

2019

Annual Report to Congress

Federal Reserve Bank of Boston

Office of Diversity and Inclusion



Public Service That Makes a Difference®

This report contains the annual summary of the actions of the Office of Diversity and Inclusion at the Federal Reserve Bank of Boston with regard to the requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Members of the 116th Congress:

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires the Federal Reserve Bank of Boston's Office of Diversity and Inclusion to submit an annual report to Congress detailing the activities, successes, and challenges of the Office of Minority and Women Inclusion. The enclosed is our report, which will be made available to the public on March 31, 2020. The Federal Reserve Bank of Boston (Bank) continues to make measurable progress in increasing diversity and inclusion in the makeup of our Board of Directors, workforce, and procurement initiatives.

As of December 31, 2019, six of the nine members of the Bank's Board of Directors are diverse by gender or ethnicity. The Bank also made measureable progress improving the ethnic diversity in our officer and manager ranks. Targeted efforts focused on improving our outreach and recruiting efforts to Hispanic and female professionals has resulted in an increase in the Bank's Hispanic workforce representation and a significant increase in our female-hiring performance. Intentional leadership emphasis on diversity and inclusion organizational engagement and organizational accountability (taken up by the Executive Committee, Management Council, and the entire officer corps) is an important driver of our recent progress and, we believe, will remain a vital factor in our sustained success.

We are committed to making further progress in advancing diversity and inclusion within our organization and within the region served by the First District. Collaborative diversity and inclusion initiatives with the New England Financial Services CEO Roundtable and instructive interactions with the Bank's External Diversity Advisory Council position the Bank to experiment with and learn from innovative practices, policies, and strategies. Moreover, the diversity provisions in the Dodd-Frank Act provide ongoing motivation by complementing our existing efforts and by encouraging us to seek out and implement evidenced-based best practices in the field.

Sincerely,



Eric Rosengren, President and CEO



Marques Benton, Vice President and OMWI Director

Enclosures

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Executive Summary

In 2019, the Federal Reserve Bank of Boston (Bank) continued to build on inclusive policies, practices, education and outreach to advance diversity and inclusion (D&I) in the Bank, the region, and the financial services industry. Achieving effective organizational engagement and organizational accountability were important accelerants of the Bank's D&I progress. Organizational engagement efforts included continuing to make D&I a top strategic priority and making D&I an important value highlighted and socialized as part of the Bank's new culture-change initiative. D&I objectives were integrated into all officers' incentives plans with the achieved goal of increasing organizational accountability. Additionally, we were pleased to see positive scores for D&I in a survey of employees concerning Bank culture. Notably, the survey indicated that senior management engagement and our Employee Resource Groups (ERGs) are strong contributing factors to staff members' positive view of the Bank's D&I culture.

The Bank's commitment to D&I is also reflected in our leadership. Six of the nine members of the Bank's Board of Directors (Board) are diverse by gender or ethnicity. At the officer level, ethnic diversity improved 40 percent (4.9 percentage points) over the last three years (01-01-2017 through 11-30-2019). We were pleased to receive positive public recognition for our Board's diversity and for the gender diversity among the Bank's economists.

The Bank continued to learn from its engagement in important external stakeholder partnership initiatives in the region and in the financial services industry, including our External Diversity Advisory Council (EDAC) and the New England Financial Services CEO Roundtable (CEO Roundtable). Our EDAC, composed of diverse C-suite executives, is a sounding board for our D&I strategy and a funnel for new ideas and insights encouraging us to be bold and innovative. The CEO Roundtable is a peer-to-peer CEO forum fostering collaborative learning, the sharing of best practices, and collective action to improve diversity and inclusion at the board level and the C-suite level among firms in the financial services industry.

This past year was a particularly productive one for the CEO Roundtable. We held our first CEO Roundtable D&I conference, titled "Advancing Leading Women in Financial Services," in January; a complementary "Men as Allies" workshop in April; a college women's "Fast Track to Finance" conference in October; and a year-end CEO Roundtable meeting in December. The research director for the Boston Women's Workforce Council (BWWC) presented the BWWC's pay equity survey initiative at the December CEO Roundtable meeting. Based on the presentation and further discussion with the BWWC's research director and its chair, several CEOs who attended the December roundtable meeting requested the paperwork to become signers of the BWWC pay equity compact.

Workforce Highlights

Hiring performance for women and people of color improved in 2019. This was the third consecutive year that Hispanic employees were hired at rates higher than their representation in the Bank's workforce. While 2019 was a particularly good year for female hires, we will need to maintain this level of hiring

performance for several more years to appreciably improve the female representation in the Bank's workforce. We are also pleased to see a three-year trend of improvement in the number of minorities among the Bank's officer ranks.

Additionally, part of being a dynamic central bank involves being agile in a changing business environment. In 2019, we transitioned our innovative and mature Treasury Services business lines to another Reserve Bank as part of the Fiscal Agency Consolidation, and were successful in being chosen to lead the Federal Reserve System's new FedNow business line. Through mid-January 2020, 36 employees have been hired through the job posting process to support the new FedNow business line with 53 percent of the hires self-identifying as female and 50 percent self-identifying as ethnically diverse, including two officer positions. Given this added business function, the Bank underwent a reorganization which resulted in a female senior vice president (SVP) promoted to executive vice president (EVP) and Chief Administrative Officer and a female vice president (VP) promoted to SVP and head of the Strategic Business Services division. We look forward to the potential positive impact that FedNow can have in the future to improve equitable access to the payment system and mainstream financial services for the under-banked and the unbanked - many of whom are people of color living in low- and moderate-income (LMI) urban and rural communities.

Supplier Diversity Highlights

While the Bank's spend with minority-owned and women-owned businesses (M/WBE) increased modestly in 2019, the share of the Bank's overall spend allocated to M/WBE decreased 3 percentage points, largely due to a \$15 MM increase in the Bank's non-diverse reportable spend. Additionally, the continued closing of Bank-led Treasury Services business operations significantly reduced the Bank's demand for the employee-augmentation services provided by an M/WBE vendor. On a positive note, the Office of Diversity and Inclusion's (ODI) popular M/WBE vendor fairs and other outreach efforts continued to be extremely well attended and in demand. Moreover, our supplier diversity manager is a well-respected content expert and a valuable resource to colleagues in the Federal Reserve System.

Financial Education

In recent years the Bank's Regional and Community Outreach (R&CO) department has shifted its focus from financial literacy and adopted a broader approach to improving the financial stability of low- and moderate-income (LMI) households in New England. In 2019, R&CO added racial equity as a value and a priority for the department's engagement work. Additionally, R&CO continued to work with employers, schools, and teachers to advance economic mobility through the Today's Interns, Tomorrow's Professionals (TIP) high school internship program. R&CO will continue to conduct research to assess how the TIP program impacts students' long-term career success.

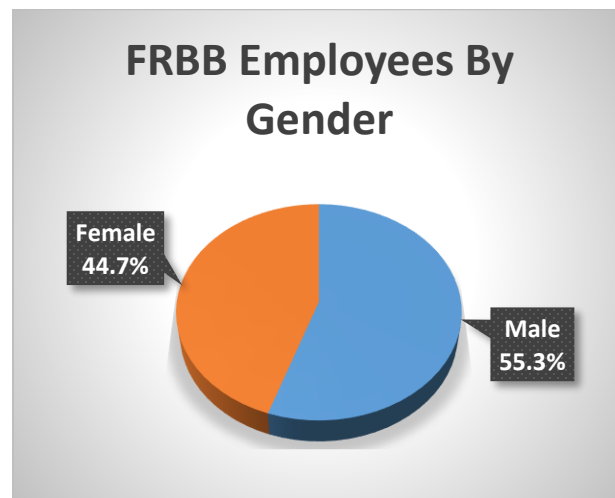
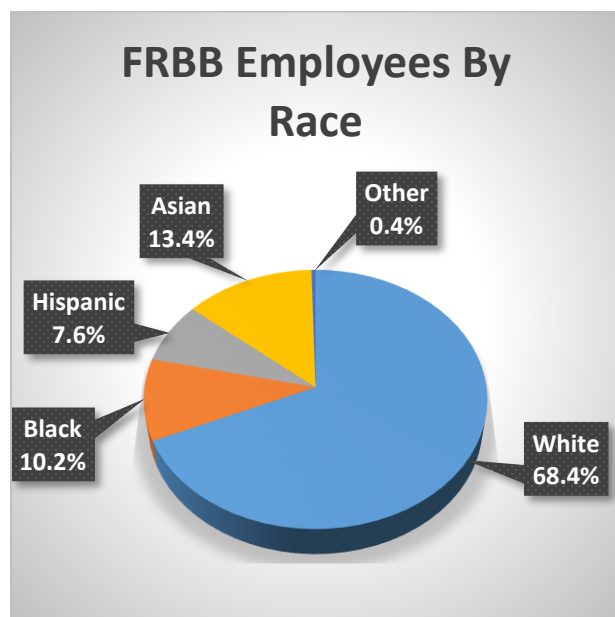
Going Forward

The Bank expects to build on our measureable success closing our Hispanic workforce gap and our female hiring and representation gaps, improving our Board-level diversity, and increasing the ethnic diversity in

our officer ranks. We also are excited about implementing a refreshed D&I strategy that includes obtaining feedback from internal and external stakeholders. Early feedback has been supportive and aligned with the Office of Diversity and Inclusion's desire to place more emphasis on—and shift more resources to—creating a better culture of inclusion through, among other initiatives, helping Bank officers become role models for inclusive leadership behaviors.

Minority and Women Employment

The Office of Diversity and Inclusion (ODI) continues to meet with the Bank's Human Resources Department (HR) to strategize with its talent-acquisition team on recruiting activities. Additionally, in conjunction with business managers and leaders of our Employee Resource Groups (ERGs), we have emphasized the Bank's commitment to diversity by presenting a united front at recruiting events and when targeting professional-development organizations. The ERGs routinely support the Bank in its recruiting activities—in the formal diversity pipeline programs as well as passive recruiting efforts. We greatly appreciate the hard work of HR and its efforts to ensure that assembling a diverse workforce remains a priority in all aspects of its local and national talent-management activities.



Successes

Metrics

In 2019, the Bank hired a total of 90 new employees. Women accounted for 46 percent of these hires, an increase of 7 percentage points compared with last year, and 46 percent were minorities, an increase of 9 percentage points. In the cohort of minority hires, Asians accounted for 20 percent of all hires, Hispanics for 13 percent, and African-Americans for 12 percent. Additionally, 2019 was the third consecutive year in which Hispanic employees were hired at a rate higher than their workforce representation, which led to the Hispanic representation increase in the Bank population.

At the manager level, the representation of minorities and women in the Bank's workforce compares well with the local financial services industry benchmarks¹. Of the Bank's mid-level managers, 17.8 percent are minorities, compared with 15.4 percent for the state's financial services industry, while 47.7 percent

¹Local financial services industry benchmarks are the 2018 EEO-1 benchmarks of the finance and insurance industry for a Core-Based Statistical Area (CBSA) defined as Boston-Cambridge-Newton, MA-NH, that includes the counties of Norfolk, Plymouth, Suffolk, Essex, Middlesex, Rockingham (NH), and Strafford (NH). <<I added a comma to the footnote, after NH; but this footnote be deleted from this page

are female, compared with 42.9 percent for the industry.

In 2019, the Bank continued to provide college students with practical, real-world job experience by introducing them to many of its operations through the annual internship program. Fourteen Bank departments participated in the 2019 program: Audit, Business Technology Solutions, Corporate Communications, Corporate Strategy and Risk, Financial Planning and Analysis, Financial Support Office, Human Resources, Legal, Network Security Services, Payment Strategies, Real Estate Services Group, Regional and Community Outreach, Research, and Supervision Regulation and Credit. A total of 42 Bank-paid interns and summer co-op students participated in the program. Research employed the most interns, 11; Supervision Regulation and Credit employed seven. Our interns major in a wide range of subjects in college, including business, law, and arts. The most common major studied by interns is economics, and their most common grade level is graduate. The intern program provides a strong pool of potential candidates for full-time positions with the Bank. In 2019, the Bank hired a female minority economist who interned with the Bank in 2017 and a female minority application developer who interned in 2018. In December of last year, the Bank hired a female minority intern as a regular employee.

The minority-participation rate in the intern program for 2019 was 52.4 percent, which was much higher than in 2018; the female-participation rate, at 45.2 percent, was lower than in 2018. However, the representation of females in the intern program was higher than that of the Bank's workforce (44.7 percent); and in terms of minority representation, the intern

program was more diverse than the Bank's workforce (31.6 percent).

General Recruitment

In 2019, HR's talent-acquisition team (OTA) and the Office of Diversity and Inclusion (ODI) participated in more than 35 diversity-focused recruitment activities involving all levels of the Bank's workforce, including senior management. A majority of the Bank's departments participated in diversity-related events and programs. These departments included Audit, Finance/Accounting, Cash Services, Financial Support Office, Information Technology, Law Enforcement, Network Support Services, Research, Regional and Community Outreach, and Supervision Regulation and Credit.

The Bank's diversity-sourcing specialist is engaged with multiple external multicultural and diversity-focused organizations to continue to build partnerships through which the Bank can engage diverse audiences and prospective employees. For similar purposes, she remains an active participant in the Bank's diversity-focused initiatives, such as the Diversity and Inclusion Working Group (DIWG) and Today's Interns, Tomorrow's Professionals (TIP).

OTA and ODI continued to strengthen their partnership with the Bank's Employee Resource Groups (ERGs) by presenting a unified recruitment experience to external groups and employment candidates. Additionally, the ERG talent-ambassador program began taking shape. The purpose of the program, which involves ERG members serving as recruitment liaisons, is to showcase the Bank's diverse and inclusive workforce and demonstrate that the Bank is an employer of choice. In 2019, at least one representative from each ERG participated in one or more outreach activities. ERG members continue to refer numerous candidates for jobs and provide the Bank with volunteers for

outreach opportunities. Based on data from HR's Applicant Tracking System, at least 17 employees hired in 2019 indicated that they had learned about the position for which they had applied through an employee referral. Of those new hires, 53 percent were female and 47 percent were minority.

In addition, OTA is continuing its partnership with the Veterans ERG with the goal of helping US military veterans successfully rejoin the civilian workforce.

In 2019, OTA and ODI partnered with the Bank's Corporate Communications department to develop and conduct a social-media campaign that highlights the Bank as an employer of choice. This campaign's 163 job alerts and other posts reached 118,777 social-media users and resulted in 2,677 unique visits to the Bank's website.

The following is a categorical list of diversity-focused recruitment and engagement partners and events.

<i>College/University Engagement</i>	<i>Community Engagement</i>	<i>Engagement w/ National Organizations</i>	<i>Bank Host Sponsorship</i>
UMass Boston	Get Konnected! 50 Most Influential Attorneys of Color	Urban League of Eastern Massachusetts	City of Boston, Women on the Rise
Bentley University	Mass. Chamber of Commerce LGBT / Transgender	Shecurity Women in Cyber	The Multicultural Symposium Series
Northeastern University	Color Magazine – WOC, MOC & All Inclusive Awards	Grace Hopper Annual Conference	Men as Allies, The Forte Foundation
Westfield State University	City of Boston, Women on the Rise	ALPHA (Association of Latino Professionals for America)	The Partnership, Inc.
Boston University Law School	Mass. Rehabilitation Commission Disability Career Fair	NABA (National Association of Black Accountants)	Conexion Early Career Program
	Mass. Hire Finance Career Fair		College to Fast Track, The Forte Foundation
	Recruit Military Career Fair		
	Pride in our Workplace		
	Dudley Street Neighborhood Initiative (DSNI) & Project Hope		
	El Mundo Latino Career Fair		

HR continues to partner with Regional and Community Outreach (R&CO) and help with the pre-hire and onboarding activities of Today's Interns, Tomorrow's Professionals (TIP), a feeder program for talented minority high school students in the Boston area. Furthermore, OTA participated in résumé-writing workshops and mock-interview activities aimed at developing the job-hunting skills of TIP participants.

In an effort to increase workforce diversity in the Federal Reserve System (FRS), the Bank continues to leverage the eQuest Advantage Network, which advertises the Bank's open job requisitions throughout an ecosystem of more than 8,000 websites with a potential combined audience of more than 15 million minority and women job seekers. In addition, we have signed on as inaugural members of the Partnership, Inc., which, among other programs, operates a job board for professionals of color. We also have partnered with the Robert Toigo Foundation job board, which is focused on African-American students who have or are pursuing an MBA.

In addition, HR took part in FRS diversity recruiting efforts headed by the System Staffing Group. Bank ambassadors participated directly in the Grace Hopper Celebration and Annual Conference, a significant career fair focused on candidates of color in technology. Also, HR procured access to additional résumé databases from national diversity-recruitment events.

To complement the Bank's efforts to attract and recruit employees, we have implemented an internal rotation program that has resulted in the transfer and promotion of two law enforcement officers to new positions within the Bank; one officer is a minority, and the other is a female.

Retention

The Bank continues to view mentoring as a valuable component for retaining employees, in addition to a competitive compensation package and comprehensive employee benefits. To ensure our mentoring program is current with the industry's learning-and-development and employee-engagement trends, and to promote high enrollment and continued viability, the Bank began offering the program every two years, starting in 2017. In 2017, the program underwent significant improvements and relaunched with a new design to align with industry trends, employee preferences, and the needs of a multi-generational workforce. In 2019, the professional development needs of employees were assessed using a survey instrument. A prominent theme that emerged from the survey was the need for Bank officers to be more visible and engage more in relationship-building. This prompted the Bank and HR to shift from one-on-one mentoring partnerships to group mentoring, through which Bank officers serve as mentors to groups of participants. The new program, Mentoring Circles, launched in February 2020. The program consists of four groups of six employees; two Bank officers serve as mentors to each group. Mentors provide expert information and guidance to participants on various Bank-relevant topics.

Challenges

The Bank's overall female workforce representation continues to fall short of the local financial services industry benchmarks. Despite considerable recruitment efforts and initiatives that led to a significant increase in the number of female hires in 2019 compared with previous years, the female representation improved only slightly due to a decrease in the Bank's female

population. Several more years of success in recruiting and retaining talented female professionals may be required in order to yield improvement in the female workforce representation.

Furthermore, the representation of women at the Bank officer level remained unchanged from 2018. However, a female senior VP was promoted to an EVP and Chief Administrative Officer in the fall of 2019.

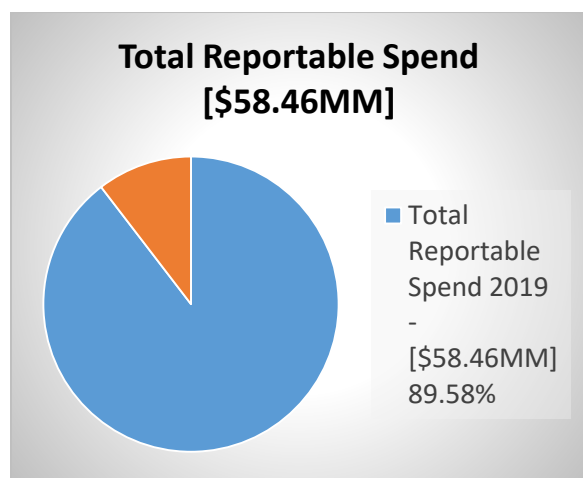
In addition, the Bank has a negative three-year minority promotion trend; that is, with the exception of Asian employees, minority employees have been promoted at rates lower than their representation in the Bank's workforce.

Going Forward

HR and ODI will research and work to understand possible reasons for the negative promotion trend among minority employees so that we can address this issue. It is important to note that we remain focused on advancing diversity and inclusion in order to overcome persistent challenges. We are confident that by elevating the importance of D&I in the Bank-wide strategic priorities and through our strong outreach (such as the recent New England Financial Services CEO Roundtable D&I Conference) we will continue to improve our diversity hiring and advancement results in 2020 and beyond.

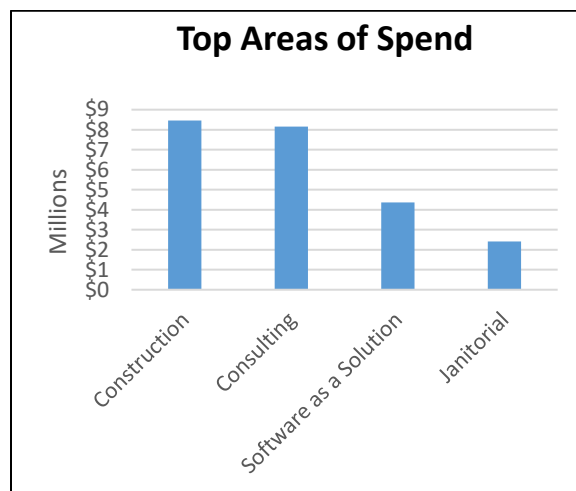
Minority- and Women-Owned Businesses

The Office of Diversity and Inclusion (ODI) continues to collaborate with our Procurement Department, ensuring that a diverse slate of suppliers is included on all competitive solicitations. Procurement is an active partner in attending diverse supplier opportunity events, meeting new suppliers, discussing opportunities, and explaining how to do business with the Bank.



In 2019, the Bank’s total reportable spend of \$58.46 million, was an increase of \$15.40 million from the 2018 reportable spend of \$43.06 million. Spend with minority- and women-owned businesses (M/WBEs) totaled \$6.09 million, an increase of \$260,000 from 2018; however, the percentage of spend with diverse suppliers decreased from 13.54 percent to 10.42 percent (Appendix C).

Top spend in 2019 occurred in four key areas:

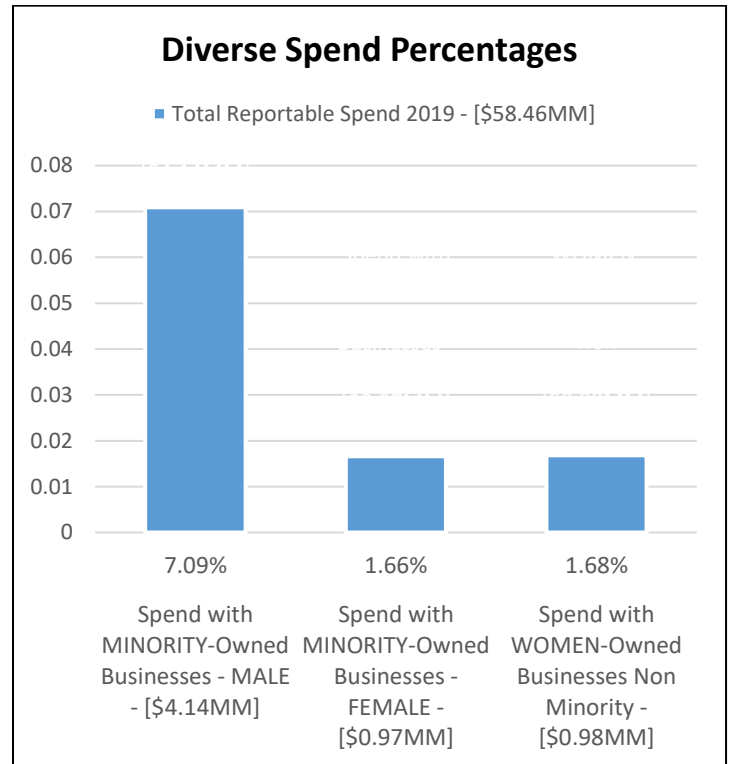
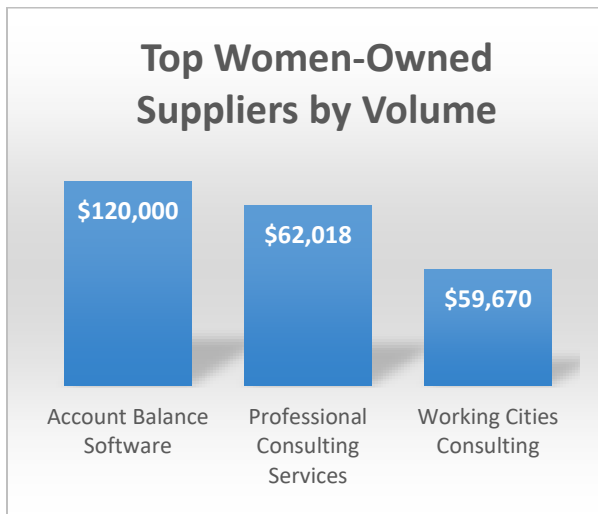
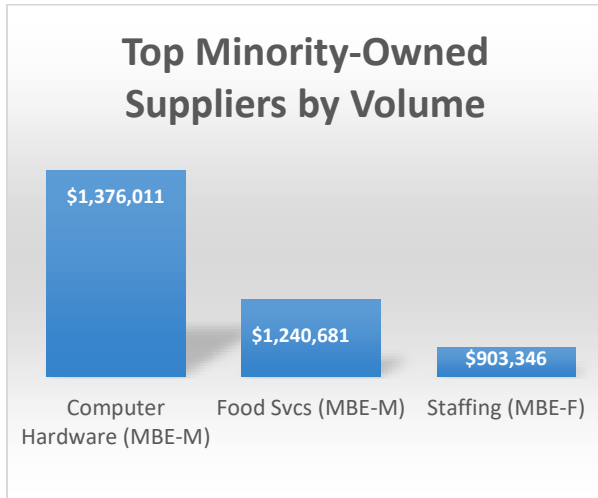


In 2020, we will continue to seek opportunities for diverse suppliers with the capacity to participate in competitive solicitations for these services, working closely with business area management and certifying agencies to identify suppliers in the space.

The Treasury consolidation is complete with the final business area transferred to another Reserve Bank at year-end, 2019. Spend with the nationally contracted diverse staff augmentation supplier continues to decrease. The 2019 spend for staffing decreased from \$1.53 million in 2018 to \$903,346 in 2019.

As we move into 2020, the Bank’s FedNow project represents new opportunities for diverse suppliers. While this group establishes sourcing requirements, we will work closely with our Procurement Department to include M/WBEs in all facets of the pipeline. We anticipate the need for temporary staffing services from the Federal

Reserve System’s nationally contracted M/WBE managed services provider to augment existing staff levels as FedNow continues to grow.



Successes

The Bank increased spend with a minority-owned business (MBE) over the last two years for IT equipment and maintenance. The initial 2017 engagement of \$407,000, increased to \$757,579 in 2019.

In 2019, ODI rolled out a new series of Diverse Supplier Showcases. The showcases, consisting of small groups of minority- and women-owned businesses (M/WBEs), were organized in a mini business opportunity fair format. Bank staff engaged in one-on-one discussions about opportunities in their respective business area(s). Showcases were hosted in April and December of 2019. Supplier feedback about these smaller events was very positive. The events resulted in additional spend:

- An MBE IT supplier received \$78,000 in business
- A WBE promotional products supplier received \$12,000 in business

The Bank increased spend with an MBE supplier of office furniture and IT supplies from \$41,000 in 2018 to \$337,000 in 2019. This increase was attributed to success on a series of furniture RFPs, and participation in the Diverse Supplier Showcase.

In 2019, spend with a veteran-owned business for water intrusion services totaled \$206,488; the spend resulted from a 2018 contract award.

ODI provides supplier diversity dashboards to all business area management, highlighting actual diverse spend, and noting missed opportunities for diverse suppliers. This effort assists in directing business areas to M/WBEs that offer

the goods and services utilized in the respective business areas.

The supplier diversity manager worked closely with a WBE provider of building maintenance services to guide the business owner in pursuing formal WBE certification. In an email, the supplier expressed gratitude and noted that since acquiring the certification, business increased 10 percent. The WBE was also invited to two Fortune 500 company RFPs. If successful, the awards will increase business an additional 70 percent and result in the creation of 45 jobs.



Outreach

ODI continues to participate in various outreach efforts to increase the number of opportunities for diverse suppliers.

In February, ODI hosted the Center for Women & Enterprise's (CWE) quarterly corporate meeting. New corporate members networked with existing members, sharing program best practices. CWE recapped 2018, and reviewed the economic impact on woman-owned businesses in the region. The group also discussed vendor management systems at

length and upcoming events where members could engage WBEs in opportunity discussions.

Also in February, ODI attended the Partners Health Care Business Opportunity Fair. ODI hosted a table and met with diverse suppliers to discuss opportunities and provided assistance on how to do business with the Bank.

In May, ODI partnered with the Center for Women & Enterprise (CWE), the Greater New England Minority Supplier Development Council (GNEMSDC), the State of Massachusetts Office of Supplier Diversity (OSD), and the Massachusetts LGBT Chamber of Commerce, to host our signature event, Engage and Connect, a business opportunity fair.

Engage and Connect drew 425 attendees, a significant increase in participation since its launch in 2015 with 200 participants. Corporate partners from a wide range of industries participated in the event, seeking diverse suppliers with which to do business. The partners included members of the finance, higher education, health-care, private industry, and pharmaceutical fields. As in previous years, the Bank invited new corporate partners, providing suppliers with different access and opportunity.

Opportunities resulting from the event included the following:

- A healthcare provider in the Boston area met a WBE recycling supplier at this event. No opportunity existed locally, but the provider shared capabilities information with a sibling company in another state, and the supplier was invited to an RFP. While the provider was not awarded the contract, a connection was made and it was brought into the pipeline.

- The same healthcare provider met an MBE IT supplier at Engage and Connect a few years ago. There were no opportunities at the time, but they continued dialogue which resulted in a consulting contract in 2019.
- A financial institution included an MBE on a ServiceNow RFP as well as a security RFP.
- A financial institution engaged with a large WBE IT services supplier and has since followed-up with meetings to discuss doing business.

In October, ODI attended the Center for Women & Enterprise's Annual Business Leaders Conference and participated in one-on-one sessions with WBEs to discuss upcoming opportunities.

Also in October, ODI attended a meeting of the Boston Chamber of Commerce's Pacesetters Program. Pacesetters, launched in 2018, is a partnership of large and mid-sized companies that use their collective purchasing power to create opportunities at scale for local ethnic-minority owned businesses, to address economic inequality. In December, the Bank officially became a member of the program.

In November, ODI attended the GNEMSDC's annual Best Practices in Supplier Diversity event, and hosted a table to meet with MBEs for opportunity discussions. An MBE IT supplier discovered at this event was invited to the February 2020 Diverse Supplier Showcase.

Challenges

The final Treasury support business areas were transferred to another Reserve Bank at year-end as part of the Federal Reserve System's consolidation efforts. These business areas

typically provided significant opportunity for diverse suppliers of contingent staffing and IT equipment and services.

ODI continues to face challenges with construction suppliers without the capacity and scale to participate in competitive bids.

Suppliers do not always maintain their diverse certifications, making it challenging to locate new M/WBEs.

Going Forward

In 2020, ODI will host our annual business opportunity event, Engage and Connect. Partnering with the Bank's internal Corporate Communications team, the ODI will fully automate both corporate and supplier registration. Corporate opportunities and supplier business contact information and capabilities will be collected during the respective registration processes, and shared in advance of the event to facilitate more productive conversations.

The Bank's supplier diversity manager was invited to participate in the Mayor of Boston's Office of Economic Development, Equity and Inclusion Unit's Pathways into City Contracting Business Opportunity Fair in 2020. The purpose of the event is for suppliers to hear from the City of Boston, the Commonwealth of Massachusetts and anchor institutions about opportunity with the goal of building wealth among residents and businesses.

Based on results from the 2019 Diverse Supplier Showcases, the ODI will continue to host these throughout 2020. The first showcase took place in February, and the next is scheduled for April.

Providing such direct access to business areas resulted in notable business for M/WBEs.

The ODI will host a supplier training program in conjunction with the Chicago Fed's Business Smart Week. The purpose is to convene experts to transfer knowledge and provide small businesses with the tools to better manage their business. The ODI will partner with other local organizations interested in working alongside the Bank to deliver the content.

ODI hosted the GNEMSDC quarterly corporate member meeting in February, 2020. The Council presented the 2019 Economic Impact Report providing an analysis of the impact that certified MBEs have in the New England region.

ODI will host the Center for Women & Enterprise's Strategic Planning Committee meetings in April and May.

The Bank's supplier diversity manager will join the Center for Women & Enterprise's supplier diversity advisory group, a small group of corporate partners at varying stages of their supplier diversity programs that provide feedback to the center throughout the year.

ODI will partner with the Boston Chamber of Commerce's Pacesetters program, seeking opportunities for local ethnically diverse suppliers, and participate in educational, networking and industry-specific matchmaking events.

Financial Literacy Initiatives (Outreach and Education)

Full employment is a key part of the Federal Reserve System’s (FRS) dual mandate; to fulfill it, the Community Development function, guided by the revised S-letter, is charged with helping to advance the FRS’s understanding of the “unique characteristics and needs of households and communities”¹ to fully participate in today’s economy. For the Federal Reserve Bank of Boston (Bank), paramount to operationalizing this is to focus on understanding how structural barriers perpetuate racially inequitable economic outcomes that prevent low and moderate-income individuals and families from fully participating in the economy and achieving financial security.

As such, the Bank has shifted its focus from individual-level financial literacy initiatives to building a portfolio of strategies aimed at creating system-level conditions to increase household economic security and equity with a focus of disrupting historic economic inequities that reverberate in a racially disproportionate patterns. We believe that this shift allows us to fulfill the FRS’s mandate with more impact by facilitating just and fair inclusion into an economy in which all individuals and families can participate, prosper, and reach their full potential and race no longer predicts economic outcomes².

Successes

Three Priority Focal Areas

Within Regional & Community Outreach (R&CO), our work is organized into three priority focal areas:

- 1) **Strengthening the prospects of smaller, post-industrial cities and rural communities;** *Working Cities/Communities Challenge* - This intervention focuses on cross-sector collaboration across cities and communities with profiles of financial disadvantage including over-representation of low and moderate-income families, and a larger share of population without higher education.
- 2) **Increasing household economic security and equity;** Current work in this area seeks to understand the ways historical policies that discriminated against racial and ethnic minorities have implications that persist in the present, evaluates the impact of proposed policies on racial-ethnic disparities and develops targeted research-informed interventions to narrow racial inequities, such as the racial wealth divide.
- 3) **Improving employment opportunities, for low and moderate-income families in two**

¹ Revised S-Letter (2017)

² Definition of a racially equitable economy is adapted from definitions used by Government Alliance for Racial Equity and Policy Link,

areas: Current work in this area seeks to increase the quality of jobs and the availability of affordable and quality childcare for working parents. Our Reinventing Work Initiative, facilitates pathways for employer efforts to improve job characteristics for low-wage workers. Our Early Child Care Initiative draws attention to the challenges faced by parents seeking to maximize their economic potential and to the low wages of the workforce, particularly among those members who are of women of color.

Our portfolio of strategies is built with a symbiotic relationship between applied outreach and research activities to ensure maximum impact of our work. There are two important lessons learned from our 2015-2018 efforts (hallmarked by the Color of Wealth research report and engagement through the Racial Wealth Inequality learning group that the Bank convened) that inform our work going forward. First, wealth is an extremely important indicator of economic inequity because it persists across socio-economic and individual characteristics. Second, there is not a clear solution on how to most effectively coalesce around a particular action to close the racial wealth divide because doing so requires a multi-faceted and long-term approach. Thus, instead of thinking about how **to close** the racial wealth divide, we began to think about what it takes to create the conditions that can help open policy/program windows to start **to reduce** the racial wealth divide. To that end, R&CO is

planning a portfolio of research and applied activities in three areas:

First: narrative change. The first area of work acknowledges the strong impact that popular narratives have on economic behavior and policy change³ and seeks to leverage opportunities to shift narratives as a way to promote equitable economic outcomes. In this area, we are exploring with local and national organizations a research initiative that would document common local and regional narratives about wealth inequity, analyze their relationship to public policies, and identify interventions that would promote new, evidence-based narratives aimed at promoting more equitable outcomes.

Second: expansion of methodological approaches and research activities. We are in the process of analyzing disparities in use and amount of parent debt for children's college education. Our initial findings suggest that white parents, who tend to have more wealth from gifts, inheritance and home equity, are less likely to take on debt to pay for their children's college than are non-white parents. They are, therefore, able to provide their children the opportunities that a college education can afford with little financial consequence for themselves. Non-white parents, on the other hand, take on debt more frequently, which means that they have to compromise their retirement security in order to give their children the same opportunities. We are also exploring the feasibility of further documenting disparities in wealth and debt at the regional level. Recognizing that one-size-fit-all policies have continued to perpetuate inequities, we seek to leverage our research expertise to assess the differential impact of policy on communities in order to inform targeted

³ Shiller, R.J., 2019. *Narrative economics: How stories go viral and drive major economic events*. Princeton University Press.

interventions aimed at achieving the universal goal of full economic participation and prosperity.

Third: helping to build the capacity of local organizations to achieve stronger improvements in community-level economic outcomes. We have developed a partnership with the Metropolitan Area Planning Council (MAPC) and the Government Alliance on Race and Equity/ Race Forward to pilot an innovative initiative in the Greater Boston area to support a cohort of municipalities in developing and implementing racial equity action plans to achieve a range of tangible improvements in community-level economic outcomes including, but not limited to, municipal employment practices, proactively furthering fair housing, and supporting programs and practices that reduce the racial wealth divide.

Today's Interns, Tomorrow's Professionals (TIP) Internship Program

While addressing systemic change, the Bank remains committed to advancing the successes of our legacy program to create meaningful career pathways for youth from low and moderate-income (LMI) communities. We recognize, that we have an immediate and long-term responsibility and opportunity to meaningfully impact the trajectory of individual lives while enhancing who we are and how we work as an organization.

R&CO administers a Bank-wide youth employment program called TIP—for Today's Interns, Tomorrow's Professionals which targets high school students from the Boston public schools. As described in previous reports, in partnership with the Boston Private Industry Council, we recruit, place into various departments, and train approximately 20

students every summer. An additional 15 are invited to extend their Bank TIP internships for

as long as three years. One of the enrichment components the students participate in is the reality fair, conducted by an external consultant. Reality fairs teach students money-management techniques through an experiential exercise.

The program incorporates a variety of research-based enrichment workshops designed to increase access to college and career opportunities for Boston-area LMI youth. A new workshop, What Every Taxpayer Should Know, was added in 2019. It provided the students with appropriate tax filing information. Participation in 2019 reflects the following Office of Minority and Women Inclusion (OMWI) criteria:

K-12 schools: Ten schools participated in TIP Job Shadow Day, a career-interest and summer internship recruitment program; all of the schools, or 100 percent, met the OMWI criteria. Nine schools were represented in the TIP Summer Program; 100 percent of those met the OMWI criteria. Six schools were also represented in the TIP Year-Round Program; 100 percent of those met the OMWI criteria.

K-12 students: Forty-four students participated in Job Shadow Day. Seventeen new interns and 10 existing interns participated in the TIP Summer Program, and 15 students participated in the TIP Year-Round Program.

The program workshops introduced in 2019 and continued in 2019-20, that are relevant to the OMWI report include the following:

Summer Enrichment Workshops 2019

1. Budgeting Basics and Creating a Personal Budget
Students learn how to create a personal budget
2. Bean Game
Students learn how to make reasonable spending choices on a “bean budget”
3. Reality Fair
Real-life simulation event focused on financial education and promoting fiscally responsible decision-making
4. The ROI of College
Students learn how to make an informed choice about their career by identifying a career goal, the training and education required, whether there will be jobs available, and whether they will make enough money in their career to pay for the education.

In 2019, two TIP participants were hired (one out of the program, one an alum hired from the Bank’s college-level internship program), bringing the total number of TIP hires by the Bank since 2010 to 15.

Year-Round Enrichment Workshops 2019-2020

1. College Planning
 - College search & SAT prep
 - College search
 - FAFSA preparation
 - Accessing scholarships & college loans
 - Guided path to college completion
2. Financial Education
 - Money management
 - Financing college
 - Tax return preparation assistance

Challenges

The biggest challenge (and opportunity) R&CO faces is informing, and ideally changing, the perspectives on financial literacy and the focus on individual-level behavioral interventions. This approach, while well meaning, does not acknowledge or address the root causes of exclusive economic systems. Research reveals that, despite the important financial empowerment services available to individuals, wealth differences in the aggregate between races/ethnicities have not only persisted but grown. To illustrate, among other emblematic empirical evidence, research suggests that: millennial single black women have six times less wealth than their white male peers⁴, and that median black and Latino households would take 242 and 94 years respectively to gain wealth on par with the net wealth held by white families in 2016.⁵

Nonetheless, we recognize the value of individual development through our TIP program which also gives us an opportunity to test possible financial literacy-based interventions that reflect research and best practices, such as just-in-time content delivery and peer-centric program design; however, state data-sharing policies prevent us from tracking the impact TIP may have on participants' economic mobility once they leave the program and from exploring a relationship between financial literacy

interventions and meaningful progress toward economic mobility and inclusion.

Going Forward

We will continue to advance our racial wealth divide work, both to achieve impact in our target communities and to inform and influence the Federal Reserve System's approach to financial literacy initiatives. Our aim is to ensure that we are considering root causes of systemic exclusion throughout all of our work, recognizing that this is an important aspect of improving the relevance and efficacy of our work.

As our work on the racial wealth divide progresses, we will refine our efforts and expand our research to better document disparities and test potential impacts of policies and practices aimed at reducing the gaps. Additionally, as we work with local cities to revise and implement policies that will a) stop contributing to the racial wealth divide and b) start to erode it, we will document what works and what does not, and make refinements as we go. We also expect that this work will have broader applicability and adoption to expand the reach of our impact.

Going forward, we will also continue to refine and conduct the TIP program in ways that both support the skills of the interns and expand their opportunities, as well as meet Bank needs, and continue a pipeline to enhance diversity within the Bank.

⁴ *Clipped Wings: Closing the Wealth Gap for Millennial Women* (Bhattacharya, Price & Addo, 2019)

⁵ "Running in Place: Why the Racial Wealth Divide Keeps Black and Latino Families from Achieving Economic Security" (Emanuel and Asante-Muhammad, 2018). Estimates in this report assume wealth gains made by black and

Latino households in the past three years of the report continue in perpetuity and that median white household wealth stays constant. Estimates suggest that this parity was impossible to occur and undesirable because it would require the majority of households to cease from accruing wealth.

Appendices

- Appendix A: EEO-1 Report
- Appendix B: Organization Chart: Office of Diversity & Inclusion
- Appendix C: OMWI Core Standard Metrics Report
- Appendix D: Community Partnerships & Cultural Events
- Appendix E: Recognition

APPENDIX A: EEO-1 Report

Federal Reserve Bank of Boston EEO-1 Consolidated Report

Workforce Representation as of 12/31/2019

EEO-1 by Numbers	Male		Female		Non-Hispanic Male						Non-Hispanic Female				Total		
	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	White	Black	Asian	Am Ind	Native Hawaiian	2+ Races	White	Black	Asian	Am Ind		Native Hawaiian	2+ Races
Executive Senior Managers					12	1	1										17
First/ Mid-Level Managers	3	4	4	5	89	6	5										197
Professionals	17	23	23	20	232	21	20		1							1	547
Technicians	4	2	2	3	30	5	3	1					1				49
Admin. Support	7	8	8	5	12	3	5						20	1			93
Craft Workers					10		1										11
Service Workers	5	1	1	2	37	6	2						3				61
Total	36	38	38	37	422	42	37	1	1	0	245	57	94	0	1	1	975

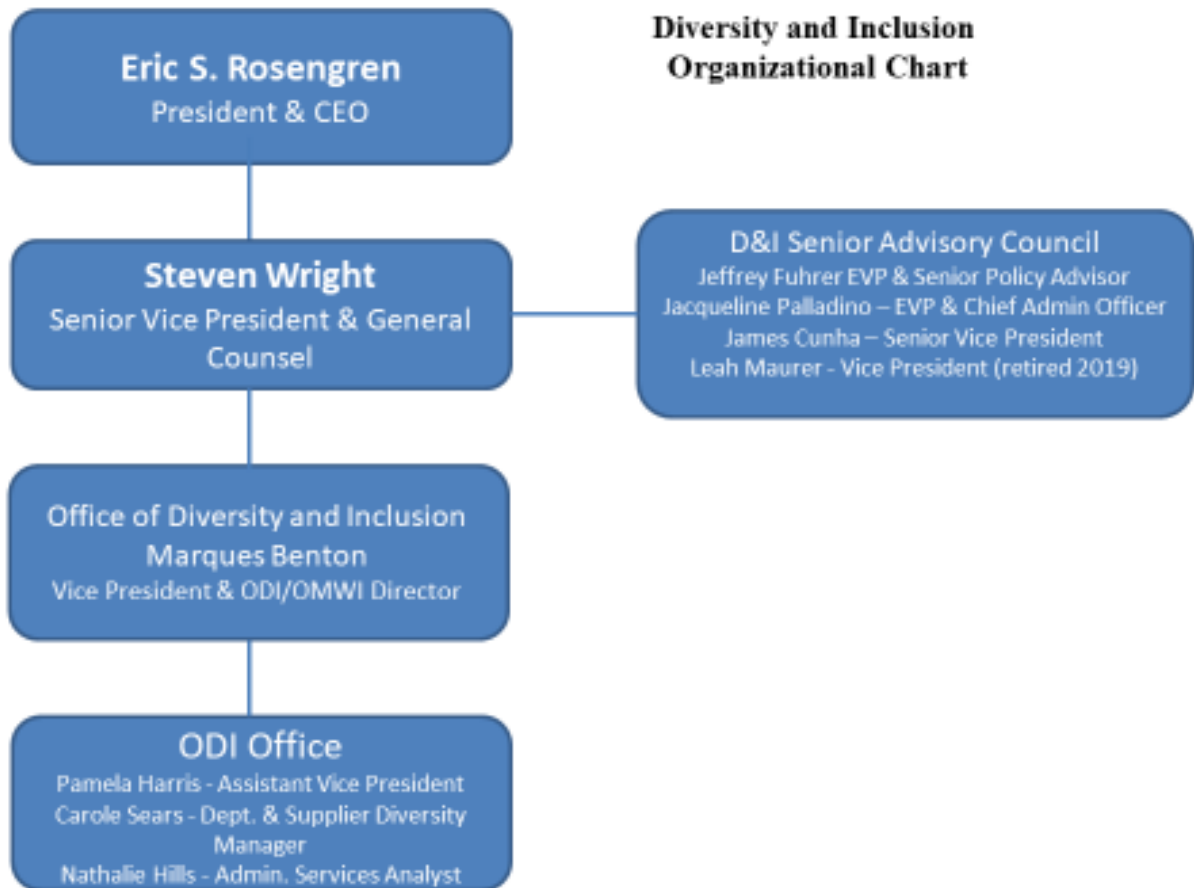
The information in these tables reflects the 1st Districts staff representation by EEO-1 job category. The vertical "Total" column represents total staff for the job category across all races and gender, the horizontal "Total" row represents total staff for the race-gender combination across all categories.

EEO-1 by Percentages	Male		Female		Non-Hispanic Male						Non-Hispanic Female				Total		
	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	White	Black	Asian	Am Ind	Native Hawaiian	2+ Races	White	Black	Asian	Am Ind		Native Hawaiian	2+ Races
Executive Senior Managers					70.6%	5.9%	5.9%						5.9%				100.0%
First/ Mid-Level Managers	1.5%	2.0%	2.0%	2.5%	45.2%	3.0%	3.7%						4.6%				100.0%
Professionals	3.1%	4.2%	4.2%	3.7%	42.4%	3.8%	6.1%	2.0%	0.2%				11.5%			0.2%	100.0%
Technicians	8.2%	4.1%	4.1%	5.4%	61.2%	10.2%	6.1%						2.0%				100.0%
Admin. Support	7.5%	8.6%	8.6%	5.4%	12.9%	3.2%	5.4%						21.5%	1.1%			100.0%
Craft Workers					90.9%		9.1%										100.0%
Service Workers	8.2%	1.6%	1.6%	3.3%	60.7%	9.8%	3.3%						4.9%				100.0%
Total	3.7%	3.9%	3.9%	3.8%	43.3%	4.3%	3.8%	0.1%	0.1%	0.0%	25.1%	5.8%	9.6%	0.0%	0.1%	0.1%	100.0%

Each cell represents the race-gender's share of the relevant job category(row). The vertical "total" column must always equal 100%. The horizontal "Total" row need not equal 100% because it represents the race-gender's share of the entire bank across all job categories

APPENDIX B: Organization Chart: Office of Diversity & Inclusion

Diversity & Inclusion Organization Chart



APPENDIX C: OMWI Standard Metrics Report

- Federal Reserve Bank of Boston

Category	Description		2015	2016	2017	2018	2019
Workforce Diversity	Senior Executives	Total #	15	15	14	14	17
		% Minorities	20%	20%	14%	14%	18%
		% Women	13%	13%	14%	21%	18%
	Mid-Level Managers	Total #	182	184	176	197	197
		% Minorities	16%	15%	14%	16%	18%
		% Women	46%	47%	47%	48%	48%
	Professionals	Total #	599	633	618	565	547
		% Minorities	28%	29%	30%	31%	32%
		% Women	46%	46%	46%	46%	47%
	Total External Hires	Total #	131	119	98	96	90
		% Minorities	34%	34%	36%	37%	46%
		% Women	44%	31%	39%	39%	46%
Total Interns	Total #	52	53	38	33	42	
	% Minorities	48%	42%	42%	36%	52%	
	% Women	54%	40%	37%	52%	45%	
Overall Bank Turnover Rate	%	10.5%	10.5%	10.2%	14.6%	12.4%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$ 52.94	\$ 40.83	\$ 53.38	\$ 43.06	\$ 58.46
	Total Diverse Spend ¹	\$ (millions)	\$ 8.01	\$ 7.05	\$ 6.87	\$ 5.83	\$ 6.09
		%	15.1%	17.3%	12.9%	13.5%	10.4%
	Minority-owned ²	\$ (millions)	\$ 6.64	\$ 5.68	\$ 5.86	\$ 4.53	\$ 5.11
		%	12.5%	13.9%	11.0%	10.5%	8.7%
	Minority-owned (men)	\$ (millions)	\$ 2.53	\$ 1.87	\$ 2.29	\$ 2.91	\$ 4.14
		%	4.8%	4.6%	4.3%	6.8%	7.1%
	Minority-owned (women)	\$ (millions)	\$ 4.11	\$ 3.81	\$ 3.57	\$ 1.62	\$ 0.97
		%	7.8%	9.3%	6.7%	3.8%	1.7%
	Women-owned ²	\$ (millions)	\$ 5.48	\$ 5.18	\$ 4.58	\$ 2.92	\$ 1.95
		%	10.4%	12.7%	8.6%	6.8%	3.3%
	Women-owned (non-minority)	\$ (millions)	\$ 1.37	\$ 1.37	\$ 1.01	\$ 1.30	\$ 0.98
%		2.6%	3.4%	1.9%	3.0%	1.7%	
Women-owned (minority)	\$ (millions)	\$ 4.11	\$ 3.81	\$ 3.57	\$ 1.62	\$ 0.97	
	%	7.8%	9.3%	6.7%	3.8%	1.7%	

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

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

		2019
Financial Literacy ¹ Programs:	Number of OMWI students reached in-person and online ²	73
	· Teacher-centric	
	· Student-centric	
· Hybrid	Number of OMWI students reached through educators ⁴	73

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 and enrolled in online programs.

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

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

APPENDIX C-1: OMWI Standard Metrics Report

Director Categories		Race/Ethnicity																
		Current Directors			Hispanic or Latino		White		Black or African American		Asian		Native Hawaiian or other Pacific Islander		American Indian or Alaska Native		Two or More Races	
		All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Reserve Bank Directors																		
Class A (Total Positions 3)																		
By total		3	0	0	0	2	0	1	0	0	0	0	0	0	0	0	0	0
By percent		100%		0%	0%	67%	0%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Class B (Total Positions 3)																		
By total		3	1	2	0	1	2	0	0	0	0	0	0	0	0	0	0	0
By percent		100%	33%	67%	0%	33%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Class C (Total Positions 3)																		
By total		3	1	2	0	0	2	1	0	0	0	0	0	0	0	0	0	0
By percent		100%	33%	67%	0%	0%	67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Totals																		
All Reserve Bank Directors (Total Positions 9)																		
By total		9	5	4	0	3	4	2	0	0	0	0	0	0	0	0	0	0
By percent		100%	56%	44%	0%	33%	44%	22%	0%	0%	0%	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 2019 to terms that began on January 1, 2020, as well as directors who are currently serving in existing terms. Currently, there are no vacancies on the Boston Reserve Bank board and all directors opted to self-identify their gender and race/ethnicity.

APPENDIX D: Community Partnerships and Cultural/ Educational Events

Community Partnerships

- **Big Sister Association of Greater Boston** is a one-to-one mentoring program in which girls (Little Sisters) are individually matched with caring and committed volunteers (Big Sisters). Its vision is to create a mentor-rich community where every girl has access to the individual nurturing, guidance, and support she needs to become a confident, competent, and caring adult. The Big Sister Association is a national model for gender-sensitive mentoring for girls that can be replicated in other mentoring programs.
- **The City of Boston's Earned Income Tax Credit Campaign (EITC)** is spearheaded by the Office of Mayor Martin Walsh and works in conjunction with nonprofit, corporate, and community partners. The campaign has provided low- and moderate-income taxpayers with free financial services since 2001. The campaign now also offers a year-round financial coaching program that directly involves volunteers in promoting economic empowerment in Boston communities.
- **The Cities for Financial Empowerment Coalition (CFE Coalition)** brings together pioneering municipal governments from across the country that have begun to use their power and positions to advance innovative financial empowerment initiatives. Its 15 member cities, representing almost 22 million people, have made tangible, measurable commitments to supporting financial empowerment programming. The CFE Coalition also leverages its members' collective power to advance the financial empowerment agenda on a state and national level, including through advocating for key policy priorities. Founded by former New York City Mayor Michael R. Bloomberg and former San Francisco Mayor Gavin Newsom when they were in office, the CFE Coalition is currently chaired by San Francisco Mayor London Breed and Miami Mayor Francis X. Suarez.
- **Conexión** is a leadership and mentorship program committed to advancing Latino professionals. It collaborates with organizations and companies that need new leadership talent in their ranks in order to adapt successfully to new economic, social, and political realities.
- **The Center for Women & Enterprise (CWE)** is a nationally known nonprofit organization dedicated to helping women start and grow their businesses. CWE has worked with more than 46,000 Massachusetts, Rhode Island, New Hampshire, and Vermont entrepreneurs since 1995. CWE also operates the Veterans Business Outreach Center of New England (VBOC of NE), which focuses on assisting veterans, active-duty service members, and their families with starting and growing their businesses
- **El Mundo** is widely recognized as New England's premier Spanish-language publication, with deep-rooted community grassroots relationships coupled with strong corporate partnerships.
- **Ellevate** is a global network of 20,000 trailblazing women who are inspired, empowered, and connected. The "founding members" of Ellevate are women who worked for Goldman Sachs at 85 Broad Street, the investment banking firm's former New York City headquarters. Over the past decade, Ellevate has expanded its membership to include women who are alumnae and students of the world's leading colleges, universities, and graduate schools. Members are located in 82 countries around the world and work for thousands of for-profit companies and not-for-profit organizations. Regional chapters develop and strengthen their

global presence through exclusive workshops and events featuring industry experts.

- **Forté Foundation** is the leading nonprofit focused on building a pipeline of women in business. Forté developed the first MBALaunch for women in 2013 and grew the program from three to eight cities in two years. It also developed its first College Fast Track to Finance Conference in 2015. In addition, Forté has an extensive network of MBA school representatives and a database of nearly 25,000 pre-MBA women. Forté partners with 48 leading business schools and 33 top companies, including Fidelity, Liberty Mutual, Harvard Business School, MIT Sloan, Babson, and Simmons in the Boston area.
- **Get Konnected** is Boston's first and only urban bimonthly professional and business networking event, bringing together urban and international professionals, business executives, and entrepreneurs of diverse cultures across industries and sectors to enrich and enhance their professional development, forge new business and social relationships, and expand their personal, business, and professional networks.
- **The Greater New England Minority Supplier Development Council (GNEMSDC)** advances business opportunities for certified Asian, Black, Hispanic, and Native American business enterprises and connects them to corporate

members. One of the region's leading corporate membership organizations, GNEMSDC was incorporated in 1975 to provide increased procurement and business opportunities for minority business of all sizes. GNEMSDC is an affiliate of the National Minority Supplier Development Council. It is one of the 24 regional councils represented across the US territories. GNEMSDC serves the six New England States: Massachusetts, Connecticut, Rhode Island, New Hampshire, Vermont, and Maine

- **The Latina Circle** is an exclusive network advancing Latina leaders across industries into positions of power and influence. Its mission is to connect, mentor, and champion Latina leaders; provide them with a community of professional support; and share best practices..

The Latina Circle's mission is to increase Latina representation across industries by:

- mentoring, nominating, and sponsoring Latinas for executive leadership roles and for boards and commissions;
- increasing the visibility of Latinas as role models to inspire and encourage others;
- partnering with other organizations that support and mentor Latina youth;
- creating opportunities for Latinas to enhance their networks and support systems.

Through its in-person networking events, as well as via substantive programming, the Latina Circle is carrying out these recommendations by connecting, mentoring, and championing multicultural women leaders who support the Latina Circle's mission. The Latina Circle hosts quarterly networking breakfasts, called Cafecitos, where invited professionals can connect with other senior leaders as well as inspire emerging leaders. The Latina Circle also provides leadership programming aimed at sharpening skills and adding a competitive edge to the current generation of leaders, as well as preparing the future generation of leaders to advance into the next phase of their careers.

- **Leadership Women** is a nonprofit headquartered in Dallas. Its track record is the strongest and longest in the United States. As a social enterprise that is in the business of improving women's lives for the common good, Leadership Women is strategically expanding to offer an ever-increasing array of programs that remain cutting-edge and fiscally sound. Its investors are the women and their organizations that reap the benefits of the programs it offers, as well as those special individuals and businesses that generously support the social good of helping more women be good leaders.
- **Manomet, Inc.** is a sustainability nonprofit grounded in science that charts pathways by applying science as it engages people in areas of natural, forest, food, and economic systems. Its focus is on how thought-leadership insights and practices for the workplace attract and retain the best and brightest talent.
- **Massachusetts LGBT Chamber of Commerce** seeks to promote economic growth and viability for LGBT-owned and LGBT-allied businesses, corporations, and professionals throughout Massachusetts through advocacy, educational, and collaborative efforts. The chamber offers education and training to

facilitate certification of LGBT business enterprises, and it works with local and state agencies to promote supplier diversity and enable LGBT businesses to flourish.

- **The National Black MBA Association, Inc. (NBMBA)** is dedicated to developing partnerships that result in the creation of intellectual and economic wealth in the black community. In partnership with over 400 of the country's top business organizations, the association has developed relationships with a wide range of industries as well as the public and private sectors.
- **The Partnership, Inc.** makes corporations and institutions more competitive in a global economy by:
 - helping them attract, develop, and retain talented multicultural professionals at all levels of leadership;
 - creating a corporate climate that encourages diversity and helps multicultural professionals thrive.

The Partnership formed in 1987; it has evolved from its original focus on the advancement of African Americans in corporate Boston into an organization that supports multicultural professionals at all levels in an increasingly diverse and global workforce.

- **SHE²** is a new coalition dedicated to increasing the representation of women throughout the financial services industry.
- **Travelers** established the **Travelers Institute** as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals, and other experts to provide information, analysis, and recommendations to public policymakers and regulators.

- **Women In Finance Boston (WIF)** is a membership association of women executives, managers, and other career finance professionals whose goal is to highlight thought leadership in finance across multiple industries and to create a community of women professionals.
- **Year Up Boston** is a one-year, intensive training program that provides low-income young adults, ages 18–24, with a combination of hands-on skill development, college credits, corporate internships, and support. The program emphasizes academic and professional rigor, setting expectations high for quality of work, and professional behavior. A strong structure guides students through the steps necessary for achieving success in the classroom and the workplace.
- **YWCA Boston** is an organization of firsts. It was the first YWCA in the United States, established by leaders in the abolition and suffrage movements to address critical social justice issues of the time. It was also the first organization in Boston to tackle professional and economic empowerment for women, and among the first to fight for racial and gender equality.

Cultural and Educational Events

- **EITC Financial Guide and Credit Advising Training** (January) ODI hosted two training sessions for students and members of the financial services industry on how to conduct one-on-one interviews with low- and moderate-income residents of Boston. Participants learned how to guide the residents through their credit reports and FICO scores, and how to speak with them about budgeting and saving money.
- **New England Financial Services CEO Roundtable & SHE²: Advancing Leading Women in Financial Services Conference** (January) ODI, in partnership with SHE², hosted this conference, which focused on advancing leading women in financial services and collaborating with the most prominent women's professional development organizations in the region. It featured panel discussions on the underrepresentation of women and how efforts to increase gender diversity boost both women and business. In addition, participants had opportunities to network with more than 200 mid-level and senior-level women, all of whom are currently in or are interested in careers in the financial services industry. Marques Benton, VP and CDO with ODI, convened women and men from across the industry to inspire collective action, understanding, and solutions to address this industry problem.
- **2019 Lunar New Year Celebration: Year of the Pig** (January) ODI, in collaboration with the Asian Professionals for Excellence (APEX) Employee Resource Group (ERG) sponsored the Lunar New Year Celebration. Bank staff were encouraged to participate in celebrating Lunar New Year (Year of the Pig) with displays of costumes, crafts, and other items of Asian culture. There were many educational materials, recipes, raffles and cultural treats to sample.
- **Celebrating Black History Month: neXus ERG Speaker Dr. Emmett Price, "Lift Every Voice"** (February) ODI and the neXus ERG hosted an insightful conversation with Dr. Emmett Price in celebration of Black History Month. Dr. Price, one of the nation's leading experts on music of the African diaspora, discussed the role and impact of music in the black cultural experience. Attendees also heard a performance of "April Joy Worship" by April Mtyora.
- **Celebrating Black History Month: neXus ERG "Cultural Walkabout"** (February) ODI and the neXus ERG hosted a cultural display of the richness of black arts. Employees brought in their artifacts and photos of family history, books, and many other items to share in the walkabout.
- **Day of Shecurity (DoS)** (February) ODI assisted the National Security Services department in hosting the Day of Shecurity (DoS). The focus of this event offered three key tracks, each uniquely designed for professional women in the security industry. It also included testing and hacking of products and software. Topics included:
 - Lightning Talk Tracks: AI, Machine Learning, and Cybersecurity, How to Build Web Services Securely, An introduction to Block chain
 - Panel Discussions: The Path to Security Has Many Branches and Journeys into Cybersecurity
 - Fireside Chats: The (Hitch) Hiker's Guide to Security, 7 Careers in Product & Application Security, How to Fix the Diversity Gap in Cybersecurity

The event also included a career village, where, throughout the day, companies had the opportunity to recruit women in the field. The Bank participated by making hiring managers available to speak with potential candidates.

- **Diversity Dialogue Session: “What Does It Mean To Be an Ally?”** (February) ODI’s first Diversity Dialogue of 2019 focused on ally-ship and defining diversity advocacy, in alignment with the value that the Bank places on diversity and inclusion.
- **neXus and Adelanté! ERGs B.L.A.C.K./L.A.T.I.N.X. Professional Immersion Experience with Northeastern University** (March) ODI partnered with the Adelanté! and neXus ERGs to host black and Latino students from Northeastern University (NU) in collaboration with NU’s African American Institute and the Latino Cultural Center. The event introduced the students to various roles at the Bank, and they heard from a panel of black and Latino employees who discussed their experiences at the Bank.
- **Celebrating Irish American Heritage Month: “Cultural Artifacts”** (March) In celebration of Irish American Heritage Month, ODI encouraged staff to share items of Irish culture. Bank employees were invited to a presentation of Irish historical artifacts, costumes, recipes, and educational information.
- **National Women’s History Month: LEAD in Women ERG Speaker Molly Baldwin, “Visionary Women Champions of Peace & Nonviolence”** (March) The LEAD in Women ERG and ODI celebrated National Women’s History Month with speaker Molly Baldwin, the founder and CEO of Roca, an organization dedicated to disrupting the cycle of incarceration and poverty by helping young people transform their lives. This year’s theme for the month was “Visionary Women: Champions of Peace and Nonviolence.”
- **YWBoston and the City of Boston Council Women: Women on the Rise: “How Women in the Office Are Creating Real Change”** (March) ODI hosted this panel discussion, which featured the six women of color members of the Boston City Council. The discussion was followed by a Q&A session with the audience.
- **Forte Foundation, Men as Allies Lunch** (April) ODI and the Forté Foundation invited attendees to a lunch and learn session titled “Men as Allies.” The session was a follow-up event to the New England Financial Services CEO Roundtable conference on diversity and inclusion, “Advancing Leading Women in Financial Services,” which was held in January.
- **Diverse Supplier Showcase** (April) To promote the buying of products and services from diverse suppliers, ODI showcased three diverse suppliers, providing Bank departments the opportunity to learn about the companies’ respective services.
- **Eminence & APEX ERG: “Mindfulness at Work and at Home”** (April) The Eminence and APEX ERGs, with the support of ODI, invited staff to explore the practice of mindfulness with speaker Chris Berlin, who is a longtime mindfulness teacher and a faculty member at Harvard Divinity School. The event included simple exercises that could easily be incorporated into the employees’ daily work and personal lives.
- **Veterans ERG: “Hear Our Stories” Speaker Series, Gregory Longfield** (May) The Veterans ERG hosted the first event in its speaker series featuring Bank employees who are veterans and/or who are currently serving in the various US armed forces. Research’s Gregory Longfield served as lieutenant colonel in the US Army before joining the Bank. Greg shared his story of serving in the military and spoke about how that experience helped prepare him for work at the Bank.

- **The Partnership Associates & Fellows 2-day Program** (May) ODI and Human Resources hosted this program. The Partnership makes corporations and institutions more competitive in a global economy by:
 - helping them attract, develop, and retain talented multicultural professionals at all levels of leadership;
 - creating a corporate climate that encourages diversity and helps multicultural professionals thrive.

The forum consisted of cohort meeting groups and workshops on the presentation of “The Efficacy Experience” with Dr. Jeff Howard.

- **The 2019 Manomet Business Sustainability Forum: “Win the War for Talent: Is Sustainability What’s Missing from Your Hiring Strategy?”** (May) In collaboration with Eastern Bank, ODI hosted a half-day forum for Manomet that bridged the gap between human resources and sustainability teams and demonstrated how sustainability can attract and retain talent.
- **APEX ERG: Asian Pacific Heritage Month Speaker Madge Meyer** (May) APEX ERG and ODI invited staff to join them for a conversation with award-winning author Madge Meyer, who discussed shattering stereotypes, breaking glass ceilings, and the eight disciplines that are critical for successful innovators.
- **Supplier Diversity Annual Event: Engage & Connect** (May) ODI, in partnership with the Center for Women & Enterprise (CWE), Greater New England Minority Supplier Development Council (GNEMSDC), Operational Services Division (OSD) Supplier Diversity Office of Massachusetts, and Massachusetts LGBT Chamber of Commerce, hosted the fifth annual edition of this business opportunity fair. Supplier diversity and procurement professionals had the chance to discuss

contracting opportunities with for-profit minority- and women-owned businesses.

- **PASA Group: Spring Clothing Drive** (May) The Professional Administrative Service Affinity (PASA) group, sponsored by the A Nossa ERG and ODI, hosted a clothing drive to support two local charities—Father Bill’s & Mainspring, an anti-homelessness group, and Uncommon Threads, which uses clothing and style to increase women’s self-worth and to help them get back into the workforce. Twenty crates of men and women’s professional clothing were collected and distributed to the organizations.
- **Veterans ERG: “Military/First Responders Affiliation Day”** (May) the Veterans ERG invited all Bank employees to display their support for members of the military and first responders by posing for a group photo while wearing apparel that represents a branch of the armed forces (domestic and allies), police, firefighters, or EMTs.
- **Veterans ERG Massachusetts Military Heroes Flags on the Common** (May) In honor of Memorial Day, members of the Veterans ERG and other Bank employees joined hundreds of volunteers to plant more than 37,000 flags in front of the Soldiers and Sailors Monument on Boston Common.
- **2019 Human Pride Banner Celebrates Pride Week at the Boston Fed** (June) One hundred and fifty Bank employees joined Bank President Eric Rosengren, First VP Ken Montgomery, and members of the A1-FACT ERG on the Federal Reserve Plaza for a photo shoot to celebrate Pride Week. The colorful tradition has become a staple of Pride Week at the Bank.
- **A1-FACT ERG Pride Photo Challenge** (June) ODI supported A1-FACT ERG’s fun and colorful way for the Bank to show its support for the LGBT

community and its commitment to diversity and inclusion. Corporate Communications took photos of employees holding pride banners and created a wall display for Pride Week.

- **A1-FACT ERG: Pride Week Recognition** (June) A law enforcement police cruiser parked on Federal Reserve Plaza was draped in a Pride flag to show the Law Enforcement Unit's support of the LGBTQ community. Members of the A1-FACT ERG and Human Resources took part in the visual show of support and provided information about the Bank and ways to support the LGBTQ community.
- **Conexión Early Career Program** (June) ODI hosted the second cohort of Conexión's new Early Career program. The program featured an overview of the Bank from EVP Jeff Fuhrer and two Bank employees who are mentees and two who are mentors.
- **Employee Resource Group (ERG)/Affinity Group Diversity Leadership Training** (June) ODI collaborated with Kaleidoscope, Inc., in conducting leadership training for staff who lead ERG/Affinity groups at the Bank. Part of a multi-year strategy for optimizing these groups, the training is intended to strengthen their effectiveness in helping to create a culture of inclusion at Bank. The development day consisted of exercises designed to build leadership capabilities, the sharing of best practices, and the adoption of categorizing goals into key focus areas of employee engagement, culture, and community.
- **Diversity Dialogue Session: "How Do You Identify?"** (June) ODI hosted diversity dialogue for Bank employees on self-identification, asking the questions, "How do you identify?" and "Who are you?" The dialogue focused on the importance of identity and how identity influences a person's diversity of thought and everyday interactions. The discussion also covered how to build a culture of inclusion and the significance of self-awareness.
- **Veterans ERG: Volunteer for New England Center for Homeless Veterans** (June) The Veterans ERG volunteered at the New England Center for Homeless Veterans, serving over 100 homeless and transitional veterans in the Boston area.
- **City of Boston Office of Economic Empowerment: Women in Finance Fellowship** (July) The LEAD in Women ERG and ODI hosted a visit to the Bank by participants in the Women in Finance Fellowship program. Seven Bank officers and directors took part in the program, which included a Q&A session and coaching on the following topics:
 - gender equality in the financial sector
 - career pathways/trajectories of the panel participants
 - tips on networking
 - work life balance
 - tech aspects of the Bank
 - innovation
- **Eminence Reciprocal Mentoring with the Bank's College Interns** (August) The Eminence ERG and the Bank's college interns gathered for two reciprocal mentoring sessions. The sessions were a two-part series that featured Bank leadership sharing advice about business skills and interns mentoring Bank staff. The sessions were designed to encourage intergenerational collaboration and knowledge transfer.
- **Veterans ERG Lunch: "Hear Our Story" Speaker Series, Steve Dionisi** (August) The Veterans ERG and ODI invited Bank staff to join them for a conversation with Steven Dionisi, who shared his story of serving in the Massachusetts Air National Guard and US Air Force before joining the Bank in 2012.

- **Chamber of Commerce: Fierce Urgency of Now (FUN) Festival** (September) ODI hosted speaker Tristan Walker as part of the Fierce Urgency Now (FUN) Festival, which was designed to connect next-generation young professionals of color with organizations active in business communities that are committed to talent retention, recruitment, and community service opportunities. Mr. Walker, founder of Walker & Company (health and beauty products for people of color), spoke about his business experience and entrepreneurship.
- **ERG and Affinity Groups Breakfast Seminar** (September) ODI, in partnership with the Diversity and Inclusion Working Group (DIWG), hosted a breakfast seminar to highlight the Bank's ERGs and affinity groups. Members of each group shared personal stories about ERG involvement and how it has inspired them and influenced their roles at the Bank. The speakers emphasized the benefits of ERG participation, professional development opportunities, and community outreach efforts.
- **A1-FACT ERG: Speaker Jane Powers, "Coming Out"** (October) In celebration of National Coming Out Day, the A1-FACT ERG hosted speaker Jane Powers, MWS, LICSW, and Chief of Staff for Fenway Health. Ms. Powers spoke about National Coming Out day, which is held annually on October 11, and its significance to the LGBTQ community. She shared information about the importance of providing a support system or being an ally for those coming out as lesbian, gay, bisexual, transgender, or queer (LGBTQ).
- **LEAD in Women ERG: Group Mentoring & Networking event** (October) The LEAD in Women ERG, in collaboration with the neXus and APEX ERGs, hosted a mentoring event for Bank employees, providing opportunities to be mentored by members of Bank leadership.
- **Forté College Fast Track to Finance Conference** (October) ODI hosted the Forté Foundation's College to Fast Track Conference, a one-day event at which women who are juniors and seniors in college can explore various financial careers. Aparna Ramesh, formerly the Bank's CFO and CIA for FedNow, delivered the opening remarks. Four Bank managers coached participants on leadership skills, stockpile analysis, portfolio management, and networking. The conference ended with a career fair during which representative from several organizations, including the Bank, were available to speak with participants about potential employment opportunities.
- **Hispanic Heritage Month Celebration Adelanté! ERG: Speaker Dr. Lorna Rivera, "Sharing Our Cultural Wealth"** (October) In celebration of Hispanic Heritage Month, the Adelanté! ERG and ODI invited staff to join a discussion with Dr. Lorna Rivera, director of the Mauricio Gastón Institute for Latino Community Development & Public Policy at UMass Boston. Dr. Rivera's discussion topics included reframing wealth, policy and community, and collective purpose.
- **VERG, Adelanté! and LEAD in Women ERGs: In Honor of Veterans Day: Speaker Lieutenant Colonel Olga E. Custodio, USAF, Ret.** (November) In honor of Veterans Day, the Veterans, Adelanté! and Lead in Women ERGs hosted a discussion with Lt. Col. Olga E. Custodio. Lt. Custodio shared her story of the resiliency, courage, and determination she needed to become the first Hispanic female pilot in the US Air Force and the first Latina to complete US Air Force military pilot training.
- **ANossa ERG: Volunteer Opportunity with Fair Foods.** (November) Bank staff were invited to join the ANossa ERG to volunteer with Fair Foods, a nonprofit food rescue organization, and help with various projects at one of its primary food distribution centers.

- **Diversity and Inclusion Working Group (DIWG) Informational Session** (November) The Bank's Diversity and Inclusion Working Group held an informational session for Bank staff to learn about the DIWG mission in support of Diversity and Inclusion initiatives, current member experiences, and ways to get involved. DIWG partners with the Office of Diversity and Inclusion to advance the Bank's diversity and inclusion objectives. DIWG members increase the sense of community at the Bank by helping employees become more engaged and culturally aware.
- **Diversity Dialogue Session: Impactful Conversations, "World Café"** (November) ODI and DIWG hosted a diversity dialogue incorporating the "World Café" concept, which is a method that aims to create collaborative dialogue around questions. Participants engaged in thought-provoking diversity and inclusion topics. The session provided collective dialogue to increase awareness and spark meaningful conversations that provided a venue for diverse perspectives.
- **neXus ERG: Fireside Chat with Steve Wright, "Building a Meaningful Career"** (November) The neXus ERG hosted its first-ever Fall Fireside Chat with Senior Vice President and General Counsel Steve Wright. Steve recently joined the Bank after serving as an executive partner of the international law firm Holland & Knight for two decades. Steve spoke about how he built a successful legal career while promoting the importance of diversity and inclusion.
- **6th Annual Bank-wide Unity Day** (December) ODI, along with a committee of Bank staff, organized the Bank's sixth annual Unity Day celebration, a multicultural event that consists of various activities promoting collaboration, innovation, and inclusion. This year's theme was "Promoting Unity through Teamwork."
- **New England Financial Services CEO Roundtable** (December) Bank President and CEO Eric Rosengren and Vice President and OMWI Director Marques Benton, of the ODI, invited local CEOs to attend the 2019 New England Financial Services CEO Roundtable Diversity & Inclusion meeting, where they discussed the pace of progress in advancing workforce diversity and inclusion in the financial services industry.
- **Professional Administrative Services Affinity Group (PASA): "Administrative Workshops"** Throughout the year, the Bank's Professional Administrative Services affinity group (PASA) held administrative workshops for its members. These workshops served as professional development opportunities.

APPENDIX E: Recognition

The Boston Fed continues to be recognized for its commitment to diversity and inclusion. Each of the last six years, we received a score of 100 percent from the Human Rights Campaign Foundation's (HRC) ratings of the Best Places to Work for LGBT Equality. The ratings derive from HRC's annual Corporate Equality Index (CEI), a national benchmarking survey and report on corporate policies related to lesbian, gay, bisexual, transgender and queer (LGBTQ) workplace equality.

The HRC's scores are based on evaluations of LGBTQ-related policies and practices in six key areas: non-discrimination policies, inclusive spousal and domestic partner benefits, transgender-inclusive benefits, internal training and education best practices, outreach and engagement efforts to the broader LGBTQ community, and LGBTQ corporate social responsibility.

2019 Yellen Award for excellence in community development – AVP Tamar Kotelchuck

Assistant Vice President Tamar Kotelchuck, from the Regional & Community Outreach division, received the 2019 Yellen Award for Excellence in Community Development for her work leading the Bank's signature community development initiative, the Working Cities and Working Communities Challenge (WCC).

Kotelchuck is a co-recipient of the honor, which is awarded by the Federal Reserve System's Board of Governors. She has led the WCC initiative since its launch in 2013. The WCC is a grant competition designed to help post-industrial cities and struggling rural communities tackle chronic problems. It is built around a collaborative leadership model that pulls in people from local groups—some of which may not naturally interact (for example, businesses and nonprofits)—and unites them around common goals aimed at improving the lives of lower-income residents.



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