

Office of Minority  
and Women Inclusion

*Departmental Offices*  
U.S. Department of  
the Treasury



FY 16

# TAKING STOCK & MAKING CHANGE

Annual Report  
to Congress



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# MESSAGE FROM THE CHIEF DIVERSITY & INCLUSION OFFICER



**Lorraine Cole, Ph.D.**

Chief Diversity and Inclusion Officer  
Office of Minority and Women  
Inclusion

The values of diversity and inclusion are fundamental priorities within the Treasury Departmental Offices (headquarters). We take seriously our collective commitment to create a workplace in which inclusive diversity becomes embedded within its cultural fabric. Every employee is encouraged to use these basic values in their daily work to further build and sustain an inclusive workplace environment. Furthermore, it is expected that the characteristics embodied in these values will be visible, intentional, and continual in all that we do every day. We know that such behaviors hold the promise of increased productivity, creativity, and innovation in our service to the American people.

*Taking Stock and Making Change FY16* is the sixth annual report to Congress that describes the ways we have implemented the mandates of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) § 342 (P.L. 111-203). Our commitment to diversity is apparent through the various displays of demographic representation across our workforce. But, beyond demography, this report describes our efforts toward optimal interpersonal interactions between co-workers to leverage the full range of perspectives of our diverse workforce. For instance, we have trained managers and supervisors to be personally accountable to identify and confront unintentional bias. Employees at all levels are expected to demonstrate fairness, open mindedness, cooperation, supportiveness, and empowerment. We also have efforts to identify and overcome barriers that may inhibit full participation in our workplace.

This report also profiles our successes toward ensuring fair utilization of minority-owned and women-owned businesses in our business activities to the maximum extent possible. FY 2016 was a particularly strong year of contracting with minority-owned and women-owned businesses without regard to size, but particularly with small disadvantaged businesses (which are largely minority owned) and small women-owned businesses.

*Taking Stock and Making Change FY16* is our opportunity to tout the successes toward continuously improving diversity and inclusion throughout Treasury Departmental Offices. But, by the same token, we still have much more work to do.

**Lorraine Cole, Ph.D.**

Chief Diversity and Inclusion Officer  
Office of Minority and Women Inclusion  
Departmental Offices  
U.S. Department of the Treasury

FY **2016**  
October 1 to September 30

## BY THE NUMBERS

**35**

PERCENTAGE OF WOMEN PERMANENT  
EMPLOYEES AT THE SENIOR EXECUTIVE  
SERVICE (SES) LEVEL

FEVS INCLUSION  
QUOTIENT SCORE

**64.3**

PERCENTAGE OF MINORITY  
PERMANENT EMPLOYEES AT  
THE SENIOR EXECUTIVE SERVICE  
(SES) LEVEL

**17**

**45**

PERCENTAGE OF  
WOMEN PERMANENT  
EMPLOYEES

**36**

PERCENTAGE OF  
RACIAL/ETHNIC MINORITY  
PERMANENT EMPLOYEES

**1,894**

TOTAL NUMBER OF  
PERMANENT EMPLOYEES

**\$56,624,562**

TOTAL AMOUNT OF CONTRACT DOLLARS  
OBLIGATED WITH WOMEN-OWNED BUSINESSES

**17**

PERCENTAGE OF CONTRACTS  
OBLIGATIONS WITH  
WOMEN-OWNED BUSINESSES

**18**

PERCENTAGE OF CONTRACTS  
OBLIGATIONS WITH  
MINORITY-OWNED BUSINESSES

**54.28**

FEVS  
FAIRNESS  
SCORE

**\$59,481,712**

TOTAL AMOUNT OF CONTRACT  
DOLLARS OBLIGATED WITH  
MINORITY-OWNED BUSINESSES

# EXECUTIVE SUMMARY

**The Office of Minority and Women Inclusion (OMWI)** in the Department of the Treasury 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 sixth 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) 2016.



**BUSINESS DIVERSITY:** Despite reductions in the overall Treasury-wide procurement budget and the absence of mandated contracting goals for other than small businesses, the commitment to disadvantaged business utilization within Treasury Departmental Offices remained strong. In FY 2016, Treasury Departmental Offices' total procurement contracts for goods and services represented \$332 million in obligations (with 1,973 contract obligations), with nearly one-third (30.49 percent) of contract dollars totaling more than \$60 million going to either minority-owned or women-owned businesses. A total of \$59 million, or 18 percent of total contracts, was awarded to minority-owned businesses. Furthermore, \$57 million

or 17 percent was awarded to women-owned businesses of all sizes. Among the small business categories, contract obligations to small disadvantaged businesses represented 13 percent of all Departmental Offices contracts; and contract obligations to women-owned small businesses represented 15 percent – both well above the 5 percent statutory goal.

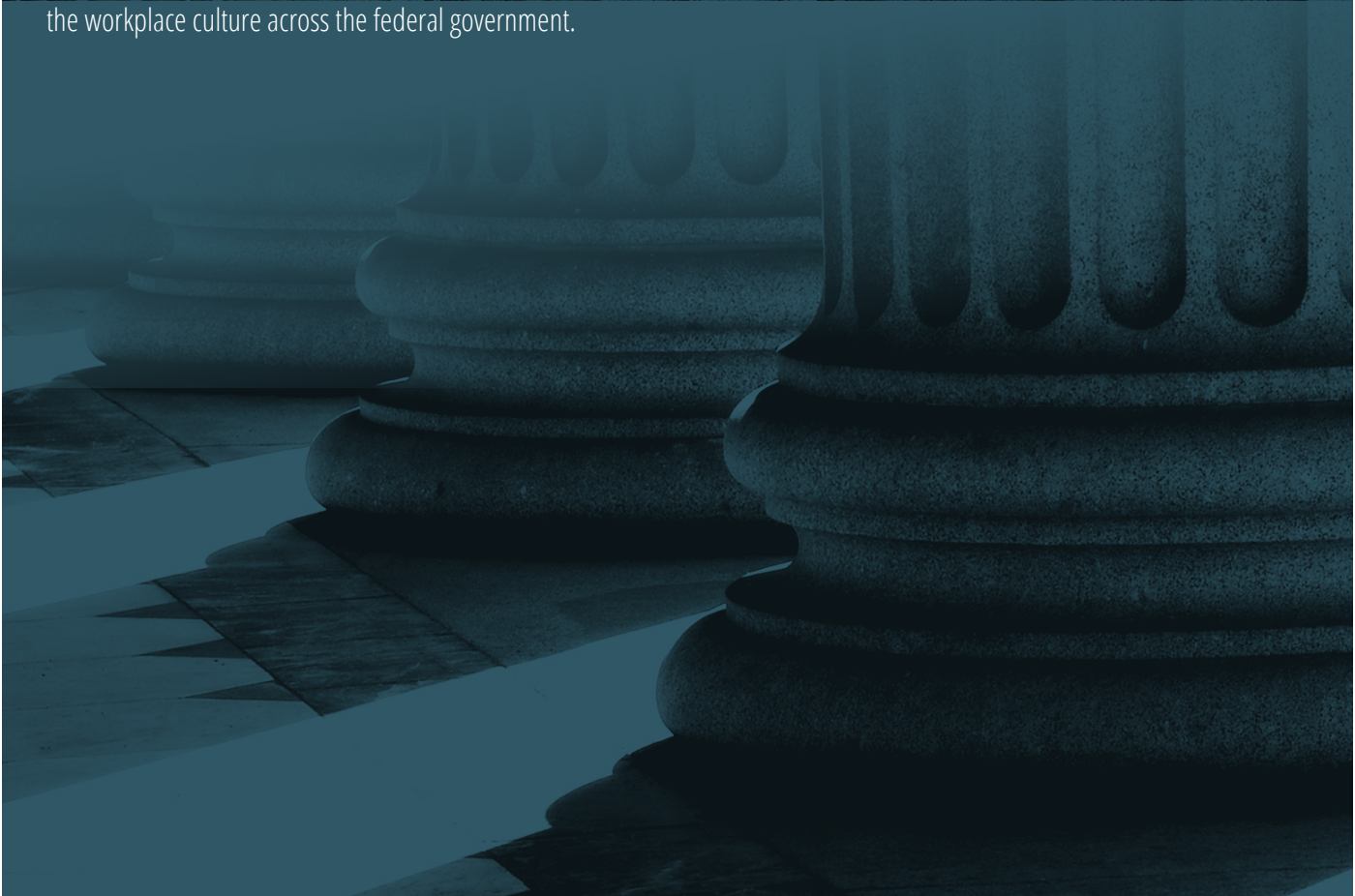
A challenge to implementing the contractor diversity provisions of Dodd-Frank Act § 342 is the outlook for opportunities in the foreseeable future. Overall reduced budgets for discretionary spending are likely to have an impact on available contracting opportunities. Similarly, strategic sourcing initiatives 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.



**WORKFORCE DIVERSITY:** In FY 2016, the Treasury Departmental Offices permanent workforce of 1,894 represented about 2 percent of the total Treasury-wide workforce. Approximately one-third (36%) 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 9 percent and 5 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 17 percent of the permanent GS-15 level, and 17 percent of the permanent senior executive service (SES) positions. With regard to gender representation within Treasury Departmental Offices, 45 percent are women and 55 percent are men. Within senior management positions, women fill 39 percent of the permanent GS-15 level and 35 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 in recent years has had a direct impact on hiring. Therefore, although there will be a continued need for proactive strategies to ensure broad outreach 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/ethnicity and gender. Second, the respective attrition rates of Hispanics and women exceed their hire rates in the Treasury Departmental Offices permanent workforce. Third, based on the New IQ Inclusion 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 has been part of the coordinated effort to transform the workplace culture across the federal government.



# OVERVIEW

This sixth 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) 2016.<sup>1</sup>

## 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

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.

# U.S. Department of the Treasury

Throughout its rich history, Treasury's core mission has not changed. With nearly 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. Internally, the Departmental Offices are responsible for overall management of Treasury.

## Treasury Departmental Offices (Headquarters)

### 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 the Assistant Secretary  
for Management  
The Office of Public Affairs  
The Office of Tax Policy  
The Office of Terrorism and  
Financial Intelligence  
The Treasurer of the United States

**Domestic Finance** works to preserve confidence in the U.S. Treasury market, effectively manage federal fiscal operations, strengthen financial institutions and markets, promote access to credit, and improve financial access and education in service of America's long-term economic strength and stability.

**Economic Policy** reports on current and prospective economic developments and assists in the determination of appropriate economic policies.

**The Office of General Counsel** provides legal and policy advice to the Secretary and other senior Departmental officials.

**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.

**Legislative Affairs** develops strategies to implement legislative initiatives, communicates Treasury's positions to the Congress, and keeps the Department informed of Congressional objectives, concerns, activities, and interests.

**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.

**Public Affairs** develops and implements communications strategy for the Department and advises officials within the Department and its bureaus how best to communicate issues and priorities of public interest.

**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.



**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. The office is responsible for the review and analysis of domestic economic issues and developments in the financial markets.

**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.

## Office of Minority & Women Inclusion 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

**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.<sup>2</sup>

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.

A photograph of a statue of Alexander Hamilton standing on a pedestal in front of a classical building with columns. The image is overlaid with a dark blue semi-transparent rectangle. The text "the commitment to minority owned and women owned business utilization remained strong" is written in white, bold, sans-serif font across the middle of the image.

**the commitment  
to minority  
owned and  
women owned  
business  
utilization  
remained strong**



# BUSINESS DIVERSITY & INCLUSION

## MINORITY OWNED AND WOMEN OWNED 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 increased from \$5.7 billion in FY 2015 to \$6.2 billion in FY 2016. Within Treasury Departmental Offices, procurement for products and services was increased from a total of \$250 million in FY 2015 to \$332 million in FY 2016 (with 1,973 contract actions). Despite the absence of mandated contracting goals, the commitment to minority-owned and women-owned business utilization within Treasury Departmental Offices remained strong in FY 2016, with over 30 percent of contract dollars totaling \$100 million going to either minority-owned or women-owned businesses (MWOB). Specifically, \$57 million (17 percent) of contract obligated award dollars went to women-owned businesses and \$59 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 2016 Contract Obligations by Demographic Groups, Total Awards and Percentages of Awards\*

| Category   | Total Awards in Dollars | Percentage of Awards |
|--|-------------------------|----------------------|
| <b>All Departmental Offices Awards</b>           | <b>\$332,909,235.14</b> | <b>100.0%</b>        |
| <b>Minority-owned or women-owned<sup>3</sup></b> | <b>\$101,516,157.97</b> | <b>30.49%</b>        |
| <b>Woman-owned</b>                               | <b>\$56,624,561.58</b>  | <b>17.01%</b>        |
| <b>Minority-owned<sup>4</sup></b>                | <b>\$59,481,712.21</b>  | <b>17.87%</b>        |
| Asian American                                   | \$16,069,452.66         | <b>4.83%</b>         |
| Black American                                   | \$13,637,392.61         | <b>4.10%</b>         |
| Hispanic American                                | \$10,123,031.13         | <b>3.04%</b>         |
| American Indian                                  | \$2,516,840.33          | <b>0.81%</b>         |
| Other minority <sup>5</sup>                      | \$113,269.30            | <b>0.03%</b>         |
| <b>Neither Minority-owned nor Woman-owned</b>    | <b>\$231,393,077.17</b> | <b>69.51%</b>        |

\* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted September 5, 2017 for FY16; Dollars and percentages are rounded.

3. The total amount of awards to minority women-owned businesses was \$14,590,115.82. 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 \$14,590,115.82
4. The sum of the award dollars to business within the minority-owned sub-categories does not equal the total minority-owned award amount because several awards under the minority categories were not identified in the reporting system as minority-owned businesses.
5. "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.

## TRENDS IN MINORITY OWNED BUSINESS UTILIZATION

Utilization of minority-owned businesses overall within Treasury Departmental Offices has largely remained the same relative to total spending. In FY 2016, a total of almost \$59 million or 18 percent of the total in contract obligations were awarded to minority-owned businesses. [Figure 1] Comparatively, in FY 2015, a total of \$43 million or 17 percent of total contract obligations was awarded to minority-owned businesses.

Contract obligations to minority-owned businesses by specific racial and ethnic designation of the ownership are delineated in Table 2.<sup>6</sup>

Figure 1  
Departmental Offices FY 2016  
Overall Contract Obligations by Minority Status\*

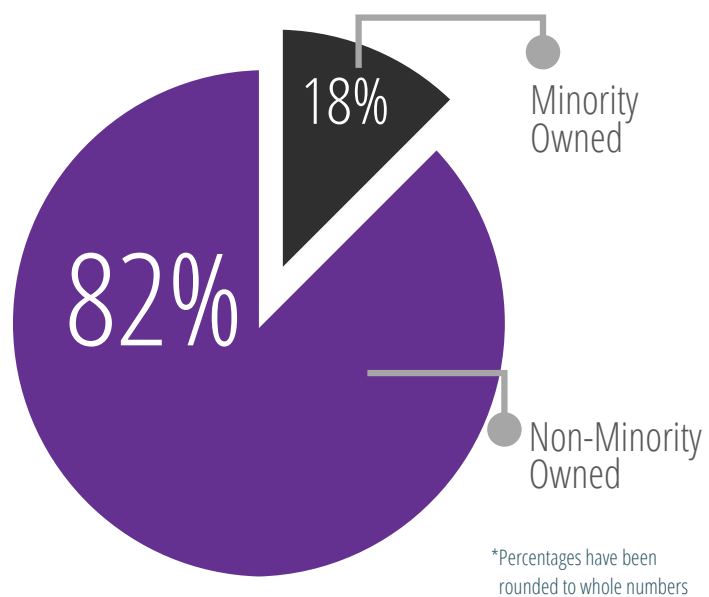


Table 2  
Departmental Offices FY 2012-2016  
Overall Contract Obligations by Specific Racial/Ethnic Minority Group\*

|                           | FY 2016             | FY 2015              | FY 2014             | FY 2013              | FY 2012             |
|---------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| Minority Owned Businesses | \$59 million (18%)  | \$43 million (17%)   | \$45 million (18%)  | \$45 million (18%)   | \$42 million (19%)  |
| Black-owned               | \$14 million        | \$14 million         | \$16 million        | \$15 million         | \$23 million        |
| Hispanic-owned            | \$10 million        | \$5 million          | \$5 million         | \$12 million         | \$4 million         |
| Asian-owned               | \$24 million        | \$22 million         | \$18 million        | \$14 million         | \$9 million         |
| American Indian-owned     | \$1 million         | \$ 4 million         | \$4 million         | \$3 million          | \$2 million         |
| Non-Minority Businesses   | \$274 million (82%) | \$ 205 million (83%) | \$203 million (82%) | \$ 210 million (82%) | \$223 million (81%) |

\* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted September 5, 2017 for FY16; Dollars and percentages are rounded.

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

## TRENDS IN WOMEN OWNED BUSINESS UTILIZATION

There has been a variable trend in the utilization of women-owned businesses within Treasury Departmental Offices. In FY 2016, a total of \$57 million or 17 percent of the total in contract obligations were awarded to women-owned businesses (including minority women). Comparatively, in FY 2015, a total of \$31 million or 12 percent of the total contract obligations was awarded to women-owned businesses; and in FY 2014, a total of \$51 million or 21 percent of the total contract obligations was awarded to women-owned businesses (including minority women). [Figure 2].

Figure 2  
Departmental Offices FY 2016  
Overall Contract Obligations by Gender Categories\*

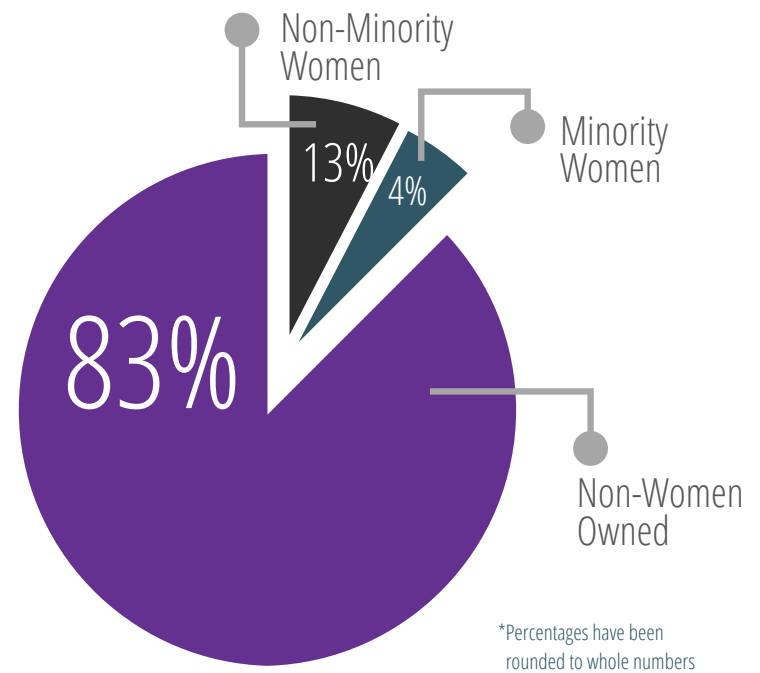


Table 3  
Departmental Offices FY 2012-2016  
Overall Contract Obligations by  
Gender-specific Business\*

|                           | FY 2016             | FY 2015              | FY 2014             | FY 2013              | FY 2012             |
|---------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| Minority Owned Businesses | \$57 million (17%)  | \$31 million (12%)   | \$51 million (21%)  | \$40 million (15%)   | \$31 million (12%)  |
| Black-owned               | \$15 million (4%)   | \$13 million (5%)    | \$11 million (5%)   | \$15million (5.5%)   | \$15 million (6%)   |
| Hispanic-owned            | \$42 million (13%)  | \$18 million (7%)    | \$40 million (16%)  | \$25 million (9.5%)  | \$16 million (6%)   |
| Asian-owned               | \$276 million (83%) | \$220 million (88%)  | \$197 million (79%) | \$222 million (85%)  | \$223 million (88%) |
| American Indian-owned     | \$1 million         | \$ 4 million         | \$4 million         | \$3 million          | \$2 million         |
| Non-Minority Businesses   | \$274 million (83%) | \$ 205 million (83%) | \$203 million (82%) | \$ 210 million (82%) | \$223 million (81%) |

\* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted September 5, 2017 for FY16; 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 2016, contract obligations to small businesses by Treasury Departmental Offices were 40 percent, exceeding the 35 percent statutory goal. Contract obligations to small disadvantaged businesses represented 13 percent, almost triple the 5 percent goal; similarly, contract obligations to women-owned small businesses represented 15 percent, triple the 5 percent goal.<sup>7</sup> [Figure 3]

Figure 3  
Departmental Offices FY 2016  
Small MWOB Contract Obligations \*

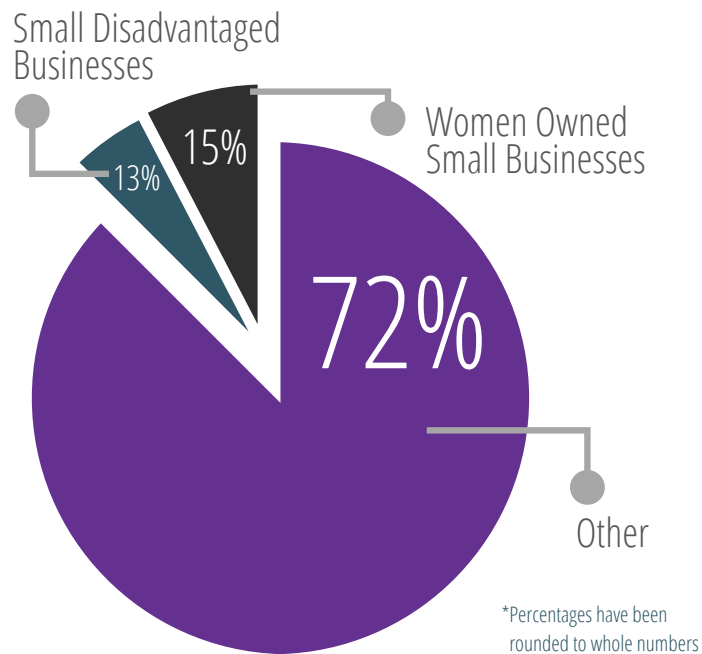


Table 4  
Departmental Offices FY 2012-2016  
Overall Contract Obligations to Small MWOB\*

|   | FY 2016             | FY 2015             | FY 2014             | FY 2013             | FY 2012            |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|
| Total Contract Obligations (regardless of size) | \$333 million       | \$250 million       | \$248 million       | \$255 million       | \$223 million      |
| Overall Small Businesses Contract Obligations   | \$134 million (40%) | \$135 million (54%) | \$125 million (51%) | \$119 million (47%) | \$95 million (42%) |
| Small Disadvantaged Businesses (SDB)            | \$42 million (13%)  | \$32 million (13%)  | \$25 million (14%)  | \$37 million (14%)  | \$40 million (18%) |
| Women-owned Small Businesses                    | \$51 million (15%)  | \$25 million (10%)  | \$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 September 5, 2017 for FY16; Dollars and percentages are rounded.

7. Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted September 5, 2017 for FY16.

## **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. The aim is to encourage firms that provide products or services within those categories to market their firms' capabilities to Treasury bureaus.<sup>8</sup> In FY 2015, 87 percent of all Treasury Departmental Offices contracts were in the area of services. 22 percent of Departmental Offices service contracts were awarded to minority-owned or women-owned businesses: 11 percent went to women-owned businesses and 16 percent went to minority-owned businesses. This resulted in \$48.7 million in contracts to minority-owned or women-owned businesses for services.

Within Treasury Departmental Offices, approximately 79 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 \$32 million and receiving 37 percent of the awards. [Table 5].

8. Refer to [www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/dcfo-osdbu-mp-top25.aspx](http://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 2016

In Dollars and Percentage of Dollar Awards in Top Seven NAICS Codes\*

| Total Departmental Offices Annual Obligated Dollars \$250,382,037 and processed 1,958 actions | NAICS Codes and Descriptions    |               |  |               |                               |               |
|---|---------------------------------|---------------|--|---------------|-------------------------------|---------------|
|   | 541519                          |               | 541611   |               | 493110                        |               |
|   | Other Computer Related Services |               | Administrative Management and General Management Consulting Services |               | General Warehouse and Storage |               |
| Number of businesses with DO awards in NAICS  | 317                             |               | 154  |               | 6                             |               |
| Category  | \$ Awards                       | % Awarded     | \$ Awards  | % Awarded     | \$ Awards                     | % Awarded     |
| Total DO Awards in NAICS  | 88,033,146                      | 26.44%        | 53,862,880   | 16.18%        | 33,549,458                    | 10.08%        |
| Minority- or women-owned <sup>9</sup>   | 32,770,955                      | 37.23%        | 517,830  | 1.33%         | 12,823,713                    | 38.22%        |
| · Women-owned   | 17,439,482                      | 19.81%        | 0  | 0.00%         | 3,284,169                     | 9.79%         |
| · Minority-owned  | 15,979,107                      | 18.15%        | 517,830  | 1.33%         | 10,949,318                    | 32.64%        |
| Asian American  | 9,519,098                       | 10.81%        | 0  | 0.00%         | 135,754                       | 0.40%         |
| Black American  | 310,891                         | 0.35%         | 0  | 0.00%         | 1,958,647                     | 5.84%         |
| Hispanic American   | 884,520                         | 1.00%         | 0  | 0.00%         | 3,239,255                     | 9.66%         |
| Native American   | 130,418                         | 0.15%         | 0  | 0.00%         | 0                             | 0.00%         |
| Other minority  | 562,579                         | 0.64%         | 0  | 0.00%         | 0                             | 0.00%         |
| <b>Neither minority- nor woman-owned</b>  | <b>55,262,191</b>               | <b>62.77%</b> | <b>53,345,050</b>  | <b>98.67%</b> | <b>20,725,745</b>             | <b>61.78%</b> |

\*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted September 5, 2017 for FY16

9. 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. To ensure there was no duplicate counting of overlapping categories of race/ethnicity and gender, the total dollars and percentages have been reduced.

Table 5 continued

| NAICS Codes and Descriptions     |               |                       |                |                                      |               |                   |              |
|----------------------------------|---------------|-----------------------|----------------|--------------------------------------|---------------|-------------------|--------------|
| 541512                           |               | 928120                |                | 541511                               |               | 611420            |              |
| Computer Systems Design Services |               | International Affairs |                | Custom Computer Programming Services |               | Computer Training |              |
| 106                              |               | 366                   |                | 78                                   |               | 46                |              |
| \$ Awards                        | % Awarded     | \$ Awards             | % Awarded      | \$ Awards                            | % Awarded     | \$ Awards         | % Awarded    |
| 31,679,920                       | 9.52%         | 31,484,716            | 9.46%          | 14,957,059                           | 4.49%         | 10,831,815        | 3.25%        |
| 21,074,869                       | 66.52%        | 0                     | 0.00%          | 3,085,861                            | 20.63%        | 10,771,191        | 99.44%       |
| 8,607,553                        | 27.17%        | 0                     | 0.00%          | 2,781,125                            | 18.59%        | 10,771,191        | 99.44%       |
| 16,688,555                       | 52.68%        | 0                     | 0.00%          | 403,926                              | 0.00%         | 0                 | 0.00%        |
| 4,031,098                        | 12.72%        | 0                     | 0.00%          | 99,189                               | 0.66%         | 0                 | 0.00%        |
| 995,943                          | 3.14%         | 0                     | 0.00%          | 0                                    | 0.00%         | 0                 | 0.00%        |
| 1,337,428                        | 4.22%         | 0                     | 0.00%          | 337,175                              | 2.25%         | 0                 | 0.00%        |
| 0                                | 0.00%         | 0                     | 0.00%          | -32,438                              | -0.22%        | 0                 | 0.00%        |
| 198,353                          | 0.63%         | 0                     | 0.00%          | 0                                    | 0.00%         | 0                 | 0.00%        |
| <b>10,605,051</b>                | <b>33.48%</b> | <b>31,484,716</b>     | <b>100.00%</b> | <b>11,871,198</b>                    | <b>79.37%</b> | <b>60,624</b>     | <b>0.56%</b> |



A photograph of the Treasury Department building in Washington, D.C., featuring a large portico with columns and an American flag flying on a tall pole. The image is overlaid with a dark teal gradient.

**Treasury's  
Mentor-Protégé  
program is  
designed to  
motivate and  
encourage large  
firms to assist  
small businesses**





# Initiatives & 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](http://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](http://www.treasury.gov/osdbu) and on the OMWI homepage of [www.treasury.gov](http://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 reviews of targeted acquisitions to ensure that acquisition planning includes adequate and appropriate industry outreach and communications consistent with law, regulation, and Treasury policy

Throughout FY 2016, OMWI sponsored eight vendor outreach sessions that provided individual counseling to approximately 400 small business concerns, including one that provided counseling by Treasury prime contractors and Treasury program managers. Approximately one-third of the participating small businesses were minority-owned and/or women-owned. Treasury also participated in more than 30 small business outreach events sponsored by SBA, other federal agencies, local government, members of Congress, and external organizations that represent SMWOB, serving as panelists, speakers, facilitators, planning committee members, and exhibitors. A sampling of those events is listed below:

- NMSDC – San Diego, CA
- 8(a) National Winter Conference – Orlando, FL
- National Small Business Federal Contracting Summit, Washington, DC
- Veterans in Business, Arlington, VA
- 26th Annual Procurement Conference, Washington, DC
- EPA's HUBZone Small Business Summit, Chicago, IL
- USHHC Legislative Summit, Washington DC
- HHS/Getting Back to Business, Boston, MA
- HHS Getting Back to Business, Fairfax, VA
- MCCC GovConNet Procurement Conference – Rockville, MD
- Women's Power Conference, Washington DC

**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 2016, there were 2 Treasury mentor-protégé agreements in place. Among the protégés, one was a Service Disabled Veteran Owned Business (SDVOB) and one was a Hispanic 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. During the height of the recent financial crisis, Treasury made greater use of its FAA authority in the management of the Troubled Asset Recovery Program (TARP), engaging external broker dealers and asset managers, including minority owned and women owned financial services firms. However, as the TARP program has wound down, such FAA opportunities have been very limited.

## ACCOUNTABILITY

**Leadership 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 reported to 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.

**SES Performance Plans:** To establish accountability relative to business diversity and inclusion, the performance element on which all SES level acquisition staff are evaluated includes the following criteria:

Actively support efforts to ensure fair inclusion and utilization of minority-owned and women-owned businesses, without regard to size, in contracting opportunities to the maximum extent possible, through early acquisition planning, regular procurement forecasting, strategic market research and outreach, and other strategies for diversification of the vendor base.

**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 2016, the two leading bureaus with total procurement spending in excess of \$100 million expended 29 percent of their contracting dollars with minority-owned businesses (Bureau of Fiscal Services) and 23.8 percent with women-owned businesses (Departmental Offices). It is worthy to note that two Treasury organizations with total procurement spending under \$100 million expended 69.4 percent of their contracting dollars with minority-owned businesses (Community Development Financial Institutions Fund) and 36.2 percent with women-owned businesses (Financial Crimes Enforcement Network).

## Good Faith Effort Mandate

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). The final rule was published in the Federal Register on March 20, 2014<sup>10</sup> and, subsequently, this provision has been included in all applicable contracts.

The Department of Labor (DOL), Office of Federal Contract Compliance Programs (OFCCP) conducts diversity-related reviews on contractors across the Federal government, including good faith effort assessments of contractor workforce diversity. Treasury determined that reliance on OFCCP's efforts would reduce overlapping reviews, and help avoid the need to duplicate OFCCP's expertise within OMWI. Utilizing OFCCP evaluation and investigation data, OMWI has developed and implemented a procedure to make a determination whether applicable Departmental Offices contractors have failed to make a good faith effort (GFE) to include minorities and women in their workforce.

Treasury Departmental Offices had 192 contracts in FY 2016 that met the requirements for GFE review. Of those contracts, there were 118 unique Departmental Offices contractors. 21 percent (25) of these contractors had undergone either OFCCP comprehensive compliance evaluations or OFCCP investigations for discrimination.

19.5 percent (23) of the 118 contractors (\$55 million out of \$124 million in contracts) had undergone an OFCCP compliance evaluation. Of the OFCCP evaluations for violations in recruitment, hiring, and/or systemic discrimination, which OMWI uses to establish good faith efforts, it was determined that 65 percent (15 contractors) received a Notice of Compliance. All eight contractors (\$7 million out of \$124 million in contracts) that did not receive a "Notice of Compliance" were cited for recruitment violations. 30 percent (7) of those contractors remedied the violation by entering a Conciliation Agreement with OFCCP to correct the violation within a set period of time. 1 percent (1) of those contractors entered into a financial arrangement with OFCCP to rectify the violation.

2 percent (2) of the 118 contractors (\$7.4 million in contracts) underwent OFCCP investigations. For both contractors, no findings were identified pertaining to race/ethnicity or gender in the contractor workforce.

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

## Challenges

Continued budget reductions for discretionary spending have an impact on available contracting opportunities. In addition, strategic sourcing and shared services initiatives to increase efficiencies further reduce spending and may reduce the number of vendors receiving awards.

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



# WORKFORCE DIVERSITY & 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. Analyzing the racial, ethnic, and gender representational diversity of Treasury Departmental Offices, we examine workforce profiles, trends, benchmarks, hiring and attrition rates, pipeline programs, and demographic differentiation at upper and senior levels and in mission-critical occupations in FY 2016.<sup>11</sup> However, just as importantly, we have examined employee perceptions of the Treasury Departmental Offices workplace environment relative to inclusion. This comprehensive examination informs the recommendations for the work of OMWI going forward.

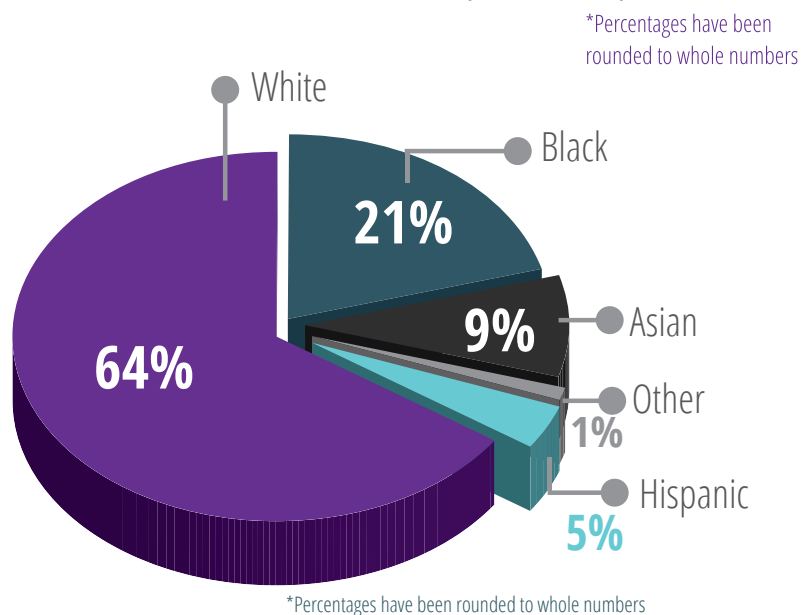
## RACIAL/ETHNIC AND GENDER PROFILES

The total Treasury-wide workforce across all bureaus and the Departmental Offices in FY 2016 was 96,892 permanent employees (99,251 in FY 2015). The Treasury Departmental Offices permanent workforce represents about 2 percent of the total Treasury-wide workforce. As of the close of FY 2016, Treasury Departmental Offices had 1,894 permanent employees, an increase of 88 (close to 5 percent net change) from FY 2015 (1,732). Permanent employees comprised approximately 85 percent of the total DO workforce. Temporary employees (including non-career employees) comprised approximately 15 percent of the total DO workforce.

Approximately one-third (36 percent) of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. The percentage of minorities increased slightly (1 percent) from the FY 2015 percentage of 34 percent.

Hispanic representation increased by 1 percent in FY 2016 and represent 5 percent. Black representation remained unchanged at 21 percent in FY 2016 and FY 2015. Asian representation also remained unchanged at 9 percent in FY 2015 and FY 2016. [Figure 4.]

Figure 4  
FY 2016 Treasury Departmental Offices  
Total Permanent Workforce by Race/Ethnicity



11. Does 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.

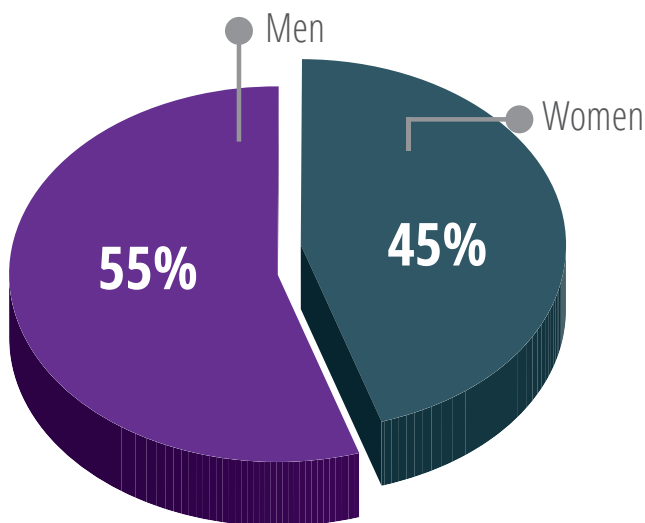


The percentages of employees by gender in Treasury Departmental Offices in FY 2016 remained unchanged from FY 2015. [Figure 5]

Figure 5  
FY 2016 Treasury Departmental Offices  
Total Permanent Workforce by Gender

## BENCHMARK COMPARISONS

To assess the relative status of the diversity profile of Treasury Departmental Offices, the Treasury Departmental Offices workforce was compared with 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.<sup>12</sup> Table 6 depicts the comparison of the Treasury Departmental Offices total permanent workforce for FY 2016 with the demography of these benchmarks.



\*Percentages have been rounded to whole numbers

Table 6  
Permanent FY 2016 Treasury Departmental Offices  
Workforce Demography  
Compared to Federal Government, Treasury-wide, Civilian  
Labor Force Demography, and the Relevant  
Civilian Labor Force Demography\*

| Demographic Groups | Treasury Departmental Offices | Federal Government Workforce** | Treasury-wide Workforce | Civilian Labor Force (CLF) | Relevant Civilian Labor Force (RCLF) |
|--------------------|-------------------------------|--------------------------------|-------------------------|----------------------------|--------------------------------------|
| Men                | 55%                           | 57%                            | 38%                     | 52%                        | 52%                                  |
| Women              | 45%                           | 43%                            | 62%                     | 48%                        | 48%                                  |
| Hispanic Men       | 2%                            | 5%                             | 4%                      | 5%                         | 3%                                   |
| Hispanic Women     | 2%                            | 4%                             | 7%                      | 4%                         | 4%                                   |
| White Men          | 39%                           | 39%                            | 25%                     | 38%                        | 42%                                  |
| White Women        | 25%                           | 25%                            | 31%                     | 34%                        | 35%                                  |
| Black Men          | 7%                            | 8%                             | 6%                      | 6%                         | 4%                                   |
| Black Women        | 14%                           | 10%                            | 20%                     | 7%                         | 6%                                   |
| Asian Men          | 6%                            | 3%                             | 3%                      | 2%                         | 3%                                   |
| Asian Women        | 3%                            | 3%                             | 3%                      | 2%                         | 3%                                   |

12. 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.

## SENIOR MANAGEMENT

Consistent with the EEOC definition of senior management as Federal General Schedule (GS) 15 and above, the Treasury Departmental Offices focus has been oversight and monitoring of recruitment/outreach, hiring, professional development, and attrition in GS-15 and SES positions. Treasury Departmental Offices also tracked and monitored the racial/ethnic and gender representation of the GS-13-14 grade level workforce, which can serve as the pipeline for senior management. Although there are no specific goals for demographic representation by race/ethnicity and gender, comparison to the total Treasury Departmental Offices permanent workforce representation provide a general benchmark for the relative inclusion by group at upper and senior management levels. [Table 7]

Table 7

Permanent FY 2016 Treasury Departmental Offices (DO)  
Workforce by Upper Management Grade Groupings  
Compared to the Total Treasury DO Workforce\*

| Demographic Groups | Total Treasury DO Workforce | Treasury DO SES | Treasury DO GS-15 | Treasury DO GS-13-14 | Treasury DO GS-12-below |
|--------------------|-----------------------------|-----------------|-------------------|----------------------|-------------------------|
| <b>Men</b>         | 55%                         | 65%             | 61%               | 56%                  | 38%                     |
| <b>Women</b>       | 45%                         | 35%             | 39%               | 44%                  | 62%                     |
| <b>Hispanic</b>    | 5%                          | 5%              | 3%                | 4%                   | 7%                      |
| <b>White</b>       | 64%                         | 83%             | 83%               | 60%                  | 41%                     |
| <b>Black</b>       | 21%                         | 5%              | 7%                | 23%                  | 43%                     |
| <b>Asian</b>       | 9%                          | 7%              | 6%                | 11%                  | 8%                      |

\*Percentages have been rounded to whole numbers

**Permanent Positions:** For FY 2016, the representation of minorities and women in permanent GS-13-14, GS-15, and SES level positions are described below compared to the representation within the total 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. Within senior management positions, women fill 39 percent of the permanent GS-15 level positions and 35 percent of the permanent SES positions. This unchanged at the GS-15 level compared to FY 2015 (39 percent); and an increase of 7 percent at the SES level compared to FY 2015 (28 percent). Minorities represent 17 percent of the permanent workforce at the GS-15 level and 17 percent of the permanent workforce at the SES level position. This representation of 17 percent at the GS-15 level is an increase of 2 percent compared to the representation in FY 2015 (15 percent) and an increase of 2 percent at the SES level compared to FY 2015 (15 percent).

**Presidential Appointed and Senate Confirmed Positions:** In FY 2016, there were seven women among the highest ranking Presidential appointed and Senate confirmed positions in Treasury Departmental Offices. The Treasury Deputy Secretary was a woman (the first woman to hold this position in Treasury's history) and there were 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 2016 Treasury Departmental Offices  
Permanent Workforce Grade Comparison by Gender

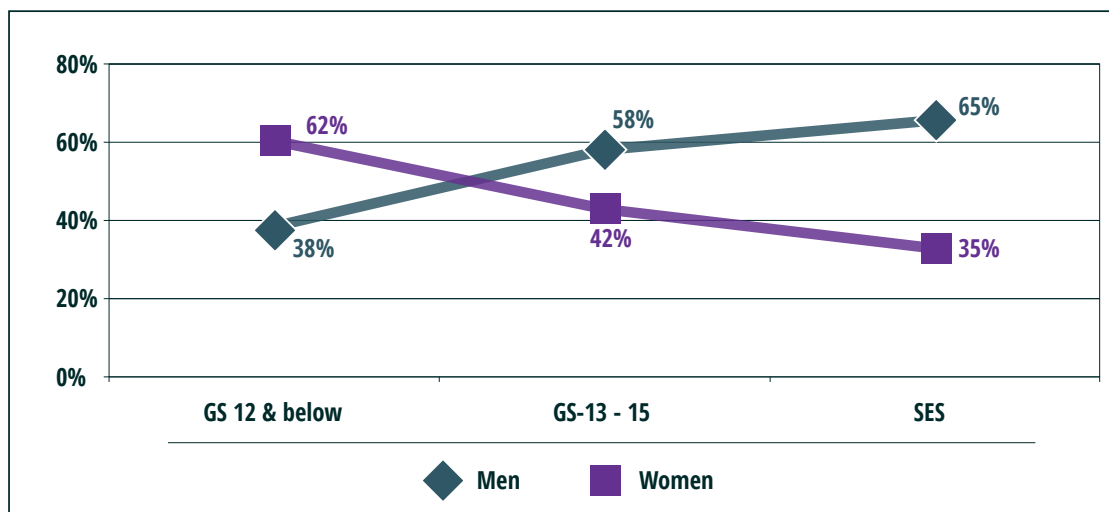
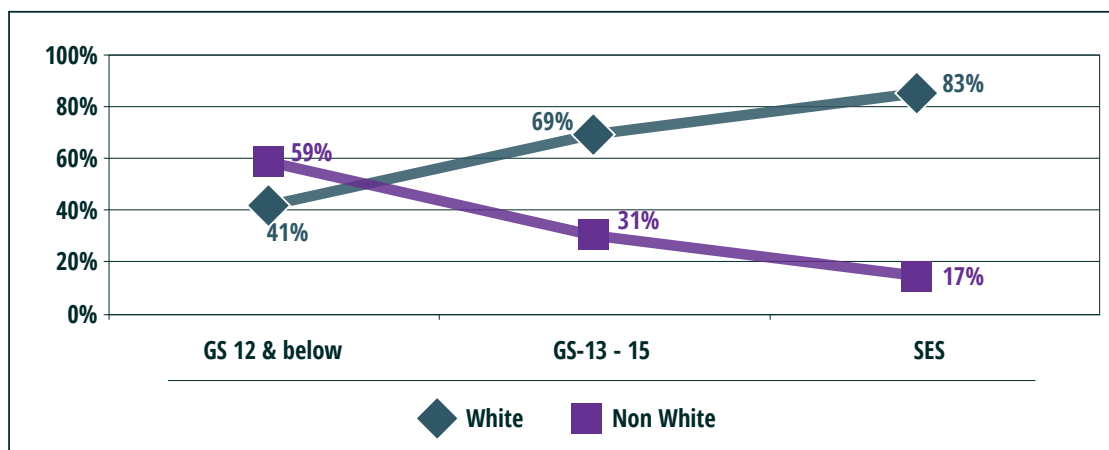


Figure 7  
FY 2016 Treasury Departmental Offices  
Permanent Workforce Grade Comparison by Minority Status



## HIRING AND ATTRITION

**Hiring:** In this section, the hiring rates for the various groups were compared over a five year period (FY 2012 through FY 2016). 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 2012-FY 2016)

| Fiscal year | Men | Women | H  | W   | B   | A   |
|-------------|-----|-------|----|-----|-----|-----|
| 2012        | 60% | 40%   | 2% | 76% | 10% | 11% |
| 2013        | 52% | 48%   | 2% | 75% | 11% | 10% |
| 2014        | 59% | 41%   | 6% | 70% | 11% | 12% |
| 2015        | 56% | 44%   | 6% | 63% | 16% | 15% |
| 2016        | 53% | 47%   | 7% | 58% | 20% | 12% |

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

**Attrition:** In this section, comparisons are made between the attrition rates for the various groups over a five year period (FY 2012 through FY 2016). This trend analysis of the attrition rates includes only the permanent workforce. [Table 9]

Table 9  
Attrition Rates by Race/Ethnicity and Gender (FY 2012-FY 2016)

| Fiscal year | Men | Women | H  | W   | B   | A   |
|-------------|-----|-------|----|-----|-----|-----|
| 2012        | 52% | 48%   | 4% | 67% | 25% | 6%  |
| 2013        | 53% | 47%   | 3% | 68% | 22% | 7%  |
| 2014        | 47% | 53%   | 4% | 69% | 15% | 11% |
| 2015        | 49% | 51%   | 3% | 70% | 16% | 10% |
| 2016        | 56% | 44%   | 2% | 68% | 18% | 12% |

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

**Attrition by Type:** In FY 2016, there was an attrition of 192 employees. A review of DO voluntary separations by type reveals that resignations, retirements, and transfers are the top three reasons employees separate from the workforce. [Table 10]

Table 10  
Attrition by Type and Demographic Group (FY 2016)

| Demographic group | Resignation | Retirements | Transfers | Death | Total |
|-------------------|-------------|-------------|-----------|-------|-------|
| Men               | 44          | 21          | 39        | 3     | 107   |
| Women             | 31          | 15          | 37        | 2     | 85    |
| Hispanics         | 1           | 0           | 3         | 0     | 4     |
| Whites            | 58          | 22          | 46        | 4     | 130   |
| Blacks            | 7           | 12          | 15        | 1     | 35    |
| Asians            | 9           | 2           | 12        | 0     | 23    |
| Total Attrition   | 75          | 36          | 76        | 5     | 192   |
| Percentages       | 39%         | 19%         | 40%       | 3%    | 100%  |

\*Percentages have been rounded to whole numbers

Of the four categories of attrition, minority employees were more likely to transfer to another position within government (48 percent of all minority attrition). White employees were more likely to resign (45 percent of all white attrition). Overall, attrition by race/ethnicity and gender was generally proportional to their overall respective representation within the Treasury Departmental Offices workforce. Whites accounted for 68 percent (130) of the total attrition. Blacks accounted for 18 percent (35) of the total attrition. Asians accounted for 12 percent (23) of the total attrition. And, Hispanics accounted for 2 percent (4) of the total attrition. Women accounted for 44 percent (85) of the total attrition.

**Net Attrition of Minority Employees:** This section shows the net change in minority representation due to the combination of hires and separation rates in comparison to the past five fiscal years (FY 2012 through 2016). The past years resulted in a net attrition rate of, -12 percent, -9 percent, -3 percent, 7 percent, and 10 percent, respectively. [Table 11]

Table 11

Net Change in Minority Representation (FY 2016)

| Workforce Demographics     | 2012        | 2013       | 2014       | 2015      | 2016       |
|----------------------------|-------------|------------|------------|-----------|------------|
| Minority Rate of Hire      | 23%         | 23%        | 28%        | 37%       | 42%        |
| Minority Rate of Attrition | 35%         | 32%        | 31%        | 30%       | 32%        |
| <b>Net</b>                 | <b>-12%</b> | <b>-9%</b> | <b>-3%</b> | <b>7%</b> | <b>10%</b> |

\*Percentages have been rounded to whole numbers

**Net Attrition Women Employees:** This section shows the net change in the representation among women employees due to the combination of hires and separation rates, comparing the past five fiscal years (FY 2012 through FY 2016). This resulted in a net attrition rate of -8 percent, 1 percent, -9, -7 percent and 3 percent, respectively. [Table 12]

Table 12

Net Change in the Representation of Women (FY 2016)

| Workforce Demographics     | 2012       | 2013      | 2014       | 2015       | 2016      |
|----------------------------|------------|-----------|------------|------------|-----------|
| Minority Rate of Hire      | 40%        | 48%       | 45%        | 44%        | 47%       |
| Minority Rate of Attrition | 48%        | 47%       | 54%        | 51%        | 44%       |
| <b>Net</b>                 | <b>-8%</b> | <b>1%</b> | <b>-9%</b> | <b>-7%</b> | <b>3%</b> |

\*Percentages have been rounded to whole numbers

## MISSION CRITICAL OCCUPATIONS TRENDS BY RACE/ETHNICITY AND GENDER

Within Treasury Departmental Offices (DO), 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 Analysts. In this section, comparisons are made between the participation rates of the various racial/ethnic gender representations within each of these occupations in Treasury Departmental Offices permanent workforce from FY 2012 through FY 2016 compared to their respective Occupational Civilian Labor Force (OCLF) data.

- a. **Economist:** Trends within the Economist (GS-0110) occupational series reveal a consistently lower than expected participation rate for Hispanics, Blacks, and White females when compared to their OCLF during a five year period from FY 2012 through FY 2016. (See Table 13)

Table 13

## Economist Series Trends by Race/Ethnicity and Gender Percentages

| Fiscal Year | HM    | HW    | WM     | WW     | BM    | BW    | AM    | AW    |
|-------------|-------|-------|--------|--------|-------|-------|-------|-------|
| 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% |
| FY 2015     | 2.02% | 0.00% | 56.06% | 29.29% | 1.01% | 0.51% | 7.58% | 3.54% |
| FY 2016     | 2.46% | 0.00% | 58.62% | 25.12% | 0.99% | 0.49% | 8.89% | 3.45% |
| OCLF        | 3.30% | 1.80% | 55.80% | 25.20% | 2.80% | 2.70% | 4.50% | 3.10% |

[Key: Purple color denotes that the percentage is below the OCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women]

- b. General Attorney:** In the General Attorney (GS-0905) occupational series, trends reveal that males continue to have a participation rate below their respective OCLF rates during a five year period from FY 2012 through FY 2016 with the exception of Asian males. Overall, all female groups and Asian males are showing participation rates at or above their respective RCLF rates. (See 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 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% |
| FY 2015     | 0.93% | 1.85% | 52.78% | 32.41% | 0.93% | 2.78% | 1.85% | 5.56% |
| FY 2016     | 0.87% | 2.61% | 50.43% | 33.91% | 1.74% | 2.61% | 1.74% | 4.36% |
| OCLF        | 2.50% | 1.80% | 59.70% | 26.70% | 2.10% | 2.60% | 1.80% | 1.80% |

[Key: Purple color denotes that the percentage is below the OCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women]

- c. Information Technology (IT) Specialist:** In the IT Specialist (GS-2210) occupational series, trends reveal that Hispanics and Whites have participated substantially below the OCLF rate across a five year period from FY 2012 through FY 2016, while Blacks and Asians have consistently participated well above the OCLF rate in that same time period. (See 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 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% |
| FY 2015     | 2.17% | 0.87% | 43.04% | 11.74% | 14.78% | 6.96% | 13.91% | 4.78% |
| FY 2016     | 3.32% | 1.87% | 36.90% | 12.55% | 13.28% | 7.01% | 16.97% | 5.54% |
| OCLF        | 5.40% | 2.20% | 52.20% | 20.90% | 6.60%  | 4.50% | 5.10%  | 1.50% |

[Key: Purple color denotes that the percentage is below the OCLF; HM–Hispanic Men; HW–Hispanic Women; WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women]

- d. Financial Analyst:** Trends within the Financial Analyst (GS-1160) occupational series across a five year period from FY 2012 through FY 2016 reveal a consistently lower than expected participation rate for Hispanics females, White males, and Asians males and females when compared to their OCLF participation rate. (See 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 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% |
| FY 2015     | 3.70% | 0.00% | 48.15% | 25.93% | 3.70% | 9.26%  | 1.85% | 5.56% |
| FY 2016     | 3.39% | 0.00% | 40.68% | 27.12% | 6.78% | 15.25% | 1.69% | 3.39% |
| OCLF        | 3.10% | 2.00% | 54.00% | 22.00% | 3.50% | 4.00%  | 6.10% | 4.40% |

[Key: Purple color denotes that the percentage is below the OCLF; HM–Hispanic Men; HW–Hispanic Women;

WM–White Men; WW–White Women; BM–Black Men; BW–Black Women; AM–Asian Men; AW–Asian Women]

**e. Intelligence Analyst:** Trends within the Intelligence Analyst (GS-0132) occupational series across a five year period from FY 2012 through FY 2016 reveal a consistently lower than expected participation rate for Hispanics, White females, and Blacks compared to their respective OCLF participation rates. However, in FY 2016, participation rates of Asian men and women were above their respective OCLF participation rates. (See 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     | 1.83% | 0.00% | 62.39% | 32.11% | 0.00% | 0.92%  | 1.83% | 0.92% |
| FY 2012     | 2.86% | 0.00% | 62.86% | 31.43% | 0.00% | 0.95%  | 0.95% | 0.95% |
| FY 2013     | 2.68% | 0.00% | 61.61% | 31.25% | 0.00% | 2.68%  | 0.89% | 0.89% |
| FY 2014     | 0.93% | 0.93% | 63.89% | 25.93% | 0.00% | 2.78%  | 2.78% | 2.78% |
| FY 2015     | 2.43% | 2.22% | 39.23% | 24.82% | 7.44% | 13.89% | 5.70% | 3.22% |
| OCLF        | 2.80% | 3.40% | 38.80% | 40.70% | 4.20% | 4.60%  | 1.50% | 2.30% |

[Key: Purple color denotes that the percentage is below the OCLF; 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:** 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 offers three opportunities for student internships: an unpaid student volunteer internship program, the Pathways Program that provides paid internships, and a long-standing outreach effort to recruit diverse groups of students for paid internships through partnerships with minority-serving organizations and academic institutions. This latter 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.

In FY 2016, there were 275 student interns who served in Treasury Departmental Offices: 17 percent Asian (47), 13 percent Black (35), 6 percent Hispanic (18), and 64 percent White (175). The greatest proportion of all of the 275 total student interns in Treasury Departmental Offices came through the Volunteer program. 33 percent (80) of the 245 Volunteer program students were racial or ethnic minority students: 18 percent (45) Asian, 9 percent Black (22), 5 percent (13) Hispanic; 67 percent were White (165). The Treasury Scholars program accounted for 17 percent (17 of 100) of the placements of minority interns (the additional 1 Treasury Scholars student was White). The Pathways program included 12 interns of which 25 percent (3 of 12) were minority students. [Table 18]

Table 18  
FY 2016 Treasury Departmental Offices Student Employment

| Student programs         | Asian | %   | Black | %   | Hispanic | %   | White | %   | Total |
|--------------------------|-------|-----|-------|-----|----------|-----|-------|-----|-------|
| <b>Volunteer</b>         | 45    | 18% | 22    | 9%  | 13       | 5%  | 165   | 67% | 245   |
| <b>Treasury Scholars</b> | 1     | 6%  | 11    | 61% | 5        | 27% | 1     | 6%  | 18    |
| <b>Pathways</b>          | 1     | 8%  | 2     | 17% | 0        | 0   | 9     | 75% | 12    |
| <b>Total</b>             | 47    | 17% | 35    | 13% | 18       | 6%  | 175   | 64% | 275   |

## NEW IQ INCLUSION QUOTIENT

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 derived from 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 the New IQ Inclusion Quotient.

The most recent survey was administered by the OPM from April through June 2016. Overall scores below 65 percent on the New IQ Index are regarded as areas of challenge. Treasury Departmental Offices has an overall Diversity and Inclusion Index score of 64.03 percent in FY 2016, a 2.13 percent increase from the score of 61.9 percent in FY2015. By comparison, the overall New IQ Index scores Treasury-wide and government-wide are 57.74 percent and 60.02, respectively.

For the specific factors associated with inclusion, Treasury Departmental Offices scores were: 54.28 percent - fairness, 63.08 percent - open mindedness, 60.40 percent - cooperation 79.74 percent - supportiveness, and 62.63 percent - empowerment. Treasury Departmental Offices' scores on all five factors are higher than those in FY 2015. [Table 19]

Table 19  
FY 2016 Comparison to Government-wide, Treasury-wide and Departmental Offices Scores on the Inclusive Environment Index

| Behaviors       | Gov          | Treasury     | DO           |
|-----------------|--------------|--------------|--------------|
| Fairness        | 44.90        | 49.14        | 54.28        |
| Open-mindedness | 57.00        | 58.10        | 63.08        |
| Cooperativeness | 53.85        | 57.10        | 60.40        |
| Supportiveness  | 75.16        | 79.98        | 79.74        |
| Empowerment     | 57.78        | 55.78        | 62.63        |
| <b>Average</b>  | <b>57.74</b> | <b>60.02</b> | <b>64.03</b> |



**recruits, retains,  
and develops the  
talent needed to  
achieve a high  
quality, diverse  
workforce that  
reflects the  
nation**





# Initiatives & Accomplishments

## ACCOUNTABILITY

**Leadership 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 of each of the program and policy offices. OMWI participates in each of the quarterly performance reviews to provide insight into the workforce diversity and workplace perception data for the respective offices.

**SES Performance Plans:** To establish accountability relative to workforce diversity and inclusion, the Leading People performance element on which all SES level Treasury employees are evaluated includes the following criteria:

Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.

Throughout Treasury, the Leading People performance element, which is one of the four Executive Core Qualifications for senior executives in the federal government, is weighted twice as high as the other three elements rated, i.e., Leading Change, Business Acumen, and Building Coalitions. This higher value accounts for the diversity component of Leading People element in addition to other leadership characteristics.

**All Employee Performance Plans:** In FY 2015, OMWI participated in the drafting of diversity and inclusion elements that eventually will be included in the performance plans of employees at all levels. Specific language has been developed for managers/supervisors, as well as employees who are not in a managerial or supervisory role. Because this widespread change in performance standards will include employees who are part of the bargaining unit, adoption requires union review and approval which has delayed implementation of the new language this year.

## QUANTITATIVE AND QUALITATIVE ANALYSIS

**Diversity in the Hiring Process:** Applicant flow analysis was reviewed to determine the percentage of minority and women candidates participating at various stages of the hiring process. Through this analysis, OMWI provides each major office with a visual representation showing the aggregated flow of all applicants, qualified applicants, best qualified applicants and selections, comparing men versus women and minority versus non-minority applicants. The purpose of this monitoring is to identify disparities at each hiring stage.

**Representational Diversity:** OMWI conducts quantitative “deep dive” analysis of the workforce demography for each of the major policy and program offices that includes:

1. Overall representation by race, gender, disability and veteran status
2. Representation in the major occupations
3. Demography of direct hires
4. Demography of applicants
5. Perceptions of the workplace environment
6. Exit surveys and the reasons for leaving
7. Performance ratings by race and gender

In follow-up to briefings with the offices on these analyses, OMWI works with each of the program and policy offices to review any disparities in representation and areas of concern pertaining to workplace culture to determine the potential sources of problem areas and strategies to address them.

**Inclusion Index:** The Office of Personnel Management developed the Inclusive Environment Assessment (New IQ) index tool for use by federal agencies to assess factors within the workplace that are closely associated an inclusive environment. Using the New IQ inclusion index tool, OMWI began providing individual policy and program offices within Treasury Department Offices with a qualitative measure of employee perceptions of their workplace environment. So, beyond the data representative of workforce diversity by race and gender, this measure, derived from a qualitative survey, provides the extent to which the workplace culture is perceived as inclusive.

## **OUTREACH**

**Social Media Employment Outreach:** 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 initiated the use of social media to push job announcements to specific multicultural groups. In prior years, OMWI effectively used the LinkedIn online community to post selected positions to the most relevant groups.

In FY 2015, OMWI launched a three-year contractual arrangement with the Professional Diversity Network (PDN), the nation’s leading relationship recruitment network for diverse talent with over five million registered users. This arrangement extended throughout FY2016. With the Professional Diversity Network, OMWI has a more expansive social media reach to relevant network groups. All Treasury Departmental Offices position vacancy announcements that are posted on USAjobs.gov are sent to multiple networks of potential job seekers from diverse backgrounds. The objective of this service is to promote diversity of the applicant pools for Treasury Departmental Offices positions. The top views for Treasury Departmental Offices have come through the following PDN networks: Women’s Career Channel (women professionals), Black Career Network (African American professionals), Military 2 Career (veterans), Asian Career Channel (Asian professionals), iHispano (Hispanic professionals), ProAble (persons with disabilities), and OutPro (LGBTQ professionals).

**Internship Outreach:** Treasury Departmental Offices has had long standing partnerships with existing external internship programs that attract diverse and highly qualified students. OMWI established the Treasury Scholars Program in 2012, as a paid internship program in collaboration with minority student serving organizations, such as the National Association for Equal Opportunity in Higher Education, Hispanic Association of Colleges and Universities National Internship Program, the Washington Center, the International Leadership Foundation, and the Congressional Hispanic Caucus Institute, and others. However, because of the proliferation in recent years of several other organizations with similar capabilities, it became impossible to justify continued sole source contracting with specific organizations.

In FY 2015, OMWI issued a competitive solicitation for such organizations to become part of a five-year Blanket Purchase Agreement for the Treasury Scholars Program. Three organizations responded to the solicitation to support the Treasury Scholars Program: INROADS, the Hispanic Association of Colleges and Universities National Internship Program, and the Washington Center. In FY 2016, OMWI offered paid internships



to 18 students via the Treasury Scholars Program. These students were placed in 11 different policy and program offices throughout Treasury Departmental Offices. Students came from a variety of colleges and universities, including Historically Black Colleges and Universities (e.g., Howard, Morehouse, Spelman, Florida A & M) and Hispanic Serving Institutions (e.g., University of Puerto Rico, New Mexico State). This was the largest cohort of Treasury Scholars, the broadest array of office placements, and the greatest diversity of student interns ever hosted in Treasury Departmental Offices.

## **INCLUSIVE DIVERSITY AWARENESS AND TRAINING**

**Multi-tiered Diversity and Inclusion Training:** Since FY2013, a series of multi-level training in diversity and inclusion, with a focus on unconscious bias, has been offered for senior leaders, managers and supervisors, as well as all other employees. The aim of this training is cultural transformation of the workplace by creating a cadre of like-minded diversity and inclusion champions who can serve as catalysts to changing management behaviors and a more inclusive workplace environment.

In FY2016, special emphasis was placed on training senior executives in unconscious bias. A senior executive summit was conducted during which two presentations were conducted on diversity, inclusion, and unconscious bias. The speakers were: Leslie Traub, a principal at Cook Ross, which specialized in unconscious bias training and organizational culture; and Michael Fosberg, who facilitates group discussion about attitudes toward race using a dramatic production.

Further, Treasury's Executive Institute (TEI) established a curriculum and hosted diversity and inclusion training sessions for Departmental Offices employees and managers at the GS14 through SES levels. These sessions included the following seminars:

Suspending Judgement: A Key to Being Culturally Competent  
Women Can Break the Glass Ceiling and Be Themselves  
Building Your Generational Competency  
Seven Leadership Principles from Women in National Security  
Skills, Techniques, and Strategies for Effective Negotiations  
Gen Y Decoded: Insights and Tactics for Leaders  
Crucial Conversations  
Crucial Accountability  
Connection Culture: The Competitive Advantage of Shared Identity, Empathy and Understanding at Work  
Emotional Intelligence for Leadership  
The Neuroscience of Employee Engagement  
The Next GEN Leaders  
Neuro Diversity  
Your Guide to Living and Working in a Multicultural World  
Breaking Bias Workshop  
Coaching in the Work Place: Supportive Conversations  
The Next Gen You: Six Strategies for Meeting Future Leadership Demands  
Never Split the Difference: Negotiating as if Your Life Depended on It  
The Respect Effect: The Neuroscience of Employee Engagement  
Trustworthy Leader  
Emotional Intelligence for Leadership

In addition to live presentations, Treasury also offers training “on demand” via its online learning system that is accessible to all employees. There is currently a one-hour interactive video presentation on unconscious bias by Howard Ross, of the Cook Ross firm. Additional videos will be added to the online learning system in 2017 entitled, *Defeating Unconscious Bias* and *Anyone Can Be An Ally* which addresses bias pertaining to the LGBT community.

**Leadership Commitment:** Treasury Secretary Jacob Lew issued a Diversity and Inclusion Call to Action Statement in 2013 that was disseminated to all Treasury employees, which remains a key policy document representing the agency’s basic principles pertaining to diversity and inclusion. In his statement he indicates that “all employees must demonstrate the characteristics of fairness, open mindedness, cooperation, supportiveness, and empowerment throughout Treasury. This involvement must be visible, intentional, and continuous.” The Deputy Secretary, Sarah Bloom Raskin, has reinforced this call to action by ensuring that diversity and inclusion remains a focus in the quarterly performance reviews of each Treasury Bureau and major office with the Treasury Departmental Offices.

## **ECONOMIC EMPOWERMENT**

The Office of Consumer Policy, within the Domestic Finance Office has the primary responsibility for programming pertaining to financial inclusion, literacy, and policies that address the economic realities of everyday Americans. In FY 2016, the Office of Consumer Policy coordinated two landmark events on these topics.

**Financial Inclusion Forum:** A two-day Financial Inclusion Forum (FIF) was held to increase understanding of financial inclusion, the financial lives of global and domestic consumers, and the multiple roles that the U.S. Government serves in addressing financial inclusion. Speakers and working group sessions were led by key economic thought leaders within Treasury Departmental Offices, other federal agencies, and the private sector, including global organizations. One of the featured speakers was Bill Gates, Co-Chair, Bill & Melinda Gates Foundation and both the Treasury Secretary and the Treasury Deputy Secretary participated prominently in this important program.

**Freedman’s Bank Forum:** The second event coordinated by the Office of Consumer Policy was the Freedman’s Bank Forum, scheduled to coincide with the opening of the new National Museum of African American History and Culture. This Forum brought together public, private, and nonprofit leaders to discuss strategies to improve jobs, economic opportunity, financial inclusion, and shared prosperity for all communities. This Forum’s name is a tribute to the Freedman’s Savings and Trust Company, which was created to provide economic opportunity for newly emancipated people more than 150 years earlier, and which was commemorated by the Treasury Department earlier in the year. Speakers and panelists discussed recent progress and new opportunities for the Administration and private, non-profit and local government sectors in fostering broad-based economic growth.



**Freedman'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. The Freedman's Bank was located on the site that later became the location of the Treasury Annex. In January 2016, the Treasury Annex was named the Freedman's Bank Building in commemoration of the sesquicentennial anniversary of the establishment of the bank to honor its history and legacy of financial inclusion. In collaboration with the Treasury Office of the Curator and the Federal Reserve Bank of Cleveland, OMWI placed an educational exhibit on the ground floor of the Freedman's Bank Building that chronicled the history of the bank. OMWI also developed a mini-documentary video to promote awareness among the general public of the history of the Freedman's Bank.

**myRA:** In FY 2015, Treasury launched *myRA* (*my* Retirement Account), a retirement savings account with a new type of Roth IRA investment designed to encourage saving for retirement. OMWI, in collaboration with the Office of Small Disadvantaged Business Utilization, promoted this program to small businesses at Treasury's vendor outreach sessions throughout the year.

## **CHALLENGES**

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

First, Treasury Departmental Offices continues to operate 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 outreach to diverse candidate pools, there will be fewer available positions. OMWI must focus on strategic outreach, recruitment, internal succession planning, and awareness of implicit biases in selection to help ensure that minorities and women are aware of opportunities at all levels and objectivity in the selection process.

Second, in prior years, the hiring rates for women and across minority groups have been negated by higher attrition rates in the Treasury Departmental Offices permanent workforce. In particular, the attrition rate of Black employees has consistently exceeded the rate of hires. However, in FY2015 and FY 2016, this negative trend has been reversing. In FY 2016, Black employees were hired at a rate (20 percent) higher than their separation rate (18 percent), resulting in a positive net attrition. The overall rate of hiring of minorities (42 percent) exceeded minority attrition (32 percent), resulting in a positive net attrition of 10 percent. Similarly, in FY 2016, the net attrition rate for women was a positive 3 percent, contrary to the prior two years in which the net hire to separation rates were negative. For both race/ethnicity and gender, the new challenge must be to continue to sustain these positive trajectories.

Third, it is evident from the government-wide scores derived from the OPM New IQ inclusion quotient tool that workplace inclusion is challenging across federal agencies. However, there was a notable increase in the Treasury Departmental Offices overall inclusion score from 61.9 percent in FY 2015 to 64.3 percent in FY 2016. This score is higher than the Treasury-wide (60 percent) and government-wide (57.74 percent) scores. Therefore, the new challenge is to continue the momentum of creating a workplace environment that is perceived by employees as being inclusive.

## CONCLUSIONS AND FISCAL YEAR 2017 PLANS

### BUSINESS DIVERSITY AND INCLUSION

Despite reductions in the overall Treasury-wide procurement budget in recent years and without mandated contracting goals, the commitment to minority-owned or women-owned business (MWOB) utilization within Treasury Departmental Offices remained strong. In FY 2016, nearly one-third (30.49 percent) of contract dollars totaling more than \$100 million went to either minority-owned or women-owned businesses (MWOB). This represented an increase compared to the prior year (24.15% in FY 2015). 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 percent in FY 2016. Similarly, contracting with minority-owned businesses was at 18 percent in FY 2016, which is well above the congressionally mandated goal of 5 percent for contracting with small disadvantaged businesses (and are largely minority-owned). Further, contracting with women-owned businesses was at 17 percent in FY 2016, which 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. Specific efforts that will be undertaken in FY 2017 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. Such reports will provide ongoing tracking of progress for use by the acquisition community and leadership, 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 six consecutive years, Treasury Departmental Offices has far exceeded statutory goals in contracting with small disadvantaged businesses and women owned small businesses. In addition, contracting with minority owned and women owned businesses of all sizes have been well above government benchmarks. In FY 2017, Treasury will continue to strive for small business goal attainment by continuing to employ the strategies that have proven 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 resources such as the Minority Business Development Agency (MBDA) in the Department of Commerce.

**Financial Agent Authority (Non-FAR):** 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 minority-owned and women-owned small businesses. In addition to public posting on the Federal Business Opportunities web-site, Treasury 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)

## **WORKFORCE DIVERSITY AND INCLUSION**

Overall, the workforce demography within Treasury Departmental Offices is diverse, but can be described by the following characteristics:

- The representation of women and minority groups is at or above that in the civilian labor force, with the exception of Hispanic employees. However, for Hispanic employees, the number hired exceeded the number who separated in FY 2016, resulting in a positive attrition rate.
- 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.
- Employee perceptions of inclusion within the Treasury Departmental Offices workplace environment have increased compared to prior years, but are still below the score of 65 that the Office of Personnel Management regards as good. However, perceptions among Treasury Departmental Offices employees regarding workplace inclusion are higher than 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 2017 include the following:

**Accountability:** OMWI, in collaboration with the Office of Civil Rights and Diversity, will continue to monitor and develop regular reports on the racial/ethnic and gender demography of the workforce across Treasury Departmental Offices and within the major policy and program offices to identify areas of disparity. Such reports will provide ongoing tracking for use by the policy and program offices and leadership, 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 establish aspirational standards for workplace diversity and inclusion.



In collaboration with the Treasury Human Capital Office and the Office of Civil Rights and Diversity, OMWI will support efforts to implement the specific performance elements for diversity and inclusion for supervisors, managers, and all other employees.

**Workplace Culture:** 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.

**Recruitment/Hiring/Outreach:** OMWI will continue to use social media outreach efforts to increase the number of minority professionals who are made aware of all position announcements, particularly upper management, senior executive, and mission-critical occupation positions in Treasury Departmental Offices. The hiring rates of women and Black employees will continue to be tracked to determine strategies to maintain the positive trajectory.

OMWI will continue to utilize its blanket purchase agreement contract vehicle to access recruitment services from organizations and institutions that serve minority students for internships to increase the diversity of interns within Treasury Departmental Offices.







