FINANCIAL INSTITUTION

DIVERSITY

SELF-ASSESSMENT 2021 RESULTS

OFFICE OF MINORITY AND WOMEN INCLUSION

FDIC

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Executive Summary

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) required federal financial regulatory agencies to establish an Office of Minority and Women Inclusion (OMWI), and instructed the OMWI director at each agency to develop standards for assessing the diversity policies and practices of the institutions they regulate. The Standards are intended to promote transparency and awareness of diversity policies and practices within the financial industry.

The FDIC's Financial Institution Diversity Self-Assessment (FID-SA) supports supervised financial institutions in the

POLICY STATEMENT

"The Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies" (Policy Statement) became effective on June 10, 2015.

establishment and development of their diversity programs.[1] The assessment provides financial institutions with a framework to gauge their current diversity program status and progress. A robust Diversity, Equity, Inclusion, and Accessibility (DEIA) framework can enable these institutions to forge stronger ties with their clients, better serve their communities, and pinpoint emerging markets. An array of studies consistently affirm that increased diversity can spur innovation and productivity within the workforce, enable better comprehension and service of diverse customer bases, and enhance overall business performance.

The diversity self-assessment tool aids financial institutions in collecting reliable data that can inform management decisions regarding DEIA goals, strategies, and long-term performance tracking. This report offers a concise presentation of the primary outcomes from the 2021 FID-SA and can shed light on strengths and potential areas for growth.

172 # of FDIC-supervised financial institutions participating in the 2021 FID-SA

16% increase in participation from the prior year

[1] All FDIC-supervised financial institutions may voluntarily participate in the FID-SA. The FID-SA is collected by the FDIC's OMWI; participation is not an examination requirement; results are not shared with examiners and have no impact on an institution's safety and soundness or consumer compliance ratings, or Community Reinvestment Act performance evaluation.

5-Standard Framework

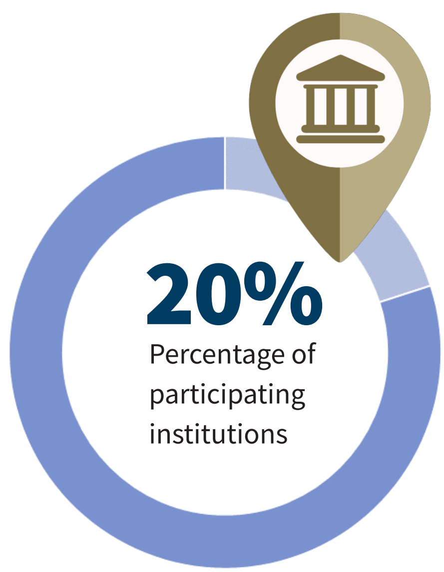
Our evaluation of the diversity policies and practices of supervised institutions leverages a five-standard framework.

1. **Organizational Commitment to Diversity and Inclusion**
2. **Workforce Profile and Employment Practices**
3. **Procurement and Business Practices - Supplier Diversity**
4. **Promoting Transparency of Organizational Diversity and Inclusion**
5. **Financial Institutions' Self-Assessment**

In 2021, 172 FDIC-supervised financial institutions voluntarily participated in the FID-SA, representing a 16 percent increase from the prior reporting period. This upward trend underscores the importance of DEIA efforts among financial institutions. In addition, it enhances our ability to gather more information about the status of DEIA progress, and it equips the FDIC to tailor technical assistance more effectively. The participating financial institutions accounted for 27 percent of the total workforce (366,204) of FDIC-supervised financial institutions and 31 percent of the total assets ($3.7 trillion) managed by FDIC-supervised financial institutions with 100 or more employees.

2021 Diversity Self-Assessment Results

The 2021 assessment results were consistent with those of prior reporting periods. Most participating financial institutions affirmed the organization's commitment to diversity and inclusion and adoption of workforce diversity and equal employment opportunities (EEO) practices.[2]



[2] For the 2021 reporting period, 172 FDIC-supervised financial institutions voluntarily participated in the FID-SA (representing 20 percent of invited institutions).

Key Results

Key assessment results include the following:

88%

In 2021, 88 percent of the participating financial institutions reported leadership and board commitment to diversity and inclusion.

84%

Slightly fewer financial institutions (84 percent) reported having practices that promote the fair inclusion of minorities and women in the workforce.

26%

As of 2021, 26 percent of FDIC-supervised financial institutions reported having a formal Supplier Diversity Program, a seven point percentage increase from 2020.

2%

Reported minority[3] representation for management and board membership increased by 2 percentage points.

Financial institutions' assessment narrative comments indicate that institutions are at various stages of DEIA maturity. Most financial institutions' DEIA efforts appear primarily focused on compliance with applicable laws.[4] Other financial institutions demonstrated the importance of DEIA as a strategic business imperative through allocating resources, incorporating diversity into corporate goals, or establishing diversity councils and employee resource groups.

FDIC-supervised financial institutions play a key role in helping to make the banking system safer, fairer, and more inclusive. These institutions provide jobs, deposit account services, and access to credit for consumers and small businesses. Through participation in the FID-SA, financial institutions gauge the status of their diversity program and further understand workforce and contracting strategies to bolster relationships with employees, customers, and communities.

The results we present in this report are based on the 172 FDIC-supervised financial institutions that voluntarily conducted a FID-SA and shared their results with the agency.

[3]As defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note), the term "minority" means any Black American, Native American, Hispanic American, or Asian American.

[4]Laws that may apply to a financial institution include Title VII of the Civil Rights Act of 1964, as amended; Americans with Disabilities Act, as amended; Rehabilitation Act; Age Discrimination in Employment Act; Equal Pay Act; Lilly Ledbetter Act; Genetic Information Nondiscrimination Act; Pregnancy Discrimination Act; and Pregnant Workers Fairness Act.

FID-SA and Actionable Data

By participating in the FID-SA, financial institutions obtain actionable data that can allow them to[5]:

- **Build an Inclusive Work Culture**
- **Demonstrate Commitment to Workforce Diversity and EEO**
- **Establish a Supplier Diversity Policy**
- **Publish Information on DEIA Progress**
- **Assess Performance for Continuous Improvement**

[5] The bullets reference the five-standard framework in the Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies.

Results
By Standard

A summary of the assessment results between 2017 and 2021 is presented in **Figure 1** below.

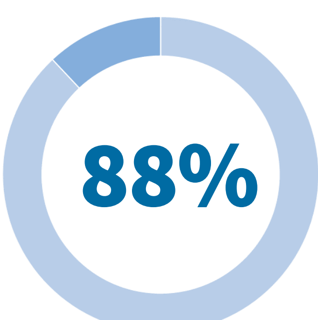
FIGURE 1: SUMMARY OF FID-SA RESULTS BY STANDARD (2017-2021)

	STANDARD:	2017	2018	2019	2020	2021
1	Organizational Commitment to Diversity and Inclusion	87%	88%	84%	89%	88%
2	Workforce Profile and Employment Practices	83%	85%	81%	85%	84%
3	Procurement and Business Practices - Supplier Diversity	19%	18%	21%	19%	26%
4	Promoting Transparency of Organizational Diversity and Inclusion	53%	54%	55%	53%	54%
5	Financial Institutions' Self-Assessment	68%	68%	65%	67%	65%

Standard: 1

Organizational Commitment to Diversity and Inclusion

The assessment results show participating financial institutions' strong commitment to DEIA. On average, 88 percent of participating financial institutions answered "Yes" to the questions under the Organizational Commitment Standard.



"Yes" Responses

Key Results

97%

Of participating financial institutions, 97 percent stated that they consider DEIA in strategic planning and take proactive steps to promote a diverse candidate pool, including in the selection of senior leaders and board members.

Compliance

Based on comments, most respondents focused on compliance with EEO requirements.

Business Strategy

A few financial institutions demonstrated actions that indicate the adoption of a DEIA business case or viewing of DEIA as a strategic business imperative.

Organizations can benefit from diverse perspectives and ideas. DEIA-focused organizations recognize that having diversity without inclusion strategies produces limited benefits. When employees feel that they are welcomed, heard and see growth opportunities, they are more likely to contribute to an organization's success. This Standard primarily focuses on creating a sustained organizational culture where all employees feel they can contribute their ideas and talents.

Senior leadership in collaboration with the board establish the overarching vision, mission, goals, and priorities that guide the day-to-day operations. Financial institutions may consider embedding DEIA into these foundational elements.

Organizational Maturity on DEIA

The narrative comments that participating institutions provided revealed additional insight into their DEIA programs and practices. The assessment comments indicate that institutions are at various stages of their DEIA journey.

Many financial institutions refer to compliance with applicable EEO laws when discussing the following FID-SA elements:

- **DEIA in strategic planning**
- **The existence of a DEIA policy**
- **Periodic reporting to leadership and the board**
- **Training**

Other financial institutions report having a separate DEIA strategic plan or incorporating DEIA strategies into the organization's overall strategic plan. Often, these financial institutions have a separate DEIA policy statement that articulates the importance of diversity and inclusion to the organization.

Some financial institutions appear to focus on DEIA strategies beyond compliance with EEO laws and regulations. For example, they provide training that goes beyond courses on diversity and unconscious bias. They have deeper conversations by sponsoring an annual DEIA symposium, women's conference or employee-led discussion on DEIA issues. In addition to having a Diversity Officer, they have a committee or council that oversees the implementation of the DEIA strategy. A few institutions noted partnerships with historically black colleges and universities and other Minority-Serving Institutions, through which they provide instruction to students and on-the-job training that may lead to full-time employment at graduation.

1 Organizational Commitment to Diversity and Inclusion

Self-Assessment Results

The following section presents the percentage of "Yes" responses of the participating FDIC-supervised financial institutions for each of the assessment questions under this Standard.

1.1

97%

The financial institution includes diversity and inclusion considerations in both employment and contracting as part of a strategic plan for recruiting, hiring, retention, and promotion.

1.2

80%

The financial institution has a diversity and inclusion policy approved and supported by senior leadership, including senior management and the board of directors.

1.3

81%

The financial institution provides regular progress reports to the board and senior management.

1.4

88%

The financial institution regularly conducts training and provides educational opportunities on EEO and diversity and inclusion.

1.5

87%

The financial institution has a senior official, preferably with knowledge of and experience in diversity and inclusion policies and practices, who oversees and directs the financial institution's diversity and inclusion efforts.

1.6

97%

The financial institution takes proactive steps to promote a diverse pool of candidates in its hiring, recruiting, retention, and promotion, as well as in its selection of board members, senior management, and other senior leadership positions.

Standard: 2

Workforce Profile and Employment Practices

The success of our supervised financial institutions depends in large part on their workforce. FDIC-supervised financial institutions are primarily state-chartered community banks that rely on building and maintaining customer relationships to conduct business. The U.S. population is becoming increasingly diverse and customer banking needs are evolving. Having a workforce that is more representative of the communities served can help financial institutions more effectively connect with diverse customers and businesses and bring different perspectives to develop products and services to meet the communities' needs.

The U.S. population is becoming increasingly diverse and customer banking needs are evolving.

Key Results

Key assessment results include the following:

Accountability

Of the participating financial institutions, 85 percent state that they hold management accountable for diversity and inclusion efforts.

Representation

Minority and female representation in management and on boards was higher than reported for the 2020 reporting period.[6]

Relationships

Financial institutions still indicate challenges in building long-term relationships with minority and women professional organizations and educational institutions.

[6]The FID-SA is voluntary, and the universe of respondents varies from year to year.

Management and Board Level Diversity

Participating financial institutions continued to report greater diversity in the workforce, but diversity remains low at the management and board levels. In 2021, those financial institutions reported 51 percent of managers and 80 percent of board members were male; 80 percent of managers and 90 percent of board members were non-minorities.

Figure 2: Minority and Female Representation and Figure 3: Trends in Management Representation summarize the minority and female representation in participating financial institutions' workforces, management, and boards between 2017 and 2021.

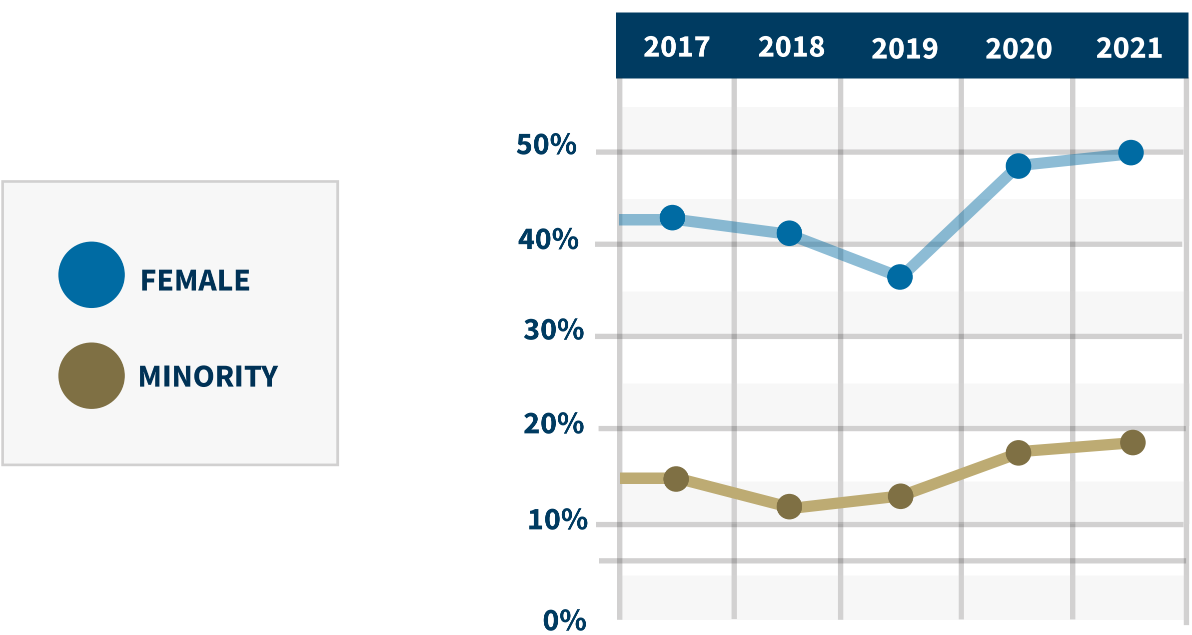
Workforce demographics showed a slight increase in minority and female representation in management between the 2020 and 2021 reporting periods, despite a significant decrease in the total workforce reported by financial institutions between the same reporting periods. Minority representation increased by two percentage points in management and at the board level. The increase in female representation was one percentage point in both management and at the board level.

Beyond the numbers, participating financial institutions shared information about organizations, colleges/universities, conferences, and other events serving significant minority and women populations they engaged with during 2021.

Figure 2: Minority and Female Representation (2017 – 2021)

		2017	2018	2019	2020	2021
REPRESENTATION IN THE **Workforce**	MINORITY	27%	18%	32%	42%	32%
	FEMALE	61%	68%	63%	64%	62%
REPRESENTATION IN THE **Management**	MINORITY	15%	11%	12%	17%	19%
	FEMALE	42%	41%	37%	49%	50%
REPRESENTATION AT THE **Board Level**	MINORITY	8%	8%	6%	8%	10%
	FEMALE	15%	14%	16%	19%	20%

Figure 3: Trends in Management Representation



Outreach to Minorities and Women

Building and maintaining a workforce representative of the communities served requires intentional outreach efforts. Although some communities have limited racial or ethnic diversity, all communities have women and persons with disabilities. Section 342 of the Dodd-Frank Act makes specific reference to minorities and women, but in developing the Policy Statement, the agencies acknowledged that diversity is much broader. Financial institutions are encouraged to consider diversity of thought, age, ability, or socio-economic status. What diversity means in a rural community can differ significantly from diversity in a metropolitan urban community. FDIC-supervised financial institutions can identify what diversity looks like within their branches' communities in order to conduct effective outreach.

FDIC-supervised financial institutions with the most robust outreach focused on building deep, long-term relationships. For example, one bank stated that employee resource group members serve as speakers, board members, mentors, and outreach coordinators in the communities where they live and serve customers. These types of interactions build long-term trusting relationships with organizations and communities.

DEIA Accountability

Accountability is one of the primary ways to ensure that DEIA progress is made on a sustained basis. Most financial institutions responded that they hold managers accountable for DEIA efforts. Our financial institutions have adopted various practices to establish accountability such as broadly communicating DEIA expectations to managers through the organization's core values, pledges, strategies, and training. Still others establish accountability by setting corporate scorecard metrics and goals. A few financial institutions reported including a DEIA goal or metric in managers' performance plans.

Efforts to Measure Workforce Diversity and Inclusion

Organizations with successful diversity and inclusion programs regularly evaluate their programs and identify areas to be improved. In 2021, 85 percent of the participating financial institutions reported they measure workforce and inclusion efforts. Some financial institutions reported having implemented applicant tracking systems and dashboards to report on workforce and inclusion efforts more effectively and efficiently. These tools maintain accessible DEIA data that is useful for supporting measures designed to tailor and enhance the financial institution's DEIA initiatives.

Most financial institutions said they use quantitative data maintained as required by applicable laws to assess workforce and inclusion efforts.

Useful Questions for Strategies

For these institutions to grow in their DEIA efforts, they can consider other data that may be useful in formulating new strategies. Some examples of the data they consider include:

- **What is the level of employee engagement?**
- **What is the satisfaction of new hires?**
- **Why are people leaving the organization, if applicable?**
- **What is the impact/feedback on diversity training, if any?**

A few financial institutions reported seeking employee feedback via exit interviews or employee engagement surveys to monitor workforce inclusion. Other financial institutions reported engaging a third-party firm to assess the workforce environment.

2 Workforce Profile and Employment Practices

Self-Assessment Results

The following section presents the percentage of "Yes" responses of the participating FDIC-supervised financial institutions for each of the assessment questions under this Standard.

2.1

96%

The financial institution implements policies and practices related to workforce diversity and inclusion in a manner that complies with all applicable laws.

2.2

99%

The financial institution ensures equal employment opportunities for all employees and applicants for employment and does not engage in unlawful employment discrimination based on gender, race, and ethnicity.

2.3

The financial institution has policies and practices that create diverse applicant pools for both internal and external opportunities that may include:

- (a) Outreach to minority and women organizations – **77 percent**.
- (b) Outreach to educational institutions serving significant minority and women student populations – **70 percent**.
- (c) Participation in conferences, workshops, and other events to attract minorities and women and inform them of employment and promotion opportunities – **72 percent**.

2.4

85%

The financial institution uses quantitative and qualitative measures to assess workforce diversity inclusion efforts.

2.5

85%

The financial institution holds management accountable for diversity and inclusion efforts.

Standard: 3

Procurement and Business Practices - Supplier Diversity

Key Results

26%

Of the participating financial institutions, 26 percent have adopted supplier diversity policies and practices. This is a seven percentage point increase over 2020.

250 Million

Most financial institutions with assets less than $250 million do not have a supplier diversity program.

10 Billion

Half of the financial institutions with an asset size over $10 billion acknowledge having formal supplier diversity policies and practices.

A lack of financial institution focus on supplier diversity continues to be a challenge. Compared to the prior reporting period, there was a slight increase in FDIC-supervised financial institutions that affirmed supplier diversity policies and practices. Across the seven assessment questions, there was a three to nine percentage point increase. The most significant increase was in financial institutions that indicated they have practices in place to promote a diverse supplier pool and methods to evaluate dollars and contracts awarded to diverse businesses.

One-third of the participating financial institutions reported that they have a formal supplier diversity policy and conducted outreach to promote a diverse supplier pool. Despite the notable improvement, the results here are still low compared with the other Standards in the assessment.

Some of the participating financial institutions indicated they are looking to adopt one or more of the Standard practices in the future. Alternatively, other financial institutions may not maintain a formal supplier diversity policy but internally encourage contracting with diverse businesses. Comments from some financial institutions indicated they tend to do business with local vendors that bank with them. A few financial institutions cited the lack of diverse vendors in the community as a reason why they have not established a supplier diversity program.

Supplier Diversity by Asset Size

Most financial institutions with over $10 billion in assets had programs to promote opportunities for contracting with minority-owned and women-owned businesses (MWOBs). For instance, a financial institution included diversity and inclusion considerations in its contracting by adding African American home appraisers to the bank's pre-approved appraisers listing. Other financial institutions reported adopting various tools and processes or establishing committees or offices to promote procurement opportunities within the financial institution. The percentage of institutions that affirmed the adoption of supplier diversity policies and practices decreased as asset size decreased.

Financial Institution Spend with Diverse Businesses

In 2021, 33 financial institutions reported $5.4 billion in total procurement spend. The financial institutions also reported that about $190 million of the $5.4 billion, or 3.5 percent, was spent with MWOBs. In general, contract dollars spent with diverse businesses increased from 2020, but the percent of total spend decreased slightly from 4.3 percent in 2020.

3 Procurement and Business Practices - Supplier Diversity

Self-Assessment Results

The following section presents the percentage of "Yes" responses of the participating FDIC-supervised financial institutions for each of the assessment questions under this standard.

3.1

35%

The financial institution has a supplier diversity policy that provides for a fair opportunity for MWOBs.

3.2

The financial institution has methods to evaluate its supplier diversity, which may include metrics and analytics related to:

- (a) Annual procurement spending – **27 percent**.
- (b) Percentage of contract dollars awarded to MWOBs by race, gender, and ethnicity – **22 percent**
- (c) Percentage of contracts with minority-owned and women-owned subcontractors **– 20 percent.**

3.3

The financial institution has practices to promote a diverse supplier pool, which may include:

- (a) Outreach to MWOB contractors and representative organizations **– 30 percent.**
- (b) Participating in conferences, workshops, and other events to attract MWOBs **– 24 percent.**
- (c) Publishing procurement opportunities (ongoing process) **– 18 percent.**

Standard: 4

Practices to Promote Transparency of Organizational Diversity and Inclusion

Financial institutions that are transparent about DEIA can build trust with their employees, customers, and, ultimately, with the communities they serve. An organization's commitment to share public information regarding diversity and inclusion values, its plans for achieving diversity and inclusion, and the metrics it uses to measure success in both the workplace and with suppliers demonstrates its dedication to being accountable for its efforts. Transparent diversity and inclusion efforts promote leadership and management responsibility for progress made to its employees, customers, and the communities served.

Internal Focus on DEIA

Comments provided in response to the FID-SA indicate financial institutions are primarily focused on internal versus external initiatives to build diversity programs. For example, a financial institution stated that *"diversity and inclusion are an important part of our strategic plan … policy and practices are to educate our management and staff on strategic initiatives and practice transparency internally."* In comments, financial institutions generally stated that they do not publish information about their diversity and inclusion programs externally.

Key Results

54%

On average, 54 percent of the responding financial institutions share DEIA progress with the public.

250 Million

Most of the participating financial institutions with over $250 million in assets publish some information on their DEIA program.

Internal Focus

Many participating financial institutions remain focused on internal DEIA and only share information internally.

Share Limited Data Externally

Most participating financial institutions with over $250 million in assets acknowledged making public their EEO or DEIA policy statement, current job opportunities, workforce demographic profiles, and summary program information. Fifty-seven percent of the participating financial institutions also shared information about mentorship and development programs with the public to help attract candidates for positions. Posting locations include a financial institution’s external websites, annual reports (e.g., Corporate Social Responsibility), and annual public disclosures, such as U.S. Securities and Exchange Commission filings. Several financial institutions commented they are engaged in internal discussions about what DEIA information to publish in the future.

4 Promoting Transparency of Organizational Diversity and Inclusion

Self-Assessment Results

The following section presents the percentage of “Yes” responses of the participating FDIC-supervised financial institutions for each of the assessment questions under this standard.

4.1

34%

The financial institution publicizes its diversity and inclusion strategic plan.

4.2

67%

The financial institution publicizes its policy on its commitment to diversity and inclusion.

4.3

56%

The financial institution is transparent about its progress toward achieving diversity and inclusion in its workforce and procurement activities.

4.4

The financial institution publicizes its opportunities to promote diversity, which may include:

- (a) Current employment and procurement opportunities **– 82 percent.**
- (b) Forecasts of potential employment and procurement opportunities **– 25 percent.**
- (c) The availability and use of mentorship and development programs for employees and contractors **– 57 percent.**

Standard: 5

Financial Institutions' Self-Assessment

This Standard encompasses use of the FID-SA itself. The FDIC developed the self-assessment tool to support our financial institutions' efforts to build and grow their DEIA programs. However, institutions may submit their own assessment form instead of completing the FDIC form. In 2021, eight financial institutions opted to submit their own form. By completing an annual assessment, leadership and management acquire data to help inform the financial institution's strategies and monitor performance. DEIA-focused organizations recognize the importance of monitoring performance for ongoing improvement.

Similar to the comments related to the Organizational Commitment Standard, most financial institutions refer to assessing compliance with applicable laws as their way of conducting an assessment. A few institutions mentioned hiring a third-party contractor to assess their DEIA policies and practices. Generally, the responses indicate many of our financial institutions are focused on DEIA from a compliance perspective.

These comments could be enhanced by including information or feedback on whether the financial institutions monitor data on the financial institution's culture or collect data on employee engagement. This step is important for leadership to fully assess the impact of DEIA strategies on the culture and how employees, especially women and minorities, feel about the financial institution's culture.

Key Results

Key assessment results include the following:

Most participating financial institutions assess DEIA performance but do not share the results externally.

Of participating financial institutions, 30 percent reported conducting self-assessments and publishing the results.

5 Financial Institutions' Self-Assessment

Self-Assessment Results

The following section presents the percentage of "Yes" responses of the participating FDIC-supervised financial institutions for each of the assessment questions under this standard.

5.1

82%

The financial institution conducts an assessment of its diversity policies and practices annually.

5.2

84%

The financial institution monitors and evaluates its performance under its diversity policies and practices on an ongoing basis.

5.3

30%

The financial institution publishes information pertaining to its assessment of its diversity policies and practices.

Expanding Diversity Self-Assessment Participation

To enhance the value of the report and our ability to offer effective technical assistance, the agency encourages all FDIC-supervised financial institutions to participate in the FID-SA.

During the last five years, a small percentage of institutions submitted an assessment for each of the reporting periods. If more institutions submit the assessment in consecutive years, it will support our ability to provide improved trend analysis that highlights where institutions are making meaningful DEIA progress. The Standards do not present a one-size-fits-all approach to DEIA. Financial institutions that are small or located in rural areas face different challenges and have different options from larger institutions and those in urban areas. All financial institutions are encouraged to use the Standards in a manner appropriate to their size, location, and structure.

Conclusion:

Diversity, Equity, Inclusion, and Accessibility Matter

Fostering Diversity, Equity, Inclusion, and Accessibility in financial institutions is an ongoing journey that requires commitment at all levels of an organization. This journey not only calls for compliance, but also asks for a proactive approach to DEIA strategies to create an inclusive culture. Institutions can benefit from adopting comprehensive plans that target systemic barriers and inequalities while emphasizing accountability.

Senior leadership and board commitment plays a pivotal role in promoting DEIA. Through identifying challenges, developing targeted strategies, and continuously monitoring performance, institutions can make significant strides towards greater inclusivity. An essential aspect of this process is ingraining inclusivity in the organization's culture. An institution may make efforts to not only attract but also retain diverse talent. The assessment of the employee lifecycle from recruitment to separation, and overall experiences can provide valuable insight into the institution's DEIA effectiveness.

The ever-growing demand for DEIA transparency from potential employees highlights the need for financial institutions to actively communicate their DEIA efforts. By integrating DEIA into all facets of their operations and expressing its value in external communications, institutions can better meet this demand.

Lastly, there is an unrealized value in contracting with MWOBs, promoting innovation and fostering economic inclusion. Adopting a supplier diversity policy can pave the way towards these benefits while supporting historically marginalized communities.

Ultimately, the importance of DEIA cannot be overstated. In our increasingly diverse society, financial institutions that embrace these values will be better equipped to thrive in the modern world.

Improving DEIA Performance

The following sections summarize suggestions for improving DEIA performance.

- Demonstrating senior leadership and board commitment is critical. DEIA does not happen organically. It requires intentional action as part of a holistic strategic approach to address DEIA challenges and gaps. Having good data is important. Consider data from all available sources, including feedback from employees on the current work environment. Key activities:
    - Identify the organization's DEIA challenges and gaps.
    - Develop strategies to address the challenges and gaps.
    - Monitor and track performance for measurable improvement.
- Build inclusion into the organization's culture. While financial institutions should focus on outreach to recruit diverse talent, equally important is the retention of diverse talent. Use employee surveys and other sources to:
    - Analyze employee turnover from a DEIA perspective (e.g., race, ethnicity, gender).
    - Build in management accountability for DEIA efforts and tie to performance metrics.
    - Monitor DEIA performance and employees' experience of the workplace culture.
- Expect calls for DEIA transparency to increase in the future. Studies show that Millennials and Generation Z focus more on what organizations are doing in the DEIA space. Financial institutions can look to share more information on DEIA programs, practices, and results on an ongoing basis as a normal course of business.
    - Integrate DEIA into all aspects of the business operations.
    - Articulate the value/importance of DEIA to the business in external communications.
- Maximize opportunities to contract with MWOBs. Establish a supplier diversity policy to guide efforts including the scope of diverse businesses the organization will target for contracting. Contracting with diverse businesses brings innovation, more competition, and supports economic inclusion for historically marginalized groups and communities.

Appendix: Financial Institution Profile

As of December 31, 2021, the FDIC was the primary regulator for 3,135 FDIC-supervised institutions. During 2021, approximately 774, or 25 percent, of FDIC-supervised financial institutions had 100 or more employees. They employed 81 percent of the more than 450,000 employees working at FDIC-supervised institutions.

Participating financial institutions represent 27 percent of the total employees and 31 percent of the total assets ($3.7 trillion) held by FDIC-supervised financial institutions with 100 or more employees. Most responding financial institutions, or 92 percent, had 100 or more total employees.

ANNUAL REPORT

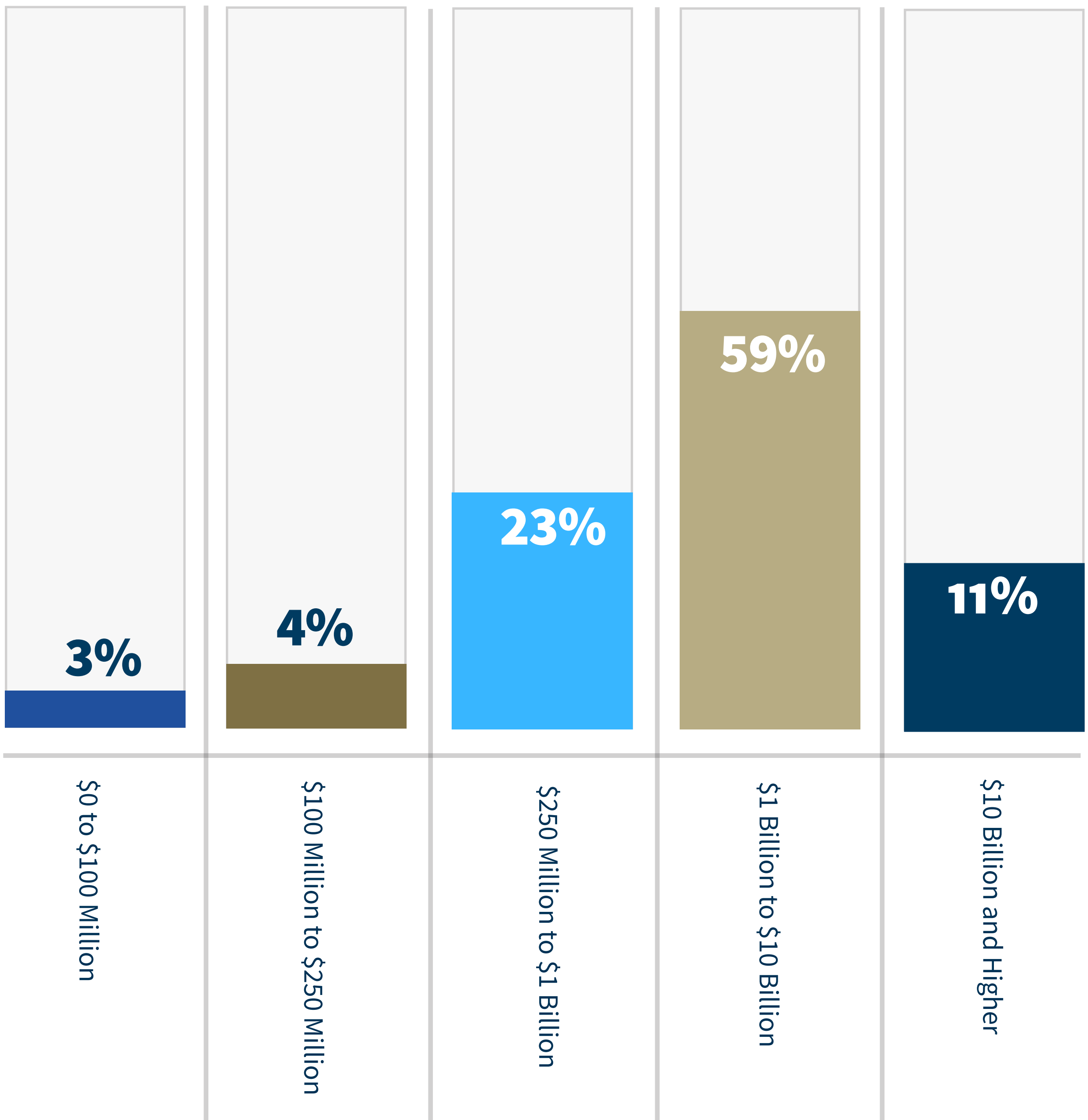
2021 FDIC Annual Report. https://www.fdic.gov/about/financial-reports/reports/2021annualreport/index.html

In 2021, 70 percent of the participating financial institutions had at least $1 billion in total assets under management and 11 percent had over $10 billion in assets under management.

FIGURE 4: EMPLOYEE COUNT AT PARTICIPATING FINANCIAL INSTITUTIONS

Number of Employees	Number of Entities	Percentage
<100	14	8%
100-299	102	59%
300-499	16	9%
500-699	8	5%
>700	32	19%
Grand Total	172	100%

FIGURE 5: ASSET SIZE OF PARTICIPATING FINANCIAL INSTITUTIONS



The voluntary participation of financial institutions in the diversity self-assessment is highest in the New York region followed by the Chicago, Kansas City, San Francisco, Dallas, and Atlanta regions.

FIGURE 6: FID-SA SUBMISSIONS BY REGION

	2020	2021
ATLANTA	18	20
CHICAGO	28	28
DALLAS	22	23
KANSAS CITY	16	24
NEW YORK	46	53
SAN FRANCISCO	18	24

Regions