

Department of the Treasury

**OMWI**

Office of Minority  
and Women  
Inclusion



FY18 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

As we approach the third decade of the 21st century, Treasury Departmental Offices continues its longstanding commitment to applying diversity and inclusion principles to meet the nation's evolving economic needs. We also are approaching a full decade since the Office of Minority and Women Inclusion (OMWI) was established. With these landmarks in view, Treasury remains dedicated to creating an inclusive, diverse workplace that maximizes our human talent. The agency continues to empower small businesses, minority-owned businesses, and women-owned businesses, thereby fueling the communities they serve. In this eighth Office of Minority and Women Inclusion Annual Report to Congress, we are proud to report on key successes for FY 2018 in workforce and business diversity and inclusion. For example:

- ✓ We scaled new heights. The percentage and dollar amounts of minority-owned business contract obligations was the highest ever and among the highest in women-owned business contracting.
- ✓ We built the first-of-a-kind. OMWI and the Bureau of Fiscal Services Office of Revenue Collections inaugurated an unprecedented Financial Agent Mentor Protégé Program between large banks and small financial institutions, including minority-owned banks.
- ✓ We joined forces. Treasury joined with the other seven OMWI agencies to co-host the Smart Contracts – Smart Contracts Technical Assistance Event, training 199 minority vendors to become prospective federal contractors.
- ✓ We opened minds. OMWI launched Inclusion Insights, a year-long series of short videos on the topic of unconscious bias, accessible online for all Treasury employees.
- ✓ We achieved benchmarks. The representation of Black men is equal to or higher than each of four external demographic benchmarks; and the representation of Black women is also higher across three out of four benchmarks. The representation of both Asian men and Asian women is higher than each of four benchmarks.
- ✓ We inspired tomorrow's leaders. OMWI hosted 10 talented minority students in our Treasury Scholars Program, increasing the diversity among all interns by 16 percent at Treasury's headquarters.

Much progress has been made, but there remains much work to do. We can go further. And, we will. Through the efforts of the OMWI team to meticulously quantify and qualify our progress against benchmarks and aspirations, we know where gaps exist, barriers reside, and challenges remain. We also know that leadership commitment, accountability measures, and strategic action are the formula for creating positive changes toward inclusive diversity.

As Americans, we live in one of the most multi-ethnic, multi-racial, and culturally diverse nations in the world. As this report shows, we take seriously our obligation to ensure that those who do the work of Treasury and those who are the beneficiaries of our work represent every face of America.

*Lorraine Cole*

**Lorraine Cole, Ph.D.**

Chief Diversity and Inclusion Officer  
Office of Minority and Women Inclusion

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

FY **2018**  
October 1 to September 30

## BY THE NUMBERS

**27**

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

FEVS INCLUSION  
QUOTIENT SCORE

**61.84**

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

**14**

**44**

PERCENTAGE OF  
WOMEN PERMANENT  
EMPLOYEES

**37**

PERCENTAGE OF  
RACIAL/ETHNIC MINORITY  
PERMANENT EMPLOYEES

**1,788**

TOTAL NUMBER OF  
PERMANENT EMPLOYEES

**\$70,239,528**

TOTAL AMOUNT OF CONTRACT DOLLARS  
OBLIGATED WITH WOMEN-OWNED BUSINESSES

**22**

PERCENTAGE OF CONTRACTS  
OBLIGATIONS WITH  
WOMEN-OWNED BUSINESSES

**28**

PERCENTAGE OF CONTRACTS  
OBLIGATIONS WITH  
MINORITY-OWNED BUSINESSES

**53.28**

**FEVS  
FAIRNESS  
SCORE**

**\$87,082,472**

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 eighth 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) 2018.



**BUSINESS DIVERSITY.** Despite the absence of mandated contracting goals for other than small businesses, Treasury Departmental Offices' commitment to minority-owned and women-owned business (MWOB) utilization has remained strong. In FY 2018, Treasury Departmental Offices' total procurement contracts for goods and services represented \$313 million in obligations (with 1,746 contract actions), with over one-third (37 percent) of contract dollars totaling \$116 million going to either minority-owned or women-owned businesses. A total of \$87 million, or 28 percent of total contracts, was awarded to minority-owned businesses. A total of \$70 million, or 22 percent of total contracts, was

awarded to women-owned businesses of all sizes. Among the small business categories, contract obligations to small disadvantaged businesses represented 22 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.

Since OMWI first began tracking MWOB contracting in 2011, there has been an almost steady upward trajectory in MWOB utilization. The percentage and dollar amounts of minority-owned business contract obligations by Treasury Departmental Offices was the highest ever in FY 2018 and among the highest in women-owned business contracting. These achievements were accomplished without mandated goals as incentives for other than specific small business categories and despite greater emphasis placed on the utilization of category management efforts in FY 2018. With such strong performance in the utilization of minority-owned and women-owned businesses in FY 2018, it is difficult to propose or predict challenges.

However, with the implementation of category management strategies as a recent directive for the government-wide acquisition community, there remains the potential for a negative impact on contracting with minority-owned and women-owned businesses as an unintended consequence, particularly in specific industries where such businesses are not abundantly present. Therefore, even though no particular challenge in this regard was noted in FY 2018, this is an area where continued monitoring will be important.

**WORKFORCE DIVERSITY.** In FY 2018, the Treasury Departmental Offices permanent workforce of 1,788 represented about 2 percent of the total Treasury-wide workforce. More than one-third (37%) of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. Blacks represent the largest of the minority groups at 22 percent. Asians and Hispanics comprise 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 14 percent of the permanent senior executive service (SES) positions. With regard to gender representation within Treasury Departmental Offices, 44 percent are women and 56 percent are men. Within senior management positions, women comprise 39 percent of the permanent GS-15 level and 27 percent of the permanent SES positions.

Treasury Departmental Offices is committed to adopting leading edge strategies to maintain accountability, transform the workplace culture, analyze data, and conduct outreach as we aim to secure a high performing workforce drawn from a diverse pool of candidates. The biggest challenges to implementing the workforce diversity provisions of Dodd-Frank Act § 342 have been hiring restrictions, retention rates, identifying and mitigating underlying the root causes for underrepresentation in specific racial/ethnic and gender categories, and perceptions of the workplace culture.

First, throughout FY 2018, there has been a personnel cap imposed for Treasury Departmental Offices, which has maintained staffing at specified levels and, thus, constrained hiring and prospects to further impact workforce diversity.

Second, hiring constraints were compounded by retention rates. The percentage of women who separated (44 percent) from Treasury was greater than the percentage hired (42 percent), resulting in a negative net attrition (–2 percent). The separation rate of minorities (36 percent) was considerably higher than the hiring rate of minorities (25 percent), which was the lowest in five years.

Third, the continuing challenge is to identify and mitigate the root causes and systemic barriers to the employment and advancement of women and racial/ethnic minority groups in specific areas of the workforce. There is an overall underrepresentation of Hispanics in the workforce below nearly all benchmarks, in senior management and senior executive positions, and in mission critical occupations. Similarly, there is an underrepresentation of women, Blacks, and Asians in senior executive positions, at specific senior management levels, and in certain mission critical occupations.

Fourth, employee perceptions of fairness (53.28 in FY 2018 and 55.40 in FY 2017) have been consistently below the acceptable score of 65 percent on the inclusion quotient of the annual Federal Employee Viewpoint Survey (FEVS). On rankings across the federal government of Best Places to Work, Treasury Departmental Offices ranked in the fourth quartile (337 out of 415) among federal agency subcomponents on this quotient; and also ranked in the fourth quartile (298 out of 409) on the subcategory of “support for diversity.”



# OVERVIEW

This eighth 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) 2018.<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

**Boost U.S. Economic Growth**

2

**Promote Financial Stability**

3

**Enhance National Security**

4

**Transform Government-wide Financial Stewardship**

5

**Achieve Operational Excellence**

1. Refer to <https://legcounsel.house.gov/Comps/Dodd-Frank%20Wall%20Street%20Reform%20and%20Consumer%20Protection%20Act.pdf>. 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 (i.e., Treasury's headquarters), 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.

**The Office of Domestic Finance**

**The Office of Economic Policy**

**The Office of General Counsel**

**The Office of  
International Affairs**

**The Office of Legislative Affairs**

**The Office of Management**

**The Office of Public Affairs**

**The Office of Tax Policy**

**The Office of Terrorism  
and Financial Intelligence**

**The Treasurer  
of the United States**

## Treasury Departmental Offices (Headquarters)

- **Domestic Finance** works to preserve confidence in the U.S. Treasury market, effectively manage federal fiscal operations, strengthen financial institutions and markets, promote access to credit, and improve financial 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.
- **Management** is 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** has direct oversight of the U.S. Mint and Fort Knox and is a key liaison with the Federal Reserve. Additionally, the Treasurer oversees the Office of Consumer Policy at Treasury and serves as a senior advisor to the Secretary on community development and engagement.

# OFFICE OF MINORITY & WOMEN INCLUSION

## PRIMARY DUTIES

**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) § 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

**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**

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>

The Chief Diversity and Inclusion Officer for Treasury Departmental Offices is the Director of OMWI and serves as the chief strategist to the Treasury Secretary and chief advisor to the Assistant Secretary for Management of efforts pertaining to workforce and business diversity and inclusion. The OMWI Director directly reports to Assistant Secretary for Management on a day-to-day basis and has a dotted reporting line to the Secretary of the Treasury. Throughout 2018 and in accordance with Dodd Frank § 342, Lorraine Cole, Chief Diversity and Inclusion Officer, held meetings with Treasury Secretary Steven T. Mnuchin on a regular basis, provided briefings on relevant aspects of workforce and business diversity and inclusion, consulted on new initiatives, and recommended leadership action, as necessary.

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.





**“We are  
committed  
to diversity,  
inclusion,  
and dignity  
for all  
people...”**

Steven T. Mnuchin,  
Secretary of the Treasury



# 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 decreased from \$5.2 billion in FY 2017 to \$4.8 billion in FY 2018. Within Treasury Departmental Offices, procurement for products and services increased from a total of \$301 million in FY 2017 (with 2,373 contract actions) to \$313 million in FY 2018 (with 1,746 contract actions). Despite the absence of mandated contracting goals for other than small businesses, the commitment to minority-owned and women-owned business utilization within Treasury Departmental Offices remained strong in FY 2018, with 37 percent of contract dollars totaling \$116 million going to either minority-owned or women-owned businesses (MWOB). Specifically, \$70 million (22 percent) of contract obligated award dollars went to women-owned businesses and \$87 million (28 percent) went to minority-owned businesses (dollar amounts awarded to minority women-owned businesses are included within each category). (Refer to Table 1) This level of contracting with minority-owned businesses is the highest since OMWI began reporting in 2011. While the percentage of women-owned business contract obligations declined slightly from that in FY 2017, the FY 2018 percentage of women-owned business contract obligations represents a significant increase from all other previous years of reporting.

**Table 1**

**FY 2018 Treasury Departmental Offices  
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>\$313,036,169</b>	<b>100.0%</b>
Neither Minority-owned nor Women-owned	\$197,295,146	63.0%
Minority-owned or Women-owned <sup>3</sup>	\$115,741,023	37.0%
Woman-owned	\$70,239,528	22.4%
Minority-owned <sup>4</sup>	\$87,082,472	27.8%
Asian American <sup>5</sup>	\$51,111,157	16.3%
Black American	\$15,603,182	5.0%
Hispanic American	\$14,142,253	4.5%
Native American	\$7,459,165	2.4%
Other Minority <sup>6</sup>	\$2,467,590	0.8%

\*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 7, 2018 for FY18 using the following filters:

Awarding Agency Name: 20 Department of the Treasury | Awarding Sub Agency Name: 2001 Departmental Offices, 2050 Internal Revenue Services

Funding Agency Name: 20 Department of Treasury | Funding Sub Agency Name: 2001 Departmental Offices

- The total amount of awards to minority women-owned businesses was \$41,580,977. 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 \$41,580,977.
- The sum of the award dollars to businesses 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.
- "Asian American" includes both Subcontinent Asian (Asian-Indian) American-owned businesses and Asian Pacific American-owned businesses.
- "Other minority" means those businesses designating "minority-owned" in the System for Award Management, but not designating Asian American, Black American, Hispanic American, or Native American.

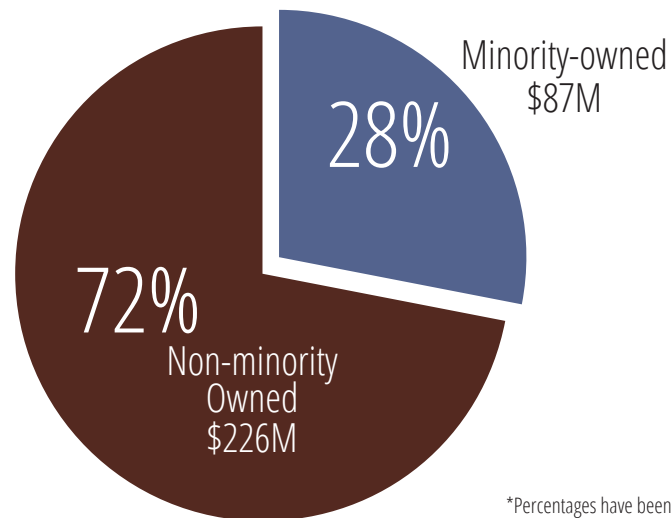
## TRENDS IN MINORITY-OWNED BUSINESS UTILIZATION

Utilization of minority-owned businesses overall within Treasury Departmental Offices has increased relative to total spending. In FY 2018, a total of \$87 million or 28 percent of the total in contract obligations were awarded to minority-owned businesses (Figure 1).

Contract obligations to minority-owned businesses by specific racial and ethnic designation of the ownership for the five most recent consecutive years are listed in Table 2.<sup>7</sup>

**Figure 1**

FY 2018 Treasury Departmental Offices  
Overall Contract Obligations by Minority Status\*



\*Percentages have been rounded to whole numbers

**Table 2**

Treasury Departmental Offices  
Overall Contract Obligations by Specific Racial or Ethnic Minority Group\*

Category	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Minority-owned Businesses	\$87 million (28%)	\$72 million (24%)	\$59 million (18%)	\$43 million (17%)	\$45 million (18%)
Black-owned	\$16 million	\$14 million	\$14 million	\$14 million	\$16 million
Hispanic-owned	\$14 million	\$16 million	\$10 million	\$5 million	\$5 million
Asian-owned	\$51 million	\$42 million	\$24 million	\$22 million	\$18 million
American Indian-owned	\$7 million	\$1 million	\$1 million	\$ 4 million	\$4 million
Non-minority Businesses	\$226 million (72%)	\$230 million (76%)	\$274 million (83%)	\$ 205 million (83%)	\$203 million (82%)

\* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 7, 2018 for FY18; dollars and percentages are rounded.

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

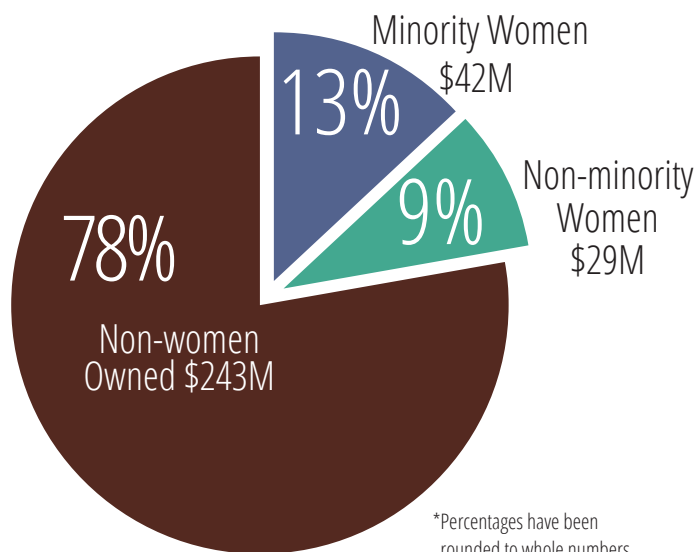
## TRENDS IN WOMEN-OWNED BUSINESS UTILIZATION

From FY 2017 to FY 2018, there was a decrease in the contracts awarded to women-owned businesses within Treasury Departmental Offices. In FY 2018, a total of \$70 million or 22 percent of the total contract obligations were awarded to women-owned businesses, including minority women (Figure 2).

Contract obligations to women-owned businesses, including minority status, for the five most recent consecutive years are listed in Table 3. Although the percentage and dollar amounts of contract obligations with minority-owned businesses decreased in FY 2018 compared to FY 2017, it remained among the highest across the five-year period. It is also noteworthy that, for the second consecutive year, the percentage and dollar amounts of contract obligations with minority women-owned business exceeded that with non-minority women-owned businesses.

**Figure 2**

FY 2018 Treasury Departmental Offices  
Overall Contract Obligations by Gender Categories\*



**Table 3**

Treasury Departmental Offices  
Overall Contract Obligations by Gender-specific Business\*

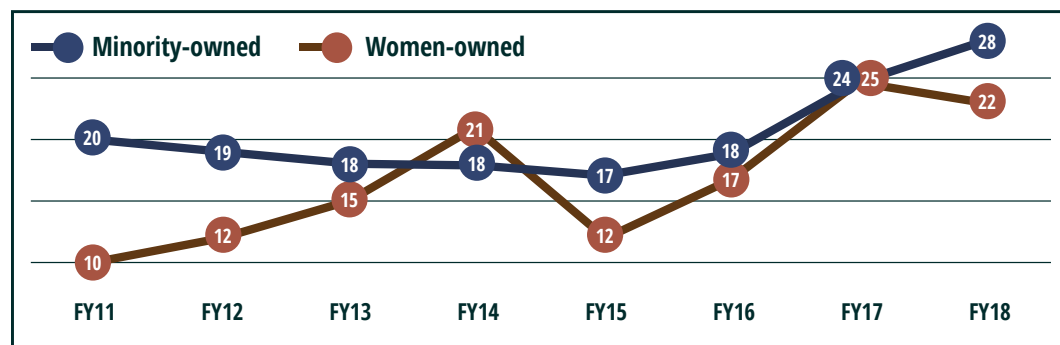
Category	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Women-owned Businesses	\$70 million (22%)	\$76 million (25%)	\$57 million (17%)	\$31 million (12%)	\$51 million (21%)
Minority Women	\$42 million (13%)	\$42 million (14%)	\$15 million (4%)	\$13 million (5%)	\$11 million (5%)
Non-minority Women	\$29 million (9%)	\$34 million (11%)	\$42 million (13%)	\$18 million (7%)	\$40 million (16%)
Non-women-owned Businesses	\$243 million (78%)	\$226 million (75%)	\$276 million (83%)	\$220 million (88%)	\$197 million (79%)

\* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 7, 2018 for FY18; Dollars and percentages are rounded.

Since OMWI first began tracking MWOB contracting in 2011, there has been an upward trajectory in MWOB utilization with a notable increase in the past two years. In FY 2018, the percentage and dollar amounts of minority-owned business contract obligations by Treasury Departmental Offices was the highest ever and among the highest in contract obligations with women-owned businesses (Figure 3).

**Figure 3**

Treasury Departmental Offices MWOB Contracting Trends  
Overall Percentages of Contract Obligations by Year



## TRENDS IN MWOB SMALL BUSINESS UTILIZATION

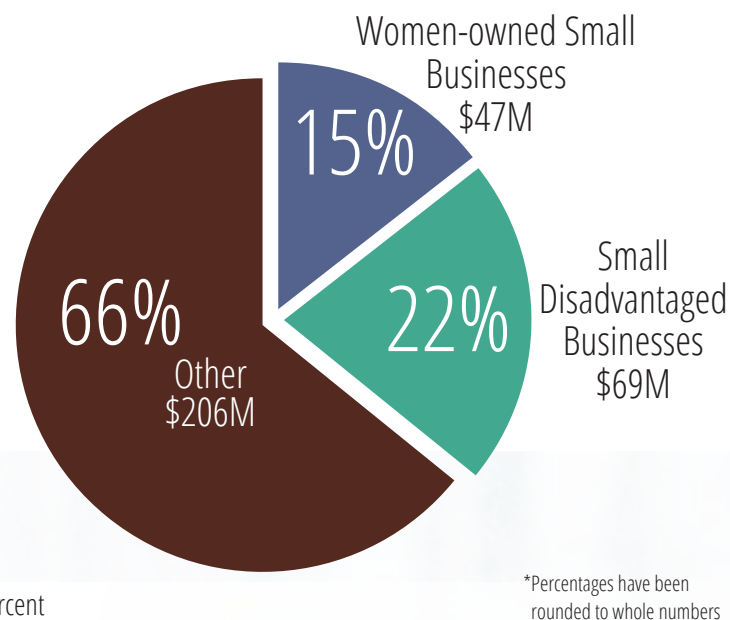
The vast majority of minority-owned businesses and women-owned businesses (MWOB) in the United States are small businesses with 98 percent of all MWOBs earning revenue under \$1 million, according to the most recently available census data. Consistent with the Dodd-Frank Act § 342 mandate to focus on 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 2018, contract obligations to small businesses by Treasury Departmental Offices comprised 49 percent of the value of contracts awarded, exceeding the 35 percent statutory goal. Contract obligations to small disadvantaged businesses represented 22 percent, more than quadruple the 5 percent goal; similarly, contract obligations to women-owned small businesses represented 15 percent, triple the 5 percent goal (Table 4 and Figure 4).

Contract obligations to small minority-owned and women-owned businesses (MWOB), including minority status, are listed in Table 4.

**Figure 4**

FY 2018 Treasury Departmental Offices  
Small MWOB Contract Obligations \* 8



**Table 4**

Treasury Departmental Offices  
Overall Contract Obligations to Small MWOB\*

Category	FY 2018	FY2017	FY 2016	FY 2015	FY 2014
Total Contract Obligations (regardless of size)	\$313 million	\$301 million	\$333 million	\$250 million	\$248 million
Overall Small Businesses Contract Obligations	\$154 million (49%)	\$135 million (45%)	\$134 million (40%)	\$135 million (54%)	\$125 million (51%)
Small Disadvantaged Businesses (SDB)**	\$69 million (22%)***	\$36 million (12%)	\$42 million (13%)	\$32 million (13%)	\$25 million (14%)
Women-owned Small Businesses	\$47 million (15%)	\$70 million (23%)	\$51 million (15%)	\$25 million (10%)	\$44 million (18%)

\*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 7, 2018 for FY18; Dollars and percentages are rounded.

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

\*\*\*Small Disadvantaged Businesses (SDB) includes both Self-Certified Small Disadvantaged Businesses and -Small Business Administration (SBA) Certified Small Disadvantaged Businesses.

8. The combined total of awards to either women-owned small businesses or small disadvantaged businesses was \$115,262,355. This includes awards totaling \$8,446,649 to individual businesses that have overlapping classifications as both women-owned small business and disadvantaged small business. However, when calculating total contract obligation dollars and percentages for "Other" businesses, the overall contract obligations total (\$313,036,169) was reduced by \$106,815,706 (rather than \$115,262,355) to eliminate duplicate counting of businesses with overlapping classifications. To accurately portray the real value of awards to women-owned small businesses and small disadvantaged businesses, Figure 4 includes the \$8,446,649 overlap between classifications in both the "Woman-owned Small Businesses" and "Small Disadvantaged Businesses" contract obligation classifications. For this reason, the total dollar amount does not equal \$313 million and the total percentage does not equal 100% in Figure 4.



## MWOB PARTICIPATION IN SPECIFIC ACQUISITION CATEGORIES

Each year, lists are posted online of the top acquisition categories, identified by North American Industry Classification System (NAICS) codes, of contracts awarded by the Department of Treasury, Treasury Departmental Offices, and the individual Treasury bureaus.<sup>9</sup> The aim is to encourage firms that provide products and services in those categories to market their firms' capabilities to Treasury bureaus. In FY 2018, 91 percent of all Treasury Departmental Offices contracts tendered for services, representing \$285 million in spending. Thirty-seven percent of Departmental Offices service contract obligated award dollars were awarded to minority-owned or women-owned businesses: 22 percent of service contract obligated award dollars went to women-owned businesses and 29 percent of service contract obligated award dollars went to minority-owned businesses.

Within Treasury Departmental Offices, approximately 75 percent of contract award dollars are made in seven NAICS code categories and minority-owned or women-owned business utilization is highest among five of those categories. The highest utilization of minority-owned or women-owned businesses is in "Custom Computing Programming Service" (NAICS 541511), for \$28 million (Table 5).



9. Refer to [www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/dco-osdbu-mp-top25.aspx](https://www.treasury.gov/about/organizational-structure/offices/Mgt/Pages/dco-osdbu-mp-top25.aspx).

**Table 5**

FY 2018 Treasury Departmental Offices (DO) Awards by Demographic Groups  
in Dollars and Percentage of Dollar Awards in the DO Top Seven NAICS Codes\*

Total Departmental Office Annual Obligated Dollars \$313,036,169 and processed 1,746 actions	NAICS Codes and Descriptions					
	541519		517110		541512	
	Other Computer Related Services		Wired Telecommunications Carriers		Computer Systems Design Services	
<b>Unique Vendor Count</b>	<b>60</b>		<b>3</b>		<b>24</b>	
<b>Award Category</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Total DO Awards in NAICS</b>	<b>63,732,604</b>	<b>20.4</b>	<b>57,698,808</b>	<b>18.4</b>	<b>31,674,765</b>	<b>10.1</b>
<b>Minority-owned or Women-owned<sup>10</sup></b>	<b>24,704,719</b>	<b>38.8</b>	<b>0</b>	<b>0.0</b>	<b>21,067,573</b>	<b>66.5**</b>
• Women-owned	15,070,678	23.6	0	0	5,422,025	17.1
• Minority-owned	10,016,852	15.7	0	0	21,079,938	66.6
Asian American	5,275,502	8.3	0	0	17,217,658	54.4
Black American	(29,976)	0**	0	0	694,228	2.2
Hispanic American	114,256	0.2	0	0	3,168,052	10.0
Native American	4,426,959	6.9	0	0	0	0
Other Minority	210,426	0.3	0	0	0	0
<b>Neither Minority-owned nor Women-owned</b>	<b>39,027,885</b>	<b>61.2</b>	<b>57,698,808</b>	<b>100.0</b>	<b>10,607,192</b>	<b>33.5</b>

\*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 7, 2018 for FY18.

\*\*Percentages are greater than 100% or less than 0% due to funding that is deobligated from contracts.

10. Awards to businesses that are both minority- and women-owned are counted within the 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.

NAICS Codes and Descriptions							
541511		493110		928120		541611	
Custom Computer Programming Services		General Warehousing and Storage		International Affairs		Administrative Management and General Management Consulting Services	
15		1		215		47	
\$	%	\$	%	\$	%	\$	%
30,309,869	9.7	21,092,384	6.7	15,854,280	5.1	14,806,437	4.7
28,497,857	94.0	0	0	2,493,544	15.7	6,515,882	44.0
28,069,329	92.6	0	0	2,135,776	13.5	1,033,496	7.0
22,809,910	75.3	0	0	426,385	2.7	6,500,636	43.9
22,747,669	75.1	0	0	0	0.0	4,102,731	27.7
0	0	0	0	(10,897)	-0.1%**	1,282,029	8.7
62,241	0.2	0	0	424,381	2.7	1,805,011	12.2
0	0	0	0	12,901	0.1	0	0
0	0	0	0	0	0.0	2,281,298	15.4
1,812,012	6.0	21,092,384	100.0	13,360,736	84.3	8,290,555	56.0

## GOOD FAITH EFFORT MANDATE

The contracts provision in the Dodd-Frank Act § 342 requires OMWI agencies to establish a procedure to evaluate whether an agency contractor has failed to make a good faith effort to include minorities and women in their workforce. In accordance with the mandate regarding the diversity of the contractor's workforce, the Treasury Departmental Offices OMWI, in collaboration with other OMWI agencies, developed language for inclusion in Departmental Offices service contracts in excess of \$150,000. The final rule was published in the Federal Register on March 20, 2014<sup>11</sup> and, subsequently, this clause has been included in applicable contracts.

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

From OFCCP's assessments, OMWI uses OFCCP's binary (yes/no) findings of the five categories used to establish "good faith effort": 1) hiring, 2) recruitment, 3) systemic discrimination, 4) salary, and 5) other. A vendor would fail to demonstrate a good faith effort to achieve workforce diversity if there is a violation found in one or more of these categories:

- Hiring – failure to actively monitor the demographic data of new hires and make an unbiased hiring decision
- Recruitment – failure to conduct appropriate outreach and recruitment activities that avoid excluding any specific group
- Systemic Discrimination – systematic discrimination against any group
- Salary – indication that any a group has been unfairly compensated
- Other – a violation that does not fall into one of the categories listed above.

If no violations are found in any of the areas assessed by OFCCP, including the good faith effort categories, the contractor will receive a Notice of Compliance to denote compliance with all regulations. If the evaluated vendor is found to have one or more violations, OFCCP may enter into an agreement with the contractor to remedy the violation within a set period of time, typically 6 months. Otherwise, OFCCP may issue a Consent Decree with the vendor by reaching a settlement with no admission of guilt. Alternatively, OFCCP may enter a financial arrangement with the vendor to rectify identified violations. In the case that a Treasury Departmental Offices contractor evaluated by OFCCP does not receive a Notice of Compliance, OMWI will accept as final the specific remedy conferred by OFCCP.

In addition to its regular review of federal contractors based on random sampling, OFCCP will conduct individual investigations in response to a specific allegation of discrimination by a federal contractor that is reported to OFCCP. A vendor would be found in violation if there was indication of discrimination based on color, national origin (Hispanic), race (American Indian/Alaskan, Asian/Pacific, Black), religion, sex (female, male), veteran, disability, or "other." In the case that a Treasury Departmental Offices contractor is investigated by OFCCP, OMWI will accept as final the specific remedy conferred by OFCCP.

Treasury Departmental Offices had 246 contracts in FY 2018 that met the requirements for a good faith effort review. Of those contracts, there were 133 unique Treasury Departmental Offices contractors. Eighteen percent (24) of these contractors had undergone either OFCCP comprehensive compliance evaluations or OFCCP investigations for discrimination in response to a specific allegation.

The comprehensive OFCCP compliance evaluation included 17 percent (22) of the 133 contractors. These 22 contractors represented 51 percent (\$144 million out of \$281 million in contracts) of the FY 2018 contract dollars obligated by Treasury Departmental Offices for contracts that met the threshold for good faith effort reviews. OFCCP evaluations for violations in the five categories showed that 91 percent (20 contractors) received a Notice of Compliance. Of the two contractors that did not receive a Notice of Compliance, one

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



was cited for a recruitment violation (\$5 million in contracts) and the other was cited for an Other violation (\$1 million in contracts). OFCCP ultimately conferred conciliation agreements as the remedy for these violations.

OFCCP conducted investigations for eight reported allegations of discrimination, six percent of the 133 contractors (\$40 million in total contracts). The reported allegations against the eight contractors included discrimination against one or more of the following: Hispanic, Black, religiously-affiliated, female, male, veteran, disabled employees, or a reported allegation cited as “other discrimination.” The outcomes of these investigations resulted in no violations being confirmed.

## ECONOMIC EMPOWERMENT

In addition to supporting the minority-owned and women-owned businesses through federal contracting, Treasury takes a leadership role in supporting economic development in underserved communities through funding programs designed to support community investment and access to capital for small businesses.

**Community Development Financial Institutions Fund.** Access to affordable financial products and services is a staple of economically sound communities. Yet, one quarter of American households are unbanked (6.5 percent) or underbanked (18.7 percent) and rely on more costly financial products and services outside of the banking system.<sup>12</sup> In recent years, the lack of access to capital investment for small businesses and other community development projects has led to increased need for alternative and reliable sources of financing. Mission-driven organizations called Community Development Financial Institutions (CDFIs) fill these gaps by offering affordable financial products and services that meet the unique needs of economically underserved communities. Through awards and training, Treasury’s Community Development Financial Institutions Program (CDFI Program) invests in and builds the capacity of CDFIs, empowering them to grow, achieve organizational sustainability, and contribute to the revitalization of their communities.

Since its creation in 1994, the CDFI Fund has awarded over \$2.3 billion in financial assistance and technical assistance awards through the CDFI Program. Through Healthy Food Financing Initiative Financial Assistance, the CDFI Fund provided nearly \$180 million in awards to CDFIs, improving the access to healthy food options in low-income communities. In FY 2018, 265 organizations received more than \$188.7 million in awards, consisting of 222 financial assistance and 43 technical assistance awards. Recipients of the awards included 182 loan funds, 49 credit unions, 30 depository institutions/holding companies, and 4 venture capital funds.

The Consolidated Appropriations Act for Fiscal Year 2018 required that 10 percent of the funds awarded by the CDFI Fund under the appropriation “shall be used for awards that support investments that serve populations living in” Persistent Poverty Counties (PPCs). PPCs are defined as counties where 20 percent or more of the population has lived in poverty over the past 30 years. These counties can be found in the United States in both rural and urban areas. For the FY 2018 round, 87 organizations received \$18.8 million in awards specifically for investments in PPCs, which is in addition to the work that CDFIs already do in PPCs. Historically, past CDFI Program awardees have invested more than \$860 million in PPCs.

**Small Business Lending Fund.** Established by the Small Business Jobs Act of 2010 (the Act), the Small Business Lending Fund (SBLF) is a fund specifically dedicated to provide capital to qualified community banks and community development loan funds (CDLFs) in order to encourage small business lending. The purpose of the SBLF is to encourage community-based banks and small businesses to work together, help create jobs, and promote economic growth in communities across the nation. The Act defines “small business lending” as business loans that are (i) \$10 million or less to businesses with \$50 million or less in revenue, and (ii) included in one of the following categories:

- Commercial and industrial loans
- Owner-occupied nonfarm, nonresidential real estate loans
- Loans to finance agricultural production and other loans to farmers
- Loans secured by farmland

<sup>12</sup>. <https://www.fdic.gov/householdsurvey/2017/2017report.pdf>

Treasury invested over \$4.0 billion in 332 institutions through the SBLF program. These amounts include investments of \$3.9 billion in 281 community banks and \$104 million in 51 development loan funds. Collectively, these institutions operate in over 3,000 locations across 47 states and the District of Columbia. Through the end of June 2018 (the third quarter of FY 2018), institutions participating in SBLF have made important progress in increasing their small business lending, helping to support small businesses and local economies across the nation. Since the program's inception, the total increase in small business lending reported by current and former SBLF participants is \$19.0 billion over the 2010 baseline of approximately \$35 billion.

Increases in small business lending are widespread among remaining SBLF participants. Through June 2018, all currently participating community banks and 41 of the 46 CDLFs (or 89 percent) have increased their small business lending. In addition, 47 of the 54 current SBLF participants (or 87 percent) have increased their small business lending by 10 percent or more.

Treasury does not collect racial/ethnic or gender information on the SBLF participant's borrowers. However, in a survey of SBLF participants for the year ended June 30, 2014 (the most recent available), 92 percent of participants reported engaging in outreach or advertising activities targeting women, veteran, or minority communities. In total, 83 percent of SBLF participants reported that they are members of, or participate in, community organizations and/or trade associations that target women, veteran, or minority communities; 59 percent reported using paid advertisement or notices in print, radio, or electronic media to target women, veteran, or minority communities; and, 52 percent indicated that they distributed marketing materials targeting women, veteran, or minority communities. In total, participants reported expenditures of \$15.4 million associated with small business-related outreach activities and allocated approximately \$5.0 million (32 percent) to activities targeting women, veteran, or minority communities.



# INITIATIVES & ACCOMPLISHMENTS

## ACCOUNTABILITY

**Leadership Monitoring.** OMWI develops detailed weekly reports of MWOB contracting for the senior leadership and staff. Each bureau's small business and MWOB contracting performance also is reported to the senior leadership in performance review sessions with Bureau Heads. The Senior Procurement Executive uses monthly Treasury Acquisition Council meetings with Bureau Chief Procurement Officers to review and discuss the status of Treasury's overall small business contracting performance against its goals, and examine the MWOB contracting rate.

**Performance Elements.** The performance criteria for the Chief Procurement Officers in each Treasury bureau include elements pertaining to the achievement of small business contracting goals and the fair utilization of minority and women-owned businesses, without regard to size. At minimum, Chief Procurement Officers are required to demonstrate the following:

**Small Business Goals:** Actively promote and support early market research and acquisition planning activities to foster business strategies that maximize small business contracting opportunities and small business set asides with overall small business, small disadvantaged business, service disabled veteran owned small business, women-owned small business and HUBZone Small business—when the research and planning indicate that the small business community is capable of performing the work at a reasonable cost or price

**Minority-Owned and Women-Owned Business (MWOB) Utilization:** 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. Develop and implement strategies for diversification of the vendor base, including early acquisition planning, regular procurement forecasting, strategic market research, and outreach.

**Recognition.** OMWI, in collaboration with the Office of Small Disadvantaged Business Utilization, holds an annual awards recognition program for outstanding performance in Small, Minority-owned, and Women-owned Businesses (SMWOB) contracting, which provides an additional achievement incentive to the acquisition community. Awards include recognition to bureaus that achieve the highest percentages of contract obligations with minority- and women-owned businesses. For FY 2018, the two leading bureaus with total procurement spending in excess of \$100 million expended 32 percent of their contracting dollars with minority-owned businesses (Office of the Comptroller of the Currency) and 36 percent with women-owned businesses (Bureau of Fiscal Services). It is worth noting that two other bureaus with total procurement spending under \$100 million expended 49 percent of their contracting dollars with minority-owned businesses (Alcohol and Tobacco Tax and Trade Bureau) and 60 percent with women-owned businesses (Community Development Financial Institutions Fund).

## OUTREACH

**Procurement Contracting (FAR Contracting).** Treasury achieved its effective engagement with minority-owned and women-owned businesses through its substantial efforts to reach 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 at [www.treasury.gov/about/organizational-structure/offices/Pages/omwi.aspx](http://www.treasury.gov/about/organizational-structure/offices/Pages/omwi.aspx) of [www.treasury.gov](http://www.treasury.gov)
- Extending the use of techniques proven effective in engaging 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.
- 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 2018, Treasury Office of Small Disadvantaged Business Utilization hosted nine vendor outreach sessions, including 4 specialized sessions exclusively for 1) subcontracting and mentor/protégé opportunities with Treasury prime contractors, 2) women-owned small businesses, 3) historically underutilized business zones (HUBZone) and service-disabled veteran-owned businesses, and 4) vendors interested in information technology opportunities. Participation in these sessions nearly tripled in FY 2018 compared to FY 2017. Approximately 2,315 vendors registered to participate in these sessions (850 in FY 2017), including 729 representing minority-owned businesses (240 in FY 2017) and 868 representing women-owned businesses (341 in FY 2017). Participating vendors received individual counseling from Treasury procurement specialists from the individual bureaus to learn about upcoming opportunities and doing business with Treasury.

In October 2017, Treasury took the lead in hosting the ChallengeHER program, a national training initiative designed to train women-owned small business owners on the best practices for working as federal contractors, and the unique federal programs available to them. In response to Executive Order 13157, “Increasing Opportunities for Women-owned Small Businesses,” this event was conducted in partnership with the U.S. Small Business Administration (SBA), Women Impacting Public Policy (WIPP), and American Express OPEN. Treasury delivered free workshops, mentoring, and direct access to Treasury and 26 other Federal agency partners, educating over 700 women-owned small businesses. Workshops included: The Future of Women-owned Small Business (WOSB) in Federal Contracting, Working with Agencies and Primes, and Leveraging Your WOSB Certification. There was also a business matchmaking session with over 253 small businesses that met with Treasury, federal agency partners, Treasury prime contractors, and national and local resource partners.

In March 2018, Treasury supported the Montgomery County Chamber of Commerce GovConNet Conference. This signature event hosts over 1,000 regional and federal business and government leaders. It provided small businesses with an interactive overview of “How to Do Business with Treasury.” It served as a capacity building program, primarily focused on educating small businesses on the category management and best-in-class contracting vehicles, acquisition life cycle, and business matchmaking. Content of some of the breakout sessions included: success strategies for 8(a) graduating firms, new rules pertaining to mentor/protégés, limitations on subcontracting, creating strong capabilities statements, and set-asides for GSA schedules contracting.

In August 2018, Treasury joined with the seven other federal OMWI agencies to conduct its second Joint OMWI Technical Assistance event, bringing together minority-owned businesses to supply them with the tools, tactics, and resources to become successful federal contractors. Entitled Smart Contacts, Smart Contracts, the program included proposal writing and opportunities for networking. Other highlights of the event included a panel on Doing Business with the OMWI Agencies, local resource partner panels, and a joint OMWI resource table. Held on the campus of the University of Texas in San Antonio and in collaboration with the San Antonio Minority Business Development Agency Business Center in San Antonio, the event attracted 199 participants.

Treasury also participated in several 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. Those events are listed below:

- Montgomery County Chamber of Commerce GovConNet Pathway to Growth Procurement Conference – Rockville, MD
- Twenty-eighth Annual Government Procurement Conference – Washington, DC
- DC Procurement Technical Assistance Center (PTAC), 2018 Small Business Summit – Washington, DC.
- American Express at the Summit for Success – Washington, DC

- HUD/Service Disabled Veteran Owned Small Business Outreach – Veterans Connect for Success – Washington, DC
- U.S. Women’s Chamber of Commerce fall and spring events – Arlington, VA
- 1,000th Veteran’s Institute Program Graduation, Montgomery County Chamber of Commerce – Potomac, MD
- U.S. Chamber Summit – Fall Event – Washington, DC
- Department of Homeland Security/TSA - Small Business Industry Day – Arlington, VA
- 2018 Historically Black College and Universities Week Conference Volunteer – Washington, DC
- Montgomery County Women’s Business Center (Summer and Winter Events) – Rockville, MD
- CelebrAsian Conference – Rockville, MD
- Women of Prince George’s County 8th Annual Conference – Lanham, MD
- Government Technology & Services Coalition – Arlington, VA
- American Council for Technology and Industry Advisory Council Small Business Alliance Straight Talk – Washington, DC
- Government Services Administration & Environmental Protection Agency – Doing Business with Department of Treasury – webinar
- Department of Defense Mentor Protégé Conference – Orlando, FL
- OMWI Joint Technical Assistance Event – San Antonio, TX
- National Minority Supplier Diversity Council Conference – Detroit, MI
- Government Procurement Conference – Washington DC
- Women’s Power Conference – Bethesda, MD
- Congresswomen Sheila Jackson-Lee Conference – Washington DC

**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 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 financial crisis that began in 2008, 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. With the conclusion of the TARP program, FAA opportunities are now limited.

In FY 2018, OMWI and the Bureau of Fiscal Services Office of Collections collaborated to launch a new program that facilitates the inclusion of a broader segment of the financial institution community to serve as Treasury financial agents. Through this new program, large banks that currently serve as financial agents to perform revenue collections and deposits activities on behalf of Treasury can establish mentor-protégé agreements with small financial institutions (with assets under \$2 billion). Such relationships will provide technical assistance to participating protégé institutions to build their capacity to serve as conduits for financial agent work. After months of conceptualizing and planning, this first-of-its-kind program was officially inaugurated in August 2018 when the first financial agent mentor protégé agreement was signed between Citi Bank and Industrial Bank. In September 2018, a Financial Agent Mentor Protégé Summit was held, hosted by the Federal Reserve Bank of Kansas City, to introduce and promote the program to small financial institutions that serve minority communities across the country.

**Small Business Mentor-Protégé Program.** Treasury’s Small Business 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), women-owned small businesses, businesses in Historically Underutilized Business Zones (HUBZone), and service-disabled veteran-owned businesses. The program is also designed to improve the performance of Treasury contracts and



subcontracts, foster 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 the first half of FY 2018, there were six Treasury mentor-protégé agreements in place. Among the protégés, three were small businesses, two were women-owned small businesses, and one was a HUBZone/Service-Disabled Veteran-Owned Business. However, following a realignment of the program with the Small Business Administration (SBA), SBA has assumed the management of several agency mentor-protégé programs going forward, including Treasury's.

**Minority Business Leaders.** Secretary Mnuchin hosted an event that brought together about fifty African American leaders from several business sectors. The event was designed as an opportunity for informal conversations and networking among the group and with the Secretary. Participants included African American leaders from national and international corporations in various industries, minority-owned community banks, professional associations in the financial industry, community organizations and foundations, and economics departments in historically Black colleges and universities.

## CHALLENGES

Since OMWI first began tracking MWOB contracting in 2011, there has been an upward trajectory in MWOB utilization within Treasury Departmental Offices. In FY 2018, the percentage and dollar amounts of minority-owned business contract obligations were the highest ever; and among the highest percentages and dollar amounts in contract obligations with women-owned businesses. During FY 2018, these results were achieved without mandated goals (other than for specific small business categories) and despite greater emphasis on category management approaches.

Category management strategies have been employed by the government-wide acquisition community to streamline and manage entire categories of spending across government as a single enterprise. The purpose of category management is to better leverage the government's buying power, reduce unnecessary contract duplication, increase efficiency, and deliver more value and savings. Safeguards have been put in place to promote small business utilization within the context of category management. For example, small business utilization is one of the five key performance indicators of the category management initiative, and each of the ten Common Spend Category strategic plans must include small business utilization. No safeguards are mandated with regard to the utilization of MWOB businesses (other than specific small business categories). As a result, there were concerns about the potential for more limited use of MWOB businesses resulting from the creation of new acquisition vehicles, such as "Best in Class" contract vehicles for mandatory sourcing to specified pools of businesses that contain only a small number of MWOB vendors. However, after the implementation of category management strategies, there was no recorded change in MWOB utilization in FY 2018, the first year of implementation. OMWI will continue monitoring for possible changes in MWOB utilization resulting from category management.

# WORKFORCE DIVERSITY & INCLUSION

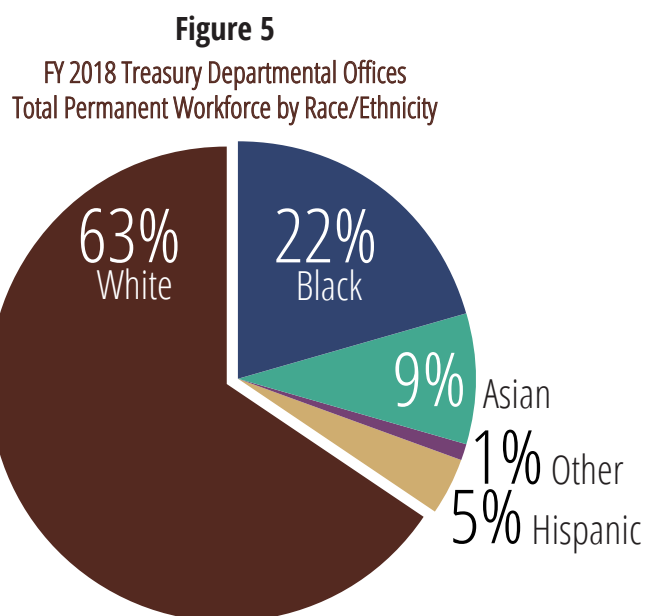
## WORKFORCE DEMOGRAPHY

All Treasury Departmental Offices employees play important roles in the fulfillment of the overall Treasury mission. All employees bring perspectives to their work that are influenced by their backgrounds, culture, and experiences. From analyses of the racial, ethnic, and gender diversity within Treasury Departmental Offices, OMWI has developed workforce profiles, trends, benchmark comparisons, hiring and attrition rates, pipeline profiles, and demographic differentiation at upper and senior levels and in mission-critical occupations in FY 2018.<sup>13</sup> However, just as importantly, OMWI has compiled survey results and benchmark comparisons of 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.

### RACE, ETHNIC AND GENDER PROFILES

The total Treasury-wide workforce across all bureaus and the Departmental Offices in FY 2018 was 91,179 permanent employees (compared to 96,892 in FY 2017). The Treasury Departmental Offices permanent workforce represents about 2 percent of the total Treasury-wide workforce. As of the close of FY 2018, Treasury Departmental Offices had 1,788 permanent employees, a decrease of 78 (-4 percent net change) from FY 2017 (1,866). Permanent employees comprised 95 percent and temporary employees (including non-career employees) comprised 5 percent of the total DO workforce.

More than a third (37 percent) of Treasury Departmental Offices permanent employees across all grade levels are racial or ethnic minorities. The percentage of minorities remained constant from the FY 2017 percentage of 37 percent. Hispanic, Black, and Asian representation remained unchanged in FY 2018 compared to FY 2017 at 5 percent, 22 percent and 9 percent, respectively (Figure 5).

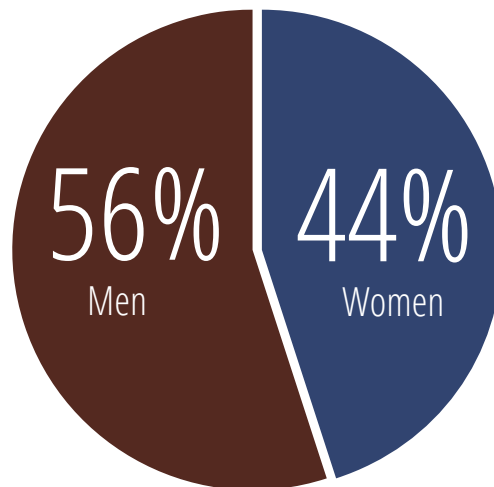


\*Percentages have been rounded to whole numbers

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

The percentages of employees by gender in Treasury Departmental Offices in FY 2017 remained similar to FY 2016, with a 1 percent decrease of women and a 1 percent increase of men. (Figure 6)

**Figure 6**  
FY 2018 Treasury Departmental Offices  
Total Permanent Workforce by Gender



\*Percentages have been rounded to whole numbers

## BENCHMARK COMPARISONS

To assess the relative status of the diversity profile of Treasury Departmental Offices, the Treasury Departmental Offices workforce was compared with the federal government-wide workforce (FWF), Treasury-wide workforce (TWF), Civilian Labor Force (CLF), and the Relevant Civilian Labor Force for Departmental Offices (DO/RCLF) by race/ethnicity and gender participation.<sup>14</sup> Table 6 depicts the comparison of the Treasury Departmental Offices total permanent workforce for FY 2018 with the demography of these benchmarks.



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

**Table 6****FY 2018 Treasury Departmental Offices**

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

Demographic Groups	Treasury Departmental Offices**	Federal Government Workforce (FWF)***	Treasury-wide Workforce (TWF)	Civilian Labor Force (CLF)	Relevant Civilian Labor Force (DO/RCLF)
Men	56%	57%	38%	52%	53%
Women	44%	43%	62%	48%	47%
Hispanic Men	3%	5%	4%	5%	3%
Hispanic Women	2%	4%	8%	5%	4%
White Men	39%	39%	24%	38%	42%
White Women	24%	25%	29%	34%	35%
Black Men	8%	8%	7%	5%	4%
Black Women	14%	11%	20%	7%	6%
Asian Men	6%	4%	3%	2%	3%
Asian Women	3%	3%	3%	2%	3%

\*Percentages have been rounded to whole numbers.

\*\*Table 6 does not include the racial ethnic categories, Native Hawaiian or Other Pacific Islanders, American Indian or Alaskan Natives, or Two or More Races that combined total approximately one percent of the total Departmental Offices permanent workforce.

\*\*\*Federal Workforce data is derived from the OPM Federal Employment Reports, Executive Branch Employment by Gender and Race/National Origin, September 2006-September 2017 (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/reports-publications/executive-branch-employment-by-gender-and-racenational-origin/>)

Across the four benchmarks (FWF, TWF, CLF, DO/RCLF), the Treasury Departmental Offices representation of women overall is lower with the exception of the FWF. But, the representation of White women is lower across all the four benchmarks. The representation of White men is equal to the FWF, greater than the TWF, slightly higher than the CLF, and below the DO/RCLF.

Among minority groups, the representation of Hispanic men is lower compared to the FWF, TWF, CLF, and equal to the DO/RCLF. The representation of Hispanic women is lower compared to each of the four benchmarks. The representation of Black men is equal to or higher than each of the four benchmarks; and the representation of Black women is also higher across three of the four benchmarks, with the exception being the TWF. The representation of both Asian men and Asian women is higher than each of the four benchmarks.

## 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 provides a general benchmark for the relative inclusion by group at upper and senior management levels (Table 7)

**Table 7**

**Permanent FY 2017 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-14	Treasury DO GS-13	Treasury DO GS-12 – below
<b>Men</b>	56%	73%	61%	55%	51%	42%
<b>Women</b>	44%	27%	39%	45%	49%	58%
<b>Hispanic</b>	5%	2%	3%	4%	6%	8%
<b>White</b>	64%	86%	83%	61%	57%	36%
<b>Black</b>	21%	5%	7%	20%	26%	47%
<b>Asian</b>	9%	7%	6%	14%	9%	8%
<b>Other</b>	1%	0%	1%	1%	1%	1%

\*Percentages have been rounded to whole numbers

**Permanent Positions.** For FY 2018, the representation of each minority group and women in permanent GS-15 and SES level positions are below 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.

Minorities represent 37 percent of the total Treasury Departmental Offices permanent workforce, but represent 17 percent of the permanent workforce at the GS 15 level and 14 percent of the permanent workforce at the SES level position. Minority representation at the GS-15 and SES level remain unchanged compared to FY 2017. Minority representation at the GS 14 (39 percent), GS 13 (42 percent), and GS 12-below (64 percent) is above their overall representation in the permanent workforce.

Women represent 44 percent of the total Treasury Departmental Offices permanent workforce, comprising 39 percent of the permanent GS 15 level positions and 27 percent of the permanent SES positions. The representation of the GS 15 level decreased by 2 percent compared to FY 2017 (41 percent); but remained unchanged in the SES level. The representation of women at the GS 14 level (45 percent), GS 13 (49 percent) and GS 12- below (58 percent) is above their representation in the total workforce.

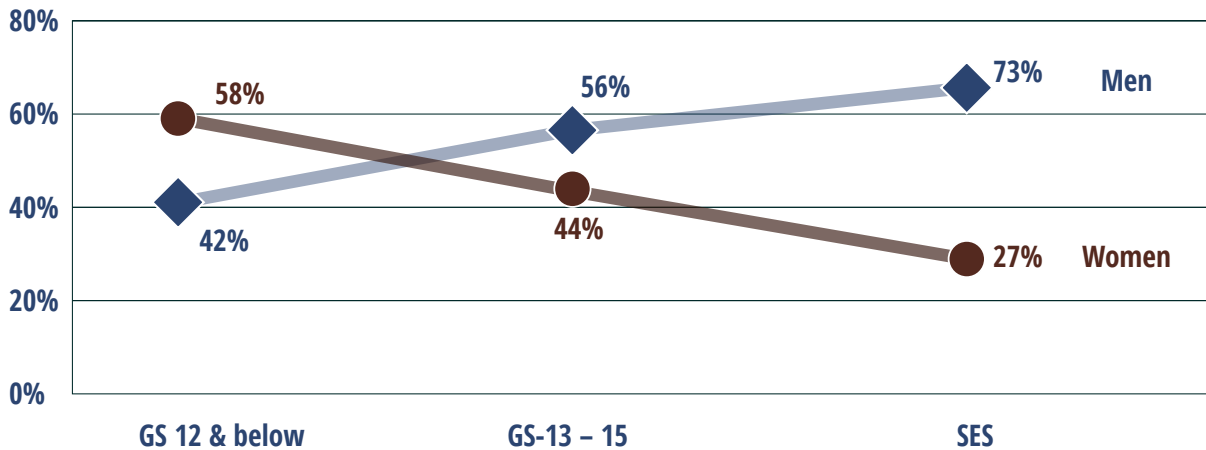
**Presidentially Appointed Positions.** In FY 2018, two women were among the highest ranking Presidential appointed positions in Treasury Departmental Offices, the Treasurer of the United States and the Undersecretary of the Office of Terrorism and Financial Intelligence. Appointed positions are not 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 number of women and minority employees are in GS-12 and lower positions (Figures 7 and 8).

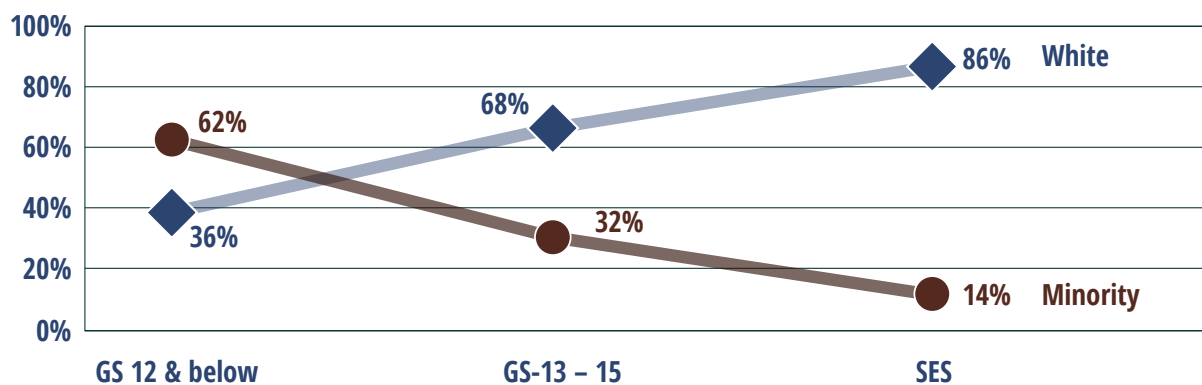
**Figure 7**

FY 2018 Treasury Departmental Offices  
Permanent Workforce Grade Comparison by Gender



**Figure 8**

FY 2018 Treasury Departmental Offices  
Permanent Workforce Grade Comparison by Minority Status





## HIRING AND ATTRITION

**Hiring.** The hiring rates for gender and ethnic groups within the permanent workforce were compared over a five year period (FY 2014 through FY 2018). Compared to the average hiring rates for each group in the preceding four years, a notably smaller percentage of minorities (Hispanics, Blacks, and Asians) were hired in FY 2018. For Hispanics, Blacks, and Asians, the hiring rates were 5 percent, 11 percent, and 7 percent in FY 2018 compared to the averages over the preceding four years (6.5 percent, 15.5 percent, and 13 percent, respectively). However, the hiring rates by gender were the same in FY 2018 compared to the average over the preceding four years (Table 8).

**Table 8**

Treasury Departmental Offices  
New Hire Trends of Permanent Workforce by Percentage of Employees Hired\*

Fiscal year	Men	Women	Hispanic	White	Black	Asians
2014	59%	41%	6%	70%	11%	12%
2015	56%	44%	6%	63%	16%	15%
2016	53%	47%	7%	58%	20%	12%
2017	63%	37%	7%	64%	15%	13%
2018	58%	42%	5%	75%	11%	7%

\*Percentages have been rounded to whole numbers

**Attrition.** The attrition rates among gender and ethnic groups within the permanent workforce were compared over a five year period (FY 2014 through FY 2018). Compared to the average attrition rates for each respective group in the preceding four years, attrition was higher in FY 2018 for men, Hispanics, and Black employees and lower in FY 2018 for women, White, and Asian employees. For men, Hispanics, and Black employees, the attrition rates were 56 percent, 7 percent, and 17 percent in FY 2018, compared to the averages over the preceding four years (53 percent, 4 percent, and 16 percent, respectively). For women, White, and Asian employees, the attrition rates were 44 percent, 64 percent, and 10 percent in FY 2018, compared to the averages over the preceding four years (47 percent, 68 percent, and 11 percent, respectively) (Table 9).

**Table 9**

Treasury Departmental Offices Attrition Analysis:  
Percentage Breakout by Gender and Race/Ethnicity\*

Fiscal year	Men	Women	Hispanic	White	Black	Asians
	% total leaving		% of total leaving			
2014	47%	53%	4%	69%	15%	11%
2015	49%	51%	3%	70%	16%	10%
2016	56%	44%	2%	68%	18%	12%
2017	60%	40%	7%	64%	16%	12%
2018	56%	44%	7%	64%	17%	10%

\*Percentages have been rounded to whole numbers

**Attrition by Type.** In FY 2018, there was an attrition of 225 employees (compared to 252 employees in FY 2017). A review of separations by type reveals that resignations and transfers represent 82 percent of the attrition of Treasury Departmental Offices workforce (Table 10).

**Table 10**

FY 2018 Treasury Departmental Offices  
Attrition by Type and Demographic Group\*

Demographic Group	# Resignations	# Retirements	# Transfers	# Deaths	% Total
Men	58	20	48	0	56%
Women	37	17	43	2	44%
Hispanics	7	1	7	0	7%
Whites	66	32	46	0	64%
Blacks	12	4	21	1	17%
Asians	8	0	14	1	10%
Other	2	0	3	0	2%
<b>Total Attrition</b>	<b>95</b>	<b>37</b>	<b>91</b>	<b>2</b>	<b>225</b>
<b>Percentages</b>	<b>42%</b>	<b>16%</b>	<b>40%</b>	<b>1%</b>	<b>100%</b>

\*Percentages have been rounded to whole numbers

Of the four categories of attrition, all groups were more likely to resign or transfer in FY 2018. Among all groups, Black and Asian employees separated most from transfers than from retirement or resignation, with transfers representing 55% and 61% of their attrition, respectively. Overall, attrition by race/ethnicity and gender was generally proportional to their overall representation within the Treasury Departmental Offices workforce. Whites accounted for 64 percent (144) of total attrition (White employees represent 63 percent of the Departmental Offices workforce). Minorities accounted for approximately 36 percent (81) of the total attrition (minority employees represent 37 percent of the Departmental Offices workforce).

**Net Attrition of Minority Employees.** Change in minority representation due to the combination of hires and separation rates were compared across the past five fiscal years (FY 2014 through 2018), resulting in a net attrition rate of -3 percent, 7 percent, 10 percent, 0 percent, and -11 percent, respectively (Table 11).

**Table 11**

Treasury Departmental Offices  
Net Attrition of Minority Employees\*

Workforce Demographics	2014	2015	2016	2017	2018
Minority Rate of Hire	28%	37%	42%	36%	25%
Minority Rate of Attrition	31%	30%	32%	36%	36%
<b>Net</b>	<b>-3%</b>	<b>7%</b>	<b>10%</b>	<b>0%</b>	<b>-11%</b>

\*Percentages have been rounded to whole numbers

**Net Attrition Women Employees.** Change in the representation among women employees due to the combination of hires and separation rates were compared across the past five fiscal years (FY 2014 through FY 2018), resulting in a net attrition rate of -9 percent, -7 percent, 3 percent, -3 percent, and -2 percent, respectively (Table 12).

**Table 12**

Treasury Departmental Offices  
Net Attrition of Women Employees\*

Workforce Demographics	2014	2015	2016	2017	2018
Minority Rate of Hire	45%	44%	47%	37%	42%
Minority Rate of Attrition	54%	51%	44%	40%	44%
<b>Net</b>	<b>-9%</b>	<b>-7%</b>	<b>3%</b>	<b>-3%</b>	<b>-2%</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: Economist, General Attorney, Financial Analyst, Information Technology Specialist, and Intelligence Analysts. In this section, comparisons are made between the participation rates of the racial/ethnic and gender representations within each of these occupations in Treasury Departmental Offices permanent workforce from FY 2014 through FY 2018, compared to Occupational Civilian Labor Force (OCLF) data.<sup>15</sup>

**a. Economist:** Trends within the Economist (GS-0110) occupational series reveal a consistently lower representation of Hispanics and Blacks when compared to their OCLF across the five year period from FY 2014 through FY 2018. It also is striking to note that no Hispanic women have been hired in this occupation in the last five years. (Table 13)

**Table 13**

Treasury Departmental Offices

Economist Series Trends: Percent Employment by Race/Ethnicity and Gender

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2014	1.06	0	57.98	31.38	0.53	0	5.32	3.72	100
FY 2015	2.02	0	56.06	29.29	1.01	0.51	7.58	3.54	100
FY 2016	2.46	0	58.62	25.12	0.99	0.49	8.89	3.45	100
FY 2017	1.97	0	57.64	26.11	0.99	0.49	6.40	6.40	100
FY 2018	1.68	0	57.54	27.37	1.12	0	5.59	6.70	100
OCLF	3.34	1.85	55.78	25.20	2.84	2.66	4.46	3.02	100

Key: Highlighted cell denotes that the percentage is below the OCLF; M-Men, W-Women.

**b. General Attorney:** In the General Attorney (GS-0905) occupational series, trends reveal that men continue to represent below their respective OCLF rates during a five year period from FY 2014 through FY 2018, with the exception of Asian men. Overall, all female groups and Asian males are represented at or above their respective OCLF rates (Table 14).

**Table 14**

Treasury Departmental Offices

General Attorney Series Trends: Percent Employment by Race/Ethnicity and Gender

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2014	0.97	1.94	53.40	32.04	0.97	2.91	0.97	5.83	100
FY 2015	0.93	1.85	52.78	32.41	0.93	2.78	1.85	5.56	100
FY 2016	0.87	2.61	50.43	33.91	1.74	2.61	1.74	4.36	100
FY 2017	0.93	2.80	55.14	31.78	0.93	2.80	1.87	1.87	100
FY 2018	0.91	2.73	54.55	30.00	0.91	2.73	2.73	3.64	100
OCLF	2.52	1.85	59.68	26.68	2.13	2.60	1.82	1.74	100

Key: Highlighted cell denotes that the percentage is below the OCLF; M-Men, W-Women.

<sup>15</sup> The OCLF, derived from the census, is the benchmark for the segments of society for the applicant pool. It includes those who are employed or seeking employment within that specific occupation who are 18 years of age or older, excluding the military and taking citizenship into consideration.

**c. Information Technology (IT) Specialist:** In the IT Specialist (GS-2210) occupational series, trends reveal that representation of Hispanics and Whites have been substantially below the OCLF rate across the five year period from FY 2013 through FY 2017, while Blacks and Asians have been represented consistently well above the OCLF rate in that same time period. (Table 15)

**Table 15**

Treasury Departmental Offices

Information Technology Specialist Series Trends: Percent Employment by Race/Ethnicity and Gender

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2014	1.46	0.49	44.39	12.20	14.15	7.80	12.68	4.88	100
FY 2015	2.17	0.87	43.04	11.74	14.78	6.96	13.91	4.78	100
FY 2016	3.32	1.87	36.90	12.55	13.28	7.01	16.97	5.54	100
FY 2017	3.19	1.42	36.52	11.70	12.41	6.74	18.09	6.74	100
FY 2018	3.07	1.53	40.23	11.11	11.88	6.13	17.24	5.75	100
OCLF	5.39	2.17	52.21	20.89	6.61	4.50	5.14	1.55	100

Key: Highlighted cell denotes that the percentage is below the OCLF; M-Men, W-Women.

**d. Financial Analyst:** Trends within the Financial Analyst (GS-1160) occupational series across a five year period from FY 2014 through FY 2018 reveal a consistently lower than expected participation rate for Hispanics women, White men, and Asian men and women when compared to their OCLF participation rate. (Table 16)

**Table 16**

Treasury Departmental Offices

Financial Analyst Series Trends: Percent Employment by Race/Ethnicity and Gender

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2014	4.26	0	48.94	25.53	2.13	10.64	4.26	4.26	100
FY 2015	3.70	0	48.15	25.93	3.70	9.26	1.85	5.56	100
FY 2016	3.39	0	40.68	27.12	6.78	15.25	1.69	3.39	100
FY 2017	3.33	0	40.00	23.33	10.00	13.33	3.33	3.33	100
FY 2018	1.89	0	33.96	24.53	9.43	18.87	3.77	5.66	100
OCLF	3.10	1.97	53.98	22.01	3.55	3.96	6.14	4.40	100

Key: Highlighted cell denotes that the percentage is below the OCLF; M-Men, W-Women.

**e. Intelligence Analyst.** Trends within the Intelligence Analyst (GS-0132) occupational series across a five year period from FY 2014 through FY 2018 reveal a consistently lower representation of Hispanics, White women, Blacks, and Asian women compared to their respective OCLF representation. However, in FY 2018, representation of Hispanic men, Black women, and Asian men were above the respective OCLF representation (Table 17).

**Table 17**

Treasury Departmental Offices  
Intelligence Analyst Series Trends: Percent Employment by Race/Ethnicity and Gender

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
<b>FY 2014</b>	2.68	0	61.61	31.25	0	2.68	0.89	0.89	100
<b>FY 2015</b>	0.93	0.93	63.89	25.93	0	2.78	2.78	2.78	100
<b>FY 2016</b>	2.43	2.22	39.23	24.82	7.44	13.89	5.70	3.22	100
<b>FY 2017</b>	2.08	0	60.42	26.04	2.08	3.13	3.13	1.04	100
<b>FY 2018</b>	2.94	1.96	53.92	27.45	2.94	5.88	3.92	0	100
<b>OCLF</b>	2.81	3.36	38.77	40.68	4.16	4.59	1.52	2.30	100

Key: Highlighted cell denotes that the percentage is below the OCLF; M-Men, W-Women.

## STUDENT EMPLOYMENT

Internships and fellowship programs offer an excellent opportunity for Treasury Departmental Offices hiring officials to assess the qualifications and performance of promising students who may prove to be candidates for future positions. Treasury Departmental Offices 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 2018, there were 208 student interns who served in Treasury Departmental Offices: 15 percent Asian (31), 8.6 percent Black (18), 7 percent Hispanic (15), 0.4 percent American Indian (1), and 69 percent White (144). (One Treasury Scholars student self-identified as both Black and Hispanic and, therefore, counted in both categories, but not included twice in the minority and overall totals.) The greatest proportion of all of the 208 total student interns in Treasury Departmental Offices came through the Volunteer program. Twenty-seven percent (54) of the 198 Volunteer program students were racial or ethnic minority students: 15 percent (30) Asian, 6.5 percent Black (13), 5 percent (10) Hispanic, while 73 percent were White (144). The Treasury Scholars program accounted for 16 percent (10 of 64) of the placements of minority interns (Table 18).

**Table 18**

FY 2018 Treasury Departmental Offices  
Student Employment

Student Programs	Asian		Black		Hispanic		American Indian		Total Minority		White		Total
	#	%	#	%	#	%	#	%	#	%	#	%	
<b>Volunteer fall, spring &amp; summer</b>	30	15	13	6.5	10	5	1	0.5	54	27	144	73	198
<b>Treasury Scholars summer only</b>	1	9	5	45.5	5*	45.5	0	0	10*	100	0	0	10*
<b># and %</b>	31	15	18	8.6	15*	7	1	0.4	64	31	144	69	208

\*This includes one student who self-identified as both Black and Hispanic and, therefore, counted in both category columns. The student was accounted for only once in the Total Minority and overall Total columns.

It should be noted that interns in the volunteer program are unpaid and Treasury Scholars internships are paid through a contractual arrangement with minority student serving organizations. However, the number of students supported by the Treasury Scholars Program is largely dependent on available program funding which can vary considerably from year to year. Also, due to hiring restrictions imposed within Treasury in FY 2018, there were no students participating in the Pathways program, which are paid internships through Treasury's personnel budget.

## NEW IQ INCLUSION QUOTIENT

The Federal Employee Viewpoint Survey (FEVS) is a government-wide tool that measures employee 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 that are associated with management behaviors: fairness, open mindedness, cooperation, supportiveness, and empowerment. Scores can be derived for each of these factors to comprise the New Inclusion Quotient, or the New IQ Index.

The most recent survey was administered by the OPM from April through June 2018. 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 61.84 percent in FY 2018, a 2.82 percent decrease from the score of 64.66 percent in FY 2017. By comparison, the overall New IQ Index scores Treasury-wide and government-wide are 61.03 percent and 61.88, respectively.

For the specific factors associated with inclusion, Treasury Departmental Offices' FY 2018 scores on all five factors of inclusion are lower than those in FY 2017 (Table 19).

FY 2018 Treasury Departmental Offices' scores were:

- 53.28 percent - fairness (55.40 percent in FY 2017),
- 60.34 percent - open mindedness (64.25 percent in FY 2017),
- 57.86 percent - cooperation (61.50 percent in FY 2017),
- 81.12 percent - supportiveness (81.40 percent in 2017), and
- 56.61 percent - empowerment (60.75 percent in FY 2017)

**Table 19**

**FY 2018 Treasury Departmental Offices (DO)**

**Comparison to Government-wide and Treasury-wide Scores on the Inclusive Environment Index**

Behaviors	Gov	Treasury	DO
<b>Fairness</b>	48.33	50.48	53.28
<b>Open-mindedness</b>	60.31	60.45	60.34
<b>Cooperativeness</b>	58.04	60.09	57.86
<b>Supportiveness</b>	78.22	81.14	81.12
<b>Empowerment</b>	60.26	57.23	56.61
<b>Average</b>	<b>61.03</b>	<b>61.88</b>	<b>61.84</b>



## BEST PLACES TO WORK RANKING

The annual Best Places to Work in the Federal Government<sup>16</sup> rankings, produced by the nonprofit, nonpartisan Partnerships for Public Service, measures employee engagement government-wide as well as at individual departments, agencies, and subcomponents. The rankings provide a means of holding leaders accountable for the health of their organizations, shining the spotlight on agencies that are successfully engaging employees as well as on those that are falling short. The 2018 Best Places to Work findings demonstrate that collectively the federal government has a lot of work remaining to support and strengthen the federal workforce. The report is available by several categories. It provides deep insight into the dynamics of the workforce, and opportunities to identify our most critical challenges and focus on transformation.

In the overall rankings of the Best Places to Work employee engagement score, Treasury Departmental Offices is in the fourth quartile (337 out of 415) among federal agency subcomponents. This category is calculated based on responses to three different questions in the FEVS:

Q. 40 - I recommend my organization as a good place to work

Q. 69 - Considering everything, how satisfied are you with your job?

Q. 71 - Considering everything, how satisfied are you with your organization?

The FY 2018 employee engagement score of 55.4 represents a 5.8 point decline from 2017, suggesting a need for emphasis on management practices that promote greater employee engagement.

The Best Places to Work subcategory “Support for Diversity” measures the extent to which employees believe that actions and policies of leadership and management promote and respect diversity. In this category, Treasury Departmental Offices is ranked in the fourth quartile (298 out of 409) among federal agency subcomponents, dropping 0.4 points to a rating of 58.1 percent from 2017.

The “Effective Leadership: Fairness” subcategory measures the extent to which employees believe disputes are resolved fairly in their work units, whether employees believe arbitrary action and personal favoritism are tolerated, and if employees feel comfortable reporting illegal activity without fear of reprisal. In this subcategory, Treasury Departmental Offices is ranked in the third quartile (242 of 408) among federal agency subcomponents, dropping 2.5 points to a rating of 57.1 percent from 2017 (Table 20).

**Table 20**

**Treasury Departmental Offices**  
**Best Places to Work Agency Rankings and Score**

Treasury Departmental Offices				
Rank	Quartile	2018 Score	2017 Score	Change
Best Places to Work				
337 of 415	4 <sup>th</sup>	55.4	61.2	– 5.8
Support for Diversity				
298 of 409	4 <sup>th</sup>	58.1	61.8	– 0.4
Effective Leadership: Fairness				
242 of 408	3 <sup>rd</sup>	57.1	59.6	– 2.5

16. <https://bestplacestowork.org/rankings/overall/sub>

# INITIATIVES & ACCOMPLISHMENTS

## ACCOUNTABILITY

**Leadership Monitoring.** Secretary Mnuchin was confirmed by the United States Senate on February 13, 2017 to serve as the 77th Secretary of the Treasury. Secretary Mnuchin issued a Diversity and Inclusion Commitment Statement on November 17, 2017 that was disseminated to all Treasury employees and invited employees to display their own statement of commitment with a personalized Diversity and Inclusion Certificate. The Secretary issued this statement separately from the mandatory annual equal employment opportunity (EEO) policy statement, thus making a clear distinction between strategic diversity management and EEO compliance. In his statement, he set his expectations for the shared values of all Treasury employees, as follows:

*"We are committed to diversity, inclusion, and dignity for all people. We value the many ways people are different, including their social identity, training, experiences, and interest. We contribute to a workplace environment within Treasury where all people feel their unique talents, ideas, perspectives, and contributions are valued, respected and fully utilized."*

**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, has twice the weight of each the other three elements, i.e., Leading Change, Business Acumen, and Building Coalitions. This higher value accounts for the diversity component of the Leading People element in addition to other leadership characteristics.

**Supervisor and Employee Performance Plans.** Diversity and Inclusion performance elements have been drafted for the performance plans of all managers, supervisors, and employees in Treasury Departmental Offices. The Diversity and Inclusion Critical Element will account for at least 10 percent of the total weight for employees and for supervisors.

The Diversity and Inclusion element must at a minimum contain language that requires the supervisor/manager to:

- Advance the goals of the Treasury Diversity and Inclusion Strategic Plan;
- Effectively and collaboratively work with employees, senior leaders, customers, peers, and stakeholders from diverse backgrounds;
- Regularly exhibit behaviors that demonstrate respect and professional courtesy towards others within the workplace, by maintaining fair and impartial delivery of programs, work products, and services; and,
- Consistently demonstrate respect for employees within the workplace and interact in a manner that demonstrates professional courtesy and does not include harassing or bullying behaviors.

The Diversity and Inclusion element must at a minimum contain language that requires all other employees to:

- Participate in creating and maintaining an inclusive work environment; and,
- Interact with peers, supervisors, customers and stakeholders from all backgrounds in a manner that demonstrates professional courtesy and does not include harassing or bullying behaviors toward any group of employees.

These new performance elements are anticipated to be finalized before the end of FY 2019.

**Inclusive Diversity Strategic Plan for Fiscal Years FY 2017 – 2020.** In FY 2017, the Office of Civil Rights and Diversity developed an Inclusive Diversity Strategic Plan. This plan requires Treasury Bureaus, including Departmental Offices, to establish a new implementation plan for carrying out the strategic objectives outlined. The Inclusive Diversity Strategic Plan provides a framework to ensure that:

- Recruitment policies are sufficiently broad to afford maximum flexibility and enable recruitment of well-qualified candidates from a wide variety of sources;
- Internal barriers do not impede the hiring, promotion, or retention of any candidate or employee because of his or her race, gender, national origin, age, color, religion, disability, sexual orientation, parental status, protected genetic information, or any other non-merit factor;
- The Department develops a culture of inclusiveness, where every employee is given the opportunity to contribute; and
- Managers and leaders are accountable for the success of this initiative.

The OMWI, Office of Equal Employment Opportunity, and Office of Human Resources collaborated to produce a plan that holds agency leadership accountable for results in diversity efforts, ensuring those efforts are not only aligned with mission needs, but are also effective, efficient, and merit-based.

## 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 organizations serving minority students, 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, the Congressional Hispanic Caucus Institute, and others. However, because of the recent increase in the number of new organizations with similar capabilities, it is no longer permissible to use 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: INROADS, the Hispanic Association of Colleges and Universities National Internship Program, and the Washington Center. In FY 2018, OMWI offered paid internships to 10 students via the Treasury Scholars Program. These students were placed in policy and program offices throughout Treasury Departmental Offices, including International Affairs, Office of the Treasurer, Management and Budget, and OMWI. Students came from leading colleges and universities, including Historically Black Universities (Howard University and Spelman College) and Hispanic Serving Institutions (University of Puerto Rico and Texas A & M University).

## QUANTITATIVE AND QUALITATIVE ANALYSIS

**Diversity in the Hiring Process.** OMWI conducts an applicant flow analysis to determine the percentage of minority and women candidates participating at various stages of the hiring process. OMWI examines the aggregated flow of all applicants, the qualified applicants, the best qualified applicants and selections, 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 of the major policy and program offices that includes:

- Overall representation by race, gender, disability and veteran status
- Representation in the major occupations
- Demography of direct hires
- Demography of applicants

- Perceptions of the workplace environment
- Exit surveys and the reasons for leaving
- Performance ratings by race and gender.

OMWI briefs offices about the results of the analysis. OMWI then 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 for use by federal agencies to assess factors within the workplace that are closely associated an inclusive environment. Using the New IQ index, OMWI began providing policy and program offices within Treasury Department Offices with a qualitative measure of employee perceptions of their workplace environment. So, in addition to providing data on representational diversity, OMWI also provides an assessment of the extent to which the workplace culture is perceived as inclusive.

## INCLUSIVE DIVERSITY AWARENESS AND TRAINING

**The & Council.** In FY 2017, OMWI established an employee resource group, called The & Council, within Treasury Departmental Offices to advance and leverage diversity within the organization's culture and workforce by increasing workforce engagement, performance, diversity, and inclusion. The & Council, a single entity that focuses on the interests of various groups, serves as an innovative alternative to the traditional model of having separate Special Emphasis Program Managers (SEPMs) for each of the different special emphasis groups. Members of The & Council serve as an idea factory to infuse cultural intelligence into workplace on diversity and inclusion. Membership in The & Council is voluntary and consists of Treasury Departmental Offices employees at all levels who bring a broad range of perspectives to shape inclusive diversity efforts, representing a microcosm of the workforce: White; Black; Hispanic, Asian/Pacific Islander; American Indian; Alaska Native; women; lesbian, gay, bisexual and transgender (LGBT); persons with disabilities; age 40+; and early career employees.

The & Council consists of an Executive Committee and subcommittees. The & Council agreed by consensus on its framework and four areas of work: 1) cultural transformation efforts to create a more inclusive work environment; 2) critical conversations to promote important but often difficult dialogues; 3) career advancement recommendations to mitigate demographic hierarchical distinctions or disparities; and 4) civil rights and equal opportunity issues to identify barriers to representational diversity and fairness.

**Multi-tiered Diversity and Inclusion Training.** Since FY 2013, OMWI has sponsored several training sessions on diversity and inclusion, with a focus on unconscious bias. These have been 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 for change, leading development of improved management behaviors with the goal a more inclusive workplace environment.

Dr. Steve Robbins, an internationally recognized diversity and inclusion consultant, has been engaged by OMWI for four years to provide intensive training in the neuroscience of unconscious bias. In total, he has conducted 11 sessions for approximately 550 Treasury Departmental Offices participants. In FY 2018, OMWI launched a year-long online video series created by Dr. Robbins that makes much of his training content available in an on-demand form to all Treasury employees in short segments. Titled Inclusion Insights, a new episode in this year-long video series is posted to the Treasury intranet every other week. Earlier episodes remain archived and available for reviewing. With the announcement of each new episode, discussion questions are provided and managers are encouraged to incorporate them in their staff meetings.

OMWI staff strive to design programming that frames issues of diversity and inclusion in compelling, relatable, and transformative ways. This year, OMWI conducted three special programs that clearly met those criteria. OMWI collaborated with the Office of Civil Rights and Diversity to host a theatrical performance entitled, Incognito, a one-actor play by Michael Fosberg that explores the meaning of racial identity on a personal level. This innovative approach to a very difficult subject set the stage for an open

and meaningful discussion among the audience members immediately following the performance. OMWI also collaborated with the Office of Economic Policy to host a scholarly lecture by Dr. Marianne H. Wanamaker, entitled *The Steep Climb: The Economic Progress of African American Men since Emancipation*. This historical retrospective appealed to the broader workforce, but was of particular interest to the economics staff, because it was intended to allow the audience to think more deeply about the economic effects of diversity and inclusion. OMWI also hosted a film screening of the documentary, entitled *Black German Survivors of the Holocaust*, which chronicles the largely unknown history of Black Germans who were persecuted by the Nazi's during the Holocaust. The screening was followed by a discussion with an expert panel comprised of scholars from the U.S. Holocaust Memorial Museum, Howard University, and a Black German Holocaust survivor. While participants consistently rate OMWI programs highly, this standing-room-only film screening received particularly positive feedback.

In FY 2018, Treasury's Executive Institute (TEI) established a curriculum and hosted diversity and inclusion training sessions for Departmental Offices employees and managers at the GS-14 through SES levels. These sessions included the following seminars:

- Three Minutes a Day: Overcoming Unconscious Bias
- Shrinking Unconscious Bias: Awareness and Action for Change
- Performance, Image, and Exposure
- Resilience Workshop
- Giving and Receiving Feedback Workshop
- Cultural Transformation: Your Personal Immune System
- Cultural Transformation: Build Your Organizational Immune System
- Expand Your Generational Toolkit
- 3 Minutes a Day: Masterful Mentorship
- 3 Minutes a Day: Managing Diverse Perspectives: Tools to Better Understand, Manage, and Motivate Every Employee
- Inclusive on Purpose: How a Diverse Workforce Achieves the Best Result
- Leadership Communication: Coaching and Confrontation Skills
- The Person You Mean to Be: How Good People Fight Bias
- Crucial Conversations
- Crucial Accountability
- Crucial Conversations On Demand Program: Tools for Talking When the Stakes are High
- Be a Big, Brave-Hearted Rebel at Work

Finally, in commemoration of the federally designated heritage months, OMWI develops personal profiles of members of the Treasury staff who represent the specific cultural heritage celebrated. The profiles are featured on the Treasury intranet, and posted on the electronic bulletin boards throughout the various Treasury facilities.

## **FINANCIAL LITERACY**

Treasury leads the Financial Literacy and Education Commission (FLEC), comprising 23 federal government entities. The FLEC plays a central role in the federal government's efforts to enhance financial literacy, financial capability, and individual financial well-being. The FLEC coordinates its members' diverse financial education activities for Americans, including families, children, youth, students, service members and their families, and financially vulnerable populations. The FLEC members have pursued a variety of financial literacy and education approaches to provide information, instruction, and guidance to help American households



meet their financial goals. The FLEC provides a platform for its member agencies to collaborate and share those approaches, as well as ideas, research findings, and experiences that inform financial education policies and practices. Through the FLEC's efforts, federal financial education efforts can be more effectively coordinated and focused. FLEC also manages the MyMoney.gov website that serves as the one-stop shop for federal financial literacy and education programs. The Office of Consumer Policy, within the Domestic Finance Office, provides expertise and primary support to the FLEC and has the primary responsibility for programming pertaining to financial inclusion, literacy, and policies that address the economic realities of everyday Americans. The FLEC is chaired by the Secretary of the Treasury and the vice chair is the Director of the Consumer Financial Protection Bureau.

## 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 biggest challenges to implementing the workforce diversity provisions of Dodd-Frank Act § 342 have been hiring restrictions, retaining employees, identifying and mitigating the root causes for underrepresentation in specific racial/ethnic and gender categories, and changing employee perceptions about the workplace culture.


Hiring restrictions were imposed in FY 2017 and FY 2018, limiting opportunity for Treasury Departmental Offices to hire. Compared to FY 2017, a smaller percentage of Hispanic, Black, and Asian employees were hired in FY 2018. However, hires of White employees rose by 11 percent over FY 2017 (75% in FY 2018 and 64% in FY 2017). (Refer to Table 8).

Second, restrictions on hiring were compounded by retention rates during FY 2018. In FY 2018, the percentage of women hired was lower than the percentage that separated from Treasury, resulting in a net attrition of -2 percent. In FY 2018, the separation rate of minorities (36 percent) was the highest in five years and hiring rate of minorities (25 percent) was considerably lower than the prior year (36 percent), resulting in a negative net attrition (-11 percent). The hiring rate (75 percent) for Whites in FY 2018 was higher than its demographic attrition (64 percent). For both race/ethnicity and gender, there have been challenges in reversing the negative trajectories of attrition rates.

Third, the continuing challenge is to identify and mitigate the root causes and systemic barriers to the employment and advancement of women and racial/ethnic minority groups in specific areas of the workforce. The overall representation of Hispanics in the Treasury Departmental Offices workforce in FY 2018 was below all four benchmarks (FWF, TWF, CLF, and DO/RCLF). Hispanic representation is below their benchmark (overall Treasury Departmental Offices workforce) for positions at senior management levels (GS14 and GS15) and senior executive (SES) levels. Further, there is an underrepresentation of Hispanics compared to the Occupational Civilian Labor Force (OCLF) in 3 of the 5 mission critical occupations (with the exceptions being General Attorney for Hispanic women). Compounding these issues, the separation rate of Hispanics in FY 2018 (6 percent) was the highest in five years and their hire rate (7 percent) resulted in a net attrition of -1 percent.

In addition, for FY 2018, the representation of each minority group and women in permanent GS-15, and SES level positions are below the representation within the total Treasury Departmental Offices permanent workforce. The representation of women at the GS-15 level decreased by 2 percent compared to FY 2017 (41 percent); but remained unchanged in the SES level. There is comparable underrepresentation of Black employees in GS-14, GS-15, and SES positions and Asian employees in GS-15 and SES positions.

Fourth, the government-wide scores derived from the OPM New IQ inclusion quotient tool show that workplace inclusion is challenging across federal agencies. Treasury Departmental Offices has an overall Diversity and Inclusion Index score of 61.84 percent in FY 2018, a 2.82 percent decrease from the score of 64.66 percent in FY 2017. The FY 2018 score is 3.16 percent short of the 65 percent that the Office of Personnel Management regards as acceptable. The new challenge is to regain momentum in creating an overall workplace environment that is perceived by employees as being inclusive. Part of that challenge will be to mitigate underlying causes for perceptions about fairness, open mindedness, cooperation, and empowerment. OMWI will be exploring new tools and methods to better understand the sources of these perceptions and develop appropriate interventions, such as interim pulse surveys at the office level in addition to the annual government-wide employee survey.



**“We value the  
many ways  
people are  
different,  
including their  
social identity,  
training,  
experiences,  
and interests...”**

**Steven T. Mnuchin,  
Secretary of the Treasury**



# CONCLUSIONS AND FISCAL YEAR 2019 PLANS

## BUSINESS DIVERSITY AND INCLUSION

The commitment to MWOB contracting within Treasury Departmental Offices has remained strong. In FY 2018, more than one-third (37 percent) of contract dollars totaling \$116 million went to either minority-owned or women-owned businesses. These percentage and dollar amounts were the highest ever for minority-owned business contract obligations by Treasury Departmental Offices and among the highest for contracting with women-owned businesses.

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 of 35 percent meets the congressionally mandated small business goal established for Treasury, which was 35 percent in FY 2018. Similarly, contracting with minority-owned businesses was at 28 percent in FY 2018, 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 22 percent in FY 2018, which greatly exceeds 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 five of the Treasury Departmental Offices top seven industry codes.

OMWI will strive to support efforts that will not only maintain but continually improve this performance. Specific efforts that will be undertaken in FY 2018 include the following:

**Accountability.** OMWI will continue to monitor and develop regular reports on the utilization of minority-owned and women-owned businesses by each of the Bureaus. Such reports will provide a record tracking progress for use by the acquisition community and leadership, including the quarterly performance reviews conducted by senior leadership. 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 (FAR Contracting).** For eight consecutive years, utilization of minority-owned and women-owned businesses of all sizes by Treasury Departmental Offices has been well above government benchmark standards. In addition, Treasury Departmental Offices has met or exceeded aggressive goals in contracting with small disadvantaged businesses and women-owned small businesses. In FY 2019, Treasury will strive to maintain its upward trajectory in MWOB utilization and small business goal attainment by continuing to employ the strategies that have proven successful for Treasury since FY 2011. This has included targeted outreach, leadership oversight and accountability, new policies when necessary, regular monitoring and reporting, new tools and resources for the acquisition community, and regular intra-agency communication.

**Financial Agent Authority (Non-FAR).** Treasury will continue to build relationships and actively engage with stakeholder groups that represent minority-owned and women-owned financial institutions 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 for financial agent opportunities are fair and will encourage meaningful participation of minority-owned and woman-owned businesses either as financial agents or contractors to financial agents.

In FY 2019, OMWI and the Bureau will continue its collaborative work to expand the Financial Agent Mentor Protégé Program between large and small banks. The aim will be to increase the number of formal mentor protégé agreements and to monitor and showcase the progress and activities of participating banks.

**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
- U.S. Hispanic Chamber of Commerce
- U.S. Black Chambers
- National Minority Supplier Development Council
- Minority Business Development Agency
- The Women's Business Enterprise National Council
- National Association of Securities Professionals





## WORKFORCE DIVERSITY AND INCLUSION

Overall, Treasury Departmental Offices has a diverse workforce with the following qualifications regarding its demographic characteristics:

- The representation of women is below all four of the workforce benchmarks.
- Blacks and Asians are represented at or above at least three of the four workforce benchmarks.
- Hispanic representation is below all four workforce benchmarks with the exception of Hispanic men, which is equal to its Treasury Departmental representation.
- Women and racial/ethnic minority groups are disproportionately represented in positions at GS-12 and below.
- Gender and racial/ethnic disparities exist at the GS13 through 15 and SES levels and within all mission critical occupations, i.e., economists, general attorney, information technology, financial analyst, and intelligence analyst.
- Compared to FY 2017, employee perceptions of overall workplace inclusion and on all five management behaviors associated within inclusion has decreased within the Treasury Departmental Offices, but are slightly higher than those of the Treasury-wide and federal government-wide workforces. Also, the overall score remains below the score of 65 that the Office of Personnel Management regards as acceptable.

OMWI will continue to lead efforts to increase workplace diversity at the higher levels, i.e., GS-13 through GS-15 and SES, and in mission critical occupations. Programs will be continued to train employees with the goal of changing the workplace culture to one of more inclusion. OMWI's programs and activities on workforce diversity and inclusion in FY 2019 include the following:

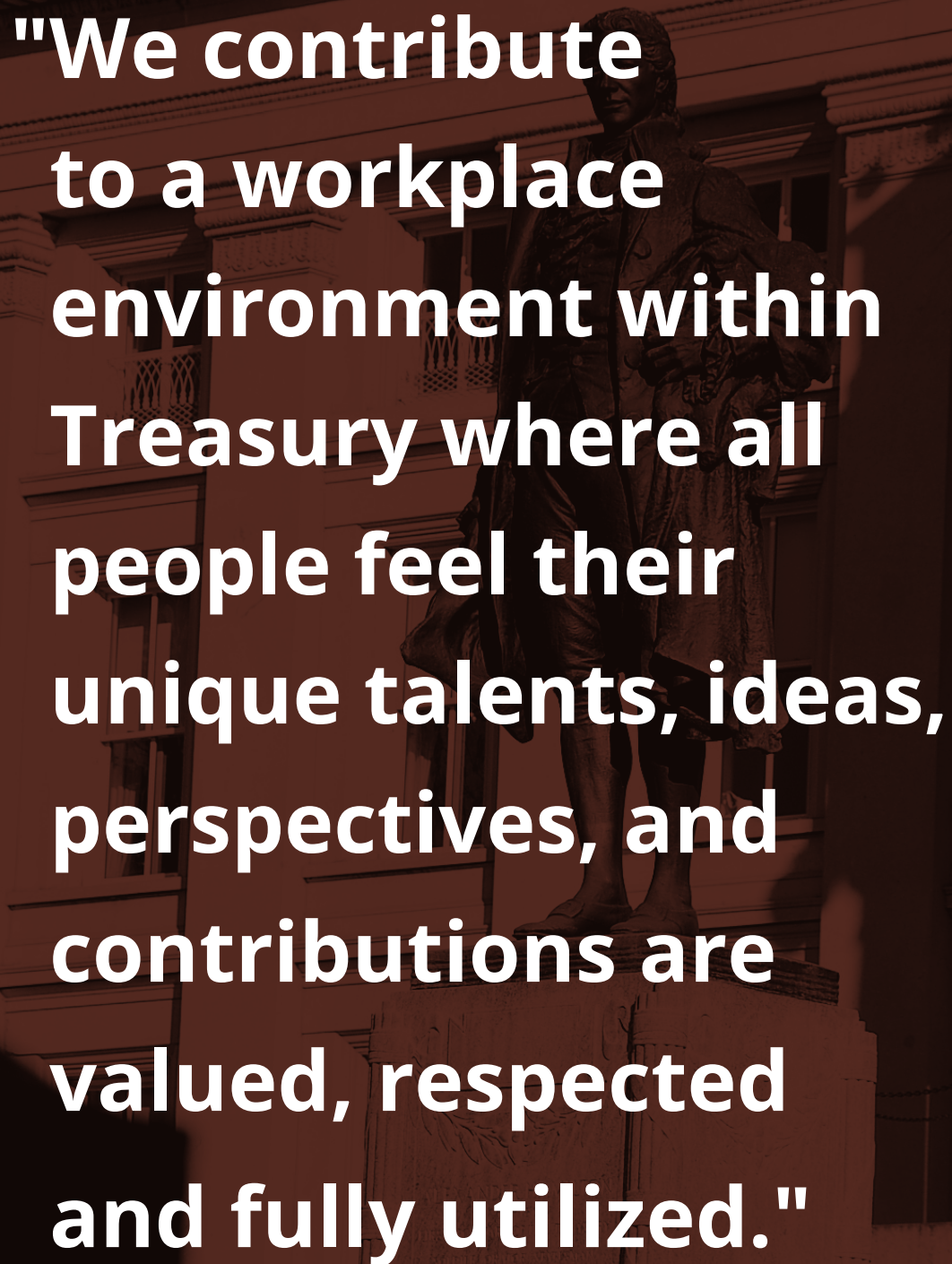
**Accountability.** OMWI, in collaboration with the Office of Civil Rights and Diversity, will continue to monitor and develop regular reports on the racial/ethnic and gender demography of the workforce across Treasury Departmental Offices and within the major policy and program offices to identify areas 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 senior leadership. 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 offer varied programs to promote a culture of inclusion within Treasury Departmental Offices available to senior leadership, managers and supervisors, and all other employees. The aim is to produce an overall cultural transformation within Treasury Departmental Offices and to increase the number of employees throughout the policy and program offices who have common mindset and core knowledge regarding workplace inclusion.

**Recruitment/Hiring/Outreach.** OMWI will seek 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 positions in Treasury Departmental Offices. OMWI will continue to track the hiring rates of women and Black employees, to develop strategies to reverse the negative trajectory for women, and to sustain or raise the neutral trajectory for Black employees. OMWI will work to identify and mitigate any factors that may cause under-identification, hiring, and retention of Hispanics.

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 and offering opportunities to the American public.





**"We contribute  
to a workplace  
environment within  
Treasury where all  
people feel their  
unique talents, ideas,  
perspectives, and  
contributions are  
valued, respected  
and fully utilized."**

Steven T. Mnuchin,  
Secretary of the Treasury

# APPENDIX

## LIST OF ABBREVIATIONS

CDFI	Community Development Financial Institutions Fund
CDFI Program	Treasury's Community Development Financial Institutions Program
CDLF	Community development loan funds
CLF	Civilian labor force
DO/RCLF	Relevant civilian labor force for Departmental Offices
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOL	Department of Labor
EEO	Equal Employment Opportunity
FAA	Financial Agent Authority
FAR	Federal Acquisition Regulation
FEVS	Federal Employee Viewpoint Survey
FWF	Federal government-wide work force
HUBZone	Historically underutilized business zones
MWOB	Minority-owned and Women-owned Businesses
NAICS	North American Industry Classification System
OCLF	Occupational civilian labor force
OFCCP	Office of Federal Contract Compliance Programs
OHR	Office of Human Resources
OMWI	Office of Minority and Women Inclusion
OPM	Office of Personnel Management
PPC	Persistent poverty counties
SBLF	Small Business Lending Fund
SDB	Small disadvantaged businesses
SMWOB	Small, minority-owned, and women-owned businesses
the Act	Small Business Jobs Act of 2010
TWF	Treasury-wide work force
WOSB	Women-owned small businesses







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**REPORT**  
TO CONGRESS