



2020 Annual Report to Congress

STANDING IN
UNITY

Office of Minority and Women Inclusion

Federal Reserve Bank of New York



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LETTER FROM THE PRESIDENT

This year, we chose the theme “Standing in Unity” for our Office of Minority and Women Inclusion (OMWI) report. Against the backdrop of extraordinary challenges—a global pandemic, a recession, and a reckoning for racial justice—the New York Fed has renewed its commitment to stand against racism, hate, and violence. Redoubling our efforts to build a more diverse, equitable, and inclusive culture at the New York Fed, and in the Second District more broadly, have been key priorities over the past year.

In 2020 we unveiled a new mission, vision, and values statement and our commitment to diversity, equity, and inclusion was woven throughout. We launched a new People Strategy, which placed creating a “Culture of Inclusion” at the heart of our priorities. Diversity, equity, and inclusion are essential to our success, and we have accelerated our work to meet our goals. As well as working to create a more inclusive culture within the Bank, we pivoted our research to better understand the effects of the pandemic on Black communities. For example, our Double Jeopardy report looked at the effects of COVID-19 on Black-owned businesses.

As we look ahead, 2021 will be about cementing the progress we’ve made and further embedding inclusive practices in our culture. Key areas of focus include building a diverse workforce, understanding structural disparities in the labor market, and improving supplier diversity. Reports such as this enable us to reflect on the progress we’ve made and identify our focus for the future.

A handwritten signature in black ink that reads "John C. Williams". The signature is written in a cursive, flowing style.

John C. Williams
President and CEO
Federal Reserve Bank of New York



HOW WE FACED THE YEAR'S UNIQUE CHALLENGES

Last year presented massive, historic challenges to our country, the Federal Reserve System, our Second Federal Reserve District community, and our employees. Events in 2020 showed us that the New York Fed must actively confront systemic racism and other forms of unlawful, dehumanizing bias. We were reminded that good health is essential to economic wealth. As we write this report in early 2021, the recent attack on the Capitol and on our democracy—organized, in part, by groups advocating white supremacy—only underscores the public commitment that the New York Fed has made to “stand in unity with all those who oppose racism, hate, and violence.”

RACIAL UNREST & INEQUALITY

Following the murder of George Floyd, the New York Fed released the following public statement:

“The New York Fed stands in unity

with all those who oppose racism, hate, and violence. We join them in a shared desire to root out the intolerable inequities and injustice grounded in systemic racism that persist in our society. We are firm in the belief that economic equality is a critical component for social justice and that we will never have the truly inclusive and strong economy we seek until access to health, education, safety, and justice knows no racial or other boundaries. We are dedicated to understanding and finding solutions to the numerous forms of inequality that communities of color experience and working with communities in our District to address deep-seated inequities. We are steadfast in our commitment to work for a more equitable economy and society for all, and will redouble our efforts in pursuit of this essential mission.”

As we continue our work to address the vast and troubling issues highlighted by recent racial unrest, here’s a look at the progress we have made thus far.

WE LISTENED

In the first quarter of 2020, we experienced the first wave of racial unrest as Asian Americans were targeted due to a virus that quickly became a global pandemic. Inaccurate media reports included racially charged language and attacks on the Asian American community quickly became more prevalent. Our employees needed a safe place to discuss what was going on. This was one of the first of a series of diversity dialogues that would occur during 2020 to address racial unrest.

In the summer of 2020 we held a series of Bankwide discussions in the aftermath of George Floyd’s murder. We all struggled to understand the profound consequences of witnessing on video the death of an unarmed person. For some, this was the first time they saw such an unconscionable tragedy. We learned, however, that many of our colleagues, though horrified, were not surprised. Our co-workers shared personal experiences of abuses of power and institutional racism—opening the eyes and ears of their colleagues to their stories. These stories were full of raw emotion and were difficult to hear.

But the courage of our people who shared their stories was humbling and inspiring. These discussions reminded us that dialogue doubles the power of a message, empowering the speaker and enriching the listener. The bravery and trust demonstrated by our colleagues who shared their experiences strengthened in the most durable of ways—in the hearts and minds of their colleagues—the New York Fed’s commitment as a community to stand in unity with others who oppose racism, hate, and violence. Their expressions of grief for George Floyd and Breonna Taylor, and for all those whose deaths prompted the Black Lives Matter movement, appealed to the empathy, goodness, and fairness of colleagues within the New York Fed.

WE MOBILIZED OUR STAFF

Business units across the Bank united in their efforts

to address diversity, equity, and inclusion, engaging employees on councils and committees to determine meaningful actions to effect change. Initiatives by our business units included:

- Discussions and listening sessions on race and social unrest
- Webinars with Historically Black Colleges and Universities (HBCUs)
- Sponsorship and mentorship programs
- Pro bono and community-oriented work
- Town Halls on racism
- Sessions on microaggressions
- Systemic racism curriculum

WE DEPLOYED OUR WELL ESTABLISHED EMPLOYEE RESOURCE NETWORKS

Throughout 2020, our Employee Resource Networks (ERNs) expanded their efforts to reach beyond their membership to advance diversity, equity, and inclusion (DEI) education and awareness for the Bank. Often in partnership across several resource networks, they delivered over 36 programs that were both educational and a call to action. Over half of the Bank’s employees belong to one of the ten ERNs. Additionally, our ERNs became key connectors for employees who craved the interaction they enjoyed through in-person interactions prior to the COVID-19 pandemic. Through virtual activities, the ERNs kept hundreds of employees feeling connected. Programming included:

- Beyond the Numbers: The Economic Well-Being of African Americans
- Beyond the Numbers: The Impact of COVID-19 on Communities of Color
- A Conversation on Racism, Fear, and Xenophobia Against Asian Americans and Pacific Islanders (AAPI)
- Mental Health Impacts of Racial Inequity
- Disability Mentoring Day
- Discussing Race with Children

Additionally, despite the fact that most of our employees are working from home, the Bank continued to organize and staff volunteer opportunities, many of

36 educational programs were sponsored throughout 2020 by the Bank’s Employee Resource Networks.

which—for example, mentoring students from our Diversity Partner Organizations (DPOs)—are aimed at lifting up minority communities.

WE DEVELOPED EDUCATIONAL MATERIALS TO HELP US RECOGNIZE AND ACT TO REMOVE BIAS

For deeper employee learning, we curated a selection of articles, books, videos, and podcasts on a wide range of topics such as Understanding Race and Racism, Microaggressions, and to further these efforts, the Bank:

- **Acknowledged Juneteenth** as a dedicated, shared day of reflection and learning, and commemorated the day with a series of real talk sessions.
- **Created a short video to help employees understand the concepts of allyship and the bystander effect** and to serve as a starting point for further individual growth, team discussion, and Bankwide momentum towards a more diverse, equitable, and inclusive environment for all.



THE IMPACT OF COVID-19

In 2020, many of our employees faced multiple and varied work, family, and health challenges that demanded flexibility and understanding. Some employees had to care for family and loved ones who became ill. Others became part-time teachers or short-order cooks—sometimes in addition to becoming caretakers too. All employees faced isolation from their colleagues, their friends, and their families that threatened their mental and physical health. Below are some of the measures we instituted.

WE PROTECTED THE HEALTH AND SAFETY OF OUR FIRST RESPONDERS

New York Fed law enforcement personnel were essential even before the term “essential worker” was coined. Both the COVID-19 pandemic and the national debate on policing following the murder of George Floyd created tremendous challenges for our Law Enforcement Unit (LEU) in 2020. Our efforts to support our LEU staff included:

SQUADS

Officers were grouped into squads, shift hours were increased, and guard posts were shut to minimize the amount of exposure LEU personnel would have during work.

SAFETY MEASURES

In addition to meeting or exceeding standards for social distancing and cleaning, we drastically limited the number of essential personnel allowed in our facilities. Only 5.8% of Bank staff were permitted to come to the office—again, minimizing exposure for our protection officers.

SPEAK UP

The Bank sponsored Town Halls to discuss the George Floyd case and reactions to it.

The Bank’s LEU Appreciation Day in October featured a frank discussion with a diverse range of officers on the difficulties and pressure facing law enforcement personnel.

WE SUPPORTED OUR EMPLOYEES WITH FLEXIBILITY AND HEALTH RESOURCES

The Bank hosted a series of conversations with employees, asking about their current challenges, resiliency, and support needs. We also provided a flexible work environment, supporting a relaxed approach to work schedules and assignments to reflect

demands placed on employees while working from home. In addition, the Bank provided free access to subscription-based mental health platforms to support resilience and to provide employees with online access to a licensed therapist of their choice.

WE RECOGNIZED THE ROLE OF DIVERSITY AND INCLUSION IN FIGHTING THE PANDEMIC

As a country, we experienced a rapid increase in Xenophobic incidents, with Asian Americans experiencing aggression and blame for the so-called “Chinese Virus.” The pandemic has also had a disproportionate health and economic impact on communities of color, with the heaviest losses among Black, Indigenous, and LatinX Americans. Below are some of the actions taken by the Bank in recognition of the fact that inequality has exacerbated the effects of the pandemic.

We have stood in unity with our Asian American employees—for example, hosting a dialogue on Racism, Fear, and Xenophobia Against Asian Americans that drew 790 participants.

As discussed in the Research section of this report, we pivoted our economic research efforts to focus on the pandemic and in particular its effects on minority and marginalized communities.

While the Bank worked to operationalize the Federal Reserve facilities and lessen the economic impact of COVID-19, we also placed a special emphasis on onboarding a diverse mix of firms as counterparties, including the following minority-, women-, and veteran-owned broker dealers:

- Academy Securities, Inc. (LatinX/Veteran)
- Bancroft Capital LLC (Veteran)
- Castle Oak Securities, L.P. (African-American)
- Great Pacific Securities (LatinX)
- Guzman & Company (LatinX)
- Loop Capital Markets LLC (African American)
- Mischler Financial Group (Veteran)
- R. Seelaus & Co., LLC (Women)
- Samuel A. Ramirez & Co., Inc. (LatinX)



DIVERSITY & INCLUSION

The year 2020 was not just a time to react to external events. We continued to launch long-term strategies designed to transform the New York Fed into an organization that is more diverse, equitable, and an advocate for diversity and equity in both our Federal Reserve District and our country. Below we discuss some of these strategies as they relate to People, Community Outreach, Research, and Procurement.

PEOPLE: WORKFORCE AND WORKPLACE DIVERSITY

We support employees from all backgrounds in achieving their full potential. Throughout 2020, the Office of Minority and Women Inclusion (OMWI) contributed to the Bank's mission in the critical areas of recruitment, talent pipeline development, and employee development and retention.

RECRUITMENT

Although the recruitment approach in a virtual stance was different, our focus on attracting the broadest and most diverse pool of candidates never wavered.

Strategic-Inclusive Hiring: Identifying and hiring new talent is one of the most significant levers we have in increasing the diversity of the Bank. To ensure we consider the broadest, most diverse pools of candidates available, we expanded our work at the onset of the recruitment process, bringing together hiring managers and subject matter experts from the People & Engagement organization to have a thoughtful and strategic conversation around the organization's future goals/objectives and the knowledge, skills, and abilities required to achieve those outcomes. Driven by data, our goal is to broaden candidate opportunities to increase inclusion of wider talent pools.

24%

increase in representation of Black and LatinX students in the new Sophomore Program.

Professional Search Firms: The Bank continues to engage with search firms for hiring and requires diversity among candidates that are presented. The Bank has contracts with seven search firms, all of which have diversity practices and/or minority ownership. Further, the use of metrics around diversity hiring allows the Bank to better track progress across the organization and at the business-area level. People & Engagement Talent Advisors continue to receive biweekly diverse slate metrics by job requisition, increasing awareness of progress on diverse candidate pools.

TALENT PIPELINE

Interns: The summer of 2020 was especially difficult for students seeking internships, with many experiencing rescinded offers or significantly diminished program lengths. At the New York Fed, we recognize the importance of these programs, not only for identifying future full-time employees, but more importantly, for providing a hands-on experience for students to explore career opportunities and gain professional coaching and mentoring. We were determined to continue with our program and provide our 2020 intern class with a meaningful experience. Pivoting to virtual onboarding, work assignments, collaboration projects, and coaching sessions, our 2020 intern class (50% minorities/40% women) were able to build their professional experience in a meaningful way. We honored our salary commitments to our summer interns who count on these funds for critical tuition and living expenses.

A New Sophomore Program: Moving forward, we will continue to focus on diversifying our classes to increase representation across all dimensions, particularly Black and LatinX, who have represented 20% of the classes year over year for the last three years. With our recently launched Sophomore program, focused on DPO and local school recruitment, we were able to increase representation of Black/LatinX students by 24% to represent 44% of the inaugural Sophomore class. This program will become the primary feeder to our rising senior intern classes.

50%

of the 2020 intern class was comprised of minority students and 40% of the class were women.

Diversity Partner Organizations (DPO): The Bank's commitment to attracting diverse talent and creating an inclusive workplace environment is supported by our partnerships with DPOs and local colleges and universities. Over the long term, our work with these organizations will help develop a pipeline of diverse candidates and build awareness of the Bank as an employer of choice. The partners we collaborate with include Edge 4 Vets, INROADS, the HBCU Business Dean Roundtable, the Hispanic Association of Colleges and Universities, and many others.

EMPLOYEE DEVELOPMENT AND RETENTION

Transparency and equitable opportunity for development are critical components in creating a culture of inclusion at the New York Fed. Empowering individuals to own the progression of their careers increases engagement and belonging. To ensure we

have an equitable process for promotions, all officer promotions occur only through a transparent posting process available to all. In addition, in August 2020 the Bank launched its Enterprise Opportunity Exchange (EOE), a new online platform where employees can view short-term opportunities available across the Bank and easily apply for opportunities of interest. Through the EOE, employees can explore other business areas and have the opportunity to apply their skills and experience to work on new and meaningful assignments. In turn, business areas are provided with diversity of thought and a fresh perspective by leveraging the broad pool of talent that exists within the Bank.

COMMUNITY: ECONOMIC EDUCATION AND COMMUNITY DEVELOPMENT & OUTREACH PROGRAMS

The Bank has a long history of providing economic education, conducting community economic analysis, and reaching out to workers and employers in the Second District. These efforts grew in 2020 in response to the needs caused or made more apparent by the pandemic.



WE CONTINUE TO TARGET DISADVANTAGED COMMUNITIES IN OUR ECONOMIC EDUCATION EFFORTS

In 2020, the Bank continued to focus on outreach efforts to educators and students in low- and moderate-income communities, including enhancing the numbers of Title I and majority-minority high school groups that participate in Bank programs, engaging community colleges, and cultivating networks and enrichment programs serving diverse populations of students and teachers. In collaboration with OMWI and the Employee Resource Networks, Outreach and Education delivered remote educational programming to a number of youth programs that serve low-and moderate-income student communities. Remote learning programming typically includes an overview of the Federal Reserve System, learning opportunities with Bank staff, and an economic/financial education learning module.

WE PRODUCED GROUNDBREAKING COMMUNITY ECONOMIC ANALYSIS SHOWING THE ADVERSE IMPACT OF COVID-19 ON MINORITY COMMUNITIES AND SMALL BUSINESSES

The New York Fed produced a number of papers and reports in 2020 that highlighted economic inequality and barriers to economic inclusion both locally and nationally. These studies provide a resource to elected officials and policymakers throughout the country.

Here are a few examples:

1 The COVID-19 Eviction Cliff: Key Issues and Insights to Help Mitigate a Crisis

This paper showed that, despite relief efforts at the state and federal levels, New York City still faces a housing and commercial property crisis. Job losses and small-business failures have made both tenants and landlords vulnerable. The situation is especially dire for already rent-burdened tenants, especially Blacks, Hispanics, and poor communities. The paper also offers multiple potential public and private solutions.

2 Can Small Firms Weather the Economic Effects of COVID-19?

This brief, released at the onset of the COVID-19 emergency, highlighted the precarious financial position facing many small businesses. The analysis showed that even in late 2019, a period characterized by positive economic growth and low unemployment, smaller firms, younger firms, and firms helmed by black or LatinX owners were more likely to be “at risk” or “distressed.”

3 Double Jeopardy: COVID-19’s Concentrated Health and Wealth Effects in Black Communities

This paper highlighted the impact of the pandemic on Black-owned businesses, examining reasons why these firms were almost twice as likely to shutter as small firms overall. The report noted financial vulnerabilities that predated the crisis, including disparities in banking access, which limited the efficacy of the government’s signature business relief program, the Paycheck Protection Program, in communities of color.

WE EDUCATED AND LEARNED FROM THE MAIN STREET ECONOMY AND DIVERSE COMMUNITIES IN OUR DISTRICT

The New York Fed continued to invest its time and other resources in reaching out to workers and employers in the Second District. These efforts were important not only to understand the regional economy, but also to demonstrate the interest that the Federal Reserve takes in the economic welfare of diverse communities.

John Williams, the New York Fed’s President and CEO, met virtually with community leaders

throughout the year. For example, his first community meeting in 2020 took place virtually in March with local stakeholders from LaGuardia Airport, Jamaica, Jackson Heights, and Long Island City in Queens to understand local conditions and the immediate impacts of the pandemic.

Community Development staff also engaged with stakeholders in Puerto Rico and the U.S. Virgin Islands. We wanted to understand how this part of the New York Fed’s district is faring, particularly given its ongoing recovery efforts from the hurricanes of 2017. Although the U.S. Virgin Islands represents a small share of the District’s population, it is facing the same crisis but with far fewer resources relative to other geographies.

To spotlight how the COVID-19 crisis is affecting low-income communities and people of color, which is deeply influenced by existing financial and economic disparities, the Bank launched a new event series called “The Fed and Main Street.” Three webinars were held in 2020. “The Fed and Main Street during the Coronavirus Pandemic” featured national community leaders discussing the current and imminent funding gaps for under-served segments of the population, as well as the critical role that community development financial institutions (CDFIs) and other socially responsible capital providers can play to support the recovery. “Too Important to Fail” examined the challenges facing small businesses, including hurdles in accessing relief





and assistance programs. The conversation also examined the disparate impact of these challenges on entrepreneurs and communities of color, as well as the role that non-traditional lenders and policymakers can play in broadening access to capital. Finally, “The Immigrant Experience during COVID-19” spotlighted the experiences and challenges of immigrant populations during the pandemic, and the role of local municipalities, grassroots organizations, immigrants’ home countries, and the private sector to tailor solutions to address financial and economic disparities.

In response to events centered around racial inequality, the New York Fed’s Community Development unit hosted several virtual forums focused on economic inequality in communities of color and policy insights for an equitable economic recovery. These policy forums, called the Economic Inequality Policy Series, featured New York Fed economists and community development practitioners and focused on COVID-19’s impacts on housing affordability and stability, the racial wealth gap, credit markets, and workforce equity. Each event attracted 300-500 participants from government, nonprofit, philanthropic, and banking sectors. Thought leadership and research pieces on racial equity and economic mobility are regularly featured on the New York Fed’s Economic Inequality and Equitable Growth Hub.

RESEARCH: DIVERSITY AND INCLUSION IN OUR RESEARCH OUTPUT AND AMONG OUR STAFF
IN 2020, WE DEVOTED CONSIDERABLE EFFORTS TO HIGHLIGHT RACIAL AND ECONOMIC EQUITY IN OUR RESEARCH OUTPUT AND TO TAKE STEPS TO DIVERSIFY OUR RESEARCH STAFF.

Since March 2020, the New York Fed has used its economic research blog, Liberty Street Economics, to publish over 75 articles about the pandemic. Many of those articles drew attention to the disproportionate impacts of COVID-19 on minority communities.

In 2020, Liberty Street Economics continued its Heterogeneity (now entitled Economic Inequality) Series of articles that look at economic outcomes and other consequences of policy choices by race, gender, age, geography, income, and other attributes.

Our research publications continue to be cited by Members of Congress and others who affect and direct public policy.

WE ARE PUTTING OURSELVES UNDER THE MICROSCOPE

The lack of diversity in the economics profession and among our own staff is profound and unmistakable. In 2020, the Bank took tangible steps to improve ourselves and, we hope, take a leadership position in improving our profession.

WE HAVE OPENED OUR RECRUITMENT OF RESEARCH ANALYSTS TO MORE DIVERSE CANDIDATES

Research Analysts (RAs) are college graduates, many of whom go on to have distinguished and impactful careers as economists. Our RAs are a vital talent pipeline.

In 2020, we took a number of steps to understand and change how we recruit research analysts and interns. We began by surveying our current RAs and listening to what they had to say about the recruitment process. Based on their responses and feedback from economists on what competencies are necessary for RAs to be successful, we changed how we evaluate application materials and determine first-round interviews. Key changes included the following:

- We removed selection criteria associated with expressing interest in graduate study, which tends to narrow the pool of applicants to those with access to more information about careers in economics.
- We expanded our consideration of competency by adding, in addition to advanced mathematics classes taken, criteria related to public policy and similar work, extracurricular activities, and other work experience.
- We took steps to ensure that our review of candidates’ resumes was not underrepresenting applicants’ full talents.
- We changed how we communicate with all candidates receiving first-round interviews. We now distribute detailed information about what to expect and how to answer interview questions.
- We made the self-review process a regular feature of our recruitment program.

Going forward, we will continue to seek feedback from RAs at the end of each recruitment cycle as part of a commitment to continuous improvement.

75+ articles were published by Liberty Street Economics, drawing attention to the disproportionate impacts of COVID-19 on minority communities.



WE WILL BUILD UPON OUR SUCCESS AT CREATING MORE GENDER DIVERSITY AMONG OUR RAs AND RESEARCH ECONOMISTS

We have had success at attracting women RAs at higher rates than they are represented in relevant majors at the U.S. college level. Moreover, our women RAs go on to attend graduate programs in economics at a comparable rate to their male RA counterparts, meaning that we are widening the pipeline when it comes to gender.

Full-time women economists in the Research group comprise 23% of our economists. This percentage compares favorably to the share of women in tenure-track positions at top economics programs at U.S. universities. But doing better is a positive result only if we can keep improving the number and career trajectories of women economists in our institutions and in the economics profession at large.

WE ARE MAKING EFFORTS TO ESTABLISH A PIPELINE FOR BLACK AND LATINX CANDIDATES THAT ARE FARTHER REACHING AND MORE TARGETED

We have had limited success at recruiting Black and LatinX RAs and economists. Here is what we are doing to create a pipeline for this talent through outreach and mentorship. To address the lack of information about the economics profession that exists in underrepresented populations, the Bank engaged in numerous outreach initiatives, including:

- Participation in a college webinar for historically black colleges and universities (HBCU) students.
- Launch of a webinar series for college professors and students aimed at reaching students from underrepresented minority backgrounds in economics, both regionally and nationally. This webinar series reached a large audience of students and faculty from universities where we do not often hire.
- Working with the New York Fed's Outreach and Education team to deliver a webinar series that will launch in 2021 to expose high school students and their teachers from Title 1 schools and schools in majority-minority areas to careers in economics.
- Collaboration with external organizations on events intended to increase diversity in the economic profession. Among these are the American Economics Association (AEA) summer program for minority students, The Sadie Collective and Peter Blair Henry's PhD Excellence Initiative.

In an effort to mentor our minority RAs with greater intensity and effectiveness, the Bank continued to hold monthly meetings with minority RAs from underrepresented groups to foster conversations between them and full-time, longer-tenured economists. The primary purpose of this program is to offer these RAs additional perspectives, information, and guidance on career paths in economics. These programs also benefit our full-time economists by exposing them to colleagues with more diverse backgrounds.

PROCUREMENT: BUSINESS, SUPPLIER, AND COUNTERPARTY DIVERSITY

Over the past decade, the New York Fed has invested more in its business, supplier, and counterparty diversity efforts. That investment paid off in 2020, as we were able to onboard a substantial number of minority-, women-, and veteran-owned (MWV) firms to serve as counterparties to the CARES Act COVID-19 financial facilities that we operationalized on behalf of the Federal Reserve. We continue to pursue aggressively our business and supplier diversity across the board.

OUR EFFORTS TO RECRUIT MINORITY-, WOMEN-, AND VETERAN-OWNED FIRMS AS COVID FACILITY COUNTERPARTIES WERE PAINSTAKING AND SUCCESSFUL

We took an inclusive approach to the identification of firms that could act as service providers and counterparties to our emergency lending programs. The six Federal Reserve emergency facilities operated by the New York Fed have been instrumental in stemming economic damage from the pandemic and unfreezing financial markets. Shortly after these facilities went live, we worked with our Procurement, Markets, and Outreach colleagues to attract and onboard MWV firms to service as counterparties in, and agents to, these facilities. These firms are listed on page 8.

Following is a description of how we were able to diversify these operations.

- In July 2020, the New York Fed announced that it was exploring the opportunity to expand its counterparties and agents for three of the Federal Reserve's emergency lending facilities: the Commercial Paper Funding Facility (CPFF), the Secondary Market Corporate Credit Facility (SMCCF), and the Term Asset-Backed Securities Loan Facility (TALF). Further, in early September

2020, the New York Fed announced plans to expand its counterparties for the Agency Commercial Mortgage-Backed Securities (ACMBS) purchases. These initiatives aimed to diversify the set of counterparties with which the New York Fed transacts and, in turn, to further the Bank's commitment to support equal opportunity and diversity in market operations and facilities.

- This effort was designed to include a broader range of market participants, including Minority, Women, and Veteran Business Enterprises (MWVBES). In terms of scale, complexity, and speed, this counterparty expansion is one of the largest and most rapid undertaken by the Bank in recent years, and encompasses a diverse set of firms by size, business model, and ownership profile.
- In the procurement process, we worked hard to expand opportunities to smaller firms like the above. Staff conducted outreach to industry associations and provided a transparent and inclusive application process. We made ourselves available to provide detailed responses to all firms, including MWVBES, interested in working with us. Throughout the application process, we continued to open communication lines through public information sessions and dedicated email boxes to field questions, as well as providing support and guidance throughout the application process.
- In particular, we reached out to the National Association of Securities Professionals (NASP) to support our outreach efforts. Through NASP's partnership, we were able to participate in numerous webinars with their membership to share contracting and counterparty opportunities and strengthen connectivity between the New York Fed and NASP leaders as we collectively work to increase diverse representation.

By having a more diverse set of counterparties, the New York Fed's COVID-19 operations will have a broader, deeper footprint in the market, which could in turn, help the Bank implement policy more inclusively going forward.

OUR EFFORTS TO INCREASE SUPPLIER DIVERSITY ELSEWHERE IN OUR ORGANIZATION CONTINUE

The New York Fed remains committed to ensuring that all firms interested in and qualified to do business with the Bank have the opportunity to do so. This includes minority-owned and women-owned enterprises seeking to do business with the New York Fed.

This past year, the Bank took steps to promote regular supplier diversity through three primary initiatives: (i) outreach, (ii) collaboration across the Federal Reserve System, and (iii) technology.

The Bank’s strategy continued to yield positive results in engaging with both internal and external stakeholders. This year:

44% of acquisitions competitively bid via RFP included diverse supplier participation.

16% of total competitively bid acquisitions were awarded to diverse suppliers.

36% In instances where diverse suppliers were invited to a competitive bid, they were awarded the business 36% of the time.

19% of the New York Fed reportable spend is with diverse suppliers.

In addition, we conducted proactive outreach to diverse suppliers through the following five areas of focus:

Advocacy Organization Memberships: Advocacy Organizations are agencies that support various diverse supplier classifications. The New York Fed is an active member of nine such organizations, allowing us to expand outreach efforts and promote the growth of our diverse supplier footprint. The Bank has dedicated staff to support each Advocacy Organization to maximize a strong relationship management model.

- US Pan Asian Chamber of Commerce (USPACC)
- NY/NJ Minority Supplier Development Council (NY/NJ MSDC)
- National Veteran-Owned Business Association (NaVOBA)
- Financial Services Roundtable for Supplier Diversity (FSRSD)
- Women Presidents’ Educational Organization (WPEO)
- National Hispanic Business Group (NHBG)

- Institute of Supply Management (ISM)
- National LGBT Chamber of Commerce (NGLCC)
- National Center for American Indian Enterprise Development (NCAIED)

Technical Assistance: In December 2020, the New York Fed sponsored a virtual program entitled “Crowd Funding: Leveraging On-Line Fundraising for your Business” in collaboration with iFundWomen. The purpose of this event was to provide insight that will enable diverse suppliers to improve their respective operating models and business development strategies.

Internal Awareness across the New York Fed: The Bank has implemented a comprehensive communication plan to increase awareness of supplier diversity efforts within the New York Fed. In 2020, these efforts included a virtual town hall panel on supplier diversity for the Corporate Group and a meeting with leaders of the Bank’s Employee Resource Networks.

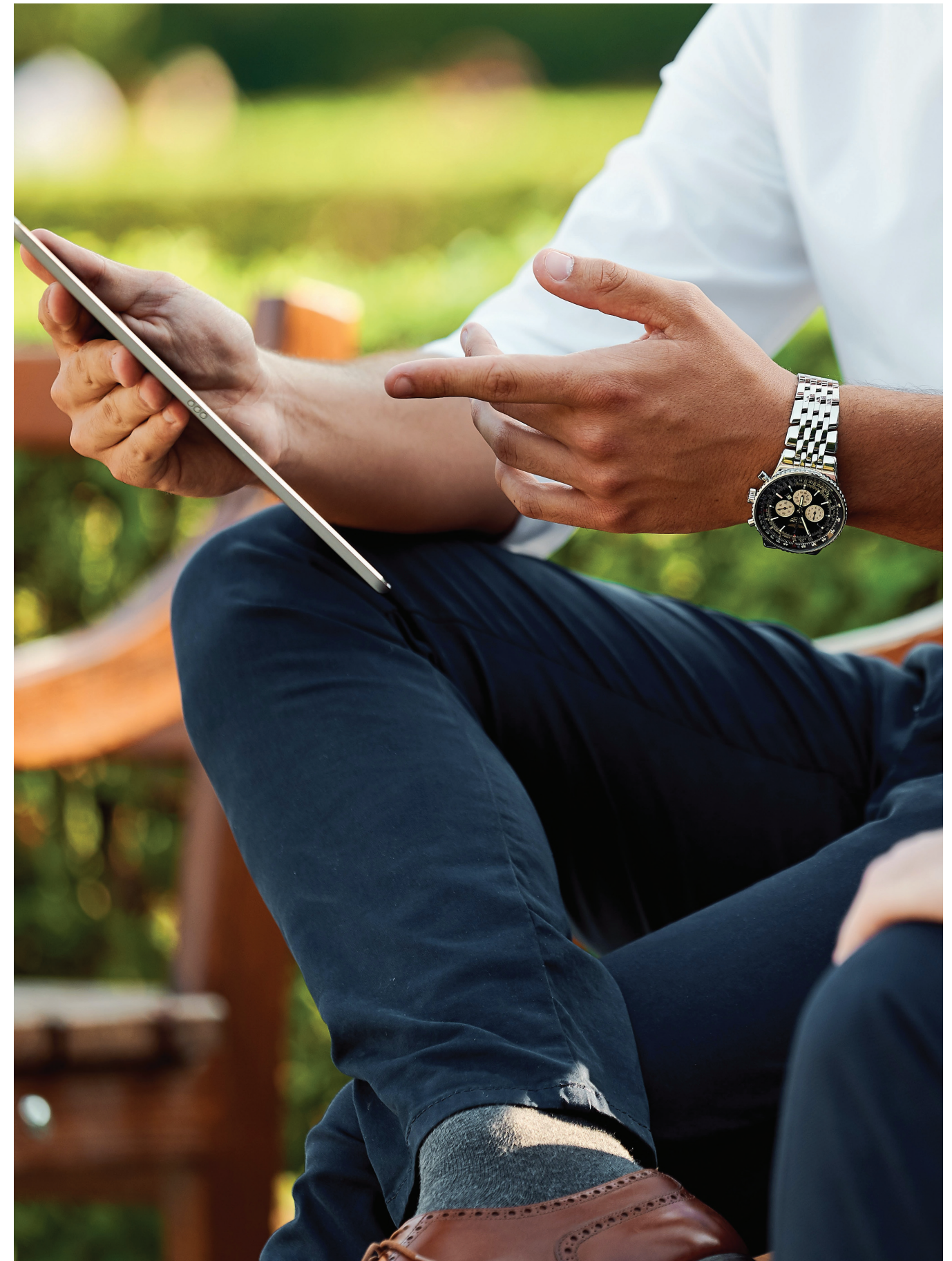
External Outreach Events: Bank staff also attended several virtual events to meet new, diverse vendors and enhance existing vendor relationships.

Databases: The Bank continued to use several diverse suppliers search databases as part of an ongoing effort to identify, promote, and include diverse suppliers in the New York Fed’s competitive bids:

- Dun & Bradstreet (D&B)
- National Minority Supplier Development Council (NMSDC)
- Financial Services Roundtable
- National LGBT Chamber of Commerce (NGLCC)
- Women’s Business Enterprise National Council (WBENC)

In 2020, the Bank also utilized CVM Solutions, a supplier diversity search and data management licensed software provider, which also broadens our search capabilities.

5 the New York Fed conducted outreach to diverse suppliers by leveraging a series of five different focus areas throughout the year.



DIVERSITY & INCLUSION

OUR SUCCESSES

We are building a pipeline for racially and ethnically diverse candidates to enter our workforce. Representation within our Summer Intern program in 2020 included 50% minorities and 40% women. In addition, our new Sophomore Intern Program was composed of 44% Black and/or LatinX students.

Among employees already in our workforce, we are also building a leadership pipeline of women and underrepresented minorities. The New York Fed's flagship curriculum, Preparing to Lead, a seven-month, nomination-based program for prospective people managers, was composed of 53% women and 61% people of color in 2020. Furthermore, participation in our Management Development Program, was 51% women and 37% people of color in 2020.

The New York Fed successfully onboarded eight minority-, women-, and veteran-owned firms to participate in our CARES Act facilities. Our use and knowledge of firms in this space has never been greater, and we hope to build upon this success.

Through academic and community research, we are helping policymakers around the country to recognize and, we hope, address barriers faced by minority populations and small businesses, both in the face of COVID-19 and in general. Moreover, we pioneered new dialogues and policies within the New York Fed, particularly among research economists, to address how we can become more diverse and equitable.

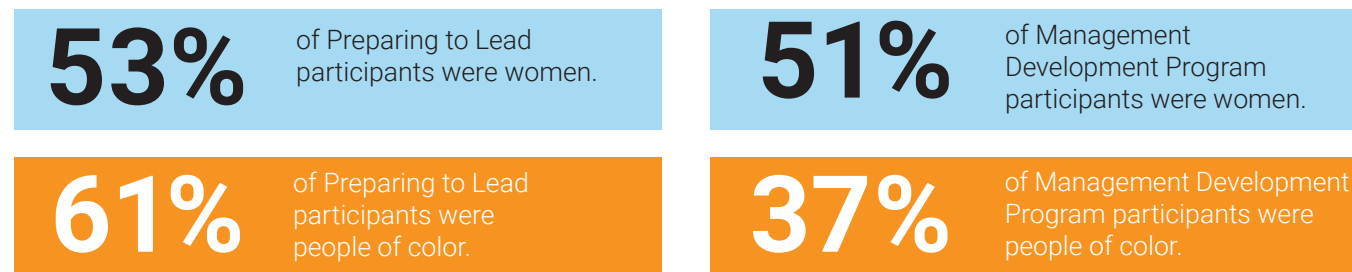
OUR CHALLENGES

From a workforce perspective, The New York Fed's representation of Blacks, Women, and Asians in the workforce continues to meet the levels at which those groups are represented in our Second District community. However, we continue to lag when it comes to the percentage of our workforce that is LatinX, compared to our Second District population. Moreover, we have continued to experience only incremental growth in the numbers of our Black and LatinX employees. One of our most significant barriers in 2020 was a decrease in new hiring by 29%, which was an unfortunate, but logical result of the COVID-19 pandemic.

We need to ensure that our diversity, equity, and inclusion efforts across the Bank take root by involving and engaging colleagues across Business Groups and functions to create a unified approach focused on action and accountability.

The COVID-19 pandemic continues to challenge our outreach efforts in schools which focus on underserved communities. In 2021, our economic education efforts must continue to address the need for remote learning by converting onsite programs to virtual delivery, enhancing online availability of publications and lesson plans, and launching new online content designed for educator-led or self-directed, interactive remote learning.

A CLOSER LOOK AT OUR NOMINATION PROGRAMS DATA FOR 2020



LOOKING FORWARD

Section 342 of the Dodd-Frank Act creates a platform for us to achieve greater diversity and inclusion at the New York Fed, in our Federal Reserve District, and in the United States as a whole. We have woven diversity, equity, and inclusion into our New York Fed mission and values. They are not optional; they define who we are and how we operate.

In 2021, even with the continued challenges of COVID-19, we hope to maximize our ability to effect change in our institution and the communities we serve.

KEY AREAS OF FOCUS WILL INCLUDE THE FOLLOWING:

PEOPLE

Instilling behaviors at every level of our organization that create inclusion and opportunities for advancement by women and minorities.

COMMUNITY

Targeting the drivers of, or barriers to, economic mobility for low- and moderate-income people, especially those facing poverty and/or structural disparities related to race or ethnicity; educating, influencing, and catalyzing capital providers to invest in creating more opportunities for these groups.

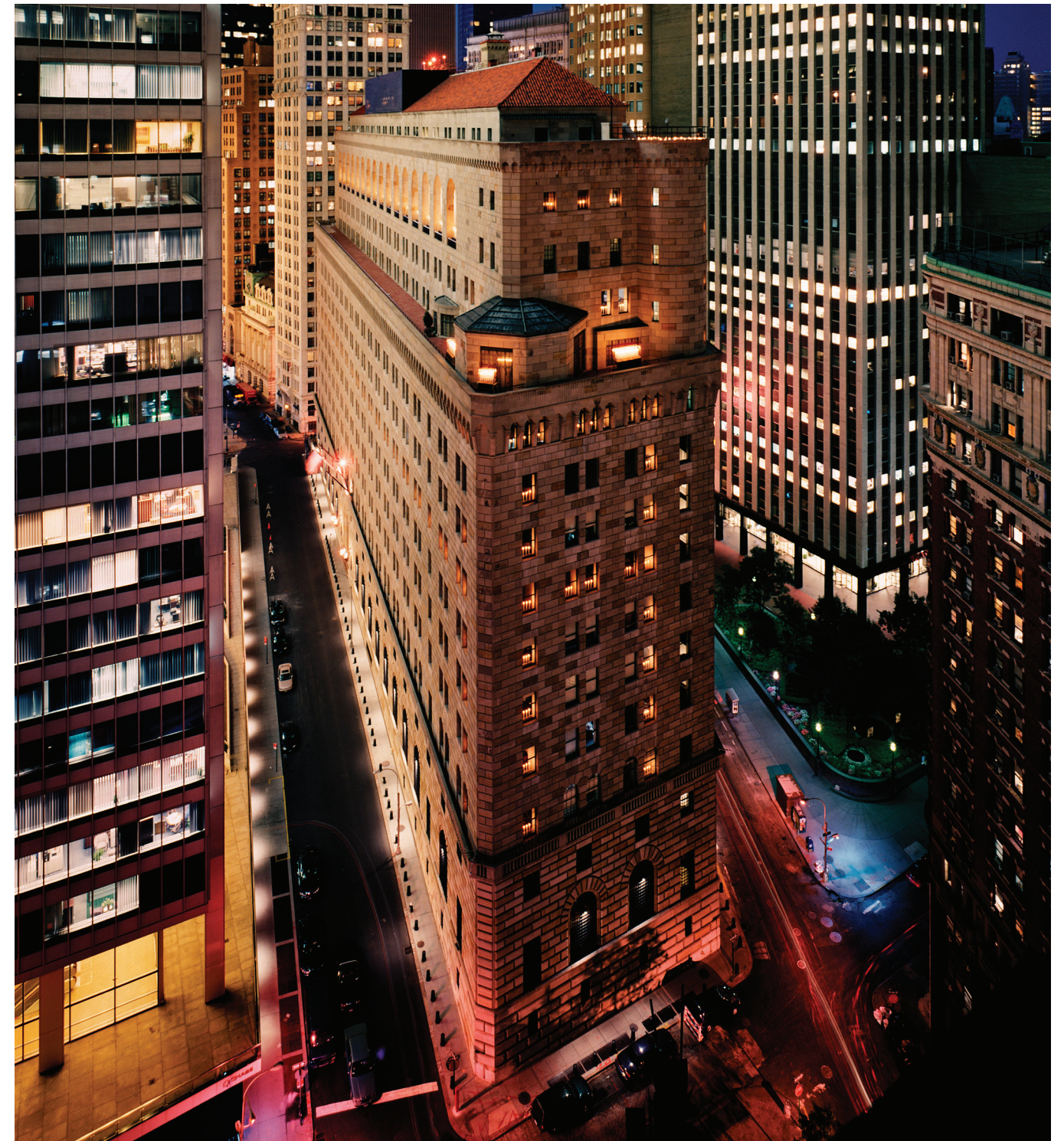
RESEARCH

Beginning to address the tremendous and tremendously thorny problem of inspiring minority students to pursue Ph.D.s in economics and creating opportunities and support for them at the New York Fed.

PROCUREMENT

Leveraging our new business relationships with minority-, women-, and veteran-owned firms and our outreach to improve supplier diversity elsewhere in our organization.

Together, across our organization, **we stand in unity, determined to create more diversity and equity** at the New York Fed and in our community and country.



CLOSING REMARKS

FROM THE DIRECTOR OF THE OFFICE OF MINORITY AND WOMEN INCLUSION

Dear Members of Congress,

If 2020 has taught us anything, it is that we ignore inequality at our peril. The New York Fed made tangible progress in 2020 toward our long-term goals of a more diverse workforce and a more inclusive work environment. But, as I testified before a number of your colleagues in September, we still face great challenges. Recent events, especially the attack on the Capitol, show how far we need to journey as a nation. We hope that the New York Fed can help lead the way.

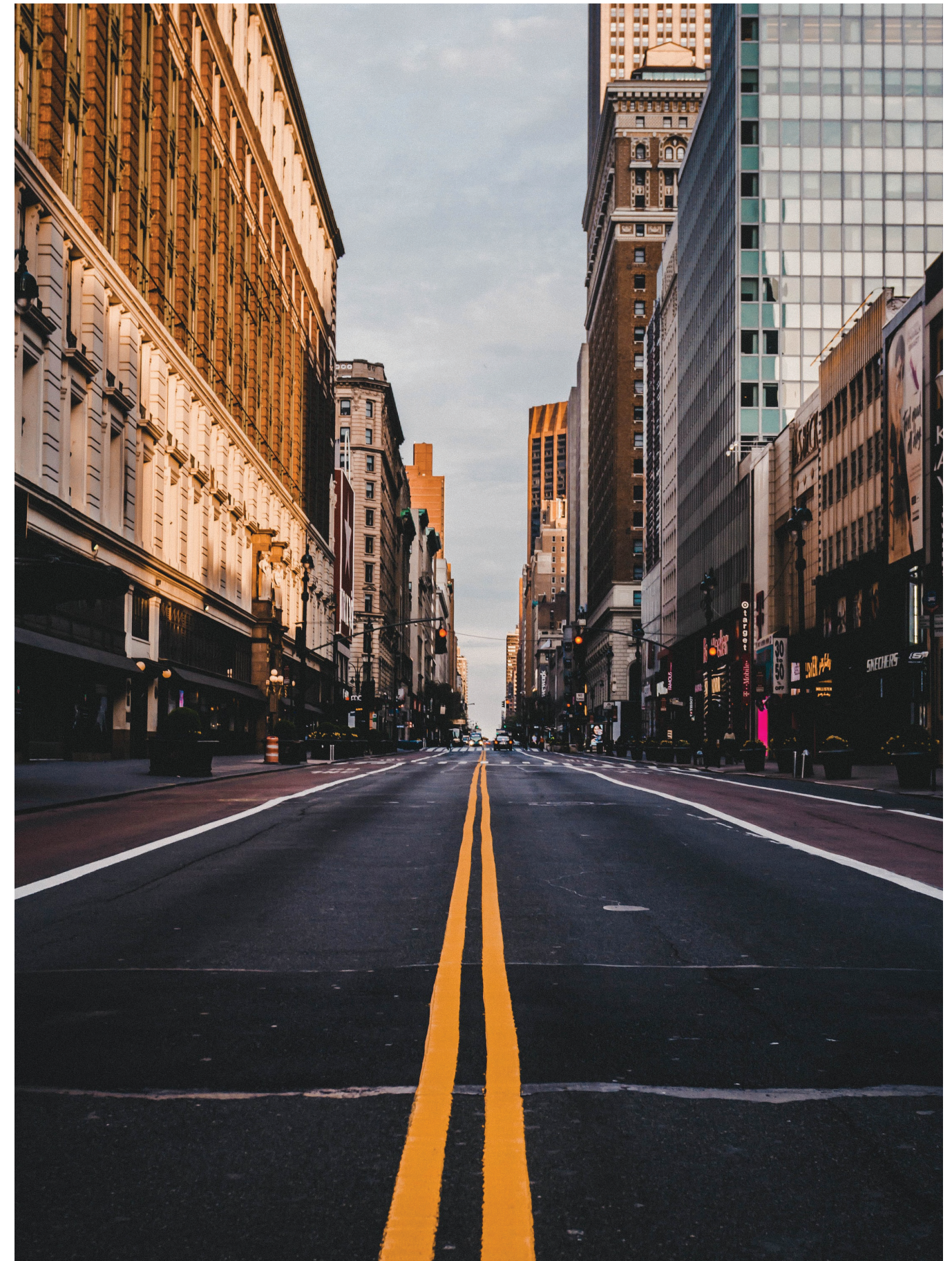
In 2020 the New York Fed continued to strengthen its diversity and inclusion programs and make progress toward building a more inclusive culture. In the midst of the COVID-19 pandemic, the New York Fed has openly embraced its role in promoting a more equitable and inclusive economy by working on these and other diversity and inclusion initiatives. As we have emphasized to our employees and to the communities we serve, the New York Fed stands in unity with all those who oppose racism, hate, and violence, and joins them in a shared desire to root out the intolerable inequities and injustice grounded in systemic racism that persist in our society. We are dedicated to understanding and finding solutions to the numerous forms of inequality that communities of color experience and to working with communities in our District to address deep-seated inequities. This report provides evidence of how the New York Fed is committed to working for a more equitable economy and society for all.

This report also makes plain the challenges we continue to face. Put simply, we are not where we need to be on diversity and inclusion; we have a long way to go. Diversity, equity, and inclusion will continue to be core considerations in the New York Fed's recruitment process, procurement practices, outreach, and partnerships across the Second District. My colleagues and I commit to redouble our efforts in pursuit of these initiatives, which are essential to the New York Fed's public mission. I am confident that OMWI will provide the impetus and tools to make meaningful progress toward a more diverse workforce and a more inclusive work environment.

Very truly yours,



Lacey Dingman



APPENDIX A:

FEDERAL RESERVE BANK OF NEW YORK WORKFORCE INFORMATION REPORT

As of December 31, 2020.

JOB CATEGORIES	LATINX		NOT LATINX					
	MALE LATINX	FEMALE LATINX	MALE					
			WHITE	BLACK	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES
Exec / Senior Managers	1	1	30	2	0	2	0	0
First / Mid-Level Managers	24	25	300	20	1	60	0	5
SVP	1	0	18	1	0	1	0	0
VP	5	4	62	3	0	3	0	1
AVP	5	8	79	6	0	14	0	0
1st Level Officer Managers	5	3	73	5	0	21	0	3
	8	10	68	5	1	21	0	1
Professionals	110	95	499	102	1	276	0	12
Technicians	3	0	1	0	0	1	0	0
Sales Workers	0	0	0	0	0	0	0	0
Admin Support	4	27	22	13	0	16	0	0
Craft Workers	5	0	41	4	0	1	0	0
Operatives	8	9	4	9	0	13	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0
Service Workers	16	2	56	24	0	1	2	0
TOTAL	171	159	953	174	2	370	2	17

JOB CATEGORIES	NOT LATINX						OVERALL TOTALS
	FEMALE						
	WHITE	BLACK	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
Exec / Senior Managers	16	1	0	3	0	0	56
First / Mid-Level Managers	184	36	0	61	0	4	720
SVP	9	0	0	4	0	0	34
VP	47	5	0	6	0	2	138
AVP	41	7	0	14	0	0	174
1st Level Officer Managers	51	8	0	21	0	1	191
	36	16	0	16	0	1	183
Professionals	394	147	1	246	0	6	1889
Technicians	0	0	0	0	0	0	5
Sales Workers	0	0	0	0	0	0	0
Admin Support	43	54	0	12	0	2	193
Craft Workers	0	1	0	0	0	0	52
Operatives	3	10	0	6	0	0	62
Laborers & Helpers	0	0	0	0	0	0	0
Service Workers	4	5	0	1	0	0	111
TOTAL	644	254	1	329	0	12	3088

APPENDIX B:

FEDERAL RESERVE BANK OF NEW YORK OMWI CORE METRICS REPORT

As of December 31, 2020.

CATEGORY	DESCRIPTION	2016	2017	2018	2019	2020	
WORKFORCE DIVERSITY	Senior Executives	TOTAL #	36	48	60	55	56
		% Minorities	11%	13%	17%	16%	18%
		% Women	33%	42%	42%	42%	36%
	Mid-Level Managers	TOTAL #	800	750	734	728	720
		% Minorities	31%	30%	31%	32%	33%
		% Women	43%	43%	44%	44%	40%
	Professionals	TOTAL #	1789	1833	1840	1897	1889
		% Minorities	51%	51%	52%	53%	53%
		% Women	45%	44%	45%	46%	42%
	Total External Hires	TOTAL #	289	224	328	275	229
		% Minorities	46%	42%	47%	50%	48%
		% Women	41%	32%	45%	41%	41%
	Total Interns	TOTAL #	62	61	66	71	77
		% Minorities	42%	49%	58%	58%	57%
		% Women	37%	36%	45%	37%	44%
	Overall Bank Turnover Rate	%	8.5%	9.1%	11.2%	8.4%	8.5%

CATEGORY	DESCRIPTION	2016	2017	2018	2019	2020	
SUPPLIER DIVERSITY	Total Reportable Spend	\$ (Millions)	\$177.20	\$212.90	\$220.50	\$190.30	\$191.40
	Total Diverse Spend [1]	\$ (Millions)	\$25.70	\$28.10	\$39.73	\$43.30	\$36.50
		%	14.5%	13.2%	18.0%	22.7%	19.1%
	Minority-owned [2]	\$ (Millions)	\$24.20	\$26.40	\$37.10	\$41.10	\$34.50
		%	13.7%	12.4%	16.8%	21.6%	18.0%
	Minority-owned (men)	\$ (Millions)	\$2.30	\$2.30	\$9.60	\$13.60	\$9.90
		%	1.5%	1.1%	4.4%	7.1%	5.2%
	Minority-owned (women)	\$ (Millions)	\$21.90	\$24.20	\$27.40	\$27.60	\$24.60
		%	12.4%	11.3%	12.4%	14.5%	12.8%
	Women-owned [2]	\$ (Millions)	\$25.50	\$25.80	\$30.10	\$29.60	\$26.60
%		13.2%	12.1%	13.6%	15.6%	13.9%	
Women-owned (non-minority)	\$ (Millions)	\$1.50	\$1.70	\$2.60	\$2.10	\$2.00	
	%	0.9%	0.8%	1.2%	1.1%	1.1%	
Women-owned (minority)	\$ (Millions)	\$21.90	\$24.20	\$27.40	\$27.60	\$24.60	
	%	12.4%	11.3%	12.4%	14.5%	12.8%	

Notes:

[1] Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (non-minority).

[2] Women-minority numbers are included in both Minority-owned and Women-owned Totals.

		2020
FINANCIAL LITERACY PROGRAMS ^[1] :	Number of OMWI Students reached in-person and online ^[2]	374
• Teacher-centric	Number of OMWI Educators reached in-person and online ^[3]	57
• Student-centric		
• Hybrid	Number of OMWI Students reached through Educators ^[4]	4,275

Notes:

[1] Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus.

[2] Students who attended in-person programs and enrolled in online programs.

[3] Educators who attended in-person programs and enrolled in online professional development programs.

[4] Students reached through educators using a common multiplier of 75.

FEDERAL RESERVE BANK OF NEW YORK - RESERVE BANK DIRECTORS

As of January 1, 2021.

DIRECTOR CATEGORIES	TOTAL DIRECTORS			RACE/ETHNICITY															
				LATINX		NOT LATINX													
						WHITE				BLACK OR AFRICAN		ASIAN		NATIVE HAWAIIAN		AMERICAN INDIAN		TWO OR MORE	
ALL	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
RESERVE BANK DIRECTORS																			
CLASS C (TOTAL POSITIONS 3)																			
By Total	3	1	2	1	1	0	0			0	1	0	0	0	0	0	0	0	0
By Percent	100%	33.00%	67.00%	33.00%	33.00%	0.00%	0.00%			0.00%	33.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CLASS B (TOTAL POSITIONS 3)																			
By Total	2	1	1	0	0	1	1			0	0	0	0	0	0	0	0	0	0
By Percent	100%	50.00%	50.00%	0.00%	0.00%	33.00%	50.00%			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CLASS A (TOTAL POSITIONS 3)																			
By Total	2	2	0	0	0	2	0			0	0	0	0	0	0	0	0	0	0
By Percent	100%	100.00%	0.00%	0.00%	0.00%	100%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTALS																			
ALL RESERVE BANK DIRECTORS (TOTAL POSITIONS 9)																			
By Total	7	4	3	1	1	3	1			1	0	0	0	0	0	0	0	0	0
By Percent	100%	57.00%	43.00%	14.00%	14.00%	43.00%	14.00%			0.00%	14.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note:
Reserve Bank directors are elected or appointed to three-year terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information), which begin on January 1 of each year. So directors whose terms began January 1, 2020, were appointed or elected in 2019.

The Boston, New York, and Philadelphia Federal Reserve Banks do not have branches.



Federal Reserve Bank of New York
33 Liberty Street, New York, NY 10045