



OFFICE OF MINORITY AND WOMEN INCLUSION

2023 Annual Report to Congress

This document contains an organization-wide account of the actions of the Federal Reserve Bank of Cleveland's Office of Minority and Women Inclusion with regard to the requirements under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

OFFICE OF MINORITY AND WOMEN INCLUSION

2023

Annual Report to Congress

FEDERAL RESERVE BANK *of* CLEVELAND

Diana Starks, Senior Vice President and OMWI Director

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• Cleveland

• Pittsburgh

• Cincinnati

LETTER FROM THE OMWI DIRECTOR

This 2023 *Annual Report to Congress* from the Federal Reserve Bank of Cleveland (Bank) provides an overview of the Bank's recent successes, challenges, and next steps in fulfilling the expectations of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Bank, headquartered in Cleveland, Ohio, has branch offices in Cincinnati, Ohio, and Pittsburgh, Pennsylvania, and serves the Fourth Federal Reserve District, comprising Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia.

Information in the following report details our progress in advancing the Bank's diversity, equity, inclusion, and opportunity goals, including driving a culture of inclusion, creating a deeper sense of belonging among employees, and ensuring our future success through rigorous assessment of talent. In doing so, we continue to leverage industry best practices, encourage cross-functional collaboration, and ensure accountability.

Our work saw notable progress, acknowledged, once again, through the Bank's earning external recognition from local and national professional organizations, including NorthCoast 99, which recognized the Bank with a special diversity and inclusion category award; Diversity MBA magazine; and the Human Rights Campaign Foundation, on whose Corporate Equality Index we earned a top score of 100. These recognitions demonstrate to current and potential employees, the marketplace, and the larger business community the Bank's ongoing commitment to an inclusive culture. While the Bank continues to take pride in recent successes, we also acknowledge that ongoing work is necessary.

It is my sincere hope you find that the content within this report, which contains both empirical data and anecdotes, demonstrates not only the Bank's continued commitment to diversity, equity, inclusion, and opportunity, but also its sustained engagement with the communities we serve throughout the Fourth Federal Reserve District.



Diana C. Starks
Senior Vice President and OMWI Director

EXECUTIVE SUMMARY

The Federal Reserve Bank of Cleveland (Bank) remains committed to advancing diversity, equity, inclusion, and opportunity (DEIO) as part of delivering a best-in-class work environment and achieving its public service mission to foster a safe and stable monetary system that works for all. This is evident in the economic inclusion and evolving workforce strategic business objectives set forth in the Bank's 2023–2026 strategic plan.

Fundamental to our mission is the performance of the economy and the financial system. Understanding the similarities and differences in economic opportunities and economic outcomes across demographic groups, industries, and areas of the country helps us to assess the strength of the economy and its long-run growth potential, determine what policies are appropriate, identify the consequences of our policy actions, and assess whether the policy actions are achieving their goals. The Bank's Program on Economic Inclusion, our various research endeavors, our community development work, and our delivery of high-quality financial education programming throughout the Fourth District are central to advancing the Bank's economic inclusion strategic business objective. One such highlight is the biennial Policy Summit which was held last summer. The summit, one of the Bank's signature events, facilitates the exchange of ideas regarding how people are experiencing the economy through the study of issues around small businesses, workforce development, and affordable housing. The event attracted nearly 600 attendees and helped to cement the Federal Reserve System's role as a trusted source of data-informed policy and decisionmaking in the service of a stronger, more inclusive economy.

The Bank's evolving workforce strategic business objective concentrates on maintaining a diverse, equitable, and inclusive culture for all. In doing so, initiatives are focused on retention and career advancement. Throughout 2023, the Bank continued to identify and implement solutions to eliminate barriers to inclusion, equity, and belonging. These efforts spurred enhanced and innovative approaches to talent development, with a particular emphasis on creating a dual approach to career pathing. The Bank remained committed to a culture of feedback as an outcome of the Upward Feedback program, which assessed leaders on core Bank competencies.

The body of this report provides a detailed overview of the Bank's DEIO work as an employer and within the Fourth District community, along with observations of successes, challenges, and opportunities to strengthen DEIO focus. Information contained in this report underscores the Bank's commitment to DEIO through data and anecdotal examples, illustrating the Bank's dynamic year of performance.

Key Highlights of 2023 Performance

Inclusive Leadership Cohort • The goal of the Inclusive Leadership Cohort program is to provide participants with an understanding of inclusion efforts at the Bank and equip them to lead themselves and others with humility in order to create a culture of belonging in which all employees feel safe, valued, and supported.

Training and Education • The Bank continued to prioritize DEIO education to support employees in gaining a deeper sense of belonging and engagement and understanding the fundamentals of inclusive language and to inspire employees to embrace their authentic selves within the workplace. In 2023, a new course was added to the curriculum portfolio to further address these concepts. This new course, which debuted last fall, sought to assist employees in gaining more comfort and connection, with the ultimate goal of increasing employees' resiliency, agility, and contributions.

Allyship Program • In the fall of 2021, the Bank launched the Allyship program, the aim of which is to create a more inclusive culture. The program accomplishes this through candid conversations among employees with varying backgrounds, educational experiences, and cultural histories. Ultimately, the program's curriculum advances employees' education and awareness by promoting development, understanding and removing barriers, and providing more support for employees. In 2023, the Bank completed its second cohort of the program, in which 75 employees participated. The program continued to receive positive feedback, and a third cohort will launch in spring 2024.

Latino Outreach • The Bank's community engagement strategy expanded significantly in 2023 to be more purposeful in the Bank's recruitment and retention of Latino/Latina and Hispanic talent. One of the approaches the Bank employed was participating in AmMore Consulting's Latino Ready program. AmMore Consulting is a Cleveland-based consultancy dedicated to engaging local Latino/Latina and Hispanic communities in professional development and to helping individuals succeed in their career and business endeavors. Through a partnership with AmMore, the Bank's Latino/Latina and Hispanic employee network group, Somos Uno, hosted the Bank's first cultural connections event. The event, held in June, included a tailored presentation detailing the current state of the Latino/Latina workforce in Northeast Ohio and beyond, followed by networking with Bank employees and members of AmMore's 100+ Latinos Cleveland Must Know list.

Financial Education and Outreach • This year, the Bank strengthened relationships with colleges and universities in the Fourth District and beyond, with a particular focus on historically Black colleges and universities (HBCUs), in order to recruit applicants for the Bank's annual summer internship program. Bank representatives attended more than a dozen career fairs, had tables at student centers, connected with faculty for classroom presentations, connected with campus organizations, and invited students to the Bank's FedUniversity informational webinar. Moreover, the Bank's college and university outreach strategy this year included working with Esperanza Inc., a Cleveland-area nonprofit that provides free personalized mentoring, leadership building, comprehensive postsecondary education, and family support to Latino/Latina students and families in Northeast Ohio. The Bank worked closely with Esperanza staff to connect with students participating in its Líderes Avanzando (Leaders Advancing) program, which is a college-retention scholarship program for first- and second-year Latino/Latina students aimed at increasing college retention and graduation rates. Providing financial education opportunities in underserved communities is a core part of the Bank's outreach mission. Throughout 2023, the Bank continued to provide elementary and secondary students educational programming on financial literacy and personal finance. Additionally, the Bank collaborated with System colleagues on virtual economic education programs.

Note: Throughout this report, "minority" and "minorities" refer to individuals who identify as Hispanic, Black or African American, Native Hawaiian or Pacific Islander, Asian, Native American, or two or more races.

Policy Summit • Policy Summit 2023, held in June, featured 60 speakers representing a range of industries, ethnicities, races, ages, and geographies and offered nearly 600 in-person and virtual attendees timely and relevant information and discussions about the policies and programs affecting low- and moderate-income (LMI) communities across the United States. The summit received positive feedback, with 86 percent of attendees saying they are “very likely” to recommend the summit to their colleagues and 78 percent noting that the conference was “very valuable.”

Minority and Women Employment • The Bank continued to employ its proven recruitment strategy through the work of the talent acquisition team. Recruiters act as a partner to the Bank’s hiring managers while expanding the Bank’s presence in the community and promoting a sustained culture of high performance, engagement, and inclusion. The Bank also continued its efforts to maximize technological resources such as its web presence with refreshed recruitment messaging, resources, and information to communicate the Bank’s inclusive culture and broaden the Bank’s appeal to a varied audience. A specific emphasis was placed on roles requiring niche skills, such as software developer and cybersecurity expert, in a highly competitive and evolving market. Moreover, the Bank remains committed to the growth and development of employees through investments in internal and external development opportunities, coaching, experiential programs, and career development discussions.

Minority- and Women-Owned Business Inclusion • The Bank remains committed to increasing opportunities for minority- and women-owned business enterprises (M/WBEs) to participate in the provision of goods and services. The Bank strives to ensure that at least two diverse suppliers (one minority-owned business enterprise, or MBE, and one woman-owned business enterprise, or WBE) are included for consideration in any competitive bid for the acquisition of goods or services.

The Bank monitored the number of contract opportunities available to potential M/WBEs for projects that are \$35,000 and greater to ensure the Bank has a strong pool of diverse suppliers for these contract opportunities. As a corporate member of the National Minority Supplier Development Council and the Women’s Business Enterprise Council Ohio River Valley (WBEC ORV) and through our affiliation with the Ohio Minority Supplier Development Council, the Bank was able to strengthen our supplier sourcing capability. Additionally, the Bank is working with Plexus LGBT and Allied Chamber of Commerce and the National LGBT Chamber of Commerce to expand opportunities with LGBTQ+ businesses.

Regulated Entities • Information pertaining to regulated entities is included in the Board of Governors of the Federal Reserve System’s *Annual Report to Congress* because the Board of Governors is the primary regulator.

Minority and Women Employment

Successes

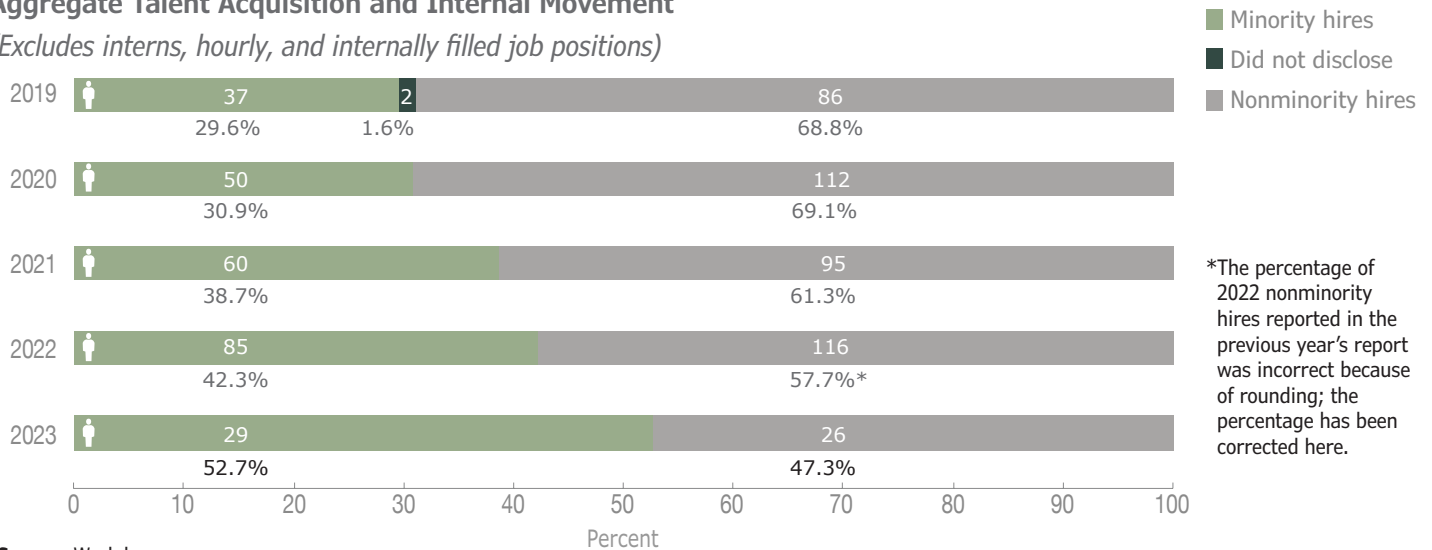
The Bank sustained efforts to attract talented candidates, retain and develop the Bank’s existing workforce, and implement programs that widen opportunities for advancement of all. To this end, the Bank continued to establish relationships to expand its presence in the community, marketing the Bank’s sustained culture of high performance and inclusion. Efforts yielded notable progress:

- Increased diverse representation in applicant pools by strategically engaging with community-based organizations such as Black Achievers, the Sadie Collective Conference, and Prospanica
- Participated in virtual and in-person career fairs hosted by HBCUs and professional organizations
- Continued to leverage employee relationships at their respective alma maters to increase diverse applicant pools
- Increased outreach to professional organizations, such as the Society of Women Engineers and National Society of Black Engineers, to promote job opportunities in the areas of data sciences and quantitative analytics

The talent acquisition team continued to implement strategies to address the shifting composition of the workforce, changing technology, and skills gaps of current and future employees.

Aggregate Talent Acquisition and Internal Movement

(Excludes interns, hourly, and internally filled job positions)



Source: Workday

In 2023, the Bank welcomed 22 onsite summer interns into our Cleveland location. The interns joined us from across the United States. Within this cohort, minority representation increased, while female representation decreased from that of the previous year's cohort. The Bank extended one offer to a rising senior. Additionally, one minority intern and one female intern extended their employment throughout their school year on an hourly basis.

In 2023, the Bank implemented a leadership assessment to analyze the strength of the Bank's overall leadership capabilities more rigorously. Leaders were assessed to ensure that the Bank can successfully achieve the goals in our 2023–2026 strategic plan, with a particular focus on technical skills. Ultimately, the assessment process placed people in roles where they are best positioned to contribute to the Bank and succeed in their own careers. The outcome of the assessment repositioned leaders to areas of need and to areas that were better suited to their strengths. The Bank was able to strengthen overall leadership capabilities to model effective change management, ensure alignment with Bank strategy, navigate the Bank's career framework, and demonstrate inclusive-leadership practices. Leadership summits were held throughout the year to further emphasize and educate leaders throughout the organization.

The fourth cohort of the Bank's leadership development program, the Connected Leadership Experience, commenced in November 2022 and concluded in October 2023. Participants engaged in workshops focused on cultivating a growth mindset and in experiential opportunities such as job shadowing, personality profile assessments, individual coaching, and action-learning projects with various nonprofits to address nonprofits' business needs. The participants, 53 percent of which were minorities and 58 percent of which were women, were selected from an applicant pool comprising individual contributors, managers, and officers with varied backgrounds and tenures at the Bank. The program's fifth cohort will launch during the first quarter of 2024.

In 2023, the Bank introduced two new cohort-based programs, OnDECK and the New Manager Learning Network. OnDECK offers development through education, exposure, experience, one-on-one coaching, competency assessments, in-person workshops, and on-demand learning to support employee development and build core leadership capabilities across the organization. Participants comprise new and emerging leaders nominated by their direct managers and executive leaders. The initial cohort represented 10 functions across the Bank; 28 percent of participants were minorities and 39 percent women. The New Manager Learning Network program provides support for new managers, hired externally or promoted internally, via a forum to build community, educate, and share best practices. The initial cohort was composed of 30 percent minority and 74 percent female participants. Both cohort-based programs are designed to educate, inform, and provide networking opportunities for current and future leaders at the Bank.

Internship Hiring

Year	Total	Minority	Female
2019	20	6 (30%)	8 (40%)
2020	19	7 (37%)	9 (47%)
2021	19	9 (47%)	8 (42%)
2022	22	10 (45%)	14 (64%)
2023	22	11 (50%)	8 (36%)

Source: Human Resources Information Systems Taleo and Workday

Notes: Women of color are included in both Minority and Female categories. The number of interns each year is based on the Bank's business needs.

Challenges

The Bank, like many other organizations, continues to experience challenges in finding and recruiting female and minority talent, particularly for roles that require deep technology skills such as software developers, scrum masters, coders, product owners, and others. Therefore, cultivating and sustaining relationships with professional associations that can help connect us to a full range of talent continues to be a priority.

The Bank is focused on inclusion of every dimension of diversity in its workforce and leadership roles. The Bank thus continues to create opportunities for all employees to advance in their careers, to engage with external organizations to increase the number of minority and female applicants, and to market the Bank's value proposition.

Next Steps

The Bank plans to continue leveraging technology and platforms such as the Bank's public-facing website, clevelandfed.org, and LinkedIn to strengthen recruitment efforts and to establish a more targeted approach to attract a talented and varied pool of applicants. Doing so strengthens the Bank's ability to engage with and stay connected to current and potential applicants in an effort to continue to build a robust talent pipeline. Furthermore, leveraging technology allows the Bank to attract global talent. The Bank will continue to deepen its understanding of the evolving workforce composition, technology, and skills gaps and will continually engage in proactive, passive-candidate conversations to establish a pipeline for future positions. Lastly, the Bank will continue to use Gartner's diagnostic resources for diversity recruiting to ensure the Bank is performing at the best-in-class level.

The Bank continues to encourage employees to own their careers and empower themselves with the resources and information necessary to advance in the organization. To facilitate this self-advocacy, the Bank has improved efforts to promote learning and development opportunities for all employees. Furthermore, the Bank has strengthened connections between talent management partners and managers in helping employees pursue advancement opportunities. The OnDECK program and the career progression planning initiative are two examples of how the Bank has worked to bolster employees' accountability in learning and development and owning their careers.

Minority- and Women-Owned Business Inclusion

Successes

As a partner of the National Procurement Office (NPO), the Bank leveraged new insights gained from data and from sourcing customer-demand-pipeline discussions to drive our supplier diversity program. In doing so, we remained intentional in efforts to drive a more proactive and sustainable program through increased accountability. Systemwide, in 2023, Reserve Banks spent \$345 million with 850 diverse suppliers, an increase over last year's spend and number of diverse suppliers, \$294 million and 700 diverse suppliers, respectively. Reserve Banks also continued to actively participate in local and national meetings and conferences and to increase the number and types of outreach efforts in order to strengthen our partnership with and expand our reach to other organizations and businesses.

In 2023, the Bank had total reportable spend of \$52,655,371. Of this total, \$11,713,177, or 22.2 percent, was spent with M/WBEs. The Bank had five requests for proposals; of these opportunities, an M/WBE was included in four opportunities, or 75 percent. From these opportunities, two contracts, or 50.0 percent, were awarded to either an MBE or a WBE. The top five categories for contracts awarded in 2023 were building and construction services, software, recruitment services, and armored cars. The top five categories for spend in 2023 were general construction, housekeeping services, food services, consulting services, and computer hardware. In addition, 21 percent of our active contracts were held by a diverse supplier.

To build relationships and deepen the database of M/WBEs, the Bank invited groups to provide capability presentations and network with representatives from various areas of the Bank. Furthermore, representatives from the Bank routinely participated in various community-based events targeted at M/WBEs to increase networking opportunities. The Bank developed active relationships with the Greater Cleveland Partnership, a local chamber of commerce, focused on equity and inclusion of minority individuals and businesses in the Northeast Ohio regional economy; the Women's Business Enterprise National Council; and the National Minority Supplier Development Council. As a result of these efforts, the Bank continued to make strides in support of its supplier diversity mission to maximize the overall level of participation by certified M/WBEs in the Bank's contract opportunities.

The Bank's procurement services and internal communications staff partnered to develop a marketing and communications plan for supplier diversity. The team developed messaging to Bank employees to showcase M/WBEs with which the Bank does business. Through these efforts, the Bank shared with employees the Bank's key successes with diverse suppliers and the overall diverse spend percentage.

To further cultivate and sustain deeper relationships with M/WBEs, the Bank engaged with employee resource groups to assist in the sourcing of diverse suppliers. In 2023, a supplier diversity information card was developed by the communications team to share at networking events in order to increase the registration of diverse suppliers at the Bank. The Bank hosts introductory meetings to introduce diverse suppliers to key internal stakeholders in an effort to market suppliers' capabilities. The Bank also participates in vendor outreach events to actively pursue diverse suppliers for inclusion in upcoming procurement opportunities. The Bank's focus on cultivating these relationships has resulted in an increase in diverse suppliers' responses to procurement opportunities. The request for proposals response rate for diverse suppliers in 2023 was 62.5 percent.

The Bank also has made strides in ensuring that internal stakeholders focus on and remain accountable for supplier diversity. The Bank continues to enhance its supplier diversity dashboard that allows executive leadership visibility in diverse spend, diverse contracts, and future contract opportunities for each department of the Bank. The Bank continues to share the dashboard metrics with the executive leadership team in order to determine opportunities to increase the Bank's supplier diversity impact.

Total Reportable Spend and Percent of Diverse Spend

Millions of Dollars	2019	2020	2021	2022	2023
Total Reportable Spend	\$35.0M	\$51.3M	\$55.1M	\$68.9M	\$52.7M
\$ Diverse Spend	\$7.6M	\$10.6M	\$12.2M	\$16.5M	\$11.7M
% Diverse Spend	21.6%	20.7%	22.2%	24.0%	22.2%

Source: National Procurement Office Spend Models 2019-2023

Note: Percentages are rounded to the nearest tenth.

Outreach Activities

The Bank's procurement team engaged in a variety of community activities to further the Bank's DEIO efforts:

- **January 2023 and April 2023.** Attended the WBEC ORV's WBE presentations during which WBEs present their business capabilities.
- **February 2023.** Participated in the National Minority Supplier Development Council's matchmaking event at which the Bank met with MBEs to learn more about their capabilities and include them in upcoming procurement opportunities.
- **February 2023.** Attended the Contractors Assistance Association's Black History Month event at which Black-owned general construction companies shared the importance of relationships, reciprocity, and return.
- **March 2023.** Attended the Women's Business Enterprise Council's national conference at which the Bank met with WBEs for inclusion in future procurement opportunities.
- **March 2023.** Virtually attended the Ohio Minority Supplier Development Council's annual conference at which best practices for supplier diversity programs were shared.
- **March 2023.** Attended the Hispanic Cultural Center's annual gala that provided an opportunity to network with Hispanic-owned businesses.
- **May 2023.** Invited the Spanish American Committee to the Bank to identify partnership opportunities with the Bank.
- **September 2023.** Hosted the WBEC ORV to share how to do business with the Bank and share information regarding our Small Business Credit Survey.
- **November 2023.** Attended the Greater Cleveland Partnership's Minority Business Development Agency event at which we hosted a table to meet with potential diverse suppliers.
- **Monthly.** Attended the Plexus LGBT and Allied Chamber of Commerce's monthly meetings during which business topics concerning the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community are discussed.

The Bank continued its tier II reporting of diverse spend for contracts of more than \$100,000 to establish a more comprehensive view of the Bank's M/WBE business spend. Tier II spend is an enhancement to the Bank's existing efforts aimed at increasing meaningful opportunities for M/WBEs to promote economic growth in the Bank's region. Language was included in the Bank's request for proposals that addressed the integration of tier II suppliers and the responsibility of the prime supplier in this regard if awarded the contract. In 2023, our tier 2 diverse spend was approximately 20 percent of all subcontractor spend. The Bank continues to work with our prime suppliers on their subcontracting plans to ensure these plans are inclusive of M/WBEs.

To develop partnerships with small businesses within the Fourth District, the Bank created a new role in April 2023 to focus on supplier diversity and to strengthen the Bank's internal and external outreach efforts. This role focuses on building relationships with local and national supplier diversity agencies, developing and implementing a supplier diversity communications plan, and working with internal partners on matching diverse suppliers with upcoming procurement opportunities. The Bank also continued its supplier mentoring program. Throughout the year, the Bank worked with three other Reserve Banks to enhance our mentoring program and to create mentoring communities of practice, the objective of which is to strengthen the mentoring programs within Reserve Bank Districts and prepare a mentoring playbook for the System.

Challenges

While the identification and engagement of diverse suppliers for specialized commodities and services has been an ongoing challenge, the Bank continued to strengthen its external partnerships in order to broaden its scope of local suppliers. The Bank's Procurement Services Department continued to partner with its key stakeholders across the Bank in strategic planning sessions to assist in increasing the number of opportunities given to M/WBEs. The expectation for prime contractors to report on anticipated tier II diverse supplier spend should position the Bank to drive additional diverse supplier spending and greater economic inclusion in the business community.

Next Steps

The Bank will continue its efforts to educate suppliers on conducting business with the Bank, ensure effective communication to build internal and external stakeholders' awareness about the value of supplier diversity, and ensure that effective reporting is in place to monitor the overall participation of MBEs and WBEs in the Bank's purchases of goods and services.

A holistic procurement dashboard including System total spend, cost savings, and top spend categories is currently being produced by the NPO. In addition, Reserve Bank-level and System-level supplier diversity data such as the number of women-, minority women- and minority men-, veteran-, and LGBTQ-owned businesses and businesses defined as sustainable (green) are showcased on the dashboard. The MBEs are further defined using the following classifications: African American, Asian American, Hispanic, Native American, and other. The dashboard includes community benchmarks from past city or county disparity studies. These data are refreshed on a quarterly basis and shared with the System's Conference of First Vice Presidents (CFVP) on a quarterly basis.

OMWI Council leadership has been working with the NPO to refine and automate the good-faith-effort questionnaire to provide precontract awareness that suppliers may be asked to complete the questionnaire, to improve tracking of the questionnaire, and to ensure OMWI directors or their designees have access to submitted responses for review and evaluation. Additionally, the council has asked for a formal tier II program in the contract environment. Reserve Banks continue to manually include these two processes in their business-inclusion efforts. As a member of the leadership team, and on behalf of the council, the Bank continues to pursue these matters.

Outreach guidelines and successful best practice strategies were created for implementation in 2024 to deliver results (local, regional, national). For example, a supplier feedback framework was developed and implemented in the fourth quarter of 2023 to drive consistent communication and feedback to suppliers upon request. This new framework is intended to educate and encourage stronger competitive bid responses and potentially increase the number of suppliers with whom the Reserve Banks conduct business in the future. In 2024, the procurement community will continue to partner with OMWI directors and staff to achieve the shared vision of the integration of diversity, equity, and inclusion in all aspects of our organization.

Financial Education and Outreach

Successes

The Bank's financial education efforts collectively serve underrepresented communities in the Fourth District with a particular focus on minority and LMI. The Bank's work in these areas enhances regional financial literacy. The Bank's community engagement work continues to extend our reach both within and beyond the walls of the institution through financial literacy programs and community development research and outreach. This work is accomplished through engagement with a variety of community-based organizations, education institutions, and other nonprofits for the purpose of promoting economic resilience and upward mobility among residents in the region's communities. The Bank's education and outreach programs support economic self-empowerment, community engagement, and the public's increased understanding of the role of the Federal Reserve while also building relationships with nonprofit, civic, education, and business organizations that serve underrepresented communities. Throughout the year, we carried out a robust schedule of targeted outreach and programming that emphasized college and career readiness, personal finance, STEM (science, technology, engineering, and math) fields, financial literacy, and economics. In addition, the Bank increased outreach efforts in Columbus, Ohio, and Pittsburgh, Pennsylvania. Through collaborations with community, nonprofit, civic, education, and business organizations, the Bank has cultivated a strong network of partners to expand our regional engagement. One such program is our ongoing partnership with the Saint Martin de Porres Corporate Work Study program. Bank staff provided educational workshops and professional development opportunities for Saint Martin students on subjects such as preparing for the work environment and professionalism. The Bank also partnered with DePaul Cristo Rey High School to host two students, supporting the school's workstudy program in Cincinnati, Ohio.

The Bank participated in the Ohio Department of Education High School Tech Internship 2.0 pilot program, which provides Ohio employers with the opportunity to create a recruitment pipeline by hosting high school interns in tech-related roles. The Bank hosted two students who performed job duties similar to those of entry-level technology professionals. Additionally, the Bank participated in the Clermont Chamber of Commerce Work-Readiness program, which provides opportunities for high school juniors and seniors to learn about careers, and in the United Way of Greater Cincinnati Unite for Teen Financial Literacy Day.

Once again, the Bank collaborated with Northern Kentucky University to conduct Danny Dollar Academy (DDA), a financial literacy program, reaching 5,500 fourth- and fifth-grade students in Ohio, Mississippi, Alabama, Massachusetts, New Jersey, Indiana, and Kentucky over the course of the year. DDA promotes financial literacy, civic responsibility, smart financial decisionmaking, and entrepreneurship through a curriculum that accompanies the children's book *Danny Dollar Millionaire Extraordinaire: The Lemonade Escapade*. As part of the program, participating schools received a suite of standards-aligned financial literacy and English language arts curricula and access to a series of videos that explain important financial literacy concepts; attended a virtual question-and-answer session with the book's author, Ty Allan Jackson; and, if able, participated in an in-person author visit. The award-winning standards-aligned curricula were developed by Bank staff.

The Bank participated in the Susan Sargen Student Enterprise program through the University of Cincinnati Economics Center. The program is a nationally recognized elementary school program that teaches students about entrepreneurship, critical thinking, and financial literacy through an onsite school store, classroom business, and market day. Participating in the Warrensville Heights Schools, Garfield Heights Schools, and Cincinnati Public Schools Summer Scholars programs allowed Bank staff to speak with elementary and middle school students about important financial literacy and career readiness topics. The Bank also facilitated professional development at the Ohio Education Technology Conference, providing educators resources aligned to Ohio's financial literacy model curriculum.

Daylong workshops presented by the Bank also gave students the opportunity to build their college- and career-readiness skills through exposure to career pathways. The Bank continued to host its annual STEM program, YOU Make IT Better, reaching high school students throughout the Fourth District from majority-minority high schools and helping them explore Bank careers in STEM fields. Nine sessions took place during 2023.

The Bank hosted the Council for Economic Education's National Personal Finance Challenge (NPFC) 2023 finals. The goal of the NPFC is to improve young people's financial literacy and to foster broader economic inclusion. More than 15,000 students participated in regional and state NPFC competitions, and, in 2023, roughly 51 percent of these competitors were minority students.

The Bank hosted the Economic Scholars program, a free research conference for undergraduate students in economics that aims to build an environment wherein students can cultivate imaginative research and gain valuable experience presenting in a professional conference environment. The program served as a recruitment event for internships, research analyst positions, and full-time employment at the Bank. While the program is open to all students, it places emphasis on recruiting minority and female students, including those who attend historically less-resourced universities and colleges. Twenty faculty members and 164 undergraduate students participated, hailing from colleges and universities within the Fourth District.

The Bank participated in several state and national conferences that have reached more than 2,000 education professionals, students, and families. The Bank serves on the Federal Reserve Education ECONnections Committee, which provides professional development sessions to educators across the United States. In 2023, the Bank participated in an event at which Bank representatives discussed financial literacy resources with educators as part of the Bank's Financial Literacy Month campaign. Bank staff also volunteered at the American Heart Association's STEM Goes Red Day at Cleveland State University and collaborated with a variety of community, education, and commercial institutions to host several educator workshops throughout the Fourth District. These workshops covered a variety of topics: the Federal Reserve's education resources and programs, careers at the Federal Reserve, opportunity occupations, and the history of money and central banking in the United States.

The Bank also participated in the Urban League of Greater Cleveland Summer Bridge Academy. The five-week program for male minority students from various Cleveland Municipal School District and Cleveland's inner-ring-suburb high schools provides college and career readiness development within a structured mentorship format. Students learned about various careers, educational paths, essential skills, and personal finance skills to incorporate into their futures, guided by Bank staff.

The Fed Future Professionals program, a Systemwide initiative designed to create a high school-to-career pipeline for positions at the Federal Reserve, completed its second year. This program evolved from an idea proposed by the Bank president, Dr. Loretta J. Mester, who recommended the System put additional effort into enhancing the growth and development of our future economics and finance workforce from an earlier age. During the school year, representatives from the Bank and four other Reserve Banks provided live virtual professional development sessions and biweekly one-on-one mentoring to 15 high school trainees. These sessions were followed by an eight-week summer rotation guided by Bank mentors in the Research, Treasury Services, Supervision and Credit Risk, and Audit Departments and a rotation led by the Systemwide initiative Fed Communities. The program supports the System's goal of developing a varied pool of future interns and potential employee candidates in the economics and finance fields.

The Bank collaborated with Junior Achievement of Greater Cleveland to host the Junior Achievement Stock Market Challenge. The annual program welcomed 281 high school students to learn about the stock market, savings, and investments during in-classroom programming that culminated in a daylong competition against other high school students. The Bank hosted the event, and employees were judges and volunteers facilitating student engagement.

Challenges

The Bank remains committed to supporting Fourth District schools in their efforts to improve financial literacy for their students. Central to this commitment are the ongoing efforts associated with understanding and implementing educational standards, particularly those in Ohio, to help schools understand the essential financial literacy concepts and skills they must teach their students to facilitate student success in life after high school.

Next Steps

The Bank continues to expand its services to student and educator audiences and to provide relevant educational programs and resources that are aligned with school-based curricula and prevailing community need. For example, to increase access to the Bank's financial literacy resources, a curriculum guide was recently added to the Bank's external website, clevelandfed.org. In 2024, this work will be guided and bolstered by tactics outlined in the refreshed ODEIO strategy, which is aligned to the Bank's broader strategic objectives.

Economic Inclusion

The economic inclusion strategic objective continued to strengthen the Bank's presence within the Fourth District through the Bank's Program on Economic Inclusion and community development efforts. Success in this area is demonstrated through impactful outreach, community-based partnerships and engagement, and community-focused research. The aforementioned assists the Bank in illuminating some of the Fourth District's most pressing issues and provides credible, evidence-based support and solutions that aim to improve economic opportunity for people who live in the Fourth District and beyond.

The Bank ramped up its research capacity in 2023 by recruiting national thought leaders. Additionally, Bank staff published new working papers, contributed to a variety of economics journals, and strengthened outreach with its Conversations on Economic Inclusion series, which is a collection of discussions aimed at better understanding how to foster economic inclusion. In an effort to strengthen the Bank's connection to the public, the series featured community leaders from Minds Matter Cleveland and faculty from the University of Toronto, Brown University, and Case Western Reserve University.

Throughout 2023, the Bank continued to focus on the economic health of the communities in the Fourth District, from large metropolitan centers to rural areas, with focused research, outreach, and engagement on two overarching priorities, which are to lead in the study and practice of economic inclusion to support a thriving economy in three topic areas and to broaden the voices that inform policymaking and program development. Part of this work is elevating the voices of those we serve. Below are highlights of this work.

- ▶ Lead in the study and practice of economic inclusion to support a thriving economy, with a focus in three areas of expertise. The Bank conducts in-depth research and analysis and robust community engagement with the goal of helping inform policy and programmatic solutions throughout the Fourth District and the country.
 - **Small Business.** The Bank continues to lead the national Small Business Credit Survey (SBCS) that is administered in collaboration with all other Reserve Banks. The survey data allow stakeholders to understand small-business credit experiences in greater depth by firm type, size, and demographics. In 2023, the Bank released three reports based on the survey, one each on employer firms, nonemployer firms, and startups owned by people of color, along with the *2023 Firms in Focus* chartbook series that features 46 chartbooks with data on business characteristics, owner characteristics, and select geographic areas. For the first time in the survey's history, the chartbooks included data on 13 metropolitan statistical areas and on American Indian- and Alaska Native-owned small businesses. SBCS reports and data continue to be regularly cited in the media, in policy rulemaking, and in research efforts by peer organizations. Bank staff on the national SBCS team also produced internal microdata that are available to System researchers and produced and distributed custom data reports to about 30 external partner organizations that met threshold recruitment levels for the 2022 survey. SBCS data are regularly used by and presented to a wide set of stakeholders internal and external to the System, including policy researchers, lenders, federal agencies, and organizations that provide support and technical assistance to small businesses.
 - **Economic and Workforce Development.** With a continued focus on upward mobility of workers and job access, the Bank coauthored a major System report, *Worker Voices: Shifting Perspectives and Expectations on Employment*, summarizing changing perspectives on employment in a post-pandemic environment among low-wage workers and nondegree job seekers who were interviewed through a series of focus groups. Staff recently shared findings from the report through various communications channels, including a presentation at the US Department of Labor's Employment and Training Administration Vision 2023 conference. The Bank also celebrated the graduation of two communities from the Philadelphia Fed's Reinventing Our Communities program, which focused on capacity building and workforce equity: Erie, Pennsylvania, and a network of rural Ohio counties represented by the Greater Ohio Workforce Board out of the Dayton, Ohio, area. The Bank also hosted a *FedTalk* titled "Evolving to Win Workers: Talent Attraction and Retention of Lower-wage and Noncollege Workers Today."

- **Housing and Neighborhoods.** The Bank continued to develop and improve the home mortgage explorer tool, which allows users to access mortgage lending by race, income, and loan purpose at various levels of geography to understand trends in mortgage lending over the past decade. Staff also composed several publications focused on housing, including one on small-dollar mortgages and their importance as a pathway to homeownership. We also welcomed a guest post from a Community Advisory Council member related to affordable housing in the high-cost area of central Ohio. The team also released an in-depth report, *Resilience and Recovery: Insights from the July 2022 Eastern Kentucky Flood*, on flood impacts on the 13 Kentucky counties declared federal disaster areas in 2022.

► Broaden the voices that inform policymaking and program development.

- **Monitoring and Assessing Conditions in LMI Communities.** Outreach continued to help inform research and Bank leadership about the lived experiences of LMI individuals and the organizations that serve them. Outreach included listening sessions held in the Fourth District and a semiannual Community Issues Survey to better understand what challenges nonprofits and LMI communities face. The Bank also twice convened its Community Advisory Council and will welcome six new members for service beginning in 2024. The Bank used insights collected from the activities described above to contribute to the “Community Conditions” section of the Beige Book.
- **Undertaking Key Strategic Initiatives.** In June, the Bank and others planned and executed the System’s sixteenth Policy Summit, titled *Communities Thriving in a Changing Economy*. The biennial summit offered nearly 600 in-person and virtual attendees timely and relevant information and opportunities for discussion about the policies and programs affecting lower-income communities across the United States. The Bank also hosted a workshop for community-based organizations on the Community Reinvestment Act in December. The event introduced the current rule for those unfamiliar with it; the team plans a more robust engagement strategy for 2024 surrounding the new rule.

The Bank continued to maintain close partnerships with other Reserve Banks to collaborate on research, programming, and communications that lift community issues and voices locally and nationally. Bank staff in various departments collaborated to develop and deliver programs such as FedTalk and CRA outreach and helped inform Dr. Mester’s speeches and writing about a range of topics, including workforce development and small-business issues. At the System level, the Bank collaborated with other Reserve Banks on the Worker Voices Project, the Policy Summit, the System’s six-year strategic plan, and various events and workgroups.

APPENDIX A

2023 Federal Reserve Bank of Cleveland Core OMWI Metrics

Workforce Diversity, 2019–2023											
Description	Measure	2019	2020	2021	2022	2023					
	Total	#	13	#	13	#	11	#	10	#	12
Senior executives	Minorities	%	23	%	23	%	27	%	30	%	42
	Women	%	38	%	38	%	36	%	40	%	50
	Total	#	177	#	196	#	223	#	234	#	188
Midlevel managers	Minorities	%	19	%	20	%	25	%	24	%	23
	Women	%	42	%	44	%	46	%	46	%	44
	Total	#	603	#	665	#	716	#	706	#	726
Professionals	Minorities	%	22	%	23	%	25	%	28	%	28
	Women	%	44	%	44	%	44	%	44	%	43
	Total	#	91	#	127	#	166	#	144	#	80
Total external hires	Minorities	%	33	%	35	%	38	%	46	%	49
	Women	%	41	%	41	%	44	%	43	%	43
	Total	#	20	#	19	#	19	#	22	#	22
Total interns	Minorities	%	30	%	37	%	47	%	45	%	50
	Women	%	40	%	47	%	42	%	64	%	36
Overall Bank turnover rate		%	9.7	%	4.3	%	8.6	%	9.9	%	7.4

Note: The data incorporated within this section of the template are based on the total workforce (women and men) as of December 31.

Excludes contract workers, hourly workers, and interns.

Supplier Diversity Spend, 2019–2023						
Description	Measure	2019	2020	2021	2022	2023
Total reportable spend	\$ (mil)	35.03	51.29	55.12	68.91	52.66
Total diverse spend¹	\$ (mil)	7.56	10.64	12.25	16.54	11.71
	%	21.6	20.7	22.2	24.0	22.2
Minority-owned²	\$ (mil)	3.51	3.72	6.23	7.97	6.13
	%	10.0	7.2	11.3	11.6	11.6
Men	\$ (mil)	3.12	3.14	5.78	7.91	5.76
	%	8.9	6.1	10.5	11.5	10.9
Women	\$ (mil)	0.39	0.58	0.44	0.05	0.36
	%	1.1	1.1	0.8	0.1	0.7
Women-owned³	\$ (mil)	4.04	6.92	6.02	8.62	5.59
	%	11.5	13.5	10.9	12.5	10.6
Nonminorities	\$ (mil)	4.04	6.34	6.02	8.57	5.23
	%	11.5	12.4	10.9	12.4	9.9
Minorities	\$ (mil)	0.39	0.58	0.44	0.05	0.36
	%	1.1	1.1	0.8	0.1	0.7

Note: Dollars and percent figures by demographics are provided by the Federal Reserve System's National Procurement Office.

¹ Total Diverse Spend = minority-owned (men) + minority-owned (women) + women-owned (nonminority).

² Women-minority numbers are included in both minority-owned and women-owned totals.

Financial Literacy ¹	
Program type	2023
Teacher-centric (10), student-centric (35), hybrid (6)	51
Number of students reached in-person and online ²	4,167
Number of educators reached in-person and online ³	1,021
Number of students reached through educators ⁴	76,575

¹ Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus. OMWI-targeted schools are considered to be inner-city, majority-minority, and all-girls high schools.

² Students who attended in-person programs and enrolled in online programs.

³ Educators who attended in-person programs and enrolled in online professional development programs.

⁴ Students reached through educators using a common multiplier of 75.

APPENDIX A

Federal Reserve Bank of Cleveland – Bank and Branch Directors as of January 1, 2024¹

Director Categories		Current Directors ²			RACE ETHNICITY													
		Hispanic or Latino			Non-Hispanic or Latino													
					White		Black or African American		Asian		Native Hawaiian or Pacific Islander		American Indian or Alaska Native		Two or More Races			
All	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
Reserve Bank Directors																		
Class A (Total Positions 3)	Total	3	2	1			2	1										
	Percent	100%	67%	33%			67%	33%										
Class B (Total Positions 3)	Total	3	1	2				1	1	1								
	Percent	100%	33%	67%				33%	33%	33%								
Class C (Total Positions 3)	Total	3	1	2			1	1		1								
	Percent	100%	33%	67%			33%	33%		33%								
Branch Directors																		
Branch Directors, Appointed by Reserve Bank (Total Positions 8)	Total	8	5	3			2	2	1	1	2							
	Percent	100%	63%	37%			25%	25%	13%	13%	25%							
Branch Directors, Appointed by Board of Governors (Total Positions 6)	Total	6	3	3			1	2	2	1								
	Percent	100%	50%	50%			17%	33%	33%	17%								
All Reserve Bank Directors (Total Positions 9)																		
Total	9	4	5			3	3	1	2									
Percent	100% ³	44%	56%			33%	33%	11%	22%									
All Branch Directors (Total Positions 14)																		
Total	14	8	6			3	4	3	2	2								
Percent	100%	57%	43%			21%	29%	21%	14%	14%								
All Reserve Bank and Branch Directors (Total Positions 23)																		
Total	23	12	11			6	7	4	4	2								
Percent	100%	52%	48%			26%	30%	17%	17%	9%								

M Male representation **F** Female representation

1. Note: Reserve Bank directors are elected or appointed to three-year, staggered terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information). This report includes directors who were appointed or elected in 2023 to terms that began on January 1, 2024, as well as directors who are currently serving in existing terms. All directors opted to self-identify their gender and race/ethnicity. Percentages may not equal 100 because of rounding.

2. Directors are given the option to self-identify their race/ethnicity.

APPENDIX B

2023 Federal Reserve Bank of Cleveland Employer Information Report

Job Categories	Male Representation							Female Representation							Total
	Hispanic	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American	Two or More Races	Hispanic	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American	Two or More Races	
Executive/ Sr. Officials & Mgrs.		5	1						2	3		1			12
		41.7%	8.3%						16.7%	25.0%		8.3%			100.0%
First/Mid Officials & Mgrs.	3	90	9		3		1		55	20		6		1	188
	1.6%	47.9%	4.8%		1.6%		0.5%		29.3%	10.6%		3.2%		0.5%	100%
Professionals	21	303	30	2	35		9	17	219	53		33		4	726
	2.9%	41.7%	4.1%	0.3%	4.8%		1.2%	2.3%	30.2%	7.3%		4.5%		0.6%	100.0%
Technicians			1												1
			100%												100%
Administrative Support		3	2		1			1	8	6		1			22
		13.6%	9.1%		4.5%			4.5%	36.4%	27.3%		4.5%			100.0%
Craft Workers		20													20
		100%													100%
Operatives	1	18	4					2	13	9				1	48
	2.1%	37.5%	8.3%					4.2%	27.1%	18.8%				2.1%	100.0%
Laborers & Helpers		1	3												4
		25.0%	75.0%												100%
Service Workers	5	30	8			1			4	4					52
	9.6%	57.7%	15.4%			1.9%			7.7%	7.7%					100.0%
Grand Total	30	470	58	2	39	1	10	20	301	95		41		6	1,073
	2.8%	43.8%	5.4%	0.2%	3.6%	0.1%	0.9%	1.9%	28.1%	8.9%		3.8%		0.6%	100%

Dates of payroll period: 12/16/2023 through 12/31/2023

Certification date: The 2023 EEO-1 Component 1 data collection is tentatively scheduled to open mid-July 2024. The tentative deadline to file the 2023 EEO-1 Component 1 Report has not been released.

APPENDIX C

Procurement Spend, Five-Year Trend

	Fiscal Year/Calendar Year									
	2019		2020		2021		2022		2023	
TOTAL SPEND	\$	35,026,891	\$	51,287,282	\$	55,119,032	\$	68,907,870	\$	52,655,371
Minority-owned	\$	3,513,908	\$	3,717,573	\$	6,225,317	\$	7,965,366	\$	6,126,053
	%	10.03	%	7.25	%	11.29	%	11.56	%	11.63
Women-owned	\$	4,044,789	\$	6,917,469	\$	6,022,975	\$	8,570,855	\$	5,587,124
	%	11.55	%	13.49	%	10.93	%	12.44	%	10.61
Both minority-owned and women-owned	\$	7,558,697	\$	10,635,042	\$	12,248,292	\$	16,536,221	\$	11,713,177
	%	21.58	%	20.74	%	22.22	%	24.00	%	22.24

Ethnicity Spend Breakdown for MBE — Reported in Thousands

	Ethnicity Spend Breakdown for MBE — Reported in Thousands									
	Asian American	Black or African American	Hispanic or Latino	Native American Indian	Unknown Ethnicity					
2023	\$	1,855,650	\$	4,033,153	\$	124,307	\$	57,084	\$	52,891
	%	30.29	%	65.84	%	2.03	%	0.93	%	0.86

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