



OFFICE OF MINORITY AND WOMEN INCLUSION  
**2016 ANNUAL REPORT TO CONGRESS**

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# MESSAGE FROM J. MARK McWATTERS



**J. Mark McWatters**  
Acting Chairman

In the world of finance, assets are the resources owned by a person or business -- whether tangible or intangible. Assets are a primary measure of stability and success for both individuals and financial institutions. NCUA works hard to ensure the entities we regulate have the assets required to operate safely and soundly.

When it comes to workforce diversity, differences are like assets. Race, color, gender, and age may be seen as visible differences or tangible assets, while culture, experience, perspective, and ability may be viewed as invisible differences or intangible assets. And in the same way economic assets can be leveraged to increase value, America's diversity makes us stronger.

NCUA places great value on inclusion. In 2016, NCUA made strides in supplier diversity at the agency, as well as in assessing diversity policies and practices in the credit union system. In 2017, NCUA will continue to diversify its workforce and promote inclusion in its workplaces. We will do so through education, outreach, employee resource groups, and similar efforts.

It is important to note that America's credit union system is characterized by a significant number of small, minority, and women-owned credit unions. NCUA is acutely aware that the compliance burden on these institutions can become overwhelming.

Compliance costs impose disproportionate demands on the staff and budgets of smaller institutions. They can strain earnings and contribute to consolidation within the industry, as institutions that lack economies of scale find they are unable to maintain a separate existence. While this is a multi-faceted problem, NCUA is committed to finding creative ways to ease regulatory burdens on those who can least afford them, without sacrificing the safety and soundness of the credit union system.

As NCUA's Acting Chairman, I am committed to capitalizing on America's diversity as a strategic imperative for both the agency and the credit union system. I believe the continued success of NCUA and America's credit unions is inextricably linked to our ability to recognize and embrace the diversity of our institutions and their members and to listen to the voices of all those we are privileged to serve.

J. Mark McWatters  
Acting Chairman



# MESSAGE FROM MONICA DAVY



**Monica Davy**  
Director  
Office of Minority  
and Women Inclusion

I am pleased to present this sixth annual report to Congress from NCUA’s Office of Minority and Women Inclusion. This report is a synopsis of the work accomplished by NCUA. It also highlights the opportunities and challenges that remain. Our successes have been incremental and I acknowledge the path forward will require a long-term commitment; however, I firmly believe NCUA has established a strong foundation for success in diversity and inclusion.

The past year has been one of continued growth and advancement. For example, NCUA:

- Saw the number of diverse suppliers contracted by the agency grow by a record 32 percent, up from 6 percent in 2011;
- Added a mentoring program and two observances to our special emphasis program;
- Modified the agency’s reporting structure so the OMWI Director reports to the NCUA Board Chairman; and
- Launched a toolkit and checklist to help credit unions voluntarily assess their diversity policies and practices.

In 2016, OMWI established two priority areas: the business case for diversity and intentional inclusion. We focused on the business case for diversity in our internal and external communications, trainings, and presentations. We focused on intentional inclusion by providing staff with a series of resources related to unconscious bias. This included multiple training sessions, articles, and resources that provided specific strategies to help identify biases and minimize their impact on our decision-making.

As we move into 2017, we will continue to expand our strategic focus, adding two additional elements to the work we began this year. Broadening the definition of diversity and creating a more specific effort to mitigate bias will enhance our focus on the business case for diversity and intentional inclusion.

I look forward to continuing to make progress in our journey toward diversity and inclusion. Just as our differences make a difference, this work makes a difference in achieving the mission of the agency.

Monica H. Davy  
Director,  
Office of Minority and  
Women Inclusion

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# EXECUTIVE SUMMARY

## NATIONAL CREDIT UNION ADMINISTRATION

The National Credit Union Administration is the independent federal agency created by the U.S. Congress to regulate, charter, and supervise federal credit unions. With the backing of the full faith and credit of the United States, NCUA administers the National Credit Union Share Insurance Fund, insuring the deposits of nearly 107 million credit union account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions. In addition, NCUA educates the public on consumer protection and financial literacy issues, such as the agency's consumer information website, [MyCreditUnion.gov](http://MyCreditUnion.gov).

The agency's mission is to provide through regulation and supervision a safe and sound credit union system which promotes confidence in the national system of cooperative credit. Because of this mission, employees in the credit union examiner job series account for the majority of NCUA's staff positions, representing 73 percent of the 1,197 employees on board as of December 31, 2016.

## OFFICE OF MINORITY AND WOMEN INCLUSION

NCUA's Office of Minority and Women Inclusion (OMWI) is responsible for all matters relating to measuring, monitoring, and establishing policies for diversity in the agency's management, employment, and business activities. The office is also responsible for measuring, monitoring, and providing guidance about diversity for NCUA's regulated entities, excluding the enforcement of statutes, regulations, and executive orders pertaining to civil rights.

NCUA's Office of Minority and Women Inclusion was created in 2011. In 2015, the agency merged the equal employment opportunity program into OMWI, and in 2016, changed the reporting structure to make the OMWI director a direct report to NCUA's Chairman.

In 2016, OMWI established new statements for its vision, values, and mission. These new statements encompass all of OMWI's work and reflect the significance of OMWI's work in achieving NCUA's overall mission.

### VISION

The Office of Minority and Women Inclusion envisions an inclusive culture where differences are leveraged to ensure a safe and sound credit union system

### VALUES

- Respect differences
- Intentionally include
- Realize the power of people
- Embrace change
- Drive innovation

### MISSION

The Office of Minority and Women Inclusion promotes diversity within NCUA and the credit union system and ensures equal opportunity in NCUA's employment and business activities





# WORKFORCE DIVERSITY AND INCLUSION

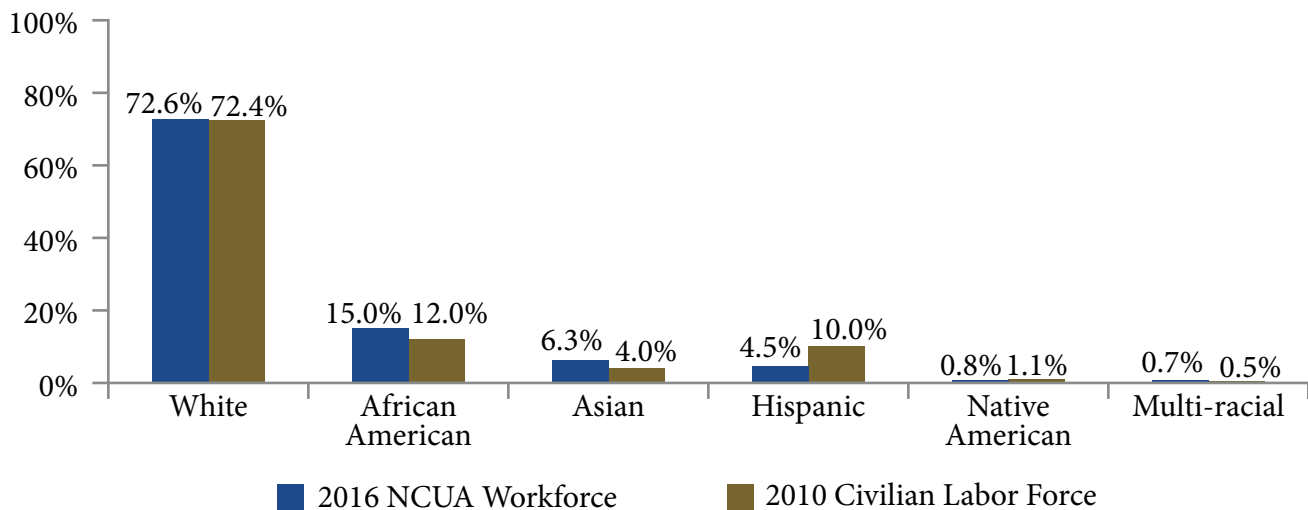
## DEMOGRAPHICS OF CURRENT WORKFORCE

NCUA benchmarks its workforce composition to the national Civilian Labor Force. The national CLF reflects people 16 years of age and older, employed or actively seeking employment, but not serving in the military or institutionalized, using 2010 U.S. Census data. The agency also uses Occupational Civilian Labor Force (OCLF) data for benchmarking. Benchmarks used in this report reflect the CLF data and OCLF methodology provided by the Equal Employment Opportunity Commission, allowing for consistency with measurements in the Management Directive 715 Report submitted to EEOC.

### NCUA Workforce

NCUA’s workforce consists of 1,197 employees as of December 31, 2016. Overall, the agency’s workforce represents a racially diverse population that exceeds CLF benchmarks, with the exception of the Hispanic and Native American participation rates, as shown in Figure 1. NCUA’s Hispanic participation rate remains steady compared to 2015, at 4.5 percent. This is significantly below the 10 percent CLF percentage. The Native American participation rate fell slightly from 1 percent in 2015 to 0.8 percent in 2016.

NCUA Workforce Versus Civilian Labor Force



Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 1 – 2016 Workforce (Race/Ethnicity)

Source NCUA



As shown in Figure 2, NCUA’s workforce is 44.3 percent women, which is an increase from 43.6 percent in 2015. While the agency made representational progress in this area, this participation rate is still below the CLF benchmark of 48.2 percent.

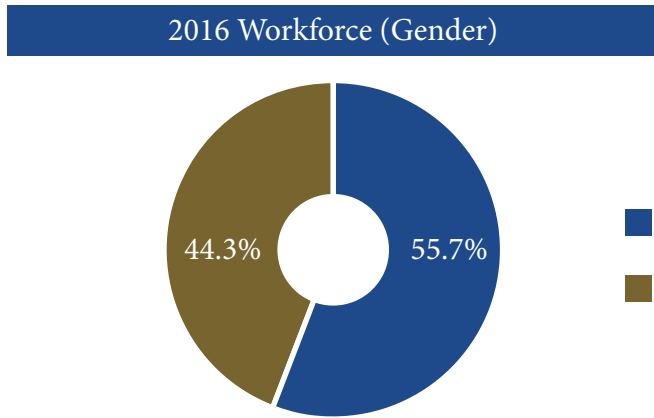


Figure 2 – 2016 Workforce (Gender)  
Source: NCUA

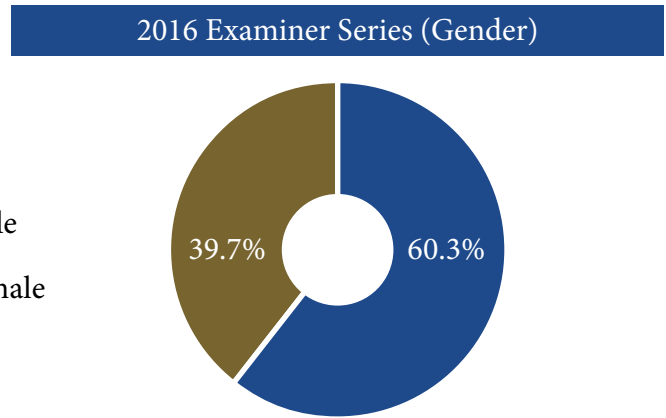


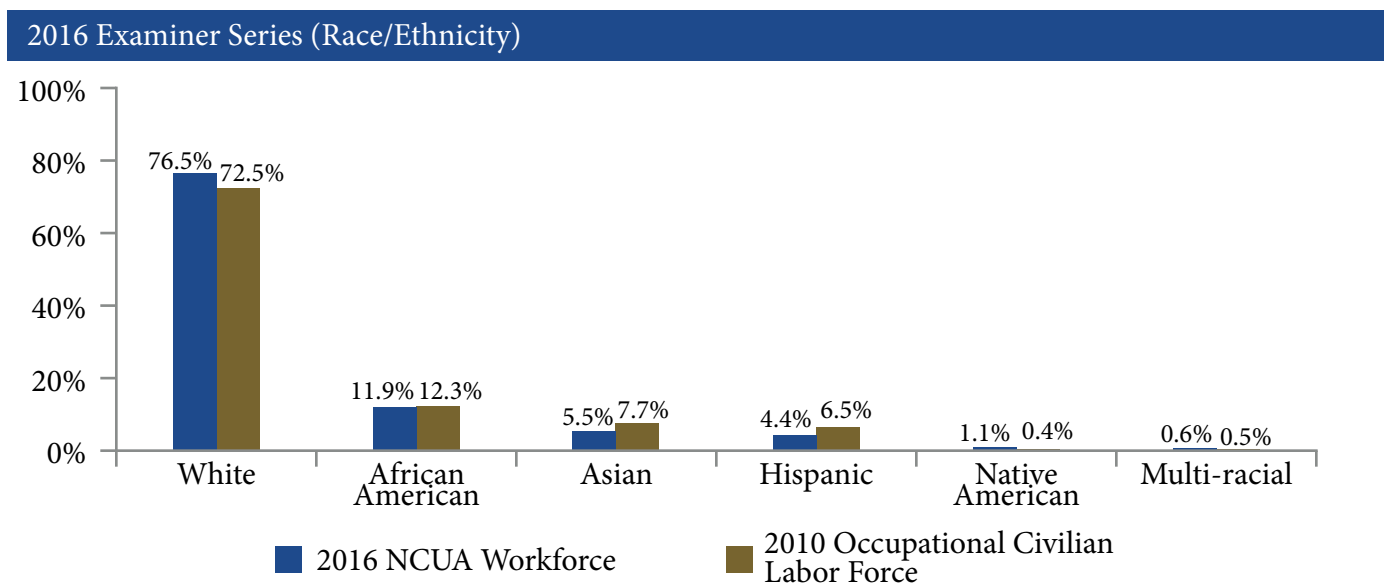
Figure 3 – 2016 Examiner Series (Gender)  
Source: NCUA

## Demographics of Mission Critical Positions

### Major Occupations

The credit union examiner occupational series represents 73 percent of the agency’s total workforce. These positions are the focus of the majority of NCUA’s recruitment efforts. The credit union examiner position is the pipeline from which most of NCUA’s management and senior executive level positions are drawn. The agency uses the OCLF as a benchmark for comparing the diversity representation of NCUA’s credit union examiner series workforce.

As in prior years, NCUA’s examiner positions show greater gender disparity than NCUA’s overall workforce.



Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 4 – 2016 Examiner Series (Race/Ethnicity)

Source: NCUA

The statistics are similar to last year, with women representing 39.7 percent of employees in the credit union examiner series but 44.3 percent of the agency’s total workforce.

As shown in Figure 4, representation within the credit union examiner series falls below the OCLF benchmark for African American, Asian, and Hispanic employees, but above the benchmarks for White, Native American, and Multiracial employees.

**Managers and Executives**

Managers include all supervisory staff who do not have the designation of executive. Managers account for 10.6 percent of the agency’s workforce, the same as 2015. A year-to-year comparison shows that women represent 41.7 percent of all managers, a decrease from 43.4 percent, and minorities represent 18.1 percent of all managers. This is an increase from 14.7 percent in 2015. As for new hires, 100 percent of all managers hired in 2016 were women while 50 percent of managers hired in 2016 were minorities. By comparison, in 2015, 50 percent of managers hired were women and 75 percent were minorities.

Executives, excluding board members, are individuals who are in positions identified as senior staff positions. Executives account for 4.1 percent of the workforce, down from 4.3 percent in 2015. Women represent 42.9 percent of all senior staff in 2016, while minorities make up 14.3 percent. This is an increase from 41.5 percent women and 13.2 percent minorities last year. One senior staff hired in 2016, a minority woman, represents 100 percent of all new senior staff hiring.

**New Hires and Separations**

The balance between incoming and departing employees affects the make-up of the agency’s workforce. NCUA hired a total of 79 new employees in 2016. Of the new employees that came on board, 51 percent were women, and 37 percent were from minority groups.

2016 New Hire Demographics		
Demographic Group	2016 New Hires	
Men	39	49.4%
Women	40	50.6%
White	50	63.3%
African American	15	19.0%
Asian	10	12.7%
Hispanic	3	3.8%
Native American	0	0.0%
Multiracial	1	1.3%
Total Minorities	29	36.7%

Note: Asian includes Native Hawaiian or Other Pacific Islander

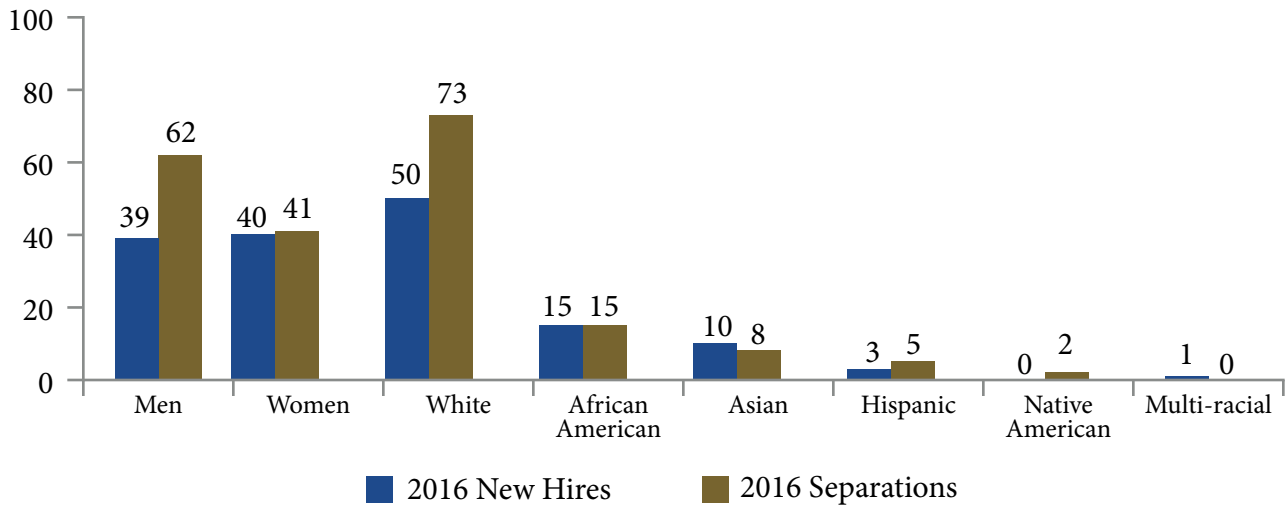
Figure 5 – New Hire Demographics

Source: NCUA

At the same time, 103 employees separated from NCUA during 2016, outpacing the number of new hires. Figure 6 shows new hires compared to separations for various demographic groups.<sup>1</sup> Deficits for groups

<sup>1</sup> 2015 year-end onboard plus 2016 new hires, minus 2016 separations does not equal 2016 year-end onboard due to an employee not on the 2015 year-end roster, but whose separation process date was 1/1/2016. This employee is listed as separated in 2016 versus 2015.

2016 New Hires/Separations



Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 6 – 2016 New Hire and Separation Demographics

Source: NCUA

underrepresented in the agency’s workforce include more separations than new hires for Native American, women, and Hispanic employees.

**Workforce Pipeline Distribution**

Figure 7 shows the diversity of the agency’s pipeline in three grade range categories: CU-12 and below, CU-13 to CU-15, and senior staff.

Pipeline data show a slight representational increase of women in all three grade range categories—including the feeder pools and at the senior staff level— compared to the prior year. The trend was the same for minorities in total. The increase in representation also came with a decrease in the number of employees in most categories compared to the prior year, due to a decrease in overall onboard numbers. However, the CU-13 to CU-15 feeder pool was the exception, in that the number of minority and female employees in that pool increased in comparison to last year. This increase creates a larger source of potential employees for the senior staff level.

**Applicant Flow**

Data and analysis of the flow of applicants through the application process, from application to selection, allows the agency to view progression and potential blockages of various groups of applicants through the hiring process.

In 2016, NCUA successfully expanded a pilot program to consolidate recruitment within all five of the agency’s regions for entry-level credit union examiners. The pilot increased coordination among the geographically dispersed regions, helping to improve efficiency. NCUA used applicant flow data to evaluate applicant pools for this entry-level, consolidated recruitment effort.

NCUA’s applicant flow data includes jobs that were processed through USA Staffing. Once the recruitment process is complete for a vacancy—such as when a vacancy is audited—regardless of a selection or when the vacancy closed, it is included in the data set. OPM collects demographic data—including gender, race/ethnicity, and disability data—from those who voluntarily provide such information during the application

NCUA Workforce Pipeline Diversity										
	2016		2015		2014		2013		2012	
CU-12 and below										
Women	279	45.2%	289	44.3%	302	44.7%	314	43.1%	320	44.6%
African American	115	18.6%	120	18.4%	121	17.9%	127	17.4%	122	17.0%
Asian	41	6.6%	42	6.4%	40	5.9%	46	6.3%	53	7.4%
Hispanic	30	4.9%	31	4.7%	29	4.3%	29	4.0%	26	3.6%
Native American	5	0.8%	9	1.4%	7	1.0%	6	0.8%	6	0.8%
Multiracial	7	1.1%	6	0.9%	7	1.0%	8	1.1%	9	1.3%
Total Minorities	198	32.1%	208	31.9%	204	30.2%	216	29.6%	216	30.1%
CU-13 to CU-15										
Women	230	43.5%	220	43.1%	222	44.0%	212	45.0%	190	45.6%
African American	60	11.3%	56	11.0%	57	11.3%	56	11.9%	51	12.2%
Asian	34	6.4%	30	5.9%	31	6.2%	27	5.7%	17	4.1%
Hispanic	23	4.3%	23	4.5%	23	4.6%	24	5.1%	23	5.5%
Native American	5	0.9%	3	0.6%	3	0.6%	4	0.8%	3	0.7%
Multiracial	1	0.2%	1	0.2%	1	0.2%	1	0.2%	0	0.0%
Total Minorities	123	23.3%	113	22.1%	115	22.8%	112	23.8%	94	22.5%
Senior Staff										
Women	21	42.9%	22	41.5%	21	41.2%	23	42.6%	22	40.7%
African American	5	10.2%	4	7.5%	3	5.9%	5	9.3%	5	9.3%
Asian	1	2.0%	2	3.8%	2	3.9%	2	3.7%	2	3.7%
Hispanic	1	2.0%	1	1.9%	1	2.0%	2	3.7%	1	1.9%
Native American	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Multiracial	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Minorities	7	14.3%	7	13.2%	6	11.8%	9	16.7%	8	14.8%

Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 7 – Workforce Pipeline Demographics

Source: NCUA

process. It is important to note that not all selections equate to new hires on board during a time period for varying reasons, including timing differences based on vacancy audit date, selection of agency employees for competitive actions, and differences in self-identification.

NCUA received 24,618 applications for vacancies audited during calendar year 2016. Of those applications, 63 percent had gender disclosed and 62 percent had race/ethnicity disclosed.

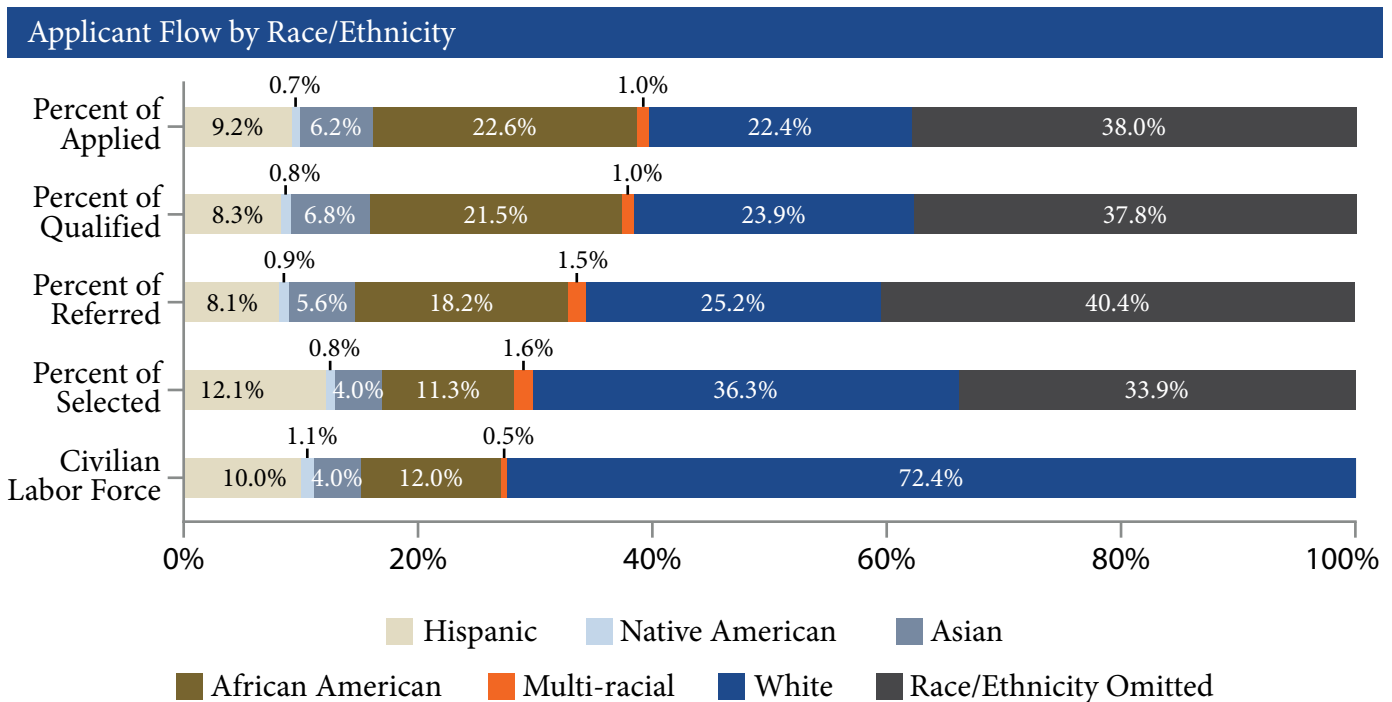
Figures 8, 9, and 10 show the progression of applicants, as voluntarily identified, from the application to the selection phase of the hiring process for all NCUA vacancies audited during 2016.

Applicant Flow Demographics								
	Number Applied	Percent of Applied	Number Qualified	Percent of Qualified	Number Referred	Percent of Referred	Number Selected	Percent of Selected
Total Applications	24,618		14,128		3,159		124	
Female	7,130	28.96%	4,244	30.04%	726	22.98%	40	32.26%
Male	8,285	33.65%	4,646	32.89%	1,168	36.97%	42	33.87%
Sex Omitted	9,203	37.38%	5,238	37.08%	1,265	40.04%	42	33.87%
Hispanic	2,257	9.17%	1,174	8.31%	257	8.14%	15	12.10%
Native American	174	0.71%	111	0.79%	29	0.92%	1	0.81%
Asian	1,518	6.17%	962	6.81%	176	5.57%	5	4.03%
African American	5,560	22.59%	3,031	21.45%	576	18.23%	14	11.29%
Multiracial	245	1.00%	140	0.99%	48	1.52%	2	1.61%
White	5,515	22.40%	3,376	23.90%	796	25.20%	45	36.29%
Ethnicity/ Race Omitted	9,349	37.98%	5,334	37.75%	1,277	40.42%	42	33.87%

Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 8 – Applicant Flow Demographics

Source: OPM’s USA Staffing Quarterly Data

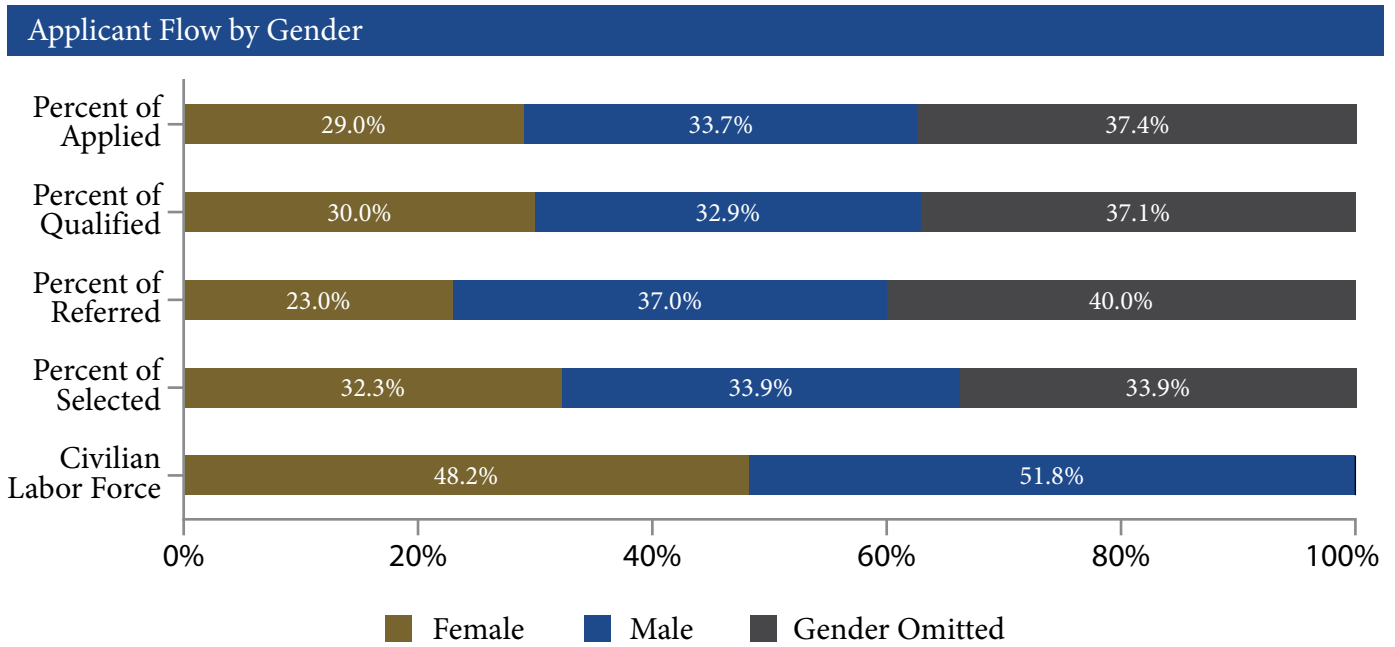


Vacancies audited in calendar year 2016.

Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 9 – Applicant Flow by Race/Ethnicity

Source: OPM’s USA Staffing Quarterly Data



Vacancies audited in calendar year 2016.

Figure 10 – Applicant Flow by Gender

Source: OPM’s USA Staffing Quarterly Data

This analysis differs from that required by the EEOC in its Management Directive 715 because it includes, in the calculation of percentages, applicants who omitted ethnic and/or racial and gender information in their applications. In its internal analyses, NCUA routinely considers the potential influence of the unknown data.

Even with omitted race/ethnicity data, the following categories of applicants applied at above their CLF representation: Asian, African American, and Multiracial. Hispanic and Native American applicants applied at rates a bit below their CLF benchmark. White applicant representation was lower than the CLF benchmark. However, the 38 percent omitted data could fall into any category, adding more to the representational percentages. This data shows minority representation within the labor pool, mostly through to the selection stage, where selection rates were above, at, or close to the CLF benchmarks for minority populations.

However, the data also show that in some cases, the initial pool of applicants dwindled while moving through the application process, while some increased. For example, Asian applicants, as identified, made up 6.2 percent of the applicant pool but 4 percent of the selections. Likewise, African American applicants, as identified, comprised 22.6 percent of the initial applicant pool, but 11.3 percent of the selections. Representation in some categories increased through the application process including the Multiracial and White categories. Hispanic representation declined from the applied stage to the qualified and referred stages, but representation in the selected stage ended higher than the initial applicant pool representation. Native American representation increased through the process and ended slightly higher than the initial applicant pool representation.

In terms of gender, 29 percent of identifying applicants were women, while 33.7 percent were men, and 37.4 percent of the data were omitted. If extrapolated to the entire population based solely on those who identified, 46 percent would be women and 54 percent men. That representational rate for women is below the CLF of 48.2 percent. Female representation dipped in the referred stage, but referred applicants fared well in the selection phase of the process. As in the case with the race and ethnicity data, applicants

who omitted their data could fall into any one of the two categories. Nevertheless, based on those who identified, the data provide useful information regarding the general makeup of the applicant pool and progression through the application process.

## OUTREACH AND RECRUITMENT

The Office of Minority and Women Inclusion partnered with the Office of Human Resources, the Office of Consumer Financial Protection and Access, and the regional offices to conduct outreach at events targeting groups whose participation rates in the agency are less than expected. Additionally, and as prescribed by Section 342 of the Dodd-Frank Act, the office performed separate recruitment and outreach activities, such as:

- Recruiting at historically African American colleges and universities, Hispanic-serving institutions, women's colleges, and colleges that typically serve majority-minority populations;
- Sponsoring and recruiting at job fairs in urban communities;
- Placing employment advertisements in newspapers and magazines oriented toward minorities and women; and
- Partnering with organizations focused on developing opportunities to place talented young minorities and women in industry internships, summer employment, and full-time positions.

Some of the recruitment and outreach opportunities NCUA participated in were:

- Blacks in Government's annual event,
- Federally Employed Women's annual event,
- LatPro Hispanic and Diversity job fairs,
- Bowie State University recruiting event,
- Hispanic Latino Professional Association recruiting event,
- Hiring Our Heroes Career Fair, and
- California State University recruiting event.

### Internship Program

NCUA's internship program is run by OMWI. OMWI maintains strategic partnerships with multiple diverse professional organizations that provide internship opportunities for a diverse group of young leaders, including the Conference on Asian Pacific American Leadership, the Hispanic Association of Colleges and Universities, INROADS, and the Washington Center.

In 2016, the agency hosted 21 interns selected from organizations that serve groups with traditionally low participation rates in the workforce. Many NCUA offices hosted one or more interns, helping the students gain valuable work experience and exposure to the agency. Notably, since 2010, the agency has hired several former interns for full-time, permanent employment. A number of internships have also been extended well beyond the initial summer timeframe, allowing for additional substantive experience for the students.



## Hispanic Student Open House

In 2016, as part of NCUA’s Hispanic Heritage Month observance, OMWI hosted a Student Open House, during which Hispanic students from local universities spent a day at the agency’s central office in Alexandria, Virginia. The students participated in job shadowing and other learning activities alongside staff members whose roles closely aligned with the students’ fields of study. The students shadowed their agency hosts during the morning, joining them in meetings and participating in question-and-answer sessions. The shadowing was followed by a guest speaker who discussed the importance of building a professional portfolio. The program ended with the participants sharing learnings from their shadowing experiences.

The agency plans to facilitate similar programs in the future with a goal of spreading awareness about NCUA and its mission and expanding understanding of career possibilities in the federal financial services sector.

## LEADERSHIP DEVELOPMENT

NCUA continues to offer inclusive programs and activities with a goal of attracting and retaining a diverse workforce to serve credit unions. These programs are designed to ensure NCUA maintains a consistent and competent pool of diverse talent for possible succession into leadership roles. The agency currently has a number of leadership development programs available to staff at multiple grade levels. Figure 11 lists the programs and the demographics of participants in each.

Leadership Development Program Participation							
Leadership Development Program	Number	Gender		Race/Ethnicity			
		Male	Female	White	African American	Asian	Hispanic
Aspiring Leader	1		1	1			
New Leader	1		1		1		
Management Development	12	9	3	9	1	1	1
Excellence in Government	2	1	1	1	1		
Executive Leadership	2	2		1	1		
NCUA Executive Training	3	1	2	2			1
Executive Coaching	10	5	5	8	2		

Figure 11 – Leadership Development Program Participation

Source: NCUA

## Mentoring Program

In April 2016, NCUA launched its first agency-wide mentor program. The mentoring program is a coordinated effort to increase diversity, build cross-cultural understanding, create a more inclusive environment, and serve as a developmental resource to all agency employees. As such, it operates independently of the agency’s leadership development programs. Approved by the NCUA Board in

December 2015, the mentoring program is a strategic effort to accomplish specific goals set forth in agency plans.

Mentoring Program Participation							
Mentor Program	Number	Gender		Race/Ethnicity			
		Male	Female	White	African American	Asian	Hispanic
Mentor	25	15	10	23	1		1
Mentee	25	11	14	14	6	1	4

Figure 12 – Mentor Program Participation  
Source: NCUA

## INCLUSIVE WORK ENVIRONMENT

### Training

In 2016, NCUA leadership made a significant commitment to advance intentional inclusion within the agency. This commitment started with providing all staff and supervisors with training on mitigating unconscious bias. OMWI selected leading diversity consultant, Cook Ross Inc., a certified, woman-owned consulting firm, to provide several training sessions.

As a follow up, an additional training was conducted specifically for supervisors. In September, diversity and inclusion expert Howard Ross engaged managers in exercises and activities designed to reinforce bias mitigation techniques, particularly in hiring and performance evaluation. Feedback from all four sessions was very positive. Employees report they are more aware of their biases and equipped with new tools to help them be more inclusive in the workplace.

New Supervisor Training is a critical component of on-boarding managers into leadership positions. OMWI updated its portion of this training in 2016 to provide a thorough overview of services related to diversity, inclusion, and equal employment opportunity. In addition to revising the training, a comprehensive reference guide was provided to all new managers. The desk guide includes details on the value of diversity and inclusion, tools to help new managers build inclusive workplaces, and resources to acquire services and guidance from OMWI.

### Special Emphasis Programs

NCUA’s Special Emphasis programs focus on groups that are under-represented in the agency’s workforce. In 2016, NCUA strengthened its Special Emphasis programs by aligning the programming with the agency’s mission to address challenges these groups face as related to the workplace and the credit union system. NCUA also expanded this initiative to include veterans and lesbian, gay, bisexual, and transgender programs along with the previous programs: African American, American Indian and Alaska Natives, Asian and Pacific Island Natives, Hispanics, people with disabilities, and women. The Special Emphasis programs featured events in which NCUA hosted speakers, panel discussions, or other engaging presentations. Of particular note this year was NCUA’s first-ever celebration of LGBT Pride Month. The event included a panel of NCUA employees and LGBT program leaders from other federal agencies discussing the importance of creating LGBT allies in the workplace.

2016 Special Emphasis Program Events		
Observance	Month	Event
African American History Month	February	“Incognito” performance by author Michael Fosberg
Women’s History Month	March	“The Difference between Coaching, Mentoring and Sponsoring” panel discussion on challenges women face in workplace
Asian/Pacific Island American Heritage Month	May	“FLEX” presentation on engaging with others who are different by author Jane Hyun
LGBT Pride Month	June	“Creating LGBT Allies in the Workplace” panel discussion on the importance of straight allies
Hispanic Heritage Month	September - October	Hispanic Student Open House and presentation by Kimberly Castillo on career opportunities in federal financial sector
Disability Employment Awareness Month	October	Joint CFC event with Ellen Graham, Cameron’s Coffee & Chocolates
American Indian and Alaska Native Heritage Month	November	“Scarcity and False Representation” presentation on the challenges to fostering Native American inclusion by Jody TallBear, Esq.
Veteran’s Day	November	“Honoring Those Who Served” panel discussion on how military careers contribute to success in federal careers

Figure 13 – Special Emphasis Program Events  
 Source: NCUA

### Innovation through Inclusion

Through various working groups, NCUA allows the voices of all employees to be heard and considered. Two examples of these are the Internal Communications Working Group and the Supervisory Examiner Working Group. For several years, these groups have been instrumental in implementing innovative ideas and improvements to NCUA’s operations. *AskNCUA*, an initiative to encourage open communication between employees and the Office of the Executive Director, is an example of how this type of inclusion and innovation occurred in 2016.

*AskNCUA*, launched in September 2016, has received more than 80 questions or comments to date. The Office of the Executive Director coordinates with the appropriate office to finalize responses to questions and comments received. Responses are posted internally on an *AskNCUA* SharePoint site. This communication mechanism provides an opportunity to clarify and explain existing policy as well as to consider new efficiencies and ideas.

This initiative was implemented at the request of NCUA’s Internal Communications Working Group. It is just one of many examples of how NCUA is leveraging diversity and creating an inclusive environment to move the agency forward.

## ACCOMPLISHMENTS

### Policy Statements

A commitment to strengthening the diversity of the agency and creating an inclusive culture was evident throughout 2016 in the actions of the NCUA Board Members. The Board affirmed the agency's dedication to equal employment opportunity, diversity, and inclusion by issuing both the 2016 annual Equal Employment Opportunity Policy and the Annual Diversity and Inclusion statement.

### Diversity Advisory Council

Both the Board and the Office of the Executive Director showed tremendous support for the Diversity Advisory Council. The council is a sub-committee of the agency's Talent Management Council, which is led by the agency's executive director. The council provides advice and recommendations to senior leadership on areas related to the fair inclusion of all groups in the agency's workforce. This year, the Office of the Executive Director appointed two senior staff members to join the council.

### Gender Pay Analysis

NCUA, through its Office of the Chief Economist, conducted a gender-pay analysis to look at the impact of gender on the basic pay of NCUA employees. Preliminary results based on year-end 2016 data show that the average basic salary of female employees is slightly higher than male employees at grades 11 and below and grades 12 through 14. Male employees in grades 15 through senior executives have an average basic salary slightly above that of female employees in the same group.

The analysis also looked at data snapshots in time over multiple years and found that statistical significance fluctuated over time and the gender effect on wage was not statistically significant in four of the seven periods analyzed. The small and dynamic workforce is a likely contributor to the fluctuations. Moreover, additional variables, such as job performance, influence the impact on wages. NCUA will continue analysis to better understand variations.

### Recognition and Awards

NCUA's achievements and efforts have been recognized in the media, non-profit, education, and government sectors.

- NCUA has repeatedly been ranked among the "Best of the Best" places to work by the award winning publications, Black EOE Journal, Hispanic Network Magazine, and Professional Woman's Magazine. These are leading diversity and inclusion magazines that reach more than three million diverse Americans.
- In the Partnership for Public Service's 2016 "Best Places to Work" report, NCUA, compared with other mid-sized agencies ranked:
  - Second among veterans
  - Third among Hispanics and African-Americans
  - Fourth among women, men, and employees with disabilities
  - Seventh overall
- The Hispanic Association of College and Universities selected NCUA for the "Outstanding HACU Public Sector Partner Award." This award honors NCUA's efforts in championing Hispanic higher

education success. NCUA has been a strong partner sponsoring more than 50 semester and summer interns over the past five years.

- NCUA ranked fourth among mid-size agencies for OPM's Inclusion Quotient. The IQ identifies behaviors that help create an inclusive environment.

## OPPORTUNITIES AND NEXT STEPS

The agency continues its efforts to increase diversity among the workforce, particularly at the leadership level. NCUA's current underrepresented groups when compared to the CLF are Hispanic males and females, African American males, Native Americans, and women. In addition, the agency has a less than expected participation rate of people with disabilities. NCUA tracks three categories of employees with disabilities: disabled veterans, employees with disabilities, and employees with targeted disabilities. The agency has made representational gains in each category since 2011. However, representation in each area declined compared to last year.

OMWI has developed a strategic communications plan to expand awareness and knowledge of the business case for diversity and inclusion. The plan includes a broad spectrum of initiatives, such as:

- Monthly OMWITalks discussions – Leveraging diversity and inclusion starts with creating a safe space to have difficult conversation about race, identity, privilege, unconscious bias, cultural appropriation and a host of other thought-provoking topics.
- Diversity Matters!, a quarterly newsletter, launched in late 2016, that contains articles and special features to enhance diversity and inclusion understanding for employees at all levels of the agency.

Efforts to launch a new Employee Resource Group program continue into 2017. Throughout 2016, OMWI worked to develop a program plan and draft an Employee Resource Group policy. The policy will outline the purpose, goals, and procedures for these self-governing, employee-led groups. The groups will serve as a resource for the agency by fostering an inclusive workplace and creating a platform for networking. This in turn will boost retention and employee engagement throughout the agency.

NCUA has recently begun using Departure View, a new, automated exit survey. This comprehensive survey, benchmarking, and analytics resource allows the agency to survey departing employees and receive detailed feedback on reasons for leaving, new job status, areas of dissatisfaction, and likelihood to recommend NCUA. The survey is administered through a subscription to the Corporate Executive Board.



# SUPPLIER DIVERSITY

Following three years of consistent supplier diversity performance, 2016 has proven to be NCUA’s most successful year thus far. By year’s end, the agency had awarded 32.4 percent of its reportable contract dollars to minority- and women-owned businesses, a significant increase from 22.5 percent in 2015. The agency’s performance in 2016 demonstrates NCUA’s on-going commitment to ensuring the participation of strong, qualified, and competitive minority- and women-owned businesses.

## CONTRACTING METRICS

In 2016, NCUA awarded \$13.9 million to minority- and women-owned businesses. This is 32.4 percent of the \$42.9 million total reportable contracting dollars for the year. Figure 14 illustrates total dollars awarded to diverse vendors in 2016 compared to 2015. Contract dollars to all firms designated as minority-owned almost doubled from \$2.5 million in 2015 to \$4.7 million in 2016. Similarly, contract dollars to all firms designated as women-owned more than doubled from \$4.9 million in 2015 to \$10.4 million in 2016. These gains helped push NCUA’s supplier diversity program past the 30 percent mark for the first time since the program’s inception.

NCUA Contract Awards Comparison for 2016 Versus 2015				
Contract Awards	2016	Percentage of Total Contracts	2015	Percentage of Total Contracts
Minority-owned businesses	\$3,452,466	8.1%	\$2,416,391	7.4%
Women-owned businesses	\$9,118,238	21.3%	\$4,771,944	14.7%
Both minority- and women-owned businesses	\$1,296,998	3.0%	\$116,480	0.4%
Minority-owned or women-owned business totals	\$13,867,702	32.4%	\$7,304,815	22.5%
Total contract awards	\$42,855,530		\$32,482,888	

Figure 14 – NCUA Contract Awards Comparison  
Source: NCUA

NCUA’s Office of the Chief Information Officer continues to lead the agency’s supplier diversity efforts. Representing 55 percent of all reportable spending at NCUA, OCIO awarded \$23.6 million in total contract spending. Of this, \$11.6 million, or 49.2 percent, was awarded to minority- and women-owned businesses.

Although the timing of payments to vendors trails contract awards, NCUA also saw an increase in payments to diverse vendors as a direct result of the marked increase in 2016 contract awards. Figure 15 shows minority- and women-owned businesses captured 30.8 percent of NCUA contract payments in 2016 versus 25.5 percent during 2015. Nominal payments to all minority-owned firms increased modestly from

\$2.4 million to \$2.8 million, whereas payments to all women-owned firms exhibited a stronger increase, from \$7.0 million to \$11.2 million.

NCUA Vendor Payments Comparison for 2016 Versus 2015				
Contract Payments	2016	Percentage of Total Payments	2015	Percentage of Total Payments
Minority-owned businesses	\$1,636,740	3.9%	\$2,136,645	5.9%
Women-owned businesses	\$9,976,393	24.0%	\$6,764,751	18.8%
Both minority- and women-owned businesses	\$1,222,667	2.9%	\$254,670	0.7%
Minority-owned or women-owned business Totals	\$12,835,800	30.8%	\$9,156,066	25.5%
Total contract payments	\$41,633,369		\$35,964,264	

Figure 15 – NCUA Vendor Payments Comparison  
 Source: NCUA

## OUTREACH

During 2016, NCUA continued its targeted supplier diversity outreach plan to maintain its relationship with diverse business partners. Because of its limited contracting budget, NCUA has discovered it is most cost-effective to collaborate with certain key organizations to optimize its outreach investment.

NCUA reached an attendee audience of more than 12,000 individuals in 2016 through participation in these four supplier diversity events:

- 25<sup>th</sup> Annual Government Procurement Conference,
- CelebrAsian 2015 Procurement Conference,
- Women’s Business Enterprise National Council - National Conference & Business Fair, and
- National Minority Enterprise National Council Conference & Business Opportunity Fair.

## PARTNERSHIPS

As in previous years, one of NCUA’s principal partnerships has been the Supplier Diversity Working Group. This group, comprised of supplier diversity analysts from the eight federal financial institutions regulators, is a collaborative interagency effort to share best practices and leverage each other’s supplier diversity resources. During 2015, the group co-hosted a successful and well-attended joint technical assistance event. During 2016, the group continued its cross-collaboration through coordination of outreach events and other cross-support activities.

NCUA worked with the National Association of Minority- and Women-Owned Law Firms to identify some of the most talented minority- and women-owned law firms in the nation. After NCUA provided a list of its most frequent legal needs, the association polled its entire national membership and identified 36 firms fitting NCUA’s requirements. NCUA has used this database of diverse legal talent to include diverse law firms for participation in its legal services contracting opportunities.



During 2016, NCUA carried out a successful collaboration with one of its Supplier Diversity Working Group counterparts, the Office of the Comptroller of the Currency. The Offices of Minority and Women Inclusion at NCUA and OCC planned a “Best Practices in Supplier Diversity” workshop for the working group and OMWI members across various financial regulatory agencies. Guest speakers from Fannie Mae were invited to lead the workshop. Michael Ruiz, Director of Supplier Diversity, Corporate Procurement, and Roxanne Wilson, Supplier Diversity Manager, led a discussion about best practices in supplier diversity. The discussion provided group members with tools to continue improving their respective supplier diversity programs and inspiration for the group to extend the impact and reach of their individual programs.

## ACCOMPLISHMENTS

During its fifth year in operation, NCUA’s supplier diversity program solidified its integration into the fabric of the agency’s procurement process. Throughout 2016, increased focus on the contracting process reinforced supplier diversity as a permanent element of the overall contracting process.

The Office of the Chief Financial Officer has collaborated with OMWI to ensure the agency’s supplier diversity program is consistently included as an integral part of the procurement process.

The impact of supplier diversity is best exemplified by OMWI’s participation in the agency’s monthly information technology acquisition strategy meeting. As the largest and most active NCUA consumer of vendor services, the agency’s Office of the Chief Information Officer generates a wide range of opportunities for diverse vendors to participate in the agency’s contracts. Including the agency’s supplier diversity manager in these monthly discussions ensures early communication and identification of upcoming opportunities for diverse vendor participation.

Another example of successful integration between the agency’s procurement and supplier diversity programs is improved market research and vendor sourcing activities. The supplier diversity program helps expand the agency’s market research mechanism to identify highly qualified, diverse talent to participate in competitive contracting opportunities.

Notwithstanding the agency’s 2016 supplier diversity results, there is ample opportunity for further improvement through the continued development and maturation of deliberate, repeatable procurement processes and procedures in advanced acquisition planning, requirements development, market research, and industry communication.

Success in supplier diversity can also be measured in ways beyond the quantitative. NCUA’s ongoing supplier diversity success included:

- Continued progress in contract awards volume to minority-owned firms;
- Increased inclusion of minority- and women-owned businesses across a broader set of software product licensing;
- Improved awareness of NCUA supplier diversity processes through internal procurement training programs;
- Established solid, timely, and consistent process for conducting, identifying, and engaging qualified, competitive, diverse vendors to respond to NCUA’s contracting opportunities;

- Incorporated supplier diversity program processes and data requirements within the newly implemented PRISM Compliance Management system requirements; and
- Expanded communication, commitment, and support between the Office of the Chief Financial Officer and OMWI in promoting a successful supplier diversity program.

## OPPORTUNITIES AND NEXT STEPS

The coming year presents opportunities for expanding supplier diversity as part of NCUA mission support.

### PRISM Compliance Management System Implementation

At the beginning of 2017, NCUA rolled out the PRISM compliance management system to automate its contracting process while remaining closely integrated with the agency's financial management system. PRISM will substantially enhance the agency's automated reporting capabilities. The establishment of customized data fields will give NCUA better control of acquisition planning through readily available contract start and end dates and more reliable data concerning competition and diverse supplier participation. Improved information from PRISM will help OMWI manage and execute NCUA's supplier diversity program with greater efficiency and effectiveness.

### Targeting Large Contracting Opportunities

With 318 individual contract actions representing a contracting reportable expenditure of \$42.9 million in 2016, the average NCUA contract action is \$134,766. In 2016, NCUA had 81 contract actions of more than \$100,000, totaling \$36.4 million, or 84.9 percent of the total reportable spend. Under these circumstances, an early focus of supplier diversity efforts on the contracts making up 84.9 percent of the reportable spend is a key and efficient supplier diversity strategy. Based on the success of this strategy in 2016, NCUA will continue leveraging this approach for additional gains.

### Technical Assistance

NCUA will continue to coordinate and promote technical assistance offered by federally funded programs. For example, the OMWI offices at NCUA, OCC, and FDIC coordinated a joint cyber security technical assistance event for April 2017.

## SUPPLIER DIVERSITY FOR NCUA'S ASSET MANAGEMENT AND ASSISTANCE CENTER

### Asset Management and Assistance Center's Mission

NCUA's Asset Management Assistance Center manages the liquidation of federally insured credit unions. AMAC acts as liquidating agent and is in charge of liquidating all assets and paying all fees and expenses to administer the liquidation estate.

Due to the nature and purpose of its activities, AMAC has specific policies and procedures to cover procurement and expenses from liquidations. This business activity is recorded within a separate system under different delegations than other agency operations.

## AMAC’s Responsibilities

Whenever possible, AMAC considers supplier diversity in executing its mission. AMAC has a responsibility to limit losses to the National Credit Union Share Insurance Fund, which insures the deposits of nearly 107 million account holders in federally insured credit unions. Based in Austin, Texas, AMAC operates throughout the United States. Liquidated credit unions may be located in small communities where geography and required services may limit vendor availability. AMAC must act in the hours and days following a liquidation to obtain needed services in support of its mission.

The liquidation process is time-sensitive, requiring confidentiality, where AMAC must move quickly to preserve assets and limit losses. There may not be sufficient time to identify the type and location of required liquidation-related services in advance of a liquidation action. As a result, AMAC’s operational need to quickly and efficiently preserve credit union assets limits its ability to fully implement supplier diversity during these time-critical situations.

Many of AMAC’s payments to contracted vendors are inherited and related to the contractual relationships that pre-date a federally insured credit union’s liquidation. An existing vendor’s performance and contractual relationship with the liquidated credit union is a major consideration in the selection of post-liquidation vendors.

## Contracting Metrics

In 2016, AMAC made \$18.3 million in contract payments. Of this amount, \$12.8 million, or 70 percent, were payments to non-discretionary vendors defined as either securities-litigation or legacy-related payments. The term non-discretionary payment is used to define payments to vendors selected by third parties under contracts predating Section 342 of the Dodd-Frank Act. Payments to discretionary vendors selected by AMAC accounted for the remaining 30 percent, or \$5.5 million.

Out of the \$5.5 million in 2016 reportable discretionary vendor payments, 8 percent went to minority- and women-owned businesses. This figure includes payments made to title companies and real estate brokers for conducting real estate transactions. Figure 16 outlines AMAC’s 2015 and 2016 results. Results for 2015 were restated to include loan servicing fee payments and to exclude payments to a vendor whose diverse ownership falls below the requisite 51 percent.

AMAC Supplier Diversity				
Payments	2016		2015 Restated	
To minority-owned businesses	\$39,363	0.7%	\$63,617	0.8%
To women-owned businesses	\$413,235	7.5%	\$261,961	3.5%
To minority-owned or woman-owned businesses	\$438,336	8.0%	\$316,772	4.2%
Total payments*	\$5,486,149		\$7,555,571	

\* Excludes utilities, taxes, lease-related payments, certain fees to regulated entities related to processing liquidations, payments to employees, owner association fees and other government entity fees.

Figure 16 – Asset Management and Assistance Center Payments

Source: NCUA

As a percentage of total vendor payments, AMAC nearly doubled the percentage of payments to minority- and women-owned businesses in 2016. Nominal payments to women-owned businesses increased by 58

percent and more than doubled as a percentage of total vendor payments. AMAC's overall 2016 payment performance demonstrated a marked improvement over 2015.

As in previous years, legal contract spending accounts for nearly half of all of AMAC's vendor payments in 2016. As such, diversity improvements in this area contribute significantly to the supplier diversity results for AMAC as a whole.

During 2016, AMAC's total legal services expenditures remained almost identical to 2015. However, during that same period, it increased the number of minority- and women-owned law firms under contract from five to seven while increasing total related legal spending with diverse firms from \$68,462 to \$142,275, a 108 percent increase. Although a modest nominal increase relative to total legal spending, these improvements indicate a solid upward trend in legal supplier diversity. As AMAC continues to build relationships with diverse law firms over the course 2017 and beyond, its overall supplier diversity performance is likely to continue this positive trend.

### Successes in Supplier Diversity

AMAC's supplier diversity efforts during 2016 benefited from the implementation of the 2016 AMAC Supplier Diversity Action Plan. The plan's principal strategies to boost supplier diversity engagement and results included:

- Annually reviewing the largest vendor relationships (in terms of contract dollar volume) to identify opportunities to apply competition and diversity;
- Actively using its list of identified diverse vendors to participate in its top five most common legal and non-legal service needs; and
- Leveraging smaller opportunities, especially those below the \$50,000 mark, for minority- and women-owned businesses.

As AMAC deployed these initiatives, it set the stage for improvements in its near- and long-term supplier diversity results. Some of its most prominent recent success stories are:

- **Real Estate Property Insurance Contract Award:** AMAC took advantage of the September 2016 renewal for property insurance services to draft a solicitation and compete these services. Reaching out to 10 insurance companies, including the incumbent, AMAC received competitive proposals and ultimately awarded the contract to a minority-owned firm representing the best value to the agency.
- **Legal Services Contract Award:** During 2016, NCUA collaborated with the National Association of Minority and Women-Owned Law Firms to obtain a list of highly rated minority- and women-owned law firms specializing in providing the types of legal services needed to conduct credit union liquidations. AMAC awarded new litigation and bond claim contracts to at least five of the listed minority- and women-owned law firms in 2016.

As implementation of the supplier diversity action plan matures, these early successes form a strong foundation for steady increases in both the inclusion and participation of diverse suppliers in AMAC's future contracting opportunities.

AMAC Legal Payments				
	Total	% of total	Minority- or women-owned business	% of total
Discretionary legal	\$2,705,557	49.3%	\$142,275	5.3%
Discretionary non-legal	\$2,780,592	50.7%	\$296,062	10.6%
Total	\$5,486,149	100.0%	\$438,336	8.0%

Figure 17 – Asset Management and Assistance Center Legal Payments

Source: NCUA

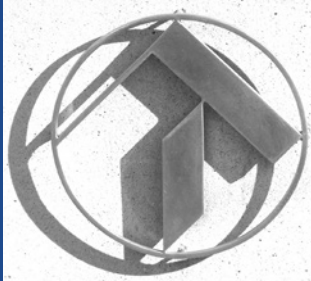
## Opportunities and Next Steps

The 2016 AMAC Supplier Diversity Action plan has yielded positive results during its first year of full implementation. From 2015 to 2016, AMAC increased total dollars awarded to minority- and women-owned businesses by 38 percent. This increase is even more significant when considering total payments to all vendors decreased by 27 percent from \$7.6 million in 2015 to \$5.5 million in 2016.

During 2016, AMAC started new relationships with qualified minority- and women-owned law firms that yielded increases in contract dollars going to these diverse firms. As stated earlier, with payments for outside legal services accounting for nearly half of AMAC’s discretionary contract spending, the agency has an opportunity for further supplier diversity improvements in years to come.

On the non-legal vendor side, AMAC and OMWI maintain active communication for market research support. This support has proven helpful in identifying strong, competitive, diverse vendors that are awarded contracts as being the best value to the government. NCUA expects this positive trend of communication and collaboration to continue to yield positive results.

Beyond the notable improvements, AMAC continues to implement the supplier diversity strategies outlined in its 2016 action plan. OMWI will continue to provide AMAC with quarterly feedback in the form of supplier diversity statistics and analysis to support winning strategies and redirect efforts for further success.



# REGULATED ENTITIES

## CURRENT STATE

As the regulator responsible for the safety and soundness of the credit union system, NCUA is committed to modeling and communicating to its regulated entities the value of diversity and inclusion to credit union sustainability and growth.

NCUA’s regulated entities consist of 5,785 federally insured credit unions as of December 31, 2016. These entities include 3,608 federally chartered credit unions and 2,177 state-chartered credit unions that are federally insured. Using December 31, 2016 Call Report data, Figure 18 shows the number of credit unions falling within various total employment levels.

Number of Credit Unions by Total Employment Levels

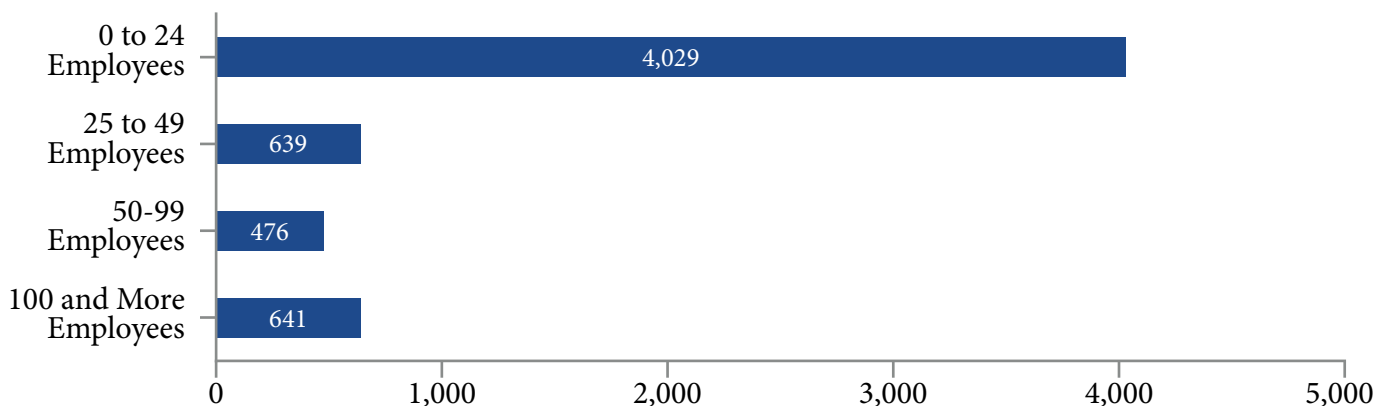


Figure 18 – Credit Union Employees  
 Source: NCUA 12/31/2016 Call Report Data

A total of 4,668 credit unions, representing 81 percent of all federally insured credit unions have 49 or fewer total employees, while 641 credit unions, or 11 percent, have 100 or more total employees. Although only 11 percent of all federally insured credit unions have 100 or more employees, 71 percent of the 291,041 employees working at all federally insured credit unions are employed in these larger credit unions, as illustrated in Figure 19.

## Aggregate Credit Union Employees



Figure 19 – Aggregate Credit Union Employees  
 Source: NCUA 12/31/2016 Call Report Data

## ASSESSING DIVERSITY POLICIES AND PRACTICES

### Employer Information Reports

NCUA uses the Employer Information Report data submitted to the EEOC to assess the diversity of employees in the credit union system.

The EEOC requires certain employers to submit an Employer Information Report containing employee data by job category and by ethnicity, race, and gender to the EEOC and the Department of Labor’s Office of Federal Contract Compliance Programs by September 30 of each year. Typically, Employer Information Reports must be prepared and submitted by:

- Employers that have 100 or more employees, or
- Employers that have 50 or more employees and:
  - Have federal government contracts of \$50,000 or more, or
  - Serve as a depository of government funds of any amount (public unit accounts), or
  - Serve as an issuing or paying agent of U. S. Savings Bond or Notes.

EEOC reviews and analyzes the data prior to releasing it to the public. At the time of this report, the EEOC had not yet released the September 30, 2016 data. EEOC’s website contains the Employer Information Report data reported by credit unions for 2015.

Figure 20 illustrates the workforce demographics of credit unions that submitted Employer Information Reports to the EEOC as of September 30, 2015. Figure 21 shows the demographic composition of the national CLF.

A comparison of the two pie charts reveals:

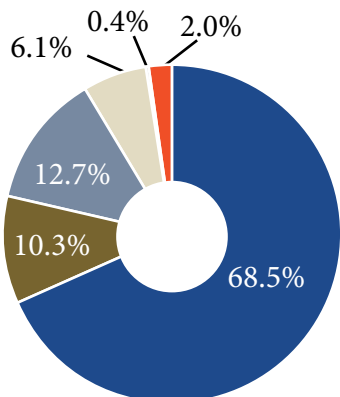
- White employees make up 68.5 percent of credit union employees versus 72.4 percent of the CLF.
- Hispanics comprise 12.7 percent of credit union employees compared to 10 percent of the CLF.
- African Americans comprise 10.3 percent of credit union employees compared to 12 percent of the CLF.
- Asians—combined with Hawaiians and Other Pacific Islanders—comprise 6.1 percent of credit union employees compared to 4.0 percent nationally.
- Native Americans comprise 0.4 percent of credit union employees compared to 1.1 percent nationally.
- Multiracial employees comprise 2 percent of employees compared to 0.5 percent nationally.

Women make up the majority of the workforce at credit unions reporting to the EEOC, comprising 68 percent of credit union employees, compared to 48.2 percent of the national CLF.

Figures 22 and 23 show the executive, senior official, and management representation in credit unions that

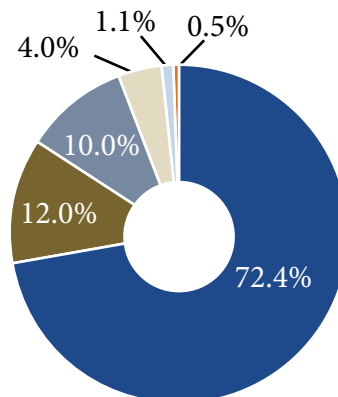


2015 Employer Information Reports  
Total Credit Union Employees



- White
- African American
- Hispanic
- Asian
- Native American
- Multi-racial

2010 Civilian Labor Force



Note: Asian includes Native Hawaiian or Other Pacific Islander

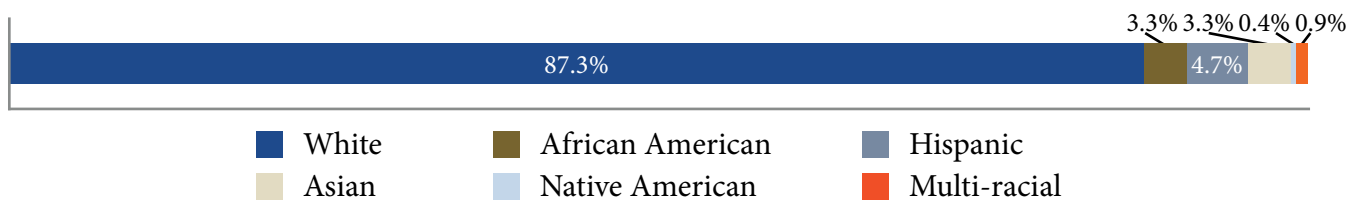
Figure 20 – Credit Union Employees by Race/Ethnicity  
Source: EEOC

Figure 21 – Labor Force by Race/Ethnicity  
Source: EEOC

submitted Employee Information Reports to EEOC for 2015. These reports show that while minority and female representation, overall, exceeds the CLF benchmark, diversity declined at senior levels.

Another window into the gender diversity of senior officials at credit unions is through NCUA’s Call Report data. Figure 24 shows that overall, the majority of managers and chief executive officers at credit unions are female. That overall number is bolstered by credit unions with assets of less than \$100 million, which account for 73 percent of credit unions. Larger credit unions, those mostly required to report to the EEOC regarding their employees, are primarily run by men.

Executive/Senior Officials and Managers (Race/Ethnicity)



- White
- African American
- Hispanic
- Asian
- Native American
- Multi-racial

Note: Asian includes Native Hawaiian or Other Pacific Islander

Figure 22 – Executives and Managers by Race/Ethnicity  
Source: EEOC

Executive/Senior Officials and Managers (Gender)



- Men
- Women

Figure 23 – Executives and Managers by Gender  
Source: EEOC

Credit Union Leaders										
	All Credit Unions		Under \$100 million in Assets		\$100 – \$500 million in Assets		\$500 million – \$1 billion in Assets		Over \$1 billion in Assets	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Representation (in percent)	52%	48%	63%	37%	27%	73%	14%	86%	14%	86%
Average Net Worth Ratio	13.9	12.4	14.2	13.5	11.3	10.8	11.0	11.0	11.4	10.7
Average CAMEL Rating	2.1	2.1	2.2	2.2	1.9	1.9	1.7	1.7	1.3	1.6

Figure 24 – Credit Union Leaders by Gender and Asset Size  
 Source: NCUA 12/31/2016 Call Report Data

### Business Case for Credit Union Diversity

#### Growth



Diversity creates opportunities for growth in untapped markets

#### Innovation



Diversity gives credit unions the ability to create more innovative solutions and services that meet the diverse needs of members

#### Talent



Diversity allows credit unions to attract employees and volunteers from a broader pool of talent

## EDUCATION AND OUTREACH

### Diversity: A Good Investment for Credit Unions

In 2016, NCUA crafted a value proposition promoted through NCUA’s website and monthly newsletter to credit unions. It was picked up by trade magazines that published articles about the business case, such as one from Credit Union Times called, “[Diversity: Credit Union Strength or Weakness?](#)” OMWI continued to develop additional resources to help credit unions understand how diversity and inclusion bring value to their institutions. These educational resource tools can be found on NCUA’s credit union diversity [webpage](#).

### Voluntary Credit Union Diversity Self-Assessment

In combination with educating credit unions on the business case for diversity, NCUA launched an outreach initiative to assist credit unions in implementing the diversity standards set forth in the

[Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies.](#)

In October 2016, NCUA launched a Voluntary Credit Union Diversity Self-Assessment checklist. NCUA encouraged credit unions to conduct the self-assessment and provided numerous supporting resources. All of the resources were conveniently housed on a [web page](#) created for these tools.

Feedback from credit union chief executive officers indicates the materials were helpful in understanding the significance of diversity and inclusion within their operations. The materials were also beneficial in persuading senior management, including boards of directors, to create diversity and inclusion policies and practices.

A total of 35 credit unions submitted a self-assessment of their diversity on policies and practices. The agency’s goal for receiving self-assessments was five percent of total credit unions with 100 or more employees, which would equal 32 credit unions as of December 31, 2016. While the focus was on credit unions with 100 or more employees, the diversity self-assessment checklist was open to all credit unions.

The 35 credit unions that submitted diversity self-assessment checklists varied in the number of employees and asset sizes. More than one-half of the credit unions had 100 or more employees. The aggregate number of employees working at these credit unions represents two percent of those at all federally insured credit unions. Additionally, 26 of the 35 credit unions, or 74 percent, were credit unions with more than \$100 million in assets. Data on these credit unions, shown in Figure 25, is based on December 31, 2016 Call Report data.

**Credit Union Diversity Resources**

- [Credit Union Diversity Self-Assessment Checklist](#)
- [Sample of the Credit Union Diversity Self-Assessment Checklist](#)
- [Credit Union Diversity Self-Assessment Facts Sheet](#)
- [NCUA Diversity Checklist Video](#)
- [Diversity and Inclusion Policies and Practices in Credit Unions Frequently Asked Questions](#)
- [NCUA Letter to Credit Unions No. 16-CU-05 - Voluntary Diversity and Inclusion Policy and Practices Checklist](#)
- [Business Case for Credit Union Diversity](#)
- [Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies](#)

Size of Self-Assessment Participant Credit Unions			
Total Employees	Credit Unions	Asset Range	Aggregate Employees
0-49 Employees	12	\$2.8 million – \$225 million	232
50-99 Employees	4	\$177 million – \$475 million	313
100 or more Employees	19	\$276 million – \$8.8 billion	5,453
<b>Totals</b>	<b>35</b>		<b>5,998</b>

Figure 25 – Size of Self-Assessment Participant Credit Unions  
Source: NCUA

Figure 26 is a summary of self-assessment responses for each of the five standards for assessing diversity within regulated entities.

Diversity Self-Assessment Checklist Standard	Average Affirmative	Average Negative
1. Leadership/Organizational Commitment to Diversity and Inclusion	54%	46%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals	53%	47%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	93%
4. Promotion of Transparency of Diversity and Inclusion Practices	22%	78%
5. Monitoring and Assessment of Diversity Policy and Practices	22%	78%

Figure 26 – Summary of Self-Assessment Results by Average

Source: NCUA

Within each of the five standard-related categories were several questions that identified specific elements credit unions had or did not have. For example, the first seven questions focus on Standard 1, which is related to the entity’s leadership and organizational commitment to diversity and inclusion. The questions reveal whether the credit union implements best practices such as having a written diversity policy, providing annual training on diversity and equal opportunity, and addressing diversity and inclusion in the strategic plan.

More than half of respondents reported they have a leadership and organizational commitment to diversity and take steps to implement employment practices to demonstrate that commitment. Areas where few of the reporting credit unions have policies and procedures include supplier diversity, transparency of diversity and inclusion practices, and monitoring and assessment of diversity policies and practices. More detailed summary information regarding responses to questions in each category can be found in Appendix III.

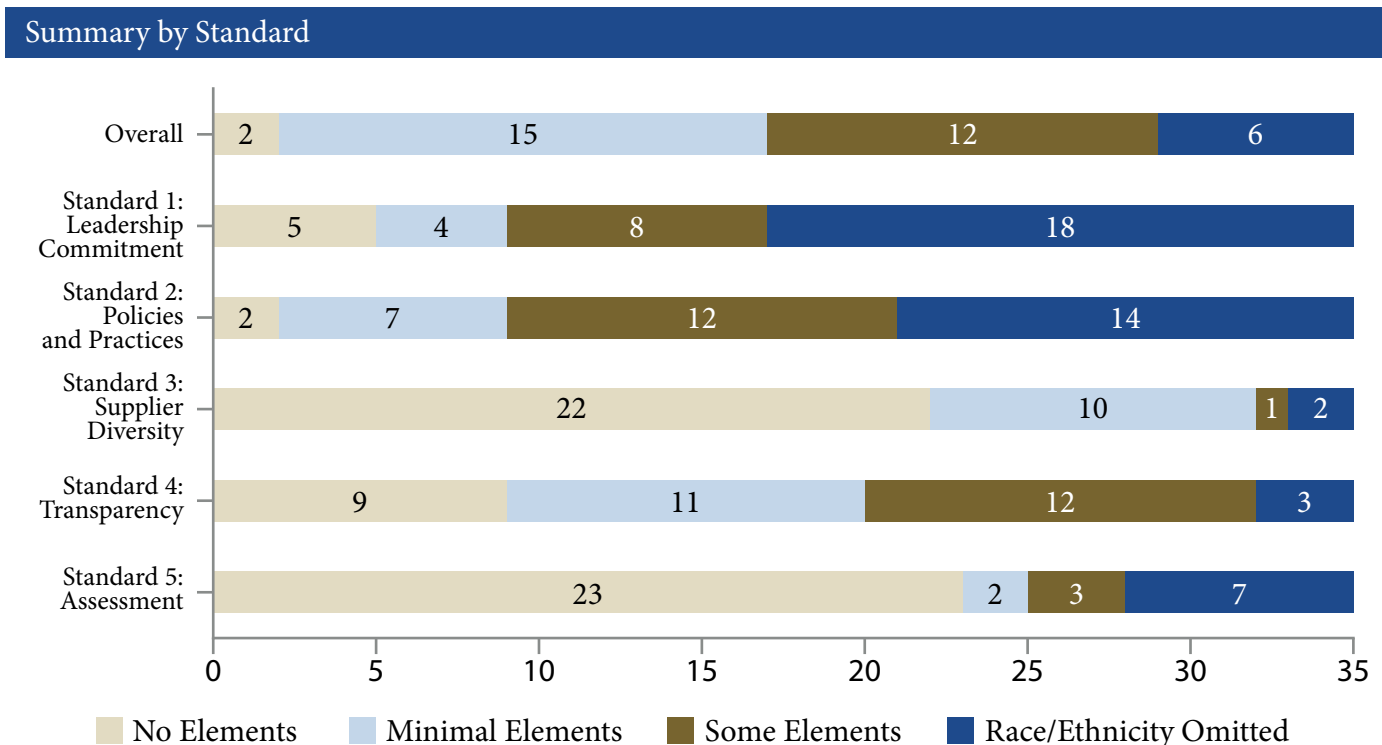


Figure 27 – Summary of Self-Assessment Results in Aggregate

Source: NCUA



# APPENDICES

## APPENDIX I: NCUA WORKFORCE DIVERSITY DATA 2011–2016

NCUA Workforce												
Demographic Group	2016		2015		2014		2013		2012		2011	
Men	667	55.7%	688	56.4%	689	55.8%	708	56.3%	658	55.2%	656	54.8%
Women	530	44.3%	532	43.6%	546	44.2%	550	43.7%	533	44.8%	540	45.2%
White	869	72.6%	892	73.1%	910	73.7%	921	73.2%	873	73.3%	895	74.8%
African American	180	15.0%	180	14.8%	181	14.7%	188	14.9%	178	14.9%	169	14.1%
Asian*	76	6.3%	74	6.1%	73	5.9%	75	6.0%	72	6.0%	63	5.3%
Hispanic	54	4.5%	55	4.5%	53	4.3%	55	4.4%	50	4.2%	50	4.2%
Native American	10	0.8%	12	1.0%	10	0.8%	10	0.8%	9	0.8%	11	0.9%
Multiracial	8	0.7%	7	0.6%	8	0.6%	9	0.7%	9	0.8%	8	0.7%
Total Minorities	328	27.4%	328	26.9%	325	26.3%	337	26.8%	318	26.7%	301	25.2%
<b>Total**</b>	<b>1197</b>		<b>1220</b>		<b>1235</b>		<b>1258</b>		<b>1191</b>		<b>1196</b>	

\*Asian includes Native Hawaiian or Other Pacific Islander

\*\* Reflects employees onboard as of December 31. This number differs from full-time equivalent employees, which includes employees who worked during the year and departed before year-end and is based on cumulative hours worked by NCUA staff during the calendar year according to payroll reporting timelines.

## APPENDIX II: NCUA SUPPLIER DIVERSITY DATA 2012–2016

### Contracting Awards, Five-Year Trend

NCUA Contract Awards										
	2016		2015		2014		2013		2012	
Total Awards	\$42,855,530		\$32,482,888		\$42,721,907		\$37,567,586		\$29,943,774	
Minority- or women-owned business totals	\$13,867,702	32.4%	\$7,304,815	22.5%	\$12,440,953	29.1%	\$8,252,592	22.0%	\$3,484,516	11.6%
Minority-owned	\$3,452,466	8.1%	\$2,416,391	7.4%	\$691,871	1.6%	\$348,735	0.9%	\$627,734	2.1%
Women-owned	\$9,118,238	21.3%	\$4,771,944	14.7%	\$11,336,972	26.5%	\$7,132,605	19.0%	\$2,680,296	9.0%
Both minority- and women-owned	\$1,296,998	3.0%	\$116,480	0.4%	\$412,110	1.0%	\$771,252	2.1%	\$176,486	0.6%
Asian	\$4,384,830	10.2%	\$2,259,626	7.0%	\$475,164	1.1%	\$210,802	0.6%	\$332,062	1.1%
African American	\$206,043	0.5%	\$102,395	0.3%	\$414,885	1.0%	\$691,793	1.8%	\$189,740	0.6%
Hispanic	\$158,592	0.4%	\$170,850	0.5%	\$213,932	0.5%	\$201,073	0.5%	\$282,418	0.9%
Native American		0.0%		0.0%		0.0%	\$16,320	0.0%		0.0%
Other minority		0.0%		0.0%		0.0%		0.0%		0.0%

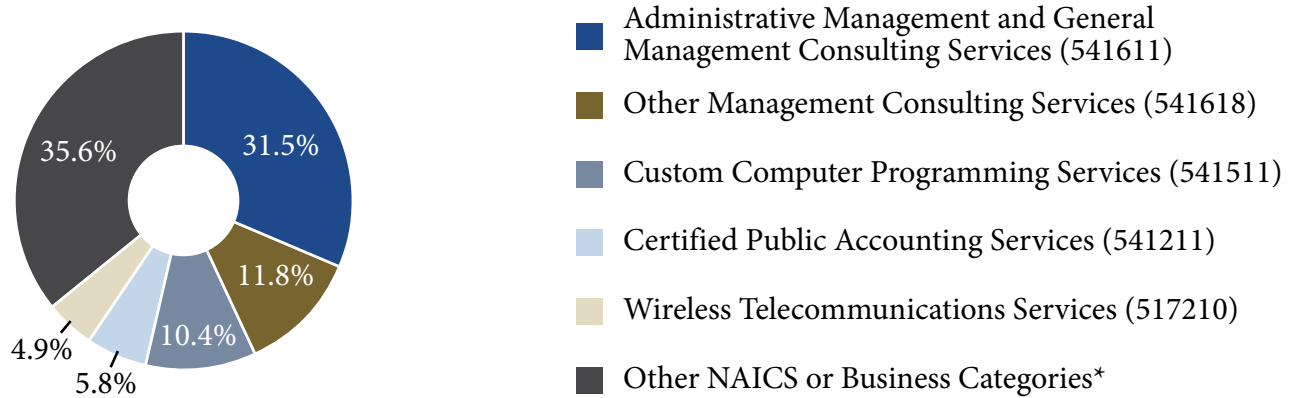
Note: Minority-owned breakdown by race/ethnicity also includes those who are both minority owned and women-owned.

### Procurement Spend (Amounts Paid), Five-Year Trend

NCUA Vendor Payments										
	2016		2015		2014		2013		2012	
Total Paid	\$41,633,369		\$35,964,264		\$31,110,291		\$30,510,356		\$30,686,614	
Minority-owned	\$1,636,740	3.9%	\$2,136,645	5.9%	\$619,462	2.0%	\$610,953	2.0%	\$495,029	1.6%
Women-owned	\$9,976,393	24.0%	\$6,764,751	18.8%	\$6,913,192	22.2%	\$4,925,100	16.1%	\$4,307,943	14.0%
Both minority-owned and women-owned	\$1,222,667	2.9%	\$254,670	0.7%	\$105,092	0.3%	\$747,219	2.4%	\$285,255	0.9%
Minority-owned or women-owned business totals	\$12,835,800	30.8%	\$9,156,066	25.5%	\$7,637,746	24.6%	\$6,283,272	20.6%	\$5,088,227	16.6%

## Top 75 percent of NCUA Contract Award Dollars by North American Industry Classification System Codes

North American Industry Classification System Codes for Top 75% of Contract Award Dollars



\* Other North American Industry Classification System Codes or Business Categories are:

- Other Accounting Services, 541219 (4.9%)
- Computer Systems Design Services, 541512 (4.3%)
- Nonresidential Property Managers, 531312 (4.0%)
- Portfolio Management, 523920 (3.0%)
- Other Computer Related Services, 541519 (3.0%)
- Employment Placement Agencies, 561311 (2.5%)
- Computer and Computer Peripheral Equipment and Software Merchant Wholesalers, 423430 (2.3%)
- All Other Telecommunications, 517919 (2.2%)
- Security Guards and Patrol Services, 561612 (1.9%)
- Data Processing, Hosting, and Related Services, 518210 (1.4%)
- All Other Information Services, 519190 (1.3%)
- Motion Picture and Video Production, 512110 (1.2%)
- Other Building Equipment Contractors, 238290 (1.1%)
- Other Electronic Parts and Equipment Merchant Wholesalers, 423690 (1.0%)
- Facilities Support Services, 561210 (0.8%)
- Professional and Management Development Training, 611430 (0.8%)



## APPENDIX III: VOLUNTARY CREDIT UNION DIVERSITY SELF-ASSESSMENT RESULTS

### Standard 1: Does My Credit Union’s Leadership Make an Organizational Commitment to Diversity and Inclusion?

Does my credit union:	Yes	No
1. Have a written diversity and inclusion policy approved by senior leadership, which includes the board of directors and senior management?	57%	43%
2. Have a senior level official to oversee our diversity and inclusion strategies and initiatives with knowledge of and experience in diversity and inclusion policies and practices?	71%	29%
3. Conduct training and provide educational opportunity on equal employment opportunities and diversity at least annually?	54%	46%
4. Take proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for:		
a. hiring, recruiting, retention, or promotion of your employees?	74%	26%
b. selection of board member candidates and senior management?	66%	34%
5. Include diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, or promotion of our workforce?	60%	40%
6. Include diversity and inclusion considerations in our strategic plan in contracting with vendors?	23%	77%
7. Provide periodic (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management?	23%	77%

## Standard 2: Does My Credit Union Proactively Implement Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals?

Does my credit union:	Yes	No
1. Implement policies and practices to ensure equal employment opportunities for employees and applicants for employment?	94%	6%
2. Implement policies and practices that create or foster diverse applicant pools for employment opportunities? These may include:		
a. Outreach to minority, women or other diverse individuals? <sup>1</sup>	60%	40%
b. Outreach to educational institutions serving significant or predominately minority, women, or other diverse student populations?	43%	57%
c. Participation in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities?	49%	51%
3. Communicate employment opportunities through media reaching diverse populations, including publications or professional organizations and educational institutions predominantly serving minority, women or other diverse populations?	40%	60%
4. Cultivate relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations?	40%	60%
5. Evaluate our diversity and inclusion programs regularly, and identify areas for future improvement?	57%	43%
6. Use analytical tools, including quantitative and qualitative data, to assess, measure, and track: <sup>2,3,4</sup>		
a. Our workforce diversity at all levels, including supervisory and executive ranks, by race, ethnicity, gender or other diverse categories?	51%	49%
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse categories?	46%	54%
7. Hold management accountable for diversity and inclusion efforts, such as ensuring these efforts align with business strategies or individual performance plans?	46%	54%

<sup>1</sup> “Other diverse individuals or organizations” refer to those identified in your own established diversity and inclusion policies, which could encompass disabled persons, veterans, millennials, or lesbian/gay/bisexual/transgender individuals as examples.

<sup>2</sup> Quantitative Data refers to “Quantity” and deals with numbers. Quantitative data can be measured. Qualitative Data refers to “Quality” and deals with descriptions. Qualitative data can be observed but not necessarily measured.

<sup>3</sup> An example of a quantitative analytical tool is the Employer Information Report EEO-1 (EEO-1 Report) that tracks and analyzes employment statistics by gender, race, ethnicity, and occupational groups. An EEO-1 Report is required to be filed annually with the EEOC by (a) private employers with 100 or more employees and (b) federal contractors and first tier subcontractors with 50 or more employees that have a contract or subcontract of \$50,000 or more; or that serve as a depository of government funds in any amount.

<sup>4</sup> Other examples of analytical tools can be found in [NCUA’s 2014 Office of Minority and Women Inclusion \(OMWI\) Congressional Report](#).

### Standard 3: Does My Credit Union Consider Supplier Diversity As Part of Its Procurement and Business Practices?

Does my credit union:	Yes	No
1. Have a written supplier diversity policy that provides opportunities for minority- and women-owned businesses to bid to deliver business goods and services to us?	17%	83%
2. Have leadership support to incorporate supplier diversity into business planning cycles or initiatives?	26%	74%
3. Encourage by policy that some percentage (for example, 33 percent) of our outside contracts solicit bids from qualified minority- and women-owned businesses?	3%	97%
4. Reach out specifically to inform minority- and women-owned businesses or affinity groups representing these constituencies of contracting opportunities and how to do business with us?	3%	97%
5. Use metrics to identify the baseline of and track:		
a. the amount we spend procuring and contracting for goods and services?	26%	74%
b. the availability of relevant minority- and women-owned businesses?	0%	100%
c. the amount we spend with minority- and women-owned businesses?	3%	97%
d. the percentage of contract dollars awarded to minority- and women-owned businesses by races, ethnicity, and gender as compared to total contract dollars awarded for calendar year?	3%	97%
e. the changes related to the above items over time?	0%	100%
6. Implement practices that promote a diverse supplier pool, which may include:		
a. Participation in conferences, workshops, and other events that attract minority- and women-owned businesses to inform them of our contracting opportunities?	6%	94%
b. Maintain a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities?	0%	100%
c. Have an ongoing process to publicize our contracting opportunities?	6%	94%
d. Encourage prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts?	3%	97%

### Standard 4: Does My Credit Union Promote Transparency of its Diversity and Inclusion Practices?

Does my credit union:	Yes	No
1. Periodically compile information about our efforts to enhance diversity and inclusion suitable for publication, which may include:		
a. Demographic information on workforce composition (such as that found on an annual EEOC report)?	57%	43%
b. Demographic information on supplier diversity (contracting activities)?	3%	97%
c. Demographic information on the board members and other officials?	37%	63%
d. Information on sponsorships or partnerships with diverse organizations?	20%	80%
e. Other information on our diversity and inclusion efforts?	26%	74%
2. Make the following information public:		
a. Our diversity and inclusion strategic plan?	9%	91%
b. Our policy on the credit union’s commitment to diversity and inclusion in the workforce?	34%	66%
c. Our policy on the credit union’s commitment to diversity and inclusion to supplier diversity?	6%	94%
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities?	9%	91%
3. Publicize opportunities that promote diversity and inclusion, which may include:		
a. employment and internship opportunities?	51%	49%
b. contracting opportunities?	3%	97%
c. mentorship or developmental programs for employees?	26%	74%
d. developmental programs for potential contractors?	0%	100%

### Standard 5: Does My Credit Union Continually Monitor and Assess its Diversity Policies and Practices?

Does my credit union:	Yes	No
1. Use the Diversity Standards identified above to conduct self-assessments of our diversity policies and practices annually?	31%	69%
2. Modify our diversity policies and practices based on the results of the self-assessment or evaluation of our diversity policies and practices?	29%	71%
3. Provide information pertaining to the self-assessment or evaluation of our diversity policies and practices to NCUA’s OMWI Director annually?	20%	80%
4. Publish information pertaining to our efforts with respect to the above diversity standards?	9%	91%





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