



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

2014 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.

TABLE OF CONTENTS	
Executive Summary	2
Introduction.....	5
Minority and Women Employment.....	6
Minority- and Women-Owned Business Participation	15
Financial Education Activities.....	22
Appendix	25

Executive Summary

OMWI OFFICE AND OVERSIGHT

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

OFFICER AND WORKFORCE DIVERSITY

The Bank took important steps in 2014 to ensure a workforce that positions the Bank to effectively deliver on its mission and strategic goals. Key successes included implementing a new organizational structure that combined human resources (HR) functions of the Fifth District and FRIT and more closely aligned the Office with HR, creating an Executive Diversity & Inclusion Council, and developing a comprehensive D&I snapshot containing metrics for the Bank.

During 2014, the Bank's HR leaders focused on the HR restructuring and the Office was strategically moved into the HR function to fully integrate D&I into HR policies and practices across the Bank. The unified HR structure will better support the Bank's people and culture initiatives — including D&I initiatives — by leveraging the combined strengths of each organization. The restructuring also positioned HR to best deliver on business priorities and to effectively serve employees of both the Fifth District and FRIT. The new HR structure was fully implemented in January 2015 and establishes a strong foundation for executing on workforce diversity objectives in 2015 and beyond.

In 2014, the Bank formed an Executive Diversity & Inclusion Council (EDIC) comprised of the OMWI director and senior executives from both the Fifth District and FRIT to serve as key drivers and advocates of our Bank's D&I strategies, support the Office in aligning D&I practices with the Bank's overall strategy and demonstrate that D&I is a priority at the highest levels of the organization. The EDIC is chaired by the deputy director of the Office

and sponsored by both the Fifth District's first vice president and FRIT's chief information officer, and will help ensure D&I practices become more integrated into how the Bank does business.

In an effort to better measure and improve the Bank's D&I efforts, the Office collaborated with both FRIT and Fifth District leaders to develop a comprehensive snapshot containing critical metrics for the Bank. The snapshot is one indicator of how well the Bank is doing to achieve a diverse and inclusive environment, and will allow leaders to understand how their business actions impact the Bank's overall D&I outcomes.

2014 WORKFORCE SUMMARY

The Internal Labor Market (ILM) map (right) displays a breakdown of the Bank's workforce and movement through various job levels. Separate ILM maps of the Fifth District and FRIT workforce are available in Appendix 1.

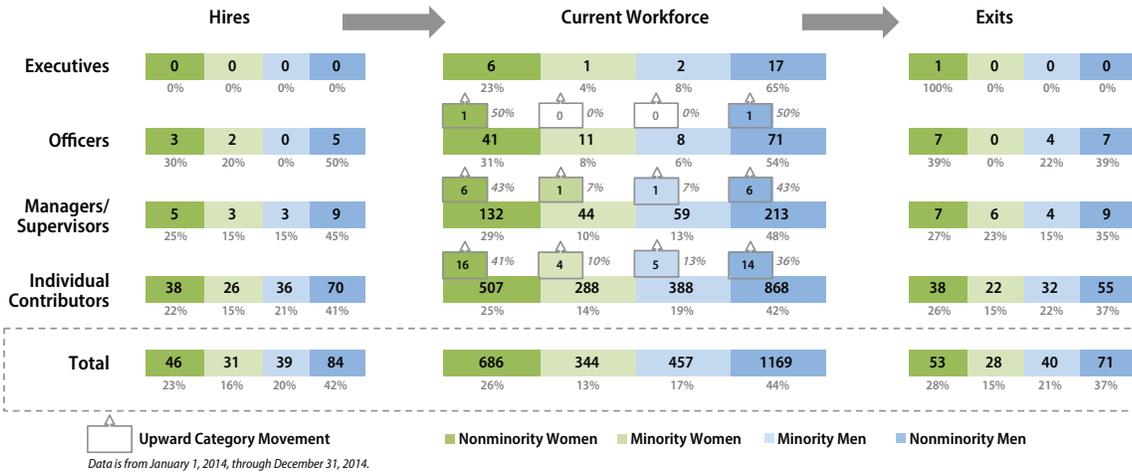
As of December 31, 2014, there were 2,656 employees in the Bank — 801 minorities (30 percent) and 1,030 women (39 percent). When compared to 2013, representation of minorities and women remained approximately the same. The Bank had 157 officers as of December 31, 2014 — 22 minorities (14 percent) and 59 women (38 percent). When compared to 2013, minority officer representation remained the same and female officer representation increased by five employees.

MINORITY- AND WOMEN-OWNED BUSINESS ENGAGEMENT

The Bank continued to make considerable progress in its supplier diversity efforts during 2014 — nearly tripling expenditures with minority- and women-owned businesses. The Bank spent approximately \$57.42 million with diverse suppliers (16 percent of total expenditures), an increase of 281 percent over 2013 spending.

Two key factors contributed to the significant increase — the implementation of a managed services provider (MSP) contract for contingent workers, and the minority-owned business certification of a major Bank supplier for distributed and computing telecommunications equipment. Together, this represents just over 13 percent of the Bank's total expenditures. Both contracts may also be leveraged by all Reserve Banks, substantially impacting System diverse spend as well. The MSP manages the acquisition

Internal Labor Market Map – Bank Workforce



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

of almost all contingent workers at the Bank. As noted in the 2013 Report to Congress, the Bank awarded a contingent labor MSP contract to a minority supplier in 2013. The Bank realized the benefits of the fully implemented MSP contract in 2014, including \$24.42 million in diverse spend.

In addition, the company that provides the majority of the Federal Reserve System's distributed computing and telecommunications equipment is owned and actively managed by a minority. The Bank made the company aware that it might qualify for certification and educated the owner about the potential benefits. The supplier pursued and was granted certification in 2014 as a minority-owned business by the National Minority Supplier Development Council — resulting in \$23.76 million in diverse spend.

LOOKING AHEAD TO 2015

The Bank's senior leaders and EDIC are fully committed to the success of the Bank's D&I initiatives. A focus in 2015 will be advocating and driving D&I strategies into the Bank's business practices. Members of the Office will work with the EDIC, Bank officers, business line leaders and others to successfully execute on the Bank's D&I strategy. To support this effort, the Office will develop a comprehensive communications plan that shares how the Bank's D&I efforts benefit the business, communities and employees.

From an operational perspective, the Office will work closely with HR, Procurement and Economic Education to ensure D&I are integrated into these key functions, which align with OMWI areas of focus. A targeted diversity recruiting approach currently under development, as well as enhancements to workforce and succession planning efforts, will be instrumental to the Bank's workforce diversity efforts this year.

In the area of supplier diversity, the Bank will develop and implement a formal dashboard for reporting supplier diversity spend to senior leaders, increase communication and education about the benefits of supplier diversity to business line leaders and revisit Tier 2 spend initiatives with select suppliers. (Tier 2 spend is the amount of money a Bank prime supplier or contractor spends with minority- or women-owned businesses either as subcontractors or other providers of goods and services in direct support of the supplier's contractual obligations to the Bank.) The Bank will also continue to partner closely with strategic external supplier diversity development and advocacy organizations. These groups play a vital role in efforts to identify qualified suppliers and further educate potential suppliers on procurement processes and requirements.

While the Bank was pleased to mark substantial progress in its supplier diversity efforts in 2014, there are inherent challenges and risks. As the Bank does not have planned

procurement opportunities of 2014's size and scale in its 2015 pipeline, a corresponding decrease in expenditures with minority- and women-owned business enterprises (MWBEs) in the coming year is anticipated. Another significant challenge is that the Bank's diverse supplier spend is substantially concentrated among two suppliers, and a major contract rebid may potentially result in the loss of an incumbent diverse supplier.

The Bank's financial education approach will continue to focus on major financial decisions, including the higher education decision. The Bank will complete lessons two and three of its online course — "Invest in What's Next: Life After High School" — to provide reliable economics-based information and tools to help high school students make informed decisions about post-secondary education.

Introduction

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

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

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

STAFFING STRUCTURE

Kathleen Houghtaling was named vice president and chief diversity officer effective January 1, 2015, and also serves as the deputy OMWI director. She reports to Becky Barford, the Bank's senior vice president of human resources and OMWI director who, in turn, reports to President Jeff Lacker on OMWI matters. The deputy director is responsible for leading the D&I efforts of the Bank and manages a staff of six full-time professionals. Two workforce management and data analytics professionals transferred to the Office during 2014 as a result of a unification process that brought together the Fifth District and FRIT Human

Resources departments. The workforce management and data analytics team members enhance the Office's competency in data analytics, as well as its ability to support the Bank's workforce strategies.

GEOGRAPHY COVERED



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 more than 20 states and within each District across the System.

The Bank is made up of the System's Fifth District and FRIT. The Fifth District covers the District of Columbia, Maryland, Virginia, North Carolina, South Carolina and most of West Virginia. The Bank is headquartered in Richmond, Virginia, with branch offices in Baltimore, Maryland, and Charlotte, North Carolina. Fifth District employees are primarily located in one of these three cities. FRIT is headquartered in Richmond, Virginia, with employees in more than 20 states and within each District across the System.

Minority and Women Employment

Having a diverse and inclusive environment is important to the Bank's mission, to the communities it serves and to its employees. The Bank is committed to creating a diverse and inclusive workplace, and in 2014, focused on the development of a structure to better support the success of those efforts.

Under the leadership of the Office's director and senior vice president of HR, the Bank implemented a new organizational structure that aligned the HR functions of the Fifth District and FRIT to include the Office, and formed two new teams to advocate for D&I throughout the Bank — the Executive Diversity and Inclusion Council (EDIC) and the Diversity and Inclusion Alliance (DNA). While core HR functions were unified, business-specific services, including business partners, talent development and organizational development, will continue to individually serve the Fifth District and FRIT.

The EDIC is comprised of senior executives from both the Fifth District and FRIT. Its members serve as key drivers and advocates of our Bank's D&I strategies, support the Office in aligning D&I practices with the Bank's overall strategy, and demonstrate that D&I is a priority at the highest levels of the organization. The EDIC will help ensure D&I practices become more integrated into how the Bank does business. Guided by the EDIC, the DNA which is comprised of employees — both leaders and individual contributors — from both the Fifth District and FRIT is working with the Office to advance the Bank's diverse workplace and inclusive culture, as well as provide direction and oversight for eight employee resource networks (ERNs).

The Bank actively recruits qualified, talented people from a variety of 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, 2014, there were 2,656 employees in the Bank — 801 minorities (30 percent) and 1,030 women (39 percent). Within this population, there were 157 officers — 22 minorities (14 percent) and 59 women (38 percent). When compared to 2013, minority and female representation remained approximately the same.

The Bank works to identify and attract top talent from a variety of sources. To broaden its recruitment efforts and promote awareness and recognition, the Bank participates in local, regional and national recruiting conferences and networks with both regional and national business and

professional organizations. The Bank also recruits at a variety of colleges and universities — including Historically Black Colleges and Universities (HBCUs) — and uses various job boards and networks targeted at diverse audiences to increase the diversity of candidate pools. The Bank also offers internships for students to learn about the System, including its purpose and role in serving America's economy, to gain valuable work experience and to learn about possible career paths. FRIT offers the Emerging Talent Initiative (ETI), a three-year rotational program designed to attract, develop and engage a diverse talent pool of early career professionals.

To help achieve business goals and increase innovation, the Bank encourages the diverse perspectives of its employees through engagement in its ERNs. ERNs are affinity- or professional-based, employee-led groups established to support the Bank's D&I efforts and other strategic initiatives of the organization. ERNs 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 Bank also provides employees with opportunities to enhance their professional and personal development, including a wide range of employee development programs aimed at all levels of the organization. These include mentoring and coaching programs to help employees develop the knowledge, skills and abilities to do their current jobs effectively, and help prepare them for future roles within the Bank.

Finally, the Bank scored 4 out of 5 in the Employee D&I Index — a composite of diversity and inclusion questions embedded in the Bank's 2014 Employee Engagement Survey. The Employee D&I Index provides a relative measure of employee perceptions about the Bank's D&I practices, and this score indicates good performance.

SUCCESSES

The Bank made considerable progress in its workforce diversity efforts in 2014.

Leadership Commitment

The Bank formed the EDIC and the DNA to advance a diverse workplace and inclusive culture from the top and middle of the organization.

The Bank took an important step that demonstrates D&I is a priority at the highest levels of the organization by forming the EDIC, comprised of senior executives from both Fifth District and FRIT. One of the primary goals of these new D&I councils is to develop a shared focus and understanding and accountability across the organization for D&I performance and impact.

The EDIC is chaired by the Office's deputy director and chief diversity officer. Its members serve as key advocates and drivers of the Bank's D&I strategies and will help ensure D&I become more integrated into how the Bank does business. This will happen through EDIC members ensuring D&I is an integral part of their business lines' objectives, providing clear and consistent messaging about the business imperative for D&I, and holding leaders and employees accountable for behaviors consistent with an inclusive culture. The EDIC also strives to stimulate greater engagement in the Bank's D&I initiatives at all levels of the organization.

To improve efficiency and effectiveness of D&I efforts, the Bank unified three D&I workgroups to form the DNA, comprised of both Fifth District and FRIT employees. Guided by the EDIC, the DNA is working with the Office to advance the Bank's diverse workplace and inclusive culture and provide direction and oversight for eight ERNs. A 2015 objective of the DNA is to improve the organizational engagement and effectiveness of ERNs.

Recruitment and Outreach

In 2014, the Bank hired 200 employees — 39 percent women and 35 percent minorities — maintaining consistent minority and female representation with the previous year. Out of 24 new officers, 12 were female officers — seven promotions (six nonminority women and one minority woman) and five hires (three nonminority women and two minority women).

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

The Bank hired five female examiners in the Charlotte branch, increasing female examiner representation to meet external availability for this job category as a result of heightened awareness.

The Bank's Supervision, Regulation and Credit (SRC) department made efforts to address the previous year's EEO underutilization of female examiners in the Charlotte

branch. Utilization analysis identifies potential workforce problem areas such as underrepresentation. The analysis also provides opportunities to create positive changes where needed, including action plans to address disparities. During the reporting period, five women were hired out of 13 posted positions, and as of December 31, 2014, women examiners were no longer underutilized. As of August 30, 2014 (the end of the Bank's EEO reporting period), there were 52 examiners in Charlotte, 18 of whom were women.

The Bank participated in 12 local, regional and national diversity recruiting conferences to increase access to diverse candidates and promote awareness of the Bank to minorities and women.

Recruiting conferences included:

- Corporate Grey
- Gallaudet University Career Fair
- National Black MBA Association (NBMBA) National Conference
- National Society of Hispanic MBA's (NSHMBA) Conference
- Out For Work Conference
- Urban Financial Services Coalition Conference
- Virginia State University's Hispanic College Institute Partnership Networking Reception
- Virginia State University's Hispanic College Institute Partnership Science, Technology, Engineering, and Math (STEM) Workshop & Career Fair
- Society of Hispanic Professional Engineers (SHPE) Conference
- The College of William & Mary Diversity Recruiting & Networking Brunch
- Virginia State University 2014 School of Business & STEM Expo
- Virginia State University Info Table & Mock Interviews – VSU School of Business



The Bank also actively recruited at the following HBCUs:

- Hampton University
- Virginia Union University
- Virginia State University

During the reporting period, the Bank participated in four national diversity conferences in collaboration with the System's Diversity Recruiting Program. Working closely with nationally recognized organizations like NSHMBA, these national recruiting outreach efforts increase access to geographically dispersed, diverse candidates and promote awareness among prospective employees of the System and the Bank. The System workgroup proactively collected over 400 resumes, sent over 80 resumes to hiring managers, conducted 10 face-to-face interviews, and made two offers and two hires. Participation in national recruiting events promotes awareness of the Bank and provides access to diverse candidates through the national recruiting database from professional associations such as the NBMBA.

FRIT also focused on recruiting diverse IT professionals (including veterans) with the technical skills needed for the organization. Colleges and events targeted include James Madison University, the University of Virginia and Virginia Tech. Additionally, a minority woman participant in FRIT's ETI program was profiled in Diversity Careers in Engineering and IT magazine. This profile helped increase awareness of the FRIT organization as well as highlight opportunities for minorities in STEM fields.

The Bank participated in the Virginia Latino Higher Education Network's Hispanic College Institute (HCI), which helps prepare Hispanic high school students to succeed in higher education. During an HCI event at Virginia State University in July 2014, Bank employees participated in a career fair for junior and senior high school students and facilitated a workshop focused on leadership. Employees who attended the event shared information about the System and job opportunities at the Bank, including those in the STEM fields. During a networking reception that included college students who are also HCI alumni, information was shared about the Bank's internship program.

The Bank received a score of 100 on the Human Rights Campaign Corporate Equality Index.

The Bank participates in the Human Rights Campaign Corporate Equality Index (HRC CEI) to demonstrate its commitment to lesbian, gay, bisexual and transgender (LGBT) equality. The HRC CEI surveys companies on LGBT-specific related policies, including nondiscrimination workplace protections, domestic partner benefits, transgender-inclusive health care benefits, competency programs and public engagement with the LGBT community. In 2014, the Bank earned a perfect score of 100 in the 2015 CEI. The Bank is now recognized by the Human Rights Campaign as one of America's "Best Places to Work for LGBT Equality." The Bank's achievement was the result of a multiyear effort and collaboration with the Office, HR and the PRISM — Pride, Respect, Inclusion, Support, Mutual — ERN. During 2014, PRISM consulted on LGBT-inclusive language in the Bank's workplace harassment training, helped draft domestic partner and transgender benefits recommendations and language, and participated in the Out for Work LGBT recruiting event.

The Bank focused on preparing the workplace for people with disabilities and veterans and building and enhancing relationships with organizations that serve those with disabilities and veterans.

Veterans and individuals with disabilities, including minorities and women, bring unique experiences, understanding and diversity of thought to the workplace, yet they are frequently under-employed. To ready our workplace for people with disabilities and veterans, during 2014 the Bank's Ability Beyond the Label (ABLE) ERN joined forces with the First to Serve ERN to support this effort. The Office's director and members of the ABLe ERN toured the Woodrow Wilson Rehabilitation Center in Staunton, Virginia, to get a behind-the-scenes look at the Center's workforce development programs. ABLe began working with HR and the Department of Aging and Rehabilitation Services who coordinated the visit to identify specific jobs and departments within the Bank suitable for internships and employment opportunities for people with disabilities. The Office and ABLe also participated in the Gallaudet University Career Fair. Gallaudet University is the world leader in liberal education and career development for deaf and hard of hearing students. Bank employees who attended the recruiting event spoke with 30–40 students at the undergraduate and graduate levels.

The Bank's First to Serve ERN for first responders, veterans and families participated in veteran-focused educational

events, including the 4th Annual Wounded Warrior Symposium — “New Perspectives for a Strong Workforce,” and the Virginia Business Leadership Network event called “The War for Talent: Talent Acquisition and Retention of Workers with Disabilities,” which was also attended by the Bank’s new talent acquisition and rewards group leader. To help drive awareness among hiring managers of the importance of veterans in the workplace, First to Serve hosted a lunch and learn event in collaboration with TMG, Inc. TMG provided statistics on veterans in the workplace and how work experience on veterans’ resumes can be applied outside the uniformed services. The event helped hiring managers and other leaders within the Bank have a better understanding of veterans, the value of their military training and experience, and their potential contributions in the civilian workplace.

Internship Program

The Bank hired one woman and two minority interns into full-time positions.

The Fifth District Student Internship Program continued to be a source for identifying potential full-time, professional employees. In 2014, seven interns applied for full-time positions and the Fifth District hired one female intern and two minority interns into full-time positions in the SRC department. One of these interns was hired as a result of the Bank’s partnership with the National Society of Black Engineers. The Fifth District’s 2014 internship program included 35 interns from 16 different schools, including two HBCUs. Sixteen interns (46 percent) were women and 17 (49 percent) were minorities.

The Bank expanded its internship program to draw applicants from HBCUs.

The Fifth District expanded its internship program to include the Charlotte and Baltimore branches, with the goal of attracting HBCU applicants in those regions. Also during 2014, FRIT expanded its ETI internship program to the East Rutherford, New Jersey, Operations Center and to other Reserve Banks in Chicago, Kansas City and Dallas. FRIT had 11 interns in 2014, including three minorities (27 percent) and two women (18 percent). Additionally, four out of 12 participants in FRIT’s ETI program were former Reserve Bank interns.



President Jeff Lacker shared Bank and System history with summer interns over breakfast.

Talent and Organizational Development

The Bank encourages continuous learning through individual development plans as one path to improve engagement, performance and growth for employees. Investment in career development and organizational success is a partnership among employees, managers and the Bank. The Bank embraces a 70-20-10 rule to support growth through a broad and balanced development plan. Ideally, 70 percent of learning occurs through on-the-job training, 20 percent comes via business relationships and 10 percent is provided through formal training.

The Bank’s formal development programs — programs with specific curriculum that provide participants with the opportunity to acquire new skills and participate in action-based learning activities — include Partners in Professional Development for individual contributors, Partners in Management Development for managers and the Leadership Development Program. Additionally, the System offers development programs for key, high-potential talent through the System Leadership Initiative (SLI) and the System Leadership Exchange Program.

During 2014, the Bank tracked the progress of the 165 participants who completed Bank-offered development programs (excluding System programs) and found that 30 participants (18 percent) have been promoted, including 19 women (63 percent) and 6 minorities (20 percent). The Bank monitors the career moves of participants to assess trends and measure the effectiveness of its development offerings.

To further support career development, the Valuing the Inclusion of African Americans and Latinos (VITAL) ERN



developed a mock interview program to support employees applying for internal job opportunities. The program was used successfully during 2014 to support employees in the Treasury and Payments Services area whose positions will be transferred or eliminated in the next several years. The mock interview program is a highly collaborative effort and is available to all employees.

The Bank invested in the development of key, high-potential talent through SLI and the System Leadership Exchange Program.

The SLI is a development program for the System's high-potential talent sponsored by the Reserve Bank presidents. These conferences — Thrive, Trailblazers and the Senior Leadership Conference — aim to develop and maintain strong, diverse leadership within the System. They also serve to broaden perspectives on being a leader with a System view and build stronger, multidimensional networks and connections throughout the System. In 2014, three conferences were offered at the emerging and midlevel leadership tiers. As the leadership conferences reach a broad pipeline of talent across the System,

the OMWI directors and SLI continued to collaborate to expand the content and discussion of D&I in the leadership conferences. The 2014 speakers that specifically addressed D&I included: Dr. Scott Page from the University of Michigan and Doug Harris from the Kaleidoscope Group. Additionally, other external speakers and System senior leaders incorporated discussions and examples on the importance of D&I into their presentations. Several OMWI directors served as mentors to emerging leaders at the conference. The Bank's minority and female participation in SLI increased from 2013.

The System's Leadership Exchange Program affords a critical avenue to support career development for professionals across the System. Assignments vary in duration — up to one year — and include job shadows, critical work assignments and targeted development opportunities. In 2014, 37 assignments were sponsored, with participation from every Reserve Bank and the BOG. Minority and woman participation continued to be strong, although participation declined from 2013. A challenge is that participants typically have several years of experience or specialized expertise, so additional time may be needed

Minority and female participation are tracked to assure that development opportunities are reaching a diverse pool of leaders and future leaders. System minority and female participation for 2014 was as follows:

	Thrive Conference Manager/New Officer (Emerging Leaders)	Trailblazers Conference Assistant Vice President (Mid-level Leadership)	Leadership Exchange Program
Women	55% (+5%)	47% (+17%)	46% (-4%)
Minority	19% (+6%)	22% (+8%)	22% (-12%)

This chart includes System participation in the SLI program. Percentage is change from 2013.

The Bank's minority and female participation increased from 2013. Minority and female participation for 2014 was as follows:

Program	Women	% Women	Minority	% Minority	Total Bank Participants
Thrive	14	67% (+31%)	3	14% (+5%)	21
Trailblazers	7	54% (+12%)	3	23% (+6%)	13

This chart includes Bank participation in the SLI program. Percentage is change from 2013.

to recruit and develop the pipeline for participants to attend a System leadership program. Diversity of participants will continue to be an area of emphasis by conveying the importance of broadly evaluating traditional and nontraditional candidates to participate, and reporting progress on a regular basis to System Human Resources and OMWI leaders. An update was provided to the OMWI directors in November 2014 to encourage ongoing support of these development programs and solicit assistance in building awareness of the opportunities available throughout the year.

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

In 2014, group mentoring was established as an additional development opportunity for members of ERNs and other employees who identify with the affinity groups. ERNs are affinity- or professional-based, employee-led groups established for the purpose of supporting the Bank's D&I efforts and other strategic initiatives of the organization. Four ERNs elected to participate — VITAL, Four Generations United (4-Unite), Leading in Project Management (LiPM) and First to Serve (first responders, families and veterans). The purpose of the ERN group mentoring program is to empower employees and enhance their professional experiences through group interactions that cultivate engagement, professional development and sustainable relationships. In 2014, 26 staff-level employees (54 percent women and 12 percent minority) and eight officer-level mentors (four minorities, including one minority female) participated in the program.

Through this program, participants were able to address affinity-specific issues related to areas such as work-life balance and organizational navigation and make connections with mentors and other mentees. Based on participant feedback, the program provided desired networking, professional and cross-cultural development opportunities that support the Bank's inclusion efforts. The ERN group mentoring program will move from pilot to full implementation in Richmond during 2015.

Metrics and Data Analysis

The Office developed a comprehensive D&I snapshot for the Bank and a standard business line dashboard to measure key D&I metrics.

In an effort to better measure and improve the Bank's D&I efforts, the Office collaborated with FRIT and Fifth District leaders to develop a comprehensive D&I snapshot containing metrics for the Bank. The Bank snapshot captures critical metrics for both the Fifth District and FRIT, and helps business line leaders understand how their business impacts the Bank's overall D&I outcomes. The snapshot is one indicator of how well the Bank is doing in achieving a diverse and inclusive environment. A standard dashboard — a compilation of key D&I metrics by business — was developed to help leaders better understand the composition of their business line's workforce. The dashboard will be introduced to leaders in 2015 in collaboration with HR business partners.

Workforce Planning

The Office collaborated with HR to embed D&I into succession planning processes within the Bank.

During a talent summit, senior leadership conducted a critical role analysis identifying 27 officer positions and the employees — including minority and women candidates — that have potential to fill those positions over the next three years. Development plans have been put in place for all identified candidates to help prepare them for possible future roles. This approach allows the Bank to focus on filling competency and experience needs of identified key talent, including minorities and women.

As a practice, senior leaders also are engaging with key talent they do not normally work with in the normal course of business. These opportunities can provide exposure to diverse talent, which may increase access and opportunity to development and/or new leadership opportunities.

FRIT developed a demand-driven approach to succession management designed to assess future leadership needs, broaden the successor pool and prepare a leadership bench for a variety of future scenarios. Using this approach, FRIT is able to identify and address leadership deficiencies and establish talent programs and develop opportunities to prepare leaders for future roles. FRIT also engaged leaders to identify additional career opportunities for early and mid-career professionals in an effort to prepare for impending retirements across the organization.



CHALLENGES

The Bank has identified several challenges in the area of workforce diversity.

The Bank experienced a higher than average turnover of employees in its HR department, which impacted its ability to make progress on diversity recruiting next steps outlined in the 2013 report.

During 2014, the Bank experienced higher than average turnover among HR employees, especially in the recruiting function. The HR organizational restructure and onboarding of new HR employees required additional focus on knowledge transfer and maintaining operational excellence to support business line needs. The turnover had some impact on the Bank's ability to make progress on the next steps identified in the 2013 report related to diversity recruiting.

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

The Bank's 2014 EEO underutilization analysis revealed that female managers were underrepresented in the Charlotte branch. SRC managers comprise the majority of managers in Charlotte, holding 14 of 21 positions. Of the 14 management positions, three are held by women. The challenges in hiring female SRC managers in Charlotte appear to stem from a low rate of turnover, coupled with the specialized nature of the job requirements. The Office partnered with HR and SRC leaders to develop an action plan to address the issue.

The Bank's 2014 EEO underutilization analysis revealed that minority SRC examiners were underrepresented in Richmond. While the analysis shows the Bank should expect 36 minority examiners among the 127 examiners in Richmond based on external availability, currently there are only 23.

FRIT has experienced challenges recruiting female automation managers.

The Bank's 2014 EEO underutilization analysis revealed that female automation managers were underrepresented in the Bank. One significant challenge in hiring female automation managers continues to be low turnover in these roles. In 2014, there were two open positions, one of which was filled by a woman.

NEXT STEPS

The Bank is committed to improving the diversity of the workforce at all levels in the organization. In 2015, to address the challenges described above and enhance workforce diversity efforts, the Bank plans to take the following actions.

Continue D&I Integration into HR Practices

The Office will collaborate with senior business leaders and HR business partners to identify D&I areas of strength and opportunities using the standard business line dashboard.

The Office will work collaboratively with senior business leaders and HR business partners to develop specific strategies that promote a diverse and inclusive work environment based on business needs. The business line dashboard — a compilation of key D&I metrics — will provide a baseline of metrics for strategy discussions. The Office will also partner with HR to further incorporate targeted, data-driven D&I analysis into recruiting, talent development and succession planning processes.

The Office will partner with HR to focus on integrating ERNs into HR practices and processes, including talent development and recruitment efforts.

In collaboration with the newly formed EDIC and DNA councils, the Office will focus on integrating ERNs into various aspects of Bank business, especially HR processes and practices, and talent development and recruitment efforts. The Office will explore opportunities to engage ERN leaders in talent development planning efforts where appropriate to effectively identify and promote ERN leadership roles as development opportunities. ERN leadership is one development opportunity for identified key talent, including women and minorities, to engage in cross-functional growth opportunities and exposure to senior leaders, thus providing potential access and opportunity for career progression. Previous ERN leaders identified the development and practice of leadership skills in a safe environment as important benefits of the ERN leadership opportunity.

Areas with EEO Underutilization

The Fifth District will strengthen recruiting strategies to attract more female managers to the Charlotte branch and more minority SRC examiners to Richmond.

The Fifth District will enhance current efforts and initiatives to identify female examiners in SRC with the interest and ability to pursue leadership roles. One way the Bank will accomplish this is to connect with local educators to help build stronger relationships with higher education institutions in the region from which the Bank can source talent. The Bank is hosting a regional educator's conference at the Charlotte branch in March 2015 to help develop and support female students interested in careers in accounting, finance, economics and technology. The event will highlight female professionals across the Bank sharing their career journeys. Additionally, the Bank will implement a new mentoring group in Charlotte to focus on career development and help retain female examiners in Charlotte — examiner positions are a career path to the manager role.

SRC leadership is committed to ensuring that SRC recruits and retains minority examiners in Richmond. Efforts to close this gap may be challenging in the intermediate term, as hiring will likely be affected by reductions in the number of supervised institutions, and therefore supervision staff.

Quarterly check-in meetings provide a forum for SRC, the Office and HR leaders to monitor EEO-relevant recruiting metrics and discuss progress in executing SRC's workforce plan and any challenges with talent retention and development.

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

FRIT will continue to ensure it is sourcing talent in a way that provides a diverse slate of qualified candidates. As mentioned for the Fifth District above, FRIT also will leverage the regional educator's conference at the Charlotte branch in March 2015 to help develop and support female students interested in careers in technology. 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. FRIT also will have access to a larger pool of contingent worker talent with the implementation of a managed services provider. The Office will continue to partner with FRIT to help recruit and retain female automation managers.

Recruitment

The Bank will develop a diversity recruiting approach based on organizational and business line needs with a focus on return on investment.

The Office will collaborate with HR and senior leaders across the Bank to identify and attract top talent from diverse backgrounds, including minorities and women. In support of this effort, a multiyear strategy will be developed to establish partnerships with professional and community organizations focused on minority and woman talent. This will include banking and financial services professionals, particularly in the Charlotte region. Various diversity and niche job boards and networks will be used to reach these target groups. The Bank will work with specific universities, including HBCUs, to build sustainable relationships and source strong diverse candidates for ongoing recruitment. In addition, the Bank will evaluate the internship program strategy and identify ways to increase the hire rate of top performing interns.

The Office will partner with HR to integrate the Bank's eight ERNs into hiring processes, as appropriate, to help build channels for diverse sourcing, promote the Bank as an inclusive employer and participate on interview panels and support the recruitment process for specific job openings.

FRIT will continue to support its ETI, as well as other programs that offer business management exposure to diverse IT talent. FRIT will also explore opportunities to attract internal talent into the ETI program, possibly employees who are already participating in the Bank's education assistance program, in order to support career development and increase the return on investment from the education assistance program.

The Bank will continue to improve its understanding of applicant progression throughout the recruiting process to ensure hiring managers have a pool of highly qualified, diverse talent.

The Bank will focus on ensuring consistency in the recruitment process so that the candidates referred to the hiring manager include a pool of highly qualified, diverse individuals. The Office will also continue to analyze recruiting data to determine how to better track how applicants who meet minimum qualifications move through the recruiting process. Recruiting guidelines developed by SRC and



adopted by the Bank as a best practice will be leveraged as one tool to help promote the inclusion of qualified diverse talent at each stage of the recruiting process.

Workforce Planning

The Bank will implement workforce planning efforts aimed at filling critical roles and enhancing succession plans to meet the short-term and long-term needs of business lines.

The Fifth District will implement an enhanced succession planning process focused on identifying appropriate minority and women candidates for critical leadership roles by assessing the development needs of these candidates, and creating development plans that are integrated with the Bank's talent management and development framework. The goal of this succession planning process is to develop a pipeline of diverse talent to address succession risks for critical roles, and also increase opportunities for succession candidates to interact with senior leaders through cross-functional growth opportunities. Development opportunities for key talent will be provided through assignments and projects that address actual business challenges.

FRIT will implement its enhanced succession management program. This program will support the organization's efforts to consistently assess performance and potential of key employees and roles, including critical resources and/or critical roles. FRIT has incorporated recommendations provided by the Office into this program.

Additionally, FRIT will develop a multiyear talent development roadmap as part of its overall workforce planning effort. FRIT will also develop a strategic plan to ensure its talent development and management efforts support the organization's goal to "Build the Workforce of the Future." The strategic plan will help drive change in FRIT's culture, work environment and talent management programs to retain, develop and attract the IT professionals it needs to deliver value to its customers.

In an effort to increase the retention of minority and female employees, HR will focus on better understanding the reasons behind employee turnover, particularly for these two demographic segments.

Minority- and Women-Owned Business Participation

The Richmond Fed is committed to strengthening the economy and improving communities, and supplier diversity plays a critical role in achieving these goals. The Bank developed its supplier diversity strategy around three guiding principles:

- 1) It's about access and opportunity.
- 2) It's good for the Bank and its communities.
- 3) It's everyone's responsibility.

This strategy continued to drive considerable progress in the Bank's supplier diversity efforts in 2014. Expenditures with minority- and women-owned suppliers more than doubled over 2013, diverse suppliers were awarded contracts at a higher rate and are delivering needed solutions to the Bank's constituents, and collaborative efforts across the organization ensure that diverse suppliers have the opportunity to participate in procurement opportunities throughout the supply chain.

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). Fifth District procurement supports contracting for the Bank's daily operations, including its branches in Baltimore and Charlotte. FRIT procurement contracts for equipment, software and services necessary for the System's information technology operations. NPO is responsible for negotiating and executing national contracts for certain goods and services that, when sourced collectively, provide the best value for multiple Reserve Banks. These functions are noted in the chart below.

The three procurement functions collaborate closely with a shared supplier diversity manager to organize and execute an integrated supplier diversity process within the Bank. Supplier diversity success flows from intentional, deliberate and consistent effort by every person who influences a buying decision.

Supplier diversity practices are embedded in the Bank's existing procurement processes and guidelines, and procurement and supplier diversity staff partner with Bank 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 continues to communicate this critical distinction to the supplier community with the goal of enabling diverse suppliers to engage more effectively with the Bank.

Minority- and women-owned businesses must be certified by a recognized third-party certifying organization to be included in the Bank's diverse expenditures calculation. Recognized third-party certification entities include, but are not limited to, the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), the Small Business

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 throughout 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.

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.

AMOUNTS PAID TO CONTRACTORS

The Bank nearly tripled expenditures with minority- and women-owned businesses in 2014. The Bank spent approximately \$57.42 million with diverse suppliers, an increase of 281 percent over \$15.09 million spent in 2013. This corresponds to 16 percent of the Bank's total expenditures with third-party contractors, up from four percent in 2013.

Expenditures with minority-owned businesses accounted for the bulk of the growth, increasing 667 percent from \$6.83 million to \$52.54 million, or approximately 15 percent of total spend.

Expenditures with women-owned businesses totaled \$4.88 million, or approximately one percent, a decrease of 41 percent from 2013 levels. This decline was due primarily to the shift of several woman-owned contingent staffing providers from a direct relationship with the Bank to providing services as a subcontractor under the managed services provider. Over the three-year period the Bank's supplier diversity program has been in effect, expenditures with minority- and women-owned suppliers have increased by 555 percent.

Two key factors contributed to the unprecedented increase in expenditures with diverse suppliers in 2014 — contingent labor and distributed computing and telecom-

munications equipment, which together represent just over 13 percent of the Bank's total expenditures. As noted in the 2013 Report to Congress, the Bank awarded a contingent labor managed services provider (MSP) contract to a minority supplier in 2013. The MSP manages the acquisition of all contingent workers at the Bank. The Bank realized the benefits of the fully implemented MSP contract in 2014, including \$24.42 million in diverse spend. Functioning as a prime supplier, the MSP subcontracted with multiple staffing providers to fulfill the Bank's contingent worker requirements. Six of the 19 subcontracted firms were diverse suppliers, accounting for \$4.36 million of the MSP's total billings.

The company that provides the majority of the System's distributed computing and telecommunications equipment is owned and actively managed by a minority. The company pursued and was granted certification in 2014 as a minority-owned business by the NMSDC, resulting in \$23.76 million in diverse spend.

The Bank continued to track and report Tier 2 spend from selected Bank prime suppliers, in addition to the MSP. 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 the supplier's contractual obligations to the Bank. In 2014, the Bank made \$1.6 million Tier 2 diverse expenditures.

While the Bank was pleased to mark substantial progress in its supplier diversity efforts in 2014, there are inherent challenges and risks. As the Bank does not have planned

2014 Diverse Supplier Spending (in millions)						
	Fifth District		FRIT		Bank	
	\$	%	\$	%	\$	%
MBE	\$16.34	12.51%	\$36.20	15.95%	\$52.54	14.69%
WBE	\$2.11	1.61%	\$2.77	1.22%	\$4.88	1.36%
MWBE	\$18.45	14.12%	\$38.97	17.17%	\$57.42	16.06%
SBE	\$14.56	11.15%	\$13.25	5.84%	\$27.81	7.78%
OTH	\$97.63	74.73%	\$174.76	76.99%	\$272.39	76.17%
Total	\$130.65	100.00%	\$226.98	100.00%	\$357.63	100.00%
MBE: Minority-owned business enterprise			SBE: Small Business Enterprise			
WBE: Women-owned business enterprise			OTH: Other Businesses			
MWBE: Minority- or women-owned business enterprise						

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

procurement opportunities of 2014's size and scale in its 2015 pipeline, we anticipate a corresponding decrease in expenditures with minority- and women-owned business enterprises (MWBEs) in the coming year. Another significant challenge is that the Bank's diverse supplier spend is substantially concentrated among two suppliers, and a major contract rebid may potentially result in the loss of an incumbent diverse supplier.

SUCCESSSES

The Bank administers its supplier diversity initiative through a strategic plan designed to increase procurement opportunities to minority- and women-owned businesses, use reporting systems and metrics on progress and opportunities, and increase employee awareness of supplier diversity efforts with the support of senior leadership. The plan also focuses on enhancing the Bank's presence and visibility in the diverse supplier business community. This includes ensuring, to the maximum extent possible, that qualified diverse suppliers have the opportunity to participate in competitively bid acquisitions, then tracking the inclusion and response rate of diverse suppliers on those opportunities.

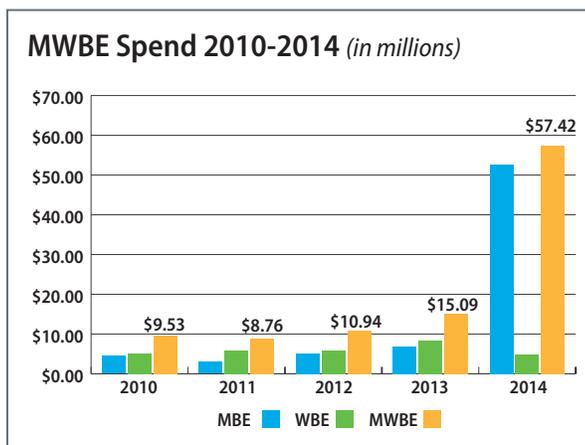
Disciplined execution of the Bank's strategic plan for supplier diversity continued to yield notable success in 2014. Highlights include:

The Bank increased expenditures with diverse suppliers by 281 percent.

The Bank enjoyed its third consecutive year of substantial growth in expenditures with minority- and women-owned businesses. As noted earlier, the percent of expenditures with diverse suppliers increased into double digits in 2014 — receiving a substantial boost from several factors: 1) full implementation of the contingent staffing MSP contract awarded in 2013 to a minority supplier; 2) minority certification of a major Bank and System supplier; 3) completion of a one-time wireless upgrade project awarded to a minority supplier in December 2013; and 4) large, one-time purchase of data center critical power equipment. The chart that follows illustrates the growth of expenditures with minority- and women-owned suppliers since the Bank formally implemented its supplier diversity program in 2011.

The Bank fully implemented a contingent staffing managed services provider contract.

The contingent staffing MSP contract awarded by the NPO in 2013 illustrates the benefit appropriately implemented



The chart above shows overall expenditures with diverse suppliers continued to grow, increasing from \$15.09 million in 2013 to \$57.42 million in 2014.

supplier diversity practices bring to an organization. The Bank's supplier diversity manager and NPO representatives met the MSP contractor at a minority business development event in 2011, gathered more information through a follow-up meeting and ultimately invited the supplier to participate in a request for proposal (RFP). The supplier subsequently delivered the best proposed solution and was awarded the contract. Since implementation began in late 2013, the resulting contract has delivered the expected benefits, including cost reductions, enhanced services and streamlined processes.

With only two Reserve Banks using the contract by the end of 2014, these benefits are expected to multiply as additional Reserve Banks throughout the System complete their respective implementations. In addition, the MSP contract represents sustainable year-over-year diversity spend for the duration of the contract.

The Bank educated a key Bank and System supplier about the potential benefits of MBE certification by the NMSDC.

A common challenge in the supplier diversity community is the ability to find suppliers of adequate size and scale to compete successfully for large, sustainable contract opportunities. A unique opportunity to classify such a supplier was presented to the Bank in 2013 when its long-term contractor for distributed computing and telecommunications equipment was acquired by a company owned by a minority.

In 2014, the Bank made the supplier aware that they might have the opportunity to pursue minority-owned business enterprise (MBE) certification and educated them about the potential benefits. The company pursued

certification as a minority-owned supplier and was subsequently certified in 2014 as a minority-owned business by the NMSDC.

When leveraged strategically, certification can be a formidable marketing and development tool to help a diverse supplier grow its business. This supplier's certification adds to the System a supplier of substantial capability and capacity that can be leveraged not only by all Reserve Banks in the System, but also by other corporations and entities seeking to identify large-scale diverse suppliers.

The Bank achieved \$1.35 million in subcontracting participation on the BOGs data center construction project.

The Bank oversaw construction of a data center for the BOG in 2014. During targeted construction industry networking events in 2013, the Bank stressed the importance of diverse supplier subcontracting to all potential general contractors bidding on Bank construction projects. The Bank also included supplier diversity subcontracting language in the data center construction RFP and ultimately realized \$1.35 million in Tier 2 spend with diverse suppliers on the project.

The Bank hosted an on-site supplier diversity expo focused on technical assistance and networking opportunities.

Recognizing the importance of continued and sustained education and awareness, the Bank hosted an on-site supplier diversity expo focused on technical assistance and networking opportunities. Keynote insights were offered by senior FRIT leaders.

The robust agenda opened with an educational segment that included tips on doing business with the Bank, strategies for responding to an RFP, and information on business trends driving procurement and acquisition strategies. The information session was followed by networking that allowed the MWBE participants to meet and discuss their product and service offerings with the Bank procurement and business line representatives. A concluding luncheon featured roundtable discussions, a keynote from FRIT's executive vice president and chief information officer and extended networking opportunities. Participant surveys were overwhelmingly positive and yielded rich and actionable suggestions for future events.

The Bank maintained high diverse supplier inclusion, and increased award rates on procurement opportunities from 22 to 29 percent.

The success of the Bank's outreach and technical assistance strategies is reflected in the degree to which diverse suppliers are included in, respond to, and receive contract awards resulting from procurement opportunities. We have 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. 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. This practice has resulted in an inclusion rate of 85 percent or higher since the strategy was fully implemented in 2012, compared to 70 percent in 2011.

In 2014, at least one diverse supplier was included in 85 percent of the Bank's competitively bid procurement opportunities. A total of 179 diverse suppliers were included in these opportunities — an average of 2.1 diverse suppliers per sourcing event. Diverse suppliers represented approximately 33 percent of the total number of suppliers included in the sourcing events. Of the 104 unique diverse suppliers included (some suppliers were included in multiple events), 57 suppliers — or 55 percent — were first-time bidders who 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 2.

The diverse supplier award rate increased for the third consecutive year in 2014. 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 awarded 31 contracts to 19 different diverse suppliers in 2014. These contracts were awarded in 35 percent of the events where diverse suppliers were included, and 49 percent of the events where diverse suppliers responded to the RFP. In 2013, the Bank awarded contracts to diverse suppliers in 27 percent of the events where diverse suppliers were included, and in 36 percent of the events where diverse suppliers responded to the RFP. Contract awards to diverse suppliers represented 29 percent of total contract awards in 2014, up from 22 percent in 2013.

Of the 31 contracts awarded to diverse suppliers, 11 were awarded to suppliers new to the Bank. The awards covered an array of products and services, including architectural and engineering services, human resources consulting, technical and information security training, construction, graphic design services, facilities maintenance and construction, and information technology hardware, software and maintenance.

The Bank continued its proactive outreach, communication and technical assistance to diverse supplier audiences.

The Bank is a national member of the NMSDC, WBENC and the Financial Services Roundtable for Supplier Diversity (FSRSD). Leveraging membership and involvement in these premier diverse supplier development organizations, the Bank continued to expand its visibility and presence in the diverse supplier community. The Bank hosted, facilitated and/or participated in numerous supplier diversity events presented by these and other similar organizations. Highlights are noted below and a detailed listing of the events attended by representatives from the Bank is included in Appendix 3.

- **NMSDC and WBENC National Conferences:** The Bank continues to collaborate closely with other Reserve Banks and the BOG to deploy a strategic and cohesive presence at national conferences hosted by NMSDC and WBENC. The Bank's supplier diversity manager attended the WBENC conference and facilitated participation of System procurement and supplier diversity professionals in more than 40 one-on-one supplier meetings during conference matchmaker sessions. The supplier diversity manager and procurement managers from NPO and FRIT Procurement attended the NMSDC conference and participated in the one-on-one supplier meetings held concurrently with the trade fair. The Bank's supplier diversity manager worked with her counterparts from the New York and Atlanta Federal Reserve Banks to facilitate more than 30 one-on-one supplier meetings. Matchmaker and one-on-one appointments offer System procurement and supplier diversity professionals an opportunity to learn more about potential suppliers. Sustained exposure to suppliers over time through matchmaker sessions, one-on-one appointments or other networking venues helps procurement and supplier diversity professionals to better understand a supplier's capabilities and potential fit for subsequent procurement opportunities.

- **"How to Do Business with the Federal Reserve" presentation template:** The Bank's supplier diversity manager participates in a workgroup of supplier diversity and procurement professionals that seeks to develop, support, assess, guide and promote internal and external initiatives that strengthen the supplier diversity process throughout the System.

As part of a subgroup focused on developing diverse supplier capacity building strategies, the supplier diversity manager spearheaded development of a "How to Do Business with the Federal Reserve" presentation template that can be tailored as appropriate for use by all Reserve Banks. Providing information on how to do business with the Reserve Banks is one way the Reserve Banks fulfill the requirement of Section 342 of the Dodd-Frank Act to provide technical assistance. Having material readily available that each Reserve Bank can tailor allows the System to deliver consistent messages to the supplier diversity community.

- **FSRSD Webinar and Minority Business Enterprise Symposium:** The Bank's supplier diversity manager serves as co-chair of FSRSD's Marketing and Events Committee. The committee facilitated FSRSD's inaugural webinar for minority-owned businesses in 2014. The webinar, titled "Getting to 'Yes': Negotiating with Major Corporations," featured a panel of subject matter experts discussing strategies corporate buyers may use when negotiating contracts. The committee also presented FSRSD's annual MBE symposium, its signature education and networking event. This year's symposium addressed access to capital concerns and strategies, followed by a discussion of business and personal investment options for minority entrepreneurs. The event drew more than 100 minority business representatives, who were able to network afterward with supplier diversity and procurement professionals from the financial services industry.

The Bank also introduced supplier debriefs into its technical assistance practices in 2014. Upon request, sourcing specialists provide feedback to diverse suppliers that participated in a procurement but did not receive a contract award. The debriefing is designed to provide information that may help the supplier be more competitive or responsive in future opportunities.

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

The Bank earned its third consecutive award from the external supplier diversity community in 2014. The Carolinas-Virginia Minority Supplier Development Council (CVMSDC), an NMSDC affiliate, recognized the Bank as its 2014 Public/Private Corporation of the year. According to the council, the Public/Private Corporation of the Year award is presented to “a public entity that has demonstrated a commitment to purchasing, technical and managerial assistance and the volume of business currently conducted with Carolinas-Virginia Minority Supplier Development Council MBEs.”

Howard Goldfine, vice president of the NPO, and Cindy Turner, supplier diversity program manager, were also nominees in the advocate and MBE coordinator of the year awards, respectively.



Cindy Turner (second from left) and Howard Goldfine (center) accepted the 2014 Public/Private Corporation of the Year award from the Carolinas-Virginia Minority Supplier Development Council.

CHALLENGES

While the Bank was pleased to mark substantial progress in its supplier diversity efforts in 2014, there are inherent challenges and risks, including the loss of diverse suppliers through contract rebids or acquisition by a majority firm. Both factors represent key risks to the Bank in 2015, as noted in the following challenges.

The Bank's diverse supplier spend is substantially concentrated among two suppliers, and a major contract rebid may potentially result in the loss of an incumbent diverse supplier.

Current diverse supplier spend is concentrated between two minority-owned suppliers — the Bank's MSP for con-

tingent staffing and the reseller for distributed computing and telecommunications equipment. As of December 31, 2014, the reseller contract was in the process of being rebid. Results may negatively impact expenditures with diverse suppliers if the minority incumbent is not the successful bidder. Expenditures with MWBEs also received a boost from the large, one-time purchase of critical power equipment and an upgrade to the wireless system at our headquarters location in Richmond, Virginia. As the Bank does not have planned procurement opportunities of similar size and scale in its 2015 pipeline, we anticipate a corresponding decrease in expenditures with MWBEs in the coming year.

The Bank's Tier 2 contingent staffing spend has declined due to acquisitions of diverse subcontractors.

The MSP subcontracts with a diverse pool of contingent staffing agencies to support the Bank's business needs. During this first contract year, the pool of subcontractors was comprised of the staffing agencies the Bank contracted with directly prior to 2014. Five of these were diverse suppliers that collectively accounted for nearly 27 percent of total expenditures with contingent staffing providers. Two of these agencies, now subcontractors to the MSP, have since been acquired. One was acquired by a majority firm, a second by another minority-owned firm. Service levels declined sharply during the second supplier's ownership transition, triggering a loss of business to that supplier. Tier 2 expenditures with diverse staffing agencies consequently represented 19 percent of total contingent staffing spend managed by the MSP, rather than an estimated 25 percent or greater had these two suppliers not been acquired.

In 2014, the Bank and the MSP launched a joint comprehensive supplier optimization process to add subcontractors to the current pool of contingent staffing agencies currently supporting the MSP contract. Over 190 suppliers were invited to participate in the initial request for information, approximately 65 percent of which were diverse. The second phase of the selection process will be completed in 2015. Of the 122 suppliers that will be included in this phase, 92 (or 75 percent) are diverse. The Bank will continue to work closely with the MSP to ensure equitable consideration of diverse suppliers throughout the selection process.

The Bank has ongoing challenges identifying minority- and women-owned businesses for certain unique and/or large-scale goods and services.

The Bank continues to face, in varying degrees, ongoing challenges noted in previous reports to Congress. For example, difficulty in identifying minority- and women-owned businesses for certain unique and/or large-scale goods and services is a concern. Contract awards to diverse suppliers tend to be for smaller, one-time, non-sustainable opportunities. Relatedly, procurement staffers continue to report that small and diverse suppliers tend to require substantially greater support, direction and follow-up throughout the procurement process, and their responses are more likely to be less thorough or lack essential components.

The Bank will continue to refine its procurement forecast and pipeline strategies to allow adequate time to identify and pre-qualify suppliers with the requisite capabilities and capacity, especially for hard-to-source products or services. Responsiveness issues in outreach, communication and technical assistance activities will also be addressed.

NEXT STEPS

The supplier diversity accomplishments noted in this report mark 2014 as a banner year for the Bank. Though a significant and welcome milestone, the Bank remains committed to continuous improvement and 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 2015 includes:

The Bank will develop and implement dashboard reporting to senior leadership.

Senior leadership support and commitment remain critical to driving continued success in the Bank's supplier diversity initiatives. Supplier diversity and procurement staff will develop a dashboard with actionable information, reporting and metrics to help inform senior leadership engagement and strategy.

The Bank will revisit Tier 2 opportunities with selected prime suppliers.

A significant portion of the Bank's purchases are made using large, multiyear contracts that help the Bank optimize service and pricing when acquiring products or services with a national scope. The existence of these contracts may limit direct opportunities with diverse suppliers. In 2013, the Bank developed and began including supplier diversity subcontracting language in selected

RFPs for new acquisitions. Not all contracts or suppliers are good candidates for Tier 2 initiatives or subcontracting opportunities. Accordingly, the Bank focuses on large contract opportunities and/or suppliers for products or services typically delivered through a subcontracting or tiered supply chain model.

In 2015, the Bank will assess opportunities with a targeted group of incumbent prime suppliers to subcontract with minority- and women-owned suppliers for goods and services that directly support the supplier's contractual obligations to the Bank.

The Bank will increase communication, awareness and education to business lines and departments to drive awareness of the supplier diversity program and increase diverse supplier participation.

Supplier diversity and procurement staff will continue to drive awareness to support the engagement of business functions by providing necessary training and resources to facilitate sourcing diverse suppliers. The supplier diversity program manager and procurement leaders will meet and collaborate with managers and influencers in the Bank's top purchasing departments to reinforce the stakeholder's role in driving success, identifying short- and long-range opportunities, understanding required supplier qualifications and sourcing potential diverse suppliers.

The Bank will continue to engage in outreach and technical assistance activities to identify qualified suppliers and educate potential suppliers on processes and requirements.

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



Financial Education Activities

The Fifth District continues to draw on existing research and best practices to shape its financial education approach. In an effort to more fully leverage research expertise in the Bank, the economic and financial education function became part of the Microeconomics and Research Communications section of the Research department in 2014.

As part of this alignment, the Bank formally laid out its views on financial education in an essay in the Our Perspective series produced by the Research department. The essay provides guidance about which financial decisions warrant the most attention by individuals, and suggests an approach to financial education that is focused on providing information and tools to help people evaluate choices, rather than providing prescriptive advice. The views in the essay, which are highlighted below, shaped the Bank's financial education programs and activities in 2014.

Which financial decisions warrant the most attention?

Most day-to-day financial decisions have only limited effects on long-term well-being. Although people may make mistakes in these routine decisions, there are generally opportunities to practice and learn from such mistakes. In contrast, some decisions, such as whether to pursue higher education, whether to purchase a home and, if so, on what terms, and how to best save for retirement, have major consequences.

The Bank's financial education approach is focused on these "major" financial decisions because they have certain characteristics — infrequency, complexity and long-term impact on a decision-maker's well-being — that differentiate them from other, more routine and less consequential decisions. The higher education decision is a major financial decision that is relevant to the student audience referenced in Section 342(f) of the Dodd-Frank Act. Therefore, in 2014, the Bank's financial education efforts focused on providing information and programs related to the higher education decision.

SUCSESSES

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

The Bank reached a significant milestone in 2014 with the launch of the first of three lessons in the "Invest in What's Next: Life After High School" online mini-course.

The course's primary objective is to provide reliable economics-based information and tools to help high school students make informed decisions about post-secondary education, and is a collaborative effort between the Bank and the Federal Reserve Bank of San Francisco.

"Invest in What's Next: Life After High School" helps students begin planning their post-high school strategy by exploring and evaluating the costs and benefits of various educational paths, while taking into account their job interests and desired lifestyle. While in the course, students develop personal finance skills to help implement their strategy in their daily lives. An online dashboard directs and charts student progress in the course, allowing teachers and facilitators to tailor their own level of involvement.

The course presents content in a highly interactive format, featuring data-driven exercises — a best practice in online instruction for middle and high school audiences. These interactive sessions will be consolidated at the end of the course to build a plan that students can reference and update for life after high school.

The first lesson launched in September 2014, with more than 1,700 students participating in the course during the remainder of the year. The administrator site for the course will aggregate information that can be used to assess the effectiveness of the course. Data available will include but is not limited to number of registrants, location of users by zip code, number of course completions, scores and answers on the knowledge check questions embedded in the course, and the education paths that registrants explore in the course for life after high school.

The Bank leveraged key economic and financial education partnerships to provide training and resources, and to share the Bank's financial education perspective.

In 2014, the Bank continued its long tradition of partnering with schools and other financial literacy organizations, including state councils on economic education and Jump\$tart coalitions within the Fifth District. Throughout the year, the Bank worked to inform and influence these partnerships by sharing its view that practitioners can be most effective by providing high-quality information to enhance the ability of individuals to evaluate their financial choices, rather than prescribing specific financial actions for all people.

More than 600 financial education teachers and practitioners were reached with this message at various events,

including financial literacy summits in Virginia and North Carolina, the Bank's Federal Reserve System Financial Education Day program, and various local, state and national conferences. In addition to sharing the Bank's views on financial education at these events, the economic and financial education team provided information about resources, including "Invest in What's Next: Life After High School" (the online course described on the previous page), majorfinancialdecisions.org (a website that includes tools to evaluate major financial decisions) and the 5E Navigator (an online publication that takes readers on a navigation-themed journey exploring a major financial decision or related personal finance topic).

The Bank continued to provide financial education through the mentoring program — and shared mentoring resources more broadly.

The Bank continued to support the Fifth District's public schools through the mentoring program coordinated by the Bank's Civic Engagement Office. In 2014, approximately 30 employees volunteered their time to mentor 9th–12th grade students at Huguenot High School, which has a low-income, majority-minority, inner-city student population. During the school year, mentors meet with their mentee approximately twice a month for one hour each time, and typically work with the same student for multiple years until they graduate.

The high school program is focused on developing "soft skills," which have a positive effect on academic achievement, school attendance and graduation, college preparation, workforce readiness and life success. Sessions focusing on financial education are also included in the program. In 2014, students used two resources developed by the Bank — a budget scratch off game and the new interactive online learning tool, "Invest in What's Next: Life After High School," explained on the previous page.

In 2014, the Bank shared its resource materials with Communities in Schools, a nonprofit organization that works within the public school system to determine student needs, then establishes relationships with community partners — like the Bank — to meet those needs. Communities in Schools can now leverage these materials with other community partners who are working in the Fifth District's public schools.

In 2014, the Bank also partnered with its local HandsOn network affiliate to help form a Corporate Volunteer Council (CVC) in Richmond — a coalition of local

businesses who have active employee volunteer programs. The CVC will help promote collaboration to make a greater impact on social issues like workforce preparation for minority youth. It will also provide more opportunities to share valuable Bank financial education resources.

The Bank partnered with key mentoring and financial education nonprofit organizations to provide and/or advocate for financial education.

In addition to the mentoring program, the Bank continued to develop strong partnerships with the local Junior Achievement (JA) program in each of its office locations. During the 2013–2014 school year, 79 Richmond employees participated in JA traditional programs, such as JA in a Day and JA's Finance Park — a 30 percent increase from the previous year. The Bank's Baltimore branch hosted a "Job Shadow" event where high school students visited the Bank for an authentic work environment experience. The day began with an introduction from the regional branch executive, included an interactive career panel and ended with a networking lunch for the students and Bank employees.

Fifth District leaders also continue to serve on boards and committees within the public school system and with local mentoring organizations. Lastly, 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 minority youth develop skills that they may use in their future academic and employment endeavors.

CHALLENGES

There are some challenges affecting the Bank's ability to track program impact.

The Bank has experienced challenges tracking program impact.

Although the Bank has worked to explore and more fully leverage technology and strategic partnerships to reach audiences, tracking long-term student outcomes is difficult and costly. As an alternative to conducting resource intensive studies, the Bank will continue to follow best practices from existing research in the development of educational programs. The Bank will also continue to actively participate on System groups and external groups that facilitate collaboration and sharing of best practices so that our efforts have the most probable chance of success.



NEXT STEPS

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

The Bank will complete “Invest in What’s Next” modules and ancillary material.

The Bank, in partnership with the Federal Reserve Bank of San Francisco, will complete lessons two and three of the “Invest in What’s Next” modules, develop ancillary material for teachers and other financial education providers, and begin intensive marketing of the course.

The Bank will continue to leverage strategic partnerships that support financial education outreach efforts.

The Bank will continue to leverage strategic partnerships to expand reach and will continue work to inform and influence the financial education efforts of partners. This approach provides for a broader reach and the potential for more impactful economic and financial education programs.

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

The Bank will continue to support the Fifth District’s public schools through the mentoring program with a focus on soft skills development and financial education. The Bank will also explore opportunities to further strengthen its relationship with nonprofit organizations that align with its mission, like Junior Achievement.

Appendix

APPENDIX 1. INTERNAL LABOR MARKET MAPS

ILMs use the following groupings of EEO-5 categories.

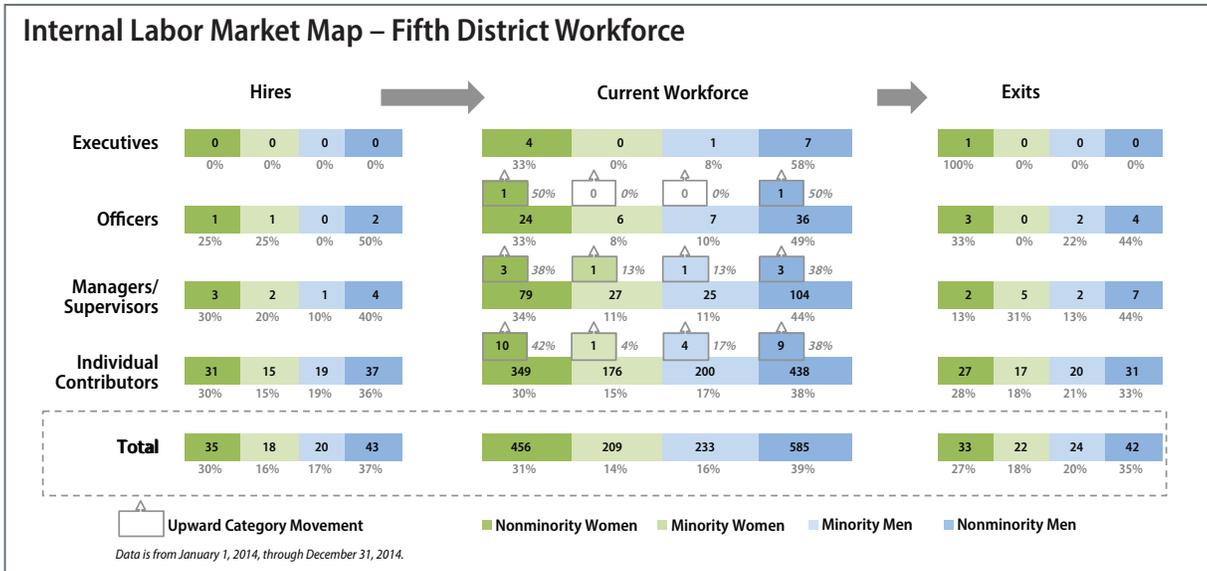
ILM Job Groupings	EEO-5 Categories Included
Officers	Officers
Managers/Supervisors	Managers, Supervisors
Professional/Administrative	All Other EEO-5 Categories

EEO-5 JOB CATEGORIES:

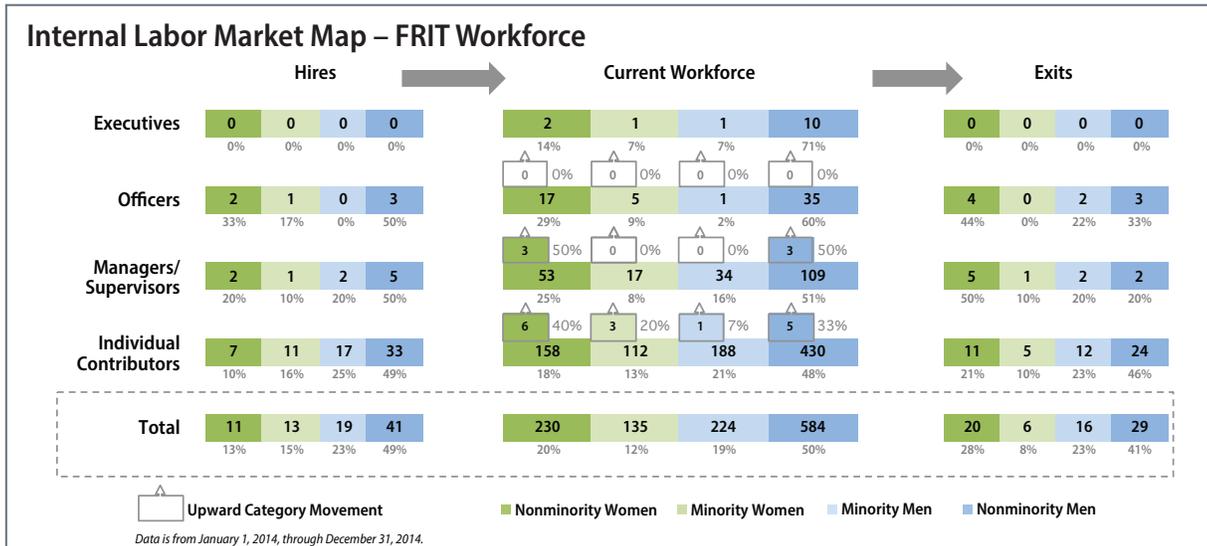
Managers — Jobs that require individuals to lead a business function or unit, who have direct reports and who write performance evaluations

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. 2014 SUMMARY OF DIVERSE SUPPLIER PARTICIPATION IN SOURCING EVENTS

2014 Summary of Diverse Supplier Participation in Sourcing Events				
	LPO	NPO	FRIT	FRBR
a. Total number of events	40	12	47	99
b. Number of <u>Events</u> that did not include an MBE or WBE	5	7	3	15
c. Number of <u>Events</u> that included an MBE or WBE	35	5	44	84
d. Number of <u>Events</u> in which an MBE or WBE responded	26	4	29	59
e. Number of <u>Events</u> in which a contract was signed with an MBE or WBE	14	2	13	29
f. Number of <u>Contracts</u> signed with an MBE or WBE (some events had multiple awards)	16	2	13	31
g. Total number of diverse suppliers included	77	19	83	179
h. Total number of diverse suppliers responded	37	8	40	85

	LPO	NPO	FRIT	FRBR
Events where a diverse supplier was invited to participate (c/a) an indicator of the Bank's success in sourcing diverse suppliers for an event	88%	42%	94%	85%
Events where at least one diverse supplier was responsive (d/c) an indicator of MWBE firms' interest in and responsiveness to an event	74%	80%	66%	70%
Average number of MWBEs per all events (g/a) the average number of MWBEs per all events	1.9	1.6	1.8	1.8
Average number of MWBEs per events that included MWBEs (g/c) the average number of MWBEs per events that included MWBE participation	2.2	3.8	1.9	2.1
Average number of MWBEs responding per events that included MWBEs (h/d) the average number of MWBEs responding per events that included MWBEs	1.1	1.6	0.9	1.0
Award rate for MWBEs that responded (f/h) MWBEs that received contracts as % MWBEs that responded	43%	25%	33%	36%
MWBE award rate for all events (e/a) the % of ALL events that included an MWBEs award	35%	17%	28%	29%
MWBE award rate for events where MWBEs were invited (e/c) the % of events where MWBEs were invited that included an MWBEs award	40%	40%	30%	35%
MWBE award rate for events where MWBEs responded (e/d) the % of events where MWBEs were invited & responded that included MWBEs award	54%	50%	45%	49%

MWBE: Minority- or women-owned business enterprise
MBE: Minority-owned business enterprise
WBE: Women-owned business enterprise
Event: Procurement event that was completely bid
LPO: Local Procurement Office
NPO: National Procurement Office

APPENDIX 3. BANK PERSONNEL PARTICIPATION IN SUPPLIER DIVERSITY OUTREACH EVENTS

WBENC Summit & Salute, March 18–20, New Orleans, Louisiana

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

Virginia Asian Chamber of Commerce, ProcureCon Asia 2014, April 30–May 1 Richmond, Virginia

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

Maryland-Washington Minority Companies Association, May 9 Baltimore, Maryland

This association fosters business partnerships between the federal government, its prime contractors, other corporations and minority-owned businesses. The Bank participated as an exhibitor with representatives from supplier diversity and Fifth District Procurement.

Capital Region Minority Supplier Development Council Annual Procurement Conference, June 16 Bethesda, Maryland

This National Minority Supplier Development Council (“NMSDC”) affiliate serves Maryland, the District of Columbia and Northern Virginia. 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.

Greater Richmond Small Business Expo and Matchmaker, June 18 Richmond, Virginia

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.

WBENC Annual Conference and Trade Fair, June 23–25 Philadelphia, Pennsylvania

The Richmond Fed 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 materials provided an overview of the System, its procurement processes and a list of potential upcoming opportunities by region. The Bank’s supplier diversity manager attended the WBENC conference and facilitated participation of the System procurement and supplier diversity in more than 40 one-on-one supplier meetings during conference matchmaker sessions.

NMSDC National Program Managers Seminar, July 9–10 Chicago, Illinois

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

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

For the fourth year in a row, the Bank participated in the BOG’s annual networking event to meet potential minority- and women-owned suppliers. The NPO vice president and the assistant vice president in FRIT procurement participated as panelists in a workshop session on doing business with the Federal Reserve. The supplier diversity manager and FRIT procurement staff participated in roundtable matchmaking sessions throughout the day.



**Carolinas Minority Supplier Development Council
("Carolinas MSDC") Annual Business Opportunity
Conference, August 4–5
Charlotte, North Carolina**

The Bank exhibited at this event hosted by the NMSDC affiliate that serves North and South Carolina, as well as the part of Virginia not served by the Capital Region Minority Supplier Diversity Council. The Bank's supplier diversity manager and NPO vice president attended to staff the booth and meet with suppliers.

**Federal Reserve Bank of Richmond Supplier Diversity
Vendor Fair, September 19
Richmond, Virginia**

The Bank hosted an on-site supplier diversity expo focused on technical assistance and networking opportunities. Keynote insights were offered by the System's director of National IT Services and chief information officer. The event opened with an educational segment that included tips on doing business with the Bank, strategies for responding to RFPs, and information on business trends driving procurement and acquisition strategies. The information session was followed by networking that allowed the MWBE participants to meet and discuss their product and service offerings with Bank procurement and business lines. A concluding luncheon featured roundtable discussions, the CIO keynote and extended networking opportunities.

**Central Virginia Connections, Carolinas-Virginia
Minority Supplier Development Council, October 10
Richmond, Virginia**

Hosted by the Central Virginia Regional Advisory Committee, this event provided an opportunity for suppliers to meet and network with representatives from corporations, state and local jurisdictions, and authorities to discuss upcoming procurement opportunities. The Bank exhibited at the event and was represented by the supplier diversity manager.

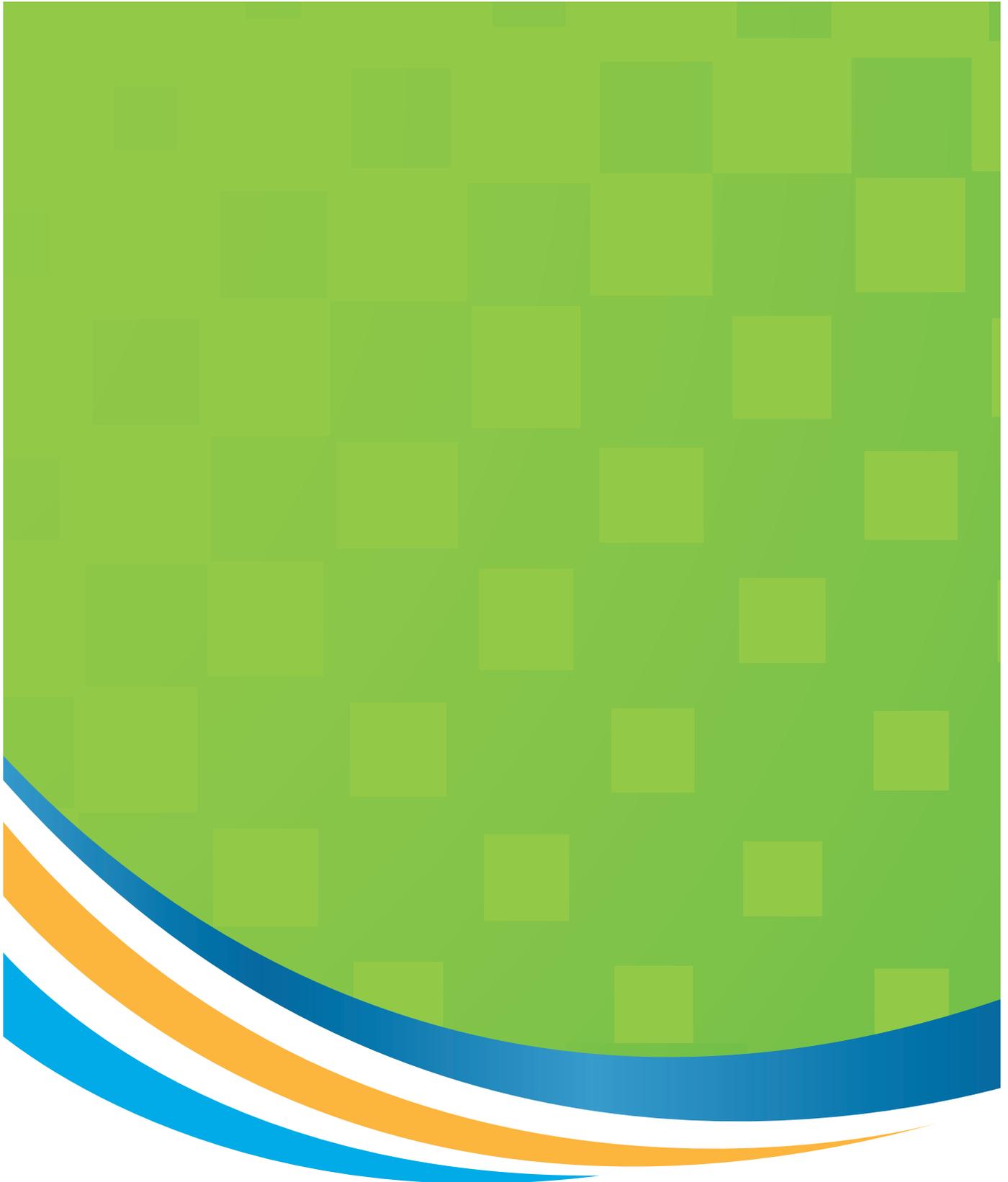
**National Minority Supplier Development Council
Annual Conference, November 2–5
Orlando, Florida**

The 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. The Bank's supplier diversity manager worked with her counterparts from the New York and Atlanta Reserve Banks to facilitate more than 30 one-on-one appointments. In addition to participating in general trade fair activity, informal networking opportunities and attending substantive educational sessions, the supplier diversity manager and managers from the NPO and FRIT procurement participated in multiple one-on-one appointments.

**Financial Services Roundtable for Supplier Diversity
MBE Symposium & Reception, November 4
Orlando, Florida**

Following two previous years of substantial support for this event, the Bank's supplier diversity manager served as director for the Financial Services Roundtable for Supplier Diversity's signature education and networking event for minority suppliers. This year's symposium addressed access to capital concerns and strategies, followed by a discussion of business and personal investment options for minority entrepreneurs. The event drew more than 100 minority business representatives who were able to network afterward with supplier diversity and procurement professionals from the financial services industry. The supplier diversity program manager was joined by the NPO and FRIT Procurement managers, and all met and networked with diverse suppliers at the reception following.



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