



Office of Minority and Women Inclusion

OMWI

DEPARTMENT OF THE TREASURY

Annual Report To Congress

FY20

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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

“Unprecedented” was one of the most recurring words used to describe the year 2020. Our nation joined the world in facing the global COVID-19 pandemic, which utterly changed the way Americans lived daily lives. Masks, physical distancing, maximum telework, and virtual meetings became ways of life and work for most of us. But, one thing that did not change within Treasury was the productivity of our work and our commitment to our mission.

Some of our work pivoted to address new priorities in response to the pandemic and other external events. For instance, our efforts to support small and minority depository institutions (MDIs) through the Treasury Mentor Protégé Program pivoted to include support for their “unprecedented” role as lenders in the Paycheck Protection Program (PPP). When the first round of the Paycheck Protection Program closed in 2020, 175 MDI lenders had made more than 123,000 PPP loans totaling over \$10.3 billion that provided financial relief to small businesses within the communities they serve.

A new category of procurement activity was created to track “unprecedented” COVID-19 related purchases of goods and services, such as personal protection supplies and equipment for employees and new technology to manage Economic Impact Payments to American citizens. Through the end of Fiscal Year (FY) 2020, Treasury obligated nearly \$14 million (10 percent of all COVID-19 related purchases) with minority-owned businesses; and nearly \$15 million (11 percent of all COVID-19 related purchases) with women-owned small businesses.

The nation experienced a heightened environment of racial awareness in the year 2020. The horrific killing of George Floyd sparked “unprecedented” world-wide protests and renewed demands for racial justice. It also led to more Americans seeking to deepen their understanding of systemic racism and join the quest for racial reckoning. In response, the Offices of Minority and Women Inclusion (OMWI) within the eight federal financial services agencies pivoted our activities and jointly convened a virtual dialogue about these issues, which was attended by more than 9,000 federal employees.

As FY 2020 ended, the eight OMWI Directors testified before the House Financial Services Subcommittee on Diversity and Inclusion to discuss our respective efforts within the context of the legislative mandates of our offices. This tenth annual OMWI Report to Congress amplifies that testimony by chronicling the progress and challenges toward greater diversity, equity, and inclusion within Treasury’s headquarters during FY 2020. Although our lives as Americans have been forever altered by the events of 2020, the need for greater unity and fairness for all people remains paramount as life returns to more “precedented” times.

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 **2020**
October 1, 2019 – September 30, 2020

BY THE NUMBERS

26

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

FEVS INCLUSION
QUOTIENT SCORE

63.49

2019 - Latest available statistic

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

13

44

PERCENTAGE OF
WOMEN PERMANENT
EMPLOYEES

37

PERCENTAGE OF
RACIAL/ETHNIC MINORITY
PERMANENT EMPLOYEES

1,883

TOTAL NUMBER OF
PERMANENT EMPLOYEES

15.6

PERCENTAGE OF CONTRACT
OBLIGATIONS WITH
WOMEN-OWNED BUSINESSES

19.8

PERCENTAGE OF CONTRACT
OBLIGATIONS WITH
MINORITY-OWNED BUSINESSES

\$56,084,322

TOTAL AMOUNT OF CONTRACT DOLLARS
OBLIGATED WITH WOMEN-OWNED BUSINESSES

54.75

**FEVS
FAIRNESS
SCORE**

2019 - Latest available statistic

\$71,075,884

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 tenth report is submitted to Congress pursuant to the Dodd-Frank Act regarding the actions taken by Treasury and the OMWI during Fiscal Year (FY) 2020.



BUSINESS DIVERSITY and INCLUSION. 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 2020, Treasury Departmental Offices' total procurement contracts for goods and services represented \$359 million in obligations (with 1,798 contract actions), with over one-quarter (26 percent) of contract dollars totaling \$92 million going to either minority-owned or women-owned businesses. A total of \$71 million, or 20 percent of total contract obligations, was awarded to minority-owned businesses. A total of \$56 million,

or 16 percent of total contract obligations, was awarded to women-owned businesses of all sizes. Among the small business categories, contract obligations to small disadvantaged businesses represented 17 percent of all Departmental Offices contracts; and contract obligations to women-owned small businesses represented 15 percent – both above the 5 percent statutory goal.

Since OMWI first began tracking MWOB contracting in 2011, there has been an upward trajectory in MWOB utilization. However, in FY 2020, the percentage of minority-owned and women-owned contract obligations by Treasury Departmental Offices dipped by 5.2% and 7.5% respectively. While these drops are notable, we do not consider them systemic, as they were primarily due to a specific contract expiring and a long-standing industry partner successfully being acquired by a larger business and losing its women-owned status. Unlike specific small business categories, MWOBs do not have mandated goals as incentives. However, we will continue to work with procurement officers to ensure MWOB receive consideration for new awards to ensure utilization of MWOBs returns to a growth pattern.

In FY 2020, MWOBs played an important role in Treasury Departmental Offices' contractual response to COVID-19. Treasury Departmental Offices obligated \$20,966,528 in COVID-19 recovery related funding in FY 2020. Of this amount, \$3,734,367 (18%) were awarded to women-owned businesses and \$2,619,744 (12%) were awarded to minority owned businesses.

Treasury Departmental Offices will also monitor the implementation of category management strategies as a recent directive for the government-wide acquisition community. To the extent category management shifts buying behaviors, there is 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 2020 for the third consecutive year, this is an area where continued monitoring will be important.

WORKFORCE DIVERSITY and INCLUSION. In FY 2020, the Treasury Departmental Offices permanent workforce of 1,883 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 people of color. Black employees represent the largest group of people of color at 21 percent. Asians and Hispanics comprise 10 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. Regarding representation by sex within Treasury Departmental Offices, 44 percent are women and 56 percent are men.

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 identifying and mitigating underlying root causes for underrepresentation of specific racial/ethnic categories and women in higher level positions and improving employee perspectives regarding workplace culture.

Diversity. Overall, the Departmental Offices' workforce is racially diverse with Black and Asian employees represented at or above nearly all relevant benchmarks. Regarding ethnic diversity, Hispanic employee remain underrepresented. The representation of women is lower across three of the four benchmarks.

Hiring. In FY 2020, there was a +/- 2 percent one-year change in the hiring rate among women and people of color compared to FY 2019. Treasury Departmental Offices had one-year increases in hiring for Black employees (+2 percent) and Hispanic employees (+ 2 percent) and one-year decreases in hiring for women employees (-2 percent) and Asian employees (-2 percent).

Retention. In FY 2020, the separation rate of Black employees was the highest in five years at 20 percent and the highest among any underrepresented group. For women, there was a 41 percent hiring rate and a 48 percent separation rate, resulting in a net loss of -7 percent.

Hispanic Employees. Among all people of color, Hispanic employees are underrepresented on most of the relevant benchmarks. On the positive side, the hiring rate for Hispanic employees was 8 percent which was 2 percent higher than FY 2019 (6 percent), respectively. Hispanic employees separated at a rate of 2%, resulting in a net gain of 6 percent. The challenge will be to maintain such incremental net gains.

Senior and Executive Management. In FY 2020, the representation of people of color and women in permanent GS-15 and SES level positions are below their representation within the Treasury Departmental Offices permanent workforce; and there also was an underrepresentation of Black employees at the GS-14 level.

Mission Critical Occupations. There are five occupations that are considered mission critical: economist, attorney, financial analyst, information technology, and intelligence analyst. Over the past five years, there has remained a consistent underrepresentation of Hispanics employees among financial analysts and information technology position and Black employees among economists and intelligence analysts, compared to their representation in the Occupational Civilian Labor Force.

Inclusion. The questions that assess employee perspectives about workplace inclusion (known as the New IQ) were not included in the FY 2020 administration of the Federal Employee Viewpoint Survey. However, it is important to note that the Treasury Departmental Offices New IQ scores have remained generally consistent since the New IQ was first utilized by OMWI in FY 2013. The FY 2019 scores for Treasury Departmental Offices were below the minimally acceptable score of 65 percent as established by the Office of Personnel Management.

OVERVIEW

This tenth 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) 2020.¹



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 four inspectors general. The Departmental Offices are primarily responsible for policy formulation, while the bureaus are primarily the operating units of the organization.

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

- **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, civil rights, and diversity and inclusion 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

The Office of Minority and Women Inclusion (OMWI) 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

Office of Minority and Women Inclusion Primary Duties

Develop standards for diversity of the workforce and senior management

Support recruitment/advancement efforts toward workforce diversity at all levels

Develop standards for increased minority-owned and women-owned business contracts

Develop standards for technical assistance to businesses

Develop procedures for contracting that considers the diversity of the applicant

Develop standards to determine whether contractors and subcontractors are making a good-faith effort to include people of color and women in their workforce

Submit an annual report to Congress

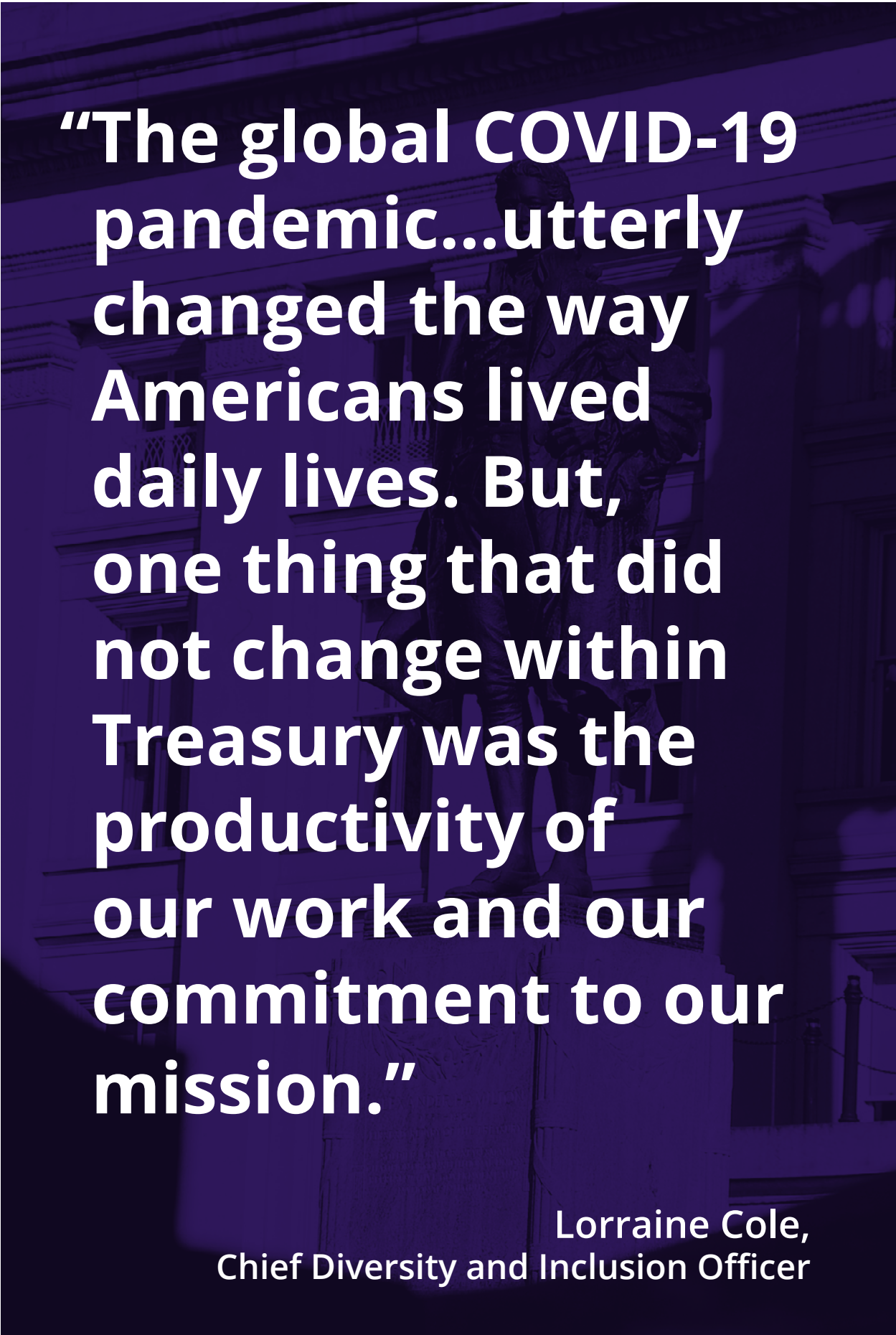
Conduct data analysis and produce internal reports

Provide advice and advocacy

all matters relating to diversity in management, employment, and business activities, excluding the enforcement of statutes, regulations, or executive orders pertaining to civil rights. OMWI is required to develop standards for equal employment opportunity and the racial, ethnic, and gender diversity of the workforce. OMWI is also required to take steps to seek diversity, in a manner consistent with applicable law, in the workforce of Treasury Departmental Offices at all levels of the organization, but particularly within senior management. In addition to workforce diversity, OMWI is charged with seeking increased participation of minority-owned and women-owned businesses in the programs and contracts of the agency. OMWI is responsible for establishing procedures to determine if agency contractors and their subcontractors have made good faith efforts to include people of color and women in their workforce.

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 on efforts pertaining to workforce and business diversity and inclusion. The OMWI Director reports to Secretary of the Treasury through the Deputy Secretary and has a direct reporting line to the Assistant Secretary for Management on day-to-day matters. Throughout FY 2020 and in accordance with Dodd Frank § 342, Lorraine Cole, Chief Diversity and Inclusion Officer, held quarterly meetings with the Treasury Deputy Secretary to provide briefings on relevant aspects of workforce and business diversity and inclusion, consult on new initiatives, and recommend 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.



“The global COVID-19 pandemic...utterly changed the way Americans lived daily lives. But, one thing that did not change within Treasury was the productivity of our work and our commitment to our mission.”

**Lorraine Cole,
Chief Diversity and Inclusion Officer**

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 increased from \$4.7 billion in FY 2019 to \$6.5 billion in FY 2020. Within Treasury Departmental Offices, procurement for products and services increased from a total of \$329 million in FY 2019 (with 1,754 contract actions) to \$359 million in FY 2020 (with 1,798 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 2020, with 26 percent of contract dollars totaling \$92 million going to either minority-owned or women-owned businesses (MWOB). Specifically, \$56 million (16 percent) of contract obligated award dollars went to women-owned businesses and \$71 million (20 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 and women-owned businesses declined from FY 2019 levels, however both remain high relative to historical levels.

Table 1

FY 2020 Treasury Departmental Offices

Contract Obligations by Demographic Groups, Total Awards, and Percentages of Awards*

Category	Total Awards in Dollars	Percentage of Awards
All Departmental Offices Awards	\$358,696,013	100.0%
Neither Minority-owned nor Women-owned	\$266,915,457	74.4%
Minority-owned or Women-owned	\$91,780,557	25.6%
Woman-owned	\$56,084,322	15.6%
Minority-owned ³	\$71,075,884	19.8%
Asian American ⁴	\$50,781,177	14.2%
Black American	\$3,031,706	0.8%
Hispanic American	\$14,252,244	4.0%
Native American	\$8,035,216	2.2%
Other Minority ⁵	\$5,048,763	1.4%

*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 8, 2020 for FY20 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

3. 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.

4. "Asian American" includes both Subcontinent Asian (Asian-Indian) American-owned businesses and Asian Pacific American-owned businesses.

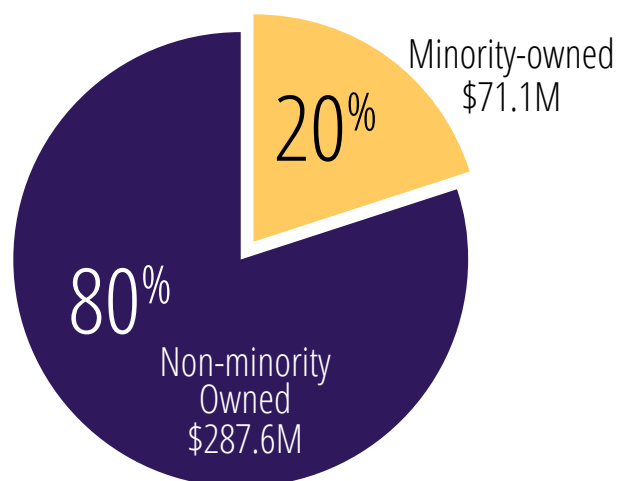
5. "Other minority" means those businesses designating "minority-owned" in the System for Award Management, but not designating Asian American, Black American, Hispanic American, or Native American.

TRENDS IN MINORITY-OWNED BUSINESS UTILIZATION

In FY 2020, utilization of minority-owned businesses overall within Treasury Departmental Offices has decreased relative to total spending compared to FY 2019 (\$82 million or 25 percent). A total of \$71.1 million or 20 percent of the total in contract obligations were awarded to minority-owned businesses (Figure 1). This drop is primarily due to a single contract which expired in FY 2020.

Figure 1

FY 2020 Treasury Departmental Offices
Overall Contract Obligations by Minority Status*



*Percentages have been rounded to whole numbers

Contract obligations to minority-owned businesses by specific racial and ethnic designation of the ownership for the five most recent consecutive years are listed in Table 2⁶

Table 2

Treasury Departmental Offices

Overall Contract Obligations by Specific Racial/Ethnic Minority Group* - FY 2016 - 2020

Category	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Minority-owned Businesses	\$71 million (20%)	\$82 million (25%)	\$87 million (28%)	\$72 million (24%)	\$59 million (18%)
Black-owned	\$3 million	\$17 million	\$16 million	\$14 million	\$14 million
Hispanic-owned	\$14 million	\$15 million	\$14 million	\$16 million	\$10 million
Asian-owned	\$51 million	\$50 million	\$51 million	\$42 million	\$24 million
American Indian-owned	\$8 million	\$1 million	\$7 million	\$1 million	\$1 million
Non-minority Businesses	\$288 million (80%)	\$247 million (75%)	\$226 million (72%)	\$230 million (76%)	\$274 million (83%)

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 8, 2020 for FY20; dollars and percentages are rounded.

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

TRENDS IN WOMEN-OWNED BUSINESS UTILIZATION

In FY 2020, there was a decrease in the contracts awarded to women-owned businesses within Treasury Departmental Offices compared to FY 2019 (\$76 million or 23 percent). In FY 2020, a total of \$56 million or 16 percent of the total contract obligations were awarded to women-owned businesses, including minority women (Figure 2). This drop is primarily due to two individual contracts – a contract that expired in FY 2020 and a long-standing industry partner successfully acquired by a larger business and losing its women-owned status.

Contract obligations to women-owned businesses, including minority status, for the five most recent consecutive years are listed in Table 3. Percentage and dollar amounts of contract obligations with women-owned businesses decreased in FY 2020 (16 percent and \$56 million) compared to FY 2019 (23 percent and \$76 million), however, it is noteworthy that, for the fourth consecutive year, the percentage and dollar amounts of contract obligations with minority women-owned business (10 percent and \$35 million) exceeded that with non-minority women-owned businesses (6 percent and \$21 million).

Figure 2

FY 2020 Treasury Departmental Offices
Overall Contract Obligations by Gender Categories*

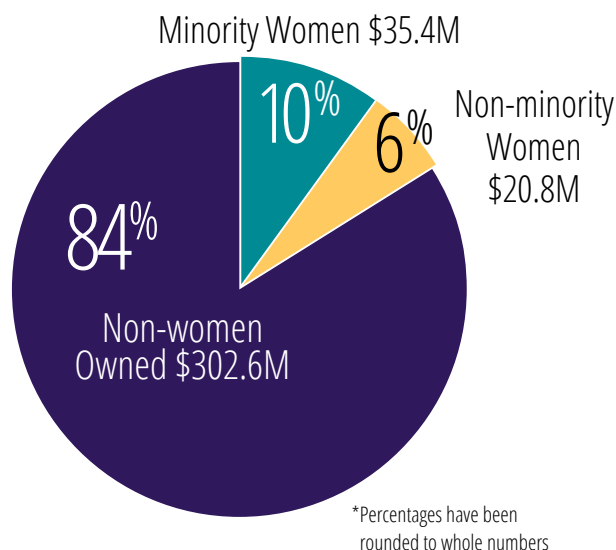


Table 3

Treasury Departmental Offices
Overall Contract Obligations by Gender-specific Business* - FY 2016–2020

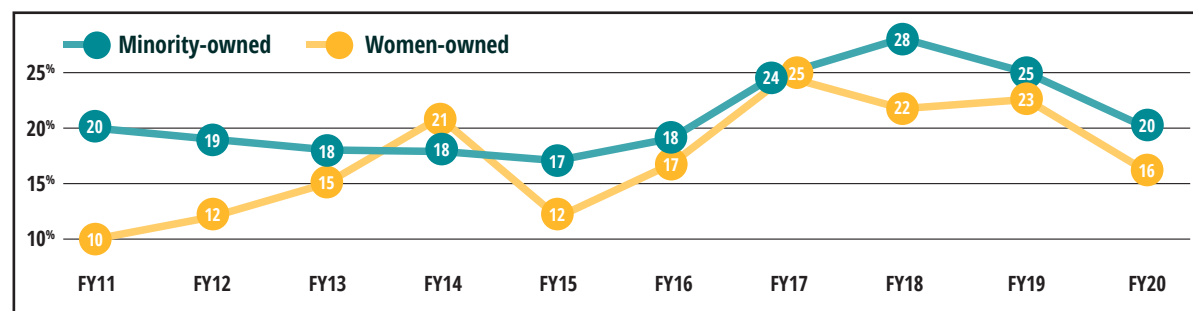
Category	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Women-owned Businesses	\$56 million (16%)	\$76 million (23%)	\$70 million (22%)	\$76 million (25%)	\$57 million (17%)
Minority Women	\$35 million (10%)	\$46 million (14%)	\$42 million (13%)	\$42 million (14%)	\$15 million (4%)
Non-minority Women	\$21 million (6%)	\$30 million (9%)	\$29 million (9%)	\$34 million (11%)	\$42 million (13%)
Non-women-owned Businesses	\$303 million (84%)	\$253 million (77%)	\$243 million (78%)	\$226 million (75%)	\$276 million (83%)

* Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 8, 2020 for FY20; 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 - FY 2011–2020.



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 2020, contract obligations to small businesses by Treasury Departmental Offices comprised 47 percent of the value of contracts awarded, exceeding the 39 percent statutory goal. Contract obligations to small disadvantaged businesses represented 17.2 percent, far exceeding the 5 percent statutory goal; similarly, contract obligations to women-owned small businesses represented 14.9 percent, almost triple the 5 percent statutory goal. (Table 4 and Figure 4)

Contract obligations to small minority-owned and women-owned businesses (MWOB) for the five most recent consecutive years are listed in Table 4.

Figure 4

FY 2020 Treasury Departmental Offices
Small MWOB Contract Obligations *

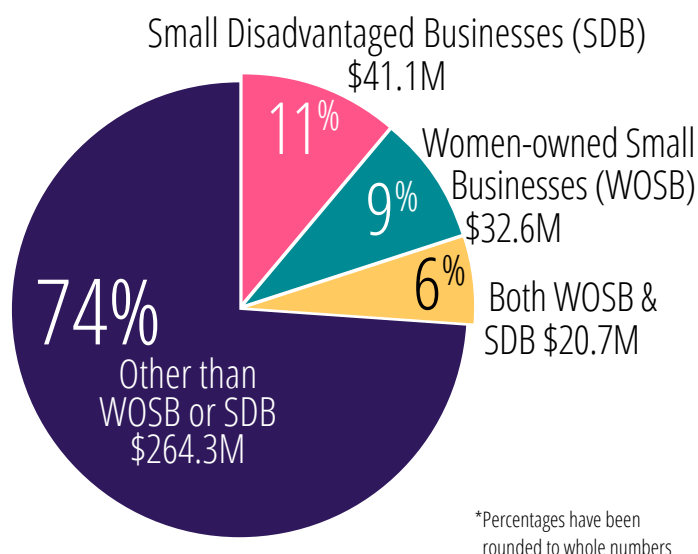


Table 4

Treasury Departmental Offices
Overall Contract Obligations to Small MWOB*, FY 2016-2020

Category	FY 2020	FY2019	FY 2018	FY 2017	FY 2016
Total Contract Obligations (regardless of size)	\$359 million	\$329 million	\$313 million	\$301 million	\$333 million
Overall Small Businesses Contract Obligations	\$167 million (47%)	\$163 million (49%)	\$154 million (49%)	\$135 million (45%)	\$134 million (40%)
Small Disadvantaged Businesses (SDB)**	\$62 million (17%)	\$21 million (6%)***	\$69 million (22%)	\$36 million (12%)	\$42 million (13%)
Women-owned Small Businesses	\$53 million (15%)	\$55 million (17%)	\$47 million (15%)	\$70 million (23%)	\$51 million (15%)

*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 8, 2020 for FY20; Dollars and percentages are rounded.

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

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

MWOB PARTICIPATION IN SPECIFIC ACQUISITION CATEGORIES

In FY 2019, 95 percent of all Treasury Departmental Offices contracts tendered were for services (i.e., not including products), representing \$311 million in spending. Thirty-four percent of Departmental Offices service contract obligated award dollars were awarded to minority-owned or women-owned businesses: 23 percent of service contract obligated award dollars went to women-owned businesses and 25 percent of service contract obligated award dollars went to minority-owned businesses.

The *North American Industry Classification System* (NAICS) is used by the United States, Canada, and Mexico to classify businesses by industry. Each business is classified into a six-digit NAICS code number based on the majority of activity at the business. Within Treasury Departmental Offices, approximately 78 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 \$24 million (97% of the category obligations). (Table 5)



Table 5

FY 2020 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 \$358,696,013 and processed 1,798 actions	NAICS Codes and Descriptions					
	541519		517110		541512	
	Other Computer Related Services		Wired Telecommunications Carriers		Computer Systems Design Services	
Unique Vendor Count	69		1		20	
Award Category	\$	%	\$	%	\$	%
Total DO Awards in NAICS	96,930,948	27.0	68,412,535	19.1	32,142,807	9.0
Minority-owned or Women-owned⁷	16,442,387	17.0	0	0	17,997,225	56.0
• Women-owned	9,162,982	9.5	0	0	7,118,959	22.1
• Minority-owned	7,733,140	8.0	0	0	17,997,225	56.0
Asian American	3,438,699	3.5	0	0	17,853,579	55.5
Black American	152,772	0.2	0	0	2,169,166	6.7
Hispanic American	177,983	0.2	0	0	-1,509,191	-4.7
Native American	3,732,932	3.9	0	0	0	0
Other Minority	254,698	0.3	0	0	0	0
Neither Minority-owned nor Women-owned	80,488,561	83.0	68,412,535	100	14,145,582	44.0

*Contracting dollar amounts are based on Federal Procurement Data System (FPDS-ng) data extracted December 8, 2020 for FY20.

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

7. Awards to businesses that are both minority-owned 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							
493110		541511		541611		928120	
General Warehousing and Storage		Custom Computer Programming Services		Administrative Management and General Management Consulting Services		International Affairs	
1		10		32		211	
\$	%	\$	%	\$	%	\$	%
31,025,241	8.6	25,166,421	7.0	14,855,472	4.1	13,991,954	3.9
0	0.0	24,325,881	96.7	4,125,707	27.8	1,905,838	13.6
0	0	24,261,983	96.4	571,611	3.8	1,497,054	10.7
0	0	19,495,755	77.5	3,601,860	24.2	631,177	4.5
0	0	21,203,277	84.3	6,416,341	43.2	0	0.0
0	0	0	0	702,915	4.7	0	0
0	0	63,899	0.3	351,723	2.4	608,910	4.4
0	0	0	0	0	0	22,268	0.2
0	0	0	0	144,987	0	0	0
31,025,241	100	840,540	3.3	10,729,765	72.2	12,086,116	86.4

MWOB PARTICIPATION IN COVID-19 RELATED CONTRACTING

Since March of 2020, Treasury also began tracking contracts made specifically for COVID-19 related purchases. This included purchases for such goods and services as information technology design, wired telecommunications services, medical and cleaning supplies, and legal services. Nearly \$14 million (10 percent) for such purchases were from minority-owned businesses and nearly \$15 million (11 percent) has been from women-owned small businesses.⁸ Treasury Departmental Offices obligated \$20,966,528 in COVID-19 recovery related funding in FY 2020. Of this amount, \$3,734,367 (18%) were awarded to women-owned businesses and \$2,619,744 (12%) were awarded to minority owned businesses.⁹

8. Data extracted from Federal Procurement Data System (FPDS-ng) on August 27, 2020 including cumulative contract actions from March 13 through August 24, 2020.

9. Data extracted from Federal Procurement Data System (FPDS-ng) on December 8, 2020 for FY20.

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 people of color 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, 2014¹⁰ 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 people of color 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 (women, men), 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 284 contracts in FY 2020 that met the requirements for a good faith effort review. Of those contracts, there were 161 unique Treasury Departmental Offices contractors. Thirteen percent (21) of these contractors had undergone either OFCCP comprehensive compliance evaluations or OFCCP investigations for discrimination in response to a specific allegation within the past 5 years.

The comprehensive OFCCP compliance evaluation included 12 percent (20) of the 161 contractors. These 20 contractors represented 49 percent of the FY 2020 contract dollars obligated by Treasury Departmental Offices for vendors with contracts that met the threshold for good faith effort reviews (\$171 million out of \$348 million in vendors with GFE-eligible contracts). OFCCP evaluations

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

for violations in the five categories showed that 75 percent (15 contractors) received a Notice of Compliance. Of the five contractors that did not receive a Notice of Compliance, four were cited for Record Keeping violations (\$81 million in contracts) and two were cited for lack of a written Affirmative Action Plan (AAP) (\$36 million in contracts). Other cited violations included Recruiting, Record Keeping, Hiring, and Systemic Discrimination. OFCCP ultimately conferred conciliation agreements as the remedy for these violations.


OFCCP conducted investigations for seven reported allegations of discrimination, four percent of the 161 contractors (\$77 million in total contracts). The reported allegations against the seven contractors included discrimination against one or more of the following: Color, Black, Religion, Veteran, Disabled Employees, or a reported allegation cited as “other discrimination.” The outcomes of these investigations resulted in no violations being confirmed.

FINANCIAL AGENT AUTHORITY

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) and the Small Business Lending Fund (SBLF), engaging external broker-dealers and asset managers, including minority-owned and women-owned financial services firms. With the active wind-down of the TARP program and SBLF since FY 2017, FAA opportunities have been limited. There had been only one financial agent serving as an asset manager to support both portfolios and that financial agent agreement ended effective December 1, 2020. Therefore, there have been no substantial opportunities for Treasury to engage women-owned, minority-owned, or minority women-owned financial agents to provide broker-dealer, asset management, or underwriting services for the period 2015-2020.





**“Although our lives
as Americans have
been forever altered
by the events of
2020, the need for
greater unity and
fairness for all people
remains paramount
as life returns to more
“precedented” times.”**

**Lorraine Cole,
Chief Diversity and Inclusion Officer**

INITIATIVES & ACCOMPLISHMENTS

CAPACITY BUILDING

TREASURY'S BANK MENTOR-PROTÉGÉ PROGRAM.

Treasury has a unique financial agent authority granted by the National Banks Acts of 1863 and 1864 that allows Treasury to designate financial institutions to provide certain services on the government's behalf. In FY 2018, OMWI and the Bureau of Fiscal Services Office of Collections collaborated to launch a new program to facilitate the inclusion of a broader segment of the financial institution community to serve as Treasury financial agents. Several large banks perform revenue collections and deposits activities as financial agents on behalf of Treasury. This program has sought that these large financial agent banks establish mentor-protégé agreements with small financial institutions (with assets under \$2 billion) in order to provide technical assistance to the participating protégé institutions to build their capacity to serve as conduits for financial agent work. This first-of-its-kind program was officially launched in August 2018 when the first mentor-protégé agreement was signed between a small minority-owned bank and a Treasury financial agent bank.

Although the original aim of the Bank Mentor Protégé Program was to engage only the limited number of existing Treasury financial agent banks to serve as mentors, the program subsequently expanded to include more than only financial agent banks. The Treasury Bank Mentor Protégé Program now works to establish relationships between the largest U.S. commercial banks as mentors and small and minority-owned banks as protégés. This expanded program scope is intended to increase the capacity of small and minority-owned banks to better serve their customers and potentially Treasury, strengthen their ability to withstand the rigors of the rapidly changing banking industry and economic environment, and create new partnerships with Treasury across the banking industry.

It has been the experience that the “courtship” process between prospective mentor protégé dyads has been deliberative, methodical, and lengthy. In the past two years, the program has grown to include 14 banks and among them nine formalized mentor-protégé relationships. Several additional large banks are in varying stages of formalizing agreements with small and minority-owned banks.

Treasury is not involved in matchmaking between specific mentor and protégé banks, does not determine specific parameters of the agreements between them, and does not offer any incentives or compensation for participation as either a mentor or protégé in the program. The goals between each mentor protégé dyad is independently and uniquely determined based on the capacity and expertise of the respective banks. The types of technical assistance and growth strategies are either narrowly specialized or broadly encompassing, as mutually determined during the early development of the mentor-protégé arrangement. Technical support provided could range from operations, such as expanded banking offerings, fraud monitoring, and emerging technologies to business development, such as access to capital, mergers and acquisitions, and contracted work specific to Treasury operations. Therefore, there is no single standard or measure of success of each bank in the program because each relationship is unique.

The potential benefits of the mentor-protégé program to the growth and sustainability of protégé banks are evident. For example, after Citi and Industrial Bank established their mentor-protégé agreement, Industrial Bank expanded its line of business to support work for Treasury and recently expanded its geographic footprint beyond Washington DC by assuming the ownership of banks in New Jersey and New York.

Moving forward, Treasury will continue to work to increase the number of participating mentor and protégé banks, expand networks within the financial-services industry, as well as to facilitate the inclusion and diversity of a broader range of financial institutions in Treasury business opportunities. Treasury also will explore new initiatives and actionable policy recommendations to help MDIs improve their operations and/or product offerings to better serve consumers and the communities in which they operate.

The Treasury Bank Mentor Protégé Program is a collaborative effort between Treasury's Office of Minority and Women Inclusion and the Bureau of the Fiscal Service. The two employees who were responsible for developing the mentor protégé program, Lorraine Cole and Corvelli McDaniel, were honored for their role with the 2020 Service to America Medal People Choice Award¹¹ (known as the Oscar's of federal government service).

COVID-19 RELATED SUPPORT THROUGH MINORITY DEPOSITORY INSTITUTIONS

In FY 2020, the focus of diversity in Treasury business activities pivoted to ensure that minority depository institutions (MDIs) were represented among lenders as part of the Paycheck Protection Program (PPP), Treasury's economic response to the COVID-19 pandemic. During the unprecedented pandemic this year, MDIs played a key role in delivering needed capital and relief to underserved communities. When the initial round of the PPP closed on August 8, 2020, 175 MDI lenders had made more than 123,000 PPP loans totaling over \$10.3 billion.

INDUSTRY OUTREACH

Treasury typically engages with small, minority-owned, and women-owned businesses through substantial outreach efforts, both conducted by Treasury and in partnership with external organizations and agencies. In FY 2020, due to the COVID-19 pandemic, many outreach activities were postponed or canceled. However, Treasury participated in several onsite events in the first two quarters of the fiscal year and some virtual activities throughout the remainder of the year. Ironically, those that were held virtually rather than onsite provided the opportunity to reach larger and more geographically diverse audiences than would have been otherwise possible.

Joint OMWI Industry Technical Assistance Event. In FY 2020 (December 2019), the eight OMWI agencies (Treasury, Office of the Comptroller of the Currency, Federal Reserve Board, Federal Deposit Insurance Corporation, Federal Housing Financial Agency, National Credit Union Association, and the Securities and Exchange Commission) held a joint technical assistance event for minority-owned and women-owned businesses. Entitled *Connections that Count*, the event featured former small businesses that shared their successful growth strategies and provided guidance for creating winning teaming arrangements. There were also opportunities to network with representatives from the federal financial services agencies, the Minority Business Development agency, the Northern Virginia Procurement Technical Assistance Center (PTAC), and fellow vendors. The onsite event attracted 138 attendees and eight exhibitors.

Freedman's Bank Forum. The Freedman's Savings and Trust Company, commonly referred to as the Freedman's Bank, was created to provide banking services for formerly enslaved Americans in 1865. Although the bank came to an unfortunate end only nine years later, its history stands as an important legacy of the nation's efforts to promote financial inclusion, particularly among African Americans.

The last major outreach event conducted onsite at the main Treasury headquarters building prior to restrictions due to the COVID-19 pandemic was the Freedman's Bank Forum.¹² This event was held on March 3, 2020 in commemoration of the 155th anniversary of the Freedman's Savings and Trust Company's charter. Approximately 200 participants attended, representing minority depository institutions and various other facets of the financial and banking industries and financial education and counseling. Treasury Secretary Steven Mnuchin, Deputy Secretary Justin Muzinich and other key Treasury officials participated on the program, as well as leaders from other federal financial services agencies.

Beyond discussing the history and legacy of Freeman's Bank, key topics of the forum included:

- Preserving Minority Depository Institutions
- Expanding banking opportunities through financial innovation and partnerships

¹¹ <https://ourpublicservice.org/publications/partnership-for-public-service-honors-corvelli-mcdaniel-and-lorraine-cole-as-2020-service-to-america-medal-winners/>

¹² The video of the entire Freedman's Bank Forum is available on demand at: <https://treas.yorkcast.com/webcast/Play/4baa66eec3fc4c6caa75b80826eb62491d>

- Investing in minority entrepreneurs and minority-owned businesses
- Increasing financial literacy and wealth building

The speakers included prominent regulatory officials and private and non-profit sector leaders who discussed the important role that Minority Depository Institutions play in broad-based economic growth, and public and private strategies to address the financial inclusion and community and economic development. The dialogue both informed and highlighted Treasury's and other federal government programs and policies related to Minority Depository Institutions; and promoted opportunities that support economic development for all American communities. In follow-up to this event, a Treasury cross-agency MDI Brain Trust was established to explore potential initiatives to address the needs and challenges of Minority Depository Institutions based on the information gathered at this and other meetings with MDI representatives.

Treasury-SBA-MDI Roundtable. OMWI conducted a virtual Treasury-SBA-MDI Roundtable to receive important industry intelligence about challenges, insights, needs, and recommendations of minority-owned banks and the communities they serve in implementing the Paycheck Protection Program (PPP). This roundtable provided a rare opportunity for the leadership of Treasury and the Small Business Administration to hear first-hand from the Presidents/CEOs of minority-owned banks that were PPP lenders. This Roundtable was hosted by Deputy Secretary Justin Muzinch, SBA Administrator Jovita Carranza, and Chair of the National Bankers Association, Kenneth Kelly, with the Chief Diversity & Inclusion Officer/OMWI Director serving as the moderator for the program. Presidents/CEO of minority-owned banks that are part of the Treasury Mentor Protégé Program led detailed discussions about their experiences as PPP lender and provided recommendations to impacted policy pertaining to the program. For instance, one of the concerns raised during the session was the inordinate administrative time and high costs to process low dollar loan applications and concerns that this burden would be repeated during the application process for loan forgiveness. Among the many recommendations emanating from this session was for a minimally burdensome PPP loan forgiveness process, which subsequently was accomplished.

ChallengeHer. ChallengeHer is a national initiative to boost government contracting opportunities for women entrepreneurs with a special focus on the Women-owned Small Business (WOSB) Federal Contracting Program. From FY 2018 through FY 2020, the Treasury Office of Small Disadvantaged Business Utilization (OSDBU) has partnered with Women Impacting Public Policy, American Express, and U.S. Small Business Administration ChallengeHer program to deliver free workshops, mentoring, and direct access for women-owned and economically disadvantaged women owned small businesses.

Vendor Outreach. The Treasury Office of Small Disadvantaged Business Utilization (OSDBU) hosted three vendor outreach sessions in FY 2020, which included a session for all vendors, as well as specialized sessions exclusively for women-owned small businesses, historically underutilized business zones (HUBZone), and service-disabled veteran-owned businesses. In addition, OSDBU participated in several onsite and virtual outreach events sponsored by government and external organizations that represent the vendor community, serving as panelists, speakers, facilitators, planning committee members, and exhibitors. Those sponsored events are listed below:

- ChallengeHer Conference – Arlington, Virginia
- *Connections that Count*: Joint OMWI Industry Technical Assistance Event – Arlington, VA
- National 8(a) Association Small Business Conference – New Orleans, Louisiana
- The Catalyst Virtual Event for HUBZone – Virtual Matchmaking
- National HUBZone Conference (HUBZone Contractors National Council) – Virtual Matchmaking

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.¹³ 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 more than \$2.6 billion in Financial Assistance and Technical Assistance awards through the CDFI Program, including the Healthy Food Financing Initiative-Financial Assistance and Disability Funds-Financial Assistance awards. In FY 2020, 357 organizations received \$142.8 million in Financial Assistance (FA) and Technical Assistance (TA) awards, consisting of 230 FA and 127 TA awards. Recipients of the awards included 207 loan funds, 108 credit unions, 36 depository institutions/holding companies, and 6 venture capital funds. The CDFI Fund also awarded \$22 million in Healthy Food Financing Initiative-FA and \$4 million in Disability Funds-FA awards in FY 2020.

The Consolidated Appropriations Act for Fiscal Year 2020 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 2020 round, 106 organizations received \$18.5 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 made 17 percent of their loans and investments 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

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 September 2020 (the fourth quarter of FY 2020), 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 \$19.1 billion over the 2010 baseline of approximately \$35 billion.

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

Increases in small business lending are widespread among remaining SBLF participants. Through September 2020, five of six (or 83 percent) currently participating community banks and both CDLFs have increased their small business lending. In addition, seven of the eight current SBLF participants (or 88 percent) have increased their small business lending by 10 percent or more.

Treasury does not collect racial/ethnic or sex 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.

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-owned 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.

CHALLENGES

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 regarding 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 has been no appreciable changes recorded in MWOB utilization since FY 2018, the first year of implementation. OMWI will continue monitoring for possible changes resulting from category management of MWOB utilization.

FISCAL YEAR 2021 PLANS

Since OMWI first began tracking MWOB contracting in 2011, there has been an upward trajectory in MWOB utilization within Treasury Departmental Offices and the commitment to MWOB contracting has remained strong. In FY 2020, 20 percent of contract dollars totaling \$71 million went to minority-owned; and 16 percent of contract dollars totaling \$56 million went to 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 exceeds the benchmarked goals for contracting with comparable small businesses categories. Contracting with minority-owned businesses was 20 percent in FY 2020, which is well above the benchmarked 5 percent goal as mandated for contracting with small disadvantaged businesses (and are largely minority-owned). Additionally, contracting with women-owned businesses was 16 percent in FY 2020, which exceeds the benchmarked 5 percent goal as mandated 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 2020 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 track progress for use by the acquisition community and leadership, including periodic 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. For ten 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 2021, Treasury will strive to maintain its strength 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 professional who are people of color and women. 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 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 2021, OMWI and the Bureau of Fiscal Service will continue its collaborative work to expand the Bank Mentor-Protégé Program between large and small banks. The long-term programmatic aim is for approximately 20 percent of all minority-owned banks (30 banks) to become protégés and 20 of the largest banks to become mentors with 1 to 2 protégés each.

Outreach: OMWI is committed to conducting robust and effective outreach to minority-owned and women-owned small businesses, in collaboration with the Office of Small Disadvantaged Business Utilization. In addition to public posting on the Federal Business Opportunities website, OMWI and OSDBU will continue to conduct listening sessions, roundtables, vendor outreach sessions, and presentations at conferences and events conducted by industry organizations and federal agencies.

WORKFORCE DIVERSITY & INCLUSION

WORKFORCE DEMOGRAPHY

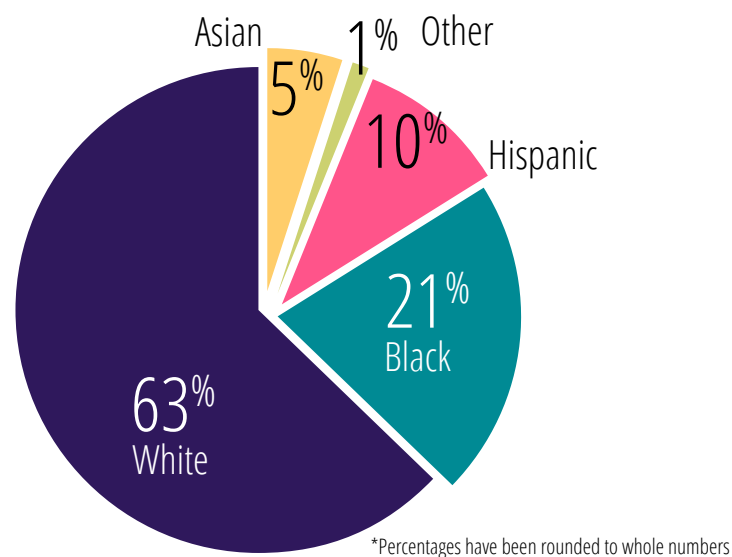
All Treasury Departmental Offices employees play important roles in the fulfillment of the overall Treasury mission. All employees bring perspectives to their work that are influenced by their backgrounds, culture, and experiences. From analyses of the racial, ethnic, and sex diversity within Treasury 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 2020.¹⁴ However, just as importantly, OMWI has compiled survey results and benchmark comparisons of employee perspectives of the Treasury Departmental Offices workplace environment relative to inclusion. This comprehensive examination informs the recommendations for the work of OMWI going forward.

RACIAL/ETHNIC AND SEX PROFILES

The total Treasury-wide workforce across all bureaus and the Departmental Offices in FY 2020 was 94,654 permanent employees (compared to 90,319 in FY 2019). The Treasury Departmental Offices permanent workforce represents about 2 percent of the total Treasury-wide workforce. As of the close of FY 2020, Treasury Departmental Offices had 1,883 permanent employees, an increase of 123 (7 percent net change) from FY 2019 (1,760). Permanent employees comprised 93 percent and temporary employees (including non-career employees) comprised 7 percent of the total DO workforce.

More than a third (37 percent) of Treasury Departmental Offices permanent employees across all grade levels are people of color. The overall percentage of people of color increased by 1 percent from FY 2019 to FY 2020. Each underrepresented group had an increase in the number within their respective representation. However, the increase in number was insignificant to realize an increase in the percentage of Asian, Hispanic and “Other” groups and only a 1 percent increase in the percentage of Black employees compared to FY 2019. (Figure 5)

Figure 5
FY 2020 Treasury Departmental Offices Permanent Workforce by Race/Ethnicity



14. 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 sex in Treasury Departmental Offices in FY 2020 remained unchanged compared to the FY 2019 representation of women and men. The representation of women and men were 44 percent and 56 percent, respectively. (Figure 6)

BENCHMARK COMPARISON

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 sex participation.¹⁵ Table 6 depicts the racial/ethnic and sex comparison of the Treasury Departmental Offices permanent workforce for FY 2020 with the demography of these benchmarks.

Figure 6
FY 2020 Treasury Departmental Offices Permanent Workforce by Sex

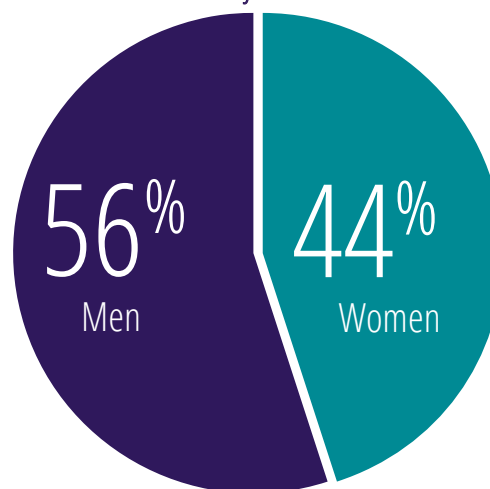


Table 6

FY 2020 Treasury Departmental Offices (DO) Permanent Workforce Demography by Race/Ethnicity and Sex Compared to Federal Government, Treasury-Wide, Civilian Labor Force, and 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%/1059	57%	39%	52%	55%
Women	44%/824	43%	62%	48%	45%
Hispanic Men	3%/58	5%	4%	5%	3%
Hispanic Women	2%/44	4%	8%	5%	3%
White Men	39%/736	39%	24%	38%	44%
White Women	24%/445	25%	29%	34%	33%
Black Men	8%/142	8%	7%	5%	4%
Black Women	13%/245	11%	21%	7%	5%
Asian Men	6%/110	4%	3%	2%	3%
Asian Women	4%/83	3%	4%	2%	3%
Other	1%/20	3%	1%	2%	1%

Key: Highlighted cells denote benchmarks for which the racial/ethnic or sex group within the Treasury Departmental Office permanent workforce is lower by comparison.

*Percentages have been rounded to whole numbers.

** Table 6 'Other' includes 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 \(opm.gov\)](https://www.opm.gov/policy-data-oversight/diversity/reports/2019/09/2019-Federal-Employment-Reports/))

15. 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.

Across the four benchmarks (FWF, TWF, CLF, DO/RCLF), the Treasury Departmental Offices representation of women overall is lower except for the FWF representation and the representation of White women is lower than all four benchmarks. The representation of White men is equal or greater than the FWF, TWF, CLF, and below the DO/RCLF. Among underrepresented 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, a 6 percent lower difference (2 percent) when compared to the TWF (8 percent). The representation of Black men is equal to or higher than each of the four benchmarks; and the representation of Black women is higher across three of the four benchmarks, with the exception being the TWF. (However, it is noteworthy that the representation of Black women in the Treasury-wide workforce is considerably higher at 21 percent.) The representation of both Asian men and Asian women are equal to or higher than each of the four benchmarks.

SENIOR AND EXECUTIVE 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, advancement, and attrition in GS-15 and Senior Executive Service (SES) positions. Treasury Departmental Offices also tracked and monitored the racial/ethnic and sex representation of the GS-13 and GS-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 sex, 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

FY 2020 Treasury Departmental Offices (DO) Permanent Workforce by
Upper Management Grade Groupings Compared to the Total Treasury DO Workforce*

Demographic Groups	Treasury Departmental Offices	Treasury DO SES	Treasury DO GS-15	Treasury DO GS-14	Treasury DO GS-13	Treasury DO GS-12 & below
Men	56%/1059	74%	58%	58%	52%	45%
Women	44%/824	26%	42%	42%	48%	55%
Hispanic	5%/102	2%	3%	5%	7%	9%
White	63%/1181	87%	79%	61%	55%	41%
Black	21%/387	6%	9%	18%	27%	40%
Asian	10%/193	5%	8%	15%	10%	9%
Other	1%/20	0%	1%	1%	2%	1%

Key: Highlighted cells denote benchmarks that are lower than the percentage of the racial/ethnic or sex group within the Treasury Departmental Office permanent workforce.

*Percentages have been rounded to whole numbers.

Permanent Positions. For FY 2020, the representation of each underrepresented group and women in permanent GS-15 and SES level positions continues to be below the representation within the total Treasury Departmental Offices permanent workforce. There are no civilian labor force data comparable to SES level positions.

People of color represent 37 percent of the total Treasury Departmental Offices permanent workforce but represent only 21 percent of the GS-15 level positions and 13 percent of the SES level positions. There is greater representation of people of color in positions below the GS-15 level, i.e., 59 percent in the GS-12 & below levels and 45 percent at the GS-13 level. For each racial/ethnic group, underrepresentation compared to their respective total workforce benchmarks exists for Black employees in GS-14, GS-15, and SES positions and Hispanic and Asian employees in GS-15 and SES positions.

Women represent 44 percent of the total Treasury Departmental Offices permanent workforce but represented only 42 percent in GS-14, 42 percent in GS-15, and 26 percent at SES level positions. The representation of women at the GS-15 level increased by 1

percent in FY 2020 (42 percent) compared to FY 2019 (41 percent); at the GS-14 level decreased by 3 percent in FY 2020 (42 percent) compared to FY 2019 (45 percent); and increased at the SES level by 2 percent in FY 2020 (26 percent) compared to FY 2019 (24 percent). The representation of women in positions below GS-14 exceeds their overall representation in the total workforce, i.e., 48 percent at the GS-13 levels and 55 percent at GS-12 and below levels. This underrepresentation of people of color and women at senior positions and executive levels and overrepresentation in positions at GS-13 and GS-12 and below are consistent trends since OMWI began annual reporting in 2011.

Presidentially Appointed Positions. In FY 2020, one woman, who is also Hispanic, was among the highest ranking Presidential appointed positions in Treasury Departmental Offices until January 2020 when she was appointed to a Cabinet level position heading a different federal agency. 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 sex and racial/ethnic group status across all grade groups within the Treasury Departmental Offices permanent workforce shows the greatest number of employees among women and people of color are in GS-12 and lower positions, at 55 percent and 59 percent, respectively (Figures 7 and 8).

Figure 7

FY 2020 Departmental Offices
Permanent Workforce Grade Comparison By Sex

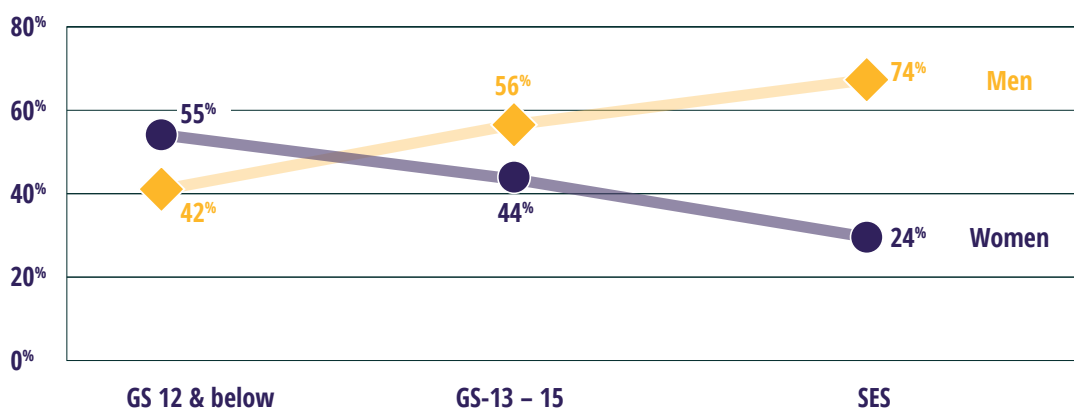
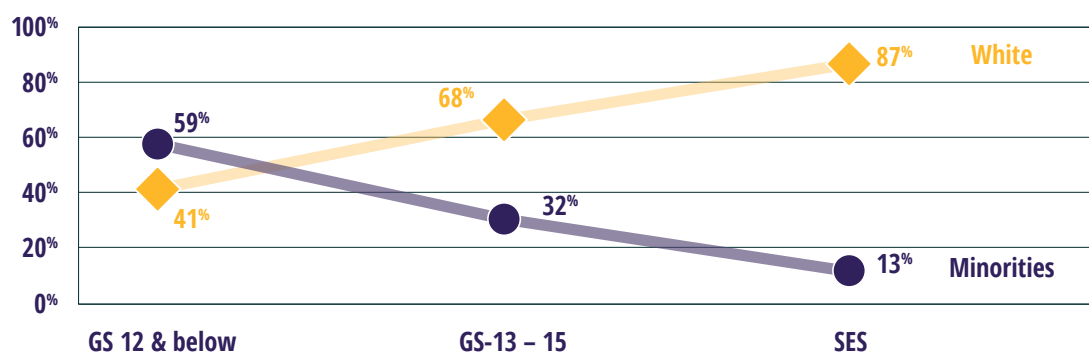


Figure 8

FY 2020 Treasury Departmental Offices
Permanent Workforce Grade Comparison By Racial/Ethnic Group Status



HIRING AND ATTRITION

Hiring. In FY 2020, the hiring rate for Hispanic employees was 8 percent and Black employees was 16 percent, both of which were hired at rates that were 2 percent higher than the prior year (6 percent and 14 percent, respectively). The hiring rate for Asian employees was 11 percent and women was 41 percent, both of which was 2 percent lower than the prior year (13% and 42 percent respectively). Compared to FY 2019, there was no change in the rate of hiring of men and a one percent decrease in the hiring of White employees in FY 2020. (Table 8)

Table 8

Treasury Departmental Offices
New Hire Trends of Permanent Workforce by Percentage of Employees Hired*
FY 2016 - FY 2020

Fiscal year	Men	Women	Hispanic	White	Black	Asians
	% of total new hires		% of total new hires			
2016	53%	47%	7%	58%	20%	12%
2017	63%	37%	7%	64%	15%	13%
2018	58%	42%	5%	75%	11%	7%
2019	57%	43%	6%	66%	14%	13%
2020	57%	41%	8%	65%	16%	11%

*Percentages have been rounded to whole numbers

Attrition. In FY 2020, the largest attrition rates were among Black employees (20 percent), White employees (71 percent), and women employees (48%), increasing by 3 percent, 7 percent, and 6 percent respectively compared to FY 2019. These were the highest attrition rates from Black, White, and women employees in five years. The attrition rates for Hispanic employees (2 percent), Asian employees (6 percent), and men employees (52 percent) decreased by 3 percent, 4 percent and 6 percent respectively compared to FY 2019. These were the lowest attrition rates for Hispanic, Asian, and men employees in five years. (Table 9).

Table 9

Treasury Departmental Offices Attrition Analysis:
Percentage by Sex and Race/Ethnicity*
FY 2016 - FY 2020

Fiscal year	Men	Women	Hispanic	White	Black	Asians
	% of total leaving		% of total leaving			
2016	56%	44%	2%	68%	18%	12%
2017	60%	40%	7%	64%	16%	12%
2018	56%	44%	7%	64%	17%	10%
2019	58%	42%	5%	64%	17%	10%
2020	52%	48%	2%	71%	20%	6%

*Percentages have been rounded to whole numbers

Attrition by Type. In FY 2020, there was an attrition of 189 employees (compared to 224 employees in FY 2019). Resignations and transfers combined accounted for the highest attrition rates within Treasury Department Offices for two consecutive years, at 74 percent combined attrition in FY 2020 and 81 percent combined attrition in FY 2019. (Table 10)

Table 10

FY 2020 Treasury Departmental Offices
Attrition by Type and Demographic Group

Demographic Group	Resignations	Retirements	Transfers	Deaths	Discharge	Deaths	Total #	Total %
Men	35	22	39	0	1	2	99	52%
Women	28	22	38	1	1	0	90	48%
Hispanics	2	0	2	0	0	0	4	4%
Whites	48	30	54	0	0	2	134	71%
Blacks	8	13	16	1	0	0	38	20%
Asians	5	1	4	0	2	0	12	6%
Other	0	0	1	0	0	0	1	1%
Total Attrition	63	44	77	1	2	2	189	100%
Percentages	33%	23%	41%	1%	1%	1%		

*Percentages have been rounded to whole numbers

Among all groups, White employees separated most from resignations than from retirement or transfers, representing 71 percent of their attrition. Overall, attrition by race/ethnicity and sex was generally proportionate to their overall representation within the Treasury Departmental Offices workforce. White employees accounted for 64 percent of total attrition (144) and people of color accounted for approximately 36 percent of total attrition (80).

Net Attrition or Gain of Among People of Color. Change in overall representation among people of color due to the combination of hires and separation rates were compared across the past five fiscal years (FY 2016 through 2020). The successive net attrition rates were 10 percent, 0 percent, -11 percent, -2 percent in the respective years with 2 percent net gain in FY 2020. (Table 11)

Table 11

Treasury Departmental Offices
Net Attrition or Gain of People of Color * | FY 2016 - FY 2020

Employment Status Rates of People of Color	2016	2017	2018	2019	2020
Rate of Hire	42%	36%	25%	33%	31%
Rate of Separation	32%	36%	36%	35%	29%
Net Attrition or Gain	10%	0%	-11%	-2%	2%

*Percentages have been rounded to whole numbers

Net Attrition or Gain of Women Employees. Changes in the representation among women employees due to the combination of hires and separation rates were compared across the past five fiscal years (FY 2016 through FY 2020). The successive net attrition rates were 3 percent, -3 percent, -2 percent, -1 percent in the respective years with -7 percent net loss in FY 2020. The -7 percent net attrition in FY 2020 was the largest loss of women in five years with a 41 percent hiring rate and a 48 percent separation rate. (Table 12).

Table 12

Treasury Departmental Offices
Net Attrition or Gain of Women Employees | FY 2016 - FY 2020

Women Employment Status Rates	2016	2017	2018	2019	2020
Rate of Hire	47%	37%	42%	43%	41%
Rate of Separation	44%	40%	44%	42%	48%
Net Attrition or Gain	3%	-3%	-2%	1%	-7%

*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 Analyst. In this section, comparisons of the representation by sex and people of color within each of these occupations in Treasury Departmental Offices permanent workforce from FY 2016 through FY 2020 and Occupational Civilian Labor Force (OCLF) data.¹⁶

Economist: Trends within the Economist (GS-0110) occupational series reveal a consistently lower representation of Hispanics and Blacks when compared to their OCLF. However, for the first time in the five-year period from FY 2016 through FY 2020, Hispanics exceeded the OCLF in this occupational series in FY 2020. The percentage of Hispanics increased to 3.92 percent (FY 2020, 8 employees; FY 2019, 4 employees. Although, it is worthy of note that no Hispanic women have been hired in this five-year period within this occupational series. Additionally, the representation of Black economists has been consistently below the OCLF across this five-year period. (Table 13).)

Table 13

Treasury Departmental Offices

Economist Series Trends: Percent Employment by Race/Ethnicity and Sex | FY 2016 - FY 2020

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
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	6.4	6.4	100
FY 2018	1.68	0	57.54	27.37	1.12	0	5.59	6.7	100
FY 2019	2.05	0	58.97	25.64	0.51	0	4.62	7.69	100
FY 2020	3.92	0	58.33	24.02	0	0.98	4.9	7.35	100
OCLF	3.34	1.85	55.78	25.2	2.84	2.66	4.46	3.02	100

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

General Attorney: In the General Attorney (GS-0905) occupational series, trends reveal that Hispanic and White men continue to be employed at a rate below their respective OCLF rates during the five-year period from FY 2016 through FY 2020. Overall, it is striking to report all other groups were employed in FY 2020 at rate above their respective OCLF. (Table 14)

Table 14

Treasury Departmental Offices

General Attorney Series Trends: Percent Employment by Race/Ethnicity and Sex | FY 2016 - FY 2019

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2016	0.87	2.61	50.43	33.91	1.74	2.61	1.74	4.36	100
FY 2017	0.93	2.8	55.14	31.78	0.93	2.8	1.87	1.87	100
FY 2018	0.91	2.73	54.55	30	0.91	2.73	2.73	3.64	100
FY 2019	0.95	2.86	41.9	39.05	1.9	3.81	3.81	3.81	100
FY 2020	1.72	2.59	38.79	39.66	2.59	4.31	4.31	4.31	100
OCLF	2.52	1.85	59.68	26.68	2.13	2.6	1.82	1.74	100

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

16. 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.

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 2016 through FY 2020, while Black and Asian employees have been employed consistently well above the OCLF respective rates in that same time period. (Table 15)

Table 15

Treasury Departmental Offices

Information Technology Specialist Series Trends: Percent Employment by Race/Ethnicity and Sex | FY 2016 - FY 2020

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2016	3.32	1.87	36.9	12.55	13.28	7.01	16.97	5.54	100
FY 2017	3.19	1.42	36.52	11.7	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
FY 2019	2.10	1.26	39.08	10.50	13.03	7.56	16.39	7.14	0
FY 2020	2.68	1.92	37.16	9.20	13.41	8.05	18.01	7.28	0
OCLF	5.39	2.17	52.21	20.89	6.61	4.5	5.14	1.55	100

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

Financial Analyst: Trends within the Financial Analyst (GS-1160) occupational series across a five-year period from FY 2016 through FY 2020 reveal a consistently lower representation of Hispanic men and women, White men, and Asian men when compared to the respective OCLF representation. It is worth noting that the representation of Black employees has consistency been above the respective OCLF across the five-year period from FY 2016 through FY 2020. However, it is noteworthy that the percentage of Black men has substantially decreased from its highest representation in FY 2018 (10 percent) to 5.77 percent in FY 2020. (Table 16)

Table 16

Treasury Departmental Offices

Financial Analyst Series Trends: Percent Employment by Race/Ethnicity and Sex | FY 2016 - FY 2020

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
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
FY 2019	1.67	0	38.33	31.67	5.00	11.67	1.67	6.67	100
FY 2020	1.92	0	36.54	36.54	5.77	9.62	1.92	5.77	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.

Intelligence Analyst. Trends within the Intelligence Analyst (GS-0132) occupational series across a five-year period from FY 2016 through FY 2020 reveal a lower representation of Black men, Hispanic women, White women, and women overall when compared to the respective OCLF representation. In FY 2020, Hispanic men, White men, and Asian men were above the respective OCLF representation. FY 2020 marked the first year that Asian women surpassed the OCLF since FY 2017. Three Asian intelligence analyst were hired in FY 2020 increasing the representation to 3.55 percent. (Table 17)

Table 17**Treasury Departmental Offices****Intelligence Analyst Series Trends: Percent Employment by Race/Ethnicity and Sex | FY 2016 - FY 2020**

Fiscal Year	% Hispanic		% White		% Black		% Asian		% Total
	M	W	M	W	M	W	M	W	
FY 2016	2.43	2.22	39.23	24.82	7.44	13.89	5.70	3.22	100
FY 2017	2.08	0	60.42	26.04	2.08	3.13	3.13	1.04	100
FY 2018	2.94	1.96	53.92	27.45	2.94	5.88	3.92	0	100
FY 2019	4.55	1.52	55.30	22.73	3.79	6.82	3.03	1.52	100
FY 2020	5.67	0.71	53.19	26.24	2.84	4.26	2.13	3.55	100
OCLF	2.81	3.36	38.77	40.68	4.16	4.59	1.52	2.3	100

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

STUDENT EMPLOYMENT

Internship 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 for recent college graduates, 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.

It should be emphasized that interns in the student 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. In FY 2020, the COVID-19 pandemic led to hiring limitations within Treasury, affecting both the student volunteer program and the Treasury Scholars internships. For the first time, Treasury Departmental Offices offered virtual internships for students through the Treasury Scholars and unpaid student volunteer internship programs, adhering to contact restrictions.

In FY 2020, there were 142 student interns who served in Treasury Departmental Offices: 17 percent Asian (21), 8 percent Black (10), 4 percent Hispanic (5), and 72 percent White (91). The greatest proportion of all the 142 total student interns in Treasury Departmental Offices came through the volunteer program. Twenty-four percent (36) of the 127 volunteer program students were people of color: 17 percent Asian (21), 8.0 percent Black (10), 4 percent Hispanic (5), while 72 percent were White (91).

One hundred percent of the 15 Treasury Scholars program students were people of color: 13.3 percent Asian (2), 67 percent Black (10), and 20 percent Hispanic (3). Students came from leading colleges and universities, including Historically Black Universities (Howard University, Morgan State University, University of Maryland – Eastern Shore, and Bowie State University), a Hispanic Serving Institution (Florida International University), and an Asian American and Native American Pacific Islander-Serving Institution (Northern Virginia Community College). These students were placed in policy and program offices throughout Treasury Departmental Offices, including International Affairs, Office of Federal Program Finance, and Office of the Chief Information Officer to work on projects that will provide interns with marketable career experiences. In FY 2020, the Treasury Scholars program accounted for 10.6 percent (15 of 142) of the placements of interns who were people of color. (Table 18)

Table 18
Student Employment
(Volunteer & Treasury Scholars Programs)

Student Programs	Asian		Black		Hispanic		American Indian		Total People of Color		White		Total
	#	%	#	%	#	%	#	%	#	%	#	%	
Volunteer fall, spring & summer	21	17%	10	8%	5	4%	0	0%	36	24%	91	72%	127
Treasury Scholars summer only	3	20%	10	67%	3	20%	0	0%	15	100%	0	0	15
# and %	23	16%	20	14%	8	6%	0	0	51	36%	91	64%	142

Over the past five years, Treasury has hosted a total of 510 students through volunteer student program (440) and the Treasury Scholars program (70) combined. (Table 19 and Table 20) The Treasury Scholars program has been important in increasing the diversity of the overall number of student interns each year in Treasury Departmental Offices. On average over the past five years, 20 percent of the total number of interns who were people of color have been directly attributable to the Treasury Scholars program. As much as 21 percent of the total number of interns who are people of color were attributable to the Treasury Scholars program in a single year (15 of 51 students in FY 2020).

Table 19
FY 2016 - 2020 Treasury Departmental Offices
Volunteer Student Employment

Student Programs	Asian		Black		Hispanic		American Indian		Total People of Color		White		Overall Total
	#	%	#	%	#	%	#	%	#	%	#	%	
FY 2016	45	18%	22	9%	13	5%	0	0	80	33%	165	67%	245
FY 2017	20	10%	24	12%	8	4%	0	0	52	26%	143	74%	195
FY 2018	30	15%	13	6.5%	10	5%	1	0.5%	54	27%	144	73%	198
FY 2019	24	13.5%	17	9.6%	13	7%	0	0	54	30.5%	123	69.5%	177
FY 2020	21	17%	10	8%	5	4%	0	0%	36	24%	91	72%	127

Table 20
FY 2016 - 2020 Treasury Departmental Offices
Treasury Scholars Program

Student Programs	Asian		Black		Hispanic		American Indian		Total People of Color		White		Overall Total
	#	%	#	%	#	%	#	%	#	%	#	%	
FY 2016	1	6%	11	61%	5	27%	0	0	17	94%	1	6%	18
FY 2017	1	7%	10	72%	3	21%	0	0	14	100%	0	0	14
FY 2018	1	9%	5	45.5%	5*	45.5%	0	0	10*	100%	0	0	10
FY 2019	3	23%	6	46%	2	15%	1	8%	12	92%	1	8%	13
FY 2020	3	20%	10	67%	2	20%	0	0%	15	100%	0	0	15

*In FY 2018, one Treasury Scholars student self-identified as both Black and Hispanic and, therefore, counted in both category columns. However, in the total minority and overall total columns, the student was accounted for only once. New IQ Inclusion Quotient

Participation in the Pathways internship program for recent college graduates has been limited in recent years due to funding limitations. In FY 2020, there were seven recent graduates hired through the Pathways program of which six (86%) were White and one (14%) was Asian.

WORKPLACE INCLUSION

INCLUSION QUOTIENT INDEX (NEW IQ)

The Federal Employee Viewpoint Survey (FEVS) is a government-wide tool that measures employee perspectives about 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' perspectives about their workplace experience. The Office of Personnel Management (OPM) developed the Inclusion Quotient Index (also referred to as the New IQ) 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 inclusive management behaviors: fairness, open mindedness, cooperation, supportiveness, and empowerment. Scores can be derived for each of these factors to comprise the Inclusion Quotient Index.

The FY 2020 administration of the FEVS did not include the questions that comprise the New IQ because several questions were replaced by OPM with new questions to assess the impact of the COVID-19 pandemic on employees. The most recent survey administered that contained the New IQ questions was in FY 2019 and those results are included in this report. It is important to note that the Treasury Departmental Offices New IQ scores, including those in FY 2019, have remained generally consistent since the New IQ was first utilized by OMWI in FY 2013. However, it is unknown what, if any, impact the COVID-19 pandemic may have had on employee perspectives about inclusion within the work environment, which has been largely remote for most employees throughout the last half of FY 2020.

Scores below 65 percent on the Inclusion Quotient Index are regarded as areas of challenge. Treasury Departmental Offices had an overall New IQ score of 63.49 percent in FY 2019, a 1.61 percent increase from the score of 61.84 percent in FY 2018. By comparison, the overall FY 2019 New IQ scores Treasury-wide and government-wide were 62.93 percent and 62.07, respectively.

For the specific factors associated with inclusion, the Treasury Departmental Offices FY 2019 scores on four of the five factors of inclusion are higher than those in FY 2018, however, below the 65 percent that Office of Personnel Management regards as minimally acceptable (Table 21). The highest factor increase was empowerment from the score of 56.61 percent in FY 2018 to 61.21 percent in FY 2019, a 4.60 percent increase.

Table 21

FY 2019 Treasury Departmental Offices (DO)
Comparison to Government-wide, Treasury-wide, and DO FY 2018 Scores on the Inclusion Quotient Index

Inclusion Factors	Gov	Treasury	DO FY 2018	DO FY 2019
Fairness	49.45%	51.59%	53.28%	54.75%
Open-mindedness	61.29%	61.81%	60.34%	60.48%
Cooperation	59.46%	61.35%	57.86%	60.31%
Supportiveness	79.05%	81.37%	81.12%	80.70%
Empowerment	61.11%	58.54%	56.61%	61.21%
Average	62.07%	62.93%	61.84%	63.49%

BEST PLACES TO WORK RANKING

The annual Best Places to Work in the Federal Government¹⁷ 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. It provides deep insight into the dynamics of the workforce, and opportunities to identify our most critical challenges and focus on transformation.

The Best Places to Work rankings are also derived from the FEVS responses and, as described regarding the in FY 2020 FEVS, the specific questions that assess employee perspectives of workplace inclusion were omitted and unavailable for use in the rankings. Therefore, instead, the FY 2019 Best Places to Work findings are included in this report.

In the FY 2019 overall rankings of the Best Places to Work employee engagement score, Treasury Departmental Offices is third quartile (312 out of 420) 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 2019 employee engagement score of 57.9 represents a 2.5-point increase from 2018, suggesting Treasury Departmental Offices management practices and initiatives are helping to promote greater employee engagement. However, such practices and initiatives must continue to derive substantial change.

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 third quartile (308 out of 414) among federal agency subcomponents, dropping 1.2 points to a rating of 58.1 percent from 2018.

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 (259 of 413) among federal agency subcomponents, dropping 0.3 points to a rating of 57.1 percent from 2018 (Table 22).

Table 22

Treasury Departmental Offices
Best Places to Work Agency Rankings and Score | FY 2018 - FY 2019

Treasury Departmental Offices				
Rank	Quartile	2019 Score	2018 Score	Change
Best Places to Work				
312 of 420	3rd	57.9	55.4	2.5
Support for Diversity				
308 of 414	3rd	56.9	58.1	-1.2
Effective Leadership: Fairness				
259 of 413	3rd	56.8	57.1	-0.3

17. <https://bestplacetowork.org/rankings/overall/sub>

INITIATIVES & ACCOMPLISHMENTS

DIVERSITY AND INCLUSION STRATEGIC PLAN

In FY 2017, the Office of Civil Rights and Diversity developed an Inclusive Diversity Strategic Plan for the period of FY 2017 – FY 2020. This plan requires Treasury Bureaus, including Departmental Offices, to establish an 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, sex, 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.

Considering that the agency-wide strategic plan ends in FY 2020, OMWI, Office of Equal Employment Opportunity, and Office of Human Resources will partner in 2021 to establish a new implementation plan under the new Treasury-wide Diversity and Inclusion and Equal Employment Strategic Plan for Fiscal Years FY 2021 – 2024. The framework for the new strategic plan has been refocused to address three aspects of the agency: People, Culture, and Mission.

- **People - Workforce Diversity.** Achieve a workforce that is representative of people from diverse backgrounds at all levels of the agency and in all positions in the workforce.
- **Culture - Workplace Inclusion.** Create a culture that encourages collaboration, learning from differences, flexibility, fairness, and equal opportunity where workplace structures, policies, and practices enhance organizational effectiveness.
- **Mission – Agency Mission.** Leverage Diversity and Inclusion to grow and enhance an agency brand in an increasingly changing marketplace to effectively and efficiently meet the public's needs.

This new implementation plan will hold the 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.

STUDENT 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 preparation for the expiration of a five-year blanket purchase agreement for the Treasury Scholars Program at the end of FY 2020, OMWI reissued a competitive solicitation for such minority student serving organizations to become part of a new five-year blanket purchase agreement. Three organizations responded to the solicitation: INROADS, the Hispanic Association of Colleges, and The Washington Center. To the extent possible by available funding, OMWI will work through these organizations to continue to place students in marketable career experiences within Treasury Departmental Offices policy and program office throughout the coming five-year period of the new blanket purchase agreement.

QUANTITATIVE AND QUALITATIVE ANALYSIS

Diversity in the Hiring Process. OMWI conducts an applicant flow analysis to determine the percentage of people of color 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 people of color minority versus White 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 such metrics as:

- Representation within Major Occupations
- Diversity of Applicant Pools
- Diversity of Applicants at Each Stage of Hiring
- Diversity among of Direct Hires
- Diversity among Interns
- Disparities among Promotions
- Gaps in Career Mobility
- Disparities in Performance Ratings
- Differences in Attrition

OMWI briefs offices about the results of the analysis. OMWI subsequently works with 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 Quotient Index. The Office of Personnel Management developed the Inclusion Quotient Index (New IQ), a subset of the Federal Employee Viewpoint Survey (FEVS), for use by federal agencies to assess factors within the workplace that are closely associated with an inclusive environment. Using the New IQ, OMWI provides policy and program offices within Treasury Departmental Offices with a qualitative measure of employee perspectives 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 viewed as inclusive. FY 2020 was an unusual year for the administration of the FEVS because the New IQ questions were omitted to allow for the addition of questions to assess the impact of COVID-19 on employees. It is anticipated that the New IQ items will be included in FY 2021.

DIVERSITY AND INCLUSION EDUCATION, TRAINING, AND AWARENESS PROGRAMS

The comprehensive data-driven approach to assessing diversity and inclusion undertaken by OMWI under the mandates of Dodd-Frank Act § 342 led to the conclusion that improvements in workplace culture to create a more inclusive environment is a greater priority within Treasury Departmental Offices than efforts to increase overall workforce diversity. Therefore, since FY 2013, OMWI has sponsored numerous multi-tiered diversity and inclusion training sessions with a focus on unconscious bias. These sessions 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.

Urgent Response. On May 31, 2020, people across this nation and the world witnessed the horrific killing of George Floyd, a tragedy that sparked national outrage, protests, and demands for racial justice. Although this event and the actions that followed were external to the Treasury workplace, the impact of this tragic event had a profound effect on people everywhere. It was recognized that employees, being human first, can bring feelings about such a weighty incident into the workplace. Within days, the eight OMWI Directors developed their plans and pooled resources to convene a joint virtual event entitled “Beyond Words:

Race, Work, and Allyship amid the George Floyd Tragedy.” The program discussion was led to two of the leading voices on the topics of diversity, inclusion, unconscious bias, and belonging, Dr. Johnnetta B. Cole and Howard Ross, and was moderated by Rodney E. Hood, Chairman of the National Credit Union Administration and the first African American ever appointed to lead a federal banking agency. The discussion explored the effects of racism – systemic, overt, or implicit – on people of color, especially in the workplace environment. The discussion also addressed the practice of allyship, using privilege and power to achieve equity and inclusion. Practical steps and tools were provided to address the all-important questions, “What can we do?”

This program demonstrated the ability of the Offices of Minority and Women Inclusion to pivot from their planned programming to jointly address an imminent need. Participation in this two-hour virtual event was entirely voluntary and open to employees of the eight sponsoring federal financial agencies. Over 9,000 employees chose to participate, 30 percent of whom were Treasury employees.

Unconscious Bias Training. Dr. Steve Robbins, an internationally recognized diversity and inclusion consultant, was engaged by OMWI for four years (2014 through 2017) to provide intensive training in the neuroscience of unconscious bias. In total, he has conducted 11 onsite sessions for approximately 550 Treasury Departmental Offices participants. In FY 2018, OMWI began offering an online version of Dr. Robbins’ training through a video series available on-demand to all Treasury employees. Titled Inclusion Insights, a new short video segment in this 25-episode series is posted to the Treasury intranet periodically. 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. The series was relaunched in FY 2020.

Manager Training. In FY 2020, the Treasury 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:

- Leadership Essentials Cohort
- Gender Inequality in the Workplace
- Couples that Work: How Dual-Career Couples Can Thrive in Love and Work
- Coaching Skills in the Workplace: Fully Human—3 Steps to Grow Your Emotional Fitness in Work, Leadership, and Life (Book Discussion)
- Coaching Skills in the Workplace: The Human Equity Advantage: Beyond Diversity to Talent Optimization (Book Discussion)
- Coaching Skills in the Workplace: The Human Equity Advantage: Beyond Diversity to Talent Optimization (Book Discussion)
- Coaching Training #3 S1: A Conversation Among Coaches: Processing Current Events
- Global Diversity and Cultural Competency

Commemorative Months. 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.

Effect of Executive Order 13950. On September 22, 2020, Executive Order 13950 “Combating Race and Sex Stereotyping” was issued out of an overabundance of concern that diversity training provided for federal employees and employees of federal contractors was “divisive.” As a result, all forms of educations, training, awareness and resource material and activity was halted throughout Treasury. Per the Executive Order, all training related material was compiled for submission to the Office of Personnel Management for review and approval for use. By the end of FY 2020, there was uncertainty about what type of diversity and inclusion programming would be deemed acceptable or when programming could resume.

EMPLOYEE RESOURCE GROUP

In FY 2017, OMWI established an employee resource group within Treasury Departmental Offices, called 'The & Council,' 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 for each of the different special emphasis groups. Members of The & Council serve as an idea factory to infuse cultural intelligence into the 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; 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.

FINANCIAL LITERACY

The Secretary of the Treasury serves as Chair of the Financial Literacy and Education Commission (FLEC), comprising 23 federal government entities, created in 2003 to improve "the financial literacy and education of persons in the United States." The Office of Consumer Policy provides expertise and support to the FLEC and leads the Treasury Department's work to empower more Americans to create financially secure futures for themselves and for their families, with access to safe and affordable financial products and services and the right information and knowledge for making sound financial choices.

COVID-19 Response. In FY 2020, the FLEC members directed financial education activities to meet consumer needs in response to the COVID-19 national emergency as well as ongoing financial education activities. COVID-19's impact on the economic well-being of many Americans reinforces the need to support greater financial education and a coordinated national approach to providing consumers with resources to make informed financial decisions. In the face of dramatic changes in employment, business operations, and housing security, Americans turned to trusted resources to provide information, assistance, and guidance to navigate economic challenges. FLEC agencies responded by providing valuable information and tools on a range of topics, including information on accessing Economic Impact Payments (EIP), understanding mortgage forbearance and student loan relief, weathering volatile markets for retirement investments, and avoiding frauds and scams that unfortunately often follow unexpected events. FLEC members leveraged their relationships with the private sector and state, local, and tribal governments, among others, to deliver vital information and resources directly to the communities that need them most. The FLEC held two virtual public meetings in May and October (the combined attendance exceeded 700) that focused on agency responses and opportunities to promote greater financial security and resilience following the pandemic.

National Strategy for Financial Literacy 2020. In 2020, the FLEC developed and released a new *National Strategy for Financial Literacy 2020*.¹⁸ This new National Strategy clearly identifies the role for the federal government in financial education. That is, through policy development, research coordination, and focused program and resource development, the federal government will support, inform, and improve the broader financial education field in its work to equip Americans with the skills, knowledge, and tools to make decisions that enhance their financial well-being. The National Strategy lays out priorities of federal financial education activity and a structure for the FLEC that will enable it to better coordinate activities to avoid fragmentation, overlap, and duplication, measure performance and outcomes, and identify financial education resources consistent with Americans' needs. The National Strategy describes how the FLEC will implement activities appropriate for the federal government and consistent with the FLEC's primary role, including coordinating outreach and communications and develop a research and learning agenda. Throughout these tasks, the FLEC expects to promote partnerships among federal, state, tribal, and local governments, nonprofit organizations, and private enterprises.

18. <https://home.treasury.gov/system/files/136/US-National-Strategy-Financial-Literacy-2020.pdf>

ACCOUNTABILITY

Leadership Commitment. 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 aspire to have 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 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. OMWI and the Office of Civil Rights and Diversity have drafted diversity and inclusion performance elements for the performance plans of all managers, supervisors, and employees in Treasury Departmental Offices. It has been proposed that the Diversity and Inclusion Critical Element would account for at least 10 percent of the total weight for employees and for supervisors.

As proposed, the Diversity and Inclusion Critical Element would, at a minimum, contain language that requires the supervisor/manager to:

- Advance the goals of the Treasury Diversity and Inclusion and Equal Employment 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.

As proposed, the Diversity and Inclusion element would, 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 performance elements are still under consideration by the human capital team and the employee's union with anticipation that they can be finalized before the end of FY 2021.

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 continuing challenges to implementing the workforce diversity provisions of Dodd-Frank Act § 342 have been retaining Black employees, identifying and mitigating the root causes for underrepresentation of Hispanic employees in multiple areas, determining the systemic barriers to the employment and advancement of people of color and women in senior and executive level positions and specific mission critical occupations, and changing the workplace culture to one that is perceived as more inclusive by employees.

Diversity. Overall, the Departmental Offices workforce is racially diverse with Black and Asian employees represented at or above nearly all relevant benchmarks. The one exception is the representation of Black women in the Departmental Offices, which is lower than the notably higher benchmark prevalence of Black women in the Treasury-wide workforce of 20 percent. Regarding ethnic diversity, Hispanic employees remain underrepresented (refer to description below). Regarding sex, the Treasury Departmental Offices representation of women overall is below three of the four benchmarks, with the exception being the federal workforce benchmark; the representation of White women is lower than all four benchmarks. Therefore, mitigating the barriers to the representative diversity among Hispanic employees and women continue to be a challenge.

Hiring. Hiring restrictions were imposed in FY 2017 and FY 2018, limiting opportunity for Treasury Departmental Offices to hire and to impact workforce diversity. Subsequently, the hiring freeze was lifted in early 2019, but resulted in only small differences in the overall hiring rates of women and people of color compared to the average hiring rates in the preceding four years (only +/- 1 percent differences). In FY 2020, most of Treasury Departmental Offices was operating under staffing “caps” that created a ceiling on the number of staff an office could have, which caused hiring limitation. In FY 2020, there was a +/- 2 percent one-year change in the hiring rate among women and people of color compared to FY 2019. Treasury Departmental Offices had the greatest one-year increase in hiring for Black employees (+2 percent) and the greatest one-year decrease in hiring for women employees (-2 percent), Hispanic (-2 percent) and Asian employees (-2 percent).

Retention. The hiring rate of Black employees was 14 percent in FY 2020, which was an increase of 2 percent compared to FY 2019 (14 Percent) and an increase of 5 percent compared to FY 2018 (11 percent). But the attrition rate of Black employees was the highest in five years at 20 percent and the highest among any group of people of color. For women in FY 2020, there was a 41 percent hiring rate and a 48 percent separation rate resulting in a net loss of -7 percent, which was the largest loss of women in five years. Therefore, the retention of Black employees and women remains a challenge.

Hispanic Employees. The low representation of Hispanic employees in Treasury Departmental Offices has been an apparent challenge in several areas. Among all people of color, Hispanic employees are underrepresented on most of the relevant benchmarks. Among underrepresented 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, a 6 percent lower difference (2 percent) when compared to the TWF (8 percent).

Hispanic employee representation at senior management (GS-15) and senior executive (SES) levels is below their overall representation in the Departmental Offices workforce. Similarly, Hispanic employee representation among the mission critical occupations of Financial Analysts and Information Technology is below benchmarks.

On the positive side, the hiring rate for Hispanic employees was 8 percent which was 2 percent higher than FY 2019 (6 percent), respectively. Hispanic employees separated at a rate of 2%, resulting in a net gain of 6 percent. The challenge will be to maintain incremental net gains.

Senior and Executive Management. In FY 2020, the representation of each group of people of color and women in permanent GS-15, and SES level positions are below their representation within the Treasury Departmental Offices permanent workforce; and there also was an underrepresentation of Black and Hispanic employees at the GS-14 level. People of color represent 37 percent of the Treasury Departmental Offices permanent workforce, but only 13 percent of SES and 19 percent of GS-15 positions.

Women represent 44 percent of the total Treasury Departmental Offices permanent workforce but represented only 42 percent at the GS-14 level, 42 percent at the GS-15 level, and 26 percent of the SES positions. The representation of women at the GS-15 level increased by 1 percent in FY 2020 (42 percent) compared to FY 2019 (41 percent); at the GS-14 level decreased by 3 percent in FY 2020 (42 percent) compared to FY 2019 (45 percent); and increased at the SES level by 2 percent in FY 2020 (26 percent) compared to FY 2019 (24 percent). The representation of women in positions below GS-14 exceeds their overall representation in the total workforce, i.e., 48 percent at the GS-13 levels, and 55 percent at GS-12-below levels.

This underrepresentation of people of color and women at senior positions and executive levels and overrepresentation in positions at GS-13 and GS-12 and below are consistent trends since OMWI began annual reporting in 2011. Therefore, the representation of people of color and women at the senior and executive management levels remains a challenge.

Mission Critical Occupations. There are five occupations that are considered mission critical: economist, attorney, financial analyst, information technology, intelligence analyst. Economists and financial analysts are the occupations that present the greatest challenges with race/ethnicity and sex diversity with representation below the occupational civilian labor force (OCLF). In FY 2020, for the first time, Hispanic and Black employees were above the respective OCLF in four occupations in which they have been consistently underrepresented. Hispanic employees were above the OCLF among economists and intelligence analysts and Black employees were above the OCLF among general attorneys. However, over the past five years, there has remained a consistent underrepresentation of Hispanics employees among financial analysts and information technology position and Black employees among economists and intelligence analysts, compared to their representation in the OCLF. Therefore, the representation of specific groups among people of color continue to be a challenge within some mission critical occupations.

Inclusion. The government-wide scores derived from the FEVS Inclusion Quotient Index show that employee perspectives about inclusion in workplace environment have been a consistent challenge across most federal agencies, including Treasury Departmental Offices. Although the questions that relate to the inclusion scores were not included in the FY 2020 administration of the FEVS, there is no reason to conclude that they would have been dramatically different from prior years. The FY 2019 scores for Treasury Departmental Offices were below the minimally acceptable score of 65 percent as established by the Office of Personnel Management (OPM). The overall Inclusion Quotient Index score of 63.49 percent in FY 2019 and also were below the minimally acceptable level on four of the five factors that comprise the overall inclusion score. The continuing challenge is to create a workplace environment that is perceived by employees as being more inclusive. Specifically, emphasis will be on mitigating underlying causes for negative perspectives about fairness, open mindedness, cooperation, and empowerment in the workplace. OMWI will be exploring new tools and methods to better understand the sources of these perspectives and develop appropriate interventions, such as interim pulse surveys at the office level in addition to the annual government-wide employee survey

FISCAL YEAR 2021 PLANS

OMWI will continue to lead efforts to increase workplace diversity at the higher levels, i.e., GS-14 and 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 that is regarded as more inclusive, as measured by the Federal Employment Viewpoint Survey and Best Places to Work rankings. OMWI's efforts toward greater workforce diversity and inclusion in FY 2021 will include the following:

Accountability. OMWI will continue to monitor and develop regular reports on the racial/ethnic and sex 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 policy and program offices and leadership, including the regular performance reviews conducted by senior leadership.

Additionally, OMWI will continue to explore the use of new metrics, benchmarks, and scorecard methods 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, specifically focused for senior leadership, managers and supervisors, as well as 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, core knowledge, and specific competencies regarding workplace inclusion.

Hiring/Outreach. OMWI will seek to use social media outreach efforts to increase the number of professionals among people of color 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 people of color to develop strategies to reverse negative trajectories and sustain or raise the neutral and positive trajectories. OMWI will work to identify and mitigate factors that may be the source of 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 underrepresented students for internships to increase the diversity of interns within Treasury Departmental Offices and, thereby, offer opportunities to the American public.



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	Departmental Offices
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
FLEC	Financial Literacy and Education Commission
FWF	Federal government-wide work force
FY	Fiscal Year
GSA	General Services Administration
HBCU	Historically Black Colleges and Universities
HUBZone	Historically underutilized business zones
MWOB	Minority-owned and Women-owned Businesses
NAICS	North American Industry Classification System
New IQ	Inclusion Quotient Index
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
PPP	Paycheck Protection Program
SBLF	Small Business Lending Fund
SDB	Small disadvantaged businesses
SMWOB	Small, minority-owned, and women-owned businesses
TARP	Troubled Asset Relief Program
TEI	Treasury Executive Institute
the Act	Small Business Jobs Act of 2010
TWF	Treasury-wide work force
WOSB	Women-owned small businesses
WOSB	Women-owned small businesses



Office of Minority and Women Inclusion

OMWI

