



OFFICE OF
**DIVERSITY &
INCLUSION**
FEDERAL RESERVE BANK OF RICHMOND

2015 Annual Report to Congress



On the implementation of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

Federal Reserve Bank of Richmond

OUR MISSION

As a regional Federal Reserve Bank, we serve the public by fostering the stability, integrity and efficiency of our nation’s monetary, financial and payments systems.

OUR VISION

To be an innovative policy and services leader for America’s economy.

OUR VALUES

- Serve with integrity
- Lead with courage
- Perform with excellence

OUR CULTURE

Our unique mission commits us to the public good and demands excellent performance. We each constantly seek to learn more about what’s around us and how we might better pursue our mission. Open deliberation and competing independent views deepen understanding and are crucial to effective collaborative teamwork. We each take initiative, with drive and determination, to create meaningful change for our constituents. Innovation and well-considered risk-taking are essential to our success. We deeply respect each other and the people we serve.

OUR DIVERSITY & INCLUSION VISION

To create a diverse and inclusive culture that recognizes, values and leverages differences for the good of all our employees, suppliers, stakeholders and communities.

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Executive Summary

OMWI OFFICE AND OVERSIGHT

In the Federal Reserve Bank of Richmond (the Bank), the Office of Minority and Women Inclusion is known as the Office of Diversity & Inclusion (the Office). Becky Bareford is senior vice president and director of the Office, and Kathleen Houghtaling, vice president and chief diversity officer, serves as the deputy director. The Office is responsible for diversity and inclusion (D&I) efforts for the Fifth Federal Reserve District (the Fifth District) and Federal Reserve Information Technology (FRIT), including implementation of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act). This report covers both organizations, but will make a distinction between the Fifth District and FRIT where appropriate.

THE BANK'S PEOPLE AND CULTURE

In 2015, the Bank's Human Resources (HR) department continued to focus on implementing a more centralized structure, including strategically moving the Office into the HR function and embedding D&I practices into HR policies, programs and processes across the Bank. The unified HR structure better supports the Bank's people and culture objective — including D&I initiatives — by leveraging the combined strengths of both the Fifth District and FRIT organizations. The new HR structure was fully implemented in January 2015, and established a strong foundation for executing on workforce diversity objectives in 2015 and beyond.

During the year, the Office initiated a strategic alignment effort to clarify the vision and success criteria for the function and aligned its services delivery model with critical success factors. The success factors were created using input from key customers, senior leaders and external benchmarks. This alignment drives the integration of D&I objectives into everyday business operations to help achieve the Bank's mission while addressing workforce challenges and opportunities. Along with this work, leaders and individual contributors from across the Bank who comprise the Diversity & iNclusion Alliance (DNA) and the Executive Diversity & Inclusion Council (EDIC) serve as key partners and champions that support and advance a diverse workplace and inclusive culture.

This year the Bank sharpened its focus on creating a more inclusive culture. Concentration was given to the "one team" principle, bringing teams together as they think,

plan and act to pursue shared goals that benefit the Federal Reserve System — the Board of Governors (BOG) and the 12 Federal Reserve Banks as a whole. As one team, we collaborate, share information and generate insight, and celebrate shared successes. The Bank also developed a shared understanding and model of behaviors that can foster a more inclusive environment. During the year, the Bank focused on open discussion and deliberation behaviors that enable employees to speak openly, challenge normative behavior and reinforce the Bank's values, competencies and performance expectations.

In an effort to better understand and measure the Bank's D&I efforts, the Office collaborated with Bank leaders to develop a comprehensive quarterly workforce metrics report. The report is reviewed quarterly by the Bank's senior leaders and provides data to help inform decisions and move the Bank toward building a more diverse and inclusive environment. The report supplies leaders with the necessary information to identify opportunities for improving organization effectiveness and understanding how their business actions impact the Bank's overall D&I outcomes.

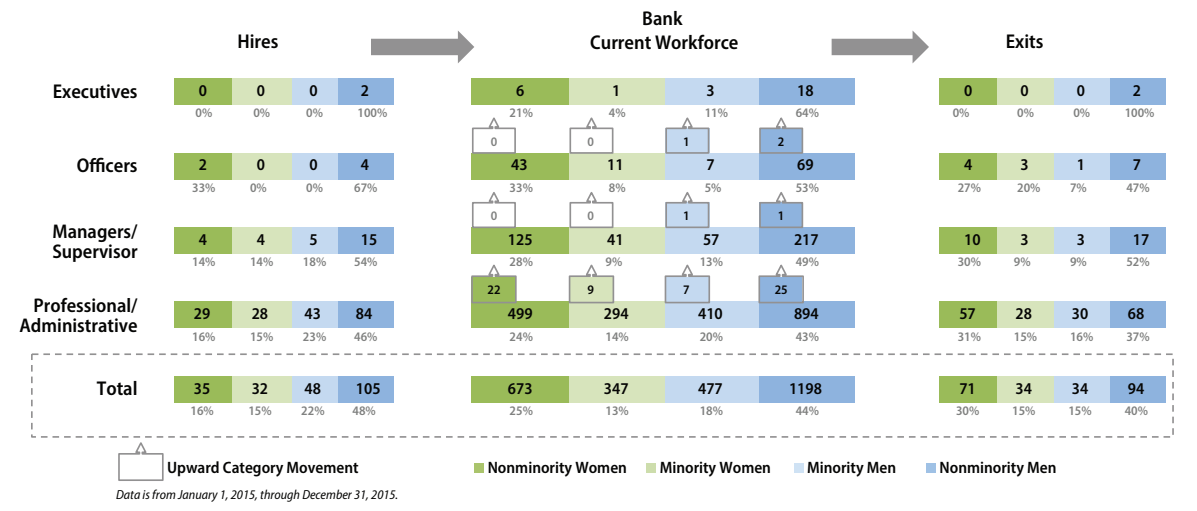
In late 2015, the role of the chief diversity officer was expanded to include the Bank's Talent Acquisition, Total Rewards and Equal Employment Opportunity (EEO) officer responsibilities. These changes align recruitment, outreach, compensation and other workforce initiatives with the Bank's D&I strategies. The new organizational structure has better positioned the Office to meet the evolving needs of business lines and continue the Bank's efforts to integrate D&I into the standard practices of the business.

2015 WORKFORCE SUMMARY

As of December 31, 2015, there were 2,695 employees in the Bank — 824 minorities (31 percent) and 1,020 women (38 percent). When compared to 2014, representation of minorities and women remained approximately the same (representation in 2014 was 30 percent minorities and 39 percent women).

The Bank had 158 officers as of December 31, 2015 — 22 minorities (14 percent) and 61 women (39 percent). When compared to 2014, minority officer representation remained the same and female officer representation increased by two employees.

Internal Labor Market Map – Bank Workforce



The ILM map above is a graphic representation of the Bank's workforce and movement of gender and racial groups through various job levels, but does not reflect promotions within levels.

There were 16 officer promotions, eight of which were women and four of which were minorities (including three minority women).

MINORITY- AND WOMEN-OWNED BUSINESS ENGAGEMENT

The Bank realized a slight increase in expenditures with diverse suppliers in 2015 and execution of the Bank's strategic plan for supplier diversity continued to yield notable programmatic successes. Newly developed supplier diversity dashboard and business line reports were piloted to enhance awareness and influence spend behaviors.

The Bank hosted a summit for System diversity and procurement professionals, focused on driving deeper engagement among key stakeholders. Results from the summit were used as critical inputs to the development of the Bank's 2016–2019 supplier diversity strategic plan. The Bank continued to connect with diverse suppliers through focused and intentional participation in outreach and technical assistance activities. Diverse supplier inclusion, response and award rates remained consistent with historical averages.

The Bank noted in its 2014 Report to Congress the possible loss of its incumbent diverse supplier for distributed computing equipment, which represented a substantial percentage of total expenditures with diverse suppliers.

The contract rebid was completed in early 2015, and the incumbent diverse supplier was not the successful bidder. This loss will present challenges in 2016 as the Bank has no contracting opportunities of similar size and scale in its near-term procurement forecast.

Core metrics developed by the System covering 2015 workforce, supplier diversity and financial education measures are included in Appendix 2.

LOOKING AHEAD TO 2016

The unified HR structure more fully embeds D&I practices into HR policies, programs and processes across the Bank. During 2016, the Bank will leverage D&I champions from across the Bank to successfully launch a multi-year D&I strategic plan and roadmap to meet the Bank's mission and goals.

The goals of the Office are centered on partnering with the Bank's workforce to develop sustainable D&I strategies that achieve performance results, operationalize D&I as an integral and consistent part of the Bank's business processes and practices, and build and leverage external relationships that strengthen the Bank's presence as an employer of choice.

From an operational perspective, the Office will continue its partnerships with Bank business line leaders,

Procurement and Economic Education to ensure D&I is integrated into these key functions, which align with OMWI areas of focus. The Bank will also focus on a multi-year talent management strategy that includes an emphasis on building diverse leadership bench strength and enhancing development plans for diverse talent with a focus on preparedness for critical roles. The effectiveness of D&I efforts will continue to be assessed using the quarterly reporting metrics, which includes but are not limited to, the acquisition, retention and advancement of the Bank's workforce.

The Bank will continue to make the workplace more diverse and inclusive, including focusing on employee engagement survey results to address opportunities to make the workplace more inclusive. The Bank will continue its culture work by creating shared understanding and accountability for demonstrating behaviors that promote open deliberation and discussion. Additionally, the Bank will continue to support the "one team" and "System first" philosophies that bring teams together as they pursue shared goals that benefit the System as a whole.

The Supervision, Regulation and Credit (SRC) business unit is one of the largest departments in the Bank and employs a significant portion of the Bank's workforce. SRC is leading a D&I effort to strengthen the diversity of its department and create a more inclusive environment, both internally and externally. This business unit interfaces with the public and will focus on key areas of opportunity, including recruitment and retention of minority and women, and D&I education for its employees.

In the area of supplier diversity, the Bank will leverage the business line dashboard for reporting supplier diversity spend to senior leaders in order to forecast changes in the pipeline or spend, and to drive increased stakeholder engagement and value in the Bank's supplier diversity efforts. The Bank will also continue to partner closely with strategic external supplier diversity development and advocacy organizations. These groups play a vital role in efforts to identify qualified suppliers and further educate potential suppliers on procurement processes and requirements.

The Bank's financial education approach will continue to focus on major financial decisions, including higher education. The Bank will complete the programming and web development of lessons two and three of its "Invest

in What's Next: Life After High School" online course. This resource provides reliable economics-based information and tools to help high school students, including students from majority-minority high schools, make informed decisions about post-secondary education.

Introduction

Congress established the Federal Reserve Bank of Richmond (the Bank) and the other 11 Federal Reserve Banks in 1913 through the enactment of the Federal Reserve Act, 12 U.S.C. §226, et seq. Each Federal Reserve Bank (Reserve Bank) received its charter from the Office of the Comptroller of the Currency and is a separate corporation.

As part of the nation's central bank, the Bank is one of 12 regional Reserve Banks that work together with the Federal Reserve Board of Governors (BOG) to strengthen the economy and communities. The System manages the nation's money supply to keep inflation low and help the economy grow. The System also supervises and regulates financial institutions to help safeguard the nation's financial system and protects the integrity and efficiency of the payments system. Reserve Banks participate in the formulation of monetary policy; provide payment services; supervise and regulate member banks, bank holding companies, savings and loan holding companies, and certain other entities as provided for by the Federal Reserve Act; act as fiscal agent for the U.S. Treasury; and serve as a depository for banks in their particular geographic region.

The Dodd-Frank Act was signed into law in 2010 as a part of the nation's regulatory reform efforts. Section 342 of the Dodd-Frank Act directs certain agencies, including the BOG and each Reserve Bank, to establish D&I offices. In December 2010, the Bank created the Office of Minority & Women Inclusion (OMWI) and named it the Office of Diversity & Inclusion (the Office). The Office's goals are to enhance the diversity of the Bank's workforce at all levels in the organization; increase the number of small, minority- and women-owned businesses that participate in procurement efforts; and enhance financial education efforts to support informed decision-making. The Bank does this through building strong partnerships within its communities and with employees, and ensuring D&I is embedded into policies and practices.

STAFFING STRUCTURE

Kathleen Houghtaling was named vice president and chief diversity officer effective January 1, 2015, and also serves as the OMWI deputy director. She reports to Becky Bareford, the Bank's senior vice president of HR and OMWI director who, in turn, reports to President Jeff Lacker on OMWI matters. The chief diversity officer is responsible for leading the Office, which includes three full-time professionals. In addition to the Office, the deputy director also has responsibility for the Talent Acquisition, Total Rewards and Workforce Analytics functions and serves as the Bank's Equal Employment Opportunity (EEO) officer.

With new leadership and functional changes, the Office initiated a strategic alignment effort to clarify the vision and success criteria and to align the services it delivers with refined critical success factors. The new functional model for the Office includes two new roles, a D&I specialist and a workforce diversity specialist. The workforce diversity specialist's focus is on expanding relationships with targeted historically black colleges and universities (HBCUs), other targeted colleges and universities, and diverse professional organizations in an effort to support the needs of business lines and address utilization challenges. The D&I specialist is responsible for developing and implementing D&I programs and activities that support the Bank's D&I strategy.

To further support the D&I strategy, the DNA and EDIC serve as key partners to support and advance a diverse workplace and inclusive culture. The DNA is accountable to the EDIC and collaborates with the Office to provide oversight and direction to employee resource networks (ERNs). The DNA and EDIC actively influence an inclusive culture by bringing credibility, consistent messaging and accountability to D&I efforts to enable the advancement of workforce diversity, supplier diversity and financial education.

GEOGRAPHY COVERED



The Bank is made up of the System's Fifth District and FRIT. The Fifth District covers the District of Columbia, Maryland, Virginia, North Carolina, South Carolina and most of West Virginia. The Bank is headquartered in Richmond, Virginia, with branch offices in Baltimore, Maryland, and Charlotte, North Carolina. Fifth District employees are primarily located in one of these three cities. FRIT is headquartered in Richmond, Virginia, with employees in more than 27 states and within each of the 12 Districts across the System.

Minority and Women Employment

Having a diverse and inclusive environment is important to the Bank's mission, to the communities it serves and to its employees. The Bank continues its commitment to building a more diverse and inclusive workplace, and in 2015, it implemented a new functional structure to better support the Bank's efforts.

Talent Acquisition and Outreach

In 2015, the Bank hired 188 employees — of which 37 percent were women and 39 percent were minorities — maintaining consistent minority and female representation with the previous year. Out of six officer hires, two were women.

In 2015, the Bank approved a new talent acquisition strategy to support diversity and hiring needs through proactive sourcing and early career hiring.

SUCSESSES

The Bank engaged in the following activities to support the recruitment of a diverse workforce.

The Bank's proactive sourcing plan focuses on sourcing diverse candidates, increasing the quality of candidate pools, confirming there is a diverse slate of candidates for open requisitions and ensuring the Bank is equipped to compete in the marketplace.

The sourcing plan targets both interns as well as experienced professional candidates. Work within this proactive sourcing initiative included strengthening existing relationships with external diverse organizations, building relationships by leveraging community affiliations and focusing on relevant national diversity conferences.

The Bank continues to work to strengthen existing relationships with external diverse organizations, specifically Black Data Processing Associates (BDPA) and Urban Financial Services Coalition (UFSC). BDPA is an organization that has a diverse membership of professionals and students at all levels in the fields of information technology, computer science and related science, technology, engineering and math (STEM) fields. During the reporting period, two Bank leaders participated as volunteer judges in the High School Computer Competition during the BDPA national conference in Washington, D.C. This opportunity provided the leaders with exposure to a talented group of minority high school students and helped build early awareness of the organization, which could lead to a pipeline for future hiring. In addition to the national conference, the Bank is also involved with the Richmond chapter of BDPA via

board seats held by two Bank employees. These employees, along with the other leaders of the local chapter, recently began work to revitalize participation with the local chapter, which supports the Bank's action plan to have strong local channels for STEM talent.

The Bank also is strengthening its relationship with a second external diverse organization, UFSC. UFSC is an organization whose members are minority professionals in the financial services industry and related fields. During the reporting period, the Bank hosted a leadership workshop, designed to inspire leaders to expand current leadership skills and build new relationships within the community. UFSC members, leaders from the banking industry and Bank recruiters participated in a networking event to help increase awareness of employment opportunities at the Bank.

The Bank expanded its entry-level recruitment to draw additional applicants from HBCUs.

In 2015, the Fifth District deepened its partnership with Virginia State University (VSU), a local HBCU. This partnership included sponsored on-campus events, participation in its business and STEM career fairs, targeted job postings and collaboration between professors and career center contacts. The Bank saw early successes of this partnership with an immediate increase in full-time and internship hires. Hires from Virginia State included two black females and three black males. Based on this success, the Bank will continue to nurture this relationship to build its pipeline for diverse talent.

In addition to the partnership with VSU, the Bank implemented a new relationship-based recruitment model through a pilot program designed by the SRC business line to target HBCUs to identify qualified talent for entry-level examiner roles. This was an area underutilized in the previous reporting period. Since its creation, the Engaging Qualified Underutilized Individuals Program (EQUIP) has evolved into a partnership between HR, the Office and multiple business leaders. The partnership enables the Bank to maintain a consistent and targeted approach to college recruitment, focused on proactive sourcing and expanding relationships with HBCUs. Hampton University was chosen for the pilot and work is already underway to leverage various opportunities that extend beyond recruitment events, including employer information sessions, mock interviews and résumé critique sessions with minority students; face-to-face meetings with key faculty and administrative personnel; and participation

in Hampton's Leadership Application Program. These activities boost the Bank's visibility and branding, and support the Bank's goals of building relationships with potential candidates. The workforce diversity specialist manages the relationships with these target schools.

The Bank hosted an Educator's Conference in Charlotte, North Carolina, focused on HBCUs and traditional women's colleges — and also invited colleges and universities with curricula that aligns with business needs.

The goals of the event were to provide a venue for the Bank, industry and academic leaders to share best practices and build relationships that could be leveraged to increase the candidate pipeline and awareness of the Bank's recruiting efforts, including the desired competencies and the type of roles available at the Bank. The event expanded access to reach potential minority and women candidates and to bridge opportunities with colleges and universities within the District.

The Bank leveraged community affiliations in its proactive sourcing efforts.

The Bank's Ability beyond the Label (ABLE) ERN, in conjunction with HR and the Office, strengthened its partnership with the Virginia Department for Aging and Rehabilitative Services (DARS). That collaboration led to hiring one of the candidates from the DARS program as a full-time employee. It also led to a relationship with Northstar Career Academy, a private, nonprofit K–12 school for students with learning disabilities. From that connection, the Bank hosted a job shadowing experience for four students from Northstar Career Academy who worked alongside the Bank employees in facilities management to develop skills that support their program course work.

The Bank hired diverse candidates from established internship and early career hiring programs.

The Bank has experienced success in leveraging entry-level positions as a way to build a pipeline of qualified candidates that can feed into permanent positions. The strategy also calls for a more systematic approach for improving the intern experience to benefit both the Bank and the intern, and to increase the number of interns converted to full-time hires. The Bank wants to nurture its connection with interns and increase its success in this area, particularly given the diversity in the Bank's intern populations.

The emerging talent initiative (ETI) has continued to attract and place diverse talent into a variety of roles. This three-year rotational program is designed to attract, develop and engage a diverse pool of early career professionals. Participants are assigned business initiatives for which they have full responsibility within each rotation. In 2015, four additional employees were hired to participate in the ETI program. The class included one female (25 percent) and two minorities (50 percent). Employees were sourced from three schools, including the University of Virginia, California State University and Virginia Commonwealth University. Three ETI participants (one minority) graduated from the program and were placed into new roles within the Bank. Since 2008, the ETI program has graduated and placed 10 of 17 participants. All of those placed (20 percent women, 50 percent minority) are active employees of the System today.

A new IT Trainee Program was established in 2015 and took into consideration lessons learned from the ETI program. This enhanced early career program is designed to become the flagship program for acquiring early career technical talent into the organization. This new program focuses on building a diverse pool of technical talent, allows participants to develop skills and knowledge in a complex technical environment and increases diversity in the organization. Of the seven trainees hired during the reporting period, one was a female (14 percent) and three were minorities (42 percent). Of the seven trainees, two were from VSU. Based on the success of diverse hiring, the Bank will hire an additional eight IT trainees to support the technology needs of the business.

The Bank hired five women and one minority intern into full-time positions.

Additionally, the Bank expanded its internship program to include longer-term work study programs to meet business needs and improve the potential conversion rate to full-time employment. During the 2015 Summer Internship Program, an intern networking event was held for all Bank interns to enhance their Bankwide knowledge. The networking event provided a forum for interns to meet with business areas regarding future career opportunities. It also supports the Bank's desire to leverage the diverse pool of interns for future hiring opportunities. In 2015, seven interns converted to full-time employment — five were women (71 percent) and one minority (14 percent). The 2015 program included 71 interns, 38 percent of which were women and 42 percent of which were minorities.

The HR team unified and streamlined the Fifth District and FRIT recruiting operations resulting in the ability to leverage shared resources to increase outreach and relationship building.

The HR restructure and operational improvements positioned the Bank to leverage shared resources to increase the focus on outreach, metrics and best practices. One area of noted success is the ability to leverage reporting metrics for aggregate candidate pool data. This improved understanding of applicant progression throughout the recruiting process ensures hiring managers have a pool of highly qualified, diverse talent for each open position.

After hosting the Regional Educator's Event in Charlotte, the unified team worked together to continue expanding relationships with target schools to support internship and early career hiring. The Bank was able to work across business units to share premier candidates identified at diversity and college career events. Based on feedback from the Educator's Conference and past interns, the Bank changed the timing of the internship recruiting process to earlier in the year to expand diverse candidate pools from its target schools. It also supports the early engagement of future hires as the Bank leverages its internship program to serve as a pipeline into entry-level positions.

SYSTEM DIVERSITY RECRUITMENT

Since 2007, the System has collaborated to implement and execute the strategic national diversity recruiting and advertising efforts across the System. The System Diversity Recruiting Strategy uses a collaborative and cost-effective approach toward participation in five national, diversity-focused conferences and several regional conferences. Diversity advertising via online, print and social media vehicles aligns with conference presence to position the System as an employer of choice.

During 2015, the System collectively attended the following five national diversity conferences: Equal Opportunity Partnership (EOP), Association of Latino Professionals in Finance and Accounting (ALPFA), National Black MBA Association (NBMBAA), National Society of Hispanic MBA's (NSHMBA), Thurgood Marshall College Fund Leadership and recruitment fair (TMCF). Working closely with these nationally recognized organizations supports diverse hires and creates awareness among prospective employees for the System. In order to proactively source talent, the System collected over 400 résumés for consideration in future job openings.

In 2015, the System was featured in an advertisement in both the Hispanic Network Magazine and Professional Woman's Magazine. These magazines were distributed at the 2015 National Society of Hispanic MBA conference as well as the National Black MBA Association conference.

CHALLENGES

The Bank has limited opportunities for placement of early career talent within the organization.

This challenge is a result of the nature of the work, which precludes entry-level positions and requires specific knowledge and skills. HR has partnered with the Office and business line leaders to evaluate workforce gaps and develop a strategy to build internal talent pools through hiring early career professionals. This strategy is intended to build an internal pipeline for succession needs, increase workforce diversity and position the Bank to compete for the growing millennial workforce.

The Bank has hard-to-fill technical roles with low candidate pools, consequently affecting the diversity of the pool.

The Bank is committed to hiring the best talent, and uses a variety of channels to employ minorities and women at every level of the organization. Efforts to hire experienced professionals with specific knowledge and skills to fulfill the Bank's mission are often thwarted by competitive external salary pricing. The specific technical skills needed to function within some highly technical roles for the Bank also limit the number of candidates in the pools. In collaboration with the Office, HR has developed a sourcing and recruitment strategy focused on proactively sourcing for diverse and high-demand talent, building a talent pipeline for current and future hiring needs. This targeted approach will expand relationships with professional organizations while establishing and maintaining connections with potential candidates, and will include targeted communications and events.

The Bank has experienced challenges recruiting and retaining women and minorities in underutilized areas.

The Bank's 2015 EEO underutilization analysis revealed four areas of underutilization: women managers in the Charlotte branch, minority SRC examiners in Richmond, FRIT minority officers and FRIT minority automation managers.

SRC managers comprise the largest number of managers in Charlotte, holding 14 of the 20 positions. Of the 14 management positions, two are held by women. There is also underutilization in the area of minority SRC examiners in the Richmond office. While the analysis shows the Bank should expect 33 minority examiners among the 117 examiners in Richmond based on external availability, currently there are only 14. The challenges in hiring both women SRC managers in Charlotte and minority examiners in Richmond appear to stem from a low rate of turnover, a reduced total number of examiners based on business need and the skills that are specific to these roles. The Office partnered with HR and business line leaders to develop an action plan to address the issue.

In FRIT, minority automation managers were underrepresented. A significant challenge in hiring minority automation managers continues to be low turnover in these roles. In 2015, there was only one open position, which was filled by a minority woman. There was also underutilization in the job category of minority officers. During the year, there were eight officer exits, two of which were minority women. One executive and four officers were hired, all of which were non-minorities, including one woman.

NEXT STEPS

HR and the Office's new workforce diversity specialist will collaborate to implement the Bank's talent acquisition strategy by supporting the sourcing and hiring of minorities and women and building relationships with professional organizations and diverse colleges and universities.

The Bank's HR team will collaborate with the Office's new workforce diversity specialist to expand relationships with targeted HBCUs, as well as other colleges and universities, to support the needs of business lines and address utilization challenges. Additionally, the Bank will increase its focus on the intern program as a pipeline for full-time hires.

The Bank will implement its talent acquisition strategy and continue to participate in national diversity recruiting events with an increased focus on conferences to establish relationships with candidates outside of standard career fairs.

In addition to career fairs, the Bank will seek to leverage leading recruitment practices gained from the D&I consultant to meet additional workforce recruitment needs.¹

The Bank will pilot its Engaging Qualified Underutilized Individuals Program (EQUIP), focused on attracting high-potential, diverse candidate pools.

The Bank will focus on its new talent acquisition program centered on relationship-based recruiting.² The Bank will also monitor and report on efforts to track candidate sourcing and share candidate profiles with managers and leaders in the Bank throughout the 2016 recruiting season.

AREAS WITH EEO UNDERUTILIZATION

To meet the utilization challenges described earlier for women managers in Charlotte and minority SRC examiners in Richmond, the Bank plans to maintain a database of strong candidates, focus on a retention strategy, partner with an external D&I consultant and continue quarterly meetings to build a workforce that reflects the communities the Bank serves.

The Bank will maintain a database of strong candidates to leverage for current and future position openings, including Charlotte-based manager roles and Richmond-based examiner roles. Focus will be on a retention strategy that will identify high-performing talent from existing staff to develop and mentor, along with succession candidates — including high-performing women and minorities — to curtail the attrition of minority examiners.

To date, SRC's succession planning includes three women from the Charlotte office for critical officer roles, as well as three women in the Charlotte office for non-officer critical roles. For the Richmond office, succession candidates include one minority male examiner and two minority-women examiners for non-officer critical roles.

SRC leadership remains committed to ensuring that SRC recruits and retains minority examiners in Richmond. Efforts to close this gap remain a challenge as hiring remains affected by reductions in the number of examiners based on business need. Along with the Bank's retention strategy, SRC will leverage lessons learned from a D&I

¹ Leading recruitment practices includes participation in mock interviews, moderating panels and participating in competitions while at recruiting events. All of these practices support enhanced relationships with universities beyond career fair attendance.

² Relationship-based recruiting is a form of recruiting focused on building strong relationships with external organizations, colleges and career affiliation groups in order to target candidates for employment opportunities both available now and in the future.

consultant and the Office to meet workforce needs not only related to areas of underutilization, but more broadly to foster a more inclusive culture.

The Office, HR business partners (HRBPs) and SRC leadership track the progress in executing SRC's workforce plan, monitor EEO-relevant recruiting metrics and address any challenges related to the retention and development of staff.

To meet the utilization challenges for minority officers and minority automation managers in FRIT, the Bank will continue to build relationships, pipelines and proactively identify and develop female and minority talent.

Underutilization data will continue to be incorporated in the talent acquisition intake process as turnover occurs in these roles. FRIT will also continue to leverage opportunities to build relationships and pipelines for female and minority talent from the regional educator's conference and will participate in career events targeting diverse IT professionals previously identified as potential sources of candidates for these roles.

The Office and HR staff will work with business line leaders to proactively identify the talent needed in the future and create targeted plans — for both staffing and development — to fill those needs. Bank leaders will use these plans as part of their succession planning to support growth for minorities and females at all levels in the organization.

Leadership will analyze the movement of potential automation manager candidates through the promotion and recruitment processes to address areas of concern and identify opportunities to improve outreach and selection.

Talent and Organizational Development

The Bank encourages continuous learning linked to an individual development plan as one path to improve engagement, performance and growth for employees. To help each individual, and thereby the organization succeed, career development requires active focus and ongoing action among employees, leaders and the Bank. The Bank embraces a 70–20–10 guideline to support individual growth through focused and balanced development plans. Ideally, 70 percent of learning occurs through on-the-job training and stretch assignments; 20 percent is

achieved through strong business relationships and activities such as networking and mentoring; and 10 percent is provided through formal training.

The Bank offers a number of development programs that provide formal training with specific curricula. These development programs are aligned to the Bank's competencies and provide participants with opportunities to acquire new skills, network with peers across the Bank and participate in action-based learning activities. Additionally, the System offers development opportunities for key, high-potential talent through the System Leadership Initiative (SLI). SLI conferences broaden knowledge about the challenges, structure and work of the System and build individual leadership capabilities and impact.

During the reporting period, the Office reassessed the D&I training needs of the organization. The Office developed a new training strategy that aligns with the 70–20–10 guideline and builds upon previous cross-cultural competency training efforts. D&I education remains a vital component of culture efforts and leads to a more diverse and inclusive workplace.

SUCCESSSES

The HR team continues to make progress in addressing the development needs of the Bank's complex and geographically dispersed workforce.

Building a more collaborative and inclusive workplace includes successfully managing a remote workforce. The Bank is addressing the development needs of its complex and geographically dispersed workforce and ensuring leaders are fully equipped to interact with a remote workforce. One way the Bank is doing this is through the development of tools that foster fair and consistent administration of HR policies and programs. For example, when conducting effective performance management discussions, the HR team created short videos and discussion guides that support leaders. HR offers leaders information and resources that build upon "One Team" to effectively manage a remote, yet inclusive workforce.

The Leader Profile also is a tool that serves as the foundation for how the organization assesses and develops leaders. The Leader Profile will help strengthen leaders' understanding of behaviors that will help them develop and work through others, including as they hire, develop and grow diverse and inclusive teams.

The Bank continued its affinity-based group mentoring program aligned with its ERNs to increase engagement and retention and promote professional development.

The employee resource network (ERN) Group Mentoring program continued in 2015, growing 51 percent since it was piloted in 2014. The program brings employees together with group mentors to help build additional relationships within the Bank and feel more connected to the organization. Groups address affinity-specific challenges and opportunities related to areas of professional development, such as organizational navigation and talent development. All eight ERNs participated in the 2015 program.

Participants included 33 staff-level employees (51 percent women, 21 percent minority-women and 31 percent minority (including women)). Ten officer-level mentors participated (60 percent women, 30 percent minority-women, and 31 percent minority (including women)).

The Bank launched the Charlotte Group Mentoring Pilot Program, an opportunity to connect interested individuals with trusted mentors from within the Branch.

The Charlotte Group Mentoring Program started in June 2015. As a pilot program in one of the Bank's branches, it provides the opportunity to connect employees with trusted mentors who provide guidance in career planning and development discussions. The program is intended to help employees build relationships within the branch and feel more engaged through group interactions.

The program included eight mentees, comprised of four minorities (50 percent) and two women (25 percent) employees. Two employees serve as mentors, including the branch executive. The program survey results were a strong indication that the program will be fully implemented in 2016.

The ERN-led SUCCEED Program helped employees build skills useful for career and communication effectiveness when seeking job opportunities.

The Valuing the Inclusion of Talented African Americans and Latinos (VITAL) ERN collaborated with HR, other ERNs and employees across the Bank to evolve their mock interview program into a standalone talent development program. The program is focused on Skills Useful for Career and Communication Effectiveness, Empowerment and Development (SUCCEED).

The program was used successfully in 2015 to support employees in the Treasury and Payments Services area whose positions will be transferred or eliminated over the next year, as the result of a System consolidation of this function.

The Office partnered with HR to promote ERN leadership positions as a formal development opportunity.

During 2015, the Office partnered with the Bank's HR team to position ERN leadership as a development opportunity similar to the Bank's formal leadership development programs. HR shared the ERN leadership development opportunities with business line leaders as an opportunity to engage identified high-potential talent, including women and minorities, in cross-functional growth and visibility opportunities, including broad leadership competencies and inclusive behaviors. Additionally, this leadership development opportunity offers learning agility through experiential learning, which includes practicing leadership competencies and behaviors, such as building relationships and trust and demonstrating the ability to develop self and others in a safe environment. This development channel serves to increase general Bank knowledge, business acumen and people agility through networking, relationship and trust building.

The Bank's development program metrics reveal effectiveness for minority and women participants.

The Bank tracked the progress of 124 participants who completed formal development programs in 2015 and found that 29 participants (23 percent) have been promoted. Of these 29 promotions, 14 are women (48 percent) and 9 are minorities, including women (30 percent). The diverse representation of these promotions is included in the table on page 12.

The Bank envisions a direct correlation between continuous development of minority and women employees and increased readiness of this employee population for future promotion opportunities.

The Bank participated in the System Leadership Initiative (SLI).

The SLI is a development program for the System's key talent sponsored by the Reserve Bank Presidents. In 2015, two conferences were offered at the emerging and senior executive leadership tiers. Notably, sessions on bias, particularly unconscious bias, were presented by an industry

Employee Promotion Activity of Development Program Participants

	District			FRIT				Bank			
	Minority	Non-Minority	Total		Minority	Non-Minority	Total		Minority	Non-Minority	Total
Women	4	6	10	Women	1	3	4	Women	5	9	14
Men	2	7	9	Men	2	4	6	Men	4	11	15
Total	6	13	19	Total	3	7	10	Total	9	20	29

expert at both conferences. The SLI team has worked to evolve the content and worked with all speakers to address broader collaboration, engaging different perspective and getting the most from leading diverse teams. As the leadership conferences reach a broad pipeline of talent across the System, the OMWI directors and SLI continued to collaborate to expand the content and discussion of diversity and inclusion in the leadership conferences.

The System's Leadership Exchange Program affords a critical avenue to support career development for professionals across the System. Assignments vary in duration (up to one year) and include job shadows, critical work assignments and targeted development opportunities. The 2015 participation rates are shown below.

An annual summary of the 2015 program was provided to the OMWI Directors in February 2016 to encourage their ongoing support of these development programs and solicit their assistance in building awareness of the opportunities available throughout the year. Minority and female participation is tracked and reported to assure that development opportunities are reaching a diverse pool of leaders. Diversity of participants will continue to be an area of emphasis by conveying the importance of broadly evaluating traditional and nontraditional candidates to participate and reporting progress on a regular basis to System Human Resources and OMWI leaders.

Minority and Female Participants in System Leadership Initiative

	Thrive Conference Manager/New Officer (Emerging Leaders)	Senior Leadership Conference
Women	49%	44%
Minorities	27%	13%

Bank Minority and Female Participants in System Leadership Initiative

	2015			2014		
	Total	Women	Minority	Total	Women	Minority
SLI Participants	31	16 (52%)	7 (23%)	32	21 (66%)	5 (16%)
Fifth District	16	10 (63%)	3 (19%)	18	13 (72%)	3 (17%)
FRIT	15	6 (40%)	4 (27%)	14	8 (57%)	2 (14%)

NEXT STEPS

The work accomplished in 2015, such as developing and introducing the Leader Profile, provides a foundation for a variety of developmental opportunities scheduled to deploy in 2016.

The organization will continue to build a diverse leadership team with the capabilities necessary to lead the organization and successfully execute on the organization's mission, goals and objectives. The focus in 2016 will be to integrate the Leader Profile by allowing it to serve as the foundation for 360-degree assessments. Managers from across the organization will be invited to participate in the program. Each will leverage their 360-degree assessment to identify strengths and development opportunities that will be their focus throughout the program. The program is uniquely designed to engage participants in a way that allows them to share and benefit from the diverse perspectives and experiences of their fellow participants.

The Bank will roll out the new D&I training strategy and leverage the D&I consultant to expand learning resources to all Bank employees.

The Office will launch a training roadmap that connects previous D&I education on cross-cultural competence to a new online D&I training platform. The online training is focused on helping employees become more self-aware of unconscious bias and how to work more effectively across differences within teams. The Office is planning to launch the online D&I training in 2016 and continue in-classroom D&I education topics throughout the year.

The Office will also leverage additional learning opportunities from engagement with a D&I consultant to meet additional workforce education needs more broadly; thereby, empowering staff to practice inclusion while fulfilling the Bank's public service mission.

The Bank will continue to implement its three-year talent development strategy with three milestone initiatives under development for 2016 implementation.

Work was done in 2015 to review and refresh the Bank's competency model, which clarifies and reinforces expectations of employees around expected behaviors. The behaviors were mapped to the Linkage, Inc. Inclusion Indicators provided by the DNA. These behaviors will assist

employees in understanding how to act inclusively and will guide leaders in assessing performance and holding employees accountable for demonstrating these behaviors. The Bank's competencies support a culture of leadership at all levels and from every employee.

The Bank will use the New Manager Requirements Curriculum to ensure new leaders have the capabilities to successfully perform in their roles, accomplish business goals and mitigate employee relations issues.

The New Manager Requirements Curriculum establishes training requirements for new managers to complete within a two-year timeframe. The purpose of this training is to ensure managers have the capabilities to successfully perform in the role, achieve business goals, develop talent and mitigate workforce risks. The requirements are staged, with new managers completing New Leader Orientation and eight courses in the first year and then completing an additional 10 courses during the second year. All new managers hired or promoted as of January 1, 2016, will be required to complete this curriculum within the prescribed timeframes.

The Bank will expand reach of programming to employees located outside of the Richmond area using technology to improve reach and access of learning and development resources.

Progress has been made in addressing the development needs of a complex and geographically dispersed workforce by creating short learning events that can be provided via Skype and audio conferencing in an efficient and effective way. The organization will explore additional technologies (web-based learning, video conferencing, etc.) and the use of local vendors to enhance and expand delivery of programming to diverse audiences across the organization with the goal of providing consistent learning opportunities to foster inclusion of a broader cross-section of employees.

An online Learning & Development Center (the Center) will streamline and broaden access to learning resources for Bank employees. It will provide expanded learning opportunities in a timely way that supports the Bank's 70-20-10 model for development. The site content will be aligned to the competency model and be made available in a variety of delivery modes.

Employee Engagement survey data will be used to understand employee views on how the Bank is progressing in building a more engaged and inclusive workplace.³

The information yielded from the surveys will help identify areas where additional work may be needed to advance the Bank's culture. HR will support organizational leaders as they develop and execute plans in response to any areas of opportunity identified in the diversity index of the survey results. This year, the Bank will continue to leverage culture work already in progress and support additional efforts to encourage open deliberation and diverse views, and continue to promote "one team," and "System first" philosophies.

Workforce and Succession Management

The fundamental purpose of both workforce planning and succession management is to anticipate and address current and future human capital gaps that represent a risk to the Bank's ability to successfully deliver on its mission. In 2015, the Bank made significant progress in identifying and addressing key human capital risks, including turnover in critical roles and the loss of critical knowledge resources.

During the reporting period, the Office collaborated with HR to develop a structured workforce planning process. The process involves collaborating with individual business lines to evaluate future workforce needs and current workforce capabilities, identifying gaps between the two that may affect business lines' ability to achieve their goals and creating plans, where appropriate, to close the gaps. The goal of the workforce planning process is to have the right people, in the right positions at the right time — thus having a ready, diverse workforce in place to achieve the Bank's present and future goals. At the overall Bank level, the process includes identifying workforce gaps that permeate the organization and creating solutions that address workforce risks that transcend individual business lines for critical roles.

In 2015, the Bank focused on developing internal talent for critical officer or technical roles and attracting and developing external talent for leadership and highly competitive technical positions.

SUCCESSSES

During 2015, the succession management process, which focuses on building deep talent pools for critical roles in the organization, noted the following successes:

- Promoted 10 succession candidates into new roles, including four women and two minorities.
- Grew diversity of the succession pool for all successors, at all readiness levels and continues to grow — 48 percent of succession candidates are women (compared to 42 percent in 2014), and 16 percent of succession candidates are minorities (up from 15 percent in 2014).
- Achieved gains in "Ready Now" succession candidates for both female and minority representation from 2014 to 2015 (42 percent to 47 percent female and 15 percent to 23 percent minority representation).
- Identified 30 potential succession candidates that could meet the needs required to support uninterrupted execution of business strategy, with 21 who are considered "Ready Now" to assume those roles. Individuals identified include seven minorities (23 percent) and eight females (27 percent).

Development plans for the potential successors and critical role succession plans are in progress. For high-risk roles, the HR team is working with employees and their leaders to create focused development plans that will expedite their readiness for future roles.

The Bank continues to build agility through planning for changes in the workforce.

Workforce planning efforts anticipate and prepare for future changes in the workforce. Specifically, the Bank seeks to balance its hiring across many levels of experience. In the past, the emphasis was on hiring experts in most positions. Now, there is a broader focus that includes attracting and hiring early career professionals. The Bank achieves this through a variety of early career programs such as the IT Trainee Program, which seeks to leverage early career professionals and develop them through hands-on experience. It also offers recent graduates the opportunity to work within their career field even though they may have limited prior work experience.

³ The Bank performs an engagement survey once every two years. The survey is anonymous, and employees are encouraged to participate and provide candid responses.

The chart below shows the demographics of potential succession candidates in the Fifth District and FRIT.

	Fifth District	FRIT
Potential Succession Candidates	57	30
Women	27 (47%)	8 (27%)
Minority	9 (16%)	7 (23%)
Minority Women	6 (11%)	2 (7%)
“Ready Now” Succession Candidates*	41	21
Women	16 (39%)	7 (33%)
Minority	9 (22%)	5 (24%)
Minority Women	5 (12%)	1 (5%)

*Ready now succession candidates are a subset of potential succession candidates.

CHALLENGES

Reorganizational changes resulting from the evolving nature of technology and changing business demands continue for the Bank, creating challenges to stabilize succession and workforce plans. To mitigate this challenge, HRBPs will work closely with division leaders to ensure the plans remain aligned with organizational changes.

NEXT STEPS

The Bank will continue its workforce planning efforts aimed at filling critical roles and enhancing succession plans to meet the short-term and long-term needs of business lines. In addition, the Bank has the expectation that each year, workforce planning efforts will show gains of women and minority inclusion.

The Bank will continue to support workforce planning processes and incorporate enhancements to its existing succession management process.

During the reporting period, several key business lines have participated in workforce planning efforts. The Bank leadership, with the active involvement of the Office, will expand the efforts beyond the initial participant populations to a broader audience. The Office will continue to ensure that D&I practices and processes, a critical

consideration of workforce planning and succession management, are leveraged as the Bank evolves workforce plans and succession pools for critical roles.

The Bank has an opportunity to further deepen the successor pipeline for critical roles by continuing to identify and consider talent more broadly across the Bank and System, and has the expectation that workforce planning efforts will show gains of women and minority inclusion each year.

The Bank will analyze turnover trends.

The Bank will implement a new exit interview and employee relations tool that will provide greater insight into the reasons employees are leaving the organization. This automated solution will provide a way to better monitor turnover trends and inform action planning to address the issues identified.

Minority- and Women-Owned Business Participation

The Bank has three purchasing functions: one for the Fifth District, one for FRIT and one that works on behalf of all 12 Reserve Banks — the National Procurement Office (NPO). The Fifth District procurement function supports contracting for the Bank’s daily operations, including its branches in Baltimore and Charlotte. The FRIT procurement function contracts for equipment, software and services necessary for the System’s information technology operations. The NPO is responsible for negotiating and executing national contracts for certain goods and services that, when sourced collectively, provide the best value for multiple Reserve Banks.

The three procurement functions collaborate closely with a shared supplier diversity manager to deploy an integrated supplier diversity process within the Bank. Supplier diversity success flows from intentional, deliberate and consistent effort by every person who influences a buying decision. Supplier diversity practices are embedded in the existing procurement processes and guidelines, and procurement and supplier diversity staff partner with departments and business lines to provide the maximum opportunity for diverse suppliers to participate in the procurement processes.

The Bank is committed to strengthening the economy and improving communities, and supplier diversity plays a critical role in how that is achieved. The Bank

developed its supplier diversity strategy around three guiding principles:

- 1) It’s about access and opportunity.
- 2) It’s good for the Bank and the community.
- 3) It’s everyone’s responsibility.⁴

Expenditures with diverse suppliers increased for the fourth consecutive year and supplier diversity guiding principles continued to drive programmatic strides in the Bank’s efforts. The Bank implemented a dashboard for reporting to senior leadership and developed a report designed to promote greater business line engagement. A System supplier diversity and procurement summit hosted by the Bank laid the foundation for developing the Bank’s next three-year supplier diversity strategic plan. The Bank continued to introduce new diverse suppliers into procurement and contracting processes.

Collaborative efforts across the organization ensure that diverse suppliers have maximum opportunity to participate in procurement opportunities throughout the Bank’s supply chain.⁵ The Bank monitors diverse supplier inclusion, response and award rates in its procurement opportunities. Natural fluctuations in the business cycle lead to a normal ebb and flow of expenditures, type and scale of procurement opportunities and corresponding diverse supplier participation activity. Overall, diverse supplier

The Federal Reserve Bank of Richmond		
Fifth District Procurement Office	FRIT Procurement	National Procurement Office (NPO)
Purchases goods and services for the Fifth District	Purchases goods and services for FRIT	Negotiates master agreements for use by any of the 12 Reserve Banks
Leverages System agreements from the NPO	Leverages System agreements from the NPO	Develops policies and procedures and provides guidance to the 12 Reserve Banks

The chart above shows the purchasing responsibility of the Bank’s three procurement functions.

⁴ Everyone includes only the staff with purchasing and procurement responsibilities.

⁵ The Bank’s supplier diversity manager works collaboratively with procurement and business line staff to identify diverse suppliers to be included in sourcing opportunities.

engagement in the Bank's procurement opportunities remain within consistent ranges year-over-year.

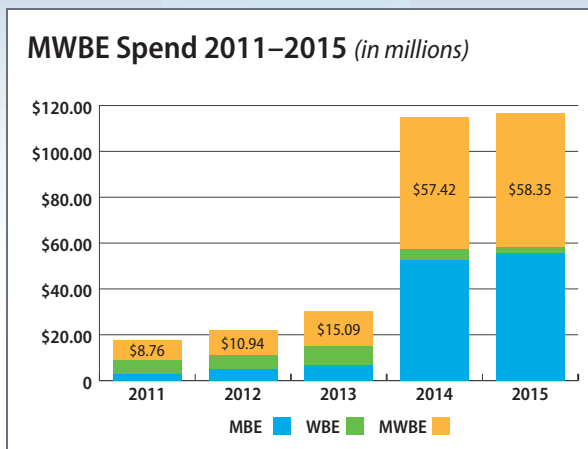
On a more challenging note, the Bank noted in its 2014 Report to Congress the possible loss of its incumbent diverse supplier for distributed computing equipment and servers, which represented a substantial percentage of total expenditures with diverse suppliers. The contract rebid was completed in early 2015, and the incumbent diverse supplier was not the successful bidder. The anticipated corresponding decrease in 2015 expenditures was offset by a large one-time payment to the Bank's diverse contractor for telecommunications equipment maintenance. Without similar opportunities of size and scale in its near-term pipeline, the Bank expects a substantial decrease in expenditures with diverse suppliers in 2016.

AMOUNTS PAID TO CONTRACTORS

The Bank posted its fourth consecutive increase in expenditures with minority- and women-owned businesses (MWBEs) in 2015. The Bank spent approximately \$58.35 million with diverse suppliers, an increase of almost two percent over \$57.42 million in 2014. This number represents nearly 17 percent of the Bank's total expenditures with third party contractors, up slightly from 16 percent in 2014. Over the four full years the Bank's supplier diversity program has been in effect, expenditures with diverse suppliers have increased 566 percent.

Expenditures with minority-owned businesses total \$55.50 million, or approximately 16 percent of total spend. Expenditures with women-owned businesses totaled \$2.84 million, or approximately one percent, a decrease from 2014 levels. The decline was due to the shift of several of the Fifth District's woman-owned contingent staffing providers from a direct relationship to providing services as a subcontractor under the Bank's managed services provider, as well as several one-time project awards in 2014 that did not carry over to 2015.

The \$55.50 million in expenditures with minority-owned suppliers was distributed among ethnic classifications as follows: Asian-Pacific American (APA), \$34.87 million; Black American (BA), \$20.34 million; Hispanic American (HA), \$.07 million; Native American (NA), none; Subcontinent Asian American (SAA), \$.21 million; and unknown classification (UNK), \$.02 million. The four-year spend trend is captured at right. Detail spend by procurement function and by vendor ethnicity is included in Appendix 3.



The chart above shows overall expenditures with diverse suppliers continued to grow, increasing from \$8.76 million in 2011 to \$58.35 million in 2015.

The Bank continued to track and report Tier 2 spend from selected Bank prime suppliers, in addition to the managed services provider for contingent staffing. Tier 2 spend is defined as the amount of money a prime supplier to the Bank spends with diverse suppliers, either as subcontractors or other providers of goods and services in direct support of supplier's contractual obligations to the Bank. The Bank is pleased to report 2015 Tier 2 diverse expenditures of \$.2 million with majority-owned prime suppliers. The Bank's managed services provider (MSP) for contingent staffing, which is a diverse supplier, reported \$3.23 million in Tier 2 diverse expenditures, accounting for 16 percent of the MSP's total billings.

Minority- and women-owned businesses must be certified by a recognized third-party certifying organization to be included in the Bank's diverse expenditures calculation. Recognized third-party certification entities include, but are not limited to, the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), the Small Business Administration's small disadvantaged business and 8(a) programs, the Department of Transportation Disadvantaged Business Enterprise program, and other federal and state minority business development offices.

SUCCESSSES

The Bank administers its supplier diversity initiative through a strategic plan designed to increase procurement opportunities to minority- and women-owned businesses, drive senior leadership support and business line

engagement, and measure and report on progress and opportunities. The plan also focuses on enhancing the Bank's presence and visibility in the diverse supplier business community, ensuring that qualified diverse suppliers have the maximum possible opportunity to participate in competitively bid acquisitions and tracking the inclusion and response rate of diverse suppliers on those opportunities.

Disciplined execution of the Bank's strategic plan for supplier diversity continued to yield notable programmatic successes. Highlights include:

The Bank enhanced reporting to senior leadership and business line managers.

The Bank made progress on its effort to communicate and reinforce the importance of using a diverse pool of suppliers through interactions with leaders, periodic reports of metrics to the Executive Diversity and Inclusion Council and business line leaders. A quarterly dashboard that highlights key supplier diversity metrics and a business line report was developed to support discussions with key business lines regarding diverse spend opportunities. The report was piloted with selected departments, resulting in greater awareness and engagement by department management.

The Bank hosted a System supplier diversity and procurement summit.

The Bank hosted a "System Supplier Diversity and Procurement Summit: Driving Stakeholder Engagement and Value." The event focused on reenergizing the System and driving deeper engagement among the participants' respective functions and with their business partners, suppliers and communities. Participants heard from industry experts and engaged with colleagues in collaborative work sessions intended to cultivate more effective, integrated and inclusive procurement and supplier diversity practices. The input from the summit will be used to craft a three-year System strategic plan.

The Bank maintained diverse supplier inclusion and award rates at established program levels.

The success of the Bank's supplier diversity strategies is reflected in the degree to which diverse suppliers are included in, respond to and receive contract awards resulting from procurement opportunities. The Bank tracks and compares diverse supplier inclusion, response and award rates against established historical data.

The Bank continued to introduce new suppliers into its procurement process, from inclusion to award, while realizing repeat business with established diverse suppliers. The Bank awarded 28 contracts to diverse suppliers in 2015, including a \$1.5 million contact for technology hardware and maintenance, a \$4 million construction contract and \$3 million D&I consulting contract. These awards represent contracts of substantial size and scale — eight contracts, or 29 percent of total diverse contracts, were awarded to suppliers new to the Bank. Contract awards to diverse suppliers represented 23 percent of total contract awards, slightly above the Bank's established threshold of 20 percent.

The inclusion rate tracks the total number of competitively bid sourcing events in which diverse suppliers were included. The Bank has historically been challenged to find diverse suppliers that provide critical or specialized building equipment, as well as diverse software publishers or original equipment manufacturers (OEMs) of technology hardware or software. With a number of these types of procurements in the 2015 pipeline, the inclusion rate dipped below historical levels of 85 percent or above.⁶ Where diverse suppliers could be identified, however, inclusion remained consistent with the historical average of two diverse suppliers included per sourcing event.

In line with historical averages, diverse suppliers represented just over 30 percent of the total number of suppliers included in sourcing events. A total of 181 diverse suppliers were included in 86 of the Bank's 110 competitively bid procurement opportunities. Of the 91 unique diverse suppliers included (some are included in multiple events), 43 — or nearly 50 percent — were suppliers new to the Bank.

The response rate, which measures the number of events in which a diverse supplier responded, remained consistent with established levels.

⁶ The inclusion rate tracks the number of competitively bid sourcing events that included at least one diverse supplier. Our full-year inclusion rates for 2012, 2013 and 2014 were 90%, 85% and 84%, respectively. As of 4Q 2015, the average inclusion rate over the previous 15 quarters was 85%. We subsequently set 85% and above as "Green" status. The 2015 inclusion rate was 78%, below the historical average of 85% of the previous three years.

Diverse suppliers were added to the contingent staffing managed services program.

The Bank and its managed services provider for contingent staffing completed an extensive Request for Proposal (RFP) process to select additional suppliers to support the Bank's contingent staffing requirements. The process included robust representation of diverse suppliers, from the initial Request for Information (RFI) phase up to and including the final contract awards. As a result, five new suppliers were selected to join the pool supporting the Bank's contingent staffing program. Three of the five suppliers are diverse.

The Bank continued proactive outreach, communication and technical assistance activities.

The Bank is a national member of the NMSDC, WBENC and the Financial Services Roundtable for Supplier Diversity (FSRSD). Leveraging membership and involvement in these well-regarded diverse supplier development organizations, the Bank continued to expand its visibility and presence in the diverse supplier community. The Bank hosted, facilitated and/or participated in numerous supplier diversity events presented by these and other similar organizations. Highlights are noted below and a detailed listing of the events attended is included in Appendix 4.

While not every networking event leads to an immediate referral of a diverse supplier for a procurement opportunity, the vast majority of referrals do result from sustained participation of the Bank in such events. Diverse suppliers identified through networking with our key external partner organizations accounted for 67 percent of the unique diverse suppliers included in 2015 sourcing events, 93 percent of contracts awarded to diverse suppliers and 98 percent of total diverse spend.

The Bank developed its 2016–2018 supplier diversity strategic plan and roadmap.

With the current supplier diversity strategic plan reaching its sunset, the Bank updated the plan to chart its efforts through 2018. Previous years of the supplier diversity initiative focused on building the appropriate infrastructure and establishing foundational practices. Over the next several years, the Bank will seek to drive deeper engagement and accountability for supplier diversity success through the organization.

CHALLENGES

As referenced earlier, the loss of the Bank's incumbent diverse supplier for distributed computing equipment, which represents a substantial percentage of overall expenditures and in particular expenditures with diverse suppliers, is expected to result in a decline in diverse supplier expenditures in 2016. The large one-time payment for telecommunications equipment maintenance is not due again until 2018. With no procurement opportunities of similar size and scale expected in the next several years, expenditures with diverse suppliers are unlikely to approach 2014 and 2015 levels until such opportunities arise and can be successfully leveraged by diverse suppliers. In addition, diverse supplier spend remains substantially concentrated between two minority-owned suppliers, and overall awards to diverse suppliers tend to be for smaller or one-time projects.

The Bank continues to experience challenges identifying diverse suppliers for certain commodities and services. Chief among these are critical and specialized building and cash processing equipment, certain telecommunications services, publishers/OEMs of software applications or tools, and economic and financial information databases and aggregators. These difficult-to-source categories in aggregate represent substantial percentage of total spend. For instance, the Richmond Fed bears the cost for the System's cash processing equipment, software and services, which are highly specialized and available from only a very small number of suppliers globally — none of which are diverse. Payments to these cash processing-related suppliers alone represent roughly 10 percent of the Bank's total spend.

The Bank's MSP for contingent staffing subcontracts with a pool of both majority-owned and diverse supplier staffing agencies. Service levels of a few of the diverse suppliers in this pool deteriorated in 2015, resulting in a loss of business to those suppliers, despite coaching and feedback from the MSP. The MSP's expenditures with diverse contingent staffing agencies consequently declined slightly. With three new diverse suppliers added to the pool late in 2015, as a result of the supplier optimization process referenced earlier, the Bank anticipates this downward trend will be reversed in 2016.

In addition to these concerns, the Bank continues to face, in varying degrees, ongoing challenges noted in earlier reports. Procurement staff consistently report that small



and diverse suppliers tend to require substantially greater support, direction and follow-up throughout the procurement process and their responses are more likely to be less thorough or lack essential components.

NEXT STEPS

The Bank realized critical programmatic strides in 2015 and remains committed to continuous improvement in its efforts to increase the inclusion and utilization of minority- and women-owned businesses in its procurement and contracting processes. The Bank's 2016–2018 strategic plan is designed to mitigate challenges discussed in the previous section through a focus on deeper decision-maker and stakeholder engagement, enhanced procurement and supplier pipelining strategies, and value-added outreach and technical assistance activities.

The Bank will seek to enhance senior leadership and business line engagement.

The Bank will leverage the newly developed dashboard and business line report to apprise senior leadership of supplier diversity progress and challenges and enlist support as needed. Meetings with targeted business lines will continue in 2016 to drive greater awareness and engagement by department staff in fostering diverse supplier inclusion in procurement opportunities. It is expected this process will help identify and develop a pool of incumbent and potential diverse suppliers better prepared to compete successfully for the Bank's business, which over the long term may also mitigate the inherent risk of losing diverse spend due to business cycle fluctuations and contract rebids.

The Bank will continue a proactive approach to developing targeted procurement opportunities and corresponding diverse supplier pipelines.

The supplier diversity and procurement teams will focus on developing a procurement opportunity pipeline segmented by business unit and developing a corresponding pool of diverse suppliers. The teams will meet and collaborate with managers and influencers in the Bank's top buying departments to reinforce the stakeholder's role in driving success, identify short- and long-range opportunities, and understand required supplier qualifications and source potential diverse suppliers.

The Bank will expand its efforts to engage key prime suppliers in providing and reporting Tier 2 subcontracting opportunities to diverse suppliers.

In 2015, a small group of prime suppliers were identified by the Bank's supplier diversity manager for potential discussions regarding Tier 2 opportunities. In 2016, the supplier list will be vetted and a high-level strategy developed to pilot with one or more prime suppliers. In addition, the Bank will continue to work closely with its MSP to ensure diverse contingent staffing providers have equitable opportunity to be successful in the MSP program.

The Bank will expand its outreach and technical assistance activities.

The Bank will continue to partner closely with strategic external supplier diversity development and advocacy organizations as they play a vital role in the Bank's efforts to identify qualified suppliers and further educate potential suppliers on its processes and requirements. The Bank will also host its own technical assistance and networking event(s) to introduce potential suppliers to Bank procurement influencers and decision makers, as well as provide information and education addressing supplier nonresponsiveness and proposal quality concerns noted earlier in this report.

The BOG and the Federal Reserve Banks are planning to participate in the 2016 national supplier diversity conferences to continue building our national presence and facilitating one-on-one matchmaking meetings.

Financial Education Activities

States across the Fifth District and the country have increasingly adopted or developed K–12 learning standards that outline the knowledge and skills students need to be college- and career-ready. The Bank has focused its financial education efforts on a particular aspect of students' college and career readiness — helping students with their decision about what path to pursue after high school. For many students, this is the first major financial decision in their lives, and it can have lasting consequences for their long-term well-being.

The resources and programs the Bank produces to support students' decision making are guided by the Bank's overall perspective on financial education — namely, that individual circumstances matter, and that major financial decisions, such as what path to pursue after high school, deserve particular attention. Rather than providing prescriptive advice, the Bank focuses on providing high-quality information and tools to help students evaluate choices for major financial decisions in the context of their own unique circumstances.

The Bank also aims to support students' college and career readiness by helping them develop soft skills that can have a positive effect on academic achievement, school attendance and graduation, college preparation, workforce readiness and life success. The Bank focuses on soft skills development primarily through its majority-minority public school mentoring program.

In addition to supporting college and career readiness through financial education and mentoring activities, the Bank continues to focus on helping students better understand the Fed's role in the economy.

SUCSESSES

The Bank provided targeted financial education resources and tools to help students evaluate post-high school options.

The Bank, in collaboration with the Federal Reserve Bank of San Francisco, continues to focus on adding lessons to its online course for high school students called "Invest in What's Next: Life After High School." The course is designed to help students explore their post-high school options and build a plan that is right for them. The course presents content in a highly interactive format, featuring data-driven exercises — a best practice in online instruction for middle and high school audiences.

In 2015, 2,950 users, including 900 from OMWI designated high schools, enrolled during the soft launch of Lesson 1, "Exploring My Options." These students were able to explore their job interests and desired lifestyle, assess levels of education needed to reach their goals, and research school options. At the same time, the Bank has worked to create Lesson 2 for the course, "Budgeting for My Future." This lesson will help students with long-term planning for income, saving and spending, as well as funding education and managing student loans. Lesson 2 is expected to become available in the spring of 2016.

In addition to building this online course, the Bank presented its financial education approach and the post-high school decision at 20 financial education conferences and events in 2015, directly reaching approximately 1,500 educators, practitioners, students and family members. For example, the "An Evening at the Fed: College and Career Readiness through Economic and Financial Literacy Education" event held at the Bank's Baltimore office included 52 educators, including 10 from OMWI-designated high schools, and reached an estimated 750 OMWI students. The event covered the importance of preparedness and good information to helping students choose the right path for themselves and their own success.

The Bank supported the development of students' soft skills through financial education events and a public school mentoring program.

Evidence indicates that students' college and career readiness depends not only on cognitive skills, but also non-cognitive, or "soft" skills such as emotional intelligence and interpersonal skills. For example, through the Bank's outreach to regional businesses and workforce development professionals, the lack of soft skills has consistently been cited as a major obstacle to hiring and employment. In 2015, the Bank supported the development of students' soft skills through its financial education activities and public school mentoring program.

The System coordinates financial education efforts each October. In 2015, these events focused on building human capital, including the importance of education and soft skills, in maximizing employability. This work highlights the System's commitment to the financial education of high school students from majority-minority schools, girls' schools and low income households.

The Bank welcomed 63 students from Richmond City high schools (majority-minority) for an employability skills workshop as part of the System's Financial Education Day. Students participated in a variety of sessions designed to help them build the soft skills needed for future success. The program included sessions on effective résumé writing, interviewing and networking, as well as employer expectations for behavioral skills. Students also participated in a mock job fair.

The Bank also continued its long-standing relationship with the District's public schools through the public school mentoring program. In 2015, 28 employees volunteered their time to mentor 27 students at Huguenot High School, which has a low-income, majority-minority, inner-city student population. During the school year, mentors met with their mentees approximately two times a month for one hour each time. A mentor will typically work with the same student for multiple years until they graduate. In 2015, Bank employees spent over 500 hours mentoring students at Huguenot. They covered topics such as communication, self-awareness and representation, teamwork, time management and lifelong learning. During the program, students also had an opportunity to use the Bank's "Invest in What's Next" online course.

The Bank launched a new Teacher Collaborative Committee to more systematically get input and feedback from teachers on Bank resources and programs.

The Bank also has taken steps to boost the effectiveness of its financial education resources and programs. In 2015, the Bank launched a new pilot Teacher Collaborative Committee of middle and high school teachers to systematically provide feedback to the Bank about what works well in the classroom. The committee is playing an integral role in providing feedback on the Bank's educational resources, including the "Invest in What's Next" online course, and supporting the Bank's outreach efforts.

Committee members participate in monthly online discussions about Bank resources and provide feedback on behalf of their students. The committee also plays a role in helping the Bank build awareness about its resources and helping us connect with other teachers in the District. In addition, the committee provides an opportunity for members to build their professional network and their knowledge of economics and personal finance by learning from subject matter experts at periodic in-person meetings.

The committee currently consists of 10 teachers from the metro Richmond area — three of whom are from OMWI-designated high schools — reaching an estimated 225 OMWI students. The pilot committee's term will last through May 2016. The Bank plans to recruit additional teachers from the metro Richmond area to participate on the committee for the 2016–17 school year.

The Bank partnered with key financial education and mentoring nonprofit organizations.

The Bank continued its long tradition of partnering with schools and other financial literacy organizations, including state councils on economic education and Jump\$tart coalitions within the Fifth District. In addition to partnering on events including financial literacy summits for educators and financial literacy competitions for students, the Bank worked to provide subject matter expertise to enhance its partners' financial education resources and programs.

2015 was another year of strong partnerships with the local Junior Achievement (JA) in each of Fifth District office locations. The program focuses on the fundamentals of being an entrepreneur and gives students the opportunity to conceptualize, start and operate a business of their own with their classmates. During the 2014–2015 school year, 85 Richmond employees volunteered in JA programs, such as "JA in a Day" and "Finance Park" — impacting over 1,400 students. In 2015, the Bank piloted the JA "My Company" program with students at Huguenot High School, its partner school for mentoring.

Meanwhile, the Bank continued a strong partnership with the Boys and Girls Club of Metro Richmond. In July 2015, the Bank hosted approximately 20 students from their leadership program for a visit at the Bank that included a tour of various business functions and networking with business professionals.

Fifth District leaders continue to serve on boards and committees within the public school system and with local financial education and mentoring organizations. In 2015, one of the Bank's executive vice presidents chaired the Richmond Public Schools Business Advisory Council, comprised of business leaders who are working with the local superintendent to help support the mission and goals of the city schools.

The Bank continued to support students' understanding of the Fed's role in the economy.

The Fed Experience, the Bank's interactive educational exhibit in Richmond, remains an integral part of student engagement. Through guided tours and facilitated activities, students explore their personal connection to the economy and how the Federal Reserve impacts their lives. The exhibit also serves as a unique educational destination for students during the summer, with special programs for Girl Scouts and students attending summer camps. Nearly 5,000 individuals visited the exhibit in 2015, including over 600 students from OMWI-designated high schools. Students can also visit the Baltimore and Charlotte branch offices.

In 2015, the Bank expanded its student engagement through the Fed Ambassador program. Fed Ambassadors are Bank employees who give overview presentations about the Federal Reserve to student groups and business and civic groups. Ambassadors also engage with students at career fairs. In 2015, the Bank's Fed Ambassadors discussed the Federal Reserve with over 1,000 students from middle school through college, including nearly 200 from OMWI-designated high schools.

CHALLENGES

There are some challenges affecting the Bank's ability to track program impact and effectively connect with educators through online channels.

The Bank has experienced challenges tracking program impact.

While tracking program impact, such as long-term student outcomes, remains a challenge, the Bank continues to look to existing research on financial decision making and on best practices in the development of educational resources and programs so that efforts have the most probable chance of success. The Bank is also focusing on ways to more systematically gather and incorporate direct input from educators to inform the development of its resources and increase their usefulness in the classroom.

The Bank has experienced challenges expanding its reach to educators through online channels.

The Bank has worked to more fully leverage technology to deliver the Bank's educational resources, such as the "Invest in What's Next" online course. However, communicating effectively with educators in an online environment

so that the Bank can increase awareness and use of its resources remains a challenge. Teachers often express that it is difficult to wade through the vast amount of content that is available on the web. To address this challenge, the Bank is making efforts to improve the online presence of its financial education resources on its public websites. In addition, the Bank is working to incorporate better systems to manage relationships with teachers and other financial education constituents so that the Bank can connect them to the resources they will find most useful.

NEXT STEPS

To address the challenges described above and to enhance its financial education efforts, the Bank will take the following actions.

The Bank will complete the "Invest in What's Next" online course and ancillary material.

The Bank, in partnership with the Federal Reserve Bank of San Francisco, will complete the programming and web development of Lesson 2 in 2016 and Lesson 3 of the "Invest in What's Next: Life After High School" online course in 2017, and develop facilitator guides for teachers and other financial education providers. Once Lesson 2 becomes available and ready for launch, the Bank will begin intensive marketing of the course to educators and nonprofit organizations that aim to help students become college- and career-ready.

The Bank will leverage its newly formed Teacher Collaborative Committee to enhance the effectiveness of its financial education resources and programs.

The Bank will engage its Teacher Collaborative Committee to systematically gather and incorporate external information and feedback in order to improve the effectiveness of the Bank's educational resources and programs in the classroom. The Bank will also look to the committee for guidance on improving its outreach to other educators. The Bank plans to recruit additional teachers to participate on the committee for the 2016–17 school year.

The Bank will work to enhance the web presence of its financial education resources and programs and implement systems to better manage relationships with constituents.

The Bank will take steps to improve the usefulness of its public websites that feature educational resources and programs, including thefedexperience.org (a website for

the Bank's interactive exhibit), majorfinancialdecisions.org (a website that includes tools to evaluate major financial decisions) and richmondfed.org/education (a website that provides access to all of the Bank's educational resources and programs). The Bank will also implement systems to enhance communication with its financial education constituents in order to increase use and awareness of the Bank's resources and programs.

The Bank will continue to build strategic partnerships with nonprofit organizations that align with its mission and provide financial education through mentoring programs.

As a complement to creating its own resources to fill financial education gaps, the Bank will consider ways to strengthen partnerships with other organizations by contributing subject matter expertise to enhance their existing resources and programs. The Bank will also continue to support the Fifth District's public schools through the mentoring program with a focus on soft skills development and financial education.

Appendices



APPENDIX 1. INTERNAL LABOR MARKET MAPS

ILMs use the following groupings of EEO-5 categories.

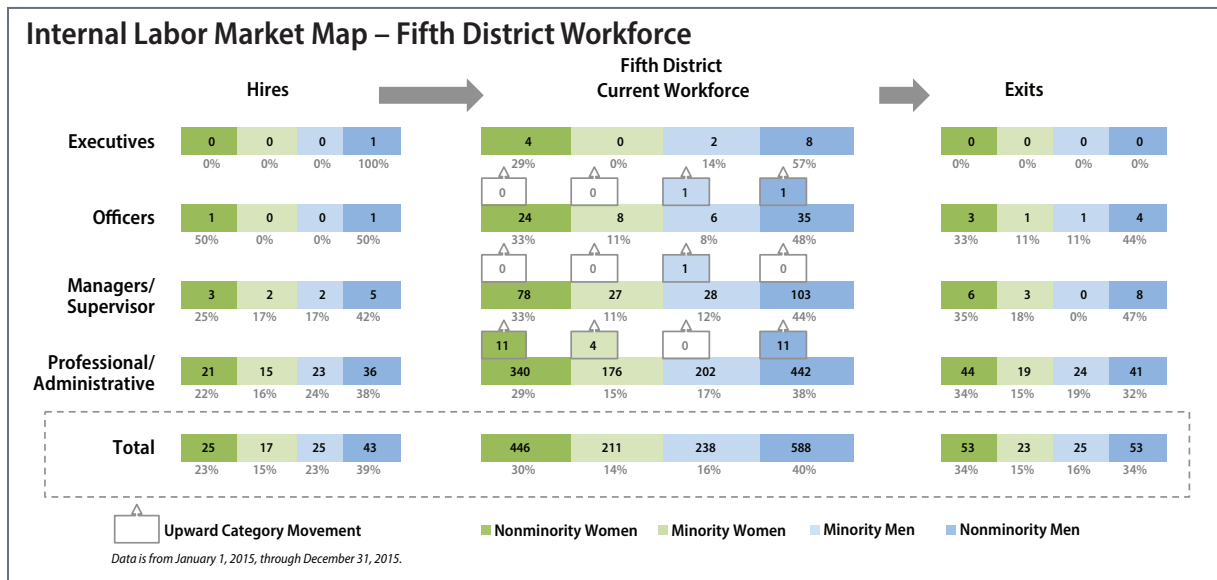
ILM Job Groupings	EEO-5 Categories Included
Officers	Officers
Managers/Supervisors	Managers, Supervisors
Professional/Administrative	All Other EEO-5 Categories

EEO-5 JOB CATEGORIES:

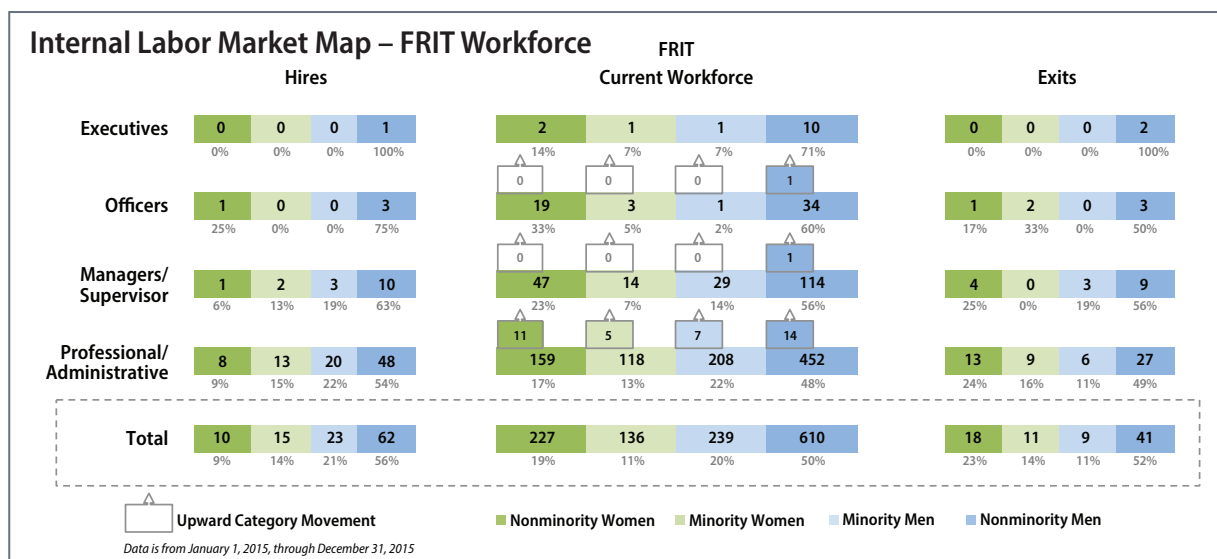
Managers — Jobs that require individuals to lead a business function or unit, who have direct reports and who write performance evaluations.

Officers — Jobs that require individuals to have been appointed officers by the Fifth District Board of Directors.

Supervisors — Jobs that require individuals to report to managers and have direct reports; they do not, however, complete performance evaluations.



The ILM map above is a graphic representation of the Fifth District's workforce and movement of gender and racial groups through various job levels, but does not reflect promotions within levels.



The ILM map above is a graphic representation of FRIT's workforce and movement of gender and racial groups through various job levels, but does not reflect promotions within levels.

APPENDIX 2. STANDARD CORE METRICS

Bank	Topics	Measures	Metrics
1	Management Representation	Top 2 EEO-1 Categories – Sr. Execs and Mid-Lvl Mgrs	598
		% Women	38%
		% Minorities (includes Minority Women)	20%
2	Hiring Statistics	Total External Hires	220
		% Women	30%
		% Minorities (includes Minority Women)	36%
3	Interns	Total Interns	71
		% Women	38%
		% Minorities (includes Minority Women)	42%
4	M/WBE Expenditures	Total Spend (in millions)	\$58.35
		% WBE	5%
		% MBE	95%
5	Financial Education	# of Events	10
		# of Students attended	1,810
		# of Educators attended	13
		# of Student reached	975

APPENDIX 3. 2015 DIVERSE SUPPLIER SPENDING

It is important to note that the Bank is a corporation, the capital stock of which is owned by its member banks. It is governed by a board of directors and is not a federal government agency. Consequently, General Services Administration (GSA) contracts, pricing schedules and

federal government contracting rules, including the Federal Acquisition Regulation, do not apply to the Bank. The Bank continues to communicate this critical distinction to the supplier community with the goal of enabling diverse suppliers to engage more effectively with the Bank.

Procurement Spend, Four-Year Trend

	Fiscal Year/Calendar Year							
	2015		2014		2013		2012	
	\$	%	\$	%	\$	%	\$	%
Total reportable spend ¹	\$350.61		\$357.63		\$363.39		\$317.76	
Minority-owned ²	\$55.50	15.8%	\$52.54	14.7%	\$6.83	1.9%	\$5.15	1.6%
Women-owned ³	\$2.84	0.8%	\$4.88	1.4%	\$8.26	2.3%	\$5.79	1.8%
Total minority-owned and women-owned ⁴	\$58.35	16.6%	\$57.42	16.1%	\$15.09	4.2%	\$10.94	3.4%

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

2015 Diverse Supplier Expenditures

Spend detail for 2015 by procurement function and major vendor classification.

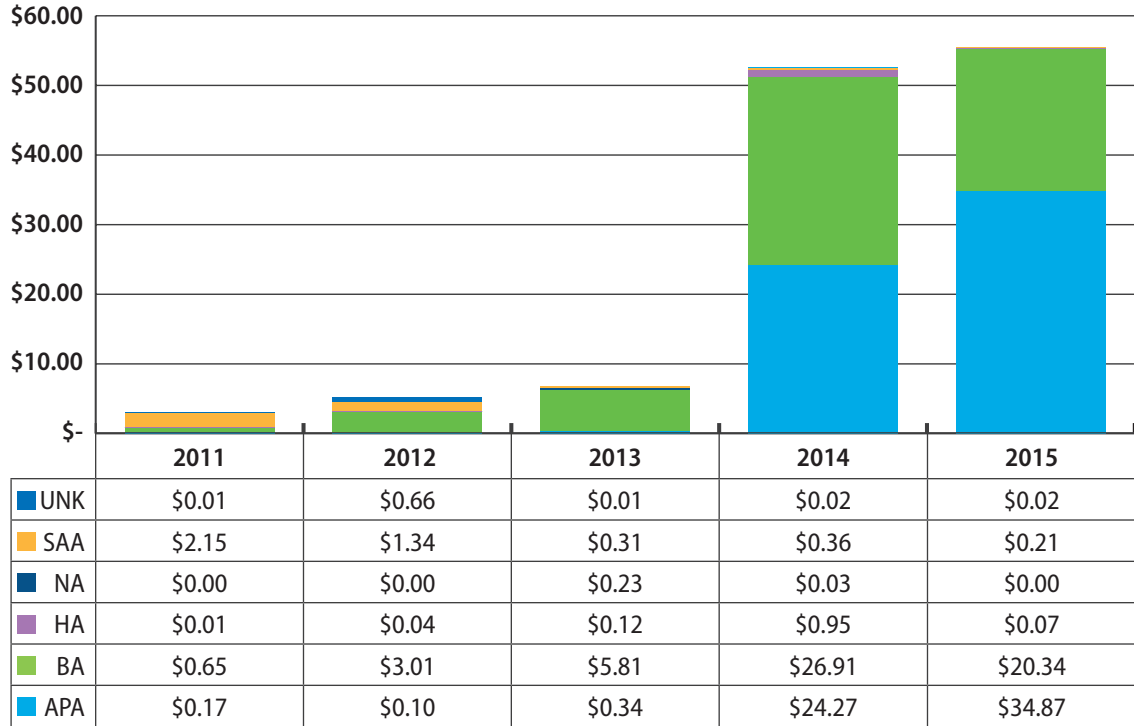
2015 Diverse Supplier Expenditures (in millions)						
	Fifth District		FRIT		Bank	
	\$	%	\$	%	\$	%
MBE	\$9.35	9.02%	\$46.16	18.69%	\$55.50	15.83%
WBE	\$1.17	1.13%	\$1.67	0.68%	\$2.84	0.81%
MWBE Total	\$10.52	10.15%	\$47.83	19.37%	\$58.35	16.64%
SBE	\$11.01	10.63%	\$9.02	3.65%	\$20.04	5.72%
OTH	\$82.10	79.22%	\$190.13	76.98%	\$272.23	77.64%
Total	\$103.63	100.00%	\$246.98	100.00%	\$350.61	100.00%

MBE: Minority-owned business enterprise
WBE: Women-owned business enterprise
MWBE: Minority- or women-owned business enterprise
SBE: Small Business Enterprise
OTH: All suppliers not represented in previous three categories

The chart above shows the diverse supplier spend by each of the Bank's three procurement functions.

MBE Spend by Ethnicity 2011–2015

(in millions)



APA: Asian-Pacific American
 BA: Black American
 HA: Hispanic American
 NA: Native American
 SAA: Subcontinent Asian American
 UNK: Ethnicity unknown

APPENDIX 4: BANK PERSONNEL PARTICIPATION IN SUPPLIER DIVERSITY OUTREACH EVENTS

WBENC Summit & Salute, March 17–19, Baltimore, Maryland

One of two signature events presented by WBENC, the Summit & Salute features workshops for women entrepreneurs, discussions of best practices with recognized corporate leaders in supplier diversity, matchmaking sessions and other networking opportunities. The Bank's supplier diversity manager attended the event to meet and network with women-owned business representatives from across the country.

The Bank continues to collaborate with System peers to deploy a strategic and cohesive presence at national conferences hosted by NMSDC and WBENC. Richmond representatives and other Federal Reserve staff met with more than 40 suppliers during pre-arranged one-on-one meetings.

Government Procurement Conference, April 15, Washington, D.C.

This conference fosters business partnerships between the federal government, its prime contractors, and small, minority, service-disabled veteran-owned, veteran-owned, HUBZone and women-owned businesses. The Bank participated with the Board of Governors as an exhibitor.

Virginia Asian Chamber of Commerce, ProcureCon Asia 2015, May 6–7, Richmond, Virginia

The Bank, represented by the supplier diversity manager and a sourcing specialist, participated as an exhibitor in this annual conference hosted by the Virginia Asian Chamber of Commerce. The conference is designed to introduce Asian-owned suppliers to corporate supplier diversity and procurement representatives. The supplier diversity manager met with multiple suppliers in one-on-one networking meetings.

Maryland-Washington Minority Companies Association, May 8, Baltimore, Maryland

This association fosters business partnerships between the federal government, its prime contractors, other

corporations, and minority-owned businesses. The Bank participated as an exhibitor with representatives from supplier diversity and Fifth District Procurement.

Capital Region Minority Supplier Development Council Annual Procurement Conference, June 10, Leesburg, Virginia

This NMSDC affiliate serves Maryland, the District of Columbia and Northern Virginia. The Bank participated as an exhibitor, with the supplier diversity manager staffing a booth to meet suppliers and discuss Bank procurement processes.

Federal Reserve Board of Governors Vendor Fair, June 17, Washington, D.C.

For the fourth year in a row, the Bank participated in the BOG's annual networking event to meet potential minority- and women-owned suppliers. The NPO vice president and the assistant vice president in FRIT procurement participated as panelists in a workshop session on doing business with the Federal Reserve. The supplier diversity manager and FRIT procurement staff also participated in roundtable matchmaking sessions throughout the day. A general contractor that attended one of the match-making sessions was later included in one of the Bank's construction RFPs.

WBENC Annual Conference and Trade Fair, June 23–25, Austin, Texas

The Bank joined forces with several other Reserve Banks in the System to deploy a coordinated and robust presence at this premier educational and networking event, including participating as an exhibitor at the trade fair. A multimedia presentation and other collateral materials provided an overview of the System, its procurement processes and a list of potential upcoming supplier opportunities by region. The Bank's supplier diversity manager, NPO vice president, FRIT Contracts and Procurement manager and new chief diversity officer attended the 2015 WBENC conference. The supplier diversity manager facilitated participation of System procurement and supplier diversity professionals in more than 35 one-on-one supplier meetings during conference matchmaker sessions. Bank staff participated in nine supplier meetings. One supplier was included in a subsequent procurement opportunity.

NMSDC National Program Managers Seminar, July 7–9, Chicago, Illinois

While not technically an outreach event, the NMSDC program manager's seminar provides procurement and supplier diversity professionals with information on the latest and most effective strategies in supplier diversity process management. The Bank's supplier diversity program manager attended this interactive session to benchmark with peers in the industry and learn innovative approaches to advancing minority supplier inclusion in procurement processes.

Carolinas-Virginia Minority Supplier Development Council (CVMSDC) Annual Business Opportunity Conference, August 4–5, Charlotte, North Carolina

The Bank's supplier diversity manager worked closely with the Carolinas-Virginia Minority Supplier Development Council (CVMSDC) to include an economic update/outlook from the Bank's Regional Economics group on the agenda for CVMSDC's annual conference in August 2015. Bank staff exhibited during the trade fair and participated in 13 one-on-one networking meetings with minority suppliers, identifying at least two with potential candidates to compete in a future pipeline opportunity.

NMSDC Annual Conference, October 18–21, San Diego, California

The supplier diversity manager and procurement managers from NPO and FRIT Procurement attended the 2014 NMSDC conference and met with multiple minority suppliers during the day-long trade fair, the event's flagship networking and supplier introduction venue.

Financial Services Roundtable for Supplier Diversity MBE Symposium & Reception, October 20, San Diego, California

The Bank's supplier diversity manager continues to serve as director for the FSRSD's signature education and networking event for minority suppliers. Titled "Best Practices for Managing Supplier Cybersecurity Risks," this year's event discussed best practices and strategies to effectively manage and minimize risks associated with cyberattacks and data breaches that impact a supplier's organization and clients. At the reception that followed, diverse suppliers were able to network with supplier diversity and procurement professionals from the financial services industry. A robust contingent of Federal Reserve staff

attended the symposium and participated in the networking reception. The event drew more than 100 minority business representatives, who were able to network afterward with supplier diversity and procurement professionals from the financial services industry. The supplier diversity program manager and the FRIT Procurement manager met and networked with diverse suppliers at the reception.

Women Presidents Education Organization-DC (WPEO-DC) Breakthrough Breakfast & Procurement Fair, November 5, Washington, D.C.

WPEO-DC is the WBENC affiliate serving Maryland, the District of Columbia and Virginia. The Bank joined the organization as a member this year in an effort to connect more closely with women entrepreneurs in our District. The Breakthrough Breakfast is one of WPEO-DC's signature events and recognizes successful relationships between WPEO-DC corporate members and certified WBEs. The Bank's supplier diversity manager attended the event and participated in the procurement fair that followed the breakfast. Shortly after the event, the supplier diversity manager referred a WBE she met at the event for a Bank procurement opportunity.



FIFTH FEDERAL RESERVE BANK DISTRICT OFFICES

Richmond
701 East Byrd Street
Richmond, VA 23219
(804) 697-8000

Baltimore
502 South Sharp Street
Baltimore, MD 21201
(410) 576-3300

Charlotte
530 East Trade Street
Charlotte, NC 28202
(704) 358-2100

