

NATIONAL CREDIT UNION ADMINISTRATION
Office of Minority and Women Inclusion
Congressional Report 2015



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Message from Debbie Matz

Board Chairman National Credit Union Administration



I am pleased to present the fourth annual report to Congress from NCUA's Office of Minority and Women Inclusion. This report is required by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Creating a more diverse and inclusive workforce has been one of my priorities since becoming NCUA's Chairman in 2009, so I place great importance on fulfilling the letter and the spirit of Section 342. This commitment extends to other areas of the agency's activities, as well, such as our procurement process and the promotion of greater diversity within credit unions.

In this spirit, NCUA is committed to furthering its efforts in recruitment, leadership development, employee empowerment and procurement. In addition to the Dodd-Frank Act's requirements, we recognize this is also good public policy and business practice.

As detailed within this report, we have improved in our efforts to hire a more diverse workforce. During the last two years, we have seen a rise in the percentage of minorities who make up new hires, particularly new hires of senior staff. In 2015, minorities made up 35 percent of new hires overall increasing from 31 percent in 2014. Minorities also made up 25 percent of new hires of senior staff in 2015. Additionally, women accounted for 50 percent of the new senior staff hires in 2015.

Still, we recognize that NCUA needs to do more. Moving forward in 2016, NCUA will institute an education and awareness campaign to build the case that diversity—coupled with inclusion—

should be a strategic business imperative for both our agency and the credit unions we regulate. We are also pursuing other initiatives that sustain or build upon the changes we have made within the agency, such as chartering employee-resource groups, establishing an employee mentor program, focusing on inclusive leadership and amending the charter of the agency's Diversity Advisory Council to include more senior executive representation.

Diversity and inclusion make good business sense for credit unions, which are in the business of helping their members. Credit union employees, managers and board members who reflect the fields of membership they serve allow credit unions to better understand and serve those communities.

Finally, credit unions are often the only source of affordable, federally insured financial services for many underserved communities. Assisting credit unions to better serve all segments of their communities ultimately strengthens credit unions, by building a more diverse and vibrant membership base. In this way, greater diversity and inclusion goes hand-in-hand with achieving NCUA's overarching mission of ensuring a safe and sound credit union system.

Through these efforts, we will continue to demonstrate our commitment to diversity and inclusion within our workforce, contracting activities and the credit unions we regulate. Our goal is for our diversity efforts to serve as the leading example within the credit union system and beyond.

Sincerely,

A handwritten signature in black ink that reads "Debbie Matz". The signature is written in a cursive, flowing style with a large, prominent initial "D".

Debbie Matz
Chairman

Message from Monica Davy

Director
Office of Minority and Women Inclusion



As the new director of NCUA's Office of Minority and Women Inclusion, it gives me great pleasure to present this report. I am both excited and hopeful about the progress NCUA has already made under the direction of Chairman Matz, the NCUA Board and NCUA's leadership team. I look forward to building upon NCUA's commitment to diversity and inclusion.

We can only be successful if OMWI's goals align with NCUA's goals. I am grateful for the steadfast support from the Chairman, who has been committed to diversity and inclusion even before Congress enacted the Dodd-Frank Act. In implementing these goals, OMWI works diligently with many NCUA offices. This past year, OMWI created the following strategic partnerships with NCUA offices to ensure the entire agency is championing OMWI goals:

- Our partnership with the Office of Human Resources has allowed us to make strides in increasing workforce diversity.
- Our goal to integrate supplier diversity into the procurement process has been furthered through strong collaboration with the Office of the Chief Financial Officer.
- The Office of Small Credit Union Initiatives has been a dedicated partner in providing assistance to minority depository institutions.
- The Office of Consumer Protection has contributed to advancing financial literacy in diverse populations.

These are just a few examples of the tremendous support that makes OMWI's progress possible.

OMWI has established and grown its programs for workforce and supplier diversity, minority depository institution, and agency inclusion. Still, more work needs to be done. I believe that broadening OMWI's strategic focus in two particular areas will allow NCUA to be even more successful in the years to come by building a business case for diversity and for intentional inclusion.

The Business Case for Diversity

If organizations are going to evolve, it is critical for their leaders to understand the value proposition for diversity. Leaders who, and organizations and businesses that understand how diversity can actually help sustain and grow their business will commit to diversity because it is the smart thing to do, and they recognize a bottom-line advantage to leveraging diversity. In other words, differences make a difference.

Whether it's tapping into the different skills and perspectives of our employees to solve business challenges, or representing the diverse populations we are trying to reach, diversity in our workforce makes NCUA a more effective regulator. Whether it's having diverse suppliers to drive competitive pricing and find innovative solutions, or to capture new market segments, supplier diversity will improve NCUA business activities. And finally, diversity is inherently part of the credit union difference. Diversity in credit union boards, management teams and employees allow credit unions to better serve their diverse members.

In order to further OMWI's focus on promoting the business case for diversity in all of our program areas, we created a new position and will soon hire a diversity communications specialist focused on communicating the business case for diversity internally and externally. We will also have an outreach campaign to gain support within the credit union system—#CUsforDiversity.

Intentional Inclusion

Inclusion is an integral part of making diversity successful in business. In the diversity field, there is well-known saying: "Diversity is the mix, inclusion is making sure the mix works." I truly believe that diversity without inclusion can unwind all of the potential success diversity brings to an organization. If you don't intentionally include, then you will unintentionally exclude.

As an organization, we will intentionally and strategically focus on inclusive leadership. The agency's desire to promote inclusion is so strong that one of NCUA's performance goals in the draft [2017–2021 Strategic Plan](#) is to "promote inclusive leadership that values and leverages diverse perspectives."

Our next step toward creating a more inclusive environment is to roll out training on unconscious bias. My hope is that by the end of the year, every person within NCUA—from the leadership team to every hiring official—will understand what unconscious bias is and will be equipped to check his or her bias before making decisions or interacting with each other. Such a level of awareness will allow

leaders to be more inclusive, thereby creating a more inclusive culture at NCUA and helping us to retain our diverse talent.

My hope is that NCUA's commitment to diversity and inclusion is evident from the progress we have made and from our goals for moving forward in the future. I look forward to an exciting year of continued progress and success.

Sincerely,

A handwritten signature in black ink that reads "Monica Davy". The signature is written in a cursive style with a large, decorative flourish at the end of the word "Davy".

Monica Davy
OMWI Director

Executive Summary

This report highlights the National Credit Union Administration's initiatives and actions towards achieving a culture of diversity and inclusion in its workforce, business activities and regulated entities, and the agency's financial literacy outreach for the 2015 reporting year.

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 102 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 1,220 employees onboard as of December 31, 2015.

Office of Minority and Women Inclusion

NCUA's Office of Minority and Women Inclusion (OMWI) is responsible for all matters relating to measuring, monitoring and establishing policies for diversity in

the agency's management, employment and business activities. The office is also responsible for measuring, monitoring and providing guidance about diversity for NCUA's regulated entities, excluding the enforcement of statutes, regulations and executive orders pertaining to civil rights.

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

In 2015, the NCUA Board voted unanimously to restructure its OMWI to have the OMWI director serve as the agency's director of Equal Employment Opportunity (EEO) and report to the NCUA Board Chairman. This action was the result of merging the EEO program into OMWI, but the lack of a permanent director delayed the completion of the restructuring. This restructure moves the responsibility of the EEO program from the Executive Director to the OMWI Director, which is consistent with the letter and spirit of the Dodd-Frank Act.

Workforce Diversity

A diverse workforce is rich with unique backgrounds, skills, talents, perspectives and ideas. When that diversity is leveraged in an inclusive organization, it makes NCUA a more effective regulator.

NCUA has been committed to increasing diversity in its workforce long before it was

mandated by Dodd-Frank. When Chairman Matz arrived at NCUA in 2009, she made workforce diversity a priority. As such, diversity hiring has grown to 35 percent in 2015 for minorities, and women accounted for 50 percent of senior staff hires in 2015. NCUA remains committed to increasing the diversity of its workforce. The agency is mindful, however, that there are opportunities for improvement.

While NCUA's new hires are more diverse, an analysis of overall workforce data from 2012 to 2015 reveals that there has not been a significant increase in the diversity of NCUA's workforce overall. Consequently, NCUA is making significant and aggressive adjustments to the agency's long-term diversity and inclusion strategy to increase diversity at all levels of the workforce and to foster inclusion to leverage and retain its employees.

NCUA will strategically focus on the following areas to yield greater, sustainable diversity and inclusion:

- Promoting the business case for diversity and inclusion throughout the agency;
- Providing unconscious bias training to leaders, including all hiring managers; and
- Focusing on intentional inclusive leadership for managers.

Business Case for Diversity and Inclusion

Not everyone understands or accepts that diversity makes good business sense or that it is the smart thing to do. While the agency has been committed to increasing diversity over the past several years, it is evident from the

moderate progress, that a shift in the agency's approach is required.

In 2015, OMWI hired a diversity consultant to obtain feedback from focus groups to assess how the workforce viewed the agency's diversity efforts. The focus group's feedback revealed several challenges among employees and managers or barriers to address, to strengthen staff's understanding of the agency's commitment to diversity and the value of inclusion.

It is imperative, therefore, that NCUA invest in educating its workforce on the value diversity brings to organization. When more employees and managers understand the "what's in it for me" or the business case for diversity, the commitment will be stronger and more sustainable.

NCUA's action plan to increase the understanding of the business case for diversity includes the following:

- Hire a diversity communications specialist;
- Develop a diversity and inclusion communications strategy;
- Strengthen diversity training to include the diversity business case;
- Publish a quarterly diversity newsletter with strategic messages promoting its business case; and
- Expand the diversity message to include all forms of diversity—not just minorities and women.

Unconscious Bias Awareness and Training

Negative decisions, behaviors and hiring choices are more often the result of

unconscious bias rather than intentional discrimination. Most hiring managers and leaders do not intentionally favor certain groups over others, but do so because of familiarity or assumptions learned from their own personal experiences and backgrounds. Being aware of such bias and learning how to adjust assumptions, reactions and perceptions prior to making decisions can affect whom one hires, promotes or develops.

NCUA's action plan to incorporate unconscious bias awareness and training include the following:

- Holding a three-hour unconscious bias seminar for the senior leadership team;
- Holding a two-hour unconscious bias training class for examiner workforce, including managers;
- Publishing articles on unconscious bias in the agency's new diversity newsletter; and
- Developing an unconscious bias toolkit for leaders and managers.

Intentional Inclusive Leadership

The value of diversity is not truly realized without inclusion. Research reveals organizations with high levels of diversity and low levels of inclusion are sometimes worse off than organizations with low levels of diversity. The highest performing organizations have high levels of diversity and high levels of inclusion.

As a result, solely focusing on increasing diversity and not focusing on intentional inclusion will not yield maximum positive results. Inclusion will not only have a positive impact on retention, but also will allow the agency to get the true benefit from the diverse

talents, skills and perspectives of its staff. Fostering inclusion requires an organizational culture change.

In 2015, the NCUA Chairman changed her annual diversity policy statement for staff to the [annual diversity and inclusion statement](#) stating that, "agency leadership would focus on intentional inclusive leadership."¹ In addition, in NCUA's draft *2017–2021 Strategic Plan*, a performance goal was added which focused on inclusion. The new goal is, "Promote inclusive leadership that values and leverages diverse perspective."

NCUA's action plan on intentional inclusive leadership includes the following:

- Strengthen leadership training to include organizational culture change and intentional inclusion;
- Provide an inclusion tool kit to NCUA managers;
- Include critical elements focusing on inclusion in the managers and supervisors' performance plans;
- Provide consistent messaging around the value of inclusion;
- Structure employee-resource groups with senior leader sponsorship; and
- Expand the diversity advisory council to include more senior agency leaders.

This new strategic focus is designed to make diversity and inclusion sustainable business imperatives within NCUA that are part of the organizational culture and how the agency conducts its business. Overtime, this focus should yield greater diversity in our workforce.

¹ A copy of this statement can be found in Appendix 1.

Supplier Diversity

Under Chairman Matz's leadership, the agency's supplier diversity progressed from single-digit minority- and women-owned business participation in 2010, tripling to 22.5 percent in 2015.

NCUA awarded \$7.3 million of its \$32.5 million in contracts to minority- and women-owned businesses. This level of participation in NCUA's contracts in 2015 represents the third consecutive year the agency has surpassed the 20 percent mark in its supplier diversity efforts. Along the same lines, NCUA made 25.5 percent (\$9.2 million) of its \$36 million in contract payments to minority- and women-owned businesses during 2015.

Such stability and strength in the agency's supplier diversity results have come as a result of the solid partnership between OMWI, the agency's procurement office and the program offices across the agency. Awareness of the program and the consistent inclusion of minority- and women-owned businesses whenever the opportunity allows, along with access to qualified, competitive minority- and women-owned businesses, has raised the bar in terms of supplier diversity achievements.

The agency's 2016 plans call for expanding supplier diversity deeper into the procurement process by forecasting contracting opportunities well in advance and establishing direct relationships with qualified, competitive and responsive minority- and women-owned businesses.

In 2015, NCUA's outreach efforts continued to yield fruit by connecting with hundreds of minority- and women-owned businesses

in six business opportunity events of both regional and national scope. Most notably, NCUA was one of the organizers of the first interagency OMWI Procurement Technical Assistance event. NCUA, along with seven other peer OMWI offices, hosted the first-of-its-kind technical assistance event providing guidance to participating minority- and women-owned businesses about the basics of federal contracting, responding to federal procurement solicitations and marketing services to federal agencies. The event was a success with 344 participants and the over 10 technical assistance organizations in attendance.

Credit Union Diversity

NCUA actively participated with other federal financial regulators to finalize and issue diversity standards for our regulated entities as mandated by Section 342(b)(2)(c) of the Dodd-Frank Act. Comprised of OMWI directors from NCUA, and the Federal Deposit Insurance Corporation, Federal Reserve Board, Securities and Exchange Commission, Office of the Comptroller of the Currency, and Consumer Financial Protection Bureau, this group jointly developed standards for assessing each of their regulated entities' diversity policies and practices. As of December 31, 2015, NCUA's regulated entities consisted of 6,021 federally insured credit unions, including 3,764 federally chartered credit unions and 2,257 state-chartered credit unions.

For credit unions that reported to the Equal Employment Opportunity Commission (EEOC), 69 percent of the workforce is comprised of women and 31 percent is comprised of minorities. The workforce at these credit

unions resembles the nation's Civilian Labor Force in terms of diversity.

In June 2015, NCUA also issued [Letter to Credit Unions, 15-CU-05](#), "Standards for Assessing Diversity Policies and Practices," to provide federally insured credit unions with additional clarification and guidance on the Interagency Policy Statement that established standards for regulated entities, including credit unions, to assess their diversity and inclusion policies and practices.² This letter helped credit unions understand how the policy statement applied to them and how NCUA planned to approach this issue.

Simultaneously, the agency developed and issued a draft [Voluntary Sample Credit Union Diversity Self-Assessment Checklist](#). This checklist provides federally insured credit unions with best practices for diversity and inclusion; a method for assessing existing practices; and suggestions for strengthening their diversity and inclusion efforts. This checklist was attached to the NCUA Letter to Credit Unions, 15-CU-05. NCUA modified the checklist slightly and recently received Office of Management and Budget's approval for use.³

To further assist with enhancing credit union diversity, NCUA hosted a live webcast discussion titled "Challenges and Opportunities Serving Hispanic Members" in December. The discussion provided helpful information to credit unions seeking to enhance service to Hispanic members,

²The Letter to Credit Unions, 15-CU-05 is available in Appendix 2.

³The final self-assessment checklist is available in Appendix 3.

as well as to diversify their membership base. This initiative educated credit unions on how membership diversity promotes a stronger financial institution and a stronger credit union system that better serves the community. This was also the first event that the agency live-streamed in both English and Spanish.

In 2016, NCUA has a robust agenda for promoting diversity within credit unions. Again, it is important for credit unions to understand and embrace the business case for diversity. Credit unions have been founded on the premise of people helping people. Diversity is at the core of this credit union mission and an essential element of the credit union difference. It makes good business sense to have board members, managers and employees that reflect the community the credit union serves, enabling the credit union to better understand and serve the diverse community. This will ultimately lead to increased membership, which makes credit unions stronger and sustainable.

NCUA's action plan to promote diversity in credit unions will include:

- Developing and promoting the business case for credit union diversity and inclusion;
- Developing a diversity starter kit for credit unions that do not have a diversity footprint;
- Identifying and highlighting credit unions that are diversity champions; and
- Developing a campaign called #CUSforDiversity as a marketing tool.

Financial Literacy Outreach

Under the Federal Credit Union Act, promoting financial literacy is a core credit union mission. While credit unions serve the needs of their members and promote financial literacy within the communities they serve, NCUA works to reinforce credit union efforts, raise consumer awareness and increase access to credit union services.

NCUA also participates in national financial literacy initiatives, including the Financial Literacy and Education Commission, an interagency group created by Congress to improve the nation's financial literacy and education.

In 2015, our notable financial literacy initiatives included:

- Launching a new Financial Literacy Resource Center on NCUA.gov;
- Launching a new online Consumer Assistance Center and Fraud Prevention Center on MyCreditUnion.gov;
- Unveiling “World of Cents,” an interactive financial learning tool;
- Launching a new “Share Insurance Toolkit for Consumers” on MyCreditUnion.gov;
- Participating in the development of interagency guidance encouraging youth savings programs;
- Contributing articles on financial literacy, consumer access to credit unions, and consumer compliance topics in [The NCUA Report](#) newsletter; and
- Developing five [NCUA Consumer Report](#) videos.

Conclusion

NCUA is committed to implementing more robust strategies to achieve its goals of employing a diverse and talented workforce and increasing the participation of women- and minority-owned businesses in the agency's contracting activities. As the regulator of credit unions, NCUA is committed to setting the example for the credit union system and leading the way in making diversity and inclusion strategic business imperatives within our organizational culture. Accordingly, the agency will continue to develop and revise strategies advancing the agency's goal of making its workforce and contracting activities—and ultimately the credit union system—even more reflective of the nation's diversity.

Workforce Diversity

NCUA remains devoted to 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 Agency Priority Goals is increasing workforce diversity and focusing on groups with low participation rates, including in the management ranks. To achieve this goal, NCUA has developed as its strategic objective “recruiting and retaining a diverse and highly qualified workforce.” As such, diversity and inclusion are integrated in the agency’s strategic mission.

NCUA’s diversity and inclusion efforts are demonstrated through outreach and recruitment initiatives, diversity and inclusion training, and the use of student intern and leadership development programs.

Workforce Diversity Distribution

NCUA benchmarks its workforce composition to the national Civilian Labor Force. Using 2010 U.S. Census data, 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 uses Relevant Civilian Force data for benchmarking. Beginning with this report, the agency will use the Civilian Labor Force data, the Relevant Civilian Labor Force, and racial-categorization methodologies provided by the Equal Employment Opportunity Commission, allowing for consistency with data in the Management Directive 715 Report submitted to EEOC.

NCUA Workforce

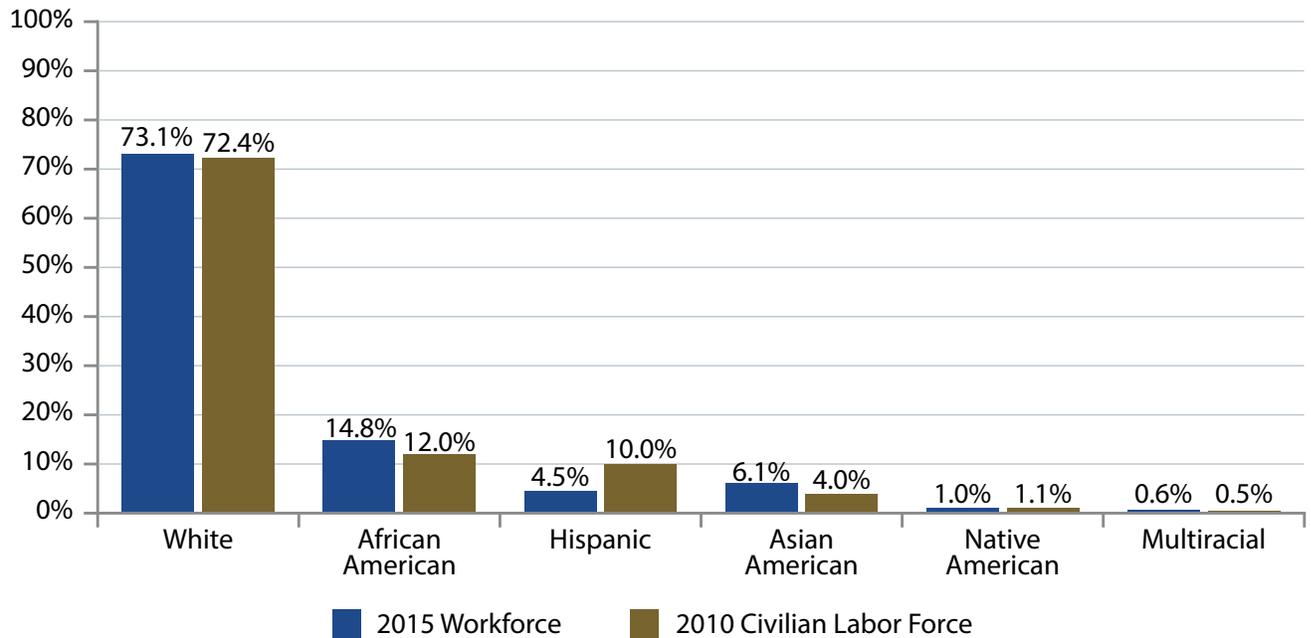
NCUA’s workforce consists of 1,220 employees as of December 31, 2015, and is diverse, based on racial and gender participation rates.

NCUA regularly monitors the diversity of its workforce and trends in the workforce pipeline. On a quarterly basis, the Office of Human Resources provides each office and regional director with workforce demographic data. In addition, the OMWI Director briefs the Chairman and the Executive Director on a monthly basis with respect to the diversity of the workforce, including new hires and separations. In 2015, the agency’s workforce data showed success in some areas and revealed areas in which NCUA can continue to improve its efforts.

The agency’s workforce represents a racially diverse population that meets or exceeds Civilian Labor Force benchmarks, with the exception of the Hispanic participation rate as shown in Figure 1. NCUA’s Hispanic participation rate increased slightly from 4.3 percent in 2014 to 4.5 percent in 2015, resulting from the net increase of two new hires. Still, this participation rate remains significantly below the Civilian Labor Force of 10 percent.

NCUA will aggressively address this low participation rate as discussed in the following sections of this report: Hispanic Outreach, Barrier Analyses of Low Participation Groups, and Opportunities for Further Improvement in 2016.

NCUA Workforce by Race in 2015



Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: NCUA Workforce Data

Figure 1

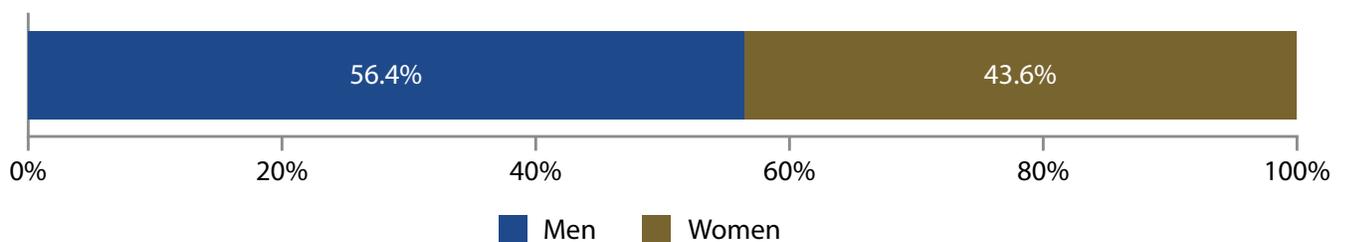
NCUA is committed to increasing its gender diversity, as it has slightly less women in its workforce than the Civilian Labor Force benchmark. NCUA's workforce is 43.6 percent women as shown in Figure 2, which is 4.6 percentage points less than the Civilian Labor Force's 48.2 percent. This was also a 0.6 percentage point decline in NCUA's female participation rate from 2014, in which women represented 44.2 percent of NCUA's workforce.

Major Occupation

Credit union examiners are 74 percent of the agency's total workforce and are the focus of a 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.

The agency uses the Relevant Civilian Labor Force as a benchmark for comparing the diversity representation of NCUA's credit

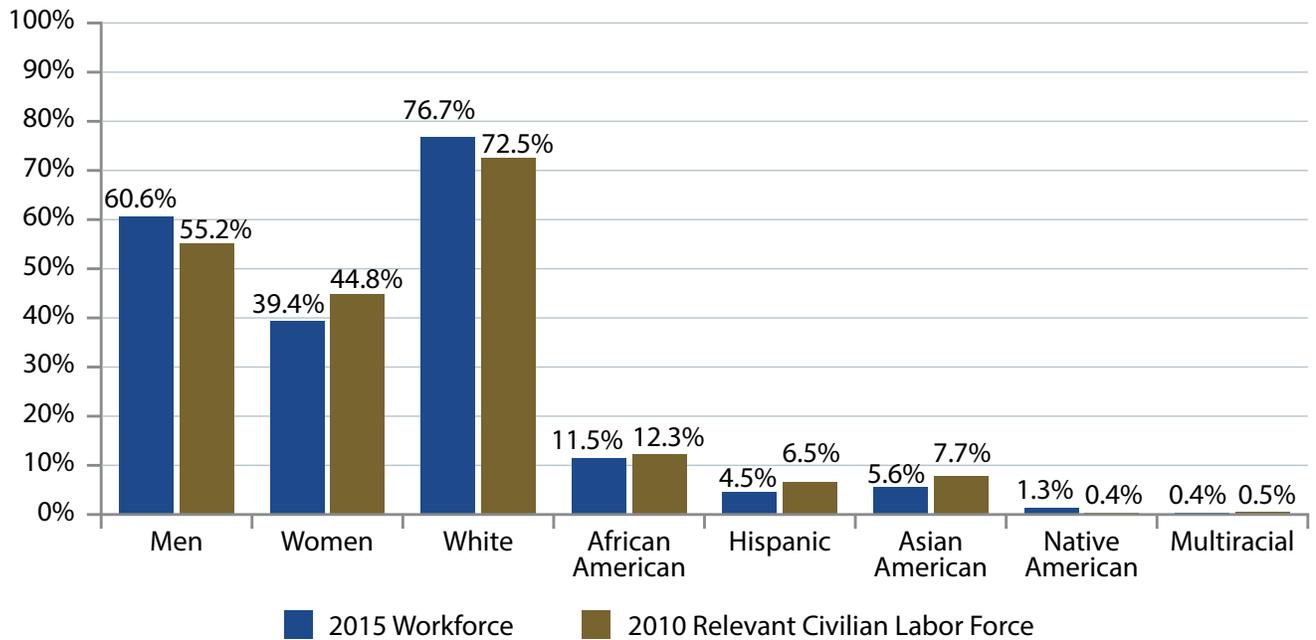
NCUA Workforce by Gender in 2015



Source: NCUA Workforce Data

Figure 2

NCUA Examiner Series Demographics in 2015



Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: NCUA Workforce Data

Figure 3

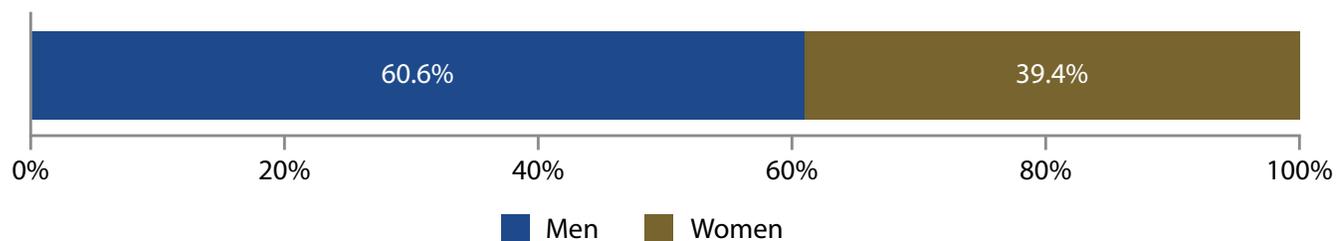
union examiners. The Relevant Civilian Labor Force is the Civilian Labor Force data that is comparable (or relevant) to the occupational population of examiners being considered in the federal workforce as a whole.

Generally, NCUA’s workforce, as a whole, exceeds the Civilian Labor Force workforce in every minority racial category except for Hispanics. However, the credit union examiners fall slightly behind the Relevant Civilian Labor Force benchmark in every

minority racial category, except for Native Americans, as shown in Figure 3 above.

The examiner positions at NCUA only differ slightly from the Relevant Civilian Labor Force benchmark, falling below the Relevant Civilian Labor Force levels by 0.8 percentage points for African Americans, 2 percentage points for Hispanics, and 2.1 percentage points for Asian Americans.

NCUA Examiner Series by Gender in 2015



Source: NCUA Workforce Data

Figure 4

NCUA's examiner positions show greater gender disparity than NCUA's overall workforce. Figure 4 shows women only represent 39.4 percent of NCUA's examiners, though women represent 43.6 percent of the agency's total workforce (Figure 2).

One of the distinct challenges with the examiner position is the amount of travel. Examiners spend the majority of their time in credit unions, which results in significant travel. Based on exit survey data, the number one reason examiners leave the agency is travel. Due to traditional childcare responsibilities, this travel component may also have a greater impact on female examiners than male examiners. The agency is aware of this challenge and has undertaken two initiatives that should have a long-term impact on this retention challenge.

First, in 2015, the Office of Human Resources produced a recruitment video entitled "A Day in the Life of a Credit Union Examiner." The purpose of the video is to provide applicants a true picture of an examiner's responsibilities, training and development plan and virtual working environment. This video is [posted on NCUA's YouTube Channel](#) and it is embedded in every entry-level credit union examiner vacancy announcement.

To date "A Day in the Life of a Credit Union Examiner" is the most watched video ever produced by NCUA. As a result, the agency anticipates that it will attract applicants and later retain employees who are genuinely interested in this type of position, understand and can manage the amount of travel involved, and enjoy the flexibility of a virtual work-environment.

The second initiative is a long-term project that will affect the amount of time examiners

will need to spend in credit unions, and thereby, decrease the required levels of travel. NCUA is redesigning the examination tools and underlying policies to make more efficient use of resources and leverage technology. A secure data sharing facility, combined with greater use of expert analytic systems will reduce the amount of time needed on-site at a credit union. This in turn will reduce the amount of travel required of examiners. It also is expected to improve longevity and career attractiveness.

Managers and Senior Executives

Managers include all supervisory staff who do not have the designation of executive. These managers account for 10.6 percent of the agency's workforce. Women represent 43.4 percent of all managers, and 50 percent of all new manager staff hires in 2015. Minorities represent 14.7 percent of all managers and 75 percent of all new manager staff hires in 2015.

Executives are those individuals who are in positions identified as a Senior Staff Position. These individuals account for 4.3 percent of the workforce. Women represent 41.5 percent of all senior staff, and 50 percent of all new senior staff hires in 2015. Minorities represent 13.2 percent of all senior staff and 25 percent of all new senior staff hires in 2015.

Workforce Pipeline Distribution

Diversity in senior leadership is significantly affected by the diversity in the leadership pipeline. NCUA is committed to developing leadership talent within the agency, and therefore closely monitors the diversity within that pipeline. Figure 5 shows the diversity of the agency's pipeline in three grade range categories: CU-12 and below, CU-13 to CU-15, and senior and executive staff.

NCUA Workforce Pipeline Diversity								
	2012		2013		2014		2015	
CU-12 and Below								
Women	320	44.6%	314	43.1%	302	44.7%	289	44.3%
African American	122	17.0%	127	17.4%	121	17.9%	120	18.4%
Hispanic American	26	3.6%	29	4.0%	29	4.3%	31	4.7%
Asian American	53	7.4%	46	6.3%	40	5.9%	42	6.4%
Native American	6	0.8%	6	0.8%	7	1.0%	9	1.4%
Multiracial	9	1.3%	8	1.1%	7	1.0%	6	0.9%
Total Minorities	216	30.1%	216	29.6%	204	30.2%	208	31.9%
CU-13 to CU-15								
Women	190	45.6%	212	45.0%	222	44.0%	220	43.1%
African American	51	12.2%	56	11.9%	57	11.3%	56	11.0%
Hispanic American	23	5.5%	24	5.1%	23	4.6%	23	4.5%
Asian American	17	4.1%	27	5.7%	31	6.2%	30	5.9%
Native American	3	0.7%	4	0.8%	3	0.6%	3	0.6%
Multiracial	0	0.0%	1	0.2%	1	0.2%	1	0.2%
Total Minorities	94	22.5%	112	23.8%	115	22.8%	113	22.1%
Senior Staff								
Women	22	40.7%	23	42.6%	21	41.2%	22	41.5%
African American	5	9.3%	5	9.3%	3	5.9%	4	7.5%
Hispanic American	1	1.9%	2	3.7%	1	2.0%	1	1.9%
Asian American	2	3.7%	2	3.7%	2	3.9%	2	3.8%
Native American	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Multiracial	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Minorities	8	14.8%	9	16.7%	6	11.8%	7	13.2%

Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: NCUA

Figure 5

The pipeline data shows a shift in positions from the CU-12 and below category to the CU-13 and CU-15 category for both women and minorities. Since December 31, 2012, NCUA's women and minority representation in CU-13 and CU-15 positions increased by 30 women staff members and 19 minority staff members. During the same period, the minority representation of senior and executive staff dropped by one staff member.

Individuals with Disabilities

NCUA has seen consistent success with its recruitment and retention of individuals with disabilities in its workforce. Figure 6 illustrates the three categories of employees with disabilities tracked by the agency: disabled veterans, employees with disabilities and employees with targeted disabilities.

Individuals with Disabilities									
	NCUA Goals	2012		2013		2014		2015	
Disabled Veterans	7%	47	3.9%	79	6.3%	89	7.2%	99	8.1%
Employees with Disabilities	12%	106	8.9%	117	9.3%	114	9.2%	119	9.8%
Employees with Targeted Disability	3%	9	0.8%	9	0.7%	11	0.9%	12	1.0%

Source: NCUA

Figure 6

NCUA is gradually improving its representation of individuals with disabilities. The agency exceeded its goal of 7 percent for disabled veterans, with these individuals representing 8.1 percent of the workforce as of December 31, 2015. Similarly, employees with disabilities reached 9.8 percent of the workforce, exceeding the prior years' ratios and approaching NCUA's goal of 12 percent. Also, NCUA's targeted disability population has steadily grown to 1 percent of the workforce, though it continues to lag behind the agency's goal of 3 percent.

Promoting an Inclusive Environment

Management Accountability

NCUA realizes that achieving its diversity goals hinges on building an inclusive work environment where diverse talent is leveraged, valued and retained. An inclusive organizational culture begins with inclusive leadership and leadership accountability. Thus, senior staff and managers are held accountable for their efforts toward achieving a diverse, well-trained and highly motivated workforce and an inclusive work environment.

Senior staff performance plans include 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; and
- Creating an inclusive work environment free of discrimination and harassment and which values diversity and difference of opinion.⁴

Likewise, diversity and inclusion performance standards were included in the performance plans for all supervisors below the senior staff level by evaluating the following:

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

Measuring diversity and inclusion efforts in performance standards allows NCUA to hold senior managers and supervisors accountable for achieving the agency's goal of hiring and

⁴This performance standard was added in 2015.

retaining a diverse workforce, and cultivating an inclusive work environment.

Diversity and Inclusion Training

NCUA continues to promote diversity and inclusion education and training throughout the organization. Senior leadership received training on generational differences, cultural competence and inclusion as part of the senior staff's annual strategic planning conference. All supervisory staff received training on diversity, reasonable accommodations and generational differences at the agency's 2015 Leadership Conference.

New supervisors and managers attend a four-day training course that includes a full day of equal employment opportunity and diversity training. Also in 2015, the agency provided mandatory online diversity-awareness training, including the No FEAR Act training and disability awareness training to all staff. Managers also received inclusion training during regional joint-leadership meetings.

Diversity Advisory Council

NCUA established its first Diversity Advisory Council in 2014. The council is a sub-committee of NCUA's Talent Management Committee. The council serves as a resource to assist and provide advice and recommendations to senior leadership on areas related to the fair inclusion of all groups in the agency's workforce.

The council's membership includes representation from a cross-section of NCUA'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 met quarterly to receive diversity training and to update the agency's [*2012–2016 Diversity and Inclusion Strategic Plan*](#).

Leadership Development Programs

NCUA offers several competitive career development programs, which assist in building an inclusive work environment. The agency provides these programs to employees at all levels of the workforce. These programs include the Executive Coaching Program, the NCUA Executive Training Program, and other leadership development programs. Details about these programs follow.

Executive Coaching Program

An inclusive work environment is built through leaders who understand how to lead. Limiting leadership development to subject matter expertise is short-sighted and loses sight of leaders' most important responsibility of supporting, coaching and developing staff. As such, NCUA provides executive coaching to new executives to strengthen the skills necessary to maximize their leadership potential. This program also reinforces leadership competencies, enhances performance and helps participants lead NCUA's most valuable asset—its employees. Of the eight participants in the Executive Coaching Program in 2015, 75 percent were women and 37.5 percent were African Americans.

NCUA Executive Training Program

An additional effort to develop the leadership pipeline is the NCUA Executive Training program, also known as NEXT. This 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-level 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; quarterly meetings; and group coaching sessions with program cohorts and the NEXT Oversight Committee. Of the eight participants in NEXT in 2015, 50 percent were women and 12.5 percent were African American.

Other Leadership Development Programs

NCUA offers internal and external leadership development programs for employees at all levels of the workforce to aid staff in advancing in their career and cultivating a highly diverse and talented workforce. These programs include:

- NCUA's internal 18-month **Management Development Program**. The program is offered to non-supervisory employees in grades CU-13 through CU-15. The program focuses on learning to lead others. Candidates are exposed to defining project scopes, delegating work, developing others, setting organizational goals, and understanding the broader agency mission. The program includes a 360 assessment, training classes, individual and team coaching, developmental details, mentoring, a team project, shadowing and executive interviews.
- The **Excellence in Government Fellows Program**, an external 12-month

management development program, was offered to grade CU-14 and CU-15 employees in 2015. This development program provides participants the opportunity to network with other government leaders, learn best practices, and develop coaching and mentoring skills. The program also includes a 360 assessment, training classes and team projects.

- The external two- to nine-month development 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 Leadership Program** for CU-11 through CU-12. These programs involve 360 assessments, training classes, developmental details, senior management shadowing assignments, and management interviews.

In 2015, the diversity among the participants in these programs was as follows:

- **New Leader Program:** Of the four participants, 50 percent were women and 25 percent were African American.
- **Management Development Program:** Of the eight participants, 50 percent were women and 25 percent were African American.
- **Excellence in Government Fellows Program:** Of the two participants, both were women and one was African American.
- **Executive Leadership Program:** Of the eight participants, 25 percent were women and 50 percent were Asian, African

American, Hispanic and Multiracial (one of each).

The above programs provide employees of all backgrounds the opportunity to acquire and build leadership skills that will prepare them for advancement opportunities within the agency. As such, these programs play a key role in the agency's succession planning.

Outreach and Recruitment

NCUA continued to coordinate and execute an outreach and recruitment strategy with the goal of reaching all segments of the applicant pool. This strategy 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; and marketing NCUA as an employer of choice.

Hispanic Outreach

NCUA recognizes that the Hispanic population is our nation's largest ethnic minority, with more than 55 million people. In fact, one of every six people living in the United States today is Hispanic. However, as of December 31, 2015, only 4.5 percent of NCUA's workforce was Hispanic, compared to 10 percent of the Civilian Labor Force. For this reason, Hispanic outreach is one of NCUA's highest priorities for increasing workforce diversity.

To ensure the workforce is more diverse and reflective of the Hispanic community, the agency targets Hispanic job seekers while advertising NCUA jobs to all sources. In addition to posting all vacancy announcements on USAjobs.gov, NCUA posts all job openings on several diversity websites

including DiversityJobs.com, LatinoJobs.org, AllBilingualJobs.com, AllHispanicJobs.com and LatPro.com. NCUA secured membership with DiversityJobs.com, which is an independent job board with a database of over 130,000 resumes from Hispanic, bilingual and multicultural professionals. In addition, all postings are emailed to a distribution list of more than 550 minority-serving organizations.

The agency also continued to maintain a partnership with the Hispanic Association of Colleges and Universities as one of its venues for student internships. The agency used the Hispanic Latino Professionals Association and Latino Professionals as resources for recruiting Hispanics, and to access new talent pools with qualifications and skills that align with NCUA's job opportunities. In addition, the agency posted a one-page advertisement in the quarterly *Hispanic Network Magazine*. Because of this outreach, 4 percent of new hires were Hispanic in 2015, an improvement from 2011 when Hispanics only accounted for 2.3 percent of new hires.

Other Strategic Recruitment

OMWI participated in the quarterly meetings of the agency's Recruitment Outreach Committee. The committee consists of staff from the Office of Human Resources, five regional offices, and selected units within the central office. The Recruitment Outreach Committee's goal is to streamline the agency's outreach efforts to maximize the agency's resources and address low participation rates by increasing the diversity of the NCUA's applicant pools.

In 2015, NCUA sponsored booths and distributed employment information at

numerous recruitment and outreach events, targeting diverse groups to build awareness about the agency and its mission. One area for improvement is to develop a mechanism to track the benefits or yield from participating in these events. Figure 7 provides a sampling of the agency’s recruitment events in 2015.

Recruitment Events
National Association of Black Accountants
Blacks In Government 37th Annual National Training Institute
Bowie State University Job Fair
Morgan State University Job Fair
Hiring Our Heroes Career Fair
University of Southern Maine Career Fair
California State University Career Fair
DC Bilingual Outreach Event
Careers & the Disabled Magazine Expo
Fort Hood Texas Career Fair
Baptist Bible College Job Fair
Career Expo – Hiring Individuals with Disabilities

Figure 7

In addition to USAjobs.gov, all NCUA vacancy announcements are posted on the following websites to ensure maximum distribution to a diverse audience:

- Veteran Employment Center
- Veteranjobs.net
- Disabilityjobs.net
- AfricanAmericanHires.com
- AllBilingualJobs.com
- Asianhires.com
- DiversityJobs.com
- Latinojobs.org
- 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 2015, NCUA continued to use 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. This

included posting vacancies on [LinkedIn](#), and connecting and sharing vacancy information with diversity partners and groups.

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, Recent Graduates Program and Presidential Management Fellows Program. The agency uses these programs as another tool to increase the number of underrepresented groups in the agency’s workforce.

During 2015, NCUA employed 12 individuals using the Pathways Programs. Of the 12 individuals who participated in the program, 50 percent were women and 25 percent were minorities. One African American female was converted to permanent employment as an examiner during this period.

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, the Hispanic Association of Colleges and Universities, the Conference on Asian Pacific American Leadership, and the Washington Internships for Native Students.

In 2015, the agency hosted 16 college students for internships through these organizations serving students from groups that traditionally have low participation rates in the workforce. Many offices at NCUA's headquarters hosted one or more interns, helping the students gain valuable work experience.

Since its inception in June 2010, NCUA has hired three former interns for full-time, permanent employment:

- One African American male is an attorney in our Office of General Counsel;
- One African American male is a financial analyst in our Office of Small Credit Union Initiatives; and
- One Hispanic female is a human resources specialist.

Barrier Analyses of Low Participation Groups

NCUA placed an emphasis on improving the low participation rates of Hispanics, African American males, and individuals with disabilities by expanding its focus during recruitment activities, and providing continuous education and outreach. While the hiring of these groups improved, attrition of these select groups continues to outpace hiring.

In 2015, the agency hired a vendor to conduct barrier analyses to ensure that disparate treatment or impact were not disproportionately contributing to the low representation of Hispanics, African American males, and individuals with disabilities.

The studies covered fiscal year 2011 through fiscal year 2014. The analyses provided conclusions relating to:

- Benchmarking against other financial regulatory agencies;
- Barrier and root cause analysis; and
- An examination of internal personnel actions of current employees.

The following is a summary of issues identified in these three studies.

African American Males

The studies revealed the representation of NCUA's African American males has been lower than the benchmarked agencies for the past five years. Additionally, African American male separation rates tended to be higher at NCUA than at most of the other agencies.

For entry-level selection of examiners into grade CU-7 positions, a high proportion of African American males who applied for positions within NCUA were rated as qualified (based on applicants' self-ratings), but not referred to the selecting official for consideration.

The studies also revealed NCUA has been hiring and promoting fewer African American males to the higher grade levels. The barrier and root cause analyses indicated that, for the examiner series, African American male representation tended to be lower than expected, based on the Relevant Civilian Labor Force, in grades CU-14 and CU-15. NCUA's promotion of African American males to grades CU-11 and CU-12 were low and required further examination. The studies also showed African American males were

not passing the grade CU-12 Examiner Promotional Exam at the same rates as other groups, despite the fact that the Office of Personnel Management has validated the exam for promotional purposes.

The benchmarking study also indicated that the number of African American males receiving time-off awards at NCUA was higher than at other agencies in a majority of comparisons. However, the numbers were lower for cash awards at NCUA.

Because of these studies, in 2016 NCUA is committing to the following initiatives to address the low participation rates of African American male examiners in the higher grade levels:

- Working with the Diversity Advisory Council to address this issue in the update of the *2012–2016 Diversity and Inclusion Strategic Plan*;
- Conducting regular Office of Human Resources and OMWI meetings to focus on the impact of current and future initiatives affecting the African American males and other groups in the agency;
- Establishing an African American Employee Resource Group to serve as a resource to the agency by keeping leadership abreast of issues important to the group;
- Establishing a formal mentoring program for African American males; and
- Providing unconscious bias training for senior staff and managers.

Hispanics

In comparison to other benchmarked agencies, the study revealed low

Hispanic workforce representation at NCUA. Additionally, in comparison to the benchmarked agencies, NCUA had proportionally fewer new Hispanic hires. Comparisons to the Civilian Labor Force also showed Hispanic new hire selections were lower than expected across all series and grades. The finding that Hispanics were hired at a lower rate is consistent with benchmarking results for hiring into the permanent workforce in benchmarked agencies. In addition, an analysis of personnel action data revealed Hispanics were separating from NCUA at a higher rate than expected from the lower and mid-level examiner grades.

As a result of these findings, the agency is committed to the following initiatives to address the hiring and retention of Hispanics:

- Working with the agency's Diversity Advisory Council to address these issues in the update of the [*2012–2016 Diversity and Inclusion Strategic Plan*](#);
- Establishing regular Office of Human Resources and OMWI meetings to discuss the status and impact of current and future initiatives affecting the Hispanic community and other groups in the agency;
- Establishing a Hispanic Employee Resource Group to serve as a resource to agency leadership by keeping the agency abreast of issues important to the group; and
- Providing more inclusion-focused training to the agency's leadership and its staff.

Individuals with Disabilities

The results of the benchmarking study were generally favorable to NCUA in comparison to the benchmarked agencies. The studies revealed one main problem area for individuals with disabilities: separations from NCUA. Individuals with disabilities separated from the agency at a higher rate than expected for all years researched and at all grade levels.

Because of these results, NCUA is committed to the following actions to address these concerns involving individuals with disabilities:

- Provide a support team from OMWI and the Office of Human Resources to managers who hire employees with disabilities;
- Provide mentors to all Schedule A hires and to employees with disabilities who are interested; and
- Provide unconscious bias training to managers.

Opportunities for Further Improvement in 2016

During 2015, NCUA developed several initiatives to further the agency's diversity and inclusion efforts. In 2016, the following initiatives will provide continued improvement in NCUA's workforce diversity:

Mentor Program

In 2015, Chairman Matz established a formal mentor program. The goal of this program is to provide an additional career development resource to all agency employees, in the hopes of improving the levels of diversity in the

agency's leadership pipeline. The program is designed to assist both mentors and mentees in reaching career goals, improve the agency's quality of work-life balance, increase diversity and inclusion in the workplace, and retain skilled, motivated employees from all backgrounds. In 2016, NCUA will pilot this program with at least 20 selected applicants of matched mentors and mentees.

Employee Resource Groups

Chairman Matz also approved creating the opportunity for employees to participate in employee resource groups in 2015. Employee resource groups are voluntary, employee-led groups that are independent, self-governing organizations, not operated by NCUA. An employee resource group serves as a resource for members by fostering an inclusive workplace and creating a network for employees. NCUA believes receiving input from employee resource groups is an effective strategy to enhance diversity and inclusion at the agency, and as mechanism for retaining and empowering the groups' members.

In 2015, NCUA also assessed employees' interest in organizing a Hispanic Employee Resource Group. In 2016, NCUA will pursue the formal chartering and organization of employee resource groups for Hispanics, Women and African Americans.

Unconscious Bias Awareness and Training

As stated previously in this report, the agency believes intentional inclusive leadership will affect retention of employees at all levels and will allow the agency to leverage the diverse perspectives and skills of employees. As a first step toward focusing on intentional inclusion

or inclusive diversity, NCUA is committed to building awareness of, and providing training on, unconscious bias. During the National Examiner Training Program in April 2016, each employee will receive initial training on unconscious bias. During the Senior Staff Conference in the fall of 2016, each senior leader will participate in an unconscious bias seminar.

To have a lasting and meaningful impact, however, it is critical that the unconscious bias education not stop with these two initial courses. OMWI will provide additional resources and tool kits, so that senior leaders and managers are aware of their bias prior to engaging in a host of personnel activities like interviewing, giving performance feedback, mentoring, assigning work and making decisions on promotions.

OMWI Talks

During 2016, OMWI will host “OMWI Talks” where all employees are welcome

to converse with colleagues and leaders about challenging, but critical, topics like stereotypes, unconscious bias, white privilege, among many other difficult topics. Through this forum, the agency will create a safe place to discuss diversity matters to increase understanding and an appreciation of differences.

OMWI and the Office of Human Resources Partnership

To be successful in workforce diversity and workplace inclusion, there must be a commitment from and a partnership with the Office of Human Resources. OMWI and the Office of Human Resources have worked well together over the past several years. Moving forward in 2016, the two offices will strengthen this partnership by having quarterly collaboration meetings to ensure all areas that intersect are strategically planned, coordinated and covered by both offices.

NCUA Business Diversity

NCUA's 2015 supplier diversity results validate the agency's efforts to build a sustainable environment for supplier diversity to thrive. The results of this four-year old program place it in the company of other successful and long-standing peer supplier diversity programs. The agency progressed from single-digit minority- and women-owned business participation in 2010, tripling to 22.5 percent in 2015. This is a testament to the agency's focus and commitment to lead in this area of diversity.

Successes in Supplier Diversity

NCUA's supplier diversity program has continued to establish itself as an integral part of the agency's broader contracting process. The ongoing partnership between OMWI and NCUA's Office of the Chief Financial Officer

has heightened supplier-diversity awareness and supported the agency's program offices in conducting additional market research, helping to promote the inclusion of minority- and women-owned businesses in their contracting opportunities.⁵

In 2015, total dollars awarded to minority- and women-owned businesses were \$7.3 million, representing 22.5 percent of the total reportable contracting dollars of \$32.5 million for the year. Figure 8 illustrates the total dollars awarded to minority- and women-owned businesses in 2015.

⁵ NCUA's Office of the Chief Financial Officer is responsible for, among other things, the agency's procurement functions. Within the office, the Division of Procurement and Facilities Management discharges these responsibilities.

NCUA Contract Awards Comparison for 2015 Versus 2014				
	2015	Percentage of Total Contracts	2014	Percentage of Total Contracts
Minority-Owned Business Contract Awards	\$2,416,391	7.4%	\$691,871	1.6%
Women-Owned Business Contract Awards	\$4,771,944	14.7%	\$11,336,972	26.5%
Both Minority-Owned Business and Women-Owned Business Contract Awards	\$116,480	0.4%	\$412,110	1.0%
Minority-Owned or Women-Owned Business Totals	\$7,304,815	22.5%	\$12,440,953	29.1%
Total Contract Awards	\$32,482,888		\$42,721,907	

Source: NCUA

Figure 8

Although the 2015 results are 6.6 percentage points below those of 2014, that change is attributable to NCUA’s non-recurring computer lease contract in that year. This 2014 computer lease contract was awarded to a minority- and women-owned business and made up 7.6 percentage points of the 29.1 percent supplier diversity-level in 2014. This contract takes place every three years and, as such, represents an extraordinary event in NCUA’s otherwise consistently strong and stable supplier diversity performance.

Based on NCUA’s normalized supplier diversity performance, the agency has proven the robust sustainability of its supplier diversity program—consistently remaining between 21.5 percent and 22.5 percent across 2013, 2014 and 2015.⁶

⁶ See Appendix 4 for details on NCUA’s supplier diversity performance from 2013–2015.

As in previous years, contracts generated by the Office of the Chief Information Officer accounted for more than 80 percent of the minority- and women-owned business contracting results, which constitute nearly 40 percent of total contract spending for the office in 2015. The continued strong participation and performance on the part of minority- and women-owned businesses in NCUA’s Office of the Chief Information Officer contracts reflect both the commitment and the organizational imperative to continue expanding the inclusion of these businesses across the agency’s. For details on overall NCUA spending by industry type, please see Appendix 4.

NCUA Vendor Payments Comparison for 2015 Versus 2014				
	2015	Percentage of Total Payments	2014	Percentage of Total Payments
Minority-Owned Business Contract Payments	\$2,136,645	5.9%	\$619,462	2.0%
Women-Owned Business Contract Payments	\$6,764,751	18.8%	\$6,913,192	22.2%
Both Minority-Owned Business and Women-Owned Business Contract Payments	\$254,670	0.7%	\$105,092	0.3%
Minority-Owned or Women-Owned Business Totals	\$9,156,066	25.5%	\$7,637,746	24.6%
Total Contract Awards	\$35,964,264		\$31,110,291	

Source: NCUA

Figure 9

NCUA has shown improvement in regards to vendor payments to minority- and women-owned businesses. Figure 9 shows 25.5 percent of NCUA contract payments in 2015 went to minority- and women-owned businesses versus 24.6 percent during 2014. Some of this improvement can be attributed to NCUA's increased reliance on minority-owned firms during 2015. Between 2014 and 2015, NCUA almost tripled the rate of payments to minority-owned firms, from 2.3 percent to 6.6 percent.

Beyond these results, the agency also advanced and supported supplier diversity in additional ways, such as:

- Integrating supplier diversity procedures into the agency's updated procurement manual that was published in 2015.
- Surpassing the 3-percent mark in contract awards to minority-owned businesses. In 2015, NCUA made great progress by reaching 7.8 percent in contract awards.
- Including OMWI staff in the procurement planning meetings with the Office of the Chief Information Officer, NCUA's largest purchasing office.
- Improving compliance with NCUA's supplier diversity guidelines through the greater enforcement of procurement processes and procedures.
- Experiencing a higher rate of requests for minority- and women-owned business inclusion research and referrals because of the greater enforcement of contracting guidelines.
- Continuing to include supplier diversity as part of the performance criteria of NCUA's 2015 senior executive performance evaluation standards.

Supplier Diversity Outreach

NCUA's supplier diversity outreach program maintained its connection with diverse business communities in a variety of ways, which contributed to the agency's successful program. Throughout 2015, the agency participated in the following supplier diversity events:

- 25th Annual Government Procurement Conference;
- Federal Reserve Board of Governors Vendor Fair;
- CelebrAsian 2015 Procurement Conference;
- Women's Business Enterprise National Council's National Conference & Business Fair;
- Capital Region Minority Supplier Development Council Annual Conference; and
- National Minority Supplier Development Council Conference & Business Opportunity Fair.

NCUA's principal goal in attending these events is two-fold. First, to attract strong, qualified minority- and women-owned businesses, NCUA must make its name, mission and purchasing needs known. These conferences are broad venues for the agency to be seen and noticed within these business communities. Second, NCUA seeks to attract minority- and women-owned businesses that can take advantage of its opportunities. Through these events, NCUA staff is able to connect with the right minority- and women-owned businesses to fulfill its mission needs.

Strategic Partnerships and Technical Assistance

During 2015, NCUA's work with the OMWI Supplier Diversity Working Group yielded its most successful collaboration yet. On August 12, 2015, the Supplier Diversity Working Group members co-hosted a joint technical assistance event named "Collaborating for Success." The event's purpose was to offer minority- and women-owned businesses with a forum to network and learn how to improve their business skills in areas like the basics of federal government contracting, federal proposal writing and marketing intelligence.

The Supplier Diversity Working Group, comprised of supplier diversity analysts from eight federal financial regulatory agencies, coordinated with the Procurement Technical Assistance Program at George Mason University to deliver a successful, day-long technical assistance program, attended by more than 300 participants. In addition to the business development program, the event provided extensive opportunities for networking and featured tables with representatives from various technical assistance providers in the region, such as the following:

- Procurement Technical Assistance Centers of Maryland and the District of Columbia;
- Small Business Administration;
- Small Business Development Centers;
- Minority Business Development Agency;
- U.S. Women's Chamber of Commerce;
- Community Business Partnership;
- Veteran Business Outreach Center; and
- Arlington Biz Launch

Opportunities in Supplier Diversity

NCUA's supplier diversity program has a number of opportunities for continued expansion and success in 2016. The most significant opportunities are detailed below.

New Contracting Procedures and Systems

Supplier diversity programs perform at their best when supported by an efficient, strong and well-executed contracting systems and processes. To that end, NCUA's Office of the Chief Financial Officer is revamping its procurement processes and systems in 2016. The proposed plans include the implementation of an automated contracting system, additional training opportunities for NCUA staff on procurement policies and activities, and dedicated training for the agency's contracting representatives.

In addition, NCUA has bolstered efforts to promote increased competition, including requiring the solicitation of minority- and women-owned businesses, in all cases where appropriate. This will promote fair opportunities to all prospective vendors and ensure NCUA's focus remains on obtaining the best value for commercial products and services, while at the same time, promoting the use of minority- and women-owned businesses.

Forecasting of Future Contracting Opportunities

The new contracting system and processes will see the integration of the agency's budgeting process, which includes details of future

contracting actions, with its contract-planning process. This integration will improve the visibility of future contracting opportunities, and allow for the OMWI to better target minority- and women-owned businesses to participate in them.

Leveraging the Concentration and Size of Contracting Opportunities

Historically, approximately 75 percent to 80 percent of the agency's reportable contracting dollars are captured by the top 25 vendors by contract volume. Along those same lines, NCUA had 63 reportable contract actions in 2015 at or above \$100,000 (the agency's simplified acquisition threshold), comprising about 80 percent of NCUA's reportable contracting dollars. OMWI and Office of the Chief Financial Officer are working together to closely monitor these contracting relationships to ensure the inclusion of minority- and women-owned businesses whenever these opportunities become available for competition.

Additionally, individual NCUA contracts typically fall well below the \$5 million mark.

Unless very highly specialized, contracts of this size tend to be well within the capabilities of numerous minority- and women-owned businesses to perform. As such, NCUA contracting opportunities present a healthy environment in which competitive and qualified minority- and women-owned businesses can participate.

Enhanced Contracting Reporting and Feedback

OMWI provides quarterly feedback to the agency's program offices on their individual supplier diversity results. In 2016, OMWI is enhancing its supplier diversity reporting by reviewing and providing feedback on all contract actions that make up at least 80 percent of the agency's reportable contracting dollars. This feedback mechanism will enable program offices to see how their procurement actions and decisions impacted their supplier diversity results. With this information and feedback comes the opportunity to make choices and adjustments to procurement behavior—particularly enhanced market research—that will improve the agency's overall supplier diversity levels.

Asset Management and Assistance Center Business Diversity

Mission

The mission of NCUA's Asset Management and Assistance Center is to manage the liquidation of federally insured credit unions. The center acts as liquidating agent and is in charge of liquidating all assets and paying all fees and expenses to administer the liquidation estate.

Due to the nature and purpose of its activities, the Asset Management and Assistance Center has specific policies and procedures to cover procurement and expenses from liquidations. This business activity is recorded within a separate system under different delegations than other agency operations.

Asset Management and Assistance Center's Responsibilities

The Asset Management and Assistance Center has a responsibility to limit losses to the National Credit Union Share Insurance Fund, which insures the deposits of more than 102 million accountholders in federally insured credit unions. Based in Austin, Texas, the Asset Management and Assistance Center operates throughout the United States. Liquidated credit unions may be located in small communities where geography and required services may limit vendor availability. The Asset Management and Assistance Center must act in the hours and days following a liquidation to obtain needed services in support of its mission.

The liquidation process is time-sensitive, and requires confidentiality and the Asset Management and Assistance Center 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 in advance of a liquidation action. As a result, the Asset Management and Assistance Center's operational 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 the Asset Management and Assistance Center'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, the Asset Management and Assistance Center considers supplier diversity in executing its mission.

Minority- and Women-Owned Business Contracting

During 2015, the Asset Management and Assistance Center and OMWI embarked upon a collaborative process to identify drivers of the Asset Management and Assistance Center's contracting activity and opportunities for minority- and women-owned business participation. This process started by analyzing the makeup and structure of the Asset Management and Assistance Center's contracts during 2014 and the first six months of 2015. The conclusions drawn from this analysis have helped inform NCUA about the nature of the Asset Management and

Assistance Center's contracting activity and refined the Asset Management and Assistance Center's focus on activities that can further the agency's supplier diversity goals.

The analysis revealed the Asset Management and Assistance Center's contracting activity can be divided into two groups: discretionary versus non-discretionary contracts. Discretionary contracts are those where the Asset Management and Assistance Center has the ability to select the awarded vendor during the course of the year. Non-discretionary contracts are those where the Asset Management and Assistance Center does not have the direct authority to select the awarded vendor.

The distinction between these two types of contracting activities are defined as follows:

- Asset Management and Assistance Center non-discretionary vendor payments (not under Asset Management and Assistance Center's direct control) are:
 - **Legacy payments.** Payments to vendors inherited during the liquidation process for a failed credit union.
 - **Securities-related litigation payments.** Payments to vendors with long-term, multi-year contracts related to the litigation with the five liquidated corporate credit unions and the Temporary Corporate Credit Union Stabilization Fund, which predates the supplier diversity mandates in Section 342 of the Dodd-Frank Act.

Prior to OMWI's establishment, NCUA engaged outside legal counsel in 2009 to lead the litigation related to the five

liquidated corporate credit unions. The agreement authorizes them to select vendors to perform tasks in support of their legal engagement, while the Asset Management and Assistance Center remains the direct payment agent to these vendors on behalf of NCUA.

As such, these vendors were not selected by the Asset Management and Assistance Center (and thus outside of the Asset Management and Assistance Center's control for supplier diversity purposes), although they are vendors paid by the Asset Management and Assistance Center.

- Asset Management and Assistance Center discretionary vendor payments (under the Asset Management and Assistance Center's direct control) are:
 - **Legal payments.** Payments to legal firms to carry out various legal activities related to credit union liquidations, such as bond claims, collections, foreclosures and bankruptcies.
 - **Other liquidation payments.** Payments to a variety of firms for administrative liquidation expenses.

In previous years, the reporting of both discretionary and non-discretionary vendor payments together were not properly representing the actual level of procurement activity available for minority- and women-owned business participation. In this and future reports, OMWI will report vendor payments to these two groups separately, so that actual supplier diversity efforts and

results can be distinguished clearly from non-discretionary activity.

Additionally, and in accordance with NCUA’s contracting reporting methodology, the Asset Management and Assistance Center’s reportable amounts paid exclude such items as leases, payments to government entities and other non-contract-related business activities.

Reportable Amounts Paid to Contractors

In 2015, the Asset Management and Assistance Center made contract payments in the amount of \$30.6 million. Of this amount, 77 percent were payments to non-discretionary vendors falling under the definition of legacy payments or securities-litigation payments. Although the Asset Management and Assistance Center makes payments to these vendors, the vendors were selected by third parties under legal service agreements predating Section 342 of the Dodd-Frank Act. The remaining 23 percent of payments, amounting to \$7.1 million, were made to discretionary vendors selected by the Asset Management and Assistance Center.

In 2015, of the \$7.1 million in reportable contract payments, minority- and women-

owned businesses received \$478,032, or 6.8 percent of the total reportable contracting dollars paid. This figure includes payments made to title companies and real estate brokers for conducting real estate transactions. Figure 10 shows a breakdown of the Asset Management and Assistance Center’s 2014 and 2015 results.

The Asset Management and Assistance Center experienced a slight decline in the percentage paid to minority- and women-owned businesses in 2015. Notwithstanding, the Asset Management and Assistance Center continues to maintain a stable supplier diversity performance. Total discretionary payments made to vendors in 2015 were 24 percent lower than the \$9.3 million paid in 2014, thus reducing opportunities for minority- and women-owned business participation. The decline in opportunities for vendor participation is attributable to the decline in total assets related to credit unions liquidations.

Opportunities for Continued Improvement in 2016

The Asset Management and Assistance Center’s new approach has re-oriented its attention towards activities where it can have the most supplier diversity impact. For

Asset Management and Assistance Center Supplier Diversity				
	2015		2014	
Total Minority-Owned Business Payments*	\$224,877	3.2%	\$80,753	0.9%
Total Women-Owned Business Payments*	\$423,221	6.0%	\$639,988	6.9%
Total Minority- or Women-Owned Business Payments	\$478,032	6.8%	\$666,698	7.2%
Total Payments	\$7,057,386		\$9,307,916	

*Note: Minority-owned and woman-owned business amounts include payments to businesses that are both minority- and woman-owned.

Source: NCUA

Figure 10

2016, the Asset Management and Assistance Center will focus on the inclusion of minority- and women-owned businesses within its discretionary contracting activities. Initiatives to further opportunities for minority- and women-owned business inclusion and participation in this group of contracts are divided in two distinct groups: legal services and non-legal services.

Payments for the Asset Management and Assistance Center's legal services made up 41 percent of all discretionary vendor payments in 2015. Considering the impact of this payment volume on the Asset Management and Assistance Center's overall supplier diversity results, it is imperative Asset Management and Assistance Center design and execute supplier diversity initiatives specifically tailored to its legal services' needs.

Legal Services

OMWI, the Asset Management and Assistance Center and NCUA's Office of General Counsel have agreed to work jointly in pursuing the following three initiatives:

- Generate a list of qualified minority- and women-owned legal firms to participate in the Asset Management and Assistance Center's top-five most common legal service needs, such as collections, foreclosure and litigation, among others;
- Find new opportunities to use minority- and women-owned legal firms for non-competitive opportunities at or below the \$25,000 mark; and
- Review annually the legal services performed by the top ten legal firms in contract dollar terms, and determine the possibility of transitioning to more minority- and women-owned legal firms' participation.

Non-Legal Services

At 59 percent of all discretionary vendor payments in 2015, the Asset Management and Assistance Center's non-legal vendor payments span a wide variety of goods and services necessary to complete credit union liquidations. OMWI and the Asset Management and Assistance Center have agreed to pursue jointly the following initiatives to increase opportunities for minority- and women-owned business inclusion and participation:

- Review annually the services performed by the top ten non-legal vendors (in contract dollar terms) and determining the possibility of transitioning to more minority- and women-owned business participation;
- Identify and engage minority- and women-owned businesses providing nationwide service in the following areas: forensic computer specialists, forensic accountants, asset search specialists, and temporary labor and staffing agencies;
- Find new opportunities to use minority- and women-owned businesses for non-competitive opportunities at or below the \$50,000 mark; and
- Deliver training to the Asset Management and Assistance Center staff on how to research minority- and women-owned businesses using publicly available information.

The implementation of these initiatives, which are currently underway, will improve the Asset

Management and Assistance Center's vendor mix throughout 2016.

Beyond these efforts, OMWI continues to work with the Asset Management and Assistance Center in providing timely feedback in the form of quarterly supplier-diversity reports to keep them abreast of its supplier diversity standing.

Since 2012, OMWI has been conducting annual full-day, in-person supplier diversity

workshops with the Asset Management and Assistance Center staff and senior management. The focus of these workshops has been to discuss the Asset Management and Assistance Center's supplier diversity results for the previous year and opportunities to affect positive change in their supplier diversity program execution and results. In the future, these workshops will focus on the implementation and effects of each of the tactics outlined for the targeted procurement of legal and non-legal services.

Credit Union Diversity

Regulated Entities

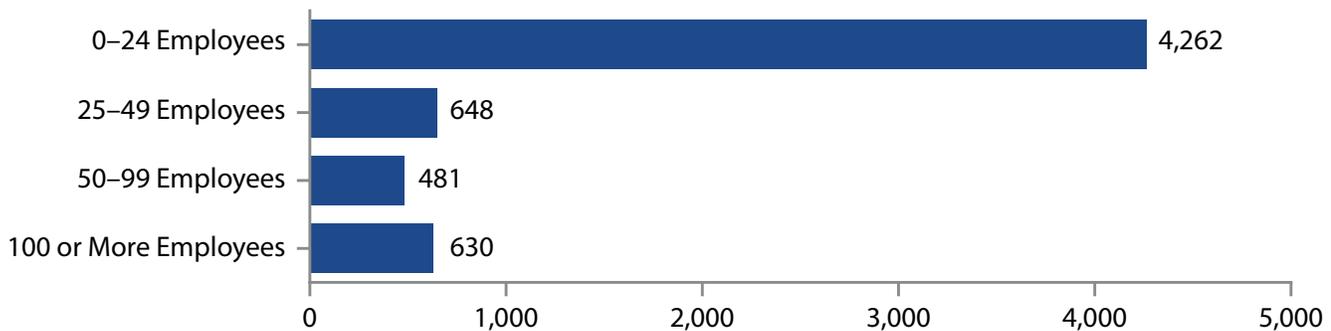
NCUA is committed to modeling and communicating to its regulated entities the value of diversity and inclusion to credit union sustainability and growth. Furthermore, Section 342(b)(2)(C) of the Dodd-Frank Act requires NCUA to develop standards for assessing the diversity policies and practices of entities regulated by the agency.

NCUA's regulated entities consist of 6,021 federally insured credit unions as of December

31, 2015. These entities include 3,764 federally chartered credit unions and 2,257 state-chartered credit unions that are federally insured. Using December 31, 2015, Call Report data, Figure 12 shows the number of credit unions falling within various total employment levels.

A total of 4,910 credit unions, representing 81 percent of all federally insured credit unions, have total employees of 49 or less, and 630 credit unions, or 10 percent, have total employees of 100 or more. Even though

Number of Credit Unions by Total Employment Levels



Source: NCUA Call Report Data

Figure 12

Credit Unions by Aggregate Employees



Source: NCUA Call Report Data

Figure 13

only 10 percent of all federally insured credit unions have 100 or more employees, these credit unions represent 70 percent of the total (281,261) employees working at all federally insured credit unions, as illustrated in Figure 13.

Because these large credit unions employ a majority of all federally insured credit union employees, an analysis of their workforce illustrates diversity levels in the broader credit union system. Therefore, NCUA will primarily focus on educating credit unions with 100 or more employees on the value of diversity and inclusion and assessing their diversity policies and practices.

Diversity Assessment Standards

In June 2015, 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 finalized the [Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities](#).

The statement addresses diversity and inclusion standards in the form of best practices for assessing and advancing workforce and supplier diversity. The standards also promote transparency of diversity policies and practices within regulated entities, including all federally insured credit unions. The standards cover four key areas:

- Organizational Commitment to Diversity and Inclusion;
- Workforce Profile and Employment Practices;

- Procurement and Business Practices—Supplier Diversity; and
- Practices to Promote Transparency of Organizational Diversity and Inclusion.

In combination with the Interagency Policy Statement, NCUA [issued Letter to Credit Unions, 15-CU-05](#), “Standards for Assessing Diversity Policies and Practices.”⁷ This letter simplifies the Interagency Policy Statement and provides credit unions guidance on how to implement the standards, assess their diversity and inclusion policies and practices, and build or strengthen their existing policies and practices. The letter encourages credit unions with at least 100 employees to use the standards in a manner appropriate to their unique characteristics.

Simultaneously, NCUA developed a Voluntary Credit Union Self-Assessment Checklist as a tool for credit unions to assess and advance their diversity and inclusion policies and practices. The agency initially vetted the draft checklist with nine credit unions that provided positive informal comments.

Credit unions may send their completed checklist to NCUA to serve as their annual assessment. NCUA plans to aggregate credit unions’ self-assessment data, and report the results in this section in future annual reports to Congress.

In accordance with the Paperwork Reduction Act requirements, NCUA recently obtained approval from the U.S. Office of Management and Budget to move forward with the checklist.⁸ NCUA anticipates developing

⁷ The Letter to Credit Unions, 15-CU-05 is available in Appendix 2.

⁸ A copy of the final self-assessment checklist is available in Appendix 3.



The experts who participated in “The Unique Challenges and Opportunities Serving Hispanic Members” forum included (from left to right) NCUA Supervisory Examiner Sergio Osuna; Maria Martinez, CEO of Border Federal Credit Union and co-chair of Network of Latino Credit Unions and Professionals; Office of Small Credit Unions Director William Myers; Mariam De Dios, CEO of Coopera Consulting; and Bob Peterson, CEO of Source One Federal Credit Union.

policies and procedures relating to the timing of this collection during the third quarter of 2016.

Hispanic Financial Inclusion

Membership diversity allows for potential growth within a credit union’s field of membership and a stronger credit union system that better serves all communities.

Hispanics are the largest minority group in America, comprising up to 16 percent of the nation’s population. Over the next 40 years, the U.S. Census Bureau projects the Hispanic population will more than double. Yet, nearly half of Hispanics in the U.S. are either unbanked or underbanked, leaving them with few affordable options to meet their financial needs. This group represents a large market in need of the affordable financial services that credit unions provide. It is a source for future credit union growth and credit union officials and managers.

In December 2015, NCUA hosted a panel discussion titled “Unique Challenges and Opportunities Serving Hispanic Credit Union Members.” This panel discussion focused on how credit unions can better serve the Hispanic community. It also provided valuable information to increase the financial inclusion of Hispanics.

The discussion offered ideas on how credit unions can break down barriers to financial inclusion and provide products and services to meet the needs of this growing population. The experts participating in the webinar discussed opportunities credit unions have to serve Hispanics better, the challenges accompanying these opportunities, and strategies for credit unions to strengthen outreach to these members. An archive of the live webcast can be viewed at <http://bit.ly/1RcYYLb>.

Employer Information Reports (EEO-1 Reports)

NCUA used the Employer Information Report data submitted to the Equal Employment Opportunity Commission to assess the diversity within the credit union system.

The Equal Employment Opportunity Commission requires certain employers to submit an Employer Information 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, Employer Information 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 it to the public. At the time of developing this congressional report, the EEOC had not yet released the September 30, 2015, data. However, EEOC's website contains the Employer Information Report data reported by credit unions for 2014.

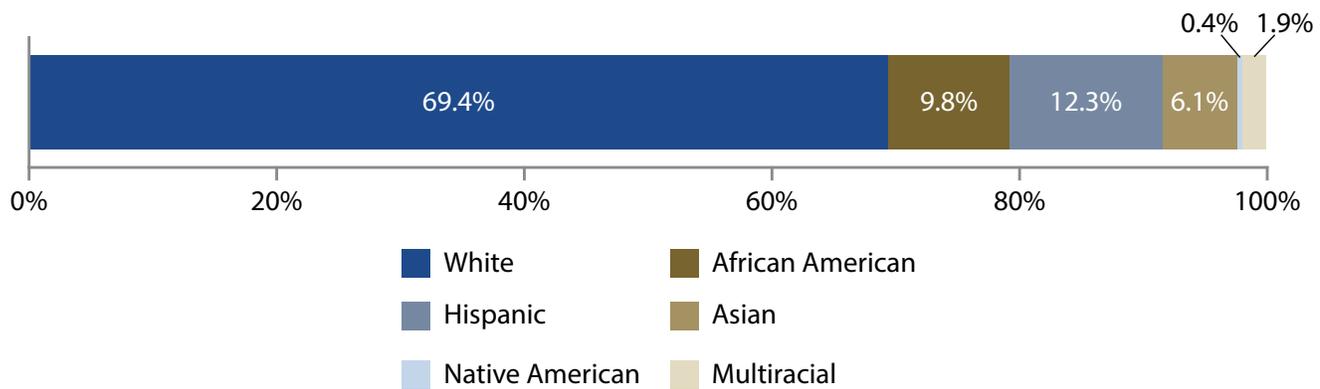
Our analysis revealed some data integrity issues. Specifically, the total employees (99,723) reported on the 2014 Employer Information Reports as compared to the aggregate employees (182,164) reported on NCUA's September 2014 Call Reports for credit unions with at least 100 employees. Nevertheless, the Employer Information Report data provides one window indicating the workforces of credit unions that reported are diverse and represented the nation's population.

Figure 14 illustrates the workforce demographics of credit unions that submitted Employer Information Reports to the EEOC as of September 30, 2014. For comparison, Figure 15 shows the demographic composition of the national Civilian Labor Force.

A comparison of Figures 14 and 15 reveals:

- African Americans comprise 9.8 percent of the total credit union employees compared to 12 percent nationally.
- Hispanics comprise 12.3 percent of the total credit union employees compared to 10 percent nationally.
- Asians—combined with Hawaiians and Other Pacific Islanders—comprise 6.1 percent of the total credit union employees compared to 4.0 percent nationally.
- Native Americans comprise approximately 0.4 percent of the total credit union employees compared to 1.1 percent nationally.

Demographics of Credit Union Employees

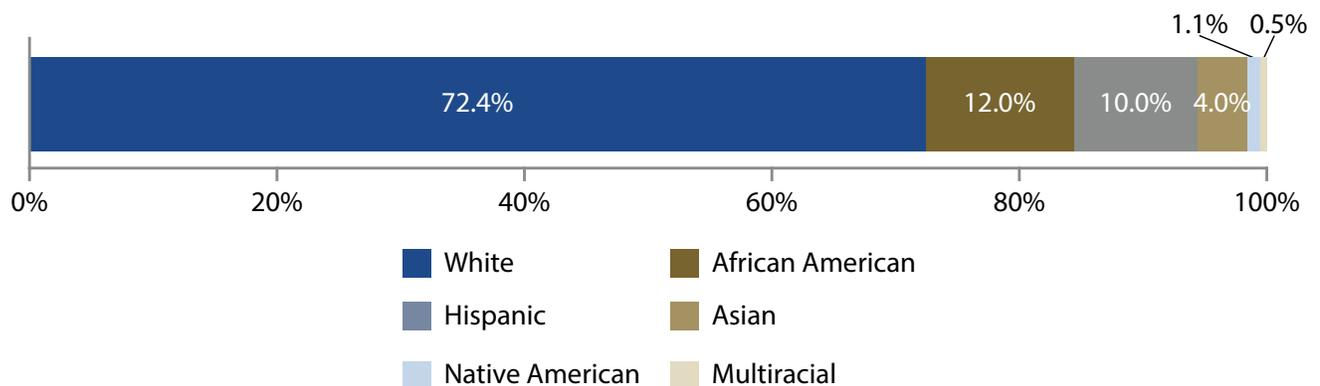


Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: 2014 Employer Information Reports filed with the Equal Employment Opportunity Commission

Figure 14

2010 Civilian Labor Force



Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: Census Bureau

Figure 15

- Multiracial employees comprise 1.9 percent of total employees compared to 0.5 percent nationally.

Regarding gender, the Employer Information Report data continues to reveal women comprise nearly 69 percent of the workforce at credit unions, compared to 48.2 percent of the national Civilian Labor Force.

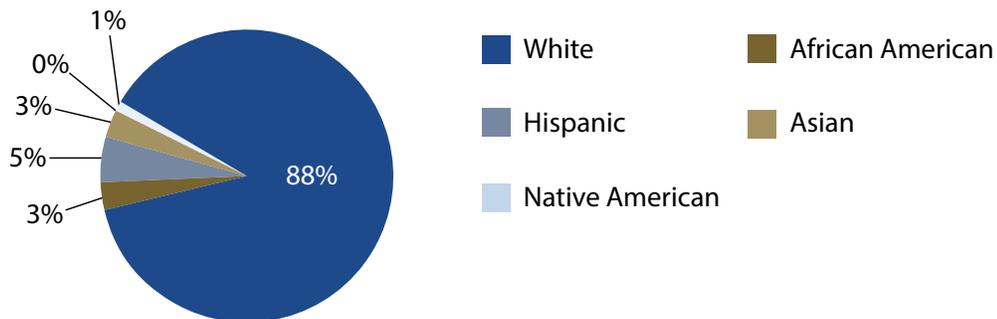
Figures 16 and 17 show the executive, senior officials and management representation in credit unions that submitted Employee Information Reports in 2014:

These reports show there is room for improvement in the diversity and gender compositions of executives, senior officials and management in credit unions.

Female Inclusion in Executive Positions in Credit Unions

The credit union system is unique in that 52 percent of credit union managers or CEOs are women. Women run more credit unions than men, which shows progress for gender equality in the system. While women hold a majority of the executive seats in credit unions as a whole, credit unions still have a long

Credit Union Executives, Senior Officials & Managers by Race

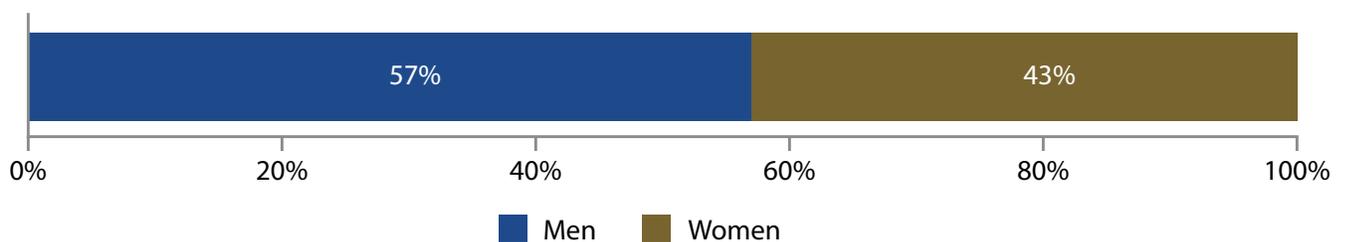


Note: Asian American includes Native Hawaiian or Other Pacific Islander

Source: 2014 Employer Information Reports filed with the Equal Employment Opportunity Commission.

Figure 16

Credit Union Executives, Senior Officials & Managers by Gender



Source: 2014 Employer Information Reports filed with the Equal Employment Opportunity Commission

Figure 17

way to go to fully integrate women into the executive offices and board rooms.

Researchers from across the globe have studied the effect of diversity on business performance and have proven, time and time again, that businesses that are more diverse have higher retention, profitability and marketability.⁹ This well-documented fact holds true for credit unions, especially in terms of net worth. The average net worth ratio for all credit unions run by men is 12.5 percent. For women-run credit unions, the average net worth ratio is 13.8 percent.

The average asset size of a woman-run credit union is \$71 million, but the average asset size of a credit union with a man at the helm is \$342 million.

Women do not have equal representation as executives in large credit unions. Women managers and CEOs are heavily represented in smaller credit unions, but are underrepresented at the very top, even though women-run credit unions perform better at every asset size as seen in Figure 18:

In 2016, OMWI will begin presenting a business case for diversity to credit unions. In 2017, the OMWI Director will present to a distinguished group of credit union board members at their national Annual Volunteer

Leadership Institute, advocating for more diversity on credit union boards. The goal is to illustrate the business case for more diversity in credit union executive offices and boardrooms, so that women and minorities' representation in larger credit unions will continue to increase.

Opportunities for Continued Improvement in 2016

Opportunities for continued improvement in promoting and assessing diversity and inclusion in federally insured credit unions include the following:

Diversity and Inclusion Standards

NCUA will educate credit unions on the value of, and the business case for, diversity and inclusion. The agency will encourage credit unions to implement the diversity standards to the greatest extent possible, so that their workforces, boards and contracts reflect the diverse communities and fields of membership they serve.

Upon receiving OMB's approval, the agency will issue the Voluntary Credit Union Self-Assessment Checklist to credit unions with guidance on when and how to assess and advance their diversity and inclusion policies and practices.

⁹ Catalyst, "Why Diversity Matters," July 2013

Gender	All Credit Unions		Up to \$100 Million in Assets		\$100-\$500 Million in Assets		\$500 Million-\$1 Billion in Assets		Over \$1 Billion in Assets	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Representation (in percent)	52%	48%	63%	37%	26%	74%	14%	86%	14%	86%
Net Worth Ratio	13.84%	12.5%	14.1%	13.6%	11.2%	10.8%	11.0%	11.1%	11.4%	10.75%
CAMEL Rating	2.0	2.1	2.2	2.3	1.9	1.9	1.6	1.8	1.4	1.6

Figure 18

In addition, NCUA will promote the case that diversity, coupled with inclusion, should be a strategic business imperative. The agency will help credit unions understand that having employees, managers and board members reflecting the communities they serve will allow them to better understand and serve those communities. NCUA will develop a #CUsforDiversity social media campaign and a virtual Credit Union Diversity Toolkit. Furthermore, NCUA will spotlight credit unions that have demonstrated commitment to diversity and inclusion as diversity champions.

Campaigns Reaching Minority Groups

NCUA will host campaigns to help credit unions understand how to better serve diverse segments of their communities to enable them to reach and connect with these markets. This inclusive process will strengthen credit unions by building a more diverse and vibrant membership base.

Employer Information Reports

NCUA reviewed the 2014 Employer Information Report data and found that additional education on the appropriate submission of Employer Information Reports is needed within the credit union system. Again, the agency compared the total employees reported to EEOC for 2014 against the Call Reports for credit unions having more than 100 employees for the same period and the difference was considerable.

The agency's analysis of Employer Information Report data revealed credit unions submitting Employer Information Reports continues to increase as they became aware of the reporting requirements from

NCUA's awareness initiatives. This increase is demonstrated by the 547 units reporting in 2010 versus 764 units reporting in 2014, representing an increase of 217 units. Each unit represents a separate credit union branch location that submitted an Employer Information Report—thus, the total units do not represent total credit unions.

While the number of reporting units increased, NCUA still strives to decrease the gap between the total employees reported on Employer Information Reports and the total employees reported on NCUA Call Reports for credit unions with at least 100 employees. The total Employer Information Report reported employees increased from 73,032 in 2010 to 99,723 in 2014, representing an increase of 26,691.

Yet, these actions still resulted in a difference of 82,441 between the employees reported on Employer Information Reports of 99,723 and the 182,164 employees reported in NCUA's September 2014 Call Reports. While more credit unions are submitting Employer Information Reports, credit unions are not submitting an Employer Information Report for all of their locations. Accurate Employer Information Report data will allow NCUA to provide a more accurate analysis of the diversity within credit unions.

For this reason, NCUA will continue to educate credit unions on the appropriate filing requirements of the Employer Information Report Form with EEOC. The agency will also further its relationship with EEOC to enhance the accuracy of the reporting for its regulated entities.

Financial Literacy Outreach

NCUA's financial literacy initiatives are coordinated through its Office of Consumer Protection. Highlights from NCUA's 2015 outreach efforts include:

Launching a New Financial Literacy Resource Center on NCUA.gov

NCUA launched a new [Financial Literacy Resource Center](#) on [NCUA.gov](#) featuring financial literacy tools, data, research, and a list of current NCUA financial literacy collaborations for credit unions, credit union members, consumers and other stakeholders.

Launching a New Fraud Prevention Center on MyCreditUnion.gov

NCUA launched a new [Fraud Prevention Center](#) to help consumers learn how to recognize common scams, take action if a victim of fraud, and protect their personal finances from fraud. The center's design includes easy-to-use navigation and mobile-responsive features to access a number of resources from NCUA and other federal partners. The new Fraud Prevention Center covers a variety of topics including frauds and scams, identity theft, and online security, as well as fraud-prevention resources.

Unveiling the Interactive Financial Learning Tool World of Cents

In 2015, NCUA also released [World of Cents](#), an online interactive financial learning tool. The [World of Cents](#) learning experience introduces youth to the important building blocks for making smart financial decisions, such as

math skills, good savings habits and financial literacy.

[World of Cents](#) utilizes coin value recognition to demonstrate how to save and manage money. It also provides a fun and engaging opportunity for children to learn the concepts of earning, saving and spending money, while building their very own magical world.

The tool was featured on the U.S. Department of the Treasury's [MyMoney.gov](#) website, which provides financial literacy education resources from agencies across the federal government.

Hosting a Webinar on Financial Literacy for National Financial Capability Month

NCUA hosted its annual financial literacy webinar, entitled "Your Mission in Action: Developing Youth Financial Literacy and Savings Programs" to support National Financial Capability Month. The webinar informed credit unions about youth financial literacy initiatives, resources and opportunities available from credit unions, 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.

Participating in Interagency Guidance Encouraging Youth Savings Programs

NCUA and four other federal financial regulatory agencies issued guidance to encourage federally insured depository institutions to offer youth savings programs

to expand the financial capability of young people. This effort is consistent with the “Starting Early for Financial Success” focus of the Financial Literacy and Education Commission. The guidance did not create any new regulatory policy or establish new industry expectations.

Contributing Consumer Protection Articles for the NCUA Report

In 2015, the Office of Consumer Protection authored 16 articles on consumer protection and financial literacy topics for NCUA’s flagship publication, *The NCUA Report*. NCUA produces this publication to enhance the public’s understanding of NCUA’s regulations, policies and programs within the credit union community.

Developing NCUA Consumer Report Videos

NCUA released five new NCUA Consumer Report videos on NCUA’s [YouTube Channel](#) and [MyCreditUnion.gov](#) to educate and inform consumers and credit unions about important consumer financial protection matters. The new videos featured topics such as fraud detection and prevention, understanding payday loans, and a three-part series on share insurance coverage.

Fostering Collaboration among Stakeholders by Expanding NCUA Twitter Chats

NCUA hosted five Twitter chats featuring such organizations as the Consumer Federation of America, AARP, the Federal Trade Commission and the National Disability Institute. These Twitter chats reached thousands of social

media users and generated additional interest in NCUA and credit union financial literacy programs.

Supporting Financial Literacy Partners and Collaborators

In 2015, staff attended a variety of financial literacy events, meetings and conferences to increase awareness of NCUA’s financial literacy policy, programs and resources, as well as the financial literacy efforts of credit unions.

Through the Office of Consumer Protection, NCUA collaborated with various national organizations to support nationwide financial literacy initiatives that included:

Collaborating with the Financial Literacy and Education Commission

NCUA continued to support its strategic goals and the U.S. National Strategy on Financial Literacy through collaboration with 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 the Commission’s groups, including the Child and Youth, Early Career and Post-Secondary committees.

Collaborating with AARP to Advance the Financial Capabilities of Older Adults

In September 2014, NCUA formalized a collaboration with AARP to promote financial education and outreach, help consumers achieve financial security and increase access to responsible and affordable financial services. In 2015, NCUA and AARP hosted a

webinar and Twitter chat on fraud prevention, and provided education informing older adults about credit unions, including the cooperative structure, membership eligibility and share insurance coverage.

Participating on the American Savings Education Council

As a member of the American Savings 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. Staff from the Office of Consumer Protection also represented NCUA on the Council's Government Interagency Group, a working group of program-level staff from federal agencies focused on financial literacy.

Collaborating with the Department of Education and Federal Deposit Insurance Corporation

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

Collaborating with America Saves and Military Saves Campaigns

NCUA continued to collaborate with the Consumer Federation of America in support of its America Saves and Military Saves campaigns that encourage individuals and families to set a financial goal, make a plan and save automatically.

Working with Jump\$tart Coalition for Personal Financial Literacy

NCUA is a national partner of the Jump\$tart Coalition. This organization shares a common interest in supporting financial literacy, through financial education, for the nation's youth. NCUA's financial literacy resources were featured in the Coalition's Financial Friday newsletter and its national clearinghouse of resources for teachers.

Participating in National Outreach Campaigns

NCUA participated in several national campaigns and initiatives to promote NCUA's financial literacy resources and to encourage credit unions to engage with their members in fostering financial literacy within the communities they serve. These campaigns included:

- Tax Identity Theft Awareness Week;
- America Saves Week;
- Military Saves Week;
- National Consumer Protection Week;
- National Financial Capability Month;
- National Cyber Security Awareness Month;
- National Military Family Appreciation Month;
- National Preparedness Month;
- Older Americans Month;
- Make A Difference Day; and
- International Credit Union Day.

NCUA's other financial literacy outreach events included:

- AARP Life@50+ National Event;
- ADA@25: Economic Advancement and Financial Inclusion Summit;

- America's Credit Union Conference;
- Council for Economic Education Annual Financial Literacy and Economic Education Conference;
- The Credit Union National Association's Governmental Affairs Conference;
- Consumer Federation of America's National Savings Forum;
- Department of Defense Military Saves Financial Readiness Fair at the Pentagon;
- Financial Literacy Day on Capitol Hill Event;
- Jump\$tart National Educator Conference; and
- National Consumer Protection Week Congressional Fair.

Appendix 1: Annual Diversity and Inclusion Statement



National Credit Union Administration

Office of the Chairman

Annual Diversity and Inclusion Statement

October 19, 2015

Every year I affirm my commitment to diversity and I do so unequivocally. This year I not only affirm my commitment to diversity, but to diversity and inclusion. I believe that diversity and inclusion are strategic business imperatives that when made a part of who we are and how we do business will allow NCUA to more effectively achieve its mission.

Creating and sustaining a climate where people of diverse backgrounds are included, valued and respected is a top priority. A diverse workforce stimulates innovation, new approaches, and fresh perspectives to solve complex organizational challenges. Diversity ultimately enables us to better meet our mission to “provide, through regulation and supervision, a safe and sound credit union system which promotes confidence in the national system of cooperative credit,” and our vision to ensure that “NCUA will protect consumer rights and member deposits.”

NCUA’s leadership understands our strength resides in our people and the different perspectives, talents and abilities they bring to the agency. But more important, if we want to leverage those diverse perspectives, skills and talents, we must be committed to building an inclusive work environment. In an inclusive work environment, differences are celebrated, voices are heard, and employees are able to contribute to their full potential. As a leadership team, we are committed to intentional inclusion to bring out the best in our workforce. This year, we will focus on the strength in our differences and inclusive leadership.

I call upon each of you to join me in making diversity and inclusion a part of who we are and the fabric of how we do business.

A handwritten signature in black ink that reads "Debbie Matz".

Debbie Matz
Chairman

Appendix 2: Letter to Credit Unions, 15-CU-05

NCUA LETTER TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: June 2015 **LETTER NO:** 15-CU-05

TO: Federally Insured Credit Unions

SUBJ: Standards for Assessing Diversity Policies and Practices

ENCL: (1) **Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies**

(2) **Voluntary, Sample Credit Union Self-Assessment Checklist**

Dear Board of Directors and Chief Executive Officer:

As required by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the NCUA Board has approved a final interagency policy statement to establish standards for assessing the diversity policies and practices of federally insured credit unions.

This policy statement is *not* a new rule or regulation. It does *not* create any legal compliance obligations; implementation or use of the diversity standards is completely *voluntary*. NCUA will *not* incorporate the review of credit union diversity policies and practices in our examination and supervision program.

However, especially if your credit union has at least 100 employees, you and your human resources officials are encouraged, where applicable, to review the enclosed interagency policy statement detailing best practices for advancing workforce and supplier diversity.

Each year, you will have an opportunity to conduct a voluntary self-assessment of your credit union's diversity initiatives. A voluntary, sample Self-Assessment Checklist is enclosed with this letter.

In accordance with Paperwork Reduction Act requirements, the effective date for collection of information from these voluntary submissions will be announced in the *Federal Register* following approval from the U.S. Office of Management and Budget (OMB).

NCUA will aggregate credit unions' self-assessment data anonymously, then submit it as part of the annual report to Congress from NCUA's Office of Minority and Women Inclusion (OMWI).

SCOPE OF APPLICATION

The enclosed diversity standards are not a "one-size-fits-all" approach, but a flexible listing of leading diversity practices. Each credit union may use the standards in a manner appropriate to its unique characteristics.

When developing the diversity standards, agencies focused primarily on entities with more than 100 employees.¹⁰ Credit unions and banks with more than 100 employees are usually required to file an EEO-1 Report on workforce diversity annually.¹¹

Nearly ten percent (619) of all federally insured credit unions currently have 100 or more employees. These 619 credit unions employ 68 percent of all employees working in all federally insured credit unions. NCUA Call Reports show that 64 percent of the 619 credit unions required to file the EEO-1 Report also self-report having a diversity program in place.

NCUA understands that credit unions with a small number of employees, or located in rural areas, face different diversity challenges compared to larger regulated entities, or those located in more diverse urban areas.

DEFINITION OF DIVERSITY

The interagency policy statement defines diversity as minorities and women, consistent with Section 342(g)(3) of the Dodd-Frank Act. Minorities are defined as Black Americans, Native Americans, Hispanic Americans, and Asian Americans.

¹⁰ In addition to NCUA, the agencies include the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Bureau of Consumer Financial Protection, and the Securities and Exchange Commission.

¹¹ Private employers with 100 or more employees and federal contractors and first-tier subcontractors with 50 or more employees that have a contract or subcontract of \$50,000 or more, or serve as depository of Government funds in any amount, are required by Title VII of the Civil Rights Act of 1964 to collect data on employment diversity and file an EEO-1 Report with the Equal Employment Opportunity Commission (EEOC). <http://www.eeoc.gov/employers/eo1survey/2007instructions.cfm>.

In addition, the policy statement provides flexibility for your credit union to establish its own broader definitions for diversity. Broader definitions may be especially appropriate if your credit union is located in an area where there are limited minority populations. For example, broader definitions may include persons with disabilities, veterans, and lesbian/gay/bisexual/transgender individuals.

Per the intent of Section 342 of the Dodd-Frank Act, NCUA encourages credit unions, where feasible, to strive to accomplish a diverse workforce, consider diversity in contracting activities, and employ staff that reflect the diversity within their respective fields of membership.

BEST PRACTICES RECOMMENDED TO ASSESS DIVERSITY STANDARDS

The enclosed interagency policy statement details best practices for a credit union to voluntarily assess its diversity and inclusion policies and practices in five distinct areas. The focus of each area is summarized below, with more detailed information on each area contained in the enclosed interagency policy statement:

1. **Organizational Commitment to Diversity and Inclusion:** This set of diversity standards measures the credit union's overall, top-level commitment to diversity and inclusion in employment and contracting. The diversity standards also provide guidance on how to cultivate an environment that embraces diversity and inclusion throughout the organization.

These standards highlight the importance of the role and commitment of senior leadership in promoting diversity and inclusion throughout the organization.

2. **Workforce Profile and Employment Practices:** This set of diversity standards illustrates efforts for promoting the fair inclusion of minorities and women in the applicant pool for vacancies within the workforce at all levels. Consistent with existing EEOC guidelines, all credit unions must ensure equal employment opportunities for all employees and applicants for employment, and must not engage in unlawful discrimination based on gender, race, and ethnicity.

The diversity standards highlight the use of analytical tools, including metrics, to measure and track the level of inclusiveness within the workforce. The use of analytical tools neither encourages nor requires the unlawful use of quotas, classifications, or preferences for personnel actions. You may expand your outreach to provide a diverse applicant pool for vacancies, but still hire the most qualified person for each position.

3. **Procurement and Business Practices – Supplier Diversity:** This set of diversity standards illustrates efforts for promoting the fair inclusion of minority- and women-owned businesses in the participation of contracting opportunities. It encourages credit unions to provide an avenue for qualified minority- and women-owned businesses to bid on contracts meeting certain criteria as determined and established by the credit union (e.g., bidding for all contracts greater than \$10,000).

These standards also highlight the use of metrics for measuring and tracking the level of minority- and women-owned business inclusiveness in contracting opportunities. Building a Supplier Diversity Program can be a challenge and takes time.

4. **Practices to Promote Transparency of Organizational Diversity and Inclusion:** This set of diversity standards provides best practice examples for how credit unions can appropriately communicate information about their diversity, inclusion efforts, and progress made in a transparent manner through normal business methods. These methods may include displaying the results of a credit union's diversity assessment, diversity metrics or profiles, and diversity efforts on its website, or within its written annual report to members, or both. Examples of such transparency from NCUA's diversity and inclusion practices can be found in our [OMWI Congressional Reports](#).

Transparency means providing insight into your credit union's considerations, but transparency does not require you to share confidential and proprietary information.

Transparency is not just metrics; it's about telling your credit union's full story or journey to embrace or enhance diversity and inclusion through your efforts. Examples of information to share for transparency include:

- Detailed information on diversity and inclusion efforts;
- Demographic information on workforce composition;
- Demographic information on board members and other officials; and § Sponsorships or partnerships with diverse organizations.

You may consider publishing information about procurement activities and about how to do business with your credit union. Examples of NCUA's supplier diversity transparency can be found on our [OMWI's Supplier Diversity webpage](#).

5. **Entities' Self-Assessment:** This final set of diversity standards provides guidance on performing a self-assessment at your credit union, and steps to take after the self-assessment is completed. In general, you may perform the self-assessment by comparing your existing diversity and inclusion policies and practices against the above diversity standards; summarizing the information; communicating that information through normal business methods; and voluntarily providing such information to NCUA annually.

HOW NCUA WILL COLLECT AND REPORT CREDIT UNION DIVERSITY SELF-ASSESSMENTS

NCUA will welcome these voluntary submissions after the effective date for the collection of information. There will be an interagency notice in the *Federal Register* upon OMB approval of the collection of information.

Any federally insured credit union, including those chartered by a state regulator, may voluntarily submit a self-assessment by mail to OMWI¹² or by e-mail to OMWImail@ncua.gov.

NCUA will *not* publish diversity information that identifies any particular credit union or individual, unless a credit union consents in writing to such use.

NCUA plans to use such information in the aggregate for the purpose of monitoring progress and trends of the credit union system's diversity and inclusion activities in employment and contracting, and to highlight successful diversity policies and practices, primarily in NCUA's annual OMWI Congressional Report. Examples of NCUA's aggregated disclosures are found in past [OMWI Congressional Reports](#).

In summary, the Dodd-Frank Act encourages, but does not require, financial depository institutions including credit unions with larger employee bases (e.g., over 100 employees) to consider adopting and incorporating these interagency diversity standards into ongoing business and hiring practices.

It has been demonstrated that diversity best practices are also good business practices. Hiring qualified staff and vendors that reflect the diversity of your field of membership enriches the employee experience, enhances output, and extends member outreach. If you are not already engaged in such activities, you might want to consider the appropriateness of these diversity standards for your credit union.

This voluntary collection will *not* be part of any NCUA examination process. Likewise, the state regulator for federally insured, state-chartered credit unions will *not* be involved with the collection or review of diversity assessment reports.

If you have any questions, please contact NCUA's OMWI at (703) 518-1650 or by email at OMWImail@ncua.gov.

Sincerely,
/s/
Debbie Matz
Chairman

¹² Office of Minority and Women Inclusion, National Credit Union Administration, 1775 Duke St., Alexandria, VA 22314



Appendix 3: Voluntary Credit Union Self-Assessment Checklist

Best Practices for Demonstrating a Commitment to Diversity & Inclusion

Credit Union Name: _____ Credit Union No.: _____ Date: _____

Total Assets: _____ Total Members: _____ Total Employees: _____

Point of Contact: _____ Title: _____ Phone: _____

Email: _____ Website: _____ Fax: _____

Brief Description of Credit Union (i.e., field-of-membership or common bond, member or community characteristics, or geographic location):

Complementary to Interagency Policy Statement Establishing Joint Standards for Assessing Diversity Policies and Practices, NCUA is providing credit unions this example of a self-assessment checklist showcasing some best practices for demonstrating a commitment to diversity and inclusion. Diversity coupled with inclusion should be a strategic business goal. When made a priority, diversity and inclusion can help your credit union to grow and better serve your diverse members. NCUA encourages credit unions, especially ones with over 100 employees, to conduct a self-assessment to demonstrate a commitment to diversity and inclusion in the workforce and in contracting activities. The credit union’s diversity or human resources office may be best-positioned to review and complete the checklist, with input from the credit union’s contracting staff. NCUA appreciates that some credit unions, especially smaller ones, may not find the best practices applicable and, accordingly, completion of this checklist may not be appropriate.

Please consider the following key points:

- (1) This self-assessment is voluntary, and is neither mandatory nor required by law. We encourage credit unions to review the best practices and consider completing the checklist if the questions are applicable.
- (2) NCUA examiners will not examine your credit union on whether you complete the self-assessment or on the checklist information. This is outside of the scope of the examination process.
- (3) For those credit unions that conduct self-assessments and voluntarily submit this information to NCUA, we will only use the information in an aggregate form, for example in an annual report to Congress. NCUA would not name any specific credit union in the report, unless the credit union explicitly consents to this in writing.
- (4) NCUA believes credit unions generally develop and implement successful diversity policies and practices gradually, over a period of time. We would not expect participating credit unions will implement every listed best practice. Some credit unions, especially those with more than 100 employees can use information they gain from conducting self-assessments to begin or to strengthen on-going efforts to promote diversity and inclusion.



1. Does My Credit Union’s Leadership Make an Organizational Commitment to Diversity and Inclusion?

Credit unions with successful diversity policies and practices generally begin at the top, with leadership that demonstrates its commitment by promoting diversity and inclusion in both employment and contracting, and by fostering an organizational culture that embraces diversity and inclusion. This leadership includes the board of directors, senior officials, and staff managing the daily operations. The following questions identify some efforts that demonstrate an organizational commitment to diversity and inclusion:

Does my credit union:	Yes	No	Comments
1. Have a written diversity and inclusion policy approved by senior leadership, which includes the board of directors and senior management?			
2. Have a senior level official to oversee our diversity and inclusion strategies and initiatives with knowledge of and experience in diversity and inclusion policies and practices?			
3. Conduct training and provide educational opportunity on equal employment opportunities and diversity at least annually?			
4. Take proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for:			
a. hiring, recruiting, retention, or promotion of your employees?			
b. selection of board member candidates and senior management?			
5. Include diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, or promotion of our workforce?			
6. Include diversity and inclusion considerations in our strategic plan in contracting with vendors?			
7. Provide periodic (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management?			



2. Does My Credit Union Proactively Implement Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals?

Credit unions that promote the fair inclusion of minorities, women, or other diverse individuals in their workforces proactively work to expand the applicant pool to include diverse candidates, create a culture that values the contribution of all employees, and encourage a focus on these objectives when evaluating the performance of managers. The following questions identify some initiatives to promote diversity and inclusion in the workforce:

Does my credit union:	Yes	No	Comments
1. Implement policies and practices to ensure equal employment opportunities for employees and applicants for employment?			
2. Implement policies and practices that create or foster diverse applicant pools for employment opportunities? These may include:			
a. Outreach to minority, women, or other diverse individuals? ¹			
b. Outreach to educational institutions serving significant or predominately minority, women, or other diverse student populations?			
c. Participation in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities?			
3. Communicate employment opportunities through media reaching diverse populations, including publications or professional organizations and educational institutions predominantly serving minority, women or other diverse populations?			

¹ “Other diverse individuals or organizations” refer to those identified in your own established diversity and inclusion policies, which could encompass disabled persons, veterans, millennials, or lesbian/gay/bisexual/transgender individuals as examples.



Does my credit union:	Yes	No	Comments
4. Cultivate relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations?			
5. Evaluate our diversity and inclusion programs regularly, and identify areas for future improvement?			
6. Use analytical tools, including quantitative and qualitative data, to assess, measure, and track: ^{2, 3, 4}			
a. Our workforce diversity at all levels, including supervisory and executive ranks, by race, ethnicity, gender or other diverse categories?			
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse categories?			
7. Hold management accountable for diversity and inclusion efforts, such as ensuring these efforts align with business strategies or individual performance plans?			

² Quantitative Data refers to “Quantity” and deals with numbers. Quantitative data can be measured. Qualitative Data refers to “Quality” and deals with descriptions. Qualitative data can be observed but not necessarily measured.

³ An example of a quantitative analytical tool is the Employer Information Report EEO-1 (EEO-1 Report) that tracks and analyzes employment statistics by gender, race, ethnicity, and occupational groups. An EEO-1 Report is required to be filed annually with the Equal Employment Opportunity Commission by (a) private employers with 100 or more employees and (b) federal contractors and first tier subcontractors with 50 or more employees that have a contract or subcontract of \$50,000 or more; or that serve as a depository of government funds in any amount.

⁴ Other examples of analytical tools can be found in [NCUA’s 2014 Office of Minority and Women Inclusion \(OMWI\) Congressional Report](#).



3. Does My Credit Union Consider Supplier Diversity As Part of Its Procurement and Business Practices?

Credit unions can craft and implement supplier diversity policy and practices to expand outreach for contracting opportunities to minority- and women-owned businesses.³ This involves providing opportunities for diverse businesses to bid on certain contracts or procurement activities (office supplies, promotional items, legal or accounting services) and informing these businesses on how to do business with your credit union. The goal is to develop a competitive advantage by having a broad selection of available and diverse suppliers to choose from with respect to factors such as price, quality, attention to detail, and future relationship building. The following questions identify some efforts to implement or demonstrate a commitment to supplier diversity.

Does my credit union:	Yes	No	Comments
1. Have a written supplier diversity policy that provides opportunities for minority- and women-owned businesses to bid to deliver business goods and services to us?			
2. Have leadership support to incorporate supplier diversity into business planning cycles or initiatives?			
3. Encourage by policy that some percentage (for example, 33 percent) of our outside contracts solicit bids from qualified minority- and women-owned businesses?			
4. Reach out specifically to inform minority- and women-owned businesses or affinity groups representing these constituencies of contracting opportunities and how to do business with us?			

³ See the NCUA Business Activity Diversity section of [NCUA's 2014 OMWI Congressional Report](#) and prior reports for detailed examples on how to implement supplier diversity policy and practices that aid in expanding contracting and procurement opportunities to minority-owned and women-owned businesses.



Does my credit union:	Yes	No	Comments
5. Use metrics to identify the baseline of and track:			
a. the amount we spend procuring and contracting for goods and services?			
b. the availability of relevant minority- and women-owned businesses?			
c. the amount we spend with minority- and women-owned businesses?			
d. the percentage of contract dollars awarded to minority- and women-owned businesses by races, ethnicity, and gender as compared to total contract dollars awarded for calendar year?			
e. the changes related to the above items over time?			
6. Implement practices that promote a diverse supplier pool, which may include:			
a. Participation in conferences, workshops, and other events that attract minority- and women-owned businesses to inform them of our contracting opportunities?			
b. Maintain a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities?			
c. Have an ongoing process to publicize our contracting opportunities?			
7. Encourage prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts?			



4. Does My Credit Union Promote Transparency of its Diversity and Inclusion Practices?

Transparency and communications are essential aspects of assessing diversity policies and practices. Transparency does not require you to share credit union confidential and proprietary information. Credit unions can communicate information about their diversity and inclusion efforts through normal business methods, such as displaying information on websites, in any appropriate promotional materials, and in annual reports to members.

By communicating your commitment to diversity and inclusion, your plans for achieving diversity and inclusion, and the metrics to measure success in workplace and supplier diversity, you inform a broad constituency of current and potential members, employees, potential employees, suppliers, and the general community about your affirmative efforts to promote diversity and inclusion. The publication of this information can make new markets accessible for minorities, women, and other diverse groups, and illustrate the progress made toward an important business goal. Here are some examples of efforts to promote transparency of your credit union’s diversity and inclusion efforts:

Does my credit union:	Yes	No	Comments
1. Periodically compile information about our efforts to enhance diversity and inclusion suitable for publication, which may include:			
a. Demographic information on workforce composition (such as that found on an annual EEOC report)?			
b. Demographic information on supplier diversity (contracting activities)?			
c. Demographic information on the board members and other officials?			
d. Information on sponsorships or partnerships with diverse organizations?			
e. Other information on our diversity and inclusion efforts?			



Does my credit union:	Yes	No	Comments
2. Make the following information public:			
a. Our diversity and inclusion strategic plan?			
b. Our policy on the credit union’s commitment to diversity and inclusion in the workforce?			
c. Our policy on the credit union’s commitment to diversity and inclusion to supplier diversity?			
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities?			
3. Publicize opportunities that promote diversity and inclusion, which may include:			
■ employment and internship opportunities?			
■ contracting opportunities?			
■ mentorship or developmental programs for employees?			
■ developmental programs for potential contractors?			



5. Does My Credit Union Continually Monitor and Assess its Diversity Policies and Practices?

Credit unions with successful diversity policies and practices allocate time and resources to monitor and evaluate performance under their diversity policies and practices on an ongoing basis. NCUA encourages credit unions to disclose their diversity policies and practices and related information to both NCUA and the public.

Does My Credit Union:	Yes	No	Comments
1. Use the Diversity Standards identified above to conduct self-assessments of our diversity policies and practices annually?			
2. Modify our diversity policies and practices based on the results of the self-assessment or evaluation of our diversity policies and practices?			
3. Provide information pertaining to the self-assessment or evaluation of our diversity policies and practices to NCUA’s OMWI Director annually?			
4. Publish information pertaining to our efforts with respect to the above diversity standards?			

Instructions for Submission

This assessment and other information may be voluntarily submitted electronically to NCUA – Office of Minority and Women Inclusion’s mailbox at OMWI@mail@ncua.gov or mail to: National Credit Union Administration, Office of Minority and Women Inclusion, 1775 Duke Street, Alexandria, Virginia 22314 or fax (703) 518-6685. You may submit additional information, at your discretion, to increase NCUA and Congress’s understanding of your diversity efforts or other characteristics.

Use of Information by NCUA

NCUA may use the submitted information to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities and to identify those policies and practices that have been successful. The OMWI Director will also reach out to credit unions and other interested parties to discuss diversity and inclusion practices and methods of assessment. NCUA may publish information submitted, such as best practices, in a form that does not identify a particular credit union or person or disclose confidential business information.

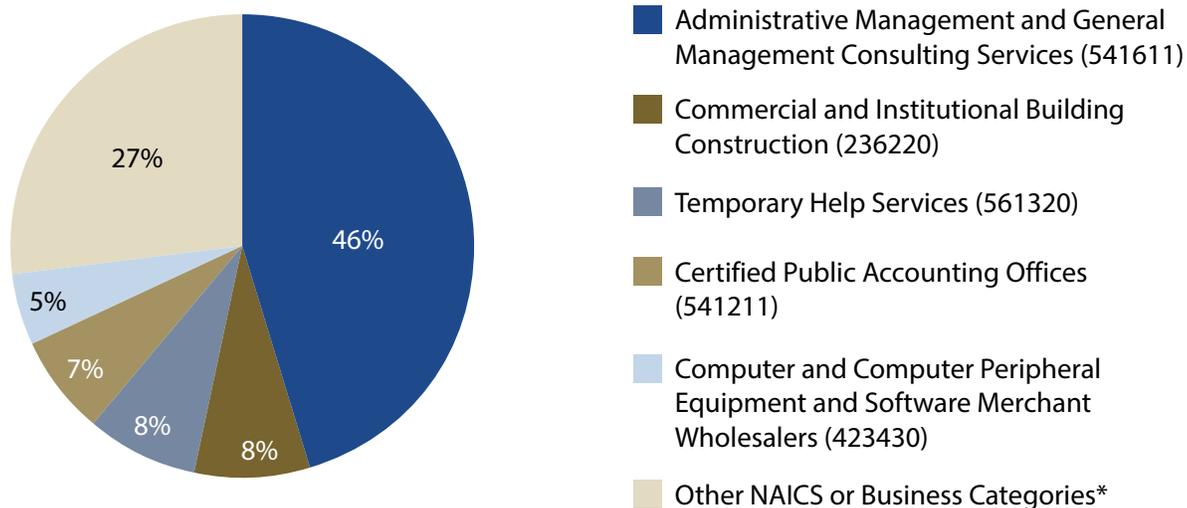
Appendix 4: NCUA Supplier Diversity Data 2012–2015

	NCUA Contract Awards							
	2015		2014		2013		2012	
Total Awards	\$ 32,482,888		\$ 42,721,907		\$ 37,567,586		\$ 29,943,774	
Minority-Owned or Women-Owned Business Totals ¹	\$ 7,304,815	22.5%	\$ 12,440,953	29.1%	\$ 8,252,592	22.0%	\$ 3,484,516	11.6%
Minority-Owned	\$ 2,416,391	7.4%	\$ 691,871	1.6%	\$ 348,735	0.9%	\$ 627,734	2.1%
Women-Owned	\$ 4,771,944	14.7%	\$ 11,336,972	26.5%	\$ 7,132,605	19.0%	\$ 2,680,296	9.0%
Both Minority-Owned and Women-Owned ²	\$ 116,480	0.4%	\$ 412,110	1.0%	\$ 771,252	2.1%	\$ 176,486	0.6%
Asian American	\$ 2,259,626	7.0%	\$ 475,164	1.1%	\$ 210,802	0.6%	\$ 332,062	1.1%
Black American	\$ 102,395	0.3%	\$ 414,885	1.0%	\$ 691,793	1.8%	\$ 189,740	0.6%
Hispanic American	\$ 170,850	0.5%	\$ 213,932	0.5%	\$ 201,073	0.5%	\$ 282,418	0.9%
Native American	\$ -	0.0%	\$ -	0.0%	\$ 16,320	0.0%	\$ -	0.0%
Other Minority	\$ -	0.0%	\$ -	0.0%		0.0%	\$ -	0.0%

Note: Minority-owned breakdown by race also includes those who are both minority owned and women-owned.

	NCUA Vendor Payments							
	2015		2014		2013		2012	
Total Paid	\$ 35,964,264		\$ 31,110,291		\$ 30,510,356		\$ 30,686,614	
Minority-Owned	\$ 2,136,645	5.9%	\$ 619,462	2.0%	\$ 610,953	2.0%	\$ 495,029	1.6%
Women-Owned	\$ 6,764,751	18.8%	\$ 6,913,192	22.2%	\$ 4,925,100	16.1%	\$ 4,307,943	14.0%
Both Minority-Owned and Women-Owned ³	\$ 254,670	0.7%	\$ 105,092	0.3%	\$ 747,219	2.4%	\$ 285,255	0.9%
Minority-Owned or Women-Owned Business Totals ⁴	\$ 9,156,066	25.5%	\$ 7,637,746	24.6%	\$ 6,283,272	20.6%	\$ 5,088,227	16.6%

Top 75 percent of NCUA Contract Award Dollars by North American Industry Classification System Codes



*The following NAICS codes make up the "Other NAICS or Business Categories" percentage: 531312 (5%); 511210 (5%); 541512 (3%); 541511 (3%); 541513 (2%); 518210 (2%); 323111 (2%); 561612 (1%); 512110 (1%); 492110 (1%); 519190 (1%); 611430 (1%).

Source: NCUA Supplier Information

Appendix 5: NCUA Workforce Diversity Data 2011–2015

NCUA Workforce										
Demographic Group	2011		2012		2013		2014		2015	
Men	656	54.8%	658	55.2%	708	56.3%	689	55.8%	688	56.4%
Women	540	45.2%	533	44.8%	550	43.7%	546	44.2%	532	43.6%
White	895	74.8%	873	73.3%	921	73.2%	910	73.7%	892	73.1%
African American	169	14.1%	178	14.9%	188	14.9%	181	14.7%	180	14.8%
Hispanic	50	4.2%	50	4.2%	55	4.4%	53	4.3%	55	4.5%
Asian American	63	5.3%	72	6.0%	75	6.0%	73	5.9%	74	6.1%
Native American	11	0.9%	9	0.8%	10	0.8%	10	0.8%	12	1.0%
Multiracial	8	0.7%	9	0.8%	9	0.7%	8	0.6%	7	0.6%
Total	1196		1191		1258		1235		1220	

**Note: Asian American includes Native Hawaiian or Other Pacific Islander*



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