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**OFFICE OF MINORITY AND WOMEN INCLUSION**

**ANNUAL REPORT**

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**As Required by Section 342(e) of the  
Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010**



**This is a report prepared by the Staff of the Office of Minority and Women Inclusion of the U.S. Securities and Exchange Commission. The Commission has expressed no view regarding the analysis, findings, or conclusions contained herein.**

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**April 24, 2013**

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## EXECUTIVE SUMMARY

The Office of Minority and Women Inclusion (“OMWI”), created pursuant to Section 342 of the Dodd-Frank Act, was formally established at the SEC in July 2011. OMWI is responsible for all matters relating to diversity in management, employment, and business activities at the SEC. Since its establishment, OMWI has grown from two full-time employees and an acting director, to nine full-time employees and two contractors as of March 2013. The permanent OMWI Director joined the office in January 2012.

The OMWI Director is required to develop standards:

- for the equal employment opportunity and the racial, ethnic, and gender diversity of the workforce and senior management of the SEC;
- for the increased participation of minority-owned and women-owned businesses in the SEC’s programs and contracts; and,
- to assess the diversity policies and practices of entities regulated by the SEC.

Under Section 342(e) of the Dodd-Frank Act, OMWI is required to submit this annual report to Congress on specific actions taken by the agency and OMWI related to minority and women contracting awards, outreach programs, and employee and contractor hiring challenges.

Highlights of OMWI’s FY 2012 actions and successes are summarized below, and are discussed further in this report.

### ***Contracting with Minority-Owned and Women-Owned Businesses***

- Total agency contracting awards to women-owned businesses increased by \$21.7 million, from \$7.8 million in FY 2011 to \$29.5 million in FY 2012.
- Of the total \$302.4 million awarded to contractors in FY 2012, \$64.1 million (21.2%) was awarded to minority-owned and women-owned businesses.
- OMWI worked with key agency divisions and offices to expand the breadth of contracting opportunities available to minority-owned and women-owned businesses.
- OMWI worked with the Office of Acquisitions and Office of General Counsel to develop contract language for the written statement on the fair inclusion of women and minorities in contracting activities as required by Section 342(c)(2).
- OMWI provided technical assistance to over 150 small, minority-owned, and women-owned vendors.
- OMWI sponsored and/or attended more than twenty contracting outreach events held by professional associations.

### *Employment of Minorities and Women in the SEC Workforce*

- OMWI created an internal OMWI Steering Committee, comprised of senior-level staff from across the agency, to provide guidance, suggestions, and solutions regarding workforce diversity policies and programs.
- OMWI, with active input from the OMWI Steering Committee, collaborated with the Office of Human Resources to further integrate diversity and inclusion measures in the performance standards for all managers and senior officers.
- The SEC saw an increase in the percentages of new hires in FY 2012 over FY 2011 for the following demographic groups:
  - African-American/Black: +2.7% (10.1% -- 12.8%);
  - Asian-American: +3.6% (9.2% -- 12.8%); and
  - American Indian/Alaskan Native: +0.3% (0% -- 0.3%).
- OMWI partnered with the Diverse Partners Network, the Workforce Recruitment Program, and Howard University Law School to develop programs and strategies to recruit diverse candidates to the agency.
- In collaboration with other SEC divisions and offices, OMWI sponsored and/or attended events held by professional associations, and participated in outreach and career fairs.

### *Regulated Entities*

- The OMWI Director and staff participated in roundtables with financial industry groups and trade organizations to foster an informed dialogue on the development of standards for assessing the diversity policies and practices of regulated entities.
- The OMWI Director and staff are drafting proposed standards to assess the diversity policies and practices of entities regulated by the agency.

## **THE U.S. SECURITIES AND EXCHANGE COMMISSION**

The U.S. Securities and Exchange Commission<sup>1</sup> is charged with a vital mission – to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation. The Commission – comprised of five presidentially-appointed Commissioners, one of whom is designated as Chairman – is responsible for:

- interpreting and enforcing federal securities laws;
- issuing new rules and amending existing rules;
- overseeing the inspection of securities firms, brokers, investment advisers, and ratings agencies;
- overseeing private regulatory organizations in the securities, accounting, and auditing fields; and
- coordinating U.S. securities regulation with federal, state, and foreign authorities.

The agency’s functional responsibilities are organized into various divisions and offices that, along with the Commission, are headquartered in Washington, DC. The 3,942 employees<sup>2</sup> of the agency are located in the Washington, DC headquarters and in regional offices in Atlanta, Boston, Chicago, Denver, Fort Worth, Los Angeles, Miami, New York, Philadelphia, Salt Lake City, and San Francisco.

The SEC has responsibility for approximately 35,000 entities, including direct oversight of about 12,600 investment advisers, 9,900 mutual funds and exchange traded funds, and over 4,500 broker-dealers with more than 160,000 branch offices. The agency also has responsibility for reviewing the disclosures and financial statements of more than 9,100 reporting companies and also oversees approximately 450 transfer agents, 15 national securities exchanges, eight active clearing agencies, and nine nationally recognized statistical rating organizations, as well as the Public Company Accounting Oversight Board, Financial Industry Regulatory Authority, Municipal Securities Rulemaking Board, and the Securities Investor Protection Corporation.

## **THE OFFICE OF MINORITY AND WOMEN INCLUSION**

As required by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010<sup>3</sup>, the Office of Minority and Women Inclusion (OMWI) is responsible for

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<sup>1</sup> For purposes of this report, references to the “U.S. Securities and Exchange Commission,” “SEC,” or the “agency” denote the U.S. Securities and Exchange Commission as an agency.

<sup>2</sup> The SEC employee count data presented in this report was retrieved from the Federal Personnel/Payroll System (FPPS) and includes all permanent, temporary, and term employees.

<sup>3</sup> Pub. L. No. 111-203, 124 Stat. 1376, July 11, 2010, codified as 12 USC § 5452.

all matters related to diversity in management, employment and business activities at the SEC. The SEC established its OMWI office in July 2011<sup>4</sup> and began the hiring process for a permanent OMWI Director soon thereafter. The permanent OMWI Director, selected in December 2011, officially joined the agency in January 2012.

The OMWI Director is responsible for developing standards for equal employment opportunity and diversity of the workforce and senior management of the SEC, the increased participation of minority-owned and women-owned businesses (MWOBs)<sup>5</sup> in the SEC's programs and contracts, and assessing the diversity policies and practices of entities regulated by the SEC.<sup>6</sup> The OMWI Director is also required to advise the Commission on the impact of the SEC's policies and regulations on MWOBs.<sup>7</sup>

As required by Section 342(e), OMWI must submit an annual report to Congress that includes the following:

- a statement of the total amounts paid to contractors during the reporting period;
- the percentage of the amounts paid to contractors that were paid to minority-owned and women-owned businesses;
- the successes achieved and challenges faced by the agency in operating minority and women outreach programs;
- the challenges the agency may face in hiring qualified minority and women employees and contracting with qualified minority-owned and women-owned businesses; and,
- any other information, findings, conclusions, and recommendations for legislative or agency action, as the OMWI Director determines appropriate.<sup>8</sup>

Unless otherwise noted, this annual report covers Section 342-related activities at the SEC for the fiscal year ended September 30, 2012.

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<sup>4</sup> The SEC's OMWI was formally established in July 2011 when the House and Senate Appropriations Committees approved the SEC's reprogramming request to create the office.

<sup>5</sup> Throughout this report, MWOBs refers to minority-owned and women-owned businesses. To eliminate double-counting, data for minority-owned businesses (MOBs) does not include businesses owned by women, data for women-owned businesses (WOBs) does not include businesses owned by minorities, and data for minority women-owned business (MW-OBs) includes only businesses owned by minority women.

<sup>6</sup> Section 342(b)(2)(A)-(C).

<sup>7</sup> Section 342(b)(3).

<sup>8</sup> Section 342(e).

## I. Contracting with Minority-Owned and Women-Owned Businesses

The SEC is committed to the fair utilization of minority-owned and women-owned businesses, regardless of size, in all of the agency's business activities. The SEC, through the efforts of OMWI, is actively involved in the agency's acquisition review process to expand the breadth of contracting opportunities available to minority-owned and women-owned businesses, and to advocate for their inclusion in the competitive contract award process.

In FY 2012, the SEC awarded \$302.4 million to contractors. Of the \$302.4 million, \$64.1 million (21.2%) was awarded to minority-owned and women-owned businesses (MWOBs). Of that \$64.1 million, the agency awarded \$27.2 million (9.0%) to minority-owned businesses (MOBs); \$29.5 million (9.8%) to women-owned businesses (WOBs); and \$7.3 million (2.4%) to minority women-owned businesses (MW-OBs). Compared to FY 2011, total contract dollars awarded to MWOBs increased by \$18.5 million, contract dollars awarded to MOBs decreased by \$2.6 million, contract dollars awarded to WOBs increased by \$21.7 million, and contract dollars awarded to MW-OBs decreased by \$0.7 million.

### MWOB Contract Awards, FY 2011 – FY 2012

Fiscal Year	Total SEC Contracts	MOB Contracts	WOB Contracts	MW-OB Contracts	Total MWOB Contracts	MWOB % of Total SEC Contracts
2012	<b>\$302,433,155</b>	\$27,210,970	\$29,543,009	\$7,337,447	<b>\$64,091,426</b>	<b>21.2%</b>
2011	<b>\$235,613,882</b>	\$29,750,314	\$7,826,414	\$8,003,087	<b>\$45,579,815</b>	<b>19.3%</b>

Source: Federal Procurement Data System (FPDS) data extracted March 4, 2013.

#### A. Major Contract Award Categories

During FY 2012, the majority of the SEC's total contract awards were for goods and services related to computer systems design and management, scientific and technical consulting services. The five major categories that accounted for 86% of the SEC's \$302.4 million contract awards were as follows:

- Computer Systems Design and Related Services (53%);
- Management, Scientific, and Technical Consulting Services (13%);
- Administrative and Support Services (8%);
- Information (includes publishing, data processing and hosting, etc.) (6%); and
- Computer and Electronic Product Manufacturing (6%).



The remaining 14% of contracts awarded in other categories (including legal services, accounting, finance, and insurance) accounted for \$42.3 million of the agency’s total contract awards.

From FY 2011 to FY 2012, contract awards to MWOBs increased in the SEC’s five major contracting categories: Computer Systems Design and Related Services (from \$13.5 million to \$26.2 million); Management, Scientific, and Technical Consulting Services (from \$9.4 million to \$10.0 million); Administrative and Support Services (from \$5.3 million to \$6.7 million); Information (from \$2.6 million to \$3.6 million); and Computer and Electronic Product Manufacturing (from \$1.2 million to \$8.9 million). Both minority-owned and women-owned businesses experienced the largest gains in the Computer Systems Design and Related Services category, with \$3.3 million and \$9.9 million increases respectively.

**MWOB Contract Awards in  
SEC Major Contract Award Categories (FY 2011 and FY 2012)**

Major Categories	FY 2011 MWOB Contract Awards	FY 2011 Total Contract Awards	FY 2012 MWOB Contract Awards	FY 2012 Total Contract Awards
Computer Systems Design and Related Services	\$13,492,489	\$102,575,149	\$26,196,015	\$160,395,900
Management, Scientific, and Technical Consulting Services	\$9,465,214	\$30,818,220	\$10,009,048	\$38,822,474
Administrative and Support Services	\$5,256,075	\$33,544,327	\$6,661,949	\$22,948,367
Information (includes publishing, data processing and hosting, etc.)	\$2,567,017	\$18,376,557	\$3,596,417	\$19,190,899
Computer and Electronic Product Manufacturing	\$1,206,909	\$3,650,937	\$8,938,264	\$18,822,425

Source: Federal Procurement Data System (FPDS) data extracted March 4, 2013.

OMWI also supports the agency’s efforts to increase contracting opportunities for small businesses, including minority-owned and women-owned businesses. With the exception of the goal for historically underutilized business zone small businesses, the SEC exceeded its Small Business Association goals in FY 2012.<sup>9</sup>

**B. Good Faith Contract Language**

Section 342(c)(1) requires the OMWI Director to develop and implement standards and procedures for the fair inclusion and utilization of minorities, women, minority-owned and women-owned businesses in all business activities of the Commission at all levels, including procurement and all types of contracts. Under Section 342(c)(2), the procedures established for the review and evaluation of contract proposals and for hiring service providers shall include, to

<sup>9</sup> As an agency subject to the Federal Acquisition Regulation (FAR) when purchasing goods and services, the SEC is required to award a certain percentage of its total contracting dollars to meet specified small business contract award goals. Refer to FAR Part 19.201(d)(4) for more information.

the extent consistent with applicable law, a component that gives consideration to the diversity of the applicant. These procedures must include a written statement (referred to as “good faith contract language”) in a form and with such content as the OMWI Director shall prescribe, 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.” Pursuant to Section 342(d), this good faith contract language and the procedures established under Section 342(c) shall apply to all agency contracts for services of any kind.

As required by Part 1.404 of the FAR, the SEC has consulted, through her staff, with the chairperson of the Civilian Agency Acquisition Council (CAAC). CAAC advised that in their view a FAR deviation is not required because issuance of the regulation is required by statute, rather than being discretionary. CAAC staff agreed with SEC plans to consult with the Small Business Administration (SBA) and the Office of Management and Budget (OMB) on the regulation prior to posting the regulation to the Federal Register for public comment. After consulting with both SBA and OMB, SEC will publish the draft regulation in the Federal Register for comment. Following receipt and analysis of any comments, the SEC will move forward to implement the regulation. OMWI anticipates that this good faith contract language will be finalized and incorporated in all SEC contracts for services that exceed the FAR simplified acquisition threshold amount (currently \$150,000) before the end of FY 2013.

#### C. Technical Assistance and Outreach

OMWI provides technical assistance and outreach to MWOBs and small businesses to increase their participation in the business activities of the agency. This technical assistance and outreach includes:

- Hosting a monthly “Vendor Outreach Day” in partnership with SEC’s Office of Acquisitions at SEC headquarters. This provides small businesses and MWOBs with an individualized opportunity to learn about the SEC’s contracting needs and to present their capabilities to OMWI’s Supplier Diversity Officer and other key SEC personnel.
- Creating customized brochures and print materials, and enhancing OMWI’s external website to facilitate improved technical assistance and outreach to small businesses and MWOBs.
- Maintaining a dedicated email address and telephone line for contracting inquiries and outreach. During FY 2012, more than forty MWOBs contacted OMWI directly to learn more about the SEC’s contracting process and needs.
- Posting contracting opportunities to the Federal Business Opportunities webpage ([www.FBO.gov](http://www.FBO.gov)).

- Sponsoring and attending conferences and participating in business matchmaking sessions to increase the interaction between small businesses, MWOBs and the SEC. During FY 2012, OMWI's outreach included participating in the national conferences and business matchmaking sessions for the National Association of Minority and Women-Owned Law Firms, the Minority Business Development Agency, the National Minority Supplier Development Council, and the Women's Business Enterprise National Council, among others.

D. Challenges and Next Steps

While women-owned businesses experienced an increase in contract awards in FY 2012, minority-owned businesses experienced a slight decrease. The decrease for minority-owned businesses was largely due to reductions in contract awards in the Wholesale Trade (computer and peripheral equipment, etc.) category (a decrease of \$3.27 million, from \$3.73 million awarded in FY 2011 to \$461,000 awarded in FY 2012) and the Other Professional, Scientific, and Technical Services category (a decrease of \$2.87 million, from \$4.33 million awarded in FY 2011 to \$1.46 million awarded in FY 2012). The SEC's contract awards have been trending towards technology-oriented services and OMWI will focus on advising MWOBs in this industry and encouraging them to compete for the SEC's contract awards, particularly in the agency's major contract award categories. The agency will continue to outreach to minority-owned and women-owned businesses to increase their opportunities for participation in the SEC's business operations.

## **II. Employment of Minorities and Women in the SEC Workforce**

During FY 2012, OMWI began developing and implementing new strategies to improve the diversity of the SEC's workforce. Of note, in May 2012, the OMWI Director created an internal OMWI Steering Committee, comprised of supervisors and managers from the SEC's divisions and offices to provide guidance, suggestions, and solutions relating to the requirements of Section 342. During FY 2012, the OMWI Steering Committee focused primarily on the agency's workforce diversity efforts and provided beneficial feedback to OMWI on current and proposed strategies and initiatives. In addition, the OMWI Director, with active input from the OMWI Steering Committee, collaborated with the Office of Human Resources to further integrate diversity and inclusion measures in the performance standards for all managers and senior officers to reflect more consideration of diversity in the agency's hiring and contracting practices. The Steering Committee also assisted OMWI in developing an agency-wide diversity and inclusion strategic plan to comply with the August 2011 White House Diversity and Inclusion Executive Order and the Government-wide Diversity and Strategic Plan initiative.

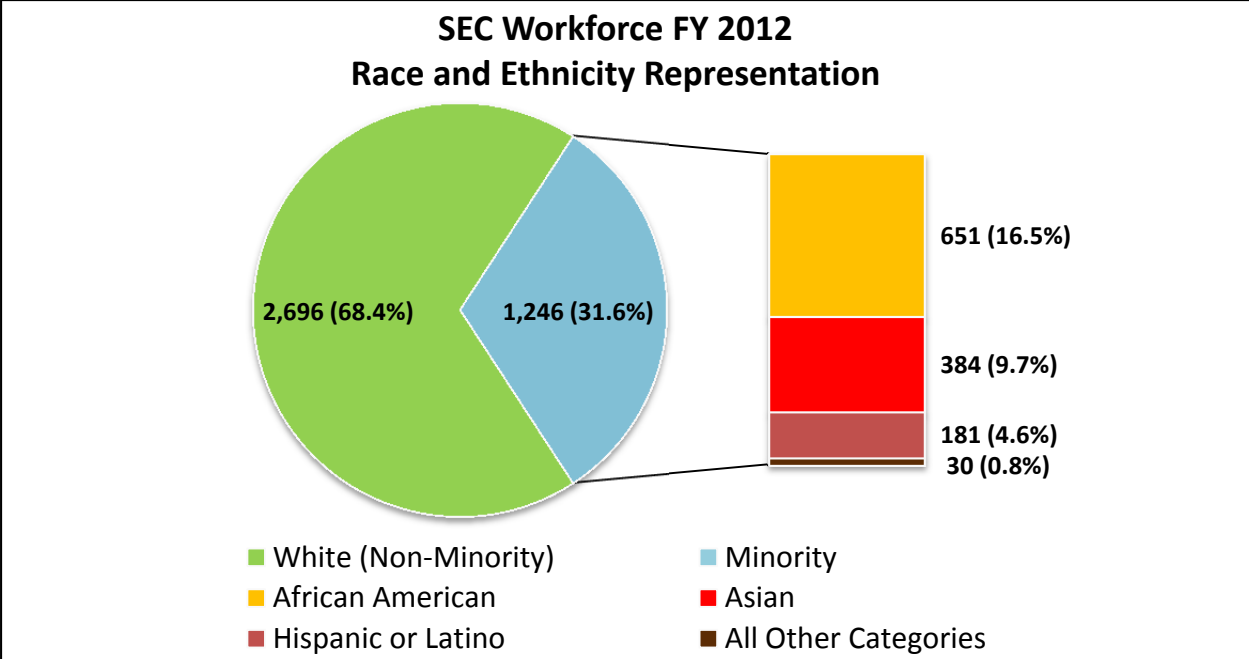
OMWI is committed to taking steps to make sure that minorities and women are represented at all levels of the agency's workforce, including in supervisory and management positions. A demographic overview of the 3,942 employees in the SEC's FY 2012 workforce (which includes permanent, temporary, and term employees) is below.

### **A. Minority and Women Representation**

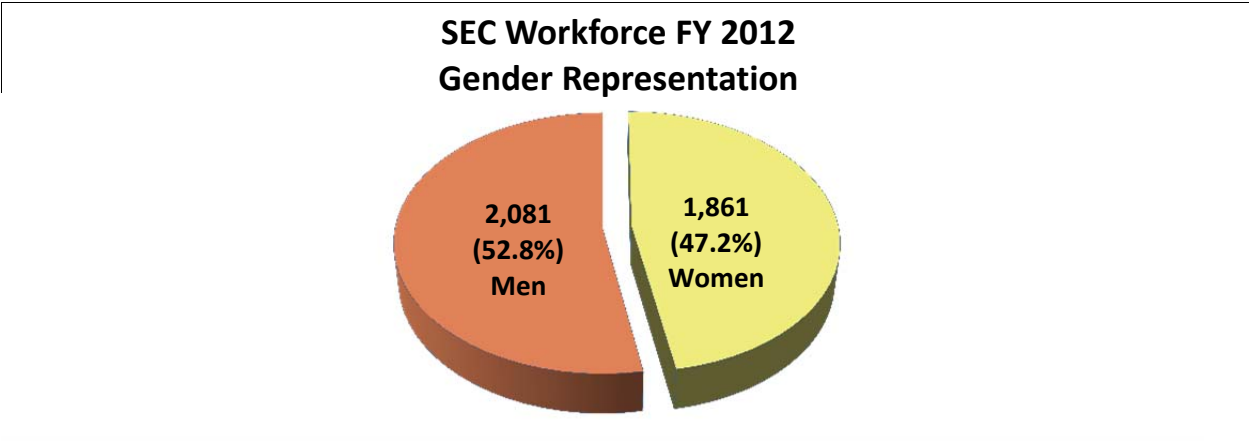
As of the end of FY 2012, 1,246 employees (31.6% of the SEC workforce) were minorities and 1,861 employees (47.2% of the SEC workforce) were women. Of the minority employees:

- 651 (16.5% of the SEC workforce) are Black or African-American;
- 384 (9.7% of the SEC workforce) are Asian;
- 181 (4.6% of the SEC workforce) are Hispanic or Latino;
- 10 (.3% of the SEC workforce) are American Indian or Alaska Native;
- 4 (.1% of the SEC workforce) are Native Hawaiian or Other Pacific Islander; and
- 16 (.4% of the SEC workforce) are of Two or More Races.

Of the 1,246 minority employees, 646 (51.8%) were employed in the agency's mission critical occupations of attorneys, accountants, compliance examiners, and economists. By comparison, 2,224 (82.5%) non-minority employees were employed in the agency's mission critical occupations. Of the 1,861 women employees, 1,195 (64.2%) were employed in the mission critical occupations of attorneys, accountants, compliance examiners, and economists. By comparison, 1,675 (80.5%) men were employed in the agency's mission critical occupations.



Source: Federal Personnel/Payroll System (FPPS) for Fiscal Year 2012. For this chart, “All Other Categories” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Two or More Races race/ethnicity categories, which combined comprised less than 1% of the SEC workforce.



Source: Federal Personnel/Payroll System (FPPS) for Fiscal Year 2012.

**B. Representation of Minority and Women in Supervisory and Management Roles**

OMWI is responsible for matters relating to diversity in management at all levels of the SEC. At the SEC, staff at levels SK-15 (e.g., branch chiefs), SK-17 (e.g., assistant directors), and Senior Officers (SOs) (e.g., associate directors, deputy directors, and directors) serve in supervisory and management roles. Senior Officers, the SEC equivalent to federal Senior Executive Service positions, are the highest ranking staff at the agency.

During FY 2012, there were a total of 780 supervisory and management positions (SK-15s, SK-17s, and Senior Officers) at the SEC. 141 (18.1%) of those supervisory and management positions were held by minorities and 276 (35.4%) were held by women. During FY 2012, the total number of African-Americans, Asians and Native Hawaiian or other Pacific Islanders in supervisory and management positions at the SEC increased, while the remaining minority groups experienced small decreases in representation. When compared to FY 2011 on a percentage basis, the total percentage of African-Americans and Asians in supervisory and management positions remained the same. The number of women in supervisory and management positions at the SEC increased by three in FY 2012, although the overall percentage of women supervisors and managers decreased slightly from 36.5% to 35.4%.

**SEC Supervisory and Management Demographics (FY 2011 and FY 2012)**

Fiscal Year	Total SK-15, SK-17, and SOs	Men	Women	White Non-Minority	Hispanic or Latino	African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races
2011	747	474	273	607	30	55	47	1	2	5
2011 % of total	100%	63.5%	36.5%	81.3%	4.0%	7.4%	6.3%	0.1%	0.3%	0.7%
2012	780	504	276	639	28	58	49	2	2	2
2012 % of total	100%	64.6%	35.4%	81.9%	3.6%	7.4%	6.3%	0.3%	0.3%	0.3%

Source: Federal Personnel/Payroll System (FPPS) for Fiscal Years 2011 and 2012.

**C. Senior Officers**

From FY 2011 to FY 2012, minority and women representation at the senior officer level experienced a slight increase in two minority groups. The number of African-American senior officers increased from three to seven and the number of Asian senior officers increased from three to four individuals. During the same time frame, women senior officers also increased slightly, from thirty-eight to forty.

### SEC Senior Officer Demographics (FY 2011 and FY 2012)

Fiscal Year	Total SOs	Men	Women	White Non-Minority	Hispanic or Latino	African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races
2011	123	85	38	109	6	3	3	0	1	1
2011 % of total	100%	69.1%	30.9%	88.6%	4.9%	2.4%	2.4%	0.0%	0.8%	0.8%
2012	128	88	40	111	5	7	4	0	1	0
2012 % of total	100%	68.8%	31.3%	86.7%	3.9%	5.5%	3.1%	0.0%	0.8%	0.0%

Source: Federal Personnel/Payroll System (FPPS) for Fiscal Years 2011 and 2012.

#### D. New Hires

In FY 2012, the SEC hired 375 new employees – a significant increase over the 217 new employees hired in FY 2011. Minorities and women comprised 30% of the agency’s new hires in FY 2012, compared to 26% in FY 2011.

### SEC New Hire Demographics (FY 2011 and FY 2012)

Fiscal Year	Total New Hires	Men	Women	White Non-Minority	Hispanic or Latino	African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races
2011	217	124	93	160	11	22	20	1	0	3
2011 % of total	100%	57.1%	42.9%	73.7%	5.1%	10.1%	9.2%	0.5%	0.0%	1.4%
2012	375	240	135	264	9	48	48	1	1	4
2012 % of total	100%	64.0%	36.0%	70.4%	2.4%	12.8%	12.8%	0.3%	0.3%	1.1%

Source: Federal Personnel/Payroll System (FPPS) for Fiscal Years 2011 and 2012.

#### E. Federal Workforce and Civilian Labor Force Comparison

Overall, workforce diversity at the SEC is comparable to the federal workforce and Civilian Labor Force (CLF), though there are differences in representation among certain groups. The SEC has more representation of Asians and women than the federal workforce and the CLF, but lags behind in Hispanic or Latino representation. The number of African-American and Asian employees increased at the SEC in FY 2012, with representation at rates at or above the CLF percentages. For African-Americans, the SEC’s 16.5% representation was higher than the

CLF representation of 11.1%, but lower than the federal workforce average of 18.0%. For Asians, the SEC’s 9.8% representation was higher than the federal workforce average of 5.9%. Hispanic or Latino representation comprised 4.6% of the SEC workforce, compared to the 7.9% representation in the federal workforce and 14.8% representation in the CLF. Although the percentage of women at the SEC decreased slightly over the past fiscal year, from 48.1% in FY 2011 to 47.2% in FY 2012, the SEC employs a higher percentage of women than the federal workforce, and a percentage equal to the CLF.

**SEC FY 2012 Workforce –  
Federal Workforce and Civilian Labor Force Comparison**

Demographic Groups*	SEC FY 2012 Workforce	2010 Federal Workforce	2010 Civilian Labor Force
Men	52.8%	56.0%	53.3%
Women	47.2%	44.0%	46.7%
White Men	40.6%	39.0%	35.8%
White Women	27.8%	26.5%	31.7%
African American Men	5.1%	7.7%	5.2%
African American Women	11.4%	10.3%	5.9%
Hispanic or Latino Men	2.3%	4.7%	8.8%
Hispanic or Latino Women	2.3%	3.2%	6.0%
Asian Men	4.6%	3.3%	2.5%
Asian Women	5.2%	2.6%	2.1%

Sources: SEC Workforce - Federal Personnel/Payroll System (FPPS) for FY 2012; Federal Workforce - EEOC FY 2010 Annual Report (the most recent published report); and 2010 Civilian Labor Force - U.S. Bureau of Labor Statistics.

\*Reported data for the Native Hawaiian or Other Pacific Islander and American Indian or Alaska Native demographic groups is not displayed for comparison, as each group represented less than 1% of the population for each source.

**F. Mission Critical Occupations**

The SEC’s mission critical occupations – attorneys, accountants, economists and compliance examiners – comprised approximately 73% of the agency’s workforce in FY 2012. Of the 1,696 attorneys at the SEC, 713 were women, representing 42.0% of all SEC attorneys and falling below the 47.1% representation in the federal workforce. Women accountants, economists, and compliance examiners were represented below the federal workforce representation. Hispanic or Latino representation at the agency exceeded the federal workforce representation for accountants, and fell slightly below the federal workforce for attorneys, economists and compliance examiners. For African-Americans, representation at the SEC fell below the federal workforce for attorneys, accountants, and compliance examiners, and exceeded the federal workforce for economists. Asian representation at the SEC was higher than the federal workforce for all the mission critical occupations.



## SEC Mission Critical Occupations – FY 2012 Federal Workforce Comparison

Mission Critical Occupations	Men	Women	White Non-Minority	Hispanic or Latino	Black or African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races
<b>FY 2012 SEC Attorneys</b>	<b>58.0%</b>	<b>42.0%</b>	<b>80.4%</b>	<b>3.2%</b>	<b>6.8%</b>	<b>9.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.5%</b>
FY 2012 FW Attorneys	52.9%	47.1%	80.4%	4.2%	8.6%	5.6%	0.1%	0.4%	0.7%
<b>FY 2012 SEC Accountants</b>	<b>56.6%</b>	<b>43.4%</b>	<b>73.5%</b>	<b>6.1%</b>	<b>8.4%</b>	<b>11.7%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.1%</b>
FY 2012 FW Accountants	41.5%	58.5%	62.7%	4.5%	22.0%	8.4%	0.2%	1.4%	0.9%
<b>FY 2012 SEC Economists</b>	<b>70.0%</b>	<b>30.0%</b>	<b>68.3%</b>	<b>1.7%</b>	<b>8.3%</b>	<b>20.0%</b>	<b>0.0%</b>	<b>1.7%</b>	<b>0.0%</b>
FY 2012 FW Economists	66.9%	33.1%	79.9%	3.3%	6.8%	9.2%	0.0%	0.2%	0.5%
<b>FY 2012 SEC Compliance Examiners</b>	<b>69.2%</b>	<b>30.8%</b>	<b>74.4%</b>	<b>2.6%</b>	<b>9.0%</b>	<b>13.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>
FY 2012 FW Compliance Examiners	62.7%	37.3%	78.3%	4.6%	10.9%	4.5%	0.0%	0.6%	0.9%

Sources: SEC Workforce - Federal Personnel/Payroll System (FPPS) for FY 2012. Federal Workforce data retrieved from [www.fedscope.opm.gov](http://www.fedscope.opm.gov) on March 20, 2013. For the Federal Workforce data, the following occupation series codes were used for comparable benchmarking: Attorneys (0905), Accountants (0510), Economists (0110), and Compliance Examiners (1831 and 0570).

### G. Outreach and Partnerships

OMWI maintains strategic partnerships with professional organizations focused on developing opportunities for minorities and women in the securities and financial services industry, including: Association of Latino Professionals in Finance and Accounting, Pan-Asian Leaders in Finance and Accounting, Hispanic Bar Association of the District of Columbia, Hispanic National Bar Association, National Association of Asian MBAs, National Association of Black Accountants, National Bar Association, National Black MBA Association, South Asian Bar Association of Washington, DC, Women’s Bar Association of the District of Columbia, and the Diverse Partners Network. In addition, OMWI shares job openings and internship opportunities with these organizations and their affiliates.

During FY 2012, OMWI sponsored and/or participated in numerous outreach events targeted to minorities and women, including the events listed below:

## OMWI FY 2012 Outreach and Events

Events Sponsored by OMWI
Hispanic National Bar Association Annual Convention
National Bar Association National Convention
Association of Latino Professionals in Finance and Accounting Annual Convention
Minority Corporate Counsel Association Mid-Atlantic Regional Networking Forum
North American South Asian Bar Association Annual Convention
Native American Finance Officers Association Annual Conference
National Association of Asian MBAs Annual Conference
National Association of Securities Professionals Annual Conference
National Asian Pacific American Bar Association Annual Convention
Federal Bar Association – Indian Law Section Annual Conference
Minority Corporate Counsel Association Annual Diversity Conference
Corporate Counsel Women of Color Annual Conference
Black Women Lawyers Association of Greater Chicago National Summit
Spelman College - LEADS Leadership and Women of Color Conference
Events Attended by OMWI
Congressman’s Charles Rangel’s New York City Career Fair
National Bar Association’s Crump Law Camp at Howard University Law School
Congressional Black Caucus Annual Legislative Conference
Robert Toigo Foundation – Groundbreakers Women in Leadership Forum
National Association of Minority and Women Owned Law Firms Annual Business Meeting

During FY 2012, OMWI led the SEC’s participation in the Howard University Law School “Chat and Chew” Speaker Series and provided guest lecturers for its Securities Law course. OMWI was also a lead organizer of the SEC’s “Student Shadowing Program,” which gives minority and women high school students the opportunity to shadow an SEC employee for the day, interact with our Commissioners and other agency leaders, and learn more about the career paths represented in our workforce. This program occurs each spring and fall at SEC headquarters and regional offices. During FY 2012, over 250 high school students participated in the program nationwide.

In FY 2013, with additional staff and increased employee engagement, OMWI plans to expand its participation at a number of recruitment and outreach events that target minorities and women students and experienced professionals. OMWI has reached out to more than forty minority educational institutions to improve student and alumni access to SEC job postings and agency information. In addition, OMWI continues to broaden its outreach to minority professional and community advocacy organizations.

## H. Challenges and Next Steps

Despite some progress during FY 2012, the percentage of minority representation at the SEC in the mission critical occupations of accountants, attorneys, economists, and compliance examiners lagged the federal workforce in a majority of the demographic categories. In FY 2013, OMWI plans to continue to engage SEC hiring officials, minority and women professional organizations representing securities and financial services industry participants, and educational institutions to develop tailored recruitment strategies for these occupations. OMWI also anticipates developing better metrics to enhance the agency's ability to identify potential barriers in the hiring process and in attracting women and minorities to the SEC.

In FY 2013, the SEC will work to implement the Pathways Programs<sup>10</sup>, which were developed to increase opportunities for student interns and recent graduates to work at the agency. OMWI will also develop a targeted outreach strategy to ensure that students attending historically black colleges and universities, Hispanic-serving institutions, women's colleges, and other minority colleges and institutions are made aware of agency's Pathways Programs and encouraged to participate. OMWI will also participate in career fairs and related events at these colleges and institutions to generate interest in SEC job opportunities and career paths.

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<sup>10</sup> The Pathways Programs were created to streamline and standardize recruiting, application and hiring for interns, recent graduates and presidential management fellows, and to increase employment opportunities for Pathways participants in the federal workforce. For additional information, please visit <http://www.opm.gov/policy-data-oversight/hiring-authorities/students-recent-graduates/>.

### **III. Regulated Entities**

During FY 2012, the OMWI Director and staff participated in roundtable discussions with regulated entities, representative trade associations, community groups, and other interested parties to obtain information about existing diversity policies and leading practices, and to hear their perspectives and suggestions. In FY 2013, OMWI is working with key agency staff to develop proposed standards by which the diversity policies and practices of the regulated entities may be assessed. Additionally, during FY 2013, OMWI plans to host and participate in SEC-focused roundtable discussions with securities and financial services industry groups and trade organizations to solicit additional in-depth feedback on the impact of the proposed standards on the entities regulated by the agency.

#### **IV. Other Information, Findings, Conclusions, and Recommendations**

Section 342(e)(5) requires the SEC to report any other information, findings, conclusions, and recommendations for legislative or agency action, as the OMWI Director determines appropriate. Outlined below is additional information regarding OMWI's efforts.

##### **A. The JOBS Act**

The Jumpstart Our Business Startups (JOBS) Act<sup>11</sup>, was designed to encourage small business growth and startup funding by increasing the ability of small businesses to raise capital and by lessening certain regulatory requirements for individual investments in new businesses. Under Title VII of the JOBS Act, the SEC is required to conduct outreach to inform several business communities, including minority-owned businesses and women-owned businesses, of the changes made by the Act. As the minority-owned and women-owned business communities are already included in OMWI's existing supplier diversity outreach efforts, OMWI is collaborating with other SEC divisions and offices to develop the agency's JOBS Act outreach strategy. This collaboration includes ensuring that the outreach required by the JOBS Act complements and augments the SEC's existing supplier diversity outreach and initiatives required under Section 342.

##### **B. Expanded Speaking Opportunities and Conference Participation**

Under a broad outreach strategy developed by OMWI, the OMWI Director facilitates participation and speaking opportunities for SEC staff from across the agency at local and national conferences and events to market the SEC to diverse suppliers and jobseekers. In FY 2012, these events included the Women's Business Enterprise National Council National Conference and Career Fair, the National Association of Securities Professionals Legislative Conference, and the Securities Industry and Financial Markets Association Diversity Conference, among others. OMWI hopes to expand its outreach efforts in FY 2013.

##### **C. Conclusions and Recommendations**

During FY 2012, OMWI made progress in the development of standards and procedures to enhance the diversity of the agency's workforce and senior management ranks, to increase the participation of minority-owned and women-owned businesses in agency contracts, and to assess the diversity policies and practices of the entities regulated by the agency. Recognizing that there is still more progress to be made to enhance diversity and inclusion throughout the agency and its operations, the continued support of the Commission, supervisors and managers, and workforce will facilitate improvement in the following areas:

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<sup>11</sup> Jumpstart Our Business Startups Act, Pub. L. No. 112-106, April 5, 2012.

- *Increasing the participation of underrepresented groups in our workforce, including minority and women supervisors and managers.* The value of, and the commitment to, diversity and inclusion should be evident at every level of our workforce. Attracting more minorities and women to the SEC and expanding pathways to supervisory and management positions will require agency leaders to support more robust hiring, retention, and succession planning strategies. These strategies should result in an increase over time of the representation of minorities and women at all levels of the workforce.
- *Including more minority-owned and women-owned businesses in the agency's programs and contracts, to the maximum extent possible.* The increased utilization of contractors that reflect the diversity of the investing public we serve may help identify additional suppliers, new products, and innovative services responsive to the agency's evolving needs. Agency leaders should continue to support and facilitate the participation of minority-owned and women-owned businesses in the agency's competitive contract award process.
- *Utilizing diversity and inclusion to advance the agency's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.* Agency leaders should ensure that the diverse experiences, thoughts, and backgrounds of the workforce at all levels of the agency are fully utilized to achieve the SEC's mission. A workforce that exemplifies the diversity of the investors the SEC is charged with protecting may enhance the agency's ability to develop additional leading-edge solutions to regulate the markets, enforce securities laws, and detect and deter fraud.

**FOR FURTHER INFORMATION**

Should you require any further information regarding this report, please contact Pamela Gibbs, Director, Office of Minority and Women Inclusion, at (202) 551-6046 or Julie Davis, Deputy Director, Office of Legislative and Intergovernmental Affairs, at (202) 551-2233.