

Office of Minority and Women Inclusion



2022 Congressional Report



Federal Reserve
Bank of Dallas

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Executive Summary



The Federal Reserve Bank of Dallas serves the Eleventh Federal Reserve District, which includes Texas, northern Louisiana and southern New Mexico. To build a strong economy for all the people of our region, we work to embrace diversity, promote equity and advance inclusion in our organization, activities and the communities we serve.

THIS REPORT PROVIDES an update on our progress and challenges in 2022, focusing on activities mandated by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Our People: Workforce and Leadership

THE FIRST WOMAN to serve as Dallas Fed president and CEO was selected following a search process that promoted public participation and extensive outreach to identify a broad, diverse pool of candidates.

As of the end of 2022, minorities represented 59 percent of the total head count at the Dallas Fed, an

increase of 2 percentage points from 2021. Female representation remained unchanged at 43 percent. We saw notable increases in both minority and female representation at the officer level.

In talent acquisition, our initiative to help attract minority students to the economics profession and strengthen our recruiting for economic research candidates showed promising results. The four students in the program, which provides longer research internships and mentoring support, all converted to full-time hires.

Through our summer internship program, we provided

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career development opportunities by employing and mentoring 41 interns. The cohort was 66 percent minority and 46 percent female. Eleven of the interns or 27 percent were from minority-serving institutions (MSIs), a significant increase in MSI representation over 12 percent in 2021.

All five officer-level new hires in 2022 were women, including the Dallas Fed's first Black general counsel, a senior vice president.

Two new employee resource groups (ERGs) launched in 2022, one focused on people with disabilities and the other on military veterans. This brought the Dallas Fed's total number of ERGs to eight.

We made notable progress in improving our benchmarking, achieving placement in the 2022 Seramount Inclusion Index and a "Best Place for Working Parents" business designation.

Our Suppliers: Business Opportunity

THE DALLAS FED'S total diverse spend (spending with minority- and women-owned businesses) reached 24.6 percent of total reportable spend for 2022, an increase of 2.7 percentage points over the previous year.

To help a broader range of business owners learn about the

Dallas Fed's vendor process, we launched an interactive virtual program on "Doing Business with the Fed" that is offered monthly.

Our Community: Financial Education and Outreach

IN 2022, our financial education programs reached over 400 educators serving more than 31,000 students at OMWI-designated schools (those serving all-girl or majority-minority populations).

Print distribution of *Building Wealth*, the Dallas Fed's personal financial education resource, increased in 2022. Over 62,000 copies in English and 13,000 copies in Spanish were distributed.

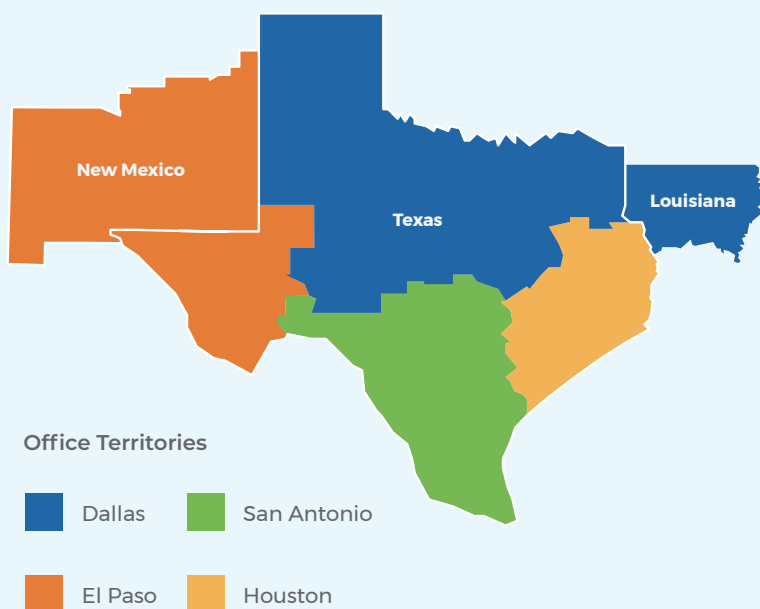
We continued to help connect minority students with internship and career opportunities in banking through our partnerships with university banking programs at six MSIs.

The Dallas Fed's community development initiative, Advance Together, continued to provide training and technical assistance to four regional partnerships in Texas that are promoting education attainment and workforce development in lower-income and minority communities. Our digital inclusion initiative continued to assist four communities in Texas and New Mexico that are working to expand access to broadband.



Diversity, Equity and Inclusion at the Dallas Fed

ELEVENTH FEDERAL RESERVE DISTRICT



At the Federal Reserve Bank of Dallas, we're committed to building a strong economy that creates opportunity for the people of our district.

EXPANDING ACCESS TO that economic opportunity is vital to our mission.

The region we serve is geographically large and culturally diverse. We measure our success by how well all residents are connected to the economy—especially those who have historically been left out.

This report provides an update on our progress in ensuring that we equitably engage all demographic groups within our organization and region. Our discussion includes key challenges we face and a view of the road ahead.

INTRODUCTION



Organization: Who We Are

THE DALLAS FED is one of 12 regional Reserve Banks in the Federal Reserve System. Working together, we serve the American people by promoting a strong financial system and a healthy economy.

Our responsibilities are wide-ranging. To fully understand economic issues that affect our region, we conduct research and gather a diverse range of local perspectives to contribute to national conversations about monetary policy.

To support financial activity, we work with other Federal Reserve Banks and private sector businesses to deliver cash and digital payments. We work with government, industry and the community to ensure our banking system is safe, accessible and secure.

To promote economic inclusion, we identify problems that limit access to economic opportunity. We bring community partners together to find solutions and put them into action.

All these efforts take a team of talented individuals with diverse skills and perspectives. We employ nearly 1,300 people in our Dallas headquarters and branch offices in El Paso, Houston and San Antonio.

Region: Where We Serve

OUR SERVICE IS grounded in the communities of the Eleventh District in Texas, northern Louisiana and southern New Mexico. We work with people, banks and businesses at the local level to ensure we understand their interests and meet their needs.

Our district extends over 360,000 square miles and is home to more than 30 million people. The industries and communities that bring life to our regional economy are richly varied. Our towns support ranches, farmland, forests, oil fields, refineries and seaports. Our cities are globally connected centers for energy, medicine, technology and trade.

The people we serve are richly diverse as well. Our district shares a 1,400-mile border with Mexico and

has robust business and cultural ties with the country. In Texas alone, more than 7.5 million people speak Spanish at home. Across the district, international connections attract businesses and people from around the world.

Our four offices are instrumental in ensuring our work is inclusive. They boost our geographic reach and, via outreach teams in each office, drive our engagement with the entire region.

Boards of Directors

Another important way we connect with our region is through the business and community leaders who serve on our boards of directors and advisory councils.

Members of the Dallas Fed board of directors and the branch boards in El Paso, Houston and San Antonio represent the people, industries and communities of the Eleventh District. We emphasize diversity on our boards to bring more viewpoints to guide our operations and provide intelligence on economic activity in our district.

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As of Jan. 1, 2023, seven of our nine Dallas Fed board members identify as women and/or minorities. Including our branch boards, 24 of our 30 directors across the district, or 80 percent, are women and/or minorities. New directors who joined our boards in the past year include a white woman in El Paso, a Hispanic man in Houston, and two Hispanic women in San Antonio. For a detailed look at the demographics of our boards of directors, see Appendix 3.

Commitment: How We Approach Diversity, Equity and Inclusion

TO BUILD A strong economy in our region, we work to embrace diversity, promote equity and advance inclusion in all our activities. We know our decisions must reflect and benefit all communities. We start by nurturing an inclusive workplace that values people with diverse views and experiences.

We are dedicated to promoting equity in every sense based not only

on race, ethnicity and gender, but also characteristics such as disability, veteran status and sexual orientation.

Through our strategic plan, policies and practices, we have committed to diversity and inclusion as a core value. We take an intentional, active approach to implementing this value, organized around five dimensions (see sidebar).

What We're Doing

Our Diversity, Equity and Inclusion (DEI) Office works with other Dallas Fed functions across five dimensions to fulfill our mandated Office of Minority and Women Inclusion (OMWI) responsibilities.

Workforce Diversity

Recruiting, developing and retaining a team of outstanding employees who reflect the diversity of the communities we serve.

Workplace Inclusion

Building a culture where all employees can be themselves and have the opportunity to contribute to decision-making.

Supplier Diversity

Investing in local communities by purchasing goods and services from diverse suppliers, including small businesses.

Economic Inclusion

Working in the community to promote equitable access to resources and opportunities so all people can participate in the economy and prosper.

Board Diversity

Engaging leaders from diverse backgrounds to guide our operations and share views on economic activity in our district.

Workforce and Leadership

We make it a priority to attract, develop and retain a team of talented individuals who reflect the diversity of the communities we serve. The varied experiences they bring to their work help us deliver on our mission effectively.

WE SUPPORT OUR team by building a culture where all employees can be themselves, feel their voice is heard and are empowered to share and grow their expertise. Together, we're creating a workplace where people of diverse backgrounds can thrive.

Building Organizational Diversity and Inclusion

AT THE DALLAS FED, we value the progress we've made in embracing diversity, equity and inclusion within our organization. We want to ensure our workforce, including our leadership team, reflects the diversity of our region at every level.

In recruiting, developing and retaining employees, we seek effective, innovative ways to build inclusion and opportunity at every stage: talent acquisition, employee learning and development, and talent management. We use data tools to assess where we are and improve our decision-making moving forward.

To promote workplace inclusion, we provide opportunities for engagement through ERGs and a Diversity, Equity and Inclusion (DEI) Council. These groups bring new faces into leadership roles within our organization and provide a platform for members to help drive programming and strategy

on diversity-related issues. Our ERGs lead the way in organizing conversations that promote cultural education and understanding, and they are embracing roles as community liaisons.

As our organization moves forward from the pandemic and more fully adapts to a hybrid work model, we continue to emphasize flexibility, communication and collaboration, along with the health and well-being of our workforce. This approach will continue to inform our practices to ensure women and minority employees are not left behind.

Successes

AS OF THE end of 2022, minorities represented 59 percent of the total head count at the Dallas Fed, an increase of 2 percentage points over 2021. Female representation remained unchanged at 43 percent. We saw increases in both minority and female representation at the officer level.

In talent acquisition, our initiative launched in 2021 to help attract minority students to the economics profession and strengthen our recruiting for economic research candidates from underrepresented backgrounds showed promising results. The four

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students in the program, which provides longer research internships and mentoring support, all converted to full-time hires.

Through our summer internship program, we provided career development opportunities by employing and mentoring 41 interns. The cohort was 66 percent minority and 46 percent female. Eleven of the interns or 27 percent were from MSIs, a significant increase in MSI representation over 12 percent in 2021.

All five officer-level new hires in 2022 were women, including the Dallas Fed's new president (see below) and first Black general counsel, a senior vice president.

Two new ERGs launched in 2022, one focused on people with disabilities and the other on military veterans. This brought the Dallas Fed's total number of ERGs to eight, expanding opportunities for employees to provide leadership in building an inclusive workplace.

We made notable progress in improving our benchmarking, achieving placement in the 2022 Seramount Inclusion Index and a "Best Place for Working Parents" business designation.

Presidential Search Process

The first woman to serve as Dallas Fed president and CEO was selected following a search process that promoted public participation to identify a broad, diverse pool of candidates. The search was led by a committee of six members of the Dallas Fed board of directors, of whom three were women and four minorities, in partnership with an external executive search firm with a strong record of equitable

practices. To engage representative voices from communities across the Eleventh District, the search committee conducted extensive outreach, hosted a virtual community town hall and established a public webpage to share search criteria and provide a process for submitting candidates.

Workforce Overview

Our strategic priority to "attract, develop and retain superb talent that reflects the diversity of the communities we serve" includes an emphasis on greater employee diversity with regard to race, ethnicity and gender.

Each year, we conduct an analysis to assess the current state of minority and female representation in our workforce. This helps us identify gaps, trends and opportunities to ensure the equitable inclusion of women and minorities at all levels of our organization. For more details on our workforce demographics, see Appendixes 1 and 2.

In 2022, overall representation for minorities (59 percent) increased while women's representation (43

percent) remained unchanged in year-over-year comparison with 2021. We continued increasing diversity within our all-officers job group demographics and saw gains for both women and minorities in top leadership tiers.

The data for FY 2021 to FY 2022 show:

- In 2022, the Dallas Fed's total head count increased. As of Dec. 31, 2022, the Dallas Fed's total regular employees numbered 1,291—a 4 percent increase from 1,244 regular employees as of Dec. 31, 2021.
- The percentage of women in our workforce remained unchanged at 43 percent of the total head count.
- Overall minority representation increased by 2 percentage points to 59 percent of the total head count.
- Percentage representation by race/ethnicity remained relatively unchanged, with African American employees representing 22 percent of our workforce, Hispanic/Latinos 24 percent and Asians 11 percent.

By the Numbers

As of Dec. 31, 2022

Our Employees

59%
Minorities

43%
Women

2022 New Hires

67%
Minorities

44%
Women

OUR PEOPLE

Looking at job categories, we saw the following changes in female and minority representation at the top levels of the organization:

- Female representation in the First/Mid-Level EEO-1 Job Category slightly decreased by 1 percentage point to 43 percent. However, looking over the five-year period reflected in Appendix 1 data, compared with 2018, female representation in the category has increased by 6 percentage points, and the head count of African American and Hispanic/Latino women has grown incrementally.
- Minority representation in the First/Mid-Level EEO-1 Job Category rose by 2 percentage points to 44 percent. Representation within the category by race/ethnicity remained relatively unchanged: 15 percent African American, 19 percent Hispanic/Latino and 9 percent Asian. Since 2018, overall minority representation in this category has continued trending upward, increasing by 7 percentage points.
- The top two EEO-1 Job Categories combined (Exec./Sr. Officials and First/Mid-Level Officials & Managers), which includes all officers, managers and supervisors, represent 19 percent of the Dallas Fed's total head count. In these two categories together, female representation decreased by 1 percentage point to 42 percent, while overall minority representation rose by 3 percentage points to 43 percent.

The Professionals EEO-1 Job Category represents 57 percent of our workforce population, a



significant portion of the talent pipeline. While the overall head count of women rose in the category, percentage representation remained unchanged at 45 percent. Minority representation increased by 2 percentage points to 56 percent.

Looking at other data in a year-over-year comparison conducted for this report, we find positive trends in job groups that represent our organization's top leaders and pipeline to leadership positions. Among all officers, minority representation rose to 35 percent, an increase of 5 percentage points, while female representation increased by 2 percentage points to 48 percent. In our managers/supervisors' job group, women's representation decreased by 2 percentage points to 40 percent, while minority representation increased by 2 percentage points to 47 percent.

In promotions, minorities

represented 60 percent of total promotions in 2022, an increase of 8 percentage points over 2021, while women represented 39 percent, a decrease of 8 percentage points. Within our all-people-leaders job group, representation among a total of 42 promotions included 28 minorities and 16 women (minority women are counted in both groups).

In hiring, among 187 new hires in 2022, female representation was 44 percent, a decrease of 10 percentage points over the previous year. Minority representation among new hires was 67 percent, a significant increase of 14 percentage points. Notably, all five officer-level new hires were women, including the Dallas Fed's new president and CEO, first Black general counsel (a senior vice president) and a Hispanic/Latino DEI officer.

Overall separations were up in 2022; the year saw 154 total



Of the Dallas Fed's 41 summer interns, 66 percent were minorities and 46 percent were women.

separations, compared with 142 in 2021. Women represented 48 percent of separations, an increase of 5 percentage points. Minority representation increased by 2 percentage points to 56 percent of total separations.

Talent Acquisition

The Dallas Fed is committed to attracting diverse, superb talent and creating a workplace where talented people thrive. In our approach to talent acquisition, we aim to improve workforce diversity through targeted outreach. By developing partnerships with select universities and organizations, we are cultivating a strong pipeline to recruit talent that reflects the diversity of the communities we serve.

In 2022, we continued to foster relationships with target schools, most of which are MSIs, and professional groups. We also supported two specialized intern partnerships and continued our initiative to deepen engagement with banking and economics students at three MSIs. For the key area of economic research, we continued a focused internship program implemented last year to attract more students from underrepresented backgrounds.

To further support our recruiting and interviewing process, we engaged ERG members and employee ambassadors. They helped us build strong connections with potential candidates while showcasing our workforce diversity.

University Recruiting

For campus recruiting, we continued to focus on select colleges and universities that align with our diversity strategy (see sidebar).

Among our 19 target schools in 2022, 15 are MSIs:

- Baylor University
- Grambling State University**
- Hampton University**
- Howard University**
- New Mexico State University*
- Prairie View A&M University**
- Rice University
- Southern Methodist University
- Texas A&M University*
- Texas A&M University-Kingsville*
- Texas Southern University**
- University of Houston*
- University of North Texas*
- University of Texas at Arlington*
- University of Texas at Austin*
- University of Texas at Dallas
- University of Texas at El Paso*
- University of Texas at San Antonio*
- University of Texas Rio Grande Valley*

* Hispanic-serving institutions

**Historically black colleges and universities

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Our summer intern recruiting efforts for 2022 included interactions with over 3,000 diverse candidates during more than 20 virtual career fairs, conferences and recruiting engagements. We hired 41 interns across the district, including 11 from MSIs. This MSI representation of 27 percent was a significant increase over 2021, when 12 percent of interns came from MSIs. Overall minority and female representation also rose to 66 percent minorities and 46 percent women, increases over the previous year of 9 and 3 percentage points, respectively. Eleven summer interns were converted into full-time hires, including seven minorities and seven women (minority women count in both categories). Four of these hires were from MSIs.

Focused Initiatives for Economics

To support efforts to improve diversity in the economics profession, we continued to strengthen our reach for economic research candidates from underrepresented backgrounds.

To attract more minority students to economics and provide better mentoring support, our Research Department began a new internship program in 2021 that targets college sophomores and rising juniors at underrepresented institutions, alongside the department's established program for rising seniors. The longer internship period offers students earlier opportunities to learn about pursuing a career as an economist and to gain experience in economic research. This approach saw success in 2022, when all four students in the program, including

two minorities and two women, converted to full-time hires.

We also continued our pilot program to engage banking and economics students at three MSIs in our district—Prairie View A&M University, Texas Southern University and the University of Texas at El Paso. At each school, members of the Dallas Fed's senior leadership team serve as executive sponsors, supported by employee ambassadors assisting with recruiting efforts. They build a committed, personal presence on campus through outreach activities such as student programs, faculty relations and panel discussions.

Workforce Development and High School Partnerships

As part of our commitment to providing employment and mentoring opportunities for people from underrepresented backgrounds, we continued to partner with specialized intern programs that target low-income populations.

Year Up is a workforce development organization in

Dallas-Fort Worth that provides low-income, underserved young adults ages 18-24 with skills, support and experience to empower them to achieve their potential in professional careers. Participants complete an intensive, one-year program during which they attend classes at a local community college, receive coaching and skills development, and participate in an internship rotation. We hosted four Year Up interns in 2022, including two Hispanic/Latino women and two Asian men.

In addition to creating talent pipelines at the postsecondary level with programs like Year Up, we recognize the importance of engaging with younger students to promote exposure, access and opportunities in the early stages of career exploration. The Cristo Rey Dallas College Prep program serves minority high-school students whose household income is at or below the federal poverty line. Each Cristo Rey student attends high school while working one day a week in a professional setting to build self-confidence and a resume.



OUR PEOPLE

We hosted two Cristo Rey interns in 2022, one during the 2021-22 school year and one during the 2022-23 school year. Both interns were Hispanic/Latino and female.

Professional Organizations

To build a diverse pool of applicants for professional and experienced-level positions, we partnered with local and national organizations to connect with prospective talent from underrepresented backgrounds. Key partnerships in 2022 are listed below.

- Association of Latino Professionals for America
- Minority Corporate Counsel Association
- National Black MBA Association
- Out Professionals (LGBTQ+)
- Pink Jobs (LGBTQ+)
- Prospanica (Hispanic professionals)
- Reaching Out (LGBTQ+ MBA)
- Service Academy Career Conference (military graduates)
- WomenHack (women in tech)

Learning and Development

To support and retain top, diverse talent, the Dallas Fed seeks to provide equitable opportunities for career advancement and leadership to all employees. We recognize the need for employees to develop their skills, and we engage our people leaders to coach and empower employees to create opportunities that will help diversify our leadership levels over time.

We support a culture of learning with quality tools, resources, experiences and opportunities to ensure that all our people can grow and thrive in their careers. We encourage

employees to proactively take charge of their careers, maintain a growth mindset, and actively develop and apply their talents to add value to the organization and community. Our ERGs have been instrumental in expanding these efforts.

In 2022, we continued to provide a variety of learning and development opportunities for all current employees. These programs saw strong participation from women and minority employees.

The Dallas Fed's mentoring program focuses primarily on individual contributors. The 2022 cohort of 26 participants (13 mentees and 13 mentors) included 14 women and seven minorities (minority women are counted in both groups).

Two ERGs offered additional

mentoring opportunities for their members. The Hispanic/Latino ERG's *Comadres/Compadres* initiative had 22 participants (11 mentees and 11 mentors), including eight women and 19 minorities. The Black/African Descent ERG's *Each One, Teach One* program had 14 minority participants (seven mentees and seven mentors), including 11 women.

Other experiential learning opportunities include our job shadowing program, which pairs employees with senior leaders for a week. Participants broaden their understanding of business functions, expand their own capabilities and build strong relationships with leaders while creating a wider network within our organization. Among 50 participants in 2022, 22 were women and 26 minorities.





For professional-level employees with less than two years of career experience, a yearlong program offers foundational career skills and networking. Of the 18 participants selected for the 2022 cohort, eight were women and 11 minorities.

Succession Planning

To ensure diverse representation and include more voices among decision-makers in our organization, we take an intentional approach to succession planning for the Dallas Fed's leadership team. We are committed to developing and retaining current and future leaders from diverse backgrounds that reflect the region we serve.

Our succession planning efforts create a pipeline of talent that can successfully fill critical senior leadership positions. In 2022, we continued to increase diversity within our leadership demographics and saw gains for both women and minorities in top leadership tiers.

With a focus on continuing to improve diversity, succession plans for all officer levels were integrated into our human capital management system to provide enhanced data reporting and planning capabilities.

Robust leadership development opportunities support talent throughout our organization. We offer job shadowing, rotations, mentoring, development workshops and on-demand leadership courses. Experiential opportunities to help leaders and successors advance include ERG leadership and DEI Council positions, as well as committee assignments.

Leadership development programs for high-potential people leaders saw improved representation in 2022 for both women and minorities. This year, the Dallas Fed's management action team, which provides opportunities for a cohort of people leaders, included 11 women and six minorities among 17 total

members, compared with eight women and five minorities among 16 members in 2021. Another important opportunity, Federal Reserve System leadership initiative conferences, saw 15 women and nine minorities among a total of 28 Dallas Fed employees selected to participate.

To further support the progression of minority employees, the Dallas Fed offers a management accelerator and executive leadership program. In 2022, 15 minority employees participated in the program, including 12 women.

Promoting Inclusion in the Workplace

In 2022, our workplace inclusion efforts—to ensure that all Dallas Fed employees are valued and heard at every level of the organization—continued to progress.

Our ERGs and DEI Council play a central role in these efforts, bringing employees together from across the organization and forging



strong partnerships with senior leadership. Our DEI Office provides program management for these employee groups and coordinates learning opportunities, professional development programs, reporting and benchmarking relating to diversity, equity and inclusion.

Employee Groups

The Dallas Fed's ERGs and DEI Council bring employees from all levels into leadership positions where they become partners with senior management and our DEI Office. They serve as a vital source of innovation in creating a more equitable and inclusive workplace culture.

Our ERGs are instrumental in promoting an inclusive workplace, offering a broad reach of programming for employees in areas such as cultural awareness, career development and community impact.

To bring more employee voices to these efforts, two new ERGs

launched in 2022: Disability ERG for employees with disabilities, caregivers and allies; and Veterans ERG for military veterans, service members and allies. These brought the current number of ERGs to eight, representing: Asian/Pacific Islander, Black/African Descent, Disability, Hispanic/Latinx, LGBTQ+, Multigenerational, Veterans and Women.

Our DEI Council serves in an advisory capacity to the Dallas Fed's senior management on strategies related to diversity, equity and inclusion. The council helps assess the impact of programs and processes, raises concerns, identifies potential solutions and provides input on staff events. Council members include a diverse representation of people leaders and individual contributors. They are selected through a rigorous application and interview process and receive training to prepare them to advise and assist senior leadership.

Employee-Led Programs

In 2022, our ERGs led employee programming that addressed a variety of important issues from societal challenges to career development, helping to build understanding and access to opportunity across our organization. A few examples of the more than 80 events they sponsored include:

- Asian ERG and Women's ERG: Discussion on diversity and leadership.
- Black/African Descent ERG: Women's History Month session on the legacy of black women in education.
- Hispanic/Latinx ERG: Networking event for job-seeking professionals in the Dallas-Fort Worth area to learn about careers at the Dallas Fed.
- LGBTQ+ ERG and Black/African Descent ERG: Collaborative event highlighting Juneteenth and Pride Month and connections among race, gender and sexuality.
- Multigenerational ERG: Panel



discussion sharing perspectives on navigating a hybrid work environment.

- Women's ERG: Discussion with the Dallas Fed's outgoing interim president on career advancement and overcoming obstacles.

Improving Analytics

To complement internal analytics, the Dallas Fed seeks external assessments of our workplace policies and practices through participation in national and global corporate quality indexes.

We made notable progress this year in improving our benchmarking, achieving placement in the 2022 Seramount Inclusion Index. This index recognizes the organization as meeting standards of excellence in three areas:

- Transparency and demographics.
- Adherence to best practices for fostering diversity and inclusion

in recruitment, retention, and advancement.

- Best practices in promoting a company culture that values diversity and inclusion.

Participating in the Seramount index helped us better understand gaps in our employee demographics, recruitment and retention practices, leadership support, company culture, diverse talent strategies, supplier diversity and leadership accountability.

Additionally, the Dallas Fed earned a "Best Place for Working Parents" business designation in recognition of our commitment to supporting working parents through family-friendly policies and practices.

Challenges

THE MARKET for talent remains highly competitive, making it more difficult to attract potential

applicants and hires.

Women's representation in our workforce continues to be a challenge. Currently at 43 percent of our total head count, the rate has remained relatively unchanged for the past several years, though we are seeing positive movement for women in leadership job categories.

Another area of focus continues to be our Hispanic/Latino representation, which is low relative to our district's population, especially in professional and officer roles. We are broadening our sourcing and candidate outreach with Hispanic-serving institutions (HSIs) and professional organizations and engaging our employee ambassadors to help address this.

Next Steps

- Continue to evolve talent pipelines and practices that improve our ability to identify, attract, retain and develop diverse talent.
- Strengthen our data analytics capability to better understand progress, trends and growth opportunities that support a diverse workforce.
- Build competence in diversity, equity and inclusion across all levels of our organization to strengthen inclusion in a hybrid work environment and serve the community more effectively.

Business Opportunity

To support inclusive economic growth, we invest in local communities by purchasing goods and services from diverse suppliers including small businesses.

WE KNOW that small businesses are a critical source of employment and economic strength for communities in our district.

Our programs focus on businesses in underserved communities, including those designated minority- and women-owned business enterprises (MWBES). To expand access to business opportunities beyond the dollars we spend, we work with local business owners to help them develop skills to be more competitive and grow.

Engaging Diverse Suppliers

OUR SUPPLIER Diversity Program helps ensure the fair inclusion and utilization of MWBEs in our procurement functions. To expand the pool of diverse suppliers from which we can source vendors, we engage in focused outreach to MWBEs and small businesses. We also work with community partner organizations that support and help train MWBEs.

To enhance the impact of our efforts, we focus on promoting a vigorous competitive process and creating more opportunities for vendors from a broad range of underrepresented communities. Our strategy has three guiding principles:

- Expand opportunities and spending for diverse suppliers.
- Build our capacity to develop diverse suppliers.
- Increase the visibility of our supplier diversity activities.

Successes

OUR EFFORTS to engage diverse suppliers saw positive results. The Dallas Fed's total diverse spend reached 24.6 percent of total reportable spend for 2022, an

increase of 2.7 percentage points over the previous year. (Under OMWI reporting guidelines, "total diverse spend" is defined as spending with designated MWBEs.) For more details on our spending with MWBEs, see Appendix 1.

Outreach activities for potential suppliers helped extend our geographic reach and expand our network as our supplier diversity team participated in events for MWBEs and small businesses across the region.

To reach a broader range of business owners and help them learn about the Dallas Fed's vendor process, we launched an interactive virtual program on "Doing Business with the Fed" that is offered monthly.



2022 Spending with Minority- and Women-Owned Businesses

Looking at dollar amounts, 65 percent of our total diverse spend of \$16,569,135 with MWBEs comes from these top five commodity categories:

Top commodity categories	Total diverse spend (\$)	Total diverse spend (%)
Temporary IT software developers	2,900,000	17.50
Outside agency help	1,725,827	10.42
Building cleaning services	2,197,038	13.26
Food and beverage services	1,972,580	11.91
Building construction services	1,948,217	11.76

Analysis of this category information helps support a more proactive approach to sourcing. Departments whose spending falls into these categories will be prioritized as internal strategic partners. To help create vendor opportunities, our supplier diversity team will engage with these strategic partners to gain insight on upcoming opportunities and conduct a more detailed analysis of recurring goods and services.

Expanding Supplier Opportunities

The Dallas Fed’s ERGs serve as valuable consultants for our supplier diversity team to help gather additional perspectives on vendor opportunities and build connections with minority communities. Our ERGs are strong advocates for expanding the range of underrepresented communities reflected in our supplier diversity program

to include businesses such as those owned by military veterans, members of the LGBTQ+ community or individuals with a disability.

Inside the organization, the supplier diversity team worked with the DEI Office and DEI Council to develop a supplier diversity champion program that will engage ERG members to help expand the reach of supplier

diversity efforts. Participants will be equipped to help source vendors for opportunities to do business with the Dallas Fed. Champion selection and training is targeted to take place in 2023.

Building Capacity

Our supplier diversity team participated in regional business events and national conferences to conduct outreach, connect with potential suppliers and build relationships with minority- and women-owned businesses across the district.

Highlights included:

- U.S. India Chamber of Commerce
- Disability:IN conference
- Out & Equal Workplace Summit
- National 8(a) Summit
- Greater Houston Partnership
- National Minority Supplier Development Council conference

Increasing Visibility

To make our supplier diversity program more accessible in the community, we focused on improving our marketing and messaging. Steps included a redesigned webpage to help a broader range of suppliers learn about business opportunities at the Dallas Fed and make it easier for them to register as vendors.

To help more business owners learn about our vendor process, we launched an interactive virtual program on “Doing Business with the Fed” that is offered once a month. This facilitated the successful onboarding of 37 businesses into our organization’s pool of available vendors.

24.6%

of total spend was with minority- and women-owned businesses

OUR SUPPLIERS



Challenges

WHILE WE are making progress in increasing opportunities and spending for MWBEs, maturing our registration and reporting capabilities would allow for deeper analysis to identify additional opportunities to improve supplier diversity.

Next Steps

- Explore additional platforms to provide vendors with access to major contracting opportunities, spotlight local vendors and provide updates on our supplier diversity program.
- Incorporate language in solicitation documents encouraging the fair utilization

and inclusion of diverse suppliers and incorporate small business scoring criteria in the sourcing process.

- Expand outreach activities with local chambers and councils to cultivate relationships with potential suppliers.

Financial Literacy and Outreach

We work in the community to promote equitable access to resources and opportunities so all people can participate in the economy and prosper.

OUR EFFORTS extend to education, outreach, collaborative leadership and volunteer service.

Many residents of our district—disproportionately those in minority communities—face barriers that make it hard to get ahead. To address opportunity gaps, we identify issues that affect economic inclusion and bring the community together to find solutions. Our goal is to ensure the benefits of a strong economy are available to everyone.

Promoting Economic Inclusion

COMMUNITY LEADERSHIP is a strategic priority at the Dallas Fed that emphasizes a comprehensive approach to advancing economic inclusion.

Our education programs support economic participation by providing resources and training for educators to help students understand the

economy, learn financial skills and plan for college and careers. We give special attention to addressing the needs of majority-minority schools and underserved communities. Our community development activities promote equitable access to economic resources and opportunities, with an emphasis on lower-income populations and minority communities. We focus on issues that affect economic resilience and mobility such as workforce development, educational attainment, digital inclusion and access to financial services.

Other outreach activities contribute to improving diversity and inclusion in the banking industry and building connections with minority and women business leaders. Our volunteer programs encourage employees to engage in

community service that advances economic inclusion and supports majority-minority public schools.

Successes

IN 2022, our financial education programs reached over 400 educators serving more than 31,000 students at OMWI-designated schools (those serving all-girl or majority-minority populations).

Print distribution of *Building Wealth*, the Dallas Fed's personal financial education resource, increased sharply. Over 62,000 copies of the English version were distributed in 2022, along with more than 13,000 copies in Spanish.

We continued to help connect women and minority students with career opportunities in banking through our partnerships with university banking programs at six MSIs.

The Dallas Fed's multiyear community development initiative, Advance Together, continued to provide training and technical assistance to four regional partnerships in Texas that are promoting education attainment

31,200

students reached at
OMWI-designated schools

OUR COMMUNITY

and workforce development in lower-income and minority communities. Our digital inclusion initiative moved into its second year, providing assistance to four communities in Texas and New Mexico that are working to expand access to broadband.

Financial and Economic Education

Our economic education team continued to support educators in teaching economics and personal finance. In 2022, we provided professional development and classroom-ready resources for educators across the region, including those teaching the 31,200 students in OMWI-designated schools.

Dallas Fed employee ambassadors augmented our education team's efforts by providing 25 virtual presentations on the Federal Reserve and career opportunities to students and educators in majority-minority schools, including 17 secondary and eight postsecondary classrooms.

Financial Education Resources

At the core of our financial education offerings are two Dallas Fed publications that promote financial education, budgeting, and college and career readiness. Both include print and digital components.

Building Wealth is a personal financial education resource that teaches wealth-building strategies. Designed for use by students and teachers as well as consumers and community groups, the print publication is available in English and Spanish. A suite of nine lesson plans in English is available online and includes an instructor component that aligns with Texas state standards. Over 62,000 print copies of *Building Wealth* in English were distributed in 2022, along with more than 13,000 copies in Spanish, representing an increase in distribution over 2021 of 58 percent and 54 percent, respectively.

Our second publication, *Navigate: Exploring College and Careers*, introduces seventh- to ninth-grade students to career and college options. It allows them to evaluate different educational opportunities after high school, research the cost of postsecondary education, learn about budgeting for college and explore types of financial aid. Over 128,000 print copies of the student workbook were distributed in 2022, along with 9,300 teacher guides, representing an increase of 56 percent and 45 percent, respectively.

Community Development and Outreach

With an ongoing focus on economic inclusion and racial equity, our



Building Wealth, our personal financial education resource, is used by students and teachers as well as consumers and community leaders. The print publication is available in English and Spanish, and lesson plans for teachers are available online.

community development team played a key role in addressing the impact of the pandemic on lower-income individuals, families and communities—which are disproportionately Black and Hispanic—and promoting an inclusive recovery.

Through our online platform, Dallas Fed Communities, we shared information to help communities understand and address economic challenges. Topics included research on pandemic relief policies, community lending institutions, evictions, education setbacks among youth, and the child care industry.

Other activities included cohosting a stakeholder meeting on permanent supportive housing in the Dallas area and a four-part virtual series engaging Texas business leaders with the state's community colleges to promote workforce development. To help spur investment and economic growth in lower-income communities in line with the Community Reinvestment Act (CRA), Dallas Fed community

212,300

financial literacy resources
shared (publications)

OUR COMMUNITY

development and banking supervision staff held virtual CRA Connections events for bankers, nonprofits and community leaders in El Paso and Las Cruces, New Mexico. This program spotlights local community development projects that are qualified under the CRA and helps connect them with potential investors.

Advance Together

The Dallas Fed's collaborative leadership initiative, Advance Together, continued its second phase of assisting four community partnerships in Texas that are working to address education and workforce challenges that are barriers to economic inclusion. Participating coalitions are based in Austin, Deep East Texas, the Permian Basin and West Central Texas. Over three years, we are providing guidance and training to help each team implement their plans to connect lower-income

people, including women and minorities, with jobs and education.

Digital Inclusion Initiative

The Dallas Fed's digital inclusion initiative moved into its second year of helping communities find cost-effective, long-term solutions to close the digital divide. Launched in 2021, the program provides guidance and training to regional partnerships that are working to expand broadband access in both urban and rural areas, and shares lessons learned with other communities and policy makers. Participants include broadband coalitions in Dallas, El Paso County and Ector County in Texas and Doña Ana County, New Mexico.

Diversity and Inclusion in the Banking Sector

Our financial industry outreach team continued to lead efforts to improve diversity and inclusion in the banking industry as a strategy

for advancing economic inclusion in minority communities. Key activities included hosting a roundtable for leaders of minority depository institutions (MDIs) to learn about challenges they face and economic conditions in the communities they serve.

To help build a talent pipeline for minority bankers, we continued to support university banking programs at six MSIs. Dallas Fed staff members serve on advisory boards for programs at two historically Black colleges and universities (HBCUs), Prairie View A&M University and Texas Southern University, and four HSIs, Texas A&M University, the University of Texas–El Paso, Texas A&M University–Kingsville and Sam Houston State University.

These partnerships allowed us to identify seven minority students for internships at the Dallas Fed. Three of the seven students continued in part-time roles through the fall semester.

To engage the broader banking industry, we incorporated discussions of diversity, equity and inclusion during the Dallas Fed's Banking on the Leadership of Tomorrow (BOLT) program for mid-career banking professionals. The 2022 program, held at our Houston Branch, drew 45 participants from 37 financial institutions in the district, including seven MDIs. Representation among attendees was 70 percent women and 55 percent minorities.

Other Outreach

Outreach teams in each office led efforts to connect with women and minority business and community



OUR COMMUNITY

leaders. They engaged with approximately 50 OMWI-related groups, such as local Black and Hispanic chambers and women's professional organizations, to gather insights on how small businesses and MWBEs were faring in the current economy. Highlights included hosting a series of roundtables for small business owners across the region, with several focusing on women- and minority-owned businesses specifically.

The new Dallas Fed president met with business and community leaders in Houston, El Paso and San Antonio to discuss regional economic opportunities and challenges as part of her yearlong listening tour of the district.

Employee Volunteerism

Our Dallas Fed volunteer policy allows employees to volunteer during the workday to support economic inclusion efforts in the community. In 2022, employees provided more than 1,345 hours of volunteer service at nonprofits in the communities where we live and work.

Our premier initiative was our partnership with the Bold Idea mentoring program, which promotes equitable access to computer science education by engaging students in project-based learning. During the 2021-22 school year, 18 employee volunteers provided 404 hours of computer science mentoring to students at a majority-minority elementary school in Dallas. In the fall of 2022, 14 volunteers continued this work, providing 225 hours of mentoring.

Challenges

WHILE VIRTUAL programming has expanded our reach in delivering financial education, many educators are expressing fatigue with both in-person and virtual events.

Engaging with rural audiences continues to be challenging for all areas of outreach. We must ensure we are adequately meeting community needs where lack of access to reliable, high-speed internet makes virtual outreach less effective.

50

events with minority and women business leaders

- Create a learning-standards guide for all Building Wealth teacher lessons to align with Texas state learning standards for the five courses that address financial literacy.
- Continue refreshing education resources to ensure they are culturally relevant and provide parent letters in both English and Spanish.

University banking programs vary widely in their capacity to connect students with employment opportunities in the banking sector. Universities have also been challenged by pandemic-related declines in enrollment, which has led to declines in banking program enrollment.

Next Steps

- Expand access to financial education programming through focus on audience needs, with priority on supporting the new Personal Financial Literacy and Economics course that Texas school districts will start offering in the 2022-23 school year.

- Continue to promote community collaboration to reduce barriers to economic opportunity through the Advance Together and digital inclusion initiatives, as community partnerships in Texas and New Mexico move forward with their plans to improve educational attainment, workforce readiness and access to broadband in the region.
- Reconvene the MDI leadership roundtable in 2023 and continue to support university banking programs.

Appendix 1 OMWI Core Metrics Report

Category	Description	Measure	2018	2019	2020	2021	2022
Workforce Diversity	Senior Executives	Total #	18	17	19	16	14
		% Minorities	17.0%	23.5%	21.0%	25.0%	35.7%
		% Women	44.0%	35.3%	32.0%	37.5%	35.7%
	Mid-Level Managers	Total #	235	236	234	224	232
		% Minorities	37.0%	38.6%	41.3%	41.5%	43.5%
		% Women	37.0%	36.4%	41.0%	43.7%	42.6%
	Professionals	Total #	637	655	692	682	718
		% Minorities	53.0%	54.2%	54.4%	53.8%	55.8%
		% Women	47.0%	47.0%	46.0%	44.8%	44.7%
	Total External Hires	Total #	124	119	102	83	187
		% Minorities	71.0%	50.0%	59.0%	54.2%	67.0%
		% Women	44.0%	43.0%	43.0%	53.0%	43.9%
	Total Interns	Total #	44	51	40	50	41
		% Minorities	41.0%	48.0%	45.0%	57.0%	66.0%
		% Women	43.0%	56.0%	40.0%	43.0%	46.0%
	Overall Bank Turnover Rate	%	8.9%	5.7%	4.1%	11.2%	12.2%
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$45.46	\$48.11	\$36.84	\$44.46	\$67.49
	Total Diverse Spend ¹	\$ (millions)	\$9.49	\$11.83	\$9.48	\$9.70	\$16.57
		%	20.88%	24.59%	25.74%	21.81%	24.55%
	Minority-owned ²	\$ (millions)	\$8.29	\$9.43	\$8.11	\$8.90	\$13.30
		%	18.24%	19.61%	22.02%	20.08%	19.70%
	Minority-owned (men)	\$ (millions)	\$6.30	\$7.87	\$6.18	\$6.20	\$10.92
		%	13.86%	16.36%	16.77%	13.85%	16.19%
	Minority-owned (women)	\$ (millions)	\$1.99	\$1.56	\$1.93	\$2.77	\$2.37
		%	4.38%	3.24%	5.25%	6.23%	3.52%
	Women-owned ³	\$ (millions)	\$3.19	\$3.96	\$3.30	\$3.54	\$5.64
		%	7.02%	8.23%	8.96%	7.96%	8.35%
	Women-owned (nonminority)	\$ (millions)	\$1.20	\$2.40	\$1.37	\$0.77	\$3.27
		%	2.64%	4.99%	3.72%	1.73%	4.83%
	Women-owned (minority)	\$ (millions)	\$1.99	\$1.56	\$1.93	\$2.77	\$2.37
		%	4.38%	3.24%	5.24%	6.23%	3.52%

¹ Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (nonminority).

² Women-minority numbers are included in both Minority-owned and Women-owned totals.

Category	Description	2022
Financial Literacy ¹ Programs: • Teacher-centric • Student-centric • Hybrid	Number of OMWI students reached in person and online ² (Teacher-centric)	120
	Number of OMWI educators reached in person and online ³ (Teacher-centric)	416
	Number of OMWI students reached through educators ⁴ (Teacher-centric)	31,200

¹ Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus.

² Students who attended in-person programs or enrolled in online programs.

³ Educators who attended in-person programs or enrolled in online professional development programs.

⁴ Students reached through educators using a common multiplier of 75.

Appendix 2 2022 EEO-1 Consolidated Report

As of December 31, 2022

	White		Black or African American		Hispanic or Latino		Native Hawaiian or Pacific Islander		Asian		American Indian or Alaskan Native		Two or More Races		Total	Total by %
	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
Executive/ Sr. Officials & Mgrs.	6	3	1	2	1				1						14	1.08%
First/Mid Officials & Mgrs.	80	51	16	19	26	19			11	10					232	17.97%
Professionals	183	134	57	78	77	62		1	72	40	1	1	7	5	718	55.62%
Technicians	1				1										2	0.15%
Sales Workers					1										1	0.08%
Administrative Support	6	20	6	30	7	25						1		3	98	7.59%
Craft Workers	13		6		16				1						36	2.79%
Operatives	12	2	6	17	27	8			2	2					76	5.89%
Laborers & Helpers	1		3		1	1					1				7	0.54%
Service Workers	16	4	31	10	36	5			5						107	8.29%
Total	318	214	126	156	193	120	0	1	92	52	2	2	7	8	1,291	100.00%
Total by %	24.63%	16.58%	9.76%	12.08%	14.95%	9.30%	0.00%	0.08%	7.13%	4.03%	0.15%	0.15%	0.54%	0.62%		

Appendix 3 Bank and Branch Directors

As of January 1, 2023

Director Categories	Current Directors			Race/Ethnicity													
				Non-Hispanic/Latino													
	All	M	F	Hispanic or Latino		White		Black or African American		Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More Races	
				M	F	M	F	M	F	M	F	M	F	M	F	M	F
Reserve Bank Directors																	
Class A (Total Positions 3)																	
By total	3	2	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0
By percent	100%	67%	33%	33%	0%	33%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Class B (Total Positions 3)																	
By total	3	2	1	0	0	0	1	2	0	0	0	0	0	0	0	0	0
By percent	100%	67%	33%	0%	0%	0%	33%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Class C (Total Positions 3)																	
By total	3	1	2	0	2	1	0	0	0	0	0	0	0	0	0	0	0
By percent	100%	33%	67%	0%	67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Branch Directors																	
Branch Directors, appointed by Reserve Bank (Total Positions 12)																	
By total	12	8	4	3	1	4	3	0	0	1	0	0	0	0	0	0	0
By percent	100%	67%	33%	25%	8%	33%	25%	0%	0%	8%	0%	0%	0%	0%	0%	0%	0%
Branch Directors, appointed by Board of Governors (Total Positions 9)																	
By total	9	2	7	1	5	0	1	1	1	0	0	0	0	0	0	0	0
By percent	100%	22%	78%	11%	56%	0%	11%	11%	11%	0%	0%	0%	0%	0%	0%	0%	0%
Totals																	
All Reserve Bank Directors (Total Positions 9)																	
By total	9	5	4	1	2	2	2	2	0	0	0	0	0	0	0	0	0
By percent	100%	56%	44%	11%	22%	22%	22%	22%	0%	0%	0%	0%	0%	0%	0%	0%	0%
All Branch Directors (Total Positions 21)																	
By total	21	10	11	4	6	4	4	1	1	1	0	0	0	0	0	0	0
By percent	100%	48%	52%	19%	29%	19%	19%	5%	5%	5%	0%	0%	0%	0%	0%	0%	0%
All Reserve Bank and Branch Directors (Total Positions 30)																	
By total	30	15	15	5	8	6	6	3	1	1	0	0	0	0	0	0	0
By percent	100%	50%	50%	17%	27%	20%	20%	10%	3%	3%	0%	0%	0%	0%	0%	0%	0%

NOTE: Reserve Bank directors are elected or appointed to three-year, staggered terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information). This report includes directors who were appointed or elected in 2022 to terms that began on Jan. 1, 2023, as well as directors who are currently serving in existing terms. Directors are given the option to self-identify their gender and race/ethnicity.