's National Procurement Office. In addition, expenditures less than \$10,000 do not require competitive bidding.

Next Steps

In 2017, the Bank's goal is to continue working towards making supplier diversity a natural part of the overall procurement process versus a program or initiative. Better integration of supplier diversity into the sourcing process may increase opportunities for minority- and women-owned businesses and improve the Bank's business relationship with diverse suppliers.

High Level Strategic Objectives in 2017 Include:

- Enhance leadership support and business line engagement
- Develop and enhance procurement sourcing tools to increase M/WBE opportunities
- Expand supplier development and technical assistance
- Develop effective data strategies (Dashboards)
- Expand Tier 2 efforts with prime suppliers
- Continue to lead the SDWG and build proactive outreach strategy that conveys the Bank's commitment to supplier diversity locally and nationally.

Financial Literacy and Community Outreach

During 2016, the Office of Diversity and Inclusion (ODI) continued strengthening its partnerships with academic, governmental and nonprofit organizations in order to serve majority-minority and all-girl high schools in the Chicago and Detroit areas. The vast majority of the programming is executed by more than 200 volunteers from the Bank. Chicago-based high school programs are managed by ODI and the Public Affairs and Economic Research departments. In Detroit, Business Economist Martin Lavelle helps to lead the Branch's effort to reach high school and college students through various outreach programs. In 2016, the Bank participated in numerous community and System outreach events and programs. Examples are listed below:

Junior Achievement

The Bank continued its strong support for Junior Achievement of Chicago (JA) this year. Using JA's curriculums for financial literacy and college and career preparation programs, volunteers from the Bank impacted over 100 Chicago area high school classrooms. During a JA Job Shadow Day event hosted in the Bank, volunteers from different business areas were shadowed by 50 students from two area high schools. The students then participated in a mock career fair, where they learned strategies for making a good first impression on human resources recruiters.

Corporate Work Study Program

The Bank's experience with Christ the King and Cristo Rey Jesuit High School's Corporate Work Study Program (CWSP) continued in 2016 with the hiring of nine student workers. The nationally renowned CWSP gives high school students from underserved communities the opportunity to complete internships in the corporate sector as part of their curriculum. During the 2016-2017 school year, five students from Christ the King High School and four from Cristo Rey High School are working in seven different business areas in the Bank, including Facilities Management, Human Resources and Internal Communications, ODI, Supervision and Regulation, and Central Bank Services.

To further support the program, Bank volunteers participated in the CWSP's Summer Business Institute for incoming freshmen at the two Chicago high schools. The volunteers taught classes on corporate etiquette and workplace expectations.

Young Women's Leadership Charter School

The Women's Impact Network (WIN) partnered with IT professionals in the Bank to host a day of learning for over 100 students from the Young Women's Leadership Charter School of Chicago. The students learned about the importance of information security and precautions they could take to keep their own digital information safe. They used those lessons to participate in a case study. The day ended with a large networking event that allowed students to engage with 50 Bank employees.

Prospanica (formerly the National Society of Hispanic MBAs (NSHMBA))

The Bank's Latino Resource Association partnered with NSHMBA to host a Summer Enrichment Program (SEP) at the Bank. The SEP offers majority-minority high school students summer courses in financial literacy, business preparation and college preparation. The students also get an opportunity to attend corporate and college tours. In July, 31 students from the SEP participated in a Junior Achievement Financial Literacy Workshop and a speed networking event with Bank staff.

Austin Polytechnical Academy Mentorship Initiative

The Bank's African American Association for Personal and Professional Growth (APPG) welcomed its second mentorship class from the Austin College and Career Academy (formerly Austin Polytechnical Academy). For the 2016-2017 school year, 13 students have been meeting with 15 Bank mentors. Along with advising students on academic and career matters, the mentors teach students about the Federal Reserve System and the Bank's role in the Seventh District.

Economic Awareness Council

In May 2016, the Bank hosted a gathering event to celebrate the success of the Economic Awareness

Council's *On the Money* magazine. This magazine is geared toward teens and covers a variety of important financial literacy topics. It is entirely produced by high school students. In addition to hosting the event, the Bank provided the keynote address for approximately 50 guests, including students and family members.

Teacher Night at the Fed— Detroit

In addition to other outreach efforts, the Detroit Branch hosted its fifth year of Teacher Night, where economics and personal finance teachers were offered continuing education credit through the Michigan Council on Economic Education. This year's programs featured information about the economy and entrepreneurship. The Detroit Branch's fall program highlighted new curriculum developed in conjunction with Jiffy Mix¹⁰ that looked at how to collect data and interpret results. Also, the Detroit Branch partnered with the Michigan Council on Economic Education, Ford Credit, and the Michigan JumpStart Coalition to provide a two-day summer conference which included a tour of Ford's Rouge Plant and a talk from a Ford economist as well as presentations on assorted financial literacy and economic education topics. More than 175 teachers attended and learned about new ways to teach economics to students.

Money Museum

Established in 2001, the Money Museum is located at the Bank's head office and features interactive displays

explaining the functions of the Federal Reserve System and the history behind United States currency. The museum is operated by the Bank's Public Affairs Department. In 2016, over 40 Bank employees volunteered to speak with almost 400 museum audiences through the Bank's Fed Ambassador program. In addition to the thousands of guests that visit the Money Museum each year, the Public Affairs department creates targeted programs for high school students. These programs include a tour of the Money Museum with a presentation explaining the role of a central bank, the responsibilities of the Federal Reserve System, and the history of currency and banking in the United States.

Money Smart Week

In 2016, Money Smart Week (MSW), a series of free classes and activities designed to help consumers better manage their personal finances, continued its expansion throughout the nation and specifically the Seventh District. The program is led by the Bank and takes place every year during the month of April. Data derived from MSW attendance surveys shows that in 2016, 66 percent of MSW participants were female and 30 percent minorities.

In Detroit/Wayne County, the Bank partnered with financial institutions and nonprofits to reach 13,077 youths through Money Smart Week events. Among adult participants, 72 percent were female and 70 percent were minorities.

Appendix A: Financial Services Pipeline (FSP) Initiative

Recognizing that lack of diversity has a negative impact on the competitiveness and equity of the Chicago region, as well as on organizational cultures and financial firms' "bottom lines," a group of Chicago-based financial institutions joined forces with the Federal Reserve Bank of Chicago and The Chicago Community Trust—the region's community foundation—to form the Financial Services Pipeline (FSP) Initiative in 2013. Founding members of the FSP include Ariel Investments, BMO Harris Bank, the Federal Reserve Bank of Chicago, Holland Capital Management, Loop Capital, Northern Trust, and Urban Partnership Bank. Bank of America, CME Group, Madison Dearborn Partners, Mesirov Financial, U.S. Bank, and Wintrust joined in 2014. New members that joined in 2015 included JPMorgan Chase, Federal Home Loan Bank of Chicago, and The Private-Bank. In 2016, our member firms totaled 20 with the inclusion of the William Blair Investment Firm.

The FSP Initiative is governed by a CEO Leadership Council co-chaired by Terry Mazany, President and CEO of The Chicago Community Trust; Rick Waddell, Chairman and CEO of Northern Trust; and Monica Walker, CEO and CIO of Holland Capital Management. It is also governed by a Steering Committee co-chaired by Valerie Van Meter, Senior Vice President and former OMWI Director at the FRBC, and May Pelz, Director of Data Governance and Analytics at The Chicago Community Trust. Diversity Manager and FSP Program Manager Jamica Quillin and Senior Business Project Manager Courtney Hollins of the Chicago Fed manage the Initiative. Two key goals of the FSP Initiative are:

- Increasing the representation of Latinos and African Americans, at all levels, within the Chicago area financial services industry.
- Improving the overall cultural competency within the Chicago area financial services industry.

The Initiative's goals are to be achieved in three phases. Phase one, "Formation," took place throughout 2013 and part of 2014, and entailed working with The Chicago Community Trust, which established the groundwork for the Initiative, recruited a number of firms into the effort, and issued an RFP for consulting services. FSP Initiative Steering Committee members selected Mercer, a global human capital consulting firm, to undertake research to inform the Initiative's action plan. Phase two, "Research and Action Planning," started in late 2014 and continued throughout 2015. It entailed conducting relevant research and developing an action plan to address the FSP Initiative's goals based on key findings, as well as on metrics to gauge success. Phase three, "Implementation," consists of carrying out the different actions designed during Phase two by pooling resources and partnering with other organizations, which started in 2016.

Mercer's research on behalf of FSP commenced in mid-2014 with a series of interviews with experts and leaders in human resources and diversity and inclusion from the different FSP member organizations. Research continued with the development of an aggregated Internal Labor Market (ILM) map, including data on hires, promotions and exits from members of the Initiative, as well as projections for expected representation of African-Americans and Latinos in the local financial industry within the next five years. Additionally, Mercer administered a survey to almost 10,000 leaders and professionals working at FSP member organizations in order to learn about the construction of their professional identities as members of the financial sector, their experiences in the industry, and their ideas on how to enhance diversity and inclusion in the sector. All these research components along with a series of focus groups, a literature review and a program scan informed the development of a robust action plan by the FSP Steering Committee.

On October 30, 2015, the Financial Services Pipeline (FSP) Initiative released the comprehensive report on diversity and inclusion in the Chicago region's financial services sector during its second annual Summit, attended by 120 leaders from FSP institutions. "Bridging the Diversity Gap: Building African-American and Latino Talent Pipelines for the Financial Services Industry in Chicago" indicates that if current rates of hiring, promotion and attrition persist, the representation of African-Americans and Latinos in the sector's leadership will decline over the next five years.

"Bridging the Diversity Gap" aggregates the findings and presents suggestions for future actions from the sector. Key findings from the research include:

- Based on data provided by participating organizations, the representation of African-Americans and Latinos in positions of leadership in the industry is on course to decline.
- A choke point exists in the promotion of African-American and Latino talent into Senior Management/Executive level positions.
 - African-Americans and Latinos experience favorable rates of promotion into managerial-level positions in the industry, but few advance out of those levels and into more senior positions with their current employers. The data indicate that African-Americans and Latinos are more likely to enter Senior Management/Executive positions by being hired into them rather than by being promoted into them.
- Retention of African-American and Latino talent is a major challenge.
 - In general, employers report higher rates of attrition of African-American and Latino employees compared to rates for others, and notably higher rates of attrition exist where the observed choke point of advancement exists, out of the Managers level.
- The Professional career level offers significant opportunity for launching successful careers in financial services for African-Americans and Latinos.
 - African-Americans and Latinos experience higher rates of career advancement out of the Professional career level relative to others. They also report, relative to whites, more favorable work experiences and more positive views of the industry and its reputation.
- Early exposure to the industry contributes to its attractiveness to African-Americans and Latinos as a place to work.
 - African-Americans' and Latinos' interest in working in financial services often crystallizes during the high school years, compared to college years for whites. Internships and co-op programs were cited as some of the ways of generating early exposure and interest.
- Once employed within the FS industry, African-Americans and Latinos report distinctive experiences in, and perceptions of, the industry. For example:
 - Opportunities for career advancement are very important to both African-Americans and Latinos and are the most important influences of their intention to work in the industry. However, the two groups differ in what they feel they need for continued advancement. Both see support from managers and senior leaders as critical to advancement opportunities, but African-Americans are more likely to cite additional education as essential to continued advancement, whereas Latinos are more likely to cite additional experience.
 - Fairness with regard to access to opportunities, the distribution of rewards, and the application of employer policies are important to all groups. The experience of fairness by African-Americans and Latinos is less positive than that of whites.
 - African-Americans and Latinos are less likely than whites to feel there is a racially and ethnically diverse mix of role models in their organizations and are less likely to perceive a leadership commitment to D&I.
 - Overall, African-Americans report relatively higher levels of job insecurity. At the most senior career level, intentions to leave the industry are more prevalent among African-Americans and Latinos compared to whites.

The report presents recommendations for individual employers and for the industry as a whole to address diversity and inclusion gaps in the sector. The report recommends that individual employers work to fill senior leadership from within, reduce attrition, and hire African-American and Latino talent at the professional career level. The report also encourages demonstration of commitment to diversity and inclusion by top leadership as well as actions to ensure fairness. Collectively, the industry needs to build community relations to

create early awareness of opportunities in the financial services sector, giving African-Americans and Latinos early positive exposure to the sector. According to the report, it would also benefit the sector to identify diverse talent with skills transferable to the sector, allowing recruiters to target talent from other industries, and to expand industry recruitment efforts of new graduates, widening the number and types of university sources of talent. Together, these actions would enlarge the pool of talent for recruitment into the industry.

The FSP has committed to a set of ongoing initiatives that work to sustain its inclusion efforts. Annually, the FSP continues to host a Summit, bringing together valued partners and potential stakeholders to inform

them of the Initiative's progress and provide a forum for input. In 2016, the Summit theme was "A Call to Action" and focused on updates from FSP project leads on outcomes and expectations for the work ahead on the priority initiatives. The FSP also hosts an Annual Intern Career Conference each summer, as a part of collaborative efforts to increase the diverse representation of African-Americans and Latinos in the financial services industry. To measure progress, the FSP will continue to complete an index of member firms annually, which will offer a snapshot of racial/ethnic diversity within the Chicago metropolitan region's financial sector. These ongoing programs will supplement the strategic planning projects.

Appendix B: Employer Information Report EEO-1

Employer Information Report EEO-1 Federal Reserve Bank of Chicago, 2016 Employer Information Report

Occupational Categories	Total Employees			Race/Ethnicity													
				Hispanic or Latino		Non-Hispanic or Latino											
	White		Black or African American			Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More Races					
	All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1.1 Exec. Sr. Officials and Managers																	
By total	13	6	7	0	0	6	5	0	2	0	0	0	0	0	0	0	0
By percent	100%	46.2%	53.8%	0.0%	0.0%	46.2%	38.5%	0.0%	15.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1.2 First Mid. Level																	
By total	314	169	145	14	15	126	100	14	18	14	9	0	0	0	0	1	3
By percent	100%	53.8%	46.2%	4.5%	4.8%	40.1%	31.8%	4.5%	5.7%	4.5%	2.9%	0.0%	0.0%	0.0%	0.0%	0.3%	1.0%
Official & Managers Total																	
By total	327	175	152	14	15	132	105	14	20	14	9	0	0	0	0	1	3
By percent	100%	53.5%	46.5%	4.3%	4.6%	40.4%	32.1%	4.3%	6.1%	4.3%	2.8%	0.0%	0.0%	0.0%	0.0%	0.3%	0.9%
2. Professionals																	
By total	960	531	429	49	51	350	248	57	73	69	54	1	0	1	0	4	3
By percent	100%	55.3%	44.7%	5.1%	5.3%	36.5%	25.8%	5.9%	7.6%	7.2%	5.6%	0.1%	0.0%	0.1%	0.0%	0.4%	0.3%
3. Technicians																	
By total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
By percent	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4. Sales Workers																	
By total	5	3	2	0	0	3	2	0	0	0	0	0	0	0	0	0	0
By percent	100%	60.0%	40.0%	0.0%	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5. Admin Support Workers																	
By total	148	49	99	12	15	10	36	20	45	6	3	0	0	0	0	1	0
By percent	100%	33.1%	66.9%	8.1%	10.1%	6.8%	24.3%	13.5%	30.4%	4.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%
6. Craft Workers																	
By total	22	21	1	4	0	15	1	0	0	2	0	0	0	0	0	0	0
By percent	100%	95.5%	4.5%	18.2%	0.0%	68.2%	4.5%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7. Operatives																	
By total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
By percent	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8. Laborers and Helpers																	
By total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
By percent	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9. Service Workers																	
By total	83	70	13	20	4	27	1	23	8	0	0	0	0	0	0	0	0
By percent	100%	84.3%	15.7%	24.1%	4.8%	32.5%	1.2%	27.7%	9.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Workers																	
By total	1545	849	696	99	85	537	393	114	146	91	66	1	0	1	0	6	6
By percent	100%	55.0%	45.0%	6.4%	5.5%	34.8%	25.4%	7.4%	9.4%	5.9%	4.3%	0.1%	0.0%	0.1%	0.0%	0.4%	0.4%

Appendix C: 2016 OMWI Core Metrics

2016 Standard Core Measures							
Category	Description	Measure	2012	2013	2014	2015	2016
Workforce Diversity	Senior Executives	Total #	11	11	11	12	13
		% Minorities	9%	9%	9%	8%	15%
		% Women	45%	45%	45%	50%	54%
	Mid-Level Managers	Total #	279	304	310	309	314
		% Minorities	26%	26%	28%	28%	28%
		% Women	43%	46%	46%	45%	46%
Professionals	Total #	853	864	891	912	960	
	% Minorities	35%	36%	36%	37%	38%	
	% Women	47%	45%	46%	45%	45%	
Total External Hires	Total #	169	145	169	167	180	
	% Minorities	43%	41%	43%	47%	42%	
	% Women	52%	39%	42%	44%	45%	
Total Interns	Total #	64	56	52	47	48	
	% Minorities	33%	43%	40%	38%	37%	
	% Women	47%	41%	60%	47%	37%	
Overall Bank Turnover Rate	%	7%	6%	9%	11%	8%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$59.06	\$51.07	\$51.21	\$59.98	\$66.60
	Total Diverse Spend ¹	\$ (millions)	\$4.19	\$3.07	\$4.67	\$5.83	\$6.74
		%	7.1%	6.0%	9.1%	9.7%	10.1%
	Minority-owned ²	\$ (millions)	\$1.94	\$0.66	\$2.83	\$4.93	\$5.15
		%	3.3%	1.3%	5.5%	8.2%	7.7%
	Minority-owned (men)	\$ (millions)	\$0.74	\$0.28	\$2.38	\$2.81	\$2.37
		%	1.3%	0.6%	4.6%	4.7%	3.6%
	Minority-owned (women)	\$ (millions)	\$1.20	\$0.38	\$0.45	\$2.12	\$2.78
		%	2.0%	0.7%	1.0%	3.5%	4.1%
	Women-owned ²	\$ (millions)	\$3.45	\$2.78	\$2.29	\$3.02	\$4.37
%		5.8%	5.5%	4.5%	5.0%	6.6%	
Women-owned (non-minority)	\$ (millions)	\$2.24	\$2.40	\$1.84	\$0.90	\$1.59	
	%	3.8%	4.7%	3.6%	1.5%	2.4%	
Women-owned (minority)	\$ (millions)	\$1.20	\$0.38	\$0.45	\$2.12	\$2.78	
	%	2.0%	0.7%	1.0%	3.5%	4.2%	

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

²Women-minority numbers are included in both Minority-owned and Women-owned Totals.

		2016
Financial Literacy ¹	Program Type	
	- Teacher centric	
	- Student centric	
	- Hybrid	Hybrid
	Number of Students ²	707
	Number of Educators ³	175
	Number of Students Reached ⁴	13,125.00

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

²Students who attended in-person programs and enrolled in online programs.

³Educators who attended in-person programs and enrolled in online professional development programs.

⁴Students reached through educators using a common multiplier of 75.

Appendix D: Procurement Spend, Four-Year Trend

Procurement Spend, Four-Year Trend

	Fiscal Year/Calendar Year							
	2016		2015		2014		2013	
	\$	%	\$	%	\$	%	\$	%
Total reportable spend ¹	\$66,604,617.35		\$59,980,647.24		\$51,214,219.08		\$51,070,808.59	
Minority-owned ²	\$ 5,151,460.75	7.7%	\$ 4,933,009.69	8.2%	\$ 2,827,654.90	5.5%	\$ 662,769.85	1.3%
Women-owned ³	\$ 1,590,107.14	2.4%	\$ 897,061.54	1.5%	\$1,840,892.33	3.6%	\$ 2,403,558.29	4.7%
Total minority-owned and women-owned ⁴	\$ 6,741,567.89	10.1%	\$ 5,830,071.23	9.7%	\$4,668,547.23	9.1%	\$ 3,066,328.14	6.0%

¹ Reportable spend: All amounts paid to third party contractors (i.e., not inter-Fed payments, not government payments, not payments to tenants that rent space, etc.) for goods, services, and software. Definition taken from final System legal opinion on reportable spend dated May 26, 2011.

² Minority-owned: All minority-owned businesses, including minority female-owned companies

³ Women-owned: Caucasian women-owned businesses only

⁴ Total minority-owned and women-owned: Total of previous two lines

Endnotes

- ¹ In 2015, Listening Tours (LTs) were launched to engage employees and leaders in discussions about the ODI internal branding and performance related to Corporate Social Responsibility (CSR) and D&I activities. The LTs were also intended to directionally gauge inclusion at each level within the Bank. Data was collected from staff, supervisor, manager, and officer levels through 39 District LT sessions. About 400 individuals participated in the sessions out of the 900 randomly selected employees that received an invitation. The LTs consisted of an 11-question survey coupled with dialogue to support answers received from each of the questions. Qualitative and quantitative data was collected at the Chicago, Detroit and Des Moines offices.
- ² Mercer conducted research to inform a viable and effective action plan that addresses the Financial Service Pipeline (FSP) initiative. The research comprised of interviews with experts and leaders in HR and D&I teams from FSP member organizations, Internal Labor Market (ILM), and a survey of 10,000 leaders and professionals working at FSP member organizations.
- ³ The Executive Committee consists of the President, First Vice President and senior and executive vice presidents who head each of the Bank's business units.
- ⁴ The Bank's inclusion indicators are industry best practices for creating an inclusive, high-performing work environment. These indicators were used to evaluate perceptions around diversity and inclusion among Bank leaders and staff through a series of Listening Tours held in 2015. Based on the data collected through these tours, the Bank launched a number of pilots with departments in order to address one or more of these indicators. Some of the work included: focus groups, scenario-based training, stop-start-continue analyses, surveys, environmental scans, and more.
- ⁵ The analysis presented is focused on the following EEO-1 job categories in the 7th District: Executive/Senior Level Officials & Managers and First/Mid-Level Officials & Managers; Professionals; and Administrative Support. The following EEO-1 job categories have been excluded from this analysis: Sales Worker (5 total Bank employees); Craft Workers (22 total Bank employees); and Service Workers (83 total Bank employees). Currently, we have no Bank employees in the following EEO-1 job categories: Technicians, Operatives, and Laborers & Helpers.)
- ⁶ The most recent information applicable to our 2015 Workforce Analysis was based on 2010 US Census figures contained in the 2010 EEO Tabulation Files for the Bank's reasonable recruitment areas (7th District recruitment areas are: Chicago, Des Moines, and Detroit, and for some positions, US Recruitment Area is used). The 2010 Tabulation Files are based on the American Community Survey conducted by the US Census Bureau.
- ⁷ Knowledge Leaders (KL) – Formerly known as Senior Professionals (SP). In 2013, the 7th District implemented a new leadership structure that eliminated the Senior Professional role and classified executive managers in this job group a either Officers or Knowledge Leaders. The Knowledge Leaders Job Group is made up of the very highest level of technical experts in the Bank in areas such as economics, information technology, and bank supervision with specific expertise required. Individuals in this job group are also considered “individual contributors” and are expected to exercise leadership by using extensive technical knowledge and critical thinking skills to significantly influence strategy and policy development at both the business and industry level.
- ⁸ “Reportable expenditures” 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.
- ⁹ This initiative will focus on identifying opportunities to include employees from multiple Bank departments on projects, initiatives or other work that are related to the mission of the Bank. Once projects have been identified, employees will be able to apply for projects that meet their interests and skill sets.
- ¹⁰ Jiffy Mix is a brand of baking mixes marketed by the Chelsea Milling Company in Chelsea, Michigan, that has been producing mixes since 1930.

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