

BUREAU OF CONSUMER FINANCIAL PROTECTION | MARCH 2019

# Office of Minority and Women Inclusion Annual Report to Congress



# Message from the Director

The FY 2018 Annual Report of the Consumer Financial Protection Bureau's (Bureau) Office of Minority and Women Inclusion (OMWI) details the Bureau's diversity and inclusion strategy, initiatives, and demographics.



This report presents an opportunity for me to personally and publicly reaffirm the Bureau's commitment to diversity and inclusion as a core part of our mission, as well as to meet the Bureau's statutory responsibilities under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Diversity and inclusion are and must remain fundamental to who we are and to the work we do. If we are to protect America's consumers, we need to understand all of America's consumers. That means promoting diversity and inclusion in our own workplace and among the suppliers with whom we do business. Similarly, we will be best able to assess diversity and inclusion in the entities we regulate if we benefit from a wide range of talent ourselves.

At the CFPB, we are a workforce with many differences in our backgrounds, identities, perspectives, and working styles. We work to foster a hospitable environment where a wide range of experiences and perspectives are valued and considered.

As I begin my term as Director of the CFPB, I am impressed by two things when it comes to the diversity of our workforce: The Bureau is a leader among federal agencies, and there is plenty of opportunity to do even better. I look forward to personally leading the effort.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen L. Kraninger".

Kathleen L. Kraninger

# Message from the OMWI Director



I am pleased to present the 2018 annual report to Congress from the Bureau's Office of Minority and Women Inclusion (OMWI). This report is a snapshot of the work accomplished by the CFPB over the past year to advance diversity and inclusion under the mandate of Section 342 of the Dodd-Frank Act. I recognize that while we have had successes, the work that remains to be accomplished requires a dedicated, long-term commitment. I believe, under our new leadership, the CFPB has the strong foundation we need to achieve success in diversity and inclusion.

While the past year presented changes at the Bureau, it has also been one of continued growth and advancement. We worked to ensure sustainability of diversity and inclusion as core aspects of the Bureau's overall operations. We also fostered strong workplace inclusion through cultural education activities, training and development programs and employee affinity groups.

Throughout 2018, OMWI has continued outreach with the diverse supplier community to promote contract opportunities with the CFPB. Similarly, OMWI engaged regulated entities to learn about their diversity and inclusion practices and challenges. The diversity provisions in the Dodd-Frank Act provide ongoing motivation, complementing our existing efforts and our commitment to seek out and implement proven best practices in the diversity field.

I look forward to continuing to make progress in the Bureau's journey to fully integrate diversity and inclusion into the fabric of our organization.

Sincerely,

A handwritten signature in blue ink that reads "Lora McCray".

Lora McCray

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# 1. Introduction

The Consumer Financial Protection Bureau (CFPB or Bureau) is committed to setting and meeting diversity and inclusion priorities as part of the drive to achieve the Bureau’s mission. The Bureau’s commitment to diversity and inclusion is rooted in the understanding that in order to serve the interests of all groups of consumers, it is critical that the Bureau take into consideration the ways in which consumers of different backgrounds, cultures, perspectives, experiences and interests interact in the financial marketplace. Having a diverse and inclusive workforce helps to ensure that regulations, policies, and financial solutions developed are relevant for all consumers. Additionally, a demonstrable commitment to diversity and inclusion at the Bureau provides a strong model to the entities it regulates.

The Bureau’s new 5-year Strategic Plan, FY 2018 – FY 2022, spells out its commitment to diversity and inclusion and to equal employment opportunity (EEO). The Plan’s third goal is to “[f]oster operational excellence through efficient and effective processes, governance and security of resources and information.”<sup>1</sup> The Plan states “[t]o accomplish its mission, the Bureau needs to maintain a sustainable, high performing, diverse, inclusive, and engaged workforce.”

The Bureau’s diversity and inclusion strategy is based on Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>2</sup>, Executive Order No. 13583,<sup>3</sup> the updated Government-wide Diversity and Inclusion Plan issued by the Office of Personnel Management (OPM) in 2016<sup>4</sup>, and on existing regulations and guidance from the EEOC. The strategy focuses on the following broad areas: workforce diversity, workplace inclusion, minority-owned and women-owned businesses, diversity practices of regulated entities and employment practices of Bureau contractors.<sup>5</sup> The strategy is designed with particular emphasis on incorporating diversity and inclusion into the routine functioning of the Bureau, thereby ensuring its

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<sup>1</sup> Agency-wide Strategic Plan, [https://www.consumerfinance.gov/documents/6208/BCFP\\_strategic-plan\\_FY\\_2018-FY\\_2022.pdf](https://www.consumerfinance.gov/documents/6208/BCFP_strategic-plan_FY_2018-FY_2022.pdf).

<sup>2</sup> <https://www.congress.gov/bill/111th-congress/house-bill/4173/text?r=19>.

<sup>3</sup> Exec. Order No. 13583, 76 Fed. Reg. 52,847 (Aug. 18, 2011).

<sup>4</sup> Government-wide Inclusive Diversity Strategic Plan 2016. <https://www.opm.gov/policy-data-oversight/diversity-and-inclusion/reports/governmentwide-inclusive-diversity-strategic-plan-2016.pdf>.

<sup>5</sup> BCFP D&I Strategic Plan, pg. 6-7.

sustainability for years to come. The definitions of workforce diversity and inclusion are constructed broadly to encompass all employees. The Bureau's diversity and inclusion initiatives are driven by best practices in the fields of diversity and inclusion, human capital management, legal compliance, and by data. The data sources used include, among others, the Annual Employee Survey (AES), particularly the Inclusion Quotient, and analyses of employee demographic data on hiring, promotions, separations, performance management and training.

Organizationally, OMWI is housed within the Office of Equal Opportunity and Fairness (OEOF) along with the Office of Civil Rights (OCR), Office of Fair Lending (FL) and the Bureau's Disability and Accessibility (DAP) (See Appendix A). OMWI has direct responsibilities for diversity management at the Bureau. OMWI works in close collaboration with the Office of Human Capital (OHC), Bureau Operations and Office of Procurement as well as with the leadership of all Divisions, to implement the Bureau's diversity and inclusion strategic plan. OMWI and OCR also work with the OMWI and Equal Employment Opportunity Offices at the other federal regulatory agencies on collaborative initiatives.

FY 2018 was a year of many transitions for the Bureau, with a new acting Bureau Director, a new Office of Equal Opportunity and Fairness Director, and departures of the first OMWI and OCR Directors. Nonetheless, under the leadership of OMWI, the Bureau continued to expand initiatives from previous years and to add new initiatives.

The following are some of the key initiatives that the Bureau focused on in FY 2018:

- Continued to work with Division leadership to integrate diversity and inclusion into their overall strategic plans. This included developing and implementing initiatives to ensure that all employees are treated equitably and are able to contribute their best efforts in an inclusive work environment.
- Continued to foster an inclusive work environment for employees through employee engagement initiatives including educational and interactive training programs; cultural events; ongoing efforts of a cross-Bureau employee diversity and inclusion council, the Diversity Inclusion Council of Employee (DICE); and through the deployment of employee resource groups.
- Continued to analyze employee data to understand the experiences of demographic groups in the Bureau and to ensure that the impact of policies and practices are equitable for all groups.
- Strengthened the supplier diversity program by expanding the pool of minority- and

women-owned (MWOBs) businesses with access to doing business with the Bureau, and strengthened processes in place to ensure that MWOBs have effective access.

- Established procedures to advance the Bureau’s work assessing and monitoring the Good Faith Efforts of entities with whom the Bureau contracts for goods and services.

While the Bureau made noteworthy progress in FY 2018, there is also a clear understanding that there is more work to be done. With new permanent leadership in place at the head of the Bureau, OEOF and the OMWI, the Bureau is well positioned to face the challenges with the innovation and dedication needed to address them effectively.

## **About this report**

The CFPB is presenting this annual report in fulfillment of its statutory responsibility and its accountability commitment, pursuant to Section 342(e) of the Dodd-Frank Act. The report covers all the Bureau’s areas of responsibility for diversity and inclusion, which includes work spearheaded by OMWI, as well as work done in collaboration with the Office of Civil Rights (OCR), the Office of Human Capital (OHC), the Office of Procurement, the Bureau’s divisions and employee-led diversity and inclusion initiatives.

This report provides detailed information about the Bureau’s diversity and inclusion efforts during fiscal year 2018, unless otherwise noted. This is a change from previous OMWI annual reports, which reported calendar year activities. This adjustment of the reporting period allows for greater efficiency, and aligns the OMWI report with other major reports the Bureau issues, such as the fiscal year EEO Program Status Report (issued under EEOC Management Directive 715 (MD-715)) and the Bureau’s procurement and financial reports. Part of the time-period of this report, October 2017 to December 2017, overlaps with the previous report. Going forward, the OMWI reports will cover fiscal year activities.

# **Key accomplishments and challenges**

## **Accomplishments**

In FY 2018, the Bureau’s diversity and inclusion efforts continued at a steady pace. The following are the Bureau’s key accomplishments and challenges in FY 2018:

- In FY 2018 women and minorities at the Bureau received promotions at a higher rate than their representation in the workforce. Women make up 48.7 % of the workforce

and received 50% of promotions. Minority employees make up 39.6% of the workforce and received 42.7% of promotions.

- The Bureau maintained its second place ranking in the category of “Support for Diversity” in the Partnership for Public Service’s employee engagement ranking of mid-sized federal agencies on Best Places to Work in Government. The “Support for Diversity” category measures the extent to which employees believe that actions and policies of leadership and management promote and respect diversity.
- *Careers & the disABLED* magazine ranked the Bureau 15th in its 28th Annual “Top 20 Government Employers” for persons with disabilities in FY 2018, a one-point increase over 2017.
- On the 2018 Annual Employee Survey(AES), employees continued to rate the Bureau higher than the government-wide average on the Inclusion Quotient, which is a composite measure of the extent to which employees experience the Bureau as inclusive.
- The Bureau continued its best practices for maintaining workforce diversity by using available hiring opportunities to continue to build a diverse workforce. Some of the ways the Bureau did so include:
  - Continued to actively focus on retention for all staff, including those that are underrepresented, with disabilities and disabled veterans with 30% or more disability.
  - The Office of Human Capital (OHC) partnered with the Office of Minority and Women Inclusion (OMWI) and the Office of Civil Rights (OCR) on initiatives to broaden the pool of applicants for hiring opportunities. This included:
    - Having specific recruitment efforts directed to reach veterans and applicants with disabilities;
    - Revising structured interview resources and providing quarterly and “on demand” training for employees participating in structured interview panels;

- Continuing to support the use of non-competitive hiring authorities such as the Veterans’ Recruitment Appointment (VRA), Veteran Employment Opportunity Act (VEOA) and Schedule A disability authorities; and
  - Continuing to post internal advancement opportunities, such as internal details, temporary promotions, reassignments and permanent promotions on the Bureau’s intranet on the daily announcements page so that employees would have access to them.
- The Bureau hired a Disability Compliance Program Manager (DCPM) to promote reassignment, promotion, detail and temporary promotion opportunities that become available to ensure that veterans with 30 percent or more disability are aware of them. The DCPM also collaborates with OHC, OMWI and OCR to identify internal barriers to advancement for employee with disabilities.

## Challenges

While there was significant progress on its diversity and inclusion strategies in FY 2018, there is more that the Bureau needs to accomplish. The following are some of the Bureau’s focus areas going forward:

- Mission critical occupations of Economist and IT show low numbers of employees from underrepresented demographic groups. This creates a challenge for the Bureau in reaching a pool of diverse pool of talent for related positions. To address this, the Bureau has put in place efforts to strengthen recruitment in those occupations. OMWI has partnered with OHC to identify diverse forums for recruitment and outreach and will continue to expand these efforts going forward. Additional efforts include training hiring managers to prepare them to conduct structured interviews of applicants, as one way to help level the playing field for all applicants, and reviewing the hiring processes to ensure effectiveness and relevancy in achieving results.
- The ability to identify and engage large minority- and women-owned businesses (MWOBs) presents a substantial challenge. Governmental procurement systems are geared towards identifying and tracking small businesses, not large. The systems do not provide categories for large MWOBs. As a result, the Bureau and other agencies seeking to include larger MWOBs in their contracting opportunities have to manually identify these potential contractors. The Bureau is leading the way on this issue. The

Bureau raised the issue with OMB and is working with them to identify potential solutions. We recognize this will take time and coordination with multiple stakeholders.

- As OMWI proceeds with the implementation of the mandate to assess the diversity practices of the regulated entities, one challenge is identifying the appropriate diversity and inclusion points of contacts who lead the regulated entities' internal diversity and inclusion efforts. OMWI is in the process of establishing this database for its regulated entities.

# 2. Workforce diversity

In keeping with the Bureau’s new Strategic Plan for FY 2018 – FY 2022, much of the workforce diversity focus in FY 2018 was on initiatives to maintain its workforce diversity. The key strategy for doing this involved efforts that fostered an inclusive work environment for all employees, thereby supporting retention efforts.

## 2.1 Demographics of current workforce

The following are FY 2018 demographics<sup>6</sup> of a) the Bureau’s total workforce, b) employees in permanent positions, and c) employees in Mission Critical Occupations. In FY 2018<sup>7</sup>, the Bureau had a total workforce<sup>8</sup> of 1,504 employees, consisting of 772 men and 732 women compared with 1,643 at the end of calendar year 2017. This was a net decrease of 139 employees from 2017, after accounting for turnover. The Bureau’s hiring freeze began on November 27, 2017 and remains in place.

There was a slight increase of one percentage point among minority ethnic and race indicator (ERI)<sup>9</sup> employees from 39% in 2017 to 40% by the end of FY 2018, with a corresponding slight decrease in White employees.

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<sup>6</sup> Data are reported in keeping with OMB standards, which allow individuals to identify ethnicity as well as race separately. The methodology used for the Ethnicity and Race Indicator (ERI) varies in this report from the methodology used in the MD-715 report. In this report, individuals who selected two or more races (e.g., Asian and White), were counted as Two or More Races. Individuals who selected Hispanic, regardless of race, were counted as Hispanic.”

<sup>7</sup> The workforce data represented in the report is for fiscal year 2018 instead of calendar year 2018. In an effort to be more efficient, the Bureau is using the same reporting timeline covered by the MD-715 report. The time-period from October 1, 2017 through December 31, 2017 overlaps with the previous CFPB annual OMWI report.

<sup>8</sup> Total workforce encompasses employees on permanent and temporary appointments, including interns.

<sup>9</sup> ERI: OPM uses Ethnic and Race Indicator (ERI) to include employees who are Hispanic, Black, Asian, Native Hawaiian/Other Pacific Islander (NH/OPI), American Indian/Alaska Native (AI/AN) and employees of Two or More races. See <https://www.fedscope.opm.gov/rno/eri.asp>.

Compared to the U.S. Census National Civilian Labor Force (CLF)<sup>10</sup>, overall Bureau demographics have not changed significantly since 2017. White men, followed by White women, comprise the largest racial groups in the Bureau, followed by Black women and Black men, respectively. The percentage of the total workforce who self-identify as American Indian/Alaska Native, Hispanic/Latino and White is lower than their respective CLF percentages.

**TABLE 1:** FISCAL YEAR 2018 TOTAL WORKFORCE BY GENDER, RACE AND ETHNICITY

FY 2018	AI/AN <sup>11</sup>	Asian	Black	Hispanic /Latino <sup>12</sup>	NH/ OPI <sup>13</sup>	Two or More Races <sup>14</sup>	White	Total
Male	3	62	117	52	2	17	519	772
%	0.2%	4.1%	7.8%	3.5%	0.1%	1.1%	34.5%	51.3%
Female	2	60	206	48	2	25	389	732

<sup>10</sup> The CLF is derived from the 2006-2010 American Community Survey (ACS) Equal Employment Opportunity Tabulation (EEO Tabulation). The EEO Tabulation was originally released by the U.S. Census Bureau on November 29, 2012. It provides external benchmarks to assist federal agencies in monitoring employment practices and enforcing workforce civil rights laws. Federal agencies are required to use the EEO Tabulation in preparing their annual MD-715 EEO Program Status reports. See [https://www1.eeoc.gov//federal/directives/tech\\_assistance\\_06-10\\_EEO\\_tabulation.cfm](https://www1.eeoc.gov//federal/directives/tech_assistance_06-10_EEO_tabulation.cfm).

<sup>11</sup> AI/AN: American Indian/Alaska Native.

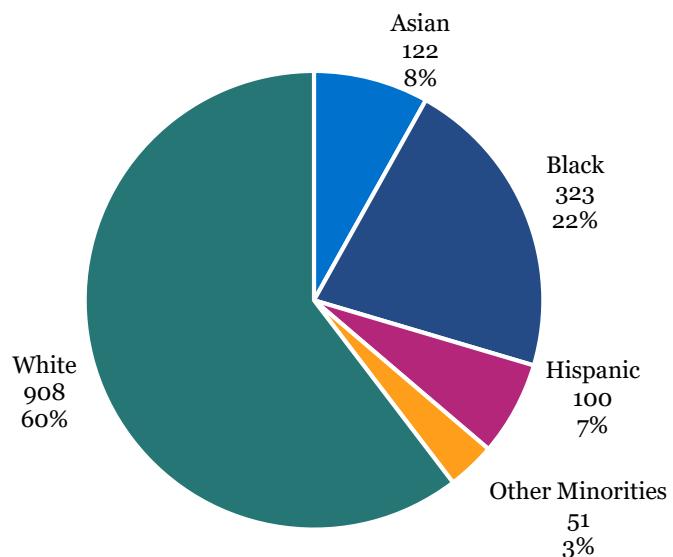
<sup>12</sup> Hispanics/Latinos who also identify by a race are counted only as Hispanic here.

<sup>13</sup> NH/OPI: Native Hawaiian/Other Pacific Islander.

<sup>14</sup> In all of the tables with demographic data, the methodology used for the ethnicity and race indicator (ERI) varies in this report from the methodology used in the MD-715 report. For individuals who selected Two or More Races (e.g., Asian and White), they are counted as two or more races for purposes of this report.

FY 2018	AI/AN <sup>11</sup>	Asian	Black	Hispanic /Latino <sup>12</sup>	NH/ OPI <sup>13</sup>	Two or More Races <sup>14</sup>	White	Total
%	0.1%	4.0%	13.7%	3.2%	0.1%	1.7%	25.9%	48.7%
Total	5	122	323	100	4	42	908	1,504
Total %	0.3%	8.1%	21.5%	6.6%	0.3%	2.8%	60.4%	100%
Civilian Labor Force (CLF)	1.1%	3.9%	12.0%	10.0%	0.1%	0.5%	72.4%	100%

**FIGURE 1: FISCAL YEAR 2018 TOTAL WORKFORCE BY ETHNICITY<sup>15</sup> AND RACE<sup>16</sup>**



<sup>15</sup> Other Minorities include American Indian/Alaska Native (AI/AN) of 5 employees (0.3%), Native Hawaiian/Other Pacific Islander (NH/OPI) of 4 employees (0.3%) and Two or More races of 42 employees (2.8%).

<sup>16</sup> In the data tables and figures in this report, total percentages may not always equal 100% due to rounding.

## 2.2 Demographics of mission critical occupations

The Bureau has four Mission Critical Occupations (Examiners, Miscellaneous Administration and Program Series, General Attorneys, and Economists) that comprise some of the largest occupational categories (0570, 0301, 0905 and 0110, respectively). As a result, the Bureau is committed to ensuring that these key occupations in particular, reflect the diverse makeup of the American people.

The following are the percentages of permanent minority and women employees in the four mission critical occupations in FY 2018:

- Miscellaneous Administration and Program Series: 47.3% minorities; 57.7% women;
- Economists: 26.7% minorities; 26.7% women;
- Examiners: 42.4% minorities; 32.2% women;
- General Attorneys: 26.3% minorities; 53.7% women.

### **Miscellaneous Administration and Program Series:**

For the Miscellaneous Administration and Program Series, there are 300 permanent employees, 30 fewer employees than calendar year 2017. Overall, across pay bands, the percentages of minorities and women were higher at the lower pay bands and decreased at higher pay bands when compared to Whites and men respectively. The percentage of minorities increased from calendar year 2017 by approximately 1%. The percentage of women increased by approximately 9% since calendar year 2017.

The percentage of each ethnicity/race group is higher than their respective Occupational Civilian Labor Force<sup>17</sup> (OCLF) percentage, except American Indian/Alaska Native, Hispanic/Latino and White. American Indian/Alaska Native employees comprise 0.3% versus 0.7% OCLF, Hispanic/Latino employees comprise 7.0% versus 8.7% OCLF and White employees comprise 52.7% versus 70.9% OCLF. The percentage of women at 57.7% is lower than their respective

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<sup>17</sup> The Occupational Civilian Labor Force (OCLF) is derived from the 2006-2010 American Community Survey (ACS) Equal Employment Opportunity Tabulation (EEO Tabulation). The U.S. Census Bureau originally released the EEO Tabulation on November 29, 2012. It provides external benchmarks to assist federal agencies in monitoring employment practices and enforcing workforce civil rights laws within specific occupational series. Federal agencies are required to use the EEO Tabulation in preparing their annual MD-715 EEO Program Status reports. The crosswalk between OPM occupational series and Census codes is found here: <https://www.eeoc.gov/federal/directives/oo-09opmcode.cfm>.

OCLF percentage of 63.3%. There were ten temporary employees in the Miscellaneous Administration and Program Series.

**TABLE 2:** FISCAL YEAR 2018 PAY BANDS FOR MISCELLANEOUS PROGRAM AND ADMINISTRATION SERIES BY GENDER, ETHNICITY AND RACE

ERI/GENDER	GS-10 AND BELOW/ CN-43 AND BELOW	GS-11-13/ CN-51-53	GS-14/ CN-60	GS-15/ CN-71	SENIOR LEVEL <sup>18</sup>	<b>TOTAL</b>
Male	3	56	34	17	17	127
%	1.0%	18.7%	11.3%	5.7%	5.7%	42.3%
Female	6	90	47	17	13	173
%	2.0%	30.0%	15.7%	5.7%	4.3%	57.7%
AI/AN	0	1	0	0	0	1
%	0.0%	0.3%	0.0%	0.0%	0.0%	0.3%
Asian	1	9	11	0	5	26
%	0.3%	3.0%	3.7%	0.0%	1.7%	8.7%
Black	2	62	10	8	4	86
%	0.7%	20.7%	3.3%	2.7%	1.3%	28.7%
Hispanic/Latino	3	5	7	3	3	21
%	1.0%	1.7%	2.3%	1.0%	1.0%	7.0%
NH/OPI	0	0	1	0	0	1
%	0.0%	0.0%	0.3%	0.0%	0.0%	0.3%

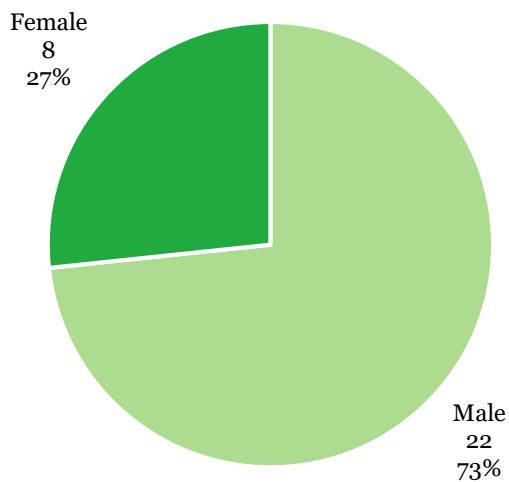
<sup>18</sup> Senior level pay bands include the CN-81, CN-82, and CN-90.

ERI/GENDER	GS-10 AND BELOW/	GS-11-13/	GS-14/	GS-15/	SENIOR	TOTAL
	CN-43 AND BELOW	CN-51-53	CN-60	CN-71	LEVEL <sup>18</sup>	
Two or More	0	3	3	1	0	7
%	0.0%	1.0%	1.0%	0.3%	0.0%	2.3%
White	3	66	49	22	18	158
%	1.0%	22.0%	16.3%	7.3%	6.0%	52.7%
Total	9	146	81	34	30	300
%	3.0%	48.7%	27.0%	11.3%	10.0%	100%

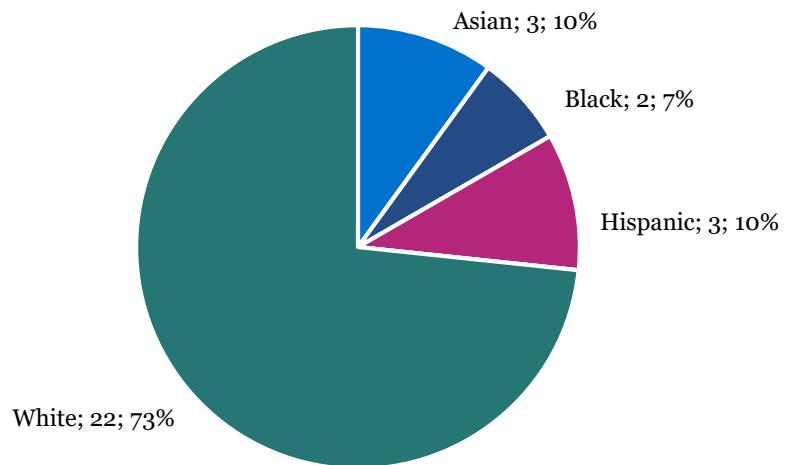
## Economists:

For Economists, there are 30 permanent employees, which is three fewer employees than calendar year 2017. The percentage of minorities has not significantly changed since calendar year 2017 and the percentage of women has decreased by approximately 3% since calendar year 2017. The percentage of each ethnicity/race group is higher than their respective OCLF percentage except for employees of Two or More Races (0.0% versus 0.2% OCLF) and White employees (73.3% versus 81.0% OCLF). The percentage of women at 26.7% is lower than their respective OCLF percentage of 32.9%. There were ten additional Economists in the temporary workforce.

**FIGURE 2: FISCAL YEAR 2018 ECONOMISTS BY GENDER**



**FIGURE 3: FISCAL YEAR 2018 ECONOMISTS BY ETHNICITY AND RACE<sup>19</sup>**



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<sup>19</sup> Other Minorities which include American Indian/Alaska Native (AI/AN), Native Hawaiian/Other Pacific Islander (NH/OPI) and employees of Two or More races are not represented in the Economist permanent workforce.

## Examiners:

For Examiners, there are 401 permanent employees (and zero temporary employees), which is a decrease of 32 employees since calendar year 2017. The percentage of minorities and women have not significantly changed since calendar year 2017. The percentage of each ethnicity/race group is higher than their respective OCLF percentage except for Asian employees (7.2% versus 7.7% OCLF) and White employees (57.6% versus 72.4% OCLF). The percentage of women at 32.2% is lower than their respective OCLF percentage of 45.3%.

**TABLE 3: FISCAL YEAR 2018 PAY BANDS FOR EXAMINERS BY GENDER, ETHNICITY AND RACE**

ERI/GENDER	GS-10 AND BELOW/ CN-43 AND BELOW	GS-11-13/ CN-51-53	GS-14/ CN-60	GS-15/ CN-71	SENIOR LEVEL <sup>20</sup>	TOTAL
Male	11	165	72	20	4	272
%	2.7%	41.1%	18.0%	5.0%	1.0%	67.8%
Female	1	83	41	4	0	129
%	0.3%	20.7%	10.2%	1.0%	0.0%	32.2%
AI/AN	0	2	2	0	0	4
%	0.0%	0.5%	0.%	0.0%	0.0%	1.0%
Asian	0	19	9	0	1	29
%	0.0%	4.7%	2.2%	0.0%	0.3%	7.2%
Black	4	64	20	7	0	95
%	1.0%	16.0%	5.0%	1.8%	0.0%	23.7%

<sup>20</sup> Senior level pay bands include the CN-81, CN-82, and CN-90.

ERI/GENDER	GS-10 AND BELOW/	GS-11-13/	GS-14/	GS-15/	SENIOR	TOTAL
	CN-43 AND BELOW	CN-51-53	CN-60	CN-71	LEVEL <sup>20</sup>	
Hispanic/Latino	2	18	6	2	0	28
%	0.5%	4.5%	1.5%	0.5%	0.0%	7.0%
NH/OPI	0	3	0	0	0	3
%	0.0%	0.8%	0.0%	0.0%	0.0%	0.8%
Two or More	0	8	3	0	0	11
%	0.0%	2.0%	0.8%	0.0%	0.0%	2.7%
White	6	134	73	15	3	231
%	1.5%	33.4%	18.2%	3.7%	0.8%	57.6%
Total	12	248	113	24	4	401
%	3.0%	61.8%	28.2%	6.0%	1.0%	100%

## General Attorneys:

For Attorneys, there are 285 permanent employees, which is a decrease of 26 employees from calendar year 2017. Overall, the percentages of minorities and women have each increased by approximately 1% compared to calendar year 2017. The percentage of each ethnicity/race group is higher than their respective OCLF percentage except for American Indian/Alaska Native and White employees. There are no American Indian/Alaska Native employees in the Attorney series compared to 0.5% OCLF and White employees comprise 73.7% compared to 84.4% OCLF. The percentage of women at 53.7% is significantly higher than the OCLF of 33.3%. There were three Attorneys in the temporary workforce.

**TABLE 4:** FISCAL YEAR 2018 PAY BANDS FOR ATTORNEYS BY GENDER, ETHNICITY AND RACE

<b>ERI/GENDER</b>	<b>GS-11-13/ CN-51-53</b>	<b>GS-14/ CN-60</b>	<b>GS-15/ CN-71</b>	<b>SENIOR LEVEL<sup>21</sup></b>	<b>TOTAL</b>
Male	11	35	83	3	132
%	3.9%	12.3%	29.1%	1.1%	46.3%
Female	10	33	102	8	153
%	3.5%	11.6%	35.8%	2.8%	53.7%
AI/AN	0	0	0	0	0
%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian	3	6	16	0	25
%	1.1%	2.1%	5.6%	0.0%	8.8%
Black	0	8	14	2	24
%	0.0%	2.8%	4.9%	0.7%	8.4%
Hispanic/Latino	2	7	6	1	16
%	0.7%	2.5%	2.1%	0.4%	5.6%
NH/OPI	0	0	0	0	0
%	0.0%	0.0%	0.0%	0.0%	0.0%
Two or More	1	0	9	0	10
%	0.4%	0.0%	3.2%	0.0%	3.5%
White	15	47	140	8	210
%	5.3%	16.5%	49.1%	2.8%	73.7%

<sup>21</sup> Senior level pay bands include the CN-81, CN-82, and CN-90.

<b>ERI/GENDER</b>	<b>GS-11-13/ CN-51-53</b>	<b>GS-14/ CN-60</b>	<b>GS-15/ CN-71</b>	<b>SENIOR LEVEL<sup>21</sup></b>	<b>TOTAL</b>
Total	21	68	185	11	285
%	7.4%	23.9%	64.9%	3.9%	100%

## 2.3 New Hires

In FY 2018, the Bureau hired 16 new permanent employees, 50% were men and 50% were women. Of the new permanent employees, 50% were minorities. The minorities hired included 18.8% Asian new hires, 25.0% Black new hires and 6.3% Hispanic/Latino. The 2017 OMWI Annual Report covered calendar year 2017, during which 46% of new permanent employees were women and 49% were minorities. The majority of FY 2018 hiring for the permanent workforce was conducted during Quarter 1 (October 1, 2018-December 31, 2018), which overlaps with the previous report.

In FY 2018, the Bureau hired 23 new employees on new appointments. There were 12 men (52%) and 11 women (48%). Of these new employees, 13% were minorities. Twelve of the hires were Schedule C appointees, four were Director's Financial Analysts and seven were student interns. The Bureau did not have Schedule C appointees in the previous year, so there is no comparison data from the previous year.

## 2.4 Promotions

Employees at the Bureau can receive a promotion<sup>22</sup> through the competitive process (e.g., apply for a promotion and are selected) or through the non-competitive process (e.g., on a career ladder and receive a promotion to the next pay band).

There were 384 total promotions in the workforce in FY 2018. Of the employees promoted, 50.0% were men and 50.0% were women, compared with the total Bureau workforce (permanent and temporary employees) of 51.3% men and 48.7% women.

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<sup>22</sup> For purposes of this report and related tables, a promotion is defined as a change to a higher pay band (e.g., CN-51 to CN-52).

Women received promotions at a rate slightly higher than their representation in the Bureau's workforce. Women, who make up 48.7% of the Bureau's workforce, received 50.0% of promotions. Employees from a minority group received 42.7% of promotions, compared with their representation of 39.6% of the Bureau's total workforce.

**TABLE 5:** FISCAL YEAR 2018 PROMOTIONS RECEIVED BY GENDER, ETHNICITY AND RACE<sup>23</sup>

FY 2018	AI/AN	Asian	Black	Hispanic /Latino	NH/ OPI	Two or More Races	White	Total
Men Promoted	2	15	26	21	0	2	126	192
% Men Promoted	0.5%	3.9%	6.8%	5.5%	0.0%	0.5%	32.8%	50.0%
Women Promoted	0	18	60	15	0	5	94	192
% Women Promoted	0.0%	4.7%	15.6 %	3.9%	0.0%	1.3%	24.5%	50.0%

## 2.5 Separations

The number of permanent employees who separated from the Bureau in FY 2018 was 142. Of the permanent employees separated in FY 2018, there were slightly more men (53.5%, 76 permanent employees) than women (46.5%, 66 permanent employees). There was a much lower percentage of minorities who separated than White employees (34.5% compared with 65.5%, respectively).

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<sup>23</sup> Other Minorities include American Indian/Alaska Native (AI/AN) of 2 employees (0.5%), Native Hawaiian/Other Pacific Islander (NH/OPI) of 0 employees (0.0%) and Two or More races of 7 employees (1.8%).

**TABLE 6:** FISCAL YEAR 2018 SEPARATIONS OF PERMANENT EMPLOYEES BY GENDER, ETHNICITY AND RACE

FY 2018	AI/AN	Asian	Black	Hispanic /Latino	NH/ OPI	Two or More Races	White	Total
Male	0	13	6	6	0	1	50	76
%	0.0%	9.2%	4.2%	4.2%	0.0%	0.7%	35.2%	53.5%
Female	0	6	15	2	0	0	43	66
%	0.0%	4.2%	10.6%	1.4%	0.0%	0.0%	30.3%	46.5%
Total	0	19	21	7	0	2	93	142
%	0%	13.4%	14.8%	4.9%	0.0%	0.7%	65.5%	100%

## 2.6 Outreach and recruitment

On November 27, 2017, the Bureau instituted a hiring freeze on all positions. As a result of the freeze and significant budget cuts that resulted in changing priorities, the Office of Human Capital (OHC)'s recruitment program was impacted, which resulted in the Bureau reducing all recruitment efforts, including diversity outreach. A list of outreach efforts done in FY 2018 is in Appendix B. OHC began to focus on digital media recruitment strategies to continue to sustain the Bureau's employment branding during the freeze. OHC anticipates that investing in digital media recruitment will enable the Bureau to quickly attract diverse talent as the Bureau engages in external hiring.

When external hiring announcements were approved, the Bureau used the following recruiting methods:

- Continued to utilize a digital recruitment strategy, which included posting on social media sites, such as LinkedIn, Indeed, and Direct Hire to allow for ongoing connections with wide-range and diverse audiences;
- Revamped the Bureau's Student Volunteer program to assist in a building a pipeline of diverse talent to meet emerging and future workforce needs.

Additionally, OHC revised the hiring planning process to an annual staffing plan approach. Planning for staffing helps to support Divisions in using systematic approaches to fill mission critical and mandated positions. It also identifies critical competencies needed to complete the mission by proactively identifying strategies to fill these positions internally. These plans are frequently referenced by managers and staffing consultants and are updated to reflect changing requirements.

For hiring opportunities, the Bureau focused on retention of its talented and diverse workforce. OHC continued to post internal advancement opportunities, such as details, temporary promotions, and reassignments on the Bureau's internal website and made sure to list those opportunities on the Bureau's daily internal announcement feed, in order to reach employees across the country.

Consistent with the EEOC's binding regulations and the Bureau's related affirmative action plan, the Bureau hired a Disability Compliance Program Manager (DCPM) in August 2018. The DCPM will assist OHC in developing recruitment strategies to attract, hire, and retain individuals with disabilities and 30 percent or more disabled veterans.

In addition, in FY 2018, OHC in collaboration with OMWI and OCR, developed and implemented a new structured interview training workshop for training Bureau hiring managers and interviewers. Structured Interviews is a tool to assist in elimination of bias in the interview process. Currently all hiring teams are encouraged to use a structured interview process to hire new employees. The objective of the training is to help ensure that Bureau hiring managers make selection decisions based on objective, job-related information that minimizes bias and provides a level playing field to help maintain and increase workforce diversity.

# 3. Workforce inclusion

The Bureau’s diversity and inclusion strategy promotes, as a foundation, an inclusive work environment for all employees that encourages collaboration, flexibility and equity, to help enable all managers and employees to work to their full potential and to drive innovation. This approach is based on evidence that the benefits of having a diverse workforce are only fully realized when the work environment is inclusive<sup>24</sup>. Having a workplace that employees find inclusive and hospitable supports employee engagement, which can contribute to longer-term retention. Additional benefits include having greater productivity and innovation and arriving at solutions that have greater relevance for all consumers.

- In FY 2018, the Bureau had two key engagement areas of focus to achieving an inclusive work environment: **Management engagement** which includes planning and implementing the Bureau’s diversity and inclusion goals at the Division and Office levels, and leadership development;
- **Employee engagement** which includes ensuring that employees are engaged in the Bureau’s diversity and inclusion strategy by sponsoring and supporting employee resource groups and an employee led diversity council (DICE);

Focusing on these key areas is crucial to ensuring the sustainability of the Bureau’s diversity and inclusion strategy and serves to help embed diversity and inclusion into the organizational fabric of the Bureau.

Supporting this approach, the Bureau provided diversity and inclusion training to managers and individual contributors to increase awareness and understanding of diversity and inclusion. In addition, the Bureau placed an emphasis on managing diversity in its leadership development program and revamped the performance management program giving specific attention to ensuring equity and fairness for all employees. Together these all contribute to fostering an inclusive workplace for all employees.

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<sup>24</sup> Hunt, Layton and Prince, McKinsey & Company, “DIVERSITY MATTERS” (Feb. 2, 2015), available at: <https://assets.mckinsey.com/~/media/857F440109AA4D13A54D9C496D86ED58.ashx>.

The Bureau monitors the effectiveness of the overall strategy through the results of the Bureau's Annual Employee Survey (AES)<sup>25</sup>, a subset of items from the Federal Employee Viewpoint Survey administered by OPM. Other outcome measures like the Partnership for Public Service's Best Places to Work are also monitored for the impact of the diversity and inclusion strategy.

## 3.1 Management engagement

In FY 2018, the Bureau continued to focus on building ownership and accountability for diversity and inclusion with Divisional leadership and managers in order to develop and implement diversity and inclusion goals and initiatives throughout the Bureau. OMWI and OCR worked as consultants to all Divisions to help them develop and implement diversity and inclusion objectives and initiatives based on the Bureau's diversity and inclusion goal. Accountability for diversity and inclusion Divisional outcomes was built into the tri-annual divisional reports. In addition to reviewing performance on their mission-focused priorities, Divisions include accomplishments, planned activities and risks on the Bureau's strategic objective to maintain high-performing, diverse employees with the right skills and abilities. These triannual meetings provide a platform through which the senior leadership can communicate about diversity and inclusion priorities, and a way to hold Division leadership accountable for diversity and inclusion. In FY 2018, all Divisions engaged in this effort.

Initiatives implemented in FY 2018 included:

- Analyzing Division demographic and AES data to identify gaps and opportunities for improvements;
- Using diverse interview panels for all job opportunities advertised, including vacancies, details, and rotations;
- Integrating diversity and inclusion interactive activities into office meetings to build understanding of cultural similarities and differences and foster inclusion;
- Offering diversity and inclusion and related training on topics that included unconscious bias; generational differences in the workplace; understanding micro-triggers; and crucial conversations;

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<sup>25</sup> For more information on the Bureau's 2018 AES results, see <https://www.consumerfinance.gov/data-research/research-reports/2018-bcfp-annual-employee-survey-results/>.

- Creating opportunities for staff to have robust conversations on diversity and inclusion topics by including monthly diversity and inclusion messages to all employees in the office, providing content on the intranet, encouraging team participation in heritage month activities, and establishing the business case for diversity and inclusion in the Division;
- Developing activities to foster greater inclusion among teams, including making a commitment to norms of inclusion and treating others as partners.

## 3.2 Employee engagement

In FY 2018, the Bureau organized and hosted a number of cultural events in recognition of various heritage months throughout the year. These events were part of the Bureau's ongoing efforts to increase awareness of employees' cultural backgrounds and to foster a culture of openness and inclusion. These events featured a wide range of presenters, some of whom discussed the Bureau's work and its impact on the highlighted communities. The External Affairs Division (EA), OCR and OMWI jointly organized and hosted the events. A listing of events is included in Appendix C.

In FY 2018, the Diversity and Inclusion Executive Advisory Committee (EAC), a cross-divisional advisory group of senior leaders, was under review to assess its effectiveness. In FY 2019, the EAC will sunset and its functions will be transferred to a new Bureau committee focused on workforce effectiveness.

### **Diversity and Inclusion Council of Employees (DICE)**

DICE is a diverse group of about 20 employees that operates as a staff-level volunteer body from across the Bureau. DICE provides employee perspectives on the Bureau's diversity and inclusion efforts, works with OMWI on diversity and inclusion initiatives, and provides peer leadership opportunities for Bureau employees. DICE members serve as OMWI ambassadors who collaborate with OMWI and other Bureau stakeholders on diversity and inclusion. They offer recommendations about projects to advance diversity and inclusion at the Bureau, work on various projects to increase employee engagement, and have received professional development training on diversity and inclusion topics, such as unconscious bias and conflict resolution. Employees serve a two-year term on the DICE and in January 2018, DICE's second cohort began its two-year term.

A leadership core of co-chairs, a vice chair, and a recording secretary manage overall operations

for DICE, which also has working groups that focus on issues such as strategic partnerships, retention, engagement, and awareness and inclusion. DICE worked on a number of projects in 2018, including enhancing the Recruiting Ambassador Program, a Veterans Day employee poster campaign, and an “I am the Bureau” photo poster campaign to highlight diversity within the Bureau.

DICE continues to work on other projects designed to increase awareness and education about diversity and inclusion.

## **Employee Resource Groups (ERGs)**

In FY 2018, the Bureau had five established ERGs: the Latino employee resource group, Adelante; the LGBTQ employee resource group, CFPB Pride; the Black employee resource group, RISE; the Asian American Pacific Islander employee resource group, ASPIRE; and the Women’s employee resource group, SPARK. ASPIRE and SPARK were established in 2018.

The Bureau’s ERGs are valuable resources for raising cultural awareness and are an effective and sustainable vehicle for advancing diversity and inclusion as part of the Bureau’s mission. As identity-based groups, ERGs assist the Bureau in understanding and considering broad perspectives when providing services to the diverse spectrum of consumers. ERGs also serve as a vehicle for networking, recruiting, and retaining a diverse workforce.

In 2018, each ERG met regularly to network, plan and host events, and participate in community initiatives as follows:

- RISE hosted an open discussion session designed to engage and educate employees about Juneteenth. RISE posted facts of the day each day during Black History month and hosted an event about Martin Luther King Jr.’s Vision for Economic Justice for MLK Day. RISE also partnered with Diversity and Inclusion Council of Employees members to feature RISE members as part of the “I am the Bureau” poster campaign.
- Adelante hosted several events including three events to recognize Hispanic/Latino Heritage Month featuring a conversation with Congressman Henry Cueller, and a conversation with Anthony Tijerino, President and CEO of the Hispanic/Latino Heritage Foundation.
- CFPB Pride co-sponsored a “breakfast-and-learn” event in recognition of LGBTQ month with Congresswoman Kyrsten Sinema. Pride also hosted several happy hours during the year to foster networking and connection among staff.

- The Bureau’s newest ERG, SPARK formed in late 2018, and hosted one event, a “women in leadership” panel discussion. SPARK will continue to focus on the interests of women employees and host additional events and activities in 2019.
- In tribute to Asian Pacific American Heritage month, ASPIRE shared information about Asian Pacific American history, culture, and accomplishments in “Did You Know” announcements on the Bureau’s intranet and hosted a conversation with Kenneth Lin, CEO of Credit Karma about diversity and inclusion.

### **3.3. Training and leadership development**

The Bureau has an ongoing training initiative to provide mandatory foundational diversity and inclusion training to managers and non-supervisory employees as part of the Bureau’s strategy to ensure that everyone has a common understanding of the importance of diversity and inclusion to the Bureau’s ongoing mission. In FY 2018, this program continued, providing the training to new managers and non-supervisory employees as well as to those who had not completed the training in previous years, as follows:

#### **Managing Diversity and Inclusion for Supervisors and Managers**

A total of 24 supervisors and managers completed the mandatory two-day diversity training in FY 2018, and approximately 270 supervisors have completed the training from 2015 when it was put in place through FY 2018. The training entitled, “Leading Diversity and Inclusion at the Bureau,” focuses on diversity and inclusion best practices, tips, and tools for managers.

#### **Diversity and Inclusion Awareness Training for Non-Supervisory Employees**

A total of 211 employees completed this mandatory diversity and inclusion training hosted by OMWI in FY 2018. The Bureau offers this two-hour awareness-raising workshop to non-supervisory employees to help develop a shared understanding of diversity and inclusion. The workshop focuses on the importance of diversity and inclusion in strengthening individual competence for interacting effectively in a diverse workplace, and on the ways in which an understanding of diversity and inclusion contributes to the effectiveness of the Bureau’s work. As of the end of FY 2018, 1,596 employees had completed this training (a completion rate of 89.5 percent of current Bureau employees).

## **Other Related Training:**

### **Crucial Conversations**

The Bureau's Alternate Dispute Resolution Program offered "Crucial Conversations" training to approximately 306 managers and employees during FY 2018. "Crucial Conversations" is a conflict-prevention workshop intended to help individuals have important (and sometimes difficult) high-stakes conversations. The Bureau has provided this training to teams in the Office of the Director, and to the following Divisions: Supervision, Fair Lending and Enforcement (SEFL), Research, Markets and Regulations (RMR), Consumer Education and Engagement (CEE), and Operations (OPS). Feedback on the training has been overwhelmingly positive with virtually all participants agreeing or strongly agreeing that the training provided skills that help with their professional duties.

### **Mandatory 2-Day Manager EEO Training and 8-hour refresher course**

A total of 18 supervisors and managers completed a mandatory two-day EEO training workshop conducted by the EEOC Training Institute in FY 2018, for a total of over 248 supervisors and managers to date. This training helps all managers and supervisors strengthen their skills in leading and managing a diverse and inclusive workforce.

### **Leadership Development**

OHC provided three broad categories of leadership development: The Leadership Excellence Seminars (LES) training series, the Supervisory Development Seminars (SDS) programs, and individual coaching through Executive Coaching. The leadership development training programs are mandatory for all supervisors, managers, and senior leaders, and the Executive Coaching offering is optional (available to executives and managers of managers). OMWI worked with OHC in the development of these training programs to ensure that diversity and inclusion content was infused throughout.

As of the end of FY 2018, over 81 percent of all managers had completed all modules of the LES training. These sessions will continue in FY 2019 for newly appointed managers.

The SDS is a three-day, mandatory training for all newly appointed Bureau supervisors. It covers content on leading people, making the transition to supervisor, human resources technical knowledge, performance management, and addressing performance problems and conduct issues. It also incorporates a module, presented by OMWI and OCR, on understanding and mitigating unconscious bias in the performance evaluation process and includes sample case studies, tips for managers to identify their own potential biases, and tools for further learning. To date, 93% of all managers on board as of December 2018 had completed the

training, 36 of whom were trained in FY 2018. This training program will also continue in FY 2019 for newly appointed Bureau managers.

### **Pilot Mentoring Program**

In FY 2018, OMWI conducted a 3-month mentoring program pilot to provide staff with guidance and support on professional development. The program matched 24 mentees with mid- to senior-level mentors for a total of 48 participants. Training was provided to mentors and mentees to help them build effective mentoring relationships. Evaluations of the training and the mentoring program were overwhelmingly positive and indicated that it was very effective in helping participating mentees to more effectively navigate the Bureau's workplace. In FY 2019, OMWI will utilize the insights gained from the pilot modify and enhance the program, and relaunch it as a yearlong initiative.

## **3.4 Performance management**

The Bureau has established an effective performance management system with a focus on standard performance expectations and reflection that highlights accomplishments, application of learning and developmental opportunities. The growth and maintenance of a culture of giving and receiving healthy performance feedback is evidenced in AES scores, which include:

*“My performance appraisal is a fair reflection of my performance.”* Eighty percent of Bureau employees concur with this sentiment (compared with 71% government-wide); this item increased by 20 percentage points since 2013.

*“I know what is expected of me on the job.”* Eighty-four percent of Bureau employees concur with this sentiment (compared with 80% government-wide); this item has increased by 14 percentage points since 2012.

*“Discussions with my supervisor about my performance are worthwhile.”* Seventy-seven percent of employees concur with this sentiment (compared with 67% government-wide); this item has increased by 13 percentage points since 2012.

Looking ahead, the Bureau intends to continue pursuing positive year-over-year trends with respect to performance management program outcomes and compliance. In 2019, the Bureau will conduct an evaluation study of the performance management program, and will leverage those findings to further refine leader training and program communications.

## 3.5 AES data: outcome measures

The Bureau tracks progress on the diversity and inclusion strategy by data from the Annual Employee Survey results, as well as informal internal periodic surveys and thoroughly monitoring the results of the Best Places to work survey by the Partnership for Public Service.

The AES fulfills the requirement of Subpart C, 5 CFR, part 250, regarding federal employee surveys to track progress on the inclusion efforts. The AES assesses a broad range of employee perspectives and experiences, among them perspectives and experiences on the rate of inclusion in the workplace. In 2018, a total of 1,117 (72.5%) of all Bureau employees completed the survey, compared with 40.6% government-wide.<sup>26</sup> Results for 2018 showed that overall the Bureau continued on its positive trend when compared to government benchmarks. The most notable challenge reported was around the sentiment that senior leaders do not generate high levels of motivation and commitment in the workforce.

The AES measures inclusion using the Inclusion Quotient, a subset of 20 survey items that focuses on employees' perception of, and experience in the workplace. The Inclusion Quotient consists of five aspects of inclusion: Fair, Open, Cooperative, Supportive, and Empowering. These five areas are defined as follows<sup>27</sup>:

- **Fair:** perception of fairness in performance evaluation, rules and procedures.
- **Open:** extent to which the agency and/or managers promoted diversity and inclusion.
- **Cooperative:** extent to which managers promote communication and support collaboration.
- **Supportive:** management and leadership style of managers.
- **Empowering:** employees' participation in decision-making.

In all five years (2018, 2017, 2016, 2015, and 2014) in which the Bureau included all 20 questions on the Inclusion Quotient, results have exceeded the government-wide results on all of the five indices. In 2018, the Bureau's overall score on the Inclusion Quotient was six percentage points (6.2%) above the overall government-wide results; but fell 5.3% from the 2017 results.

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<sup>26</sup> The Bureau named its survey the Annual Employee Survey (AES); it is called The Federal Employee Viewpoint Survey by OPM. <https://www.opm.gov/fevs/reports/governmentwide-reports/governmentwide-management-report/governmentwide-report/2018/2018-governmentwide-management-report.pdf>.

<sup>27</sup> Inclusion Quotient Results, pgs. 21 – 22, CFPB 2018 AES results, see <https://www.consumerfinance.gov/data-research/research-reports/2018-bcfp-annual-employee-survey-results/>.

In 2018, as in the previous two years, the Bureau’s highest score for an individual index was on the “Supportive” index, 86.7%. In addition, as in the past years, the 2018 “Fair” index continued to be an area of opportunity for the Bureau to improve at a score of 52.0%. The “Fair” index continued to be the lowest government-wide score (48.4%) as well. The “Open” index also had the largest difference (11.5%) over government-wide results. In summary, the Bureau has continued to outperform the government-wide averages on all indices of the Inclusion Quotient, despite the declines from 2017 results.

As in past years, the Bureau used the AES results—including perceptions across demographic groups and the Inclusion Quotient—to analyze employee perceptions that inform strategies and programming to help strengthen inclusion of all employees. For example, in response to the notable declines from the 2017 results, the Bureau developed strategies to address the issues reflected in the survey.

**TABLE 7: THE BUREAU INCLUSION QUOTIENT<sup>28</sup>**

INCLUSION QUOTIENT INDICES	BUREAU 2018	GOV’T WIDE 2018	BUREAU 2017	GOV’T WIDE 2017
Inclusion Quotient	67.2%	61.0%	72.5%	59.9%
Fair	52.0%	48.4%	56.1%	47.0%
Open	71.7%	60.2%	75.9%	59.5%
Cooperative	65.4%	58.0%	71.4%	57.0%
Supportive	86.7%	78.2%	88.0%	76.6%
Empowering	60.4%	60.2%	70.9%	59.3%

In the 2018 annual study of “Best Places to Work” conducted by the nonprofit Partnership for

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<sup>28</sup> Inclusion Quotient Results, pgs. 21 – 22, CFPB 2018 AES results, see <https://www.consumerfinance.gov/data-research/research-reports/2018-bcfp-annual-employee-survey-results/>.

Public Service, the Bureau placed 26<sup>th</sup> out of 27 for mid-size agencies overall. It ranked second out of the 27 peer agencies in “support for diversity” (a category measuring the extent to which employees believe that actions and policies of leadership and management promote and respect diversity).<sup>29</sup>

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<sup>29</sup> Best Places to Work Agency Rankings, <http://bestplacetowork.org/rankings/overall/mid>.

# 4. Supplier diversity

Under Section 342 of the Dodd-Frank Act, OMWI is required to implement standards to increase participation of minority-owned and women-owned businesses (MWOBs) in the programs and contracts of the Bureau, including standards for coordinating technical assistance to such businesses. In FY 2018, the Bureau spent just over \$246 million, of which 17% of this was spent with minority-owned and women-owned businesses. This is a notable increase from the Bureau’s spend of 9.2% with MWOBs in FY 2017.<sup>30</sup>

The Bureau’s supplier diversity activity increased markedly in FY 2018 as a result of the acquisition inclusion policy, inclusion publications, consumer-friendly forms, and the contract forecast section of the “Doing Business with the CFPB” webpage. OMWI worked with the Office of Procurement to create a structured framework to identify opportunities for MWOB inclusion. The process involved updating several acquisition documents and publications; the Bureau’s acquisition planning procedural guide; business inclusion form; and the publication, “Guide to Doing Business with the CFPB”. Collectively, these actions standardized MWOB inclusion processes at the Bureau.

OMWI continued its work with the Office of Procurement to raise awareness externally among current vendors about the Bureau and its partnership opportunities as well as internally to educate managers about the availability and capability of MWOBs. The Bureau also participated in supplier diversity conferences and engaged in matchmaking events in order to increase vendor technical assistance and knowledge of the Bureau’s procurement procedures. A list of the Bureau’s supplier diversity outreach activities is in Appendix D.

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<sup>30</sup> As of FY 2018, enhancements in procurement data synchronization and validation are providing OMWI with a more accurate accounting of Minority and Women-Owned Business (MWOB) spending. Having access to these data improve OMWI’s ability to monitor and plan for more recruitment activities and technical assistance offerings to MWOBs.

In FY 2018, the Bureau's total contracting spend was \$246,078,253, of which \$42,290,590 was spent with minority- and women-owned businesses, as shown in Table 8. The amount of spend with minority-owned businesses was \$30,935,118, and with women-owned businesses was \$17,574,345.

**TABLE 8:** OVERVIEW OF SPEND<sup>31</sup> FOR MINORITY- AND WOMAN-OWNED BUSINESSES<sup>32</sup>

TYPE OF VENDOR	FY 2018	FY 2017
Total Spend	\$246,078,253	\$468,861,294
% of Total Spend	100%	100%
MWOB	\$42,290,590	\$43,234,688
% of Total Spend	17.2%	9.2%
Woman-Owned (WO)	\$17,574,345	\$15,726,118
% of Total Spend	7.1%	3.4%
Minority-Owned (MO)	\$30,935,118	\$32,196,960 <sup>33</sup>
% of Total Spend	12.6%	6.9%

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<sup>31</sup> As of FY18, Total Spend includes contracts with vendors and Pcard purchases and payments and excludes interagency agreements, Payroll and related items and Intergovernmental Personnel Agreements.

<sup>32</sup> Note that some businesses are both Minority-owned and Women-owned, so adding the Spend for both will not be the same as Total Spend.

<sup>33</sup> In the 2017 OMWI Annual report, Spend with Minority-Owned businesses was reported for the calendar year, not the fiscal year as is reported here.

**TABLE 9:** OVERVIEW OF SPEND FOR SPECIFIC MINORITY-OWNED BUSINESSES<sup>34</sup>

TYPE OF VENDOR	FY 2018	FY 2017
African American	\$2,650,142.59	\$4,520,287
% of Total Spend	1.1%	1.0%
American Indian/Alaska Native	\$3,403,252.01	\$414,026
% of Total Spend	1.4%	0.1%
Asian/Pacific Islander	\$22,403,528.01	\$25,410,995
% of Total Spend	9.1%	5.4%
Hispanic/Latino	\$2,478,195.13	\$1,851,652
% of Total Spend	1.0%	0.4%

In FY 2018, the Bureau's total funds obligated was \$139,120,016 of which obligations to MWOBs was 28.8%.

**TABLE 10:** OVERVIEW OF FY 2018 OBLIGATIONS FOR MINORITY- AND WOMEN-OWNED BUSINESSES<sup>35</sup>

FY 2018 Obligations	Dollar Amount	Percentage of Total Obligations
Total Obligations	\$139,120,016	100%
Total MWOB	\$40,003,824	28.8%
Woman-Owned	\$13,432,759	9.7%
Minority-Owned	\$34,663,243	24.9%
African American	\$2,535,740	1.8%

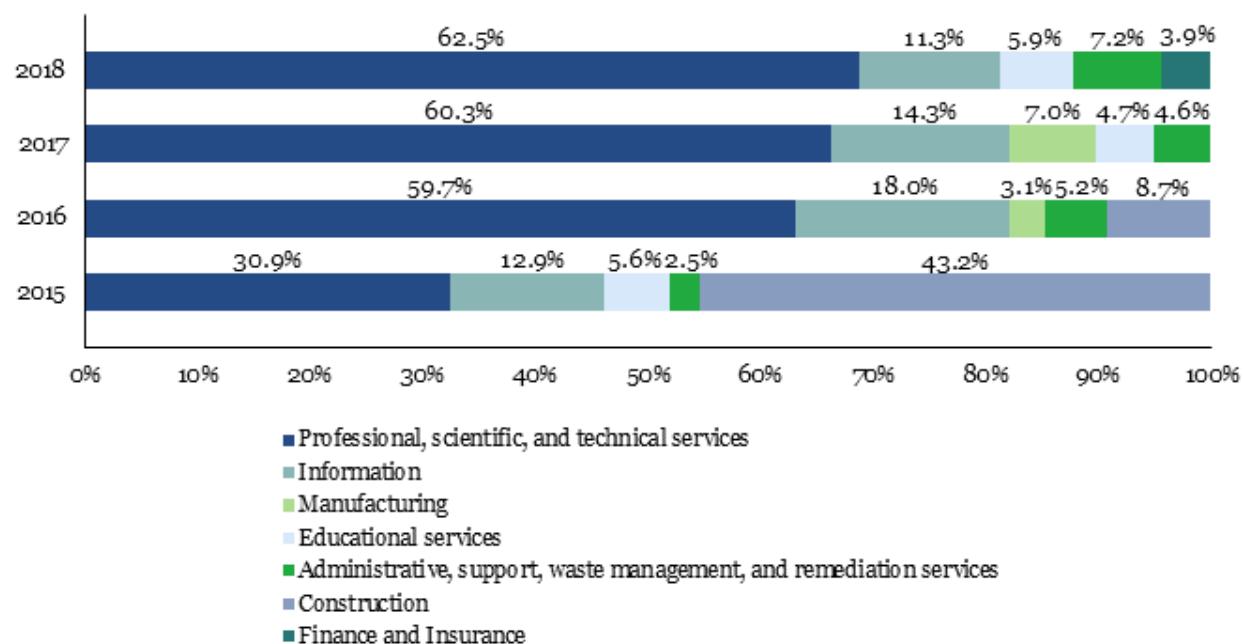
<sup>34</sup> The four minority groups specified under the Dodd-Frank Act are African American, American Indian/Alaska Native, Asian/Pacific Islander and Hispanic.

<sup>35</sup> Note that some businesses are both Minority-owned and Women-owned, so adding the Obligations for both will not be the same as Total Obligations.

FY 2018 Obligations	Dollar Amount	Percentage of Total Obligations
American Indian/Alaskan Native	\$3,829,184	2.8%
Asian/Pacific Islander	\$26,715,984	19.2%
Hispanic/Latino	\$1,582,335	1.1%

Over 60% of the total obligations made in FY 2018 were in Professional, Scientific & Technical Services for a total of \$45,750,378. The second highest amount obligated was for Information at 11.3% or \$17,980,937.

**FIGURE 4: PERCENTAGE OF TOTAL OBLIGATIONS BY NAICS CODE GROUPING FOR FISCAL YEARS 2015-2018<sup>36</sup>**



<sup>36</sup> The Manufacturing NAICS code refers to Computer and Peripheral Equipment manufacturing.

The Bureau's OMWI Office is also collaborating with other OMWI's to advance supplier diversity outreach and engagement. As a member of an interagency working group of OMWI staffs, the Bureau has been able to grow its supplier diversity program by adopting best practices and sharing research and resources. Examples include participating in industry-specific technical assistance panels with OMWI offices and co-hosting joint industry day events with other agencies. In August 2018, the eight OMWI agencies co-hosted a technical assistance event in collaboration with the University of Texas San Antonio, Institute for Economic Development Minority Business Development Agency and the Business Center San Antonio. The event, *Smart Contacts – Smart Contracts*, featured a range of presentations, including *Smart Tactics, Tools, and Resources for Connecting the Dots, Smart Federal Proposal Writing*, and a panel on *Doing Business with the OMWI Agencies*. There were approximately 199 attendees at this event.

The CFPB Supplier Diversity program aims to provide minority-owned and women-owned businesses (MWOBs) with one of the most straightforward points of entry into Federal contracting. In addition to prior year's inclusionary efforts, in FY 2018 OMWI worked collaboratively with the Office of Procurement to develop robust requirements matching capabilities such as, a MWOB obligations dashboard in Tableau, issuing practical web content, including a monthly requirements forecast and publishing the guide to Doing Business with Us. At the same time, our outreach efforts served as the platform for direct MWOB engagement into the CFPB acquisition process. Some of the key components of our program include:

- Establishing and developing relationships with key business stakeholders, industry groups, and trade groups;
- Speaking on panels, attending supplier diversity events, and co-locating with other federal partners at events when available;
- Distributing literature and educational materials aimed at minority-owned and women-owned businesses;
- Collaborating with the Office of Procurement on a series of outreach events focused on minority-owned and women-owned businesses; and
- Establishing recurring Supplier Diversity Procurement workshops to assist MWOBs seeking opportunities with the Bureau.

# 5. Inclusion in business activities

Under Section 342 of the Dodd-Frank Act, OMWI is responsible for all matters of the agency relating to diversity in management, employment, and business activities. OMWI is also required to ensure to the maximum extent possible, the fair inclusion and utilization of minorities, women, and minority-owned, and women-owned businesses in all business and activities of the agency at all levels, including in procurement, insurance, and contracts.

## 5.1 Education & engagement

OMWI continues to work collaboratively with the Divisions of Consumer Education and Engagement, and External Affairs to connect with community-based, civil rights, industry, academic and regulatory organization including groups serving women and minority communities. The Bureau engages with communities in a number of ways, including, roundtable discussions, listening sessions, training sessions, and attendance at conferences to gain insight on Bureau initiatives. These interactions also help to fulfill the objectives of OMWI and the Bureau.

## 5.2 Contracts

Under section 342 (c) (3), the OMWI Director must develop standards and procedures to make a determination whether an agency, contractor, and, as applicable, a subcontractor has failed to make a good faith effort to include minorities and women in their workplace.

In FY 2018, the Bureau began including a GFE contract clause in all Bureau contracts to ensure contractors and subcontractors are aware of their statutory obligation to make a good faith effort to include women and minorities in their workforce. The Bureau has also developed processes to evaluate the efforts of contractors and subcontractors to utilize minorities, women, and MWOBs in their workforces. In FY 2019, a streamlined form for contractors to use to submit necessary information will be made available to contractors and subcontractors to ease the submission process to the Bureau. OMWI also participates in an interagency working group to share best practices in this area.

# 6. Regulated entities

Under Section 342 (b) (2) (c) of the Dodd-Frank Act, the OMWI Director “shall develop standards for assessing the diversity of policies and practices of entities regulated by the [Bureau].” Toward that goal, the Bureau’s OMWI participated in an interagency working group of OMWI offices and developed a joint policy statement on assessing the diversity practices and policies of regulated entities, which was published in the Federal Register on June 10, 2015. Thereafter the agencies collaborated and developed a voluntary self-assessment form to assess the regulated entities diversity practices, which was approved by OMB in November 2017.

The Bureau conducted outreach meetings with the mortgage industry in 2016 and issued a report on the findings in April 2017. In 2017, the Bureau hosted roundtables with the mortgage and real estate industries to learn about the diversity related issues the entities face and build enthusiasm about the assessment process.

In FY 2018, the Bureau’s OMWI continued to engage in initiatives related to the standards<sup>37</sup>. The work included creating guidance documents for the entities on completing the self-assessment; updating the Bureau’s diversity and inclusion website content; and partnering with the other federal regulatory agencies to host regulated entities at a symposium at the New York Federal Reserve Bank. Going forward in FY 2019, the Bureau will focus on increasing engagement with regulated entities through outreach meetings, web events and soliciting and analyzing self-assessments.

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<sup>37</sup> <https://www.federalregister.gov/documents/2015/06/10/2015-14126/final-interagency-policy-statement-establishing-joint-standards-for-assessing-the-diversity-policies>

# APPENDIX A: ORGANIZATIONAL CHART FOR THE OFFICE OF EQUAL OPPORTUNITY AND FAIRNESS

## Office of Equal Opportunity & Fairness (OEOF)

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### TOTAL HEADCOUNT FY19:

	FTE	VACANCIES
TOTAL:	31	4

\* Dual Reports to the Bureau Director

March 2019

## APPENDIX B: RECRUITMENT OUTREACH

- Unidos US National Convention, Formerly National Council of La Raza (NCLR) National Convention & National Latino Family Expo (July 7-10, 2018).
- The 2018 National Urban League Annual Conference/Career & Networking Fair (NUL) X (August 2-4, 2018).
- Congressional Black Caucus 46th Annual Legislative Conference (ALC) (September 13-15, 2018).
- HBCU Career Development Marketplace 11th Annual Conference (November 7-11, 2018).

## APPENDIX C: HERITAGE-MONTHS DIVERSITY EVENTS

Events	Dates
Hispanic/Latino Heritage Month: Dr. Pablo Molina, Chief Information Security Officer at Drexel University.	October, 2017
Black History Month: RISE ERG posted “Moments in Black History” facts on the Bureau’s intranet page during the entire month of February.	February 2018
Women’s History Month: A conversation with SBA Administrator Linda McMahon who discussed her life in the private and public sector and its influence on her leadership at the SBA.	March 2018
Asian Pacific Islander Heritage Month: ASPIRE AAPI ERG hosted a conversation with Kenneth Lin, CEO of Credit Karma about diversity and inclusion. ASPIRE also posted “Did You Know” facts on the Bureau’s intranet about the AAPI history, culture, and communities during the month of May	May 2018
World Day for Cultural Diversity: celebration of the rich diverse cultural history of Bureau employees with conversation, music, food, flags, and other audiovisual displays.	May 2018
Breakfast and Learn: PRIDE ERG co-sponsored an event at the Bureau with Senator Krysten Sinema to discuss her work on the Hill.	June 2018
Juneteenth: RISE ERG hosted an event about the history and significance of Juneteenth featuring informational and educational videos and vignettes for discussion.	June 2018
Hispanic/Latino Heritage Month Event: featuring a conversation with Congressman Henry Cueller.	September 2018
Hispanic/Latino Heritage Month Event: “I am the Bureau”. Hispanic Bureau employees share information on how they draw on their cultural heritage to enrich their work.	September 2018
Hispanic/Latino Heritage Month Event: Adelante ERG hosted a conversation with Anthony Tijerino, President and CEO of the Hispanic/Latino Heritage Foundation Disability Awareness Month on the topic: “Making Your Work Environment More Accessible”.	October 2018
National Native American Heritage Month: OMWI posted “Did You Know” facts about Native American Indian history, culture and community on the Bureau’s intranet during the month of October.	November 2018

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Veteran's Day: The Office of Service Members Affairs and the Diversity and Inclusion Council of Employees (DICE) collaborated to create posters featuring Bureau veterans and posted them across the Bureau.

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November 2018

## APPENDIX D: SUPPLIER DIVERSITY OUTREACH

- National 8(a) Association, Nashville, Tennessee (January 2018).
- Twenty-eighth Annual Government Procurement Conference, Washington, D.C. (April 2018).
- Women's Business Enterprise National Council (WBENC), Detroit, Michigan (June 2018).
- Joint OWMI Technical Assistance Event, UT San Antonio, TX (August 2018).
- National Minority Supplier Development Council (NMSDC), Austin, TX (October 2017).