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FEDERAL RESERVE BANK *of* NEW YORK

# Building a Culture of Inclusion

Office of Minority and  
Women Inclusion

**2021 Annual Report  
to Congress**

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# CONTENTS

<b>03</b>	<b>LETTER FROM THE PRESIDENT</b>	
<b>04</b>	<b>INTRODUCTION</b>	
<b>06</b>	<b>BUILDING A CULTURE OF INCLUSION</b>	
<b>07</b>	PEOPLE: Workforce and Workplace Diversity	
<b>16</b>	COMMUNITY: Economic Education, Community Development, and Outreach	
<b>23</b>	PROCUREMENT: Business, Supplier, and Counterparty Diversity	
<b>26</b>	<b>OUR DIVERSITY AND INCLUSION NUMBERS FOR 2021</b>	
<b>26</b>	SUCCESSSES	
<b>26</b>	CHALLENGES	
<b>27</b>	<b>OUR PATH FORWARD</b>	
<b>28</b>	<b>CONCLUSION AND CLOSING REMARKS</b>	
<b>29</b>	<b>APPENDIX A:</b>	
	FEDERAL RESERVE BANK OF NEW YORK WORKFORCE INFORMATION REPORT	
<b>30</b>	<b>APPENDIX B:</b>	
	2021 OMWI STANDARD METRICS REPORT	



# LETTER FROM THE PRESIDENT

This year, we chose the theme “Building a Culture of Inclusion” for our Office of Minority and Women Inclusion report. As we navigate a time filled with transitions—recovery from the pandemic, the shift to our flexible work model, and the appointment of three key leadership roles—we remain committed to building a more diverse, equitable, and inclusive (DE&I) culture at the New York Fed so that we can better serve the communities of the Second District. In 2021, we made significant progress implementing the Bank’s People Strategy, which places a culture of inclusion at the heart of our priorities. A primary area of our focus has been around workforce diversity in our recruitment practices and in our employee development across the Bank. As part of this work, we established a DE&I Consortium, launched our Inclusive Hiring Initiative, and now have a diverse leadership

team where more than half of the Bank’s Executive Committee are women and a third are people of color. In addition to our focus on creating a more inclusive culture within the Bank, our research and community development work continues to spotlight how the pandemic and other structural factors affect low- and moderate-income communities, as well as communities of color.

Looking ahead, we will continue to focus on how we carry out our work in ways that further embed inclusive practices into our culture. We will prioritize establishing equitable access to career growth, convening conversations around economic mobility, redoubling our commitment to diversity in the economics profession, and expanding supplier diversity. We recognize that cultivating a culture of inclusion must start at the top, and we are committed to making continued progress on our goals in 2022 and beyond.

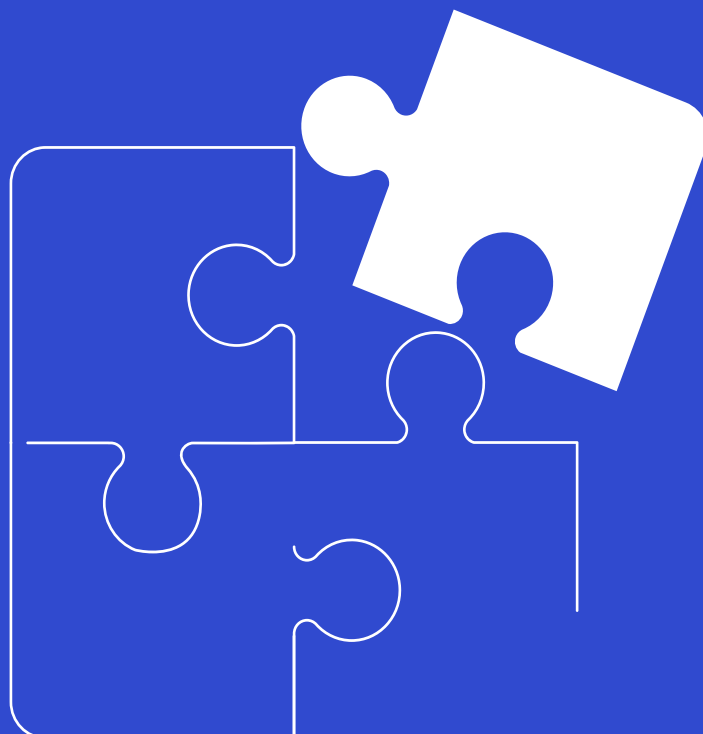


**John C. Williams** (He/Him/His)

*President and CEO*

Federal Reserve Bank of New York

# INTRODUCTION



## HOW WE FACED THE YEAR'S CHALLENGES

As we navigated the second year of the global COVID-19 pandemic and its continued challenges for our country, our Second District community, and our employees, supporting one another became more critical than ever.

It was a year we had all hoped would bring us back together, returning to the joys of in-person interactions with family, friends, and colleagues. However, the outbreak of new COVID-19 variants

created a stop/start atmosphere that hindered our ability to plan for a return to in-person activities. We were all affected in some way throughout the year and we all needed additional support to persevere.

While the New York Fed pivoted to address the many challenges that arose during 2021, ensuring that the people of our Bank, our District, and our country were safe was paramount.

# OUR MISSION, VISION, AND VALUES

## Our Mission:

The Federal Reserve Bank of New York makes the U.S. economy stronger and the financial system more stable for all segments of society. It does this by executing monetary policy, delivering financial services, supervising financial institutions, and providing thought leadership on issues that affect our nation and the communities we serve as part of the Federal Reserve System.

## Our Vision:

We are at the forefront of anticipating, adapting, and acting in a fast-changing world to shape a better economy for all.

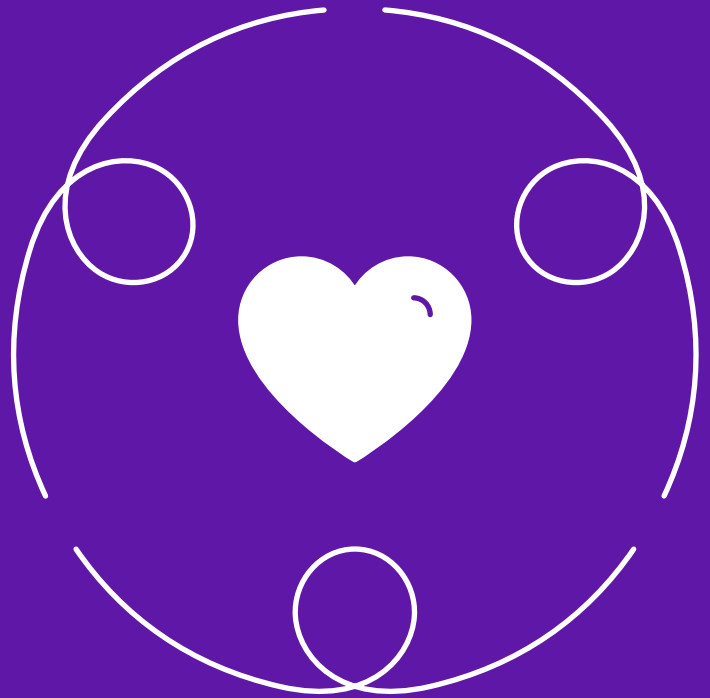
## Our Values:

Building upon our Mission and Vision, the Federal Reserve Bank of New York launched renewed Values in the spring of 2021. Our Values are a set of principles and behaviors that we strive to live by each day as we deliver on our Mission to serve the economy, our communities, and one another. They define who we are and how we work together inclusively.

Our Values have inclusion woven throughout and have been our North Star during the pandemic—guiding us to continue to deliver on our mission with empathy and inclusion.



# BUILDING A CULTURE OF INCLUSION



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## **Our People are the Most Valuable Asset at the Bank.**

The Bank's Mission can only be achieved through its people. The diversity of our people is our most valuable asset in shaping an equitable economy in which prosperity is attainable for everyone.

Supporting our people is critical in achieving our mission, which is why our People Strategy is at the forefront of all we do at the Bank.

Encompassing three pillars—Leading with Impact, Culture of Inclusion, and Careers with Purpose—our People Strategy focuses on providing each of our colleagues with the support they need to reach their full potential in an environment where innovation thrives and individual views are valued. Diversity, equity, and inclusion are woven into each one of the People Strategy pillars. The People Strategy is not a separate strategy; *it is the strategy.*

# PEOPLE: Workforce and Workplace Diversity

## Creating a Safe Place for Sharing Perspectives – Our Employee Resource Networks

Our Employee Resource Networks (ERNs) continued to serve and engage colleagues across the Bank. During 2021, our ten ERNs hosted more than fifty virtual activities that helped create a sense of community and provided a safe place for sharing, listening, learning, and emotional support despite employees being physically apart. In addition to organizing the celebration of Heritage and History months, our ERNs addressed the needs of colleagues through intersectional programming that included educational and awareness sessions to increase understanding and empathy, community outreach initiatives and volunteer opportunities to support the community, and health and wellness programs to support one another.

The various cross-ERN collaborations expanded participation across the Bank. Discussions with thought leaders on topics such as generational diversity, the impact of the pandemic on mental and physical health, economic disparities across diverse communities, engaging with colleagues and others with disabilities, and understanding the needs of our veterans are just some of the interactive educational sessions that took place during the year. Additionally, despite our continued

virtual posture, our colleagues at the New York Fed were eager to find ways to support our community in the Second District. Through a number of volunteer opportunities, they mentored students virtually to educate them on careers at the Bank and provided resume and interview coaching to homeless women reentering the workforce. Our women’s network brought together volunteers from across the Bank to provide virtual tax preparation assistance on their own time during evenings and weekends to the most vulnerable members of our Second District community.

As events unfolded in 2021, our ERNs partnered across the Bank to address the needs of colleagues in real time. They hosted Diversity Dialogues to provide a forum for Bank employees to discuss the personal impact of current events, with topics including: *The Rise of Xenophobia Against Asian Americans and Pacific Islanders; Addressing Religious and Cultural Discrimination; and Becoming an Active Ally & Upstander – Building Awareness & Action.*

Additionally, our DE&I Consortium, made up of representatives from across our Business Group DE&I Councils, built upon our Bankwide efforts with initiatives unique to their business areas.

**“Being an ERN Leader has allowed me to enhance employee engagement and innovation, create a sense of belonging, and improve employees’ overall experience.”**

**Lisa Basile** (She/Her/Hers)  
*President Nightlight Resource Network*



# ERN Presidents

**AALMA**  
(African American and Latino Men's Alliance)



**Chris Hunter**  
he/him



**Philip Stone**  
he/him

**APNA**  
(Asian Professional Networking Alliance)



**Joy Chen**  
she/her



**Ren Shen**  
he/him

**FedAbility**  
(Disabilities Awareness Network)



**Chaeri Han**  
she/her



**Danielle Ellington**  
she/her

**Generations**  
(Multi-generational Network)



**Carolina Borelli**  
she/her

**MOSAIC**  
(Mentoring, Opportunities, Support, Advancement, Inspiration, and Change for African American and Latina Women's Network)



**Camille Pennycooke-Dieudonne**  
she/her

**Nightlight**  
(Evening Shift Network)



**Lisa Basile**  
she/her

**OPEN**  
(Lesbian, Gay, Bi-sexual and Transgender Employees and Allies Network)



**Garrett Lierman**  
he/him



**Kerri Firestone**  
she/her

**Veterans**  
(Military Veterans and Families Network)



**Rafael Koscialkowski**  
he/him



**Jonathan McLeman**  
he/him

**WFN**  
(Working Families Network)



**Jesse Buonamassa**  
he/him

**WoMEN**  
(WoMEN's Mentoring and Empowerment Network)



**Chalene Gallagher**  
she/her



**Christine Gianakis**  
she/her



## Commemoration of 9/11

September 2021 marked the twentieth anniversary of the 9/11 attacks on the World Trade Center, just two blocks from our headquarters. Our Veterans ERN and Law Enforcement Unit (LEU) partnered with colleagues who were in the building that day and created a weeklong commemoration series that included: Remembrances of 9/11, a discussion with colleagues who were at the Bank; a Fireside Chat with Chief Fuentes, a New York Fire Department Chief who survived being buried at ground zero; and a Diversity Dialogue for all to share their remembrances and feelings. To mark the twenty-year milestone, the Bank created a

memorial video, utilizing security footage from that day, to honor our Bank colleagues who demonstrated the unrelenting commitment they had to one another and to the neighboring downtown community during and throughout the aftermath of the attack.

The Bank's 9/11 commemoration spoke to the resilience of the New York Fed, highlighting the commitment of our people and their ability to rally in the most difficult of times. This resilience, tested by 9/11 and again by the Great Recession several years later, is what has enabled the Bank to forge ahead through the devastating impact of the COVID-19 pandemic to deliver on our Mission; it is what makes us the New York Fed.



**Our 2021 intern class, 73% of whom were minorities and 63% women, was able to build their professional experience in a meaningful way.**

## Recruiting Talent for the Bank

We can only achieve our Mission at the Bank through our people; every hire is an integral part of making that happen. In all of our hiring, our goal is to attract candidates from the broadest pools of talent available. To do that, we must be intentional in all aspects of the recruitment process: how we advertise our opportunities, how we assess and select candidates, and how we develop talent at the Bank.

**Early Careers:** Leveraging the best practices and lessons learned from our previous internship programs, we engaged colleagues across the Bank to provide a meaningful experience for our intern class. Although a full cohort experience is challenging within a virtual posture, our focus was on delivering the same caliber as an in-person experience in a two-dimensional world. During the recruitment process we worked to replicate the personal connection and networking opportunities traditional to an on-campus process. Interactive information sessions and meet-and-greets with Bank colleagues were integral to our student outreach and continued throughout our onboarding process. To facilitate a smooth transition to the Bank for each intern, we strengthened our communication and connection points prior to their start and ensured the entire class received the support they needed to be productive on day

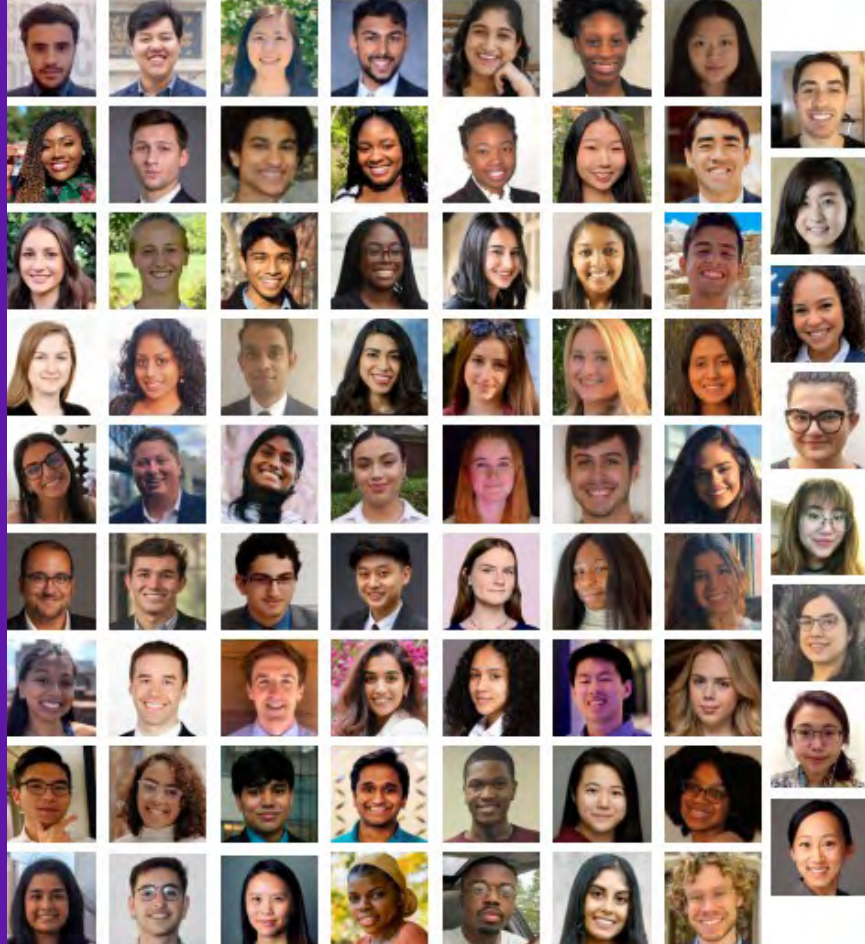
one of the program. The team also designed and built a robust calendar of events that included networking events, Bank educational programs, and a series of Q&A sessions with senior leaders, which our interns have cited as one of the highlights of our virtual internship program.

The summer internship at the New York Fed is our largest pipeline for entry-level hiring, and the work and development experience is of paramount importance. Each intern project was reviewed to ensure that interns were given substantive work with real responsibilities, in order to provide them with a good understanding of the work they would be performing as full-time New York Fed employees. Similar to full-time Bank employees, each intern was assigned a dedicated manager to discuss their workload as well as their professional development and goals. To ensure a successful and consistent experience for each intern, the team conducted an intern manager/mentor training in order to provide an overview of the program, share best practices for remote work, and set expectations.

Our 2021 intern class, **73%** of whom were minorities and **63%** women, was able to build their professional experience in a meaningful way. The majority of the class is returning for the summer 2022 program as either junior interns or full-time hire conversions. In addition, **29%** of the Bank's 2021 interns came from our Diversity



We were also able to drive strong local recruitment efforts, with 22% of our class being derived from local colleges and universities in the Second District.



Partner Organizations (DPOs), a significant increase from previous years. We were also able to drive strong local recruitment efforts, with **22%** of our class derived from local colleges and universities in the Second District.

Our focus moving forward remains diversifying our classes, deepening our engagement with DPOs, recruiting from local schools, and creating a meaningful hybrid experience.

**Experienced:** In 2021, we saw an employee-favorable market that created movement and opportunity, bringing into focus the heightened importance of operational excellence, inclusive onboarding experiences, brand awareness, diversity partner relationships, and metrics. As we enhanced our Talent Acquisition Strategy to address this competitive market, we did so through a lens of diversity, equity, and inclusion

to strengthen our approach in attracting and retaining talent through broad channels and experiences. Our inclusive hiring strategy continues to be one of the most significant levers we have in increasing the diversity of the Bank. To ensure we consider the most diverse pools of candidates available, we expanded the work we do at the outset of the recruitment process, bringing together hiring managers and subject matter experts from the People and Engagement organization to have a thoughtful and strategic conversation around the organization's future goals and objectives and the knowledge, skills, and abilities required to achieve those outcomes. Additionally, our selection process requires diverse candidate slates and that each individual considered for a role interview with multiple diverse hiring panels to ensure that a diversity of perspectives is considered in the selection process. At the

## Recruiting across the broadest pools of talent available is a Bank priority.

conclusion of our interview processes, our calibration discussions bring together a diverse set of perspectives in evaluating and ultimately selecting candidates.

Additionally, a curated learning path was developed to help hiring managers and interviewers navigate potential biases in the talent acquisition process. The topics covered provide managers with relevant refreshers and practical examples to enhance their awareness throughout the recruitment cycle.

**Professional Search Firms:** The Bank continues to engage with search firms for hiring and requires diversity among candidates that are presented. We have contracts with seven search firms, all of which have diversity practices and/or minority ownership. To ensure inclusivity throughout the recruitment lifecycle, metrics are reviewed at each stage to track progress across the organization and at the business-area level. Candidate flow, both internal and external, is monitored with heightened review for all officer roles.

In 2021, the Bank engaged an executive search firm with unique expertise in attracting and retaining senior, diverse executives to assist in the recruitment of a new First Vice President and Chief Operating Officer. In addition, President Williams engaged our ERNs and

employees across the Bank via a series of small group discussions to understand what should be prioritized in the search. An inclusive search was conducted to identify a broad, diverse, and highly qualified pool of candidates. Through this search, our newly appointed First Vice President, Naureen Hassan, was identified – our first Asian American FVP. As opportunities arise to fill key leadership roles, the Bank continues to engage with organizations that complement our diversity recruitment efforts.

**Diversity Partner Organizations:** Traditionally, the Bank's DPOs have been primarily focused on early career talent pools, and we've continued to remain committed to and further develop those partnerships. To build upon the success of our early career hiring, during 2021, we expanded our network of DPOs to broaden our reach across diverse pipelines and levels of experience. Through a mix of national and local chapter partnerships, we will engage across business groups and our ERNs to deepen and fully leverage the benefits of these partnerships. We are confident these relationships will expand our reach across various dimensions of diversity and support the diversification of the Bank.

**Developing and Retaining Our People:** The goal of talent development is to support organizational goals through the development of our people. The Bank has prioritized DE&I learning as a key component of its people development strategy. To support this strategy, the Bank created a DE&I curriculum that provides a holistic and long-term learning journey for all colleagues. This program launched in 2021 with a Bankwide seminar on Conscious Inclusion, providing a foundational DE&I learning experience to be built upon with the full rollout of the curriculum in 2022.



**Leadership Development:** While we have incorporated DE&I content into our leadership development programs for many years through continuous measurement as well as continual topical alignment of our materials, in 2021 we were able to include additional content around the role of leaders and managers in creating an inclusive environment. In our primary leadership development program, Preparing to Lead, we provide foundational DE&I education, covering topics such as how to have respectful conversations, an overview of cultural identities, bias and its impact at work, and micro triggers. In our Management Development Program, we built on this by using the Deloitte Six Signature Traits of an Inclusive Leader model to guide participants' thinking. We have also incorporated content around micro aggressions, active listening, and how DE&I connects to the Bank's Mission, Vision, and Values.

**Learning Development:** Talent Development also provided learning opportunities across a variety of topics relative to DE&I in 2021. Learning that incorporates diversity, equity, and inclusivity is now part of all learning design and development efforts via the incorporation of members of the DE&I team as part of the content review process. This has had an impact on a variety of efforts, most notably our Return-to-Work curriculum, which helps our professionals navigate returning to the Bank, with a focus on best practices for flexible work arrangements and creating safe/inclusive work environments. DE&I has also been integrated into performance management learning webinars, which featured discussions with our DE&I team on key topics aligned to our People Strategy. We also provided webinars on American Sign Language, the success of which has led to numerous requests to rerun the session as well as build on it for 2022.

Learning that incorporates diversity, equity, and inclusivity is now part of all learning design and development efforts.

## Talent Management


### Living Our Values

To support the launch of our Bank Values and to promote awareness and insight building, the Bank executed a three-month campaign, with each month focused on one of the new Values. The campaign included Bankwide activities, group-specific activities, and inclusive communications that leveraged closed captioning and sign-language interpretation services. Leaders and employees engaged through learning and skill-building, recognition opportunities, and reflection workshops. Diversity, equity, and inclusion were embedded throughout our Values, highlighting the expectations of us all to lead and work inclusively. In addition to the overall campaign, an interactive “challenge” was developed for all Bank employees to engage with content that reinforced our Values. The majority of the content was curated by the Bank’s ten ERNs and provided a variety of engaging activities to *listen*, *read*, *watch*, and *act*. The month-long, online challenge came complete with a leader board to track progress. The top three participants in the Values challenge were spotlighted and awarded for their commitment to our values.

### Empowering Authenticity

Engaging colleagues in actionable DE&I activities was especially important during 2021 as we continued to navigate the pandemic with limited in-person interactions. Our “Authenticity Campaign,” featuring New York Fed employees, invited colleagues to add their personal pronouns and phonetic pronunciation to their signatures.

### Empowering Authenticity Campaign



“  
A name is so much more than a bunch of letters; it's a person's identity, their personal story.”

**Chalene Gallagher**  
Shul-leen Gal-ah-ger  
she/her/hers



“  
Our names are key parts of our identities, and inclusion begins with bringing your authentic self to work.”

**Vikram Ramnarain**  
/Vic-ruhm Rahm-nah-ri-uhn/  
he/him/his



“  
Being mindful of the way we communicate with each other and how we address each other is key to creating a welcoming environment for all.”

**Chaeri Han**  
“Chery” Hahn  
she/her/hers



“  
I find it wonderful that the Bank cares about our heritage, mine tracing back to 1331. It allows us to be ourselves.”

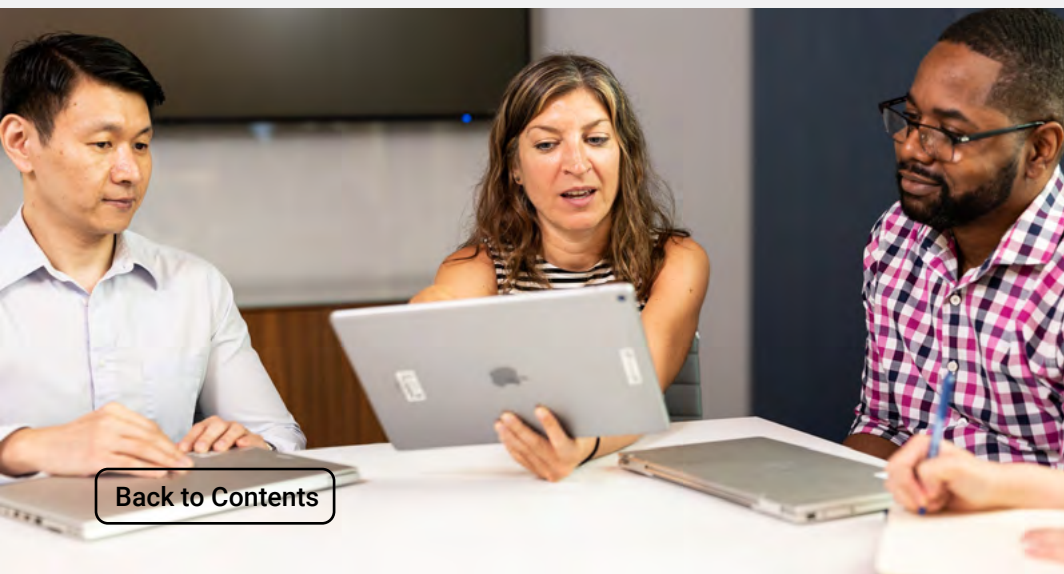
**Rafal Kościolkowski**  
Ru-fuh, Kosh-chowl-kov-ski  
he/him/his

## Supporting Flexibility

The New York Fed formalized its long-term commitment to flexibility as we planned our return to the Bank after more than eighteen months of most employees working remotely due to the pandemic. The planned approach to working flexibly is guided by our shared belief that a flexible approach to where, when, and how we work is beneficial to the execution of the Mission of the Bank, to our ability to recruit and retain a diverse workforce, and to equitable opportunities for growth and development. We believe being physically together brings meaningful benefits, including trust, connection, and belonging. To prepare employees and leaders to effectively balance remote work and in-person work, the New York Fed prepared toolkits and designed and delivered training to employees and managers on navigating flexibility discussions, co-managing performance, and promoting effective and inclusive collaboration. In addition, the New York Fed provided support to flexibility and well-being throughout the year by providing free access to subscription-based mental health platforms, offering wellness tools, and hosting events designed to help mitigate burnout during another year of significant challenges due to COVID-19.

We continued to support our employees with flexibility and health resources, including:

- **Expanded family care leave:** Increased to twelve weeks; revised how we defined “caregiver” to encompass a broader perspective of those taking care of others and not just those caring for children.
- **Expanded our accessibility services:** Introduced sign-language services and expanded closed captioning. Offered American Sign Language (ASL) training to employees, with courses on:
  - Basic American Sign Language
  - Challenging Assumptions: Communicating with the Deaf & Hard of Hearing
  - Communicating with the Deaf & Hard of Hearing: The African American & LatinX Experience
- **Enhanced services from Bright Horizons:** Through the Crisis Care program, provided subsidized child and elder care options such as virtual tutoring and camps to support families in need.
- **Continued to provide mental health resources:** Provided Talkspace and CALM to help employees and their dependents cope with stress and anxiety.





## Transparency in Career Paths

Transparency and equitable opportunity for development are critical components in creating a culture of inclusion at the New York Fed. Empowering individuals to own the progression of their careers increases engagement and belonging. To ensure equitable career opportunities at the Bank, we are developing visible career paths with transparency around skills and experiences needed, to support employees in navigating their own careers consistent with their unique aspirations. The new approach to career management supports diversity and inclusion through practices such as mentoring, coaching support, and an internal marketplace for experiential learning. This new, transparent career model will help employees craft professional goals, identify what capabilities and skills are most essential for success, and engage in the learning behaviors that will help them progress. In turn, the New York Fed will be able to assess, monitor, and manage talent pipelines in real time and with greater precision.

# COMMUNITY: Economic Education, Community Development, and Outreach Programs

The Bank has a long history of providing economic education, conducting community economic analysis, and reaching out to workers and employers in the Second District. These efforts grew in 2021 in response to the needs caused or made more apparent by the pandemic.

## We Continued to Target Disadvantaged Communities in Our Economic Education Efforts

The New York Fed continued to focus on outreach efforts to educators and students in low- and moderate-income communities in 2021, including enhancing the numbers of Title I and majority-minority high school groups that participate in Bank programs, engaging community colleges, and cultivating networks and enrichment programs serving diverse populations of students and teachers. Economic Education delivered virtual class visits to Title I schools and remote educational programming to a number of youth programs that serve low- and moderate-income student communities. Remote learning programming





typically includes an overview of the Federal Reserve System, learning opportunities with Bank staff, and an economic and financial education learning module.

## **We Produced Community Economic Analysis Showing the Adverse Impact of COVID-19 on Low- and Moderate-Income Communities and Communities of Color**

The New York Fed produced a number of papers and reports in 2021 that highlighted the ongoing toll of COVID-19 in communities and vulnerable population groups disproportionately affected by the pandemic, such as small business owners and employees, residential tenants and landlords, and women and children, while also lifting up emerging solutions aimed at economic inequality and exploring opportunities for economic inclusion. These studies provide a resource to elected officials and policymakers throughout the United States. Below are a few of the key findings from the published briefs:

### **1. State of the Older Entrepreneur During COVID-19**

This paper, in partnership with AARP, examined the state of older business owners and their firms, as well as challenges they have faced historically and amid the coronavirus pandemic. Analysis showed that older small business owners, and particularly business owners of color, had difficulty accessing funds to stay open and experienced significant personal financial hardship. The future of these businesses—and the owners' personal financial lives—is particularly salient, given that they are the lion's share of small businesses.

### **2. Current Responses to Housing Insecurity: A Focus on Vulnerable Residential Renters and Landlords**

This paper, in partnership with the University of Pennsylvania's Housing Initiative at Penn, spotlights initiatives across cities and states that developed programs to help keep families in their homes, as well as several data tools that help provide insights on the nation's eviction crisis. Research cited shows that renters paying rent on time to avoid eviction proceedings may be making grave sacrifices to do so, such as going without food and accruing non-reimbursable debt.

### **3. The Fourth Trimester and Beyond: The Case for Transformative Investments and Solutions in Maternal and Child Health**

This paper, in partnership with the NYU Rory Meyers College of Nursing, highlighted the potential for transformative investments—such as baby bonds, diversifying the pipeline of healthcare professionals, and home nurse visitations, among other interventions—to preserve the health—and lives—of mothers and babies. There are racial differences in the maternal mortality rate, which is worse for Black mothers than for any other group. Proposals include providing safe and stable housing with wraparound services for in-need pregnant mothers, as well as using employer-matched individual healthcare spending accounts for community wellness.

## **We Listened and Learned From the Main Street Economy and Diverse Communities in Our District**

The New York Fed continued to invest its time and other resources in reaching out to workers and employers in the Second District. These

Brian Manning, Corporate Communications Senior Associate, interviewing Artech CEO Ranjini Poddar on *Bank Notes*, a limited five-part podcast series on small businesses.



efforts were important not only to understand the regional economy, but also to demonstrate the interest that the Federal Reserve takes in the economic welfare of diverse communities.

President Williams met virtually with community leaders throughout the year. For example, his first community meeting in 2021 took place in March with local stakeholders from Syracuse and Central New York to learn about economic recovery efforts and understand the impact of the pandemic on municipal finances. He held subsequent virtual meetings with community and business leaders from Staten Island and New York's North Country region.

**To spotlight how the COVID-19 crisis continues to affect small businesses and communities of color**, the Bank produced a three-part series to understand inequalities in Paycheck Protection Program (PPP) credit access and differences in the loan and recipient county characteristics for those who used financial technology (fintech) providers instead of traditional financial lenders. "COVID-19 and Small Businesses: Uneven Patterns by Race

and Income" looked at differences in small business activity across counties that differed by income and race. "Who Received PPP Loans by Fintech Lenders?" examined fintech lenders participating in the PPP and their role in providing support to minority business owners. Finally, "Who Benefited from PPP Loans by Fintech Lenders?" explored the implications of unequal credit access and examined whether smaller firms received the amount of PPP credit they requested and whether loans went to the hardest-hit areas and mitigated job losses. Findings from the series were cited by national news organizations and highlighted in congressional testimonies and led to stakeholders underscoring further attention to these inequities. The Bank subsequently co-hosted a public webinar with AARP and Reimagine Main Street, "Finance & Equity: Insights from PPP on How Technology Might Better Serve Business Owners of Color," that included remarks from U.S. Small Business Administrator Isabella Casillas Guzman and explored how technology can promote equitable credit access for small businesses owned by people of color.

## The New York Fed hosted several virtual forums on policy insights for an equitable economic recovery.

**To connect with communities across the Second District and the nation**, the Bank released “Fed & Main,” a newsletter about the ongoing work of its Community Development team in three new focus areas: the economic drivers of health, household financial well-being, and climate-related risks to low- and moderate-income communities. More than 10,000 subscribers, including policymakers, investors, media representatives, and community organizers, receive our monthly newsletter to learn about our community development research and analysis efforts and takeaways from roundtables and public events.

**The New York Fed hosted several virtual forums focused on racial and economic inequities** in low- and moderate-income communities and policy insights for an equitable economic recovery. “Capital Quest: Connecting Capital to Communities” focused on the expansion of impact investing in the community development field and how new sources of investment can advance economic resilience and mobility. In conjunction with the event, the Bank and

the U.S. Impact Investing Alliance released “Impact in Place: Emerging Sources of Community Investment Capital and Strategies to Direct It at Scale”, which detailed innovative investment strategies that promote broadly shared prosperity. “An Economy That Works for All: Fostering Low-Income Homeownership” featured the latest Federal Reserve research on mortgage forbearance and refinancing and community-led efforts addressing inequities in homeownership. “Combating Food Insecurity: What’s Working and What’s Scalable?” featured food system stakeholders who are investing in and deploying market-based solutions and interventions to help ensure everyone has access to healthy and affordable food. Each event attracted between 300 and 500 attendees from the government, nonprofit, philanthropic, and banking sectors. Thought leadership and research pieces on economic mobility are regularly featured on the New York Fed’s Economic Inequality and Equitable Growth Hub.



## Working to Diversify the Ranks of Economists in Our Institution and in Our Community

Both in our Bank and in our community, we work to diversify the ranks of economists. In 2021, we pursued these efforts through economic education, outreach, improving the inclusiveness of our workplace, and recruiting.

1. The New York Fed collaborates with nonprofits and student-led organizations focused on building a diverse pipeline of students interested in economics as an area of study and the basis for a future career. Virtual class visits and workshops are led by New York Fed educators to engage directly with students and youth about the Federal Reserve System, its role in the U.S. economy, and other economic literacy topics. Low- and moderate-income high schools in the Federal Reserve's Second District are encouraged through outreach to participate in the High School Fed

Challenge, an academic competition where teams of students act as future economists by researching and analyzing an important economic theme. The recently launched Sadie Collective high school economics clubs are also eligible to participate. The New York Fed publishes a selection of the students' research in the *Journal of Future Economists*. Economic Education also creates free classroom resources, such as an educational comic book series, high school lesson plans, and interactive learning activities, to better support schools teaching economics. The Economist Spotlight learning activity series highlights the skills and accomplishments of economists, providing diverse role models and learning exercises for students to practice thinking like an economist.

2. The New York Fed is working to create a pipeline for Black and Hispanic talent through outreach and mentorship. To address the lack of information about the economics profession





that exists in these underrepresented populations, the Bank engaged in numerous outreach initiatives. These include:

- Presenting a webinar series for college professors and students from underrepresented minority backgrounds in economics, both regionally and nationally, with the aim of increasing awareness of the Federal Reserve System and of career opportunities in economics. This webinar series was presented through cross-bank collaboration and reached a large audience of students and faculty from universities where we do not often hire.
  - Launching a high school webinar series in the summer of 2021 for high school educators nationwide, with a focus on educators from Title 1 (low-income) schools. The objective of the series is to spread awareness about the field of economics, via educators, to a broader talent pool early on in students' careers to promote informed choices in high school and college.
  - Collaboration with external organizations on events intended to increase diversity in the economics profession. Among these are the American Economics Association (AEA) Summer Program for minority students, the AEA's Committee on the Status of Minority Groups in the Economics Profession, the Committee on the Status of Women in the Economics Profession, the Sadie Collective, and Peter Blair Henry's PhD Excellence Initiative.
3. During 2021, the New York Fed's economic research blog, *Liberty Street Economics*, published 100 articles, including many

The New York Fed's research publications, including those that focus on disparate economic impacts of the pandemic, continue to be cited by members of congress and others who affect and direct public policy.

that drew attention to the disproportionate impacts of COVID-19 on minority and low-income communities. The blog's ongoing Economic Inequality Series, which looks at economic outcomes and other consequences of policy choices by race, gender, age, geography, income, and other attributes, included 22 articles in 2021. In addition, in 2021 the Bank launched the Applied Macroeconomics and Econometrics Center (AMEC) with a symposium on the interrelationships between economic policy and inequality, a subject that will be an ongoing focus of the new Center. Economists also participated in several other conferences drawing attention to issues of equitable growth. The New York Fed's research publications, including those that focus on disparate economic impacts of the pandemic, continue to be cited by members of Congress and others who affect and direct public policy.

In 2021, the Bank continued to take tangible steps to advance diversity among our research economists and to take a leadership position in promoting diversity in the economics profession. In support of this, several new initiatives were launched in 2021, including:

- Developing a formal mentoring program for Research Analysts (RAs) that matches RA and economist volunteers to provide RAs with actionable feedback and guidance from established members of the profession. The program launched in early 2022.
  - Gaining feedback from research economists and RAs on DE&I topics to identify obstacles to inclusion within the profession.
  - Hosting a seminar series featuring research papers devoted to diversity, equity, and inclusion in the field of economics. One outcome of this series was a new set of guidelines for ensuring productive and inclusive exchanges in Research internal seminar series.
4. The New York Fed has continued to succeed in attracting women RAs at higher rates than they are represented in relevant majors at the U.S. college level. Moreover, our women RAs go on to attend graduate programs in economics at a comparable rate to their male RA counterparts, meaning that we are widening the pipeline when it comes to gender. Women represent 23% of the Bank's staff of full-time research economists. This percentage compares favorably to the share of women in tenure-track positions at top economics programs at U.S. universities.

We were also successful in hiring a diverse group of seven new PhD economists; of these, three are women and two are Hispanic. But doing better is a positive result only if we can keep improving the number and career trajectories of women and minority economists in our institutions and in the economics profession at large. To that end, in 2021 we hosted two fellows for the AEA/NSF Summer Economics Fellowship program to advance the careers of women and underrepresented minorities.





## PROCUREMENT: Business, Supplier, and Counterparty Diversity

Over the past decade, the New York Fed has continued to invest in its business, supplier, and counterparty diversity efforts. In 2020 and 2021 we were able to onboard a substantial number of minority-, women-, and veteran-owned (MWV) firms to serve as counterparties to the COVID-19 emergency lending and asset purchase programs that we operationalized at the direction of the Board of Governors of the Federal Reserve. The Bank also hired a woman-owned firm, Payden & Rygel, to replace BlackRock as the cash manager for the Secondary Market Corporate Credit Facility in February 2021.

Two engagements with industry groups – one continuing, one new – are worth highlighting. First, in 2021, we continued our close relationship with the National Association of Securities Professionals (NASP) through both formal and informal meetings. Second, the Bank has begun to engage with The Center of Innovation for DEI in Finance (IDIF), a newly constituted 501(c)(3) organization committed to increasing gender, racial, and ethnic diversity in the asset management field. These engagements with NASP and IDIF will help maintain and grow our effectiveness as an organization that supports and creates opportunities for MWV firms.

### **Our Continued Efforts to Recruit Minority-, Women-, and Veteran-owned Firms as COVID-19 Facility Counterparties and Suppliers Enabled Us to Operate More Effectively and Inclusively**

The Bank continued to expand the number of counterparties engaged to support the Federal Reserve’s emergency lending facilities and



agency commercial mortgage-backed securities purchase program to include a wider range of entities, including MWV firms. Having a more diverse set of counterparties gave these programs a broader, deeper footprint in the market, which in turn, helped the Bank operate these programs more effectively and inclusively.

Approved counterparties and suppliers onboarded in 2020 and 2021 include:

**Counterparties & Agents:**

- Academy Securities, Inc. (Hispanic/Veteran)
- Bancroft Capital, LLC (Veteran)
- Cabrera Capital Markets LLC (Hispanic)
- CastleOak Securities, L.P. (African American)
- Drexel Hamilton, LLC (Veteran)
- Falcon Square Capital, LLC (Women)
- Great Pacific Securities (Hispanic)
- Guzman & Company (Hispanic)
- Loop Capital Markets LLC (African American)
- Mischler Financial Group, Inc. (Veteran)
- R. Seelaus & Co., LLC (Women)
- Samuel A. Ramirez & Co., Inc. (Hispanic)

**Supplier:**

- Payden Rygel (Women)

In terms of scale, complexity, and speed, this counterparty expansion is one of the largest and most rapid undertaken by the Bank in recent years, and encompassed a diverse set of firms by size, business model, and ownership profile.

**Our Efforts to Increase Supplier Diversity Elsewhere in Our Organization Continue**

The New York Fed remains committed to ensuring that all qualified firms interested in doing business with the Bank have the opportunity to do so. This includes minority-

and women-owned enterprises. This past year, the Bank took steps to promote supplier diversity through three primary initiatives: (i) outreach, (ii) collaboration across the Federal Reserve System, and (iii) analytics and technology. The Bank’s strategy continued to yield positive results in engaging with both internal and external stakeholders.

**2021 Metrics**

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**35.0%**  
of acquisitions competitively bid via RFP included diverse supplier participation.

**9.0%**  
of total competitively bid acquisitions were awarded to diverse suppliers.

**25%**  
of instances where diverse suppliers were invited to a competitive bid, they were awarded the business.

**18.2%**  
of the New York Fed reportable spend is with diverse suppliers.

In addition, we conducted proactive outreach to diverse suppliers through the following five areas of focus:

**Advocacy Organization Memberships:**

Advocacy Organizations are agencies that support various diverse supplier classifications. The New York Fed is an active member of nine such organizations, allowing us to expand outreach efforts and promote the growth of our diverse supplier footprint. The Bank has dedicated staff to support each Advocacy Organization to maximize a strong relationship management model.

**Advocacy Organizations**

- Financial Services Roundtable for Supplier Diversity (FSRSD)
- National Center for American Indian Enterprise Development (NCAIED)
- National Hispanic Business Group (NHBG)
- National LGBT Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- National Veteran-Owned Business Association (NaVOBA)
- NY/NJ Minority Supplier Development Council (NY/NJ MSDC)
- US Pan Asian Chamber of Commerce (USPACC)
- Women Presidents' Educational Organization (WPEO)

**Technical Assistance:** In March 2021, the New York Fed gave a Supplier Diversity Program presentation to the National Hispanic Business Group (NHBG) Board of Directors. In August 2021, the Bank delivered an overview of the Bank and the Federal Reserve System to high school and college students who are affiliated with the NHBG.

**Developing Internal Resources to Increase Supplier Diversity:** The Bank has implemented a comprehensive plan to increase employee awareness of its supplier diversity efforts through delivering informational presentations to business groups, leadership, ERNs, and the

Bank's DE&I Consortium on our supplier diversity efforts and opportunities.

**External Outreach Events:** Bank staff also attended several virtual events to meet new diverse vendors and enhance existing vendor relationships. Events attended in 2021 include:

- Procurement Foundry's Supplier Diversity & Inclusion Conference
- USPACC Doing Business with the FDIC
- USPACC CelebrASIAN Business and Procurement Conference
- USPACC Business Development Conference
- WBENC Fireside Chat with the President of Magic Johnson Enterprises and WBENC's CEO
- WBENC Mega Matchmaker Event
- WBENC "Ignite Your Power" Breakthrough Breakfast

**Databases:** The Bank continued to use several diverse supplier search databases as part of an ongoing effort to identify, promote, and include diverse suppliers in the New York Fed's competitive bids:

- Dun & Bradstreet (D&B)
- National Minority Supplier Development Council (NMSDC)
- Financial Services Roundtable
- National LGBT Chamber of Commerce (NGLCC)
- Women's Business Enterprise National Council (WBENC)

The Bank continues to utilize CVM Solutions, a supplier diversity search and data management licensed software provider, which also broadens our search capabilities.

# OUR DIVERSITY AND INCLUSION NUMBERS FOR 2021

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## SUCCESSSES

Building a Culture of Inclusion requires each of us at the Bank to be intentional in every decision and every action. During 2021, that intentional focus resulted in concrete momentum we are excited to build upon in 2022.

- For the first time, our Executive Committee is made up of

**54% Women,**

an achievement we are proud of and will look to replicate as we further diversify our leadership and Bank overall.

- We've moved from independent group-focused DE&I efforts to cross-bank collaboration and unified approaches through our DE&I curriculum, DE&I Consortium, and intersectional programming.
- We've been honored with recognition for our efforts, scoring

**100%**

on the HRC Index as well as achieving Best Places to Work for Dads and for Multi-Cultural Women through Seramount's annual survey.

## CHALLENGES

- Increasing racial and ethnic diversity at senior management levels continues to be a significant challenge. Although we experienced a gradual and steady increase in our ethnic minority hires during 2021 (ending at a 55% hiring rate), this increased diversity is concentrated among junior level staff.
- Understanding and stemming the pace of departures by women employees is a new and significant challenge. Female employee departures increased steadily each quarter during 2021 and outpaced women's overall representation for the entire year.



# OUR PATH FORWARD



**As we emerge from 2021, we do so optimistically, excited to rejoin colleagues in person at the Bank and to leverage what we have learned over the past two years about supporting each other flexibly and inclusively. The path forward will look and feel different than before, but the New York Fed will deliver on its Mission in exactly the same way: through our people.**

## **Key areas of focus for 2022 include:**

### **People:**

Establishing equitable, transparent access to career growth and development; removing hierarchical titles/structures; increasing accountability for inclusive behaviors across the Bank.

### **Community:**

Targeting the drivers of, or barriers to, economic mobility for low- and moderate-income people, especially those facing poverty and/or

structural disparities related to race or ethnicity; educating, influencing, and catalyzing capital providers to invest in creating more opportunities for these groups.

### **Research:**

Strengthening our commitment to increase the number of minority students pursuing Ph.D.'s in economics through broadening our partnerships and outreach and providing opportunities and support for them at the New York Fed.

### **Procurement:**

Expanding our outreach to minority-, women-, and veteran-owned firms and maximizing existing relationships with the support of a newly created Supplier Diversity Leadership role. Additionally, initiating our inaugural MWV firm mentoring program, leveraging subject matter expertise Bankwide to provide coaching and support.

# CONCLUSION AND CLOSING REMARKS

Dear Members of Congress,

At the New York Fed, OMWI is not a single office; it's the entirety of the Bank. We collectively share accountability for DE&I progress – identifying and removing barriers to inclusion both within our Bank and in the Second District.

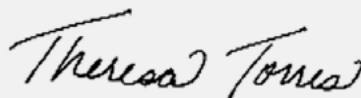
Often, the sheer breadth of the work needed to be done feels daunting and demonstrated progress, elusive. Yet, as we build brick by brick through incremental steps – the foundation can be built for a culture of inclusion.

During 2021, the New York Fed continued to be intentional in our OMWI efforts: analyzing our people processes to ensure equity and transparency; collaborating across business groups and functions to accelerate DE&I progress; and most importantly, valuing and incorporating the diverse perspectives of our colleagues as we pursued the mission of the Federal Reserve.

On a personal note, this is my first year as OMWI Director for the Bank. As a Second District Bronx native, the opportunity to accelerate Diversity, Equity, and Inclusion at the Bank and within my community has been inspiring because it makes us better. I want every Bank employee to see themselves reflected in their work environment, experience inclusion, and feel that they have the same opportunity at success as others to advance their careers and help the Bank fulfill its Mission.

Throughout 2022, the New York Fed will continue to work together with intentionality and shared accountability to build a culture of inclusion, brick by brick.

Very truly yours,



**Theresa Torres**  
(She/Her/Hers)

# APPENDICES



# APPENDIX A: Federal Reserve Bank of New York Workforce Information Report

as of December 31, 2021

Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Total
	Male	Female	Male						Female						
			White	Black or African American	Native Hawaiian or Other	Asian	American Indian or Alaska Native	Two or more races	White	Black or African American	Native Hawaiian or Other	Asian	American Indian or Alaska Native	Two or more races	
1.1 Executive or Senior Level Officials and Managers	2	1	34	2	0	1	0	0	20	1	0	5	0	0	66
1.2 First or Mid Level Officials and Managers	29	23	288	19	0	64	0	4	170	35	0	59	0	3	694
1.2.1 SVP	0	0	6	1	0	1	0	0	4	0	0	1	0	0	13
1.2.2 VP	6	4	60	4	0	8	0	0	45	3	0	12	0	2	144
1.2.3 AVP	6	7	82	6	0	18	0	0	32	6	0	12	0	0	169
1.2.4 First Level Officer	8	4	69	3	0	19	0	3	48	8	0	20	0	1	183
1.2.5 Managers	9	8	71	5	0	18	0	1	41	18	0	14	0	0	185
2. Professionals	104	93	466	99	1	269	0	11	366	141	1	238	0	7	1,796
3. Technicians	2	0	1	0	0	1	0	0	0	0	0	0	0	0	4
5. Administrative Support Workers	4	24	19	13	0	10	0	0	35	53	0	13	0	2	173
6. Craft Workers	6	0	38	4	0	1	0	0	0	1	0	0	0	0	50
7. Operatives	8	9	4	9	0	15	0	0	1	8	0	7	0	0	61
9. Service Workers	14	2	51	21	0	1	2	0	4	5	0	1	0	0	101
<b>Total</b>	<b>169</b>	<b>152</b>	<b>901</b>	<b>167</b>	<b>1</b>	<b>362</b>	<b>2</b>	<b>15</b>	<b>596</b>	<b>244</b>	<b>1</b>	<b>323</b>	<b>0</b>	<b>12</b>	<b>2,945</b>

## APPENDIX B: Federal Reserve Bank of New York OMWI Standard Metrics Report

as of December 31, 2021

Category	Description	2017	2018	2019	2020	2021	
Workforce Diversity	Senior Executives	Total #	48	60	55	56	66
		% Minorities	13%	17%	16%	18%	18%
		% Women	42%	42%	42%	36%	41%
	Mid-Level Managers	Total #	750	734	728	720	694
		% Minorities	30%	31%	32%	33%	34%
		% Women	43%	44%	44%	40%	42%
	Professionals	Total #	1833	1840	1897	1889	1796
		% Minorities	51%	52%	53%	53%	54%
		% Women	44%	45%	46%	42%	47%
	Total External Hires	Total #	224	328	275	229	207
		% Minorities	42%	47%	50%	48%	57%
		% Women	32%	45%	41%	41%	49%
	Total Interns	Total #	61	66	71	77	63
		% Minorities	49%	58%	58%	57%	73%
		% Women	36%	45%	37%	44%	60%
	Overall Bank Turnover Rate	%	9.1%	11.2%	8.4%	8.5%	11.3%

## APPENDIX B (Cont'd): Supplier Diversity

Category	Description		2017	2018	2019	2020	2021
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$ 212.9	\$ 220.5	\$ 190.3	\$ 191.4	\$ 194.8
	Total Diverse Spend <sup>1</sup>	\$ (millions)	\$ 28.1	\$ 39.7	\$ 43.3	\$ 36.5	\$ 35.5
		%	13.2%	18.0%	22.7%	19.1%	18.2%
	Minority-owned <sup>2</sup>	\$ (millions)	\$ 26.4	\$ 37.1	\$ 41.1	\$ 34.5	\$ 34.2
		%	12.4%	16.8%	21.6%	18.0%	17.6%
	Minority-owned (men)	\$ (millions)	\$ 2.3	\$ 9.6	\$ 13.6	\$ 9.9	\$ 10.4
		%	1.1%	4.4%	7.1%	5.2%	5.3%
	Minority-owned (women)	\$ (millions)	\$ 24.2	\$ 27.4	\$ 27.6	\$ 24.6	\$ 23.8
		%	11.3%	12.4%	14.5%	12.8%	12.2%
	Women-owned <sup>2</sup>	\$ (millions)	\$ 25.8	\$ 30.1	\$ 29.6	\$ 26.6	\$ 25.2
		%	12.1%	13.6%	15.6%	13.9%	12.9%
	Women-owned (non-minority)	\$ (millions)	\$ 1.7	\$ 2.6	\$ 2.1	\$ 2.0	\$ 1.4
		%	0.8%	1.2%	1.1%	1.1%	0.7%
	Women-owned (minority)	\$ (millions)	\$ 24.2	\$ 27.4	\$ 27.6	\$ 24.6	\$ 23.8
		%	11.3%	12.4%	14.5%	12.8%	12.2%

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

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



## APPENDIX B (Cont'd): Financial Literacy

### Financial Literacy<sup>1</sup> Programs:

- Teacher-centric
- Student-centric
- Hybrid

2021

486

Number of OMWI students  
reached in-person and online<sup>2</sup>

39

Number of OMWI educators  
reached in-person and online<sup>3</sup>

2,925

Number of OMWI students  
reached through educators<sup>4</sup>

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 B (Cont'd):

Federal Reserve Bank of New York Board of Directors, Demographics as of January 1, 2022

Director Categories	Total directors			Race/Ethnicity													
				Hispanic or Latino		Non-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
<b>Class C</b>																	
By total	3	1	2	1	1	0	0	0	1	0	0	0	0	0	0	0	0
By percent	100	33	67	33	33	0	0	0	33	0	0	0	0	0	0	0	0
<b>Class B</b>																	
By total	2	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0
By percent	100	50	50	0	0	50	50	0	0	0	0	0	0	0	0	0	0
<b>Class A</b>																	
By total	3	3	0	0	0	2	0	1	0	0	0	0	0	0	0	0	0
By percent	100	100	0	0	0	67	0	33	0	0	0	0	0	0	0	0	0
<b>Total, all directors</b>																	
By total	8	5	3	1	1	3	1	1	1	0	0	0	0	0	0	0	0
By percent	100	62	37	12	12	37	12	12	12	0	0	0	0	0	0	0	0