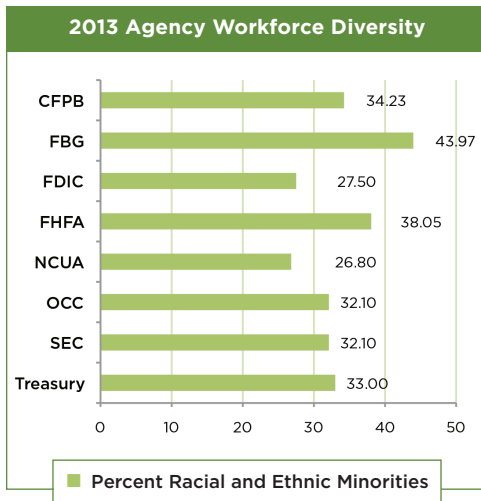


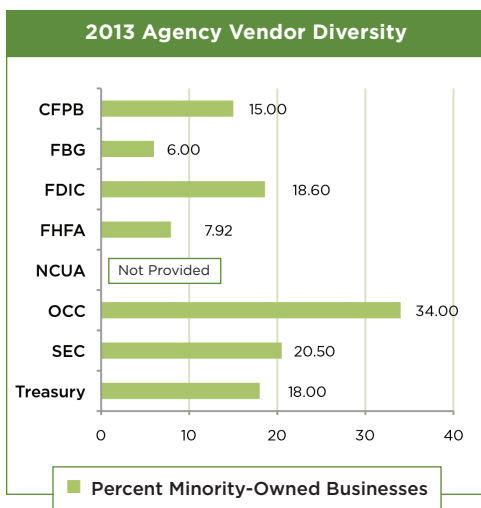
OFFICES OF MINORITY AND WOMEN INCLUSION: SECTION 342 OF THE DODD-FRANK ACT



Section 342 of the Dodd-Frank Act established Offices of Minority and Women Inclusion (OMWIs) in 20 financial agencies: FDIC, SEC, NCUA, OCC, FHFA, CFPB, the Treasury, Federal Reserve Board of Governors and the 12 regional Federal Reserve Banks. OMWIs must create standards for workforce and supplier diversity (procurement with diverse vendors) for their respective agencies **and** the over 70,000 companies they regulate.

Diversity Brings Opportunity

The demographics of the U.S. are shifting, with minorities becoming the majority by 2042.¹ Diversifying the financial sector is an economic necessity. Despite having more workers of color overall, 2010 and 2013 Government Accountability Office reports show that management level diversity in financial services firms did not change from 1993-2011.² Banks and other financial companies need more diverse leadership to effectively serve the unique needs of a growing majority and access these emerging markets.



The number of minority-owned businesses* in the country is also growing. From 2002-2007, diverse businesses outpaced the growth of non-diverse businesses by total number and gross receipts,³ while small businesses created 64 percent of new private sector jobs from 2002-2010.⁴ Creating proactive standards that encourage diverse contracting serves as a powerful tool for economic development.

Congress Can Increase Accountability and Success

Each year, the OMWIs publish reports to Congress summarizing their progress, but these reports and the OMWIs' potential impact receive little attention. This is in part because the OMWIs have no prescribed oversight, leaving them without standard directives to track progress. Congress can play a role by: establishing a cohort that reviews OMWIs' Annual Reports to Congress; holding an annual hearing to question directors on progress and challenges; urging OMWIs to establish high standards and utilize uniform metrics to track and report progress.

* Businesses at least 51% owned, operated, and controlled by an American racial or ethnic minority group member that is a US Citizen.

Key to Abbreviations

CFPB	Consumer Financial Protection Bureau
FBG	Federal Reserve Board of Governors
FDIC	Federal Deposit Insurance Corporation
FHFA	Federal Housing Finance Agency
NCUA	National Credit Union Administration
OCC	Office of the Comptroller of the Currency
SEC	US Securities and Exchange Commission
Treasury	US Department of the Treasury Departmental Offices

Common Metrics are Necessary

It is critical to be able to compare data across agencies. Some OMWIs have made efforts to standardize metrics, but more work needs to be done. Congress can encourage the OMWIs and their agencies to adopt uniform standards to track and disaggregate diversity data. The charts below show the OMWIs' progress and highlight inconsistencies in key reporting categories.* Data included reflect 2013 Annual Reports to Congress.

*For the purpose of this factsheet, Greenlining highlighted some, but not all, data from OMWI reports. We recommend consulting individual reports online for complete details.

Diversity of Agency Workforce	Percent Change in Minority Employees 2011-2013	Report by Fiscal or Calendar Year	Report Staff Hierarchy by Race/Ethnicity	Report Hiring, Separations, or Promotions by Race/Ethnicity	Report Professional Development Programs by Race/Ethnicity	Report Diversity of Applicant Pool
CFPB*	0.06%	Calendar		X		X
FBG	0.08%	Calendar	X		X	
FDIC	0.71%	Calendar	X	X		X
FHFA	1.10%	Calendar				
NCUA	1.60%	Calendar	X		X	X
OCC	2.10%	Fiscal	X	X	X	
SEC	0.60%	Fiscal	X	X	X	
Treasury	0%	Fiscal		X	X	X

*Percent change for CFPB represents data from 2012-2013, since the CFPB OMWI did not exist in 2011.

Diversity of Agency Vendors	Percent Change in Minority** Vendors 2011-2013	Report by Fiscal or Calendar Year	Report Industry Spend by Race/Ethnicity	Report Spend by Race/Ethnicity	Report by Contract Dollar Size	Report Outcome of Outreach Efforts
CFPB*	-11.00%	Fiscal	X	X		
FBG	-2.90%	Calendar				X
FDIC	6.00%	Calendar	X	X		X
FHFA	-31.69%	Calendar		X		X
NCUA	N/A	Calendar	X			X
OCC	-3.00%	Fiscal	X	X		X
SEC	5.10%	Fiscal	X	X		X
Treasury	-2.00%	Fiscal	X	X		X




*This time frame covers July of 2011 to end of FY 2013.

**Only Minority-Owned Business Spend

The Greenlining Institute Economic Equity Program works to overcome the lingering effects of redlining, help communities of color build wealth, and ensure that our financial system works for all.

For more information, contact **Danielle Beavers**, Economic Equity Program Manager at (510) 926-4024 or danielleb@greenlining.org

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¹ "Minorities in U.S. set to become majority by 2042" (2008). *The New York Times*. http://www.nytimes.com/2008/08/14/world/americas/14iht-census.115284537.html?_r=0.

² "Diversity Management: Trends and Practices in the Financial Services Industry and Agencies after the Recent Financial Crisis" (2013) Government Accountability Office. <http://www.gao.gov/assets/660/653814.pdf>.

³ "Number of Minority-Owned Businesses Increases but Economic Parity Remains Elusive" (2010). Minority Business Development Agency. <http://www.mbda.gov/node/304>.

⁴ "Frequently Asked Questions" (2012). Small Business Administration. http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf.



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