



TAKING STOCK &

MAKING CHANGE

ANNUAL REPORT TO CONGRESS
FISCAL YEAR 2013

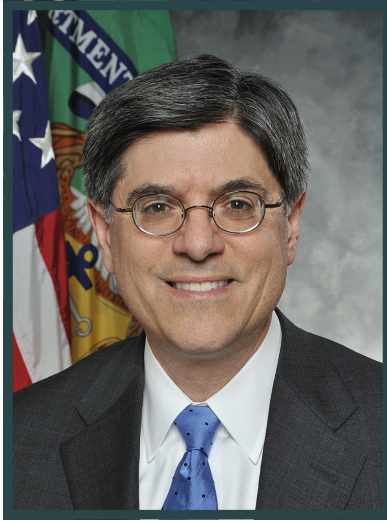
OFFICE OF MINORITY AND WOMEN INCLUSION
U.S. DEPARTMENT OF THE TREASURY
DEPARTMENTAL OFFICES





May 2014

TAKING STOCK & MAKING CHANGE



Diversity and Inclusion Call to Action Statement*

The values of diversity and inclusion must be fundamental priorities in all that we do every day. Research and experience have demonstrated that an inclusive environment – one that fosters diverse perspectives and participation – leads to greater productivity and innovation. Accordingly, a diverse and inclusive workplace culture is a business imperative.

All employees throughout Treasury must demonstrate the characteristics of fairness, open mindedness, cooperation, supportiveness, and empowerment. This involvement must be visible, intentional, and continuous.

It starts with personal accountability. We are each responsible to act in accordance with fairness and respect and engage in frank discussions that promote introspection and mutual understanding.

It continues with education. Treasury has made available educational opportunities about how to best leverage the full potential of a diverse and inclusive environment. You can participate in these educational activities to further advance a workplace culture where all people feel their unique talents and perspectives are valued, respected, and fully utilized.

And, it must be put into practice. Everyone must work to help address vestiges of unintentional bias and other obstacles to inclusion that may exist in our workplace and business activities. Employees with procurement responsibilities must also support the established socio-economic programs that improve business diversity.

Under my predecessor, Treasury strengthened its commitment to diversity and inclusion at every level and across its bureaus. We can be proud of the successes achieved throughout Treasury. But, we have more work to do. We must continually gauge our progress in these areas. Maintaining our upward trajectory is essential for our continued progress as a department and in our service to the American people.

Jacob J. Lew
Secretary of the Treasury

* This statement was issued by the Secretary on August 28, 2013, the 50th anniversary of the historic March on Washington for Jobs and Freedom.

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Message from the Chief Diversity and Inclusion Officer – Departmental Offices

The year 2013 marked the commemoration of two historic events in the history of social justice in the United States. It was the sesquicentennial of the signing of the Emancipation Proclamation that led to the end of chattel slavery in America. It also marked the 50th anniversary of the March on Washington for Jobs and Freedom, where Dr. Martin Luther King, Jr. delivered the speech that articulated a vision for all Americans. These two landmark events transformed this nation for the better.

Most Treasury employees (indeed, most government employees) were teens, young children, or not yet born at the time of even the most recent of these two events. But all of us are beneficiaries of the legacy of those important points in history. We also are the stewards of that legacy, bearing the responsibility to maintain, promote, and advance the values of equal economic, political, and social rights and opportunities. In the grand scheme of that responsibility, our individual roles toward these ends are relatively small. However, this nation's progress always has been fueled by the basic tenet that we are one from many. It is our collective effort that drives change.

This third annual report to Congress, detailing the diversity and inclusion efforts within the Treasury headquarters (Departmental Offices), is an example of such a contribution and our shared responsibility to advance equality and opportunity. While we still have a lot of work ahead of us, the progress and successes described in this report are encouraging and a reminder that results are achieved only through taking seriously our responsibility to diversity and inclusion.

A handwritten signature in black ink, reading "Lorraine Cole". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lorraine Cole, PhD

Chief Diversity and Inclusion Officer

Office of Minority and Women Inclusion, Departmental Offices

U.S. Department of the Treasury

EXECUTIVE SUMMARY

The Office of Minority and Women Inclusion (OMWI) in the Department of the Treasury's Departmental Offices was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) § 342 (P.L. 111-203) and is responsible for all matters relating to diversity in management, employment, and Treasury's business activities in Departmental Offices, excluding the enforcement of statutes, regulations, or executive orders pertaining to civil rights. This third annual report is submitted to Congress pursuant to the Dodd-Frank Act regarding the actions taken by Treasury and the OMWI during Fiscal Year (FY) 2013.

In FY 2011, OMWI, in collaboration with the Treasury Office of the Procurement Executive, set out to improve small business contracting performance by initiating a Treasury-wide campaign. This campaign has resulted in Treasury meeting, or exceeding, all small business goals for three consecutive years from FY 2011 through FY 2013. Particularly noteworthy is that we exceeded our contracting goals for all socioeconomic small business categories, including those for women-owned small businesses and small disadvantaged businesses (which are largely minority-owned). In FY 2013, contract obligations to small disadvantaged businesses represented 14 percent of all Departmental Offices contracts, and contract obligations to women-owned small businesses represented 13 percent, both nearly triple the 5 percent goal.

In FY 2013, a total of \$45 million, or 18 percent of total contracts, was awarded to minority-owned businesses. Furthermore, \$35 million or 14 percent was awarded to women-owned businesses, regardless of size.

A challenge to implementing the contractor diversity provisions of Dodd-Frank Act § 342 is the outlook for opportunities in the foreseeable future. Overall reduced budgets for discretionary spending are likely to have an impact on available contracting opportunities. Similarly, strategic sourcing initiatives to increase efficiencies may further reduce spending and may reduce the number of vendors receiving awards. In addition, as programs related to the recent financial crisis continue to wind down, such as the Troubled Asset Relief Program, there will be a continued reduction in related contracts.

As always, Treasury assures that all contracting is conducted in a manner consistent with the Equal Protection Clause of the Constitution, which prohibits many forms of affirmative action and the establishment of quotas based on race and gender, among other things.

OMWI is committed to conducting robust and effective outreach to small businesses, as well as to minority-owned and women-owned businesses, regardless of size. Achievement of small business goals is included in the performance plans of all Treasury acquisition staff and all senior executive service (SES) staff. Although there are no specific goals regarding contracting with minority-owned and women-owned business overall, our performance in such contracting across Treasury is monitored, tracked, and reported to leadership on a periodic basis. OMWI also will continue activities related to the implementation of requirements pertaining to contractor workforce diversity for Treasury Departmental Offices.

Notably, of the twenty agencies and Federal Reserve banks that have an OMWI, Treasury Departmental Offices is one of the few required to adhere to the Federal Acquisition Regulation

(FAR) for the procurement of goods and services. The FAR requires a full and open competitive process for federal procurements. OMWI monitors Treasury Departmental Offices' overall small business contracting, including contracting within small business socioeconomic categories, and also minority-owned and women-owned businesses, regardless of size. In FY 2013, Treasury Departmental Offices' total procurement contracts for goods and services represented \$255 million in obligations.

Workforce Diversity: In FY 2013, the Treasury Departmental Offices permanent workforce of 1,669 represented about 2 percent of the total Treasury-wide workforce. Nearly one-third of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. Blacks represent the largest of the minority groups at 22 percent. Asians and Hispanics comprise 7 percent and 3 percent, respectively. Native Hawaiian or Other Pacific Islanders, American Indian or Alaska Natives, and those who identify themselves as Two or More Races each represent less than 1 percent of the total Treasury Departmental Offices permanent workforce. Within senior management positions, minorities represent 15 percent of the permanent GS-15 level, and 12 percent of the permanent senior executive service (SES) positions.

The percentages of men and women in Treasury Departmental Offices are about equal, with 47 percent women and 53 percent men. Within senior management positions, women fill 40 percent of the permanent GS-15 level and 33 percent of the permanent SES positions.

Treasury Departmental Offices has faced significant challenges to implementing the workforce diversity provisions of the Dodd-Frank Act § 342. The three most prominent challenges have been budgetary restraints, retention rates, and perceptions of the existing workplace culture. First, the tight budget environment that Treasury has been operating within in recent years has had a direct impact on hiring. Therefore, although there will be a continued need for proactive strategies to ensure broad reach to diverse candidate pools, there will be fewer available positions. In addition, Treasury must ensure that all hiring practices are conducted in a manner consistent with federal law, which conflicts with some forms of affirmative action and prohibits the establishment of quotas based on race and gender. Second, the respective attrition rates of Hispanics and Blacks exceed their hire rates in the Treasury Departmental Offices permanent workforce. Third, based on the Inclusive Environment Assessment Index developed by the Office of Personnel Management, it is evident that workplace inclusion is challenging across federal agencies. Therefore, building a more inclusive workplace environment within Treasury Department Offices must be part of a coordinated effort to transform the workplace culture across the federal government.

OMWI is focusing closely on increasing participation of women and racial and ethnic minorities in mission-critical occupations, particularly at the senior management levels (GS-15 and SES) and in policy and program offices that utilize excepted appointing authorities that allow hiring on a non-competitive basis. These occupations include economists, financial analysts, attorneys, information technology specialists, and intelligence specialists. Additionally, using new qualitative and quantitative measures, OMWI will facilitate the development of strategies to further build and maintain a more inclusive and diverse work environment.

OVERVIEW

This third annual report is submitted to Congress pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) § 342 (P.L. 111-203) regarding the actions taken by Treasury and the Office of Minority and Women Inclusion, Departmental Offices (OMWI) during Fiscal Year (FY) 2013.¹

MISSION

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. government's finances and resources effectively.

Goals

1. Promote domestic economic growth and stability while continuing reforms of the financial system
2. Enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth
3. Fairly and effectively reform and modernize federal financial management, accounting, and tax systems
4. Safeguard the financial system and use financial measures to counter national security threats
5. Create a 21st century approach to government by improving efficiency, effectiveness, and customer interaction

U.S. Department of the Treasury

Throughout its rich history, Treasury's core mission has not changed. With more than 100,000 employees in its ranks, Treasury is still the steward of the U.S. economy – taking in revenue, paying bills, and, when appropriate, borrowing and investing public funds. In more recent years, Treasury's role has expanded to being a leader in safeguarding and growing the nation's economy. Treasury is organized into the Departmental Offices, seven operating bureaus, and three inspectors general. The Departmental Offices are primarily responsible for policy formulation, while the bureaus are primarily the operating units of the organization.

Treasury Departmental Offices

- The Office of Domestic Finance
- The Office of Economic Policy
- The Office of General Counsel
- The Office of International Affairs
- The Office of Legislative Affairs
- The Office of Management
- The Office of Public Affairs
- The Office of Tax Policy
- The Office of Terrorism and Financial Intelligence
- The Treasurer of the United States

Treasury Departmental Offices (Headquarters)

Domestic Finance works to preserve confidence in the U.S. Treasury market, effectively manage federal fiscal operations, strengthen financial institutions and markets, promote access to credit, and improve financial

¹ For the purposes of this report and consistent with Dodd Frank Act § 342 (g) (3), the standards employed by the Office of Personnel Management (OPM), and the Equal Employment Opportunity Commission (EEOC), the definition used for the term "minority" is: Hispanic or Latino; Black or African American; Asian; Native Hawaiian or Other Pacific Islander; and American Indian or Alaska Native.

access and education in service of America’s long-term economic strength and stability. *International Affairs* protects and supports U.S. economic prosperity and national security by working to help ensure the most favorable external environment for sustained jobs and economic growth in the United States. *Terrorism and Financial Intelligence* marshals the Department’s intelligence and enforcement functions with the twin aims of safeguarding the financial system against illicit use and combating rogue nations, terrorist facilitators, weapons of mass destruction (WMD) proliferators, money launderers, drug kingpins, and other national security threats. *Economic Policy* reports on current and prospective economic developments and assists in the determination of appropriate economic policies. The office is responsible for the review and analysis of domestic economic issues and developments in the financial markets. *Tax Policy* develops and implements tax policies and programs, reviews regulations and rulings to administer the Internal Revenue Code, negotiates tax treaties, and provides economic and legal policy analysis for domestic and international tax policy decisions. Tax Policy also provides revenue estimates for the President’s Budget. *The Treasurer of the United States* chairs the Advanced Counterfeit Deterrence Steering Committee and is a key liaison with the Federal Reserve. In addition, the Treasurer serves as a senior advisor to the Secretary in the areas of community development and public engagement. Internally, the Departmental Offices are responsible for overall management of Treasury. *The Office of Management* and the *Chief Financial Officer* are responsible for managing the Department’s financial resources and overseeing Treasury-wide programs, including human capital, information technology, acquisition, and diversity issues.

OMWI Primary Duties

- Develop standards for diversity of the workforce and senior management
- Support recruitment/advancement efforts toward workforce diversity at all levels
- Develop standards for increased minority-owned and women-owned business contracts
- Develop standards for technical assistance to businesses
- Develop procedures for contracting that considers the diversity of the applicant
- Develop standards to determine whether contractors and subcontractors are making a good-faith effort to include minorities and women in their workforce
- Submit an annual report to Congress
- Conduct data analysis and produce internal reports
- Provide advice and advocacy

Office of Minority and Women Inclusion

The Office of Minority and Women Inclusion was established on January 21, 2011 in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) § 342 (P.L. 111-203). The express statutory authority of OMWI covers Treasury Departmental Offices. For Treasury Departmental Offices, OMWI is responsible for all matters relating to diversity in management, employment, and business activities, excluding the enforcement of statutes, regulations, or executive orders pertaining to civil rights. OMWI is required to develop standards for equal employment opportunity and the racial, ethnic, and gender diversity of the workforce. OMWI is also required to take steps to seek diversity, in a manner consistent with applicable law, in the workforce of Treasury Departmental Offices at all levels of the organization, but particularly within senior management. In addition to workforce diversity, OMWI is charged with seeking increased participation of minority-owned and women-owned businesses in the programs and contracts of the agency. OMWI is responsible for establishing procedures to determine if agency contractors and their subcontractors have made good faith efforts to include minorities and women in their workforce.²

2 It should be noted that Treasury Departmental Offices is not a financial regulatory agency. Thus, the requirement in the Dodd-Frank Act § 342 to assess the diversity policies and practices of entities regulated by the agency is not applicable to the Treasury Departmental Offices OMWI.

LEADERSHIP COMMITMENT and STRATEGIC PLAN

Early approaches to diversity in the American workforce centered on affirmative action, emphasizing racial and gender parity. The aim of this social justice approach was to promote the tolerance of differences and increasing the numeric representation of these and other social groups within the workforce. More recently, public and private organizations have shifted their approach to diversity away from the social justice toward the practice of strategic diversity management.³ Such leading diversity and inclusion practices were articulated in the 2005 U.S. Government Accountability Office (GAO) report on diversity management. These practices include: (1) commitment to diversity as demonstrated and communicated by an organization's top leadership, (2) the inclusion of diversity management in an organization's strategic plan, (3) diversity linked to performance, making the case that a more diverse and inclusive work environment could help improve productivity and individual and organizational performance, (4) measurement of the impact of various aspects of a diversity program, (5) management accountability for the progress of diversity initiatives, (6) succession planning, (7) recruitment, (8) employee involvement in an organization's diversity management, and (9) training for management and staff about diversity management. OMWI has made efforts to move beyond a social justice model and incorporate strategic diversity management practices in its planning and implementation under the Dodd-Frank Act § 342.

Demonstrated Commitment from Treasury Leadership

Only months after his confirmation as the 76th Secretary of the Treasury, Secretary Lew affirmed his commitment to the principles of diversity and inclusion by issuing a Diversity and Inclusion Call to Action Statement. The date of his issuance of this statement, August 28, 2013, held symbolic significance because it was the 50th anniversary of the historic March on Washington for Jobs and Freedom. Secretary Lew emphasized the importance of a work environment that fosters fairness, open mindedness, cooperation, supportiveness, and empowerment. He called on employees to participate in educational activities and introspective discussions to further advance a workplace culture of inclusion. He stressed the need to work to help address vestiges of unintentional bias and other obstacles to inclusion. He also called for support of the established socio-economic programs that improve business diversity. This statement was made separate from the mandatory annual equal employment opportunity (EEO) policy statement issued on September 13, 2013, thus making a clear distinction between strategic diversity management and EEO. In the EEO statement, however, Secretary Lew instituted a "zero tolerance" standard for all types of discrimination and harassment in the workplace. Both policy statements were disseminated to all Treasury employees.

In late FY 2012, the "Treasury Women 3.0: The Secretary's Initiative on the Status of Women" forum was convened to elicit perceptions, concerns, and recommendations to improve the workplace experience and career advancement of women. In FY 2013, OMWI completed and presented a final report to the Secretary, which included the views and recommendations that emanated from the forum. At the Secretary's request, an assessment and inventory of existing programs and processes, as well as a short-term plan of immediate next steps was presented to address the recommendations. The proposed recommendations are now part of a comprehensive long-term plan that aims to improve the workplace experience for all employees.

3 GAO, Diversity Management: Expert-Identified Leading Practices and Agency Examples, GAO-05-90 (Washington, DC: January 14, 2004).

The Secretary also presented personal remarks to the Treasury acquisition and procurement community during the annual awards ceremony, recognizing the FY 2013 achievements in small, minority-owned, and women-owned business contracting. He also reaffirmed his commitment to diversity and inclusion in the business activities of Treasury.

In support of Executive Order 13583, “Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce” (E.O. 13583), Treasury established a Diversity Council comprised of senior staff from each Treasury bureau. The purpose of the Diversity Council is to consider policies, strategies, and initiatives to strengthen a coordinated Department-wide diversity and inclusion program and identify resources that can be leveraged to support such efforts.

Strategic Plan

The values, principles, and practices of diversity and inclusion have been institutionalized into Treasury’s strategic planning at multiple levels, including the Strategic Plan of the Office of the Secretary, the priorities of the Office of the Assistant Secretary for Management, the Department’s Diversity and Inclusion Strategic Plan developed by the Treasury Office of Civil Rights and Diversity, as well as the Diversity and Inclusion Implementation Plans of Treasury Departmental Offices and each of Treasury’s bureaus.

OMWI developed strategies and an action plan that encompass the requirements of both the Dodd-Frank Act § 342 and E.O. 13583. The aim is to strengthen Treasury’s activities, policies, and processes to address lower-than-expected participation rates of minorities and women. Plans also include monitoring fair inclusion and strengthening outreach opportunities for small, minority-owned, and women-owned businesses. Key areas that were addressed by the Treasury Departmental Offices Diversity and Inclusion Implementation Plan in FY 2013 were:

- **Business Diversity and Outreach:** Ensure small business access and fair inclusion in the business opportunities of Departmental Offices, particularly with minority-owned and women-owned businesses (MWOB).
- **Business Inclusion and Utilization:** Strengthen agency accountability to small business and MWOB contracting, with an important focus on small disadvantaged businesses, women-owned small businesses, Historically Underutilized Business Zones (HUBZone) businesses, and service disabled veteran-owned small businesses.
- **Workforce Diversity:** Recruit from a diverse and well-qualified group of potential applicants to secure a high performing workforce drawn from all segments of society, including targeted sourcing at minority- and women-serving institutions, career fairs and expos, online and printed advertisement materials, and community outreach activities to fully attract minorities and women candidates to our applicant pool.
- **Workplace Inclusion:** Further cultivate a culture of inclusion and strengthen collaboration efforts, flexibility, and fairness by enabling employees to contribute to their full potential.
- **Sustainability:** Develop structures and strategies to equip leaders with the ability to manage diversity, be accountable, measure results, refine approaches on the basis of such data, and foster a culture of inclusion.

BUSINESS DIVERSITY and INCLUSION

Taking Stock: Small, Minority-Owned, and Women-Owned Business Contracting

Of the twenty agencies and federal reserve banks with an OMWI, Treasury Departmental Offices is one of the few required to adhere to the Federal Acquisition Regulation (FAR) for the procurement of goods and services. The FAR requires a full and open competitive process for federal procurements, with some exceptions for small business set asides under specific circumstances. Treasury-wide, the total (appropriated and non-appropriated) contract procurement in FY 2013 of \$6.8 billion represents less than 1 percent of total federal government procurement. Within Treasury Departmental Offices, procurement for products and services totaled \$255 million in FY 2013, versus \$223 million in FY 2012.

OMWI is responsible for monitoring and supporting efforts to ensure fair inclusion of small, minority-owned, and women-owned business (SMWOB) utilization. Treasury and Treasury Departmental Offices have had a long-standing commitment to diversity in their business activities, implemented primarily through their small business program efforts. With the establishment of OMWI, the monitoring of business diversity within Treasury expanded to include minority-owned and women-owned businesses regardless of size.

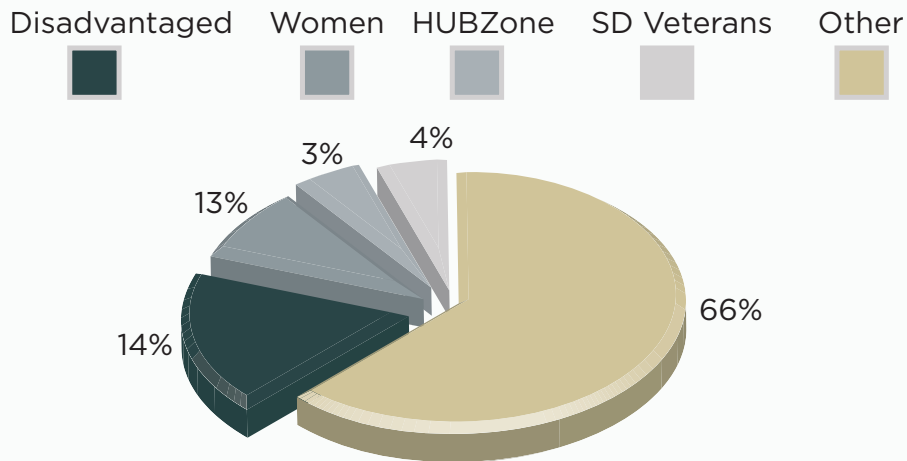
Small Business

The vast majority of minority-owned businesses and women-owned businesses (MWOB) in the United States are small businesses with 98 percent of all MWOB earning revenue under \$1 million, according to the most recently available census data. Accordingly, Treasury's key strategy has been to concentrate on small business contracting for the greatest impact in implementing the contractor diversity mandates of the Dodd-Frank Act § 342. At its inception, a strategic decision was made to expand the scope of OMWI to focus on small business contracting across all of the Treasury bureaus. Consistent with the Dodd-Frank Act § 342 mandate to focus on minority-owned and women-owned businesses, there are statutory goals set by the Small Business Administration (SBA) for small disadvantaged businesses (which are largely minority-owned) and women-owned small businesses.

In FY 2013, for the third consecutive year, Treasury and Treasury Departmental Offices met or exceeded the overall small business contracting statutory goal, as well as all four of the socioeconomic goals: small disadvantaged businesses, women-owned small businesses, Historically Underutilized Business Zones (HUBZone) businesses, and service disabled veteran-owned small businesses. In FY 2013, Treasury and Treasury Departmental Offices not only wanted to repeat the FY 2011 and FY 2012 accomplishments, but set and exceeded a more aggressive overall goal than statutorily required. In FY 2013, contract obligations to small businesses by Treasury Departmental Offices were 47 percent, exceeding the 35 percent stretch goal and far exceeding the 32 percent statutory goal. Contract obligations to small disadvantaged businesses represented 14 percent, almost triple the 5 percent goal; similarly, contracts to women-owned small businesses represented 13 percent, almost triple the 5 percent goal.⁴ [Figure 1]

⁴ Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted January 22, 2014 for FY13.

**Figure 1. Departmental Offices FY 2013
Socioeconomic Small Business Obligations***



* Percentages have been rounded to whole numbers

Total Contract Obligations

- Total Contract Obligations (regardless of size)
- Overall Small Businesses Contract Obligations

FY 2013

\$255 million
\$119 million (47%)

FY 2012

\$223 million
\$95 million (42%)

MWOB Contracting By Size

- Small MWOB
 - Other than Small MWOB
- Total MWOB Contract Obligations

FY 2013

\$53 million
\$12 million
\$65 million (26%)

FY 2012

\$43 million
\$13 million
\$56 million (19%)

Small MWOB Contracting*

- Small Disadvantaged Businesses (SDB)
- Women-owned Small Businesses

FY 2013

\$37 million (14%)
\$32 million (13%)

FY 2012

\$40 million (18%)
\$20 million (9%)

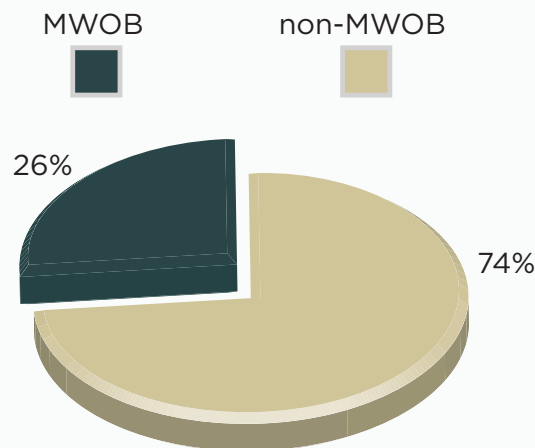
* SDB is used in this context as a proxy for minority-owned businesses; contracting includes overlap between categories

Minority & Women-Owned Businesses (MWOB)

[combined, including overlapping categories]

Due to legal restrictions pertaining to civil rights, no specific goals are established for contracting with minority-owned businesses regardless of size or women-owned businesses, with the exception of within certain small business parameters. Nevertheless, MWOB contracting with Treasury Departmental Offices was monitored and tracked on a weekly basis. In FY 2013, minority-owned and women-owned business contracting combined totaled \$65 million (26 percent of total contracting obligations). [Figure 2]

**Figure 2. Departmental Offices FY 2013
Total Contract Obligations by MWOB Status***



** Percentages have been rounded to whole numbers*

Minority-Owned Businesses

In FY 2013, a total of \$45 million or 18 percent of the total in contract obligations were awarded to minority-owned businesses. This percentage is comparable to the 19 percent (\$42 million) in FY 2012 for minority-owned business contracting.

Award totals to minority contractors by specific racial and ethnic designation of the ownership are as follows:⁵

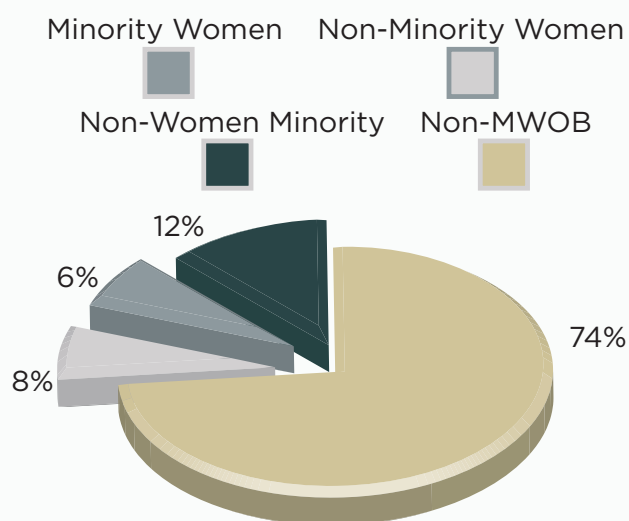
	FY 2013	FY 2012
• Black-owned Businesses	\$15 million	\$23 million
• Hispanic-owned Businesses	\$12 million	\$4 million
• Asian-owned Businesses	\$14 million	\$9 million
• American Indian-owned Businesses	\$ 3 million	\$2 million

Women-Owned Businesses

In FY 2013, a total of \$35 million or 14 percent of the total in contract obligations were awarded to women-owned businesses (including minority women). Comparatively, in FY 2012, a total of \$31 million or 14 percent of the total was awarded to women-owned businesses. [Figure 3]

⁵ Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted January 22, 2014 for FY13.

**Figure 3. Departmental Offices FY 2013
Overall Contract Obligations by Gender Categories***



* Percentages have been rounded to whole numbers

Gender-Specific Contracting Without Overlapping Categories*

	FY 2013	FY 2012
• Minority women-owned businesses:	\$15 million (6 percent)	16 million (7 percent)
• Non-minority women-owned businesses:	\$21 million (8 percent)	\$15 million (7 percent)
• Non-women minority-owned businesses:	\$30 million (12 percent)	\$25 million (12 percent)
• Total minority & women-owned:	\$66 million (26 percent)	\$56 million (26 percent)

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted January 22, 2014 for FY13; Percentages are rounded.

Participation in Specific Acquisition Categories

Each year, lists are posted online of the top acquisition categories, by North American Industry Classification System (NAICS) codes, of contracts awarded by the Department of Treasury, Treasury Departmental Offices, and the individual bureaus. (Refer to www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/dcfo-osdbu-mp-top25.aspx.) The aim is to encourage firms that provide products or services within those categories to market their firms' capabilities to Treasury bureaus. In FY 2013, 61 percent of all Treasury Departmental Offices contracts were in the area of professional services. 31 percent of Departmental Offices professional service contracts were awarded to minority-owned or women-owned businesses: 24 percent went to women-owned businesses and 21 percent went to minority-owned businesses (with an overlap of 8 percent that accounts for minority women-owned businesses). This resulted in \$48.8 million in contracts to minority-owned or women-owned businesses for professional services.

Making Change: Initiatives and Accomplishments

Outreach

Federal Acquisition Regulation (FAR) Contracting: Treasury has achieved its most effective outreach to minority-owned and women-owned businesses through substantial efforts to reach out to small businesses. Treasury employs multiple strategies and communication channels to reach candidate vendors, including:

- Posting requests for proposals on the Federal Business Opportunities website at www.fbo.gov
- Conducting multiple vendor outreach sessions throughout the year
- Providing resources on the Treasury external website at www.treasury.gov/osdbu
- Extending the techniques and tools effectively used to engage the small business community to the broader industry audience, including minority-owned and women-owned firms
- Reviewing vendor engagement strategy as part of acquisition planning for high-impact acquisitions
- Conducting strategic review boards of targeted high-impact acquisitions to ensure that acquisition planning includes adequate and appropriate industry outreach and communications consistent with law, regulation, and Treasury policy
- Providing an industry Ombudsman who addresses vendor concerns (acquisition@treasury.gov)

Throughout FY 2013, OMWI sponsored eight vendor outreach sessions that provided individual counseling to approximately 260 small business concerns, including one that provided counseling by Treasury prime contractors and Treasury program managers. Approximately 85 percent of the participating small businesses were minority-owned and nearly one-third were women-owned. OMWI and Treasury bureaus also conducted and participated in small business match-making events sponsored by SBA, other federal agencies, local government, members of Congress, and external organizations that represent SMWOB. In FY 2013, Treasury staff served as panelists, speakers, facilitators, planning committee members, and exhibitors at the following events:

- Congressional Delegate Eleanor Holmes Norton's Small Business Fair, Washington, DC
- 23rd Annual Procurement Conference, Washington, DC
- 43rd Congressional Black Caucus Foundation (CBCF) Annual Legislative Conference (ALC), Washington, DC
- Small Business Vendor Day, Parkersburg, WV
- SBA Dynamic Networking Event, Parkersburg, WV
- Hurricane Sandy Small Business Recovery & Matchmaking Event, Newark NJ
- Women-Owned Small Business Workshop, Washington DC
- National Small Business Week, Washington DC
- SBA 8(a) Matchmaking Event, Parkersburg, WV
- U.S. Asian American Chamber of Commerce Opportunity Conference, Arlington, VA
- Latino Coalition Business Matchmaking, Washington, DC
- American Express Open/U.S. Black Chamber, Procurement Event, Washington, DC
- National Minority Supplier Diversity Council, San Antonio, TX

- National HUBZone Conference, Fairfax, VA
- Northern Virginia Technology Council Event, Herndon, VA
- Federal Reserve Board's Program Managers Outreach Event, Washington DC
- National 8(a) Association Winter Conference, Orlando, FL
- 8th Alliance Baltimore Matchmaking Event – Baltimore, MD
- Baltimore Washington Corridor Chamber Event – Greenbelt, MD
- U.S. Hispanic Chamber of Commerce Legislative Summit Business Matchmaking Event, Washington, DC
- 2013 Diversity Women's Leadership Conference – Fort Washington, MD

Mentor-Protégé Program: Treasury's Mentor-Protégé program is designed to motivate and encourage large firms to assist small businesses, including HUBZone small businesses, small disadvantaged businesses (which are largely minority-owned businesses), women-owned small businesses, veteran-owned small businesses, and service disabled veteran-owned small businesses. The program is also designed to improve the performance of Treasury contracts and subcontracts, foster the establishment of long-term business relationships between these entities and Treasury prime contractors, and increase the overall number of small businesses that receive Treasury contract and subcontract awards. Currently, there are 33 Treasury mentor-protégé agreements in place.

Financial Agent Authority (Non-FAR): In addition to the procurement of goods and services through processes governed by the Federal Acquisition Regulation (FAR), Treasury also has the financial agent authority (FAA). Unique to the Treasury and granted 150 years ago by the National Bank Acts of 1863 and 1864, the FAA allows Treasury to designate financial institutions to provide certain services on the government's behalf. These firms act on behalf of the government during the performance of their duties under an agent-principal relationship with Treasury. Financial agents also have the fiduciary obligation to protect the interests of the United States.

In defining small businesses under the FAA, Treasury has used a variety of criteria depending upon the nature of the program being supported. These criteria are not limited exclusively to the strict definitions established by the Small Business Administration. Treasury's criteria are based on industry standards for both broker-dealers and asset managers. For asset managers, Treasury uses a prevailing industry definition that any firm with \$2 billion or less in assets under management at the time they are engaged by the Treasury is deemed to be "small." For broker-dealers, Treasury uses the Financial Industry Regulatory Authority (FINRA) definition of small business, which states that any broker-dealer that has 150 registered representatives or fewer is considered "small."

The largest opportunity for the engagement of financial firms under the financial agent authority in recent years was presented by the Troubled Asset Relief Program (TARP). As an extension of the Department's longstanding commitment to encouraging diversity in all business activities, Treasury engaged minority-owned and women-owned financial firms to administer the TARP programs. Treasury's analysis of TARP transactions shows a higher percentage of fees allocated to small, minority-owned, and woman-owned businesses (SMWOB) than the industry norm. Treasury's analysis shows that on TARP common stock dispositions, SMWOBs received 5.6 percent of associated fees on a weighted average. This compares to analysis that shows that SMWOBs have received less

than 1 percent of fees for industry non-TARP equity transactions in excess of \$5 billion since 2008. In January 2013, Treasury began the process of selling its shares of General Motors (GM) common stock into the market under a prearranged written trading plan. Treasury encouraged the participation of smaller broker-dealers, including minority-owned and women-owned broker-dealers, in the sale of Treasury's remaining GM common shares pursuant to the plan. In February, Treasury's brokers for GM stock sales informed Treasury that they had engaged six smaller broker-dealers, including minority-owned and women-owned broker-dealers, to assist with Treasury's sales of its GM common stock. Treasury concluded its sale of its remaining stake in GM in December 2013. Treasury will continue to encourage the engagement of minority-owned and women-owned businesses in the administration of TARP programs as they are wound down.

Accountability

Leadership Prioritization: The Department of the Treasury utilized a strategic-level approach that held leadership accountable for meeting small business goals. The Secretary, Deputy Secretary, and Assistant Secretary for Management reinforced the importance of achieving small business goals. Each level of leadership, starting most importantly with Treasury's senior leadership, took ownership for goal attainment and worked collaboratively (and across business functions) to prioritize and track Treasury's small business goals. The Secretary and Deputy Secretary also challenged the Treasury bureaus to meet an internal stretch goal that was 3 percent higher than the statutory goal for overall small businesses. This resulted in a Treasury-wide effort to over-achieve, rather than simply meet, small business goals. Treasury Departmental Offices successfully met that challenge, exceeding all five of its small business goals for the third consecutive year in FY 2013 and far exceeding the internal stretch goal.

SMWOB Monitoring: OMWI develops detailed weekly reports of SMWOB contracting that are reviewed by the Deputy Secretary, Assistant Secretary for Management, Senior Procurement Executive, Bureau Chief Procurement Officers, and Bureau Small Business Specialists. Each bureau's small business and MWOB contracting performance also is monitored by the Deputy Secretary in quarterly performance review sessions with Bureau Heads. The Senior Procurement Executive holds quarterly "ProcureSTAT" performance review sessions with individual Bureau Chief Procurement Officers to assess each bureau's small business contracting performance and to track MWOB contracting. Additionally, the Senior Procurement Executive utilizes monthly Treasury Acquisition Council meetings with Bureau Chief Procurement Officers to address the status of Treasury's overall small business goals and MWOB contracting.

Performance Plans: To supplement senior management's review and oversight of the achievement of small business goals and MWOB contracting, the Department inserted a small business performance element into formal performance plans to hold management and staff accountable. Such goals include categories that encompass small disadvantaged businesses, which are largely minority-owned and small women-owned businesses. Treasury included the performance element in plans for Bureau Heads, Bureau Chief Procurement Officers, Small Business Specialists, Contracting Officers, Contract Specialists, Program Managers, and Contracting Officer's Representatives.

Recognition: Treasury conducts an annual awards recognition program for outstanding performance in small business contracting, which has provided an additional achievement incentive to the acquisition community. In FY 2013, OMWI provided awards to bureaus that achieved the highest percentages of contract obligations with minority-owned and women-owned businesses. The leading bureaus expended 49 percent of their contracting obligations with minority-owned businesses and 30 percent with women-owned businesses.

Good Faith Effort Contract Language

In accordance with the contractor workforce diversity mandate in the Dodd-Frank Act § 342, the Treasury OMWI, in collaboration with other OMWI agencies, developed proposed language that would be included in all Departmental Offices service contracts in excess of the Simplified Acquisition Threshold (\$150,000). The proposed contract clause was published in the Federal Register with a 60 day public comment period that ended October 22, 2012, as required by a provision of the Office of Federal Procurement Policy Act. Eight comments were received and given due consideration for the final rule, which subsequently was published in the Federal Register. (Refer to <http://www.gpo.gov/fdsys/pkg/FR-2014-03-20/html/2014-05846.htm>)

Challenges

Reduced budgets for discretionary spending will likely have an impact on available contracting opportunities. In addition, strategic sourcing initiatives to increase efficiencies may further reduce spending and may reduce the number of vendors receiving awards.

Additionally, the Troubled Asset Relief Program (TARP), which was created to address a unique financial crisis, will continue to provide fewer opportunities to support the program. With the expiration of the TARP obligation authority in October 2010, Treasury has already recovered most of the funds invested and is working to wind down the remaining TARP investments. As Treasury winds down the program, the number of financial agents supporting the program will be reduced and, subsequently, the participating small, minority-owned, and women-owned financial services firms will be affected.

Furthermore, Treasury must be careful that all contracting is conducted in a manner consistent with the Equal Protection Clause of the Constitution, which prohibits many forms of affirmative action and the establishment of quotas based on race and gender. Therefore, OMWI must focus on strategic outreach to help ensure that minority-owned and women-owned businesses are aware of opportunities and track trends in outcomes.

Conclusions and Fiscal Year 2014 Plans

FAR Contracting: For three consecutive years, Treasury has met or exceeded aggressive goals in small business contracting. In FY 2014, Treasury will aim for a “four-peat” of goal attainment by continuing to employ the strategies that proved successful for Treasury since FY 2011, including targeted outreach, enhanced leadership accountability, new policies, new tools and resources, and increased intra-agency communication.

Financial Agent Authority (Non-FAR): Although agreements issued under the Treasury financial agent authority on behalf of TARP will be concluding, Treasury will maintain active engagement and relationship building with industry stakeholder groups that represent minority-owned and women-owned financial services firms and minority and women professionals. This open dialogue and engagement will support diverse participation in future program opportunities that may arise under the Treasury financial agent authority. Treasury will continue to ensure that requests for proposals (RFP) or other solicitation processes are fair and will encourage meaningful participation of minority-owned and woman-owned businesses either as financial agents or contractors to financial agents.

Outreach: OMWI is committed to conducting robust and effective outreach to small businesses, including minority-owned and women-owned small businesses. In addition to public posting on the Federal Business Opportunities Website, OMWI will continue to conduct regular vendor outreach sessions and presentations at conferences and events conducted by industry organizations and federal agencies, including:

- U.S. Women Chamber of Commerce (USWCC)
- U.S. Hispanic Chamber of Commerce (USHCC)
- U.S. Black Chambers (USBC)
- National Minority Supplier Development Council (NMSDC)
- Minority Business Development Agency (MBDA)
- The Women's Business Enterprise National Council (WBENC)
- National Association of Securities Professionals (NASP)
- Council of Urban Professionals (CUP)
- New America Alliance (NAA)
- Greenlining Institute

OMWI plans to expand and improve online and technology efforts specifically to target minority-owned and women-owned businesses to inform them about contracting opportunities and educate them about doing business with Treasury. OMWI plans to conduct research to determine the best technology vehicles for this work, which will allow Treasury to be more effective in the delivery of information about opportunities.

Mandated Contract Language: There was an interagency collaboration among OMWI Directors and respective agency staff on the development of consistent contract language to address the Dodd-Frank Act "good faith effort" mandate for contractor workforce diversity. Treasury was required to submit the proposed language for publication in the Federal Register to provide opportunity for public comment. Following review and evaluation of the public comments, the proposed contract language has been finalized. OMWI is formulating an implementation plan for incorporating the clause into relevant contracts and monitoring "good faith efforts" among contractors in accordance with the mandate.

WORKFORCE DIVERSITY and INCLUSION

Taking Stock: Workforce Demography

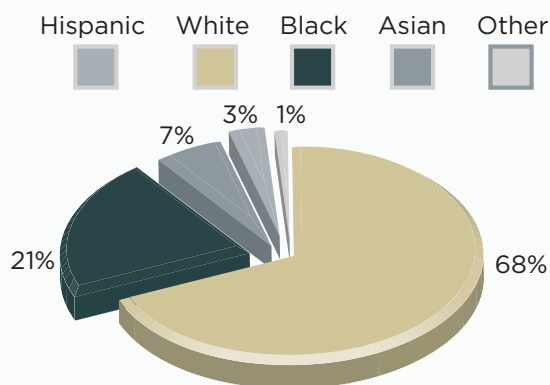
All Treasury Departmental Offices employees play important roles in the fulfillment of the overall Treasury mission. Each employee brings perspectives to his or her work that are influenced by his or her background, culture, and experience. “Taking stock” of the racial, ethnic, and gender representational diversity of Treasury Departmental Offices, we examine workforce profiles, trends, benchmarks, hiring and attrition rates, pipeline programs, and demographic differentiation at upper and senior levels and in mission-critical occupations in FY 2013.⁶ However, just as importantly, we have examined employee perceptions of the Treasury Departmental Offices workplace environment relative to inclusion. This comprehensive examination informs the recommendations for the work of OMWI going forward.

Racial/Ethnic and Gender Profiles

The total Treasury-wide workforce across all bureaus and the Departmental Offices in FY 2013 was 107,586 permanent employees (111,670 in FY 2012). The Treasury Departmental Offices permanent workforce represents about 2 percent of the total Treasury-wide workforce. As of the close of FY 2013, Treasury Departmental Offices had 1,669 permanent employees, an increase of 19 (1 percent net change) from FY 2012. This net change includes 298 new hires (176 permanent and 122 temporary employees) in Treasury Departmental Offices. Moreover, permanent employees comprised approximately 84 percent of the total DO workforce. Temporary employees (including non-career employees) comprised approximately 16 percent of the total DO workforce.

Nearly one-third (32 percent) of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. The percentage of minorities increased slightly (1 percent) from the FY 2012 percentage of 31 percent. Hispanics remained flat at 3 percent in FY 2012 and FY 2013. Blacks remained flat at 21 percent in FY 2012 and FY 2013. Asians increased from 6 percent in FY 2012 to 7 percent in FY 2013. [Figure 4]

**Figure 4. FY 2013 Treasury Departmental Offices
Total Permanent Workforce by Race/Ethnicity**

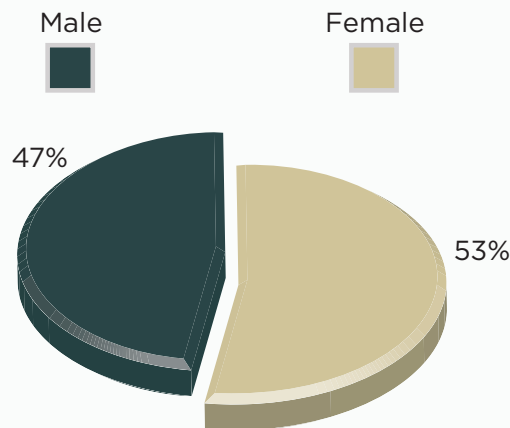


** Percentages have been rounded to whole numbers*

⁶ Analyses do not include the racial ethnic categories, Native Hawaiian or Other Pacific Islanders, American Indian or Alaskan Natives, or Two or More Races because the representation of each of these groups is zero to less than one percent of the total Departmental Offices permanent workforce.

The percentages of men and women in Treasury Departmental Offices are similar, with 53 percent men and 47 percent women. These percentages are identical to the percentages in FY 2012. [Figure 5]

**Figure 5. FY 2013 Treasury Departmental Offices
Total Permanent Workforce by Gender**



** Percentages have been rounded to whole numbers*

Benchmark Comparisons

To assess the relative status of the diversity profile of Treasury Departmental Offices, we compared the Treasury Departmental Offices workforce against the federal government-wide workforce (FWF), Treasury-wide workforce, Civilian Labor Force (CLF), and the Relevant Civilian Labor Force (RCLF) by race/ethnicity and gender participation.⁷ Table 1 depicts the comparison of the Treasury Departmental Offices total permanent workforce for FY 2013 with the demography of these benchmarks.

⁷ For the purpose of this analysis, Relevant Civilian Labor Force (RCLF) refers to the Civilian Labor Force (CLF) data that are directly comparable only to prevalent occupations in Treasury Departmental Offices.

Table 1. Permanent FY 2013 Treasury Departmental Offices Workforce Demography Compared to Federal Government, Treasury-wide, Civilian Labor Force Demography, and the Relevant Civilian Labor Force Demography*

Demographic Groups	Federal Government Workforce**	Treasury-wide Workforce	Civilian Labor Force (CLF)	Relevant Civilian Labor Force (RCLF)	Treasury Departmental Offices
Men	56%	37%	53%	48%	53%
Women	44%	63%	47%	52%	47%
Hispanic Men	5%	3%	6%	3%	1%
Hispanic Women	3%	7%	5%	4%	2%
White Men	39%	25%	39%	39%	40%
White Women	26%	32%	34%	38%	28%
Black Men	8%	6%	5%	3%	7%
Black Women	11%	19%	6%	6%	14%
Asian Men	3%	2%	2%	3%	4%
Asian Women	3%	3%	2%	3%	3%

* Percentages have been rounded to whole numbers

**Federal Workforce data is derived from the EEOC Annual Report on the Federal Work Force FY 2010

- **Gender:** In comparison to the permanent workforce participation rates of the FWF and the CLF, the representation of men (53 percent) in Treasury Departmental Offices workforce is equal to and/or less than that of the FWF (56 percent) and CLF (53 percent), but greater than that of the Treasury-wide workforce (37 percent) and RCLF (48 percent). The representation of women (47 percent) in the Treasury Departmental Offices workforce is equal to and/or less than that of the CLF (47 percent), Treasury-wide workforce (63 percent), and RCLF (52 percent), but greater than that of the FWF (44 percent).
- **Men by Race/Ethnicity:** Among the men within Treasury Departmental Offices, the representation of Hispanic men (1 percent) is less than that of the FWF, Treasury-wide workforce, CLF, and RCLF. The representation of White men (40 percent) is greater than that of the FWF, Treasury-wide workforce, CLF, and RCLF. The representation of Black men (7 percent) is greater than that of the Treasury-wide workforce, CLF, and RCLF, but slightly less than that of the FWF. The representation of Asian men (4 percent) is greater than that of the FWF, Treasury-wide workforce, CLF, and RCLF.
- **Women by Race/Ethnicity:** Among the women within Treasury Departmental Offices, the representation of Hispanic women (2 percent) is less than that of the FWF, Treasury-wide workforce, CLF, and RCLF. The representation of White women (28 percent) is less than that of the Treasury-wide workforce, CLF, and RCLF, but greater than that of the FWF. The representation of Black women (14 percent) is less than that of the Treasury-wide workforce, but greater than that of the FWF, CLF, and RCLF. The representation of Asian women (3 percent) is equal to that of the FWF, Treasury-wide workforce, and RCLF, but greater than that of the CLF.

Senior Management

Consistent with the EEOC definition of senior management as Federal General Schedule (GS) 15 and above, the Treasury Departmental Offices focus has been oversight and monitoring of recruitment/outreach, hiring, professional development, and attrition in GS-15 and SES positions. Treasury Departmental Offices also tracked and monitored the racial/ethnic and gender representation of the GS-13-14 grade level workforce, which can serve as the pipeline for senior management. 32 percent of the Treasury Departmental Offices permanent employees are at the senior management levels (i.e., GS-15 and Senior Executive Service (SES)). 43 percent are at the GS-13-14 levels which are upper management levels. Although there are no specific goals for demographic representation by race/ethnicity and gender, comparison to the financial industry senior management representation⁸ and the Treasury-wide workforce representation provide general benchmarks for the relative inclusion by group at upper and senior management levels. [Table 2]

Table 2. Permanent FY 2013 Treasury Departmental Offices Workforce by Upper Management Grade Groupings compared to the Financial Industry and Treasury-wide*

Demographic Groups	Financial Industry Workforce**	Treasury-wide Workforce	Treasury DO Workforce	Treasury DO GS-15	Treasury DO GS-13-14
Men	72%	53%	67%	60%	53%
Women	28%	47%	33%	40%	47%
Hispanic	3%	3%	2%	2%	3%
White	89%	68%	88%	85%	64%
Black	3%	22%	6%	7%	24%
Asian	4%	7%	4%	6%	8%

*Percentages have been rounded to whole numbers

**Financial industry data is from 2011 (GAO-13-238 report, 2013)

Permanent Positions: For FY 2013, the representation of minorities and women in permanent GS-13-14, GS-15, and SES level positions are described below compared to the representation within the total of the Treasury Departmental Offices permanent workforce. It should be noted that there are no civilian labor force data comparable to SES level positions or the combined pipeline GS-13-14 category. However, a recent GAO report provides comparable 2011 data for senior management positions within the financial industry as displayed in Table 2. Within senior management positions, women fill 40 percent of the permanent GS-15 level positions and 33 percent of the permanent SES positions. This represents no change at the GS-15 level compared to FY 2012 (40 percent); and an increase of 2 percent at the SES level compared to FY 2012. Minorities represent 15 percent of the permanent workforce at the GS-15 level and 12 percent of the permanent workforce at the SES level position. This representation of 15 percent at the GS-15 level is an increase of 1 percent compared to the representation in FY 2012 and a decrease of 2 percent at the SES level compared to FY 2012.

⁸ GAO, Diversity Management: Trends and Practices in the Financial Services Industry and Agencies after the Recent Financial Crisis, GAO-13-238 (Washington, DC: May 16, 2013).

- **Women:** The representation of women within permanent positions in Treasury Departmental Offices at the senior management levels (40 percent for GS-15 and 33 percent for SES) is lower than their overall representation in the total permanent DO workforce (47 percent). Their representation within the GS-13-14 level pipeline (47 percent) is equal to their overall representation in the total permanent DO workforce. Their representation within the SES level (33 percent) and GS-15 level (40 percent) are higher than the senior management level in the financial industry (28 percent).
- **Hispanics:** The representation of Hispanics within permanent positions in Treasury Departmental Offices at the GS-13-14 pipeline level (3 percent) is equal to their overall representation in the total permanent DO workforce. However, the representation of Hispanics at the GS-15 level (2 percent) and SES level (2 percent) is slightly lower than their overall representation in the total permanent DO workforce (3 percent). Their representation within the SES level (2 percent) and GS-15 level (2 percent) are slightly lower than the senior management level in the financial industry (3 percent).
- **Blacks:** The representation of Blacks within permanent positions in Treasury Departmental Offices at the senior management levels (7 percent for GS-15 and 6 percent for SES) is lower than their overall representation in the total permanent DO workforce (22 percent). Their representation within the GS-13-14 pipeline level (24 percent) is slightly higher than their overall representation in the total permanent DO workforce (22 percent). Their representation within the SES level (6 percent) and GS-15 level (7 percent) are higher than the senior management level in the financial industry (3 percent).
- **Asians:** The representation of Asians within permanent positions in Treasury Departmental Offices at the senior management levels (6 percent for GS-15 and 4 percent for SES) is slightly lower than their overall representation in the total permanent DO workforce (7 percent). Their representation within the GS-13-14 pipeline level (8 percent) is slightly higher than their overall representation in the total permanent DO workforce (7 percent). Their representation within the SES level (4 percent) and GS-15 level (6 percent) are comparable or higher than the senior management level in the financial industry (4 percent).

Presidential Appointed and Senate Confirmed Positions: In FY 2013, Treasury had two women Under Secretaries and six women Assistant Secretaries, which includes the Treasurer of the United States. Appointed positions are not included by the Equal Employment Opportunity Commission in calculations of the permanent workforce census.

Hiring and Attrition

Hiring: In this section, we compare the hiring rates for the various groups and the CLF and RCLF over a three year period (beginning with the FY 2011 baseline year through FY 2013). This analysis includes hiring rate trends of only the permanent workforce. [Table 3]

**Table 3. New Hire Trends of Permanent Workforce
by Percentage of Employees Hired (FY 2011-FY 2013)**

Fiscal Year	Men	Women	H	W	B	A
2011	49%	51%	1%	88%	6%	3%
2012	60%	40%	2%	76%	10%	11%
2013	52%	48%	2%	75%	11%	10%

Key: H-Hispanic, W-White, B-Black, A-Asian

- **Gender:** The hiring rate for men increased from FY 2011 (49 percent) to FY 2013 (52 percent) but remains consistent with CLF availability rate (52 percent). Currently, men represent 53 percent of the permanent workforce which is equal to their CLF participation rate (53 percent) but above their RCLF participation rate (48 percent). The hiring rate for women decreased from FY 2011 (51 percent) to FY 2013 (48 percent) and remains consistent with their CLF availability rate (47 percent). Currently, women represent 47 percent of the permanent workforce which is equal to their CLF participation rate (47 percent) but below their RCLF participation rate (52 percent).
- **Hispanics:** The hiring rate for Hispanics has increased from FY 2011 (1 percent) to FY 2013 (2 percent) and still remains significantly below their CLF availability rate (11 percent). Currently, Hispanics represent 3 percent of the permanent workforce which is below their CLF participation rate (11 percent) and their RCLF participation rate (7 percent).
- **Whites:** The hiring rate for Whites has decreased from FY 2011 (88 percent) to FY 2013 (75 percent) and remains above their CLF availability rate (73 percent). Currently, Whites represent 68 percent of the permanent workforce which is below both their CLF participation rate (73 percent) and RCLF participation rate (77 percent).
- **Blacks:** The hiring rate for Blacks increased from FY 2011 (6 percent) to FY 2013 (11 percent) and remains consistent with their CLF availability rate (11 percent). Currently, Blacks represent 20 percent of the permanent workforce which is above their CLF participation rate (11 percent) and RCLF participation rate (9 percent).
- **Asians:** The hiring rate for Asians increased significantly from FY 2011 (3 percent) to FY 2013 (10 percent) and remains well above their CLF availability rate (4 percent). Currently, Asians represent 7 percent of the permanent workforce which is above their CLF participation rate (4 percent) and RCLF participation rate (6 percent).

Attrition: In this section, comparisons are made between the attrition rates for the various groups and the CLF and RCLF over a three year period (beginning with the FY 2011 baseline year through FY 2013). This trend analysis of the attrition rates includes only the permanent workforce. [Table 4]

Table 4. Attrition Rates by Race/Ethnicity and Gender (FY 2011-FY 2013)

Fiscal Year	Men	Women	H	W	B	A
2011	49%	51%	3%	77%	14%	4%
2012	52%	48%	4%	67%	25%	6%
2013	53%	47%	3%	68%	22%	7%

Key: H-Hispanic, W-White, B-Black, A-Asian

- **Gender:** The attrition rate for men increased slightly from FY 2011 (49 percent) to FY 2013 (53 percent) while the attrition rate for women decreased from FY 2011 (51 percent) to FY 2013 (47 percent). Men are separating at a rate of 53 percent and are being hired at a rate of 52 percent in the permanent workforce. Women are separating at a rate of 47 percent and are being hired at a rate of 48 percent in the permanent workforce for FY 2013.
- **Hispanics:** The attrition rate for Hispanics remained flat from FY 2011 (3 percent) to FY 2013 (3 percent). Despite the low participation of Hispanics in the permanent workforce (3 percent), Hispanics continue to separate at a rate of 3 percent above their hiring rate of 2 percent for the permanent workforce.
- **Whites:** The attrition rate for Whites has decreased from FY 2011 (77 percent) to FY 2013 (68 percent). Whites are separating at a rate of 68 percent, which is below their hiring rate of 75 percent in the permanent workforce.
- **Blacks:** The attrition rate for Blacks has increased from FY 2011 (14 percent) to FY 2013 (22 percent), but is lower than in FY 2012 (25 percent). Blacks are separating at a rate of 22 percent, which is well above their hiring rate in the permanent workforce at 11 percent.
- **Asians:** The attrition rate for Asians has increased from FY 2011 (4 percent) to FY 2013 (7 percent). Asians are separating at a rate of 7 percent, which is less than their FY 2013 hiring rate (10 percent).

Attrition by Type: Of a total permanent Treasury Departmental Offices workforce of 1,669 in FY 2013, there was an attrition of 171 employees. A review of DO separations by type reveals that resignations, retirements, and transfers are the top three reasons employees separate from the workforce. [Table 5]

Table 5. Attrition Type by Race/Ethnicity and Gender (FY 2013)

Demographic Group	Types of Attrition			Total
	Resignations	Retirements	Transfers	
Men	45	19	22	86
Women	24	31	23	78
Hispanics	1	0	2	3
Whites	60	32	35	127
Blacks	2	17	6	25
Asians	6	1	2	9
Total Attrition	69	50	45	164
Percentages*	42%	30%	27%	100%

*Percentages have been rounded to whole numbers

Of the attrition by resignations, 13 percent (9) were minorities and 87 percent (60) were White. Of the attrition by retirement, 36 percent were minorities (18) and 64 percent (60) were White. Of the attrition by transfers, 22 percent (10) were minorities and 78 percent (35) were White. Hispanics accounted for 2 percent (3) of the total attrition. Whites accounted for 76 percent of the total attrition. Blacks accounted for 11 percent (25) of the total attrition. Asians accounted for 5 percent (9) of the total attrition.

33 percent (57 out of 171) of the employees who voluntarily separated from Departmental Offices (DO) from October 2012 through September 2013 completed an Exit Survey. Of the respondents, 27 percent transferred to another federal agency, 23 percent retired, and 18 percent accepted a position in the private sector. The factors most frequently cited in the Exit Survey as strongly impacting an employee's decision to leave were captured under the categories: Career Growth – access to developmental opportunities and the ability to participate in decision-making; Office Morale – my office morale and resources available to do my job; Pay – pay level in relation to job responsibilities and performance; and Work Experience – job related stress and ability to demonstrate skills and abilities. However, 82 percent (47) of those respondents stated their work experience was generally positive and 84 percent (48) stated they would return to work for Treasury. Furthermore, 86 percent (49) stated they would recommend Treasury as a good place to work.

Net Change in Minority Representation: This section shows the net change in minority representation due to the combination of hires and attrition rates in comparison to the past three fiscal years (from the FY 2011 baseline year). The past years resulted in a net attrition rate of -6 percent, -11 percent, and 0 percent, respectively. [Table 6]

Table 6. Net Change in Minority Representation (FY 2013)

Workforce Demographics	2011	2012	2013
Minority Rate of Hire	17%	24%	24%
Minority Rate of Attrition	23%	35%	24%
Net	-6%	-11%	0%

*Percentages have been rounded to whole numbers

Internships

Internships and fellowship programs offer an excellent opportunity for Treasury Departmental Offices hiring officials to assess the qualifications and performance of promising students who may prove to be candidates for future positions. Treasury Departmental Offices has had a long-standing outreach effort to recruit diverse groups of students for internships by partnering with minority-serving organizations and academic institutions. In FY 2012, OMWI rebranded this effort as the Treasury Scholars Program, aiming to further expand the diversity of highly qualified candidates interested in internships in the Treasury DO. New and expanded partnerships have been established with the aim of increasing the pool of highly qualified candidates interested in internships in the Treasury DO. Such partnerships have included: Hispanic Association of Colleges and Universities National Internship Program, National Association for Equal Opportunity in Higher Education, The Washington Center, Conference on Asian Pacific American Leadership, Washington Internships for Native Students, Congressional Hispanic Caucus Institute, Inc., Congressional Black Caucus Foundation, Howard University Schools of Law and Business Administration, University of the District of Columbia Law School, Trinity College, Toigo MBA Fellowship, Thurgood Marshall College Fund, and DC Summer Youth Employment Program.

During FY 2013, Treasury Departmental Offices placed 17 students through partnership arrangements with the Hispanic Association of Colleges and Universities National Internship Program (1), the National Association for Equal Opportunity in Higher Education (2), the Washington Center (4), the Conference on Asian Pacific American Leadership (2), the Congressional Hispanic Caucus Institute, Inc. (1), the Toigo MBA Fellowship (2), and the DC Summer Youth Employment Program (5). 35 percent (63) of the 179 interns (paid and unpaid) placed within Treasury Departmental Offices were racial or ethnic minority students. The OMWI Treasury Scholars program accounted for 10 percent of the placements of minority interns, including 33 percent (8 of 24) of Black interns and 66 percent (2 of 3) of Hispanic interns. [Table 7]

Table 7. FY 2013 Treasury Departmental Offices Student Employment

STUDENT PROGRAMS	Asian	%	Black	%	Hispanic	%	White	%	TOTAL	%
Pathways	4	22%	2	11%	1	6%	11	61%	18	100%
Treasury Scholars	4	23%	8	47%	2	12%	3	18%	17	100%
Volunteer	28	19%	14	10%	0	0%	102	71%	144	100%
TOTAL	36	20%	24	13%	3	2%	116	65%	179	100%

Inclusive Environment Index

The Federal Employee Viewpoint Survey (EVS) is a government-wide tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Survey results provide valuable insight into the challenges agency leaders face in ensuring the federal government has an effective civilian workforce and employees' perception about their workplace experience. The Office of Personnel Management (OPM) recently developed the Inclusive Environment Assessment, consisting of a subset of 20 questions from the EVS that were associated with diversity and inclusion using a rigorous statistical factor analysis. These 20 questions clustered around five factors, regarded as behavioral habits: fairness, open mindedness, cooperation, supportiveness, and empowerment. Scores can be derived for each of these factors to comprise an Inclusive Environment Index.

The most recent survey was administered by the OPM from April through June 2013. Of the 89,995 Treasury employees invited to take the survey, 50,010 responded. Treasury Departmental Offices had a response rate of 56 percent (968), compared to the government-wide response rate of 48 percent. Overall scores below 65 percent on the EVS are regarded as areas of challenge. Treasury Departmental Offices has an overall Diversity and Inclusion Index score of 62.3 percent in FY 2013. By comparison, the overall Inclusive Environment Assessment index scores Treasury-wide and government-wide are 60.2 percent and 57.3, respectively. The Treasury Departmental Offices FY 2013 inclusive index score represents an increase from FY 2011 and FY 2012, when the scores were 61.5 percent and 61.1 percent, respectively.

For the specific factors associated with inclusion, Treasury Departmental Offices scores were: 50.6 percent - fairness, 60.6 percent - open mindedness, 59 percent - cooperation, 79.7 percent - supportiveness, and 61.5 percent - empowerment. Although there is considerable room for improvement, Treasury Departmental Offices' scores are higher than one or both of the benchmarks scores on all factors. With the exception of the characteristic of supportiveness, this new index tool reveals that challenges of inclusion are not confined to Treasury Departmental Offices, but wider spread across the federal government. This information provides important diagnostics for use in designing interventions. [Table 8]

Table 8. FY 2013 Treasury Departmental Offices Score in comparison to Government-wide and Treasury-wide Scores on the Inclusive Environment Index

Behaviors	EVS Topics	Government	Treasury	DO
Fairness	Fairness of Employment Practices	42.6%	48.1%	50.6%
Open mindedness	Integration of Differences	54.5%	58.2%	60.6%
Cooperation	Open Communication	54.2%	59.3%	59.0%
Supportiveness	Inclusive Management and Leadership Style	73.7%	78.9%	79.7%
Empowerment	Participation in Decision Making	56.5%	56.3%	61.5%
Overall Average		57.30%	60.2%	62.3%

Making Change: Initiatives and Accomplishments

Outreach

Throughout FY 2013, outreach was conducted at various events involving minority-serving organizations and institutions regarding internship and employment opportunities within Treasury Departmental Offices (DO):

- DO continued its longstanding partnership agreement with the Hispanic Association of Colleges and Universities (HACU) by promoting the development of member colleges and universities (HSIs), improving access to and the quality of postsecondary educational opportunities for Hispanic students, and to meet the needs of businesses, industry, and government through the development and sharing of resources, information, and expertise.
- DO mentored several HACU interns and participated in all HACU sponsored events during FY 2013.
- DO continued to support the National Council of Hispanic Employment Program Manager (NCHEPM) as an active member of the council.
- DO continued to maintain its strong on-going partnership and outreach efforts with the University of Texas-Pan Am located in Edinburg, Texas (partnering since 2007).
- DO attended and participated in the 43rd Annual Congressional Black Caucus (CBC) Legislative Conference in Washington, DC, September 2013.
- DO attended and participated in the 35th Annual Blacks In Government (BIG) Conference in Dallas, Texas, August 2013.
- DO continued its longstanding partnership agreement with the National Association for Equal Opportunity (NAFEO) by promoting the nation's Historically Black Colleges and Universities (HBCU), placing and maintaining the issue of equal opportunity in higher education on a national agenda, advocating policies, programs and practices designed to preserve and enhance HBCUs, and to increase the active participation of Blacks at every level in the formulation and implementation of policies and programs in American higher education.
- DO mentored two NAFEO interns and participated in all NAFEO sponsored events during FY 2013.
- DO continued its partnership agreement with Howard University in Washington DC in an effort to ensure equal access to internship and employment opportunities to Black students at every level of the organization.

Accountability

Performance Plans: To establish accountability relative to workforce diversity and inclusion, a longstanding performance element is included in the performance plans of all SES level Treasury employees with relevant human capital responsibilities, including those within Treasury Departmental Offices as follows:

Fosters an inclusive work environment and promotes workforce diversity through support of EEO and affirmative employment objectives, fair and equitable employment decisions, prompt attention to allegations of harassment/discrimination, and encouragement of early dispute resolution when appropriate.

Workforce Diversity/ Inclusion Monitoring: Racial/ethnic and gender representation and diversity/inclusion activities within the Treasury Departmental Offices are monitored by the Deputy Secretary and Assistant Secretary for Management in quarterly performance reviews. In addition, briefings were provided to the Secretary on the status of workplace diversity and inclusion and OMWI activities.

Diversity and Inclusion Index: Research indicates that workplace inclusion is a contributing factor to employee engagement and organization performance. The major issue facing organizations with regard to inclusion is how to measure it effectively and improve an inherently intangible aspect of group interaction. As described in a previous section, the Office of Personnel Management recently developed the Inclusive Environment Assessment index tool for use by federal agencies to assess factors within the workplace that are closely associated an inclusive environment. Using the inclusive index tool, OMWI will begin providing individual policy and program offices within Treasury Department Offices with a diversity and inclusion assessment based on the five elements that support an inclusive workplace environment.

Qualitative Analysis

The use of qualitative techniques to elicit candid employee views can be considered courageous for any organization that is serious about change and progress. Such a process can reveal frank information that can be difficult for management to discover, but necessary for improvement to take place. In late FY 2012 and FY 2013, OMWI initiated two qualitative processes to elicit concerns, recommendations, and group consensus on issues and priorities to improve the workplace environment pertaining to diversity and inclusion. The first initiative, TreasuryWomen 3.0, was the conduct of a forum to identify ways to improve the workplace experience and career advancement for women. The second initiative was a qualitative research project to determine employee perceptions across racial, ethnic, and gender groups about recruitment, hiring, career advancement, training, and retention.

Although TreasuryWomen 3.0 occurred in late FY 2012, OMWI completed and presented key findings from the intensive deliberations in a final report to the Secretary in FY 2013. Ten priority recommendations emanated that could potentially help managers and supervisors to more fully leverage the talents of their workforce, including both men and women. The relevance of these recommendations to strategic diversity management objectives are clear when placed within the framework of the Treasury Departmental Offices Diversity and Inclusion Strategic Implementation Plan, i.e., workforce diversity, workplace inclusion, and sustainability. [Table 8]

Figure 8. Treasury Women 3.0 Recommendations within the Treasury Diversity and Inclusion Strategic Plan Framework

Recommendations	Workforce Diversity	Workplace Inclusion	Sustainability
Coaches and Mentors		✓	
Increased Diversity Awareness		✓	
Centralized Recruitment and Training	✓		
Consistent Recruitment and Hiring Method	✓		
Mandatory Supervisory Training			✓
Expanded Leadership/Training Opportunities		✓	
Consistent Work/Life Balance Policy		✓	
Diversity Policy Accountability			✓
Rotated/Shared Developmental Opportunities		✓	
Succession Planning		✓	

The other initiative conducted to elicit honest and candid employee perceptions through qualitative research was in the form of focus groups. Between FY 2012 and FY 2013, sixteen focus groups were conducted of men, women, Hispanic, White, Black, and Asian employees at the GS-13-15 upper and senior management levels. 120 employees participated and shared their candid views and 25 major themes were identified across the focus groups regarding overall perception of the Treasury Departmental Offices workplace environment pertaining to seven topics:



The results, findings, issues, and recommendations that came out of these two qualitative initiatives will continue to inform decision making, policies, initiatives, and strategies pertaining to workforce diversity and inclusion. OMWI, the Office of Executive and Human Capital Services, and the Treasury Office of Civil Rights and Diversity are developing a comprehensive, long-term implementation plan based on the results of the qualitative and quantitative analyses of employee perceptions to bring about an organizational cultural transformation within Treasury Departmental Offices and Treasury-wide.

Diversity Awareness and Training

Commemorative Heritage Months: In FY 2013, OMWI continued to build upon the electronic media approach to celebrate national commemorative heritage months. OMWI developed six commemorative websites for the following heritage months: Black History Month, Women's History Month, Asian American and Pacific Islander Heritage Month, National Pride Month, Hispanic Heritage Month, and American Indian and Alaska Native Heritage Month. Consistent with the OMWI mission to promote diversity and inclusion, the featured content included much more than cultural awareness features, as well as diversity and inclusion training.

Diversity Training: The Treasury Diversity and Inclusion Strategic Plan calls for Treasury bureaus and Departmental Offices to ensure that all employees have access to diversity and inclusion training. For Treasury Department Offices, OMWI piloted various diversity and inclusion program models. Accordingly, OMWI has developed a customized, multi-tiered training program to target specific audiences, including senior leadership, supervisors and managers, and all employees. OMWI is also in the process of creating a diversity training program to develop a cadre of diversity champions from policy/program offices. Additionally, a component on diversity and inclusion was added to the mandatory training for new supervisors.

Financial Literacy

Treasury leads the Financial Literacy and Education Commission (FLEC), which is chaired by the Secretary of the Treasury. The vice chair is the Director of the Consumer Financial Protection Bureau and members include the heads of 19 other federal agencies. Treasury's Office of Consumer Policy provides expertise and primary support to the FLEC.

In FY 2013, the FLEC focused its work on promoting the financial capability of young Americans, through an initiative known as "Starting Early for Financial Success." The goal is to help Americans achieve financial stability throughout their lives, by starting sound financial practices early. Starting Early will allow the agencies to make better use of the limited resources available for financial education by coordinating resources. OMWI contributes to this effort by participating on the FLEC Children and Youth Committee, which provides leadership on fostering enhanced collaborations between FLEC member agencies to promote financial capability among children and youth.

OMWI continues to work with the Treasury Office of Financial Education in its future financial literacy activities. Also, OMWI continues to regularly attend the FLEC meetings to identify better approaches to its financial literacy efforts in conjunction with other federal agencies.

Challenges

Treasury Departmental Offices is committed to adopting leading edge strategies to secure a high performing workforce drawn from a diverse pool of candidates. Three important challenges to implementing the workforce diversity provisions of Dodd-Frank Act § 342 are budgetary restraints, retention rates, and perceptions of the existing government-wide workplace culture.

First, Treasury Departmental Offices is currently operating within a tight budgetary environment, which has a direct impact on hiring. Therefore, although there will be a continued need for support from

OMWI in formulating proactive strategies to ensure broad reach to diverse candidate pools, there will be fewer available positions. In addition, Treasury must be careful that all hiring practices are conducted in a manner consistent with the Equal Protection Clause of the Constitution, which prohibits many forms of affirmative action and the establishment of quotas based on race and gender. Therefore, OMWI must focus on strategic outreach, recruitment, and internal succession planning to help ensure that minorities and women are aware of opportunities at all levels and to monitor outcomes.

Second, despite the increase in hiring rates of minorities, compared to the FY 2011 benchmark, the respective attrition rates of Hispanics and Blacks exceed their hire rates in the Treasury Departmental Offices permanent workforce. Hispanics continue to separate at a rate of 3 percent, which is above their hiring rate of 2 percent for the permanent workforce. Blacks are separating at a rate of 22 percent, which is far above their hiring rate in the permanent workforce at 11 percent.

Third, with the development of the Inclusive Environment Assessment Index by the Office of Personnel Management, federal agencies have a new metric for quantifying and tracking employee perceptions about workplace inclusion. It is evident from the government-wide scores derived from this tool that workplace inclusion is challenging across federal agencies. The Treasury Departmental Offices overall inclusion score (62.3 percent) has trended upward over the past three years and is slightly higher than government-wide (57.3 percent) and Treasury-wide (60.2 percent) scores. Therefore, it appears that the workplace environment within Treasury Departmental Offices is a microcosm of the culture that exists across the entire federal government. Building a more inclusive workplace environment within Treasury Department Offices must be within the context of efforts to transform the workplace culture across the federal government. As Treasury Secretary Lew stated in his Diversity and Inclusion Call to Action Statement, “This involvement must be visible, intentional, and continuous.”

Conclusions and Fiscal Year 2014 Plans

Recruitment: OMWI made strides in expanding outreach efforts to cultivate a more diverse and well-qualified applicant pool of candidates. The Treasury Departmental Offices recruitment strategy traditionally has targeted sourcing at minority and women serving institutions, career fairs and expos, online and printed advertisement materials, and community outreach activities. In 2013, OMWI expanded recruitment effort using the social media services of LinkedIn, a professional network, in order to more broadly publicize and increase awareness about available positions within Treasury Departmental Offices. LinkedIn has a unique partnership with the Professional Diversity Network, which allows for advertised Departmental Offices positions to reach target populations of minorities and women. Using LinkedIn, OMWI advertised senior management level (GS-15 and SES) positions and mission-critical occupations within the Departmental Offices. In the first three months of implementation, the advertised jobs attracted over 3,500 views. In order to increase the effectiveness of this campaign, OMWI will work to develop a rich content stream for the overall U.S. Department of the Treasury LinkedIn page.

Additionally, before vacancies for management and senior executive positions in mission-critical occupations are announced, OMWI will support efforts of policy and program offices in formulating proactive strategies to ensure broad reach to diverse pools of candidates. For new organizational units within Treasury Departmental Offices being staffed for the first time, such as the Office of Financial Research (also created by the Dodd-Frank Act), OMWI has initiated a collaborative relationship to support recruitment of diverse candidates.

The OMWI Treasury Scholars program accounted for 10 percent of the placements of minority interns in FY 2013. The interns worked in a variety of program offices that provided them with rich experiences across the financial policy and management spectrum. Throughout FY 2013, OMWI established new relationships with several local colleges and universities. These new partnerships will serve as opportunities for students in the Washington DC metropolitan area to connect with Treasury, pique their interest, and encourage them to apply for internships through the Treasury Scholars Program. In FY 2014, OMWI will continue to expand partnerships with organizations that serve minority students to further promote an increase in the racial and ethnic diversity of student interns throughout Treasury Departmental Offices. In addition, OMWI will continue to expand relationships with internal policy and program offices to ensure that all interns – including minority students – will have meaningful and marketable internship experiences.

Qualitative Indicators: In the evolution of the practice of the diversity and inclusion management discipline, there has been a move away from the social justice orientation that emphasized numeric representation of racial/ethnic and gender groups. Leading edge practices, now emphasizing measures other than representational data, are being employed by diversity and inclusion professionals within the corporate sector and a growing number of federal government agencies. These are qualitative measures or indicators (e.g., behavioral, attitudinal, structural, etc.) used to assess workforce diversity and to establish benchmarks. OMWI will continue the process of identifying and implementing the use of qualitative benchmarks and strategies in its work toward the institutionalization of leading practices.

One such measure is the previously described Inclusive Environment Assessment Index, derived from the government-wide Employee Viewpoint Survey, which elicits employee perceptions of the workplace environment. It assesses specific factors that correlate with an inclusive environment: fairness, open mindedness, cooperation, supportiveness, and empowerment. Using this index tool, OMWI will begin providing Treasury Department Offices with a diversity and inclusion assessment of employee perceptions by office. Additionally, this assessment will include a detailed analysis of numeric representation, applicant flow, hiring, and turnover by race and gender. This information will facilitate each office in developing strategies to further build and maintain a more inclusive and diverse work environment.

Financial Literacy: The Treasury National Financial Capability Challenge initiative was suspended in FY 2013. Additionally, one of the key program partners in the OMWI financial literacy activities in FY 2012, the New Heights Program, is in jeopardy of discontinuation due to funding problems. Therefore, the approach to financial literacy activities to be undertaken by OMWI is under reconsideration. OMWI will continue to work closely with the Treasury Office of Consumer Policy in its future financial literacy activities.

Diversity Training: With a multi-tiered diversity training plan in place, OMWI will implement in-person training sessions for senior leadership and supervisors managers and online training for all employees. OMWI also will continue to develop a diversity champions program. The aim is to produce an overall cultural transformation within Treasury Departmental Offices and to increase the number and skill level of diversity and inclusion team throughout the various policy and program offices.

