



Diversity, Equity, and Inclusion Strategic Plan 2022–25



November 2022

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



The Federal Reserve System is the central bank of the United States. It performs five key functions to promote the effective operation of the U.S. economy and, more generally, the public interest.

The Federal Reserve

- **conducts the nation's monetary policy** to promote maximum employment and stable prices in the U.S. economy;
- **promotes the stability of the financial system** and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad;
- **promotes the safety and soundness of individual financial institutions** and monitors their impact on the financial system as a whole;
- **fosters payment and settlement system safety and efficiency** through services to the banking industry and U.S. government that facilitate U.S.-dollar transactions and payments; and
- **promotes consumer protection and community development** through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and administration of consumer laws and regulations.

To learn more about us, visit www.federalreserve.gov/aboutthefed.htm.



Diversity, Equity, and Inclusion Strategic Plan 2022–25



November 2022

Contents

Message from the Chair	v
Overview	1
DEI Definitions	1
DEI Mission	2
DEI Vision	2
DEI Standards	2
Diversity, Equity, and Inclusion Standards, Strategies, and Actions	3
Standard: Organizational Commitment	3
Standard: Workforce Diversity	4
Standard: Workplace Inclusion	5
Standard: Equitable Treatment	6
Standard: Supplier Diversity	7

Message from the Chair



To all Board employees:

I am pleased to share with you the Board's *Diversity, Equity, and Inclusion Strategic Plan 2022–25*. This plan enhances our ongoing initiatives and actions and provides a comprehensive and strategic focus on diversity, equity, and inclusion within our workforce.

Diversity is a hallmark of successful organizations. And inclusion makes us stronger by providing all employees the assurance that they are working in an environment that welcomes and values differences. By drawing from a richer pool of experiences, we will make better decisions and be more successful in achieving our mission.

The plan details specific objectives, goals, and actions that are aligned with the Board's diversity, equity, and inclusion standards of organizational commitment; workforce diversity; workplace inclusion; equitable treatment; and supplier diversity.

Our Office of Diversity, Equity, and Inclusion will oversee implementation of the plan, and I encourage everyone, no matter what division you represent, to take an active role in helping the Federal Reserve to achieve the plan's goals and sustain our progress.

Our commitment to diversity, equity, and inclusion remains a high priority and is rooted in a set of core institutional values—namely, serving the public interest; integrity; excellence; efficiency and effectiveness; and independence of views.

Overview

This *Diversity, Equity, and Inclusion Strategic Plan 2022–25* reflects the Federal Reserve Board’s (the Board’s) strategic focus on diversity, inclusion, and equity, which is a shared responsibility of all Board employees.¹

The implementation of the plan involves myriad stakeholders at all levels of the organization and requires the active involvement of leaders and staff throughout the Board.

The diversity, equity, and inclusion (DEI) strategy builds on the Board’s mission to include standards for organizational commitment, workforce diversity, workplace inclusion, equitable treatment, and supplier diversity.

DEI Definitions

The Board’s working definition of diversity, equity, and inclusion is to foster a collaborative work environment that recognizes, appreciates, and effectively utilizes every employee’s talent, skills, and perspectives.

Broadly defined, *diversity* refers to all of the characteristics that make individuals different from one another. Diversity represents the collective mixture of differences around race, color, ethnicity, religion, sex, gender identity, national origin, age, disability, sexual orientation, values, beliefs, experiences, backgrounds, preferences, and behaviors that makes each person unique.

Inclusion is when diversity is leveraged and valued to create a fair and equitable organization. An inclusive culture and environment enables individuals to feel safe, respected, heard, engaged, motivated, and valued for who they are.

Equity is how an organization leverages diversity to create a work environment where all employees are treated fairly and respectfully, have equal access to opportunities and resources, and feel fully engaged in contributing to the Board’s mission and organizational goals.

¹ The diversity, equity, and inclusion (DEI) standards, strategies, and actions outlined in this document are the Board’s DEI strategic plan. The Board and the Federal Reserve Banks each established a strategic plan to work toward the DEI goals of the Federal Reserve System.

DEI Mission

We engage at every level of the organization to foster diversity, demonstrate inclusive behavior, and ensure equitable treatment in our culture.

DEI Vision

The Board fosters a diverse workforce and an environment that embraces the collective mixture of differences, and recognizes and values how those differences enhance the Board's ability to achieve its mission.

DEI Standards

The Board is committed to building and sustaining a diverse workforce and inclusive workplace at all levels of the organization to enable the Board to effectively carry out its mission. The Board has established five standards for the successful growth of diversity, equity, and inclusion:

- Organizational commitment
- Workforce diversity
- Workplace inclusion
- Equitable treatment
- Supplier diversity

These standards—along with strategies and actions the Board will take to achieve them during the plan period—are described in further detail in the next section.

Diversity, Equity, and Inclusion Standards, Strategies, and Actions

Standard: Organizational Commitment

The Board sustains a commitment to diversity, equity, and inclusion through collaborative governance, proactive leadership, effective policies and practices, and transparent communications.

Strategy 1: Align the 2022–25 DEI plan with the Board’s Strategic Plan’s five core values that guide achieving the Board’s mission, and workforce policies and practices.

Actions

- Each division will establish annually a DEI Scorecard to plan, execute, and monitor progress against the division’s diversity and inclusion objectives.
- The Board will recap annually successes and ensure continuous, sustainable progress in fostering diversity, inclusive behavior, and ensuring equitable treatment.
- The Office of Diversity, Equity, and Inclusion (ODEI) will collaborate with divisions and People Strategy and Operations (PSO), formerly Human Resources, to develop a Boardwide DEI performance objective for managers to be included in the new human capital management platform.
- ODEI will provide quarterly diversity dashboards and conduct meetings with divisions around DEI workforce metrics.
- The Chief Diversity Officer will provide quarterly briefings to the Senior Officers Committee (SOC) and the Executive Committee (EC) as to the status of DEI initiatives and actions.
- The Board’s DEI System Adviser will provide assessment and recommendations on Reserve Bank diversity and inclusion performance to support a Systemwide approach to enhance diversity, equity, and inclusion.
- Include progress and challenges on D&I objectives in published reports, such as the *Report to the Congress on the Office of Minority and Women Inclusion* and the *Equal Employment Opportunity Commission (EEOC) Annual Program Status Report*.

Strategy 2: Establish a Federal Reserve Board DEI Council, chaired by the Chief Operating Officer and composed of division directors and the Chief Human Capital Officer. ODEI will serve as the project management, communications, and educational resource lead to enhance collaboration between strategy and tactical implementation on DEI strategies and objectives.

Actions

- Encourage senior leaders to routinely discuss the importance of DEI as a core organizational strategy and provide consistent visible leadership.
- Assess current DEI education and training offerings to identify gaps and opportunities for integration with broader leadership development initiatives.
- Establish biannual meetings with the Board members, SOC, EC, and employee resource group (ERG) leaders to assess DEI opportunities for collaboration.
- Engage with division diversity and inclusion liaisons to further elevate diversity and inclusion as a key division strategic priority and reinforce leadership commitment.

Strategy 3: Communicate the Board’s DEI vision, mission, and standards and track effectiveness to raise awareness and engagement among stakeholders.

Actions

- Develop an internal comprehensive DEI communications plan that provides annual self-assessment of the DEI Strategic Plan successes, progress against objectives, and challenges.
- Promote transparency, accountability, and internal and external communications in carrying out the DEI strategic plan.
- Ensure that people leaders at all levels promote the DEI vision by taking actions to increase diversity, equity, belonging, and inclusion in the performance of the Board’s mission.

Standard: Workforce Diversity

The Board embraces diversity of thought, experience, and background—to enhance organizational decisionmaking and the Board’s ability to achieve its mission. The organization attracts, retains, and develops a diverse, agile, and highly qualified workforce to execute the Board’s mission.

Strategy 1: Assess current talent management programs to identify DEI gaps and barriers.

Actions

- Based on assessments, align actions to identified barriers with established metrics.
- Benchmark global DEI practices in addressing succession planning, workforce planning, and development programs.

- Develop toolkits, resources, and analysis to assist divisions in attracting, selecting, and successfully onboarding diverse talent.
- Advance broader strategic efforts to expand the pool of qualified candidates for leadership roles with the objective of ensuring a diverse workforce at all levels of the organization.

Strategy 2: Attract highly qualified and diverse slates of applicants and candidates through strategic outreach and talent acquisition that connects with all segments of society.

Actions

- Identify and address issues that impede underrepresented groups' professional development and advancement.
- Use data from annual diversity and EEO reports to support divisions in the development of action plans with relevant and measurable results to address underrepresented workforce demographics in major job families: economists, research assistants, official staff, and senior professionals.
- Ensure talent acquisition practices consistently provide equal employment opportunity and address diversity at all levels.
- Perform applicant tracking analysis in order to identify talent acquisition barriers to equal employment opportunities and take action to remedy barriers. ODEI will work closely with divisions and PSO in ensuring strategy meetings on workplace and workforce policies, practices, and procedures are consistent with Board values and DEI objectives.

Standard: Workplace Inclusion

The Board cultivates an inclusive workplace to ensure that employees are engaged and recognized for their contributions by providing consistent work processes, growth opportunities, education, training, strong teamwork and bringing together independent viewpoints to result in effective policies and practices.

Strategy 1: Ensure management and employee input foster alignment and drive implementation of the DEI strategy.

Actions

- Leverage ERGs and their executive sponsors to provide open dialogue and initiatives that encourage the importance of employee engagement in achieving inclusion, equity, and personal and organizational success.
- Initiate and facilitate DEI listening events, lunch and learns, and training to provide opportunities for employees to discuss and share information that affects psychological safety, respect, and sense of belonging in the workplace.

Strategy 2: Identify opportunities to advance diversity and inclusion based on engagement survey results.

Actions

- Educate and train management staff on effective DEI management competencies for inclusion.
- Coordinate with Organization Development and Learning to identify assessment tools to measure competence and employee learning of DEI principles and how they intersect with employee engagement.
- Foster a feedback culture and model the behavior that alternative viewpoints are respected, valued, and encouraged.

Strategy 3: Integrate DEI into employee engagement analysis, actions, and outcomes.

Actions

- Include DEI as an integral component of workplace and workforce policies, initiatives, and strategy meetings.
- Coordinate and guide divisions' diversity liaisons to maintain an open dialogue with ODEI to identify division challenges, opportunities, and gaps to improve the consistency of desired outcomes to foster an increasingly inclusive work environment.
- Research and benchmark global diversity best practices addressing potential barriers to equal opportunity, inclusion, equitable treatment, and accountability and identify actions applicable to the organization.
- Cultivate a safe and inclusive environment where all employees can be respected, add value, and thrive.

Standard: Equitable Treatment

The Board regularly reviews and updates policies, procedures, and practices to ensure people feel heard and valued, and are provided resources, equitable opportunities, and support to reach their full potential.

Strategy 1: Analyze and update organizational policies, procedures, systems, and practices using an equity-centered lens to mitigate potential adverse effects.

Actions

- Review and assess policies, practices, and employment processes to ensure equitable access to all regardless of race, color, religion, sex (including discrimination based on sexual orientation, gender identity, and pregnancy), national origin, age, disability, or genetic information.

Ensure compliance with Board policies for EEO, workplace harassment, and organization practices through annual reviews and actions to address changes where applicable.

- Educate and train management staff on effective management competencies for inclusion and equitable treatment.
- Model the behavior that alternative viewpoints are respected, valued, and encouraged.
- Leverage division staff meetings to provide DEI learning opportunities.

Strategy 2: Cultivate an inclusive work environment for all employees.

Actions

- Leverage flexible work policies and programs, such as telework/alternative work arrangements, wellness programs, academic assistance, and career development to support employees' individual career satisfaction and engagement.
- Support employee participation in ERGs.
- Analyze the Board's Employee Engagement Survey to identify barriers, policies, and practices to maximize engagement, and develop targeted actions to address findings.
- Encourage employees' input into decisionmaking processes by gathering and acting on employee feedback across functional and demographic groupings.
- Develop and implement a strong DEI and EEO educational framework across the organization.
- Recognize, celebrate, and leverage inclusion practices demonstrated in the organization that enhance the employee work experience.

Standard: Supplier Diversity

The Board's procurement policy, practices, and outreach provide minority- and women-owned businesses (M/WOB) with a fair opportunity to successfully participate and compete to supply goods and services.

Strategy 1: Increase utilization of ethnic minority, women, LGBTQ, and disabled veteran-owned businesses in the Board's acquisition process.

Actions

- Integrate the Board's supplier diversity responsibility within all divisions to maximize the opportunity for minority, M/WOBs, and other disadvantaged businesses to participate in the Board's acquisition process.
- Meet regularly with Procurement staff including contracting officer representatives to provide market research on vendor diversity in the acquisition process.

- Establish performance metrics to track and report division performance via the Supplier Diversity Dossier system.
- Utilize the Acquisition Planning Forecast as a roadmap for future contracting opportunities.
- Increase stakeholder awareness of the Board's supplier diversity program through education, collaboration, and accountability.

Strategy 2: Raise supplier diversity awareness both internally and externally through training, education, collaboration, and accountability.

Actions

- Coordinate technical meetings with M/WOBs; small, disadvantaged businesses; and disabled veteran-owned businesses to present capabilities to contract specialists for products and services solicitations.
- Utilize regional, local, and national databases such as Chambers of Commerce, National Minority Supplier Development Council, and Women's Business Enterprise National Council to identify participants for the Board's vendor outreach fair.
- Plan and execute external activities that educate and train M/WOBs and other identified disadvantaged businesses on capacity building and other approaches to enable them to compete in the acquisition of Board product and service contracts.
- Educate prime contractors regarding the Board's supplier diversity policies and performance expectations in second-tier subcontracting.

Strategy 3: Enhance the supplier diversity performance metric reporting tools through MicroStrategy/Next Gen platform to better promote accountability, assess progress, and enable comprehensive reporting programs to divisions.

Actions

- Improve process to evaluate and access contracts awarded to Board vendors.
- In conjunction with Next Gen product team, the Supplier Diversity Program Manager will assist in the development of system requirements.
- Develop requirements for new Supplier Diversity Dossier in MicroStrategy tool.

Find other Federal Reserve Board publications (www.federalreserve.gov/publications.htm) or order those offered in print (www.federalreserve.gov/files/orderform.pdf) on our website. Also visit the site for more information about the Board and to learn how to stay connected with us on social media.



www.federalreserve.gov