2015 Report to Congress

Office of Minority and Women Inclusion

Federal Deposit Insurance Corporation

FDIC

Federal Deposit Insurance Corporation

2015 Report to Congress
Office of Minority and Women Inclusion

Table of Contents

Introduction

Under provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) section 342, the Federal Deposit Insurance Corporation (FDIC) established its Office of Minority and Women Inclusion (OMWI) on January 21, 2011. Section 342 of the DFA requires each agency's OMWI to submit to Congress an annual report regarding the actions taken by the agency toward hiring qualified minority and women employees and contracting with qualified minority- and women-owned businesses.

The FDIC is pleased to submit this 2015 Report to Congress. As required by DFA section 342(e) (1–5), the report describes the FDIC's activities relating to the inclusion of minorities and women in contracting and hiring for the year, as well as other relevant information, including the agency's activities supporting financial access, economic inclusion, and financial literacy. Consistent with the provisions of section 342 of the DFA, the FDIC continues to enhance its long-standing commitment to promote diversity and inclusion in employment opportunities and all business areas of the FDIC. This report outlines both successes and challenges in contracting and hiring as the agency works to ensure these values are reflected in its operations.

Commitment to Diversity and Inclusion

The mission of the FDIC is to preserve and promote public confidence in the U.S. financial system by insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, and managing receiverships. In 1999, the FDIC published its first Diversity Strategic Plan, which outlined its commitment to recruiting and retaining the most qualified, talented, and motivated employees in the labor market. OMWI is an important component in these efforts and supports the FDIC's mission through the pursuit of equal employment opportunity, affirmative employment initiatives, diversity and inclusion, and outreach efforts to ensure the fair inclusion and utilization of minority- and women-owned businesses, law firms, and investors in contracting and investment opportunities.

In 2012, the FDIC Chairman established performance goals to update the Diversity Strategic Plan and asked each division and office to develop strategic plans that identify steps to promote increased diversity through the FDIC's recruiting and hiring processes. In 2013, the FDIC updated the Diversity and Inclusion Strategic Plan and committed to reviewing and updating it annually to ensure the plan remains current and relevant. The Diversity and Inclusion Strategic Plan was updated in both 2014 and 2015 to continue the FDIC's efforts in this important area and to address the FDIC's goals to develop and implement a more comprehensive, integrated, and strategic focus on diversity and inclusion. The 2015 Diversity and Inclusion Strategic Plan was disseminated to the FDIC workforce and posted externally for the public on www.fdic.gov in early 2016.

The Diversity and Inclusion Strategic Plan lays out a course for promoting workforce diversity by recruiting from a diverse, qualified group of potential applicants, and cultivating workplace inclusion through collaboration, flexibility, and fairness. The plan also ensures the sustainability of the FDIC's diversity and inclusion efforts by equipping leaders with the ability to manage diversity, monitor results, and refine approaches on the basis of actionable data. There are specific steps outlined in the plan that continue to enhance diversity and inclusion at the FDIC in the areas of leadership engagement, analytics and reporting, training, communications, strategic planning, and program enhancement.

When the FDIC Board of Directors created OMWI in 2011, the Board also established an OMWI Steering Committee to ensure and promote coordination of OMWI programs. In 2013, the OMWI Steering Committee was renamed the FDIC Diversity and Inclusion Executive Advisory Council (EAC). The EAC is chaired by the FDIC Chief of Staff/Chief Operating Officer and includes the OMWI Director, the OMWI Senior Deputy Director, FDIC division and office directors, and other key FDIC senior staff. The EAC provides leadership on diversity and inclusion initiatives throughout the FDIC. The EAC also reviews the Diversity and Inclusion Strategic Plan annually, and updates it as needed to refine the agency's efforts in promoting diversity and inclusion on an ongoing basis.

2015 Diversity and Inclusion Initiatives

In 2015, the FDIC Chairman updated a number of performance goals designed to further promote diversity, inclusion, and equal employment opportunity at the agency. One of these goals required the agency's divisions and major offices to develop customized strategic plans at their level to identify steps to promote increased diversity throughout the FDIC. Again in 2015, each division and major office assessed available workforce data and produced plans with strategies to further their diversity progress and address noted issues. The division and office level plans were consolidated into an FDIC Plan to Promote Increased Diversity through Division/Office Engagement and have been integrated into the agency's annual strategic planning efforts. In December 2015, the divisions met with OMWI to discuss their respective plans, determine which strategies and action items were working well, and identify possible revisions where warranted. This process will continue in 2016.

The FDIC is committed to providing all employees with a work environment that embodies excellence and that acknowledges and honors the diversity of its employees. In furthering the FDIC's diversity and inclusion programs, the following initiatives were implemented in 2015:

- The FDIC implemented its policy on, and supported the establishment of, four Employee Resource Groups: Emerging Leaders; Hispanic Organization for Leadership and Advancement; PRIDE; and Partnership of Women in the Workplace.
- OMWI and the FDIC's Corporate University administered new manager and supervisor training on equal employment opportunity and diversity and inclusion.
- The FDIC continued to develop and implement the Workforce Development Initiative designed to address comprehensive succession planning needs and workforce development challenges and opportunities.
- OMWI extended providing "unconscious bias" training beyond executives and managers to non-supervisory employees in several major divisions and offices. OMWI plans to continue extending this training opportunity to additional FDIC employees in 2016.
- Through focused outreach, internal and external training, and related initiatives, the FDIC Legal Division increased the number of minority- and women-owned law firm referrals for agency legal matters, and was recognized by the National Association of Minority and Women Owned Law Firms in 2015.
- Because of declining contract opportunities related to failed financial institutions, the FDIC continued to develop innovative procurement strategies on several of its larger contracts to foster increased minority- and women-owned business participation. ❖

FDIC Contracting: Inclusion of Minority- and Women-Owned Businesses (MWOBs)

The FDIC places a high priority on achieving diversity in asset sales and contracting and OMWI is an integral part of the contractor solicitation, education, and evaluation process. During 2014, the FDIC implemented new contracting initiatives and conducted focused outreach which improved MWOB participation in its contracting activities. However, the FDIC faced challenges in continuing the utilization and growth rates for contractors; and, new contract awards by the FDIC have been declining. The following sections provide detailed information on the agency's 2014 contracting activities and successes; contracting initiatives, programs, and outreach; and challenges the FDIC faces in increasing MWOB participation in its contracting activities.

Contracting Activities and Successes

FDIC Procurement Policies

The FDIC's contracts are typically awarded through a competitive best value solicitation process that involves consideration of both the offeror's technical and price proposals. The solicitations describe what offerors must include in their proposals and the proposal evaluation criteria specific to the good or service being procured. Proposals are evaluated and rated by a panel of FDIC subject matter experts and include an OMWI representative. Awards are made to the offeror that provides the best value to the FDIC.

For any contract over $100,000, OMWI review is required to identify competitive minority- and women-owned businesses to include in contract solicitations. As part of this process, OMWI uses the FDIC's Contractor Resource List which includes registered MWOBs. OMWI also identifies qualified MWOBs through the System for Award Management (SAM) and the Minority Business Development Agency. This process helps ensure a diverse pool of contractors is solicited and considered for each major contract.

The FDIC's website[1] provides information, announcements, and technical assistance for minority- and women-owned businesses, law firms, and investors seeking to do business with the FDIC. The FDIC also has a small business resource page that contains more than 40 learning modules[2] and is a technical assistance aid and self-assessment for businesses interested in competing for contract opportunities.

Contract Payments to MWOBs

The FDIC paid $507.2 million to contractors in 2015 under 2,029 contracts, of which $142.5 million (28.1 percent) was paid to MWOBs under 591 contracts. [See Figure 1.] By comparison, the FDIC paid $491.6 million to contractors under 1,962 contracts in 2014; $553.7 million to contractors under 1,982 contracts in 2013; and $660.0 million to contractors under 577 contracts in 2012. The 2015 total payments for contracts awarded included payments for contracts awarded in 2015 and payments for active contracts awarded prior to 2015. For purposes of contract payment information, the FDIC considers an active contract one in which payments were made or credits applied in 2015. In 2015, minority-owned firms were paid $89.3 million of the total dollars paid to contractors (17.6 percent). Women-owned firms were paid $83.2 million of the total dollars paid to contractors (16.4 percent). These two categories – minorities and women – are not mutually exclusive since $30.0 million (5.9 percent) was paid in 2015 to businesses classified as both minority-owned and women-owned. By contrast, the FDIC paid MWOBs $128.2 million (26.1 percent) of the total paid to all contractors in 2014 under 533 contracts; $140.6 million (25.4 percent) to MWOBs in 2013 under 608 contracts; and $161.4 million (24.5 percent) to MWOBs in 2012 under 754 contracts.

[1]See www.fdic.gov/mwop.

[2]See www.fdic.gov/about/diversity/sbrp/index.html.

FDIC

Figure 1 **Contracting Payments** (in millions)

	2012	2013	2014	2015
Total	$ 660.0 100.0%	$ 553.7 100.0%	$ 491.6 100.0%	$507.2 100.0%
MWOB	**$ 161.4 24.5%**	**$ 140.6 25.4%**	**$ 128.2 26.1%**	**$142.5 28.1%**
Minority Owned (MO)	$ 117.7 17.8%	$ 102.9 18.6%	$ 89.3 18.2%	$89.3 17.6%
Women Owned (WO)	$ 70.1 10.6%	$ 63.7 11.5%	$ 63.6 12.9%	$83.2 16.4%
Overlap (Both MO & WO)	$ 26.4 4.0%	$ 26.0 4.7%	$ 24.7 5.0%	$30.0 5.9%
Asian American	$ 51.3 7.8%	$ 50.3 9.1%	$ 38.5 7.9%	$39.9 7.9%
Black American	$ 35.7 5.4%	$ 19.8 3.6%	$ 15.9 3.2%	$13.3 2.6%
Hispanic American	$ 28.7 4.3%	$ 26.0 4.7%	$ 26.7 5.4%	$25.1 5.0%
Native American	$ 2.0 0.3%	$ 1.2 0.2%	$ 0.3 0.1%	$0.1 0.0%
Other	$ - 0.0%	$ 5.7 1.0%	$ 7.9 1.6%	$10.9 2.1%

In 2015, the FDIC awarded 346 contracts to MWOBs out of a total of 1,159 issued (29.9 percent). [See Figure 2.] By comparison, the FDIC awarded 288 contracts (26.9 percent) to MWOBs out of a total of 1,072 issued in 2014; 282 contracts (28.3 percent) to MWOBs out of a total of 995 issued in 2013; and 388 contracts (29.3 percent) out of a total of 1,326 issued in 2012.

Figure 2 **Contracting Actions**

	2012	2013	2014	2015
Total	1326 100.0%	995 100.0%	1072 100.0%	1159 100.0%
MWOB	**388 29.3%**	**282 28.3%**	**288 26.9%**	**346 29.9%**
Minority Owned (MO)	262 19.8%	161 16.2%	170 15.9%	148 12.8%
Women Owned (WO)	192 14.5%	162 16.3%	167 15.6%	243 21.0%
Overlap (Both MO & WO)	66 5.0%	41 4.1%	49 4.6%	45 3.9%
Asian American	50 3.8%	39 3.9%	54 5.1%	56 4.8%
Black American	104 7.8%	50 5.0%	45 4.2%	35 3.0%
Hispanic American	87 6.6%	61 6.2%	59 5.5%	39 3.4%
Native American	18 1.4%	0 0.0%	2 0.2%	1 0.1%
Other	3 0.2%	11 1.1%	10 0.9%	17 1.5%

As of December 31, 2015, the FDIC had 470 (28.2 percent) active contracts with MWOBs out of a total of 1,665 active contracts. The active contracts to MWOB firms by category were as follows: Asian Americans (81), Black Americans (68), Hispanic Americans (182), Native Americans (1), and Women (172). These include contracts awarded to firms that were both minority-owned and women-owned.

Contract Awards to MWOBs

The FDIC awarded contracts with a combined value of $858.4 million in 2015, of which $211.6 million (24.7 percent) were awarded to MWOBs. By comparison, the FDIC awarded contracts with a combined value of $686.8 million in 2014, with $239.9 million (34.9 percent) awarded to MWOBs; awarded contracts with a combined value of $572.8 million in 2013, with $198.7 million (34.7 percent) awarded to MWOBs; and awarded contracts with a combined value of $1,041.7 billion in 2012, with $308.0 million (29.6 percent) awarded to MWOBs. [See Figure 3.]

Figure 3 **Total Contract Dollar Awards**

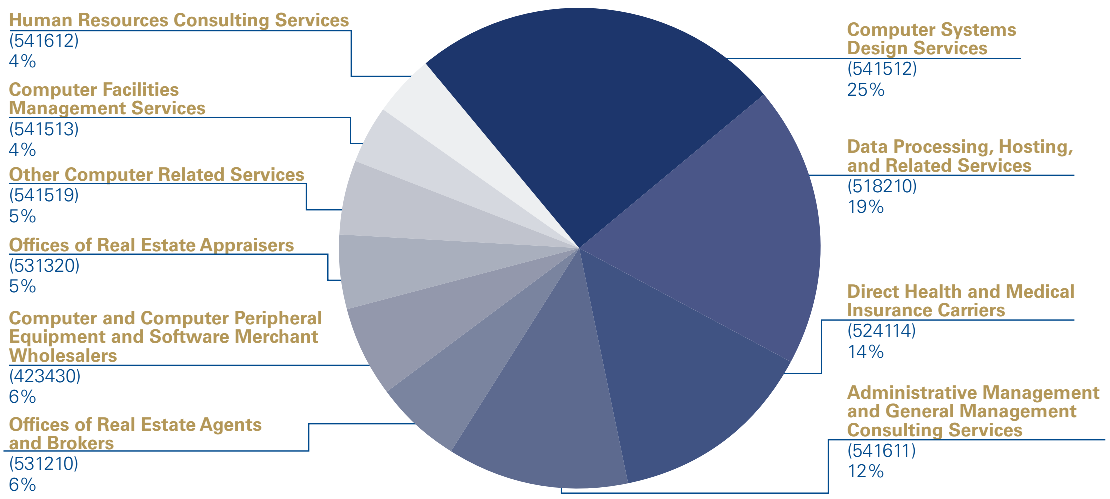
	2012	2013	2014	2015
Total	$ 1,041.7 100.0%	$ 572.8 100.0%	$ 686.8 100.0%	$858.4 100.0%
MWOB	**$ 308.0** **29.6%**	**$ 198.7** **34.7%**	**$ 239.9** **34.9%**	**$211.6** **24.7%**
Minority Owned (MO)	$ 261.1 25.1%	$ 158.5 27.7%	$ 143.7 20.9%	$145.2 16.9%
Women Owned (WO)	$ 90.7 8.7%	$ 66.1 11.5%	$ 132.6 19.3%	$104.2 12.1%
Overlap (Both MO & WO)	$ 43.8 4.2%	$ 25.9 4.5%	$ 36.4 5.3%	$37.8 4.3%
Asian American	$ 92.6 8.9%	$ 38.0 6.7%	$ 27.1 4.0%	$51.8 6.0%
Black American	$ 105.6 10.1%	$ 32.2 5.6%	$ 21.3 3.1%	$30.7 3.6%
Hispanic American	$ 50.0 4.8%	$ 85.3 14.9%	$ 66.1 9.6%	$43.2 5.0%
Native American	$ 9.3 0.9%	$ - 0.0%	$ 0.8 0.1%	$ - 0.0%
Other	$ 3.6 0.4%	$ 3.0 0.5%	$ 28.4 4.1%	$19.5 2.3%

The FDIC's four-year trend from 2012-2015 of contract awards and payments can be found at Appendix A.

Contract Awards by North American Industry Classification System

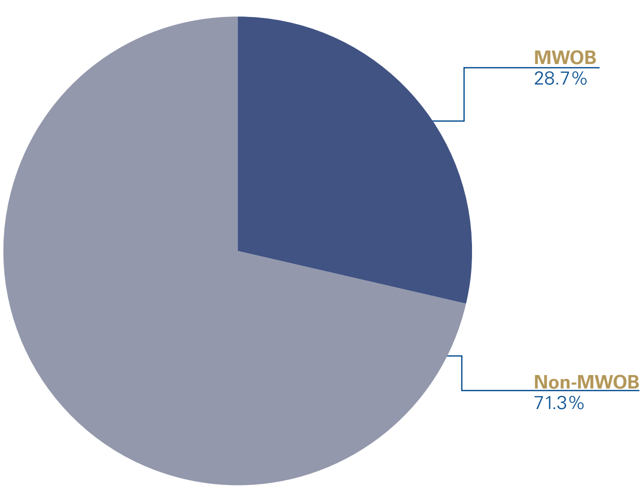
The North American Industry Classification System (NAICS) was developed by the Office of Management and Budget and is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Figure 4 depicts the distribution of the FDIC's 2015 contracts categorized within the top ten NAICS codes.

Figure 4 **FDIC 2015 Contracts by Top Ten NAICS Codes**



In 2015, these awards consisted of the following: 25 percent for computer systems design services; 19 percent for data processing, hosting and related services; 14 percent for direct health and medical insurance carriers; and 12 percent for administrative management and general management consulting services. The remaining 30 percent – each six percent or under – were awarded in the areas of offices of real estate agents and brokers (six percent); computer and computer peripheral equipment and software merchant wholesalers (six percent); offices of real estate appraisers (five percent); other computer related services (five percent); computer facilities management services (four percent); and human resources consulting services (four percent). Collectively, 28.7 percent of the top ten NAICS code contracts were awarded to MWOBs. [See Figure 5.]

Figure 5 **2015 Contract Awards by Top 10 NAICS**

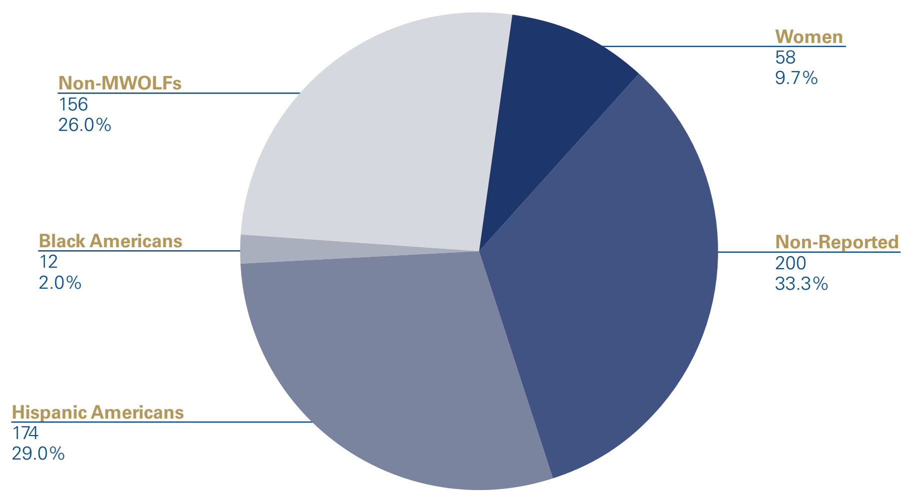


The 2015 contract awards by top ten NAICS codes can be found in Appendix B.

Referrals to Law Firms

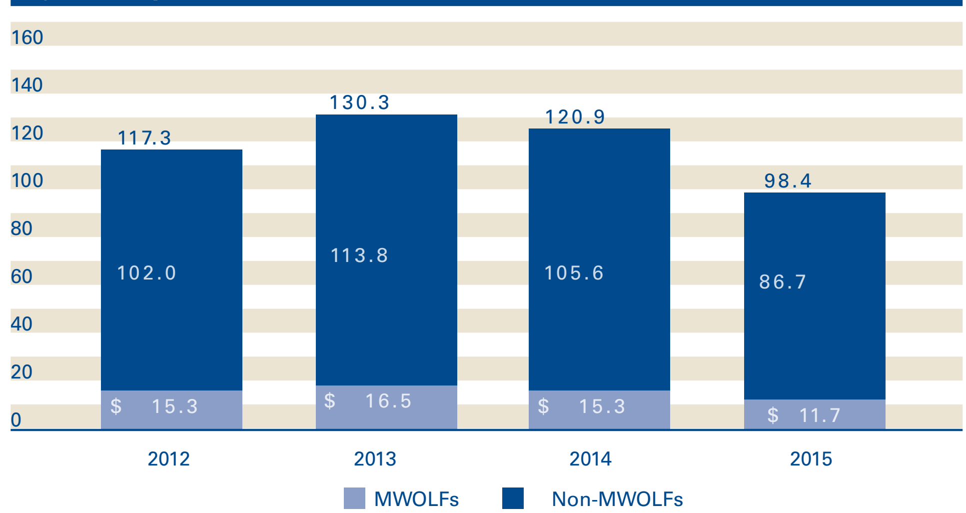
Referrals to law firms are typically made on a competitive basis. Price, expertise, capacity, and status are among the criteria considered in making the selections. The FDIC made 600 referrals to outside counsel in 2015, of which 244 (40.7 percent) were minority- and women-owned law firms (MWOLFs), compared to a total of 635 referrals, 102 of which (16.1 percent) were to MWOLFs in 2014. Referrals to MWOLFs in 2015, by category, were as follows: Black Americans - 12 (2.0 percent), Hispanic Americans - 174 (29.0 percent), and Women - 58 (9.7 percent). [See Figure 6.]

Figure 6 **2015 Referrals**



The FDIC paid $98.4 million to outside counsel in 2015, as compared to $120.9 million in 2014. [See Figure 7.] The FDIC paid $11.7 million to MWOLFs in 2015, which represents 11.9 percent of the total paid to all law firms. This percentage is similar to 2014, during which the FDIC paid a total of $15.3 million to MWOLFs, which was 12.7 percent of the total paid to all law firms that year.

Figure 7 **Payments to Law Firms** (Dollars in Millions)



FDIC

As shown in Figure 7, there has been a decline in referrals to outside counsel. This decrease is consistent with the overall decline in bank resolution activities which is a major source of outside counsel work. The level of MWOB participation in legal payments has seen a similar decrease during this time period.

The FDIC remains committed to seeking ways to increase the level of referrals to MWOLFs in 2016.

Outreach to MWOLFs

In 2015, the FDIC was again nominated for an award from the National Association of Minority and Women Owned Law Firms (NAMWOLF) in recognition of its support of the organization's diversity and inclusion goals. The Legal Division evaluated and approved 14 new MWOLF applications in 2015. Firms from various geographic areas were added to the FDIC List of Counsel Available in order to be eligible to receive legal contracting work. In addition, the Legal Division continued a compliance review program developed in 2012 to assess internal diversity of majority law firms and MWOLFs comprising the FDIC's top ten annual spending firms. This program provides the Legal Division another means to address diversity and inclusion and provides opportunities for women and minority attorneys seeking to provide services. On-site visits help to engage firms in discussions about best practices, diversity staffing concepts, metrics, and the FDIC's MWOLF program. The results continue to be positive. The FDIC collected baseline diversity metrics, reviewed best practices on staffing of client matters, and reached a commitment with various firms to work to increase diversity concerning FDIC activities.

In addition, the Legal Division tailored its outreach strategy to focus on the substantive areas of the FDIC's legal work that posed the greatest opportunities for MWOLF participation. The Legal Division continued to emphasize the importance of diverse staffing and outreach. For example, in response to the needs of the Legal Division's Professional Liability and Financial Crimes Section, the Legal Division is developing a user-friendly searchable database highlighting available minority- and women-owned legal support firms such as expert witnesses and court reporters. The Legal Division anticipates in-house oversight attorneys could award contracts to these minority- and women-owned firms as FDIC attorneys begin to perform more litigation work in-house.

In addition to attending five bar association conferences during 2015, Legal Division staff attended two stakeholder events sponsored by NAMWOLF. During those networking events, the Legal Division counseled MWOLFs on how those firms can make strategic decisions in their pursuit of FDIC legal work, as well as work with other large corporate clients.

Contracting Initiatives, Programs and Outreach

During the financial crisis, contracts related to services required to resolve failed financial institutions represented up to 85 percent of all FDIC contract dollars awarded in a given year. Due to the continued decline in the number of failed financial institutions, only 46 percent of FDIC total contract dollars awarded in 2015 supported the FDIC's Division of Resolutions and Receiverships (DRR) whose primary mission is to resolve failed financial institutions. As a result, the FDIC continued to focus efforts in 2015 on identifying opportunities for MWOBs in non-financial recurring services. For example, contracts were awarded to MWOBs in the following areas: IT software development, maintenance and shared services; IT hardware and software licenses; IT security; human resources support; career counseling services; moving and storage services; risk modeling services; and training.

Several of the contracts used to perform failed bank resolution services during the financial crisis expired in 2015. Although the number of bank failures has declined significantly, the FDIC re-bid these expiring contracts to ensure contractor resources are in place to provide assistance for future bank failures. MWOB contractors were instrumental to FDIC's success during the financial crisis. As a result, the FDIC focused on ensuring continued MWOB participation in these expiring contracts. MWOB firms were awarded new contracts in 2015 for future resolution assistance services, owned real estate (ORE) management and marketing services, asset valuation services, tax return services, loan sale advisory services, property tax services, and imaging and indexing services. Additional existing failed bank resolution contracts will expire in 2016 and beyond. The FDIC will continue to look for opportunities to include MWOBs in the re-competition of these mission critical services.

In addition, the FDIC completed and implemented recommendations from the MWOB contract study it initiated in 2013. Process and IT system improvements were made to ensure more accurate tracking of FDIC payments to MWOB subcontractors. The FDIC also continued to develop new procurement strategies for major solicitations which were discussed in detail at the monthly EAC meetings attended by senior managers from FDIC divisions and offices, and at the FDIC's Executive Management Committee meetings. Lastly, the FDIC continued to implement the recommendation to hold pre-proposal conferences to ensure businesses understand the FDIC's requirements before a solicitation is issued and to give smaller businesses opportunities to find partners and develop teams before submitting bids.

The FDIC continued its voluntary usage of the Small Business Administration's 8(a) program which is designed to help small and disadvantaged businesses compete in the marketplace and gain access to federal and private procurement markets. The FDIC awarded three contracts with a combined value of $122,359 under the 8(a) program during 2015.

Information Technology Contracting

As noted in the FDIC's 2014 Report to Congress, the FDIC recognized in 2012 that the declining number of bank failures would result in a significant shift in new contract award opportunities from bank resolution contracts to contracts for daily operations (e.g., IT software development and maintenance, facilities management, etc.). The FDIC conducted focused market research in 2012 to ensure significant MWOB participation in the then upcoming $546.8 million competitive Basic Ordering Agreement (BOA) for the second generation Information Technology Application Services (ITAS II) contract. This focused market research led to six MWOB firms being awarded an ITAS II BOA out of eleven total firms awarded the BOA (55 percent). The six BOA awards to MWOBs represented a significant increase in MWOB awards from the ITAS I BOA where only one MWOB firm was awarded the BOA out of four total firms (25 percent).

The assignment of work to contractors under the ITAS II BOA is accomplished through the award of Task Orders which are competed amongst the eleven contractors awarded the BOA. The FDIC continued to transition work under the expiring ITAS I BOA to the new ITAS II BOA during 2015 through competitive Task Orders. The increase in MWOB firms awarded contracts under the ITAS II BOA resulted in a significant number of MWOB firms being awarded ITAS II Task Orders. In fact, three of the five competitive Task Orders awarded in 2015 under ITAS II were awarded to MWOB firms with a combined ceiling of $68.3 million. This represented 60 percent of the total Task Orders awarded and 68.4 percent of the total ceiling awarded under ITAS II during 2015. The Task Orders awarded to MWOB firms are for the enhancement and maintenance of mission critical FDIC systems and ongoing IT operations.

Furthermore, during 2015, the FDIC awarded a follow-on contract for IT security services as the existing contract was set to expire in early 2016. The expiring contract had been competitively awarded to one firm with a contract ceiling of $56 million. Due to increased cyber security threats to the FDIC IT systems and the need to ensure protection of Personally Identifiable Information, the follow-on contract had a higher estimated ceiling than the prior contract. Recognizing that a contract of this size might be difficult for smaller companies to bid on, the FDIC separated the required services into two contracts which were individually issued for competitive bid. One of the two contracts was awarded in 2014 to an MWOB firm with a contract ceiling of $58 million. The second contract (for $18.6 million) was awarded in 2015 to an MWOB firm as well.

The FDIC also recognizes that IT hardware and software can often be provided by resellers certified by the manufacturer. As a result, the FDIC continued with the strategic decision to solicit resellers when possible, rather than purchase the hardware and software directly from the manufacturer. This strategy resulted in 82 contract awards to MWOB resellers with a combined value of over $26.4 million.

Another significant accomplishment was the competitive award of a Blanket Purchase Agreement (BPA) for the FDIC's requirement for Juniper IT networking equipment and accompanying maintenance to an MWOB firm. This BPA has a period of performance of five years and a compensation ceiling of $14 million.

Facilities Management

Significant awards to MWOBs in facilities management included a five-year, $11.3 million contract for FDIC Headquarters moving, storage, and installation services; a five-year, $500,000 contract for elevator maintenance services; and a five-year, $487,000 contract for Regional Office moving services.

In addition, the FDIC's BPAs to provide furniture for FDIC offices expired in 2014 and required new follow-on contract awards. Focused market research was conducted to identify MWOB resellers that could participate in the follow-on contracts. In 2015, eight contracts were awarded to MWOB firms with a combined value of $779,217 to provide furniture to FDIC offices nationwide.

Human Resources Management

In 2015, the FDIC was able to expand the use of MWOBs to the Human Resources Management area. Two major contracts were awarded to MWOBs in Human Resources Management. A five-year $15.4 million contract was awarded to provide payroll and staffing support, and a five-year, $7.9 million contract was awarded to provide career counseling services to FDIC employees.

Bank Resolution Contracts

There were only eight financial institution failures in 2015, representing a significant decline from the height of the financial crisis in 2010 when there were 157 financial institution failures. However, there are still hundreds of active failed bank receiverships from prior year failures. The FDIC continued to award contracts to MWOBs to provide the required services to resolve 2015 financial institution failures and prior year financial institution failures. In 2015, 202 contracts with a combined value of $68 million were awarded to MWOBs to provide the required financial services to assist the FDIC in resolving failed financial institutions. They included, but were not limited to, owned real estate management and disposition services, asset appraisal services, receivership accounting and assistance services, loss share agreement monitoring, temporary staffing, asset environmental assessments, loan sales advisory services, tax return services, and asset valuation. In addition, the FDIC awarded three contracts totaling $665,705 to an MWOB firm to conduct comprehensive learning and development support, design an FDIC writing curriculum, and conduct a DRR management study.

Other Significant MWOB Contract Awards

Recognizing the need to expand MWOB contract awards beyond services for bank resolutions, information technology, human resources and facilities management, the FDIC looked for MWOB opportunities in other program areas. The FDIC's Corporate University awarded six contracts with a combined value of over $1.6 million to MWOB firms to provide training to FDIC employees on a variety of subjects, including retirement planning and IT skills training. DRR awarded multiple contracts with a value of $721,827 to MWOBs to provide translation, transcription, and interpreter services. The FDIC's Division of Depositor and Consumer Protection (DCP) awarded a $368,528 contract to an MWOB to perform a qualitative analysis of underserved bank consumers and their use of mobile financial services. The Chief Risk Office awarded a contract with a value of $210,000 to an MWOB to analyze the FDIC's Statistical CAMELS Offsite Rating model, which is one of several tools used to analyze the health of the banking industry. Lastly, OMWI awarded three contracts to MWOBs with a combined value of $157,755 for FDIC branding and marketing tools for use in recruitment, financial literacy and business outreach activities.

Outreach to MWOBs

In 2015, the FDIC participated in a combined total of 34 business expos, one-on-one matchmaking sessions, and panel presentations. At these events, the FDIC staff provided information and responded to inquiries regarding the FDIC's business opportunities for minorities and women. In addition to targeting MWOBs and MWOLFs, these efforts also targeted veteran-owned and small disadvantaged businesses. Vendors were provided with the FDIC's general contracting procedures, prime contractors' contact information, and forecasts of possible upcoming solicitations. Also, vendors were encouraged to register through the FDIC's Contractor Resource List (a principal database for vendors interested in doing business with the FDIC). In 2015, 188 new MWOBs were registered in the Contractor Resource List.

In August 2015, the FDIC, along with seven other OMWI agencies, co-hosted "Collaborating for Success," a technical assistance event, in conjunction with the Northern Virginia Procurement Technical Assistance Program. The purpose of the event was to network with MWOBs that are interested in federal contracting activities and to provide meaningful information to assist them in building and growing their federal contracting opportunities. This event supported one of the key provisions of section 342 of DFA requiring the OMWI agencies to increase and ensure the participation of MWOBs, and ensure MWOBs receive technical assistance and guidance about the procurement process within the agencies. This was the first interagency procurement technical assistance event with joint participation by eight OMWI agencies. A total of 344 MWOB participants attended the event. The OMWI agencies intend to continue collaborating on joint outreach activities.

FDIC Asset Sales

During 2015, OMWI and DRR collaborated to present two FDIC-sponsored asset purchaser workshops which were marketed extensively to minority- and women-owned investors and companies interested in learning about DRR's sales processes. DRR speakers with strong backgrounds in their respective programs provided details on the various tools used by DRR to market assets and presented information to attendees on how to participate in the transactions and bid on assets offered for sale. Another asset purchaser workshop was held in Atlanta, Georgia, and was attended by 42 prospective investors. The workshop included a special focus on ORE investment opportunities to support a DRR auction of real estate properties scheduled two weeks after the outreach workshop. A segment regarding contracting services was also included in the Atlanta event.

Following a bank failure in Puerto Rico, DCP joined with DRR and OMWI to sponsor workshops for both investors and homeowners on the island. These events were attended by over 160 participants and included presentations by DRR, OMWI, and DCP staff, as well as Puerto Rico's Commissioner of Financial Institutions and representatives from both the U.S. Department of Housing and Urban Development and the Commonwealth of Puerto Rico Housing Finance Authority.

DRR and OMWI also participated in a Mortgage Housing Fair in Puerto Rico. The housing fair was organized by a small group of business professionals from the banking and insurance community on the island, and drew an audience of over 1,000 attendees. Representatives from DRR educated participants on the process of purchasing ORE properties from FDIC, provided a general overview on deposit insurance, and publicized the scheduled ORE auction in October. The FDIC team also included members from the Division of Risk Management Supervision, Puerto Rico Field Office. Over the course of the event, the FDIC directly engaged more than 500 attendees, and indirectly informed many more through 30-minute presentations on the main stage each day. Presentations focused on deposit insurance and buying ORE from FDIC.

Challenges

As noted, the FDIC's annual new contract awards have declined significantly since the height of the financial crisis due to the reduction in financial institution failures. Although 2015 contract awards ($858.4 million) increased from 2014 ($686.8 million), the FDIC annual contract award values are still significantly lower than the peak in 2009 and 2010 of $2.6 billion, and the $1.4 billion and $1 billion awarded in 2011 and 2012, respectively. Non-financial goods and services contracts for recurring needs to support daily operations are continuing to represent a larger percentage of FDIC annual contract awards. In years when there are few bank failures, these non-financial recurring goods and services will represent the majority of FDIC contract awards. Typical contract awards for non-financial goods and services (for example, dental, life, and vision insurance for employees; subscription services; office supplies; security guard services; facilities management services; and IT services) may range from $300 million to $500 million annually.

While smaller firms that are not national in scope are capable of providing some of these services, there are significant administrative advantages to having fewer contractors provide these services to ensure consistent implementation of FDIC programs nationwide. The FDIC will continue to assess and analyze future contracting needs to determine where MWOB opportunities may exist or if new methods of service delivery are feasible. As described previously, new procurement strategies were developed for major contracts for IT software development/maintenance services and IT security services which led to the award of prime contracts to MWOBs. These are examples of the types of procurement strategies the FDIC will continue to consider for future new contracts, when feasible. Despite the decline in the overall contract dollars, the FDIC's outreach program continues unabated in an effort to educate and equip MWOBs with the tools they need to compete for contracting opportunities.

The FDIC faced challenges in continuing the utilization growth rates for MWOLFs in 2015, primarily due to the overall decrease in the need for outside counsel. Utilization rates for all law firms have declined as a result of fewer bank closings and attendant legal work. In response to this challenge, the Legal Division increased internal training for its in-house counsel on the importance of diverse legal matter staffing, encouraged partnering arrangements between majority law firms and MWOLFs, and made presentations at minority bar association meetings on how their members can best prepare their firms for opportunities to work with the FDIC. As a result of the decreasing utilization of outside counsel in 2015, the FDIC will place even greater emphasis on developing and encouraging quality networking and relationship building opportunities with MWOLFs currently approved to participate in FDIC legal work.

Another challenge to MWOLF utilization is the disparity between the size and scope of some legal matters and the relative size of MWOLFs. The Legal Division continues to encourage co-counsel arrangements between large firms and smaller MWOLFs, as well as between MWOLFs to ensure that resources and expertise are adequate to handle larger and complex matters. The Legal Division has also begun exploring opportunities to divide larger more complex legal matters into smaller discrete legal assignments that may be more easily handled by smaller MWOLFs. ❖

FDIC

Employment at the FDIC: Increasing Representation of Minorities and Women

The FDIC is strongly committed to diversity and inclusion at all levels of the agency's workforce. The following sections provide information on the agency's diversity in employment and hiring, initiatives to promote diversity in employment, and challenges the agency faces in promoting diversity in employment and hiring.

Diversity in Employment and Hiring

As of December 31, 2015, minorities accounted for 28.2 percent (1,861) of the FDIC's total workforce (permanent and non-permanent) of 6,597 employees, and women accounted for 44.7 percent (2,946). [See Figure 8.] More specifically, the representation percentages in the total workforce for various minority groups at the end of December 2015 were as follows: 1.2 percent for people of two or more races, 0.6 percent American Indian and Alaska Native (AIAN), 5.1 percent Asian American, 17.5 percent Black American, and 3.9 percent Hispanic American.

Figure 8 **Diversity in Total – (Permanent and Non-Permanent) Employment as of 12/31/2015**

	Minority	Non-Minority	Total
Number	1861	4736	6597
Percent	28.2	71.8	100%

	Male	Female	Total
Number	3651	2946	6597
Percent	55.3	44.7	100%

	2 or More	AIAN	Asian	Black	Hispanic	White	Total
Number	79	40	335	1152	255	4736	6597
Percent	1.2	0.6	5.1	17.5	3.9	71.8	100%

Since the passage of DFA section 342, the racial, ethnic, and gender diversity of the FDIC workforce has improved somewhat. Minorities accounted for 26.2 percent of the FDIC's permanent workforce as of July 31, 2010, and 28.0 percent as of December 31, 2015. The percentage of women in the FDIC's permanent workforce was 43.6 percent as of July 31, 2010, and 45.2 percent as of December 31, 2015.

As of December 31, 2015, minorities accounted for 18.1 percent (24) of the FDIC's total Executive Manager (EM) workforce of 133 employees, and women accounted for 33.1 percent (44). [See Figure 9.] The racial and ethnic diversity of the EM workforce overall has increased since the passage of DFA section 342.

Figure 9 **Diversity in Total (Permanent and Non-Permanent) Employment – Executive Manager Workforce as of 12/31/2015**

	Minority	Non-Minority	Total
Number	24	109	133
Percent	18.1	81.9	100%

	Male	Female	Total
Number	89	44	133
Percent	66.9	33.1	100%

	2 or More	AIAN	Asian	Black	Hispanic	White	Total
Number	0	1	3	18	2	109	133
Percent	0.0	0.7	22.3	13.5	1.55	82	100%

Of the FDIC's permanent EM workforce, minorities accounted for 15.4 percent as of July 31, 2010, and 17.6 percent as of December 31, 2015. The percentage of women in the FDIC's permanent EM workforce was 25.0 percent as of July 31, 2010, and 32.8 percent as of December 31, 2015.

Appendix C depicts the FDIC's four-year trends for the total, permanent, and EM workforce for 2012 through 2015.

Initiatives to Promote Diversity in Employment

The FDIC promotes its commitment to a diverse workforce through a wide variety of methods aimed at attracting, recruiting, hiring, and retaining high-performing individuals who reflect all segments of society. The recruitment of examiners, the FDIC's largest occupational group, is conducted primarily through the FDIC's Corporate Employee Program (CEP). The CEP recruits and trains the FDIC's workforce of Financial Institution Specialists (FISs), beginning examiners-in-training, in many areas. To reach the broadest available audience, the FDIC's Corporate Recruitment Program continued in 2015 to maintain ongoing relationships with a wide range of colleges and universities, including members of the Hispanic Association of Colleges and Universities and Historically Black Colleges and Universities to target a diverse talent pool for the CEP. These colleges and universities also included 110 institutions designated as minority-serving institutions, tribal colleges and universities, and institutions with significant student populations of Asian Americans and women.

To help with the recruitment, OMWI issued reports throughout 2015 on the representation and attrition rates for CEP participants based on race, ethnicity, and gender. These reports were prepared following each incoming class of CEP hires, and each report included the total CEP participants from the inception of the program, FISs currently onboard, and voluntary and involuntary attrition information. At the outset of the CEP in 2005, several racial, ethnic and gender groups, as well as employees with disabilities, had very low representation rates in the FDIC's examiner workforce. The FDIC engaged in a proactive recruiting effort and used recruitment strategies that have been successful in addressing the initially low representation rates of many racial, ethnic, and gender groups. That progress is especially apparent with respect to the overall percentage of women in the examiner workforce, which increased from 33.5 percent as of December 31, 2004, to 38.1 percent as of December 31, 2015. In addition, the percentages of Black American men and women, Hispanic American women, Asian American men and women, American Indian and Alaska Native men, and White women in the overall examiner workforce all have increased since the beginning of the CEP. Despite the positive progress in those areas and an increase in the number of Hispanic American men and women, the representation rate of Hispanic American examiners remains low.

Also, since the inception of the CEP, hiring rates have been at or above the percentages in the Civilian Labor Force (CLF) for American Indian and Alaska Native men, Black American men and women, and men of two or more races, but lower than the CLF for American Indian and Alaska Native women, Asian American men and women, Hispanic American men and women, White women, and women of two or more races. The overall minority hiring rate since the inception of the CEP has been 28.5 percent, compared to the CLF of 27.7 percent. [See Figure 10.]

Figure 10 **CEP Hires Since Inception**

	2 or More		AIAN		Asian		Black		Hispanic		White		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
CEP	9	14	2	11	27	50	147	104	30	40	358	727	1519
%	0.6	0.9	0.1	0.7	1.8	3.3	9.7	6.8	2.0	2.6	23.6	47.9	100%
CLF	1	0.6	0.2	0.1	3.7	3.5	8.4	3.4	3.7	3.1	28.3	44.1	100%

During 2015, CEP hiring rates were above the CLF percentages for American Indian and Alaska Native women, Black American men, Hispanic women, and men of two or more races, but were below the CLF for American Indian and Alaska Native men, Asian American men and women, Black American women, Hispanic American men, and women of two or more races. [See Figure 11.] The overall hiring rate for minorities in 2015 was 27.8 percent, slightly above the CLF, and 38.4 percent for women, below the CLF of 45.3 percent.

Figure 11 **CEP Hires in 2015 (Classes 49 – 52)**

	2 or More		AIAN		Asian		Black		Hispanic		White		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
CEP	1	1	1	0	1	1	8	6	7	3	31	68	128
%	0.8	0.8	0.8	0	0.8	0.8	6.3	4.7	5.5	2.3	24.2	53.1	100%
CLF	1	0.6	0.2	0.1	3.7	3.5	8.4	3.4	3.7	3.1	28.3	44.1	100%

As a significant component of the recruitment strategy for the CEP, FDIC recruiters maintained ongoing relationships with a wide range of colleges and universities during 2015, as well as a number of professional organizations for minorities, persons with disabilities, veterans, and women. The FDIC corporate recruiters participated in 200 college career fairs, information sessions, and other recruitment-related campus activities throughout the United States to brand the FDIC and attract the best qualified candidates. In 2015, FDIC recruiters attended 23 national diversity outreach events and three regional outreach events to increase awareness of the FDIC as an employer of choice to professionals and students. Recruitment efforts during 2015 also included the following:

- Met with key leaders in targeted Hispanic American, Black American, Asian American, women's and veterans' organizations to create awareness of FDIC careers and identify opportunities to expand outreach to their members.
- Participated in the National Society of Hispanic MBAs Annual Conference and Career Expo, serving as coaches in the pre-conference career management event, conducting mock interviews, and assisting students in preparing their resumes..
- Participated in three Student Symposiums and Career Fairs held by the Association of Latino Professionals For America (ALPFA): the West Regional Symposium with a senior FDIC manager serving on a Leadership Panel to explain the benefits of choosing a public service career; FDIC recruiters serving as Luncheon Mentors to provide insight into FDIC employment opportunities and suggestions to students on ways to develop their careers; and at the 2015 ALPFA National Convention where FDIC hosted a panel discussion entitled *Consumer Protection Regulations in the Banking Industry and the Impact on Consumers and Depositors*.

- Participated at the Adelante 2015 National Leadership Institute where a senior FDIC representative provided the keynote address to participants, and recruiters hosted two “A Day in the Life of a FDIC Bank Examiner” workshops.
- Conducted informational interview sessions for the CEP and careers with the FDIC and hosted a workshop at the Thurgood Marshall Leadership Institute on Financial Education held in Washington, D.C., November 13 - 17, 2015, for students from Historically Black Colleges and Universities.
- Provided industry trends and FDIC recruitment statistics to business deans of Historically Black Colleges and Universities during their annual summit; and, a senior FDIC manager served on a panel to provide business deans and faculty members with insight on skills students should acquire in college to catapult their careers after graduation.

The FDIC continues to help minority, women, and disabled students prepare for careers in business and finance. During 2015, the FDIC recruited summer interns through OPM’s Pathways Program and the Workforce Recruitment Program (WRP), as well as advertising intern opportunities in national publications and publications targeted to minorities and women. Over the past several years, the FDIC has increased the hiring of WRP college students with disabilities including veterans, and provided summer employment opportunities to four WRP students in 2015.

Diversity and Inclusion Analytics Dashboard

Included in the FDIC’s Diversity and Inclusion Strategic Plan is the goal to develop structures and strategies to equip FDIC leaders with the ability to manage diversity, measure results, refine approaches on the basis of available data, and institutionalize a culture of inclusion. Further, after reviewing several financial services industry regulators in 2013, the U.S. Government Accountability Office (GAO) recommended that the agencies report on efforts to measure the progress of their employment diversity and inclusion practices, including measurement outcomes as appropriate, to indicate areas for improvement as part of their annual reports to Congress[3].

To implement its strategic plan and address the GAO recommendation, the FDIC uses a workforce analytics dashboard designed to provide actionable data on the FDIC workforce by gender and minority status, and by division/office, region, race, ethnicity, occupation, grade level, and employment type (permanent and non-permanent). The dashboard has been an important management tool for diversity and inclusion since being launched on June 20, 2013. It allows FDIC senior leaders to support diversity and inclusion efforts in hiring, promotion and retention, and to identify ways to make improvements over time.

The dashboard was used during 2015 by FDIC divisions and offices to target recruitment activities to increase the pool of minority and women applicants; assess the inclusion of minorities and women at the entry, mid, and senior levels; and evaluate diversity-related issues generally. Senior leaders have access to workforce data that are updated quarterly and give them the ability to measure progress and adjust strategies where needed. The goals and strategies developed using the workforce data are reflected in the division/office diversity plans.

[3] Trends and Practices in the Financial Services Industry and Agencies after the Recent Financial Crisis, GAO-13-238, April 16, 2013

Workforce Development Initiative

Like many other federal agencies, the FDIC faces potential succession management challenges as many of its long-term, experienced employees retire. Introduced in 2014, the FDIC's Workforce Development Initiative (WDI) emphasizes the need to prepare employees to fulfill current and future workforce capability and leadership needs. This focus will help to ensure that the FDIC has a workforce positioned to meet today's core responsibilities while preparing to fulfill its mission in the years ahead.

The initiative is focused on four broad objectives: to attract and develop talented employees across the agency; to enhance the capabilities of employees through training and diverse work experiences; to encourage employees to engage in active career development planning and seek leadership roles in the FDIC; and to build on and strengthen the FDIC's operations to support these efforts.

During 2015, the FDIC continued to develop and implement the WDI. OMWI worked with the WDI workgroup to review all planned programs and made recommendations to ensure minorities and women are integrated into the FDIC's succession planning efforts.

In 2016, the FDIC will continue to develop and implement the strategies, programs, and infrastructure to support the attainment of the FDIC's objectives in meeting its long-term workforce needs, which include a workforce reflective of our diverse society. The FDIC is in the early stages of a multi-year effort to identify future workforce and leadership requirements, assess current workforce capabilities, support employees who aspire to leadership and management roles, and develop and source the talent to meet emerging workforce needs.

Challenges

A key challenge for the FDIC in promoting diversity at all levels of the agency's workforce is its ability to attract and retain minorities and women in its bank examiner workforce. The examiner occupation represents the largest occupational group at the FDIC and accounts for 41.9 percent (2,764) of the FDIC total workforce (6,597). Individuals who began their FDIC careers as examiners tend to occupy a significant percentage of executive and managerial leadership positions at the agency, as well as other non-examiner positions in the FDIC. Thus, representation rates within the examiner workforce are key elements to achieving satisfactory representation rates within the broader FDIC workforce.

Despite the overall success of the CEP in increasing the percentage of women and minorities in the examiner workforce, those percentages still remain below the CLF for women overall, as well as for Asian American men and women, Black American women, Hispanic American men and women, and women of two of more races. In addition, involuntary attrition in the CEP remains higher among minorities. [See Figure 12.] The attrition data will continue to be monitored and relevant data will be analyzed to determine whether there are barriers to the retention of minorities and women.

Figure 12 **CEP Attrition Rates**

	2 or More		AIAN		Asian		Black		Hispanic		White		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Hired	9	14	2	1	27	50	147	104	30	40	358	727	1519
Involuntary* Departures	0	1	0	3	4	1	25	26	4	7	17	26	124
Involuntary Attrition Rate+ (%)	0.0	7.1	0.0	27.3	14.8	22.0	17.0	25.0	13.3	17.5	4.8	3.6	8.2%
Subtotal	9	13	2	8	23	39	122	78	26	33	341	701	1395
Transfers (Mid-Career/ Other)	0	0	0	0	0	0	4	3	2	1	13	13	36
Voluntary Departures	2	0	0	1	4	13	27	19	6	8	86	167	333
Voluntary Attrition Rate• (%)	22.2	0.0	0.0	12.5	17.4	33.3	22.1	24.4	23.1	24.2	25.2	23.8	23.9%
Number Retained	**7**	**13**	**2**	**7**	**19**	**26**	**91**	**56**	**18**	**24**	**242**	**521**	**1026**

+ "Involuntary Attrition Rate" is the Involuntary Departures divided by the total hired.
• "Voluntary Attrition Rate" is the Voluntary Departures divided by the subtotal.

In the non-examiner occupations of attorneys, economists, accountant/auditors, financial administration, and general business and industry, the FDIC faces challenges in attracting and recruiting minorities and women, primarily due to low representation rates for minority groups and women in these occupations. [See Appendix D.] To address these issues, the FDIC has drafted a recruitment plan intended to increase outreach to prospective applicants in underrepresented groups at the entry, mid, and senior levels.

In 2015, the FDIC continued conducting studies of race, ethnicity, gender, and grade levels by FDIC divisions and offices. The recommendations from the studies include expanding outreach and recruitment more broadly for FDIC occupations and devoting additional resources toward inclusion programs to address declining minority and women representation at senior levels within the FDIC. Also, the FDIC updated and continued implementing its Diversity and Inclusion Strategic Plan, which is designed to develop an integrated view of diversity and inclusion, strategically monitor and manage the employment life cycle (hire to retire), and address challenges at the FDIC. The FDIC will continue to review and update the plan as needed to ensure the plan remains current and proactive in addressing workforce diversity issues. ❖

Other Activities

The FDIC continued implementation of the DFA section 342 provisions. During 2015, the FDIC focused on section 342(c) inclusion in all levels of business activities; section 342(b)(2)(C) development of standards for assessing the diversity policies and practices of entities regulated by the agency; and section 342(f) diversity in the agency's workforce. OMWI worked closely with internal stakeholders and collaborated with the other OMWI agencies to carry out DFA requirements. The following sections detail the status of each of these DFA section 342 provisions undertaken in 2015.

Status of DFA Section 342 Regulated Entity Requirements

Section 342(b)(2)(C) of the DFA requires the OMWI Director of each covered agency to develop standards for assessing the diversity policies and practices of entities regulated by such agency. To implement that requirement and develop those standards, the FDIC OMWI Director and staff continued to work closely over the reporting period with the OMWI Directors and staff of the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), the Federal Reserve Board (FRB), the Consumer Financial Protection Bureau (CFPB), and the Securities and Exchange Commission (SEC).

On June 10, 2015, the OMWI agencies published in the Federal Register the Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities. The final standards, which became effective upon the June 10, 2015, date of publication, are generally similar to the proposed standards. They provide a framework for regulated entities to create and strengthen their diversity policies and practices, including their organizational commitment to diversity, workforce profile and employment practices, procurement and business practices, and practices to promote transparency of organizational diversity and inclusion.

In addition to issuing the final interagency policy statement, the OMWI Directors of FDIC, OCC, FRB, CFPB, and SEC asked for comments on the information collection aspects of the final joint standards as required by the Paperwork Reduction Act of 1995 (PRA). The request for comments was published in the Federal Register on November 6, 2015. More specifically, the agencies requested public comments on the collection of information contained in the final Policy Statement. During the 60-day comment period, the agencies collectively received four comment letters: two from industry trade associations; one from an advocacy organization; and one from an individual. Due diligence was given to document and address each comment received. The collection of information pursuant to the PRA request was submitted to the Office of Management and Budget for approval. The OMWI agencies continue to collaborate on the implementation of the joint Statement of Policy.

Contractor Workforce

Section 342(c) of the DFA requires that OMWI ensure to the maximum extent possible the fair inclusion of minorities, women, and minority- and women-owned businesses in all business activities of the agency, including procurement. Following passage of the DFA, OMWI worked with the Acquisition Services Branch (ASB) and Legal Division to develop a "Fair Inclusion" contract clause for all awards over $100,000. This award amount is the agency threshold for contracts that must follow formal contract award procedures. The clause notifies contractors of the responsibility to include minorities and women in their workforce and advises of remediation action the FDIC may take if it is determined the contractor has failed to make a good faith effort.

In November 2014, OMWI finalized procedures to determine whether contractors have made a good faith effort to include minorities and women in their workforce, called the Contractor Workforce Review Process (CWRP). CWRP incorporates the DFA section 342 requirements into existing FDIC procurement policies and procedures. The contractor is made aware, from contract inception through completion, of their responsibility to ensure the fair inclusion of women and minorities in its workforce and in the workforce of applicable subcontractors.

In 2015, OMWI continued implementation of the CWRP in collaboration with ASB and the Legal Division. During the year, OMWI examined 100 percent of new awards for the Fair Inclusion clause. OMWI has also performed the initial assessment of contractors' good faith efforts to include minorities and women in their workforce. OMWI will continue to implement the CWRP in 2016.

EEOC Review of the Status of FDIC's EEO Program

The Equal Employment Opportunity Commission (EEOC) met with the FDIC in 2014 and reviewed the status of the FDIC's EEO program with respect to the conversion to permanent status of employees hired under Schedule A appointment authority, the anti-harassment program, the reasonable accommodation program, barrier analysis focused on access to executive level positions, and compliance with the EEOC's management directives. Following meetings between the FDIC and EEOC staffs and collection of FDIC data and anecdotal information, the EEOC determined that the FDIC's EEO program is in substantial compliance with all EEOC regulations and management directives.

OIG Review of FDIC's Efforts to Provide Equal Opportunity and Achieve Senior Management Diversity

In 2014, the Ranking Member and Minority Members of the United States House of Representatives Committee on Financial Services requested that the FDIC Office of Inspector General (OIG) perform work related to the FDIC's efforts to increase senior management diversity. The Members referenced the 2013 GAO report that concluded, among other things, that management-level representation of minorities and women among the federal financial regulatory agencies had not changed substantially from 2007 through 2011 despite the senior management diversity provisions in the DFA. The Members requested that the OIG determine whether agency internal operations and personnel practices were systematically disadvantaging minorities and women from obtaining senior management positions.

Based on their review of the FDIC human resources processes and related efforts to achieve diversity and fairness, the OIG observed that the FDIC faces challenges to increasing workforce diversity overall and at the senior management level due to issues that are difficult for the FDIC to control, including low turnover of existing managers and executives, underrepresentation of women and minorities in internal candidate pools, and competition from the private sector for diverse candidates. The OIG observed that the FDIC has:

- developed processes that consider diversity in recruiting, hiring, and promotions;
- implemented robust training and leadership development programs;
- established controls in its performance management and recognition programs to ensure fairness;
- provided employees with several options for appealing personnel decisions and reporting discrimination;
- monitored employee separation and termination statistics and reasons for leaving the agency; and,
- initiated succession planning efforts.

The OIG also observed that there were areas for improvement and made nine recommendations related to recruitment, leadership training, the Expressions of Interest (EOI) program, analysis of performance results, the reliability of diversity data, and relevant EEO policies. The FDIC accepted all nine OIG recommendations and worked throughout 2015 to implement recommended actions. The FDIC instituted several initiatives to address the recommendations to include:

- Formalizing strategic recruiting procedures to better ensure consistent and comprehensive outreach to diverse populations;
- Establishing processes to measure the success of recruiting efforts;
- Establishing procedures to track participation rates by gender, race, and ethnicity in the FDIC leadership development programs;
- Developing policies and procedures for the FDIC EOI program, as well as establishing a process to track EOI application and selection rates by gender, race, and ethnicity;
- Enhancing controls to ensure the reliability of the data reported in the FDIC's *Federal Agency Annual EEO Program Status Report*; and,
- Updating the FDIC's EEO policies and procedures.

The FDIC will continue to monitor and participate in the implementation of corrective actions in response to the recommendations and will report progress to the senior leaders via the Diversity and Inclusion EAC.

Promoting Financial Access and Financial Literacy

Financial education helps consumers understand and use bank products effectively and sustain a banking relationship over time. The FDIC continued to be a leader in developing high-quality, free financial education resources and pursuing collaborations to use those tools to educate the public. The FDIC's work during 2015 focused primarily on young people, because of the Financial Literacy and Education Commission's emphasis on the *Starting Early for Financial Success* program.

During 2015, the FDIC significantly expanded its youth financial education portfolio. On April 23, 2015, the FDIC Chairman and the CFPB Director publicly launched new educational tools for parents, students, and teachers. The new *Money Smart for Young People* series consists of four age-appropriate curricula that are aligned with key academic standards. Unlike previous Money Smart products, these new tools involve educators, parents/caregivers, and young people in the learning process about money. For instance, the Parent/Caregiver Guides offer exercises, activities, and conversation-starters on key financial topics such as prioritizing spending decisions and staying safe online. The educator guides suggest ways to incorporate financial education instruction into academic disciplines such as math.

Money Smart resources are freely available through two complimentary websites. Both were originally developed in 2014 and were significantly expanded in 2015. Educators can use the Teacher Online Resource Center (https://www.fdic.gov/teachers) to access the curriculum and other resources from across the FDIC and CFPB that can support financial literacy instruction. This website includes three new videos – *Spending Choices, Savings, and Banking* – that help teachers identify easy ways to teach key financial topics. The FDIC had 30,338 visits to the Teacher Online Resource Center webpage in 2015.

Parents and caregivers can also obtain age-appropriate *Money Smart* guides (in English and Spanish) at www.consumerfinance.gov/parents. This site from the FDIC and CFPB helps parents and caregivers find a variety of information and tools that help build a student's financial future. There were 56,274 visitors to the Parent/Caregiver webpage in 2015.

Strategic collaborations are a critical component to the FDIC's financial education efforts. The FDIC emphasizes the importance of pairing education with access to appropriate banking products and services through outreach. Working through coalitions, the FDIC participated as a speaker or exhibitor at 43 conferences and events to raise awareness of *Money Smart for Young People* that directly reached over 1,000 people. As part of a small pilot project, the FDIC also provided training to over 100 teachers in four jurisdictions on *Money Smart for Young People* as part of an initiative to better understand how the curriculum can be used and supported.

Financial education efforts can be significantly enhanced through hands-on learning opportunities. The Youth Savings Pilot Program is aimed at identifying and highlighting promising approaches to offering financial education tied to opening safe, low-cost savings accounts for school-aged children. During 2015, the FDIC selected 12 banks to participate in the second phase of the Pilot, which will conclude at the end of the 2015-16 school year. These banks joined the nine banks that the FDIC selected in 2014 for the Pilot.

The FDIC facilitated the 21 banks in the Pilot in discussing questions and sharing knowledge about program design, structure and evaluation, offering incentives, and opening accounts. Staff also responded to a range of inquiries from banks on technical issues to support their youth savings initiatives. The Pilot will culminate with a report in the fall of 2016 that will communicate lessons learned from the Pilot and offer promising practices for banks to work with schools or other organizations to combine financial education with access to a savings account.

The *Interagency Guidance to Encourage Financial Institution Youth Savings Programs and Address Related Frequently Asked Questions* that the FDIC and four other agencies issued on February 24, 2015, supported the collaborations. The guidance is intended to encourage financial institutions to develop and implement programs to expand the financial capability of youth and build opportunities for financial inclusion for more families. It also addresses frequently asked questions that may arise as financial institutions collaborate with schools, local and state governments, nonprofits, or corporate entities to facilitate youth savings and financial education programs.

While youth materials were the strategic focus during 2015, the FDIC also enhanced *Money Smart* program products for other audiences. For example, the instructor-led *Money Smart* materials for adults were updated to reflect the new TILA-RESPA Integrated Disclosure mortgage rules, and the FDIC published a success story in Money Smart News on how *Money Smart for Older Adults* can help prevent elder financial exploitation. Furthermore, the FDIC released an updated version of the instructor-led *Money Smart* materials for adults in large print/braille format.

Feedback gained from *Money Smart* Alliance Members also led to significant improvements in the *Money Smart for Small Business* product curriculum. The FDIC added three new modules to the curriculum. The first of the three new modules helps aspiring entrepreneurs learn about business ownership and distinguish the myths and realities of small business ownership. The second new module gives a realistic perspective on costs of starting a business and the time required to launch. The third module helps participants understand the purpose of cash flow management, how to make cash flow projections, and identify ways to manage cash flow. In addition, other modules were enhanced by including more information for small businesses on how to establish and maintain a banking relationship. For the first time, the entire small business curriculum is now available in Spanish.

In 2015, the FDIC provided professional guidance and technical assistance to banks and community organizations through outreach activities and events designed to foster understanding and practical relationships between financial institutions and other community development and economic inclusion stakeholders. The events focused on economic inclusion, community development, and Community Reinvestment Act (CRA) events linking bank and community partners with opportunities to address community credit and development needs. A particular emphasis was on low- and moderate-income consumers, including providing access to mortgage credit in underserved markets and small businesses development-related events.

Also, the FDIC's Advisory Committee on Economic Inclusion held meetings in 2015. The Committee continued to provide the FDIC with advice and recommendations on important initiatives focusing on expanding access to banking services for underserved populations. A number of initiatives designed to promote economic inclusion have been conducted in consultation with the Committee, including pilot programs to study safe banking accounts and an affordable small-dollar loan program.

Minority Depository Institutions

The preservation of minority depository institutions (MDIs) remains a high priority for the FDIC. In 2015, the FDIC continued to advocate for MDI and Community Development Financial Institution (CDFI) industry-led strategies for success. The institutions were encouraged to build on the results of the 2013 Interagency MDI and CDFI Bank Conference and the FDIC's 2014 study on MDIs entitled *Minority Depository Institutions: Structure, Performance and Social Impact*. These strategies include industry-led solutions: MDI and CDFI bankers working together to tell their story; collaborative approaches to partnerships to share costs, raise capital, or pool loans; technical assistance; and innovative use of federal programs.

In June 2015, the FDIC sponsored a roundtable in Salt Lake City, Utah, with three trade groups representing nearly 100 MDIs and CDFI banks, and approximately 20 representatives of potential bank partners to discuss CRA partnerships. The FDIC provided an overview of five CRA community development activities related to minority- and women-owned financial institutions. The trade groups outlined the community development needs of their members that might be opportunities for the banks to invest in or develop partnerships. The banks had the opportunity to engage in dialog with the MDI representatives. The trade groups and the banks will continue to build upon these initial discussions following the roundtable.

The FDIC co-sponsored with the OCC and the FRB the 2015 Interagency MDI and CDFI Bank Conference, held in July. Nearly 110 bankers from 72 banks attended the conference to *Celebrate 150 Years of Minority Depository Institutions: Changes, Challenges and Opportunities.* The conference featured an interactive panel with the FDIC Chairman, the Comptroller of the Currency, and a Federal Reserve Board Governor. The conference encouraged interactive discussion among those who believe MDIs and CDFI banks are uniquely positioned to create positive change in their communities. In addition, senior officials from federal agencies provided updates on programs and policies that can help MDIs and CDFI banks achieve goals.

The FDIC also continues to pursue ways to improve communication and interaction with MDIs and to respond to the concerns of minority bankers. In addition to active outreach with MDI trade groups, the FDIC annually offers to arrange meetings between regional management and each MDI's board of directors to discuss issues of interest. In addition, the FDIC routinely contacts MDIs to offer return visits and technical assistance following the conclusion of FDIC safety and soundness, compliance, CRA, and specialty examinations to assist bank management in understanding and implementing examination recommendations. These return visits, normally conducted 90 to 120 days after the examination, are to provide recommendations or feedback for improving operations, not to identify new issues. MDIs also may initiate contact with the FDIC to request technical assistance at any time. In 2015, the FDIC provided 101 individual technical assistance sessions on approximately 50 risk management and compliance topics, including, but not limited to, the following:

- Accounting,
- Bank Secrecy Act and Anti-Money Laundering,
- Basel III Capital Rules,
- Brokered Deposits/Waivers,
- Capital Planning,
- Commercial Real Estate Concentrations,
- Community Reinvestment Act,
- Funding and Liquidity,
- Global Cash Flow,

- High Volatility Commercial Real Estate
- Information Technology Risk Management and Security,
- Interest Rate Risk,
- Loan Underwriting and Administration,
- Qualified Mortgage Rules,
- Strategic Planning, and,
- Third-Party Risk Management.

The FDIC regional offices also held outreach, training, and educational programs for MDIs through conference calls and banker roundtables. In 2015, topics of discussion for these sessions included many of those listed above, as well as cyber security, vendor management, and the FDIC's Community Banking Initiative and Technical Assistance Videos. ❖

Conclusion

During 2015, OMWI made significant progress enhancing the diversity of the FDIC's workforce and MWOB participation in its business practices.

Within the FDIC, the racial, ethnic, and gender diversity of the workforce continues a steady increase since the passage of DFA section 342. Both the percentages for minorities (28.0 percent) and women (45.2 percent) in the FDIC's permanent workforce increased, albeit by small percentages, as compared to the previous year. The FDIC continues to face challenges in attracting and retaining minorities and women in its bank examiner workforce, which is the principal feeder group for a significant percentage of executive and managerial leadership positions at the agency.

With regard to increasing MWOB participation, during 2015 the FDIC continued to focus on opportunities for MWOBs in its non-financial recurring services and continued to implement procurement strategies that restructured large contracts into smaller contracts to support MWOB participation and contract awards. The FDIC maintained an aggressive vendor outreach and education program participating in business expos, conducting technical assistance events, and hosting forums on the FDIC's Owned Assets Marketplace and Auctions Program that resulted in 188 new MWOBs being added to the FDIC Contractor Resource List. Despite the decrease in bank resolution activities, which has been the major source for contracting opportunities and outside legal counsel work, the FDIC has been successful at identifying opportunities for MWOBs and MWOLF participation in 2015.

In partnership with the OMWI Directors and staff of the OCC, NCUA, FRB, CFPB, and SEC, the FDIC remained fully engaged in fulfilling the requirements of DFA section 342 by finalizing the Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies. Further, the FDIC's OMWI continued its implementation of the Contractor Workforce Review Process, a process to determine whether FDIC contractors have made good faith efforts to include minorities and women in their workforce.

In every respect, the FDIC's accomplishments during 2015 are in concert with the requirements of DFA section 342. Despite some successes in 2015, the FDIC will continue to face challenges in the coming years, specifically in the procurement and contracting arena as annual contract awards continue to decline significantly due to the reduction in the number of financial institution failures. ❖

FDIC

Appendix A

FDIC Contracting Awards to MWOBs, Four–Year Trend (in millions)

	2012	2013	2014	2015
Total Awards	$ 1,041.7 100.0%	$ 572.8 100.0%	$ 686.8 100.0%	$858.4 100.0%
Minority-Owned or Women-Owned Business Totals	$ 308.0 29.6%	$ 198.7 34.7%	$ 239.9 34.9%	$211.6 24.7%
Minority Owned (MO)	$ 261.1 25.1%	$ 158.5 27.7%	$ 143.7 20.9%	$145.2 16.9%
Women Owned (WO)	$ 90.7 8.7%	$ 66.1 11.5%	$ 132.6 19.3%	$104.2 12.1%
Both Minority-Owned and Women-Owned	$ 43.8 4.2%	$ 25.9 4.5%	$ 36.4 5.3%	$37.8 4.3%
Asian American	$ 92.6 8.9%	$ 38.0 6.7%	$ 27.1 4.0%	$51.8 6.0%
Black American	$ 105.6 10.1%	$ 32.2 5.6%	$ 21.3 3.1%	$30.7 3.6%
Hispanic American	$ 50.0 4.8%	$ 85.3 14.9%	$ 66.1 9.6%	$43.2 5.0%
Native American	$ 9.3 0.9%	$ 0.0 0.0%	$ 0.8 0.1%	$ 0.0 0.0%
Other Minority	$ 3.6 0.4%	$ 3.0 0.5%	$ 28.4 4.1%	$19.5 2.3%

FDIC Payments to MWOBs, Four–Year Trend (in millions)

	2012	2013	2014	2015
Total Contract Payments	$ 660.0 100.0%	$ 553.7 100.0%	$ 491.6 100.0%	$ 507.2 100.0%
Minority-Owned	$ 117.7 17.8%	$ 102.9 18.6%	$ 89.3 18.2%	$ 89.3 17.6%
Women Owned (WO)	$ 70.1 10.6%	$ 63.7 11.5%	$ 63.6 12.9%	$ 83.2 16.4%
Both Minority-Owned and Women-Owned	$ 26.4 4.0%	$ 26.0 4.7%	$ 24.7 5.0%	$ 30.0 5.9%

Appendix B

FDIC 2015 Contract Awards by Top Ten NAICS

NAICS	NAICS Description	Dollar Amount of All Awards	Dollar Amount of MWOB Awards	% of Dollars to MWOBs
541512	Computer Systems Design Services	$ 155,668,522.76	$ 62,046,255.56	39.9%
518210	Data Processing, Hosting, and Related Services	$ 117,896,510.23	$ 800,000.00	0.7%
524114	Direct Health and Medical Insurance Carriers	$ 87,271,848.00	$ 0.00	0.0%
541611	Administrative Management and General Management Consulting Services	$ 75,903,732.60	$ 13,492,936.08	17.8%
531210	Offices of Real Estate Agents and Brokers	$ 36,655,406.87	$ 36,570,399.00	99.8%
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	$ 35,068,368.46	$ 27,983,583.63	79.8%
531320	Offices of Real Estate Appraisers	$ 30,038,330.46	$ 4,101,007.00	13.7%
541519	Other Computer Related Services	$ 26,871,861.35	$ 7,787,337.92	29.0%
541513	Computer Facilities Management Services	$ 24,398,903.44	$ 8,629.74	<0.1%
541612	Human Resources Consulting Services	$ 24,264,330.00	$ 23,738,330.00	97.8%
	Total	**$614,037,814.17**	**$176,528,478.93**	**28.7%**

FDIC

Appendix C

FDIC Total, Permanent, and Executive Manager Workforce, Four-Year Trend

Total Workforce

	2012	2013	2014	2015	Change
Minority	27.8%	27.5%	28.1%	28.2%	+0.4%
Non-Minority	72.2%	72.5%	71.9%	71.8%	-0.4%
Male	56.3%	56.3%	55.5%	55.3%	-1.0%
Female	43.7%	43.7%	44.5%	44.7%	+1.0%

Permanent Workforce

	2012	2013	2014	2015	Change
Minority	26.9%	27.3%	27.6%	28.0%	+1.1%
Non-Minority	73.1%	72.7%	72.4%	72.0%	-1.1%
Male	55.7%	55.2%	55.0%	54.8%	-0.9%
Female	44.3%	44.8%	45.0%	45.2%	+0.9%

Executive Manager Workforce

	2012	2013	2014	2015	Change
Minority	18.3%	15.7%	14.1%	18.0%	-0.3%
Non-Minority	81.7%	84.3%	85.9%	82.0%	+0.3%
Male	72.5%	68.6%	64.1%	66.9%	-5.6%
Female	27.5%	31.4%	35.9%	33.1%	+5.6%

Appendix D

2015 FDIC Major Occupations, Total Workforce

Job Title/Series Occupational CLF		Total Employees			Race/Ethnicity												
							Non–Hispanic or Latino										
					Hispanic or Latino		White		Black or African American		Asian		American Indian Alaska Native		Two or or more races		
		All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Economist (0110)	#	85	52	33	1	1	49	24	0	2	2	6	0	0	0	0	
		100.0%	61.2%	38.8%	1.2%	1.2%	57.6%	28.2%	0.0%	2.4%	2.4%	7.1%	0.0%	0.0%	0.0%	0.0%	
	CLF	100.0%	67.1%	32.9%	3.3%	1.9%	55.8%	25.2%	2.8%	2.7%	4.4%	2.7%	0.2%	0.1%	0.6%	0.4%	
Financial Administration and Program (0501)	#	195	109	86	3	4	83	37	14	35	6	7	1	2	2	1	
		100.0%	55.9%	44.1%	1.5%	2.1%	42.6%	19.0%	7.2%	17.9%	3.1%	3.6%	0.5%	1.0%	1.0%	0.5%	
	CLF	100.0%	43.8%	56.3%	4.0%	5.8%	32.5%	38.6%	4.7%	7.5%	1.7%	3.1%	0.3%	0.4%	0.6%	1.0%	
Accountants and Auditors (0510/0511)	#	109	50	59	0	0	36	27	7	24	3	7	0	1	4	0	
		100.0%	45.9%	54.1%	0.0%	0.0%	33.0%	24.8%	6.4%	22.0%	2.8%	6.4%	0.0%	0.9%	3.7%	0.0%	
	CLF	100.0%	39.9%	60.1%	2.2%	3.9%	31.8%	44.2%	2.4%	5.6%	3.0%	5.4%	0.1%	0.3%	0.4%	0.7%	
Financial Institution Examining (0570)	#	2764	1712	1052	71	33	1452	794	112	166	50	43	10	5	17	11	
		100.0%	61.9%	38.1%	2.6%	1.2%	52.5%	28.7%	4.1%	6.0%	1.8%	1.6%	0.4%	0.2%	0.6%	0.4%	
	CLF	100.0%	54.8%	45.2%	3.1%	3.7%	44.1%	28.3%	3.4%	8.4%	3.5%	3.7%	0.1%	0.2%	0.6%	1.0%	
Attorney (0905)	#	392	229	163	9	5	199	131	11	15	6	10	2	1	2	1	
		100.0%	58.4%	41.6%	2.3%	1.3%	50.8%	33.4%	2.8%	3.8%	1.5%	2.6%	0.5%	0.3%	0.5%	0.3%	
	CLF	100.0%	66.7%	33.3%	2.5%	1.9%	59.7%	26.7%	2.1%	2.5%	1.7%	1.6%	0.1%	0.1%	0.6%	0.6%	
General Business and Industry (1101)	#	481	313	168	14	2	263	123	17	33	14	9	1	0	4	1	
		100.0%	65.1%	34.9%	2.9%	0.4%	54.7%	25.6%	3.5%	6.9%	2.9%	1.9%	0.2%	0.0%	0.8%	0.2%	
	CLF	100.0%	36.7%	63.3%	2.9%	5.9%	27.1%	43.8%	3.6%	8.8%	2.4%	3.3%	0.2%	0.4%	0.6%	1.1%	

FDIC-023-2016

Design: FDIC/DOA/CSB/Design and Printing Unit