



*National Credit Union Administration  
Office of Minority and Women Inclusion  
2011 Report to Congress*

**NATIONAL CREDIT UNION ADMINISTRATION  
OFFICE OF MINORITY AND WOMEN INCLUSION  
2011 REPORT TO CONGRESS**

The National Credit Union Administration (NCUA or Agency) is an independent agency of the Executive Branch of the United States responsible for regulating, chartering, insuring and supervising federal credit unions, as well as insuring the majority of state-chartered 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 nearly 92 million credit union account holders.

NCUA'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. As a result, field examiners account for the majority of NCUA's staff positions, representing 69 percent of NCUA's 1,196 employees.

**OFFICE OF MINORITY AND WOMEN INCLUSION**

The Agency's Board established the Office of Minority and Women Inclusion (OMWI) in January 2011, with the appointment of the OMWI Director. The Agency established OMWI as a stand-alone office separate from the Office of Equal Employment Opportunity Programs (EOP) and the Office of Human Resources (OHR). This stand-alone office became fully operational in August 2011 with the hiring of an Administrative Assistant, a Business Activities Program Analyst and a Diversity Outreach Program Analyst. Recently, NCUA hired an additional Diversity Outreach Program Analyst.

**ANNUAL REPORT FOR CALENDAR YEAR 2011**

NCUA's OMWI submits this first annual Report to Congress pursuant to Section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd Frank Act). This report covers the Agency's Dodd Frank Act, Section 342, activities for Calendar Year 2011.

**PART I – CONTRACTING WITH MINORITY- AND WOMEN-OWNED BUSINESSES**

- A. Sections 342(e)(1) and (2) of the Dodd Frank Act require NCUA to report the total amounts paid to contractors during the reporting period, as well as the percentage of the amounts paid to minority- and women-owned businesses (M/WOBs).

NCUA paid a total of \$37.9 million to contractors in 2011.

NCUA paid a total of \$3.1 million to M/WOBs in 2011, which represents 8.1 percent of the total paid to all contractors.

At NCUA, contracts are typically awarded through a competitive, best value solicitation process. NCUA's average annual contracting activity during 2010 and 2011 was approximately \$50

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million. NCUA's procurement policies strike a balance between the available resources, the Agency's need for adequate competition, and ultimately the best value by soliciting competitive bids from a number of qualified vendors by invitation. All NCUA vendors learn about contracting opportunities either through an invitation from the Agency to bid on a solicitation or, in some instances, an opportunity published on NCUA's Procurement Opportunities webpage. From time to time and depending on the complexity and specific nature of the requirement, NCUA has also used the Federal Business Opportunities ([www.fbo.gov](http://www.fbo.gov)) website to post solicitations.

In 2011, NCUA started the process of developing and communicating certain changes in its procurement process to the Agency's program offices. As a result, NCUA saw a sharp increase in procurement participation among both M/WOBs. Contracting dollars awarded to M/WOBs more than doubled between 2010 and 2011.

*B. Section 342(e)(3) of the Dodd Frank Act requires NCUA to report on the successes achieved and challenges faced in operating minority and women outreach programs.*

During 2011, NCUA faced a challenge in operating minority and women outreach programs due to the need to set up the new OMWI office. Most executive agencies are subject to pre-existing small business utilization mandates contained in the Federal Acquisition Regulation (FAR); NCUA, as a non-appropriated agency, is not subject to the FAR. As a result, NCUA had not previously designed and implemented procurement policies and procedures to actively track relevant diversity information or drive small business and M/WOB participation. Notwithstanding this limitation, NCUA has now designed new procurement policies and procedures to advance and track supplier diversity in its contracting, and the Agency is committed to making these changes permanent.

In 2011, OMWI performed an initial impact assessment of NCUA's procurement policies on the inclusion of M/WOBs. This assessment required a complete review of NCUA's procurement processes and procedures, information systems, and external interaction with relevant contractor markets. The assessment answered the general questions about:

- the ways in which policies encourage and support or obstruct M/WOB utilization;
- the strategic and tactical goals for M/WOB utilization;
- the strength and reliability of the Agency's information capture and reporting systems that drive performance measurement; and
- the extent of the Agency's outreach and involvement with the relevant contractor community.

This assessment yielded the base conclusions from which OMWI created a robust supplier diversity policy and inclusion plan. The implementation of OMWI's diversity recommendations and action plan were approved in October 2011.

Since October 2011, OMWI has been implementing the supplier diversity action plan. Implementation of the plan involves:

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- updating the Agency's accounting systems and processes;
- incorporating new inclusion and measurement guidelines for contracting;
- developing new documents and database systems to track NCUA's contracting inclusion activity; and
- establishing a comprehensive inclusion educational campaign across all of our offices.

To further support this implementation initiative, NCUA posted an official NCUA Supplier Diversity Policy Statement on its website to highlight and underscore its commitment to diversity in the procurement process.

During 2011, NCUA achieved the following:

- NCUA awarded \$49.6 million in contracts in 2011, of which \$6.8 million (13.75 percent) was awarded to M/WOBs.
- M/WOBs participated in 68 (13.05 percent) of the 521 total contract actions in 2011.
- NCUA attended two procurement-related events, where NCUA conducted outreach: The Minority Enterprise Development Week (MED Week) — an annual marquis event sponsored by the Minority Business Development Agency — and the Annual National Minority Supplier Development Council Conference. Both events attract thousands of M/WOBs that are actively participating in both federal and private enterprise contracting.
- OMWI updated the Contracting Opportunities Page within the NCUA website by including a Vendor Registration Page, as well as the Agency's first "*How to Do Business with NCUA*" instructional manual. These two additions open a channel between the M/WOB community and the Agency.
- During NCUA's involvement in the Corporate System Resolution plan, which included the securitization and sale of \$28.3 billion worth of securities into the public debt markets, the Agency included four M/WOB firms as part of its 19-member securities selling group. These M/WOBs constituted 20 percent of the financial firms engaged in selling these securities.

In addition to the foregoing achievements, NCUA also developed new contracting policies set for implementation during 2012.

- NCUA is establishing a formal vendor database to house all necessary vendor information and contracting activity to allow for reporting of the Agency's business activities inclusion progress. In addition to the basic contract information, the OMWI will track the firms invited to bid on a given solicitation, those that responded to the solicitation, and the firm ultimately awarded the contract. The process of evaluating these three phases will provide NCUA with the level of inclusion, participation and utilization of M/WOBs for each procurement, each program office, and for NCUA as a whole.

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- NCUA will be undergoing a research process using existing federal databases to identify and assemble pools of M/WOBs that perform contracts in the industries where NCUA has a need for goods and services. This proactive approach to communicating with the M/WOB community will allow NCUA to market itself and its opportunities to these vendor pools, inviting them to register with the Agency and bringing them one step closer to participating in the Agency's solicitations.
- To ensure the consistent and active promotion of diversity within the pool of invited vendors, NCUA is considering the establishment of a "1/3 inclusion outreach" guideline in its contracting solicitations. In reaching the required number of vendors and achieving adequate competition, NCUA is contemplating using a guideline that ensures that, to the maximum extent possible, M/WOBs comprise a third of those invited to bid on each solicitation. The "1/3 inclusion outreach" guideline seeks to increase M/WOB participation in the pool of contract bidders by identifying and including a fair number of qualified M/WOBs in each solicitation. OMWI will provide direct support to the Agency's program offices to assemble lists of qualified M/WOBs for their individual solicitations.
- NCUA is adopting the use of subcontracting plans and reports to capture information about the inclusion and utilization of M/WOBs in subcontracting opportunities. To monitor the diversity of subcontractors working under large majority (*i.e.*, non-minority) prime contractors, NCUA plans to request annual reporting from prime contractors with aggregate NCUA contract revenue exceeding \$1,000,000. Prime contractors with aggregate revenues below \$1,000,000 may be subject to similar post-contract audits at NCUA's discretion. NCUA has designed a Summary Subcontracting Information Form that collects from the prime contractor the name and contact information for each subcontracted firm, the total amount of the prime contract(s) with NCUA (including modifications), and the total contract revenue received by each of its subcontractors vs. the revenue amount received by the prime contractor.

With the exception of NCUA's rentals of hotel space and certain communications contracts (*e.g.*, Verizon), NCUA is also implementing a requirement for contractors to provide both pre- and post-award M/WOB subcontracting information in to help assess the diversity among its majority contractors on contracts exceeding \$500,000.

- For solicitations for contract awards over \$100,000, bidders are now required to certify their support of diversity and the fair inclusion of minorities and women in their workforce and the workforce of their subcontractors.
- The OMWI has engaged in periodic communication and training with NCUA's various program offices on supplier diversity. In February 2012, OMWI briefed the Agency's senior management about the Dodd Frank Act; the Agency's status with respect to supplier diversity; and the changes in policy and procedures to increase M/WOB inclusion and to meet the requirements of the Dodd Frank Act. Additionally, OMWI developed and conducted two Supplier Diversity Training sessions with NCUA's program offices to introduce the new supplier diversity policies and procedures for full implementation starting on April 1, 2012.

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### Challenges Faced

- NCUA's information and accounting systems were not designed to capture the firm's size or to classify vendors' ownership (e.g., minority-owned, women-owned, etc.). Because of this limitation, OMWI's assessment of the Agency's supplier diversity required the integration of information from other systems, such as the Central Contractor Registration, to classify NCUA's existing vendors and their contracting activity. Since then, NCUA has updated its processes, documentation, and systems to capture vendors' size and classify data, and to enable the appropriate level of supplier diversity analysis and reporting.
- NCUA's existing policy about supplier diversity states that "to the maximum extent practicable, NCUA will contract with small and disadvantaged businesses". At the time, the Agency did not have corresponding processes and procedures to actively and consistently promote and measure the inclusion of M/WOBs. Following these findings, the OMWI has instituted certain procedures in the contracting process to ensure the inclusion and tracking of diverse firms in the Agency's contract opportunities.
- NCUA's initial focus in the assessment and implementation of supplier diversity initiatives has been limited to contracting actions that directly impact the Agency's operating budget. NCUA has another component of contracting activity that takes place at the Asset Management Assistance Center (AMAC). AMAC carries out business activities that impact NCUA's Share Insurance Fund, but not the operating budget. As such, AMAC's contracting activity does not form part of OMWI's initial assessment. The OMWI has scheduled the development of AMAC's portion of the business activities assessment and plan of action for the second quarter of 2012.

C. Section 342(e)(4) of the Dodd Frank Act requires NCUA to report on the challenges the Agency may face in contracting with qualified M/WOBs.

NCUA is currently entering the implementation stage of its new and robust supplier diversity policies. This stage requires not only implementing new processes and procedures, but also publicizing them throughout the Agency via training, monitoring and feedback.

Some of the existing challenges faced in contracting at NCUA are as follows:

- Awareness and Training. NCUA relies heavily on its program offices and their staffs who research and identify vendors to solicit for their contracting needs. Staff members involved in procurement need to be trained, not only in supplier diversity and the use of the "1/3 inclusion outreach" guideline, but also in the methodologies used to identify qualified M/WOBs. To meet this educational need, the OMWI conducted initial supplier diversity training for employees who are involved in the Agency's procurement process on March 16, 2012, and March 20, 2012.

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- NCUA-Specific Procurement Procedures. As a non-appropriated agency, NCUA's contracting procedures and processes differ from those of other agencies, especially those bound by the FAR. Most federal contractors are acquainted with and operate under the FAR. Since NCUA is not required to follow the FAR, its contracting processes represent a new and different set of rules for contractors to follow. Consequently, the effort required to learn and understand the atypical nature of NCUA procurement may represent a challenge to M/WOB participation.
- Limited Size of NCUA's Procurement Budget. At an average of \$50 million per year in procurement activity, NCUA has a very small contracting budget relative to most federal agencies. The Agency enters into only 500 to 600 contract actions annually. The limited number of opportunities makes it a challenge to attract a larger pool of interested M/WOBs to participate in the Agency's solicitations.
- NCUA's "Brand" Recognition. The M/WOB market is largely unaware of the NCUA name or its mission. NCUA has not had a widely "advertised" presence in the M/WOB market to date. As such, it does not have a high profile within the broader federal procurement community and may present an impediment to attracting interest in the Agency's contracting opportunities.
- Marketing of Contracting Opportunities. To balance NCUA's limited resources and the need for a competitive solicitation process, NCUA sources most contracting needs by invitation. In contrast, the vast majority of vendors to the federal government, both M/WOBs and non-M/WOBs, prospect for new contract opportunities using the U.S. government's contract website, [www.fedbizopps.gov](http://www.fedbizopps.gov). Although well-marketed to ensure adequate competition, NCUA's contracting opportunities are typically advertised outside of the [www.fedbizopps.gov](http://www.fedbizopps.gov) system.
- Specialized Nature of Contracting Opportunities. The specialized nature of NCUA's mission typically calls for a specific set of credit union-oriented skills, along with sizable resources to meet the volume and scope of the services involved. NCUA has a high volume of credit union conservatorships and liquidations that requires firms with the specialized skills, scale, and sometimes national presence, to perform.

*D. Section 342(e)(5) of the Dodd Frank Act requires NCUA to report any other information findings, conclusions, and recommendations relevant to this Section.*

NCUA plans to partner with an extensive network of federally funded programs offering technical assistance, including the Procurement and Technical Assistance Centers (PTAC), the Small Business Development Centers (SBDC), the Service Corps of Retired Executives (SCORE), the Women's Business Centers, and the Minority Enterprise Development Centers (MBEC). This strong network of partners represents a broad set of business consulting, training, and technical expertise. NCUA plans to work with these partners to offer technical assistance to M/WOBs. Additionally, NCUA will partner with OMWI offices in other Federal agencies to encourage each other's vendors to participate in the technical assistance programs offered by the other Federal Agencies. This assistance will cover business practices, such as marketing, finance and operations, as well as identifying appropriate sources of financing.

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### PART II – OUTREACH AND EMPLOYMENT OF WOMEN AND MINORITIES

A. Section 342(e)(3) of the Dodd Frank Act requires NCUA to report on the successes achieved and challenges faced in operating minority and women outreach programs.

NCUA successfully established a number of outreach programs for minorities and women. The most significant outreach programs include:

- Establishing the new, stand-alone OMWI to assess the Agency’s outreach programs for women and minorities, and provide recommendations for their enhancement.
- Hiring the Agency’s first National Recruitment Coordinator (NRC) to provide expertise and advice on recruitment issues to all levels of management. The NRC is also responsible for coordinating our recruitment efforts with representatives of professional associations, educational institutions, other government agencies and private industry, including visits by NCUA’s regional recruitment coordinators to colleges, universities, professional societies and organizations. The goal of these coordinated efforts is to improve the representation of women, minorities and the disabled in NCUA’s workforce so that it reflects, if not surpasses, the Civilian Labor Force (CLF) levels of participation. Finally, the NRC oversees the scheduling of job fairs and other public events to stimulate interest among potential applicants from diverse backgrounds.
- Hiring two Diversity Outreach Program Analysts to assess diversity and inclusion within the Agency at all levels, and diversity in our regulated entities.
- Participating in job fairs/conferences/career expositions and outreach events sponsored by minority organizations, including the Diversity Job Fair for Hispanic and Bilingual candidates; League of United Latin American Citizens’ National Convention & Exposition; 3<sup>rd</sup> Annual National Association of Asian MBAs Leadership Conference and Exposition; National Organization of Mexican American Rights Training Conference; the National Association of Black Accountants’ Conference; Perspectives on Employment of Persons with Disabilities Annual Training Conference; Careers and the Disabled’s Career Exposition (3 Events); and Equal Opportunity Publication’s Science, Technology, Engineering, Math/Finances (STEM) Career Exposition (3 events).
- Advertising most jobs to all U.S. citizens (current federal employees as well as non-federal) to maximize diversity among the pool of applicants for as many vacancies as possible. NCUA also provided one-page advertisements in several minority publications, such as Diversity Life and Hispanic Life magazines. Overall, the Agency experienced an increase in the number and percentage of African American employees, people with disabilities, and veterans in 2011.
- Building relationships with organizations primarily serving minorities and sending job announcements to those organizations to expand the pool of diverse applicants. Such organizations include the Network of Latino Credit Unions and Professionals, African American Federal Executives Association, Historically Black and Hispanic Colleges and

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Universities, National Federation of Community Development Credit Unions, and African American Credit Union Coalition.

The challenges NCUA faced in operating minority and women outreach programs include:

- Establishing tracking systems to help identify barriers to minority recruitment, hiring, advancement, development, and retention.
- Instituting a more efficient applicant dataflow system to measure the effectiveness of various recruitment channels and strategies. In this system, applicants may indicate how they learned about the vacancies and provide information on race, national origin, and gender.

*B. Section 342(e)(4) of the Dodd Frank Act requires NCUA to report on challenges it may face in hiring qualified minority and women employees.*

The most significant challenges NCUA faced in the hiring of qualified minorities and women pertain to the employment of Hispanics at all levels and minorities at CU-12 and above grade levels. NCUA identified the need to be more inclusive and recruit Hispanics during the development of our Federal Agency Annual Equal Employment Opportunity Program Status Report, also known as the EEO Management Directive 715 Report (MD 715 Report), and our annual Federal Equal Opportunity Recruitment Plan (FEORP).

The Agency identified the need to be more inclusive with employment opportunities for minorities at CU 12 and above grade levels during the review of the Agency's Workforce Profile Reports. On a quarterly basis, NCUA develops a Workforce Profile Report that compares its workforce demographic data to that of CLF to measure our progress in improving diversity. The 2012 FEORP further acknowledged the need to enhance recruitment opportunities for Hispanics at all levels and minorities at the CU-12 and above grade levels.

The Agency's MD 715 Report confirmed the need to complete a formal barrier analysis to identify the potential barriers to these challenges. NCUA's OMWI hired an additional Diversity Outreach Program Analyst to assist in the barrier analysis effort.

NCUA believes key barriers to the employment of highly qualified Hispanics in the workforce and minorities in senior positions may be caused by the following:

- NCUA is a small agency that is not well known to the general public. The lack of awareness of NCUA's name and mission may present an impediment to attracting interest in NCUA's employment opportunities. NCUA implemented steps to improve its name recognition, which included contracting with Suze Orman, a well-known financial advisor with a television show on CNBC, to raise the Agency's public profile and awareness of share insurance at federally insured credit unions.
- Loss of hiring flexibility through the Federal Career Intern Program (FCIP) previously offered by the Office of Personnel Management (OPM). The Agency used the FCIP to tie

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recruitment and hiring directly together. NCUA would attend a school job fair, find a good candidate, and then hire them.

- OPM has not yet finalized the guidance for the proposed Pathway's Program. This program proposes to implement the Recent Graduates Program which will allow the direct hire of college graduates up to a certain timeframe upon graduating. The program will allow NCUA to better target minority groups by recruiting at minority serving colleges and universities
- The nature of the government hiring process somewhat impedes the ability to hire from a wide range of diverse applicants due to the federal laws regarding veteran's preference. Although, NCUA attends recruiting and outreach events representing various minority groups, it is difficult in many cases for managers to hire those persons, especially recent graduates, because it is very difficult for them to make the referral certificates unless they have veterans' preference. While NCUA has used some noncompetitive sources, such as Schedule A, to hire some applicants during 2011, the ability to truly have effective results from recruiting and outreach events has been challenging.

To overcome challenges in employing qualified Hispanics at all levels and employing qualified minorities at CU 12 above grade levels, NCUA initiated several actions in 2011, including the following:

1. Incorporated diversity and inclusion goals and initiatives into the Agency's Strategic Plan and the Annual Performance Budget.
2. Developed an agency-wide Diversity & Inclusion Strategic Plan to establish and implement standards for promoting diversity and inclusion in NCUA's workforce and to identify and remove any barriers to equal employment opportunity.
3. Advertised most jobs to all U.S citizens (current federal employees as well as non-federal) to maximize diversity among the pool of applicants for as many vacancies as possible.
4. Provided diversity and EEO training to all supervisors attending the Agency's management and leadership conferences and all employees attending the Agency's staff-wide national conferences.
5. Trained office directors and supervisors on "*Recruiting and Hiring a Diverse Workforce*" through a webinar with the Office of Personnel Management.
6. Purchased one-page advertisements in several minority publications, such as Diversity Life and Hispanic Life.
7. Participated in job fairs and outreach events as mentioned above in Section A under "successes achieved."
8. Built relationships with organizations primarily serving minorities and sent job vacancy announcements to those organizations via email to expand the pool of diverse applicants.

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9. Developed and incorporated recommendations to enhance NCUA's tracking systems and inclusion efforts.

In 2012, NCUA is continuing its efforts to improve the Hispanic workforce representation as well as improve the minority representation in senior positions. To improve Hispanic representation, NCUA will:

- Continue to build relationships with organizations primarily serving Hispanics, which can serve as a vehicle for expanding our pool of job applicants;
- Make presentations to Hispanic organizations about NCUA and its mission at meetings held by these organizations;
- Concentrate our outreach and recruitment efforts, including job fairs and career expos, in areas with high concentrations with Hispanics (*i.e.*, California, Texas, New Mexico, Arizona, Nevada, Colorado, Florida and New Jersey); and
- Develop tracking systems to determine the effectiveness of various recruitment and outreach efforts.

To improve minority representation in senior staff positions, NCUA will:

- Send job announcements to executive associations primarily serving minorities (*e.g.*, African American Federal Executive Associations and National Association of Hispanic Federal Executives);
- Pay to advertise senior staff positions (grade CU-15 and above) in minority publications, websites, and other job posting vehicles; and
- Institute a mentoring program for minorities to assist qualified minorities in advancing within the Agency.

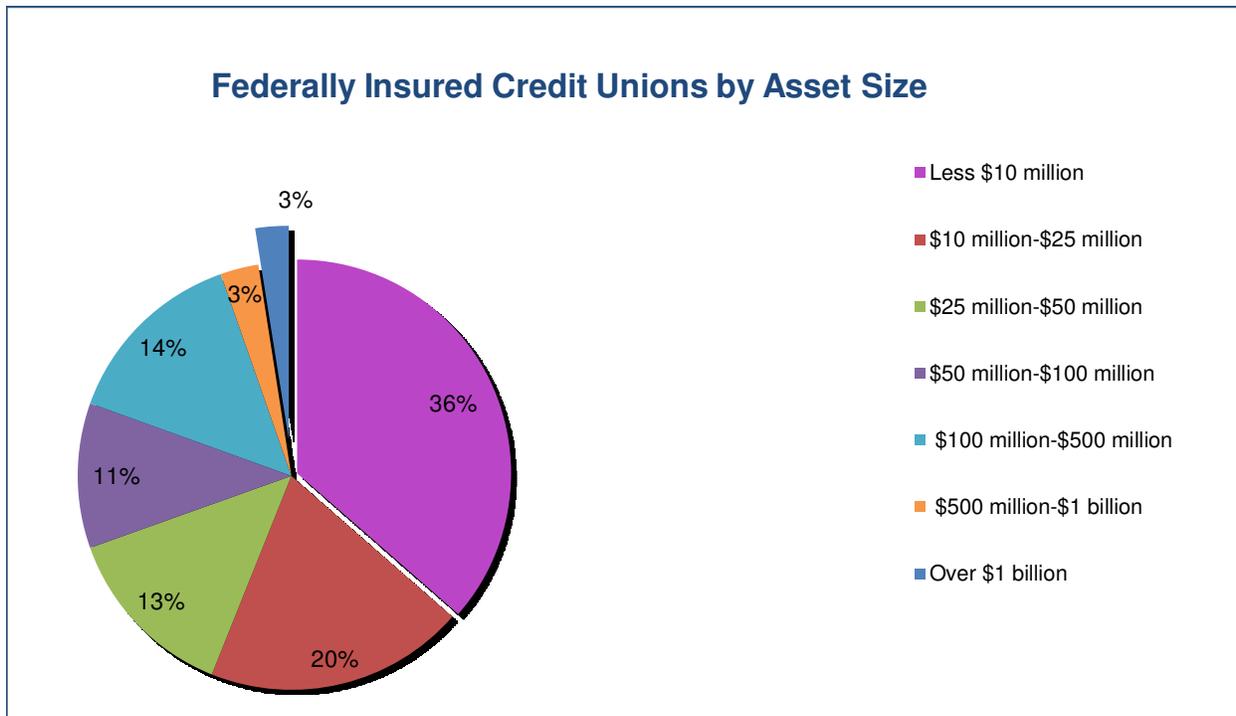
### PART III - REGULATED ENTITIES

- A. Section 342(e)(5) of Dodd Frank Act requires NCUA to report any other information, findings, conclusions, and recommendations relevant to this Section.

Section 342(b)(2)(C) of the Dodd Frank Act states that each OMWI Director shall develop standards for assessing the diversity policies and practices of entities regulated by the Agency.

NCUA's regulated entities consist of 7,177 federally insured credit unions as of September 30, 2011. These entities include 4,490 federally chartered credit unions and 2,687 state-chartered credit unions. The following chart illustrates the percentage of credit unions by asset size.

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The chart shows 69 percent, or 4,990 federally insured credit unions, have less than \$50 million in total assets. It also shows only three percent, or 179 credit unions, having assets over \$1 billion. The smaller credit unions generally have fewer employees due to their limited resources, which would limit their ability to diversify the entity.

NCUA performed several actions to start the process of assessing diversity policies and practices among federally insured credit unions.

In early 2011, the OMWI Directors of the Federal financial regulatory agencies formed an interagency group, which met at least monthly, to discuss various approaches for implementing Section 342. The OMWI Directors and their staff also participated on a Dodd Frank Act Regulated Entities Subcommittee to develop standards and a consistent approach for assessing diversity among the regulated entities, even though the methodology may be different.

During first quarter of 2012, the OMWI Directors and staff met with financial industry trade organizations to obtain their input on what to consider in developing standards for assessing diversity in the policies and practices of their regulated entities. The trade associations assisted each federal Agency in setting up roundtable meetings to solicit input from their respective regulated entities. NCUA held two roundtable meetings with credit unions during the first quarter of 2012.

NCUA developed reports to assess the impact of diversity data collection on federally insured credit unions and to determine a reasonable criterion for assessing diversity. The table below illustrates the employee composition of NCUA's regulated entities as of September 30, 2011.

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Number of Employees	Number of Credit Unions		Total Employees
	Unions	Percent of Total Credit Unions	
0-24 Employees	5,402	75%	35,150
25-49 Employees	715	10%	25,032
50-99 Employees	496	7%	35,212
100+ Employees	564	8%	154,857
Totals	7,177	100%	250,251

The table shows 75 percent of the total number of credit unions has less than 25 employees, and only 15 percent of the credit unions have 50 or more employees. The overwhelming majority of credit unions have limited resources to establish and implement comprehensive diversity programs in employment as demonstrated by their total number of employees in each entity.

Because of the asset size and limited resources of most credit unions, NCUA explored the possibility of using the Equal Employment Opportunity Commission's EEO-1 Report, completed by those credit unions required to submit them, as one method of assessing diversity in credit unions. Using this data would avoid duplication of efforts and use the least burdensome approach for assessing diversity in credit unions. To gain access to EEO-1 data, NCUA is working on the execution of a Memorandum of Understanding with the Equal Employment Opportunity Commission (EEOC) to share workforce diversity data collected from credit unions.

NCUA analyzed EEOC's EEO-1 National Aggregate Report on Job Patterns for Minorities and Women in Private Industry for Credit Unions for 2009 and 2010.<sup>1</sup> EEOC publishes this data on its website at [www.eeoc.gov](http://www.eeoc.gov). These reports indicate 539 and 547 credit unions filed EEO-1 reports in 2009 and 2010, respectively. There was no significant change in the total number of employees reported and the percentage of participation rates by occupation from 2009 to 2010.

In 2010, 547 credit unions reported on diversity among 73,032 employees in their EEO-1 Reports. These credit unions represent about 7.5 percent of all federally insured credit unions and 25 percent all employees in federally insured credit unions. The data shows women comprised 71 percent of the 547 reporting credit unions' total workforce; 42 percent of the executive/senior-level official and manager positions; and 65 percent of the first/mid-level official and manager positions. Minorities represented 31 percent of the total workforce; 11 percent of the executive/senior level official and manager positions; and 22 percent of the first/mid-level official and manager positions. Even though this data does not capture the entire industry, it represents a substantial sample that is consistent with NCUA's experience in working with credit unions.

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<sup>1</sup> The 2010 EEO-1 National Aggregate Report on Job Patterns for Minorities and Women was not released to the public until late December 2011. Similar data for 2011 will not be available until late 2012.

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Additionally, NCUA instituted several steps to educate credit unions on the importance of diversity, including:

1. Utilizing the December 2011 Call Report System to determine which credit unions have a diversity policy or program in place and to determine whether credit unions that are required to complete and submit EEO-1 Reports are doing so.
2. Issuing a press release to provide credit unions with a detailed explanation and instructions on the new diversity questions added to the December 2011 Call Report.
3. Addressing diversity at speaking engagements involving credit unions.
4. Holding roundtable meetings with our regulated entities to educate them about diversity per the Dodd Frank Act and to obtain their input on the best and least burdensome approach to develop standards and assess diversity.

### Challenges Faced

Credit unions face some challenges in developing diversity policies and programs. Such challenges may result from their small asset sizes, limited number of employees, geographic location, and field of membership.

A credit union's field of membership defines those persons and entities eligible for membership, along with the geographic service area(s) for those persons and entities. The field of membership and geographic service areas may limit a credit union's ability to diversify its operations. Some geographic locations, especially rural areas, have few, if any, minority residents. Some credit unions are chartered to serve fields of membership that reach only specific ethnic and racial groups. These factors could limit their ability to become diverse if they strive to hire employees and management that reflect the members they are chartered to serve.

Based on the roundtable meetings held with federally insured credit unions thus far, credit unions offered the following suggestions and recommendations to address their challenges:

- Develop Diversity Best Practices and model standards for credit unions to use as a guide.
- Allow each credit union to perform a self-assessment of its diversity practices.
- Limit Dodd Frank's diversity compliance to large credit unions with sufficient resources.
- Use EEOC's EEO-1 reporting criteria of 100 or more employees or 50 or more employees if certain conditions exist for diversity compliance.

NCUA will continue to work the other OMWI Directors and our regulated entities to develop a consistent approach and to determine the best way to develop standards and comply with Section 342 of the Dodd Frank Act, while taking into account the administrative burden on credit unions.