



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

March 2019



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.
- 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 develop-

ment 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 2018, the Federal Reserve Bank of Chicago (the Bank, the FRBC, and/or the District) continued advancing its diversity and inclusion (D&I) strategies through the work of its Office of Diversity and Inclusion (ODI), now in its 8th year of existence. Integrated with the District's Human Resources and Internal Communications functions under the umbrella of the People & Culture Department, the ODI is recognized as a valued strategic partner at the Bank, working collaboratively with Supplier Diversity, Public Affairs and other functional areas of People & Culture. 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 District. The ODI focus areas are workforce diversity, supplier diversity, and financial literacy.

In addition, our ODI team provides support to our network groups (ESNG) and the Volunteer Council (VC) to advance the FRBC's diversity and inclusion objectives both within the Bank and in the local community. The VC, which was formed in 2014, complements the Bank's commitment to culture, talent and community focus through volunteer efforts within the Seventh District.

In 2018, the Bank took an active role in refreshing its D&I strategy established and led by the Federal Reserve System's Conference of First Vice Presidents (CFVP). Through this strategy, different work groups are executing D&I high priority initiatives (HPIs) for the following key governance groups or system offices within the Federal Reserve System: the CFVP, the Subcommittee on Human Resources (SOHR), the Office of Minority and Women Inclusion (OMWI) Council, and the System Leadership Initiative (SLI).

The refreshed 2018-2020 D&I Framework was successfully launched in August 2018 and shared with our stakeholders across the Bank. The D&I Framework builds off the success of the previous D&I Plan

by providing greater clarity on improving employee engagement, achieving parity in hiring, promotion and retention of diverse talent, and continuing the focus on integrating D&I throughout the organization as an integral part of the Bank's success that is owned by each and every employee.

The Bank's collective efforts have led to significant achievements in the following key areas:

Minority and Women Employment

- In 2018, the Bank's female representation in the Officers internal job group (all Assistant Vice Presidents and above) reached parity in gender representation. In comparison, female representation in the same internal job group is 13 percent higher than the labor market availability of females in the Bank's reasonable recruitment areas.
- In 2018, the Bank closed the gap between its minority representation in the Officers internal job group and the labor market availability of minorities in the Bank's reasonable recruitment areas.
- The Bank hired 55 summer college interns in 2018, of which 38 percent were minority interns and 47 percent were female interns. Two interns were hired as full-time regular employees, one non-minority female, and one minority female.
- The Bank's People & Culture department continued to coordinate the Federal Reserve System's Diversity Recruitment Conference strategy. In 2018, the Federal Reserve System participated in the "Transcend the Power of You" conference sponsored by the National Black MBA Association, the Conference & Career Expo sponsored by Prospanica (formerly known as the National Society of Hispanic MBAs), and the Grace Hopper Celebration of Women in Computing Conference sponsored by the Anita Borg Institute.
- The Bank continued its active leadership of the Financial Services Pipeline Initiative (FSP), a coalition of 19 firms working to increase career progression

and representation of African-Americans and Latinos in Chicago's financial services sector. In 2018, the coalition conducted its annual Intern Career Conference – hosting more than 120 interns and students – as well as its annual FSP Summit. The Summit was attended by over 120 leaders from the member firms as well as representatives from community-based organizations and colleges/universities.

- For the third year in a row, the Bank received a 100 percent score on the Human Rights Campaign (HRC) Foundation's 2018 Corporate Equality Index. Spectrum, the Bank's LGBT employee support network group, and the ODI team were instrumental in achieving this high mark.

Minority- and Women-Owned Business

- The Bank spent approximately \$12.8 million with Minority- and Women-Owned Business Enterprises (M/WBEs), 23 percent of its total reportable spending, an increase of \$3.7 million compared to 2017.
- The Bank successfully hosted its fifth Business Smart Week event, a technical assistance conference serving 452 participants in Chicago and Detroit. Participants included a significant number of M/WBEs.
- The Bank continued to partner with nonprofit organizations to increase M/WBE participation in procurement opportunities throughout the Seventh District.

- Through a partnership with the Bank's Customer Relations and Support Office, the Bank 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 visited more than 100 high school classrooms, serving as teachers, mentors and presenters at majority-minority and all-girl schools located throughout Chicago.
- Eighteen high school interns are working part-time jobs in nine different Bank departments through a partnership with the Corporate Work Study Program at majority-minority Cristo Rey and Christ the King High Schools in Chicago and Detroit.
- More than 175 teachers attended the seventh year of the Teacher Night at the Fed program at the Bank's Detroit branch.

In addition to the accomplishments highlighted in this 2018 executive summary, the Bank achieved many others relating to workforce diversity, supplier diversity, and financial literacy that are described throughout this report.

Introduction

In 2011, the Bank expanded its approach to achieving **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 Lesbian, Gay, Bisexual, and Transgender (LGBT) community; veterans; and other under-represented groups.

Reporting to First Vice President and Chief Operating Officer Ellen Bromagen, Vice President and OMWI Director Leonard McLaughlin leads the ODI under the umbrella of the Bank’s People & Culture Department. The current structure is focused on the integration of D&I into all aspects of the Bank’s human capital and talent management processes. In addition, it provides continued collaboration with the Bank’s leadership teams on the implementation and oversight of D&I strategies from the full employee life-cycle perspective.

Now in its eighth year of existence, the ODI coordinates and supports the Bank in meeting its goal to be recognized as a great place to work, a valued business partner, and a trusted community stakeholder that integrates D&I within all its business strategies. As part of the ongoing efforts toward achieving these goals, including the Bank’s commitment to better integrate D&I within the business, processes and culture, the Bank made significant progress in 2018.

System Approach to Diversity and Inclusion

Leaders across the Federal Reserve System (the System) have long seen D&I as integral to achieving the work and mission of the Central Bank. In 2018, members of the System’s Conference of First Vice Presidents (CFVP) affirmed their commitment to D&I

by establishing it as one of their highest strategic priorities. As a result of this commitment, work continued at each District Bank and across the System to create and maintain environments where every employee feels welcome and included. Senior leaders have spoken on the topic at employee town halls or forums, created video messages and articles, and have been engaged with employee resource groups and outreach activities.

The Bank has taken an active role and supports the CFVP strategy through various D&I work streams established and led by the CFVP. Through this strategy, different work groups are executing on D&I high priority initiatives (HPIs) for the following key governance groups within the System: the CFVP, the Subcommittee on Human Resources (SOHR), the OMWI Council, and the System Leadership Initiative (SLI).

FRBC Approach to Diversity and Inclusion

In 2018, our Bank leadership demonstrated its commitment to D&I through a wide range of activities including a discussion series with Employee Support Network Group (ESNG) leaders, covering such issues as authenticity, bringing your “whole self” to work, and the #MeToo movement.

The Bank’s 2018 Employee Engagement Survey results reflected that commitment with an increase of nine points (over 2016 results) on the question of Executive Committee (EC) commitment to D&I. More detailed information about the engagement survey follows in this section. To continue that momentum, and in partnership with the Korn Ferry management consulting firm, the Bank’s EC participated in the Intercultural Development Inventory (IDI) assessment process and behavior-based interviews. This tool helps individuals assess their level of cultural competence and how they may navigate differences to lead inclusively. The entire EC participated in not only the assessment, but in follow-up discussions as a group, facilitated by Korn Ferry and supported by the SVP of People & Culture and VP of D&I. This was yet another

collective learning opportunity to help our leaders on their inclusion journey.

In 2018, the Bank once again leveraged its partnership with Mercer Consulting to produce workforce analysis reports and predictive analytics in the form of Internal Labor Market (ILM) Maps including projections and parity analysis. These workforce analysis reports not only provided a snapshot of the Bank's current flow of labor but also provided predictive analytics and a forecasting of workforce movement for multiple demographics several years in the future. These reports are incredibly powerful in helping Bank leaders and business units better understand inflows of talent (hiring), development and velocity of talent (promotions), and retention.

Diversity and Inclusion – Refresh for 2018

In Q4 2017, the FRBC's cross-functional D&I workgroup¹ was expanded to include staff from the key areas of Cash, Law Enforcement, and the Detroit Branch, in an effort to be more inclusive and to consider broader perspectives throughout the District. As the District's 2016-2018 D&I Strategic Plan concluded, the D&I Workgroup spent a good portion of 2018 reassessing the current D&I Strategic Plan. As part of the reassessment, the Workgroup provided input and recommendations to create a refreshed D&I multi-year framework that replaced the current plan, ensuring a simplified business integration that supports measurable and sustainable progress.

As part of this effort, a Bank-wide "Think-a-Thon" was held to help identify District-wide definitions for the concepts of diversity, inclusion and belonging. This effort was intended to unify the District by providing the organization a collective understanding of these terms and what they mean for us.

The refreshed 2018-2020 D&I Framework (the "D&I Framework") was successfully launched in August 2018 and shared through a variety of communication channels, including our bank-wide Leadership Forum for people leaders, department meetings across business units, and in-person drop-in sessions for employees. The D&I Framework builds off the success of the previous D&I Strategic Plan by providing greater clarity on improving employee engagement, achieving parity in hiring, promotion and retention of diverse talent, and continuing the focus on integrating D&I throughout the organization. The three areas of focus – Culture, Talent and Community – remain consistent with the original

D&I Strategic Plan:

- Culture: "We will consistently demonstrate inclusive competencies."
- Talent Pipeline: "We will progressively close parity gaps in our talent pipeline."
- Community: "We will actively support and build internal and external D&I strategic partners."

The initiatives outlined in the D&I Framework under each area focus on enterprise-wide and foundational efforts that are organized over multiple years to capture the evolutionary nature of the work. Highlights include a focus on D&I as an integrated part of business areas' strategic planning; the launch of a refreshed Bank-wide Learning & Development Framework, which includes D&I as a foundational aspect of all learning; and the launch of the ESNG Strategic Outlook, which creates more structure and opportunity for ESNGs as important partners with Bank leadership.

To continue leading all D&I strategic efforts in the Bank, a new Vice President for the ODI was named early in 2018. Leonard McLaughlin joined the Bank in March after many years in the financial services industry. His role and experience further supports the D&I strategies outlined in the D&I Framework and underscores the Bank's commitment to furthering D&I in the organization.

Employee Engagement Survey

The Bank implemented its employee engagement survey in early 2018, achieving a 95 percent response rate. Results from the survey were very favorable when benchmarked against business norms (external organizations), FRS norms, and 2016 Bank results.

Some of the areas of strength highlight efforts made not only in the D&I space, but reflect a strong culture overall at the FRBC. The Bank scored well on questions related to how employees feel about the Bank as a place to work, the Bank's commitment to diversity and inclusion, effectiveness of Bank communications, and employee understanding of the Bank's mission. Some of the improved factors from 2016 included executive commitment to diversity and inclusion and employee confidence that survey results would be used constructively. Finally, survey results reflected opportunities for improvement related to employee perceptions of openness and trust, building a more agile culture of empowerment and risk taking, and greater clarity regarding career opportunities at the Bank.

At the FRBC, we use the survey results in ongoing conversations throughout the year and in a variety of ways. For example, we share high level results broken down by demographic groups with our ESNG leaders to encourage open dialogue, and feedback on ways to improve engagement and culture specifically within certain ESNG populations. In 2019, we will launch an engagement portal with the goal of better communicating and connecting engagement survey results with efforts and initiatives taking place around the Bank – throughout the year and in between survey years. The website will also serve as a means of seeking employee perspectives and opinions regarding engagement and promote engagement discussion on a regular basis. Finally, engagement survey information will serve as an important resource to the Bank’s D&I framework learning and development programs to improve inclusion.

Leadership Competency Model

In 2018, the Bank refreshed its leadership competencies. The most significant change to the competencies was the alignment of our new competencies to our commitment to Diversity and Inclusion.

The new leadership competencies are:

- **Thinking Strategically.** Thinks about issues and navigates relationships to advance the Bank’s goals; Leads with the future in mind.
- **Leading Inclusively.** Leverages diverse talents, positively impacts culture and engagement, and encourages development for all employees.
- **Growing Intentionally.** Demonstrates self-awareness and continuous development by seeking out feedback and modifying behavior.

The enhanced focus on inclusion demonstrates how we continue to prioritize inclusion in our processes and practices, and more importantly, how we will hold leaders accountable for demonstrating these competencies through our formal performance appraisal process. We believe this is a critical step in influencing our culture and being clear about the inclusive behaviors we expect from leaders at all levels of the Bank.

Learning and Development Framework

In 2018, the Bank made great strides in building a foundational competency-based learning and development framework for the 7th District. The framework will be housed on a learning platform called 7Dev, and will provide a robust range of learning and development opportunities to all employees across the Bank. Offer-

ings will range from instructor-led, online offerings, elements of experiential learning, and other on-the-job opportunities throughout the Bank. This framework also incorporates both Bank-wide and specific training recommendations to People & Culture from the D&I training assessment conducted by the Cook Ross organizational consulting firm in 2017.

The learning and development team was formed in 2018, and in addition to launching 7Dev in 2019, will ensure that all learning opportunities and offerings reflect the diverse needs of our employees and support the development of a diverse leadership pipeline through:

- Leadership Development Rotation Programs
- Leadership Mentoring and Coaching Programs
- Staff and Leadership Assessment Tools
- Staff and Leadership Competency Development

Training and Development Efforts

In 2018, the Bank continued its efforts to support the Bank-wide talent management strategy to strengthen talent and further improve the Seventh District’s succession planning by offering Leadership by Design² workshops and seminars.

Development offerings included on-the-job stretch assignments, rotational opportunities to broaden Bank-wide exposure and increase Bank-wide business acumen, and skill development courses. The following targeted courses were offered in 2018: Conversations Matter for People Leaders, Conversations Matter for Individual Contributors, Leadership Mentoring Program, Bank-Wide Mentoring Program, Internal Consulting, Leader Coach, Change Leadership, and Transition to Management. These courses benefited a total of 131 Bank employees, of whom 52 were minorities and 66 females.

Since the 2013 launch of the Leadership by Design development program, workshops, programs, and events have been offered annually to people leaders interested in enhancing their leadership skills and expanding their internal network. Promoting and managing a program solely focused on developing individuals in people leader roles has posed a challenge in providing continuous learning and development opportunities for female and minority employees.

To address this challenge, the Bank launched an initiative to enhance its Learning and Development Framework, which provides a clear alignment to skills and courses supporting the Bank’s competencies. All employees will now be able to identify and select learning opportunities supporting their development plans and/or career goals, thus reducing any organizational barriers to learning.

Succession Planning

The overall goal for the Bank’s Succession Planning is to assess leadership bench strength and manage succession of key roles within the organization from a deeper pool of talent. In 2018, the Bank launched an initiative to refresh the Bank’s overall succession framework, in collaboration with the District Leadership Council (DLC). The key objectives of this refresh were to:

- Support continuity at the leadership level.
- Ensure current and future talent is in place to fill critical roles.
- Foster a culture of leader development, engagement, and career advancement.
- Build a flexible, scalable framework to support the succession management process.

This collaboration resulted in refreshed tools and definitions for succession management and assessment of high potential talent.

Using the new flexible and scalable framework, a consistent Bank-wide review criteria and the newly defined Bank-wide “high potential” definition, which includes ability, aspiration and commitment, the Bank’s different business units were asked to identify Bank-wide talent. The 2018 Bank-wide Pipeline Talent Review process focused on individual readiness for increased responsibility across other business units and potential employee flight risk. The DLC was instrumental in exploring and discussing developmental needs for the Bank-wide high potential people leaders and individual contributors and focusing on opportunities that support talent diversity and mobility.

In 2018, the Bank also engaged Korn Ferry management consulting firm to collaborate on the design of a Leader Success Profile to assess leadership readiness across the organization. This profile includes qualitative criteria for “what makes a great leader in our organization” and “what skills and competencies are needed from our leaders in the future.” A pilot of the leadership assessment tool was launched and completed in late

2018. In early 2019, evaluation of the program will inform whether the tool is meeting our needs in growing and identifying leaders at the senior levels of the organization, and whether the tool is scalable for other management levels below SVP and VP.

System Leadership Initiative

In addition to the objectives of the Bank’s Training and Development and Succession Planning efforts, the System Leadership Initiative (SLI) promotes the development of leaders across the Federal Reserve System. SLI helps coordinate exchange opportunities that contribute to development at all levels of the organization. Through diverse learning experiences, SLI programs complement local leadership development efforts. Sponsored by the Conference of Presidents (COP) of the Federal Reserve Banks, SLI delivers an executive development strategy for the System’s key talent. The FRBC provides SLI support for the System. In 2018, two conferences were offered, one at the emerging leadership level (The Thrive Conference) and one for mid-level officers (Trailblazers Conference). As the leadership conferences reach a broad array of talent across the System, the OMWI directors and SLI staff continued to collaborate to expand the content and discussion of diversity and inclusion topics. Both external speakers and System senior leaders incorporated discussions and examples on the importance of diversity and inclusion into their presentations. Additionally, some speakers were dedicated solely to presenting diversity and inclusion topics.

In 2018, minority and female participation in the conferences was strong and comparable to representation at these levels across the System. The Thrive Conference had attendance of 38 percent female and 29 percent minority, and the Trailblazers Conference had 42 percent female and 29 percent minority attendees.

Additionally, SLI continues to engage speaker bureaus and individual speakers to ensure a wide net is cast to a variety of speakers with diverse backgrounds and experiences. Feedback from participants acknowledges the inclusive focus of the conferences and efforts to highlight the topic of diversity and inclusion in the System. Multi-year contracting assists in broadening the range and diversity of speakers.

The System Leadership Exchange program offers an important additional avenue to support career development for professionals across the System through exchange assignments. Forty-six exchange opportunities

were offered with 60 participants, of which 67 percent were females and 36 percent were minorities. In 2018, marketing and communications efforts continued to help SLI reach a broader, more diverse group of leaders.

In 2018, SLI offered Continuing Professional Education (CPE) credits for each conference. In total, 40 conference participants were awarded CPE credits.

The greatest challenge SLI continues to face is meeting the strong demand for Thrive, the emerging leader conferences. In response to the demand, SLI is offering more sessions and developing content that can be used with leaders outside the formal conferences.

Going forward, SLI will continue to collaborate with the System's OMWI Council and Reserve Bank leadership to ensure conference content supports the System's diversity and inclusion strategies.

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 2018, 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.

Staffing Representation: EEOC Job Categories³

As of December 31, 2018, the Federal Reserve Bank of Chicago's total regular help staff level was 1,564, an increase of two percent from the 1,529 regular help employees working for the Bank as of December 31, 2017. In 2018, the Bank's female representation remained unchanged at 46 percent. Overall minority representation increased by one percentage point to 40 percent. Black/African-American employees represented 17 percent of the Bank's workforce (unchanged since 2015), Hispanic/Latinos 11 percent (no change), and Asians 11 percent (a slight increase from ten percent). Other minorities represented one percent of the Bank's total headcount (no change).

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.⁴ The Officials and Managers category represents 22 percent of the positions in the Bank (a slight increase from 21 percent). The Professionals category continues to be the largest, comprising about 61 percent of the Bank's workforce (no change). The Administrative Support category represents nine percent of the Bank's workforce (a slight decrease from 10 percent).

The Bank's Officials and Managers category, which includes the higher tiers of the organization, was 48 percent female (an increase from 46 percent), and 31

percent minority in 2018 (also an increase from 28 percent). When the same category is analyzed by race/ethnicity, we observed an increase in representation for Black/African-Americans (from 10 to 13 percent) after a three-year period with no changes. Representation of Hispanic/Latinos remained unchanged at nine percent; while representation of Asians increased (from seven to eight percent).

In 2018, female and minority representation within the Professionals category remained unchanged at 46 and 37 percent, respectively. Overall representation within the Professionals category by race/ethnicity remained unchanged at 13 percent for Black/African-Americans, 10 percent for Hispanic/Latinos, and 13 percent for Asians.

The Administrative Support category was 64 percent female in 2018 (a decrease from 67 percent); while minority representation in this category increased slightly to 71 percent (from 70 percent). Representation within the Administrative Support category by race/ethnicity was 45 percent Black/African-American (a slight decrease from 46 percent), 18 percent Hispanic/Latino (a slight increase from 17 percent), and seven percent Asian (an increase from five percent).

Table 1. Federal Reserve Bank of Chicago reported total workforce demographics, 2017 and 2018

	2017	2018	Change (number)
Male	831	846	15
Female	698	718	20
Non-Minority	929	937	8
Minority	600	627	27
Total Employees	1529	1564	35

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 Bank 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 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 internal job groups. Then it analyzes the demographics of such internal 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.⁵

Through this exercise, the Bank determines the availability of professionals in each internal 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 950 employees in the upper-level internal job groups of the organization, including Officers, Managers, Economists, Analysts, Technology Professionals, and other internal upper-level job groups. Although there are exceptions, the analysis revealed that in 2018 the Bank made gains from prior years in the representation of women and minorities for some of these upper-level internal job groups in comparison with the availability of women and minorities in the labor force.

The Bank's female representation continues above the Labor Market Availability (LMA) in all upper-level internal job groups, except in Technology Professionals where it falls below the LMA by two percentage points. As previously reported, this has been a challenge for the Bank due to the significant gender gap that still exists in the supply of female talent.

Table 2. Federal Reserve Bank of Chicago workforce profile 2017, 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	7	46.7%	169	54.0%	510	54.3%	49	32.9%	73	83.9%
Female	8	53.3%	144	46.0%	429	45.7%	100	67.1%	14	16.1%
Non-minority	13	86.7%	224	71.6%	596	63.5%	45	30.2%	30	34.5%
Minority	2	13.3%	89	28.4%	343	36.5%	104	69.8%	57	65.5%
Total Employees	15	100.0%	313	100.0%	939	100.0%	149	100.0%	87	100.0%

Table 3. Federal Reserve Bank of Chicago workforce profile 2018, 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	5	35.7%	176	52.7%	521	54.3%	52	35.6%	71	83.5%
Female	9	64.3%	158	47.3%	439	45.7%	94	64.4%	14	16.5%
Non-minority	12	85.7%	225	67.4%	605	63.0%	43	29.5%	29	34.1%
Minority	2	14.3%	109	32.6%	355	37.0%	103	70.5%	56	65.9%
Total Employees	14	100.0%	334	100.0%	960	100.0%	146	100.0%	85	100.0%

In 2018, the Bank's internal female representation in the Officers job group (all Assistant Vice Presidents and above) has reached parity in gender representation. When compared to the LMA, female representation in the same internal job group is 13 percent higher than the females in the Bank's reasonable recruitment areas. Reasonable recruitment area represents those who are qualified for employment for this particular internal job group. Additionally, the Managers, the Administrative Professionals, and the Examiners internal job groups also saw improvements in female representation compared to the LMA in 2018. The Administrative Professionals internal job group includes jobs requiring high-levels of expertise and employees in this job group are individual contributors with senior-level experience.

Minority representation continues above the LMA in all upper-level internal job groups except in Knowledge Leaders⁶ and Examiners where it decreased and falls below the LMA by three and 10 percentage points, respectively. In 2018, the Bank closed the gap between its minority representation in the Officers internal job group and the LMA. In addition, minority headcount in this same internal job group increased by 33 percentage points.

Compared to the LMA, there were other increases in minority representation in the Bank's internal job groups. However, the most significant increase in minority representation occurred in the Supervisors internal job group which is currently 13 percent higher than the LMA of minorities in the Bank's reasonable recruitment areas. Reasonable recruitment area represents those who are qualified for employment for this particular internal job group. Not only did the internal job group increase in minority representation, it also increased minority headcount by 61 percentage points.

Diversity Recruiting

Diversity recruiting efforts were essential to the Bank effort to make significant gains and to closing the gaps between the Bank's female and minority representation and the LMA of both groups in the Bank's reasonable recruitment areas. The Bank's People & Culture department coordinated the strategy for the System's diversity recruiting conference and led complementary efforts to attract diverse talent to staff the Bank's headquarters in Chicago, its Detroit Branch and its Des Moines office.

Since 2007, the System has collaborated to develop and execute strategic national diversity recruiting conference participation and advertising efforts across all

Reserve Banks, the Board of Governors and the Federal Reserve Information Technology (FRIT) function. The System's diversity recruiting conference strategy uses a collaborative and cost-effective approach toward 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 2018, the System collectively attended the following three national diversity conferences: The "Transcend the Power of You" Conference sponsored by the National Black MBA Association (NBMBAA), the Conference & Career Expo sponsored by Prospanica (formerly known as the National Society of Hispanic MBAs (NSHMBA), and the Grace Hopper Celebration of Women in Computing Conference sponsored by the Anita Borg Institute. Our continued work with these nationally recognized organizations supports and creates marketing and branding awareness of the System among prospective employees.

In order to proactively source talent, the System participated in job postings with the NBMBAA, Prospanica, and Grace Hopper conferences and created three pipeline requisitions that allowed participants to express their interest in locations and positions. At the conferences, more than 330 resumes were collected throughout the System, and approximately 35 resumes were sent to hiring managers, resulting in 18 face-to-face interviews. Three offers were extended and one candidate was hired. Additionally, there are approximately 520 resumes in the pipeline for potential future job openings.

The System also expanded outreach through enhanced advertising and social media opportunities. In 2018, the System was highlighted once again in advertisements that were featured in the *Diversity Communication Digital*, *Black EOE Journal*, and NBMBAA eblast. In 2018, the System continued to expand its outreach to include social media. The System presence at the conferences and employment opportunities through the Federal Reserve Talent Network were promoted through various channels, including LinkedIn, Twitter, Facebook, and in partnership with the publications listed previously and their social media channels. These efforts produced 9470 followers and 376 engagements.

In addition to the System-wide diversity recruiting conference strategy management efforts, the Bank

participated in a variety of local recruiting and career-focused events including the Society for Human Resource Management (SHRM) Diversity Career Fair, three partnership related events with the Hispanic Alliance for Career Enhancement (HACE), including the HACE Corporate Partner Webinar, HACE Career Summit, and University Network Leadership Day. The Talent Acquisition team also participated in the Financial Services Pipeline (FSP) Summer Intern Career Conference and a Lesbian Gay Bisexual and Transgender (LGBT) career fair.

The Bank participated in career events, professional development sessions, and other recruitment opportunities with the FSP Initiative, Future Leaders Conference, the University of Chicago, the University of Michigan, the University of Northern Iowa, and Tennessee State University. The Bank also hired a total of 55 college summer interns in 2018, of which 38 percent were minority interns and 47 percent were female interns. Two interns were hired as full-time regular employees, one non-minority female, and one minority female.

Minority and Women Employment – Successes

As mentioned earlier, the Bank's female representation continues above the LMA in all upper-level internal job groups except in Technology Professionals. In addition, the Bank's female representation in the Officers internal job group has reached parity in gender representation during this reporting period. The Managers, Administrative Professionals, and Examiners internal job groups also saw improvements in female representation compared to the LMA in 2018. Moreover, the Bank's Officials and Managers EEO job category, which includes the higher tiers of the organization, was 48 percent female in 2018, an increase from 46 percent.

For minority representation, the most significant increase occurred in the Supervisors internal job group, which is currently 13 percent higher than the LMA. In addition, the Bank closed the gap between its minority representation in the Officers internal job group and the LMA, and minority headcount in this same internal job group increased by 33 percentage points.

Minority and Women Employment – Challenges

While progress has been made toward closing the gaps in underutilized job groups, challenges are especially prevalent for minority and female representation in the Knowledge Leaders job group, for females in the Technology Professionals, and for minorities in the Examiners 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 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 the 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 scarce, 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 retaining 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 impact the Bank's ability to retain and develop staff to assume even higher management levels. The need to focus on retaining 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 related to the development of talent already in the organization. Limited upward mobility is a key concern, particularly at the leadership level.

Minority and Women Employment – Next Steps

In 2018, the Bank's Recruiting team continued to make efforts to close the underutilization gaps for female and minorities, and made significant progress in closing current gaps by increasing marketing efforts through career events. Going forward, the Bank will continue building relationships with local colleges and universities, including Historically Black Colleges and Universities (HBCUs), to widen the pool of diverse talent. In 2019, focus will continue in the upper level job groups where differences between the Bank's representation of females and minorities and the LMA increased in 2018. The Bank will continue to review its strategies and identify new initiatives that specifically focus on the Bank's strategic partnerships and employee support network groups (ESNGs) for strategic sourcing efforts.

Table 4. University career fairs and recruiting outreach initiatives utilized by FRBC in 2018

The University of Chicago
The University of Northern Iowa
Tennessee State University
The University of Michigan

Expanding the Bank's Visibility through Outreach Events and Programs

The Bank continues supporting staff and business unit participation in general outreach events or programs that help expand the Bank's visibility and attract participation of women and minorities in the Bank's recruiting activities. In October, the Bank's Women in IT (WIT) group, in partnership with the ODI and the Customer Relations and Support Office (CRSO), hosted women and minorities ages 17 through 23 interested in careers in information technology (IT) and information security (IS) fields. The purpose of this event was to raise awareness, understanding, and interest among students about careers in the IT/IS fields to further increase the talent pipeline of women and minorities in both fields. Close to 70 participants from across Chicagoland attended the event. Additional information about this event can be found in the Financial Literacy and Community Outreach Section of this report.

The Bank's Legal Department participated in the Association of Corporation Counsel Diversity Summer Internship Program in 2018. The Program places minority law students into corporate law departments to work as summer interns. The Legal team mentors the minority student, which includes not only day-to-day interaction in connection with the legal work performed by the intern, but also participation in group meetings attended by all program interns and all legal department sponsors. By participating in the program, the Bank's Legal Department has the opportunity to build a pipeline of diverse candidates to fill roles that are traditionally underrepresented in the Legal profession.

In 2018, many staff members from the Bank's Supervision & Regulation (S&R) Department engaged in different outreach events with partners such as Junior Achievement and Year-Up⁷ to assist high school students in developing interview etiquette, resumé writing, and money management skills. In addition, the S&R partnered with the Bank's Information Technology and the CRSO departments to formalize an ongoing partnership with Year-Up Chicago interns.

Diversity Employee Support Network Groups

In addition to the outreach events and programs mentioned, diversity-oriented affinity groups, known as ESNGs within the Bank, are coordinated by the ODI and provide members the opportunity to interact with each other and contribute to the Bank's performance and work environment.

ESNGs play an instrumental role in influencing the outcome and cultural behaviors of the organization through cultural, professional, and social experiences. The groups offer support for continuing education and professional development and celebrate their particular 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 2001 and the number of these groups has grown over the years. As of December 31, 2018, the Bank had seven diversity-related ESNGs and three non-diversity related ESNGs:

- Black Impact Group (BIG); formerly known as the African-American Association for Personal and Professional Growth (APPG)
- Asian-American Affinity Group (AAAG)
- Family Resource Group (FRoG)
- Generational Empowerment Network (GEN)
- Learning Leaders (LL)
- Latino Resource Association (LRA)
- Spectrum (LGBTQ)
- Toastmasters (TM)
- Veterans Support Group (VSG)
- Women's Impact Network (WIN)

ESNG Presidents include Robin Yang (AAAG), Stephanie Wormack (BIG), Vanessa Haleco (FRoG), Zaid Karim (GEN), Michael Laudone (LL), Rubi Renovato (LRA), David Tucker (Spectrum), Lisa Ohm (TM), Colin Neier (VSG), and Melissa Joslyn (WIN).

The ODI continued to intensify its work with members of the ESNG community to strengthen their impact,

influence and effectiveness. ESNG strategic plans are designed around the Bank's D&I Framework three main focus areas of culture, talent pipeline, and community.

The ODI continues to support ESNGs in bringing greater depth to their programming. In 2018, 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 that strategic planning can address key areas of opportunity within the various sectors of the Bank community. The intention is to enable ESNGs to help inform Bank leadership of 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.

In 2018, the ESNGs focused their programming around the theme of courageous conversations in the workplace. One example of such an event was AP-PG's (currently known as Black Impact Group [BIG]) "Understanding Privilege & Becoming a Better Ally" in partnership with the FSP. This event was a fireside chat with Daniel Hill, author of "White Awake: An Honest Look at What it Means to Be White," and Jeff Marcus, FRBC Senior Vice President. Both discussed the very sensitive topics of racism, diversity and inclusion, white culture, and the impact of our country's racial narrative both inside and outside the workplace. The goal of the conversation was to empower attendees to be advocates for change in confronting the narrative of racial differences by getting comfortable with the uncomfortable. This event resulted in various courageous conversations between the EC, ODI, and ESNG leaders.

In the latter part of 2018, ESNGs continued to focus on internal and external enrichment opportunities to further the Bank's D&I journey. In October, GEN partnered with Spectrum, BIG, WIN, and AAAG to have an event that centered on the importance of authenticity and bringing your whole self to work after an employee's internal blog post about being yourself at work generated much dialogue. As a result, this event was well attended and successful because it demonstrated to the attendees the Bank's openness to supporting relevant conversations and to fostering environments where employees can be vulnerable, share their stories, and find common ground.

A new ESNG established in 2018 was the Family Resource Group (FRoG), whose mission is to act as

a resource for families of all varieties and stages of life. While this ESNG is a non-diversity group, it did an excellent job in creating programming with GEN, LRA, and Spectrum that focused on the intersectionality of identities and how that affects families. One such event supported LGBTQ families by raising awareness of how to support family members who identify as LGBTQ and educating staff on what it means to grow up transgender.

For the third year in a row, the Bank received a 100 percent score on the Human Rights Campaign (HRC) Foundation's 2018 Corporate Equality Index. The Spectrum leadership board and ODI team were instrumental in achieving this high mark.

The ODI also rolled out the "ESNG Strategic Outlook" plan in 2018, a multi-year approach that will guide the strategic direction for the evolution of the ESNGs, and build on the work and impact that the ODI and the ESNGs have already established. The goal of this strategic outlook is to develop ESNGs and their board members as sought-after, trusted, and fully-leveraged business partners who will contribute to the Bank's strategy and culture. The ODI will provide ESNG board members with talent/leadership development and recognition opportunities in 2019.

The main opportunity for many of the ESNGs in 2019 is to align with the Bank's strategic priority to advance an inclusive culture. Over the next few years, the ESNGs will be instrumental in developing impact-focused employee engagement opportunities and experiences that enrich the workplace. The challenge will be to prioritize doing what matters most to stay relevant and aligned to business needs.

In 2019, all of the ESNGs will continue to shift from volume-based programming to value-driven programming, meaning there will be a reduction in the number of events and programs so that ESNGs can evolve to be more strategic and continue supporting courageous conversations. This will aid in advancing a culture of inclusivity by influencing how we talk about diversity and how we foster a community of belonging.

Additionally, in 2019, the ESNGs have continued concerted efforts to be more collaborative in co-hosting events. The impetus for this shift is to create a more intentional and unified showing across the Bank and within the ESNG communities and to highlight the intersectionality of many topics and conversations for the Bank at large.

Financial Services Pipeline (FSP) Initiative

Over the course of the year, the FSP Initiative has created impactful programming to meet the goals of increasing the representation of African-Americans and Latinos, at all levels, and improving the overall cultural competency of leaders and professionals within the Chicago-area financial services industry.

With the support of 19 member firms, the Chicago financial services industry engaged in programs and conversations throughout the year, furthering the dialogue on the importance of diversity, equity and inclusion in their respective workspaces.

In 2018, FSP CEO Leadership Council Co-Chairs John W. Rogers, Jr., Chairman and CEO of Ariel Investments; Matt Feldman, President and CEO of Federal Home Loan Bank of Chicago; and Helene Gayle, President and CEO of the Chicago Community Trust; engaged with their industry peers to discuss the FSP's important work.

In March, the FSP launched a quarterly FSP CEO Leadership Council dinner. At the first CEO Leadership Council dinner meeting, a candid discussion took place on the important work each FSP member firm must undertake to make progress in the diversity of the industry's candidate pool, suppliers and talent management practices. Financial services firms committed themselves to continuing the conversation while ensuring that they take action on programs that are purposeful and measurable in creating meaningful change.

With the support of Mercer Consulting, the FSP Steering Committee reviewed the purpose, value and infrastructure of the FSP to strengthen brand value to current and future members. The strategic visioning sessions set the initiative on the path to increased accountability and engagement of FSP member firms.

The FSP's Year in Review Report highlights programs and outcomes from the active engagement of FSP member firms that support the collective goals to increase the representation of African-Americans and Latinos, at all levels, and improve the overall cultural competency of leaders and professionals within the Chicago-area financial services industry.

In July 2018, more than 120 interns joined with business leaders from 19 Chicago-area financial services firms and non-profit organizations to attend the Fifth Annual FSP Initiative Summer Intern Career Con-

ference. 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. During the conference, interns and students participated in a "Speed Networking" session with financial services professionals to network and discuss the best ways to achieve career goals. A peer networking session encouraged interns to ask questions and created dialogue. The annual FSP Intern Career Conference had a positive impact on all attendees, many of whom shared their reflections on social media.

The Bank hosted the fifth annual FSP Summit in October 2018. This event is one of the most important activities of the FSP initiative, aiming to bring together executives and professionals from FSP's member firms to discuss solutions and actions needed to increase diverse representation in the financial services industry.

The theme of the Summit was "Cultural Mind Shifting" and included an update on the Initiative's progress and shared practices featuring the Future of Work in financial services.

The Summit featured a panel discussion on disruptive technologies and the financial services workforce featuring Executive Vice President Dan Sullivan, alongside other local leaders and moderated by Senior Vice President Nokihomis Willis. The keynote address featured Dr. Sukhvinder S. Obhi who studies the intersection of inclusion and power and how power affects leaders' brains.

The Summit was attended by over 120 leaders from the member firms as well as representatives from community-based organizations and colleges/universities.

FSP Strategic Review

With the support of FSP member firm CEOs and Steering Committee members, the Chicago financial services industry engaged in programs and conversations throughout the year furthering the dialogue on the importance of diversity, equity and inclusion in our respective workspaces.

FSP's research partner, Mercer, assisted in the review of the initiative's purpose, value and infrastructure to help strengthen the value to current and future FSP members.

The key FSP strategic goals remain:

1. Increase representation of African-Americans and Latinos, at all levels, within the Chicago-area financial services industry today and in the future
2. Improve the overall cultural competency of leaders and professionals within the Chicago-area financial services industry
3. Improve the reputation of financial institutions within Latino and African-American communities

The outcomes in 2018 have been meaningful and are setting the initiative on the path to increased accountability and engagement of FSP member firms.

The results of the Mercer 2018 strategic review support the three focus areas of the FSP.

FSP Path Forward

Chicago financial service industry firms are committed to the notion that by working together, we will have a more significant impact on workforce diversity than by acting individually. To accomplish the desirable state of the FSP, critical work is needed by the collective. The desirable future includes:

- Corporate boards and senior executive ranks are at least 30% African-American or Latino and at least 50% diverse.
- Equity and inclusion are part of the business imperative and executives are held accountable.
- Culturally competent leaders at all levels
- Transparency around career paths
- African-American and Latino workforce are upskilled and retrained to address the impact of artificial intelligence and automation

Diverse Talent Pipeline Programs & Tools

Support and develop programs intended to address systemic challenges within the various stages of the pipeline (early awareness, recruitment, advancement, and retention)

Applied Research, Benchmarking, Metrics

Conduct applied research and develop metrics to better understand current and future pipeline challenges and identify solutions to address them

Shared Learning & Collective Problem Solving

Provide a forum for financial institutions to discuss challenges, lessons learned and best practices

Ongoing programs will support the initiative along with a continued focus on outreach and communication efforts through the FSP website and social media vehicles such as LinkedIn and Twitter (@FSPChicago). For more information, visit FSPChicago.org.

(See Appendix A: Financial Service Pipeline initiative for more information).

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.

Our Supplier Diversity Program recognizes that diverse businesses invigorate the economy, create sustainable jobs and positively contribute to the FRBC's mission to foster a strong economy.

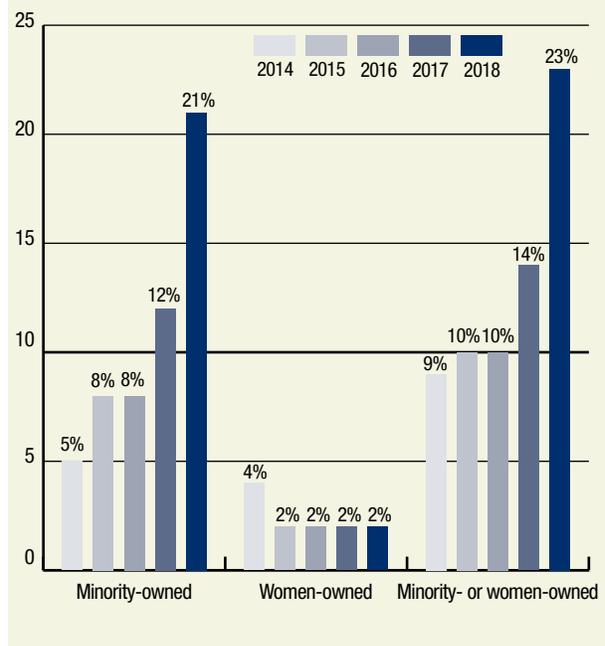
In 2018, the FRBC continued its Supplier Diversity work around three primary goals: 1) Industry Impact; 2) Business Optimization; and 3) Professional Development. Objectives included:

- Connecting businesses with business partners and procurement opportunities.
- Connecting businesses with procurement mentorship opportunities.
- Connecting Bank staff and executives to business owners and professional development opportunities.

Connecting Businesses with Business Partners and Procurement Opportunities

Overall, FRBC's spend with M/WBE continues to trend upward. In 2018, the Bank spent \$12.8 million with M/WBEs or 23 percent of \$55.4 million total reportable spend compared to \$9.1 million with M/WBEs, or 14

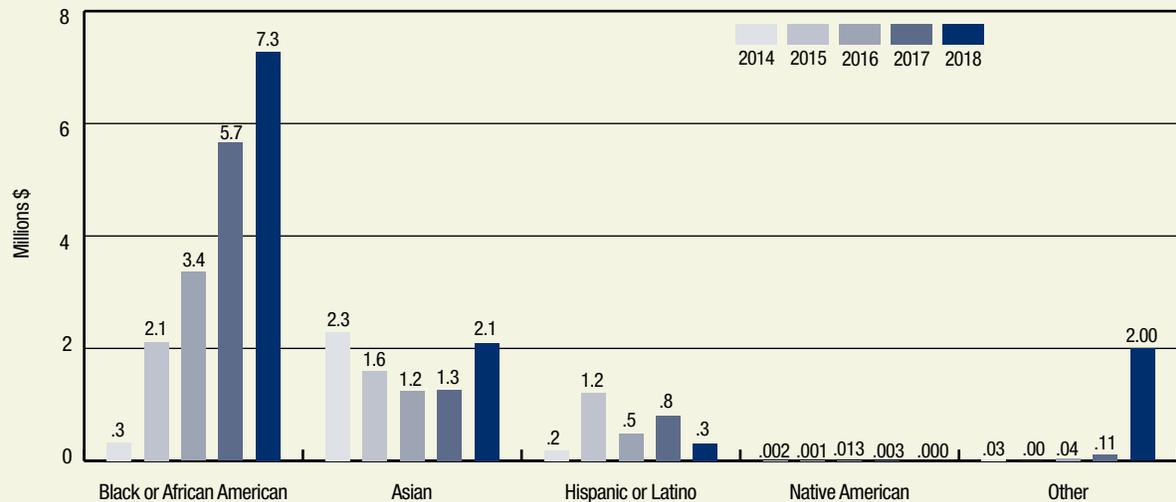
Figure 1. Percent of contract dollars awarded to minority- or women-owned businesses, 2014-2018



percent of its \$65.5 million in total reportable spend in 2017. The substantial increase in M/WBE spend in 2018 compared to 2017 is largely due to a reduction in overall total reportable spend and the addition of an MBE firm that provided significant janitorial services in 2018.

Much of the 2018 M/WBE reportable spend is concentrated with a few vendors (i.e. Sodexo Magic, Agile-1, Unicom and Kimco Facility Services). In the fourth quarter of 2018, the Bank's janitorial firm Kimco Facility Services qualified for National Minority Supplier Development Council Minority Business Enterprise (NMSDC MBE) certification, which increased overall M/WBE spend by approximately \$1.9 million. **See Figure 1.** Spend with minority- and women-owned businesses are tracked by ethnicity. The classifications are African-American or Black, Asian, Hispanic, Native

Figure 2. Value of contracts awarded to minority-owned businesses, by demographic, 2013-2017



American, and other. **See Figure 2.**

The FRBC continues to record and monitor its Tier 2 spend opportunities with M/WBE suppliers. A Tier 2-supplier is a supplier that enters into a contract with a prime supplier to provide goods and services in support of the prime's contract with the FRBC. In 2018, FRBC's General Contractor spent approximately \$2.2 million on 23 projects and generated \$267,884 in Tier 2 spend compared to \$11.6 million on 11 projects and \$1.3 million in Tier 2 M/WBE in 2017.

In addition, the FRBC captured \$4,093 in Tier 2 from Office Depot in 2018 compared to \$11,000 in 2017. When Tier 1 and Tier 2 are added together, the FRBC's reportable spend with M/WBEs totals approximately \$13.1 million or 23.6 percent in 2018 compared to \$10.5 million or 16 percent of total reportable spend in 2017.

Connecting businesses with procurement mentorship opportunities

In an effort to connect diverse businesses with procurement and mentorship opportunities, we implemented and continued the following in 2018:

- Enforced policies and practices of Inclusive Sourcing (require the inclusion of at least one MBE and one WBE on every competitive bid opportunity)
- Enhanced Federal Reserve System Partnerships – (e.g. National Procurement Office, Senior Procure-

ment Officers, OMWI, and the Supplier Diversity Work Group) and developed and implemented impactful supplier diversity initiatives

- Facilitated and attended Spend Opportunity Matchmaking at One on One Matchmaker Events – (e.g. National Conferences, MBE 2 MBE Exchange, Federal Reserve National Veteran Business Development Council Matchmaker, National Gay & Lesbian Chamber of Commerce Event, National Aeronautics and Space Administration (NASA))
- Developed Capacity Building Partnerships with our Strategic Partners (e.g. National Minority Supplier Development Council (NMSDC) and regional affiliates, Women's Business Enterprise National Council (WBENC) and its regional affiliates, National Veteran Business Development Council, Detroit Lenders Summit, SBA and National Business League (NBL) Alliance, Federation of Women Contractors)

New programs launched in 2018 included: 1) hosting a Detroit Lenders Summit and the Small Business Association (SBA) and National Business League (NBL) Alliance Press Conference; 2) hosting the Midwest Aerospace Small Business Industry Day in partnership with the National Aeronautics and Space Administration (NASA); 3) participating in the National Gay & Lesbian Chamber of Commerce-National Conference; and 4) partnering with FRBC's Administrative Services in a session on "How to Do Business with

Table 5. Supplier diversity outreach activities, 2018

Detroit Lenders Summit - Detroit
Small Business Administration (SBA) Michigan Lenders Roundtable and Strategic Alliance Press Conference - Detroit
Young Entrepreneurship Program - Building Your Identity - University of Chicago - Polsky Exchange
Asian Pacific American Chamber of Commerce East-West Connection – Dearborn
Women Business Enterprise National Council (WBENC) Summit and Salute - Dallas, Texas
Chicago Business Opportunity Fair 51(CBOF51) - Chicago
Michigan Procurement Conference - Detroit
Women Business Enterprise National Conference National Conference (WBENC) - Detroit
Business Smart Week - Chicago and Detroit
National Veteran Business Development Council Federal Reserve Matchmaking Event - Detroit
Illinois Hispanic Chamber of Commerce Business Conference - Chicago
Women’s Business Development Center 32nd Annual Networking, Procurement and Matchmaking Event - Rosemont
National Minority Supplier Development Council National Conference - Austin, Texas
Financial Services Roundtable for Supplier Diversity Networking Reception - Austin, Texas

the Federal Reserve” presented to the Federation of Women Contractors (FWC).

In partnership with the SBA and the NBL, we discussed with lenders the critical strategies needed to get loans approved for small and diverse businesses. The strategic alliance between the SBA in Michigan and the NBL in Detroit will support the growth of Black businesses across the nation.

In partnership with the Women’s Business Development Center (WBDC) and NASA, the FRBC hosted the Midwest Aerospace Small Business Industry Day on May 8 with more than 200 attendees. Participants were able to learn more about how to do business with NASA and to hear about the latest innovation and technology. The program included sessions, panel discussions, and a roundtable matchmaker with NASA centers and prime contractors. This event supports the Bank’s business optimization strategy, which is to serve as a connector of business to opportunities and information.

For the first time, FRBC participated in the National Gay & Lesbian Chamber of Commerce International Business and Leadership Conference in Philadelphia August 14-17, 2018. The four-day conference delivered innovative leadership programming as well as

networking and matchmaking opportunities for more than 1,200 LGBT and allied business leaders.

Lastly, FRBC’s Supplier Diversity Program Manager partnered with the Bank’s Administrative Services in a session on “How to Do Business with the Federal Reserve” presented to the Federation of Women Contractors (FWC) at their monthly Member Luncheon.

The FWC is a non-profit organization committed to advocating for women-owned businesses and women executives in the construction industry. At the luncheon we introduced our General Contractor, Executive Construction Inc. (ECI), as a way of connecting women-owned construction firms to Bank and other construction opportunities.

Connecting Bank staff and executives to business owners and professional development opportunities

To connect Bank staff and executives to business owners and professional development opportunities, we provided supplier diversity education, training, silo-busting and volunteer opportunities.

FRBC staff has supported our Business Partners⁸ by serving on the Chicago Minority Supplier Development Council (CMSDC) and Women’s Business Development Center (WBDC) Certification Committees that certify M/WBE businesses. Corporations seek strong M/WBEs that are certified from agencies with rigorous certification processes.

In 2018, the CMSDC Certification Committee certified 137 new MBEs and recertified 574. In addition, the WBDC Certification Committee certified approximately 362 new WBEs and recertified 1,541 in 2018. The FRBC’s Supplier Diversity Manager, Mark Hands, supported the Bank’s Business Partnership Programming in 2018 by serving on the Chicago Minority Supplier Development Council (CMSDC) Board of Directors as Co-Chair and by continuing to serve on the Women’s Business Development Center (WBDC) Advisory Council. This professional development opportunity connects the Bank to M/WBE businesses.

The Bank’s Diversity and Inclusion (D&I) Strategic Plan has been refreshed and continues to build on Bank-wide efforts, including supplier diversity outreach activities. The plan continues with work that began in 2016. The D&I Framework provides a flexible, multi-year guide that focuses on Culture, Talent and Community.

Our Community initiative focuses on leveraging and building internal and external partnerships and outreach efforts to have a positive impact on the communities we serve. Going forward, the plans include finding new ways to engage with college campuses and to partner with System Supplier Diversity practitioners in leveraging resources across the Federal Reserve System.

Successes

To meet the fair inclusion standards set forth by the Dodd-Frank Act, the FRBC requires that at least one MBE and at least one WBE be included on every bid. As a result of the Supplier Diversity and Procurement Office's participation in the Bank's Annual Business Unit Strategic Planning Meetings, we have been able to better understand and anticipate purchasing demands and strategies. As a result, in 2018 we met our inclusion standards for M/WBEs more than 85% of the time on our competitive bid solicitations.

The Bank's spend with M/WBEs has increased each year since 2013 from 6 percent to 23.1 percent in 2018. While percentage spend with M/WBEs is one measure of success, we believe that one of our largest impacts comes from our natural role as a convener of experts to inform, discuss and offer solutions to navigate the current economy.

As part of the FRBC Supplier Diversity vision, we cultivate opportunities and enhance the capacity of diverse organizations. We accomplished this through the continued participation in national and regional conferences with our strategic partners, by continuing to enhance Business Smart Week technical assistance programming and engaging our Board of Directors to help identify the critical needs of diverse vendors and offer solutions.

In 2018, we hosted an Economic Impact Roundtable that focused on "C Suite and Leadership Accountability for Business Diversity." The half-day program for minority businesses from across the country included presentations and a moderated panel discussion from Doug Harris, CEO of Kaleidoscope Group and Ralph G. Moore, President of Ralph G. Moore & Associates (RGMA). The audience included the FRBC Board of Directors, Executive Committee, and Senior Leadership members who gained an Economic Outlook perspective from our Community Development Policy Studies group (CDPS).

The purpose was to emphasize the Economic Impact of Supplier Diversity, report on the State of Minority-owned businesses and discuss the future of the supply chain

and the impacts on diverse businesses. We also connected Tier 1 diverse professional service businesses to key decision makers and provided a meaningful networking forum for businesses owners and FRBC leadership to build direct relationships.

The FRBC's annual signature Supplier Diversity initiative, Business Smart Week (BSW), continues to grow. BSW is a technical assistance program designed to provide Minority and Women-owned small business enterprises (M/WBEs) with information and tools to better manage their businesses. In 2018, we had nearly 400 participants attend BSW in Chicago and Detroit.

BSW provides the FRBC, as a convener of experts, the opportunity to inform, discuss and offer solutions to these businesses. These seminars address the barriers to success in entrepreneurship. The BSW Initiative has served more than 1,600 attendees since 2014.

Challenges

We continue to be committed to the inclusion and utilization of M/WBEs in our sourcing activities. The challenge is ensuring that FRS, OMWI and District priorities are in alignment while balancing opportunities with local vendors with the savings and/or efficiencies of national agreements. The trend of having fewer suppliers could have a negative impact on the development of diverse suppliers.

2019 Strategic Objectives

- Establish Business Smart Week as a National Reserve Bank Initiative
- Develop a tool to be used by Business Units and Procurement to identify diverse vendors for procurement opportunities
- Establish a mechanism to share diverse vendors across Reserve Banks and explore capabilities for regional providers of goods and services
- Pilot regional opportunities with MBEs and WBEs that are able to service adjacent Reserve Bank Districts

Financial Literacy and Community Outreach

During 2018, the 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 100 volunteers from the Bank. Chicago-based high school programs are managed by ODI, Public Affairs and Economic Research departments. In Detroit, Economic Research helps to lead the Branch's effort to reach high school and college students through various outreach programs. In 2018, the Bank also participated in numerous community and System outreach events and programs, including:

Corporate Work Study Program

In September 2018, the Bank kicked off the 2018/2019 school year of the Cristo Rey High School Network's Corporate Work Study Program (CWSP), a nationally renowned program that gives high school students from underserved communities the opportunity to complete internships in the corporate sector as part of their curriculum. The Bank welcomed 18 student workers from the Cristo Rey and Christ the King High Schools in Chicago and Detroit. The Bank expanded the number of departments engaged in the program and continued the second school year in Detroit with four students.

The 14 students from Christ the King High School and Cristo Rey High School worked in nine different business areas in the Bank's headquarters in Chicago, including People & Culture, Administrative Services, Finance, Supervision and Regulation, Cash, Public Affairs, the Customer Relations and Support Office, and Central Bank Services. The four students from Detroit's Cristo Rey High School worked in business areas in the Detroit Branch including Supervision and Regulation, Administrative Services, and Cash.

Hispanic Alliance for Career Enhancement (HACE)

In 2018, the Bank continued its partnership with HACE providing opportunities for the Bank's People & Culture Talent Acquisition team and the LRA to engage with high schools and college Latino students,

as well as other Latino professionals. In March, Bank stakeholders from People & Culture and Information Technology hosted a career webinar introducing HACE members to the Bank's various career opportunities. In July, Karina Sanchez from People & Culture participated in a panel discussion where she shared best practices with students regarding networking and internships. In September, Bank representatives attended HACE's Annual University Leadership Night where Sandra Rolnicki from Supervision and Regulation presented "Your Career is About Finding, Being and Building."

Money Smart Week

Created by the Bank in 2002, Money Smart Week[®] (MSW) is a public education campaign designed to help consumers better manage their personal finances. The campaign is made possible through the collaboration and coordinated effort of thousands of organizations across the country including businesses, financial institutions, schools, libraries, not-for-profits, government agencies and the media. Programming is offered to all demographics and income levels and covers all facets of personal finance. Partnering organizations will host their events in 2019 during the week of March 30 through April 6.

In 2018, over 2,500 MSW partners conducted more than 4,350 MSW events across 41 states that attracted more than 141,740 attendees. Social media played an increasingly important role in outreach with 310,914 consumers reached via Facebook and 289,138 via Twitter. The MSW 2018 campaign also saw an increase in media coverage with 1,385 print mentions, 89 television and 25 radio spots.

Data derived from the MSW attendance survey shows that nationwide 68 percent of MSW participants were females and 28 percent were minorities.

The Detroit Branch partnered with financial institutions and nonprofits to reach more youth through targeted initiatives like the MSW Magic Shows (elementary and middle school), Financial Rock Concerts (high school),

and GeoCache for College Cache (college). Overall, 98 percent of participants surveyed found value in the session they attended and 84 percent said that they would apply what they learned.

The Detroit Branch hosted the Michigan Personal Finance Challenge which was conducted by the Michigan Credit Union Foundation and the Michigan Council on Economic Education during MSW. More than 800 high school students participated in the challenge, which included an online quiz, written tests, and a quiz bowl final for the remaining two teams. The Michigan state champion, Chelsea High School, went on to win the National Personal Finance Challenge.

Junior Achievement

Bank volunteers continued supporting programs with longstanding nonprofit partner Junior Achievement (JA) of Chicago in 2018. Volunteers use the JA curriculum for financial literacy and college and career preparation with hundreds of high school students every year. As part of the 2018 MSW events, the Bank's staff worked with JA to provide a morning of financial literacy sessions to 360 high school students at Air Force Academy, a Title 1 School on Chicago's South side whose student population is 88 percent minority and 87 percent low income.

Detroit Branch Business Economist Martin Lavelle participated in a JA Career Day at Noble Middle School in Detroit. Lavelle spoke to approximately 100 students about his role at the Fed.

Economic Awareness Council

In May 2018, the Bank hosted a gathering to celebrate the success of the Economic Awareness Council's *On the Money* magazine. This magazine is geared towards teens and covers a variety of important financial literacy topics. It is produced entirely by high school students. In addition to hosting the event, the Bank provided the keynote address for 41 guests, including students and family members.

Bank On Chicago

In 2018, the Bank was represented on the steering committee of Bank On Chicago, an initiative that enhances access to banking services for some of the most vulnerable populations in Chicago. The steering committee oversaw the launch of a newly-designed campaign website and held quarterly meetings that included senior leaders from the City of Chicago Mayor's Office, the City Colleges of Chicago Network, and the Cities for Financial Empowerment Fund.

Econ Illinois

Several of the Bank's senior leaders, including President Charles Evans, are on the board of directors of Econ Illinois, the premier non-profit professional development organization for economic and personal finance educators in Illinois.

In addition, the Bank hosted Econ Illinois' Econ Challenge and Personal Finance Challenge (IPFC) finals on April 13 and April 25, respectively. Hundreds of students throughout the state participated in the Challenges, which test students' knowledge of economics and personal finance skills. More than 60 participants attended the in-person final at the Bank for IPFC and 54 attended the Econ Challenge final.

Teacher Night at the Fed—Detroit

In addition to other outreach efforts, the Detroit Branch hosted its seventh 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 economics and personal finance curriculum for elementary school students as well as information about state and local governments.

For the third consecutive year, 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 that focused on the economics of sports. The conference included a tour of Little Caesars Arena and presentations from Olympia Entertainment, the organization that not only runs the Detroit Tigers and Detroit Red Wings, but is also behind a significant neighborhood revitalization project in Detroit. Also, the conference featured presentations on how to teach sports economics in the classroom as well as a panel discussion on whether or not government incentives for sports and entertainment facilities are useful. More than 70 teachers attended and learned about new ways to teach economics to students.

University of Michigan's Public Policy and International Affairs Summer Institute

The University of Michigan's Public Policy and International Affairs Summer Institute visited the Detroit Branch for the sixth consecutive year. Twenty rising college juniors and seniors learned about different careers and how the Federal Reserve interacts with the business community. Also, the students heard an economic update and gave a monetary policy recommendation.

Money Museum

Established in 2001, the Money Museum is located at the Bank's Chicago headquarters 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 2018, 50 Bank employees volunteered to speak with over 480 museum audiences through the Bank's Fed Ambassador Program, reaching approximately 15,000 unique visitors including students, senior citizens, and community groups. The museum unveiled a new "feedback lounge" featuring digital displays for new content and a new electronic feedback system so visitors can contribute their opinions in a fun and easy way. The Money Museum also participated in the Chicago Architecture Center's Open House Chicago event, bringing in over 12,500 visitors to the museum in one weekend.

The Money Museum piloted a new educational activity for high school audiences called "Escape the Vault." Adopted from the Federal Reserve Bank of St. Louis, the activity's narrative is similar to popular "escape room" attractions and requires that students answer a series of puzzles on concepts like Federal Reserve geography, counterfeit currency, and how to balance a checkbook. After additional testing in 2019, it will be launched as an offering to all visiting high school groups.

Future Leaders Conference

In 2018, the Bank's Women in IT (WIT) group, in partnership with the ODI and the Bank's Customer Relations and Support Office, hosted the first annual Future Leaders Conference for women and minorities ages 17 through 23 interested in careers in information technology (IT) and information security (IS) fields. The purpose of this event was to raise awareness, understanding, and interest among students about careers in the IT/IS fields to further increase the talent pipeline of women and minorities in both fields. Approximately 70 students attended the conference, of which 44 percent were high school students and 56 percent were college students. The students participated in speed learning sessions to gain information about IT careers in the Bank. Students also attended a panel session where the Bank's Senior IT leaders shared their career journeys and best practices. Finally, students had the chance to build professional relationships and connections by participating in the closing networking session.

Appendix A: Financial Services Pipeline (FSP) Initiative

About the FSP

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.

19 Chicago-based financial firms committed to **increasing the representation of Blacks and Latinos** in the financial industry.

FSP
FINANCIAL SERVICES
PIPELINE INITIATIVE

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, Mesirow Financial, U.S. Bank, and Wintrust joined in 2014. In 2017, the FSP member firms totaled approximately 18.

FSP Governance

The FSP Initiative is governed by a CEO Leadership Council, John W. Rogers, Jr., Chairman and CEO of Ariel Investments, and Matt Feldman, President and CEO of Federal Home Loan Bank of Chicago, and Helene Gayle, President and CEO of the Chicago Community Trust. It is also governed by a Steering Committee co-chaired by Nokihomis Willis, Senior Vice President and OMWI Director at the FRBC, Perika Sampson, Executive Director, Regional Diversity Office at Morgan Stanley, and Matthew Bruce, Executive Director for Chicago-land Workforce Founders Alliance at The Chicago Community Trust. Diversity Manager and FSP

Program Manager Jamica Quillin and Senior Business Project Manager Courtney Hollins of the FRBC manage the Initiative.

Measures of Diversity and Inclusion Research Driving the FSP

Over the last five years, FSP has produced several research reports, led and conducted by research partner Mercer. The research supports that FSP participating firms are at different stages of their diversity and inclusion journey. The research finds that the business case for diversity and inclusion is not fully internalized by the overall industry.

Most efforts tend to focus mainly on recruitment, leaving ample space to improve the retention, development and support of people of color as they advance in their careers, and to build more inclusive work environments. The 2017 Internal Labor Markets (ILM) analysis supports this argument and provides updates to the data when comparing the analysis from 2014 to 2017:

Lower Rates of Promotion

Over the last three years there have been consistently lower promotion rates for African American and Latino talent.

Finding Talent is a Strength

African American and Latino talent is hired at greater rates and continues to be a strength.

Directional Change of Attrition Rate

Since 2014, the gap in attrition rates has narrowed, but rates remain higher for African American and Latino talent.

In addition to the ILM, several participating financial service firms added an internal employee experience survey resulting in over 11,500 Chicago-area financial services employee respondents. **For more information visit www.fspchicago.org/about-us/our-report/.**

Major Changes in ILM: Then and Now

2014	PROMOTION	2017
Favorable promotion rates into manager level	 This is unexpected!	Consistently lower promotion rates for African American and Latino talent
HIRING		
Roughly equal or favorable rates of hire	 Finding talent is a strength	African American and Latino talent is hired at greater rates
RETENTION		
Higher rates of attrition, especially at manager level	 Directional change	The gap in attrition rates has narrowed, but rates remain higher for African American and Latino talent

Source: Mercer

The overall employee experience highlights differences in career advancement across groups:

- The favorability of career perceptions rises consistently with each higher career level for white males, but not so for other groups
- Both African American men and women experience a notable drop in perceptions of fairness around opportunities as they reach the highest ranks
- Latina respondents show a consistent drop in career-related satisfaction at senior level management and above

Factors Most Influencing Satisfaction with Promotions for Professionals & Above

	AFRICAN-AMERICAN	LATINO	WHITE
Opportunities to utilize strengths/abilities	●	●	●
Quality of leadership	●		
Constructive feedback from supervisor		●	
Opportunities for professional development	●	●	●
Treated fairly in opportunities	●	●	●
Treated fairly in distribution of rewards	●	●	●
One or more professional champions/sponsors in my company			●

Source: Mercer

- Driver of satisfaction with promotions
- Driver rated less favorably by African-American and/or Latino respondents vs. Whites

KEY INSIGHTS

1 **Retention** remains the single most powerful leverage point for increasing representation of African-Americans and Latinos at the highest career levels.

2 Financial services industry must **increase promotion rates for African-Americans and Latinos**, while continuing with retention efforts, to increase representation at higher levels.

Appendix B: Employer Information Report EEO-1

Employer Information Report EEO-1 Federal Reserve Bank of Chicago, 2018 Employer Information Report

Occupational Categories	Total Employees			Race/Ethnicity													
				Hispanic or Latino		Non-Hispanic or Latino											
	Male	Female	White			Black or African American		Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More Races			
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
1.1 Exec. Sr. Officials and Managers																	
By total	14	5	9	1	0	4	8	0	1	0	0	0	0	0	0	0	0
By percent	100%	35.7%	64.3%	7.1%	0.0%	28.6%	57.1%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1.2 First Mid. Level																	
By total	334	176	158	16	15	124	103	18	26	16	12	0	0	0	0	2	2
By percent	100%	52.7%	47.3%	4.8%	4.5%	37.1%	30.8%	5.4%	7.8%	4.8%	3.6%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%
Official & Managers Total																	
By total	348	181	167	17	15	128	111	18	27	16	12	0	0	0	0	2	2
By percent	100%	52.0%	48.0%	4.9%	4.3%	36.8%	31.9%	5.2%	7.8%	4.6%	3.4%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%
2. Professionals																	
By total	960	521	439	35	58	359	246	52	72	67	61	1	0	2	0	5	2
By percent	100%	54.3%	45.7%	3.6%	6.0%	37.4%	25.6%	5.4%	7.5%	7.0%	6.4%	0.1%	0.0%	0.2%	0.0%	0.5%	0.2%
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	7	4	3	0	0	4	3	0	0	0	0	0	0	0	0	0	0
By percent	100%	57.1%	42.9%	0.0%	0.0%	57.1%	42.9%	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	146	52	94	13	14	9	34	21	44	8	2	0	0	0	0	1	0
By percent	100%	35.6%	64.4%	8.9%	9.6%	6.2%	23.3%	14.4%	30.1%	5.5%	1.4%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%
6. Craft Workers																	
By total	18	17	1	3	0	13	1	0	0	1	0	0	0	0	0	0	0
By percent	100%	94.4%	5.6%	16.7%	0.0%	72.2%	5.6%	0.0%	0.0%	5.6%	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	85	71	14	21	3	25	4	24	7	1	0	0	0	0	0	0	0
By percent	100%	83.5%	16.5%	24.7%	3.5%	29.4%	4.7%	28.2%	8.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Workers																	
By total	1564	846	718	89	90	538	399	115	150	93	75	1	0	2	0	8	4
By percent	100%	54.1%	45.9%	5.7%	5.8%	34.4%	25.5%	7.4%	9.6%	5.9%	4.8%	0.1%	0.0%	0.1%	0.0%	0.5%	0.3%

Appendix C: 2018 OMWI Core Metrics

2018 Standard Core Measures							
Category	Description	Measure	2014	2015	2016	2017	2018
Workforce Diversity	Senior Executives	Total #	11	12	13	15	14
		% Minorities	9%	8%	15%	13%	14%
		% Women	45%	50%	54%	53%	64%
	Mid-Level Managers	Total #	310	309	314	313	334
		% Minorities	28%	28%	28%	28%	32%
		% Women	46%	45%	46%	46%	47%
Professionals	Total #	891	912	960	939	960	
	% Minorities	36%	37%	38%	37%	37%	
	% Women	46%	45%	45%	46%	46%	
Total External Hires	Total #	169	167	180	116	169	
	% Minorities	43%	47%	42%	33%	49%	
	% Women	42%	44%	45%	46%	41%	
Total Interns	Total #	52	47	48	46	55	
	% Minorities	40%	38%	37%	43%	38%	
	% Women	60%	47%	37%	48%	47%	
Overall Bank Turnover Rate	%	9%	11%	8%	9%	10%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$51.2	\$60.0	\$66.6	\$65.5	\$55.4
	Total Diverse Spend ¹	\$ (millions)	\$4.7	\$5.8	\$6.7	\$9.2	\$12.8
		%	9.1%	9.7%	10.1%	14.0%	23.1%
	Minority-owned ²	\$ (millions)	\$2.8	\$4.9	\$5.2	\$7.9	\$11.7
		%	5.5%	8.2%	7.7%	12.0%	21.1%
	Minority-owned (men)	\$ (millions)	\$2.4	\$2.8	\$2.4	\$5.2	\$8.3
		%	4.6%	4.7%	3.6%	8.0%	14.9%
	Minority-owned (women)	\$ (millions)	\$0.5	\$2.1	\$2.8	\$2.6	\$3.4
		%	0.9%	3.5%	4.2%	4.0%	6.1%
	Women-owned ²	\$ (millions)	\$2.3	\$3.0	\$4.4	\$3.9	\$4.5
%		4.5%	5.0%	6.6%	6.0%	8.2%	
Women-owned (non-minority)	\$ (millions)	\$1.8	\$0.9	\$1.6	\$1.3	\$1.1	
	%	3.6%	1.5%	2.4%	2.0%	2.1%	
Women-owned (minority)	\$ (millions)	\$0.5	\$2.1	\$2.8	\$2.6	\$3.4	
	%	0.9%	3.5%	4.2%	4.0%	6.1%	

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.

		2018
Financial Literacy ¹	Program Type	
	- Teacher centric	
	- Student centric	
	- Hybrid	Hybrid
	Number of Students ²	233
	Number of Educators ³	150
	Number of Students Reached ⁴	17,475

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							
	2018		2017		2016		2015	
	\$	%	\$	%	\$	%	\$	%
Total reportable spend ¹	\$55,401,043.93		\$65,501,492.40		\$66,604,617.35		\$59,980,647.24	
Minority-owned ²	\$11,672,719.23	21.2%	\$ 7,854,606.00	12.0%	\$ 5,151,460.75	7.7%	\$ 4,966,009.69	8.3%
Women-owned ³	\$ 1,147,192.39	2.1%	\$ 1,295,919.13	2.0%	\$ 1,590,107.14	2.4%	\$ 897,061.54	1.5%
Total minority-owned and women-owned ⁴	\$12,819,911.62	23.1%	\$ 9,150,525.13	14.0%	\$ 6,741,567.89	10.1%	\$ 5,863,071.23	9.8%
Non-minority women ¹								
Asian American	\$ 2,087,693.31	3.8%	\$ 1,264,793.63	1.9%	\$ 1,537,984.29	2.3%	\$ 2,287,927.75	3.8%
Black American	\$ 7,284,066.63	13.1%	\$ 5,661,227.95	8.6%	\$ 2,119,638.59	3.2%	\$ 322,489.59	0.5%
Hispanic American	\$ 304,081.29	0.5%	\$ 814,298.90	1.2%	\$ 1,212,116.43	1.8%	\$ 186,726.22	0.3%
Native American	\$ -	0.0%	\$ 3,373.62	0.0%	\$ 1,380.38	0.0%	\$ 1,689.41	0.0%
Other minority	\$ 1,996,878.00	3.6%	\$ 110,911.90	0.2%	\$ 17,401.30	0.0%	\$ 28,821.93	0.0%
	\$11,672,719.23		\$ 7,854,606.00		\$ 4,888,520.99		\$ 2,827,654.90	

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 The D&I Workgroup is a cross-functional group of leaders from across the Bank including the District's ODI.
- ² The Bank has identified a series of leadership competencies that are of most importance to deliver on the Bank's mission, support its strategic goals, and excel as people leaders.
- ³ For data comparison purposes, all numbers/percentages presented in this section are compared to numbers/percentages as of December 31, 2017.
- ⁴ The analysis presented is focused on the following EEO-1 job categories in the Seventh District: Executive/Senior Level Official and Managers and First/Mid-Level Officials & Managers; Professionals; and Administrative Support. The following EEO-1 job categories have been excluded from this analysis: Sales Workers (7 total Bank Employees); Craft Workers (18 total Bank Employees); and Service Workers (85 total Bank employees). Currently, we have no Bank employees in the following EEO-1 job categories: Technicians, Operatives, and Laborers & Helpers.
- ⁵ The most recent information applicable to our 2018 Workforce Analysis was based on 2010 US Census figures included in the 2010 EEO Tabulation Files for the Bank's reasonable recruitment areas (the Bank's 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.
- ⁶ Knowledge Leaders (KL) – Formerly known as Senior Professionals (SP). In 2013, the Seventh District implemented a new leadership structure that eliminated the Senior Professional role and classified executive managers in this job group as 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 levels.
- ⁷ Year Up Chicago is a one-year, intensive training program that provides under-served young adults, ages 18-24, with a combination of hands-on skills development, coursework eligible for college credit, corporate internships, and wraparound support.
- ⁸ To advance community outreach efforts around the District, ODI has designated several nonprofit organizations as Business Partners. Working with these organizations helps ensure that Bank staff can support corporate social responsibility efforts through outreach and volunteering.

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