

Office of Minority and Women Inclusion of the Consumer Financial Protection Bureau

Annual report for 2014



Consumer Financial
Protection Bureau

March 2015

Message from Richard Cordray



Director of the CFPB

Since our establishment nearly four years ago, the Consumer Financial Protection Bureau (CFPB) has been hard at work protecting consumers. In this time, we have built a 21st century agency of over 1,400 people who are deeply dedicated to our mission.

We have accomplished a great deal in a very short period of time. I am proud of the organization we have built and am pleased with our debut ranking in the Partnership for Public Service's Best Places to Work in the Federal Government index. This reflects the tremendous efforts of our staff amidst the start-up phase of our growth as an agency. I am particularly proud of our high ranking for supporting diversity and am glad to see the Bureau exceeded the government-wide results for all categories in the Office of Personnel Management's Inclusion Index.

These achievements did not come without challenges. We recognized an opportunity to focus on our committed and hardworking employees when we experienced challenges with our performance management system in 2014. The Bureau embarked on an integrated new approach to diversity and inclusion by taking a number of actions to support the Bureau's unique diversity and inclusion needs. As such, the Office of Minority and Women Inclusion and the Office of Civil Rights (formerly the Equal Employment Opportunity Office) was united under a newly formed Office of Equal Opportunity and Fairness and elevated to report directly to me. I believe this action reinforces the importance of equity, diversity, and inclusion in all of the CFPB's work.

While we have accomplished a considerable amount, we recognize there is more to do to achieve our consumer protection mission by leveraging the talents of our diverse workforce. We are

pursuing additional avenues to implement our vision for diversity and inclusion, including the chartering of Employee Resource Groups and an Executive Advisory Council. We have also created diversity and inclusion competencies for employees and leaders for inclusion in individual performance plans and developed measurable diversity and inclusion goals and objectives into divisional strategic plans.

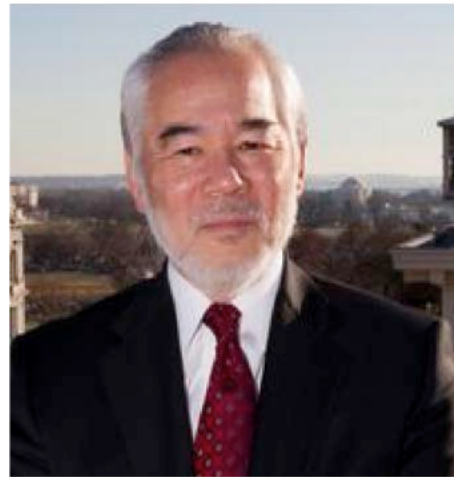
Through these actions, I am confident we will continue to strengthen the Bureau and further demonstrate our commitment to the essential principle of fairness within our workforce as we work diligently to protect consumers.

Sincerely,

A handwritten signature in blue ink that reads "Richard Cordray". The signature is written in a cursive, flowing style.

Richard Cordray

Message from Stuart Ishimaru



Director of the OMWI

For nearly four years the Bureau has been busy building its operations in order to best serve and meet the needs of the American consumer. We have hired incredibly passionate, dedicated, resourceful, and hardworking public servants who log countless hours to further our mission. Their hard work has already resulted in victories for the American consumer, including handling more than 500,000 consumer complaints, issuing new mortgages rules, and bringing enforcement actions recovering over \$5.3 billion for American consumers.

Buttressing these accomplishments, the Bureau continues our efforts to build an institution that fully engages, nurtures, and cultivates our talented human resources. In 2014, we undertook extensive introspection and data analysis to determine where improvements could be made to meet our objectives and strengthen our internal resources for employee engagement and development, in addition to the following initiatives—

- Conducted Bureau-wide listening sessions in order to learn more about the employee experience and to hear directly from staff on how we can improve our culture and infrastructure;
- Formed a cross-divisional executive diversity council to assist with implementing internal processes Bureau-wide and to impact change from the highest levels of the organization;
- Designed and launched leadership and diversity training for our supervisors and managers to ensure they fully capitalize on the talent at the organization and lead in inspiring ways;

- Launched mandatory equal employment opportunity training to ensure we honor our commitment to treat all employees equitably;
- Created diversity competencies for all managers to embed diversity into the culture of our organization; and
- Implemented a requirement of diversity goals for all of our divisional strategic plans to ensure accountability for creating a unified, diverse, and inclusive environment for all employees.

These efforts followed our discovery of problems with our performance management system. As a result, we stopped using the existing performance management system, partnered with the National Treasury Employees Union to construct a temporary system to ensure transparency and fairness, and initiated a long-term effort to create a system that will best meet the Bureau's needs in future performance cycles.

The Director elevated the Office of Minority and Women Inclusion and the Office of Civil Rights (formerly the Equal Employment Opportunity Office) into a newly formed Office of Equal Opportunity and Fairness within the Office of the Director in order to create greater synergy and information sharing between the two offices. This joint office provides our employees more cohesive and coordinated resources to ensure equity and inclusion.

While there is still work to be done, this annual report highlights in greater detail these and many other initiatives that enable the CFPB to continue to build on the Bureau's mission-driven organizational goals, and allow us to empower our diverse and inclusive staff to continue to diligently serve the American consumer.

I am proud of the work we have accomplished thus far and am encouraged by the open, willing, and candid nature of our employees who, on a daily basis, advocate for fair treatment of the American consumer and who deserve equally fair treatment while working at the CFPB.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart J. Ishimaru".

Stuart Ishimaru

Table of contents

| | |
|--|-----------|
| Message from Richard Cordray | 2 |
| Message from Stuart Ishimaru | 4 |
| Table of contents..... | 6 |
| 1. Introduction..... | 8 |
| 2. Diversity and inclusion mandate..... | 10 |
| 3. CFPB workforce..... | 11 |
| 3.1 Minorities and women..... | 11 |
| 3.2 Work and life balance | 27 |
| 3.3 Training..... | 27 |
| 3.4 Employee feedback | 29 |
| 3.5 Initiatives | 31 |
| 3.6 Outreach and partnerships..... | 39 |
| 3.7 Community education and engagement | 45 |
| 3.8 Recap of Bureau diversity accomplishments | 48 |
| 4. Procurement..... | 50 |
| 4.1 Interagency work on supplier diversity initiatives..... | 57 |
| 4.2 Training and resources..... | 57 |

| | | |
|-----|---------------------------------------|----|
| 4.3 | Outreach for supplier diversity | 58 |
| 5. | Regulated entities..... | 61 |
| 6. | Challenges and opportunities | 62 |
| 6.1 | Conclusion | 63 |

1. Introduction

The Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) was created under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) on July 21, 2011. The CFPB’s core mission is to make markets for consumer financial products and services work for all consumers in America — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products. Our job is to protect every consumer, no matter, how much money they earn, what language they speak, or what financial product they choose to use.

Since 2011, through our enforcement actions, the Bureau has aided efforts to refund approximately \$5.3 billion for consumers who fell victim to various violations of consumer protection laws. Some of these violations disproportionately impacted minority and women populations. The Bureau has also received over 500,000 consumer complaints on credit reporting, debt collection, money transfers, bank accounts, credit cards, mortgages, vehicle loans, student loans, and payday loans. In addition, we have enacted a number of new rules as we continue implementing the Dodd–Frank Wall Street Reform and Consumer Protection Act.

This year, the Office of Minority and Women Inclusion (OMWI) has focused on:

- conducting listening sessions for Bureau employees to hear their concerns about diversity, inclusion, equality, and fairness;
- issuing a report on the 2014 listening sessions, and making recommendations for the Bureau leadership to address issues raised by employees;
- developing and administering diversity and inclusion training programs for employees at all levels to increase awareness and understanding of diversity and inclusion issues in the workplace, including a two day workshop for supervisors and managers;
- collaborating with the Office of Human Capital (OHC) to administer supervisory and leadership training for all supervisors and managers to ensure we are expanding the

skills and competencies of those who are required to lead employees and direct the Bureau's work;

- collaborating with OHC and the Office of Civil Rights (OCR) (previously Equal Employment Opportunity Office) to conduct robust structured interview training and reduce bias in hiring, including tips on recruitment, interviewing, managing unconscious bias, and promoting inclusion;
- collaborating with the CFPB's Hispanic Outreach Working Group to develop a multifaceted and targeted recruitment strategy;
- partnering with OHC to conduct analysis of the Annual Employee Survey (AES) to measure differences in perception among demographic groups;
- increasing the OMWI's impact on Bureau-wide hiring through a series of recruitment, hiring, and relationship-building events;
- increasing opportunities for minority-owned and women-owned businesses at the CFPB by providing tools, resources, and technical assistance to businesses;
- actively participating in interagency working groups to discuss supplier diversity, outreach activities, regulatory diversity issues, and sharing of best practices; and
- streamlining information sharing by elevating the Office of Minority and Women Inclusion and the Equal Employment Opportunity Office to work in the Office of the Director under a new umbrella organization called the Office of Equal Opportunity and Fairness. The EEO Office was also renamed to the Office of Civil Rights (OCR), to better reflect its duties beyond equal employment opportunity. This consolidation raises the profile of the offices, reiterates the importance of these functions to the Bureau, and enhances collaboration and information sharing between these offices and within the Bureau.

In fulfillment of its statutory responsibility and its commitment to accountability, the CFPB is presenting this annual report pursuant to Section 342(e) of the Dodd-Frank Act (12 U.S.C. § 5452). This report provides detailed information about the CFPB's diversity and inclusion efforts from January 1, 2014 until December 31, 2014, unless otherwise noted.

2. Diversity and inclusion mandate

Section 342 of the Dodd-Frank Act created Offices of Minority and Women Inclusion (OMWI) in certain federal financial regulatory agencies, including the CFPB. The statute requires each OMWI develop standards for:

1. Equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the agency;
2. Increased participation of minority-owned and women-owned businesses in the programs and contracts of the agency, including standards for coordinating technical assistance to such businesses; and
3. Assessing the diversity policies and practices of entities regulated by the agency.

Additionally, each OMWI is required to advise its agency head on the impact of the policies and regulations of the agency on minority-owned and women-owned businesses.

Section 342(e) mandates the submission by the OMWI to Congress of an annual report including the following:

4. A statement of the total amounts paid by the agency to contractors during the reporting period;
5. The percentage of the amounts paid to contractors which were paid to minority-owned and women-owned businesses;
6. The successes achieved and challenges faced by the agency in operating minority and women outreach programs;
7. The challenges the agency may face in hiring qualified minority and women employees and contracting with qualified minority-owned and women-owned businesses; and
8. Any other information, findings, conclusions, and recommendations for legislative or agency action, as the OMWI Director determines appropriate.

3. CFPB workforce

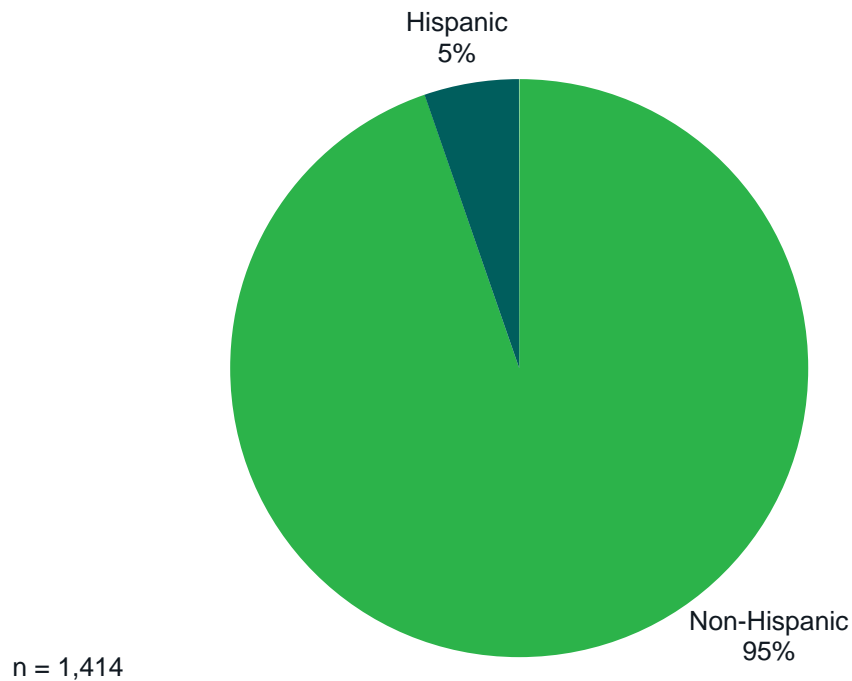
At the core of the CFPB mission is the guiding principle, everyone deserves to be treated fairly in the financial marketplace.

The CFPB's mission can best be accomplished with a qualified, diverse, and inclusive workforce informed by a deep understanding of the nation's diversity to assist in the Bureau's work. In 2014 the CFPB continued to hire staff in order to expand operations to achieve its immediate and long-term priorities. As of year-end 2014, the CFPB had a total of 1,414 employees. Accounting for attrition, this number represents an increase of 60 employees from year-end 2013.

3.1 Minorities and women

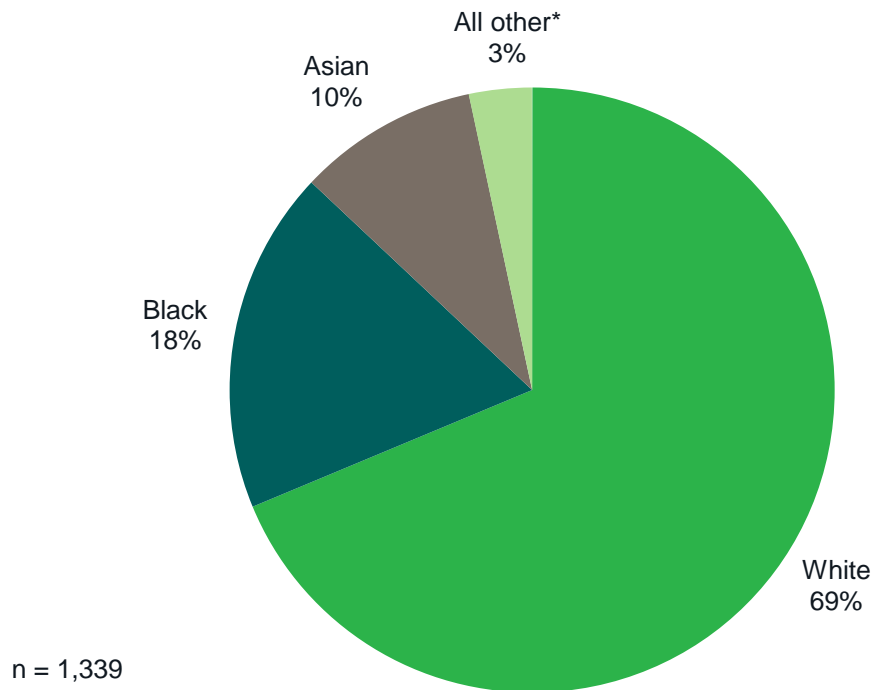
The Bureau recognizes the importance of diversity and inclusion to building and maintaining a competitive workforce that can address the needs of diverse consumers. As the Bureau continues to build out its operations, one area of focus is increasing the total population of underrepresented groups in its workforce. The Bureau has developed robust outreach efforts to universities, trade associations, and professional organizations (including minority and women-focused organizations) to support recruiting efforts, and to connect with and educate the broader community about the mission of the CFPB. As a result, the Bureau has built a diverse organization with women and minorities represented throughout the CFPB. The Bureau recognizes the importance of having the perspectives and experiences of diverse groups well represented in all areas of our work.

FIGURE 1: CFPB WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014



Given the rapid growth in the number of Hispanics in the U.S., accessing talent from Hispanic communities is essential to ensuring the Bureau’s activities and solutions developed are relevant to this consumer group. Currently 5% of employees self-identify as Hispanic, and 95% as Non-Hispanic. Additional information about the Bureau’s outreach efforts to the Hispanic community can be found in the Outreach section of this report.

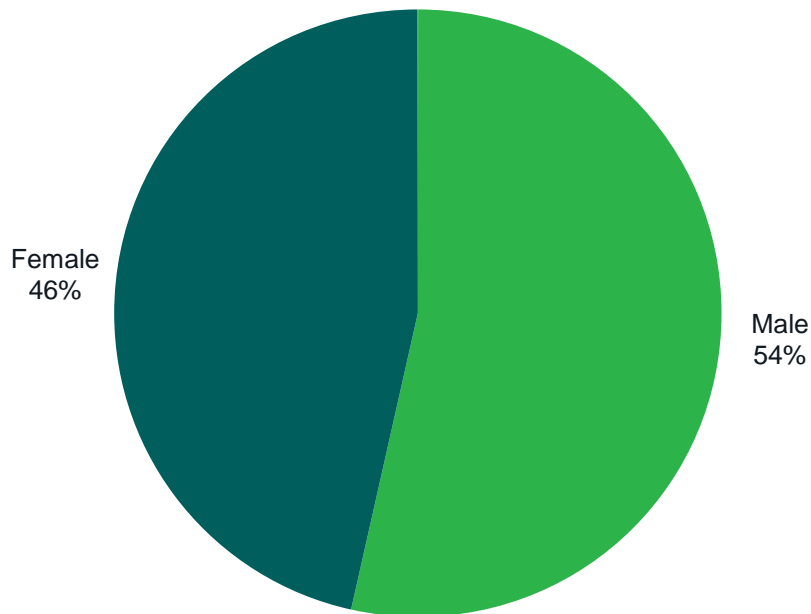
FIGURE 2: CFPB NON-HISPANIC WORKFORCE BY RACE FOR CALENDAR YEAR 2014



**Includes American Indian/Alaska Native (0.4%), Native Hawaiian/Pacific Islander (0.01%), two or more Races (2.6%).*

Figure 2 shows the CFPB non-Hispanic workforce by race, and the associated percentages for the non-Hispanic workforce subset. Of the 1,414 employees at year end of 2014, 65% self-identified as White, 18% as Black/African-American, 9% as Asian American, and 3% as some other racial group or belonging to two or more racial groups.

FIGURE 3: CFPB WORKFORCE BY GENDER FOR CALENDAR YEAR 2014



n = 1,414

Figure 3 shows the CFPB workforce by gender with women representing 46% of the Bureau’s workforce. As the CFPB has increased its workforce over the past year, the Bureau has steadily maintained representation of women at 46% of all employees for 2013 and 2014.

The CFPB is committed to a building a workforce where diversity is represented at all levels of the organization. The Bureau is particularly focused on providing developmental opportunities to all employees to ensure minorities and women are well represented at the supervisory, mid-manager and executive levels of the Bureau. Currently, minorities comprise 25% of executive leadership positions defined as Supervisory CN-81 and above. Women comprise approximately 36% of executive leadership positions at the Bureau.

FIGURE 4: CFPB EXECUTIVE LEADERSHIP BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014

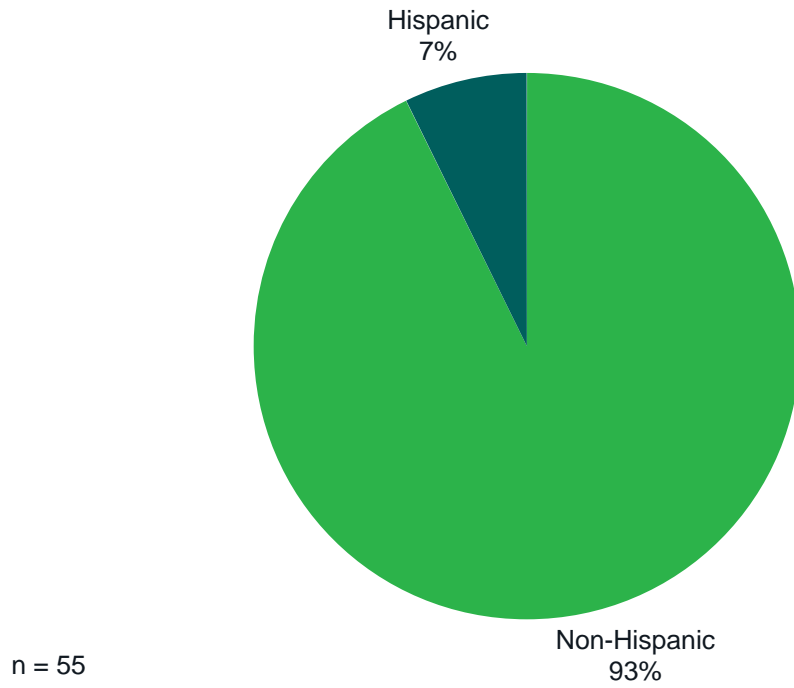


FIGURE 5: CFPB NON-HISPANIC EXECUTIVE LEADERSHIP BY RACE FOR CALENDAR YEAR 2014

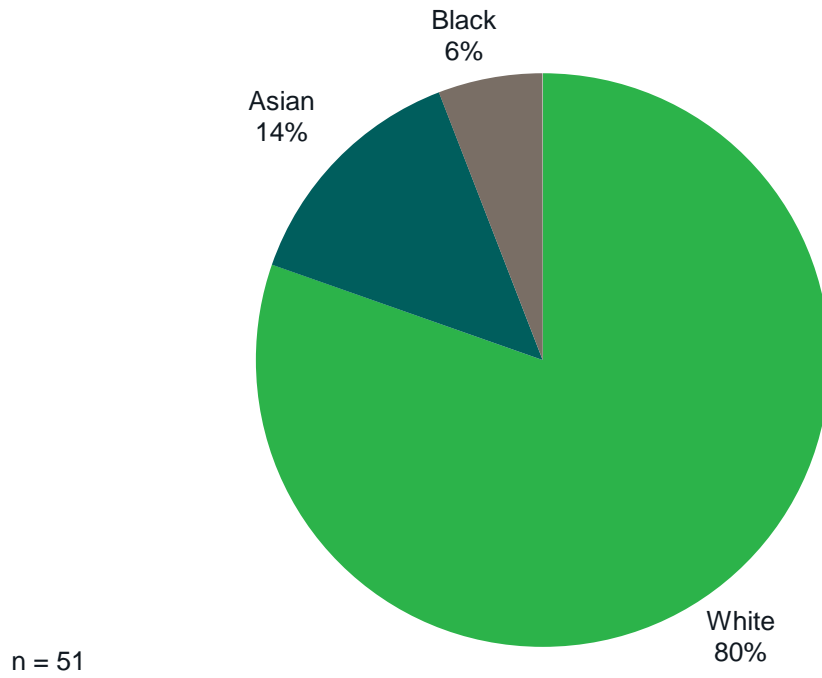
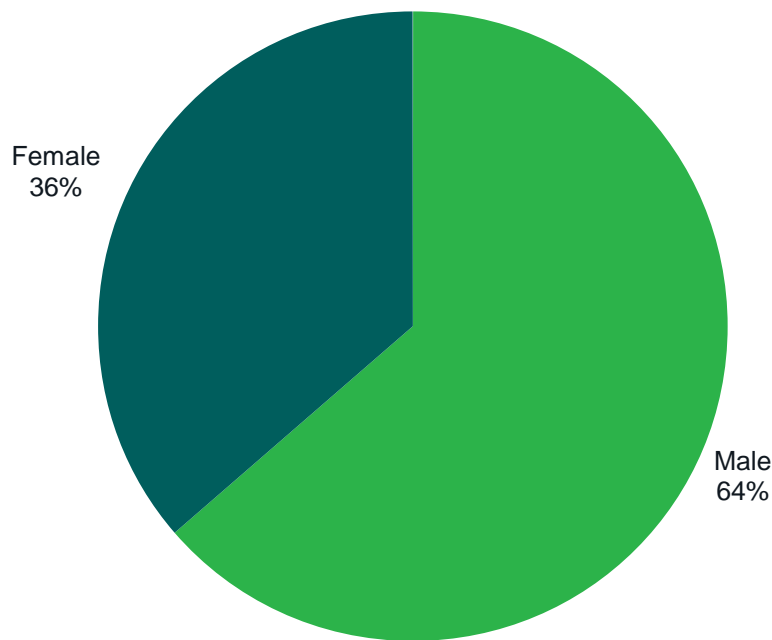


FIGURE 6: CFPB EXECUTIVE LEADERSHIP BY GENDER FOR CALENDAR YEAR 2014



The CFPB recognizes the importance of diversity within its workforce and especially within the mission-critical roles of the organization. CFPB defines mission-critical roles to include Examiners, Attorneys, Economists and Analysts at CFPB, which together comprise the largest occupational categories (0570, 0905, 0110, and 0301, respectively) within the agency. As such, the Bureau is committed to ensuring these key positions particularly reflect the diverse makeup of the American marketplace. As of year-end 2014, there were 395 employees in the Examiner occupational series. Of these approximately 33% are women and 36% are minorities. There are 263 Attorneys in the Attorney occupational series and approximately 53% are women and 22% are minorities. There are 34 economists in the economist occupational series and approximately 35% are women and 30% are minorities. There are 311 analysts in the Analyst occupational series and approximately 51% are women and 42% are minorities.

FIGURE 7: CFPB EXAMINER WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014

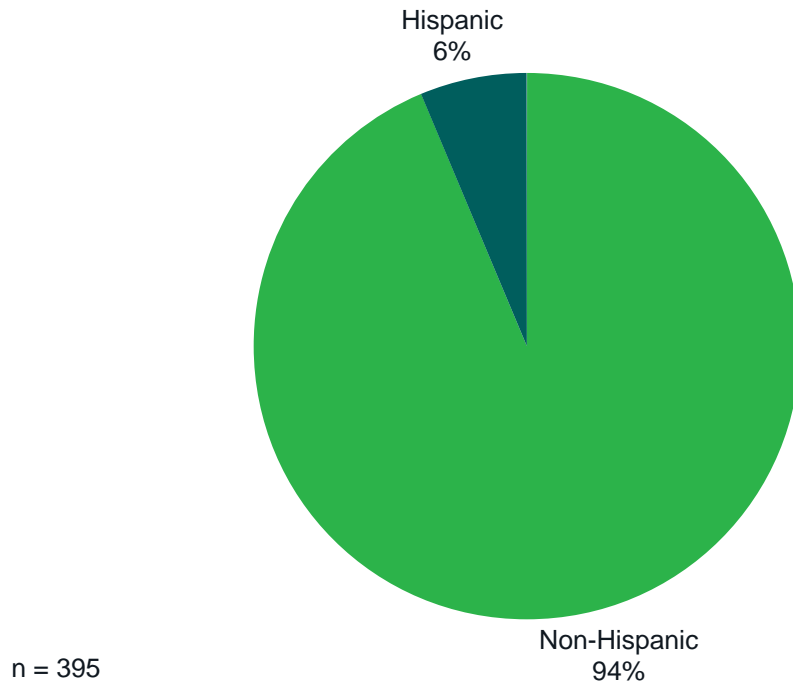
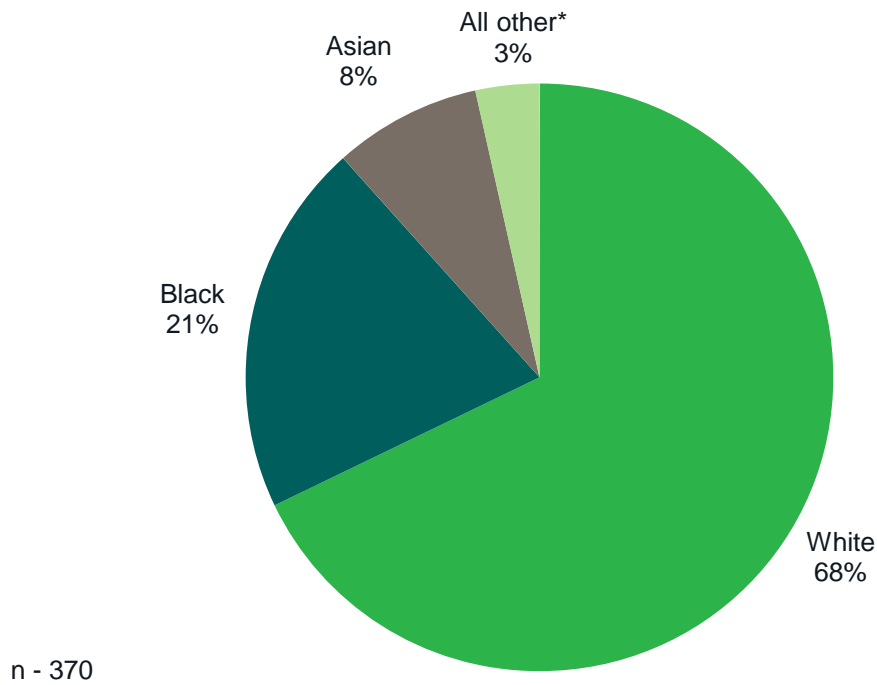
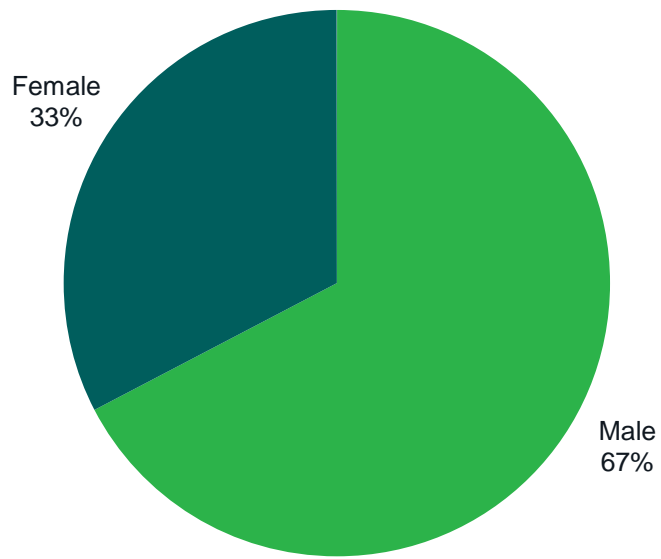


FIGURE 8: CFPB NON-HISPANIC EXAMINER WORKFORCE BY RACE FOR CALENDAR YEAR 2014



**Includes American Indian/Alaska Native (1.0%), Native Hawaiian/Pacific Islander (0.3%), two or more Races (2.0%).*

FIGURE 9: CFPB EXAMINER WORKFORCE BY GENDER FOR CALENDAR YEAR 2014



n = 395

FIGURE 10: CFPB ATTORNEY WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014

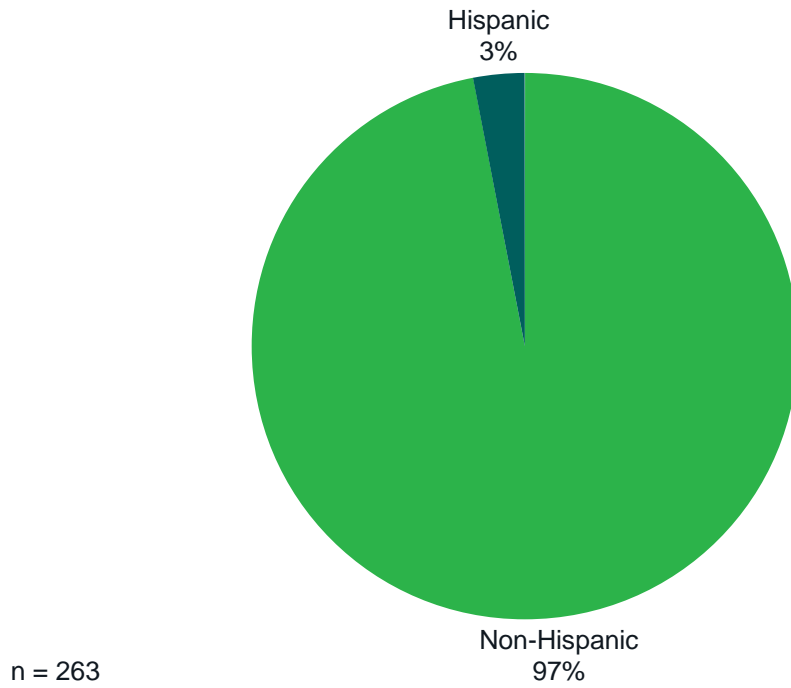


FIGURE 11: CFPB NON-HISPANIC ATTORNEY WORKFORCE BY RACE FOR CALENDAR YEAR 2014

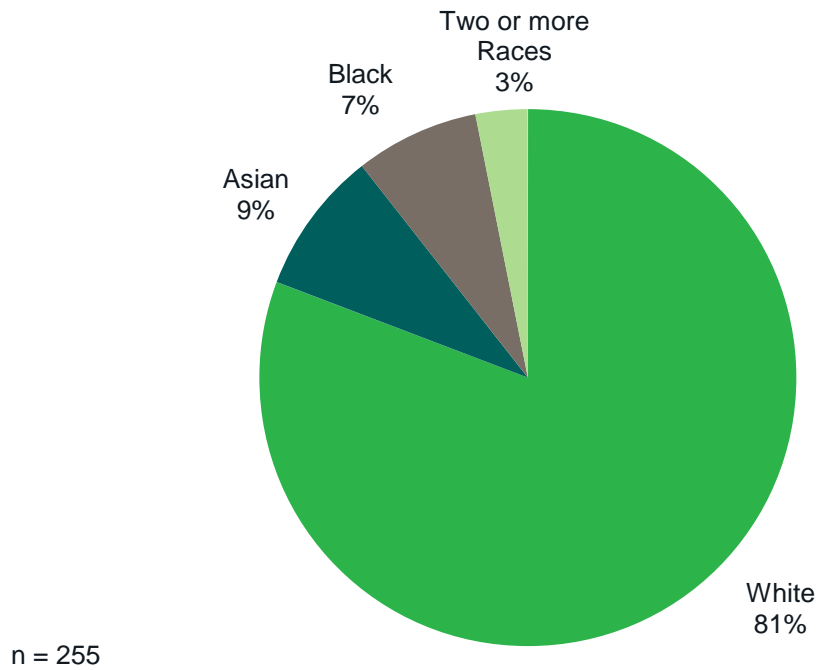
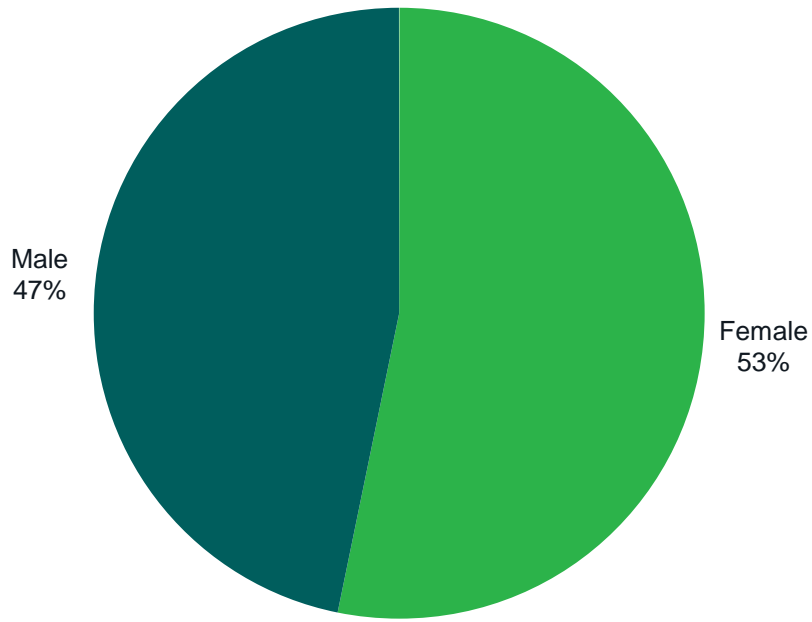


FIGURE 12: CFPB ATTORNEY WORKFORCE BY GENDER FOR CALENDAR YEAR 2014



n = 263

FIGURE 13: CFPB ECONOMIST WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014

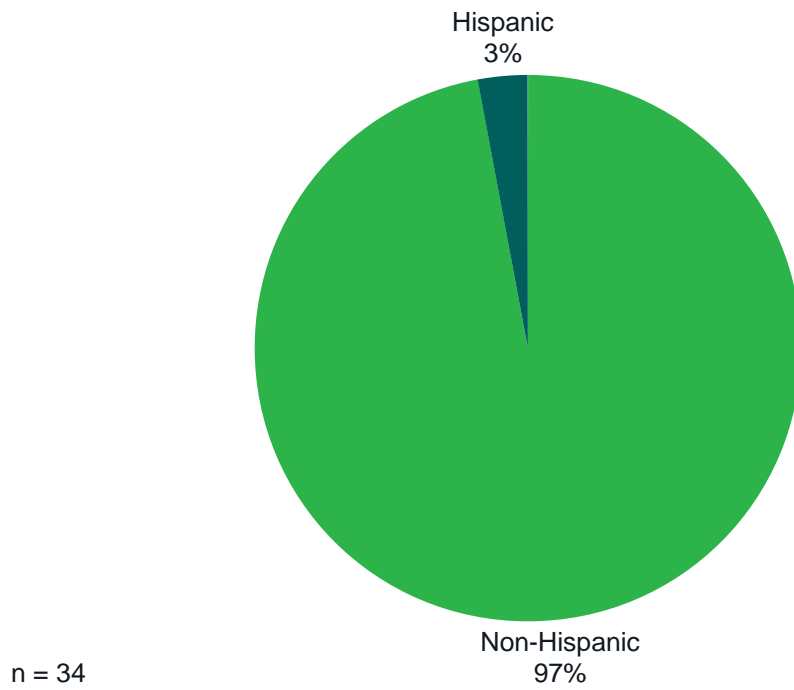


FIGURE 14: CFPB NON-HISPANIC ECONOMIST WORKFORCE BY RACE FOR CALENDAR YEAR 2014

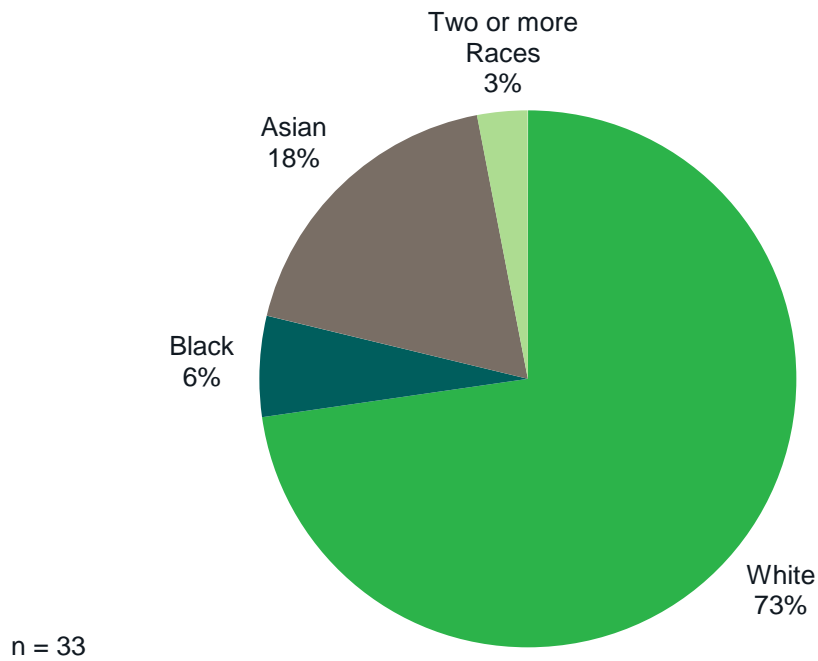
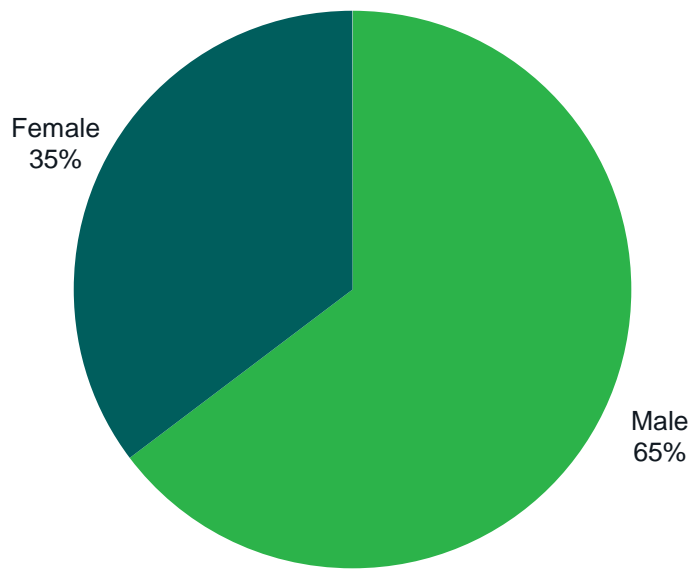


FIGURE 15: CFPB ECONOMIST WORKFORCE BY GENDER FOR CALENDAR YEAR 2014



n = 34

FIGURE 16: CFPB ANALYST WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014

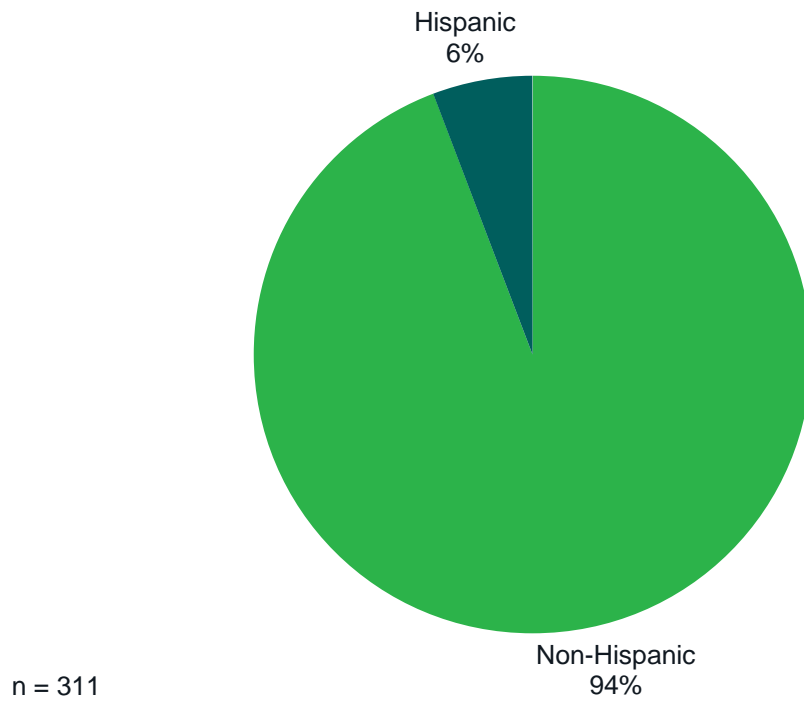
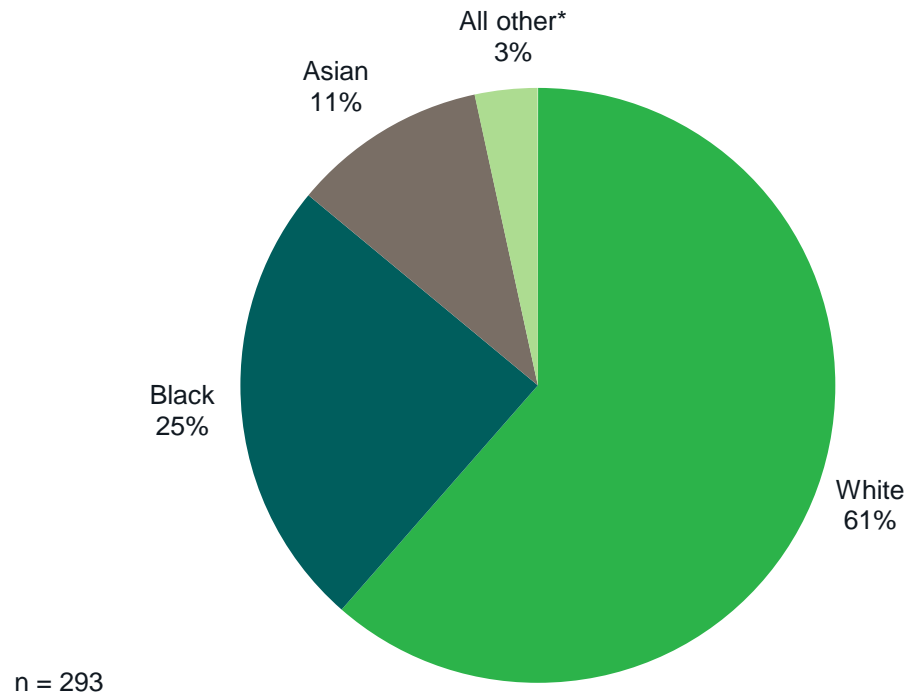
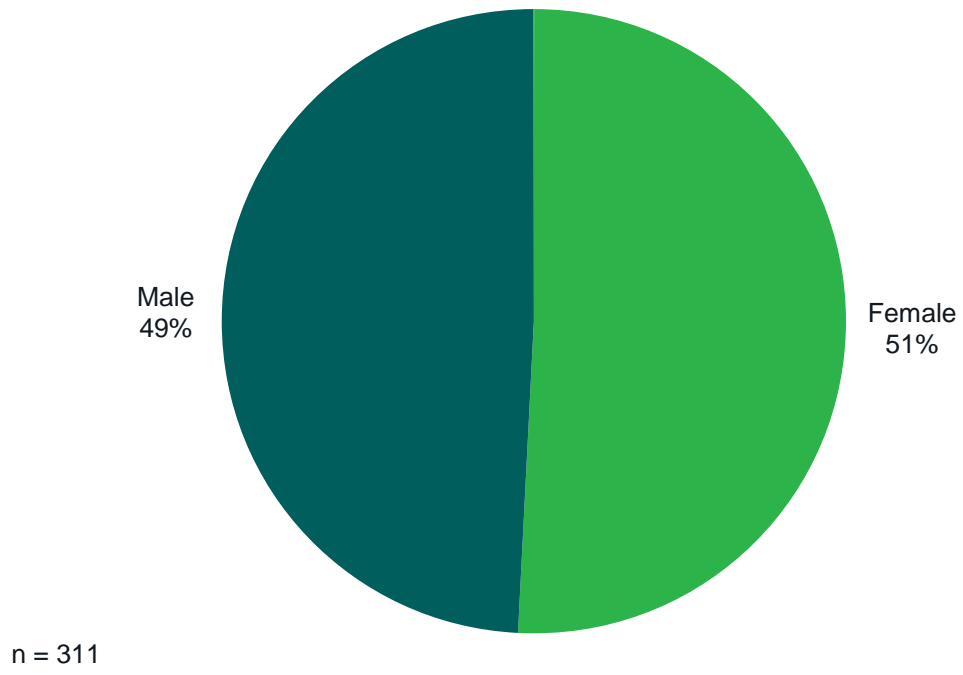


FIGURE 17: CFPB NON-HISPANIC ANALYST WORKFORCE BY RACE FOR CALENDAR YEAR 2014



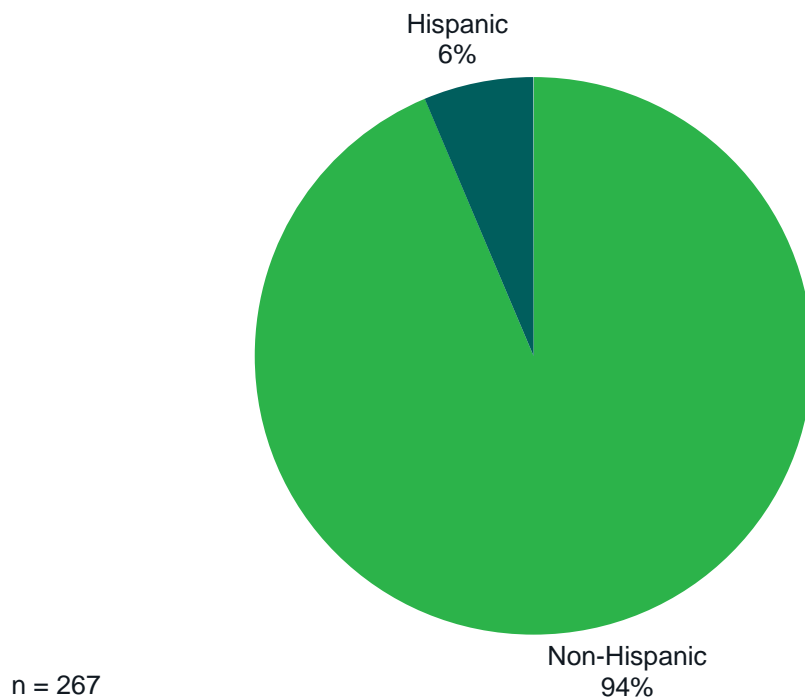
* Includes American Indian/Alaska Native (0.3%), Native Hawaiian/Pacific Islander (0.3%), two or more Races (2.6%).

FIGURE 18: CFPB ANALYST WORKFORCE BY GENDER FOR CALENDAR YEAR 2014



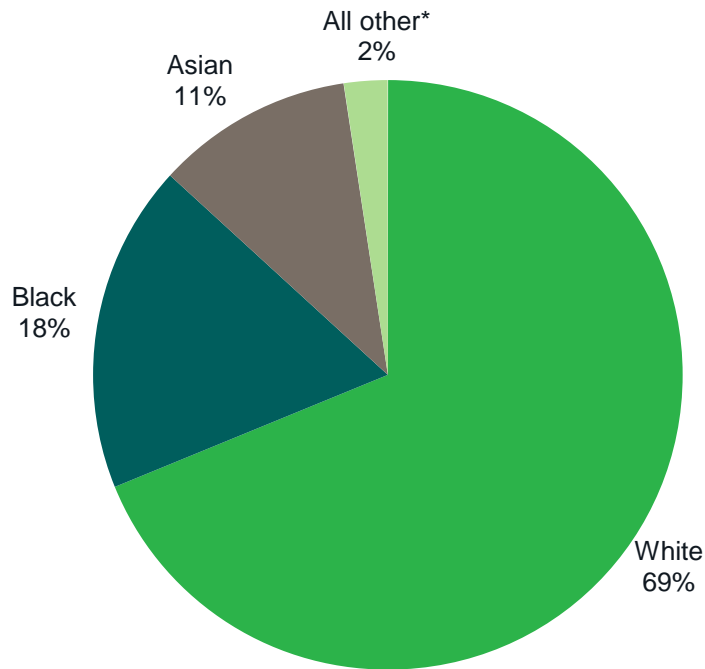
The CFPB continues to encourage recruiting and hiring initiatives supporting the development of a diverse, highly-qualified employee base. The Bureau recognizes an opportunity to increase minority representation specifically within our mission-critical positions of Examiners and Attorneys. OMWI has collaborated with OHC and Division leaders to implement processes that standardize recruiting, hiring, and staffing processes. These improvements include guidance to hiring managers on structured interviews, EEO hiring principles, and other recommended best practices such as conducting multi-person résumé review and providing for diverse interview panels. Following are demographic data on new hires¹ for 2014.

FIGURE 19: NEW HIRES BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2014



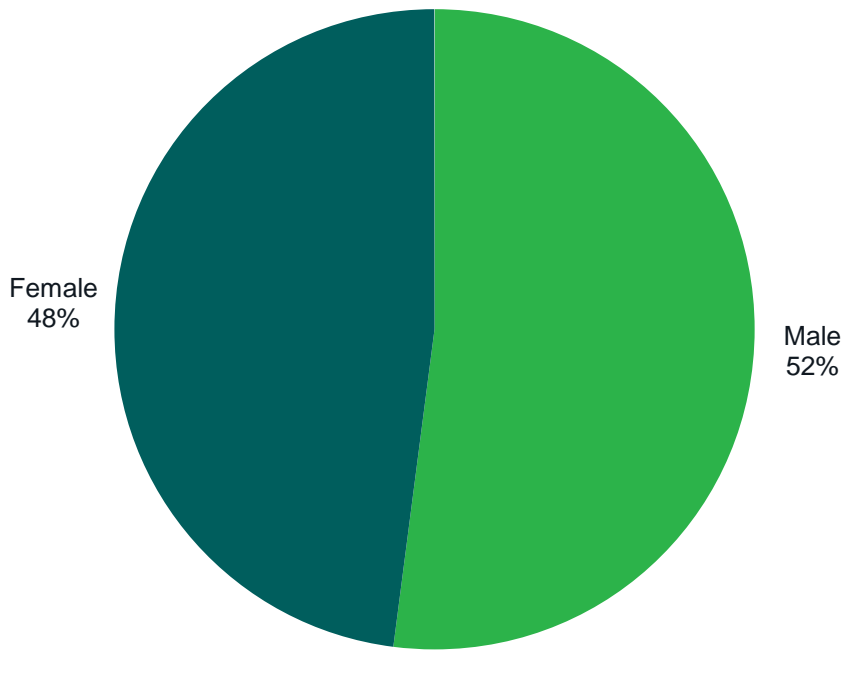
¹ In accordance with OPM reporting, new hires here are defined more broadly as accession personnel actions, which generally are actions resulting in the addition of an employee to the agency’s staff. These include transfers-in, new hires under various types of appointments, and on occasion movement from one type of appointment to another when there has been an application for a new position.

FIGURE 20: NON-HISPANIC NEW HIRES BY RACE FOR CALENDAR YEAR 2014



**Includes American Indian/Alaska Native (0.4%), Native Hawaiian/Pacific Islander (0.7%), two or more Races (4%).*

FIGURE 21: NEW HIRES BY GENDER FOR CALENDAR YEAR 2014



3.2 Work and life balance

The CFPB is committed to continuously improving workplace flexibilities in an effort to attract and retain talent. Flexibilities such as telework and alternate work schedules allow the Bureau to get the best performance from its workforce by providing employees with numerous ways to balance work and life priorities. Supporting employees in this way enables the Bureau to recognize the diverse needs of employees and encourage workplace productivity.

As a result of 2014 negotiations between CFPB and NTEU over the first bundle of a collective bargaining agreement, the Bureau has an operational policy for employee-initiated requests for relocation, and a telework policy allowing for up to three days per week of telework. The CFPB continues to provide a broad range of enhanced offerings to help employees manage commitments in their work and personal life including: an enhanced Annual Leave Policy allowing employees to carry-over 360 hours of annual leave; childcare services for headquarters employees; lactation rooms in all headquarters buildings; a Voluntary Leave Transfer Program to assist employees affected by their own or a family member's medical emergency; a Sick Leave Policy including expanded use of sick leave for the birth or adoption of a child; an Alternative Work Schedule Policy; short-term and long-term disability insurance for all employees; and intervening weekend travel for Examiners, which allows them the flexibility to return home to their families or travel over the weekend between examinations.

The Bureau will continue to explore additional workplace flexibilities and best practices in the public and private sector to ensure we are providing employees with competitive work/life incentives.

3.3 Training

The Bureau is committed to sustaining a culture encouraging innovation and collaboration, while leveraging diversity throughout the organization so that all individuals are able to fully participate. To ensure employees have the tools and the skills necessary for successful participation, the Bureau has increased the quantity and scope of learning programs for employees and leaders.

The Bureau has introduced a series of in-house on-site trainings to strengthen soft skills including: effective teamwork, effective meetings, and effective communication. As the CFPB has matured, it has increased both the reach and depth of programs and initiatives. The Bureau:

- continues the individual development planning process including an individual development plan template, related developmental guidance, a central catalog of numerous off-the-shelf learning programs and a career development workshop;
- is in the final phases of developing a core competency model to refine and expand and document the CFPB's competency requirements, including technical expertise for Bureau employees at all levels;
- has launched an enhanced leadership development series for all Bureau leaders as well as a supervisory training for all new supervisors to enhance leadership skills;
- has launched a two-day interactive diversity training workshop for supervisors to obtain the tools necessary to lead a diverse and inclusive work environment;
- offers Lunch and Learn educational sessions on topics to commemorate Heritage Months and those of cross-functional interest supporting the CFPB's mission;
- continues to offer a library of free online reference materials and courses, including a catalog of courses targeted to address the CFPB core competencies;
- launched access to foreign language training through its Library, offering access to Rosetta Stone courses and the on-line resources of the Joint Language University of the Department of Defense;
- offers a comprehensive coaching program for CFPB leadership;
- continues to offer diversity and inclusion training and events to raise awareness of unconscious bias and develop cultural competency skills;
- continues to offer annual mandatory compliance training to ensure employees are informed about government requirements related to privacy, cybersecurity, EEO, and other important rules and regulations
- conducts structured interview training and hiring manager training to provide managers with the skills necessary to ensure the Bureau's hiring strategies are broad, consistent, and fair; and
- requires all supervisors and managers to attend a 2-day training led by the Equal Employment Opportunity Commission (EEOC) Training Institute covering compliance with EEO laws and makes available other learning opportunities related to EEO.

In addition, the Bureau conducts a diversity session for all staff at the Annual All Hands Conference. During the 2014 Annual All Hands Conference, OMWI presented a panel on combatting structural inequality. Panelists included Professor Valerie Purdie-Vaughns, a Professor at Columbia University and Director of the Laboratory of Intergroup Relations and the Social Mind, Professor Daria Roithmayr of the University of Southern California Gould School of Law, and Bruce Stewart, Deputy Director of Diversity and Inclusion at the Office of Personnel Management. The three panelists emphasized the importance of both recognizing and working to eliminate unconscious bias, and illuminating how work towards racial and gender equality will bring about longer term success at the CFPB.

3.4 Employee feedback

The Bureau uses employee feedback to gain insight into and consistently improve its organizational culture. The CFPB analyzes feedback received from our New Employee Survey, Annual Employee Survey, and Exit Survey to inform the Bureau's employee-related initiatives and to make improvements in the Bureau's operations. The OMWI works with OHC and other partners across the Bureau to compile data, conduct extensive analyses, and brief senior leadership about trends in employee sentiment. The data analysis results assist the Bureau in understanding what the CFPB is doing well and identifying areas for improvement.

The Annual Employee Survey (AES) assesses a broad range of employee perspectives. More than 83.5% of the CFPB employee population participated in the 2014 survey. In order to understand the employee experience from several vantage points, the Bureau analyzed the results of the survey as a whole, by division and by participant demographics. This enhanced analysis and granularity enabled the Bureau to examine employee feedback from various perspectives in order to learn what we are doing well and to identify areas for improvement as reported across demographic groups.

The Bureau's analysis indicates that CFPB continues to exhibit much strength across the areas measured by the survey. The analysis also revealed perception gaps across certain demographic populations and revealed more differences by gender than by ethnicity, race, or age. The Bureau also compared results to the previous year's results. To better address areas for improvement, the CFPB has created divisional working groups consisting of employees and management at various levels throughout the organization. The goal of the working groups is to co-create

solutions at the division level and to empower employees as well as management in making the CFPB a great place to work.

The OMWI continues to actively utilize the Inclusion Quotient standards developed by the Office of Personnel Management (“OPM”) to measure CFPB’s inclusiveness. These are a subset of questions on the AES. These 20 survey items are highly correlated to the formation and sustainment of an inclusive workplace. Using these survey items, the CFPB measures employee perception as it relates to workplace inclusion in the following categories: Fair, Open, Cooperative, Supportive, and Empowered. A short description of each factor is shown below.

- Fair: Items deal with fairness in performance and evaluation, rules, and procedures.
- Open: Items deal with whether diversity and inclusion are promoted by the agency overall and/or its managers.
- Cooperative: Items deal with whether managers promote communication and support collaboration.
- Supportive: Items deal with management and leadership style.
- Empowering: Items deal with participation in decision-making.

In 2014 there were no significant differences in the Inclusion Quotient across demographic groups and no significant differences from last year’s results; moreover, the CFPB exceeded the Federal Government-wide metrics for inclusion in all areas.

Director Cordray and the OMWI Director shared the results of the AES with all employees in an All-Hands announcement and the report including the results and various breakouts are available to all employees on the Bureau’s intranet.

TABLE 1: CFPB INCLUSION INDEX

| Inclusion Quotient Index | CFPB FY2014 | Govt wide FY2014 |
|---|--------------|------------------|
| Inclusion Quotient: Combines all five indices | 62.0% | 56.0% |
| Fair: Questions deal with fairness in performance evaluation, rules, and procedures. | 44.0% | 43.0% |
| Open: Questions deal with whether diversity and inclusion are promoted by the agency and/or managers. | 65.4% | 55.0% |
| Cooperative: Questions deal with whether managers promote communication and support collaboration. | 58.5% | 52.0% |
| Supportive: Questions deal with management and leadership style. | 81.1% | 74.0% |
| Empowering: Questions deal with participation in decision-making. | 61.0% | 56.0% |

This is the first year the CFPB participated in the Partnership for Public Service’s Best Places to Work rankings. These rankings include Federal agencies and are based on the Employee Viewpoint Survey conducted by OPM, plus surveys by eight additional agencies and the intelligence community. The CFPB debuted at number 12 among 25 mid-sized agencies. The rankings are based on whether employees recommend the CFPB as a good place to work, are satisfied with their jobs, and are satisfied with the organization overall. Among mid-sized agencies, the CFPB’s best results were a fourth place ranking in the categories “Support for Diversity” and “Employee Skills-Mission Match”; CFPB also ranked high in Teamwork, Strategic Management, and Effective Leadership.

<http://bestplacestowork.org/BPTW/rankings/detail/FRFT>

3.5 Initiatives

The OMWI provides support to the Bureau in its effort to create and maintain a diverse and inclusive environment and to shape organizational culture by providing awareness, education, collaboration, and innovative infrastructure programs to support the employee experience.

3.5.1 Listening sessions

In late 2013 and early 2014, a number of events occurred raising concerns about the state of diversity and inclusion at the Bureau. As part of its retrospective analysis of the fiscal year 2013 performance ratings finalized in the fall of 2013, the Bureau conducted a series of analyses to evaluate the effect of a wide variety of factors on performance management outcomes. These initial analyses raised concerns about the various factors appeared to affect the results of the CFPB's performance management program. These results were shared with senior leadership in late 2013, and with the National Treasury Employees Union (NTEU) in January 2014. The Bureau subsequently announced it would move away from its past performance management system and made a commitment to its employees to conduct additional analyses and communicate the findings, along with any necessary corrective action. On May 19, 2014, the Bureau released the results of its additional analyses of the performance management outcomes, and also announced its plan to address past disparities. The Bureau also procured (using full and open competition) expert services to evaluate personnel practices relating to performance ratings, compensation and hiring ("3rd party review").

In addition, Congressional hearings in 2014 raised additional concerns about allegations of discrimination and retaliation within the Bureau. In light of the allegations made and to emphasize the importance of diversity and inclusion at the Bureau, Director Cordray committed to employees to address concerns raised at the hearings. He charged OMWI with leading the response to the issues raised and elevated OMWI to be a core part of the Director's office in order to better affect change and promote a diverse and inclusive workplace culture at the CFPB. In addition, Director Cordray charged OMWI with leading a series of staff listening sessions and reporting back to him with recommendations to address concerns raised around fairness, equality, diversity, and inclusion.

OMWI conducted a total of 48 listening sessions between April 23, 2014 and June 18, 2014. Every CFPB employee was invited to participate in listening sessions based on his or her office or division. Separate sessions were held for managers and supervisors. Teleconference sessions were held for regional staff and remote staff. In addition, makeup sessions were offered to staff and managers who could not attend their scheduled session. Employees who did not feel comfortable sharing their experiences in a group setting were invited to schedule one-on-one meetings with the OMWI Director or to submit comments via a comment box. Altogether, well over 300 employees participated in this process.

The listening sessions offered participants a forum to share experiences and perspectives about topics including diversity, inclusion, fairness, and equality in an informal setting outside of the normal management structure. The sessions were designed to promote development by OMWI and OHC strategies to create a workplace where employees of all backgrounds feel respected and valued.

OMWI recognizes there are limitations to the listening session format given that employees self selected to attend and the listening sessions were not a random sample of employees. Despite providing an option for one-on-one meetings, OMWI understands some employees may have chosen not to share their experiences. Despite these limitations, the listening sessions evoked candid conversations and provided useful information to gauge diversity, inclusion, equality, and fairness at the Bureau.

On August 12, 2014, OMWI shared the Listening Session report with all Bureau staff and made the following overarching recommendations:

- **Culture and Respect:** Take additional steps to ensure the Bureau's employees are treated in the same manner the Bureau seeks for consumers to be treated in the financial services marketplace: engaging them with dignity and respect, imparting knowledge, creating transparency, and making sure these experiences are consistent for all (not just select) employees.
- **Communications:** Improve internal communications. Processes, policies, and opportunities need to be displayed for, and accessible to, all its employees.
- **Appreciation:** Celebrate the Bureau's achievements and the employees who make them happen by saying thank you to all of the people in the Bureau who contribute to its achievements.
- **Sustainability:** Consumers will continue to need protection and education in their use of financial products indefinitely. There are a multitude of issues facing consumers in America, and more will come in the future. The Bureau has been able to achieve much during its first three years of existence. The Bureau may not be able to achieve all of its objectives in the short-term and should be careful not to burn out its key asset, people, and take steps to develop and retain all of its talent.

In addition, the report made specific immediate recommendations:

Culture and respect

- Use **Quarterly Performance Reviews (QPRs)** as a management tool for the Director to address cultural change and diversity and inclusion efforts within Divisions in a regular and ongoing manner.
- Create additional diversity and inclusion **training**.
- Allocate resources and require cross-divisional collaboration to **assess the current culture** and foster a workplace of diversity, inclusion, equality, and fairness.
 - Progress made toward recommendations
 - The QPRs now monitor diversity and inclusion metrics in each Division, and allows the leadership of the Bureau to track progress in these areas.
 - OMWI has created diversity and inclusion training for supervisors and managers.
 - The Workforce of the Future initiative has taken on an active stewardship of enhancing the Bureau's culture, including diversity, inclusion, equality and fairness.
 - All employees are required to complete a diversity and awareness training seminar.

Value management

- Continue management **training** as recently developed and deployed.
- Add a diversity and inclusion component to management training
- Create time and space for managers and supervisors to manage, using **prioritization** of Bureau projects as a guide.
- Treat management time as a specific and discrete responsibility, on par with meeting other performance goals.
- Create processes for **accountability**.

- Create a forum where OMWI, the Office of Human Capital (OHC) and the Office of Civil Rights (OCR) can meet regularly with Division leaders to discuss diversity and inclusion trends and issues, and progress achieved over time.
 - Progress made toward recommendations
 - Managers and supervisors are being trained as part of the Supervisor Development Seminar and the Leadership Excellence Seminar. Nearly all managers, supervisors and leaders have attended training (over 97 percent).
 - Over 84 percent of managers and supervisors have taken Equal Employment Opportunity training.

Process and Structure

- **3rd Party Review** (procured through a contract) will analyze performance management, hiring, and pay.
- **Collective Bargaining Agreement** articles address career ladder promotions and performance management.
- **Effectively communicate** process and structure already developed (hiring, promotion, training, Individual Development Plans).
- Apply these policies **consistently and transparently**.
 - Progress made toward recommendations
 - The 3rd party review has commenced, starting with a review of performance management.
 - The Collective Bargaining Agreement is being implemented.
 - Communications staff has been hired and are working with contractors to improve effective communications.

Shortly after the release of the report, Director Cordray responded and accepted the recommendations.

3.5.2 Other reviews of the CFPB

As noted, several reviews of the diversity and inclusion issues at the Bureau and at other financial regulatory agencies were conducted in 2014. The U.S House of Representatives, Committee on Financial Services Subcommittee on Oversight and Investigations conducted a number of hearings on diversity and inclusion issues at the Bureau, including hearing testimony from Director Cordray on July 30, 2014.

The Inspector General (IG) of the Board of Governors of the Federal Reserve System, which has jurisdiction over the Bureau, conducted its own audit of activities related to diversity and inclusion at the request of certain members of Congress.² The IG found “OMWI fully complies with 9 of the 10 requirements” set forth by Section 342 of Dodd-Frank covered by the scope of the audit. The audit made a number of recommendations to the Bureau, including three for OMWI. The Bureau agreed with the recommendations and is implementing all three.

- Implement the CFPB’s diversity and inclusion strategic plan satisfying the requirement to implement the Office of Personnel Management’s *Government-Wide Diversity and Inclusion Strategic Plan*.
 - OMWI is currently working on this recommendation with a delivery date projected of June 30, 2015.
- Formalize as a policy statement the standards on which the Office of Minority and Women Inclusion relies for equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the agency.
 - OMWI is currently working on this recommendation with a delivery date projected of June 30, 2015.

² Audit Report 2015-MO-C-002 at 56 “The CFPB Can Enhance It’s Diversity and Inclusion Efforts”, March 4, 2015. The Congressional requestors made similar requests of Inspectors General for audits at certain other agencies covered by Section 342 of Dodd-Frank: the Board of Governors of the Federal Reserve System, the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the National Credit Union Administration and the Securities and Exchange Commission.

- Ensure diversity and inclusion training is mandatory and provided to all employees and supervisors on a regular basis, and is evaluated for effectiveness using performance metrics and the results are incorporated into the training, as needed.
 - Mandatory Diversity Awareness Training is in place and more than 800 employees have been trained to date. OMWI is gathering evaluation data and will report the results in the 2016 Annual Report.

In addition, the Government Accountability Office (GAO), at the request of other Members of Congress, started an audit on a broad range of issues, including the Bureau's efforts to address many internal issues such as personnel management practices. The GAO audit continues in 2015.

3.5.3 Bureau initiatives

In 2014, the CFPB established several initiatives, programs and policies to improve diversity and inclusion at the Bureau, many of which are highlighted below:

- Leaders from OHC, OCR, OMWI and the Director's Office meet regularly to discuss various initiatives within each of the offices as well as how these programs and related policies can improve diversity and inclusion at the Bureau.
- A newly formed Executive Advisory Council supports the efforts of the OMWI by providing thoughtful input into OMWI programming and by serving as champions for diversity and inclusion initiatives throughout the Bureau.
- Leaders and managers throughout the Bureau have begun taking a more proactive approach to understanding and improving their divisional cultures by seeking advisory services from the OMWI.
- A Diversity and Inclusion Council is being established consisting of employees from across the Bureau to advise OMWI on internal employee-focused issues related to diversity and inclusion at the CFPB. These employees will share insights so that OMWI and Bureau leaders are aware of substantive issues related to employee engagement and inclusiveness at the Bureau
- As a new Federal agency, the CFPB recognizes a need to proactively define and establish a Bureau culture and to create systems and processes that align and support the desired

cultural norms. To facilitate this goal, the Bureau has created an executive steering committee tasked with analyzing and designing the framework.

- The OCR began mandatory training for managers to ensure that managers understand and are compliant with the requirement to treat all employees equitably.
- The OHC enhanced supervisory and leadership training for all supervisors and managers to ensure that the Bureau expands the skills and competencies of those required to function at higher levels.
- The OMWI launched a two-day diversity and inclusion workshop for supervisors to increase cultural understanding and ability to leverage differences in order to create a more inclusive environment.
- The OMWI and OHC have worked together to craft competencies in the newly developed employee and leadership frameworks for all employees, and these competencies will inform performance goals in the new performance management system.
- The OMWI has drafted a business case for diversity that aligns the Bureau's mission with diversity and inclusion goals. The OMWI is working with divisions to assist them in crafting division-specific business case documents that align with divisional missions and goals.
- The OMWI worked with divisions and OHC partners to develop measurable diversity and inclusion goals and objectives that have been incorporated into divisional strategic plans for 2015. The diversity and inclusion goals support the strategic goals for the Government Performance and Results Act (GPRA).
- The Bureau is enhancing diversity competencies for all managers to ensure managers are contributing to building a high-performing diverse workforce at the Bureau and promoting a fair, collaborative, and flexible work environment.
- The Bureau hired an OMWI Deputy Director to assist with the day to day operations of the OMWI.
- The OMWI and the OCR were combined under a newly formed Office of Equal Opportunity and Fairness to create greater synergy and information sharing between the two offices.

- The OMWI continues to keep employees informed of Bureau initiatives through OMWI newsletter and interim messages from the OMWI Director to all employees.
- The OMWI and OHC have included additional language in all job announcements to ensure potential applicants understand the Bureau's commitment to a diverse and inclusive workplace.
- The OMWI has created a draft policy and guidance for employees to establish employee resource/affinity groups. The policy will be shared with the NTEU for feedback as well.
- The OMWI has created an employee mentoring bank which will pilot in 2015 and continue to roll out more broadly later in the year.
- The OHC has developed a Career Planning Framework which provides a set of interrelated tools and processes to aid employees' career awareness and development at any stage of their career. Guidance is geared toward creation of congruence between experience and opportunities throughout the Bureau.

3.5.4 Heritage month events

The CFPB hosted a number of well-attended events in recognition of various heritage months throughout the year, including Asian Pacific American Heritage Month, Black History Month, Hispanic Heritage Month, Lesbian, Gay, Bisexual and Transgender Pride Month, and Women's History Month. These events featured a wide range of speakers and other presentations, from a cabinet secretary to policy experts, often discussing the work of the Bureau and its impact on various communities. OMWI joined other parts of the Bureau in the planning and execution of these events.

3.6 Outreach and partnerships

The OMWI is an active participant in the CFPB's outreach recruiting efforts and continues to establish partnerships in order to attract diverse talent for various positions throughout the Bureau and to educate minority and women populations about the CFPB. The OMWI serves as a strategic advisor to the Bureau's recruitment and hiring efforts and collaborates with the OHC's Talent Acquisition team to direct resources toward institutions and professional organizations having diverse applicant pools.

Further, OMWI is actively involved in the Bureau's internship programs. Building a pipeline early on through internship and student volunteer opportunities assists the Bureau in building a diverse workforce. During the summer of 2014, the Bureau hired 77 undergraduate and graduate students through the Federal Government's Pathways Program. Through this program, interns have access to developmental opportunities in a dynamic work environment and the CFPB benefits from the unique perspectives from students with diverse experiences and backgrounds. The Bureau also utilizes the Pathways Program and the Bureau's two-year developmental programs such as the Director's Financial Analyst, the Honors Attorney, and the Technology Fellows programs to attract college students and recent graduates to the Bureau upon graduation. In 2014, the Bureau conducted recruiting at the following schools:

- American University
- University of California - Berkeley
- University of California - Los Angeles
- University of California - Riverside
- Clark Atlanta University
- University of Chicago
- Columbia University
- Duke University
- University of Florida
- George Washington University
- Georgetown University
- Harvard University
- Howard University
- Johns Hopkins University
- University of Maryland
- University of Michigan

- Morehouse College
- New York University
- University of North Carolina
- Northwestern University
- University of Pennsylvania
- Rutgers University
- Spelman College
- Stanford University
- University of Texas at Austin
- University of Virginia
- Yale University

The CFPB also engages in extensive outreach for experienced professionals and experts and utilizes the broad reach of professional organizations to access potential candidates. The Bureau attended the following events in 2014:

- Association of Latino Professionals in Finance & Accounting (ALPFA) Central Region Student Symposium Career Fair – Houston, TX
- Association of Latino Professionals in Finance & Accounting (ALPFA) Southeast Region Student Symposium Career Fair – Orlando, FL
- Association of Latino Professionals in Finance & Accounting (ALPFA) National Convention – Lake Buena Vista, FL
- Association of Latino Professionals in Finance & Accounting (ALPFA) Northeast Region Student Symposium Career Fair – Boston, MA
- Congressional Black Caucus Annual Conference – Washington, D.C.
- East Coast Asian American Student Union (ECAASU) 2014 Conference – Washington, D.C.

- Equal Opportunity Publications STEM Career Fair - Washington, D.C.
- Hispanic Association of Colleges & Universities (HACU) 28th Annual Conference – Denver, CO
- Hispanic National Bar Association (HNBA) 39th Annual Convention – Washington, D.C.
- Lavender Law Conference & Career Fair – New York, NY
- The League of United Latin American Citizens (LULAC) 85th National Conference & Expo – New York, NY
- National Asian Pacific American Bar Association (NAPABA) 26th Annual Convention – Scottsdale, AZ
- National Association for the Advancement of Colored People (NAACP) Annual Convention – Las Vegas, NV
- National Association of Asian American Professionals (NAAAP) National Conference & Diversity Career Fair – Anaheim, CA
- National Association of Women MBAs (NAWMBA) Conference & Career Fair – Washington, D.C.
- The National Bar Association Annual Convention – Atlanta, GA
- National Black MBA Association (NBMBA) 36th Annual Conference & Expo – Atlanta, GA
- National Council of La Raza (NCLR) National Expo – Los Angeles, CA
- National Society of Hispanic MBAs (NSHMBA) Conference & Career Expo - Philadelphia, PA
- National Urban League Annual Conference – Cincinnati, OH

Furthermore, CFPB recognizes the creative and innovative use of social media and other tools is essential to maximizing outreach efforts. The CFPB utilizes key components of LinkedIn to connect with diverse member organizations and to post positions and source potential candidates. CFPB utilizes Twitter to advertise events to potential applicants in order to maximize participation at outreach events.

In addition to the USAJOBS website, the CFPB also posts opportunities on its website and utilizes an internal network of staff to advertise employment opportunities. The CFPB leverages the Professional Diversity Network (PDN) and other organizations to promote the CFPB and publish all available job opportunities to diverse audiences, including minorities, women, veterans, persons with disabilities and LGBT individuals. This provides the benefit of furthering our recruitment reach over a larger audience. This digital strategy also has the ability to maintain a constant connection with these communities ensuring engagement is timed with available opportunities.

In 2015, the CFPB will continue to refine our recruitment and outreach strategy to ensure the best possible results for stated diversity objectives. These efforts will include the following actions:

- continue outreach to, recruitment, and hiring of diverse candidates;
- continue to recruit at minority-serving and majority-minority colleges and universities;
- establish and maintain partnerships with various professional and educational organizations with diverse student populations and other governmental entities;
- educate applicants regarding the hiring process;
- create pipelines/pathways to enhance diversity;
- participate in targeted internship programs;
- conduct specific diversity and inclusion training for all personnel engaging in the hiring process;
- evaluate and assess the diversity of the candidate pool at various decision points and provide feedback to hiring authorities; and
- continue to refine the objective criteria of job descriptions, assessments, and structured interviews as well as rating systems of applicants.

3.6.1 Hispanic outreach

Hispanics are estimated to reach 30.6% of the total US population by 2060 with a buying power of \$1.6 trillion by 2018. As we continue to formulate policies and regulations impacting this

growing consumer base, the CFPB recognizes the importance of increasing Hispanic representation at the Bureau.

The CFPB has increased outreach and recruiting to Hispanic communities throughout the year as part of our effort to broaden our reach across the country and particularly to the West region where the largest pools of Hispanic populations reside. To ensure our efforts are deliberate and robust, the CFPB Director meets regularly with leadership from the OMWI, the OHC, the OCR, External Affairs, and the Strategy Office to discuss CFPB initiatives supporting our goals to recruit broadly and strategically.

The CFPB continues to develop partnerships with organizations such as the Association of Latino Professionals in Accounting and Finance (ALPFA), the Hispanic Association of Colleges and Universities (HACU), the National Hispanic Bar Association, and the National Association of Hispanic MBAs, providing access to talent pools with the skills and qualifications aligning with CFPB job opportunities. The Bureau is particularly committed to utilizing our student programs to capture candidates early in their career development to introduce the possibility of a career in public service. The CFPB plans to continue to partner with HACU as a pipeline development program.

The CFPB has conducted extensive outreach to the Hispanic community on the CFPB's programs, products, and activities. Staff members from across the Bureau actively connect with consumers to discuss the CFPB's products, services, and initiatives. Director Cordray, along with other senior leaders, gathers regularly with diverse stakeholders from around the country in an effort to build collaborative networks among and substantial access to consumers.

The CFPB will continue to expand its multi-pronged communication and outreach strategies to ensure the Hispanic community continues to receive information about the CFPB consumer education products and services, hiring events, job vacancies, and any other employment or consumer related communications. Internal partnerships between the OMWI, the OHC, the External Affairs division, and the Office of Financial Education continue to support these initiatives. These initiatives help the CFPB accomplish the following objectives:

- Represent the CFPB as an employer of choice;
- Maximize opportunities to disseminate career and employment related communications to the Hispanic community, including Hispanic-Serving Institutions, Hispanic professional organizations, Hispanic faith-based and community organizations, and other affinity groups;

- Leverage already established student databases utilized by Hispanic-serving educational institutions and Hispanic affinity groups in order to expand outreach capacity;
- Utilize social media, such as Facebook, Twitter, and LinkedIn to reach out to the Hispanic community to share information on the CFPB's initiatives, internships, and job opportunities;
- Maximize opportunities to disseminate financial education materials to the Hispanic community;
- Provide a forum to hear from community leaders about consumer finance issues and challenges within the Hispanic community.

These initiatives continue to strengthen the CFPB's connection with the Hispanic community in an effort to learn from the community, provide financial education, and to develop a broader applicant pool reflective of the changing demographic of consumers we serve.

3.7 Community education and engagement

As part of the Bureau's mission to protect and educate American consumers, the CFPB is committed to maintaining close relationships with community-based organizations and other special population focused groups. These relationships are vital to reaching consumers and to providing the Bureau with information about community experiences with consumer finance markets including early indicators of trends and practices which may be harmful to consumers. The Bureau provides tools and resources both directly to consumers and through intermediaries, including community-based organizations. The Bureau regularly engages with community-based, civil rights, industry, academic, and regulatory organizations (including those serving women and minority communities), through roundtable discussions, listening sessions, and attendance at conferences across the country. The OMWI works collaboratively with the Bureau's External Affairs Division as well as the Consumer Education and Engagement (CEE) Division to engage with these groups to help fulfill the objectives of OMWI and the Bureau.

CEE creates opportunities for consumers to make better decisions about money to reach their own life goals. To this end, CEE provides consumers with financial education content, tools and resources. Through research, CEE also identifies and encourages the use of effective financial education practices to a wide variety of groups reaching consumers, including minorities and

women. The CEE team works to ensure consumers can access practical, actionable information about financial goals, decisions, products, and services to help build their financial knowledge and skills and empower them to make better informed financial decisions for themselves and their families. This includes making financial education resources available in other languages for limited English proficient consumers. To date, the CFPB has translated its most critical and frequently requested documents into Spanish (<http://promotions.usa.gov/cfpbpubs.html>). Certain publications are also available in Chinese, French, Haitian Creole, Tagalog, Chinese, Korean and Vietnamese. The Bureau's interactive online tool, "AskCFPB" which gives consumers answers to over 1,000 questions about financial products and services, is available in Spanish (<http://consumerfinance.gov/es>). The CEE team also leads initiatives specifically focused on service members, older Americans, students, and low-income and other economically vulnerable consumers.

The Bureau is committed to gathering a wide range of perspectives to inform its work. Through the work of the External Affairs division and CEE, the Bureau has engaged thousands of representatives from diverse communities through meetings, briefing calls, field hearings, conferences, and public appearances. Through these events the Bureau also shares information about the Bureau's work and resources.

In calendar year 2014 the Bureau hosted 15 public events in geographically-diverse areas around the country. These included field hearings in Nashville, TN; New Orleans, LA; El Paso, TX, Indianapolis, IN; Wilmington, DE; and Oklahoma City, OK on issues ranging from payday lending, mobile payments, and consumer complaints, to auto lending, prepaid accounts, and medical debt, as well as public events in Washington DC on, checking accounts and the mortgage closing process. The Bureau also hosted a public event in Phoenix, AZ on mortgage servicing rules and co-hosted a joint roundtable with the Federal Trade Commission (FTC) in Long Beach, CA on debt collection within the Latino community, which was open to the public. In addition the Bureau hosted public meetings of its Consumer Advisory Board in Washington DC and Reno, NV, as well as public meetings of its Community Bank Advisory Council and Credit Union Advisory Council in Washington, DC. All of these events provided opportunities for the Bureau to share information about its work with a diverse array of stakeholders and the public, as well as opportunities for the Bureau's work to be informed by diverse input, perspectives, and feedback from stakeholders and the public.

In addition to conducting outreach and sharing resources, the Office of Financial Empowerment works to empower low-income and economically vulnerable consumers, which include people of color, people with disabilities and women, through various methods, including:

- **Providing tools and resources:** We developed a financial empowerment toolkit, *Your Money Your Goals*, and have partnered with 10 national entities such as The Community Actions Partnership, Catholic Charities, and the Sault Sainte Marie Tribe of Chippewa Indians as part of a national rollout to provide training and support for the toolkit. This initiative, which helps intermediaries help their clients identify and address financial challenges, is designed to reach thousands of social workers and other front line staff and low-income consumers, a significant percentage of which are women and people of color. The toolkit, training and survey instruments are available in English and Spanish at www.consumerfinance.gov/your-money-your-goals.
- **Developing programs:** Through contracts we provide resources allowing community based organizations to hire trained staff, including financial coaches and counselors, who are serving low-income and economically vulnerable clients and people with disabilities. These contracts include a contract with the National Disability Institute to provide financial capability services for consumers with disabilities who are already receiving other services in local non-profit organizations. We also have contracted to provide financial coaching services to clients of 20 community based organizations throughout the country serving low-income consumers, many of which serve specific minority groups as part of their mission.
- **Building partnerships with intermediaries focusing on the underserved:** We work with a diverse set of community based organizations and federal agencies to reach vulnerable populations to provide them with technical assistance and tools to support their work with low-income and economically vulnerable customers. For example, we partnered with VITA sites (13 in 2014, 40 in 2015), which provide free tax preparation assistance to eligible low-income consumers, in an initiative to educate and promote savings opportunities for individuals and families at tax time. As a result of a demonstration project we conducted with four summer youth employment sites, we are now partnering with Department of Labor to provide several local youth employment programs with training and materials designed to teach youth workers and jobseekers money management and decision making skills around financial products and services. In addition, the CFPB is a member of the Department of Justice-led Federal Interagency Reentry Council which includes more than 20 agencies working toward reducing recidivism and removing barriers for justice-involved individuals transitioning to civilian life.

The Bureau also works to engage communities in other ways. For instance, on May 9th, 2014 the Bureau hosted students from Thurgood Marshall Public Charter High School, a law-themed college preparatory high school in Southeast Washington, D.C. The Bureau solicited staff volunteers to allow students to shadow for a day to learn about an employee's profession, including a typical work day, a tour of the office, and a discussion of the academic requirements to work in their field. The Bureau utilized this event as an additional opportunity to conduct a financial education presentation focused on student loans during lunch time.

3.8 Recap of Bureau diversity accomplishments

Over this past year, the OMWI has worked with Bureau partners to tackle a number of diversity initiatives, which include:

- Understanding the employee experience through various feedback mechanisms including OMWI listening sessions, the Annual Employee Survey, the New Employee Survey, as well as exit surveys;
- Raising awareness and understanding of diversity and inclusion concepts and how these impact and influence Bureau culture and mission by providing training for managers and staff;
- Developing divisional strategic goals, leadership goals, and individual employee competencies focusing on diversity and inclusion within each of the functional areas of the Bureau to build in accountability throughout the organization;
- Building internal systems and processes supporting employee development and engagement through training opportunities, detail (rotational) opportunities, career pathing guidance, and individual development planning;
- Forming an executive diversity and inclusion council of senior leaders to provide guidance and advocacy for the Bureau's diversity and inclusion strategy;
- Collaborating with the OHC, OCR, division leaders, and the Executive Advisory Council on various initiatives supporting the Bureau's business case for diversity and the development of an inclusive environment;

- Increasing communication flow and channels to employees through the OMWI newsletter, the CFPB intranet, as well as emails from the Director and the OMWI Director to all staff;
- Providing managers with tools and training necessary to effectively lead a productive team in accomplishing the Bureau's mission;
- Collaborating with OHC to ensure the Bureau's staff and leadership competencies include diversity and inclusion;
- Analyzing data to assess whether there are observable differences in outcome by demographics and sharing these findings with decision-makers at the Bureau;
- Creating and maintaining strategic partnerships with colleges, universities, professional organizations, and affinity groups from across the country;
- Educating and encouraging managers at the CFPB regarding utilizing internship programs, special hiring authorities, and the Pathways Program, to access diverse groups of applicants from around the country;
- Providing training on hiring processes and methods to enhance the hiring process to maximize diversity and inclusion;
- Participating in targeted recruitment and outreach to affinity groups, minority and women-serving institutions, and other minority- and women-focused professional organizations to build a diverse applicant pool.

In 2015, the OMWI will continue to recommend and pursue initiatives and programs supporting a diverse and inclusive environment at the CFPB.

4. Procurement

The CFPB is committed to greater economic empowerment for women and minorities and aims to promote procurement opportunities for minority-owned and women-owned businesses. The CFPB recognizes the crucial role these businesses play in the economic recovery by creating jobs and spurring long-term growth and innovation. In Fiscal Year (FY) 2014, the Bureau entered into 1247 contract actions, totaling approximately \$151 million. Of the total contract dollars awarded in FY14, 10% went to women-owned businesses and 14% went to minority-owned businesses. Figure 17 provides a historical breakdown of percentages and contract dollars awarded to women-owned and minority-owned businesses.

TABLE 2: OVERVIEW OF OVERALL MINORITY-OWNED AND WOMEN-OWNED BUSINESS CONTRACTS BY OBLIGATION DOLLARS AND TRANSACTION COUNT FOR FISCAL YEARS 2012-2014

| Type of Vendor | FY 2014 | FY 2013 | FY 2012 |
|-------------------------------------|---------------|----------------|---------------|
| Total Obligated Dollars | \$151,024,453 | \$ 111,680,021 | \$ 87,090,643 |
| MWOB | \$31,713,034 | \$ 20,920,245 | \$ 13,682,176 |
| <i>% of Total</i> | <i>21%</i> | <i>19%</i> | <i>16%</i> |
| Women Owned (WO) | \$15,376,560 | \$ 9,830,322 | \$ 5,175,954 |
| <i>% of Total</i> | <i>10%</i> | <i>9%</i> | <i>6%</i> |
| Minority Owned (MO) | \$21,646,173 | \$ 16,972,273 | \$ 11,705,345 |
| <i>% of Total</i> | <i>14%</i> | <i>15%</i> | <i>13%</i> |
| Asian American/ Pacific Islander | \$12,043,603 | \$ 7,391,732 | \$ 4,754,517 |
| <i>% of Total</i> | <i>8%</i> | <i>7%</i> | <i>5%</i> |
| African American | \$4,711,373 | \$ 5,202,290 | \$ 2,999,953 |
| <i>% of Total</i> | <i>3%</i> | <i>5%</i> | <i>3%</i> |
| Hispanic American | \$540,295 | \$ 1,160,524 | \$ 2,949,437 |
| <i>% of Total</i> | <i>0.4%</i> | <i>1%</i> | <i>3%</i> |
| American Indian/ Alaskan Native | \$664,808 | \$ 896,301 | \$ 69,865 |
| <i>% of Total</i> | <i>0.4%</i> | <i>1%</i> | <i>0.1%</i> |
| All Other | \$2,570,951 | \$ 1,968,999 | \$ 273,273 |
| <i>% of Total</i> | <i>1.7%</i> | <i>2%</i> | <i>0.3%</i> |

TABLE 3: OVERVIEW OF OVERALL MINORITY-OWNED AND WOMAN-OWNED BUSINESS CONTRACTS BY TRANSACTION COUNT FOR FISCAL YEARS 2012-2014*

| Type of Vendor | FY 2014 | FY 2013 | FY 2012 |
|-------------------------------------|---------|---------|---------|
| Total Transactions | 1247 | 922 | 639 |
| MWOB* | 355 | 240 | 171 |
| <i>% of Transactions</i> | 28% | 26% | 27% |
| Women Owned (WO) | 253 | 157 | 101 |
| <i>% of Transactions</i> | 20% | 17% | 16% |
| Minority Owned (MO) | 201 | 157 | 145 |
| <i>% of Transactions</i> | 16% | 17% | 23% |
| Asian American/ Pacific Islander | 25 | 20 | 24 |
| <i>% of Transactions</i> | 2% | 2% | 4% |
| African American | 76 | 61 | 51 |
| <i>% of Transactions</i> | 6% | 7% | 8% |
| Hispanic American | 19 | 19 | 29 |
| <i>% of Transactions</i> | 1.5% | 2% | 5% |
| American Indian/ Alaskan Native | 2 | 8 | 6 |
| <i>% of Transactions</i> | 0.2% | 1% | 1% |
| All Other | 21 | 25 | 12 |
| <i>% of Transactions</i> | 1.7% | 3% | 2% |

**MWOB: Minority-Owned, Women-Owned or Both also include self-certified small disadvantaged businesses. Note: Contracting Awards represent the total obligation dollars and transactions of contracts and task orders issued during the given year. Federal Procurement Data System (FPDS) combines classification for Asian and Pacific Islander owned businesses. FPDS data was consolidated on 2/2/2015. Some actions may fall into more than one category. Women/Minority includes all women and/or minority-owned businesses, with each transaction counted once regardless of falling into multiple categories.*

In addition, the CFPB establishes annual goals for awarding contracts to small businesses and follows the Federal Acquisition Regulation (“FAR”). To ensure small businesses are encouraged to receive a portion of federal procurements, Congress has established annual goals that 23% of Federal procurement dollars should be directed toward different socioeconomic categories of small businesses. The CFPB, in its commitment to promoting small businesses, has individually set a higher goal of 28.5% for small business procurement awards and has significantly exceeded the goal in FY14. In FY14, the CFPB contracted \$45 million to small businesses, a total representing approximately 31% of all CFPB contract awards. Figure 18 provides a historical breakdown of percentages and contract dollars awarded to small-business owners and those businesses within the congressionally determined socioeconomic categories of small, disadvantaged-owned businesses; women-owned small businesses; service-disabled, veteran-owned small businesses; and HUB Zone businesses.

TABLE 4: OVERVIEW OF SMALL BUSINESS AWARDS FOR FISCAL YEARS 2011-2013

| Contracting Actions | FY2014 | FY 2013 | FY 2012 |
|---|---------------|----------------|----------------|
| Small Business Total | \$45,431,232 | \$34,191,750 | \$22,155,566 |
| <i>% of Total</i> | 31% | 32% | 27% |
| Small Disadvantaged Business | \$14,157,591 | \$ 9,747,372 | \$ 7,096,373 |
| <i>% of Total</i> | 10% | 9% | 9% |
| Women Owned Small Business | \$15,328,669 | \$ 9,830,322 | \$ 4,959,026 |
| <i>% of Total</i> | 10% | 9% | 6% |
| Service Disabled Veteran Owned Small Business | \$5,167,743 | \$ 1,797,082 | \$ 4,900,419 |
| <i>% of Total</i> | 3% | 2% | 6% |
| HUB Zone Small Business | \$2,889,320 | \$ 2,561,903 | \$ 1,055,645 |
| <i>% of Total</i> | 2% | 2% | 1% |

The following Figures 22 through 24 detail the historical obligations by the North American Industry Classification System (“NAICS”) code which identifies products and service categories of purchase for Fiscal Years 2012 - 2014. FPDS data was consolidated on 2/2/2015.

FIGURE 22: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2012

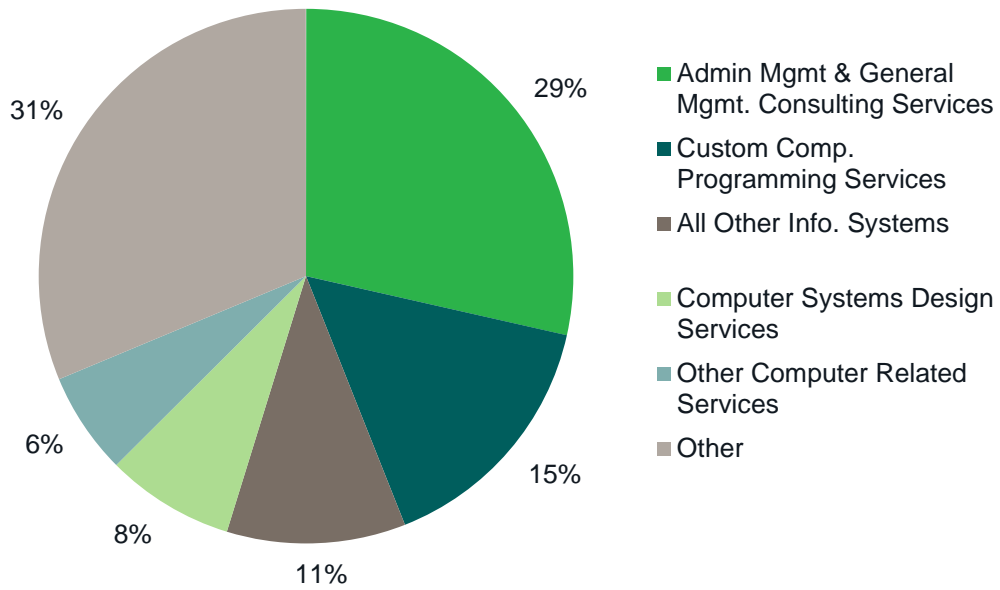


FIGURE 23: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2012

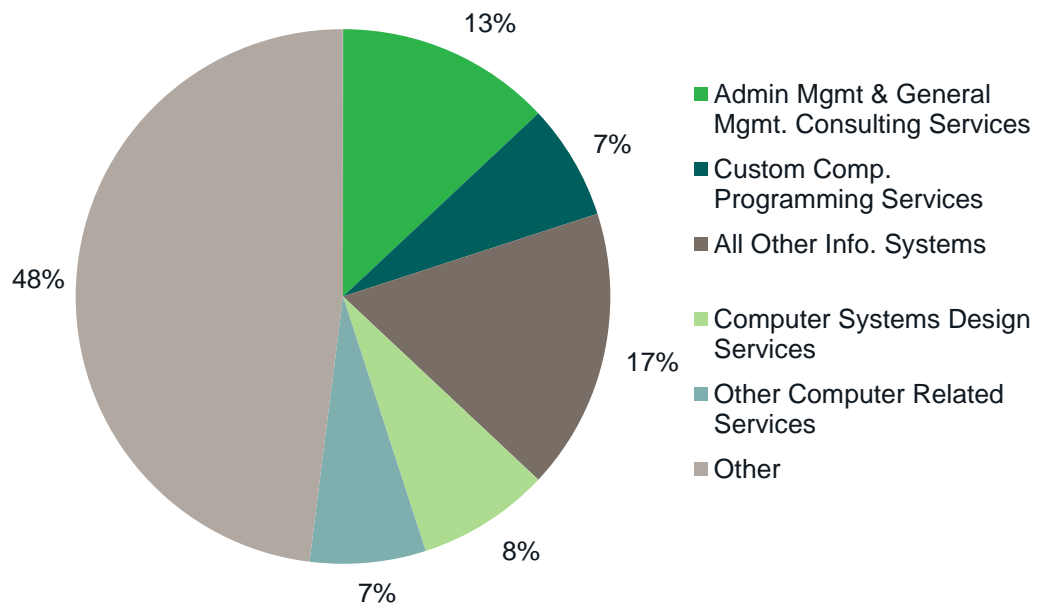
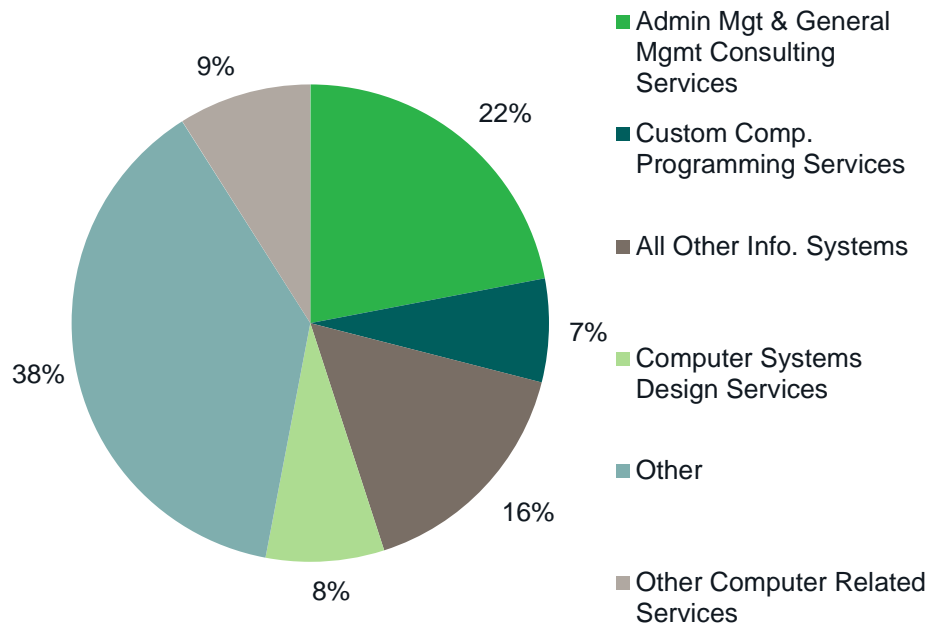


FIGURE 24: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2014



The OMWI and the Office of Procurement continue to find ways to source a diverse pool of prospective vendors and provide resources to minority-owned and women-owned businesses. The OMWI has finalized a good faith effort statement for minority-owned and women-owned businesses as required under Section 342(c) (2) of the Dodd-Frank Act. The Bureau plans to incorporate this statement as a provision into our procurement solicitations and contracts, when applicable, and make the statement publicly available on our website. The OMWI will also develop a system in which to evaluate vendors' good faith efforts and work with the Office of Procurement to raise awareness among our current vendors and within our business units.

In May 2014, the Director signed a CFPB "Supplier Diversity Statement" acknowledging the importance and value of developing and maintaining a base of diverse suppliers and committing to increasing its purchasing initiatives among diverse firms. The Director's policy statement will be shared widely with internal Bureau stakeholders and potential vendors to highlight the Bureau's commitments.

4.1 Interagency work on supplier diversity initiatives

The CFPB OMWI Director is a regular participant in an interagency working group consisting of other OMWI Directors from the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Federal Reserve Board of Governors, the Department of the Treasury, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission. The CFPB also participates on a staff level interagency supplier diversity working group convening regularly to share best practices. In 2014, the CFPB and interagency partners participated in a series of joint procurement events targeted at recruiting diverse suppliers. The OMWI continues to distribute jointly developed materials, including information on the OMWIs' directives and other financial agency contract information when meeting with minority-owned and women-owned businesses seeking federal procurement opportunities. The working group is also currently working on developing standardized supplier diversity metrics for our public reports.

4.2 Training and resources

Educating minority-owned and women-owned businesses interested in procurement opportunities at the Bureau presents an opportunity to increase supplier diversity. To address this opportunity, the OMWI has partnered with the Office of Procurement to offer training on how to do business with the CFPB. In addition to larger supplier diversity outreach events hosted by the Bureau throughout the year, the CPPB has developed a recurring monthly OMWI Procurement Workshop to assist minority-owned, women-owned, and other disadvantaged businesses seeking procurement opportunities within the CFPB. The OMWI launched the program this year with an initial event on January 29, 2015, in Washington, D.C. The OMWI will seek to partner with industry stakeholders to offer these trainings to their membership base in the coming year.

The OMWI has developed a number of practical resources for minority-owned and women-owned businesses seeking to do business with the Bureau and OMWI continues to update these resources. These materials include historical obligations by products and services categories, a forecast of future procurements, and information on small business set-asides. The OMWI works with the Office of Procurement to make these resources available digitally and to update

them regularly on the CFPB's website: <http://www.consumerfinance.gov/doing-business-with-us/>.

4.3 Outreach for supplier diversity

Because the CFPB remains a comparatively new federal agency, many minority-owned and women-owned businesses are not familiar with the Bureau's mission and the services it provides.

For these reasons, outreach is extremely important to ensuring minority-owned and women-owned businesses are aware of the Bureau's work and existing procurement opportunities. OMWI has engaged in a dynamic outreach effort to raise the Bureau's profile and has developed a series of outreach events focused on supplier diversity. These efforts include the following objectives:

- establishing and developing relationships with key business stakeholders, industry groups, and trade groups;
- participating as speakers on panels attending supplier diversity events, and co-locating with other federal partners at events when available;
- distributing literature and educational materials aimed at minority-owned and women-owned businesses;
- collaborating with the Office of Procurement on a series of outreach events targeted at minority-owned and women-owned businesses; and
- establishing recurring Supplier Diversity Procurement Workshops to assist minority-owned and women-owned businesses seeking CFPB opportunities.

The CFPB expects its efforts to engage with minority-owned and women-owned businesses will result in the continued growth in the award of contracts to these groups. Additionally, the OMWI has plans to partner with the Procurement Office to promote supplier diversity by meeting with various business units to discuss their projected acquisition requirements. In doing so, the OMWI will assist with identifying potential minority-owned and women-owned businesses with the capability of providing needed services to the Bureau.

The OMWI engaged with several organizations in order to increase the participation by minority- and women-owned businesses in our procurements. To develop and maintain relationships and partnerships with business organizations, the OMWI participated in “matchmaking” events, business fairs, and scheduled the OMWI Director and other OMWI staff to speak on a number of panels. These include:

African American Outreach Events

- The Congressional Black Caucus Foundation
- The National Urban League

Asian Outreach Events

- Virginia Asian Chamber of Commerce (VACC) ProcureCon Virginia Procurement & Investment Conference

Government Contracting Events

- The Federal Reserve Board Vendor Outreach Fair
- 24th Annual Government Procurement Conference
- Jennifer Schaus Government Contracting Network Event
- FDIC Technical Assistance Day & Expo

Hispanic Outreach Events

- The League of United Latin American Citizens
- The National Council of La Raza
- US Hispanic Chamber of Commerce (USHCC) 24th Annual Legislative Summit Business

Native American Outreach Events

- Reservation Economic Summit (RES)
- RES DC “Buy Native” Matchmaking Expo

Minority Business Outreach Events

- National Minority Enterprise Development Week Conference
- National Minority Supplier Development Council Conference & Business Opportunity Fair

Small Business Outreach Events

- ACT-IAC Small Business Conference
- The Greenlining Institute

Women Outreach Events

- National Association of Women in Real Estate
- The Women Business Enterprise National Council (WBENC)

In 2015, the OMWI and the Office of Procurement will continue to host industry-focused events at CFPB to connect potential diverse suppliers to the CFPB buyers.

5. Regulated entities

As required by the Dodd-Frank Act, the CFPB actively is working to develop standards for assessing the diversity policies and practices of entities regulated by the agency. The CFPB is a regular participant in an interagency working group consisting of other OMWI Directors from the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Federal Reserve Board of Governors, the Department of the Treasury, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission.

On October 25, 2013, the CFPB, along with the OCC, the Federal Reserve Board, the FDIC, the NCUA, and the SEC, released a proposed policy statement establishing joint standards for assessing the diversity policies and practices of entities regulated by the agencies. These standards were published in the Federal Register for comment and comments were due back to the agencies by February 7, 2014. These agencies reviewed the comments and developed a final policy statement. The final policy statement is undergoing final approval by the agencies.

Following ultimate adoption of the final policy statement, OMWI will begin a plan for activities related to the new standards.

6. Challenges and opportunities

The CFPB remains a comparatively new organization and currently places additional focus on organizational growth and development. The Bureau has recruited broadly across the country in order to create a diverse workforce and is focused on ensuring the workplace environment is culturally competent, fair, and inclusive. Bureau staff and managers are diverse professionals consisting of attorneys, educators, and finance experts, among others from the private sector as well as military veterans, state and federal employees with varying backgrounds from the public sector. The CFPB is integrating the different work styles and cultures of each of these groups into the Bureau, recognizing the unique perspectives each individual brings.

Creating the cohesion and inclusion to which the Bureau aspires takes time, effort, patience, and determination. The Bureau has demonstrated the commitment to continue establishing an environment where every employee can feel valued, authentic, and can contribute their best to support the Bureau's mission.

The OMWI plans to continue to provide advisory services throughout the Bureau including: building a robust mentoring program; supporting the creation of additional developmental and employee engagement programs; providing various resources for minority-owned and women-owned businesses; and finalizing standards for the regulated entities. The Bureau is embarking on a plan to better refine the broader culture of the organization and will implement necessary processes to support this goal. As this work evolves, the OMWI may shift priorities to best manage resource constraints and to keep up with initiatives moving forward throughout the Bureau. The Bureau recognizes resource limitations in OMWI and is leveraging support from leaders across the Bureau to assist in the CFPB's commitment to ensuring its workforce is diverse and inclusive.

6.1 Conclusion

The Bureau has enjoyed significant achievements for nearly four years in its mission to improve the consumer marketplace. The OMWI has been developing the infrastructure, policies, and programs to ensure diversity and inclusion remain at the core of the Bureau's effectiveness in workplace and workforce matters, as well as in areas of supplier diversity and diversity issues in the regulated entities. Although the Bureau and the OMWI have faced challenges in 2014, CFPB staff and managers have shown resilience both in their commitment to enhancing diversity and inclusion at the Bureau and in their unwavering focus on protecting consumers. CFPB leaders have undertaken a comprehensive review and reassessment of the Bureau's internal policies and processes affecting its human capital. As a result of this internal review, the Bureau engaged in various initiatives to improve processes and culture including: revising the performance management system; conducting listening sessions to better understand the employee experience; implementing additional compliance training and diversity training; and creating diversity competencies and goals to address and improve Bureau culture.

The Bureau made organizational changes providing greater transparency and access to information to improve the employee experience. The CFPB continues to evaluate the results of the 2014 Annual Employee Survey and other surveys to gauge employee perception of the organization and to inform Bureau initiatives. The Bureau believes these and forthcoming initiatives will continue to add value to the organizational culture and to the CFPB's work.

The CFPB OMWI Director continues to collaborate with the OMWI Directors at other Federal Regulators to share best practices and to finalize the standards for assessing the diversity and inclusion policies and practices of entities regulated by the agency. Contracting with minority- and women-owned businesses as well as small businesses remains a priority, as evidenced by the CFPB continuously exceeding small business goals set by the Small Business Administration each year.

The CFPB fully supports diversity and inclusion and recognizes their critical role in all of the Bureau's business and activities. The Bureau continues to make efforts to foster a fair, equitable and inclusive environment reflective of the consumers we serve.