



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

2013 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). Mark Mullinix, first vice president and chief operating officer of the Bank, is the director of the Office, and William Cooper, vice president, is the deputy director. There are four additional full-time staff members. The Office is responsible for Bankwide diversity and inclusion efforts, including the implementation of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) for the Bank, which includes the Fifth Federal Reserve District (Fifth District) and Federal Reserve Information Technology (FRIT), a national information technology division. This report covers both entities, but will make a distinction between Fifth District and FRIT where appropriate.

maintaining minority candidate representation throughout the recruiting and hiring process at levels consistent with nonminority candidates. To overcome these challenges, the Bank will raise awareness of minority and female promotions and will seek to understand factors contributing to the drop off in minority representation during the hiring process, while continuing to identify and attract top talent through a targeted diversity recruiting strategy.

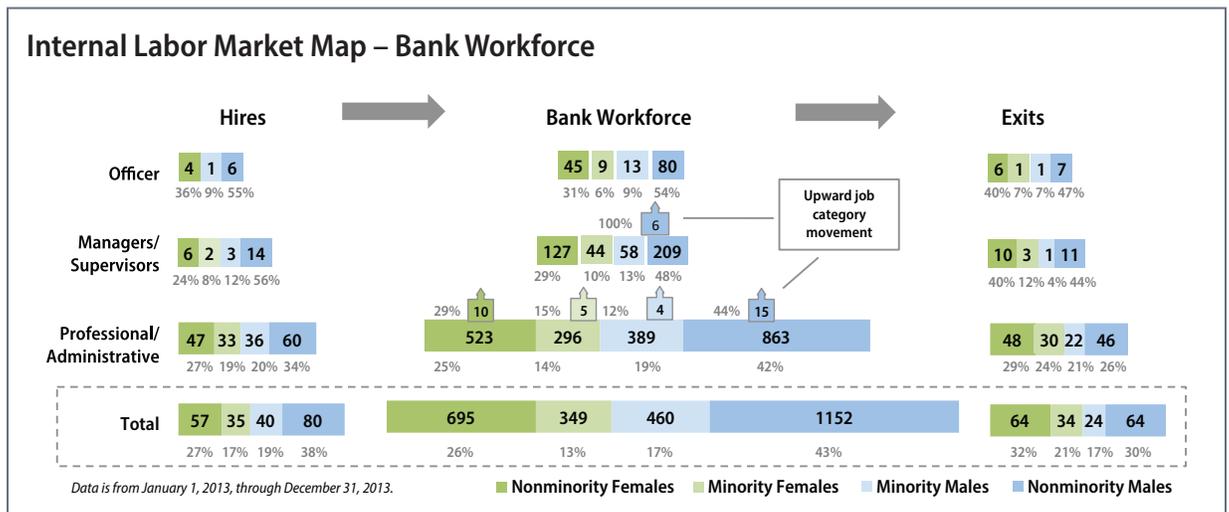
In an effort to better understand the movement of minorities and females in the organization, the Office implemented the use of internal labor market (ILM) maps — a graphic representation of movement through various job levels. An ILM map of the Bank's workforce is provided below. ILM maps of the Fifth District and FRIT workforce are available in Appendix 1.

OFFICER AND WORKFORCE DIVERSITY

The Bank continued to make progress in its workforce diversity efforts in 2013. Key successes included using data to identify clear areas of focus and heighten awareness of opportunities for improvement, strengthening relationships with historically black colleges and universities and participating in regional and national diversity recruitment events, which led to four minority hires.

As of December 31, 2013, the Bank had 147 officers, 22 of whom were minorities (15 percent) and 54 of whom were females (37 percent). When compared to 2012, minority officer representation declined by one percent and female officer representation declined by four percent. Overall, there were 2,656 employees in the Bank on December 31, 2013, 809 of whom were minorities (30 percent) and 1,044 of whom were females (39 percent). When compared to 2012, minority representation remained the same and female representation declined by one percent.

The data analysis identified two key challenges: promoting minority and female employees into officer levels, and



The ILM map above is a graphic representation of the Bank's workforce and movement of gender and racial groups through various job levels.

Diverse Supplier Participation in Sourcing Events 2012-2013		
	2012	2013
Events that included an MWBE	87 (91 percent of all events)	98 (85 percent of all events)
Events in which an MWBE responded	61 (70 percent of all events in which at least one MWBE was included)	73 (74 percent of all events in which at least one MWBE was included)
Events in which a contract was awarded to an MWBE	17 (20 percent of events in which at least one was included)	26 (27 percent of events in which at least one was included)
Total number of diverse suppliers included	197	213
Total number of diverse suppliers that responded	87	116
MWBE: Minority- or women-owned business enterprise		

The chart above shows year-over-year comparisons of diverse supplier participation in Bank sourcing events.

MINORITY- AND WOMEN-OWNED BUSINESS ENGAGEMENT

The Bank continued to make considerable progress in its supplier diversity efforts during 2013. For the second consecutive year, expenditures with minority- and women-owned businesses increased substantially, increasing by more than 35 percent over 2012. Even more notable, the Bank awarded its largest diverse supplier contract to date, with the potential for greater than \$50 million in spend across the Federal Reserve System (the System). Inclusion of diverse suppliers on competitively bid sourcing events remained high, with response and award rates both increasing.

Minority- and women-owned businesses were invited to participate in 85 percent of the Bank's procurement events in 2013. While minority- and women-owned businesses could not be located in some cases, 74 percent of minority- and women-owned firms asked did respond to the invitations, resulting in 29 awards. Noted in the chart above are changes in supplier diversity activity from 2012 to 2013.

In 2013, the Bank also implemented a number of diverse supplier subcontracting requirements on certain requests for proposals and hosted technical assistance events. Both strategies yielded positive results.

While the Bank made gains in its supplier diversity efforts during 2013, challenges remain in addressing the needs of

increasing the diverse supplier response rate, improving completeness of diverse suppliers' responses and bids and identifying suppliers with the requisite qualifications.

LOOKING AHEAD TO 2014

To ensure that the Bank has a workforce that positions the organization to effectively deliver on its vision and strategic goals, the Bank's first vice president and FRIT's director announced plans to restructure the Human Resources (HR) function within the Bank. The Fifth District and FRIT HR departments will be led by one senior vice president with responsibility for Bankwide HR. This change will enhance the Bank's ability to make progress on its people and culture initiatives by leveraging the combined strengths of each team and fostering greater collaboration and efficiency. It will also provide a foundation from which to strengthen talent development programs, a critical component to the career development of minorities and females.

The Bank's management continues to make diversity and inclusion a priority, and will form an Executive Diversity & Inclusion Council (EDIC) during the first quarter of 2014. The EDIC will be comprised of senior leaders from both the Fifth District and FRIT, as well as the Office's deputy director. The EDIC will initiate action and encourage efforts aimed at driving for a more diverse and inclusive culture that advances creativity, innovation and collaboration.

Introduction

Congress established 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 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 (Board of Governors) to strengthen the economy and our 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 protect the integrity and efficiency of our payments system. Federal Reserve Banks participate in the formulation of monetary policy; provide payment services nationwide; 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 act 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 directed certain agencies, including the Federal Reserve Board and each Federal Reserve Bank, to establish diversity and inclusion offices. In December 2010, the Bank created the Office of Minority and Women Inclusion and named it the Office of Diversity & Inclusion. The Office's goals are to influence and support the integration of sustainable diversity and inclusion into all business practices; ensure the inclusion of minorities and women at all levels; engage diverse suppliers to drive positive business results for the Bank and promote economic development in the Fifth District; establish relationships with organizations to develop or enhance financial literacy programs for students identified in Section 342; be recognized as a leader in diversity and inclusion; and exceed the requirements of Section 342 and the Equal Employment Opportunity Commission.

For the second consecutive year, the Bank was recognized nationally by the supplier diversity community.

DiversityBusiness.com, an online multicultural business organization, named the Bank's supplier diversity program manager one of its "Champions of Diversity" for 2013. The award recognizes individuals who have demonstrated a commitment to solutions in diversity issues on both a regional and national level.

STAFFING STRUCTURE

Mark Mullinix, first vice president and chief operating officer, is the director of the Office, and William Cooper is its deputy director. The Office's director reports to the Bank's president. The deputy director reports to the director and is responsible for the day-to-day operation of the Office, including managing a staff of four full-time professionals. (See Appendix 2 for director's and deputy director's biographies.)



The Bank includes the Fifth District operations, as well as FRIT, a national information technology division. The Fifth District is headquartered in Richmond, Virginia, and serves the District of Columbia, Maryland, Virginia, North Carolina, South Carolina and most of West Virginia. Branch offices are located in Baltimore, Md., and Charlotte, N.C. Fifth District employees are located in one of three cities: Richmond, Va., Baltimore, Md., or Charlotte, N.C. FRIT is headquartered in Richmond, Va., with employees located in 14 different locations across the System.

Minority and Women Employment

Diversity and inclusion are critical components of the Bank's ability to strengthen the economy and our communities. The Bank fosters an open and inclusive culture that recognizes, values and leverages the unique contributions of its employees to successfully deliver on its mission. To do this, the Bank actively recruits qualified, talented people from all backgrounds, encourages diverse perspectives to help achieve business goals and provides employees with opportunities to enhance their professional and personal development. As of December 31, 2013, there were 2,656 employees in the Bank, 809 of whom were minorities (30 percent) and 1,044 of whom were females (39 percent). Within this population, there were 147 officers, 22 of whom were minorities (15 percent) and 54 of whom were females (37 percent).

The Bank works to identify and attract top talent from all backgrounds. To broaden its recruitment efforts and promote awareness and recognition, the Bank participates in regional and national recruiting conferences and networks with both regional and national business and professional organizations. To enhance diverse candidate pools, the Bank recruits at a variety of colleges and universities, including historically black colleges and universities (HBCUs). The Bank offers internships for students to learn about the System, our purpose and our role in serving America's economy. To ensure a modern workforce that reflects the nation's changing demographics and that is prepared for the challenges ahead, the Bank continues to enhance its succession planning processes.

The Bank provides employees with opportunities to enhance their professional and personal development with a wide range of employee development programs aimed at all levels of the organization. To help achieve business goals and increase innovation, the Bank encourages engagement in its employee resource networks (ERNs). ERNs are affinity-based groups that recognize the value of cultural differences and bring together people with common interests, including ethnicity, generational differences, sexual orientation, disability, gender and professional interests. The ERNs contribute diverse perspectives that support the Bank's strategic initiatives in the areas of professional development, cultural awareness and education, community outreach and engagement and retention.

Mentoring and coaching programs are also offered to help employees develop the knowledge, skills and abilities to effectively do their jobs. The Office's three-year diversity and inclusion training strategy includes a curriculum of foundational and advanced diversity and inclusion concepts to enhance employees' ability to leverage differ-

ences for more effective outcomes and greater inclusion. The initial training is designed to help increase understanding of key terms and factors that create differences and explain why diversity is a business issue and why it is important to work more effectively through differences. The initial training will be delivered online to all Bank employees beginning in the second quarter of 2014. The Office will also be developing classroom training on implicit bias that will target the Bank's people leaders in an attempt to mitigate its potential impact on our talent management decisions.

SUCCESSSES

The Bank made considerable progress in its workforce diversity efforts in 2013. Highlights include:

- Utilizing data analysis to identify clear areas of focus and heighten awareness of opportunities for improvement
- Improving talent management practices through effective use of equal employment opportunity (EEO) information
- Strengthening relationships with HBCUs, resulting in two new hires
- Hiring two minority candidates and promoting awareness of the Bank through participation in regional and national diversity recruitment events
- Expanding recruiting outreach to diverse candidates
- Expanding and strengthening outreach to Hispanic professional networks

The Bank utilized data analysis to identify clear areas of focus and heighten awareness of opportunities for improvement.

During the reporting period, the Office implemented the use of impact ratio analysis (IRA) and ILM maps to better understand the impact of talent management practices. The IRA helps identify areas of potential concern in the recruitment process. The ILM map is a graphic representation of the movement of gender and racial groups through various job levels. The Office will use these tools to support business line leaders with workforce planning, including succession planning and action plans to address opportunities. The ILM map identified one challenge related to minority and female promotions to officer level, which is discussed on page 8.

The Office collaborated with multiple departments to develop a Fifth District Diversity and Inclusion Snapshot (Snapshot). The metrics in the Snapshot indicate how well the Fifth District is doing in achieving a diverse and inclusive workplace. The Snapshot reflects leadership commitment, measures progress over time and guides decision-making around five key diversity and inclusion dimensions:

- Leadership commitment
- People leader diversity
- Workplace culture
- Learning and growth
- Supplier relationships

The Snapshot was rolled out to employees in May 2013. A leader guide was shared with Bank leaders to help them understand what they can do to help the Bank move forward and continuously improve in these areas. An overview guide helped employees understand the tool, and that they play a vital role in helping the Bank achieve its diversity and inclusion vision.



Dimension	Measurement
Leadership Commitment	• Leadership Bench Strength Diversity
People Leader Diversity	• Diversity Retention Rate
Workplace Culture	• Employee D&I Index • External Workplace Metrics • Employee Commitment Index
Learning and Growth	• Development Programs Participation Rate • Development Opportunity Index
Supplier Relationships	• Supplier Diversity

The Fifth District Diversity and Inclusion Snapshot is one indicator of how well the Fifth District is doing to achieve a diverse and inclusive workplace.

The Bank improved talent management practices through effective use of EEO information.

During 2013, EEO information was used to improve the Bank's talent management practices. Using the IRA results, the Office worked in close collaboration with business line leaders to develop plans to address workforce opportunities. The Bank developed specific actions to address and overcome two areas of EEO underutilization: female automation professionals in FRIT and female examiners in the Supervision, Regulation and Credit (SRC) department's Charlotte branch. An action plan developed by the Office and SRC leaders supported the recruitment and hire of four female examiners in SRC, three of whom were minorities. Specific actions included heightened awareness of the issue and a senior leader requirement for hiring managers to maintain qualified diverse talent pools throughout every stage of the recruiting process. FRIT hired six female automation professionals as a result of increased awareness and focus on attracting diverse talent.

The Bank strengthened relationships with HBCUs, resulting in two new hires.

In an effort to align education and workforce development strategies with employment opportunities, the Bank joined the Atlanta, St. Louis and Dallas Federal Reserve Banks in hosting an HBCU Presidential Summit at the Federal Reserve Bank of Atlanta in January 2013. The event, titled "Aligning Workforce Development and Employment Strategies for Historically Black Colleges and Universities," brought together 36 presidents from HBCUs and other workforce development experts from across the country to explore opportunities and issues that HBCUs face in preparing students for today's fast-changing and competitive labor market. The panel discussions and presentations provided the HBCU presidents with several areas to focus on, including:

- Expanding programs that increase student and faculty exposure to employers, such as internships and on-campus speaking engagements for executives
- Further developing "soft skills" such as public speaking, writing and knowledge of current events
- Further preparing students to embrace lifelong learning, as labor market demands are continually changing
- Enhancing how HBCUs engage private sector advisory boards to help design curricula

- Exploring integration of financial literacy and entrepreneurship into the college experience

In the area of recruitment, the Bank continued to strengthen relationships with HBCUs located in the Fifth District, including North Carolina A&T, Virginia State University and Virginia Union University. In a deliberate effort to develop a recruiting pipeline from Virginia State University, the Bank initiated mock interview sessions and developed a job shadowing opportunity in partnership with the university's Reginald F. Lewis School of Business, including a one-day job shadow experience for four students. These students were placed in business lines that aligned with their degree programs and career interests. Their day included a presentation on the history of the Bank and System, lunch with a Bank officer and recruiters and tours of the Cash department and the Bank's interactive exhibit, The Fed Experience.



Virginia State University graduate Jessica Cox was hired as a meeting and special events planner in 2013 after a successful internship with the Bank.

One female minority student who participated in the mock interview session joined the Bank as an intern in 2013 and was offered a full-time position in the meeting and events planning group. Another student from Virginia State University participating in FRIT's Emerging Talent Initiative program was offered full-time employment with the Bank during the reporting period.

“There is nothing so rewarding as facilitating a relationship between a student and industry that will materialize into a career opportunity.”

*Jonathan Young, Director of Corporate Relations,
Virginia State University*

The Bank's internship program is designed for students to learn about the System — our purpose and our role in serving America's economy. The program provides meaningful work experiences and professional develop-

ment activities that support students' academic goals and professional interests. The Bank had 50 interns in 2013 — 21 interns (42 percent) were minorities and 24 interns (48 percent) were female; three of these interns were from HBCUs located in the Fifth District. Our campus recruitment of interns included Hispanic-serving institutions and HBCUs. In 2013, five of the 50 interns were offered full-time positions in the Bank.

The Bank hired two minority candidates and promoted awareness of the Bank through participation in regional and national diversity recruitment events.

During the reporting period, the Bank continued to promote awareness of its presence in the Fifth District and increase access to diverse candidates through participation in regional and national diversity recruitment events. As a participant in System recruitment efforts, the Bank is able to use the national recruiting database from professional associations, such as the National Black MBA Association, to source talent. The association was the source for two minority senior associate examiners hired in the Bank's SRC department. In addition to general conference participation, the Bank also facilitated two leadership workshops, demonstrating our commitment to talent development. A complete list of national and regional recruiting events attended by the Bank during 2013 is included in Appendix 3.

To promote the System as an employer of choice, the Office collaborated with the System OMWI Council to produce branded recruiting materials for national diversity recruiting. Customizable for diverse audiences, the recruiting materials are available to all 12 Federal Reserve Banks. The Bank is also an active participant in the OMWI Council's workforce diversity initiatives, including the System Diversity Recruiting Program, which organizes and produces national diversity recruiting events.

The Bank expanded recruiting outreach to diverse candidates.

The Bank established partnerships with Diversity Jobs, LatPro and Justjobs to expand diversity job board recruitment. All job opportunities are now automatically posted to these job boards from external boards, thereby increasing our exposure to minorities.

During the reporting period, the Bank initiated a focused effort to increase access and opportunity for veterans, expanding opportunities for minorities and

females. The Bank partnered with the Virginia Wounded Warrior Program, an organization that ensures that services — including employment services — are readily available to veterans and their families in all areas of the state. The new partnership resulted in one veteran hire in 2013. The Bank participated in several military career fairs and also posts jobs automatically to Hero2Hired, an online tool that allows service members to connect with military-friendly companies.

Additionally, the Bank established a relationship with the Veteran Student Association in an effort to identify student veterans for FRIT’s Emerging Talent Initiative. The Emerging Talent Initiative is a three-year rotational program that allows participants to gain experience with various business units throughout the year. The Bank’s newest ERN for veterans, police, fire, first responders and their allies, First to Serve, participated with HR in a Virginia Values Veterans (V3) conference to learn more about employing veterans. The V3 program trains Virginia businesses to capitalize on the talented men and women transitioning out of or already transitioned from the United States military.

The Bank continued to use social media, including LinkedIn, Twitter and the Fed Alumni Network, to reach diverse candidates. The Bank had the unique opportunity to profile two female employees in Diversity Careers in IT/Engineering, an online and print magazine, to promote the Bank as a diverse employer. The profile also allowed FRIT to link readers of the online magazine to the FRIT website, which provided information about business and career opportunities.

The Bank expanded and strengthened outreach to Hispanic professional networks.

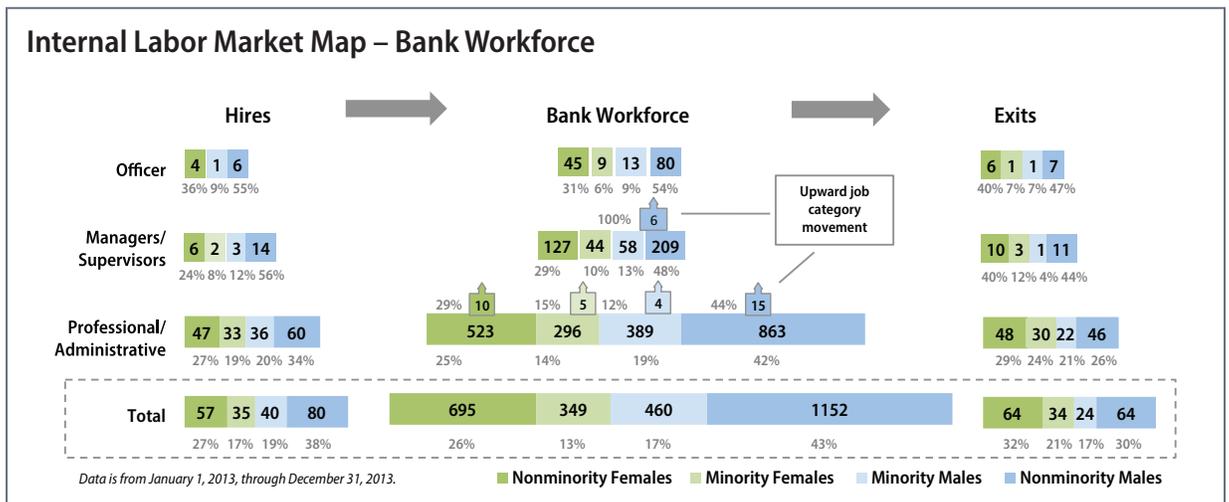
In an ongoing effort to establish and enhance relationships with the Fifth District’s Hispanic communities, the Bank joined the Charlotte Latin American Chamber of Commerce and the Maryland Hispanic Chamber of Commerce. The Bank continued to actively participate in the Virginia Hispanic Chamber of Commerce’s Hispanic Corporate Network through its Valuing the Inclusion of Talented African Americans and Latinos (VITAL) ERN. The Hispanic Corporate Network engages Richmond businesses to focus on recruitment, retention and community building among Central Virginia’s professional Latinos.

The Bank continues to focus outreach to the Hispanic community to attract and retain Hispanic employees, as well as to make meaningful contributions to the stability and economic growth of the Fifth District’s Hispanic community. For the second year in a row, a member of the FRIT Diversity & Inclusion Council provided professional coaching at the National Society of Hispanic MBA (NSHMBA) Conference and Career Expo. The member is currently working with NSHMBA and the Virginia Hispanic Chamber of Commerce to organize a Virginia chapter.

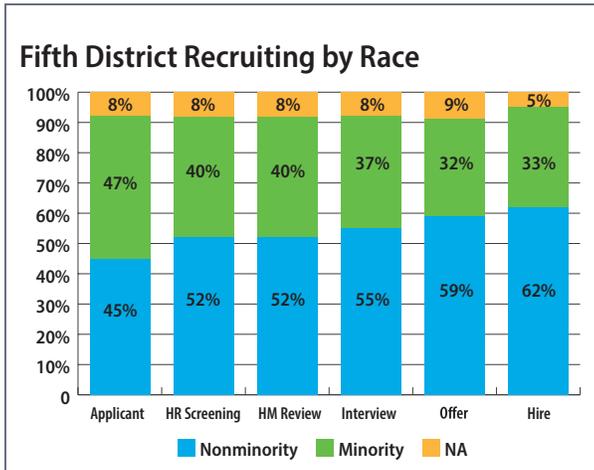
CHALLENGES

The Bank has identified these key opportunities to improve workforce diversity:

- Promoting minority and female employees into officer positions



Although 5 of the 11 newly hired officers were female or minority, the Bank’s ILM map above shows all officer promotions during 2013 were to nonminority males.



The chart above shows how nonminorities and minorities moved through the various recruiting stages: starting as an applicant, being referred to a hiring manager by a recruiter, being reviewed by a hiring manager, interviewing as a candidate and receiving an offer.

- Recruiting and retaining female managers in the Charlotte branch
- Recruiting female automation managers in FRIT
- Improving understanding of candidate representation and progression throughout the recruiting process

Promoting minority and female employees into officer positions.

The Bank appointed 17 new officers last year — 11 new hires and 6 promotions. Although 5 of the 11 newly hired officers were female or minority, the Bank’s ILM map on page 8 shows all officer promotions during 2013 were to nonminority males. While current minority and female officer representation is not statistically lower than the census labor market availability (underutilization), it is important that the Bank’s talent pipeline is diverse to ensure that officer utilization remains at or above market availability.

The Fifth District has experienced challenges recruiting and retaining female managers in the Charlotte branch.

As of December 31, 2013, the Bank’s EEO underutilization analysis revealed that female managers in the Charlotte branch were underrepresented. Underrepresentation exists when the Bank’s representation of females or minorities in a particular job group is significantly lower than the labor market availability of female and minorities for that job group. SRC managers comprise the majority of

managers in Charlotte, holding 12 of the 22 positions. Of the 12, only one is female. The challenges in hiring female SRC managers in Charlotte lie with a low rate of turnover coupled with the specialized nature of the job requirements. The Fifth District’s recruitment efforts focused on employee networking, such as advertising through diverse and niche job boards targeted towards females.

FRIT has experienced challenges recruiting minority and female automation managers.

As of December 31, 2013, the Bank’s EEO underutilization analysis revealed that minority and female automation managers were underrepresented in FRIT. The primary reason for the underutilization is low turnover in these roles. Until there is a need for additional roles in this job category, it will be challenging for FRIT to make progress in this area.

The Bank needs to improve its understanding of candidate representation and progression throughout the recruiting process.

In the Fifth District, although the number of minority hires was consistent with the external availability in the market, minority candidates were hired at a lower rate than they represented in the HR screened candidate pool, as illustrated in the graph above left. Analysis revealed that while 40 percent of the HR screened candidate pools were minorities, only 33 percent of new hires were minorities.

In the coming year, the Bank will examine applicant progression through these recruiting stages to identify opportunities for improvement.

NEXT STEPS

To address the challenges described above and to further improve workforce diversity efforts, the Bank is taking the following actions:

- Collaborating with HR to embed diversity and inclusion into succession planning processes
- Creating a Diversity and Inclusion Snapshot for the entire Bank — Fifth District and FRIT — to align business lines with diversity and inclusion efforts
- Seeking a deeper understanding of factors contributing to recruiting outcomes

- Identifying and attracting top talent through a targeted diversity recruiting approach
- Improving organizational engagement and effectiveness of ERNs
- Attracting minority and female automation managers to FRIT as positions become available
- Attracting more female managers to the Charlotte branch
- Exploring internship opportunities for students at HBCUs
- Establishing new and redesigning existing career development programs

The Office will collaborate with HR to embed diversity and inclusion into succession planning processes.

The Office will collaborate with HR to embed diversity and inclusion into the Bank's succession planning processes. Understanding the pipeline of minorities and females in the succession plan is a critical component to ensuring the representation of minorities and females at all levels in the Bank.

The Office will create a Diversity and Inclusion Snapshot for the Bank to align business lines with diversity and inclusion efforts.

Using the Snapshot as a starting point, the Office will collaborate with senior leaders in FRIT and the Fifth District to create one Diversity and Inclusion Snapshot for the Bank. Using the five dimensions in the existing Snapshot as a foundation, the new Bank Snapshot will capture critical metrics for both the Fifth District and FRIT and allow business line leaders to understand how their business impacts the Bank's overall diversity and inclusion outcomes.

The Office will continue to seek a deeper understanding of factors that contribute to recruiting outcomes.

In an effort to optimize the recruiting of top diverse talent, the Office will continue to seek a deeper understanding of factors that contribute to recruiting outcomes. The Office will partner with HR to examine minority applicant progression throughout the recruiting process to ensure the process is equitable for all candidates. The Office will also leverage analytics to determine how we can better



The Office of Diversity & Inclusion partnered with the Bank's eight employee resource networks to host an open house for employees to explore and celebrate their differences.

attract and select more qualified diverse professionals, solicit feedback from recruiters to capture the stories behind the data, and partner with HR to share insights and collaborate on action plans to address gaps. Additionally, the Office will provide training on unconscious or hidden bias to the Bank's people leaders to ensure we are actively addressing any bias in our recruitment processes and hiring decisions.

The Bank will identify and attract top talent through a targeted diversity recruiting approach.

To meet the recruiting challenges identified earlier in this report, the Bank will work to identify and attract top talent through a targeted diversity recruiting approach that expands beyond current advertising and outreach events. The Office plans to engage senior leaders and officers to identify and attract top talent by leveraging relationships in the community that can yield diverse candidates with the requisite education and experience. The Office also plans to track their progress to ensure the highest probability for success as they move through the various recruiting stages.

The Bank will improve organizational engagement and effectiveness of its ERNs.

The Bank will continue to refine and enhance the ERN program to utilize ERNs as effective corporate business partners to help meet its objectives. There will also be increased focus on:

- Including ERNs in the Bank's strategic planning processes
- Promoting ERN leadership as a development opportunity
- Incorporating affinity-based training into Bankwide development programs

- Educating employees about affinity-based issues
- Increasing employee engagement in ERNs
- Measuring the impact of the program
- Promoting the ERNs' affinity-based programs

More information on the Bank's eight ERNs is included in Appendix 4.

FRIT will attract minority and female automation managers to its organization as positions become available.

FRIT will continue to monitor all hiring activities to ensure its sourcing in a way that provides a diverse slate of qualified candidates. Additionally, FRIT will continue to expand outreach and recruitment efforts using the National IT "brand" to attract highly technical candidates, as well as candidates with specialized skills in the information technology field. In situations where contingent labor is leveraged, FRIT will have access to a larger pool of talent with the implementation of a managed services provider vendor management program with the personnel firm, Agile 1.

In an effort to address concerns about underutilization of automation managers, a development workshop for high-potential employees currently serving in a "lead" position was created for the Services Delivery business line. The program was launched last year in conjunction with talent development workshops for managers of high-potential leads. These workshops identified skill sets needed to move into the automation manager position and outlined development plans and opportunities to help high-potential leads prepare to make the move into an automation manager role. Follow-up support will be provided, as needed, during the creation and execution of these development plans.

The Fifth District will attract more female managers to the Charlotte branch.

The Fifth District will enhance current efforts and initiatives to identify female examiners in SRC who have the interest and ability to pursue leadership roles. Key plans to address this challenge include exploring the possibility of a specific SRC Charlotte mentoring program, with a focus on including high-potential female talent, identifying opportunities to establish strategic partnerships with professional and community organizations focused on female professionals and entrepreneurs, and collaborating with at

least one strategic partner to host a local/regional event at the Charlotte facility, leveraging the presence of SRC female leaders.

Furthermore, to ensure high-potential females and minorities are included in our recruiting pool, we plan to strategically leverage a contingent-only search firm that specializes in females and minorities in the financial services, banking and capital markets industries.

The Office will explore internship opportunities for students at HBCUs.

The Office would like to explore ways to link the internship program to specific objectives related to Section 342 of the Dodd-Frank Act. One idea is to identify internships at all Bank offices specifically for students from nearby HBCUs.

The Bank will establish new and redesign existing career development programs.

The Bank will offer a new course to help individual contributors make educated decisions when considering a career move into management. This program will enable participants, including minorities and females, to determine if their strengths and aspirations are in line with the responsibilities of being a manager. Participants will also be given guidance on how to prepare for a management position. The course will be open to all nonmanagement employees.

To further support career development, the Bank's new mentoring strategy will offer multiple options, including a pilot ERN group mentoring program. The ERN mentoring program will focus on affinity-based topics developed by the ERNs. The Bank's senior leaders and officers will serve as mentors. The purpose of the program is to empower employees and to enhance their experiences through group interaction in order to cultivate engagement, professional development and sustainable relationships. Additional options are planned to support group mentoring that focuses on career development at key transition points and one-on-one mentoring relationships for select high-potential leaders.

FRIT will launch a redesign of its Management Development Program to ensure managers are equipped to lead a diverse workforce capable of addressing organizational needs.



Minority- and Women-Owned Business Participation

The Bank is committed to strengthening the economy and improving our communities, and supplier diversity plays a critical role in how we do that. We know that small, minority-owned, women-owned and other diverse businesses play a vital role in the economic well-being of our communities. As a result, we strive to provide access and opportunity to qualified suppliers that can offer diverse resources and expertise.

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 national contracts for certain goods and services that individual Reserve Banks can sign on to. These functions are noted in the chart below.

The three procurement functions collaborate closely to deploy an integrated supplier diversity process within the Bank. Supplier diversity practices are embedded in the Bank’s existing procurement processes and guidelines, and procurement and supplier diversity staff collaborate with departments and business lines to provide the maximum opportunity for diverse suppliers to participate in procurement processes.

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

AMOUNTS PAID TO CONTRACTORS

The Bank spent approximately \$15.09 million with minority- and women-owned businesses in 2013, an increase of 38 percent over 2012’s \$10.94 million. This corresponds to 4.2 percent of the Bank’s total expenditures with third-party contractors, up from 3.4 percent in 2012. Expenditures with minority-owned businesses increased nearly 33 percent, from \$5.15 million to \$6.83 million, or 1.9 percent of total spend. Expenditures with women-owned businesses totaled \$8.26 million, or 2.3 percent, representing a substantial 43-percent growth over 2012. Over the two-year period that the Bank’s supplier diversity program has been fully implemented, expenditures with minority- and women-owned suppliers have increased by just over 72 percent.

In addition to its continued focus on Tier 1 opportunities (direct spend with a Bank supplier), the Bank began to request and report Tier 2 spend from selected Bank prime suppliers. 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. Initial efforts have been successful, and have resulted in Tier 2 diverse expenditures of \$421,105.

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.

2013 Diverse Supplier Spending (in millions)

	Fifth District		FRIT		Bank	
	\$	%	\$	%	\$	%
MBE	\$1.22	0.85%	\$5.60	2.55%	\$6.83	1.88%
WBE	\$4.06	2.83%	\$4.20	1.91%	\$8.26	2.27%
MWBE	\$5.28	3.68%	\$9.81	4.46%	\$15.09	4.15%
SBE	\$27.42	19.13%	\$9.59	4.36%	\$37.01	10.18%
OTH	\$110.65	77.19%	\$200.61	91.18%	\$311.26	85.66%
Total	\$143.35	100.00%	\$220.01	100.00%	\$363.39	100.00%

MBE: Minority-owned business enterprise
WBE: Women-owned business enterprise
MWBE: Minority- or women-owned business enterprise
SBE: Small Business Enterprise
OTH: Other Businesses

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

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, Inc. (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, utilize reporting systems and metrics to measure progress and opportunities, and educate employees about the Bank's supplier diversity efforts and senior leaders' support. The plan also focuses on enhancing the Bank's presence and visibility in the diverse supplier business community, ensuring the greatest possible slate of qualified diverse suppliers on competitively bid acquisitions and tracking the inclusion and response rate of diverse suppliers on those opportunities.

The Bank made considerable progress toward these goals in 2013 through disciplined execution of the strategies outlined in the plan. Highlights include:

- Increasing expenditures with diverse suppliers by more than 35 percent

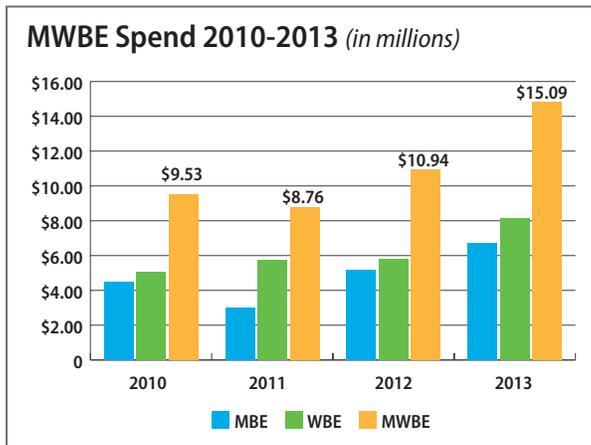
- Awarding the largest diverse supplier contract to date to a minority-owned supplier
- Implementing Tier 2 subcontracting language in applicable requests for proposals
- Hosting targeted technical assistance events for construction industry suppliers
- Receiving recognition from external constituents for supplier diversity efforts
- Maintaining or increasing diverse supplier inclusion, response and award rates on procurement opportunities
- Continuing high level involvement in outreach, communication and technical assistance activities



The Bank's supplier diversity program manager shared information with potential suppliers at a Richmond construction industry information session.

The Bank increased expenditures with diverse suppliers.

Overall expenditures with diverse suppliers continued to grow, increasing from \$10.94 million in 2012 to \$15.09 million in 2013, an increase of just under 38 percent. At 33 percent and 43 percent respectively, growth in expenditures with minority- and women-owned businesses outpaced by more than double the 14.4 percent growth in total expenditures. This marks the second consecutive year of year-over-year growth of 25 percent or greater, as illustrated in the graph that follows.



The chart above shows overall expenditures with diverse suppliers continued to grow, increasing from \$10.9 million in 2012 to \$15.1 million in 2013.

The Bank awarded its largest diverse supplier contract to date.

The NPO awarded a contingent labor managed services provider contract to a minority-owned supplier. The contract represents the Bank's largest award to a diverse supplier to date, with a conservative estimated value of \$50 million or greater across the Federal Reserve System when fully implemented, depending upon the number of Reserve Banks that opt in. The contract offers multiple benefits, including cost reductions, enhanced services and streamlined processes.

Based on budget forecasts for contingent staffing, the Bank conservatively estimates its expenditures alone with this diverse supplier will approach \$28 million in 2014.

The Bank developed and implemented Tier 2 subcontracting language.

The Bank developed and began including Tier 2 language in applicable requests for proposals to require a diverse

supplier subcontracting plan. The subcontracting plan is included as part of the overall RFP evaluation criteria. This requirement should increase opportunities for diverse suppliers to participate in contracts supporting the Bank's procurement requirements.

The Bank used the language in September 2013 on a request for proposal for a Board of Governors construction project at the Baltimore branch office. The successful bidder committed to subcontracting 17 percent of the estimated \$16.4 million construction to minority- and women-owned trade contractors and suppliers, with another \$2.7 million, or 16.7 percent, directed to a service-disabled veteran-owned contractor.

The Bank hosted technical assistance events for construction industry suppliers.

Building on a successful broad-based vendor fair in 2012, the Bank again hosted networking and technical assistance events, in addition to participating in an aggressive schedule of external outreach events. With a major construction project in its pipeline, the Bank opted to target the construction and facilities maintenance industries. The Facilities, Local Procurement and Supplier Diversity departments partnered together to host two construction industry information sessions, one in Richmond and a second in Baltimore. The Baltimore event was the first of its kind in the region and represented outreach to a new pool of diverse suppliers.

The half-day sessions included an educational segment, information on potential construction opportunities, the Bank's procurement processes and tips on preparing to compete successfully for Bank business. The information sessions were followed by networking that allowed the



The Bank's procurement staff answered questions from suppliers attending a construction industry networking session in Richmond.

MWBE trade contractors and suppliers to meet and discuss their product and service offerings with Bank facilities and procurement staff, as well as a majority of general contractors attending the events. Each event drew approximately 45 to 50 external participants representing approximately 30 diverse general or specialty trade contractors, maintenance providers and supplies vendors.

Numerous diverse suppliers attending the events were included in subsequent sourcing events, and four contract awards were made to diverse supplier participants, including one for \$1.75 million. Four additional statement of work projects were issued for the first time to two diverse supplier participants who had previously been awarded on-call contracts (similar to indefinite delivery/indefinite quantity contracts in federal government contracting) for selected services. The networking events also contributed to the inclusion of diverse suppliers as subcontractors on several projects.

The Bank was recognized by external constituents for its supplier diversity efforts.

For the second consecutive year, the Bank garnered external recognition from the supplier diversity community. DiversityBusiness.com, an online multicultural business organization, named the Bank's supplier diversity program manager one of its "Champions of Diversity" for 2013. The award recognizes individuals who have demonstrated a commitment to solutions in diversity issues on both a regional and national level.



The Bank's supplier diversity program manager was named a "Champion of Diversity" by DiversityBusiness.com, an online multicultural business organization.

The Bank maintained or increased diverse supplier inclusion, response and award rates on procurement opportunities.

The Bank's practice is to include at least one diverse supplier, where one can be identified, on competitively bid acquisitions. Sourcing professionals work collaboratively with end users and supplier diversity staff to identify diverse suppliers with the requisite capabilities and expertise for a particular acquisition. The Bank has tracked diverse supplier inclusion, response and award rates since 2011, considering them compelling measures, along with total MWBE expenditures, of the impact of supplier diversity initiatives.

The inclusion rate tracks the total number of competitively bid sourcing events in which diverse suppliers were included. This rate rose substantially in 2012 to 91 percent from the previous year's 70 percent, reflecting the first full year of a newly focused and integrated supplier diversity effort. The Bank maintained this momentum in 2013 with at least one diverse supplier included in 85 percent of the Bank's 115 competitively bid procurement opportunities. A total of 213 diverse suppliers were included in these opportunities, or an average of 1.9 diverse suppliers per sourcing event. Diverse suppliers represented 34.8 percent of the total number of suppliers included in the sourcing events. Of the 113 unique diverse suppliers included (some suppliers were included in multiple events), 87, or 77 percent, were first time bidders that gained access and opportunity directly as a result of the Bank's supplier diversity initiatives. Complete metrics on diverse supplier inclusion, response and award rates are provided in Appendix 5.

The Bank's diverse supplier response rate, which measures the number of events in which at least one diverse supplier responded to the invitation to participate, increased from 70 percent in 2012 to 74 percent in 2013. The award rate measures the percentage of events where minority- and women-owned suppliers were invited to participate and resulted in an award to a diverse supplier. The Bank posted sizable increases in both the number and percentage of awards made to diverse suppliers in 2013. The Bank awarded 29 contracts to 22 different diverse suppliers, or in 27 percent of the events where diverse suppliers were included and 36 percent of the events where diverse suppliers responded. In 2012, the Bank awarded 18 contracts to diverse suppliers in 20 percent of events in which they were included and 28 percent of events in which they submitted a bid.

Of the 29 contracts awarded to diverse suppliers, 11 were awarded to new suppliers to the Bank. The awards represented an array of products and services, including the previously-mentioned contingent staffing managed services, leadership and management development training, construction and facilities maintenance services, lighting supplies, information technology hardware and software equipment and maintenance, software security consulting, freight transportation and housekeeping services.

The Bank continued a high level of involvement in outreach, communication and technical assistance activities.

The Bank is a national member of NMSDC, WBENC and the Financial Services Roundtable for Supplier Diversity (FSRSD). Leveraging membership and involvement in these premier diverse supplier development organizations, the Bank continued to expand its visibility and presence in the diverse supplier community. The Bank hosted, facilitated or participated in numerous supplier diversity events presented by these and other organizations. A detailed listing of the events attended is included in Appendix 6.

CHALLENGES

While the Bank realized a number of successes in its supplier diversity efforts during 2013, there are consistent challenges. Procurement and supplier diversity staffs continue to collaborate and work proactively to address these issues, including:

- Increasing the diverse supplier response rate
- Improving completeness of diverse suppliers' responses and bids
- Identifying suppliers with the requisite qualifications
- Developing more effective pipeline strategies
- Reducing the preference toward incumbent or high-profile suppliers

The Bank has had difficulty increasing the diverse supplier response rate.

The Bank was pleased to realize a moderate increase this year in the number of events in which diverse suppliers invited to participate subsequently submitted a response.

An analysis also indicates that while the diverse supplier response rate still trails that of nondiverse suppliers, the gap is narrower than perceived. The rate remains lower than desired, however, and is especially disappointing when the research, administrative and support efforts required to source and include diverse suppliers can be very labor intensive for supplier diversity, business line and procurement staff. Factors contributing to this outcome are unclear. Anecdotal information indicates that some of the Bank's processes and bidding requirements, while necessary and responsible risk mitigants, may appear onerous and dissuade smaller and diverse suppliers from pursuing opportunities with the Bank. In addition, in some cases, a diverse supplier, while initially interested, may realize after receiving the RFP and understanding the full scope of work that their company does not have the requisite capabilities or capacity to fulfill the requirements (see related challenge below).

The Bank sees the need to improve the completeness of diverse suppliers' responses and bids.

Procurement specialists continue to report that small and diverse suppliers tend to require substantially greater support, direction and follow-up throughout the procurement process. Diverse supplier responses also more frequently lacked essential components — whether competitive pricing, service level, previous experience meeting similar requirements or lack of thoroughness or attention to detail in the response itself. See Appendix 7 for more detailed examples.

The Bank will continue to incorporate and address the importance of these responsiveness issues in its external outreach, communication and technical assistance strategies. Many of the diverse suppliers invited to bid and respond to Bank sourcing opportunities are first-time bidders, which may be a factor in both lower respective response rates and responsiveness concerns. The Bank plans to analyze inclusion, response and award data to determine whether continued inclusion and participation over time leads to more proficient responses, and consequently, more awards to diverse suppliers.

The Bank continues to have difficulty identifying suppliers with the requisite qualifications and developing effective pipeline strategies.

Despite research and outreach efforts, the Bank has continued to encounter some difficulty identifying minority- and women-owned businesses for some unique and/

or large-scale goods and services. This issue is inextricably linked with developing effective pipeline strategies that allow adequate time to identify and pre-qualify suppliers with the requisite capabilities and capacity, especially for hard-to-source products or services. Suppliers introduced late in the procurement cycle are at a natural disadvantage to incumbents or other suppliers that have previous knowledge of the Bank, its procurement processes or relevant decision-makers. The Bank made progress in 2013 in forecasting future procurement requirements and will continue to build on those efforts in 2014.

The Bank has difficulty reducing the preference toward incumbent or high-profile suppliers.

The Bank relies on a highly tenured supplier base and a strong emphasis on risk mitigation within the supply chain to meet the demand to perform with excellence every day. These factors can unintentionally foster a strong bias in the selection process toward incumbent or other known, high-profile or “brand-name” suppliers. Again, pipeline strategies that enable more effective supplier identification and qualification may promote a greater tolerance for calculated risk and create more opportunities for diverse suppliers to compete successfully for the Bank’s business.

NEXT STEPS

The Bank remains committed to making every effort to increase the opportunity for minority- and women-owned businesses to participate in procurement efforts. To deliver on this commitment, the Bank will continue to refine its strategic plan and explore new areas of focus. The action plan for 2014 includes:

- Continuing to research factors contributing to supplier response rates
- Continuing to communicate and reinforce internally the importance of using a diverse pool of suppliers
- Leveraging partnerships with diverse supplier advocacy organizations
- Expanding second-tier efforts
- Developing and maintaining a long-range procurement pipeline

The Bank will continue to research factors contributing to supplier response rates.

The Bank is working toward continued improvement in the diverse supplier response rate and, to that end, will continue to step up attempts to capture information during the RFP process from diverse suppliers that fail to respond. We will also explore other research and data-gathering strategies that could potentially include post-RFP surveys, to supplement anecdotal data.

The Bank will continue to communicate and reinforce the importance of using a diverse pool of suppliers.

Supplier diversity and procurement staff will continue to drive awareness and to support the engagement of business functions by providing necessary training and resources to facilitate sourcing diverse suppliers. Staff 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, understand required supplier qualifications and source potential diverse suppliers.

The Bank will leverage partnerships with diverse supplier advocacy organizations.

The Bank will continue to partner closely with strategic external supplier diversity development and advocacy organizations as they play a vital role in efforts to identify qualified suppliers and further educate potential suppliers on processes and requirements. The NMSDC, a key partner in the minority business community, restructured its council network and service delivery model in 2013. The Virginia Minority Supplier Development Council, based in Richmond and historically the Bank’s primary resource for NMSDC services, closed operations in December 2013 and merged into two neighboring councils, which together serve the Fifth District footprint. With neither council based in Richmond, which is the Bank’s headquarters location and principal base of operations, participating fully in key council activities may present a challenge. The Bank will strive to remain effectively engaged with both councils, particularly the Carolinas–Virginia Minority Supplier Development Council, whose service area includes Richmond.

The Bank will continue to host its own technical assistance and networking events to introduce potential suppliers to Bank procurement influencers and decision-makers, as well as provide information and education addressing strategic needs and issues identified in previous years.

The Bank will expand Tier 2 efforts with Agile 1 and other appropriate suppliers.

The Bank outsourced its contingent staffing acquisition process to a minority-owned supplier in 2013. This supplier manages a portfolio of suppliers that provide contingent workers to the Bank as needed. In 2014, the Bank will work closely with the managed services provider in a supplier optimization process to identify service gaps and consider new suppliers. Ensuring access and opportunity to diverse suppliers is a key objective of the supplier optimization process. The Bank will also assess the opportunity to move Tier 2 efforts forward with other key suppliers.

Additionally, the Bank will explore the use of Tier 2 language in supplier agreements that specifically address Section 342's focus on minority- and women-owned firms.

The Bank will develop and maintain a long-range procurement pipeline with strategies to identify and include diverse suppliers to the maximum extent practicable.

As indicated earlier, an effective pipeline strategy better positions the Bank to address many of its challenges. The Bank will build on initiatives begun in 2013, reviewing budget and contract expiration forecasts to develop a pipeline of 2014 and 2015 procurement opportunities. Using this data, the Bank will tailor its outreach and communication efforts to research, identify and prepare potential suppliers to participate in strategic procurement opportunities. More strategic identification and prequalification strategies should result in more informed and prepared suppliers, ultimately leading to greater response and award rates.

Financial Education Activities

The Bank educates students about how our economy works, empowering them to make well informed financial choices. Working with teachers on lesson plans and classroom activities, we provide special publications and student competitions to advance students' understanding of economics. The Bank's highly interactive exhibit, The Fed Experience, offers students, teachers and the public an opportunity to explore how their economic decisions affect their quality of life and the impact of those choices over a period of time. The Bank also provides financial education resources and mentoring to inner-city minority and female high school students.

SUCCESSES

During 2013, the Fifth District took the following steps to continue its financial education efforts:

- Leveraging key economic and financial education partnerships for advocacy at state and national levels
- Providing training and resources to teachers
- Developing direct-to-student learning experiences
- Incorporating financial education into mentoring programs with an improved mentoring curriculum
- Partnering with key mentoring organizations

The Fifth District leveraged key economic and financial education partnerships for advocacy at state and national levels.

The Fifth District continued a long tradition of partnering with national, state and local educational organizations to advocate for better and expanded school-based economic and financial education in 2013. The Fifth District's work with the national Council for Economic Education, which offers comprehensive K-12 economic and personal finance education programs, continued to be a focus. The Council's annual Financial Literacy and Economic Education Conference is the largest nationwide gathering of educators and advocates in the field of K-12 economics and financial education. The conference features a diverse selection of presentations, workshops and events aimed at raising economic and financial literacy levels among young people. In 2013, the Bank's president, Jeff Lacker, delivered a speech, "Human Capital Investment as a Major Financial Decision," to conference attendees. The Bank also delivered three presentations at the conference and,

together with several other Reserve Banks, partnered with the national Council to deliver a portion of the conference.

In 2013, Fifth District leaders from across the Bank served in leadership roles in economic education at both the state and national levels. Jeff Lacker served on the board of the national Council for Economic Education. Fifth District officers also served on boards and committees for the national Council for Economic Education's affiliated state councils in Maryland, North Carolina, South Carolina and Virginia. The state councils are nationally recognized as primary conduits of economic and financial education. In addition, the Fifth District partnered with the state councils on several programs that provided professional development to teachers throughout the year. The Bank also worked through partnerships at the national and state levels to continue ongoing advocacy work with the goals of including economics and personal finance in the education of all students and ensuring that teachers have quality instructional materials to teach these subjects.

Another significant partner in the Bank's financial education initiatives is Jump\$tart. Jump\$tart is a national coalition of organizations dedicated to improving the financial literacy of pre-kindergarten through college-age students by providing advocacy, research, standards and educational resources. In 2013, the Fifth District provided support to the organization through board service and partnership programs held throughout the district.

The national Council for Economic Education, the state Councils and Centers for Economic Education and Jump\$tart are the main advocates for and providers of economic and financial education programs at the national and state levels for all schools. The Fifth District's partnerships with these organizations provided the Bank with the opportunity to influence a wide range of students, including those noted in Section 342 of the Dodd-Frank Act.

The Fifth District provided training and resources to teachers.

The Fifth District provided professional development for teachers at public schools through workshops and made presentations at local, state and national conferences. In 2013, the Fifth District organized or participated in eight teacher training programs throughout its district, including workshops for teachers in Baltimore, Maryland, and Charlotte, N.C., as part of Federal Reserve System Financial

Education Day. Educators from 19 high schools noted in Section 342 of the Dodd-Frank Act attended these Financial Education Day events. In addition, staff delivered 21 presentations at local, state and national conferences. Because conference organizers handle registration for these events, the Bank does not have registration data for attendees but presenters have shared that teachers from schools noted in Section 342 of the Dodd-Frank Act attend.



Economic Education employees provided teachers with instructional resources during October's Federal Reserve Financial Education Day, a Systemwide event to promote financial education.

The Economic Education team continued to publish the "5E Navigator", a publication that provides reliable information and tools to help people make informed choices about important personal finance decisions. A recent issue provided information on student loans and directed readers to information and tools for managing student loan repayment. This issue aligned with the Bank's focus on providing information on decisions that can have a major financial impact on individuals.



The Bank launched a new website — www.majorfinancialdecisions.org — to provide the public with easy-to-use, reliable tools for making major financial decisions.

In 2013, the Fifth District also continued to provide content and administrative support for TeachingMoneyVA.

org, a resource clearinghouse launched in 2011 through which high school teachers can find lesson plans and other materials to use in teaching Virginia's required economics and personal finance course. Fifth District employees also regularly review, write and edit new content and revisions for state- and district-level education initiatives. At the national level, as an active member of the System's Economic Education Workgroup, the Fifth District supported and contributed content to the nationally recognized website, federalreserveeducation.org. The website provides free online courses, videos, articles and lesson plans on personal finance for high school students.

By providing expertise, teacher training and website content and administration, the Fifth District provided teachers with tools to teach economics and personal finance to students.

The Fifth District has developed direct-to-student learning experiences.

In 2013, the Fifth District provided learning experiences directly to students in several ways. Significant progress was made in 2013 on the new "Invest in What's Next: Life After High School" online course in partnership with the Federal Reserve Bank of San Francisco. The course is a three-lesson interactive online learning experience designed to help high school students make informed decisions about post-high school education. Through a series of online modules and outside-the-classroom exploration assignments, the course helps students begin planning their post-high school strategies. In addition, the course is structured to help students develop personal finance skills to implement those strategies. The modules are designed to be engaging and experiential — key components to reaching targeted high school students. Although the initial launch of the course was planned for 2013, development delays pushed the launch of the first lesson to early 2014.

The Fed Experience, the Bank's interactive educational exhibit in Richmond, remains an integral part of student engagement. Employees provide guided tours tailored to school groups and offer lessons in the on-site classroom to reinforce the exhibit content. Over 6,000 individuals visited the exhibit in 2013, including 1,200 high school visitors from 27 high schools. Of the 27 high schools, nine (33 percent) met the criteria outlined in Section 342. High school and college students can also tour the Baltimore and Charlotte branch offices.

The Bank incorporated financial education into mentoring programs with an improved mentoring program curriculum.

The Bank continued to support the Fifth District’s public schools through a mentoring program coordinated by the Bank’s Civic Engagement Office. In 2013, 99 employees volunteered nearly 2,000 hours mentoring students in Richmond Public Schools — a 19-percent increase in participation from 2012. Employees mentor at one of three partner schools — an elementary, middle and high school — all of which have low-income, majority-minority, inner-city student populations. Approximately 100 students are served by Bank mentors. There are currently 30 students involved in the program at Huguenot High School, a majority-minority high school located in the City of Richmond.

The focus of the program is to help develop “soft skills,” which have a positive effect on academic achievement, school attendance and graduation, college preparation, workforce readiness and life success. In 2013, the Bank identified specific curriculum topics that align with local, state and national education goals. Resource materials (activities, lessons, online modules, videos, etc.) were also identified for each topic. There are now almost 200 resources housed in an easily searchable intranet site for mentors. There’s a specific section dedicated to financial education resources that focuses on managing personal finances — especially budgeting and saving for post-secondary education.

This is a valuable tool which enables our Fifth District mentors to effectively maximize their impact on students. The program — and the curriculum in particular — was highlighted in Communities in Schools of Richmond’s annual meeting, which the Bank hosted in August 2013. Communities in Schools works within the public school system, determining student needs and establishing relationships with local businesses, social service agencies, health care providers and parent and volunteer organizations to provide needed resources. See Appendix 8 for the mentoring program curriculum focus areas.

The Bank partnered with key mentoring organizations.

In addition to the Bank’s mentoring program, Fifth District leaders continued to serve on boards and committees within the public school system and with local mentoring



One way Bank employees gave back to our communities was through Junior Achievement of Central Virginia’s bowlathon to support efforts to reach 22,000 students with programs promoting good financial decisions.

organizations. The Fifth District has also increased mentoring opportunities for branch employees in Baltimore and Charlotte. Currently, the Bank is working with the United Way office in Charlotte to recruit employees for United Way’s Project 1000 initiative. This project aims to recruit and train 1,000 mentors, tutors and readers to work with at-risk students. It is part of a larger initiative, called Collective Impact, which is targeted at increasing graduation rates for at-risk, low-performing students.

As it has in past years, the Bank hosted the Boys & Girls Clubs of Metro Richmond’s Youth of the Year competition on the Martin Luther King Jr. holiday. This leadership development program helps develop skills that will be useful in their future academic and employment endeavors. Lastly, the Bank has developed strong partnerships with the local Junior Achievement in each of our office locations. More than 50 employees participated in their traditional programs, such as JA in a Day and JA’s Finance Park. In 2013, the Bank also piloted an “It’s Your Business” program with middle school students who aspire to be entrepreneurs.

CHALLENGES

While the Bank realized a number of successes in its financial education efforts during the reporting period, both internal and external challenges and opportunities remain, including:

- Increasing outreach activities with limited resources
- Tracking program outcomes

The Fifth District continues to have difficulty increasing outreach activities with limited resources.

In 2013, the economic and financial education functions were reorganized to more formally align with the Bank's research department. The new reporting structure will provide a more efficient process for ensuring that economic and financial education information for all audiences consistently represents the Bank's perspective. As part of the reorganization, more resources will be devoted to economic and financial education research. While this change ensures that the Bank is contributing more broadly to economic and financial education, it may be challenging to maintain as many physical touch points with teachers and students as in the past, given that fewer resources will be devoted to general outreach. To address this constraint, the Economic Education team will place more emphasis on developing resources and promoting these resources to teachers, rather than holding workshops in 2014. The team will also continue to explore and more fully leverage technology and strategic partnerships to maintain touch points with the public.

The Bank has experienced challenges with tracking program outcomes.

Currently, it is difficult for the Bank to track the outcomes of its financial education efforts. There is limited research on the efficacy of specific financial education for students in general, and within the Bank there are resource limitations and privacy concerns for tracking these programs. Primarily, the Bank uses anecdotal evidence from teachers and other youth leaders about how successful its financial education efforts have been. The Bank does not have the resources to track students over time to determine if they benefit in the long-term from the education they receive from Bank programs; additionally, tracking students would raise some significant privacy concerns. In the absence of measuring actual program outcomes, the Economic Education team will continue to follow best practices from existing research in the development of educational programs.

NEXT STEPS

To address the challenges described above and to enhance its financial education efforts, the Fifth District is taking the following actions:

- Completing the direct-to-student online course
- Partnering with other Reserve Banks on System-level initiatives
- Continuing to provide financial education through mentoring programs and share curriculum more broadly

The Bank will complete the direct-to-student online course.

The Fifth District will devote significant effort in 2014 to completing, marketing and fully implementing the "Invest in What's Next: Life After High School" online course for high school students. The Economic Education department will partner with the Bank's Office of Civic Engagement to train employees to use this course in existing Bank-sponsored mentoring programs. The team will also partner with other external organizations to help to deliver this course to students.

The Bank will partner with other Reserve Banks to expand personal finance education.

As part of a Federal Reserve System initiative, the Fifth District will participate in a national personal finance education day program. The goals of the program include raising awareness about the importance of informed decision-making, providing quality economic and personal finance professional development to teachers and sharing information about resources available for students. The Economic Education team will also participate in System workgroups related to curriculum development, technology and metrics. Participating in these workgroups aligns with the Economic Education team's focus on developing and promoting resources, leveraging technology to expand reach and ensuring that programs are designed to achieve desired outcomes.

The Bank will continue to provide financial education through mentoring programs and share curriculum more broadly.

The Bank will continue to support the Fifth District's public schools through the mentoring program and a focus on soft skills development. The Bank will explore opportunities to share the curriculum — 200 resources available to all mentors — more broadly with other external partners to multiply the success of the 2013 mentoring program.

Appendix

APPENDIX 1. INTERNAL LABOR MARKET MAPS

ILMs use the following groupings of EEO-5 categories.

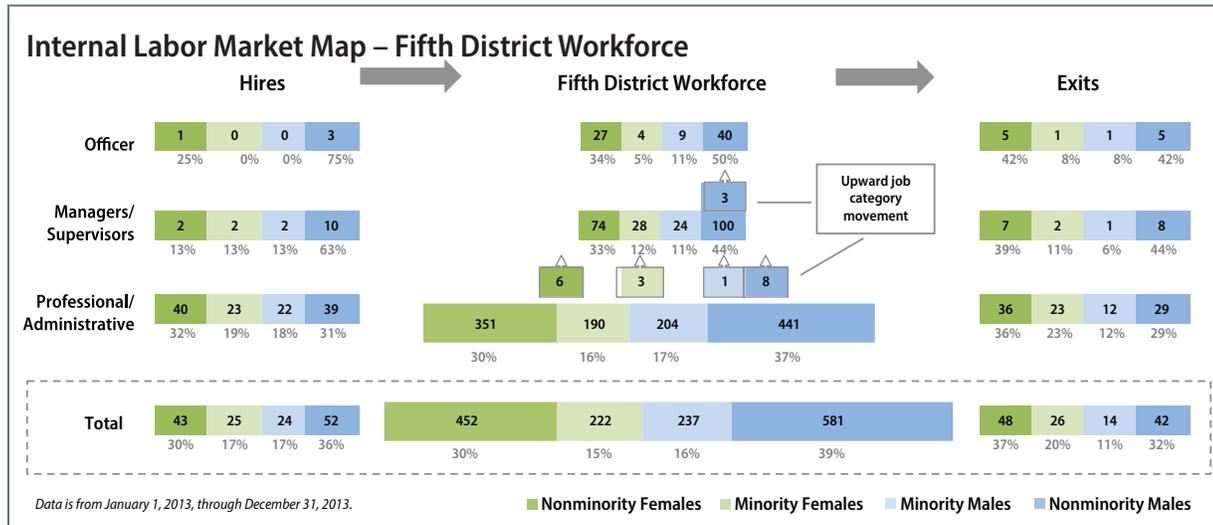
ILM Job Groupings	EEO-5 Categories Included
Officers	Officers
Managers/Supervisors	Managers, Supervisors
Professional/Administrative	All Other EEO-5 Categories

EEO-5 JOB CATEGORIES:

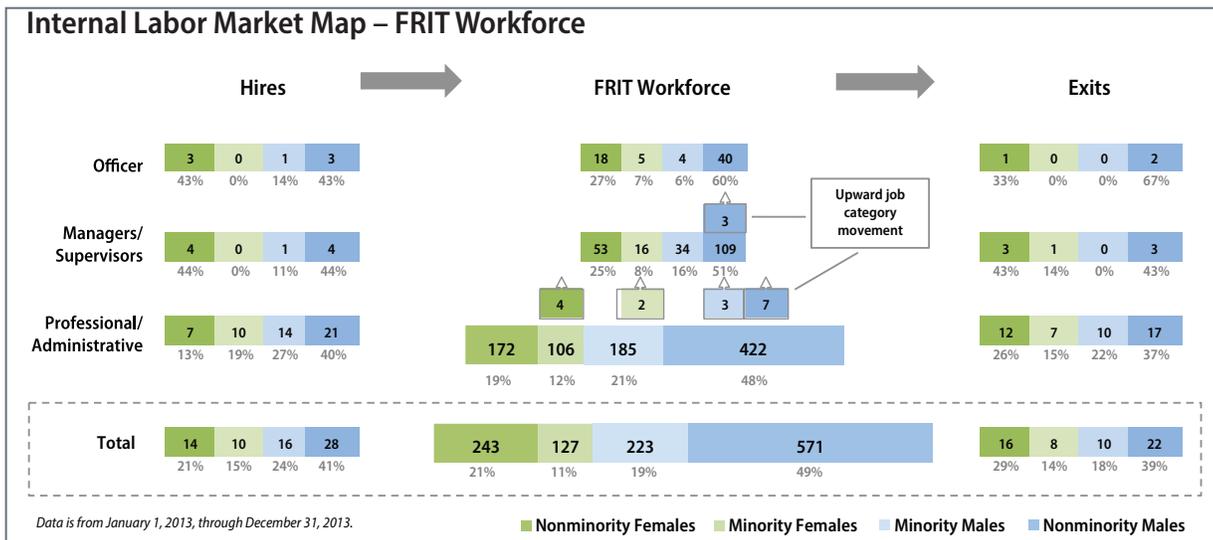
Managers — Jobs that require individuals to lead a business function or unit, who have direct reports and who write performance evaluations

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.



The ILM map above is a graphic representation of FRIT's workforce and movement of gender and racial groups through various job levels.

APPENDIX 2. OMWI DIRECTOR AND DEPUTY DIRECTOR BIOGRAPHIES

Mark Mullinix, First Vice President, OMWI Director

Mark Mullinix has responsibility for the Bank's payments systems, outreach, financial management, information technology and corporate support services functions. Prior to joining the Richmond Fed, Mark served as executive vice president and product manager of the Federal Reserve's Cash Product Office at the Federal Reserve Bank of San Francisco. While there, he led the Federal Reserve's Cash Services in formulating policies and business and technology strategies to meet demand for U.S. currency and coin that today surpasses \$1 trillion in circulation globally. During his Fed career, Mark has led various payments and support areas, including as officer over the Kansas City Fed's Human Resources group from 1988–1992.

During his career, Mark has been a passionate community advocate, serving on the boards of the Los Angeles and Oklahoma City United Way organizations, Junior Achievement of Southern California and the Arizona Council on Economic Education. He has also been engaged with the Marine Corps Scholarship Foundation, Women's Unlimited of San Francisco and Claremont Graduate University's Tomas Rivera Policy Institute. He is currently a member of the Richmond Capital Region Collaborative and the University of Richmond's Robins School of Business Executive Advisory Board.

William (Bill) Cooper, Vice President, OMWI Deputy Director

Bill Cooper is responsible for leading the day-to-day diversity and inclusion efforts of the Bank. Before joining the Bank in 2011, Bill was the director of supplier diversity at the University of Virginia, and prior to that he was the owner of one of the largest minority-owned printing companies in the United States.

Bill is an active member of the Richmond community and was recently appointed to the Board of Commissioners of the Richmond Redevelopment and Housing Authority. His other leadership positions include seats on the Board of Directors of the Carolinas-Virginia Minority Supplier Development Council and the City of Richmond's Affordable Housing Trust Fund Advisory Board. Bill is a regular speaker, moderator and panelist at diversity and inclusion conferences nationwide.

APPENDIX 3. BANK PARTICIPATION IN 2013 NATIONAL AND REGIONAL RECRUITING EVENTS

Association of Information Technology Professional (AITP), January 29, Richmond, Va.

Recruit Military, January 31, Richmond, Va.

Association of Latino Professionals in Finance & Accounting, February 27, Washington, D.C.

Fort Lee Civilian Job Fair, March 6, Fort Lee, Va.

Congressman Elijah Cummings 16th Annual Career Fair, April 15, Washington, D.C.

Corporate Gray Military Fair, April 19, Springfield, Va.

Service Academy Career Conference (SACC), May 23–24, Washington, D.C.

National Association of Black Accountants (NABA), June 5–8, Nashville, Tenn.

Association of Latino Professionals in Finance & Accounting (ALPFA), August 3–7, Washington, D.C.

Black Data Processing Associates (BDPA), August 14–17, Washington, D.C.

National Society of Black MBA Association (NSBMBA), September 10–14, Houston, Texas

National Association of Hispanic MBAs (NSHMBA), October 9–12, San Antonio, Texas

Society of Women Engineers (SWE), October 24–26, Baltimore, Md.

National Society of Hispanic Professional Engineers (SHPE), October 30–November 3, Indianapolis, Ind.

Thurgood Marshall College Fund (TGMCF), November 8–12, Washington, D.C.

APPENDIX 4. THE BANK'S EMPLOYEE RESOURCE NETWORKS



*Four Generations United
(4Unite)*



*Ability Beyond the Label
(ABLE)*



First to Serve



*Generating the Recognition of Women
(GROW)*



*Leading in Project Management
(LiPM)*



*Pride, Respect, Inclusion, Support,
Mutual — gay, lesbian, bisexual and
transgender employees and allies
(PRISM)*



*Supporting the Advancement of Asian
American Recognition and Talent
(STAAART)*



*Valuing the Inclusion of Talented
African Americans and Latinos
(VITAL)*

APPENDIX 5. 2013 SUMMARY OF DIVERSE SUPPLIER PARTICIPATION IN SOURCING EVENTS

2013 Summary of Diverse Supplier Participation in Sourcing Events				
	LPO	NPO	FRIT	Bank
a. Total number of events	57	14	44	115
b. Number of events that did not include an MBE or WBE	9	7	1	17
c. Number of events that included an MBE or WBE	48	7	43	98
d. Number of events in which an MBE or WBE responded	36	6	31	73
e. Number of events in which a contract was signed with an MBE or WBE	10	3	13	26
f. Number of contracts signed with an MBE or WBE (some events has multiple awards)	13	3	13	29
g. Total number of diverse suppliers included	110	31	72	213
h. Total number of diverse suppliers responded	57	17	42	116

	LPO	NPO	FRIT	Bank
Events where a diverse supplier was invited to participate (c/a)	84%	50%	98%	85%
Events where at least one diverse supplier was responsive (d/c)	75%	86%	72%	74%
Average number of MWBEs per all events (g/a)	1.9	2.2	1.6	1.9
Average number of MWBEs per events that included MWBEs (g/c)	2.3	4.4	1.7	2.2
Average number of MWBEs responding per events that included MWBEs (h/d)	1.2	2.4	1.0	1.2
Award rate for MWBEs that responded (f/h)	23%	18%	31%	25%
MWBE award rate for all events (e/a)	18%	21%	30%	23%
MWBE award rate for events where MWBEs were invited (e/c)	21%	43%	30%	27%
MWBE award rate for events where MWBEs responded (e/d)	28%	50%	42%	36%

MWBE: Minority- or women-owned business enterprise
MBE: Minority-owned business enterprise
WBE: Women-owned business enterprise
Event: Procurement event for which the Bank contacted suppliers
LPO: Local Procurement Office
NPO: National Procurement Office

APPENDIX 6. BANK PARTICIPATION IN 2013 SUPPLIER DIVERSITY OUTREACH EVENTS

Virginia Asian Chamber of Commerce Economic Forum (VACC), February 27, Richmond, Va.

The Bank hosted this annual event presented by VACC. Speaking to an audience of approximately 35 corporate members and Asian business owners, senior economist Ray Owens discussed the economic outlook for 2013 and examined the role of the Federal Reserve in fostering economic growth and sustainability. The Bank's supplier diversity program manager attended the event to meet potential suppliers and answer questions about the Bank's procurement processes and opportunities.

WBENC Summit & Salute, March 13–14, Baltimore, Md.

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 program manager attended the event to meet and network with women-owned business representatives from across the country.

Virginia Business Opportunity Fair (VBOF) — Northern Virginia, April 3, Fairfax, Va.

The Virginia Minority Supplier Development Council took its flagship educational and networking event, VBOF, on the road in 2013. The agenda included informational sessions in the afternoon, followed by a trade fair and reception in the evening. The Bank participated as an exhibitor, with procurement and facilities staff available to meet with suppliers.

NMSDC Regional Program Managers Seminar, April 4–5, Atlanta, Ga.

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 fresh approaches to advancing minority supplier inclusion in procurement processes.

DiversityBusiness.com Annual Conference, April 24–26, Las Vegas, Nev.

Now a major multicultural business event, DiversityBusiness.com's annual conference brings together entrepreneurs and corporate, government and institutional diversity practitioners with an interest in the issues of multicultural business and community. Attendees benefit from a full agenda of educational and networking opportunities, with a special focus on fostering business relationship between diversity-owned businesses and corporations. The Bank's supplier diversity program manager attended and met several suppliers that could potentially be considered for direct or Tier 2 procurement opportunities.

23rd Annual Government Procurement Conference, April 25, 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 as an exhibitor with representatives from Fifth District Procurement, FRIT Procurement, the NPO and the Office.

Government Procurement Forum, April 30, San Juan, Puerto Rico

The Federal Reserve Bank of New York, Federal Deposit Insurance Corporation and Small Business Administration presented this forum on opportunities for small business in government procurement. Joining a distinguished slate of panelists, Jeff Crow, FRIT's senior vice president for financial management and administrative services, represented the Bank's various procurement functions and delivered a presentation on how to do business with the System. He also met one-on-one with small and diverse suppliers in the matchmaking session that followed.

Federal Reserve Bank of Richmond Construction Industry Information Sessions, May 10 and 21, Richmond, Va., and Baltimore, Md.

The Bank's Facilities, Local Procurement and Supplier Diversity departments partnered together to host two construction industry information sessions, one in Richmond and a second in Baltimore. The half-day sessions opened with an educational segment that included an overview of the System and the Bank, information on



potential construction opportunities, the Bank's procurement processes, tips on preparing to successfully compete for Bank business and the Bank's commitment to supplier diversity. The information segments were followed by networking sessions that allowed the minority women business enterprise trade contractors and suppliers to meet and discuss their product and service offerings with Bank facilities and procurement staff, as well as majority general contractors attending the events. Each event drew approximately 45–50 external participants representing approximately 30 diverse general or specialty trade contractors, maintenance providers and supplies vendors. Numerous diverse suppliers attending the events were included in subsequent sourcing events, several received first time awards or additional business and a majority general contractor committed to substantial diverse supplier subcontracting activity on a large construction project as a result.

Federal Reserve Board of Governors Vendor Fair, May 8, Washington, D.C.

For the third year in a row, the Bank's supplier diversity manager participated in the Board of Governors' annual networking event to meet potential minority- and women-owned suppliers. Several suppliers were included in subsequent RFPs.

Greater Richmond Small Business Expo and Matchmaker, May 17, Richmond, Va.

Hosted by the Richmond Metropolitan Business League, this networking event brought together approximately 80 corporate, government and small business exhibitors from the central Virginia area. The Bank's supplier diversity program manager and a local procurement representative staffed a booth to meet with and identify potential diverse suppliers. A minority-owned general contractor was subsequently included in an RFP for concrete delamination services and a woman-owned HR consulting firm was referred for a pending opportunity.

WBENC Annual Conference and Trade Fair, June 25–27, Minneapolis, Minn.

The Bank joined forces with the majority of its sister 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 materi-

als provided an overview of the System, its procurement processes and a list of potential upcoming opportunities by region. The Bank's supplier diversity program manager attended the WBENC conference, meeting with potential women business enterprise suppliers during the trade fair and other networking opportunities.

Virginia Business Opportunity Fair (VBOF) — Eastern Virginia, July 10, Newport News, Va.

The Bank's supplier diversity manager attended VMSDC's Eastern region installment of the Virginia Business Opportunity Fair.

Maryland/District of Columbia Minority Supplier Development Council Annual Procurement Conference, July 22, Bethesda, Md.

This National Minority Supplier Development Council affiliate serves Maryland and the District of Columbia. The Bank participated as an exhibitor, with the supplier diversity manager and a procurement representative from the Fifth District staffing a booth to meet suppliers and discuss Bank procurement processes.

Carolinas Minority Supplier Development Council (Carolinas MSDC) Annual Business Opportunity Conference, August 12–14, Charlotte, N.C.

The Bank exhibited at this event hosted by the NMSDC affiliate that serves North and South Carolina. The Bank's supplier diversity manager and a project manager from the Facilities department attended to staff the booth and meet with suppliers.

Virginia Asian Chamber of Commerce (VACC), ProcureCon Asia 2013, September 5–6, Richmond, Va.

The Bank, represented by the supplier diversity manager, participated as an exhibitor in this annual conference hosted by the VACC. The conference is designed to introduce Asian-owned suppliers to corporate supplier diversity and procurement representatives.

National Minority Supplier Development Council Annual Conference, October 27–30, San Antonio, Texas

Fifth District diversity, procurement and supplier diversity staff again collaborated with their System counterparts to represent the Bank at this premier minority supplier

development networking event. In addition to participating in general trade fair activity and attending substantive educational sessions, the supplier diversity manager and managers from the NPO and FRIT procurement participated in several strategic meetings with targeted minority suppliers based on upcoming procurement opportunities.

Financial Services Roundtable for Supplier Diversity MBE Symposium & Reception, October 29, San Antonio, Texas

For the second consecutive year, Bank staff contributed substantial support to the Financial Services Roundtable for Supplier Diversity (FSRSD) in presenting a Minority Business Enterprise symposium and networking reception for selected minority suppliers. The Office's deputy director served as a moderator for the panel discussion, which featured seasoned advocates from the supplier diversity consulting and financial services sectors. These distinguished subject matter experts discussed topics such as the changing landscape of procurement, core principles of an effective supplier diversity practice and successful strategies for business growth and profitability. The Office's deputy director moderated the panel, with the Bank's supplier diversity program manager providing project management and marketing support. The Office's deputy director and supplier diversity program manager were joined by the NPO and FRIT Procurement managers, and all met and networked with diverse suppliers at the reception following.

VMSDC Annual Meeting and Awards Celebration, December 10, Richmond, Va.

The Bank was pleased to host a 30th Annual Minority Input Committee Awards Celebration, the culminating event under the VMSDC brand and honoring the Council's rich history. The event included an economic overview presented by one of the Bank's regional economists, a corporate showcase allowing minority suppliers to meet and network with corporate procurement and supplier diversity professionals and the presentation of awards recognizing both corporate member and minority business accomplishments — all followed by a reception that facilitated further networking and introductions. The celebration drew a mix of corporate and minority business participants that numbered well over 100. The Bank fielded a strong cross-functional contingent of participants throughout the day, including representatives from senior management, supplier diversity, all three procurement functions, the Office and end-user departments. The NPO vice president opened the awards ceremony and the

FRIT director and chief information officer for the System brought closing remarks. Both met with diverse suppliers during the networking reception.

APPENDIX 7. EXAMPLES OF SMALL AND DIVERSE SUPPLIER NONRESPONSIVENESS

Below is a sampling of small and diverse supplier non-responsiveness issues reported by the Bank's sourcing specialists:

- A supplier that failed to provide information required for a pre-bid conference, even after repeated attempts by the buyer to secure the information, ultimately forfeiting the opportunity to participate;
- A supplier who failed to provide second-round pricing information, again despite repeated requests from the buyer;
- A supplier who was completely inattentive at a pre-bid conference and ultimately failed to submit a bid;
- A supplier who failed to address a critical segment of a construction process, even after the buyer asked the supplier to review his proposal; and
- Two of five diverse suppliers included in a construction RFP declined to submit a response, and three others submitted pricing ranging from 20 percent higher to well over twice that of the successful bidder.

Although overall pleased with the outcome of the construction industry information sessions discussed elsewhere in this report, an informal survey of participant outreach activity following the events underscores some of the Bank's concerns with supplier responsiveness. Shortly after awarding the contract for a construction project that was a key opportunity highlighted at the Baltimore information session, the supplier diversity program manager spoke with several diverse suppliers who attended the event and appeared to have the qualifications to perform on some of the larger, more strategic subcontracting components. While all had met with each of the general contractors who attended during the event, none of the suppliers followed up with the general contractors after the event to leverage the introduction, further build relationships and discuss potential partnerships for the project. The Bank was disappointed by the lack of follow through by the diverse supplier participants to take advantage of the information shared and contacts made at the event.



APPENDIX 8. PATHWAYS TO COLLEGE, CAREER AND RESPONSIBLE CITIZENSHIP (MENTORING PROGRAM CURRICULUM FOCUS)

Topics have been identified based on the research efforts of the University of Virginia's Weldon Cooper Center for Public Service, the Virginia Department of Education's Office of Career and Technical Education Services, Virginia's CTE Resource Center, the Career and Technical Education Consortium of States (CTECS), the Collaborative for Academic, Social, and Emotional Learning (CASEL) and the Partnership for 21st Century Skills.

	Topic	Age	Competency
1	Achievement Motivation	Middle/High	Personal
2	Communication	Middle/High	Personal/Workplace
3	Community Involvement	All	Personal
4	Creativity and Innovation	Middle/High	Learning
5	Critical and Analytical Thinking	Middle/High	Learning
6	Cyber Smarts	Middle/High	Personal
7	Diversity Awareness	All	Personal
8	Economic and Financial Education	All	Personal
9	Job Preparation and Acquisition	Middle/High	Workplace
10	Life-Long Learning	Middle/High	Learning
11	Personal Values and Integrity	Middle/High	Personal
12	Self-Awareness and Representation	Middle/High	Personal/Workplace
13	Teamwork and Collaboration	Middle/High	Learning/Workplace
14	Time and Resource Management	Middle/High	Learning/Workplace



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