

TAKING STOCK &

MAKING CHANGE

ANNUAL REPORT TO CONGRESS
FISCAL YEAR 2014

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





May 2015

TAKING STOCK & MAKING CHANGE



Diversity and Inclusion Call to Action Statement

Our mission at Treasury is crucial to the nation, and our success in that mission is due in part to our commitment to diversity and inclusion.

Throughout my career, I've had the pleasure of working with people from a variety of backgrounds and have seen how diverse perspectives and an inclusive environment can lead to greater productivity and innovation. This means that a diverse and inclusive workplace culture is an operational imperative: it allows us to better serve the American people.

To achieve this inclusive workplace culture, I encourage every Treasury employee to promote a culture of fairness, respect, empowerment, and open-mindedness and to make a commitment to these values visible, intentional, and continuous.

It starts with personal accountability. We must each act in accordance with fairness, respect, and mutual understanding. It continues with education. We've made available new resources that advance a workplace culture that values and respects every employee's unique talents and perspectives. And, it must be put into practice. We must all work to address vestiges of unintentional bias and other obstacles to inclusion that may exist in our workplace and business activities.

Treasury continues to strengthen its commitment to diversity and inclusion at every level and across its bureaus. While we have made progress, we still have more work to do. We must continually gauge our progress in these areas, and this report provides a transparent overview of our efforts to increase diversity and inclusion in our operations.

A handwritten signature in black ink, which appears to read "Jacob J. Lew". The signature is fluid and cursive.

Jacob J. Lew
Secretary of the Treasury

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Message from the Chief Diversity and Inclusion Officer - Departmental Offices

The year 2014 marked the 50th anniversary of the signing of the Civil Rights Act of 1964, which many heralded as a pivotal moment in the quest for social justice and equality in the United States of America. The photographs of President Lyndon Johnson in the Oval Office signing the Act, witnessed by the “Who’s Who” of the Civil Rights Era that surrounded him, have become iconic historical images of hope and promise for social change in this country. Ironically, 2014 also brought new phrases into the American lexicon — “Black Lives Matter,” “Hands up, don’t shoot,” and “I can’t breathe.” Surely, those standing as witnesses to history 50 years ago never would have envisioned that protests against social injustices would dominate the headlines five decades later.

Although the day-to-day economic policy work and operational management conducted within the Treasury headquarters (Departmental Offices) may seem far afield from the turmoil and unrest that occurred across the nation in 2014, our agency can and is taking positive steps that foster social change in America. For instance, in FY 2014, Treasury Departmental Offices spent 35 percent of the procurement budget, worth \$86 million dollars, with businesses that were either minority-owned or women-owned. These businesses not only provided important products and services to Treasury headquarters, but also created jobs that support families and build communities. Additionally, a growing cadre of Treasury headquarters employees has learned about the neuroscience of human interactions for the purpose of promoting a more inclusive workplace culture. A recurring comment from these employees is that they gained new perspectives about social interactions that also help them outside of the workplace.



That is how diversity and inclusion promotes social changes — one business, one person, one interaction at a time.

This fourth annual report to Congress, detailing the diversity and inclusion efforts within the Treasury headquarters, touts successes and describes challenges that still need to be addressed. It is our aim to ensure that those who work at Treasury, as either employees or contractors, represent every face of America and make a good faith effort to contribute to an inclusive society.

A handwritten signature in black ink that reads "Lorraine Cole".

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 fourth 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) 2014.

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 four consecutive years from FY 2011 through FY 2014. 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 2014, contract obligations to small disadvantaged businesses represented 14 percent of all Departmental Offices contracts, and contract obligations to women-owned small businesses represented 18 percent, both well above the 5 percent goal.

In FY 2014, a total of \$45 million, or 19 percent of total contracts, was awarded to minority-owned businesses. Furthermore, \$52 million or 21 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 2014, Treasury Departmental Offices' total procurement contracts for goods and services represented \$248 million in obligations.

Workforce Diversity: In FY 2014, the Treasury Departmental Offices permanent workforce of 1,691 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 21 percent. Asians and Hispanics comprise 8 percent and 4 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 14 percent of the permanent GS-15 level, and 10 percent of the permanent senior executive service (SES) positions.

The percentages of men and women in Treasury Departmental Offices are 46 percent women and 54 percent men. Within senior management positions, women fill 38 percent of the permanent GS-15 level and 32 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 women 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 fourth 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) 2014.¹

U.S. DEPARTMENT OF THE TREASURY

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

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.

operations, strengthen financial institutions and markets, promote access to credit, and improve financial 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

Secretary of the Treasury, Jacob 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, 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 written policy statements were disseminated to all Treasury employees.

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.

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

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 2014 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

Minority Owned, Women Owned and Small Business Utilization

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. Additionally, it is important to note that, due to legal restrictions pertaining to civil rights, no specific goals can be established for contracting with minority-owned businesses regardless of size or women-owned businesses, with the exception of certain small business parameters.

Treasury-wide, the total (appropriated and non-appropriated) contract procurement was reduced by more than a billion dollars from \$6.8 billion in FY 2013 to \$5.6 billion in FY 2014, which represents less than 1 percent of total federal government procurement. Within Treasury Departmental Offices, procurement for products and services was reduced from a total of \$255 million in FY 2013 to \$248 million in FY 2014 (with 1,982 contract actions). Despite budget reductions and the absence of mandated contracting goals, the commitment to disadvantaged business utilization within Treasury Departmental Offices remained strong in FY 2014, with more than one-third (35 percent) of contract dollars totaling \$86 million going to either minority-owned or women-owned businesses (MWOB). Additionally, \$51 million (21 percent) of contract obligated award dollars went to women-owned businesses and \$45 million (18 percent) went to minority-owned businesses (dollar amounts to minority women-owned businesses are included within each category). [Table 1]

Table 1. Departmental Offices FY 2014 Contract Obligations by Demographic Groups, Total Awards and Percentages of Awards*

Category	Total Awards in Dollars	Percentage of Awards
All Departmental Offices Awards	\$248,166,223.03	100.0%
Minority-owned or women-owned ⁴	\$85,700,297.27	34.53%
• Woman-owned	\$51,579,550.17	20.78%
• Minority-owned ⁵	\$45,419,701.00	18.30%
Asian American	\$18,236,440.82	7.35%
Black American	\$16,025,888.99	6.46%
Hispanic American	\$4,939,937.60	1.99%
American Indian	\$3,951,368.13	1.59%
Other minority ⁶	\$2,336,357.42	0.94%
Neither Minority-owned nor Woman-owned	\$162,465,925.42	65.47%

4 The total amount of awards to minority women-owned businesses was \$11,298,953.90. However, awards to businesses that are both minority- and women-owned are counted within Federal Procurement Data System (FPDS-ng) in all applicable individual minority- and women-owned individual categories. Therefore, to ensure there was no duplicate counting of overlapping categories of race/ethnicity and gender, the total dollars and percentages have been reduced to adjust for the \$11,298.953.90.

5 The sum of the award dollars to business within the minority-owned sub-categories (\$45,489,993.23) does not equal the total minority-owned award amount (\$45,419,701) because five awards under the minority categories totaling \$70,292.23, were not identified in the reporting system as minority-owned businesses.

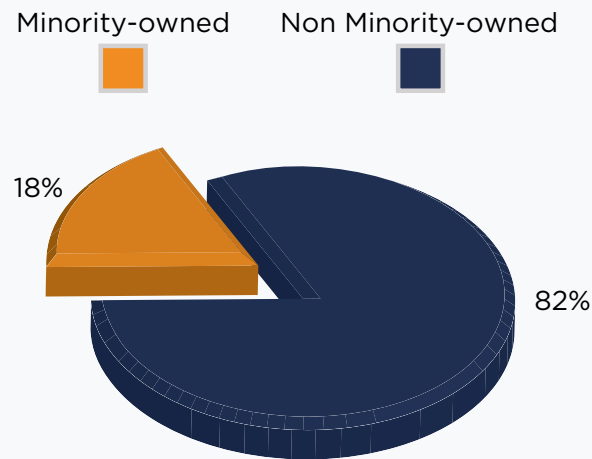
6 Other minority” means those businesses designating “minority-owned” in the System for Award Management, but not designating Asian American, Black American, Hispanic American, or American Indian.

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 1, 2015 for FY14

Trends in Minority Owned Business Utilization

Utilization of minority-owned businesses overall within Treasury Departmental Offices has been relatively steady. In FY 2014, a total of \$45 million or 18 percent of the total in contract obligations were awarded to minority-owned businesses. [Figure 1] Comparatively, in FY 2012, a total of \$42 million or 19 percent of total contract obligations was awarded to minority-owned businesses; and in FY 2013, a total of \$45 million or 18 percent of the total contract obligations was awarded to minority-owned businesses.

**Figure 1. Departmental Offices FY 2014
Overall Contract Obligations by Minority Status***



*Percentages have been rounded to whole numbers

Contract obligations to minority-owned businesses by specific racial and ethnic designation of the ownership are delineated in Table 2.⁷

**Table 2. Departmental Offices FY 2012-2014
Overall Contract Obligations by Specific Racial/Ethnic Minority Group***

	FY 2014	FY 2013	FY 2012
Minority Owned Businesses	\$45 million (18%)	\$45 million (18%)	\$42 million (19%)
• Black-owned	\$16 million	\$15 million	\$23 million
• Hispanic-owned	\$ 5 million	\$12 million	\$ 4 million
• Asian-owned	\$18 million	\$14 million	\$ 9 million
• American Indian-owned	\$4 million	\$ 3 million	\$ 2 million
*Non-Minority Businesses	\$203 million (82%)	\$ 210 million (82%)	\$223 million (81%)

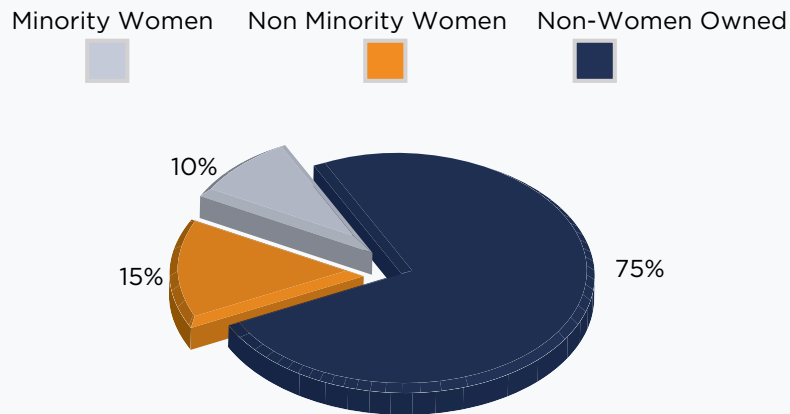
⁷ Some businesses have self-identified in more than one category; their contract amounts are reflected within all categories indicated.

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 1, 2015 for FY14; Dollars and percentages are rounded.

Trends in Women Owned Business Utilization

There has been an upward trend in the utilization of women-owned businesses within Treasury Departmental Offices. In FY 2014, a total of \$52 million or 21 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 12 percent of the total contract obligations was awarded to women-owned businesses; and in FY 2013, a total of \$40 million or 15 percent of the total contract obligations was awarded to women-owned businesses (including minority women) [Figure 2]

**Figure 2. Departmental Offices FY 2014
Overall Contract Obligations by Minority Status***



*Percentages have been rounded to whole numbers

**Table 3. Departmental Offices FY 2012-2014
Overall Contract Obligations by Gender-specific Business***

	FY 2014	FY 2013	FY 2012
Women-owned Businesses	\$51 million (21%)	\$40 million (15%)	\$31 million (12%)
• minority women	\$11 million (5%)	\$15 million (5.5%)	\$15 million (6%)
• non-minority women	\$40 million (16%)	\$25 million (9.5%)	\$16 million (6%)
Non-Women-owned Businesses	\$197 million (79%)	\$222 million (85%)	\$223 million (88%)

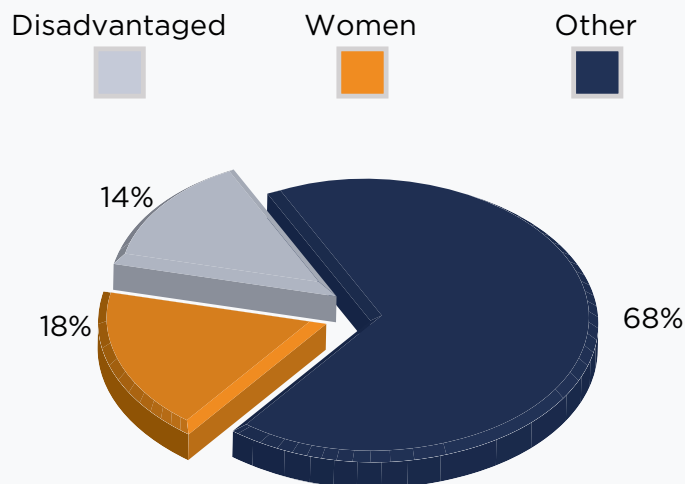
* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 1, 2015 for FY14; Dollars and percentages are rounded.

Trends in MWOB Small Business Utilization

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. 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 2014, for the fourth consecutive year, Treasury and Treasury Departmental Offices met or exceeded the overall small business contracting statutory goal, as well as goals for small disadvantaged businesses and women-owned small businesses. In FY 2014, contract obligations to small businesses by Treasury Departmental Offices were 51 percent, exceeding the 35.07 percent statutory goal. Contract obligations to small disadvantaged businesses represented 14 percent, almost triple the 5 percent goal; similarly, contract obligations to women-owned small businesses represented 18 percent, almost quadruple the 5 percent goal.⁸ [Figure 3]

**Figure 3. Departmental Offices FY 2013
Total Contract Obligations by MWOB Status***



*Percentages have been rounded to whole numbers

⁸ Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 11, 2015 for FY14.

**Table 4. Departmental Offices FY 2012-2014
Overall Contract Obligations to Small MWOB***

	FY 2014	FY 2013	FY 2012
Total Contract Obligations (regardless of size)	\$248 million	\$255 million	\$223 million
Overall Small Businesses Contract Obligations	\$125 million (51%)	\$119 million (47%)	\$95 million (42%)
Small Disadvantaged Businesses (SDB)	\$25 million (14%)	\$37 million (14%)	\$40 million (18%)
Women-owned Small Businesses	\$44 million (18%)	\$32 million (13%)	\$20 million (9%)

* SDB is used in this context as a proxy for minority-owned businesses; contracting includes overlap between categories. Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 1, 2015 for FY14; Dollars and percentages are rounded.

MWOB 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 Treasury bureaus.⁹ The aim is to encourage firms that provide products or services within those categories to market their firms' capabilities to Treasury bureaus. In FY 2014, 62 percent of all Treasury Departmental Offices contracts were in the area of services. 28 percent of Departmental Offices service contracts were awarded to minority-owned or women-owned businesses: 19 percent went to women-owned businesses and 12 percent went to minority-owned businesses. This resulted in \$66.9 million in contracts to minority-owned or women-owned businesses for services.

Within Treasury Departmental Offices, approximately 70 percent of contract awards are made in only seven NAICS code categories and minority or women-owned business utilization is highest among six of those categories. The highest utilization of minority or women-owned businesses is in "Other Computer Related Services" (NAICS 541519) in the amount of \$29 million and receiving 57 percent of the awards. In one category, "All Other Professional, Scientific and, Technical Services" (NAICS 541990), women-owned business utilization is at 99 percent of contract awards in the amount of \$9.7 million. [Table 5]

⁹ Refer to www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/dcfo-osdbu-mp-top25.aspx.

**Table 5: Awards by Demographic Groups in the DO's Top Seven NAICS Codes, Fiscal Year 2014
In Dollars and Percentage of Dollar Awards in Top Seven NAICS Codes***

Total Departmental Office Annual Obligated Dollars \$248,242,174 and processed 1,982 actions	NAICS Codes and Descriptions													
	541519		541611		493110		541512		541511		928120		541990	
	Other Computer Related Services	Administrative Management and General Management Consulting Services	General Warehouse and Storage	Computer Systems Design Services	Custom Computer Programming Services	International Affairs	All Other Professional, Scientific, and Technical Services	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards
Number of businesses with DO awards in NAICS	269	185	13	73	78	412	8							
Category	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded	\$ Awards	% Awarded
Total DO Awards in NAICS	51,643,205	21.81%	42,702,048	17.21%	23,889,166	9.63%	16,518,791	6.66%	14,980,604	6.04%	11,719,286	4.72%	9,827,408	3.96%
Minority- or women-owned ¹⁰	28,854,979	55.87%	9,374,935	21.95%	0	0.0%	7,259,171	43.94%	1,830,031	12.22%	1,592,902	13.59%	9,759,759	99.31%
Women-owned	20,827,271	40.33%	2,895,254	6.78%	0	0.0%	6,341,491	38.39%	100,444	0.67%	1,522,845	12.99%	9,759,759	99.31%
Minority-owned	8,589,344	16.63%	8,313,188	19.47%	0	0.0%	2,696,725	16.33%	1,806,431	12.06%	70,057	0.60%	0	0.0%
Asian American	6,664,918	12.91%	4,385,856	10.27%	0	0.0%	2,187,191	13.24%	1,513,691	10.10%	0	0.0%	0	0.0%
Black American	1,079,935	2.09%	1,803,735	4.22%	0	0.0%	201,469	1.22%	0	0.0%	0	0.0%	0	0.0%
Hispanic American	233,624	0.45%	1,360,772	3.19%	0	0.0%	308,065	1.86%	258,561	1.73%	0	0.0%	0	0.0%
Native American	122,395	0.24%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	70,057	0.60%	0	0.0%
Other minority	488,472	0.95%	762,825	1.79%	0	0.0%	0	0.0%	34,179	0.23%	0	0.0%	0	0.0%
Neither minority- nor woman-owned	22,788,226	44.13%	33,327,113	78.05%	23,889,166	100.0%	9,259,620	56.06%	13,150,573	87.78%	10,126,384	86.41%	67,649	0.69%

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted May 1, 2015 for FY14

¹⁰ Awards under NAICS codes that included amounts for both minority and women owned business were adjusted to ensure that the total amount between the two categories does not include any duplicative actions.

Initiatives and Accomplishments

Outreach

Federal Acquisition Regulation (FAR) Contracting: Treasury has achieved its most effective engagement with 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 Office of Small and Disadvantaged Business Utilization website at www.treasury.gov/osdbu and on the **OMWI homepage** of www.treasury.gov
- 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

Throughout FY 2014, OMWI sponsored eight vendor outreach sessions that provided individual counseling to approximately 184 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 2014, Treasury staff served as panelists, speakers, facilitators, planning committee members, and exhibitors at the following 17 external events:

- 44th Congressional Black Caucus Foundation Annual Legislative Conference, Washington, DC
- The National Center for American Enterprise Development (RES) DC, Washington, DC
- 24th Annual Procurement Conference, Washington, DC
- Minority Business Development Agency MED Week, Washington, DC
- Alliance Baltimore Matchmaking Event - 2014, Baltimore, MD
- Ft. Belvoir Technology Expo, Fort Belvoir, VA
- The WAVE 4th Annual Veteran Woman Owned Small Business Seminar, Arlington, VA
- National Small Business Week, Washington DC
- Baltimore Washington Corridor Chamber Event – Greenbelt, MD
- US Pan Asian American Chamber of Commerce Match-Making Conference, Washington, DC
- GovConnectx, Falls Church, VA
- American Express Open, Norfolk, VA and Washington, DC
- 2014 U.S. Hispanic Chamber of Commerce Legislative Summit, Washington, DC
- 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

Mentor-Protégé Program: Treasury’s Mentor-Protégé program is designed to motivate and encourage large firms to assist small businesses, including small disadvantaged businesses (which are largely minority-owned businesses) and women-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. In FY 2014, there were 16 Treasury mentor-protégé agreements in place. Among the protégés, eight were MWOB, including two women-owned, three Black-owned, two Asian-owned, and one American Indian-owned business.

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 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 it is 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 ensured that administration of the TARP programs was open to minority-owned and women-owned financial firms. 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.

Treasury has encouraged the participation of smaller broker-dealers, including minority-owned and women-owned broker dealers, in its sales of common shares of various holdings under TARP.

- In January 2013, Treasury began the process of selling its shares of General Motors (GM) common stock into the market under a pre-defined written trading 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.

- In August 2014, Treasury launched its first pre-defined written trading plan as part of its effort to wind down its investments in First BanCorp (FBP). In February 2015, Treasury's broker for FBP stock sales informed Treasury that it had engaged two smaller broker-dealers, including minority-owned and women-owned broker-dealers, to assist with Treasury's sales of its FBP common stock.

New Resources: In FY 2014, OMWI developed a comprehensive publication entitled Access to Business Opportunities with Treasury: A guide for Small, Minority Owned and Women Owned Businesses. As the title implies, this publication was designed to assist businesses understand how to best market specific products and services and navigate the process of conducting business with Treasury. This thirty-eight page publication includes nine chapters on such topics as: Steps to Becoming a Treasury Contractor, Finding Opportunities at Treasury, How Does Treasury Buy Products and Services? Who's Who in Treasury Procurement, Accessing Business Development Support, and Procurement Integrity and Compliance. The PDF and eBook versions contain over 200 active hyperlinks to other useful resources.

Additionally, OMWI developed a publication entitled Top NAICS Codes: A Guide for Small, Minority-owned and Women-owned Businesses. It is designed to assist small, minority, and women-owned business owners in identifying what Treasury buys. It includes lists of the top NAICS codes for the U.S. Department of the Treasury overall, as well as for the Treasury headquarters (Departmental Offices) and individual bureaus. It is intended to serve as a convenient reference tool.

Both publications can be accessed by the general public on the [www.Treasury.gov](http://www.treasury.gov) website at <http://www.treasury.gov/about/organizational-structure/offices/Pages/omwi.aspx>.

Accountability

Leadership Prioritization: The Department of the Treasury utilized a strategic 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. This resulted in a Treasury-wide effort to meet all small business goals. Treasury Departmental Offices successfully met that challenge, exceeding the overall small business goal for the fourth consecutive year in FY 2014.

SMWOB Monitoring: OMWI develops detailed weekly reports of SMWOB contracting for 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 individual 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: OMWI conducted an annual awards recognition program for outstanding performance in small business contracting, which has provided an additional achievement incentive to the acquisition community. Awards include recognition to bureaus that achieved the highest percentages of contract obligations with minority-owned and women-owned businesses. For FY 2014, the two leading bureaus expended 60 percent of their contracting dollars with minority-owned businesses and 34 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 Departmental Offices 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). Treasury published the proposed language in the Federal Register for public comment. Following review and evaluation of the public comments, the final rule was published in the Federal Register on March 20, 2014.¹¹

Challenges

Continued budget reductions for discretionary spending will likely have an impact on available contracting opportunities. In addition, strategic sourcing and shared services 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. 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, which includes participating small, minority-owned, and women-owned financial services firms.

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

¹¹ Refer to <http://www.gpo.gov/fdsys/pkg/FR-2014-03-20/html/2014-05846.html>.

Conclusions and Fiscal Year 2015 Plans

Business Diversity and Inclusion

Despite reductions in overall procurement budget in recent years and without mandated contracting goals, the commitment to disadvantaged business utilization within Treasury Departmental Offices remained strong. In FY 2014, more than one-third (35 percent) of contract dollars totaling \$86 million went to either minority-owned or women-owned businesses (MWOB). This represented an increase compared to the prior two years. Although there are no goals for MWOB contracting, the congressionally mandated small business goals can serve as useful benchmarks to gauge performance. The Treasury Departmental Offices MWOB contracting performance is on par with the congressionally mandated small business goal established for Treasury, which was 35.07 percent in FY 2014. Similarly, contracting to minority-owned businesses, which was at 18 percent in FY 2014, is well above the congressionally mandated goal of 5 percent for contracting with small disadvantaged businesses (which are largely minority-owned). Further, contracting to women-owned businesses, which was at 21 percent in FY 2014, also is well above the congressionally mandated goal of 5 percent for contracting with small women-owned businesses. It is also important to note that MWOB contracting is not limited to less prominent business categories. There is strong MWOB representation among contracts in six of the Treasury Departmental Offices top seven industry codes.

OMWI will strive to support efforts that will not only maintain, but improve upon, this performance. Additionally, outreach efforts will be made to reach specific groups of minority-owned businesses that have been traditionally underrepresented, including Hispanic and American Indian-owned businesses. Specific efforts that will be undertaken in FY 2015 include the following:

Accountability: OMWI will continue to monitor and develop regular reports on the utilization of minority and women owned businesses by each of the Bureaus, including the quarterly performance reviews conducted by the Deputy Secretary. Additionally, OMWI will continue to explore the use of new metrics and benchmarks to increase understanding of possible barriers and aspirational standards for business diversity and inclusion.

MWOB Utilization: For four consecutive years, Treasury Departmental Offices has met or exceeded aggressive goals in small business contracting. In FY 2015, Treasury will aim for a fifth consecutive year 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.

OMWI will be further building the capacity within Treasury Departmental Offices to reach out to minority-owned businesses by leveraging the resources of the Minority Business Development Agency (MBDA) in the Department of Commerce. Through an interagency agreement, Treasury Departmental Offices and MBDA, market research of prospective businesses and vendor education about prospective opportunities will be enhanced.

Financial Agent Authority (Non-FAR): Although agreements issued under the Treasury financial agent authority on behalf of TARP have largely concluded, 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 web-site, OMWI will continue to conduct regular vendor outreach sessions and presentations at conferences and events conducted by industry organizations and federal agencies, such as:

- 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

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. The proposed contract language was finalized and published in the Federal Register on March 20, 2014 (<http://www.gpo.gov/fdsys/pkg/FR-2014-03-20/html/2014-05846.htm>). OMWI is formulating an implementation plan monitoring “good faith efforts” among contractors in accordance with the mandate.

WORKFORCE DIVERSITY and INCLUSION

Workforce Demography

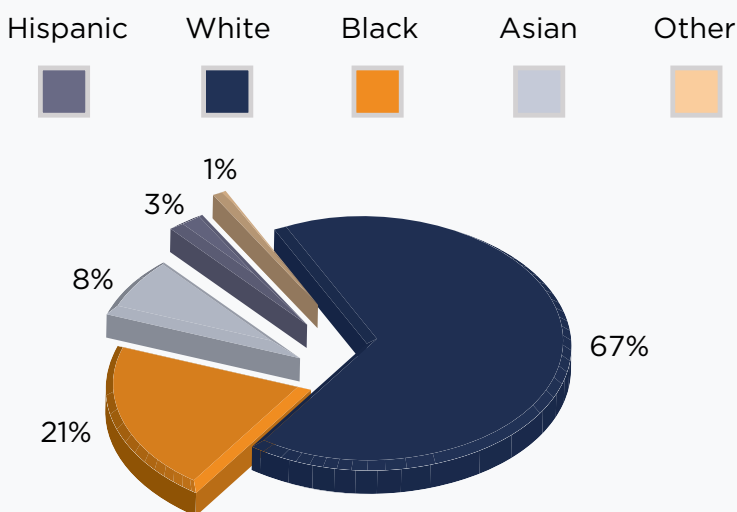
All Treasury Departmental Offices employees play important roles in the fulfillment of the overall Treasury mission. Each employee brings perspectives to his or her work that are influenced by his or her background, culture, and experience. The analysis of the racial, ethnic, and gender representational diversity of Treasury Departmental Offices in FY 2014 includes workforce profiles, benchmarks, demographic differentiation at upper and senior levels and across all grade groupings, hiring and attrition trends, applicant flow, trends in mission-critical occupations, and student employment.¹² 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 permanent workforce across all bureaus and the Departmental Offices in FY 2014 was 105,061 permanent employees (compared to 108,679 in FY 2013). The Treasury Departmental Offices permanent workforce represents less than 2 percent of the permanent Treasury-wide workforce. As of the close of FY 2014, Treasury Departmental Offices had 1691 permanent employees, a decrease of 3 (less than a 1 percent net change) from FY 2013. This net change includes 174 new permanent hires in Treasury Departmental Offices.

Approximately one-third (34 percent) of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. The percentage of minorities increased slightly from the FY 2013 percentage of 32 percent. Hispanic representation remained flat at 3 percent in FY 2013 and FY 2014. Black representation also remained flat at 21 percent in FY 2013 and FY 2014. Asian representation increased slightly from 7 percent in FY 2013 to 8 percent in FY 2014. [Figure 4]

Figure 4. FY 2014 Treasury Departmental Offices Total Permanent Workforce by Race/Ethnicity*

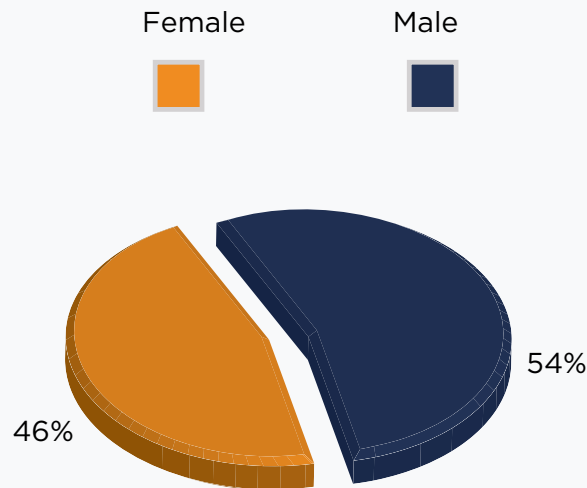


*Percentages have been rounded to whole numbers

12 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 employees by gender in Treasury Departmental Offices are 54 percent men and 46 percent women. The percentage of women in Departmental Offices decreased slightly from 47 percent in FY 2013 to 46 percent in FY 2014. [Figure 5]

**Figure 5. FY 2014 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, the Treasury Departmental Offices workforce was compared to 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.¹³ Table 6 depicts the comparison of the Treasury Departmental Offices' total permanent workforce for FY 2014 with the demography of these benchmarks.

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

Demographic Groups	Federal Government Workforce**	Treasury-wide Workforce	Civilian Labor Force (CLF)	Relevant Civilian Labor Force (RCLF)	Treasury Departmental Offices
Men	56%	37%	53%	33%	54%
Women	44%	63%	47%	67%	46%
Hispanic Men	5%	3%	6%	3%	1.5%
Hispanic Women	3%	7%	5%	6%	1.5%
White Men	39%	25%	39%	25%	41%
White Women	26%	32%	34%	49%	26%
Black Men	8%	6%	5%	3%	7%
Black Women	10%	19%	6%	8%	14%
Asian Men	3%	2%	2%	2%	5%
Asian Women	3%	3%	2%	3%	3%

* Percentages have been rounded to whole numbers, except for Hispanics

**Federal Workforce data is derived from the EEOAnnual 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 (54 percent) in Treasury Departmental Offices workforce is almost equal to the FWF (56 percent) and CLF (53 percent) but greater than that of the Treasury-wide workforce (37 percent) and RCLF (33 percent). The representation of women (46 percent) in the Treasury Departmental Offices workforce is between the FWF (44 percent) and the CLF (47 percent) but less than Treasury-wide workforce (63 percent) and RCLF (67 percent).
- Men by Race/Ethnicity:** Among the men within Treasury Departmental Offices, the representation of Hispanic men (1.5 percent) is less than that of the FWF (5 percent), Treasury-wide workforce (3 percent), CLF (6 percent), and RCLF (3 percent). The representation of White men (41 percent) is greater than that of the FWF (39 percent), Treasury-wide workforce (25 percent), CLF (39 percent), and RCLF (25 percent). The representation of Black men (7 percent) is below the FWF (8 percent) and above the Treasury-wide workforce (6 percent), CLF (5 percent), and RCLF (3 percent). The representation of Asian men (5 percent) is greater than that of the FWF (3 percent), Treasury-wide workforce (2 percent), CLF (2 percent), and RCLF (2 percent).
- Women by Race/Ethnicity:** Among the women within Treasury Departmental Offices, the representation of Hispanic women (1.5 percent) is less than that of the FWF (3 percent), Treasury-wide workforce (7 percent), CLF (5 percent), and RCLF (6 percent). The representation of White women (26 percent) is less than that of the Treasury-wide workforce (32 percent), CLF (34 percent), and RCLF (49 percent), and equal to the FWF (26 percent). The representation of Black women (14 percent) is less than that of the Treasury-wide workforce (19 percent), but greater than that of the FWF (10 percent), CLF (6 percent), and RCLF (8 percent). The

representation of Asian women (3 percent) is equal to that of the FWF (3 percent), Treasury-wide workforce (3 percent), and RCLF (3 percent), but greater than that of the CLF (2 percent).

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 a pipeline to 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 representation¹⁴ and the Treasury-wide workforce representation provide general benchmarks for the relative inclusion by group at upper and senior management levels. [Table 7]

**Table 7. Permanent FY 2014 Treasury Departmental Offices (DO)
Workforce by Upper Management Grade Groupings
compared to the Financial Industry and Treasury DO-wide Workforce***

Demographic Groups	Financial Industry Workforce**	Treasury DO Workforce	Treasury DO SES	Treasury DO GS-15	Treasury DO GS-13-14	Treasury DO GS-12-below
Men	72%	54%	68%	62%	54%	38%
Women	28%	46%	32%	38%	46%	62%
Hispanic	3%	3%	2%	2%	3%	5%
White	89%	67%	90%	86%	64%	49%
Black	3%	21%	4%	6%	23%	40%
Asian	4%	8%	4%	6%	9%	6%

*Percentages have been rounded to whole numbers

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

Permanent Positions: For FY 2014, the representation of minorities and women in permanent GS-13-14, GS-15, and SES (career only) level positions are described below compared to the representation within the total 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 7. Within senior management positions in Treasury Departmental Offices, women fill 38 percent of the permanent

¹⁴ 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).

GS-15 level positions and 32 percent of the permanent SES positions. This represents a decrease of 2 percent at the GS-15 level compared to FY 2013 (40 percent) and a slight decrease by one percent at the SES level compared to FY 2013 (33 percent). Minorities represent 14 percent of the permanent workforce at the GS-15 level and 10 percent of the permanent workforce at the SES level position. This is a decrease of 1 percent compared to the representation in FY 2013 (15 percent) and a decrease of 2 percent at the SES level compared to FY 2013 (12 percent).

- **Women:** The representation of women within permanent positions in Treasury Departmental Offices at the senior management levels (38 percent for GS-15 and 32 percent for SES) is lower than their overall representation in the total permanent Treasury Departmental Offices workforce (46 percent). Their representation within the GS-13-14 level pipeline (46 percent) is equal to their overall representation in the total permanent DO workforce. Their representation within the SES level (32 percent) and GS-15 level (38 percent) are higher than the senior management level in the financial industry (28 percent).
- **Hispanic Employees:** The representation of Hispanic employees 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 Treasury Departmental Offices workforce. However, the representation of Hispanic employees at the GS-15 level (2 percent) and SES level (2 percent) is slightly lower than their overall representation in the total permanent Treasury Departmental Offices 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).
- **Black Employees:** The representation of Black employees within permanent positions in Treasury Departmental Offices at the senior management levels (6 percent for GS-15 and 4 percent for SES) is lower than their overall representation in the total permanent Treasury Departmental Offices workforce (21 percent). Their representation within the GS-13-14 pipeline level (23 percent) is slightly higher than their overall representation in the total permanent Treasury Departmental Offices workforce (21 percent). Their representation within the SES level (4 percent) and GS-15 level (6 percent) are higher than the senior management level in the financial industry (3 percent).
- **Asian Employees:** The representation of Asian employees 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 Treasury Departmental Offices workforce (8 percent). Their representation within the GS-13-14 pipeline level (9 percent) is slightly higher than their overall representation in the total permanent Treasury Departmental Offices workforce (8 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 2014, Treasury had a woman Deputy Secretary, one woman Under Secretary, 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.

All Grade Groupings

A comparison of the representation by gender and minority group status across all grade groups within the Treasury Departmental Offices Permanent Workforce shows the greatest concentration of women and minority employees are in GS-12 and lower positions. [Figures 6 and 7]

Figure 6. FY 2014 Treasury Departmental Offices Permanent Workforce Grade Comparison by Gender

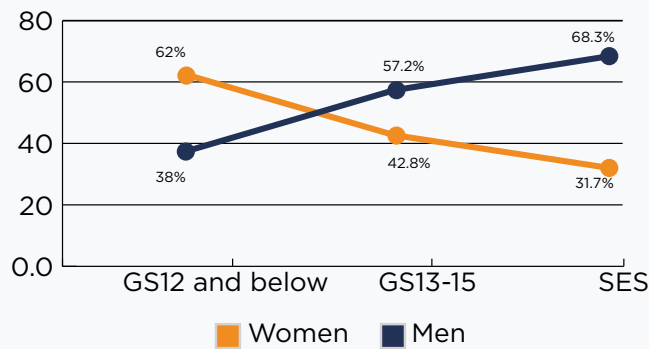
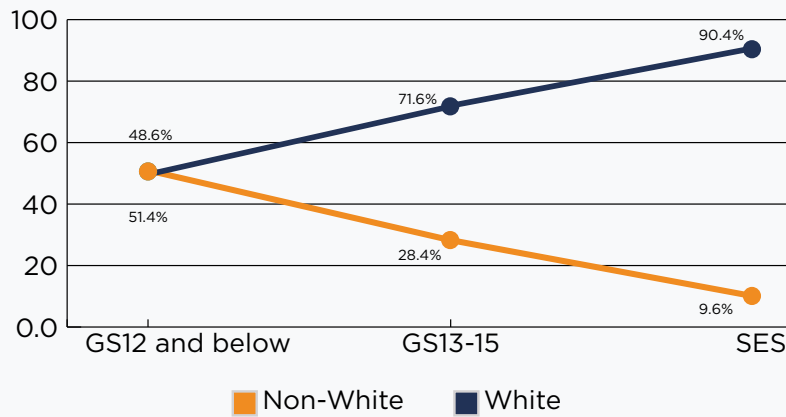


Figure 7. FY 2014 Treasury Departmental Offices Total Permanent Workforce by Race/Ethnicity



Hiring and Attrition

Hiring: In this section, we compare the hiring rates for the various groups and the CLF and RCLF over a four year period (beginning with the FY 2011 baseline year through FY 2014). This analysis includes hiring rate trends of only the permanent workforce. [Table 8]

Table 8. New Hire Trends of Permanent Workforce by Percentage of Employees Hired (FY 2011-FY 2014)

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%
2014	59%	41%	6%	70%	11%	12%

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

- Gender:** The hiring rate for men increased from FY 2011 (49 percent) to FY 2014 (59 percent), and the FY 2014 hiring rate is higher than the CLF availability rate (53 percent). Currently, men represent 54 percent of the permanent workforce which is close to their CLF participation rate (53 percent) but above their RCLF participation rate (33 percent). The hiring rate for women decreased from FY 2011 (51 percent) to FY 2014 (41 percent) and is lower than their CLF availability rate (47 percent). Currently, women represent 46 percent of the permanent workforce, which is almost equal to their CLF participation rate (47 percent) but below their RCLF participation rate (67 percent).
- Hispanic Employees:** The hiring rate for Hispanic employees has increased from FY 2011 (1 percent) to FY 2014 (6 percent), but the FY 2014 hiring rate still remains significantly below their CLF availability rate (11 percent). Currently, Hispanic employees represent 3 percent of the permanent workforce, which is below their CLF participation rate (11 percent) and their RCLF participation rate (9 percent).
- White Employees:** The hiring rate for White employees has decreased from FY 2011 (88 percent) to FY 2014 (70 percent), and the FY 2014 hiring rate is below their CLF availability rate (73 percent). Currently, White employees represent 67 percent of the permanent workforce, which is below both their CLF participation rate (73 percent) and RCLF participation rate (74 percent).
- Black Employees:** The hiring rate for Black employees increased from FY 2011 (6 percent) to FY 2014 (11 percent), and the FY 2014 hiring rate remains consistent with their CLF availability rate (11 percent). Currently, Black employees represent 21 percent of the permanent workforce, which is above their CLF participation rate (11 percent) and RCLF participation rate (11 percent).
- Asian Employees:** The hiring rate for Asian employees increased significantly from FY 2011 (3 percent) to FY 2014 (12 percent), and the FY 2014 hiring rate remains well above their CLF availability rate (4 percent). Currently, Asian employees represent 7 percent of the permanent workforce, which is above their CLF participation rate (4 percent) and RCLF participation rate (5 percent).

Attrition: In this section, comparisons are made between the attrition rates for the various groups and the CLF and RCLF over a four year period (beginning with the FY 2011 baseline year through FY 2014). This trend analysis of the attrition rates includes only the permanent workforce. [Table 9]

Table 9. Attrition Rates by Race/Ethnicity and Gender (FY 2011-FY 2014)

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%
2014	47%	53%	4%	69%	15%	11%

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

- **Gender:** The attrition rate for men decreased slightly from FY 2011 (49 percent) to FY 2014 (47 percent), while the attrition rate for women increased from FY 2011 (51 percent) to FY 2014 (53 percent). The FY 2014 attrition rate for women is higher than their FY 2013 attrition rate of 47 percent. In FY 2014, men separated at a rate of 47 percent and were hired at a rate of 59 percent in the permanent workforce. Women separated at a rate of 53 percent and were hired at a rate of 41 percent in the permanent workforce for FY 2014.
- **Hispanic Employees:** The attrition rate for Hispanic employees has slightly increased from FY 2011 (3 percent) to FY 2014 (4 percent). Hispanic employees are separating at a rate of 4 percent and are being hired at a rate of 6 percent in the permanent workforce.
- **White Employees:** The attrition rate for White employees has decreased from FY 2011 (77 percent) to FY 2014 (69 percent). White employees are separating at a rate of 69 percent, which is slightly below their hiring rate of 70 percent in the permanent workforce.
- **Black Employees:** The attrition rate for Black employees has slightly increased from FY 2011 (14 percent) to FY 2014 (15 percent). The FY 2014 attrition rate is lower than in FY 2013 (22 percent). Black employees are separating at a rate of 15 percent, which is above their hiring rate in the permanent workforce at 11 percent.
- **Asian Employees:** The attrition rate for Asian employees has increased from FY 2011 (4 percent) to FY 2014 (11 percent). Asian employees are separating at a rate of 11 percent and being hired at a rate of 12 percent. The 11 percent FY 2014 attrition rate is also higher than their FY 2013 attrition rate of 7 percent.

Attrition by Type: Of a total permanent Treasury Departmental Offices workforce of 1,659 in FY 2014, 194 employees left due to resignations, retirements and transfers. A review of DO separations by type reveals that resignations, retirements, and transfers are the top three reasons employees separate from the workforce. Employees who did not self-identify race (7) or gender (6) are not included in the table below. [Table 10]

Table 10. Attrition Type by Race/Ethnicity and Gender (FY 2014)

Demographic Group	Types of Attrition			Total
	Resignations	Retirements	Transfers	
Men	37	23	26	86
Women	49	17	36	102
Hispanics	3	1	4	8
Whites	59	28	43	130
Blacks	10	11	8	29
Asians	13	0	7	20
Total Attrition	85	40	62	187
Percentages*	45%	21%	33%	100%

*Percentages have been rounded to whole numbers; Employees who did not self-identify race (7) or gender (6) are not included in the table.

Of the attrition by resignations, 31 percent (26) of the employees were minorities and 69 percent (59) were White. Of the attrition by retirement, 30 percent (12) of the employees were minorities and 70 percent (28) were White. Of the attrition by transfers, 31 percent (19) of the employees were minorities and 69 percent (43) were White. Hispanic employees accounted for 4 percent (8) of the total attrition. White employees accounted for 70 percent (130) of the total attrition. Black employees accounted for 15 percent (29) of the total attrition. Asian employees accounted for 11 percent (20) of the total attrition.

Net Change in Minority Representation: This section shows the net change in minority representation among employees due to the combination of hires and attrition rates, comparing the past four fiscal years (from the FY 2011 baseline year through FY 2014). This resulted in a net attrition rate of -11 percent, -12 percent, -9 percent, and -3 percent, respectively. [Table 11]

Table 11. Net Change in Minority Representation

Workforce Demographics	2011	2012	2013	2014
Rate of Hire	10%	23%	23%	28%
Rate of Attrition	21%	35%	32%	31%
Net	-11%	-12%	-9%	-3%

*Percentages have been rounded to whole numbers

Net Change in the Representation of Women: This section shows the net change in the representation among women employees due to the combination of hires and attrition rates, comparing the past four fiscal years (from the FY 2011 baseline year through FY 2014). This resulted in a net attrition rate of 0 percent, -8 percent, 1 percent, and -9 percent, respectively. [Table 12]

Table 12. Net Change in the Representation of Women

Workforce Demographics	2011	2012	2013	2014
Rate of Hire	51%	40%	48%	45%
Rate of Attrition	51%	48%	47%	54%
Net	0%	-8%	1%	-9%

*Percentages have been rounded to whole numbers

Applicant Flow Analysis

The percentage of women and minorities in the Treasury Departmental Offices permanent workforce is close to their representation within the CLF within Treasury Departmental Offices overall and in GS-12 and below positions. Disparities in representation by race and gender are most apparent at the GS-15 and SES levels. To better understand potential barriers in hiring at these higher positions, an analysis of applicant flow data from FY 2014 was conducted comparing the percent of women and minorities in the CLF, the applicant pool, eligible candidates, best qualified/ referred candidates, and selected candidates for Treasury Departmental Offices overall, GS-15 positions, and SES positions.

Gender: Among all permanent positions in FY 2014 for Treasury Departmental Offices, the recruitment of women does not appear to be a problem. Women made up 46 percent of applicants, which is slightly below their CLF rate of 48 percent. However, fewer women than men apply for GS-15 and SES positions. The percentage of women decreases in the applicant pool for GS-15 (31 percent) and SES positions (28 percent), which is lower than their representation in the CLF of 48 percent. Throughout each stage of hiring process for which we have applicant flow data, for all positions, GS-15 positions, and SES positions, the percentage of women stays somewhat consistent. Women are actually selected at a higher rate across all positions, GS-15 positions, and SES than their representation in the best qualified group.

Minority Status: Among all permanent positions, GS-15, and SES in FY 2014 for Treasury Departmental Offices, the recruitment of minorities does not appear to be a problem. Minorities made up 51 percent of applicants across all positions, which is substantially above their CLF rate of 28 percent. The percentage of minority applicants decreased to 45 percent for GS-15 positions and to 42 percent for SES positions, but remained above their representation in the CLF of 28 percent. However, across all hires and GS-15 positions, minority applicants were selected at a lower rate than their representation in the best qualified group. For SES positions, minorities were selected at a higher rate than their percentage in the best qualified group. Further analysis needs to be done to determine the reasons for this.

Mission Critical Occupations

Within Treasury Departmental Offices, there are five occupational series that are regarded as “critical” to supporting the mission and vision of Treasury. They are comprised of the following: Economist, General Attorney, Financial Analyst, Information Technology Specialist, and Intelligence Analyst. In this section, comparisons are made between the participation rates of the various racial/ethnic and gender representations within each of these occupations in Treasury Departmental Offices’ permanent workforce from the FY 2011 baseline year through FY 2014, compared to their respective RCLF data.

Economist: Trends within the Economist (GS-0110) occupational series reveal a consistently lower than expected participation rate for Hispanics and Blacks when compared to their RCLF during a four year period from FY 2005 through FY 2014. [Table 13]

Table 13. Economist Series Trends by Race/Ethnicity and Gender Percentages

Fiscal Year	HM	HW	WM	WW	BM	BW	AM	AW
FY 2011	0.00%	0.00%	56.87%	35.07%	1.42%	0.00%	2.84%	3.32%
FY 2012	0.49%	0.00%	56.59%	33.66%	1.46%	0.00%	3.41%	3.90%
FY 2013	0.48%	0.48%	56.04%	31.88%	0.97%	0.00%	5.80%	4.35%
FY 2014	1.06%	0.00%	57.98%	31.38%	0.53%	0.00%	5.32%	3.72%
RCLF	3.30%	1.80%	55.80%	25.20%	2.80%	2.70%	4.50%	3.10%

Key: Shaded background color denotes that the percentage is below the RCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women

General Attorney: In the General Attorney (GS-0905) occupational series, trends reveal that males continue to have a participation rate below their respective RCLF rates during the four year period from FY 2011 through FY 2014. Overall, all female groups are consistently showing participation rates at or above their respective RCLF rates. [Table 14]

Table 14. General Attorney Series Trends by Race/Ethnicity and Gender Percentages

Fiscal Year	HM	HW	WM	WW	BM	BW	AM	AW
FY 2011	0.00%	1.87%	56.07%	31.78%	0.93%	3.74%	0.93%	4.67%
FY 2012	0.96%	2.88%	53.86%	32.69%	0.00%	2.88%	1.92%	3.85%
FY 2013	0.90%	2.70%	52.25%	32.43%	0.90%	2.70%	0.90%	5.41%
FY 2014	0.97%	1.94%	53.40%	32.04%	0.97%	2.91%	0.97%	5.83%
RCLF	2.50%	1.80%	59.70%	26.70%	2.10%	2.60%	1.80%	1.80%

Key: Shaded background color denotes that the percentage is below the RCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women

Information Technology (IT) Specialist: In the IT Specialist (GS-2210) occupational series, trends reveal that Hispanics and Whites have participated substantially below the RCLF rate across the four year period from FY 2011 through FY 2014, while Blacks and Asians have consistently participated well above the RCLF rate in that same time period. [Table 15]

Table 15. Information Technology Specialist Series Trends by Race/Ethnicity and Gender Percentages

Fiscal Year	HM	HW	WM	WW	BM	BW	AM	AW
FY 2011	1.60%	0.00%	45.60%	14.40%	15.20%	9.60%	8.80%	2.40%
FY 2012	1.31%	0.00%	44.44%	13.73%	14.38%	8.50%	11.76%	3.92%
FY 2013	1.60%	0.00%	44.68%	14.36%	14.89%	7.45%	10.64%	4.79%
FY 2014	1.46%	0.49%	44.39%	12.20%	14.15%	7.80%	12.68%	4.88%
RCLF	5.40%	2.20%	52.20%	20.90%	6.60%	4.50%	5.10%	1.50%

Key: Shaded background color denotes that the percentage is below the RCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women

Financial Analyst: Trends within the Financial Analyst (GS-1160) occupational series across the four year period from FY 2011 through FY 2014 reveal a consistently lower than expected participation rate for Hispanic females, White males, Black males, and Asians females when compared to their RCLF participation rate. [Table 16]

Table 16. Financial Analyst Series Trends by Race/Ethnicity and Gender Percentages

Fiscal Year	HM	HW	WM	WW	BM	BW	AM	AW
FY 2011	0.00%	0.00%	56.60%	18.87%	3.77%	7.55%	9.43%	1.89%
FY 2012	2.13%	0.00%	44.68%	23.40%	8.51%	10.64%	8.51%	2.13%
FY 2013	4.26%	0.00%	40.43%	27.66%	8.51%	10.64%	6.38%	2.13%
FY 2014	4.26%	0.00%	48.94%	25.53%	2.13%	10.64%	4.26%	4.26%
RCLF	3.10%	2.00%	54.00%	22.00%	3.50%	4.00%	6.10%	4.40%

Key: Shaded background color denotes that the percentage is below the RCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women

Intelligence Analyst: Trends within the Intelligence Analyst (GS-0132) occupational series across the four year period from FY 2011 through FY 2014 show that Hispanic females, White females, Blacks, and Asians fall well below their respective RCLF participation rate. [Table 17]

Table 17. Intelligence Analyst Series Trends by Race/Ethnicity and Gender Percentages

Fiscal Year	HM	HW	WM	WW	BM	BW	AM	AW
FY 2011	0.88%	0.00%	61.06%	31.86%	0.88%	1.77%	1.77%	1.77%
FY 2012	1.83%	0.00%	62.39%	32.11%	0.00%	0.92%	1.83%	0.92%
FY 2013	2.86%	0.00%	62.86%	31.43%	0.00%	0.95%	0.95%	0.95%
FY 2014	2.68%	0.00%	61.61%	31.25%	0.00%	2.68%	0.89%	0.89%
RCLF	2.80%	3.40%	38.80%	40.70%	4.20%	4.60%	1.50%	2.30%

Key: Shaded background color denotes that the percentage is below the RCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women

Student Employment

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 have a long-standing outreach effort to recruit diverse groups of students for internships by partnering with minority-serving organizations and academic institutions. This effort is known as the Treasury Scholars Program, aiming to further expand the diversity of highly qualified candidates interested in internships in the Treasury Departmental Offices. However, during FY 2014, budget limitations and changes pertaining to contracting with minority student serving organizations curtailed our use of these organizations. Treasury Departmental Offices placed 8 students through partnership arrangements with various organizations: the Hispanic Association of Colleges and Universities National Internship Program (2), the Washington Center (3), the International Leadership Foundation (1), and the Congressional Hispanic Caucus Institute, Inc. (2).

In FY 2014, there were 352 student interns who served in Treasury Departmental Offices: 14 percent Asian (49), 12 percent Black (43), 1 percent Hispanic (3), 3 percent Two or More Races (11), 66 percent White (235), and 4 percent who did not identify (13). The greatest proportion of all of the 354 total student interns in Treasury Departmental Offices came through the Volunteer program. 30 percent (96) of the 323 Volunteer program students were racial or ethnic minority students: 14 percent (44) Asian, 13 percent Black (41), and 3 percent Two or More Races (11); 66 percent were White (214); and 13 students (4 percent) did not self-identify. The Treasury Scholars program accounted for 5 percent (5 of 106) of the placements of minority interns (the additional 3 Treasury Scholars students were White). The Pathways program included 23 interns of which 22 percent (5 of 23) were minority students and 78 percent (18 of 23) were White. [Table 18]

Table 18. FY 2014 Treasury Departmental Offices Student Employment

Student Programs	Asian	%	Black	%	Hispanic	%	White	%	2+ Races	%	Not ID'ed	%	Total
Volunteer	44	14%	41	13%	0	0%	214	66%	11	3%	13	4%	323
Treasury Scholars	2	25%	0	0%	3	38%	3	38%	0	0%	0	0%	8
Pathways	3	13%	2	9%	0	0%	18	78%	0	0%	0	0%	23
TOTAL	49	14%	43	12%	3	1%	235	66%	11	3%	0	4%	354

Inclusive Environment Index

The Federal Employee Viewpoint Survey (FEVS) 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 FEVS 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 OPM from April through June 2014. Of the 86,800 Treasury employees invited to take the survey, 51,038 responded in 2014. Treasury Departmental Offices had a response rate of 64 percent (1002), compared to the government-wide response rate of 47 percent. Overall scores below 65 percent on the FEVS are regarded as areas of challenge. Treasury Departmental Offices has an overall Diversity and Inclusion Index score of 60 percent in FY 2014. This score is fairly consistent with those from FY 2011, FY 2012 and FY 2013, when the scores were 61.5 percent and 61.1 percent, and 62 percent, respectively. By comparison, the overall FY 2014 Inclusive Environment Assessment index scores Treasury-wide and government-wide are 59 percent and 56 percent, respectively.

For the specific factors associated with inclusion, Treasury Departmental Offices scores were: 48 percent - fairness, 59 percent - open mindedness, 58 percent - cooperation, 78 percent - supportiveness, and 58 percent - empowerment. Although there is considerable room for improvement, Treasury Departmental Offices' scores are higher than one or both of the benchmark 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 19]

Table 19. FY 2014 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	43%	49%	48%
Open mindedness	Integration of Differences	55%	58%	59%
Cooperation	Open Communication	52%	56%	58%
Supportiveness	Inclusive Management/Leadership Style	74%	79%	78%
Empowerment	Participation in Decision Making	56%	55%	58%
	Overall Average	56%	60.2%	60%

Initiatives and Accomplishments

Outreach

Social Media: Through applicant flow analysis, it was determined that more targeted recruitment could be beneficial to increasing the numbers of highly qualified minority and women applicants for upper and senior level employment opportunities. Toward that end, OMWI launched the utilization of social media to push job announcements to specific multicultural groups on the LinkedIn online community. Throughout FY 2014, 45 GS-13-15 and SES Treasury Departmental Offices positions were posted, generating 12,251 unique views by potential candidates and 1,424 potential candidates who clicked through to apply.

Internships: Treasury Departmental Offices continues to establish/maintain partnerships with existing external internship programs that attract highly qualified, educated and diverse students. Such internship programs included: the Hispanic Association of Colleges and Universities National Internship Program, the Washington Center, the International Leadership Foundation, and the Congressional Hispanic Caucus Institute.

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 who have 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 employee perceptions about inclusion 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.

Quantitative and Qualitative Analysis

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 began 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.

Applicant Flow Analysis: Applicant flow analysis was reviewed to determine the percentage of minority and gender candidates participating at various stages of the hiring process. Through this analysis, OMWI determined that for fiscal years 2013 and 2014, the percentage of minorities in the pool of applicants rated as highly qualified was higher than the percentage of minorities among those selected for positions. More detailed analysis is required to determine the reason for this phenomenon.

Diversity and Inclusion Awareness and Training

Commemorative Heritage Months: In FY 2014, OMWI continued to build upon the electronic media approach that was initiated in FY 2013 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. The development of web-based content has proven to be an efficient and economical way of engaging employees in recognition of national commemorative months. What was once an on-site program that attracted approximately thirty people per event now attracts over 4,000 employee visitors across the six online programs.

Multi-tiered Diversity and Inclusion Training: In FY 2014, OMWI launched the first component of a multi-tiered training program on diversity and inclusion, which addresses the issue of unconscious bias. OMWI conducted four Master Classes (in April, May, July and September) for managers and supervisors entitled, Social Re-engineering the Workplace, which provided diversity and inclusion within the context of a cognitive neuroscience framework. This approach to organizational change is a shift from the typical paradigm in addressing diversity and inclusion. Treasury managers and supervisors are learning the science of social re-engineering the workplace environment for greater workplace inclusion and employee engagement.

One hundred and seventy-five managers and supervisors attended these classes from across key Treasury headquarters program and policy offices. In addition to participants from Treasury Departmental Offices, this training has attracted participation from other Treasury bureaus, as well as other federal agencies, which is positioning Treasury Departmental Offices as providing leadership on this topic.

Additionally, OMWI provided support to the Treasury Executive Institute to add programming in the area of diversity and inclusion for its FY 2014 portfolio for senior executives and employees who aspire to be in the Senior Executive Service Corps (SES). Further, a managerial economist, who is nationally reputed for his definitive research on the relationship between workforce diversity, productivity and innovation, has been engaged to provide diversity and inclusion training for the senior leadership. Because of scheduling difficulties in FY 2014, this training tier will occur in FY 2015.

Finally, the six commemorative month web sites that were developed in FY 2014 included much more than cultural awareness features. OMWI included specific features on these web sites that delivered “stealth” diversity and inclusion training for all employees to better present the content in a convenient, familiar, private, and innocuous fashion. This has proven to increase employee participation in commemorative month programming compared to one-time onsite events.

The intent of this multi-tiered diversity training is to create a growing critical mass of “champions” with common core knowledge embedded throughout the Treasury headquarters organizational structure. It is the expectation that these efforts will promote social transformation towards a more inclusive workplace environment. The multi-tiered training approach and meticulously selected training paradigms have proven to be well-suited for the culture of Treasury, as evidenced by the exceptionally high evaluation ratings and the large numbers of participants in the all-day training sessions.

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. OMWI must focus on strategic outreach, recruitment, internal succession planning, and outcomes to help ensure that minorities and women are aware of opportunities at all levels.

Second, despite the increase in hiring rates across minority groups compared to the FY 2011 baseline year, the attrition rates in FY 2014 of Black and women employees exceeded their hire rates in the Treasury Departmental Offices permanent workforce. Blacks are separating at a rate of 15 percent, which was above their hiring rate in the permanent workforce of 11 percent. Compared to the 2011 baseline year, the hire rate for women decreased from 51 percent to 42 percent in FY 2014. Women separated at a rate of 53 percent in FY 2014, which is far above their rate of hire in the permanent workforce. Therefore, the net attrition rates for Black and women employees could lead to an overall reduction in their representation in the workforce. Furthermore, Hispanics remain under-represented throughout all levels of the Treasury Departmental Offices workforce.

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 (60 percent) has remained fairly consistent over the past three years and is slightly higher than the Treasury-wide (59 percent) and government-wide (56 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 2015 Plans

Workforce Diversity and Inclusion

Overall, the workforce within Treasury Departmental Offices is gender and racially/ethnically diverse. The representation of women and minority groups is at or above that in the civilian labor force, with the exception of Hispanic employees. However, women and racial/ethnic minority groups are disproportionately represented in lower grade level positions. Gender and racial/ethnic disparities exist at the GS13-15 and SES positions and in specific mission critical occupations, i.e., economists, general attorneys, and intelligence analysts.

Women apply for GS-15 and SES positions at much lower percentages than men. Racial/ethnic minorities apply for positions at all levels at percentages rates that are similar to White applicants, but are selected less often.

The attrition rates among women and minority groups exceed their hiring rates, with career advancement and limited developmental opportunities cited most often as the reasons for leaving. Across government, federal employee perceptions of inclusion within the workplace environment are not rated high, particularly on management behaviors of fairness, open-mindedness, cooperation, and empowerment. Perceptions of Treasury Departmental Offices employees regarding workplace inclusion are consistent with those of the federal government-wide workforce.

OMWI will continue to lead efforts to increase workplace diversity at the higher levels, i.e., GS-13-15 and SES, and in mission critical occupations. Programs will be continued to train a critical mass of employees who can bring about social transformation toward a greater culture of inclusion within the workplace. Specific programs and activities that will be undertaken in the area of workforce diversity and inclusion in FY 2015 include the following:

Accountability: In collaboration with the Treasury Human Capital Office and the Office of Civil Rights and Diversity, OMWI will support efforts to establish specific performance elements for diversity and inclusion for supervisors, managers, and all other employees. Additionally, OMWI will continue to explore the use of new metrics and benchmarks to increase understanding of possible barriers and establish aspirational standards for workplace diversity and inclusion.

Social Re-engineering the Workplace: OMWI will continue to conduct multi-tiered training to promote a greater culture of inclusion within Treasury Departmental Offices for the senior leadership, managers and supervisors, and all other employees through various methods. The aim is to produce an overall cultural transformation within Treasury Departmental Offices and to increase the number of employees throughout the various policy and program offices who have common core knowledge regarding workplace inclusion.

Inclusion Council: OMWI will constitute a group consisting of employees representing diverse backgrounds to provide cultural intelligence and make recommendations for consideration by Treasury management and leadership on diversity and inclusion issues. The council will be made up of Treasury Departmental Offices employees who can share the perspectives and insights of various demographic groups.

Recruitment/Outreach: OMWI will expand online outreach efforts to increase the number of minority professionals who are made aware of upper management, senior executive, and mission-critical occupation positions in Treasury Departmental Offices.

Treasury Scholars Program: OMWI will establish and promote a contract vehicle that can be utilized Treasury-wide to access recruitment services from organizations and institutions that serve minority students for internships.

Social Responsibility

The primary responsibility of Treasury Departmental Offices is policy formulation pertaining to the domestic and international economy. There is a direct connection between those policies and the economic realities of everyday Americans. Through the Office of Consumer Education, Treasury had previously offered a financial literacy curriculum for high school teachers with an incentive component for students through the National Financial Challenge. However, this program has been suspended. In FY 2015, OMWI will broaden the scope and approach to the topic of financial literacy by addressing social issues that are impacted by financial matters. Specific topics that will be undertaken in FY 2015 include the following:

myRA: Treasury plans to launch myRA (my Retirement Account), a retirement savings account with a new type of Roth IRA investment that makes saving for retirement simple, safe, and affordable.

This new product will address the needs of millions of workers in America who either do not have access to an employer-sponsored retirement plan or lack options to save for retirement. OMWI will support the promotion of myRA to organizations that represent women and minority populations.

Economic Abuse: OMWI will conduct an educational initiative to promote awareness of economic abuse as a form of domestic violence against women.

Freeman's Bank Commemoration: The Freedman's Savings and Trust Bank was chartered by Congress and signed into law by President Lincoln in 1865 to help formerly enslaved Americans to become part of the economic mainstream. In collaboration with the Treasury Office of the Curator, OMWI will conduct an educational activity to promote awareness of the history of the Freedman's Bank (Treasury Annex building site) in commemoration of the sesquicentennial anniversary of its establishment.

