

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

Annual report



Consumer Financial  
Protection Bureau

March 2014

# Message from Richard Cordray



Director of the CFPB

At the Consumer Financial Protection Bureau, we believe in equal opportunity and fairness, both in the consumer financial products market and in our own operations. Just as we believe diversity makes good business sense in the industries we regulate, we are equally committed to holding ourselves to the highest standards of inclusion and fairness. We believe that a diverse workforce is essential to ensuring our work is relevant to and representative of the needs of the diverse American public.

We have set high standards for ourselves and our work, which require commitment at the highest levels of our agency—and that begins with me. While we are proud that minorities and women comprise approximately 47% of the executive level positions at the Bureau (including within the top leadership levels of the agency), we recognize we have more work to do to fully realize our goals of diversity, inclusion, and fairness. With the Office of Minority and Women Inclusion (“OMWI”) as our catalyzing force, we continue to build a CFPB workplace that is diverse and inclusive, where our employees have equal access to opportunities, and in which all of the Bureau’s policies and practices result in fair treatment for its workforce.

Creating a diverse and inclusive culture at the same time that we are building an agency is challenging. We benefit from a collaborative relationship with the National Treasury Employees Union, which has expressed a shared commitment to the development and empowerment of our diverse employee base. Together, we believe our efforts and commitment to diversity will enhance the quality of our work as well as the work of the entities we regulate.

In the past year, our OMWI has been hard at work helping to implement and strengthen our standards for equal employment opportunity and for the racial, ethnic, and gender diversity of

our workforce and senior management. The OMWI has undertaken efforts to increase participation of minority-owned and women-owned businesses in the Bureau's programs and contracts. It also has collaborated with sister federal agencies to develop standards that assess diversity at the financial institutions that we regulate.

This annual report serves to inform Congress about the progress we are making to realize our diversity and inclusion goals. We know that the benefits derived from attention to diversity and inclusion enhance the performance of even the highest-performing institutions. We aspire to build an OMWI that not only serves the Bureau, its employees, and the American public, but also demonstrates best practices for others to emulate

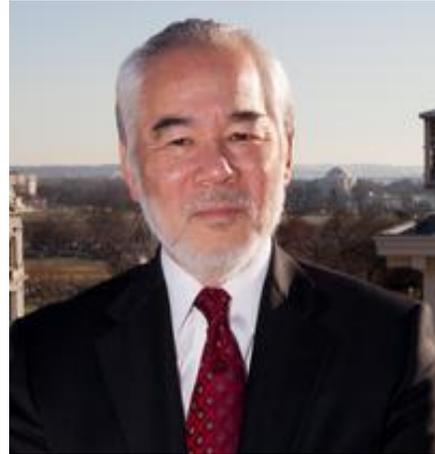
In the meantime, we look forward to additional discussions about our comprehensive commitment to diversity: on our team, in the entities we regulate, and in protection of every individual and community in the consumer financial marketplace.

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

As I approach the end of my second year as director of the Office of Minority and Women Inclusion (“OMWI”) I appreciate the high level of commitment and engagement with the diversity and inclusion efforts that I see at all levels of the Bureau. I welcome the opportunity to continue to partner with colleagues in all areas of the Bureau to deliver on our diversity and inclusion goals. Attention to diversity and inclusion is important for all staff, and has been proven to increase the effectiveness of teams, to drive innovative thinking, and to ensure that our programs and services are relevant for all consumers. This report details the programs and initiatives that the OMWI has developed and implemented over the past year in our three key areas of focus: workforce diversity and inclusion, supplier diversity, and work with regulated entities.

This commitment has not been free of challenges; it has become clear that there are opportunities to strengthen our two-year old performance management system, and we are working to understand and address these matters to help ensure that the Bureau’s commitment to diversity and inclusion is best reflected in our workforce. We have begun to see the impact of these efforts in the increasing emphasis that is being given across the Bureau to incorporating diversity in new and existing policies, programs, and initiatives. There is growing recognition of the need to manage diversity effectively to ensure that the workplace is hospitable and inclusive for everyone. Our supplier diversity efforts and our work on developing standards for regulated entities, in collaboration with other federal regulators, have both been progressing at a steady pace. Going forward, we will continue to formalize a framework for implementing CFPB’s diversity and inclusion goals so that the efforts undertaken are effective and sustainable. We look forward to continuing to partner with others in the Bureau and with colleagues in other

agencies to add value to the work of the CFPB by effectively achieving these diversity and inclusion goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart J. Ishimaru", written over a light blue horizontal line.

**Stuart Ishimaru**

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# 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 Americans — 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 where they live, how much money they earn, what language they speak, or what financial product they choose to use.

Since 2011, the Bureau has aided efforts to refund more than \$750 million for consumers who fell victim to various violations of consumer protection laws through our enforcement actions. Some of these violations disproportionately impacted minority populations. The Bureau has also received over 300,000 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 Act.

The progress we have made in the past two years has been in large part due to both the engagement of thousands of Americans as well as the talented workforce that we have been able to recruit to help uphold the values of accountability, fairness, and transparency as we execute the Bureau’s mission.

Since the establishment of the Office of Minority and Women Inclusion (“OMWI”) in January 2012, the CFPB has achieved a number of milestones. This year, the OMWI has focused on:

- Increasing the OMWI’s impact on the Bureau-wide hiring through a series of recruitment, hiring, and relationship-building events;
- Developing a series of Diversity and Inclusion trainings with Laura Liswood, renowned diversity expert, for Bureau senior managers and staff;

- Developing a Hiring Managers Training Series to share diversity and inclusion practices with senior staff 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;
- Completing a demographic workforce analysis to establish a data-based approach to understanding the current state of diversity and inclusion at the Bureau;
- Completing a deeper dive of the Annual Employee Survey (AES) to analyze differences in perception among demographic groups;
- Increasing opportunities for minority- and women-owned businesses at the CFPB by providing tools, resources, and technical assistance to businesses;
- Actively participating in cross-agency procurement working groups to discuss supplier diversity, outreach activities, and sharing of best practices;
- Issuing the proposed interagency<sup>1</sup> policy statement to inform joint standards for assessing the diversity policies and practices of entities regulated by the agencies; and
- Engaging with internal stakeholders to develop a statement concerning the “fair inclusion of women and minorities in the workforce of the contractor” for the Bureau’s contracting process, as required under Section 342(c)(2) of the Dodd-Frank Act (12 U.S.C. § 5452).

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, 2013 until December 31, 2013, unless otherwise noted.

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<sup>1</sup> Other agencies include the Office of the Comptroller of the Currency (“OCC”); the Board of Governors of the Federal Reserve System (“Board”); the Federal Deposit Insurance Corporation (“FDIC”); the National Credit Union Administration (“NCUA”); the Securities and Exchange Commission (“SEC”).

# Diversity and inclusion mandate

Section 342 of the Dodd-Frank Act created Offices of Minority and Women Inclusion in certain federal financial regulatory agencies, including the CFPB. The statute requires that each OMWI office 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 office is required to advise its agency head on the impact of the policies on minority-owned and women-owned businesses.

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

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

# CFPB workforce

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

The OMWI understands that the CFPB's mission can best be accomplished with a qualified, diverse, and inclusive workforce and with a deep understanding of the nation's diversity to inform the Bureau's policy work. The OMWI has partnered with the Office of Human Capital (OHC) and the newly established Equal Employment Opportunity (EEO) office to continue to build the CFPB workforce by identifying and recruiting new team members. As of year-end 2013, the CFPB had 1,354 total employees. This represents an increase of 283 employees from year-end 2012. The CFPB continues to grow in order to achieve its immediate and long-term priorities.

The CFPB spent a significant amount of time and resources recruiting and hiring during its first two years of existence. The OMWI and the OHC collaborated to ensure that the agency recruited broadly and thoughtfully. We engaged in targeted recruitment efforts for a wide range of positions throughout the Bureau, and collaborated with other offices to broaden our reach to underserved communities by utilizing internships and other pipeline opportunities.

## Women and minorities

Recruitment of female candidates is vital to both the CFPB's workforce diversity and the fulfillment of our mission. As such, the Bureau has developed robust outreach efforts to universities, trade associations, and women-focused organizations to support our recruiting efforts, as well as to connect with and educate the broader community. In addition, the CFPB is in the process of implementing a leadership training program focused on developing a pipeline of qualified women leaders. We currently encourage informal mentorship, and plan to roll out a

formalized mentorship program in 2014. OMWI currently offers diversity and inclusion content-based training for all employees.

**FIGURE 1:** CFPB WORKFORCE BY GENDER FOR CALENDAR YEAR 2013<sup>2</sup>

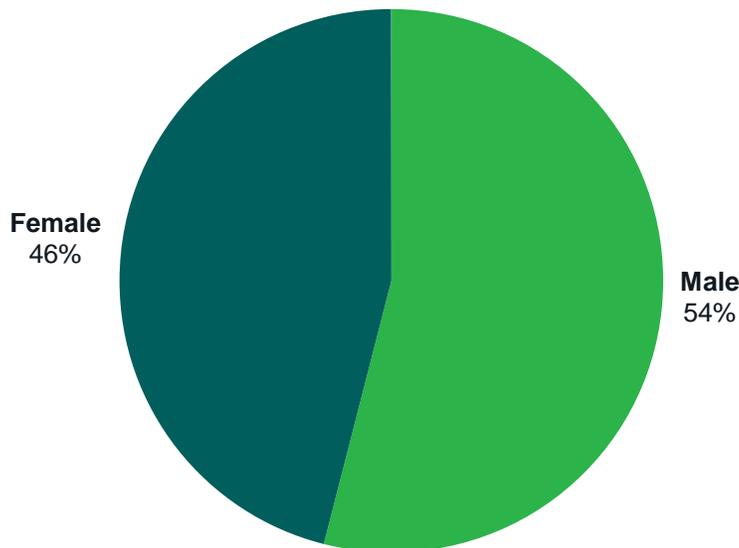


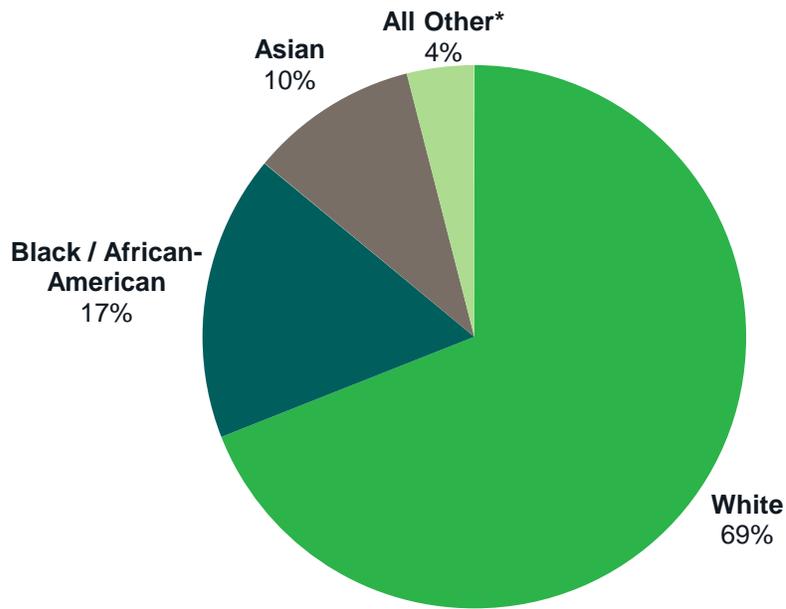
Figure 1 shows the CFPB workforce by gender. Women represent 46% of the CFPB’s workforce; this represents a 2% decrease from last year’s percentage. The CFPB is committed not only to strong workforce demographics by gender, but also to increasing the number of women in leadership positions.

Similar to the recruitment of women, the CFPB is also committed to the recruitment of minorities for the CFPB workforce. Figure 2, below, shows the CFPB workforce by race and ethnicity. Of the 1,354 employees at year end of 2013, 69% self-identify as White, 17% as Black/African-American, 10% as Asian American, and 4% as another racial group or belonging to two or more racial groups. In terms of ethnicity, 5% of employees self-identify as Hispanic, and 95% as Non-Hispanic.

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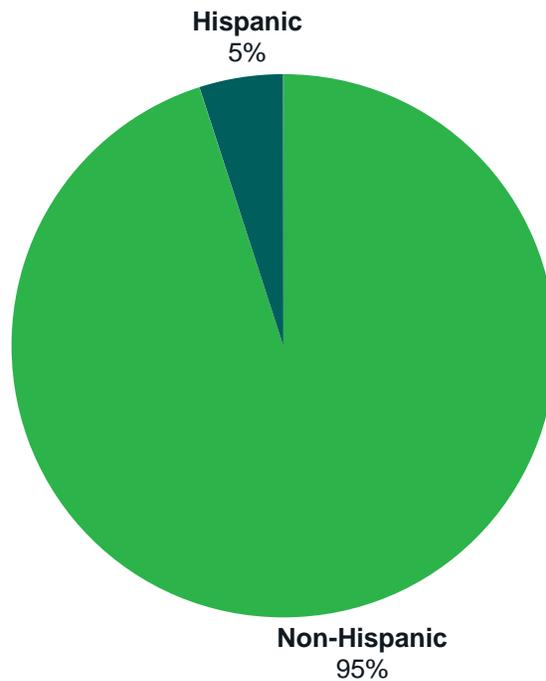
<sup>2</sup> This report includes data reported at the end of the pay period ending January 11, 2014.

**FIGURE 2:** CFPB WORKFORCE BY RACE FOR CALENDAR YEAR 2013



\*Includes American Indian/Alaska Native (0.44%), Native Hawaiian/Pacific Islander (0.07%), Two or more Races (2.64%), and all other employees who did not select a racial category (.89%).

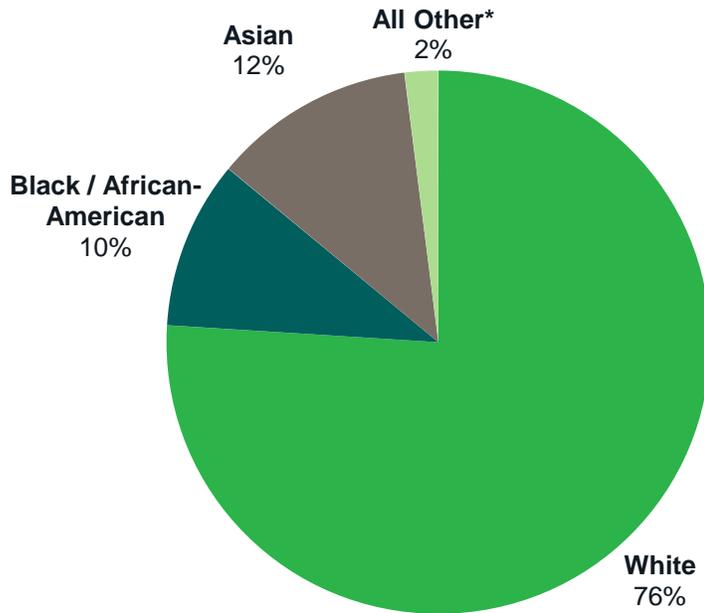
**FIGURE 3:** CFPB WORKFORCE BY HISPANIC/NON-HISPANIC FOR CALENDAR YEAR 2013



While in aggregate the Bureau’s staff is quite diverse, there are clear needs for improvement so that we better reflect the nation’s diversity, especially when the data is disaggregated.

One area of particular focus is in the diversity of senior leadership. The CFPB is working to ensure that minorities and women are represented throughout the executive levels at the Bureau. Currently, minorities and women comprise approximately 47% of the executive level positions at the Bureau, including at the top leadership levels of the Bureau.

**FIGURE 4:** CFPB SENIOR LEADERSHIP BY RACE FOR CALENDAR YEAR 2013<sup>3</sup>

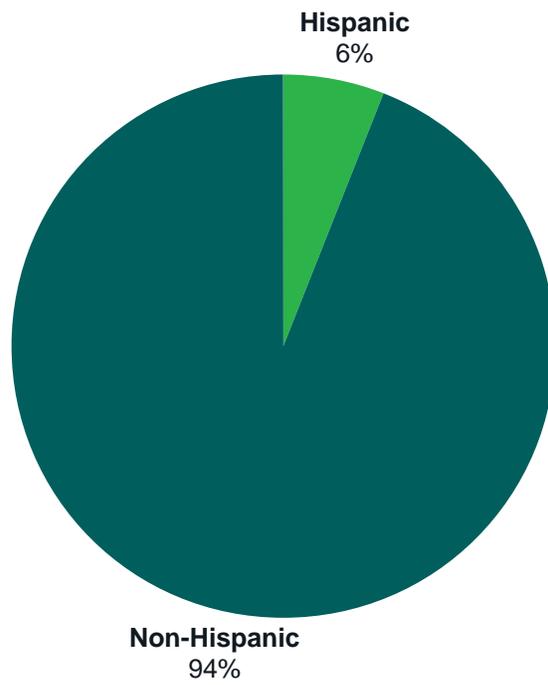


\*Includes American Indian/Alaska Native (0%), Native Hawaiian/Pacific Islander (0%), Two or more Races, and all other employees who did not select a racial category (1.96%).

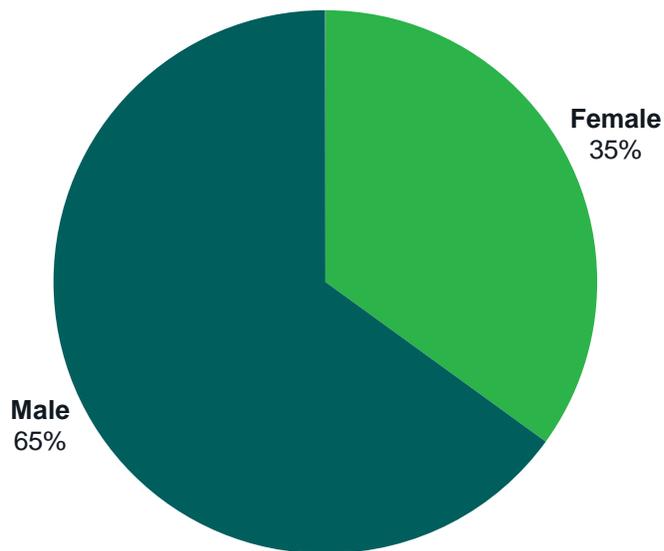
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<sup>3</sup> For the purposes of this report, Senior Leadership is defined as employees in pay bands 81, 82, and 90.

**FIGURE 5:** CFPB SENIOR LEADERSHIP BY ETHNICITY (HISPANIC/NON-HISPANIC) FOR CALENDAR YEAR 2013



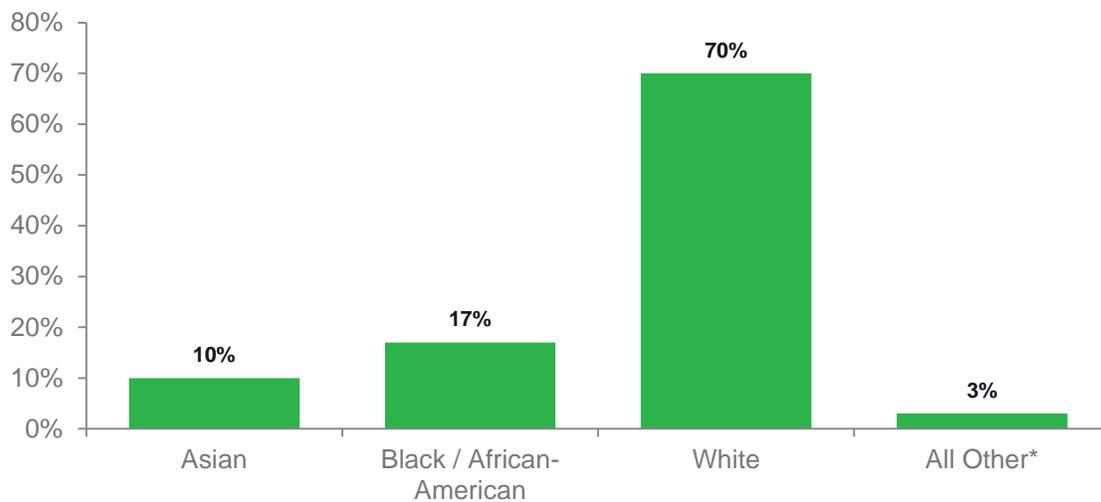
**FIGURE 6:** CFPB SENIOR LEADERSHIP BY GENDER FOR CALENDAR YEAR 2013



In 2013, the OMWI assessed the CFPB’s applicant flow to determine the demographic profile of applicants applying for the CFPB positions. This information was utilized to better inform our outreach efforts. As a result, CFPB has refined our recruiting and outreach efforts in order to increase the total number of applications and broaden our reach to desired pools.

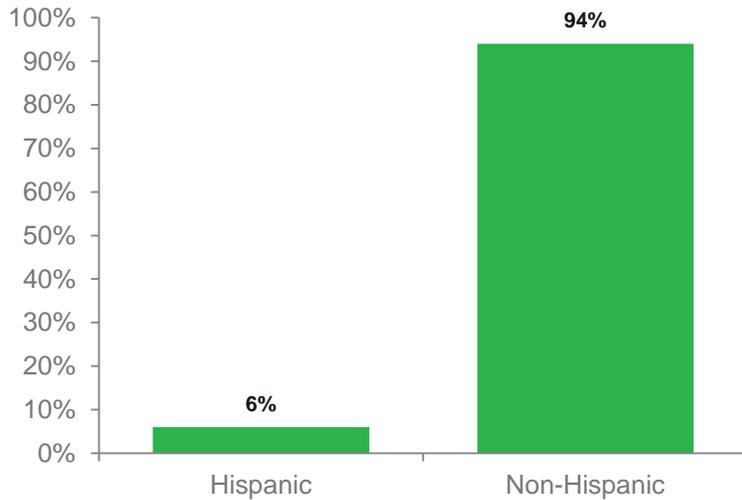
The CFPB deployed several improvements to the hiring process to support a diverse, high-quality employee base. These improvements included providing guidance to hiring managers on structured interviews, EEO hiring principles, and other best practices such as conducting multi-person résumé review and providing for diverse panel interview composition.

**FIGURE 7:** NEW HIRES BY RACE FOR CALENDAR YEAR 2013

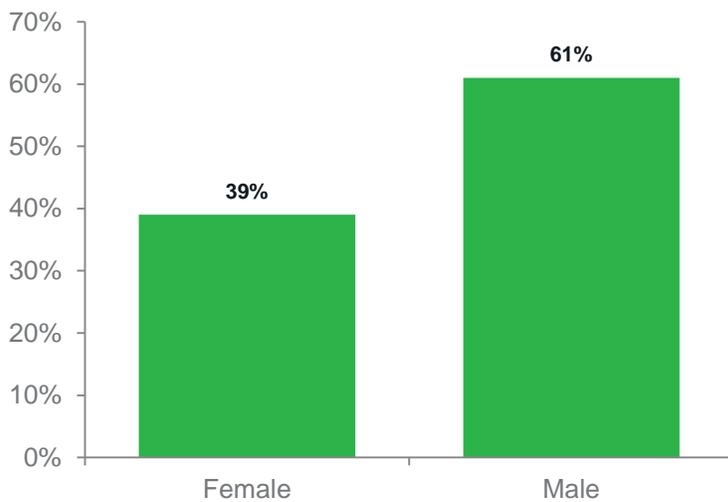


\*Includes American Indian/Alaska Native (0.52%), Native Hawaiian/Pacific Islander (0%), Two or more Races (1.55%), and all other employees who did not select a racial category (0.52%)

**FIGURE 8:** NEW HIRES BY ETHNICITY (HISPANIC/NON-HISPANIC) FOR CALENDAR YEAR 2013



**FIGURE 9:** NEW HIRES BY GENDER FOR CALENDAR YEAR 2013



The CFPB’s consistent effort to build a diverse workforce directly informs our understanding of consumer financial markets as we work to make them more fair and transparent. The CFPB’s commitment to diversity includes working to create an inclusive environment where employee differences are both appreciated and recognized as a competitive asset.

# Employee feedback

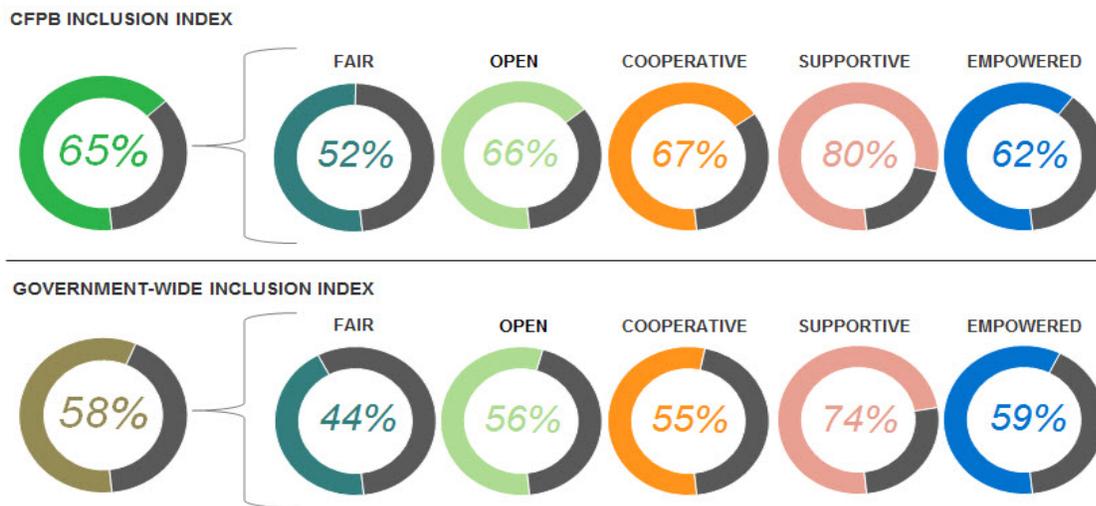
OMWI uses employee feedback to gain insight into and consistently improve the CFPB's organizational culture. Employee surveys contain useful information that can inform our initiatives to achieve the Bureau's full potential. CFPB continuously analyzes feedback received from our new employee, annual employee, and exit surveys. OMWI works with partners across the Bureau to compile data, conduct extensive analysis, and brief senior leadership about trends. The results of the data help us understand what we are doing well and identify areas for improvement.

The Annual Employees Survey assesses a broad range of CFPB employee perspectives. More than 80 percent of the CFPB employee population participated in the 2013 survey. Our analysis demonstrates that CFPB continues to exhibit a number of strengths across the areas measured by the survey. To address areas for improvement, the CFPB has created divisional working groups consisting of employees and management at various levels throughout the organization. The goal is to find solutions together and empower employees to own their role in making the CFPB a spectacular place to work.

The OMWI used standards developed by the Office of Personnel Management ("OPM") to include a set of twenty survey items into the Annual Employee Survey designed to measure the CFPB's inclusiveness. These twenty survey items have the highest positive correlation to the formation and sustainment of an inclusive workplace. Using these survey items, the CFPB has the ability to measure employee perception as it relates to workplace inclusion in the following categories: Fair, Open, Cooperative, Supportive and Empowered.

The OMWI analyzed the results of the survey as a Bureau as well as by division. The office provided a briefing to senior leadership on how employees perceive inclusion at the CFPB. The results of our survey were promising, and enabled the CFPB to understand the viewpoints of employees as they relate to diversity and inclusion. They also enabled comparison of Bureau results with government-wide performance. These results directly inform our initiatives and help to guide the Bureau in the direction of sustaining a diverse and inclusive environment. Following are the CFPB's scores based on OPM's inclusion index.

FIGURE 10: CFPB INCLUSION INDEX



## Initiatives

The OMWI provides support to the Bureau in creating an inclusive environment by focusing on organizational culture, collaboration, and creativity.

In 2013, the OMWI conducted an assessment of the agency to review the workforce demographics. The assessment included three employee focus groups and over 30 interviews with senior leaders as well as extensive quantitative data analysis. The OMWI learned valuable information that will inform programmatic processes and future initiatives, as well as provide leadership with a better understanding of individual employee motivators and incentives. For instance, we learned that, overall, CFPB employees are extremely dedicated to the mission of the Bureau; given this, a conscious effort should be made to ensure that employee assignments continue to flow from the core mission of the Bureau to drive employee engagement.

The CFPB Culture Team provides employees with opportunities for inter-divisional collaboration, training, and activities to empower employees to further participate in developing the Bureau's culture. On a volunteer basis, the Culture Team plans weekly staff "Lunch and Learn" sessions for policy and organizational topics related to the CFPB's mission. These internal sessions are held during the lunch hour one day each week and provide an option for staff to deepen their knowledge of topics relevant to the CFPB mission. Recent Lunch & Learns have focused on consumer financial protection issues as they impact diverse communities,

featuring panels of outside experts (community leaders, industry representatives, government officials, scholars, and others). The Culture Team also offers team-building activities and plans social activities for employees.

The OMWI launched a companion Lunch and Learn series entitled “How Did I Get Here?” The purpose of the series is to provide an overview of the career trajectory of successful leaders within the CFPB. These events provide employees insight into the diverse backgrounds of successful leaders at the Bureau, and promote awareness of the importance of recruiting, interviewing, and hiring broadly. Through these events, leaders provide useful keys to success for employees to consider as they navigate their careers. Strengthening career development of all employees is a Bureau wide priority.

To further support an inclusive environment, the OMWI will lead the development of an executive diversity council to increase cross-divisional collaboration for diversity initiatives through the support of key leaders at the Bureau. The OMWI is in the process of developing a mentoring program to help employees navigate the culture, build relationships, and leverage opportunities.

## Work/life balance

The competition to attract and retain diverse talent is increasing. To ensure our success, the CFPB must be a great place to work for all employees. Workplace flexibilities provide employees with options that enable them to manage life’s priorities. Supporting employees in this way creates a more inclusive environment and encourages workplace productivity and employee well-being. The CFPB is currently providing a broad range of programs and activities to help employees manage commitments in their work and personal life including:

- An enhanced Annual Leave Policy;
- Childcare services for headquarters employees;
- Lactation rooms in all headquarters buildings;
- Quiet spaces in all the CFPB headquarter’s facilities to support employees who are working on projects that require intense concentration;
- A Telework Program, including telework in emergency situations;

- 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;
- Open Door and Administrative Grievance Policies; and
- An Alternative Work Schedules Policy.

With these programs in place, the CFPB is leveraging opportunities to attract and retain the best, most diverse team possible.

## Training

Training is an important aspect of improving organizational performance. The OMWI participated in CFPB's Learning and Development Council, which was created to determine employee learning needs throughout the agency. The purpose of the Council was to gather input and perspectives from members on agency developmental learning programming. The Council provided valuable information to our learning and development office about how the agency can best develop employees to carry out the CFPB's mission. The OMWI's focus on the Council was to ensure that developmental opportunities are uniformly available and that we are creating a pipeline of talent for leadership positions throughout the Bureau. OMWI also sought to ensure that the diversity and inclusion perspectives were provided as an integral part of the Bureau's training program. As such, diversity and inclusion topics are included in New Employee Orientation and the CFPB's Supervisory Development Seminars. This information provides staff with an understanding of how the Bureau administers learning and development, as well as which types of developmental programs are important to the work of the Bureau.

The OMWI is currently conducting diversity training for all employees including executives, focused on unconscious bias and cultural awareness. The live and interactive training conducted by diversity expert Laura Liswood is offered on a monthly basis at the CFPB headquarters and on an appropriate schedule for our regional staff. Ms. Liswood has extensive experience with diversity and inclusion in the financial sector, and she provides useful tips for the CFPB employees navigating a diverse workplace to achieve excellent results. Ms. Liswood is also author of *The Loudest Duck*, a business guide on workplace diversity. The OMWI is currently working on advanced level diversity training for 2014.

The OMWI launched hiring manager training in conjunction with OHC's structured interview training. This training focuses on managing unconscious bias in the talent acquisition process, as well as during the candidate selection and interview stages.

## Hispanic outreach

The CFPB aims to increase Hispanic representation at the Bureau, recognizing that Hispanics currently make up 16% of the American population and contribute significantly to our economy. The national Hispanic population grew 3 percentage points from 2000 to 2010 and is projected to double from its current population of 53.3 million to 128.8 million by the year 2060.

To continue to build upon the CFPB's Hispanic recruitment efforts, the CFPB Director meets monthly and jointly with leadership from the OHC, the OMWI, the EEO, the External Affairs Office, and the Strategy Office to discuss the CFPB initiatives that support goals to recruit broadly and strategically. We recruit across the country in order to capture a robust and diverse talent pool.

The CFPB has also conducted extensive outreach to the Hispanic community on the CFPB's programs and activities. Staff members from across the Bureau actively connect with consumers to discuss the CFPB's services and programming. Director COrdray and other senior leaders meet with diverse stakeholders throughout the country in an effort to build collaborative networks with substantive conduits to our consumers.

The CFPB will continue to promote a multimedia communication and outreach marketing campaign to ensure that the Hispanic community receives information about the CFPB Consumer Education products, hiring events, job vacancies, webinars, 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 support this initiative. This initiative:

- Represents the CFPB as an employer of choice to the Hispanic community;
- Maximizes 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;

- Leverages already-established student databases utilized by Hispanic-serving educational institutions and Hispanic affinity groups in order to expand outreach capacity; and
- Utilizes 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.

This initiative seeks to strengthen CFPB's overall identity within the Hispanic community as an employer of choice, with the potential for a positive impact on the future diversity in the applicant pool.

The CFPB has established relationships with organizations that serve as sources of qualified talent. We have worked hard this year to connect with these organizations to develop strategic partnerships.

The OMWI continues to cultivate a relationship with the Association of Latino Professionals in Finance and Accounting ("ALPFA"). This partnership includes giving presentations at career fairs where current CFPB employees have the opportunity to meet students and potential candidates. The CFPB has also participated in networking events where employees were able to connect with students and provide practical advice on job opportunities within the CFPB as well as navigating the federal hiring process. We also hosted ALPFA student members at the CFPB's Headquarters office in Washington, DC to provide an in-depth look at our work and its impact on communities. CFPB supports the ALPFA Veteran's Initiative to establish employment opportunities for Latino veterans.

CFPB also maintains a relationship with the Hispanic Association of Colleges and Universities ("HACU") and sources qualified college sophomores and juniors for internships throughout the year. During their junior year, we encourage interns to apply to the Pathways Program for a summer internship and possibly a career opportunity upon graduation.

The CFPB enlisted the support of Hispanic employees to mentor high school students at the Cesar Chavez Charter School in Washington, DC. CFPB believes that these partnerships will assist the Bureau in building a pipeline of future talent in public service.

# Outreach and partnerships

Since its inception, CFPB has been committed to the employment and advancement of a diverse workforce. This is reflected in the CFPB's strategic plan and human capital policies, and will be implemented as the Bureau continues to create and implement human capital and diversity-related programs. OMWI serves as a strategic advisor to recruitment and hiring efforts to increase the diversity of the candidate pool.

As such, OMWI meets regularly with the Office of Human Capital's Talent Acquisition team to work together on recruiting efforts that direct resources at institutions and professional organizations that have diverse applicant populations.

The OMWI also understands that building a pipeline early through internship and student volunteer opportunities for college students will assist us in maintaining a diverse workforce.

OMWI recognizes that creativity and the innovative use of social media and other tools are essential to maximizing our 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 candidates to maximize participation at outreach events.

In addition to the USAJOBS website, the CFPB also posts opportunities on our own website and utilizes an internal network of staff to advertise employment opportunities.

The CFPB utilizes the federal government Pathways Program and the Bureau's two-year developmental programs such as the Director's Financial Analyst and Technology Fellows programs to attract college students and recent graduates to the Bureau. In 2013, the OMWI and the OHC conducted recruiting efforts with the following schools and organizations:

- American University
- Association of Latino Professionals in Finance and Accounting
- Brigham Young University
- California State University, Fullerton
- Clark Atlanta University
- Cornell University

- **Equal Opportunity Publications**
- **Fordham University**
- **Gallaudet University**
- **Georgetown University**
- **George Washington University**
- **Hispanic Association of Colleges and Universities**
- **Hispanic Bar Association**
- **Howard University**
- **League of United Latin American Citizens**
- **Morehouse College**
- **National Bar Association**
- **National Council of La Raza**
- **National Hispanic Leadership Agenda**
- **National LGBT Bar Association**
- **National Society of Black MBAs**
- **National Society of Hispanic MBAs**
- **National Urban League**
- **New York University**
- **Peace Corps**
- **Spelman College**
- **Stanford University**
- **State University of New York, Albany**
- **The Ohio State University**

- United States Hispanic Leadership Institute
- University of California, Berkeley
- University of Chicago
- University of Maryland
- University of Michigan
- University of Minnesota
- University of North Carolina, Chapel Hill
- University of Notre Dame
- University of Texas, Austin
- University of Virginia

In the upcoming year, 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 and recruitment/hiring of minority and women candidates;
- Continue to recruit at minority-serving institutions;
- 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 enhance the development of objective criteria of candidates, job descriptions, assessments, and structured interviews.

As part of the Bureau's mission to protect American consumers, the CFPB is committed to maintaining close relationships with community-based organizations that serve America's many diverse consumers. These relationships are vital to providing the Bureau with an information stream of community experiences with consumer finance markets, including early indicators of trends and practices that may be harmful to consumers.

Toward this end, the Bureau has held roundtable discussions with community-based, civil rights, and other non-profit organizations across the country (including those serving women and African American, Hispanic, Asian American, and Native American consumers), as well as industry, academic, and regulatory practitioners. The Bureau is committed to gathering a wide range of perspectives to inform its work. In 2013, the Bureau engaged thousands of representatives of these diverse communities and interests through hundreds of meetings, briefing calls, field hearings, and public appearances. Topics discussed include mortgage, credit cards, payday loans, student loans, bank accounts, prepaid cards, credit reporting and scoring, debt collection, remittances, and more.

In addition to its efforts to engage specific populations, the CFPB has hosted public events across the country to discuss CFPB initiatives and to solicit a variety of inputs about issues related to consumer financial products and services. Thousands of members of the public participated in field hearings on mortgage issues in Baltimore, MD and Atlanta, GA; the CFPB's Consumer Response system in Des Moines, IA; student lending and student debt in Miami, FL; debt collection in Portland, ME; credit cards in Chicago, IL; mortgage disclosures in Boston, MA; and arbitration in Dallas, TX. The CFPB also hosted public meetings of its Consumer Advisory Board in Washington, DC, Los Angeles, CA, and Itta Bena, MS.

The OMWI participates in a cross-divisional outreach working group consisting of members from External Affairs, Servicemember Affairs, Students, Financial Education, and Financial Empowerment to share best practices and pool resources at outreach events. This working group reinforces our understanding of how our work intersects and how we can capitalize on opportunities to connect with consumers across the country.

# Financial education

The OMWI works collaboratively with the Bureau's Consumer Education and Engagement (CEE) Division, whose goal is to ensure that consumers are empowered to take control over their economic lives. CEE provides consumers with targeted financial education content, and identifies and promotes effective financial education practices to a wide variety of groups, including minorities and women. Its employees work to ensure that consumers are provided with understandable information to help them make informed financial decisions, and lead initiatives specifically focused on servicemembers, older Americans, and students. CEE collaborated with the OMWI to procure translation services that enable us to create financial education materials in eight languages.

## Recap of accomplishments

Over this past year, the OMWI has been working to tackle a number of workforce diversity initiatives which include:

- Developing long-term plans that focus on recruitment and outreach events in order to attract a diverse pool of qualified candidates from colleges, universities, and associations;
- Developing internal systems and processes to support the ability to attract highly-qualified candidates for all job openings and developing metrics and systems to monitor and analyze the diversity of applicants and hires;
- Creating and maintaining strategic partnerships with colleges, universities, professional organizations, and affinity groups from across the country;
- Educating and encouraging managers at the CFPB to utilize internships or the Pathways Program for entry-level positions that target diverse groups of students around the country;
- Participating in the development of the applicant assessment processes, including the use of methods that will enhance the qualifications review process to maximize diversity and inclusion;

- Analyzing annual employee survey results, exit interviews, new employee trends, and workforce analytics to identify retention issues and areas of opportunities to maintain and grow an inclusive workforce at the CFPB;
- Participating in targeted recruitment and outreach to affinity groups, minority-serving institutions, and minority students to promote student and recent graduate hiring programs;
- Conducting diversity and inclusion training for employees and supervisors in an effort to expand awareness, knowledge, and cultural competencies that aid in the understanding and management of a diverse workforce and its value to the CFPB's mission;
- Collaborating with management and senior staff to promote policies, practices, and procedures including facilitating the development of objective criteria of candidates and job descriptions, that ensure that we are capturing a diverse pool of applicants;
- Working with the OHC on various initiatives that support the development of an inclusive environment; and
- Analyzing employment, retention, and workforce planning data to assess whether there are observable differences in outcome by demographics and sharing these findings with decision-makers at the Bureau.

# Procurement

The CFPB is committed to greater economic empowerment for women and minorities and aims to promote greater procurement opportunities for minority-owned and women-owned businesses. We recognize the role that these businesses play in the economic recovery to create jobs and spur long-term growth and innovation. In Fiscal Year (FY) 2013, the Bureau entered into 922 contract actions, totaling approximately \$111 million. Of the total contract dollars awarded in FY13, 9 percent went to women-owned businesses and 15 percent went to minority-owned businesses. Figure 11 provides a historical breakdown of percentages and contract dollars awarded to women-owned and minority-owned businesses.

**FIGURE 11:** OVERVIEW OF OVERALL MINORITY-OWNED AND WOMEN-OWNED BUSINESS CONTRACTS AND SPEND FOR FISCAL YEARS 2011-2013

Contracting Awards*			
	FY 2013	FY 2012	FY 2011
Total	\$ 111,680,021	\$ 87,090,643	\$ 33,207,242
MWOB	\$ 20,920,245	\$ 13,682,176	\$ 9,613,840
<i>MWOB</i>	<i>19%</i>	<i>16%</i>	<i>29%</i>
Minority Owned (MO)	\$ 16,972,273	\$ 11,705,345	\$ 8,507,225
<i>Minority Owned (MO)</i>	<i>15%</i>	<i>13%</i>	<i>26%</i>
Women Owned (WO)	\$ 9,830,322	\$ 5,175,954	\$ 2,173,467
<i>Women Owned (WO)</i>	<i>9%</i>	<i>6%</i>	<i>7%</i>

Asian/Pacific Islander American	\$ 7,391,732	\$ 4,754,517	\$ 2,473,784
<i>Asian/Pacific Islander American</i>	<i>7%</i>	<i>5%</i>	<i>7%</i>
African American	\$ 5,202,290	\$ 2,999,953	\$ 1,009,427
<i>African American</i>	<i>5%</i>	<i>3%</i>	<i>3%</i>
Hispanic American	\$ 1,160,524	\$ 2,949,437	\$ 4,647,505
<i>Hispanic American</i>	<i>1%</i>	<i>3%</i>	<i>14%</i>
American Indian/Alaskan Native	\$ 896,301	\$ 69,865	\$ 0
<i>American Indian/Alaskan Native</i>	<i>1%</i>	<i>0.1%</i>	<i>0%</i>
Other	\$ 1,968,999	\$ 273,273	\$ 321,663
<i>Other</i>	<i>2%</i>	<i>0.3%</i>	<i>1%</i>

<b>Contracting Actions*</b>			
	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>Total</b>	<b>922</b>	<b>639</b>	<b>239</b>
<b>MWOB</b>	<b>240</b>	<b>171</b>	<b>71</b>
<i>MWOB</i>	<i>26%</i>	<i>27%</i>	<i>30%</i>
<b>Minority Owned (MO)</b>	<b>157</b>	<b>145</b>	<b>62</b>
<i>Minority Owned (MO)</i>	<i>17%</i>	<i>23%</i>	<i>26%</i>
<b>Women Owned (WO)</b>	<b>157</b>	<b>101</b>	<b>29</b>
<i>Women Owned (WO)</i>	<i>17%</i>	<i>16%</i>	<i>12%</i>
<b>Asian/Pacific Islander American</b>	<b>20</b>	<b>24</b>	<b>12</b>
<i>Asian/Pacific Islander American</i>	<i>2%</i>	<i>4%</i>	<i>5%</i>
<b>African American</b>	<b>61</b>	<b>51</b>	<b>13</b>
<i>African American</i>	<i>7%</i>	<i>8%</i>	<i>5%</i>
<b>Hispanic American</b>	<b>19</b>	<b>29</b>	<b>25</b>
<i>Hispanic American</i>	<i>2%</i>	<i>5%</i>	<i>10%</i>
<b>American Indian/Alaskan Native</b>	<b>8</b>	<b>6</b>	<b>0</b>
<i>American Indian/Alaskan Native</i>	<i>1%</i>	<i>1%</i>	<i>0%</i>
<b>Other</b>	<b>25</b>	<b>12</b>	<b>10</b>
<i>Other</i>	<i>3%</i>	<i>2%</i>	<i>4%</i>

\*MWOB: Minority-Owned, Women-Owned or Both

Note: Contracting Awards represent the total dollar amount of contracts and task orders issued during the given year. Federal Procurement Data System combines classification for Asian and Pacific Islander owned businesses.

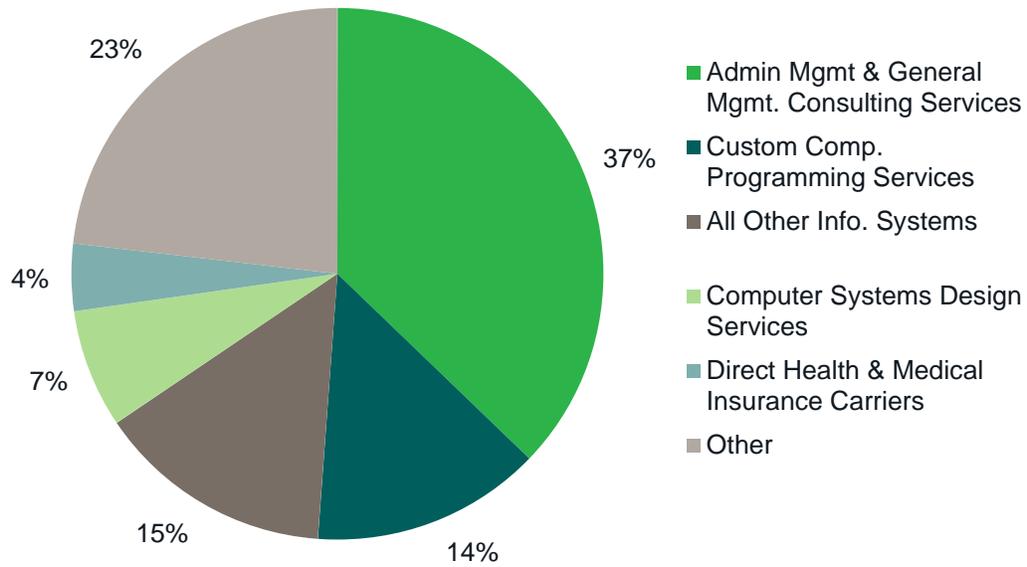
In addition, the CFPB establishes annual goals for awarding contracts to small businesses and follows the Federal Acquisition Regulation (“FAR”). To ensure that small businesses receive a portion of federal procurements, Congress has established annual goals that should be directed toward different socioeconomic categories of small businesses at 23%. The CFPB, in its commitment to promoting small businesses, has individually set a higher goal of 28.5% for small business awards and has significantly exceeded that goal in FY13. In FY13, the CFPB contracted \$34 million to small businesses. Figure 12 provides a historical breakdown of percentages and contract dollars awarded to small-business owners; small, disadvantaged-owned businesses; women-owned small businesses; service-disabled, veteran-owned small businesses; and HUBZone businesses.

**FIGURE 12: OVERVIEW OF SMALL BUSINESS AWARDS FOR FISCAL YEARS 2011-2013**

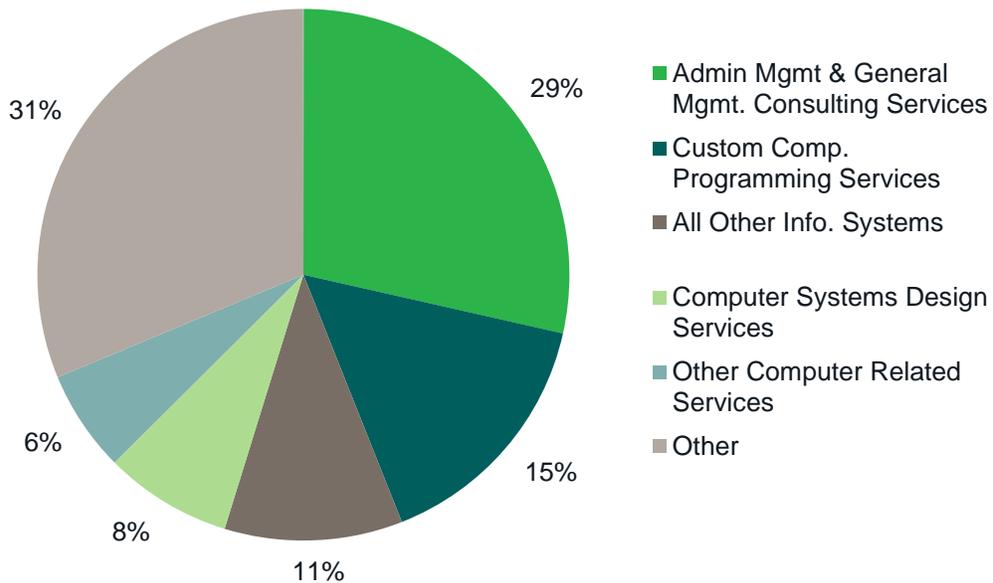
<b>Contracting Actions*</b>			
	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>Small Business Total</b>	<b>\$34,191,750</b>	<b>\$22,155,566</b>	<b>\$11,898,341</b>
<i>Small Business Total</i>	<i>32%</i>	<i>27%</i>	<i>36%</i>
<b>Small Disadvantaged Business</b>	<b>\$ 9,747,372</b>	<b>\$ 7,096,373</b>	<b>\$ 7,217,637</b>
<i>Small Disadvantaged Business</i>	<i>9%</i>	<i>9%</i>	<i>22%</i>
<b>Wome Owned Small Business</b>	<b>\$ 9,830,322</b>	<b>\$ 4,959,026</b>	<b>\$ 2,173,467</b>
<i>Women Owned Small Business</i>	<i>9%</i>	<i>6%</i>	<i>7%</i>
<b>Service Disabled Veteran Owned Small Business</b>	<b>\$ 1,797,082</b>	<b>\$ 4,900,419</b>	<b>\$ 1,322,129</b>
<i>Service Disabled Veteran Owned Small Business</i>	<i>2%</i>	<i>6%</i>	<i>4%</i>
<b>HUBZone Small Business</b>	<b>\$ 2,561,903</b>	<b>\$ 1,055,645</b>	<b>\$ 599,501</b>
<i>HUBZone Small Business</i>	<i>2%</i>	<i>1%</i>	<i>2%</i>

Figures 13 through 15 details the historical obligations by the North American Industry Classification System (“NAICS”) code which identifies products and service categories of purchase.

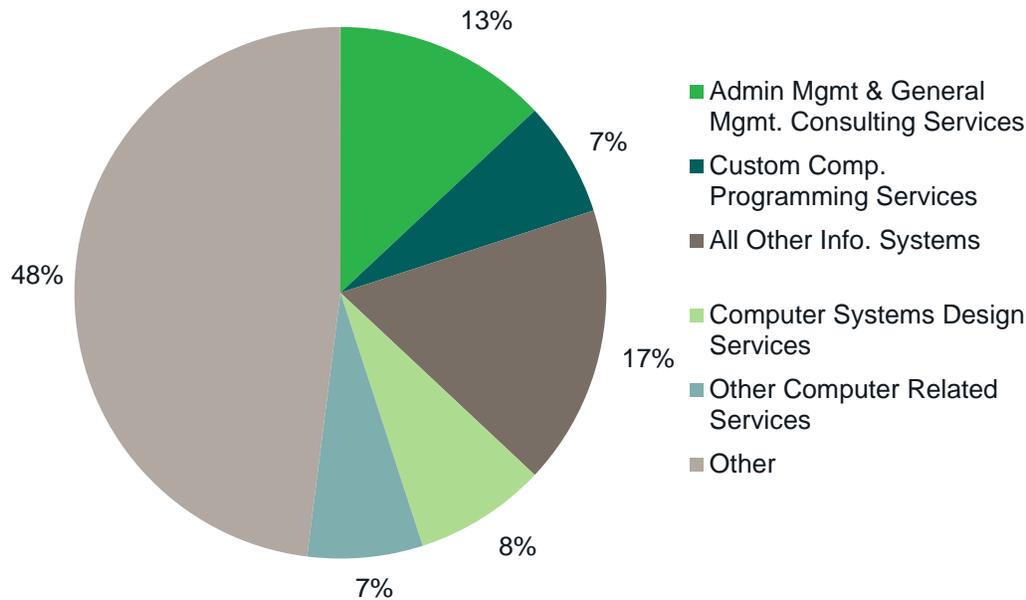
**FIGURE 13: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2011**



**FIGURE 14: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2012**



**FIGURE 15: OVERVIEW OF NAICS CODE FOR FISCAL YEARS 2013**



The CFPB recognizes that a major challenge to supplier diversity is educating minority-owned and women-owned businesses that might be interested in procurement opportunities at the Bureau. Because the CFPB is a comparatively new federal agency, many minority- and women-owned businesses are not familiar with the Bureau's mission and services it provides.

For these reasons, the OMWI hired a dedicated full-time staff member to focus on building supplier diversity within the Bureau. OMWI has engaged in a dynamic outreach effort to raise the Bureau's profile and develop a series of outreach events focused on supplier diversity. This includes:

- Creating and developing relationships with key business stakeholders, industry groups, and trade groups;
- Speaking at and attending supplier diversity events and co-locating with other federal partners at events when available;
- Developing literature and educational materials aimed at minority- and women-owned businesses;
- Collaborating with the Office of Procurement on a series of outreach events targeted at minority- and women-owned businesses;

- Developing an external website presence, including a future forecast of procurement opportunities, downloadable resource materials, and future outreach events;
- Developing a small-business intake form and database to link divisions to businesses interested in doing business with the CFPB;
- Creating a communications plan to share with interested stakeholders about opportunities at the CFPB, upcoming events, and procurement news; and
- Developing a statement concerning the “fair inclusion of women and minorities in the workforce of the contractor” for the Bureau’s contracting process as required under Section 342(c)(2) of the Dodd-Frank Act to be included in the CFPB procurements and the CFPB website.

In addition, the OMWI and the Office of Procurement are working together to provide greater transparency in the procurement process by making available historical contract data and basic introductory information to vendors.

The CFPB expects that its efforts to engage with minority- and women-owned businesses as well as its efforts to establish a transparent process for procurement opportunities will result in the continued growth in the award of contracts to these groups. For a list of stakeholders that the OMWI office engaged with on supplier diversity, please see the Procurement Outreach section of this report.

## Interagency work

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.

In 2013, the CFPB and interagency partners participated in a series of procurement events targeted at recruiting diverse suppliers. The working group also developed joint materials including information on the OMWIs’ directives to share with suppliers. The working group is also currently working on developing standardized supplier diversity metrics for our public reports and hopes to finalize these standardized metrics in 2014.

# Training and resources

To ensure that the CFPB is reaching out to qualified minority- and women-owned suppliers, the OMWI has partnered with the Office of Procurement to offer trainings on how to do business with the CFPB. In July 2013, the OMWI office held a training session for interested small-business suppliers. This event was attended by Director Cordray and 75 small businesses. In November 2013, the OMWI also held a training session for non-profit organizations on navigating the federal procurement process. This was particularly timely in light of several upcoming Bureau procurements focused on consumer engagement and financial literacy, for which non-profits make up a substantial share of potential vendors.

The OMWI also plans to make more trainings available on a regular basis and post these trainings online so that they are easily accessible. In addition, the OMWI will be looking to partner with stakeholders to offer trainings to their membership base.

In addition, the OMWI has also developed a number of practical resources for minority-owned businesses. The OMWI created several brochures and pamphlets for diverse suppliers. These materials include historical obligations by products and service 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 update them regularly on the CFPB's website: <http://www.consumerfinance.gov/doing-business-with-us/>.

For the upcoming year, the OMWI will finalize the good faith effort statement for minority- and women-owned businesses as required under Section 342(c)(2) of the Dodd-Frank Act, attach this statement to our procurements, and make the statement publicly available on our website. The OMWI will also develop a system in which to evaluate these good faith efforts and work with the Office of Procurement to raise awareness among our current vendors and within our business units.

# Outreach

As part of the OMWI's supplier diversity efforts, the OMWI worked hard to develop and maintain relationships with business organizations and stakeholders. To develop these partnerships, the OMWI participated in matchmaking events, business fairs, and had the OMWI director speak on a number of panels. These include:

- The Asian/Pacific Islander Chamber of Commerce and Entrepreneurship
- The California Public Utilities Commission
- The California Insurance Department
- The Center for Women in Business
- The Congressional Black Caucus Foundation
- The Federal Reserve Bank Procurement Conference
- The Greenlining Institute
- The League of United Latin American Citizens
- The National Council of La Raza
- The National Minority Supplier Diversity Council
- The National Urban League
- The Small Business Administration
- The Women Business Enterprise National Council (“WBENC”)

In 2014, the OMWI and the Office of Procurement will plan more industry-focused events to better connect diverse suppliers to the CFPB buyers. For example, this past year, the CFPB released a procurement funded through the Civil Penalties Fund to focus on engagement with vulnerable communities and returning veterans. Since this was the first time the Bureau released a procurement using a new funding source, the OMWI worked with the Office of Procurement to host an industry day to answer any questions about the procurement. We hope to replicate this event’s success for other industries.

# Regulated entities

As required by the Dodd-Frank Act, the CFPB is actively 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.

Over the past year, the interagency working group has been focused on:

- Drafting a uniform standard while taking into consideration differences such as entity size, capability, and history;
- Coordinating between agencies if/when there is overlapping jurisdiction;
- Avoiding duplication of information and undue burden to regulated entities; and
- Using existing data collection sources when available.

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. The agencies are in the process of reviewing the comments and working towards the development of a final policy statement.

As previously reported, we currently have a Memorandum of Understanding with the Equal Employment Opportunity Commission (“EEOC”) to access employment demographic survey data.

In addition, the CFPB has been meeting with federal, state, local, and industry partners, including the Department of Labor's Office of Federal Contract Compliance Program, to discuss best practices on gathering data on diversity and inclusion practices. The CFPB has also met with Chief Diversity Officers at regulated entities to learn more about diversity and inclusion practices within these institutions.

# Challenges

While the CFPB has made good strides to promote diversity and inclusion in its workforce, procurement, and regulated entities, there are opportunities to expand our efforts. The following challenges impact the OMWI's efforts in carrying out its mandate.

## Growing pains

The CFPB faces both the challenge and the opportunity of creating a federal agency from the ground up. This creation has come with its own series of growing pains and opportunities for improvement, most recently in the Bureau's performance management system. The CFPB detected differences in employee performance ratings for calendar year 2013 through an internal analysis, which we shared with our labor organization, the National Treasury Employees Union (NTEU), in January of this year. Since then, the Bureau has been doing its own deeper analysis, and is also engaging a third-party firm to do a comprehensive review. The firm will look at a range of possible root causes for the observed differences and will help us analyze what potential effect the ratings process may have had on CFPB employees.

We are taking concerns about employee ratings seriously. The Bureau has agreed to work together with the NTEU on a system that is consistent with our shared commitment to excellence and civil rights compliance. We are fully committed to making sure that our talented and our diverse staff are treated fairly and with the respect they deserve, and we hold the Bureau to the standards of fairness that we expect of the companies and industries it regulates.

CFPB is also continuing to strengthen efforts to hire a diverse workforce. We hired employees at a rapid pace in order to meet immediate requirements such as issuing regulations and building supervisory and enforcement capacity. While these efforts have yielded a comparatively diverse workforce, more can be done to maximize these efforts. The CFPB has made it a priority to cast a wide net to reach a large diverse applicant pool. The CFPB's outreach efforts and partnerships

with minority-serving institutions and professional organizations serving minority populations reflect this commitment.

The CFPB staff were initially attracted to the unique opportunity to start a new federal agency, which resulted in our ability to hire exceptional talent as the Bureau was being stood up. Many of these early staff remain, while others have moved on to opportunities in the public, private, non-profit, and academic sectors. The CFPB focuses on diversity in both recruitment and retention of talented staff to build, maintain, and grow its strong team.

This continuous influx of new employees can make it difficult to establish an organizational culture. Additionally, challenges arise when balancing expectations of employees from the private sector with those from the public sector. A dispersed workforce further compounds challenges to create a cohesive work environment. Using data from the AES, the Management Directive 715 on establishing and maintaining effective programs of equal employment opportunity, and other internal workforce reports (e.g. new hire, exit survey, etc.), the CFPB is developing strategies to support employee engagement and inclusion in the workplace as it matures out of the start-up phase. For example, the OMWI plans to form an executive diversity and inclusion council to help inform and foster the culture needed to support the CFPB's mission. The OMWI is also developing an internal strategy to foster greater cohesion and further engage our regional staff with headquarters.

## Differences between regulated entities

As discussed above, the OMWI's mandate includes developing standards for the assessment of diversity policies and practices of regulated entities. The OMWI worked with an interagency group to propose joint standards for all entities regulated by the agencies. One important challenge for such standards is articulating a consistent approach that permits the standards to be tailored to the needs of entities with varying sizes and other characteristics. There may be substantial relevant variations, for instance, between a large publicly-traded consumer reporting agency and a small mortgage servicer. In addition, given the variety and number of entities regulated by the agencies in general, and the CFPB in particular, more research, resources, and coordination are required in order to determine how to best facilitate the use of the joint standards by regulated entities. The OMWI plans to continue to coordinate with other federal and state regulators to help us allocate resources where they are most needed.

# Conclusion

As Director Cordray describes in his opening message, while this report focuses on diversity in employment and contracting, diversity is important to all of the Bureau's functions: for example, investigations into lending discrimination by the Office of Fair Lending and Equal Opportunity, development of tools for underserved communities by the Office of Financial Empowerment, minority media outreach by the Office of Communications, frequent meetings and speaking engagements with Director Cordray and organizations representing communities of color and women, and much more. The Bureau's commitment to diversity is spearheaded by, but not limited to, our efforts in the Office of Minority and Women Inclusion. We remain committed to diversity in both employment and contracting, as well as in every additional area of the Bureau's work.