



Congressional Report • March 2015

**National Credit Union Administration
Office of Minority and Women Inclusion**



Office of Minority and Women Inclusion Congressional Report • 2014

Table of Contents

Executive Summary	2
Workforce Diversity	6
NCUA Business Diversity	19
Asset Management and Assistance Center Business Diversity	25
Regulated Entities Diversity	30
Financial Literacy Outreach	37

Executive Summary

National Credit Union Administration

The National Credit Union Administration is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the United States, NCUA administers the National Credit Union Share Insurance Fund, insuring the deposits of more than 99 million credit union account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

The agency's mission is to facilitate the availability of credit union services to all eligible consumers, especially those of modest means, through a safe and sound credit union system. Because of this mission, credit union examiners account for the majority of NCUA's staff positions, representing 74 percent of the 1,235 employees onboard as of December 31, 2014.

Office of Minority and Women Inclusion

NCUA's Office of Minority and Women Inclusion oversees all matters relating to measuring, monitoring and establishing policies for diversity in the agency's management, employment and business activities. The office also measures, monitors and provides guidance about diversity for NCUA's regulated entities, excluding the enforcement of statutes, regulations and executive orders pertaining to civil rights.

Although NCUA established its office in January 2011, NCUA's formal efforts to develop a culture of diversity and inclusion began in 2009 when NCUA Board Chairman Debbie Matz established workforce diversity as one of the agency's priority goals. The purpose of the goal was to enrich the agency and its employees.

With the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act's diversity requirements in Section 342, NCUA channeled its efforts through the Office of Minority and Women Inclusion to establish policies and initiatives supporting diversity and inclusion and to measure and monitor the agency's continuing progress.

This report highlights NCUA's initiatives and actions towards achieving a culture of diversity and inclusion in its workforce, business activities and regulated entities, as well as the agency's financial literacy outreach for the 2014 reporting year.

Workforce Diversity

NCUA continued to show progress in its overall workforce diversity relative to both the Civilian Labor Force and the Relevant Civilian Labor Force statistics. NCUA has adopted best practices for promoting diversity and inclusion and for removing barriers to equal employment opportunities, consistent with applicable merit system principles and civil rights laws. NCUA also has incorporated diversity and inclusion goals into its strategic and recruitment plans and measured progress in the agency's annual performance plans.

Minorities, including multiracial, collectively represented 26.3 percent of NCUA's workforce in 2014, an increase of 1.1 percentage points over 2011. The percentage of NCUA employees who are African American, Hispanic and Asian American have all increased since 2011.

NCUA's goal is to cultivate an environment that fosters a diverse, well-trained and motivated staff. In 2014, NCUA continued to execute a variety of strategies, including outreach events, training and other approaches to facilitate a diverse workforce. Most notably, the agency created a Diversity Advisory Council comprised of a cross-section of employees at all levels, including supervisory and non-supervisory staff and diverse populations. The Council will support the agency in its efforts to achieve this goal and serve as a resource to decision-makers for diversity and inclusion efforts.

The Partnership for Public Service again recognized NCUA as one of the best places to work in the federal government for African Americans, Asians, Hispanics, Veterans, and women among medium-sized agencies based on the Office of Personnel Management's 2014 Federal Employee Viewpoint Survey results. Also, NCUA's commitment to diversity was recognized by the *Black EOE Journal*, the *Professional Woman's Magazine*, and the *U.S. Veterans Magazine*, which named the agency among their Best of the Best in banking and finance organizations for 2014.

Business Diversity

For the third consecutive year, NCUA experienced continued success with its supplier diversity efforts. Some of the milestones reached during 2014, include:

- Increasing the number of competitive minority- and women-owned businesses performing on larger agency contracts.
- Extending NCUA's new supplier diversity information and feedback mechanisms to its Asset Management and Assistance Center to provide quarterly markers for its supplier diversity status.

- Developing new strategies to identify opportunities for minority- and women-owned business inclusion and participation in agency contracts.

NCUA's success in supplier diversity is reflected in statistical changes. NCUA paid minority- and women-owned business vendors \$7.6 million in 2014. As a percentage of total reportable contracting activity, the amounts paid to minority- and women-owned businesses increased from 20.6 percent in 2013 to 24.6 percent in 2014. Representing nearly 50 percent of NCUA's contracting expenditures for 2014, the Office of the Chief Information Officer led the way in increasing minority- and women-owned business participation.

NCUA also expanded outreach efforts to the minority- and women-owned business community. Although the agency's contracting budget is a fraction of its sister financial services regulatory agencies, NCUA remains committed to ensuring minority- and women-owned businesses learn about the agency's reputation and mission, as well as its contracting needs and processes.

In 2014, also NCUA added new outreach events to its annual lineup. To further leverage its strategic partnerships, NCUA continues to work closely with the other seven OMWI offices within other financial services regulatory agencies to communicate each other's business opportunities and expand the OMWI brand.

Regulated Entities Diversity

NCUA actively participates with other federal financial services regulators to carry out the mandate of Section 342(b)(2)(c) of the Dodd-Frank Act. This group, comprised of OMWI directors from NCUA, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Securities and Exchange Commission, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau, jointly developed and proposed standards for assessing each of their regulated entities' diversity policies and practices. As of December 31, 2014, NCUA's regulated entities consist of 6,273 federally insured credit unions, including 3,927 federally chartered credit unions and 2,346 state-chartered credit unions.

The agencies published the proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities in the *Federal Register* on October 25, 2013. The comment period ended February 7, 2014. The agencies are currently finalizing the Interagency Policy Statement.

For credit unions that report to the Equal Employment Opportunity Commission, 70 percent of the workforce is comprised of women and 30 percent is comprised of minorities. The workforce at these credit unions exceeds the nation's Civilian Labor Force statistics for women and resembles the workforce in terms of minorities.

Financial Literacy Outreach

NCUA is dedicated to enhancing economic and financial literacy within the community it serves to develop positive financial behaviors. NCUA's financial literacy initiatives provide educational resources related to concepts of economics and personal finance for credit union members, credit union management and the general public, including minorities and women. A few of the initiatives in 2014 included:

- Hosting NCUA's inaugural financial literacy webinar and Twitter chats.
- Establishing a national financial literacy collaboration with AARP.
- Revamping NCUA's Share Insurance Estimator and related brochures, and providing both English and Spanish versions of each.
- Providing ten articles on financial literacy and consumer protection compliance matters for [The NCUA Report](#) newsletter.
- Developing a total of four [NCUA Consumer Report](#) and [NCUA Consumer Protection](#) update videos.

Conclusion

NCUA continues to implement strategies toward achieving its goals of employing a diverse and talented workforce and increasing the participation of minority- and women-owned businesses in the agency's contracting activities. NCUA views the diversity and inclusion principles, as outlined in Section 342 of the Dodd-Frank Act, as essential to achieving NCUA's mission.

Since the enactment of Section 342, NCUA has achieved notable success in attaining an inclusive work environment and in improving diversity at all levels of the workforce and among contracting activities.

The agency will continue to develop and revise strategies that advance the agency's goal of making its workforce and business activities—and ultimately the credit union system—more reflective of the nation's diversity.

Workforce Diversity

NCUA is devoted to remaining an employer of choice by cultivating an environment that fosters a diverse, well-trained and motivated staff. This continued commitment is reflected in the agency's [2014–2017 Strategic Plan](#) where one of the six Agency Priority Goals is increasing the number of women and minorities at all staff levels, particularly in the management ranks. The strategic objective applied to meeting this goal is recruiting and retaining a diverse and highly-qualified workforce.

NCUA's efforts towards diversity and inclusion are demonstrated through the progress made in the agency's workforce diversity, outreach and recruitment initiatives, the utilization of internship and leadership development programs, and the use of diversity and inclusion training.

Managers and Senior Executives

Managers include all supervisory staff that is not designated as an executive. Managers account for 11 percent of the agency's workforce. Executives are those individuals who are in positions identified as a Senior Staff Position. These individuals account for 4 percent of the agency's workforce.

Major Occupation

Credit union examiners are 74 percent of the total agency workforce. Therefore, they are the focus for the majority of the agency's recruitment efforts. The credit union examiner position is also the pipeline from which most of NCUA's management and senior executive level positions are drawn.

Workforce Diversity Distribution

NCUA compares its workforce data to the national Civilian Labor Force. The national Civilian Labor Force reflects persons 16 years of age and older, employed or actively seeking employment, but not serving in the military or institutionalized. The agency also reviews the federal workforce and the Relevant Civilian Labor Force data to analyze our progress toward diversity. The Relevant Civilian Labor Force reflects Civilian Labor Force data that is directly comparable to the workforce being considered.

Figure 1 illustrates the composition of NCUA's workforce in comparison to recognized labor-force benchmarks tied to 2010 U.S. Census Data.

NCUA Workforce Comparison					
Demographic Group	2014 NCUA Workforce		2010 Census Federal Workforce	2010 Census Civilian Labor Force	2010 Relevant Civilian Labor Force
Men	689	55.8%	51.3%	52.8%	54.8%
Women	546	44.2%	48.7%	47.2%	45.2%
White	910	73.7%	71.9%	67.0%	71.7%
African American	177	14.3%	12.1%	11.3%	11.7%
Hispanic	53	4.3%	10.1%	14.6%	6.9%
Asian American	68	5.5%	3.6%	4.8%	7.9%
Native American	7	0.6%	0.6%	0.6%	0.3%
Native Hawaiian or Pacific Islander	3	0.2%	0.1%	0.2%	0.0%
Multiracial	17	1.4%	1.6%	1.5%	1.5%

Figure 1

Source: National Credit Union Administration
U.S. Census Bureau

An analysis of the NCUA workforce shows representation among most minority groups meets or exceeds one or more of the comparison rates. However, the analysis also shows Hispanic employees are underrepresented within the agency.

The agency recognizes the need to capture additional data to further analyze diversity and inclusion efforts at the various stages of the employment process. These stages include recruitment, application, selection, retention and career advancement.

NCUA acquired technical tools, including business intelligence software, to enhance the agency's data collection and analysis capabilities. In 2014, the agency began to capture and analyze U.S. Staffing Applicant Flow Data Acquisition of persons applying for vacancies at NCUA to determine the level of participation of racial and gender groups in its application process. This analysis will direct the outreach and recruitment efforts by highlighting groups the agency is not reaching compared to the Civilian Labor Force and Relevant Civilian Labor Force statistics. It also identifies potential barriers by pointing to hurdles in the application process (application, qualification, referral and selection) compared to the availability of candidates.

Figure 2 shows a comparison of NCUA's workforce since 2011. Notable statistics from Figure 1 and Figure 2 include:

NCUA Workforce Diversity by Year								
Demographic Group	NCUA 2011 Workforce		NCUA 2012 Workforce		NCUA 2013 Workforce		NCUA 2014 Workforce	
Men	656	54.8%	658	55.2%	708	56.3%	689	55.8%
Women	540	45.2%	533	44.8%	550	43.7%	546	44.2%
White	895	74.8%	873	73.3%	921	73.2%	910	73.7%
African American	166	13.9%	173	14.5%	183	14.5%	177	14.3%
Hispanic	50	4.2%	50	4.2%	55	4.4%	53	4.3%
Asian American	56	4.7%	66	5.5%	70	5.6%	68	5.5%
Native American	6	0.5%	6	0.5%	6	0.5%	7	0.6%
Native Hawaiian or Pacific	5	0.4%	4	0.3%	3	0.2%	3	0.2%
Multiracial	18	1.5%	19	1.6%	20	1.6%	17	1.4%
Total Workforce	1,196		1,191		1,258		1,235	

Figure 2

Source: National Credit Union Administration

- Minorities, including multiracial, collectively represent 26.3 percent of NCUA’s workforce, a slight increase of 1.1 percentage points since December 31, 2011.
- African Americans represent 14.3 percent of NCUA’s workforce, which is above the national Civilian Labor Force, Federal Workforce and Relevant Civilian Labor Force benchmarks. African American representation in NCUA’s workforce increased 0.4 percentage points since December 31, 2011. However, a trigger analysis revealed African American males are underrepresented in NCUA’s Credit Union Examiner occupational group.
- Hispanic representation in 2014 is 4.3 percent of NCUA’s workforce, which is an increase of 0.1 percentage points since December 31, 2011. Hispanics remain underrepresented in NCUA’s workforce as compared to the national Civilian Labor Force, Federal Workforce, and Relevant Civilian Labor Force. As a result, the agency is refocusing its recruitment efforts to attract qualified Hispanic candidates for all vacancies.
- Asian Americans, including Native Hawaiians or Pacific Islanders, represent 5.7 percent of NCUA’s workforce. This representation shows an increase of 0.6 percentage points since December 31, 2011, and is above the national Civilian Labor Force and Federal Workforce levels.
- Native American representation remains relatively consistent at 0.6 percent of the agency’s workforce. This reflects an increase of 0.1 percentage points since December 31, 2011, and is equal to the national Civilian Labor Force and Federal Workforce and exceeds the Relevant Civilian Labor Force.

NCUA's Pipeline Distribution

Each year, NCUA's senior leadership reviews the agency's pipeline for succession purposes. Figure 3 illustrates the composition of the agency's workforce diversity in three grade categories that represent NCUA's pipelines: CU-12 and below, CU-13 through CU-15, and senior or executive staff.¹

NCUA Workforce Pipeline Diversity								
	2011		2012		2013		2014	
CU-12 and Below								
Women	341	46.3%	325	45.1%	314	43.1%	302	44.7%
African American	120	16.3%	116	16.1%	124	17.0%	118	17.5%
Hispanic American	26	3.5%	27	3.8%	29	4.0%	29	4.3%
Asian American	42	5.7%	52	7.2%	44	6.0%	39	5.8%
Native American	4	0.5%	4	0.6%	3	0.4%	4	0.6%
Multi-Cultural	15	2.0%	16	2.2%	16	2.2%	14	2.1%
Total Minorities	207	28.1%	215	29.9%	216	29.6%	204	30.2%
CU-13 to CU-15								
Women	181	44.6%	183	43.7%	212	44.9%	222	44.0%
African American	45	11.1%	48	11.5%	55	11.7%	56	11.1%
Hispanic American	22	5.4%	22	5.3%	24	5.1%	23	4.6%
Asian American	17	4.2%	17	4.1%	27	5.7%	30	6.0%
Native American	2	0.5%	2	0.5%	3	0.6%	3	0.6%
Multi-Cultural	2	0.5%	2	0.5%	3	0.6%	3	0.6%
Total Minority	88	21.7%	91	21.7%	112	23.7%	115	22.8%
Senior Staff								
Women	16	31.4%	26	48.1%	23	42.6%	21	41.2%
African American	1	2.0%	4	7.4%	4	7.4%	3	5.9%
Hispanic American	1	2.0%	1	1.9%	2	3.7%	1	2.0%
Asian American	2	3.9%	2	3.7%	2	3.7%	2	3.9%
Native American	0	0%	0	0%	0	0%	0	0.0%
Multi-Cultural	1	2.0%	1	1.9%	1	1.9%	0	0.0%
Total Minority	5	9.8%	8	14.8%	9	16.7%	6	11.8%

Figure 3

Source: National Credit Union Administration

Since December 31, 2011, minority representation in CU-13 through CU-15 positions increased by 27 staff members. Minorities now represent 23 percent of the pipeline in

¹ NCUA eliminated the CU-16 pay grade level from its pay structure and combined existing CU-16 staff with CU-15 staff.

grades CU-13 through CU-15. The most notable increase within the pipeline occurred among Asians. Minorities in executive positions decreased primarily due to retirements. Minorities currently represent approximately 12 percent of the agency's executive staff.

Individuals with Disabilities

In achieving diversity among the workforce, NCUA emphasizes improving the participation rates of individuals with disabilities, as illustrated in Figure 4.

	NCUA Goals	2012		2013		2014	
Disabled Veterans	7%	47	3.9%	79	6.3%	89	7.2%
Disabled Persons	12%	106	8.9%	117	9.3%	114	9.2%
Targeted Disability	3%	9	0.8%	9	0.7%	11	0.9%

Figure 4

Source: National Credit Union Administration

As a result of expanding our focus on individuals with disabilities during recruitment, training, and other outreach activities, the number of employees with reportable disabilities increased since 2012. By the end of 2014, the agency exceeded its goal for employing disabled veterans who now represent 7 percent of the agency's workforce.

NCUA continues to strive to meet its goals for employing persons who are disabled or have targeted disabilities. Employees with targeted disabilities remain below the federal government's goal of two percent for federal agencies. For this reason, NCUA will conduct a barrier analysis to identify potential barriers that may cause the less than expected participation rate among individuals with disabilities.

In 2014, 22 percent of new hires were disabled veterans. Through enhanced outreach efforts, NCUA has increased its disabled veteran population by 137 percent since 2010.

Training and Awareness

Diversity Training

NCUA continues to promote diversity and inclusion throughout the organization. Senior leadership participates in diversity training as part of the agency's annual strategic planning meeting. Senior leadership and supervisory staff receive additional training as part of leadership sessions where mandatory attendance is required.

To reduce potential knowledge gaps between regular training efforts, new supervisors and managers attend a four-day training course that includes a full day of equal employment opportunity and diversity training. NCUA also provides several

leadership-development opportunities to promote diversity and inclusion within the agency.

Talent Management Council

The Talent Management Council is an oversight group created by NCUA's Executive Director in 2013. It works to determine the agency's leadership development priorities and succession planning needs. In 2014, the council performed the following tasks to aid in cultivating a highly diverse and talented workforce:

- Modified the Individual Development Plan to include competencies and other pertinent information.
- Oversaw review and continual validation of the Principal Examiner Certification Assessment process by:
 - Reviewing competencies and job tasks to ensure they were still current.
 - Reviewing all aspects of the agency's training program to ensure each covers appropriate competencies.
- Began a detailed review of the structure and need for specialists in the region's examination program. This review will continue into 2015.
- Assigned a workgroup to look at on-boarding process for non-examiners. The project will continue into 2015.
- Assigned a workgroup to train Analysts, Regional Lending Specialists, and Regional Information Systems Officers in adult learning techniques as they are frequently required to train other staff members.

Leadership Development Programs

NCUA offers a number of competitive career development programs available to all employees. Women and minorities are well represented among the candidates selected for these opportunities. These programs consist of the Executive Coaching Program, the NCUA Executive Training Program, and other leadership development programs. Specifics about these programs follow.

Executive Coaching Program

NCUA provides an Executive Coaching Program to new executives to strengthen the skills necessary to maximize leadership potential, reinforce leadership competencies,

enhance performance, and help participants contribute to the successful accomplishment of NCUA's mission. Of the ten participants in the Executive Coaching Program in 2014, minorities represented 10 percent and women represented 40 percent.

NCUA Executive Training Program

The NCUA Executive Training (NEXT) Program is an 18-month executive development training opportunity for CU-15 supervisory staff to prepare for transition from supervisory and managerial positions to executive positions within the agency. Fundamental elements of the program include:

- A 360 assessment;
- A 90-day detail;
- External training classes, including attendance at the Federal Executive Institute and quarterly meetings; and
- Group coaching sessions with program cohorts and NCUA's Executive Training Program Oversight Committee.

Of the five participants in the NEXT program in 2014, one was a minority and two were women.

Other Leadership Development Programs

The agency offers internal and external leadership development programs for employees at all levels of the workforce to aid in cultivating a highly diverse and talented workforce. These programs are:

- NCUA's internal 18-month Management Development Program is offered to non-supervisory employees in grades CU-13 through CU-15. The program includes:
 - A 360 assessment
 - Training classes;
 - Individual and team coaching;
 - Details;
 - Mentoring;
 - A team project;
 - Job shadowing; and
 - Executive interviews.
- External 6- to 9-month programs are offered through the USDA Graduate School, consisting of the Aspiring Leader Program for grades CU-4 through CU-6; New Leader Program for CU-7 through CU-9; and Executive Leader

Program for CU-11 through CU-13. The programs involve 360 assessments, training classes, developmental details, senior management shadowing assignments, and management interviews.

In 2014, the diversity among the participants in these programs broke down as follows:

- **Management Development Program:** Of the eight participants, two were minorities and four were women.
- **New Leader Program:** Of the two participants, one was a woman.
- **Executive Leader Program:** Of the four participants, three were minorities.

The above programs provide women and minorities the opportunity to acquire and build leadership skills that will prepare them for advancement opportunities within the agency. These programs also play a key role in the agency's succession planning.

Management Accountability

NCUA continues to hold managers accountable for efforts toward achieving a diverse, well-trained and highly-motivated workforce. In 2014, senior staff appraisals were based on the following criteria in the "Leading People" element of their performance standards:

- Building and reinforcing a culture committed to recruiting a high-quality, diverse workforce.
- Establishing diversity ratings and rankings, and diverse interview panels.
- Taking proactive steps to remedy underrepresentation within the agency among minorities, persons with disabilities and veterans.

Likewise, diversity and inclusion efforts were included in the performance standards for all supervisors below the senior staff level:

- Reinforcing an organizational culture committed to recruiting a highly qualified and diverse workforce while maintaining a high-level of employee satisfaction.
- Promoting a work environment free of discrimination and harassment and which values diversity and differences of opinion.

Measuring diversity and inclusion efforts in performance standards allows the agency to hold managers and supervisors accountable for achieving the agency's goal of cultivating a diverse and an inclusive working environment.

Outreach and Recruitment

In 2014, NCUA again coordinated and executed an outreach and recruitment strategy with the goal of reaching all segments of society. These efforts included developing partnerships and collaborations with minority-serving organizations, expanding the agency’s presence in print media, on social-networking sites and on various diversity websites, as well as marketing NCUA as an employer of choice.

In addition, NCUA sponsored tables and distributed employment information at numerous recruitment and outreach events in 2014, targeting diverse groups to build awareness about the agency and its mission. Figure 5 includes a sampling of these recruiting and outreach events during year.

Recruitment Events
Science, Technology, Engineering, and Math Diversity Career Expos for Minorities, Women, People with Disabilities & Wounded Warriors
Careers for the Disabled Magazine’s Career Expos for People with Disabilities & Wounded Warriors
National Association of Black Accountants
League of United Latin American Citizens
Association of Latino Professionals in Finance and Accounting Annual Convention
LatPro & National Society for Hispanic Professionals’ Diversity Job Fair
New Mexico State University Job Fair
Cal State San Marcos Job Fair
University of Hawaii Manoa Job Fair
Association of New Orleans Career Services Offices Career Fair
Texas State University Job Fair
National Association of Asian MBAs Leadership Conference and Exposition
National Black MBA Association Incorporated
National Association of Black Accountants
National Association of Asian MBAs Leadership Conference & Exposition
Howard University – School of Law

Figure 5

Source: National Credit Union Administration

To garner the broadest, most diverse pool of potential candidates, NCUA’s vacancy announcements are widely disseminated and advertised to all sources. All vacancy announcements are posted on USAjobs.gov, and emailed to a distribution list of more than 550 minority-serving organizations. Additionally, all NCUA vacancy announcements are posted on the following websites to ensure maximum distribution to a diverse audience:

- [Veteran Employment Center](http://VeteranEmploymentCenter.com)
- Veteranjobs.net
- DiversityJobs.com
- Latinojobs.org

- Disabilityjobs.net
- AfricanAmericanHires.com
- AllBilingualJobs.com
- Asianhires.com
- WehireWomen.com
- AllHispanicJobs.com
- AllLGBTJobs.com
- Latpro.com

NCUA enjoys a strong presence on social media and uses these tools as a venue for outreach and recruitment. In 2014, NCUA utilized LinkedIn's Recruiter tools to significantly expand the agency's footprint on the networking site to attract a more diverse and highly qualified applicant pool. These efforts included posting vacancies on the agency's [LinkedIn](#) page and connecting and sharing vacancy information with diversity partners and groups.

As part of the agency's outreach efforts, the Office of Minority and Women Inclusion also produced a diversity recruitment video to use as a tool in attracting diverse candidates. The video highlights the agency's mission and features employees who represent the diversity within the workforce. NCUA posted the video on [YouTube](#) and its public website. Additionally, the video link is included on every NCUA vacancy announcement.

The agency also expanded its outreach in print media by advertising in several executive-oriented circulars and publications that serve diverse populations.

Student Intern Programs

NCUA has two student intern programs: Pathways Programs and an External Student Intern Program through Partnerships.

Pathways Programs

In 2013, NCUA instituted Pathways, a policy governing the appointment and employment of individuals under three programs: the Internship Program, the Recent Graduates Program and the Presidential Management Fellows Program. The agency uses these programs as another tool to increase the diversity of underrepresented groups in the agency's workforce.

During 2014, NCUA employed 16 individuals using the Pathways Programs. Of the 16 individuals that took part in the program, five were women and one was a minority.

External Student Intern Program through Partnerships

NCUA maintains strategic partnerships with diverse professional organizations that provide opportunities for minorities and women, including the:

- National Association of Equal Opportunity in Higher Education,
- Hispanic Association of Colleges and Universities, and
- Conference on Asian Pacific American Leadership.

In 2014, the agency hosted 15 college students from across the country using its external student intern program. Every mission-critical office in the agency hosted one or more interns and provided an opportunity for the students to gain valuable work experience.

Partnership with the Department of Veterans Affairs

As part of the national strategy to hire more veterans outlined in Executive Order 13518, NCUA and the Department of Veterans Affairs, in 2013, signed a [Memorandum of Understanding](#) to offer employment opportunities to veterans through the Feds Hire Vets program. The Feds Hire Vets program assists federal agencies and non-profit organizations in their efforts to hire veterans through targeted recruitment, training, marketing and outreach services.

NCUA recognized the breadth of diversity among the veteran population and leveraged this partnership to increase workforce diversity through an applicant pool of approximately 18,000 highly educated and skilled veterans. In 2014, NCUA hired six individuals from the Feds Hire Vets program. Of the six hires, two were women and two were minorities.

External Recognition of Diversity Efforts

The principles of diversity and inclusion are embedded in the culture of the agency. NCUA continues to be recognized by external organizations for its achievements in diversity within its workforce.

The Partnership for Public Service again recognized the agency as one of the best places to work in the federal government for African Americans, Asians, Hispanics, veterans, and women among medium-size agencies, based on the Office of Personnel Management's 2014 Federal Employee Viewpoint Survey results. The partnership also ranked NCUA as one of the top five medium-size agencies in the "Support for Diversity" category. This category measures the extent to which employees believe policies and actions of an agency's leadership and management promote and show respect for diversity.

Moreover, NCUA's commitment to diversity was recognized by the *Black EOE Journal*, the *Professional Woman's Magazine*, and the *U.S. Veterans Magazine*. Each named NCUA among their "Best of the Best" in banking and finance organizations for 2014. These magazines rated the agency as a "Best of the Best" place to work in terms of opportunities for African Americans, women and veterans, respectively.

Opportunities for Further Improvement in 2015

During 2014, NCUA developed several initiatives to further the agency's diversity. In 2015, the following initiatives will provide continued improvement in NCUA's workforce diversity:

USA Staffing Applicant-Flow Data

NCUA obtained applicant-flow data to better analyze applicant pools and subsequent hiring results. The agency gained access to its applicant flow data relating to persons who applied to vacancy announcements from the Office of Personnel Management's USA Staffing Office.

In 2014, NCUA evaluated data content and structure, and began the analysis process to determine rates of application, qualification, referral, and selection based on race, national origin and gender in comparison to the Civilian Labor Force. NCUA plans to use these results to shape the agency's outreach and recruitment efforts moving forward in 2015.

Additionally, an evaluation of the applicant flow data is an integral part of a comprehensive barrier analysis that will be conducted by an independent third party. Through both processes, NCUA will identify and take steps to remove any barriers that may cause the low participation rate among underrepresented groups in the agency's workforce.

Barrier Analyses on Hispanics, African American Males and People with Disabilities

The agency placed emphasis on improving the participation rates of Hispanics, African American males (particularly in the credit union examiner position), and people with disabilities by expanding its focus during recruitment and other outreach activities. Yet, the hiring gains were not significant enough to show improvement in participation rates within the workforce.

In 2015, NCUA contracted with a vendor to perform barrier analyses to identify potential barriers in the hiring process relating to these groups. The identified barriers will assist in developing strategies for recruiting and outreach to attract these individuals into the candidate pool for vacant positions, and ultimately, retain them in the workforce.

Diversity Training

NCUA provides diversity training to senior and supervisory staff on equal opportunity employment and diversity training during their annual conferences. In 2015, the agency

plans to provide diversity training to all employees electronically through the eLearning system.

Diversity Advisory Council

In 2014, NCUA established a Diversity Advisory Council. The council's mission is to:

- Support the agency's goal of cultivating an environment that fosters a diverse, well trained and motivated staff; and
- Serve as a resource to assist and advise decision-makers on diversity and inclusion efforts.

The council's membership includes representation from a cross-section of the agency's population in all areas of diversity, such as race, ethnicity, gender, age, sexual orientation, experience and grade (supervisory and non-supervisory). In 2015, the council will update the agency's [*Diversity and Inclusion Strategic Plan*](#) and provide recommendations for diversity training for all staff.

Talent Management Council

In 2015, the Talent Management Council will continue to implement actions to cultivate a highly diverse and talented workforce within the agency. The 2015 priorities include:

- Continuing the specialist review project. This project is likely to expand into a review of the Subject Matter Examiner program.
- Reviewing NCUA's on-the-job training program for consistency and best practices. Begun in 2014, this review will likely finish in 2015.
- Reviewing recommendations from the on-boarding process for non-examiners workgroup and moving forward with implementation.

Low Representation of Minorities in Senior Staff Positions

Despite efforts to increase minority representation throughout the workforce, minorities remain underrepresented at the executive level. Retirements and other departures by minority staff, coupled with the limited number of positions, have significantly affected diversity in the senior staff positions.

NCUA is focusing on succession planning, specifically positions at the senior level, due to the significant number of expected future retirements. The agency will continue its outreach efforts in order to expand the applicant pool for these senior staff positions.

NCUA Business Diversity

In 2014, NCUA continued its drive towards excellence in supplier diversity. Total dollars awarded to minority- and women-owned businesses were \$12.4 million compared to \$8.3 million in 2013—a year-over-year increase of 49 percent. Total dollars awarded to minority- and women-owned businesses, as a proportion of total contracting dollars, were 29 percent in 2014 versus 22 percent in 2013.

Total dollars awarded to minority- and women-owned businesses in 2014 are illustrated in Figure 6.

Amounts Awarded (or Spend) to Minority- and Women-Owned Businesses			
Minority- and Women-Owned Businesses Classification	Amounts Awarded	Percent of Total Minority- and Women-Owned Businesses Awarded	Percent of Total Contracts Awarded
African American	\$414,885	3.3%	1.0%
Asian American	\$475,164	3.8%	1.1%
Hispanic American	\$213,932	1.7%	0.5%
Women	\$11,749,082	94.4%	27.5%
Total Amount Awarded/Spend	\$12,440,953		29.1%

Figure 6

Source: National Credit Union Administration

Note: Total amount awarded (spend) excludes duplicate amounts for firms that are both minority-owned and women-owned.

Increased minority- and women-owned business participation in large technology-related contracts constituted the majority of the supplier diversity gains during 2014. This progress demonstrates the effectiveness of the policies and procedures the agency has established to advance its supplier diversity program. Updates in agency systems and processes, along with OMWI's direct support to identify and refer minority- and women-owned businesses to participate in the agency's procurement process, have been essential elements in expanding the agency's supplier diversity gains.

NCUA Procurement Process and Diversity

The Federal Credit Union Act authorizes NCUA to contract for goods and services with public and private-sector organizations. The act also allows the agency to establish policies and procedures to administer its contract authority without regard to the provisions of any other laws applicable to executive or independent agencies of the United States. NCUA's procurement policies apply to all NCUA acquisitions of goods and services.

Competition is a key feature of NCUA's procurement process. It allows the agency to compare proposals and prices to determine the best value. To ensure the agency's competitive opportunities are diverse and inclusive, contracting officers, program offices and OMWI work collaboratively to promote contracting opportunities to capable minority- and women-owned businesses.

NCUA is committed to providing an environment of inclusion for qualified diverse suppliers that meet its requirements for quality, service and value. To that end, NCUA established guidelines that promote supplier diversity and inclusion by identifying qualified minority- and women-owned businesses and inviting them to respond to agency solicitations. NCUA also assists these businesses in their competitive efforts through technical assistance, and other educational and informational outreach activities.

Reportable Awards and Amounts Paid to Contractors

In any given year, NCUA has opportunities available for a modest amount of contracting actions and dollars involving reportable awards. Reportable awards refer to competitive awards in which minority- and women-owned businesses may participate. Consequently, expenses related to noncompetitive awards, such as office leases and related expenses are excluded from this report.

In 2014, NCUA's total reportable awards reached \$42.7 million—an increase of 14 percent from 2013. For a second consecutive year, technology contracts made up a significant portion of the increases in NCUA's contract spending, more than 46 percent of which were awarded to minority- and women-owned businesses.

Amounts paid to contractors in 2014 also edged higher. NCUA paid a total of \$31.1 million to contractors in 2014. Of this amount, \$7.6 million or 24.6 percent of the agency's total contracting dollars paid went to minority- and women-owned businesses, an increase of 21 percent from 2013.

Amounts paid reflect actual payments to contractors during the reporting year. This amount differs from the reportable awards amount due to timing differences between the year NCUA awards a contract and the year payments under the contract are made.

Total dollars paid to minority- and women-owned businesses in 2014 are shown in Figure 7.

Amounts Paid to Minority- and Women-Owned Businesses			
Minority- and Women-Owned Businesses Classification	Amounts Paid	Percent of Total Minority- and Women-Owned Businesses Paid	Percent of Total Contracts Paid
African American	\$85,731	1.1%	0.3%
Asian American	\$419,929	5.5%	1.3%
Hispanic American	\$218,894	2.9%	0.7%
Women	\$7,018,284	91.9%	22.6%
Totals Amount Paid	\$7,637,746		24.6%

Figure 7

Source: National Credit Union Administration

Note: Total amount paid excludes duplicate amounts for firms that are both minority-owned and women-owned.

Supplier Diversity Outcomes

NCUA’s improved 2014 supplier diversity levels came as a result of effective actions to support the program. Quarterly performance measurement and supplier diversity reports to individual program offices helped to keep managers abreast of the effects of their purchasing decisions and processes. In turn, this feedback translated into more thoughtful inclusion and consideration of minority- and women-owned businesses during the contracting solicitation process.

A summary of NCUA’s 2014 supplier diversity activities includes:

Expanding Participation in Larger Contracts

NCUA has a limited number of contracting opportunities available during any given year. During 2014, NCUA completed 403 reportable contracting actions totaling \$42.7 million. Additionally, the agency’s contracting volume is dominated by a fraction of its vendors. During 2014, the top 10 and 25 vendors by contract dollar volume captured 64 percent and 82 percent of contract awards, respectively.

At the same time, NCUA has significantly increased its inclusion of minority- and women-owned businesses amongst its top vendors. Two minority- and women-owned businesses appeared among the top 10 vendors in 2014 contributing 20 percentage points to the 64 percent in contract dollars awarded to this particular group.

Increasing Supplier Diversity Awareness

The creation of new procedures and upgraded systems to apply supplier diversity and capture diverse vendor data has translated into increased and broader awareness of the

program. Supplier diversity elements are now part of the agency's vendor registration form, as well as its purchase-requisition process.

The Division of Procurement and Facilities Management consistently echoes OMWI's message of supplier diversity and reinforces the agency's inclusion procedures in its operations. NCUA guidelines for inclusion of minority- and women-owned businesses during the contract-solicitation process have further encouraged an increasing number of inquiries from NCUA staff seeking referrals of qualified minority- and women-owned businesses to invite to the agency's contracting opportunities. This level of awareness on the part of NCUA staff reflects their understanding of OMWI's guideline that the higher the minority- and women-owned businesses inclusion, the higher the opportunities for awarding a contract to an minority- and women-owned businesses

The agency also promotes supplier diversity awareness through access to its program training. In 2013, OMWI, in collaboration with the Division of Procurement and Facilities Management, conducted a webinar that combined procurement and supplier diversity policies and procedures together. The webinar is readily accessible to NCUA staff for refresher and future training on the agency's intranet.

Strategies to Identify and Refer Minority- and Women-owned Businesses

Procurement-Related Events

NCUA has continued to engage with the minority- and women-owned business community through a series of procurement-related events at the local, regional and national levels. During 2014, NCUA attended the following events:

- 25th Annual Government Procurement Conference
- Federal Reserve Board of Governors Vendor Fair
- CelebrAsian 2014 Procurement Opportunity Conference
- Women's Business Enterprise National Council Annual Conference
- National Minority Enterprise Development Week Conference
- FDIC 2014 Technical Assistance Day
- National Minority Supplier Development Council Annual Conference
- Capital Region Minority Supplier Development Council

In 2014, NCUA added two additional events to its outreach calendar to expand opportunities for these businesses to come face-to-face with NCUA and to increase the agency's visibility and name recognition within the minority- and women-owned business community. These efforts have generated new vendor registrations and new contacts with interested minority- and women-owned businesses.

As part of its 2014 outreach efforts, NCUA also participated in events sponsored by OMWI offices at other agencies to leverage their connections with the broader minority- and women-owned business community.

In May 2014, for example, NCUA participated in a business opportunities fair sponsored by the Board of Governors of the Federal Reserve. In December 2014, NCUA's OMWI office participated in an FDIC-sponsored technical assistance event to educate minority- and women-owned businesses about how to do business with FDIC, as well as with other OMWI offices, and provide general guidance on federal procurement processes and opportunities. These two events highlight the value of all of OMWI offices working together to find new opportunities and to increase awareness of the OMWI brand.

Strategic Partnerships

During 2014, NCUA continued its successful collaboration with other OMWI offices as part of the OMWI Supplier Diversity Working Group. The working group consists of the supplier diversity analysts from each of the eight principal OMWI offices. The Supplier Diversity Working Group conducts meetings monthly to provide each agency with support in the supplier diversity planning and implementation process.

In 2014, the Supplier Diversity Working Group started exploring a joint technical assistance event to bolster the interagency OMWI brand. The working group is contemplating an event in partnership with technical assistance providers, such as the Procurement Technical Assistance Centers, Small Business Development Centers and Senior Corps of Retired Executives networks. This joint event could be held as early as 2015, or soon thereafter, upon review and approval from all participating OMWI Directors.

Supplier Diversity Accountability

NCUA's 2014 performance evaluation standards for NCUA senior executives included supplier diversity as part of the performance criteria. The evaluation calls for NCUA executives to meet NCUA's supplier diversity program by ensuring minority- and women-owned business bids are solicited and considered. In addition, *NCUA's Diversity and Inclusion Strategic Plan* also includes Priority 3.3, which calls for NCUA to "establish and implement vendor diversity strategies to increase the inclusion, participation and utilization of minority- and women-owned firms at the agency." Institutionalizing supplier diversity as part of the measurable daily behavior of agency executives lends some of the most critical support to the continued success of the agency's program.

Opportunities for Continued Improvement in 2015

The overall infrastructure to support supplier diversity at NCUA is advancing and progressing in a positive direction. As its supplier diversity initiatives are carried out throughout 2015, NCUA anticipates progress in the following areas:

Identifying Timing and Size of Contracting Opportunities

During 2014, OMWI started a process of building a forecast for 2015 contract opportunities by extracting projected contracting estimates from the 2015 agency budget. This forecast opens a window for OMWI to understand where advance contracting opportunities lie, and the volume and timing of these opportunities. With this advance information, OMWI can better focus its research to identify and refer the most competitive and qualified minority- and women-owned businesses to participate in upcoming agency opportunities.

As stated earlier, NCUA's top 25 vendors by contract volume perform 82 percent of agency contracts. In order to better the agency's supplier diversity inclusion and utilization results, NCUA is studying the nature of the contracts awarded to these vendors and identifying opportunities for qualified minority- and women- businesses to participate in this competitive process. Through a mix of procurement data analysis and direct one-on-one discussions with the most active program offices within NCUA, the agency hopes to identify new and greater opportunities for minority- and women-owned businesses in its contracting.

Improving Supplier Diversity Participation through Staff Education

Although supplier diversity awareness and practices have advanced at NCUA, the agency also seeks to increase its staff's capability to exercise supplier diversity. To that end, NCUA's supplier diversity training during 2015 will focus on providing the training and the tools for NCUA staff to become more engaged in the supplier diversity process.

This educational process will include instruction on how to research and identify qualified minority- and women-owned businesses for their contracting opportunities. Through this process, not only is supplier diversity awareness enhanced, but also the staff is empowered to take positive steps towards implementing supplier diversity within their own individual areas.

Asset Management and Assistance Center Business Diversity

NCUA's Asset Management and Assistance Center (AMAC) manages the liquidations of federally insured credit unions. AMAC acts as liquidating agent and is tasked with liquidating all assets and paying all fees and expenses to administer the liquidation estate.

Due to the nature and purpose of its activities, AMAC has specific policies and procedures in place to cover procurement and expenses for liquidations. This business activity is recorded within a separate system under different delegations than other agency operations.

AMAC's Mission

AMAC is responsible for limiting losses to the National Credit Union Share Insurance Fund, which insures the deposits of more than 99 million accountholders in federally insured credit unions. Based in Austin, Texas, AMAC operates throughout the United States. Liquidated credit unions may be located in small communities where there is limited availability of vendors to perform certain required services. AMAC must act in the hours and days following a liquidation to obtain needed services in support of its mission.

The liquidation process is a sensitive one in both time and confidentiality. It requires AMAC to move quickly to preserve assets and limit losses. There may not be sufficient time to identify the type and location of required liquidation-related services. As a result, AMAC's need to quickly and efficiently preserve credit union assets limits its ability to fully implement supplier diversity during these time-critical situations.

Additionally, many of AMAC's payments to contracted vendors are inherited and related to the contractual relationships that pre-date a federally insured credit union's liquidation. An existing vendor's performance and contractual relationship with the liquidated credit union is a major consideration in the selection of post-liquidation vendors. Whenever possible, however, AMAC considers supplier diversity in executing its mission.

AMAC's Minority- and Women-Owned Business Contracting

Throughout 2014, OMWI continued to work closely with AMAC to provide training and support to improve the practice of supplier diversity within its procurement process. Since 2012, AMAC has operated under a set of procurement instructions that incorporate supplier diversity, such as requesting OMWI support to identify minority-

and women-owned business to invite to procurement opportunities, and following guidelines to ensure inclusion of these businesses during the competitive solicitation process.

Throughout 2014, AMAC and OMWI continued to track AMAC’s supplier diversity results by generating quarterly reporting on AMAC’s vendor payments. This information provides AMAC with a better understanding of its performance and how its contracting decisions impact its supplier diversity program.

Reportable Amounts Paid to Contractors

In line with NCUA’s updates in reporting methodology, AMAC’s reportable amounts paid exclude amounts such as leases, payments to government entities and other non-contract-related business activities. As a result, the 2013 supplier diversity results have been restated to exclude these activities and make them comparable to 2014 results and beyond.

For 2014, AMAC paid vendors \$12.6 million in reportable contracting dollars. Minority- and women-owned businesses received \$340,451, or 2.7 percent of the total reportable contracting dollars paid. This total represents a decline of \$154,058 in dollars paid to minority- and women-owned businesses compared to 2013. Opportunities for vendor participation have declined as the number of credit union liquidations declined.

A breakdown of AMAC’s 2014 results are shown in Figure 8.

AMAC’s Amounts Paid to Minority- and Women-Owned Businesses			
Minority- and Women-Owned Businesses Classification	AMAC Amounts Paid	Percent of Total Minority- and Women-Owned Businesses Paid	Percent of Total Contracts Paid
African American	\$18,507	5.4%	0.15%
Asian American	\$4,325	1.3%	0.03%
Hispanic American	\$25,231	7.4%	0.20%
Women	\$313,741	92.2%	2.5%
Totals Amount Paid	\$340,451		2.7%

Figure 8

Source: National Credit Union Administration

Note: Total amount paid excludes duplicate amounts for firms that are both minority-owned and women-owned.

Asset Sales

As the liquidation arm of NCUA, AMAC sells the assets that remain following a failed credit union’s liquidation. As detailed in Figure 9, AMAC sold \$31.7 million in residential and commercial real estate-owned properties in 2014 and \$300,000 in other assets, such as loan portfolios, furniture and loan-participation interests.

Typically, real estate-owned properties are sold by real estate brokers in the open market. Other assets are usually sold first to credit union-related entities and then to other interested buyers.

AMAC’s Asset Sales (amounts listed in millions)				
Asset Type	Credit Union	Private Business	Individual Homebuyers	Total Amount
Real Estate-Owned Properties	\$0	\$21.2	\$10.4	\$31.7
Other Assets	\$0	\$0.3	\$0	\$0.3
Total Assets	\$0	\$21.5	\$10.4	\$32.0
Minority- and Women-Owned Businesses	N/A	\$4.0	N/A	\$4.0

Figure 9

Source: National Credit Union Administration

As in previous years, NCUA’s focus when reviewing asset sales activity is on minority- and women-owned businesses that purchased liquidated assets. NCUA excluded sales to individual homebuyers and credit unions from the minority- and women-owned business calculation. The results shown in Figure 9 are as follows:

- AMAC sold \$21.5 million in assets to private businesses in 2014.
- AMAC sold \$4 million in assets to minority- and women-owned businesses in 2014, which represents 18.6 percent of the total assets sold to private businesses.

During 2015, AMAC and OMWI will continue working together to identify and communicate with minority- and women-owned businesses about AMAC’s asset purchase opportunities and processes for disposing of these assets.

Improving Supplier Diversity Outcomes

AMAC’s 2014 supplier and asset buyer diversity results were mixed. Whereas payments to diverse firms receded from the previous year, AMAC’s business activity with asset buyers experienced a healthy increase. Notwithstanding the mixed results, both NCUA and AMAC continue to be committed to pursuing additional avenues to expand the diversity of both its vendor and asset buyer base.

A discussion of some of AMAC's most significant 2014 supplier diversity activities follows.

Continued Supplier Diversity Feedback Process

In 2014, the Office of Minority and Women Inclusion continued to provide AMAC with quarterly statistics and analysis of its supplier diversity program. Although its mission calls for procurement processes that differ from those at NCUA, the quarterly feedback on its supplier diversity results gives AMAC awareness of how its contracting decisions give shape to the diversity in its contracting. This information offers insights that OMWI and AMAC can share to identify opportunities in the future.

Automated Supplier Diversity Tracking Systems

In 2014, AMAC and OMWI completed the implementation of a purchase-request form designed to document and track AMAC's competitive contracting activity. The AMAC form is similar in style and content to NCUA's form, but customized to reflect AMAC's specific types of contracts and its own distinct contracting procedures.

AMAC launched the form as part of its supplier diversity reporting process on January 1, 2015. As the database is populated with the corresponding contracting information, the captured data will provide OMWI better information about AMAC's contracting process, and allow OMWI and AMAC to identify future opportunities for minority- and women-owned business inclusion and participation.

Continued Support to Increase Supplier Diversity Awareness

OMWI visited AMAC in May 2014, to provide an update on both NCUA and AMAC supplier diversity statistics. During the one-day training meeting, OMWI presented both NCUA and AMAC's supplier diversity results for 2013. Additionally, OMWI shared the details and status of the AMAC purchase request form's pre-implementation project, and provided training in conducting user-acceptance testing during the development phase of the system.

Throughout 2014, OMWI has responded to several requests for minority- and women-owned business referrals. Ongoing collaboration between the two offices continues to yield increased supplier diversity opportunities.

Continued Support for Supplier Diversity Accountability

Since 2013, supplier diversity has been part of the performance evaluation of AMAC's senior executives. Similar to NCUA, performance appraisals call for AMAC executives to meet NCUA's supplier diversity program by ensuring minority- and women-owned business bids are solicited and considered.

The agency-wide inclusion of supplier diversity in the 2014 and 2015 senior management performance standards is one of the most significant efforts in enhancing performance accountability in this program.

Opportunities for Continued Improvement in 2015

The overall infrastructure to support supplier diversity at AMAC is progressing in a positive direction. As its supplier diversity initiatives are carried out in 2015, AMAC increases the opportunities to improve its supplier diversity program standing. NCUA anticipates progress in the following areas in 2015:

Increase Supplier Diversity by Targeting Larger, Recurring Contracts

OMWI is in the process of analyzing AMAC contracting data from 2012 through 2014 to identify recurring contracting opportunities, with a focus on larger dollar contracts. An in-depth analysis of AMAC's contracting patterns will aid in determining where opportunities might exist. Thereafter, AMAC can target specific contracts for competition, while including qualified minority- and women-owned businesses to participate in the opportunity. Successfully deploying this strategy could translate into stronger supplier diversity gains in 2015.

Review Opportunities in Large Concentrations of Contract Awards

An additional supplier diversity strategy available to AMAC is to focus on the top tier of its vendors by dollar volume. In 2014, the top 25 vendors by dollar volume captured 75 percent of AMAC's contract dollars. OMWI and AMAC can jointly identify minority- and women-owned businesses that can compete for and perform the scope of work currently being performed by some of the top 25 vendors. As these opportunities become available for competition, more minority- and women-owned businesses can become part of the contract competitive process.

Improve Supplier Diversity Data Capture

AMAC started the implementation of its new purchase-request tracking system in January 2015. The initial parameters for this system are limited to the capture of AMAC's contracts entering a competitive process, such as contracts in excess of \$50,000. As this contracting information is entered into the system, OMWI and AMAC will be able to analyze contracting trends and awards decisions to find new ways to improve supplier diversity within the procurement process.

Regulated Entities Diversity

Regulated Entities

Section 342 (b)(2)(C) of the Dodd-Frank Act requires NCUA to develop standards for assessing the diversity policies and practices of entities regulated by the agency.

NCUA's regulated entities consist of 6,273, federally insured credit unions as of December 31, 2014. These entities include 3,927 federally chartered credit unions and 2,346 state-chartered credit unions that are federally insured by NCUA. Figure 10 illustrates the composition of the regulated entities by total asset size.

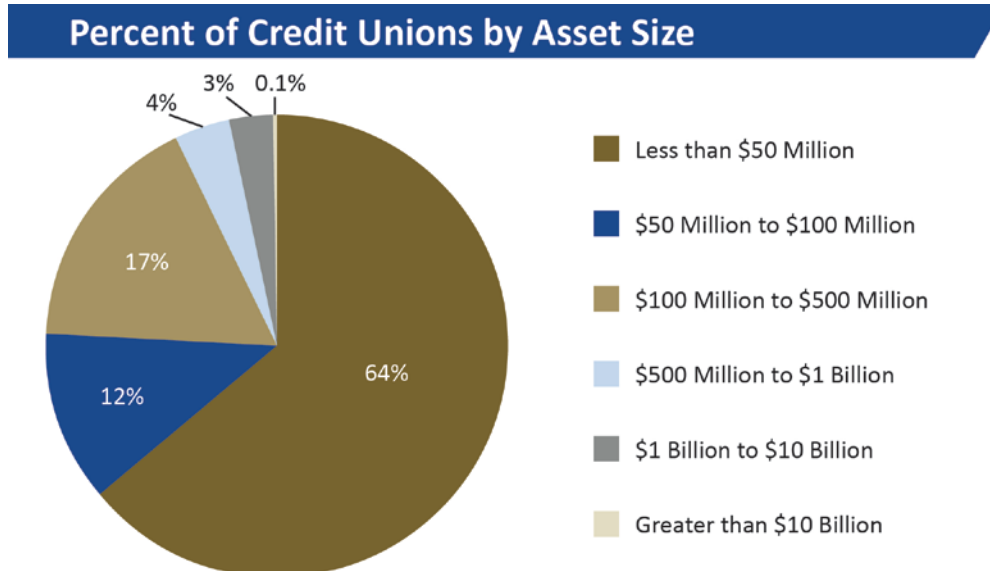


Figure 10

Source: NCUA Call Report Data

Most federally insured credit unions are small in terms of asset size. NCUA presently defines a small credit union as one with assets of less than \$50 million. An aggregate of 4,050 credit unions, representing approximately 64 percent of federally insured credit unions, have total assets of less than \$50 million. In comparison, the largest credit unions—those with total assets exceeding \$1 billion—total 227 and represent only three percent of all federally insured credit unions. Out of these 227 credit unions, there are only five credit unions that have total assets exceeding \$10 billion, representing approximately 0.1 percent of all federally insured credit unions.

In conjunction with a small asset size, most federally insured credit unions have limited human capital resources. Figure 11 shows credit unions with less than \$50 million in

assets, totaling 4,050, have only 23,160 employees. Of this group, 23 percent of the employees work part-time.

Federally Insured Credit Unions' Employment by Asset Size				
Asset Size	Number of Credit Unions	Full-time Employees	Part-time Employees	Total Employees
Less than \$50 Million	4,050	17,767	5,393	23,160
\$50 Million–\$100 Million	734	15,236	2,236	17,472
\$100 Million–\$500 Million	1,039	63,553	7,163	70,716
\$500 Million–\$1 Billion	223	38,283	3,954	42,237
\$1 Billion–\$10 Billion	222	87,651	9,181	96,832
Greater than \$10 Billion	5	20,073	1,494	21,567
Totals	6,273	242,563	29,421	271,984

Figure 11

Source: NCUA Call Report Data

Overall, employees at credit unions with less than \$50 million in assets represent just 8.5 percent of the 271,984 total employees of all federally insured credit unions. Also, the median number of workers for these types of credit unions is three full-time equivalent staff. As a result, there is a limited opportunity to affect the diversity of the system's workforce.

Using December 31, 2014, Call Report data, Figure 12 shows the percentage of credit unions falling within various total employment levels.

Percent of Credit Unions by Total Employees

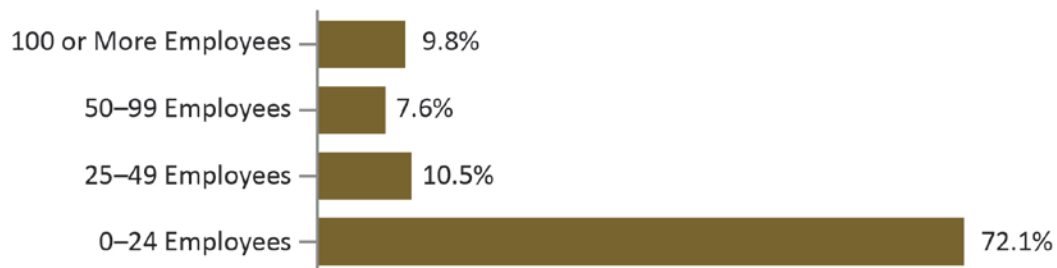


Figure 12

Source: NCUA Call Report Data

A total of 5,179 credit unions, representing 83 percent of all federally insured credit unions, have total employees of 49 or less, and 10 percent, or 617 credit unions, have total employees of 100 or more.

As illustrated in Figure 13, even though only 10 percent of all federally insured credit unions have 100 or more employees, these credit unions represent 68 percent of the total (271,902) employees working at all federally insured credit unions.

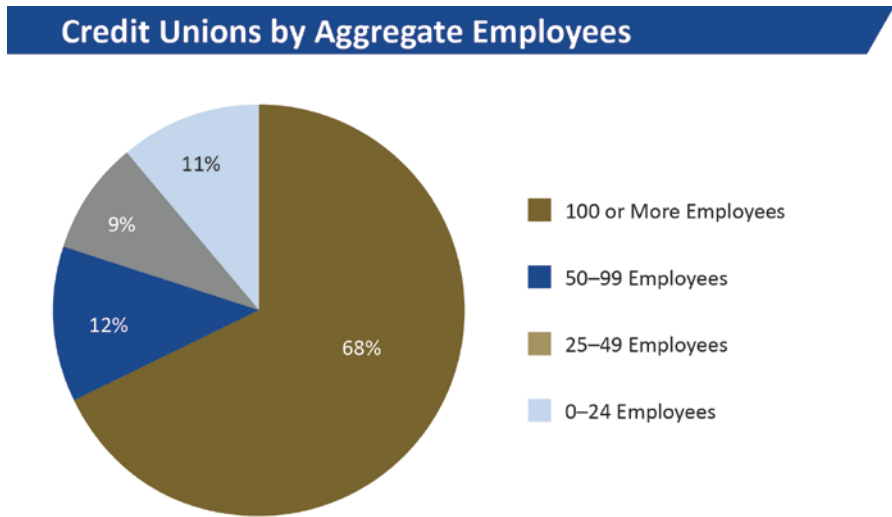


Figure 13

Source: NCUA Call Report Data

Furthermore, if we consider credit unions with 50 or more employees, these credit unions represent 80 percent of the total (271,902) employees in all federally insured credit unions. Because these credit unions employ a majority of all federally insured credit union employees, an analysis of their workforces can be used to illustrate diversity levels within the credit union system.

Diversity Assessment Standards

The OMWI directors from the National Credit Union Administration, Federal Deposit Insurance Corporation, Federal Reserve Board, Office of the Comptroller of the Currency, Securities and Exchange Commission, and Consumer Finance Protection Bureau collaborated, in 2013, to develop a [Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities](#).

The proposed standards are intended to promote transparency and awareness of diversity policies and practices within regulated entities. They also will provide guidance for assessing these policies and practices when implemented. The assessment standards cover four key areas:

- Organizational commitment to diversity and inclusion,
- Workforce profile and employment practices,

- Procurement and business practices and supplier diversity, and
- Practices to promote transparency of organizational diversity and inclusion.

NCUA's [2012 OMWI Congressional Report](#) highlights numerous meetings that were held to solicit the perspectives of external stakeholders. In drafting the standards, the agencies took into consideration varying circumstances of the regulated entities, such as asset size, number of employees, governance structure, income, number of members or customers, contract volume, location and community characteristics.

To inform federally insured credit unions about the proposed policy statement and to encourage them to comment, NCUA held a public briefing at the October 24, 2013, open Board meeting. The proposed policy statement was initially published in the *Federal Register* on October 25, 2013, and was available for a 60-day comment period.

In an effort to ensure adequate time for interested parties to share their views, the agencies extended the comment period to February 7, 2014. As of the writing of this annual report, the agencies were finalizing the interagency policy statement.

Employer Information Reports

The Equal Employment Opportunity Commission (EEOC) requires certain employers to submit an Employer Information Report (EEO-1 Report) containing employee data by job category and by ethnicity, race, and gender to the EEOC and Office of Federal Contract Compliance by September 30, of each year.

Typically, EEO-1 Reports must be prepared and submitted by:

- Employers who have 100 or more employees; or
- Employers with 50 or more employees; and that:
 - Have federal government contracts of \$50,000 or more; or
 - Serve as a depository of government funds of any amount (public unit accounts); or
 - Serve as an issuing or paying agent of U.S. Savings Bond or Notes.

EEOC reviews and analyzes the data prior to releasing the information to the public. At the time of drafting this report, the EEOC had not yet released the September 30, 2014, data. Instead, OMWI conducted a review of the reported credit union data for 2013.

2013 Credit Union EEO-1 Reports

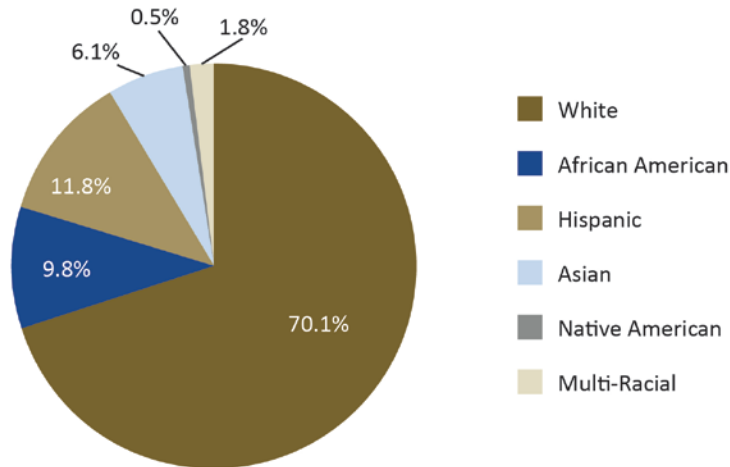


Figure 14

Source: U.S. Equal Employment Opportunity Commission

Civilian Labor Force

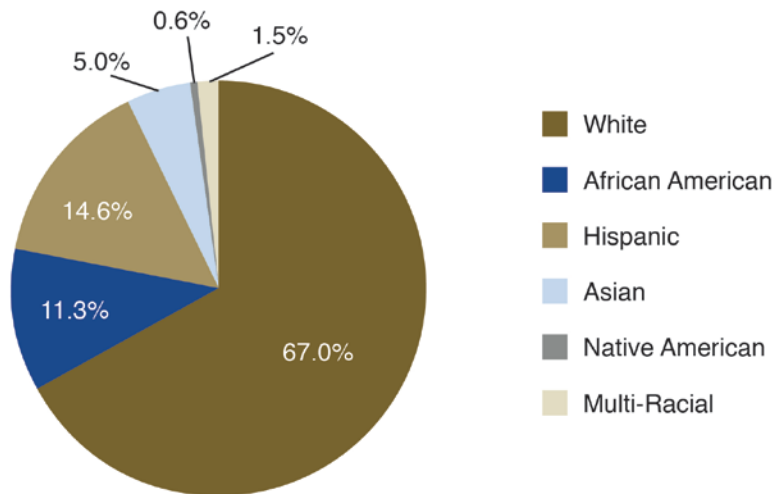


Figure 15

Source: U.S. Census Bureau

Figure 14 illustrates the workforce demographics of credit unions that submitted EEO-1 Reports to the EEOC as of September 30, 2013. Figure 15 shows the demographic composition of the national Civilian Labor Force.

A comparison of the two pie charts reveals:

- African Americans comprise 9.8 percent of the total employees at covered credit unions, compared to 11.3 percent nationally.

- Hispanics comprise 11.8 percent of the total employees at covered credit unions compared to 14.6 percent nationally.
- Asians (combined with Hawaiians and Other Pacific Islanders) comprise 6.1 percent of the total employees at covered credit unions compared to 5.0 percent nationally.
- Native Americans comprise approximately 0.5 percent of the total employees at covered credit unions compared to 0.6 percent nationally.

This data indicates the workforces of credit unions that reported generally resemble the diversity of the nation's population. Regarding gender, the EEO-1 Report data continues to reveal women comprise about 70 percent of the workforce at covered credit unions, compared to 47.2 percent of the national Civilian Labor Force.

Opportunities for Continued Improvement in 2015

Opportunities for continued improvement in the diversity of the workforces of federally insured credit unions include the following.

Diversity Standards

NCUA will continue to work diligently with the interagency OMWI working group to finalize the proposed Interagency Policy Statement. NCUA also will educate credit unions about the final standards once they are adopted. The agency plans to develop a tool, such as a questionnaire or a checklist, to assist credit unions in using the standards as guidance in assessing their own diversity policies and practices.

NCUA will encourage all credit unions to implement the proposed diversity standards to the greatest extent possible, in order to have their workforces and contracts reflect the diverse communities and field of memberships they serve.

Employer Information Reports for Credit Unions

NCUA reviewed the 2013 EEO-1 data and found that additional education on the appropriate preparation of EEO-1 Reports is needed. Again, the agency compared the total employees reported to EEOC for 2013 against the Call Reports for credit unions having more than 100 employees for the same period and the difference was considerable.

To remind credit unions of their reporting responsibilities, NCUA added an EEO-1 filing question to its quarterly Call Report form. As indicated in Figure 16, the data shows a steady improvement in the number of credit unions filing the EEO-1 Report.

Credit Unions Filing EEO-1 Reports

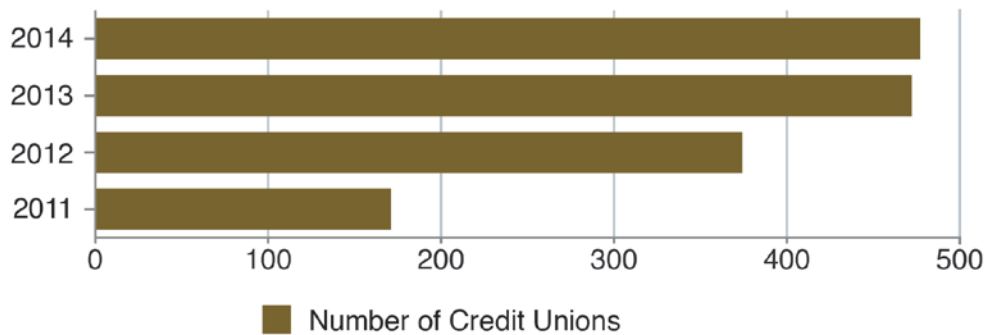


Figure 16

Source: NCUA Call Report Data

Call Reports indicate the total number of credit unions filing an annual EEO-1 Report has steadily increased from 171 credit unions in 2011 to 477 credit unions in 2014. The 477 credit unions filing reports represent just 77 percent of all (617) federally insured credit unions with 100 or more employees. For this reason, NCUA will continue educating credit unions on the appropriate filing requirements of the EEO-1 Form. The agency also will further its relationship with EEOC to enhance the accuracy of the reporting for NCUA's regulated entities.

Encouraging Diversity in the Face of Field of Membership and Geographic Restrictions

Federally insured credit unions generally serve specific geographic service areas, as defined by their charter and fields of membership. Credit unions are limited to the demographics of those areas, which may, or may not be diverse—especially those located in rural areas. Even so, many credit unions currently have diversity programs in place. Call Reports show that 371 credit unions required to file an EEO-1 Report have a diversity program as of December 31, 2014. These credit unions represent 60 percent of all (617) federally insured credit unions with 100 or more employees.

NCUA will work collaboratively and creatively to encourage these credit unions to incorporate initiatives that reflect the diverse nature of their membership.

Financial Literacy Outreach

Section 342(f)(5) of the Dodd-Frank Act requires NCUA to take affirmative steps to seek diversity in the workforce at all levels of the agency. Where feasible, such steps shall include partnering with inner-city high schools, girls' high schools, and high schools with majority minority populations to establish or enhance financial literacy programs and provide mentoring.

NCUA has taken several steps to promote financial literacy within the credit union system and general public. Advancing financial literacy is a top priority for NCUA and is a core mission for credit unions. NCUA's financial literacy initiatives are coordinated through NCUA's Office of Consumer Protection. A few highlights of the 2014 initiatives follow.

Commemorated the 80th Anniversary of the Federal Credit Union Act

NCUA released a public service announcement-style video educating consumers about the unique features of credit unions and the benefits of joining a credit union. The video documents the history of the credit union system and its mission of promoting thrift. The video also included a message from NCUA Chairman Debbie Matz thanking credit unions for promoting 80 years of thrift and responsible credit use.



Chairman Debbie Matz thanks credit unions for promoting 80 years of thrift and responsible credit use in NCUA's [80th anniversary video](#).

Additionally, the agency released a two-page flyer describing resources and tools available through NCUA's official consumer protection website, MyCreditUnion.gov.

Established New National Financial Literacy Collaboration with AARP

NCUA signed a [memorandum of understanding with AARP](#). Through this collaboration, NCUA and AARP will work together on a series of initiatives aimed at promoting financial education and outreach, helping consumers achieve financial security and increasing access to responsible and affordable financial services.

Featured NCUA's *Hit the Road* Game on Key Websites

NCUA increased awareness of its youth financial adventure game called [Hit the Road](#). The game is now available on the Jump\$tart Coalition's Personal Financial Literacy Clearinghouse, a premier online library of financial education resources for teachers, parents, caregivers and anyone committed to improving the financial knowledge of students. Also, the game was featured on the Department of Education's [Federal Registry for Educational Excellence](#) website, which provides educational resources for teachers, parents and caregivers.

Hosted Webinar on Financial Literacy for National Financial Capability Month

NCUA hosted its inaugural financial literacy webinar entitled "Financial Literacy: Putting Your Mission into Action" for National Financial Capability Month, which runs throughout April. The webinar informed credit unions on financial literacy initiatives, resources and opportunities available from NCUA, other federal government agencies and non-profit groups. Panelists included representatives from the U.S. Department of the Treasury, the Consumer Federation of America, and the National Credit Union Foundation.



Gail Laster, Director of the Office of Consumer Protection, preparing for an online financial literacy event.

Hosted NCUA's Inaugural Twitter Chat Series

NCUA hosted a Twitter chat with credit unions and other participants in support of America and Military Saves Week in February 2014. The agency hosted a second Twitter chat in April for National Financial Capability Month. During the Twitter chat, credit unions shared their financial literacy and outreach best practices and engaged with individuals and other organizations on financial literacy matters.

Participants in 2014 NCUA Twitter chats series included the Credit Union National Association, *Credit Union Journal*, *Credit Union Times*, *CUNA News Now*, National Credit Union Foundation, *Nerd Wallet*, as well as a number of other organizations and individuals as shown below.

Increased Agency Financial Literacy Outreach

In 2014, NCUA attended over 60 financial literacy events and meetings to increase awareness of NCUA's financial literacy policy, programs and resources. Outreach events included:

- AARP-SBA “Financing Your Small Business” Webinar,
- AARP Ideas at 50+ Conference,
- Carolinas Credit Union League Financial Education Summit,
- Consumer Federation of America’s National Savings Forum,
- Council for Economic Education Annual Financial Literacy and Economic Education Conference,
- Department of Defense Military Saves Financial Readiness Fair at the Pentagon,
- Federal Communications Commission’s Consumer Information Expo,
- Financial Literacy Day on Capitol Hill,
- Jump\$tart National Educator Conference, and
- National Consumer Protection Week Congressional Fair.

Participated in National Outreach Campaigns

NCUA participated in the following national campaigns and initiatives to promote its financial literacy resources as well as encouraged credit unions to participate in the events:

- 80th Federal Credit Union Act Anniversary,
- America Saves Week,
- Military Saves Week,
- National Consumer Protection Week,
- National Financial Capability Month,
- Older Americans Month,
- Make a Difference Day, and
- International Credit Union Day.

Participated as a Twitter Chat Panelist with an Online Personal Finance Resource

NCUA participated in a Twitter chat with *Nerd Wallet* to discuss how credit unions are helping high school and college students become financially independent.

Integrated MyCreditUnion.gov in the Community Financial Education Project

NCUA’s financial literacy and consumer protection website, MyCreditUnion.gov, was included in the online version of the Consumer Financial Protection Bureau’s Community Financial Education Project. Through this project, CFPB works with public libraries across the country to help them provide free financial information. The goal of this initiative is to make libraries vital financial education hubs in communities across the country.

Engaged Consumers and Credit Union Industry with Educational Videos

The agency expanded its [NCUA Consumer Report](#) and [NCUA Consumer Protection Update](#) video series to educate and inform consumers and credit unions about important consumer protection matters. In total, NCUA released four new videos on its [YouTube Channel](#) and [MyCreditUnion.gov](#) featuring topics such as elder financial abuse, fraud, and credit union services. Collectively, the videos have received over 13,000 views since their launch.

Updated Share Insurance Products

NCUA overhauled its [Share Insurance Estimator](#) and [Share Insurance Brochures](#). The Share Insurance Estimator, formally known as the E-Calculator, and the brochures, were provided in both English and Spanish. These updated products provide credit unions and consumers with the most updated information in a format that is simple and easy to understand.

NCUA also released a Spanish-version of its [Your Insured Funds](#) brochure in 2014.

Participated on the Financial Literacy and Education Commission

The agency continued to support the U.S. National Strategy on Financial Literacy through NCUA's own strategic goals and through participation on the Financial Literacy and Education Commission. NCUA attended the Commission's "Starting Early for Financial Success" public gatherings and actively contributed to the work on commission's groups, including the Child and Youth, Early Career, and Post-Secondary committees.

Participated on the American Savings and Education Council

As a member of the American Savings and Education Council, a non-profit organization and national coalition of public and private-sector institutions focused on savings and retirement planning, NCUA participated in meetings to share financial literacy ideas and best practices. The Office of Consumer Protection also represented NCUA in the council's Government Interagency Group, a working group of program-level staff from federal agencies focused on financial literacy.

Partnered with the Department of Education and Federal Deposit Insurance Corporation

NCUA continued to partner with the U.S. Department of Education and the FDIC to increase access to safe, affordable and convenient bank and share accounts to students and their families.

