NCUA
Diversity, Equity and Inclusion Program Update

April 21, 2022
Office of Minority and Women Inclusion

• Established by Section 342 of the Dodd-Frank Act
  – Requires federal financial regulatory agencies to report annually on successes, challenges for prescribed diversity standards

• Calls for the development of standards for:
  – Financial regulators’ workforce and supplier diversity
  – Assessing the diversity practices of regulated institutions
Focus of this Presentation

• NCUA Diversity Equity and Inclusion Review
  – Agency’s Commitment
  – Workforce Diversity
  – Supplier Diversity
  – Credit Union Diversity Program

• NCUA Minority Depository Institution Program

• NCUA Opportunities in DEI
Agency’s Commitment

• Chairman’s annual policy statements
  – Diversity and Inclusion
    • Commitment to:
      – Leveraging the power of diversity in our workforce and supplier base,
      – Encouraging diversity throughout the credit union system, and
      – Creating an inclusive culture where differences are valued and where our staff feels a sense of belonging.
  – Equal Employment Opportunity
    • Commitment to:
      – Prohibiting discrimination, harassment or retaliation of any kind, and
      – Enforcing equal employment opportunity laws whenever employees make claims regarding these prohibited practices.
Impact of Diversity, Equity and Inclusion

• Our agency commitment is rooted in our obligation to realize the full potential of all Americans and the skills, ideas and innovations that they bring to bear.

• We hold diversity, equity and inclusion as a best practice in organizations.

• DEI offers credit unions a competitive advantage.
NCUA Diversity, Equity and Inclusion Program

WORKFORCE DIVERSITY
NCUA Workforce Highlights

- Women represented 43% vs. CLF* of 48% of the entire workforce.
  - 42.3% of managers and 46.8% of all executives
- Minorities represented 31.2% vs. 27.6% of the entire workforce.
  - 20.3% of managers and 21.3% of all executives
- 43% of new hires were women, whereas 42% were minorities.
- NCUA exceeded federal goals for People with Disabilities (12%) and People with Targeted Disabilities (2%) by 5.4% and 2.5%, respectively.

* Representation is compared against the Civilian Labor Force (CLF)
Workforce Diversity Strategies

• **Targeted recruitment outreach strategies**
  – Recruitment outreach working group
  – Attending virtual colleges and universities’ career fairs, including Historically Black Colleges and Universities and Minority Serving Institutions
  – Career fairs for diverse professionals
  – Social media outreach
  – Direct email to opt-in job seekers interested in NCUA
  – Schedule A, Workforce Recruitment Program, Gallaudet University outreach for disabilities

• **Internships for colleges and high school students**

• **Print advertising in high circulation magazine**
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INCLUSION PRACTICES
Workforce Inclusion Strategies

- Engaged Employee Resource Groups
- Active Culture, Diversity and Inclusion Council
- Special emphasis programs
- Inclusion speaker panels and discussions
- Training and development on inclusive behaviors and strategies
- Mentor program
- Focus on building a sense of belonging
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SUPPLIER DIVERSITY
Diversity in Contract Awards

- **NCUA awarded 37% of reportable contract dollars** ($28.3M) to minority- and women-owned businesses (MWOBs) in 2021.
  - Increase from 33% reported in 2020
  - IT-related requirements comprise majority of contracting awards ($21.3 million) to MWOBs.
  - Accounting / financial management / facilities management contracts accounted for $3.2 million in contracts to MWOBs.

* Excludes office leases, payments associated with real property (e.g., owner association fees, parking), hotel, and other space rental expenses, utilities, taxes, and government payments.
Vendor Inclusion Strategies

• Key partnership with the CFO’s Office as part of the acquisition process, including the NCUA Acquisition Policy Manual requirements

• Proactive vendor outreach as a part of agency’s market survey process for new acquisitions

• Good Faith Efforts
  – Required by Section 342 of Dodd-Frank Act
  – Applies to solicitations and contracts greater than $100,000 in total estimated value
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INDUSTRY DIVERSITY
NCUA Credit Union Diversity Self-Assessment

- Agency encourages voluntary participation
- Assesses five broad standards (qualitative) to assess diversity
- 240 submissions in 2021 (28% increase over 2020)
  - 133 federal credit unions
  - 107 federally insured, state-chartered credit unions
- Data reported solely in aggregate; data is confidential
  - Data is never shared internally or externally

3,100 Federal Credit Unions
1,842 State-chartered credit unions
Diversity Self-Assessment Benefits

• For credit unions, the self-assessment is a:
  – Baseline tool to start DEI journey & leverage DEI
  – Way to identify opportunities to support DEI efforts
  – Path to a competitive advantage by leveraging DEI
    • Improve the odds of outperforming the competition
    • Attract and leverage unique skills of a diverse workforce that represents the communities served
    • Improve access to innovation in products and services
    • Foster growth by tapping underserved markets and fully include the field of membership
## Diversity Self-Assessment Responses

### Diversity Self-Assessment Standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>2021 Affirmative Responses</th>
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<tbody>
<tr>
<td>1. Leadership and organizational commitment to diversity and inclusion</td>
<td>213</td>
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<td>2. Workforce profile and employment practices</td>
<td>213</td>
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<td>3. Procurement and business practices – supplier diversity</td>
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<td>4. Transparency of organizational diversity and inclusion</td>
<td>160</td>
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<td>5. Monitoring and self-assessment of diversity policy and practices</td>
<td>133</td>
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<th>Count of CUs Selecting “Yes” to at least one element of the standard</th>
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<td>240 Total CUs</td>
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Credit Union Engagement Strategies

- **2021 DEI Summit (virtual)**
  - 20 DEI / financial inclusion sessions for credit unions
    - Videos of sessions available at NCUA.gov
  - 800+ industry attendees
    - 85% found the summit useful
    - 90% would recommend the summit to others
    - 94% report they will attend again

- **Focus on Supplier Diversity**
  - NCUA supplier diversity webinar and guidebook

- **Industry support**
  - Credit Union DEI Collective
NCUA Minority Depository Institution Preservation

UPDATE
Small and MDI Support Program

- 7,600 hours designated for assistance outside of the regular exam and supervisory process.
- Examiners will provide resource support on items such as:
  - Business and Marketing Plans
  - Analyzing operating expenses for reasonableness and budget impact
  - Considering field of membership and growth opportunities
Research

• NCUA has procured two research projects
  – New Charter Modernization and New Charter, MDI Supervision and Examination
  – MDI Preservation

• Recommendations from the research projects will shape:
  – MDI Preservation Program
  – MDI and New Charter Supervision and Examination program

• New Charter Application Guide
MDI Location

• Credit Union Locator Tool

NCUA’s Credit Union Locator is designed for consumers and the credit union system.

Search a credit union by address, credit union name, or charter number. Select a credit union from your search results and view basic information. Browse the Locator’s companion tool, Research a Credit Union for detailed information. Note: Credit Union data is refreshed within two business days.
• Modified the Merger Partner Registry Report to Identify MDIs

• Developing a Credit Union Resource page
  – Identify Mentor Credit Unions
  – Identify Resources for Credit Unions

• Establishing MDI Peer Metrics
Impact

• MDI Impact Measurements
NCUA Diversity, Equity and Inclusion Program

OPPORTUNITIES
Build Culture of Inclusion

• Analyze agency/industry data
  – Identify and address barriers to diversity, equity, and inclusion

• Establish desired end state and deliver data-driven program to achieve results
  – Enhance leader competence
  – Increase employees’ sense of belonging
  – Sustain internal NCUA inclusion programs
  – Expand recruitment outreach

• Communicate DEI strategically in agency and credit union system
2022 NCUA Summit

November 2 - 3
Location TBD

• DEI and ACCESS content
• Recommended for credit union leaders, DEI champions, and industry practitioners
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