
U.S. Securities and Exchange Commission

Office of Minority and Women Inclusion



Annual Report to Congress

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Disclaimer

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Contents

Introduction	1
Organizational Overview	2
U.S. Securities and Exchange Commission	2
The Office of Minority and Women Inclusion	2
Supplier Diversity	4
Supplier Diversity Initiatives	4
Supplier Diversity Performance Metrics	5
Next Steps	9
Workforce Diversity and Workplace Inclusion	10
Outreach and Recruitment	12
Diversity Training	15
Leadership Development Programs	15
Diversity and Inclusion Performance Standard	16
Monitoring and Analyzing Internal Demographics	16
Evaluating Performance	16
Current State of Diversity	18
Work Environment.....	27
Challenges and Next Steps.....	29
Diversity Policies and Practices of SEC-Regulated Entities	31
SEC Contractors’ Workforce Inclusion of Minorities and Women	33
Conclusion and FY 2018 Outlook	34
Appendix A: OMWI FY 2017 Diversity Partners	35
Appendix B: FY 2017 Outreach and Recruitment Events	36
Appendix C: FY 2017 Programs for Special Observances	37

Introduction

The U.S. Securities and Exchange Commission's (SEC) Office of Minority and Women Inclusion (OMWI) is pleased to submit its Annual Report to Congress pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act).¹ The Annual Report summarizes the actions the SEC and OMWI have taken to enhance diversity in the agency's workforce, promote the utilization of minority-owned and women-owned businesses in the agency's business activities, and implement other statutory requirements. Unless otherwise noted, this report covers the period October 1, 2016 to September 30, 2017.

The major sections in this Annual Report describe the specific actions the SEC and OMWI have taken to execute statutory responsibilities related to Supplier Diversity, Workforce Diversity and Workplace Inclusion, Diversity Policies and Practices of SEC-Regulated Entities, and SEC Contractors' Workforce Inclusion of Minorities and Women. In addition to highlighting the progress the SEC has made toward attaining diversity at all levels of the agency's workforce and attracting diverse suppliers, the report identifies challenges and continuing efforts to further advance the agency's diversity and inclusion objectives.

¹ Pub. L. No. 111-203, 124 Stat. 1376, July 11, 2010, codified as 12 U.S.C. § 5452. Section 342(e).

Organizational Overview

U.S. Securities and Exchange Commission

The U.S. Securities and Exchange Commission (the SEC or Commission) is a bi-partisan Commission consisting of five Commissioners appointed by the President and confirmed by the Senate. The President designates one Commissioner to serve as Chairman of the Commission. Jay Clayton is the current Chairman of the Commission. The mission of the SEC is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. Accordingly, the agency's goals are to establish and maintain an effective regulatory environment, promote compliance with the Federal securities laws, facilitate access to information needed to make informed investment decisions, and enhance the agency's performance through effective management of human resources, information, and financial capital.

The SEC oversees more than 26,000 market participants, including investment advisers, mutual funds and exchange traded funds, broker-dealers, transfer agents, national securities exchanges, and others. The agency's functional responsibilities are carried out through five main divisions and 25 offices, each of which is headquartered in Washington, DC. The SEC also has 11 regional offices located throughout the country.

The Office of Minority and Women Inclusion

In accordance with Section 342 of the Dodd-Frank Act, the SEC established its Office of Minority and Women Inclusion in July 2011, and assigned the office responsibility for all matters related to diversity in the agency's management, employment, and business activities. The Director of OMWI is a Senior Officer reporting directly to the Chairman. OMWI's staff also includes a deputy director, attorney advisers, a data analyst, and management and program analysts dedicated to the office's major functional areas—workforce diversity and inclusion and supplier diversity.

OMWI is responsible for providing leadership and guidance for all of the SEC's diversity and inclusion efforts. Section 342 of the Dodd-Frank Act requires the OMWI Director to develop standards for ensuring equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the agency; increasing participation of minority-owned and women-owned businesses in the SEC's programs and contracts; and assessing the diversity policies and practices of entities regulated by the SEC.² The OMWI Director is also

² See Section 342(b)(2)(A)-(C).

required to advise the Commission on the impact of the SEC's policies and regulations on minority-owned and women-owned businesses.³

Further, Section 342 of the Dodd-Frank Act requires the OMWI Director to develop procurement procedures that include a written statement that a contractor shall ensure, to the maximum extent possible, the fair inclusion of women and minorities in the workforce of the contractor and, as applicable, subcontractors.⁴ As a result of this requirement, the OMWI Director is required to establish standards and procedures for determining whether an agency contractor or subcontractor has failed to make a good faith effort to include minorities and women in its workforce.⁵

³ See Section 342(b)(3).

⁴ See Section 342(c)(2).

⁵ See Section 342(c)(3)(A).

Supplier Diversity

The SEC is committed to maintaining a diverse supplier base and utilizing minority-owned and women-owned businesses (MWOBs) in the agency's business activities, as the agency recognizes that supplier diversity is needed to ensure the best goods and services are procured to meet its contracting needs. To implement the agency's strategy for promoting supplier diversity, OMWI works closely with the Office of Acquisitions (OA), which is responsible for all procurement activities at the agency. OA also has responsibility for ensuring the SEC attains the specific statutory goals established by the Small Business Administration (SBA) for increasing small business contracting opportunities.

The SEC follows the Federal Acquisition Regulation (FAR), which requires Federal agencies to set aside certain requirements for competition solely among certain categories of small businesses. This authority provides opportunities for MWOBs that are small businesses to compete for contracts through the Small Disadvantaged Business, 8(a) Certified, Women-Owned Small Business, and Economically Disadvantaged Women-Owned Small Business programs administered by SBA.

In FY 2017, the SEC continued to implement supplier diversity initiatives for ensuring the utilization of MWOBs in the agency's business activities. As discussed in more detail below, the five-year trend data show:

- The SEC paid MWOBs \$133.7 million or 36 percent of the SEC total contract payments in FY 2017; an increase of nearly 7 percentage points since FY 2013.
- The dollar amounts and percentages of SEC contract awards to MWOBs increased by \$49.6 million and 5.3 percentage points since FY 2013.
- The average dollar value of the SEC contract award to MWOBs increased from \$829,464 in FY 2013 to \$1.24 million in FY 2017.

Supplier Diversity Initiatives

Outreach and Technical Assistance:

While the SEC's supplier diversity initiatives are intended to reach MWOBs of all sizes, many MWOBs are small businesses. In fact, 90 percent of MWOBs awarded SEC contracts in FY 2017 were small businesses under SBA size standards. Thus, OMWI and the Small Business Specialist in OA collaborate on outreach activities that are designed to increase MWOB and small business awareness of SEC requirements and participation in agency contracting. The SEC also provides potential contractors technical assistance on how to

conduct business within the SEC procurement space. The cooperation between OMWI and OA has contributed significantly to the overall success of the SEC's supplier diversity efforts.

As they have done in previous years, OMWI and OA jointly hosted "Vendor Outreach Days" at SEC headquarters during FY 2017. This monthly forum provides MWOBs and small businesses with an individualized opportunity to learn about the SEC's contracting needs and to present their business capabilities to OMWI's Supplier Diversity Officer, the SEC's Small Business Specialist, and other key SEC personnel. A total of 81 businesses participated in Vendor Outreach Day in FY 2017.

To increase the interaction between MWOBs and the SEC, OMWI also participated in external business networking events. During FY 2017, OMWI participated in ten national business conferences and procurement matchmaking sessions, including the 27th Annual Government Procurement Conference; Women as Veteran Entrepreneurs Annual Seminar; National Minority Supplier Development Council Conference and Business Expo; National 8(a) Association Conference; and the Women's Business Enterprise National Council Conference and Business Fair.

Other Initiatives to Promote Supplier Diversity:

OMWI maintains an electronic Supplier Diversity Business Management System (SDBMS) to collect up-to-date business information and capabilities statements from diverse suppliers interested in doing business with the SEC. SDBMS is used to assist OA and SEC Program Offices with identifying MWOB suppliers for market research purposes, as requested. In addition, OMWI regularly disseminates information to MWOBs about SEC contracting opportunities, industry days, and supplier diversity outreach events.

Another useful tool for MWOBs is the "Potential Competitive Contracting Opportunities Forecast" (Forecast) published by OA on the SEC.gov website. The Forecast lists competitive contracting opportunities that may occur during the fiscal year and provides project descriptions, estimated award amounts, and in a few instances, the estimated start date for performance. The Forecast also indicates the SEC division with the potential contracting need and whether the government-wide acquisition contract or some other acquisition strategy will be used.

OMWI maintains a webpage for Supplier Diversity Outreach, dedicated email address, and telephone line for contracting inquiries and outreach.

Supplier Diversity Performance Metrics

SEC Contractors:

Figure 1 shows the total number of contractors the SEC paid and the number of MWOBs receiving contract payments from FY 2013 to FY 2017. Of the 430 firms receiving contract

payments in FY 2017, 107 or 24.9 percent were classified as MWOBs. With the exception of FY 2016, MWOBs represented nearly 25 percent of the firms receiving contract payments in each fiscal year since FY 2013. MWOBs represented 27.4 percent of the firms receiving SEC contract payments in FY 2016. Women-owned businesses represented 5.8 percent of the firms receiving SEC contract payments in FY 2017, and their percentage decreased each year since FY 2013.

Figure 1: SEC Contractors Receiving Payments FY 2013 – FY 2017

	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
SEC Total	464	100.0%	488	100.0%	504	100.0%	405	100.0%	430	100.0%
All Other Firms	350	75.4%	367	75.2%	381	75.6%	294	72.6%	323	75.1%
Total MWOBs	114	24.6%	121	24.8%	123	24.4%	111	27.4%	107	24.9%
Asian	29	6.3%	36	7.4%	39	7.7%	44	10.9%	26	6.0%
Black	21	4.5%	24	4.9%	28	5.6%	27	6.7%	29	6.7%
Hispanic	13	2.8%	9	1.8%	14	2.8%	9	2.2%	15	3.5%
Other Minority	8	1.7%	7	1.4%	9	1.8%	6	1.5%	12	2.8%
Women Only	43	9.3%	45	9.2%	33	6.5%	25	6.2%	25	5.8%

Source: Federal Procurement Data System (FPDS) and Delphi retrieved on January 23, 2018. Firm count uses distinct count of Supplier Number. "Women Only" includes firms without minority designations.

Contract Payments:⁶

The contract payments made in each fiscal year since FY 2013 and the amounts paid to MWOBs are shown in Figure 2. The percentage of the SEC total contract payments paid to MWOBs increased each year since FY 2013, and increased 3.6 percentage points from FY 2016 to FY 2017. The SEC paid a total of \$371.1 million to contractors in FY 2017, and \$133.7 million or 36 percent of this total was paid to MWOBs.

Contract payments to Hispanic American-owned businesses increased from 1.5 percent in FY 2016 to 3.8 percent of the SEC total contract payments in FY 2017. Contract payments to Asian American-owned businesses decreased from 19.1 percent in FY 2016 to 18.5 percent of the SEC total contract payments in FY 2017. Women-owned businesses and Black/African American-owned businesses saw negligible decreases in their percentages of the SEC total contract payments from FY 2016 to FY 2017.

⁶ Contract payments are the actual funds the SEC paid out to contractors for goods and services provided. Performance of a contract may not occur within the same fiscal year the contract is awarded. Payments made during the fiscal year in many instances are for goods or services provided under contracts awarded in prior fiscal years. As a result, the dollar amounts for contract payments and contract awards in a given fiscal year are not comparable.

Figure 2: Contract Payments by MWOB Category FY 2013 – FY 2017 (Amount in Millions)

	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
SEC Total	\$436.1	100.0%	\$336.3	100.0%	\$362.9	100.0%	\$380.9	100.0%	\$371.0	100.0%
All Other Firms	\$309.2	70.9%	\$250.5	74.5%	\$239.8	66.1%	\$257.3	67.6%	\$237.3	64.0%
Total MWOBs	\$126.9	29.1%	\$85.8	25.5%	\$123.2	33.9%	\$123.6	32.4%	\$133.7	36.0%
Asian	\$63.4	14.5%	\$28.6	8.5%	\$52.9	14.6%	\$72.7	19.1%	\$68.7	18.5%
Black	\$16.9	3.9%	\$14.3	4.3%	\$18.9	5.2%	\$16.2	4.3%	\$14.7	4.0%
Hispanic	\$5.5	1.3%	\$8.3	2.5%	\$19.6	5.4%	\$5.8	1.5%	\$14.2	3.8%
Other Minority	\$3.3	0.8%	\$6.1	1.8%	\$4.3	1.2%	\$8.0	2.1%	\$16.2	4.4%
Women Only	\$37.8	8.7%	\$28.5	8.5%	\$27.6	7.6%	\$20.8	5.5%	\$20.0	5.4%

Source: FPDS and Delphi retrieved on January 23, 2018. "Women Only" include firms without minority designations.

Contract Awards:⁷

Figure 3 depicts the total number of MWOBs awarded SEC contracts in each fiscal year since FY 2013, and the percentage of MWOBs among firms awarded SEC contracts. The percentage of MWOBs among firms awarded SEC contracts increased incrementally since FY 2013. In FY 2017, the SEC awarded contracts to 438 firms, of which 115 or 26.3 percent were classified as MWOBs. Women-owned businesses represented 12.3 percent of the firms awarded SEC contracts in FY 2017, and their percentage among firms awarded SEC contracts decreased since FY 2013.

Figure 3: MWOBs with SEC Contract Awards FY 2013 – FY 2017

	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
SEC Total	447	100.0%	515	100.0%	549	100.0%	484	100.0%	438	100.0%
Total MWOBs	112	25.1%	130	25.2%	145	26.4%	126	26.0%	115	26.3%
WOBs	65	14.5%	69	13.4%	75	13.7%	63	13.0%	54	12.3%
MW-OBs	33	7.4%	30	5.8%	35	6.4%	35	7.2%	26	5.9%
MOBs	80	17.9%	91	17.7%	105	19.1%	98	20.2%	83	18.9%
Asian	35	7.8%	41	8.0%	45	8.2%	42	8.7%	33	7.5%
Black	24	5.4%	26	5.0%	30	5.5%	28	5.8%	26	5.9%
Hispanic	11	2.5%	14	2.7%	20	3.6%	16	3.3%	12	2.7%
Native American	3	0.7%	2	0.4%	3	0.5%	5	1.0%	6	1.4%
Other	7	1.6%	8	1.6%	7	1.3%	7	1.4%	6	1.4%

Source: FPDS retrieved on January 23, 2018. WOBs include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

⁷ "Contract awards" are the net amount of funds obligated for all contract actions, which includes new awards and modifications, that the SEC entered into the Federal Data Procurement Systems (FPDS) during the fiscal year.

Figure 4 depicts the dollar value of contract awards to MWOBs in each fiscal year since FY 2013, and the percentage of SEC contract dollars awarded to MWOBs. Of the \$418.9 million in SEC contract awards made in FY 2017, a total of \$142.5 million or 34 percent of SEC contract dollars went to MWOBs. Contract awards to MWOBs increased from 31.7 percent of SEC contract awards in FY 2016 to 34 percent of awards in FY 2017.

Contract awards to minority-owned businesses represented 26.8 percent (\$112.4 million) of the contract dollars awarded by the SEC, awards to women-owned businesses represented 13.6 percent (\$57 million), and awards to minority women-owned businesses represented 8.3 percent (\$34.7 million) of the awarded contract dollars.

The \$142.5 million awarded to MWOBs in FY 2017 represented a 54 percent increase over the \$92.9 million awarded to MWOBs in FY 2013, and is attributed to the increase in contract awards to minority-owned businesses. The average dollar value of contracts awarded to MWOBs increased from \$829,464 in FY 2013 to \$1.24 million in FY 2017.

Figure 4: Contract Awards by MWOB Category FY 2013 – FY 2017 (Amount in Millions)

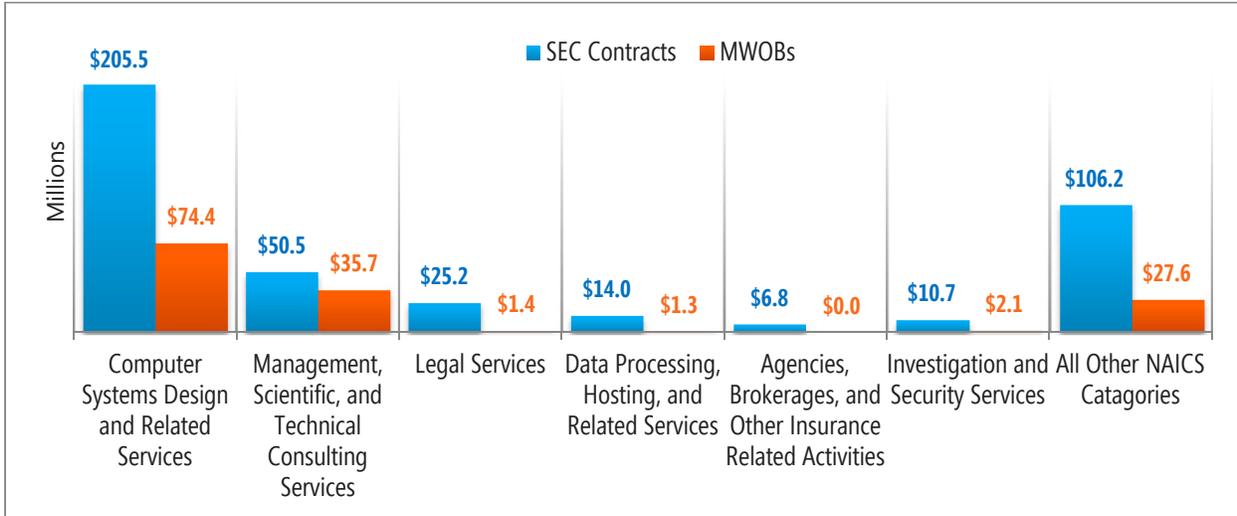
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
SEC Total	\$323.4	100.0%	\$434.2	100.0%	\$456.9	100.0%	\$486.0	100.0%	\$418.9	100.0%
Total MWOBs	\$92.9	28.7%	\$147.4	33.9%	\$155.6	34.1%	\$153.9	31.7%	\$142.5	34.0%
WOBs	\$45.0	13.9%	\$66.0	15.2%	\$73.3	16.0%	\$75.6	15.6%	\$57.0	13.6%
MW-OBs	\$19.0	5.9%	\$41.5	9.6%	\$49.0	10.7%	\$50.2	10.3%	\$34.7	8.3%
MOBs	\$66.9	20.7%	\$122.9	28.3%	\$131.3	28.7%	\$128.5	26.4%	\$112.4	26.8%
Asian	\$31.7	9.8%	\$84.5	19.5%	\$73.3	16.0%	\$71.1	14.6%	\$72.6	17.3%
Black	\$17.5	5.4%	\$17.8	4.1%	\$30.4	6.7%	\$24.8	5.1%	\$12.8	3.1%
Hispanic	\$6.3	1.9%	\$11.4	2.6%	\$11.1	2.4%	\$15.7	3.2%	\$5.0	1.2%
Native American	\$2.4	0.7%	\$0.8	0.2%	\$5.6	1.2%	\$9.3	1.9%	\$14.9	3.6%
Other	\$8.9	2.8%	\$8.4	1.9%	\$11.0	2.4%	\$7.7	1.6%	\$7.1	1.7%

Source: FPDS retrieved on January 23, 2018. WOBs include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

Major Contract Award Categories:

Figure 5 shows the total SEC contract awards and contract awards to MWOBs by the North American Industry Classification System (NAICS) categories. The highest amount of SEC contract dollars was awarded for contracts in the NAICS category of Computer Systems Design and Related Services, followed by Management, Scientific, and Technical Consulting Services. These were also the two largest categories for contract dollars awarded to MWOBs.

Figure 5: SEC and MWOBs Contract Amount by NAICS Category (Amount in Millions)



Source: FPDS retrieved on January 23, 2018.

“All Other NAICS Categories” includes, among others:

- Accounting, Tax Preparation, Bookkeeping and Payroll Services (5412) - \$7.2 million in SEC contract awards, and \$2.7 million awarded to MWOBs;
- Electronic and Precision Equipment Repair and Maintenance (8112) - \$10.4 million in SEC contract awards, and no contracts in this category awarded to MWOBs;
- Business Support Services (5614) - \$5.3 million in SEC contract awards, and all awarded to MWOBs; and
- Employment Services (5613) - \$0.3 million in SEC contract awards, and all awarded to MWOBs.

Next Steps

In FY 2018, OMWI is launching a self-registry web portal that will enable MWOBs to securely complete business profiles in the office’s SDBMS. This new functionality will contribute to OMWI’s ongoing efforts to augment our repository of interested diverse suppliers. Additionally, OMWI will continue efforts to enhance the content of the supplier diversity section of the OMWI external webpage to provide additional information and resources to interested vendors. Finally, OMWI will work collaboratively with external business groups and other financial regulatory agencies to increase our participation as panelists at supplier diversity outreach conferences. The goal of this effort is to educate larger audiences of MWOBs about the supplier diversity program and how to do business with the SEC.

Further, the members of the Commission are committed to promoting diversity and fostering a culture of inclusion at the SEC. In January 2018, the SEC Chairman and Commissioners jointly hosted a roundtable on mentoring, during which panelists discussed potential objectives and methods for promoting mentorship opportunities at the agency. In February 2018, in connection with the celebration of African American History Month, Chairman Clayton hosted a roundtable on diversity and ways to ensure all SEC employees have opportunities for career growth and development. The roundtable panelists addressed professional development, strategies for career advancement, and conscious and unconscious bias in the workplace.

In FY 2017, the gender, racial, and ethnic diversity in senior management positions and four of the agency’s five designated “mission critical occupations”—attorney, accountant, economist, and securities compliance examiner—continued to be areas of focus.⁸ Employees in these four occupations comprised 71.6 percent of the SEC workforce as of the end of FY 2017.⁹ The actions taken in FY 2017 to promote workforce diversity and inclusion at the SEC are summarized below.

The SEC workforce continues to become more diverse. The data for FY 2015 to FY 2017 show:

- The representation of women among Senior Officers increased from 38.1 percent in FY 2015 to 38.9 percent in FY 2017.
- Minorities held 24.1 percent of supervisory and management positions at the SEC in FY 2017, up from 22.3 percent in FY 2015.
- The representation of minorities in mission critical occupations increased from 24.1 percent in FY 2015 to 25.5 percent in FY 2017.

⁸ The SEC has designated Information Technology (IT) Management as a mission critical occupation. The representation of minorities in the IT management occupation has been above their representational percentage in the IT management occupation in the Civilian Labor Force (CLF), and the representation of women has been within a few percentage points of their representational percentage in the occupational CLF.

⁹ The remaining 28.4 percent of the SEC workforce consisted of paralegal specialists and employees in administrative and program, management and program analysis, and IT management occupations. Women represented 54.8 percent and minorities 56.5 percent of the employees in these occupations. Thus, strategic outreach and recruitment efforts have been focused on the four mission critical occupations identified above.

Outreach and Recruitment

In late FY 2016, the SEC imposed restrictions on external hiring that remained in effect throughout FY 2017. As a result of the hiring restrictions and budgetary constraints, the SEC participated in fewer outreach events in FY 2017 than in previous years, and placed greater emphasis on outreach to students and developing a pipeline of talent for future careers at the agency.

Diversity Partnerships:

The SEC has established and maintains relationships with minority and women professional associations and educational organizations to support the agency's diversity objectives. These collaborative relationships, referred to as "Diversity Partnerships" at the SEC, provide a variety of opportunities for outreach and recruitment. Partnering organizations also agree to disseminate information about current SEC employment and internship opportunities, and share information and best practices for promoting diversity and inclusion. In addition to the formal partnerships, the SEC collaborates regularly with academic institutions and educational organizations.

In FY 2017, the SEC continued its existing Diversity Partnerships with student-focused organizations, such as the Hispanic Association of Colleges and Universities, National Black MBA Association, Thurgood Marshall College Fund, and National Association of Asian MBAs. The SEC established new Diversity Partnerships with the Council on Legal Education Opportunity (CLEO) and International Leadership Foundation (ILF) in FY 2017. The SEC also maintained Diversity Partnerships with several minority professional associations, including, among others, the Association of Latino Professionals for America, Hispanic Bar Association of the District of Columbia, National Association of Black Accountants, Women's Bar Association of the District of Columbia, and Diverse Partners Network. For a complete list of organizations that have entered into Diversity Partnerships with the SEC, see Appendix A.

Outreach Events:

Notwithstanding the limitations on external hiring in FY 2017, the SEC engaged in outreach and recruitment to attract diverse talent for employment and internships at the agency. The SEC participated in 39 diversity outreach and recruitment events to inform professionals and students about employment at the SEC. Over 100 SEC employees nationwide actively participated in diversity outreach in FY 2017, serving as speakers and panelists at conferences and meetings of partnering organizations, and representing the SEC at career fairs and outreach events held on campuses of women's colleges and minority-serving colleges and universities and law schools. SEC employees participating in outreach and recruitment promoted the SEC as an employer of choice while providing information on a wide variety of topics including the specialized skills and experience needed for employment at the SEC, agency career paths, and

the application process. For a list of the FY 2017 outreach and recruitment events, see Appendix B.

Student Outreach Initiatives:

In FY 2017, the SEC focused on pipeline development to encourage interest in future careers and internships at the SEC and in financial services. SEC employees conducted outreach and attended events at several schools including Morgan State University, Howard University, Florida International University, New Mexico State University, and University of Puerto Rico. Highlighted below are examples of outreach activities in FY 2017 that were geared toward students.

- Hispanic National Bar Foundation (HNBF) Law Camp: The SEC headquarters in Washington, DC hosted high-school students from around the country participating in the HNBF's Future Latino Leaders Law Camp. The visit arranged by OMWI included a career panel with senior SEC attorneys and a question and answer session that helped students understand how to prepare for law school and careers in corporate and securities law. Students toured the SEC's offices and met with senior members of the Chairman's staff.
- National Association of Black Accountants National (NABA) Convention: An accounting professional from the SEC's Office of the Chief Accountant served on an industry panel at NABA's National Convention. The conference attendees included many minority students majoring in Accounting.
- Trinity University Career Fair: At the career fair held at this women's college located in Washington, DC, the SEC provided information on careers available to recent graduates in the fields of accounting, law, IT and other areas, and also provided investor education materials.
- International Leadership Foundation (ILF): ILF is an organization that promotes public service among Asian American youth. OMWI hosted ILF's summer cohort at the SEC for a career seminar, financial literacy event and tour. ILF's college students learned about pathways to SEC careers and how the capital markets promote American entrepreneurship and prosperity. The SEC also participated in ILF's career fair.

For the last seven years, the Professionals Reaching Out to Promote Excellence and Learning for Students (PROPELS) program has been held at SEC headquarters and several regional offices. Students from high schools with high minority populations participate in the PROPELS program and gain exposure to careers in business, law, and technology and learn about the importance of financial education. In FY 2017, more than 2,000 students participated in the PROPELS program, well over double the number that participated in 2016.

Diversity Outreach and Initiatives in Regional Offices:

SEC regional offices actively support the agency's workforce diversity and inclusion initiatives. In FY 2017, employees in the regional offices were involved in some of the activities prescribed in Section 342(f) of the Dodd-Frank Act for seeking diversity at all levels of the agency's workforce. For example, employees from the Atlanta, Boston, Denver, and Miami regional offices conducted outreach and recruitment on campuses of minority-serving colleges and universities and women's colleges in their regions. In addition, Miami, Los Angeles, and San Francisco regional office employees represented the SEC at conferences, career fairs, and other diversity outreach events.

As part of the PROPELS program in FY 2017, employees from the Boston, Chicago, Denver, Los Angeles, Miami, New York, Philadelphia, and San Francisco regional offices mentored high school students about careers in financial services and financial literacy. Boston regional office employees had nearly 400 students from five high schools participate in the PROPELS program. Employees from the Miami regional office made financial literacy presentations at 17 high schools in South Florida, reaching over 1200 students. More than 150 employees from SEC regional offices were involved in the PROPELS program in FY 2017.

In FY 2017, attorneys from the Miami regional office taught a Securities Law course at the Florida International University College of Law, a minority-serving institution. The course, which has been taught by Miami regional office attorneys since 2009, explores all aspects of SEC enforcement from the perspectives of both the government and the private practitioner.

The Diversity Committees in several regional offices conducted programs and activities to commemorate Special Observances, which help to foster greater awareness and understanding of diversity and support for an inclusive workplace culture.

Student Interns:

The SEC's Student Honors Program provides opportunities for undergraduate, graduate, and law students to learn about securities regulations and the work of the SEC. The ten-week internship is offered at headquarters and in the SEC's 11 regional offices. From fall 2016 to summer 2017, 728 students participated in the Student Honors Program, and 43 (5.9 percent) were from educational institutions specified in Section 342(f)(1) of the Dodd-Frank Act—historically black colleges and universities, Hispanic-serving institutions, women's colleges, and colleges that typically serve majority minority populations.

Advertising and Social Media:

Limited hiring opportunities in FY 2017 resulted in decreased advertising activity. OMWI focused its paid advertisements on leadership positions at the SK-15 pay grade and above, with a special emphasis on Senior Officer and financial economist positions.

The SEC advertised on over 25 job boards targeting diverse candidates. Advertising sources included the Chronicle of Higher Learning, National Bar Association, Social Science Research Network, National LGBT Bar Association, Pan-Asian Leaders in Finance and Accounting, Hispanic National Bar Association, and the National Association of Black Accountants. SEC job postings received more than 60,000 views.

The SEC continued to expand its social media outreach efforts using LinkedIn, Twitter, Facebook, and YouTube in FY 2017. This led to an 18 percent increase in LinkedIn followers, an additional 667 Twitter followers (now totaling nearly 23,000), and an additional 947 Facebook followers for nearly 30,000 contacts. The SEC's YouTube channel had more than 9,980 views in FY 2017. Social media sources have helped the SEC reach a diverse pool of candidates.

Diversity Training

Making diversity and inclusion training readily available to managers and employees continues to be a key element of the SEC's strategy for building and maintaining a diverse workforce and fostering an inclusive workplace. OMWI works closely with SEC University (SECU) in OHR to offer on-demand, web-based courses as well as classroom training related to diversity and inclusion throughout the year. Two courses on non-conscious bias training and leadership diversity listening sessions introduced by SECU in FY 2016 were continued in FY 2017.

OMWI presented instructor-led diversity training in FY 2017 on emerging topics, such as flexibility in the workplace and gender identity in the workplace, as part of its Diversity and Inclusion series. OMWI also sponsored webcasts offered by the Conference Board on gender bias in the workforce and strategies for career advancement, unconscious bias, and generational diversity. About 10 percent (477) of SEC employees participated in formal diversity and inclusion training in FY 2017.

Leadership Development Programs

The SEC provides several opportunities for employees to acquire the skills needed to succeed in their positions and advance in their careers. In FY 2017, the SEC sponsored eight employees for *The Women in Leadership* program, an external developmental program conducted by the Brookings Institution. Women from across Federal agencies learn how to strengthen leadership qualities and explore key elements of senior leadership success.

The SEC selected 14 employees (supervisors and non-supervisors) to participate in the *Excellence in Government (EIG) Fellows Program* coordinated by the Partnership for Public Service in FY 2017. The EIG program strengthens the leadership skills of experienced Federal

employees through a combination of innovative coursework, best practices benchmarking, challenging action-learning projects, executive coaching and government-wide networking.

A total of 54 employees participated in *The Aspiring Leaders* program at the SEC, which is an interactive blended learning program designed to strengthen the leadership and management skills of non-supervisory employees in SK-13 and SK-14 pay grades.

Diversity and Inclusion Performance Standard

All SEC Senior Officers and supervisors and managers share responsibility for the success of the agency's initiatives to promote workforce diversity and workplace inclusion. Leveraging diversity is a key executive core qualification for senior leadership. Senior Officers are expected to foster an inclusive workplace where diversity and individual differences are valued and leveraged to achieve the vision and mission of the agency.

Diversity and inclusion competency is included under the critical element related to managing human resources in the performance work plans for mid-level supervisors and managers (SK-15 and SK-17). The performance management program uses a four-level scale to rate performance on critical elements. The descriptions for the two highest ratings—"Performance Leader" and "Accomplished Practitioner"—include examples of actions demonstrating the supervisor or manager champions and promotes a diverse and inclusive work environment.

Monitoring and Analyzing Internal Demographics

In FY 2017, OMWI continued to provide each of the SEC's divisions and offices a quarterly workforce demographic profile, which tracks personnel activity (e.g., hiring, promotions, and separations) by gender, race, and ethnicity. In the fall of 2017, the OMWI Director conducted briefings for the divisions and offices at headquarters to provide an overview of the current state of diversity and inclusion in their organizations. During each meeting, OMWI presented detailed workforce statistics and discussed the progress made since FY 2013 in enhancing diversity, particularly in leadership positions and major occupations in the division or office.

Evaluating Performance

Applicant Data Analysis:

OMWI obtained from the Office of Personnel Management (OPM) demographic data for the applicants for vacancies filled through the USAJOBS.gov website. OMWI analyzed the data to determine the diversity of the applicant pools for vacancies in four of the agency's mission

critical occupations—accountant, attorney, economist, and securities compliance examiner. In FY 2017, the SEC received over 17,000 unique applications for employment and nearly 60 percent of all applicants elected to provide some type of demographic information.

As depicted in Figure 6, the data from applicants who self-identified their gender, race, and ethnicity show that the application rate of each racial and ethnic minority group for vacancies in the four mission critical occupations was about equal to or higher than the group’s representational percentage in the same occupations in the Civilian Labor Force (CLF). The analysis indicates that women applied for vacancies in accountant, securities compliance examiner, and economist occupations at rates that were lower than their CLF representational percentages in these occupations.

Figure 6: Applications by Mission Critical Occupations, Gender, Race, and Ethnicity Comparison to CLF

		Men	Women	White	Black	Hispanic	Asian	NHPI	AIAN	TOM
0905 General Attorney	Applied	62.3%	37.7%	62.1%	15.2%	9.3%	11.6%	0.2%	0.6%	1.0%
	OCLF	66.7%	33.3%	86.4%	4.7%	4.4%	3.6%	0.0%	0.5%	0.4%
0510 Accounting	Applied	53.6%	46.4%	34.7%	35.8%	12.0%	15.7%	0.0%	0.5%	1.4%
	OCLF	39.9%	60.1%	76.0%	8.1%	6.1%	8.6%	0.1%	0.6%	0.5%
1831 Securities Compliance Examining	Applied	64.0%	36.0%	41.4%	28.3%	18.4%	9.6%	0.4%	0.8%	1.1%
	OCLF	54.7%	45.3%	72.4%	12.3%	6.7%	7.7%	0.0%	0.4%	0.5%
0110 Economist	Applied	85.0%	15.0%	55.0%	20.0%	5.0%	20.0%	0.0%	0.0%	0.0%
	OCLF	67.1%	32.9%	81.0%	5.5%	5.2%	7.1%	0.1%	0.3%	0.9%

Source: Applicant flow data from OPM retrieved using USA Staffing portal from the “Vacancy Detail” data file for each fiscal quarter in FY 2017. OCLF reflects the occupational CLF retrieved from Census 2010 EEO Tabulation using occupational cross-classification provided by EEOC.

While not a precise measure of the impact of the SEC’s outreach and recruitment efforts, the analysis of applicant demographic data provides OMWI with some measure of the effectiveness of diversity outreach and recruitment initiatives and can be used to identify areas for strategic outreach. In addition, the SEC’s Office of Equal Employment Opportunity regularly looks at applicant demographic data to examine the fairness and inclusiveness of agency recruitment efforts.

Current State of Diversity

FY 2017 SEC Workforce Profile:

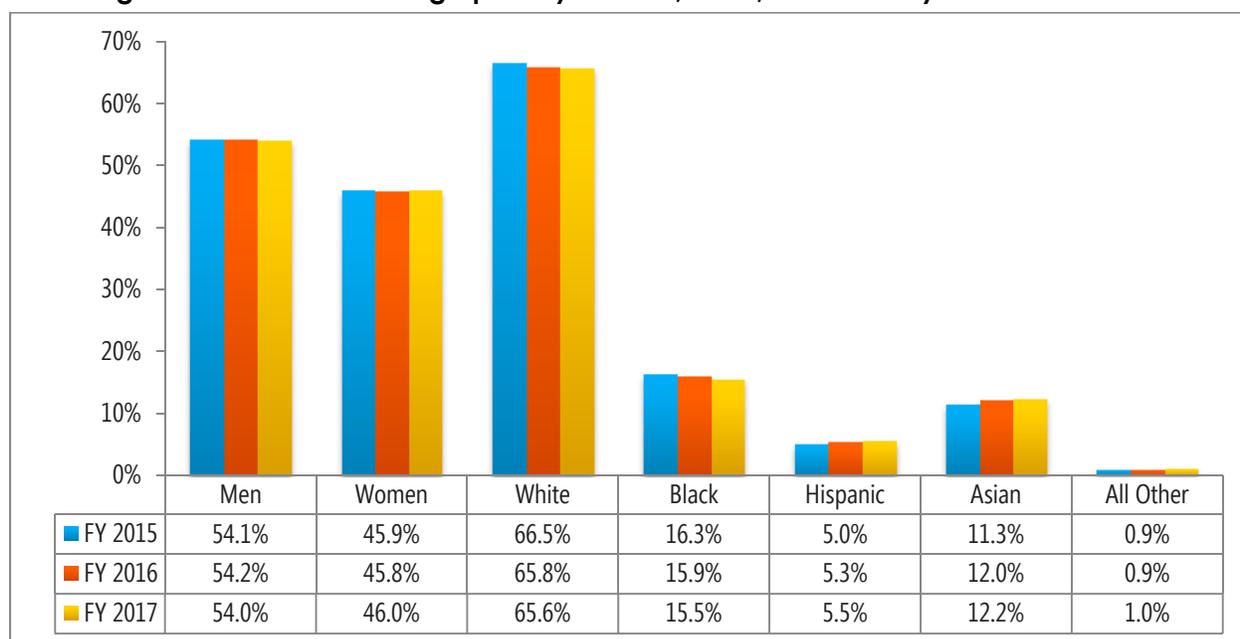
As of the end of FY 2017, the SEC workforce had 4,599 employees (4,504 permanent employees and 95 temporary employees). For the first time in seven years, the size of SEC workforce decreased and had 86 fewer employees in FY 2017 than it had in FY 2016.

Nearly two-thirds of SEC employees worked at the agency’s headquarters in Washington, DC, and one-third worked in the SEC’s 11 regional offices. From FY 2016 to FY 2017, the demographic composition of the SEC workforce remained relatively unchanged.

Figure 7 shows the SEC workforce representation by gender, race, and ethnicity. As of the end of FY 2017, men comprised 54 percent and women comprised 46 percent of the SEC workforce. The breakdown of the SEC workforce by race and ethnicity was as follows: 65.6 percent of SEC employees self-identified as White, 15.5 percent as Black or African American, 12.2 percent as Asian, 5.5 percent as Hispanic or Latino, 0.4 percent as American Indian or Alaskan Native, 0.4 percent as Two or More Races, and 0.1 percent as Native Hawaiian or Other Pacific Islander.

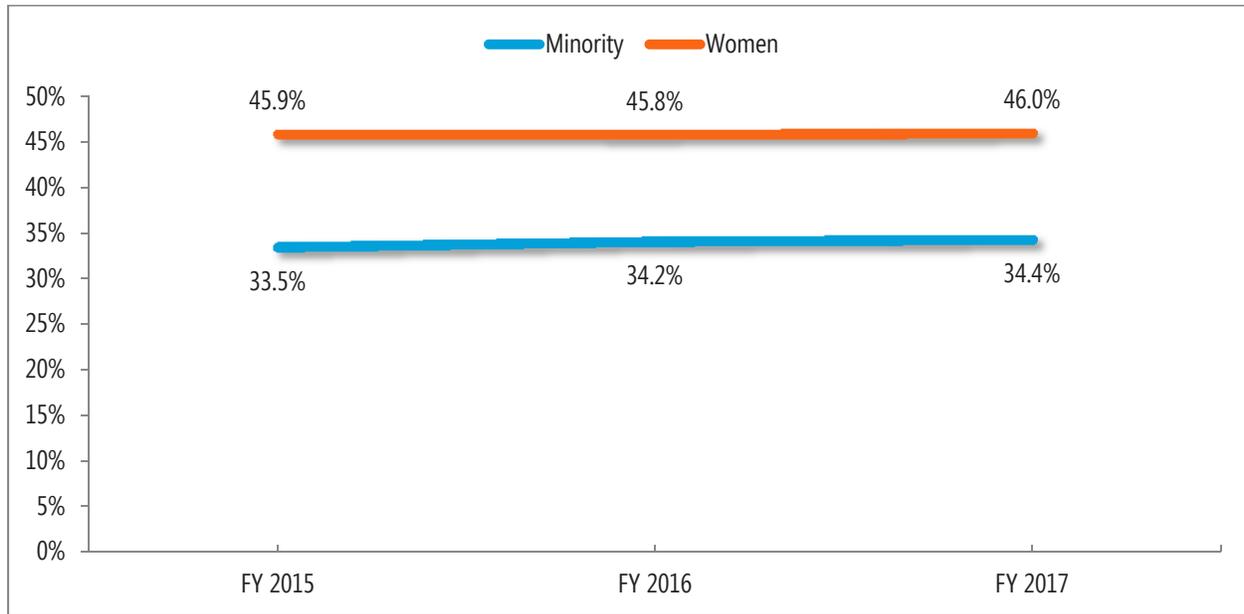
Since FY 2015, the representation of Asian and Hispanic or Latino employees increased slightly, while the representation of Black or African American employees decreased slightly. As shown in Figure 8, the representation of women in the SEC workforce remained relatively unchanged since FY 2015, while the representation of minorities increased incrementally.

Figure 7: Workforce Demographic by Gender, Race, and Ethnicity FY 2015 – FY 2017



Source: Federal Personnel and Payroll System (FPPS) FY 2017 data retrieved on January 23, 2018. “All Other” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories, and unknowns.

Figure 8: Women and Minority Representation FY 2015 – FY 2017



Source: FPPS FY 2017 data retrieved on January 23, 2018.

SEC Workforce Compared to the Federal Workforce and CLF:

Figure 9 shows how the demographic composition (i.e., gender, race, and ethnicity) of the SEC workforce compared to the demographic composition of the CLF and the Federal workforce. These comparisons provide a frame of reference for the present level of diversity in the SEC workforce and the progress made toward building and maintaining a workforce drawn from all segments of society. As of the end of FY 2017, the SEC workforce had a higher representation of women than the Federal workforce by 2.6 percentage points, but a lower representation of women than the CLF.

Minorities, collectively, represented 34.4 percent of the SEC workforce as of the end of FY 2017, which was 25 percent higher than the CLF (24.6 percent), and 6.7 percent lower than the FY 2017 Federal workforce representation of minorities (36.7 percent). The SEC workforce had a lower representation of Black or African American employees (12.0 percent) and Hispanic or Latino employees (5.3 percent) than the FY 2017 Federal workforce, and a lower representation of Hispanic or Latino employees than the CLF. The percentage of Asian employees in the SEC workforce exceeded their representational percentage in both the CLF and Federal workforce.

Figure 9: FY 2017 SEC Workforce Compared to CLF and Federal Workforce

Demographic Groups	SEC FY 2017 Workforce	FY 2017 Federal Workforce	2010 Civilian Labor Force
Men	54.0%	56.6%	51.9%
Women	46.0%	43.4%	48.1%
White (Non-Minority)	65.6%	63.3%	72.4%
Minority	34.4%	36.7%	27.6%
Black or African American	15.5%	18.1%	12.0%
Hispanic or Latino	5.5%	8.7%	10.0%
Asian	12.2%	6.0%	3.9%
Native Hawaiian or Other Pacific Islander	0.1%	0.5%	0.1%
American Indian or Alaska Native	0.4%	1.7%	1.1%
Two or More Races	0.5%	1.6%	0.5%

Source: FPPS FY 2017 data retrieved on January 23, 2018. Federal workforce data from the Office of Personnel Management and CLF data from Census 2010 EEO Tabulation retrieved on January 23, 2018.

Workforce Analysis by Occupation:

The SEC has employees in over 50 occupations. The workforce analysis revealed gender and racial differences in employment patterns.

Figure 10 shows the percentage of each demographic group in the 15 most prevalent occupations in the SEC workforce. Attorney is the most prevalent occupation in the SEC workforce; 42.2 percent of all SEC employees were in the attorney occupation as of the end of FY 2017.

Attorney is the most prevalent occupation for both men and women, followed by accountant. Securities compliance examiner is the third most prevalent occupation for men, while the third most prevalent occupation for women is the 0301 occupational series, Miscellaneous Administration and Program Series.

Attorney is also the most prevalent occupation for all racial and ethnic groups, though differences exist in the degree of prevalence. Fifty percent of White, 36.2 percent of Asian, 31.4 percent of Hispanic or Latino, and 18.7 percent of Black or African American employees were employed as attorneys.

The second most prevalent occupation for White employees is accountant, followed by securities compliance examiner. The most prevalent occupations for Hispanic or Latino and Asian employees are similar; accountant is the second most prevalent occupation for these two groups, followed by IT management. For Black or African American employees, the 0301 occupational series is the second most prevalent occupation, followed by accountant.

Figure 10: FY 2017 Percent of Demographic Group in Top 15 Occupations

	SEC	Men	Women	White	Black	Hispanic	Asian	All Other
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0905 General Attorney	42.2%	43.5%	40.8%	50.0%	18.7%	31.4%	36.2%	27.7%
0510 Accounting	19.9%	20.8%	18.8%	21.7%	11.2%	21.6%	20.8%	14.9%
1831 Securities Compliance Examining	7.3%	9.0%	5.2%	7.3%	4.1%	8.2%	10.7%	6.4%
2210 Information Technology Management	6.5%	8.9%	3.7%	4.3%	9.4%	9.0%	13.1%	12.8%
0301 Miscellaneous Administration & Program	5.4%	2.6%	8.7%	2.7%	18.3%	8.2%	1.4%	8.5%
0343 Management and Program Analysis	3.0%	1.9%	4.4%	2.1%	8.0%	3.1%	2.0%	4.3%
0110 Economist	2.2%	3.0%	1.3%	2.1%	0.6%	2.4%	4.6%	4.3%
0950 Paralegal Specialist	1.8%	0.6%	3.3%	1.4%	3.6%	3.1%	1.1%	4.3%
0201 Human Resources Management	1.2%	0.6%	1.9%	0.8%	3.6%	1.2%	0.5%	4.3%
1102 Contracting	1.1%	1.0%	1.2%	0.7%	2.4%	2.0%	0.9%	4.3%
1160 Financial Analysis	1.0%	1.2%	0.7%	0.9%	0.4%	0.4%	2.3%	2.1%
0303 Miscellaneous Clerk and Assistant	0.8%	0.6%	1.0%	0.2%	3.9%	0.4%	0.0%	0.0%
0501 Financial Administration and Program	0.8%	0.3%	1.3%	0.4%	2.7%	0.8%	0.4%	0.0%
0318 Secretary	0.6%	0.0%	1.3%	0.2%	2.5%	0.8%	0.4%	0.0%
0340 Program Management	0.6%	0.6%	0.6%	0.8%	0.1%	0.4%	0.0%	2.1%
All Other Occupations	5.6%	5.4%	5.9%	4.3%	10.5%	7.1%	5.7%	4.3%

Source: FPPS FY 2017 data retrieved on January 23, 2018. "All Other" includes Native Hawaiian/Pacific Islander, American Indian/Alaska Native, Two or More Races, and unknowns. Four of the mission critical occupations are highlighted in red.

The majority of White, Asian, and Hispanic or Latino employees worked in four of the agency's four mission critical occupations shown in red in Figure 10. As of the end of FY 2017, 81 percent of White employees, 72.3 percent of Asian employees, and 63.6 percent of Hispanic or Latino employees worked in these occupations. By contrast, 34.6 percent of Black or African American employees worked in these mission critical occupations.

Mission Critical Occupations:

Figure 11 shows how the FY 2017 workforce representation of minorities and women in the attorney, accountant, securities compliance examiner, and economist occupations compared to the availability of minorities and women in these occupations in the CLF. The comparisons with the occupational CLF are helpful in assessing the agency's progress towards achieving diversity at all levels of the agency's workforce and identifying any areas that should be the focus of ongoing outreach and recruitment efforts.

The percentage of women accountants, securities compliance examiners, and economists in the SEC workforce was below the percentage of women in these occupations in the CLF. The percentage of Hispanic or Latino employees in the economist occupation in the SEC workforce

was slightly higher than their representational percentage among economists in the CLF. In the other mission critical occupations, the percentage of Hispanic or Latino employees in the SEC workforce was marginally lower than their representational percentage in these occupations in the CLF. The percentage of Black or African American employees in the securities compliance examiner and economist occupations in the SEC workforce was lower than their percentage in these two occupations in the CLF.

Figure 11: FY 2017 SEC Workforce Mission Critical Occupations Compared to CLF

		Men	Women	White	Black	Hispanic	Asian	All Other
0905 General Attorney	SEC Workforce	55.6%	44.4%	77.8%	6.9%	4.1%	10.5%	0.7%
	OCLF	66.7%	33.3%	86.4%	4.7%	4.4%	3.6%	0.9%
0510 Accounting	SEC Workforce	56.5%	43.5%	71.7%	8.7%	6.0%	12.8%	0.8%
	OCLF	39.9%	60.1%	76.0%	8.1%	6.1%	8.6%	1.2%
1831 Securities Compliance Examining	SEC Workforce	66.8%	33.2%	66.2%	8.7%	6.3%	18.0%	0.9%
	OCLF	54.7%	45.3%	72.4%	12.3%	6.7%	7.7%	0.9%
0110 Economist	SEC Workforce	72.5%	27.5%	62.7%	3.9%	5.9%	25.5%	2.0%
	OCLF	67.1%	32.9%	81.0%	5.5%	5.2%	7.1%	1.3%

Source: FPPS FY 2017 data retrieved on January 23, 2018. OCLF data from Census 2010 EEO Tabulation retrieved on January 4, 2017. NHPI = Native Hawaiian/Pacific Islander; AIAN = American Indian/Alaska Native, and TOM = Two or More Races.

Figure 12 depicts employees in mission critical occupations by gender, race, and ethnicity since FY 2015. The percentage of minorities in mission critical occupations increased slightly from 24.1 percent in FY 2015 to 25.5 percent in FY 2017. The percentages of Asian, Black or African American, and Hispanic or Latino employees in mission critical occupations increased incrementally over the three-year period. The percentage of women in mission critical occupations also increased slightly since FY 2015.

Figure 12: Mission Critical Occupations FY 2015 – FY 2017

		Total	Men	Women	White	Black	Hispanic	Asian	All Other
FY 2015		3,154	1,841	1,313	2,394	233	145	365	17
		100.0%	58.4%	41.6%	75.9%	7.4%	4.6%	11.6%	0.1%
FY 2016		3,333	1,924	1,409	2,493	251	162	407	20
		100.0%	57.7%	42.3%	74.8%	7.5%	4.9%	12.2%	0.6%
FY 2017		3,293	1,894	1,399	2,452	247	162	407	25
		100.0%	57.5%	42.5%	74.5%	7.5%	4.9%	12.4%	0.8%
Percent Change (FY 2015 - FY 2017)		4.4%	2.9%	6.5%	2.4%	6.0%	11.7%	11.5%	47.1%

Source: FPPS FY 2017 data retrieved on January 23, 2018. "All Other" includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories, and unknowns.

2017, while the percentage of promotions received by Black or African American employees decreased. Although the percentage of promotions received by women decreased negligibly since FY 2015, their percentage of promotions increased from FY 2016 to FY 2017.

Figure 19: Promotions FY 2015 – FY 2017

	Total	Men	Women	White	Black	Hispanic	Asian	All Other
FY 2015	564	292	272	345	117	30	64	8
	100.0%	51.8%	48.2%	61.2%	20.7%	5.3%	11.3%	1.4%
FY 2016	612	330	282	390	102	40	77	3
	100.0%	53.9%	46.1%	63.7%	16.7%	6.5%	12.6%	0.5%
FY 2017	559	290	269	330	103	44	76	6
	100.0%	51.9%	48.1%	59.0%	18.4%	7.9%	13.6%	1.1%

Source: FPPS FY 2017 data retrieved on January 23, 2018. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races categories, and unknowns. Promotions include all employee transactions resulting in a higher grade level.

Work Environment

The Partnership for Public Service annually publishes rankings for the Best Places to Work in the Federal Government, which are based on the Federal Employee Viewpoint Survey (FEVS) administered by OPM. The SEC moved up a place in rankings in 2017, and was ranked fifth out of 27 mid-size agencies. Although areas for improvement exist, the steady increases in FEVS scores on the indices for Global Satisfaction (17 percentage points), New Inclusion Quotient Index (5 percentage points), and Employee Engagement (10 percentage points) reflect the SEC's commitment to promoting workforce diversity and fostering workplace inclusion as an integral part of the agency's human capital strategic plan.

Employee Affinity Groups:

Employee Affinity Groups have been instrumental in helping the SEC cultivate a workplace culture that attracts diverse talent and encourages employee engagement and retention. The improvements seen in FEVS scores and the SEC's ranking as a best place to work are attributable in part to the active involvement of Employee Affinity Groups in fostering inclusion at the SEC. Employee Affinity Groups provide educational, cultural, and networking opportunities for SEC employees, and serve as a resource for outreach and recruitment initiatives.

SEC Commissioners and Senior Officers serve as sponsors for Employee Affinity Groups. OMWI provides program support for all Employee Affinity Groups except the Veterans Committee, which receives program support from OHR. In FY 2017, nine Employee Affinity Groups were active at the SEC:

- African American Council;
- American Indian Heritage Committee;
- Asian American and Pacific Islander Committee;
- Caribbean American Heritage Committee;
- Disability Interests Advisory Committee;
- Hispanic and Latino Opportunity, Leadership, and Advocacy Committee;
- Lesbian, Gay, Bisexual, and Transgender (LGBT) Committee;
- Veterans Committee; and
- Women’s Committee.

Employee Affinity Groups have a major role in planning and conducting SEC-sponsored programs and activities to commemorate Special Observances. These programs celebrate the diversity in the SEC workforce and enhance cross-cultural awareness and understanding. For a list of the FY 2017 programs and activities for Special Observances, see Appendix C.

FEVS Inclusion Quotient Index:

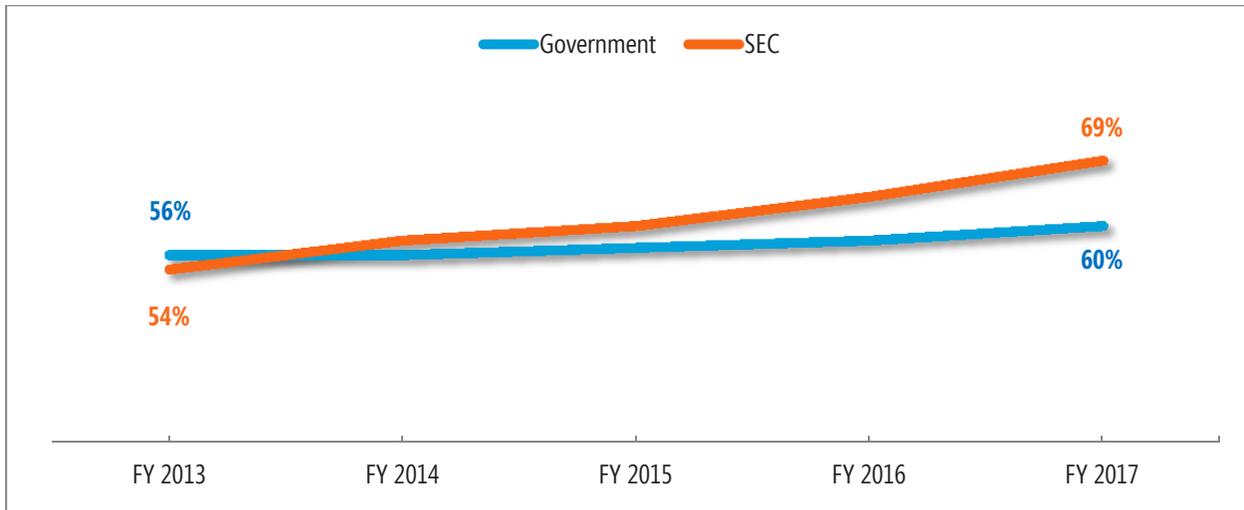
The FEVS Inclusion Quotient Index (the New IQ) empirically measures enabling conditions that lead to an inclusive workplace. The New IQ is made up of 20 FEVS questions grouped into the following “5 Habits of Inclusion:”

- Fair: Are all employees treated equitably?
- Open: Does management support diversity in all ways?
- Cooperative: Does management encourage communication and collaboration?
- Supportive: Do supervisors value employees?
- Empowering: Do employees have the resources and support needed to excel?

The New IQ score reflects the percentage of positive responses to the questions corresponding to each “habit” of inclusion. The SEC’s overall New IQ for 2017 was 69 percent positive, which was 5 percentage points higher than the agency’s overall New IQ for 2016 and 15 percentage points higher than 2013. The SEC’s scores on each Habit of Inclusion also increased: Fair (up 4 percentage points), Open (up 5 percentage points), Cooperative (up 7 percentage points), Supportive (up 4 percentage points), and Empowering (up 6 percentage

points). The trend calculations shown in Figure 20 indicate the SEC New IQ continues to increase.

Figure 20: SEC's New IQ vs. Government Average



Source: OPM's Federal Employee Viewpoint Survey 2017 retrieved on February 1, 2018.

In addition to the New IQ, OMWI tracks the percent of positive responses to three diversity-related FEVS questions. As shown in Figure 21, the agency's scores on these questions increased each year since FY 2013, which suggests growing support for the agency's diversity and inclusion efforts.

Figure 21: SEC Scores on Selected Diversity Related FEVS Questions

Question	2013	2014	2015	2016	2017
Q34 - Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	53.1%	59.8%	63.4%	64.7%	67.0%
Q45 - My supervisor is committed to a workforce representative of all segments of society.	66.2%	71.4%	72.3%	75.9%	79.6%
Q55 - Supervisors work well with employees of different backgrounds.	58.7%	62.8%	63.8%	67.7%	76.7%

Source: OPM's Federal Employee Viewpoint Survey 2017 retrieved on February 1, 2018.

Challenges and Next Steps

The SEC plans to continue a measured approach to external hiring throughout FY 2018. Thus, to ensure continued progress towards attaining diversity at all levels of the agency's workforce, OMWI will work with divisions and offices on strategic outreach and recruitment to improve: (1) the representation of minorities in senior management; (2) the representation of women in the accountant, securities compliance examiner, and economist occupations; (3) the

Black or African American representation in securities compliance examiner and economist occupations; and (4) the Hispanic or Latino representation in the attorney, accountant, and securities compliance examiner occupations.

Increasing the representation of minorities among Senior Officers is a perennial challenge. Since their numbers are small, retirements and other separations by minorities in Senior Officer positions have a visible impact on their representational percentage. In addition to strategic outreach and recruitment, OMWI will explore other innovative initiatives to ensure the SEC attracts diverse candidates for future vacancies at the Senior Officer level.

Diversity Policies and Practices of SEC-Regulated Entities

The SEC joined with the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Bureau of Consumer Financial Protection, and National Credit Union Administration to develop joint standards (Joint Standards) to provide a framework for assessing the diversity policies and practices of regulated entities in the areas of:¹¹

- Organizational commitment to diversity and inclusion;
- Workforce profile and employment practices;
- Procurement and business practices (supplier diversity);
- Practices promoting transparency of organizational diversity and inclusion; and
- Entities' self-assessments of diversity policies and practices.

The Joint Standards that address “Entities’ Self-Assessment” contemplate that regulated entities will voluntarily: (1) conduct self-assessments of their diversity policies and practices at least annually; and (2) provide information pertaining to their self-assessments to the OMWI Director of their primary Federal financial regulator.

To facilitate self-assessments of diversity policies and practices and to provide a means for standardizing the information pertaining to self-assessments submitted to the OMWI Director at the SEC, OMWI developed a form called the “Diversity Assessment Report for Entities Regulated by the SEC” (Diversity Assessment Report).¹²

The Diversity Assessment Report is intended for regulated entities with more than 100 employees, as the Agencies focused primarily on institutions of this size when developing the Joint Standards. Entities with fewer than 100 employees, however, may also find it useful. The Diversity Assessment Report will be completed on line using a secure web-based survey management system. SEC-regulated entities may download a PDF version of the Diversity Assessment Report and use it to guide their self-assessments, but PDF versions will not be submitted to OMWI.

The SEC issued a press release on January 25, 2018 to introduce the Diversity Assessment Report and announce that SEC-regulated entities would receive an email from

¹¹ See the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies,” Release No. 34-75050; File No. S7-10-15; 80 FR 33016 (June 10, 2015).

¹² On September 27, 2017, the SEC received approval from the Office of Management and Budget under the Paperwork Reduction Act to use the Diversity Assessment Report in connection with the Joint Standards.

OMWI inviting them to complete the Diversity Assessment Report. In addition, OMWI posted a set of Frequently Asked Questions on its webpage to provide more information about the Joint Standards and the Diversity Assessment Report.

On January 30, 2018, OMWI sent emails to certain SEC-regulated entities requesting that they complete and submit the Diversity Assessment Report using the hyperlink to the report included in the email. The regulated entities were given 60 days, from January 31 to March 31, 2018, to complete the Diversity Assessment Report.

OMWI expects the responses to the Diversity Assessment Reports will answer the general question whether respondents are promoting workforce and supplier diversity in their organizations, and provide information on which policies and practices reflected in the Joint Standards have been adopted by respondents. OMWI may publish information obtained from Diversity Assessment Reports in its Annual Report to Congress, but only in a form that does not identify a particular entity. Further, OMWI may share information with other Agencies that joined in issuing the Joint Standards to support coordination of efforts and to avoid duplication.

The SEC hopes that distributing the Diversity Assessment Report will raise awareness about the Joint Standards and the ways in which regulated entities may establish new, or strengthen existing, diversity policies and practices, as well as encourage transparency.

SEC Contractors' Workforce Inclusion of Minorities and Women

To implement the requirements of Section 342 of the Dodd-Frank Act related to the workforce diversity of agency contractors, the SEC includes its Contract Standard for Contractor Workforce Inclusion (Contract Standard) in all solicitations and contracts for services with a dollar value of \$100,000 or more. The Contract Standard also is to be included in subcontracts for services with a dollar value of \$100,000 or more awarded under the contract.

The Contract Standard requires the service contractor, upon entering into a contract with the SEC, to confirm it will ensure, to the maximum extent possible and consistent with applicable law, the fair inclusion of minorities and women in its workforce. The Contract Standard further requires a contractor to provide documentation, upon the request of the OMWI Director, demonstrating it has made good faith efforts to ensure the fair inclusion of minorities and women in its workforce and, as applicable, demonstrating its covered subcontractor(s) has made such good faith efforts.

Section 342 of the Dodd-Frank Act directs the OMWI Director to determine whether a contractor has failed to make good faith efforts to include minorities and women in its workforce, and requires the agency administrator to take appropriate action if the OMWI Director makes such a determination. OMWI conducts post-award reviews, referred to as "Good Faith Effort Reviews," to determine whether contractors have complied with the requirements of the Contract Standard to make good faith efforts to ensure workforce inclusion of minorities and women.

In FY 2017, OMWI reviewed a total of 116 contractors (82 prime and 34 subcontractors), which represented about 92 percent of the contractors that were eligible for review. In each review, OMWI determined that the information and representations in the contractor's submission appeared to indicate the contractor had taken actions demonstrating good faith efforts to comply with the requirements of the Contract Standard. Where OMWI's analysis of a contractor's workforce data revealed that the representation of women or minorities in an EEO-1 job category (e.g., Officials and Managers and Professionals) was lower than would be expected, OMWI advised the contractor that the particular job categories should be areas of focus for its ongoing diversity efforts.

Conclusion and FY 2018 Outlook

The SEC embraces diversity and inclusion not only as a matter of implementing the requirements of Section 342 of the Dodd-Frank Act, but also as a mission imperative. Leveraging the benefits of diversity and inclusion will assist the SEC in maintaining the highest standards in pursuit of its mission. In FY 2018, OMWI will continue to work with all divisions and offices, SEC senior leadership, the agency's Diversity Council, the Office of Equal Employment Opportunity, and the Office of Human Resources to promote diversity in the agency's workforce and foster an inclusive workplace.

The SEC will also continue to implement existing initiatives and explore new strategies for improving gender, racial, and ethnic diversity in senior management positions and certain SEC mission critical occupations. Diversity in both leadership and the workforce is needed to maximize mission effectiveness. Further, in a period of reductions in hiring and constricting budgets, OMWI will continue to direct efforts toward developing a pipeline of diverse talent for future employment and internship opportunities.

OMWI will continue to work with the Office of Acquisitions to build on the agency's success in advancing the agency's supplier diversity goals. OMWI will also continue to conduct post-award reviews of agency contractors to determine compliance with SEC Contract Standard. OMWI anticipates reviewing and analyzing responses provided in Diversity Assessment Reports in FY 2018. At conferences and other events hosted by the industry trade associations, OMWI will continue to promote the use of the Joint Standards and encourage SEC-regulated entities to conduct self-assessments of their diversity policies and practices.

Appendix A: OMWI FY 2017 Diversity Partners

Organization Name
ASCEND, Inc.
Association of Latino Professionals For America
Council on Legal Education Opportunity, Inc.
D.C. Diverse Partners Network, Inc.
Hispanic Association of Colleges and Universities
Hispanic National Bar Association
Hispanic Bar Association of the District of Columbia
International Leadership Foundation
National Association of Asian MBAs
National Association of Black Accountants
National Association of Black Accountants, Metropolitan D.C. Chapter
National Bar Association
National Bar Association, Greater Washington Area Chapter
National Black MBA Association, D.C. Chapter
National Society of Hispanic MBAs
National Society of Hispanic MBAs, D.C. Chapter
Thurgood Marshall College Fund
United Negro College Fund
White House Initiative on HBCUs
Women's Bar Association

Source: Office of Minority and Women Inclusion.

Appendix B: FY 2017 Outreach and Recruitment Events

Event Name	Date
Hispanic Association of Colleges and Universities 30th Annual Conference	October 2016
National Association of Black Accountants Western Region Student Conference	October 2016
Central State University Fall 2016 Career & Internship Fair	October 2016
Accounting and Financial Women's Alliance 2016 National Conference & Career Fair	October 2016
ExpoMujer 2016 Atlanta	November 2016
Georgia Young Farmers Association Convention	January 2017
Kozyak Minority Mentoring Foundation 13th Annual Picnic: Networking Event for Minority Law Students, Lawyers and Judges	February 2017
Glenbrook South High School Women in Business Breakfast	February 2017
American University, School of International Services International Affairs Expo	February 2017
Hispanic Bar Association of DC Career Fair and Networking Event	March 2017
2017 FINRA Diversity Summit	March 2017
Hispanic National Bar Association 8th Annual Corporate Counsel Conference	March 2017
Lincoln University Career and Graduate / Professional School Fair	March 2017
Federal Bar Association 2017 Indian Law Conference	April 2017
Penn State University Careers in the Law	April 2017
Minority Corporate Counsel Association General Counsel Summit	April 2017
Trinity Washington University's 2017 Employer in Residence Program	April 2017
Association of Latino Professionals for America Finance Summit (DC Chapter)	April 2017
2017 National Association of Black Accountants National Convention & Expo	June 2017
23rd Annual Women in Technology Summit	June 2017
Florida International University Career Fair	June 2017
Association of Latino Professionals for America 2017 Leadership Summit	June 2017
National Association of Securities Professional Pension and Financial Services Conference	June 2017
South Asian Bar Association 14th Annual Convention	July 2017
International Leadership Foundation Student Visit to SEC	July 2017
Hispanic National Bar Foundation 2017 Future Latino Leaders Law Camp Visit to SEC	July 2017
International Leadership Foundation Career Fair	July 2017
NAACP 108th Annual Convention	July 2017
National Bar Association 92nd Annual Convention & Exhibits	July 2017
National LGBT Bar Association Lavender Law Conference & Career Fair	August 2017
Association of Latino Professionals For America 45th Annual Convention & Career Fair	August 2017
National Association of Securities Professionals Legislative Symposium	September 2017
Congressional Black Caucus Foundation Annual Legislative Conference	September 2017
13th Annual Corporate Counsel Women of Color Career Strategies Conference	September 2017

Source: Office of Minority and Women Inclusion. Representative list only.

Appendix C: FY 2017 Programs for Special Observances

Program and Speaker
<p>Hispanic Heritage Month <i>Guest Speaker: Honorable Rene Alexander Acosta, U.S. Department of Labor Secretary</i></p>
<p>Disability Awareness Month <i>Guest Speaker: Sonia L. Aranza, Global Diversity and Inclusion Strategist</i></p>
<p>Veterans Day Commemoration <i>Guest Speaker: Sergeant Jerry Wolf, U.S. Army Air Corps, Eighth Air Force, WWII and POW</i></p>
<p>American Indian Heritage Month <i>Guest Speaker: Ann Marie Bledsoe Downes, Deputy Assistant Secretary – Indian Affairs, Department of Interior</i></p>
<p>African American History Month <i>Guest Speaker: Honorable Robert L. Wilkins, U.S. Circuit Judge for the U.S. Court of Appeals for the District of Columbia</i></p>
<p>Women’s History Month <i>Coffee Networking Event in Honor of Women’s History Month</i></p>
<p>Asian American Pacific Islander Month <i>Guest Speaker: Dr. Min Zhou, Professor of Sociology and Asian Studies at the University of California, Los Angeles</i></p>
<p>Caribbean American Heritage Month <i>Guest Speaker: Dr. Natalie Vassall, Physician and Deputy Informatics Officer, Veterans Affairs Medical Center, Washington, D.C.</i></p>

Source: Office of Minority and Women Inclusion.