

# OMWI

2022 ANNUAL  
REPORT TO  
CONGRESS



FEDERAL RESERVE BANK  
OF MINNEAPOLIS



## REPORT TO THE CONGRESS ON THE OFFICE OF MINORITY AND WOMEN INCLUSION

April 1, 2023

Federal Reserve Bank of Minneapolis



### SUBMITTED BY

Patience Ferguson, Senior Vice President and Director, Office of Minority and Women Inclusion,  
Federal Reserve Bank of Minneapolis

This document contains an annual summary of the actions of the Office of Minority and Women Inclusion with regard to the requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.



## FEDERAL RESERVE BANK OF MINNEAPOLIS

*Pursuing an economy that works for all of us*

April 1, 2023

Members of Congress:

In accordance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, please find enclosed the Federal Reserve Bank of Minneapolis (Bank) 2022 Annual Congressional Report of the Office of Minority and Women Inclusion (OMWI).

This is the 12th annual report submitted to Congress. The Bank continues to develop and refine its policies and practices to ensure inclusion of minorities, women, and minority- and women-owned businesses in all activities, and this report outlines the actions taken by the Bank and the OMWI in 2022.

We have placed our focus on key initiatives in this critical area as we move ahead. Our commitment is to ensure that the Bank is an environment where inclusion is embraced at every level and that all employees are respected and valued.

Sincerely,

Neel Kashkari  
President

Patience Ferguson  
Senior Vice President and Director,  
Office of Minority and Women Inclusion

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“Our mission, ‘Pursuing an economy that works for all of us,’ drew me to the Minneapolis Fed. This purpose, coupled with our strong focus on diversity, equity, and inclusion, showed me we’re truly working for everyone in our economy, within our District, and at the Bank. These aspects and this direction allow us to bring our full authentic selves to work every day, which ultimately makes us a stronger organization.”

—PATIENCE FERGUSON,  
SENIOR VICE PRESIDENT AND DIRECTOR,  
OFFICE OF MINORITY AND WOMEN INCLUSION

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diversity

# Executive Summary

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Pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA), the Federal Reserve Bank of Minneapolis (Minneapolis Fed, or Bank) established an Office of Minority and Women Inclusion (OMWI) in January 2011. The OMWI reports annually to Congress on the actions taken by the Bank. This 2022 report provides current status, including achievements and challenges; describes the Bank's approach and activities related to the OMWI; and presents a plan for next steps.

The Minneapolis Fed continued making progress in 2022 relative to the requirements of Section 342 of the DFA. We view our elevated attention to all aspects of diversity and inclusion as a necessary ingredient in our pursuit of an economy that works for all of us. The Bank remains committed to the inclusion of minority populations and women in employment, the participation of minority- and women-owned businesses in procurement, and the provision of financial education and outreach activities. The Bank's OMWI is a catalyst to reinforce and strengthen this commitment. The office is staffed by a director, a deputy director, an associate director, a supervisor, and one professional staff person. Leaders and staff from all functions contribute to the Bank's commitment to business practices that promote opportunity, diversity, and inclusion in employment and procurement activities. The OMWI's work is supported by the Bank's executive leadership team; the Diversity, Equity, and Inclusion Advocacy Council (DEIAC), which is a cross-functional working group composed of managing officers; employees who plan and implement inclusion activities; and our growing Employee Resource Network (ERN) program, which continued offering staff and leadership support and helped drive the Bank's strategic objectives.

## MINORITY AND WOMEN EMPLOYMENT

The Bank must create and leverage a diverse workforce and inclusive work environment to achieve our mission of pursuing an economy that works for all of us. These factors improve our resiliency, effectiveness, and public engagement. This commitment to diversity and inclusion is evident by our progress throughout the organization and across all levels. Over three-fourths of employees report to a senior vice president who is a minority, a woman, or both. The Bank's overall employment demographic profile is more diverse than the Minneapolis-St. Paul Metropolitan Statistical Area (MSA).<sup>1</sup> The Bank's share of women has decreased in recent years, while its share of minority employees has steadily increased. For example, women currently hold 48 percent of all positions in the Bank and 43 percent of mid-level management roles. Although the percentage of women in mid-level management has decreased since 2020, the rate of women in officer roles increased from 42 percent in 2020 and 2021 to 46 percent in 2022. The overall share of minority employees increased from 26 percent in 2019 to 32 percent in 2022, while racial diversity in the mid-level management role rose from 19 percent in 2019 to 26 percent in 2022. The Bank's hiring efforts also increased our overall diversity, as 43 percent of external hires in 2022 were women and 45 percent were minorities.

In 2022, the Bank continued to focus on many of the same topics as in 2021, including measuring progress against our core metrics as noted above, developing the ERN program, engaging staff in a hybrid work environment, and promoting the Bank's diversity and inclusion-related efforts. These efforts resulted in

<sup>1</sup> Here and elsewhere in this report, MSA or Minneapolis–St. Paul refers to the 16-county Minneapolis–St. Paul Metropolitan Statistical Area, an area defined by the U.S. Census Bureau to include a common economic zone composed of the central cities and surrounding suburbs. Demographics reflect those of the total population of this area. Data are as of the 2016–2021 American Community Survey of the U.S. Census Bureau.

significant successes. For example, the Bank maintained its five-star rating for promoting an inclusive workforce as measured by the HACR (Hispanic Association on Corporate Responsibility) Corporate Inclusion Index. Our submission, which was led by the Mi Gente Latino/a ERN, demonstrated improvement in every category measured (workforce representation, procurement, philanthropy, and governance). Similarly, we successfully launched Fed Volunteers—a new employee-led volunteer and donation program, which supports causes working to reduce racial disparities in education and workforce participation. The kickoff event, which was well received, was one of the first major in-person activities our Bank held after staff returned to work on-site.

#### MINORITY- AND WOMEN-OWNED BUSINESS INCLUSION

The Bank had \$32.1 million in total reportable spend in 2022. Of this spend, the Bank purchased 28 percent from minority- and women-owned businesses. In so doing, the Bank again exceeded an internal supplier diversity benchmark of 20 percent. Minority-owned firms represented 27 percent of the Bank's overall spend.

#### FINANCIAL LITERACY

Pursuant to the DFA, the Bank has historically supported financial literacy activities directed toward high school and college students who are minority, female, or from low- and moderate-income households. These programs expose students to careers in the financial services industry while improving the financial literacy of underserved communities. Most of this programming has historically relied on in-person interactions.

In 2022, the Bank began a partnership with Cristo Rey Jesuit High School, Twin Cities. This school enrolls students from families with limited economic means, with 99 percent of students identifying as people of color. Through this partnership, several divisions hosted three Cristo Rey students during the academic year. In addition to developing skills with a variety of projects, the program helps students grow their network and gain a deeper understanding of the work of our Bank and the Federal Reserve System (System).

We anticipate continuing this partnership and restructuring our engagement efforts with high school students in our region.

#### REGULATED ENTITIES

The Federal Reserve Board of Governors' annual report to Congress addresses the OMWI provisions for regulated entities.

The report that follows further explains the Bank's implementation of the OMWI responsibilities.

# Overview



## NINTH FEDERAL RESERVE DISTRICT

The purpose of this overview is to provide background on the Ninth Federal Reserve District (District), the demographics of the Minneapolis–St. Paul area, and the Bank’s core and centralized responsibilities as context for discussion of its OMWI activities.

The Bank, including its Branch in Helena, Montana, serves the six states of the District: Minnesota, North Dakota, South Dakota, Montana, 26 counties in northwestern Wisconsin, and the Upper Peninsula of Michigan. The District stretches 1,800 miles from east to west and is home to about 9 million people, including approximately 3.6 million in the Minneapolis–St. Paul area.

Although 12 percent of the nation’s land is in the District, only approximately 3 percent of the nation’s population resides here. In the Minneapolis–St. Paul area, where the Bank’s head office is located, the minority population is 26 percent. As shown in Table 1, the population is 74 percent White, with most of the minority population reflected across Black or African American, Asian, and Hispanic/Latino ethnicities.

## FEDERAL RESERVE BANK OF MINNEAPOLIS

The Bank’s core functions are supervision and regulation, operations and internal support, and

TABLE 1

### 2022 Minneapolis–St. Paul Population by Ethnicity

Ethnicity	Percentages
White	74%
Black or African American	9%
Asian	7%
Hispanic	6%
American Indian or Alaska Native*	2%
Two or More Races	3%
Some Other Race	0%
Native Hawaiian or Other Pacific Islander	0%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2016–2021, Minneapolis–St. Paul MSA

Totals may not equal 100 due to rounding.

\*AIAN includes alone or in combination, excluded from Two or More Races.

monetary policy and public outreach. The Supervision, Regulation, and Credit division monitors and examines financial institutions for safety and soundness and consumer compliance and provides credit to all financial institutions within the District to support financial and economic stability. Operations represent the products and services contracted by financial institutions, such as Cash Services. Internal support represents the department activities that support all



other Bank functions and activities, such as those under Human Resources and Inclusion (HRI), Financial Management/Accounting, and Information Technology.

As a rotating voting member of the Federal Open Market Committee, the Bank's president serves an important role in establishing the nation's monetary policy. The president and his economic team closely monitor regional economic conditions and gain valuable insight into the state of the economy from its board of directors, advisory councils, local business leaders, bankers, farmers and ranchers, community and nonprofit groups, labor leaders, workers, and other community members. In addition to these economic research efforts, the Bank's outreach strategy includes frequent speeches throughout the District and meetings with various constituencies on issues such as housing, economic development, early childhood education and child care, poverty, and the economy, including the impacts of rising inflation.

The Bank also has responsibility for several centralized System functions, including Treasury Retail Securities (TRS) and customer call center operations. TRS provides savings bonds and marketable securities services to the public on behalf of the U.S. Treasury Department's Bureau of the Fiscal Service (BFS). These functions include call center operations that assist individuals with replacement and redemption of savings bonds and access to online accounts associated with TRS. These functions also include a working partnership with the BFS to develop the technology necessary to provide enhanced customer support for electronic-based retail securities. Centralized call centers support internal and external customers with access to Federal Reserve services, provide members of the public with communication channels for concerns and complaints regarding financial institutions, and provide System employees with help desk support for computer hardware and software applications.

Our Research division has a legacy of applying expertise to a broad range of economic issues, seeking to help analyze current economic challenges and their policy implications. Its work includes efforts to

diversify the field of economics by supporting aspiring economists. The division's annual high school intern program, now in its ninth year, targets high school students in low- to moderate-income schools. It offers them the opportunity to be exposed to economics through participating in a research project at the Bank as a part-time employee. Last year's intern was accepted to the University of Pennsylvania and is currently pursuing an undergraduate degree in economics.

This legacy extends to the work of several Bank divisions. For instance, the Bank's Opportunity & Inclusive Growth Institute (Institute) emphasizes thought leadership in research and analysis. The Institute is currently cultivating a research partnership with the Census Bureau. The goal of this partnership is to develop more detailed statistics on income inequality that can better inform policymakers and researchers about developments in U.S. inequality for subnational populations and geographies.

Similarly, the Bank's Center for Indian Country Development (CICD) is a research and policy center committed to actionable research and community collaboration to advance economic prosperity in Indian Country. In 2022, the CICD expanded its outreach and engagement with tribal leaders, organizations, and academia. It supported the coordination and impact of System activities in Indian Country through leadership councils, listening sessions, data convenings, and other presentations. In addition, the CICD organized a research summit covering a wide range of subjects related to economic prosperity in Indian Country, from tribal government bonding to census differential privacy to pandemic recovery. The program format facilitated a series of conversations that engaged all attendees.

Finally, the Community Development and Engagement division works to advance the economic well-being of low- to moderate-income people and communities across the District. During 2022, Community Development and Engagement continued its emphasis on early-childhood development and published research and analysis on the economic challenges families face related to child-care affordability and availability.

## EMPLOYMENT

The Bank employs 1,063 people, primarily located in Minneapolis; fewer than 100 are located at our Helena, Montana, Branch office. The professional and management group comprises 70 percent (49 percent are professionals and 21 percent are management) of all Bank employees. This group includes bank examiners and automation professionals, together totaling 25 percent of all employees. The remaining employees in the Bank are in the operations and administrative group. This group includes call center staff, representing about 15 percent of the employee population, which reflects the Bank's niche within the System as a call center provider.

## PROCUREMENT

The Bank purchases goods and services from external suppliers. In 2022, the Bank's total reportable spend was \$32.1 million, and 28 percent of this spend was with vendors certified as minority- and/or women-owned businesses.



“Employee Resource Networks play a pivotal role in creating an inclusive work environment. They serve as a safe space for different communities to share commonalities in experiences, discuss unique challenges, and educate and welcome those not part of the community. As a new co-chair of the African and African American ERN, Umoja (meaning ‘unity’ in Swahili), it’s been imperative to focus on listening and advocating for the needs of the Umoja community, as well as open dialogue with other ERNs about how we can support each other’s missions.”

—ALEXANDER ROBINSON, SENIOR PROJECT MANAGER,  
SUPERVISION, REGULATION, AND CREDIT

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workforce

## Minority and Women Employment

The Bank is committed to equal opportunity for minorities and women, and strives for an inclusive work environment, where diversity is embraced and employees are respected and valued. It seeks to attract and retain a diverse workforce within all levels of the organization. The Bank demonstrates its commitment by reinforcing actions that are consistent with this goal through the practices of equal opportunity and access to employment and advancement.

### CURRENT STATUS

Table 2 presents a demographic summary of the Bank's workforce in 2022. Consistent with its commitment to openness and transparency, the Bank submitted the Equal Employment Opportunity Report (EEO-1) to the Equal Employment Opportunity Commission and published it on the Bank's public website.

The Bank had a workforce of 1,063 employees in

2022. Its share of minority employees was greater than the share of people of color in the Minneapolis–St. Paul area. While people of color accounted for 26 percent of the MSA, 32 percent of Bank employees self-identified as such. Bank staffing was 48 percent women.

The first- and mid-level officials (the “mid-level manager role”) and professionals (“professional role”) categories consist of internal positions that are considered the primary pipeline to executive leadership. The mid-level manager role includes positions that progress from supervisor to managing officer and are where staff members build and demonstrate the skills required to be part of the Bank's leadership group. In the mid-level manager role, minority representation was 26 percent and women representation was 43 percent. In the professional role, minority representation was 34 percent and women representation was 50 percent.

2022 Bank Employment by Ethnicity & Gender											
	Black	Asian	Hispanic	American Indian	Two or More Races	Native Hawaiian Pacific Islander	Subtotal Minority	White	Male	Female	Total
Executive/Senior-Level Officials	18%	27%	0%	0%	0%	0%	45%	55%	36%	64%	11
First-/Mid-level Officials	8%	8%	5%	1%	3%	0%	26%	74%	57%	43%	217
Professionals	8%	16%	6%	1%	3%	0%	34%	66%	50%	50%	519
<b>Total Management &amp; Professional</b>	<b>8%</b>	<b>14%</b>	<b>5%</b>	<b>1%</b>	<b>3%</b>	<b>0%</b>	<b>31%</b>	<b>69%</b>	<b>51%</b>	<b>49%</b>	<b>747</b>
Administrative Support Workers	15%	9%	4%	1%	3%	0%	31%	69%	32%	68%	172
Technicians	17%	13%	3%	3%	4%	0%	39%	61%	75%	25%	71
Service Workers	0%	11%	8%	3%	0%	3%	24%	76%	89%	11%	37
All Other	14%	8%	3%	3%	3%	3%	33%	67%	72%	28%	36
<b>Total Operations and Administrative</b>	<b>13%</b>	<b>10%</b>	<b>4%</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>	<b>32%</b>	<b>68%</b>	<b>53%</b>	<b>47%</b>	<b>316</b>
<b>Bank</b>	<b>10%</b>	<b>13%</b>	<b>5%</b>	<b>1%</b>	<b>3%</b>	<b>0%</b>	<b>32%</b>	<b>68%</b>	<b>52%</b>	<b>48%</b>	<b>1,063</b>
<b>MSA</b>	<b>9%</b>	<b>7%</b>	<b>6%</b>	<b>2%</b>	<b>3%</b>	<b>0%</b>	<b>26%</b>	<b>74%</b>	<b>50%</b>	<b>50%</b>	

\*All Other" includes Craft Workers, Laborers and Helpers, Operatives, and Sales Workers. Totals may not equal 100 due to rounding. Full EEO-1 demographic breakdown available in Appendix 2.

**TABLE 3**

### 2019–2022 Bank Employment Demographics in Selected Roles & Total Bank

	2019	2020	2021	2022
<b>Executive</b>				
Minority	45%	45%	45%	45%
Women	27%	45%	45%	64%
<b>First-/Mid-level</b>				
Minority	19%	21%	21%	26%
Women	47%	45%	41%	43%
<b>Professionals</b>				
Minority	28%	31%	34%	34%
Women	52%	52%	53%	50%
<b>Total Bank</b>				
<b>Minority</b>	<b>26%</b>	<b>28%</b>	<b>30%</b>	<b>32%</b>
<b>Women</b>	<b>51%</b>	<b>50%</b>	<b>49%</b>	<b>48%</b>

Source: EEO-1 reported data

Table 3 presents percentages of minority and women employees in the pipeline and in leadership roles from 2019 through 2022. The Bank’s overall minority employment increased from 26 percent to 32 percent during this period. The percentage of women decreased from 51 percent in 2019 to 48 percent in 2022. The Bank’s executive role was 45 percent minority and 27 percent women in 2019, and 45 percent minority and 64 percent women in 2022. In the officer role, comprising executive management and the most senior of mid-level management, minority representation was 30 percent in 2021 and 35 percent in 2022. Representation of women in the officer role was 42 percent in 2021 and 46 percent in

2022. The percentage of minority employees in the mid-level manager category was 19 percent in 2019 and 26 percent in 2022. Women were 47 percent of the mid-level manager role in 2019 and 43 percent in 2022. Minority employees were 28 percent of the professional role in 2019 and 34 percent in 2022; the rate of professionals identifying as women dropped to 50 percent from 2019 to 2022.

The composition of external hires in 2022 was more racially diverse than the composition of the Minneapolis–St. Paul population. Generally, the Bank draws employees within commuting distance of its head and Branch offices and assesses its success in diversity, in part, by comparison with the diversity of the community. The Bank seeks to attract employees from across the country, particularly for specialized and senior positions, and looks to match minority representation of the United States for this narrower range of positions. Table 4 shows results of external recruiting at the Bank and in the pipeline and leadership roles.

In 2022 the Bank made 206 external hires: 58 percent of these hires were in the roles of professional and mid-level manager. Across all roles, 45 percent of the Bank’s external hires were people of color, and 43 percent were women. In 2021, 48 percent of external hires in all roles were people of color, and 43 percent were women. Within the professional role in 2022, 43 percent of external hires were people of color and 40 percent were women. In 2021, 54 percent of external hires in the professional role were people of color, and 42 percent were women. In the mid-level manager

**TABLE 4**

### 2022 Bank External Hires in Professional, Leadership, & All Roles

	Professional				Mid-level Management				Executive				All Roles			
	Women	Men	Total	Percent of Total	Women	Men	Total	Percent of Total	Women	Men	Total	Percent of Total	Women	Men	Total	Percent of Total
Minority	17	26	43	43%	5	4	9	43%	1	0	1	50%	41	51	92	45%
Non-minority	23	33	56	57%	8	4	12	57%	0	1	1	50%	48	66	114	55%
<b>Total</b>	<b>40</b>	<b>59</b>	<b>99</b>		<b>13</b>	<b>8</b>	<b>21</b>		<b>1</b>	<b>1</b>	<b>2</b>		<b>89</b>	<b>117</b>	<b>206</b>	
<b>Percent of Total</b>	<b>40%</b>	<b>60%</b>			<b>62%</b>	<b>38%</b>			<b>50%</b>	<b>50%</b>			<b>43%</b>	<b>57%</b>		

Totals may not equal 100 due to rounding.

role, 43 percent of external hires during 2022 were people of color and 62 percent were women. In 2021, 19 percent of external hires in the mid-level manager role were people of color, and 63 percent were women. The Bank made two external hires in the executive role in 2022 (one was an individual identifying as a minority woman and the other identifying as a non-minority man).

### SUPPORT OF INCLUSION IN EMPLOYMENT

The Bank's commitment to equal opportunity for employment and advancement is based on supporting diversity and developing robust pipelines to secure sources of diverse candidates. This includes promoting an inclusive environment where employees can pursue personal and professional goals, community involvement, networking, and other interests. To help meet this commitment, the Bank continues to create learning and development programming to meet the needs of a diverse workforce.

Our employees have access to a range of relationship- and skill-building activities and programs. For instance, our ERN program promotes employee engagement and development through the activities of 10 ERNs. These ERNs prepare and implement individual action plans, which include career development workshops, panel discussions, cultural celebrations, and community-based activities. In addition to facilitating engaging programming, these groups provide leadership development opportunities.

Similarly, the mentor-protégé program provides development opportunities for the protégé through partnership, coaching, and guidance by the mentor. This program concurrently supports succession planning by developing a pipeline of talented staff with the competencies needed for leadership positions. In 2022, the program enrolled 32 mentor-protégé pairs. Protégé participants are 81 percent women or minority; 78 percent of this cohort are women and 34 percent minority employees. Since the inception of the mentor program in 2001, the Bank has matched 480 individuals with mentors.

Tuition reimbursement is a benefit offered to employees across the Bank, and one extensively used by employees of color. Though they represent 32 percent of the Bank's staffing, employees of color accounted for 38 percent of total tuition reimbursement program participants in 2022. The knowledge and credentials gained through this benefit help these employees grow their careers and advance in the organization.

The Bank also facilitates opportunities for engaging with external partners to share best practices in inclusion and exchange innovative ideas. Bank staff are active members of the Twin Cities Diversity, Equity & Inclusion Roundtable (TCDEIR), a group of diversity and inclusion practitioners from local corporations, educational institutions, government, and nonprofit organizations. The Minneapolis Fed hosted a TCDEIR meeting in 2022, which focused on understanding the American Indian community. Likewise, our staff has participated in the YWCA's It's Time to Talk: Forums on Race annually since 2006. This event convenes over 1,000 attendees and facilitates education, honest conversations, and self-reflection around racism, equity, and inclusion. We are also active with the Forum on Workplace Inclusion, the largest diversity and inclusion conference in the country. The conference provides a compelling learning experience fostering business and thought leadership in workplace diversity and inclusion. In 2022, nearly 30 division leaders, line staff, and other Federal Reserve staff from across the System attended the Forum on Workplace Inclusion.

To develop pipelines of talented and diverse future employees, the Bank offers a college internship program to introduce students to the financial services industry and the Minneapolis Fed. In 2022, we continued our partnership with the Tazel Institute, which is a nonprofit entity working to expose African American male high school and college students to various career paths, including those in the financial services sector. Our engagement has included speed networking, overviews of the Minneapolis Fed and

2022 Bank Interns				
	Women	Men	Total	Percent of Total
Minority	11	15	26	57%
Non-minority	9	11	20	43%
Total	20	26	46	
<b>Percent of Total</b>	<b>43%</b>	<b>57%</b>		

TABLE 5

Federal Reserve System, and summer internships. Table 5 shows the number of women and minority participants in the internship program. In 2022, the Bank provided opportunities for 46 interns, 35 of whom were women, minorities, or both. The Bank extended the summer internship experience to eight interns, thereby helping these students gain additional work experience. Four interns in 2022 were hired by the Bank as full-time employees.

The Bank promoted participation and engagement from staff and the public using various strategies. For example, hiring managers, HRI staff, and ERN members participated in virtual career and job fairs to recruit minority and women job seekers for open positions. In 2022, the Bank participated in several career fairs, including the virtual Sadie Collective 2022 Conference and Career Fair and other local events (see Appendix 4). Networking events traditionally served as

tools to recruit diverse candidate pools, and the Bank participated in four in-person events during 2022.

**CHALLENGES**

Turnover continues to be a priority for the Bank. The Bank saw an increase in turnover compared with 2021 (14 percent versus 19 percent). There were no material differences in turnover between men and women and White and minority employees. However, turnover for Hispanic/Latino men and women was significantly higher than their counterparts; this can mostly be explained by the low base number (53 total Latino/a employees). We have seen a rebound in the number of women in mid-level management, with the number continuing to rise. Percentage of minority employees in mid-level management remains stable. The Bank will continue to devote attention to understanding and responding to the trends that impact staff turnover.

**MOVING FORWARD**

The Bank will continue attracting and retaining a diverse workforce at all levels of the organization. We will focus greater attention on promoting and measuring inclusion and equity as part of our revised Diversity and Inclusion Strategic Plan. To inform our plan, we will collect feedback from various stakeholders, including the DEIAC.



“Championing supplier and vendor diversity is a key priority within the Facilities Management department. Our team takes pride in cultivating strong business relationships with local MWBE business owners. Through these efforts we are demonstrating how we live our mission to support a growing ‘economy that works for all,’ and we are directly infusing dollars back into our local economy.”

—PATTY SAGERT, SUPERVISOR, FACILITIES MANAGEMENT

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supplier



# Minority- and Women-Owned Business Inclusion

The Bank is committed to business practices that promote opportunity and diversity in procurement. The Bank strives to ensure that minority- and women-owned business enterprises (MWBEs) have the maximum practicable opportunity to serve as suppliers. In addition, the Bank assesses the suppliers' and their associated subcontractors' commitment to inclusive employment practices.

We purchase goods and services both through our local procurement function and through the Federal Reserve System National Procurement Office (NPO). Bank expenditures center on maintaining the Bank's facilities and acquiring technology-related materials and contract labor services. The Bank's reportable spend is defined as expenditures for goods and services purchased from contractors. This includes all vendor payments except those made to or for association membership dues and fees, intercompany transfers, government payments, legal settlements, payment network fees, rent, and utilities.

Several years ago, the Bank instituted a more comprehensive approach to supplier diversity in response to increased attention to diversity and inclusion. This approach focuses on applying inclusive practices in sourcing, rating, and selecting diverse vendors across multiple purchasing categories and arrangements.

## CURRENT STATUS

The Bank had \$32.1 million in total reportable spend in 2022. It purchased \$9 million or 28 percent of spend from MWBEs. The bulk of this spend is with firms that are certified as minority-owned businesses.

Table 6 shows the trend in Bank spend and Bank diverse spend over the past three years. Total Bank spend grew in 2020 and 2021 and dropped in 2022. However, diverse spend increased each year during this period from \$6.5 million in 2020 to \$9.0 million in 2022. Diverse spend percentage remained stable

TABLE 6

### 2020-2022 Bank Reportable Spend & Vendor Count

(Dollars in millions)

	2020		2021		2022	
	Spend	Vendors	Spend	Vendors	Spend	Vendors
<b>Minority-Owned</b>						
Men	\$2.6	10	\$5.1	12	\$1.2	11
Women	\$3.0	6	\$3.0	9	\$7.5	6
<b>Women-Owned</b>						
Non-minority	\$0.8	31	\$0.7	28	\$0.3	20
Minority	\$3.0	6	\$3.0	9	\$7.5	6
<b>Subtotal Diverse</b>	<b>\$6.5</b>	<b>47</b>	<b>\$8.9</b>	<b>49</b>	<b>\$9.0</b>	<b>37</b>
% Total Bank	24%	4%	23%	5%	28%	3%
<b>Total Bank</b>	<b>\$26.6</b>	<b>1,148</b>	<b>\$39.3</b>	<b>991</b>	<b>\$32.1</b>	<b>1,253</b>

Total vendor counts are approximate.

in 2020 and 2021 and increased to 28 percent in 2022. Appendix 1 provides additional trend information on Bank spend.

Two groups—Asian Americans and Black/African Americans—accounted for most of the Bank's diverse spend in 2022 as shown in Table 7. This spend is associated with technical services and software and hardware purchases. The top five commodities for diverse spend were:

1. Outside Agency (21.8%)
2. Computer Equipment (1.8%)
3. Building Construction and Maintenance (0.9%)
4. Training and Education (0.6%)
5. Outside Medical Services (0.5%)

## SUPPORT OF INCLUSION IN PROCUREMENT

In 2022, the Bank continued to meet OMWI-related procurement expectations that support its commitment to maximizing inclusion. Our leadership

2022 Bank Reportable Spend with MBE Firms by Race & Ethnicity							TABLE 7
(Dollars in thousands)							
	Asian American	Black or African American	Hispanic American	Native American	Unknown Ethnicity	Total Minority	Total Bank
Reportable Spend	\$1,366	\$7,191	\$9	\$0	\$63	\$8,629	\$32,090
Vendor Count	6	7	2	0	2	17	1253

team remains committed to ensuring that MWBEs have the maximum practicable opportunity to participate in the contracts the Bank awards. The Bank continues its efforts of increasing diverse spend across multiple purchasing categories. In 2022, these efforts resulted in increased inclusion in the form of smaller contracts with diverse vendors supporting the Facilities business line.

Throughout 2022, the Bank continued to use language in its procurement contracts that is consistent with the mission and requirements of the DFA. The provisions set the expectations that each firm (and its subcontractors) interested in doing business with the Bank should provide for the fair inclusion of minorities and women in its workforce. Toward this end, the Bank continued to distribute a good-faith assertion questionnaire to assess whether vendors are practicing fair inclusion.

The Bank has maintained its community and corporate relationships related to supplier diversity. It continues to actively participate in the local chapter of the Women’s Business Enterprise National Council (WBENC), known as the Women’s Business Development Center (WBDC); the North Central Minority Supplier Development Council (NCMSDC); and the Metropolitan Economic Development Association (MEDA), an organization whose mission is to help minority entrepreneurs succeed. These partnerships are an important source of identifying a more diverse base of bidders and help educate staff about the potential and challenges for MWBEs in pursuing business opportunities with large institutional clients. The Bank is committed to maintaining these activities in 2023.

Table 8 shows solicitations that the Bank’s procurement area coordinated in 2022. In total, the Bank awarded five contracts with \$10,000 or more of anticipated spend. Purchasing staff invited at least one or more MWBEs to provide a bid or quote in three of those five solicitations. The MWBEs completed the bidding process in all three instances. Ultimately, the Bank awarded a contract to an MWBE firm in two of the five solicitations. The Bank also continued its standard procedure to follow up individually with invited suppliers who chose not to participate in or did not complete the bidding process.

Procurement staff continued to meet with Bank divisions with the highest amount of spend and reviewed processes to ensure openness and inclusivity. These meetings allowed staff to provide a detailed explanation of the requirements set forth in the DFA. The meetings also allowed procurement staff to share best practices from community and corporate partners. These sessions helped to affirm the Bank’s desire to increase the number of bidders and vendors who are minority and women business owners.

2022 MWBE Participation in Bank Procurement		TABLE 8
Number of solicitations where a contract was awarded	5	
Number of solicitations where MWBEs were invited to bid	3	
Number of solicitations where MWBEs completed the bidding process	3	
Number of solicitations where one or more MWBEs were successful bidders	2	
Includes all solicitations for \$10,000 or more of goods and services that are managed by the Federal Reserve Bank of Minneapolis procurement function.		

The Bank is working with other Federal Reserve Banks to identify opportunities to support supplier diversity programs, practices, and actions. In the past, this work included coordinating national outreach efforts as well as participation in national supplier diversity conferences such as the WBENC and National Minority Supplier Development Council annual conferences. In addition to outreach activities, the System is pursuing improvements in its program related to reporting, spend with subcontractors, and leveraging upcoming purchases to maximize inclusion.

### CHALLENGES

The Bank continues working to ensure that a broader range of procurement opportunities are accessible to MWBEs. This involves better understanding the purchasing needs of all Bank divisions, many of which have limited experience identifying or working with diverse vendors.

Identifying diverse suppliers and obtaining competitive bids for certain acquisitions remains challenging. The Bank is finding that relationships with community partners have increasingly helped to mitigate this challenge.

### MOVING FORWARD

The Bank recognizes the importance of increasing the number of minority- and women-owned businesses that compete for business opportunities with the Bank. In 2023, the Bank will continue efforts to include MWBEs across a range of procurement categories. This work includes increasing the number of MWBEs that receive invitations to bid and following up to understand why some firms declined invitations to compete for Bank projects. We do expect a significant increase in diverse spend in the construction services category in 2023. We will continue working with the Supplier Diversity Workgroup and engaging in intentional discussions with divisions and units to better understand and forecast upcoming procurement opportunities. Beyond these internal efforts, the Bank will encourage the NPO to maximize opportunities for MWBEs to procure with the System as a whole. The Bank will continue to participate in events with community partners and other financial institutions that serve small, minority-owned, and women-owned businesses.

# policies

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“Growing up poor in the Pacific Northwest and a member of the Coastal Band of the Chumash Nation, I’ve been keenly aware of the lack of access to opportunity among Indigenous people whose wealth was stolen and redistributed. I joined the Center for Indian Country Development to help elevate the perspectives and experiences of Indigenous communities in important policy discussions. As a senior research assistant, I’ve been empowered to pursue this work and have had the resources marshaled to support it, acquiring training, skills, and perspectives to position myself for graduate studies.

My research during the last 2 1/2 years has helped the Fed be more inclusive of all Indigenous communities. And the Research Assistant program will have a lasting impact as I begin the Public Policy Ph.D. program at Cornell University, where my studies will help address persistent labor disparities Indigenous communities face.”

—ELIJAH MORENO, SENIOR RESEARCH ASSISTANT,  
CENTER FOR INDIAN COUNTRY DEVELOPMENT

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## Conclusion

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The OMWI continues to serve as a catalyst to reinforce the Bank's long-standing commitment to diversity and inclusion. The Bank will continue to innovate strategies and tactics for employing minority populations and women, increasing the participation of minority- and women-owned businesses in procurement, and providing financial education and outreach activities. The Bank's executive leadership will continue to support OMWI and division leaders as they implement our revised Bankwide Diversity and Inclusion Strategic Plan. The Bank's deep and broad commitment to promoting a more inclusive and diverse work environment will remain a strategic focus throughout 2023 and beyond.

# Appendix 1

## 2022 OMWI Standard Core Metrics, Federal Reserve Bank of Minneapolis

Category	Description	Measure	2017	2018	2019	2020	2021	2022
Workforce Diversity	Senior Executives	Total Number	9	9	11	11	11	11
		% Minorities	44%	44%	45%	45%	45%	45%
		% Women	22%	22%	27%	45%	45%	64%
	Mid-level Managers	Total Number	180	186	187	192	212	217
		% Minorities	14%	17%	19%	21%	21%	26%
		% Women	49%	47%	47%	45%	41%	43%
	Professionals	Total Number	452	467	507	527	531	519
		% Minorities	24%	26%	28%	31%	34%	34%
		% Women	54%	53%	52%	52%	53%	50%
	Total External Hires	Total Number	89	111	140	112	120	206
		% Minorities	44%	40%	39%	49%	48%	45%
		% Women	47%	42%	39%	42%	43%	43%
	Total Interns	Total Number	35	38	39	26	28	46
		% Minorities	60%	50%	56%	81%	64%	57%
		% Women	66%	55%	44%	35%	43%	43%
Overall Bank Turnover Rate	%	7.9%	8.5%	11.2%	7.0%	14.0%	19.0%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$21.6	\$21.7	\$25.4	\$26.6	\$39.3	\$32.1
	Total Diverse Spend <sup>1</sup>	\$ (millions)	\$2.3	\$2.3	\$4.9	\$6.5	\$8.9	\$9.0
		%	11%	11%	19%	24%	23%	28%
	Minority-Owned <sup>2</sup>	\$ (millions)	\$2.0	\$1.8	\$4.3	\$5.6	\$8.1	\$8.7
		%	9%	8%	17%	21%	21%	27%
	Minority-Owned (Men)	\$ (millions)	\$0.2	\$1.0	\$2.1	\$2.6	\$5.1	\$1.2
		%	1%	5%	8%	10%	13%	4%
	Minority-Owned (Women)	\$ (millions)	\$1.7	\$0.8	\$2.2	\$3.0	\$3.0	\$7.5
		%	8%	4%	9%	11%	8%	23%
	Women-Owned <sup>2</sup>	\$ (millions)	\$2.1	\$1.4	\$2.8	\$3.8	\$3.7	\$7.8
		%	10%	6%	11%	14%	9%	24%
	Women-Owned (Non-Minority)	\$ (millions)	\$0.4	\$0.5	\$0.6	\$0.8	\$0.7	\$0.3
		%	2%	2%	2%	3%	2%	1%
	Women-Owned (Minority)	\$ (millions)	\$1.7	\$0.8	\$2.2	\$3.0	\$3.0	\$7.5
		%	8%	4%	9%	11%	8%	23%

<sup>1</sup> Total Diverse Spend = Minority-Owned (Men) + Minority-Owned (Women) + Women-Owned (Non-Minority).

<sup>2</sup> Women-Minority numbers are included in both Minority-Owned and Women-Owned totals.

Category	Description	2022
Financial Literacy <sup>1</sup> Programs:	Number of OMWI students reached in person and online <sup>2</sup>	0
	• Teacher-centric	0
	• Student-centric	0
• Hybrid	Number of OMWI students reached through educators <sup>4</sup>	0

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

<sup>2</sup> Students who attended in-person programs and enrolled in online programs.

<sup>3</sup> Educators who attended in-person programs and enrolled in online professional development programs.

<sup>4</sup> Students reached through educators using a common multiplier of 75.

# Appendix 2

## 2023 Board of Directors Demographic Information, Federal Reserve Bank of Minneapolis

Director Categories	Total Directors			Race/Ethnicity														
				Hispanic or Latino		Non-Hispanic or Latino												
	All	Male	Female	Male	Female	White		Black or African American		Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More Races		
					Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Class C</b>																		
By Total	3	2	1	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0
By Percent	100.00	67%	33%	0%	0%	33%	0%	33%	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%
<b>Class B</b>																		
By Total	3	0	3	0	0	0	2	0	0	0	0	0	0	0	0	1	0	0
By Percent	100.00	0%	100%	0%	0%	0%	67%	0%	0%	0%	0%	0%	0%	0%	0%	33%	0%	0%
<b>Class A</b>																		
By Total	3	1	2	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0
By Percent	100.00	33%	67%	0%	0%	33%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Branch Directors, Appointed by Board of Governors<sup>1</sup></b>																		
By Total	2	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
By Percent	100.00	50%	50%	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Branch Directors, Appointed by Reserve Banks<sup>1</sup></b>																		
By Total	3	2	1	0	0	1	1	0	0	0	0	0	0	0	1	0	0	0
By Percent	100.00	67%	33%	0%	0%	33%	33%	0%	0%	0%	0%	0%	0%	0%	33%	0%	0%	0%
<b>Total, all Directors</b>																		
By Total	14	6	8	0	0	4	6	1	0	0	1	0	0	1	1	0	0	
By Percent	100.00	43%	57%	0%	0%	29%	43%	7%	0%	0%	7%	0%	0%	7%	7%	0%	0%	

Note: Reserve Bank directors are elected or appointed to three-year terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information), which begin on January 1 of each year. Directors whose terms began Jan. 1, 2023, were appointed or elected in 2022.

<sup>1</sup> The Boston, New York, and Philadelphia Federal Reserve Banks do not have branches.

# Appendix 3

## 2022 Workforce Data Representation, Federal Reserve Bank of Minneapolis

2022 EEO-1 Consolidated Report															
2022 EEO-1 Data 12/31/2022	Hispanic or Latino		Not Hispanic or Latino												Overall Total
	Male						Female								
Job Categories	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Executives/Senior Mgrs	0	0	3	0	0	1	0	0	3	2	0	2	0	0	11
First-/Mid-level Mgrs	6	4	91	9	1	10	3	3	70	9	0	8	0	3	217
Professionals	15	15	173	22	0	38	1	8	172	19	0	45	5	6	519
Technicians	1	1	28	11	0	8	2	3	15	1	0	1	0	0	71
Sales Workers	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
Administrative Support	2	5	35	10	0	6	1	1	84	15	0	9	0	4	172
Craft Workers	1	0	10	1	1	0	1	0	2	0	0	0	0	0	16
Operatives	0	0	8	1	0	2	0	0	3	3	0	1	0	1	19
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	3	0	25	0	0	4	1	0	3	0	1	0	0	0	37
<b>Total</b>	<b>28</b>	<b>25</b>	<b>374</b>	<b>54</b>	<b>2</b>	<b>69</b>	<b>9</b>	<b>15</b>	<b>352</b>	<b>49</b>	<b>1</b>	<b>66</b>	<b>5</b>	<b>14</b>	<b>1063</b>

2022 Percentage Representation within EEO-1 Job Categories															
2022 EEO-1 Data 12/31/2022	Hispanic or Latino		Not Hispanic or Latino												Overall Total
	Male						Female								
Job Categories	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Executives/Senior Mgrs	0.0%	0.0%	27.3%	0.0%	0.0%	9.1%	0.0%	0.0%	27.3%	18.2%	0.0%	18.2%	0.0%	0.0%	11
First-/Mid-level Mgrs	2.8%	1.8%	41.9%	4.1%	0.5%	4.6%	1.4%	1.4%	32.3%	4.1%	0.0%	3.7%	0.0%	1.4%	217
Professionals	2.9%	2.9%	33.3%	4.2%	0.0%	7.3%	0.2%	1.5%	33.1%	3.7%	0.0%	8.7%	1.0%	1.2%	519
Technicians	1.4%	1.4%	39.4%	15.5%	0.0%	11.3%	2.8%	4.2%	21.1%	1.4%	0.0%	1.4%	0.0%	0.0%	71
Sales Workers	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1
Administrative Support	1.2%	2.9%	20.3%	5.8%	0.0%	3.5%	0.6%	0.6%	48.8%	8.7%	0.0%	5.2%	0.0%	2.3%	172
Craft Workers	6.3%	0.0%	62.5%	6.3%	6.3%	0.0%	6.3%	0.0%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	16
Operatives	0.0%	0.0%	42.1%	5.3%	0.0%	10.5%	0.0%	0.0%	15.8%	15.8%	0.0%	5.3%	0.0%	5.3%	19
Laborers & Helpers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Service Workers	8.1%	0.0%	67.6%	0.0%	0.0%	10.8%	2.7%	0.0%	8.1%	0.0%	2.7%	0.0%	0.0%	0.0%	37
<b>Total</b>	<b>2.6%</b>	<b>2.4%</b>	<b>35.2%</b>	<b>5.1%</b>	<b>0.2%</b>	<b>6.5%</b>	<b>0.8%</b>	<b>1.4%</b>	<b>33.1%</b>	<b>4.6%</b>	<b>0.1%</b>	<b>6.2%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>1063</b>

Totals may not equal 100 due to rounding. Bank EEO-1 report as of Dec. 31, 2022.



## Appendix 4

### 2022 Local & National Career Fair & Conference Participation, Federal Reserve Bank of Minneapolis

Event (Local)	Location	Date
Asian American Pacific Islander Small Business Expo	St. Paul, MN	May 2022
Association of Latino Professionals For America Picnic	Minneapolis, MN	June 2022
Minnesota State Fair	St. Paul, MN	August 2022
University of Minnesota Carlson School of Management Corporate Networking Reception	Minneapolis, MN	September 2022
Carroll College Career Fair	Helena, MT	September 2022

Event (National)	Location	Date
Sadie Collective 2022 Conference & Career Fair	Virtual	September 2022

