

# FROM FINANCIAL SERVICES GREEN TO DEI GOLD: DEI IN THE FINANCIAL SERVICES INDUSTRY

WEBINAR HANDOUTS

September 15, 2022





U.S. Securities and Exchange Commission

Office of Minority and  
Women Inclusion

# 2020 DIVERSITY ASSESSMENT REPORT

DIVERSITY AND INCLUSION IN THE FINANCIAL  
SECURITIES INDUSTRY

## **Disclaimer**

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## EXECUTIVE SUMMARY

In January 2020, the Office of Minority and Women Inclusion (OMWI), U.S. Securities and Exchange Commission (SEC), identified 1,263 regulated entities to participate in the SEC’s 2020 Diversity Assessment Report process (2020 DAR), which consists of entities<sup>1</sup> conducting and submitting a voluntary self-assessment of their diversity policies and practices existing at the time of their submission to the SEC. The identified regulated entities consist of registered investment advisers, broker-dealers, municipal advisors, and self-regulatory organizations.<sup>2</sup> To allay any reporting burdens, the entities were permitted to respond by submitting a fillable diversity policies and practices self-assessment form available on the SEC’s website (SEC DAR Form)<sup>3</sup> or a comparable self-assessment. For this 2020 Diversity Assessment Report, the SEC reports results of an analysis of 59 response forms that cover 118 regulated entities.<sup>4</sup> Fifty-four (54) responses covering 99 entities were received as SEC DAR Forms and the remaining five responses (covering 19 entities) were submitted as narrative self-assessments. In total, the responses OMWI analyzed cover approximately nine percent of the 1,263 entities identified to participate.

The voluntary nature of the data collection means that identified entities choose whether to participate and the results therefore may not be representative of the overall population of regulated entities.<sup>5</sup> While no inferences can be made as to the *nonresponding* regulated entities, OMWI believes that the identification of practices among *responding* firms is nevertheless valuable in highlighting diversity policies and practices strengths and opportunities for improvement. Increasing the self-assessment response rate remains a priority. OMWI will continue to prioritize increasing the response rate through outreach and awareness campaigns. OMWI plans to host outreach events focused on setting forth the business case for submitting a self-assessment from both the SEC’s perspective, as well as the perspectives of entities that have previously submitted self-assessments. OMWI will also engage in listen-and-learn sessions to provide entities an opportunity to identify and discuss concerns surrounding the self-assessment process and ways to increase self-assessment response rates.

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1 For purposes of this report, the word “entities” is used to refer to “firms” as referred to in the SEC DAR Form. Where statistics are discussed, aggregates apply *only* to the regulated entities covered by the 2020 DAR responses received. No inference or generalization to the regulated entities that did not participate in the 2020 DAR is implied.

2 Only regulated entities with over 100 employees were identified for participation.

3 See [https://www.sec.gov/files/OMWI-DAR-23.pdf\\_0.pdf](https://www.sec.gov/files/OMWI-DAR-23.pdf_0.pdf)

4 In some instances, “parent” firms submit a single self-assessment covering multiple regulated entities.

5 In a voluntary data collection, *self-selection bias* occurs when a group of respondents with similar characteristics responds proportionally higher in a survey than its proportion in the sample population, skewing the collected responses toward the responding group, which may differ from nonrespondents. Given the low response rate and the high rate of positive responses to the majority of questions in the SEC DAR Form, it is possible that respondents might be more likely than nonrespondents to have diversity and inclusion policies and practices in place.

Notable highlights from the 2020 SEC DAR Form responses:<sup>6</sup>

- » **98 percent of the entities** include diversity and inclusion considerations as part of strategic plans for recruiting, hiring, retaining, and promoting employees; **70 percent** of the entities take proactive steps to promote a diverse pool of candidates when selecting members of their board of directors or other governing body
- » **88 percent of the entities** publish information about their diversity and inclusion efforts on their website; **62 percent** of the entities include the progress they have made toward achieving diversity and inclusion in their workforce
- » **55 percent** of the entities maintain a list of qualified minority-owned and women-owned businesses that may compete for upcoming contracting opportunities

This report quantifies results for each indicator of the diversity self-assessment and shares diversity practices highlighted by entities. While there is no “one-size-fits-all diversity and inclusion playbook” due to variances in workforce size, total assets, geographic location, and governance structures, learning from success factors and practices of other entities provides an opportunity for continued improvement in the industry.

Entities are encouraged to disclose their diversity policies and practices, as well as information related to their self-assessment, to the SEC and the public. The benefits of diversity and inclusion are well-established. Often the difficulty that entities face is not the “why” of reaching diversity and inclusion goals, but the “how” of setting and reaching those goals. Self-assessments provide a starting point for the “how” of setting and tracking diversity and inclusion goals. Additionally, by providing a framework for self-reflection, self-assessments can provide a deeper analysis and understanding of leading practices and policies for advancing workforce and supplier diversity, thereby helping entities achieve their diversity and inclusion goals.

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<sup>6</sup> Throughout this report, where percentages are discussed, they are limited to the 54 SEC DAR Form responses covering 99 entities, and do not include the five narrative self-assessments covering 19 entities.

## HISTORY OF THE DIVERSITY ASSESSMENT REPORT

**O**MWI was established in July 2011, pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. OMWI provides leadership and guidance for the SEC's efforts related to diversity in the SEC's management, employment, and business activities. In June 2015, the SEC, the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Bureau of Consumer Financial Protection (CFPB) (collectively Agencies) issued a Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies.<sup>7</sup>

The SEC has developed a form called the “Diversity Assessment Report for Entities Regulated by the SEC” to: (1) guide a regulated entity's self-assessment of its diversity policies and practices as framed by the Joint Standards; and (2) provide a regulated entity with a template for presenting diversity assessment information to the OMWI Director at the SEC.

The SEC DAR Form identifies standards in five key areas based on the Joint Standards:

- STANDARD 1** Organizational Commitment to Diversity and Inclusion
- STANDARD 2** Implementation of Employment Practices to Promote Workforce Diversity and Inclusion
- STANDARD 3** Consideration of Supplier Diversity in Procurement and Business Practices
- STANDARD 4** Practices to Promote Transparency of Organizational Diversity and Inclusion
- STANDARD 5** Evaluation of Diversity Policies and Practices

Entities may submit a self-assessment of their diversity and inclusion practices and policies through the SEC DAR Form or comparable instrument (e.g., a narrative report, a firm-prepared diversity self-assessment template, or a diversity self-assessment form submitted to OCC, FRB, and/or FDIC). In this report, we present aggregated data from SEC DAR Form submissions.

Information voluntarily submitted to the SEC is used to monitor progress and trends among regulated entities with regard to diversity and inclusion in employment and contracting activities, and to publicize promising diversity policies and practices. Where the SEC is the primary financial regulator, it may share information with other Agencies when appropriate to support coordination of efforts and the avoid duplication. The SEC may publish information disclosed to it, such as diversity practices, in any form that does not identify a particular entity or individual or disclose confidential business information.

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<sup>7</sup> 80 FR 33016, [Release No. 34-75050](#); [File No. S7-10-15](#).



## RESULTS OF THE 2020 SEC DIVERSITY SELF-ASSESSMENT FORM COLLECTION

This section presents aggregate results for each indicator measured by the SEC’s 2020 DAR Form. Results reported in this section represent only those entities that voluntarily submitted SEC DAR Forms. These tabulations represent an analysis of 54 SEC DAR Forms covering 99 regulated entities.<sup>8</sup> For each standard, a simple unweighted average was tabulated.

### ► STANDARD 1 Organizational Commitment to Diversity and Inclusion.

*The leadership of a firm with successful diversity policies and practices demonstrates its commitment to diversity and inclusion. Leadership comes from the governing body, such as a board of directors, as well as senior officials and those managing the regulated entity on a day-to-day basis.*

Almost all (98 percent) entities include diversity and inclusion considerations as part of strategic plans for recruiting, hiring, retaining, and promoting employees. In contrast, 70 percent take proactive steps to promote a diverse pool of candidates when selecting members of the board of directors or other governing body, suggesting opportunity to close a strategy-action gap at some entities.

| <b>1 The firm demonstrates its organizational commitment to diversity and inclusion in the following ways:</b>   | <b>Percentage</b> |
|--|-------------------|
| 1.1 The firm has a written diversity and inclusion policy.   | 87%               |
| 1.2 The firm’s written diversity and inclusion policy is approved and supported by the chief executive officer or other senior level official.                 | 86%               |
| 1.3 A senior level official with experience in diversity and inclusion policies and practices oversees and directs the firm’s diversity and inclusion efforts. | 89%               |
| 1.4 The firm includes diversity and inclusion considerations as part of its strategic plan for recruiting, hiring, retaining, and promoting employees.         | 98%               |
| 1.5 The firm includes diversity and inclusion considerations as part of its strategic plan for contracting with vendors and suppliers.                         | 66%               |
| 1.6 The firm takes proactive steps to promote a diverse pool of candidates when selecting executive and senior level officials.                                | 87%               |
| 1.7 The firm takes proactive steps to promote a diverse pool of candidates when selecting members of the board of directors or other governing body.           | 70%               |
| 1.8 The firm regularly offers training and educational opportunities on equal employment opportunity and diversity and inclusion.                              | 87%               |
| 1.9 The firm provides regular progress reports on diversity and inclusion efforts to the board of directors or other governing body.                           | 88%               |
| <b>Section Average</b>   | <b>84%</b>        |

<sup>8</sup> The remaining five responses received in narrative form (covering 19 entities) are described in the Summary of Narrative Responses.

► **STANDARD 2 Implementation of Employment Practices to Promote Workforce Diversity and Inclusion.**

*Many firms proactively promote diversity and the fair inclusion of minorities and women in their workforces. What distinguishes firms with successful diversity and inclusion programs is the recognition that gathering and using the data for regularly evaluating programs provides valuable insight for driving the firm’s business goals.*

Most entities (94 percent) engage in outreach to minority and women organizations, including 89 percent reporting participating in conferences, workshops, and other events to attract minorities and women and to inform them of employment and promotion opportunities. Yet, fewer entities (78 percent) regularly evaluate their performance under workforce diversity and inclusion programs. Still fewer (68 percent) entities include diversity and inclusion objectives in performance plans of managers. Embedding diversity and inclusion drivers at an operations level helps bridge the gap between diversity and inclusion philosophy and real changes in the entity’s culture.

| <b>1 The firm promotes workforce diversity and inclusion in the following ways:</b>  | <b>Percentage</b> |
|--|-------------------|
| 1.1 The firm engages in outreach to minority and women organizations.  | 94%               |
| 1.2 The firm engages in outreach to educational institutions serving significant or predominantly minority and women student populations.  | 85%               |
| 1.3 The firm participates in conferences, workshops, and other events to attract minorities and women and to inform them of employment and promotion opportunities.  | 89%               |
| 1.4 The firm communicates employment opportunities through media predominately serving minorities and women.   | 70%               |
| 1.5 The firm regularly evaluates performance under its workforce diversity and inclusion programs.   | 78%               |
| 1.6 The firm uses quantitative measures to assess the effectiveness of its workforce diversity and inclusion efforts in its employment activities (e.g., hires, promotions, separations, career development, and retention). | 83%               |
| 1.7 The firm uses qualitative measures (e.g., surveys) to assess the effectiveness of its workforce diversity and inclusion efforts in its employment activities.  | 80%               |
| 1.8 The firm includes diversity and inclusion objectives in performance plans of its managers.   | 68%               |
| <b>Section Average</b>   | <b>81%</b>        |

► **STANDARD 3 Consideration of Supplier Diversity in Procurement and Business Practices.**

*Firms increasingly understand the competitive advantage of having a broad selection of available suppliers to choose from with respect to factors such as price, quality, attention to detail, and future relationship building. Many firms have successfully expanded available business options by increasing outreach to minority-owned and women-owned businesses. The use of minority-owned and women-owned businesses as subcontractors also provides valuable opportunities for both the minority-owned and women-owned businesses and the prime contractors.*

Slightly more than half (54 percent) of entities conduct outreach to minority and women organizations or affinity groups and participate in conferences, workshops, and other events to attract minority-owned and women-owned businesses to inform them of contracting opportunities (62 percent). Just 15 percent publicize their procurement opportunities in media primarily serving minorities and women. About a third (34 percent) measure the percentage of their contracts with minority-owned and women-owned business subcontractors. Measurement is critical to gauge the effectiveness of outreach efforts.

|   | <b>Percentage</b> |
|---|-------------------|
| 1 The firm has a supplier diversity policy.   | 45%               |
| 2 The firm's supplier diversity policy is aimed at providing business opportunities to diverse suppliers, including minority-owned and women-owned businesses.            | 49%               |
| <b>3 The firm takes specific steps to promote a diverse supplier pool, including:</b>   |                   |
| 3.1 The firm conducts outreach to minority-owned and women-owned contractors.   | 54%               |
| 3.2 The firm conducts outreach to minority and women organizations or affinity groups.  | 54%               |
| 3.3 The firm participates in conferences, workshops, and other events to attract minority-owned and women-owned businesses and informs them of contracting opportunities. | 62%               |
| 3.4 The firm maintains a list of qualified minority-owned and women-owned businesses that may compete for upcoming contracting opportunities.                             | 55%               |
| 3.5 The firm has an ongoing process to publicize its procurement opportunities.   | 28%               |
| 3.6 The firm publicizes its procurement opportunities in media primarily serving minorities and women.  | 15%               |
| <b>4 The firm measures the following attributes of its supplier diversity:</b>  |                   |
| 4.1 The amount spent annually for procuring and contracting for goods and services.   | 54%               |
| 4.2 The percentage of contract dollars awarded to minority-owned and women-owned businesses by gender, race, and ethnicity.   | 50%               |
| 4.3 The percentage of contracts with minority-owned and women-owned business subcontractors.  | 34%               |
| <b>Section Average</b>  | <b>45%</b>        |

► **STANDARD 4 Practices to Promote Transparency of Organizational Diversity and Inclusion.**

*Transparency and publicity are important aspects of assessing diversity policies and practices. By making public a regulated entity’s commitment to diversity and inclusion, its plans for achieving diversity and inclusion, and the metrics it uses to measure success in both workplace and supplier diversity, a regulated entity informs a broad constituency of investors, employees, potential employees, suppliers, customers, and the general community about its efforts.*

Most entities publish information demonstrating a commitment to diversity and inclusion. For example, 81 percent publish their policy on commitment to diversity and inclusion on their websites. Eighty-eight percent include information about diversity and inclusion efforts on their websites. In contrast, only 45 percent publish their diversity and inclusion strategic plans. Diversity and inclusion strategic plans set forth a planning process for reaching diversity and inclusion goals. They also establish objective goals, actions for reaching those goals, and identify ways to evaluate successes in reaching goals. Publishing diversity and inclusion strategic plans allow entities to market their successes in a tangible and meaningful way and increase stakeholder confidence through greater transparency.

In general, contractor or supplier diversity indicators were less likely to be present than overall diversity and inclusion efforts or workforce diversity efforts. The majority of entities publicize employment and internship opportunities (81 percent) as well as mentorship and developmental programs for employees (70 percent). The percentage of entities that publicize contracting opportunities and developmental programs for potential contractors was just 32 percent and 20 percent, respectively.

|   | <b>Percentage</b> |
|---|-------------------|
| 1 The firm publishes information about its diversity and inclusion efforts on its website.                          | 88%               |
| <b>2 The firm publishes the following information regarding its diversity and inclusion efforts on its website:</b> |                   |
| 2.1 The firm’s diversity and inclusion strategic plan.  | 45%               |
| 2.2 The firm’s policy on its commitment to diversity and inclusion.   | 81%               |
| 2.3 The firm’s progress toward achieving diversity and inclusion in its workforce.                                  | 62%               |
| 2.4 The firm’s progress toward achieving diversity and inclusion in its procurement activities.                     | 35%               |
| <b>3 The firm publicizes opportunities that promote diversity and inclusion on its website, including:</b>          |                   |
| 3.1 Employment and internship opportunities.  | 81%               |
| 3.2 Contracting opportunities.  | 32%               |
| 3.3 Mentorship and developmental programs for employees.  | 70%               |
| 3.4 Developmental programs for potential contractors.   | 20%               |
| <b>Section Average</b>  | <b>57%</b>        |



► **STANDARD 5 Evaluation of Diversity Policies and Practices.**

*Firms that have successful diversity policies and practices devote time and resources to monitoring and evaluating performance under their diversity policies and practices on an ongoing basis. Firms regulated by the SEC are encouraged to disclose their diversity policies and practices, as well as information related to their assessments to the SEC and the public.*

Fewer than one-third (28 percent) of entities publish information pertaining to the assessment of diversity policies and practices. More entities (71 percent) actually monitor and evaluate performance under their diversity policies and practices on an ongoing basis. Diversity and inclusion policies are only the starting point. Policies may be ineffectual if there is no monitoring for efficacy. Similarly, policy effectiveness cannot be gauged without a process for performance evaluation. Demonstrating the effectiveness of diversity and inclusion with performance can be a powerful tool in driving business.

| <b>1 The firm takes steps to advance diversity and inclusion that include:</b>                                  | <b>Percentage</b> |
|---|-------------------|
| 1.1 Monitoring and evaluating performance under its diversity policies and practices on an ongoing basis.       | 71%               |
| 1.2 Using the Joint Standards to conduct an assessment of the firm's diversity policies and practices annually. | 30%               |
| 1.3 Publishing information pertaining to its assessment of its diversity policies and practices.                | 28%               |
| <b>Section Average</b>  | 43%               |

## SUMMARY OF NARRATIVE RESPONSES

In addition to the quantitative data for the SEC DAR Forms reported above, five responses covering 19 entities were submitted to the SEC in the form of narrative self-assessments in 2020.<sup>9</sup> All five narratives reported that the covered entities (19) are equal employment opportunity firms and regularly offer training on diversity and inclusion. Four narrative responses (covering 16 entities) stated that a senior manager with experience in diversity and inclusion policies over-sees the diversity and inclusion performance. These narrative responses also reported that the reporting entities not only promote a diverse pool of candidates for selecting board members, but also provide regular progress reports on diversity and inclusion efforts to the board.

All five narratives (covering 19 entities) indicated that the reporting entities have policies to outreach to minority and inclusion organizations and also educational institutions serving largely minority and women student population. Four narratives (covering 17 entities) describe the reporting entities' participation in events such as seminars and conferences to attract and stated that the reporting entities inform minorities and women of employment and promotion opportunities. In addition, four narratives (covering 16 entities) indicate the entities' use of quantitative measures to assess the effectiveness of workforce diversity and inclusion efforts in employment activities.

In terms of their supplier diversity efforts, all five narratives (covering 19 entities) reported developing a diversity policy and providing opportunities to diverse suppliers, especially the ones owned by women or minorities. Moreover, four narrative responses (covering 16 entities) report that the responding entities proactively engage in outreach to minority-owned and women-owned contractors and maintain a list of qualified minority and women owned businesses that may compete for upcoming contracting opportunities.

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<sup>9</sup> The term "covering" references the associated regulated entities where a single narrative response received from a firm was associated with multiple regulated entities, divisions, or subsidiaries regulated by the SEC.

## HIGHLIGHTS: DIVERSITY PRACTICES

**M**any entities provided accompanying comments and illustrative examples of policies and practices implemented as part of their workforce recruitment, supplier diversity, and training. The following are illustrative of comments received, though SEC staff makes no endorsement or evaluation:

- » Using diversity and inclusion scorecards and monthly reports of employee hiring and turnover.
- » Banning the use of salary history in the recruitment process.
- » Incorporating various sources to identify diverse talent to fill Board positions.
- » Leader accountability, education and training, and embedding inclusion in all organizational aspects to include talent acquisition, development, and other retention strategies.
- » Senior leaders including Diversity and Inclusion objectives during regular business reviews.
- » Expanding recruiting to include Historically Black Colleges and Universities, Hispanic-Serving Institutions, women-only colleges and partnerships with national organizations.
- » Participation in trade shows/seminars/sponsored events to explain how diverse suppliers can effectively compete and participate in the sourcing and procurement process.
- » Seeking out diverse suppliers from multiple sources, including: Dun & Bradstreet, National Minority Supplier Development Council, and Women's Business Enterprise National Council.
- » Including Diversity and Inclusion progress in Annual Report.
- » Sharing best practices externally via publications, interviews, presentations, webinars, corporate memberships, industry conferences, and professional organizations.
- » Expanding the definition of diversity to include both inherent and acquired diversity elements; creating forums to tackle difficult conversations that may present themselves from current events, social issues or civil unrest.
- » Requiring Suppliers to provide written details of expenditures with certified Minority and Women-owned Business Enterprises (MWBES) on a quarterly basis, specifically setting forth Suppliers' overall expenditures with MWBES and, separately, Suppliers' expenditures with MWBES on purchase orders.
- » Providing all employees with Flexible Time Off to refresh and recharge (with manager approval), while still fulfilling their work responsibilities and ensuring work coverage.
- » Managers receive employee opinion survey results about their practices, such as inclusion; Team leadership, including Diversity and Inclusion, is part of year-end annual performance development.
- » Strengthened leadership and business accountability for diversity with the introduction of customized leader Diversity, Equity, and Inclusion dashboards, which are reviewed quarterly by the CEO and executive leadership team.
- » Conducting an annual review of policies and review diversity and inclusion practices on an as needed basis and then provide an update as part of the annual update to the Board.
- » Implementation and management of a mentorship program for colleagues.

## CONCLUSION AND FUTURE DIRECTIONS

The vast majority of regulated entities do not submit a self-assessment of their diversity policies and practices. The lack of information on diversity policies and practices for these entities creates a substantial knowledge gap. For a more comprehensive understanding of practices and policies for workforce and supplier diversity in the financial securities industry, more participation is needed.

Accomplishments were noted with regard to workforce diversity efforts among the 99 entities covered by the SEC DAR Form responses—87 percent of entities have a diversity inclusion policy and almost all (98 percent) include diversity and inclusion considerations as part of their strategic plan for recruiting, hiring, retaining, and promoting employees. Supplier diversity may present the greatest opportunity for improvement, as just 45 percent of entities have a supplier diversity policy and 55 percent maintain a list of qualified minority-owned and women-owned businesses that may compete for upcoming contracting opportunities.

SEC staff continues efforts to increase awareness of the opportunity to participate in the Diversity Assessment Report process and the related benefits. Such actions include the SEC's Director of the Office of Minority and Women Inclusion conducting webinars and other outreach activities<sup>10</sup> to engage Chief Executive Officers and other senior leaders in conversation around the value of conducting and submitting voluntary self-assessments of diversity policies and practices.

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<sup>10</sup> See, for example, March 2020 webinar slides: [https://www.sec.gov/files/DAR\\_Webinar\\_March\\_2020.pdf](https://www.sec.gov/files/DAR_Webinar_March_2020.pdf)



### *Acknowledgements*

OMWI wishes to thank participating regulated entities that submitted diversity self-assessments and shared diversity practices. Entities participating in this process enable the SEC to better understand and quantify diversity and inclusion in the financial services industry as well as provide important insights, perspectives, and examples that serve as resources and foster continued progress on diversity and inclusion in the industry.

OMWI also thanks our regulatory partners for their continued efforts to facilitate diversity self-assessments among their respective regulated entities.

OMWI thanks colleagues in the SEC's Division of Economic and Risk Analysis for their ongoing collaboration with OMWI on this important effort.



**U.S. Securities and Exchange Commission**  
Washington, DC

U.S. SECURITIES AND EXCHANGE COMMISSION

OFFICE OF  
MINORITY  
AND WOMEN  
INCLUSION

# ANNUAL REPORT TO CONGRESS

ADVANCING DIVERSITY, EQUITY AND  
INCLUSION

MARCH 2022





## MESSAGE FROM THE CHAIR



CHAIR GENSLER

**O**n behalf of the U.S. Securities and Exchange Commission, I am pleased to present the SEC Office of Minority and Women Inclusion's (OMWI) Annual Report to Congress. This report sets forth the SEC's collective efforts to promote diversity, equity, and inclusion in our agency.

Fairness and opportunity are central to the SEC's mission: to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. This means that all Americans—whether investors seeking to save for the future or business leaders looking to fund new ideas and innovations—deserve fair access to our capital markets, regardless of their race, gender, color, or any other factor.

It is important that our colleagues—the SEC's most important asset—feel they can bring their whole selves to work. I believe that a diverse SEC workforce helps promote fairness and inclusion in the financial services industry. OMWI continues to lead our efforts to develop an inclusive and equitable workplace that reflects the diversity of the public we serve, uses minority- and women-owned businesses in our business operations, and engages our regulated entities.

Thank you for taking the time to read about our important diversity, equity, and inclusion work. I look forward to continuing to partner with OMWI in the coming year.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Gensler". The signature is stylized and fluid, with a long horizontal stroke at the bottom.

GARY GENSLER  
Chair  
U.S. Securities and Exchange Commission



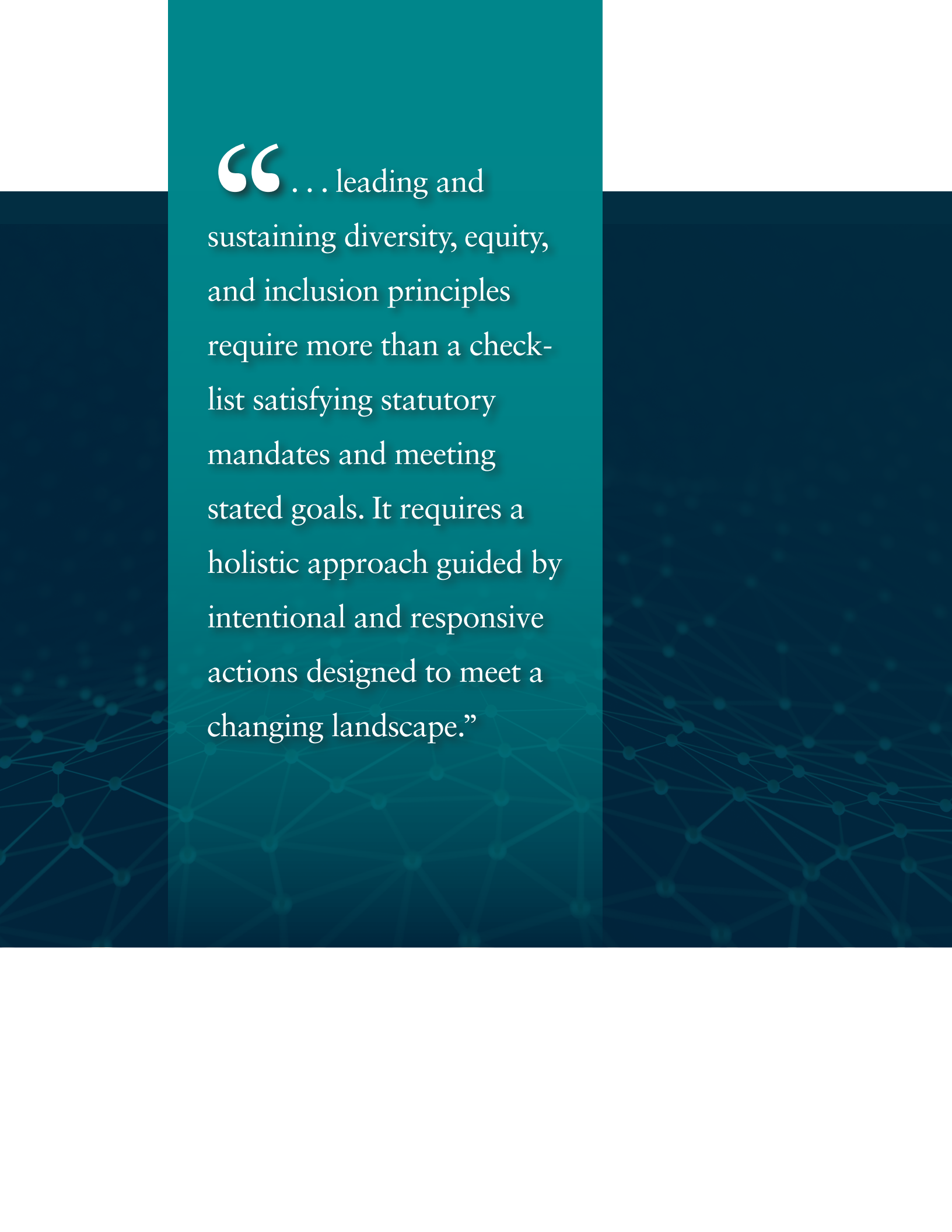
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## LIST OF ACRONYMS

|          |   |
|----------|---|
| AAC      | African American Council  |
| AAFEA    | African American Federal Executive Association                        |
| AAPI     | Asian American and Pacific Islander Committee                         |
| AARP     | American Association of Retired Persons                               |
| AHORA    | Amigos and Hispanics of Regulatory Agencies                           |
| ALPFA    | Association of Latino Professionals for America                       |
| AMAC     | Asset Management Advisory Committee                                   |
| ARO      | Atlanta Regional Office of the Securities and Exchange Commission     |
| BRO      | Boston Regional Office of the Securities and Exchange Commission      |
| CDP      | Career Development Program  |
| C.O.R.E. | Connections, Opportunities, Relationships, Equity                     |
| CAHC     | Caribbean American Heritage Committee                                 |
| CFPB     | Bureau of Consumer Financial Protection                               |
| CFTC     | Commodity Futures Trading Commission                                  |
| CHRO     | Chicago Regional Office of the Securities and Exchange Commission     |
| CLF      | Civilian Labor Force  |
| COVID-19 | Coronavirus Disease 2019  |
| DAR      | Diversity Assessment Report   |
| DIAC     | Disability Interests Advisory Committee                               |
| DIIP     | Diversity and Inclusion Internship Program                            |
| EAG      | Employee Affinity Group   |
| EWOC     | Enterprising Women of Color   |
| FAR      | Federal Acquisition Regulation  |
| FDIC     | Federal Deposit Insurance Corporation                                 |
| FEVS     | Federal Employee Viewpoint Survey                                     |
| FIRREA   | Financial Institutions Reform, Recovery, and Enforcement Act          |
| FPDS     | Federal Procurement Data Systems                                      |
| FPPS     | Federal Personnel and Payroll System                                  |
| FRB      | Board of Governors of the Federal Reserve System                      |
| FY       | Fiscal Year   |
| GFE      | Good Faith Effort   |
| GPA      | Grade Point Average   |
| HACU     | Hispanic Association of Colleges and Universities                     |
| HALO     | Hispanic and Latino Opportunity, Leadership, and Advocacy Committee   |
| HBCU     | Historically Black Colleges and Universities                          |
| HSSIP    | High School Scholars Internship Program                               |
| LARO     | Los Angeles Regional Office of the Securities and Exchange Commission |
| LGBT     | Lesbian, Gay, Bisexual and Transgender                                |
| MBDA     | Minority Business Development Agency                                  |
| MESO     | Office of Managing Executive for Small Offices                        |
| MIRO     | Miami Regional Office of the Securities and Exchange Commission       |

|         |  |
|---------|--|
| MOU     | Memorandum of Understanding  |
| MWOB    | Minority-Owned and Women-Owned Business                                    |
| NAICS   | North American Industry Classification System                              |
| NAMWOLF | National Association of Minority and Women Owned Law Firms                 |
| NASP    | National Association of Securities Professionals                           |
| NBA     | National Bar Association   |
| NCUA    | National Credit Union Administration                                       |
| NEW IQ  | New Inclusion Quotient (Federal Employee Viewpoint Survey)                 |
| NSHSS   | National Society of High School Scholars                                   |
| NYC     | New York City  |
| NYPD    | New York Police Department   |
| NYRO    | New York Regional Office of the Securities and Exchange Commission         |
| OA      | Office of Acquisitions   |
| OASB    | Office of the Advocate for Small Business Capital Formation                |
| OCC     | Office of the Comptroller of the Currency                                  |
| OCOO    | Office of the Chief Operating Officer                                      |
| OEEO    | Office of Equal Employment Opportunity                                     |
| OHR     | Office of Human Resources  |
| OIEA    | Office of Investor Education and Advocacy                                  |
| OMWI    | Office of Minority and Women Inclusion                                     |
| OPM     | United States Office of Personnel Management                               |
| PLRO    | Philadelphia Regional Office of the Securities and Exchange Commission     |
| PROPELS | Professionals Reaching Out to Promote Excellence and Learning for Students |
| SDBMS   | Supplier Diversity Business Management System                              |
| SEC     | Securities and Exchange Commission   |
| SECU    | SEC University   |
| SFRO    | San Francisco Regional Office of the Securities and Exchange Commission    |
| SIFMA   | Securities Industry and Financial Markets Association                      |
| VOD     | Vendor Outreach Day  |



“... leading and sustaining diversity, equity, and inclusion principles require more than a checklist satisfying statutory mandates and meeting stated goals. It requires a holistic approach guided by intentional and responsive actions designed to meet a changing landscape.”

## EXECUTIVE SUMMARY

The U.S. Securities and Exchange Commission’s (SEC, Commission, or agency) Office of Minority and Women Inclusion (OMWI) provides leadership and guidance for the SEC’s diversity and inclusion efforts. Those efforts are summarized in this Annual Report to Congress for Fiscal Year (FY) 2021 (Report), pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act).<sup>1</sup> This Report highlights the progress the SEC has made toward achieving the goals and objectives of the Dodd-Frank Act and the SEC’s Diversity and Inclusion Strategic Plan (DI Strategic Plan), as well as its real-time responsiveness to current events, all of which collectively guide the SEC’s ongoing efforts to promote diversity, equity, and inclusion. In accordance with the mandates of the Dodd-Frank Act and the stated goals of the SEC’s DI Strategic Plan, OMWI focuses its efforts in the areas of workforce diversity and workplace inclusion, supplier diversity and contractors’ workforce inclusion, diversity policies and practices of SEC-regulated entities and SEC mission-related outreach. As such, this Report is organized to highlight these areas specifically.

That said, leading and sustaining diversity, equity, and inclusion principles require more than a checklist satisfying statutory mandates and meeting stated goals. It requires a holistic approach guided by intentional and responsive actions designed to meet a changing landscape. In FY 2021, the SEC fully embraced this holistic approach and prioritized weaving diversity, equity, and inclusion into all areas within its reach—a reach which spans the internal connectedness of its workplace culture, the external cultivation of its future workforce and business relationships, and the creation of opportunities to exercise impact and influence through mission-driven outreach to its stakeholders and the public it protects.

### Connecting our workforce through an inclusive workplace culture

As with most transformative work, growth begins on the inside. The SEC encouraged this growth by fostering a connected culture within its workforce through mindful initiatives, programming, and training. Two of its most forward-thinking initiatives were the *UnCovering Taskforce*, whose mission is to identify and implement strategies to ensure that employees are comfortable bringing their authentic selves to work, thereby helping them reach their highest potential; and *Diversity Dialogues*, small group discussions initiated to provide a safe space where employees can candidly discuss sensitive issues surrounding race. These two programs alone brought hundreds of employees to the table as the SEC community endeavored to remain in touch with its greatest asset—its workforce.

Additionally, internal programming is used as a tool to create a sense of belonging. In FY 2021, one such successful program was the *Senior Officer Panel Discussion for Disability Employment Awareness Month*, which featured senior leaders who self-identify as persons with a disability.

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



During this panel and open dialogue, senior leaders shared their personal stories, highlighted the SEC's reasonable accommodation program and also emphasized the value of relationships and a strong supportive community. Internal programming is also used to raise awareness and tackle challenging issues often brought to light by current events. For example, in FY 2021, the SEC co-sponsored *Unmasking Anti-Asian Violence, Bias and Xenophobia*, a joint federal agency program discussing many of the issues surrounding violence and hate against Asian Americans; and also presented *COVID and its Impact on the Hispanic Community and Hispanic-owned Small Businesses*, addressing unique challenges faced by this community as a result of the pandemic.

Further, in FY 2021, the SEC offered purposeful training, like *Conscious Equity 2.0* and *Language of Inclusion*, which provided guidance to employees on being agents of diversity, mutual respect and inclusion. Hundreds of employees attended these highly effective and interactive trainings. The SEC also developed training to promote professional development. New training in FY 2021 included: C.O.R.E. (Connections, Opportunities, Relationships, Equity), a leadership development program designed to provide minority leaders at the SEC with tools and techniques to enhance their effectiveness, breadth of contributions and engagement within their function; and also the *African American Federal Executive Association's Career Development Program* (AAFEA CDP), where the SEC supported an SEC African American Council (AAC) member to participate in the rigorous 5-month developmental program designed to prepare participants to compete for advanced career positions in the federal government. All available participant slots in C.O.R.E. and AAFEA CDP were filled.

Strategies, like mindful initiatives, programming, and training, helped ensure that the SEC continued to cultivate an inclusive and receptive environment for all employees, and these efforts will continue in the next fiscal year.

## **Cultivating a pipeline for the next generation of SEC employees and future business relationships**

In addition to fostering personal growth and connection within its workforce, the SEC seeks to cultivate a diverse pipeline for its future workforce. Each year, the SEC engages in numerous strategic outreach activities intended to attract a diverse pool of candidates for future employment at the SEC. In FY 2021, the SEC went a step further. Recognizing that diverse candidates from underrepresented communities often lack both the opportunities to gain the experience necessary to be competitive applicants and also the financial freedom to accept unpaid internships, the SEC established two, paid, early-career programs for diverse candidates to join the SEC: the *Diversity and Inclusion Internship Program* (DIIP) and the *High School Scholars Internship Program* (HSSIP). The SEC welcomed 18 interns under DIIP and five returning interns under HSSIP. The close-out session for the DIIP program included moving tributes by both the interns and their SEC hosts expressing sincere gratitude for the rewarding experience and the connections it forged. The SEC plans to increase the opportunities for paid internships next year.

The SEC also continued to cultivate strategic relationships to enhance its future pipeline of diverse workforce candidates by: strengthening its alliance with Historically Black Colleges and Universities (HBCUs) through events like the panel discussion in August 2021 with HBCU business and law school deans, professors, and chancellors to help increase financial literacy for its students; entering into a partnership with the National Bar Association to assist with increasing employee representation of underrepresented groups at the SEC; and conducting webinars for high school students focused on financial education and careers at the SEC.

To cultivate future business relationships, the SEC facilitated approximately 54 one-on-one meetings with vendors via OMWI-hosted Vendor Outreach Day (VOD) sessions. These forums allow interested businesses, including minority-owned and women-owned, 8(a) certified, small, small disadvantaged, women-owned small, service-disabled veteran-owned and HUBZone certified businesses to exchange information on their capabilities and services/goods and to receive technical assistance. OMWI also participated in 39 business conferences and procurement sessions for diverse vendors and businesses to meet with the SEC. As a result of these efforts, FY 2021 saw an increase in both contract payments and awards to Minority and Women Owned Businesses (MWOBs) of 1.7% and 5%, respectively.

The SEC's increased focus on underrepresented communities to help expand both the pathways to federal service and the available business opportunities not only aligns with the goals in the SEC's DI Strategic Plan, but also echoes the values espoused in the *Executive Order 14035 Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce*.<sup>2</sup> The SEC will continue these efforts in the coming year.

### **Creating opportunities to exercise impact and influence through mission-driven outreach to its stakeholders and the public it protects**

In addition to focusing on connection inside the SEC and cultivation of a future workforce and business relationships outside the SEC, the SEC actively sought opportunities to exercise its impact and influence in the greater community through mission-driven outreach to its stakeholders and the public it protects. OMWI continued to provide assistance to the Commission's independent advisory committees, such as the Asset Management Advisory Committee's Diversity and Inclusion Subcommittee's efforts to address issues related to diverse asset managers. The SEC also continued to promote business diversity with SEC stakeholders by engaging with regulated entities to promote the business case for developing and evaluating diversity and inclusion efforts. These efforts included hosting a meeting with senior leaders from Self-Regulatory Organizations to discuss diversity and inclusion efforts and best practices.

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<sup>2</sup> As an independent agency, the mandates set forth under Executive Orders in calendar year 2021 related to diversity, equity, and inclusion (e.g. Executive Order 14035, Executive Order 14031, Executive Order 13988, Executive Order 13985) do not apply to the SEC. Nonetheless, the SEC is undertaking many initiatives that are resonant with the goals of these Executive Orders.

Further, the SEC engaged in public events intended to foster understanding of the importance of diverse participation in the financial services industry. These events included: *Tech Entrepreneurs of Color - Taking the Pulse of Capital Raising* and *Women of Color Entrepreneurs on Being Powerful Voices for Access to Capital*, both of which focused on challenges facing entrepreneurs of color in raising capital and ways to increase access to capital; partnering with *100 Women in Finance* to host a panel which focused on sharing stories of women in public sector financial services; and partnering with the Association of Latino Professionals for America Boston, Amplify Latinx and the Hispanic National Bar Association, to participate in a panel discussion on *Financial Planning, Smart Investing Practices and Fraud Avoidance for Young Professionals*

The SEC took significant steps toward holistically integrating diversity, equity, and inclusion into the fabric of its mission, as set forth in more detail in the Report that follows. Through its unwavering commitment, the SEC hopes to lead by example within its sphere of influence, and looks forward to continuing its efforts in the next fiscal year.

## INTRODUCTION

The U.S. Securities and Exchange Commission's (SEC, Commission, or agency) Office of Minority and Women Inclusion (OMWI) is pleased to submit its Annual Report to Congress for Fiscal Year (FY) 2021 pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act).<sup>3</sup> This report will summarize OMWI's efforts to promote diversity and inclusion in the following areas:<sup>4</sup>

- » Workforce diversity and workplace inclusion
- » Supplier diversity and contractors' workforce inclusion
- » Diversity policies and practices of SEC-regulated entities
- » SEC mission-related outreach

## ORGANIZATIONAL OVERVIEW

### U.S. Securities and Exchange Commission

The U.S. Securities and Exchange Commission (SEC, Commission, agency) is a bipartisan Commission consisting of up to five Commissioners appointed by the President and confirmed by the Senate.<sup>5</sup> The SEC's mission is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. Under these tenets, the SEC oversees the nation's securities markets, certain market participants, and organizations such as the Financial Industry Regulatory Authority, Municipal Securities Rulemaking Board, and the Public Company Accounting Oversight Board. The SEC's functional responsibilities are carried out through six divisions and 24 offices, each of which is headquartered in Washington, DC. The SEC also has 11 regional offices located throughout the country.

### The Office of Minority and Women Inclusion

In accordance with Section 342 of the Dodd-Frank Act, the SEC established OMWI in July 2011, and assigned the office responsibility for all matters related to diversity in its management, employment, and business activities. OMWI works in close collaboration with all SEC divisions and offices, including the Office of Human Resources (OHR), the Office of Equal Employment Opportunity (OEEEO), and the Office of Acquisitions (OA), to implement the SEC's Diversity and Inclusion Strategic Plan for Fiscal Years 2020-2022 (SEC's DI Strategic Plan).<sup>6</sup>

The Director of OMWI, Pamela Gibbs, is a Senior Officer reporting directly to the Chair. As of the time of the submission of this Report, OMWI consists of 11 additional permanent staff, including a Deputy Director. For FY 2022, one additional position will be filled. Additionally, OMWI uses contractors and detailees to support its operations.

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

4 This report covers the period October 1, 2020 to September 30, 2021, unless otherwise noted.

5 The President designates one Commissioner to serve as Chair of the Commission. Jay Clayton was the Chair of the Commission from the beginning of FY 2021 through December 23, 2020. Gary Gensler was confirmed as Chair of the Commission on April 14, 2021. Allison Herren Lee was Acting Chair of the Commission in FY 2021 until Gary Gensler's appointment.

6 The SEC's Diversity and Inclusion Strategic Plan for Fiscal Years 2020-2022 is available at [https://www.sec.gov/files/2020\\_Diversity\\_and\\_Inclusion\\_Strategic\\_Plan.pdf](https://www.sec.gov/files/2020_Diversity_and_Inclusion_Strategic_Plan.pdf).

“... leadership set the tone for the year, making it clear that workforce diversity and inclusion principles are not just good policy, but, when practiced sincerely and integrated fully, propel the SEC’s ability to successfully perform its mission.”

## WORKFORCE DIVERSITY AND WORKPLACE INCLUSION

The SEC is committed to cultivating a workforce and workplace culture that values diversity; encourages collaboration, flexibility and fairness; and allows all employees to contribute to their full potential. Furthering these principles is an individual and collective responsibility, particularly for leadership whose example and influence help catalyze action. In FY 2021, leadership demonstrated its commitment to promoting diversity and inclusion and ensuring opportunity by opening the year with a Town Hall on Diversity, Inclusion and Opportunity facilitated by the SEC Chair and featuring the OMWI Director and SEC Senior Policy Adviser on Diversity and Inclusion that covered topics including workplace inclusion initiatives, as well as external engagement activities with investors, professional organizations and other stakeholders. In doing so, leadership set the tone for the year, making it clear that workforce diversity and inclusion principles are not just good policy, but, when practiced sincerely and integrated fully, propel the SEC's ability to successfully perform its mission. OMWI provides leadership and guidance for the SEC's diversity and inclusion efforts throughout the Commission, and also fosters collaborations with SEC offices and divisions, as well as with other federal agencies, to enhance progress toward the SEC's objectives; but it is the work of all the SEC's component parts working together that yields true progress. Below are some highlights of these collective efforts.

### Highlights

#### SEC WORKFORCE DEMOGRAPHICS: USING DATA TO DRIVE STRATEGY

A key driver of the SEC's workforce diversity and workplace inclusion efforts is information learned from collecting, analyzing, and reporting data. As promoted under Executive Order 14035, the SEC takes a data-driven approach to advancing policies that promote workforce diversity and workplace inclusion. In partnership with the SEC's Diversity Council, OMWI and OHR developed an interactive dashboard (Diversity Dashboard) to increase transparency, provide access to current workforce data at the SEC, and show the progress and challenges of building and sustaining a diverse workforce at the SEC. The Diversity Dashboard provides on-demand analytics for each of the SEC's divisions and offices by gender, race, ethnicity, occupations, and generations. OMWI regularly monitors the Diversity Dashboard and works with senior management to develop strategies to continue increasing representation of minorities and women in mission-critical occupations.

#### *Applicant Data Analysis*

Though not a precise measure of the impact of the SEC's outreach and recruitment efforts, an analysis of applicant demographic data provides OMWI with some measure of the effectiveness of diversity outreach and recruitment initiatives and insight for future areas of strategic outreach. OMWI reviewed available applicant data for 13,034 applications submitted for FY 2021 vacancies in the agency's mission-critical occupations—attorney, accountant, economist,

securities compliance examiner, and IT management;<sup>7</sup> 8,304 (64 percent) of those applications were from applicants who voluntarily disclosed gender, race and ethnicity as part of their USAJOBS profiles.<sup>8</sup>

Figure 1 shows data from applicants for mission-critical occupations who self-identified their gender, race, and ethnicity. In FY 2021, the representation of Black, Hispanic, and Asian individuals among applicants for each mission-critical occupation was higher than corresponding representation in the same occupations in the Civilian Labor Force (CLF).<sup>9</sup> The representation of women among FY 2021 applications for all mission-critical occupations, except attorney, was lower than their representation in the CLF.

**Figure 1. FY 2021 Applications for Mission-Critical Occupations Compared to 2018 Occupational CLF**

|   |         | Men   | Women | White | Black | Hispanic | Asian | All Other |
|---|---------|-------|-------|-------|-------|----------|-------|-----------|
| <b>0905 General Attorney</b>                | Applied | 60.6% | 39.4% | 55.9% | 16.4% | 14.8%    | 11.8% | 1.1%      |
|   | OCLF    | 62.6% | 37.4% | 83.0% | 5.3%  | 5.7%     | 4.1%  | 1.9%      |
| <b>0510 Accounting</b>                      | Applied | 53.8% | 46.2% | 37.8% | 33.9% | 11.2%    | 16.7% | 0.4%      |
|   | OCLF    | 39.0% | 61.0% | 72.2% | 8.6%  | 8.0%     | 8.9%  | 2.2%      |
| <b>1831 Securities Compliance Examining</b> | Applied | 67.1% | 32.9% | 46.7% | 18.3% | 18.3%    | 16.2% | 0.5%      |
|   | OCLF    | 53.7% | 46.3% | 76.3% | 8.2%  | 8.7%     | 4.7%  | 2.1%      |
| <b>0110 Economist</b>                       | Applied | 71.3% | 28.7% | 45.0% | 20.8% | 14.4%    | 18.7% | 1.1%      |
|   | OCLF    | 68.1% | 31.9% | 76.5% | 5.6%  | 7.3%     | 8.0%  | 2.6%      |
| <b>2210 IT Management</b>                   | Applied | 78.2% | 21.8% | 26.9% | 29.7% | 9.4%     | 32.3% | 1.8%      |
|   | OCLF    | 70.7% | 29.3% | 75.8% | 6.1%  | 6.1%     | 9.6%  | 2.3%      |

Source: Applicant flow data from OPM retrieved using USA Staffing. OCLF reflects the occupational CLF retrieved from Census 2014-2018 EEO Tabulation using occupational cross-classification provided by the Equal Employment Opportunity Commission. Only applications that included voluntary self-identification are shown.

7 OMWI obtained the demographic data from the Office of Personnel Management (OPM).

8 Because self-identification of demographic information is voluntary, it is not possible to determine whether those who provided information have the same characteristics as those who did not. Therefore, caution must be used when drawing conclusions about the application rates of demographic groups.

9 The Civilian Labor Force includes all persons 16 years of age and over, except those in the armed forces, who are employed or who are unemployed and seeking work. CLF data are defined by the Bureau of the Census and the Bureau of Labor Statistics and are reported in the most recent decennial or mid-decade census, or current population survey, under title 13 of the United States Code or any other reliable statistical study. See 5 CFR 720.202(d). OCLF data shown are from Census 2014-2018 EEO Tabulation, Table EEO2r – Citizen. Percentages may not total 100 due to rounding.

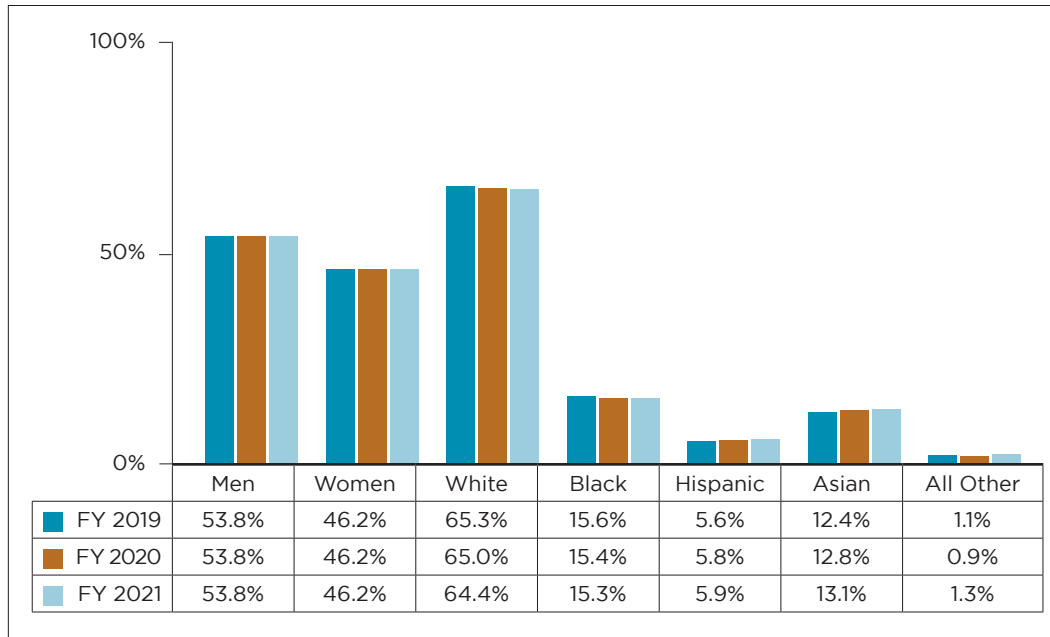


*FY 2021 SEC Workforce Profile*<sup>10</sup>

At the end of FY 2021, the SEC workforce included 4,536<sup>11</sup> employees.<sup>12</sup> Nearly 55 percent of SEC employees work from SEC headquarters in Washington, DC, 41 percent work from one of the SEC’s 11 regional offices, and the remainder work from other locations.

Figure 2 shows the SEC workforce representation by gender, race, and ethnicity. As of the end of FY 2021, men comprised 53.8 percent and women comprised 46.2 percent of the SEC workforce. The breakdown of the SEC workforce by race and ethnicity was as follows: 64.4 percent of SEC employees self-identified as white, 15.3 percent as Black or African American, 13.1 percent as Asian, 5.9 percent as Hispanic or Latino, 0.4 percent as American Indian or Alaskan Native, 0.6 percent as Two or More Races, and less than 0.1 percent as Native Hawaiian or Other Pacific Islander; 0.3 percent of the overall workforce did not identify their ethnicity and race.

**Figure 2. Workforce Composition by Gender, Race, and Ethnicity FY 2019 - FY 2021**



Source: FPPS data. “All Other” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, and Two or More Races categories, as well as individuals who have not self-identified. Note that percentages may not sum to 100 due to rounding.

10 Unless otherwise noted, OMWI relies on workforce data from the Federal Personnel Payroll System (FPPS) accessed via the U.S. Department of the Interior. Year-end data snapshots represent the agency’s workforce as of the end of Pay Period 21 in 2019, 2020, and 2021, shown in this report as FY 2019, FY 2020, and FY 2021, respectively. Snapshot data was retrieved from FPPS on December 22, 2021.

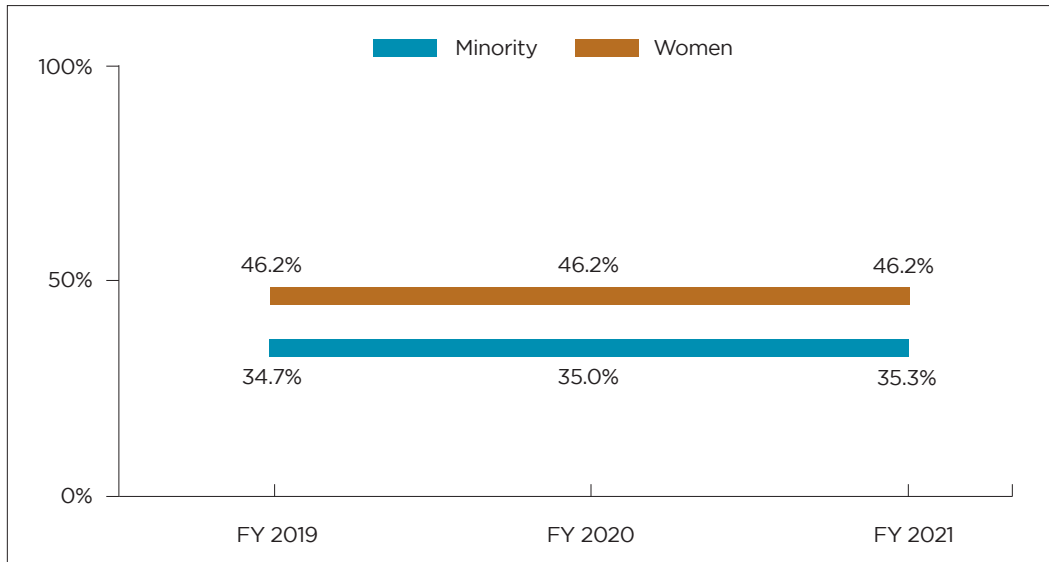
11 The SEC workforce had a net gain of 43 employees as of the end of FY 2021 compared to the prior year (FY 2020: 4,493 employees).

12 Unless otherwise noted, data is reported for both permanent and temporary employees.



The three-year trend in the representation of women and minorities in the SEC workforce is shown in Figure 3. The overall representation of minorities increased slightly from FY 2019 to FY 2021 while the representation of women has remained at 46.2 percent.

**Figure 3. Women and Minority Representation FY 2019 - FY 2021**



Source: FPPS data.

### *SEC Workforce Compared to the Federal Workforce and CLF*

Figure 4 shows how the demographic composition (i.e., gender, race, and ethnicity) of the SEC workforce, as of the end of FY 2021, compared to the demographic composition of the Federal workforce and the U.S. citizen CLF.<sup>13</sup> These comparisons provide a frame of reference for the present level of diversity in the SEC workforce and the progress made toward cultivating a workforce that draws from the full diversity of the Nation. As of the end of FY 2021, at 46.2 percent, the representation of women in the SEC workforce was higher than their representation in the Federal workforce (44.4 percent), but lower than their representation in the CLF (48.2 percent).

Minorities collectively represented 35.3 percent of the SEC workforce as of the end of FY 2021, which was lower than their representation in the Federal workforce (38.4 percent), but higher than their representation in the 2018 CLF (32.5 percent). The SEC workforce had a lower representation of Black or African American employees (15.3 percent) and Hispanic or Latino employees (5.9 percent) than the FY 2021 Federal workforce, and a lower representation of Hispanic or Latino employees than the CLF. The percentage of Asian employees in the SEC workforce exceeded their representation in both the Federal workforce and the CLF.

<sup>13</sup> This comparison includes updated CLF comparisons using the most recent EEO Tabulation release from the U.S. Census Bureau. EEO Tabulation 2014-2018, Table EEO2r – Citizen, retrieved from <https://www.census.gov/topics/employment/equal-employment-opportunity-tabulation/guidance.html>

Figure 4. FY 2021 SEC Workforce Compared to Federal Workforce and CLF

| Demographic Groups                        | SEC FY 2021 Workforce | FY 2021 Federal Workforce* | 2018 Civilian Labor Force |
|---|-----------------------|----------------------------|---------------------------|
| <b>Men</b>                                | <b>53.8%</b>          | <b>55.6%</b>               | <b>51.8%</b>              |
| <b>Women</b>                              | <b>46.2%</b>          | <b>44.4%</b>               | <b>48.2%</b>              |
| <b>White (Non-Minority)</b>               | <b>64.4%</b>          | <b>61.2%</b>               | <b>67.5%</b>              |
| <b>Minority</b>                           | <b>35.3%</b>          | <b>38.4%</b>               | <b>32.5%</b>              |
| Black or African American                 | 15.3%                 | 18.2%                      | 12.3%                     |
| Hispanic or Latino                        | 5.9%                  | 9.5%                       | 13.0%                     |
| Asian                                     | 13.1%                 | 6.5%                       | 4.4%                      |
| Native Hawaiian or Other Pacific Islander | <0.1%                 | 0.6%                       | 0.2%                      |
| American Indian or Alaska Native          | 0.4%                  | 1.6%                       | 0.6%                      |
| Two or More Races                         | 0.6%                  | 2.0%                       | 2.1%                      |
| Remainder / not identified**              | 0.3%                  | 0.4%                       | **                        |

Source: FPPS. Federal workforce data from OPM FedScope (Sep 2021) and CLF data from Census 2014-2018 EEO Tabulation, Table EEO2r – Citizen. Percentages may not total 100 due to rounding.

\*FedScope data current as of September 2021, retrieved January 2022.

\*\*Remainder represents the percentage of the total that is unidentified – that is, no race or ethnicity information is available from personnel data. The Census EEO Tabulation estimates the labor force within small margins of error, so no remainder or not identified segment exists.

### *Workforce Analysis by Occupation*

While the SEC workforce spans more than 50 occupations, 87 percent of SEC’s employees work in just seven occupations. Figure 5 shows the percentage of each demographic group in the 15 most prevalent occupations in the SEC workforce. It also reveals gender and racial differences in employment patterns.

Attorney is the most prevalent occupation in the SEC workforce; 42.1 percent of all SEC employees were in the attorney occupation as of the end of FY 2021. Attorney is the most prevalent occupation for both men and women, as well as for three of the four largest racial and ethnic groups in the SEC workforce, though differences exist in the degree of prevalence. As of the end of FY 2021, 50.2 percent of White, 36.3 percent of Asian, and 33.2 percent of Hispanic or Latino employees were employed as attorneys. Attorney was the second most prevalent occupation for Black or African American employees (18.2 percent) as of the end of FY 2021. A slightly greater percentage of Black or African American employees were employed in positions in the Miscellaneous Administration and Program Series (20.2 percent).

Figure 5. FY 2021 Percent of Demographic Group in Top 15 SEC Occupations

|   | SEC   | Men   | Women | White | Black | Hispanic | Asian | All Other |
|---|-------|-------|-------|-------|-------|----------|-------|-----------|
| <b>General Attorney (0905)</b>                  | 42.1% | 42.2% | 42.0% | 50.2% | 18.2% | 33.2%    | 36.3% | 24.1%     |
| <b>Accounting (0510)</b>                        | 18.5% | 19.5% | 17.3% | 20.3% | 10.5% | 18.7%    | 19.8% | 10.3%     |
| <b>Securities Compliance Examining (1831)</b>   | 7.8%  | 9.3%  | 6.1%  | 7.9%  | 4.5%  | 10.1%    | 10.6% | 5.2%      |
| <b>Information Technology Management (2210)</b> | 7.1%  | 9.8%  | 3.9%  | 4.7%  | 9.7%  | 7.8%     | 14.5% | 19.0%     |
| Miscellaneous Administration & Program (0301)   | 5.6%  | 2.6%  | 9.2%  | 2.5%  | 20.2% | 8.2%     | 2.5%  | 6.9%      |
| Management and Program Analysis (0343)          | 3.5%  | 2.3%  | 4.9%  | 2.4%  | 9.2%  | 3.7%     | 1.8%  | 6.9%      |
| <b>Economist (0110)</b>                         | 2.2%  | 2.8%  | 1.5%  | 2.2%  | 0.7%  | 2.2%     | 3.7%  | 5.2%      |
| Paralegal Specialist (0950)                     | 1.8%  | 0.7%  | 3.1%  | 1.3%  | 4.5%  | 2.6%     | 0.8%  | 3.4%      |
| Financial Analysis (1160)                       | 1.5%  | 2.2%  | 0.8%  | 1.4%  | 0.6%  | 1.5%     | 3.4%  | 0.0%      |
| Human Resources Management (0201)               | 1.2%  | 0.7%  | 1.9%  | 0.5%  | 4.2%  | 1.9%     | 0.5%  | 3.4%      |
| Contracting (1102)                              | 1.1%  | 0.9%  | 1.3%  | 0.7%  | 2.5%  | 1.9%     | 1.0%  | 5.2%      |
| Program Management (0340)                       | 0.9%  | 1.0%  | 0.7%  | 1.1%  | 0.6%  | 1.5%     | 0.0%  | 1.7%      |
| Financial Administration and Program (0501)     | 0.8%  | 0.4%  | 1.3%  | 0.4%  | 3.0%  | 0.7%     | 0.2%  | 0.0%      |
| General Mathematics and Statistics (1501)       | 0.5%  | 0.9%  | 0.1%  | 0.5%  | 0.0%  | 0.4%     | 1.2%  | 3.4%      |
| Miscellaneous Clerk and Assistant (0303)        | 0.6%  | 0.4%  | 0.7%  | 0.2%  | 2.5%  | 0.0%     | 0.0%  | 0.0%      |
| All Other Occupations                           | 4.8%  | 4.3%  | 5.3%  | 3.8%  | 9.2%  | 5.6%     | 3.7%  | 5.2%      |

Source: FPPS. "All Other" includes Native Hawaiian/Pacific Islander, American Indian/Alaska Native, Two or More Races, and individuals who have not self-identified. SEC's five mission-critical occupations are shown in **bold**.

The majority of White, Asian, and Hispanic or Latino employees worked in the agency's mission-critical occupations shown in bold in Figure 5. As of the end of FY 2021, 85.2 percent of White employees, 84.9 percent of Asian employees, and 72 percent of Hispanic or Latino employees worked in these occupations. In contrast, as of the end of FY 2021, only 43.6 percent of Black or African American employees worked in mission-critical occupations.

### *Mission Critical Occupations*

The SEC has largely directed outreach and recruitment efforts toward enhancing diversity in the agency’s mission-critical occupations. Figure 6 shows how the workforce representation of minorities and women in each mission-critical occupation, as of the end of FY 2021, compared to their availability in these occupations in the CLF. The SEC relies on the comparisons with the occupational CLF benchmarks to assess the agency’s progress towards improving diversity in mission-critical occupations and to identify areas of focus for ongoing outreach and recruitment strategies.

As of the end of FY 2021, the percentage of women in the attorney occupation was above CLF representation, the percentage of women in the economist occupation was at CLF representation, while women representation in the accountant, securities compliance examiner, and IT management occupation was below the percentage of women in these occupations in the CLF. The percentage of Black or African American employees in the economist occupation in the SEC workforce was lower than their representation in the CLF, while representation among the other four occupations was at or above CLF representation. The percentage of Hispanic or Latino employees is below representation in the CLF for attorneys, accountants, securities compliance examiners, and economists. Asian representation in each of the SEC’s five mission-critical occupations exceeds the corresponding representation in the CLF.

Minorities collectively represented 23.3 percent of attorneys, 29.4 percent of accountants, 36.0 percent of economists, and 34.9 percent of securities compliance examiners in the SEC workforce. In contrast, minorities collectively held 57.6 percent of IT management positions in the SEC workforce, which was more than double the percentage of minorities in the IT management occupation in the CLF (24.2 percent).

**Figure 6. FY 2021 SEC Workforce Mission-Critical Occupations Compared to 2018 Occupational CLF**

|   |               | Men   | Women | White | Black | Hispanic | Asian | All Other |
|---|---------------|-------|-------|-------|-------|----------|-------|-----------|
| <b>0905 General Attorney</b>                | SEC Workforce | 54.0% | 46.0% | 76.7% | 6.6%  | 4.7%     | 11.3  | 0.7%      |
|   | OCLF          | 62.6% | 37.4% | 83.0% | 5.3%  | 5.7%     | 4.1%  | 1.9%      |
| <b>0510 Accounting</b>                      | SEC Workforce | 56.7% | 43.3% | 70.6% | 8.7%  | 6.0%     | 14.1% | 0.7%      |
|   | OCLF          | 39.0% | 61.0% | 72.2% | 8.6%  | 8.0%     | 8.9%  | 2.2%      |
| <b>1831 Securities Compliance Examining</b> | SEC Workforce | 63.9% | 36.1% | 65.1% | 8.7%  | 7.6%     | 17.7% | 0.8%      |
|   | OCLF          | 53.7% | 46.3% | 76.3% | 8.2%  | 8.7%     | 4.7%  | 2.1%      |
| <b>0110 Economist</b>                       | SEC Workforce | 68.0% | 32.0% | 64.0% | 5.0%  | 6.0%     | 22.0% | 3.0%      |
|   | OCLF          | 68.1% | 31.9% | 76.5% | 5.6%  | 7.3%     | 8.0%  | 2.6%      |
| <b>2210 IT Management</b>                   | SEC Workforce | 74.8% | 25.2% | 42.4% | 20.9% | 6.5%     | 26.8% | 3.4%      |
|   | OCLF          | 70.7% | 29.3% | 75.8% | 6.1%  | 6.1%     | 9.6%  | 2.3%      |

Source: FPPS. OCLF data from Census 2018 EEO Tabulation, Table EEO2r – Citizen. “All Other” includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Percentages may not total 100 due to rounding.

Figure 7 shows a summary of employees in mission-critical occupations by gender, race, and ethnicity from FY 2019 to FY 2021. The representation of women and minorities collectively in mission-critical occupations increased slightly since FY 2019. The representation of Asian and Hispanic employees in mission-critical occupations increased slightly, while the representation of Black or African American employees decreased slightly.<sup>14</sup> The percentage of women in mission-critical occupations increased slightly in each of the prior two years.

**Figure 7. Mission-Critical Occupations FY 2019 - FY 2021**

|                                       | Total       | Men         | Women       | White       | Black       | Hispanic     | Asian       | All Other    |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|
| <b>FY 2019</b>                        | 3,413       | 1,995       | 1,418       | 2,450       | 300         | 175          | 460         | 28           |
|                                       | 100.0%      | 58.5%       | 41.5%       | 71.8%       | 8.8%        | 5.1%         | 13.5%       | 0.8%         |
| <b>FY 2020</b>                        | 3,512       | 2,042       | 1,470       | 2,501       | 305         | 191          | 489         | 26           |
|                                       | 100.0%      | 58.1%       | 41.9%       | 71.2%       | 8.7%        | 5.4%         | 13.9%       | 0.7%         |
| <b>FY 2021</b>                        | 3,526       | 2,042       | 1,484       | 2,489       | 302         | 193          | 505         | 37           |
|                                       | 100.0%      | 57.9%       | 42.1%       | 70.6%       | 8.6%        | 5.5%         | 14.3%       | 1.0%         |
| <b>Relative Change (FY 2019-2021)</b> | <b>3.3%</b> | <b>2.4%</b> | <b>4.7%</b> | <b>1.6%</b> | <b>0.7%</b> | <b>10.3%</b> | <b>9.8%</b> | <b>32.1%</b> |

Source: FPPS. "All Other" includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Note that percentages may not precisely sum due to rounding. Relative change calculates within-group change observed from FY 2019 to FY 2021.

### *Supervisors and Managers*

Generally, SEC employees at grade levels SK-15 (e.g., branch chiefs), SK-17 (e.g., assistant directors), and Senior Officers (e.g., associate directors, deputy directors, and directors) serve in supervisory and managerial positions. Senior Officers, the highest-ranking employees at the SEC, are equivalent to Senior Executive Service personnel at other federal agencies. As of the end of FY 2021, the SEC workforce had 910 supervisors and managers.<sup>15</sup>

Figure 8 shows the number and percentage of SEC supervisors and managers by gender, race, and ethnicity from FY 2019 to FY 2021. Women represent 39.5 percent of SEC supervisors and managers as of the end of FY 2021, marginally up from 39.4 percent in FY 2020. Minorities collectively held 26.8 percent of supervisory and managerial positions at the SEC as of the end of FY 2021, up from 25.6 percent in FY 2020. The percentages of SEC supervisors and managers who are Black, Hispanic or Latino, and Asian each increased over the three-year period.

<sup>14</sup> While the number of Black employees in mission-critical occupations increased from 300 in FY 2019 to 302 in FY 2021 (0.7 percent relative increase), Black representation in mission-critical occupations decreased from 8.8 percent in FY 2019 to 8.6 percent in FY 2021 due to increases in other groups from FY 2019 to FY 2021.

<sup>15</sup> The SEC also had supervisors and managers in the SK-9 to SK-14 and SK-16 grade levels. In FY 2021, of the 910 supervisors and managers, 20 supervisors were at these grade levels.

Figure 8. Supervisors and Managers FY 2019 – FY 2021

|                                       | Total       | Men         | Women       | White        | Black        | Hispanic    | Asian       | All Other    |
|---------------------------------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|--------------|
| <b>FY 2019</b>                        | 894         | 550         | 344         | 672          | 79           | 44          | 94          | 5            |
|                                       | 100.0%      | 61.5%       | 38.5%       | 75.2%        | 8.8%         | 4.9%        | 10.5%       | 0.6%         |
| <b>FY 2020</b>                        | 908         | 550         | 358         | 676          | 84           | 46          | 98          | 4            |
|                                       | 100.0%      | 60.6%       | 39.4%       | 74.4%        | 9.3%         | 5.1%        | 10.8%       | 0.4%         |
| <b>FY 2021</b>                        | 910         | 551         | 359         | 666          | 89           | 48          | 101         | 6            |
|                                       | 100.0%      | 60.5%       | 39.5%       | 73.2%        | 9.8%         | 5.3%        | 11.1%       | 0.7%         |
| <b>Relative Change (FY 2019-2021)</b> | <b>1.8%</b> | <b>0.2%</b> | <b>4.4%</b> | <b>-0.9%</b> | <b>12.7%</b> | <b>9.1%</b> | <b>7.4%</b> | <b>20.0%</b> |

Source: FPPS. “All Other” includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Note that percentages may not precisely sum due to rounding. Supervisors and managers include all supervisors of record regardless of grade level but excludes team leaders. Relative change calculates within-group change observed from FY 2019 to FY 2021.

### Senior Officers

Figure 9 presents data on the gender, race, and ethnicity of Senior Officers from FY 2019 to FY 2021. As of the end of FY 2021, the SEC had 155 Senior Officers, one fewer than at the end of FY 2020.

In FY 2021, the representation of women among Senior Officers increased. Women represented 45.8 percent of Senior Officers as of the end of FY 2021, up from 43.6 percent in FY 2020. The representation of women among Senior Officers at the SEC was higher than the 36.4 percent representation of women among all Senior Executives in the Federal workforce.<sup>16</sup>

The representation of minorities among Senior Officers continued to increase from FY 2019 to FY 2021. Minorities held 19.4 percent of Senior Officer positions as of the end of FY 2021, up from 16 percent in FY 2020. In contrast, minorities held 23.3 percent of all Senior Executive positions in the Federal workforce in FY 2021.<sup>17</sup> Black or African American representation among Senior Officers increased from 7.1 percent in FY 2020 to 9.0 percent in FY 2021.

Hispanic or Latino representation among Senior Officers increased from 3.2 percent in FY 2020 to 5.2 percent in FY 2021. Asian representation among Senior Officers remained at 4.5 percent in FY 2021.

<sup>16</sup> OPM FedScope, September 2021.

<sup>17</sup> OPM FedScope, September 2021.

Figure 9. Senior Officers FY 2019 - FY 2021

|                                       | Total       | Men          | Women        | White        | Black        | Hispanic      | Asian        | All Other     |
|---------------------------------------|-------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| <b>FY 2019</b>                        | 146         | 85           | 61           | 127          | 9            | 2             | 6            | 2             |
|                                       | 100.0%      | 58.2%        | 41.8%        | 87.0%        | 6.2%         | 1.4%          | 4.1%         | 1.4%          |
| <b>FY 2020</b>                        | 156         | 88           | 68           | 131          | 11           | 5             | 7            | 2             |
|                                       | 100.0%      | 56.4%        | 43.6%        | 84.0%        | 7.1%         | 3.2%          | 4.5%         | 1.3%          |
| <b>FY 2021</b>                        | 155         | 84           | 71           | 125          | 14           | 8             | 7            | 1             |
|                                       | 100.0%      | 54.2%        | 45.8%        | 80.6%        | 9.0%         | 5.2%          | 4.5%         | 0.6%          |
| <b>Relative Change (FY 2019-2021)</b> | <b>6.2%</b> | <b>-1.2%</b> | <b>16.4%</b> | <b>-1.6%</b> | <b>55.6%</b> | <b>300.0%</b> | <b>16.7%</b> | <b>-50.0%</b> |

Source: FPPS. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes only employees in the SO pay plan. Relative change calculates within-group change observed from FY 2019 to FY 2021.

### New Hires

The SEC onboarded almost the same number of new hires in FY 2021 as in FY 2020. As shown in Figure 10, there were 291 new employees onboarded by the end of FY 2021, following a period of reduced hiring that ended in FY 2019.

The representation of women among new hires increased to 45 percent in FY 2021, slightly up from 44.7 percent in FY 2020. The representation of minorities among new hires also increased to 45.4 percent in FY 2021, up from 38.9 percent in FY 2020. The percentage of new hires in FY 2021 who are Black or African American increased from FY 2020, while Hispanic or Latino and Asian percentages among new hires decreased from FY 2020.

Figure 10. New Hires Trend by Gender, Race, and Ethnicity FY 2019 - FY 2021

|                | Total  | Men   | Women | White | Black | Hispanic | Asian | All Other |
|----------------|--------|-------|-------|-------|-------|----------|-------|-----------|
| <b>FY 2019</b> | 86     | 42    | 44    | 56    | 11    | 6        | 12    | 1         |
|                | 100.0% | 48.8% | 51.2% | 65.1% | 12.8% | 7.0%     | 14.0% | 1.2%      |
| <b>FY 2020</b> | 293    | 162   | 131   | 179   | 40    | 22       | 49    | 3         |
|                | 100.0% | 55.3% | 44.7% | 61.1% | 13.7% | 7.5%     | 16.7% | 1.0%      |
| <b>FY 2021</b> | 291    | 160   | 131   | 159   | 42    | 17       | 48    | 25        |
|                | 100.0% | 55.0% | 45.0% | 54.6% | 14.4% | 5.8%     | 16.5% | 8.6%      |

Source: FPPS. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes permanent and temporary employees..

Figure 11 shows new hires into mission-critical occupations by gender, race, and ethnicity from FY 2019 to FY 2021. In FY 2021, the majority of new hires—over 70 percent—were employees in SEC’s mission-critical occupations. The percentage of women among new hires into mission-critical occupations was lower in FY 2021 at 42.0 percent than their representation in FY 2020 new hires (44.1 percent). The percentage of minorities among new hires into mission-critical occupations increased to 42.0 percent in FY 2021, up from 37.7 percent in FY 2020.

**Figure 11. New Hires into Mission-Critical Occupations FY 2019 – FY 2021**

|                | Total  | Men   | Women | White | Black | Hispanic | Asian | All Other |
|----------------|--------|-------|-------|-------|-------|----------|-------|-----------|
| <b>FY 2019</b> | 63     | 35    | 28    | 46    | 5     | 3        | 9     | 0         |
|                | 100.0% | 55.6% | 44.4% | 73.0% | 7.9%  | 4.8%     | 14.3% | 0.0%      |
| <b>FY 2020</b> | 220    | 123   | 97    | 137   | 18    | 19       | 43    | 3         |
|                | 100.0% | 55.9% | 44.1% | 62.3% | 8.2%  | 8.6%     | 19.5% | 1.4%      |
| <b>FY 2021</b> | 205    | 119   | 86    | 119   | 20    | 11       | 37    | 18        |
|                | 100.0% | 58.0% | 42.0% | 58.0% | 9.8%  | 5.4%     | 18.0% | 8.8%      |

Source: FPPS. “All Other” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes permanent and temporary employees.

### Separations

Figure 12 shows separations from the SEC by gender, race, and ethnicity since FY 2019. In FY 2021, 248 employees left the SEC, substantially more than departed in either FY 2020 (165 separations) or FY 2019 (172 separations). In FY 2021, 44.0 percent of separations were resignations from the agency, 38.7 percent were retirements, and 9.3 percent were transfers to other Federal agencies.<sup>18</sup>

**Figure 12. Workforce Separations by Gender, Race, and Ethnicity FY 2019 – FY 2021**

|                | Total  | Men   | Women | White | Black | Hispanic | Asian | All Other |
|----------------|--------|-------|-------|-------|-------|----------|-------|-----------|
| <b>FY 2019</b> | 172    | 98    | 74    | 126   | 23    | 6        | 16    | 1         |
|                | 100.0% | 57.0% | 43.0% | 73.3% | 13.4% | 3.5%     | 9.3%  | 0.6%      |
| <b>FY 2020</b> | 165    | 92    | 73    | 110   | 26    | 7        | 20    | 2         |
|                | 100.0% | 55.8% | 44.2% | 66.7% | 15.8% | 4.2%     | 12.1% | 1.2%      |
| <b>FY 2021</b> | 248    | 137   | 111   | 155   | 48    | 11       | 32    | 2         |
|                | 100.0% | 55.2% | 44.8% | 62.5% | 19.4% | 4.4%     | 12.9% | 0.8%      |

Source: FPPS. “All Other” includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes permanent and temporary employees.

Women made up a slightly larger percentage of separating employees in FY 2021 than in FY 2020. Similarly, the percentage of minorities among separating employees (37.5 percent) was higher in FY 2021 than in FY 2020 (33.3 percent).

<sup>18</sup> The remainder were involuntary separations of various types, such as the expiration of a term appointment.



Separations from mission-critical occupations by gender, race, and ethnicity from FY 2019 to FY 2021 are shown in Figure 13. In FY 2021, 71.7 percent of separating employees were in mission-critical occupations. The percentage of minorities separating from mission-critical occupations was substantially higher in FY 2021 (31.5 percent) than in FY 2020 (25.4 percent).

**Figure 13. Separations from Mission-Critical Occupations FY 2019 – FY 2021**

|                | Total  | Men   | Women | White | Black | Hispanic | Asian | All Other |
|----------------|--------|-------|-------|-------|-------|----------|-------|-----------|
| <b>FY 2019</b> | 130    | 78    | 52    | 100   | 8     | 5        | 16    | 1         |
|                | 100.0% | 60.0% | 40.0% | 76.9% | 6.2%  | 3.8%     | 12.3% | 0.8%      |
| <b>FY 2020</b> | 118    | 73    | 45    | 88    | 10    | 2        | 16    | 2         |
|                | 100.0% | 61.9% | 38.1% | 74.6% | 8.5%  | 1.7%     | 13.6% | 1.7%      |
| <b>FY 2021</b> | 178    | 113   | 65    | 122   | 23    | 9        | 24    | 0         |
|                | 100.0% | 63.5% | 36.5% | 68.5% | 12.9% | 5.1%     | 13.5% | 0%        |

Source: FPPS. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes permanent and temporary employees.

### *Promotions*

Figure 14 shows promotions by gender, race, and ethnicity from FY 2019 to FY 2021. For purposes of this report, promotions include all instances where employees are converted to a higher pay grade. Accordingly, the data reflects career-ladder, competitive, and temporary promotions, as well as conversions to a higher-level position.

Minorities received 39.7 percent of promotions in FY 2021, a slight decrease from 40.3 percent of promotions in FY 2020. Compared to FY 2020, the share of promotions received by Asian employees decreased in FY 2020, while the percentage of promotions received by Black or African American employees and Hispanic or Latino employees increased slightly. Women received 47.8 percent of the promotions in FY 2021, a decrease from 51.9 percent of promotions in FY 2020.

**Figure 14. Promotions FY 2019 – FY 2021**

|                | Total  | Men   | Women | White | Black | Hispanic | Asian | All Other |
|----------------|--------|-------|-------|-------|-------|----------|-------|-----------|
| <b>FY 2019</b> | 304    | 156   | 148   | 178   | 56    | 23       | 40    | 7         |
|                | 100.0% | 51.3% | 48.7% | 58.6% | 18.4% | 7.6%     | 13.2% | 2.3%      |
| <b>FY 2020</b> | 283    | 136   | 147   | 169   | 49    | 20       | 39    | 6         |
|                | 100.0% | 48.1% | 51.9% | 59.7% | 17.3% | 7.1%     | 13.8% | 2.1%      |
| <b>FY 2021</b> | 456    | 238   | 218   | 275   | 83    | 36       | 57    | 5         |
|                | 100.0% | 52.2% | 47.8% | 60.3% | 18.2% | 7.9%     | 12.5% | 1.1%      |

Source: FPPS. "All Other" includes the Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, Two or More Races, and individuals who have not self-identified. Includes permanent and temporary promotions.

## **BUILDING A DIVERSE PIPELINE**

Strategic outreach and broad recruitment have been the cornerstone of the SEC’s strategy for enhancing workforce diversity. As in the previous year, OMWI continued to focus on developing a pipeline of talent for future careers at all levels of the SEC—executives, professionals, recent graduates, and students. In FY 2021, OMWI staff coordinated or participated in 35 outreach events focused on building a diverse pipeline for careers at the SEC. Additionally, OMWI sponsored or facilitated the SEC’s participation in over 14 diversity outreach and recruitment events, while the SEC’s regional offices participated in dozens more. These events served to inform professionals and students about employment at the SEC.

### *Diversity Partnerships*

OMWI maintains relationships with minority and women-focused professional associations and educational organizations to help further the SEC’s workforce diversity objectives. These collaborative relationships, referred to as “Diversity Partnerships,” provide a variety of opportunities for outreach and recruitment. OMWI continued to maintain its Diversity Partnerships with 20 organizations. For a list of OMWI’s Diversity Partnerships, *see Appendix A*.

In FY 2021, OMWI focused on strengthening its relationship with HBCUs. For example, the SEC and the National Bar Association (NBA), the nation’s oldest and largest network of predominately African-American attorneys and judges, entered into a noteworthy Memorandum of Understanding (MOU) establishing a formal relationship between the SEC and NBA to help them meet important mission objectives. Specifically, the MOU enables the SEC to: participate on a panel at the NBA’s renowned Annual Conference; partner with the NBA in efforts to fill job openings and develop a talent pipeline; publish an annual article in the NBA Magazine; and establish a mechanism to meet with HBCU Law School Deans with the assistance of the NBA.

In addition to formal Diversity Partnerships, OMWI collaborates regularly with academic institutions and educational organizations. To further enhance its relationships with HBCUs, for example, the SEC participated in a roundtable panel discussion with leaders from HBCU business and law schools to discuss developing sustained relationships with HBCUs that result in impactful outcomes for both HBCU students and partner organizations like the SEC.

### *Advertising*

In compliance with the Dodd-Frank Act, OMWI takes affirmative steps to seek diversity in the workforce at all levels at the SEC through employment advertisements in written media oriented toward minorities and women, as well as other mass media communications. To further these employment advertising efforts to diverse groups, OMWI, with assistance from OHR, partners with SEC divisions and offices to advertise vacancy announcements to underrepresented community groups through OMWI’s diversity network, strategic diversity job boards, and custom talent sourcing.

Since OMWI's inception, OMWI has developed partnerships with internal and external groups to create a directory of individuals and organizations interested in supporting OMWI's mission activities, including increasing the SEC's workforce diversity. OMWI's network includes approximately 6,000 individuals and 400 organizations that represent the SEC's key workforce segments. Additionally, OMWI and OHR have identified job boards that allow the SEC to strategically advertise vacancy announcements to key underrepresented communities. For a list of the SEC's strategic diversity job boards, *see* Appendix B.

For FY 2021, OMWI partnered with OHR to update and streamline the position advertising process to help hiring managers maximize their reach when seeking underrepresented candidates. In response to the pandemic, and to leverage its robust network, OMWI primarily engaged in digital advertising. In FY 2021, OMWI and OHR sent out 175 targeted employment advertisements across OMWI's diversity network and strategic job boards. OMWI also contracted with three new strategic job boards to further target individuals from underrepresented communities with skills that align with the SEC's mission-critical occupations. For example, OMWI contracted with the Professional Diversity Network that disseminates employment advertisements to over 300,000 job seekers across eight affinity sites.

In addition to providing assistance through OMWI's diversity network or strategic job boards, OMWI and OHR also provided customized talent sourcing for SEC divisions and offices interested in advertising vacancy announcements to underrepresented communities. The customized talent sourcing allows divisions and offices to engage with potential candidates via LinkedIn.

### *Outreach Activities*

At least 30 SEC employees actively participated in the numerous SEC-sponsored diversity outreach and recruitment events by serving as speakers and panelists at conferences, participating in meetings of partnering organizations, and representing the SEC at career fairs and outreach events, including at minority-serving colleges, universities and law schools. The SEC's regional offices also participated in dozens of additional, independently organized events. Involving employees in this manner helped establish them as internal agents of diversity, and also helped foster mutual respect and inclusion in the workplace. For a list of many of the SEC-sponsored FY 2021 outreach and recruitment events, *see* Appendix C.

**PROFESSIONALS.** In FY 2021, OMWI connected with various professional organizations that serve diverse members in an effort to provide meaningful guidance and support across a wide range of financial services topics. As part of the SEC's all-agency approach, OMWI coordinated with employees, divisions, and offices across the SEC to further these objectives. Below are several examples of these coordinated efforts.

- » **Financial Services Professionals:** OMWI again partnered with Financial Services Professionals, a Washington regional network of African American professionals in financial services. The event focused on career pathways into financial regulatory work in the public sector. During this virtual event, four SEC current and former employees from the Division of Trading and Markets highlighted the value of marketable and transferrable skills garnered from their service at the SEC or from the private sector that provided a pathway into public service at the SEC.
- » **100 Women in Finance:** OMWI partnered with 100 Women in Finance to host a panel for its Impact Program. The Impact Program is geared toward young women starting their journey in academia or in financial services. The panel focused on sharing the stories of women in public sector financial services, and included the voices of three employees from various parts of the SEC with diverse backgrounds, challenges, and journeys that helped them forge their paths and build their skills, both before arriving at the SEC and after.
- » **Enterprising Women of Color (EWOC) Program:** Recognizing that minority women are the fastest growing population of entrepreneurs, OMWI partnered with the Minority Business Development Agency (MBDA) to present EWOC which focused on providing minority women entrepreneurs support as they build and scale their businesses. OMWI, along with the Office of Investor Education and Advocacy (OIEA) and the Office of the Advocate for Small Business Capital Formation (OASB) shared insights on ways the SEC could support the clients of the EWOC program.

**COLLEGES AND UNIVERSITIES.** OMWI continued to connect with colleges and universities in meaningful ways outside of traditional recruitment activities. Examples for FY 2021 include:

- » **Colorado Women’s College of the University of Denver’s “Unconscious Bias” Training Video:** OMWI worked with this college to create an “Unconscious Bias” training video which focused on explaining unconscious bias, how unconscious bias can manifest in the recruiting process, why organizations should work to combat unconscious bias, and the benefits of having a diverse and inclusive workforce. The training video was viewed by approximately 200 students.
- » **Texas Women’s College English, Spanish and Foreign Language Virtual Mock Interviews:** For this event, two employees from the SEC’s Fort Worth Regional Office served as interviewers and provided interview feedback to the students. Approximately 130 students seeking English, Spanish, or Foreign Language degrees participated in the mock interviews.

**HIGH SCHOOLS.** OMWI partners with high schools with large minority populations and organizations that serve minority high school students to provide financial literacy programs and career advice. Some of the outreach OMWI conducted in FY 2021 includes:

- » *The Basics of Saving and Investing and Careers in the Financial Services Industry* presentation to the National Society of High School Scholars (NSHSS):<sup>19</sup> This event was hosted by OMWI and the SEC’s OIEA. The event included information and facilitated discussions covering credit and debt management, the importance of saving and investing early, and understanding the risk and returns of investment products. The event also included information about how to recognize the red flags of investment fraud, and questions to ask before investing. OMWI and OIEA also shared information specific to careers at the SEC and the financial services industry during the event.
- » *The Basics of Saving and Investing and Careers in the Financial Services Industry presentation to the New York City (NYC) Bar Association Thurgood Marshall Society Summer Law Internship Program:*<sup>20</sup> OMWI and OIEA hosted this virtual presentation as part of the Thurgood Marshall Society’s Summer Law Internship Program. The event included information and facilitated discussions covering credit and debt management, the importance of saving and investing early, and understanding the risk and returns of investment products. The event also included information about how to recognize the red flags of investment fraud, and questions to ask before investing. OMWI and OIEA also shared information specific to careers at the SEC and the financial services industry.
- » *Professionals Reaching Out to Promote Excellence and Learning for Students (PROPELS) Financial Literacy and Career Day:* The SEC’s African American Council and OMWI partnered to host a virtual event, featuring engaging discussions related to financial literacy awareness and career advice. This event helped shape the lives of 300 students in Washington, DC, Baton Rouge, and Rosedale, Louisiana. Discussion topics included: Career Advice and Possibilities, Financial Empowerment and Navigating as a First Generation Professional.

### ***SEC’s Regional Offices***

SEC staff members in the regional offices have been indispensable to the success of OMWI’s initiatives to promote workforce diversity and inclusion. They have been especially helpful in carrying out activities prescribed by Section 342(f) of the Dodd-Frank Act for seeking diversity at all levels of the SEC’s workforce. Overall, staff from nearly all regional offices represented the SEC at numerous conferences, career fairs, and other diversity outreach events this year. Below are just a few highlights of activities organized by several of our regional offices.

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19 NSHSS was co-founded by Claes Nobel, senior member of the Nobel Prize family, for the purpose of recognizing and serving the highest-achieving student scholars across the globe. NSHSS members are quite diverse- 60% are minorities, 45% are multi-lingual, 24% are the first in their family to attend college, and 64% of have a Grade Point Average (GPA) above 3.7. The NSHSS database contains 1.7 million lifetime members ages 15-35, their parents and educators.

20 The NYC Bar Association Thurgood Marshall Society Summer Law Internship Program is an intensive internship program, sponsored by the NYC Bar Association that places diverse NYC high school students with legal employers for the summer. Since 1993, this program has provided students with an experience designed to develop them as young professionals and expose them to the legal profession.

**OUTREACH/MISSION.** In April 2021, the San Francisco Regional Office (SFRO) and New York Regional Office (NYRO) supported the OMWI and OASB presentation of *Tech Entrepreneurs of Color: The Road Ahead*. The event consisted of a 2-part virtual conversation. The Director of the SFRO moderated the first conversation with the Director and Deputy Director of OASB and the Chief of the Office of Small Business Policy in the Division of Corporation Finance. The discussion focused upon the 2021 regulatory fundraising landscape. The Director of the NYRO moderated the second conversation where a dynamic panel of tech founders and funders shared their experiences, insights, and successes in launching and growing new businesses. The panel focused on challenges facing entrepreneurs of color in raising capital for their businesses and ways to increase access to capital for such business owners.

In June 2021, the Los Angeles Regional Office (LARO) participated in the *14th Annual Native American Economic Development Conference*, where top experts participated in panels and interactive discussions focused on economic diversification, and Tribal Leaders convened to discover new ways to enhance their tribe's economic ventures and build resilient and sustainable communities that thrive. This event attracted over 600 attendees.

In July 2021, the Boston Regional Office (BRO) presented on *Safe and Wise Investing for First-Generation Professionals*, jointly with the Hispanic National Bar Association, to an audience of primarily Hispanic or Latino individuals and those from traditionally underserved communities. About 180 individuals attended.

Additionally, the regional offices independently initiated strategic outreach activities as their unique demographics, constituencies and stakeholders dictated and as opportunities arose. For example, the Miami Regional Office (MIRO) participated in numerous outreach events, many with a focus on the employment of Hispanic individuals. These events included: presentation to the University of Florida Association of Latino Professionals for America (ALPFA), Student Chapter; panelist for the Hispanic National Bar Foundation Summer Law Institute; presentation to law students at Florida State University Cuban American Bar Association, Student Division; participation in *Ahead of the Game* Accounting and Business Fair at Florida International University School of Business; and participation in Hispanic National Bar Association Speed Mentoring event.

Furthermore, most regional offices presented investor education programs to specific groups like senior citizens, teachers, military personnel and other current or future investors. The Chicago Regional Office (CHRO), for example, conducted dozens of these educational events to diverse audiences and discussed a wide range of subjects, such as mindful investing, fraud recognition and the work of the SEC. The CHRO's educational events reached hundreds of individuals and involved a wide range of SEC subject matter experts.

Additionally, regional offices seeking to reach seniors and retired persons strategically partnered with organizations like the American Association of Retired Persons (AARP) to conduct investor education events. For example, the Denver Regional Office (DRO) partnered with AARP and other federal agencies to present *Generations of Fraud*, a presentation at Colorado State University to current and future teachers regarding investment fraud prevention for all generations, but with special focus on seniors/grandparents. The event was broadcast to three senior living facilities and reached 1400 participants. The Philadelphia Regional Office (PLRO) also partnered with AARP to present a virtual Town Hall on government imposter schemes and other financial scams as part of AARP's focus on preventing seniors from becoming victims of such frauds. This program reached 1000 participants.

**INCLUSION.** In addition to conducting outreach activities, the regional offices also organize Special Observance events and other initiatives to help foster inclusion. For example, in honor of Pride Month and in celebration of Asian Pacific American activism, the SFRO hosted the Dean of the College of Ethnic Studies at San Francisco State University—Amy Sueyoshi—to discuss the role Asian Pacific Americans have played in two important issues in gay politics: the repeal of “Don’t Ask Don’t Tell” and the fight for marriage equality.

To highlight the accomplishments of diverse trailblazers, this fiscal year MIRO organized a *Diversity and Inclusion Speaker Series* with notable guest speakers, such as The Honorable Marcia J. Cooke, the first black woman federal judge in Florida; the Honorable Raag Singhal, the first Asian Pacific American and Indian American to serve as an Article III federal judge in the 11th Circuit; and H.T. Smith, a nationally-renowned trial lawyer, educator, leader and Miami's first African-American assistant public defender, first African-American assistant county attorney, and first to establish a Black-owned law firm in downtown Miami.

**RESPONSE TO CURRENT EVENTS.** The regional offices also initiate events as necessity and opportunities arise, such as those relating to the COVID-19 pandemic and the racial inequities in our nation. In response to COVID-19, for example, the Atlanta Regional Office (ARO), in partnership with other agencies, such as the Alabama Securities Commission, Federal Trade Commission and United States Attorney for the Middle District of Alabama, presented several sessions of *Avoiding Financial Scams, COVID-19 and Beyond*, to audiences that included traditionally underserved communities, military personnel and senior citizens. The PLRO participated in a similar iteration of this program, *Avoiding Financial Scams, Affinity Fraud, COVID-19 and Beyond*, with speakers that included PLRO's Director and staff from OMWI. These events covered potential scams during the COVID-19 pandemic, the red flags of affinity fraud and the most common tricks opportunistic fraudsters use to deceive the public.

Furthermore, NYRO presented on COVID-, crypto-, and affinity-related scams on *La Esquina*, a Spanish-language television program that provides information to elderly members of the greater New York metropolitan area and has over a million viewers.



The regional offices created other programming in response to heightened awareness of racial inequities in our nation. For example, the LARO and SFRO hosted a Town Hall on *Diversity and Allyship*, featuring Dr. Russell Jeung, chair and professor of Asian American Studies at San Francisco State University and co-founder of the Stop AAPI Hate Reporting Center, who discussed the rise in hate crimes against Asian Americans during COVID-19, the historical context of this behavior, and what we can do as individuals to intervene.

### *Internships*

In FY 2021, and resonant with one of the goals of *Executive Order 14035 “Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce”* (Executive Order 14035), the SEC focused on increasing paid internships so that students from all walks of life may be able to participate. Paid internship opportunities that were offered in FY 2021 included:

- » *Diversity and Inclusion Internship Program (DIIP)*—In FY 2021, with the support of OMWI and OHR, the SEC developed the Diversity and Inclusion Internship Program. As diverse candidates often lack the necessary experience to be competitive applicants and may not be financially able to accept unpaid internships, the SEC contracted with the Hispanic Association of Colleges and Universities (HACU) to administer program logistics and recruit a diverse student population for paid internship opportunities at the SEC. The internships introduced students to careers in the federal government and financial services industry. In addition to work assignments that provided students with real-world work experience, interns participated in several professional development activities and engaged with SEC staff to enhance their learning experience. The first cohort of 18 students began their internships at the end of FY 2021. Fourteen offices, including five regional offices, hosted an intern. Twelve interns were from Hispanic-Serving Institutions and two were from Asian American and Native American Pacific Islander-Serving Institutions. The SEC hopes to increase the number of internships offered through this program in FY 2022.
- » *High School Scholars Internship Program (HSSIP)*<sup>21</sup>—The SEC partnered with the U.S. Office of the Comptroller of the Currency (OCC) and the National Credit Union Administration (NCUA) to welcome five returning interns as part of OCC’s High School Scholars Internship Program (HSSIP). The six-week paid internship provided students greater awareness of the OCC, NCUA, and SEC’s operations and missions. Students engaged in interactive classes on financial literacy, leadership, diversity and inclusion, and public speaking. For FY 2022, the SEC has increased funding to support five additional participants, for a total of 10 internships.

The SEC also continued to provide internship opportunities for undergraduate, graduate, and law students to learn about securities regulations and the work of the SEC through the Student Honors Program. The ten-week internship was offered at headquarters and in the SEC’s 11 regional offices. From January to November 2021, about 570 students participated in the

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<sup>21</sup> HSSIP is conducted in partnership with the District of Columbia’s Department of Employment Services, under the Mayor Marion S. Barry Summer Youth Employment Program, in order to deliver a program that reaches students who otherwise may not have such opportunities. The program also allows the SEC to partner with organizations “to place talented young minorities and women in industry internships, summer employment and full-time positions” under the Dodd-Frank Act.



Student Honors Program: 19 interns were from HBCUs and 6 were from Hispanic-Serving Institutions—educational institutions specified in Section 342(f)(1) of the Dodd-Frank Act as outreach and recruitment sources. Beginning in FY 2022, the Student Honors Program was rebranded and is now the SEC Scholars Internship Program. The SEC Scholars Internship Program is a ten-week paid program designed for students pursuing a business or law degree.

### **WORKPLACE INCLUSION: FOSTERING A CONNECTED CULTURE**

In FY 2021, OMWI furthered implementation of the SEC’s DI Strategic Plan’s goal to “Foster a Connected Culture.” Fostering a connected culture requires a multi-dimensional approach through visible leadership support, creative and interactive programs that provide SEC employees a platform to be heard, trainings, professional development opportunities, mentorship, and employee engagement through Employee Affinity Groups (EAGs), as well as evaluations of these efforts based on employee surveys.

#### *Diversity Council*

In FY 2021, the SEC Diversity Council had 69 total members and continued to include representatives from the EAGs; senior leadership, including the Directors of the Offices of Equal Employment Opportunity, Human Resources, and Minority and Women Inclusion; the National Treasury Employees Union; and the Chair’s Office. Chair Gensler serves as the chair for the Diversity Council, underscoring his desire to champion diversity, equity, and inclusion at the SEC. This year, the Diversity Council was in a planning phase as it welcomed new leadership and members, and will commence its efforts in FY 2022 with the formation of sub-committees that may provide focused attention on areas of interest, such as matters surrounding the new headquarters building. Initiatives planned for the coming year include reviewing the SEC’s values, highlighting diverse SEC employees via the EAG member spotlight on social media and the Diversity and Inclusion webpage on SEC.gov, and supporting colleagues with disabilities.

#### *Diversity and Inclusion Connection Programs*

Deloitte’s research shows that more than 60% of the workforce “cover” important aspects of who they are while in the workplace and that “covering” can apply to all employees regardless of background and gender.<sup>22</sup> Recognizing the importance of fostering a workplace culture that allows employees to be authentic, the SEC formed the *UnCovering Task Force*. In FY 2021, the UnCovering Task Force hosted an open house and developed trainings to ensure that employees are comfortable bringing their “whole selves” to work and to help cultivate an inclusive and receptive work environment.

Beginning in FY 2020, OMWI, with the support of OEEO, conducted a series of small group discussions across the SEC that provided a safe space for candid discussions on issues involving diversity and inclusion in the workplace and working together in ways that will result in

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<sup>22</sup> <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/covering-in-the-workplace.html>

beneficial outcomes for all and enhance mission-effectiveness. Given the success of these sessions, in FY 2021 OMWI and OEEO conducted additional sessions—*Diversity Dialogues II*—again with a focus on enhancing workplace culture and mission-effectiveness. *Diversity Dialogues II* consisted of 10 discussions in which over 400 staff participated.

### *Diversity and Inclusion Training*

Making diversity and inclusion training readily available to managers and employees continues to be a key element of OMWI's strategy for building and maintaining a diverse workforce and fostering an inclusive workplace. In furtherance of Executive Order 14035, OMWI works closely with SECU, a component of OHR, to offer on-demand, web-based courses, as well as virtual classroom training, related to diversity and inclusion throughout the year. Diversity and inclusion trainings underscore the SEC's continued commitment to racial equity by addressing diversity and inclusion at the SEC as a tool for identifying and addressing barriers to equity.

In FY 2021, OMWI offered various virtual classes to help supervisors and managers develop diversity and inclusion skills. Courses included *Conscious Equity 2.0* and *Language of Inclusion*. *Conscious Equity 2.0* was first rolled out in FY 2020, but re-offered in FY 2021 in response to popular demand. As before, the course was primarily targeted toward supervisors and managers to help foster a connected culture where team members can feel empowered, psychologically safe, and prepared to manage self and others. Approximately 150 employees attended *Conscious Equity 2.0*. OMWI also offered *Language of Inclusion*, another course offered to supervisors and managers, designed to establish a toolkit of key terminology and concepts for fostering an inclusive culture. About 340 employees attended *Language of Inclusion*.

### *Professional Development Programs*

The SEC provides employees with numerous opportunities to acquire the skills and certifications needed to succeed in their positions and progress in their careers. SECU offers classroom-style and e-Learning programs in technical areas. The SEC also supports participation in career and leadership development programs. In addition to the SEC's standing professional and leadership development programs, such as the *Excellence in Government Fellows*, *Career Advancement Program*, *Aspiring Leaders*, and *Upward Mobility*, the following new programs were offered: (1) *C.O.R.E.* (Connections, Opportunities, Relationships, Equity), a leadership development program designed to provide minority leaders at the SEC with tools and techniques to enhance their effectiveness, breadth of contributions and engagement within their function, as well as support their personal well-being and growth; and (2) the AAFEA CDP where the SEC supported an African American Council (AAC) member to participate in the rigorous 5-month developmental program designed to prepare participants to compete for advanced career positions in the federal government.

### *Mentorship*

Another career development resource is the SEC's Mentoring Program which focuses on professional development, collaboration across divisions and offices, expanded employee networks and leadership opportunities. The SEC Mentoring Program offers valuable professional development and networking opportunities for SEC staff, leveraging the experiences of, and feedback from, past participants. The SEC Mentoring Program is open to all SEC employees who have at least one year of federal service at the SEC.

Similar to past years, OMWI assisted OCOO with the administration and development of the content of the program. FY 2021 marked the third cohort of the SEC Mentoring Program, with 30 mentoring pairs participating. Mentors and mentees included individuals from traditionally underrepresented groups—women, minorities, and persons with disabilities. Participants were from headquarters and nine regional offices. Each mentee was paired with a mentor who provided career development and support from January through June 2021. Despite the program's shorter length this year due to COVID, in addition to orientation held in January 2021, there were three formal events specifically tailored for the SEC Mentorship Program including an event with Commissioner Crenshaw and a capstone event with remarks by Chair Gensler.

### *Employee Engagement*

**EMPLOYEE AFFINITY GROUPS AND SPECIAL OBSERVANCES.** SEC Employee Affinity Groups (EAGs) have been instrumental in helping to cultivate a work-place culture that attracts diverse talent and encourages employee engagement and retention. In FY 2021, nine EAGs were active at the SEC: African American Council (AAC); American Indian Heritage Committee (AIHC); Asian American and Pacific Islander Committee (AAPI); Caribbean American Heritage Committee (CAHC); Disability Interests Advisory Committee (DIAC); Hispanic and Latino Opportunity, Leadership, and Advocacy Committee (HALO); Pride Alliance;<sup>23</sup> Veterans Committee; and Women's Committee.<sup>24</sup> EAGs foster inclusion at the SEC by providing educational, cultural, and networking opportunities to interested SEC employees; sponsoring cultural and educational programs; and supporting the SEC's diversity and inclusion efforts. Moreover, the SEC leverages the diversity of the EAG members to support its mission to protect investors, as well as to support its recruitment and outreach efforts.<sup>25</sup>

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23 Formerly known as Lesbian, Gay, Bisexual, and Transgender (LGBT) Committee.

24 OMWI provides program support for all EAGs except the Veterans Committee, which receives program support from OHR.

25 SEC leaders actively work with, and support, the EAGs. Each EAG is sponsored by both an Executive (Senior Officer) and a SEC Commissioner. All EAGs have a representative who serves on the SEC Diversity Council, which is chaired by Chair Gensler.

EAGs have a major role in planning and conducting SEC-sponsored programs and activities to commemorate Special Observances. In FY 2021, EAGs at SEC headquarters and regional offices helped to plan, coordinate, and conduct over 30 SEC-sponsored programs and activities to commemorate Special Observance heritage or awareness months, or otherwise celebrate affinity groups. These programs celebrate the diversity in the SEC workforce and enhance cross-cultural awareness and understanding. For a list of the FY 2021 programs and activities for Special Observances or otherwise celebrate affinity groups, see Appendix D. Some examples include:

- » In Honor of Black History Month the SFRO and AAC co-hosted *Tulsa, 1921: Black Wall Street & The Tulsa Race Massacre*, featuring Dr. Karlos K. Hill, professor at the University of Oklahoma, who spoke about Tulsa's prosperous Greenwood District, once known as the nation's "Black Wall Street," and the race massacre that destroyed the community and resulted in the death of approximately 300 people.
- » During the LGBT+ History Month in October, the Pride Alliance hosted a virtual panel, *Out at the SEC* with Senior Officers at the SEC who identify as LGBTQ+. Panelists included the SEC's MIRO's Director of Enforcement, the Director of OIEA, and the SEC's Solicitor. There were over 220 attendees.
- » In furtherance of the former Chair's FY 2020 diversity and inclusion priorities, the DIAC created two working groups on creating a culture of inclusion for persons with disabilities. Programming to enhance this culture of inclusion included the *Senior Officer Panel Discussion for Disability Employment Awareness Month*, which featured Commissioner Elad Roisman as facilitator and a panel of senior leaders who self-identify as persons with a disability who shared their stories, as well as highlighted the SEC's reasonable accommodation program and the value of relationships and a strong supportive community.

In FY 2021, EAGs also played a major role in connecting the SEC across the federal government and with the public it serves. Some of these events include:

- » In March 2021, the SEC's Pride Alliance hosted the joint Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies' event, *Pride in Federal Service*, which featured speakers from six FIRREA agencies, opening remarks by SEC Commissioner Elad Roisman and a fireside chat with the NCUA Chair, Todd Harper. The event had over 700 attendees.
- » In April 2021, in response to current events and the rise in Anti-Asian sentiment in the U.S., the SEC partnered with the other OMWI offices to present *Unmasking Anti-Asian Violence, Bias and Xenophobia*, led by Steve Robbins, to discuss many of the issues surrounding violence and hate against Asian Americans.

- » For Pride Month, the SEC partnered with the Commodity Futures Trading Commission (CFTC) to present *Transgender in the Workplace*. The program featured a training by Scott Turner Schofield followed by an in-depth conversation with Katherine Cooper, former CFTC attorney and the only out transgender woman in the derivatives bar, who discussed being out in the financial world.
- » To foster Hispanic outreach and inclusion, the SEC participated in restarting Amigos and Hispanics of Regulatory Agencies (AHORA), a joint FIRREA agencies' Hispanic/Latino employee group. In October 2021, AHORA organized a panel discussion for Hispanic Heritage Month entitled *Leading the Way: Journeys of Latino Leaders in Financial Regulatory Agencies*. The Deputy Director of the SEC's OASB served on the panel, which included leaders from other FIRREA agencies.

## Challenges and Next Steps

FY 2021 provided opportunities for the SEC to demonstrate its resilience and creativity as the ongoing pandemic shifted the landscape and posed challenges to the SEC's workforce diversity and inclusion efforts. Despite these challenges, the SEC continued to expand its outreach and recruitment efforts to help prime the pipeline for its future workforce and engage in internal programming to help strengthen the bonds of its workforce. Strategic and thoughtfully targeted outreach to professional organizations, minority-serving institutions, diverse schools, and other sources of diverse and qualified candidates continued to draw significant interest despite being held almost exclusively remotely. What might have been lost in personal interactions with potential candidates, was gained in intentional programming, as well as the conveniences, wider-reach, and often lower costs offered by virtual events. The SEC will continue to capitalize on the benefits of virtual outreach and also explore opportunities for in-person interactions as circumstances allow.

The SEC made progress towards achieving diversity at all levels of the workforce, such as increasing the number of Black or African American new hires and increasing the number of minority supervisors, managers, and Senior Officers. Nonetheless, opportunities for improvement still exist. Focus areas for the SEC's ongoing diversity and inclusion efforts in FY 2022 will continue to be increasing the representation of women in attorney positions and minorities in mission-critical occupations, particularly Black or African American individuals. The SEC is undertaking a number of initiatives with these goals in mind. The SEC is also continuing to expand its alliances through personalized communications with its diversity partners, entering into MOUs, and strengthening its relationships with HBCUs/HSIs.

Also as part of its efforts to increase diversity at the SEC, the SEC established two paid internship programs in FY 2021: DIIP and HSSP. The SEC will expand both programs, including increasing paid internship opportunities in FY 2022. The SEC has also rebranded the Student Honors Program and is now the SEC Scholars Internship Program, a ten-week paid program designed for students pursuing a business or law degree.

Additionally, to help maintain a connected culture despite the challenges presented by the physical separation necessitated by the pandemic, the SEC will continue forward-thinking initiatives like the *UnCovering Taskforce* and *Diversity Dialogues II*. The SEC will also offer new trainings like *Microaggressions* and will continue to use its resources to access new career development programs like C.O.R.E. and AAFEA CDP.

These are just a few highlights of the many steps the SEC plans to take in FY 2022 to enhance workforce diversity and workplace inclusion as part of the cultural fabric of the Commission. Statutory mandates, the SEC's DI Strategic Plan, and current events continue to guide the SEC's efforts toward achieving its diversity and inclusion objectives. OMWI will also continue to create new opportunities for engagement and foster collaborations with SEC offices and divisions, as well as with other federal agencies, to enhance progress toward these goals and objectives, as well as share best practices.



“The SEC actively embraces the principle that establishing and maintaining a diverse supplier base maximizes the SEC’s ability to procure the best goods and services to meet its contracting needs.”



## SUPPLIER DIVERSITY AND INCLUSION

### Highlights

Despite the challenges presented by the pandemic, OMWI increased its external networking events and procurement matchmaking sessions to expand interaction between MWOBs and the SEC. In FY 2021, OMWI continued to promote the use of the Supplier Diversity Business Management System (SDBMS) internally and externally to communicate and promote partnerships with diverse suppliers. OMWI engaged in 54 vendor matchmaking and outreach events where it connected with hundreds of vendors.

As discussed in more detail below, the data show:

- » Contract payments to MWOBs increased to \$182.6 million or 36.2 percent of total SEC contract payments in FY 2021 from \$162.4 million or 34.5 percent in FY 2020.
- » Contract awards to MWOBs increased to \$226.9 million or 38.8 percent of total SEC contract awards in FY 2021 from \$185.1 million or 33.8 percent in FY 2020.

### SUPPLIER DIVERSITY

In addition to the SEC's obligations under the Dodd-Frank Act to promote the increased utilization of MWOBs in its business activities, the SEC's DI Strategic Plan also includes as one of its goals to promote business diversity with SEC stakeholders by advancing diversity and inclusion in the SEC supplier base. The SEC actively embraces the principle that establishing and maintaining a diverse supplier base maximizes the SEC's ability to procure the best goods and services to meet its contracting needs.

To implement the SEC's strategy for promoting supplier diversity, OMWI works closely with OA, which is responsible for all SEC contracting activities. The SEC follows the Federal Acquisition Regulation (FAR), which provides set-aside requirements for specific categories of small businesses under certain conditions.<sup>26</sup> This allows the SEC to increase opportunities for MWOBs that are small businesses to compete for contracts through set-asides for 8(a) participants, women-owned small businesses, economically-disadvantaged women-owned small businesses, HUBZone small businesses and service-disabled veteran-owned small businesses.

#### *Initiatives*

OMWI participates in external business networking events and procurement matchmaking sessions to increase the interaction between MWOBs and the SEC. In FY 2021, OMWI engaged with hundreds of potential suppliers by participating in 39 business conferences and procurement matchmaking sessions, including the: 30th and 31st Annual Government Procurement Conferences; National Minority Supplier Development Council Conference

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<sup>26</sup> See FAR Subpart 19.5 – Set-Asides for Small Businesses for more information.



and Business Expo; Elite SDVOB Network National Conference; US Women's Chamber of Commerce, South Central Small Business Federal Contracting Summit; National 8(a) Association 2021 Small Business Conference; General Services Administration and the US Women's Chamber of Commerce - Meet & Match: Achieving Success as a Women-Owned Small Business; Veteran Administration and the US Women's Chamber of Commerce's 1st Annual Women Veteran Small Business Conference "Women Veterans Mean Business"; National 8(a) and AMEX - Celebrate the Power of Connections Conference; and Minority Business Development Agency - MED Week Procurement Matchmaking.

OMWI and OA continued to jointly host monthly VOD sessions virtually. These VOD sessions provided MWOBs and small businesses with an individualized opportunity to learn about the SEC's contracting needs, present their business capabilities to key SEC personnel, and ask questions about the SEC's procurement processes. In FY 2021, 54 businesses participated in VOD sessions, 48 of which are considered MWOBs.

To increase MWOB awareness of the SEC, OMWI, and contracting opportunities with the SEC, OMWI collaborated with various Chambers of Commerce to promote VODs during specific heritage celebration months. For example, in October, OMWI advertised VODs for: National Disability Employment Awareness Month (Disability Chamber of Commerce); Filipino-American History Month (Coalition of Filipino-American Chamber of Commerce); and Italian-American Heritage Month (Italchamber – Italy-America Chamber of Commerce).

**OTHER INITIATIVES TO PROMOTE SUPPLIER DIVERSITY.** OMWI continues to maintain SDBMS to collect business information and capabilities statements from diverse suppliers interested in doing business with the SEC through its self-registry web portal. SDBMS assists SEC contracting professionals and program offices with identifying MWOB suppliers for market research purposes. SDBMS is also a valuable tool for SEC prime contractors needing assistance with meeting subcontracting requirements, as information on registered businesses can be disseminated to promote partnerships with diverse suppliers.

Further, OMWI utilizes SDBMS to regularly disseminate information to registered businesses about SEC contracting opportunities, industry days, and supplier diversity outreach events. In FY 2021, OMWI actively engaged with vendors registered in the system based on fit relative to the company's North American Industry Classification System (NAICS) categories, SEC current and forecasted business needs, and the companies' capabilities and goals.

OMWI maintains a webpage for Supplier Diversity Outreach and provides access to an email address and a telephone number for contracting inquiries and outreach. OMWI's Supplier Diversity Officer interacts daily with vendors seeking information about how they can do business with the SEC.

The SEC’s largest contract spend area continues to be Information Technology (IT) services. Recognizing that the majority of the SEC’s vendors are seeking IT procurement opportunities, in FY 2021, OMWI collaborated with key stakeholders to advertise opportunities and specifics of the OneIT Program – a broad enterprise contract vehicle intended to streamline the acquisition process for IT platforms and services - to vendors through a publically-available brochure targeted to MWOBs.<sup>27</sup>

*Performance Metrics*

**CONTRACT PAYMENTS.**<sup>28</sup> Figure 15 shows the total number of contractors the SEC paid and the number of MWOBs receiving contract payments from FY 2017 to FY 2021. In each fiscal year since FY 2017, nearly a quarter of firms receiving SEC contract payments have been classified as MWOBs. Of the 379 firms receiving contract payments in FY 2021, 108 or 28.5 percent were MWOBs. Non-minority women-owned businesses (i.e., women-owned firms without minority designations) represented 8.4 percent of the firms receiving SEC contract payments in FY 2021.<sup>29</sup> The percentage of non-minority, women-owned businesses among firms receiving contract payments increased to 8.4 percent in FY 2021 from 6.6 percent in FY 2020.

**Figure 15. SEC Contractors Receiving Payments FY 2017 – FY 2021**

|                        | FY 2017 |        | FY 2018 |        | FY 2019 |        | FY 2020 |        | FY 2021 |        |
|------------------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| <b>SEC Total</b>       | 430     | 100.0% | 427     | 100.0% | 404     | 100.0% | 376     | 100.0% | 379     | 100.0% |
| <b>All Other Firms</b> | 323     | 75.1%  | 318     | 74.5%  | 294     | 72.8%  | 270     | 71.8%  | 271     | 71.5%  |
| <b>Total MWOBs</b>     | 107     | 24.9%  | 109     | 25.5%  | 110     | 27.2%  | 106     | 28.2%  | 108     | 28.5%  |
| Asian                  | 26      | 6.0%   | 31      | 7.3%   | 32      | 7.9%   | 29      | 7.7%   | 34      | 9.0%   |
| Black                  | 29      | 6.7%   | 25      | 5.9%   | 22      | 5.4%   | 26      | 6.9%   | 20      | 5.3%   |
| Hispanic               | 15      | 3.5%   | 14      | 3.3%   | 17      | 4.2%   | 13      | 3.5%   | 13      | 3.4%   |
| Other Minority         | 12      | 2.8%   | 11      | 2.6%   | 11      | 2.7%   | 13      | 3.5%   | 9       | 2.4%   |
| Non-minority Women     | 25      | 5.8%   | 28      | 6.6%   | 28      | 6.9%   | 25      | 6.6%   | 32      | 8.4%   |

Source: Sam.gov and Delphi retrieved on November 12, 2021. Firm count uses distinct count of Supplier Number. “Non-minority Women” include women-owned businesses without minority designations.

27 The OneIT Program is an SEC enterprise-wide, multiple-award contract that provides IT support services, with the goal of supporting all IT requirements.  
 28 “Contract payments” are the actual funds the SEC paid out to contractors for goods and services provided. Performance of a contract may not occur within the same fiscal year the contract is awarded. Payments made during the fiscal year in many instances are for goods or services provided under contracts awarded in prior fiscal years. As a result, the dollar amounts for contract payments and contract awards in a given fiscal year are not comparable.  
 29 In the contract payment data, businesses that are both minority-and women-owned are counted in the minority group categories. For example, an Asian women-owned business would be counted only as an Asian-owned business.

Figure 16 shows SEC total contract payments and the payments made to MWOBs in each fiscal year since FY 2017. The SEC paid \$503.8 million to contractors in FY 2021, of which \$182.6 million or 36.2 percent was paid to MWOBs. The percentage of the SEC total contract payments to MWOBs increased 1.7 percentage points from FY 2020 to FY 2021.

Contract payments to non-minority, women-owned businesses increased to 11.2 percent of SEC total contract payments in FY 2021, up from 9.9 percent in FY 2020. Asian American-owned businesses, Hispanic American-owned businesses, and African American-owned businesses decreased slightly in their percentages of the SEC total contract payments from FY 2020 to FY 2021.

**Figure 16. Contract Payments by MWOB Category FY 2017 - FY 2021 (Amount in Millions)**

|                        | FY 2017 |        | FY 2018 |        | FY 2019 |        | FY 2020 |        | FY 2021 |        |
|------------------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| <b>SEC Total</b>       | \$371.0 | 100.0% | \$393.5 | 100.0% | \$433.4 | 100.0% | \$470.6 | 100.0% | \$503.8 | 100.0% |
| <b>All Other Firms</b> | \$237.3 | 64.0%  | \$269.1 | 68.4%  | \$294.4 | 67.9%  | \$308.3 | 65.5%  | \$321.2 | 63.8%  |
| <b>Total MWOBs</b>     | \$133.7 | 36.0%  | \$124.4 | 31.6%  | \$139.0 | 32.1%  | \$162.4 | 34.5%  | \$182.6 | 36.2%  |
| Asian                  | \$68.7  | 18.5%  | \$57.9  | 14.7%  | \$65.5  | 15.1%  | \$64.7  | 13.7%  | \$60.8  | 12.1%  |
| Black                  | \$14.7  | 4.0%   | \$10.0  | 2.5%   | \$9.7   | 2.2%   | \$11.8  | 2.5%   | \$8.2   | 1.6%   |
| Hispanic               | \$14.2  | 3.8%   | \$15.7  | 4.0%   | \$16.9  | 3.9%   | \$16.7  | 3.5%   | \$12.7  | 2.5%   |
| Other Minority         | \$16.2  | 4.4%   | \$23.9  | 6.1%   | \$29.1  | 6.7%   | \$22.7  | 4.8%   | \$44.7  | 8.9%   |
| Non-minority Women     | \$20.0  | 5.4%   | \$16.8  | 4.3%   | \$17.9  | 4.1%   | \$46.5  | 9.9%   | \$56.2  | 11.2%  |

Source: beta.sam.gov and Delphi retrieved on November 12, 2021. "Non-minority women" includes women-owned businesses without minority designations.

**CONTRACT AWARDS.**<sup>30</sup> Figure 17 shows the total number of MWOBs awarded SEC contracts in each fiscal year since FY 2017, and their percentage among firms awarded SEC contracts. In FY 2021, the SEC awarded contracts to 361 firms, of which 82 or 22.7 percent were classified as MWOBs. Women-owned businesses represented 11.6 percent of the firms awarded SEC contracts in FY 2021, and their percentage among firms awarded SEC contracts decreased slightly compared to FY 2020.

<sup>30</sup> "Contract awards" are the net amount of funds obligated for all contract actions, which includes new awards and modifications that the SEC entered into the Federal Procurement Data Systems (FPDS) during the fiscal year.

Figure 17. MWOBs with SEC Contract Awards FY 2017 – FY 2021

|                    | FY 2017 |        | FY 2018 |        | FY 2019 |        | FY 2020 |        | FY 2021 |        |
|--------------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| <b>SEC Total</b>   | 438     | 100.0% | 413     | 100.0% | 381     | 100.0% | 385     | 100.0% | 361     | 100.0% |
| <b>Total MWOBs</b> | 115     | 26.3%  | 107     | 25.9%  | 111     | 29.1%  | 99      | 25.7%  | 82      | 22.7%  |
| <b>WOBs</b>        | 54      | 12.3%  | 54      | 13.1%  | 54      | 14.2%  | 50      | 13.0%  | 42      | 11.6%  |
| <b>MW-OBs</b>      | 26      | 5.9%   | 26      | 6.3%   | 27      | 7.1%   | 21      | 5.5%   | 18      | 5.0%   |
| <b>MOBs</b>        | 83      | 18.9%  | 78      | 18.9%  | 84      | 22.0%  | 70      | 18.2%  | 58      | 16.1%  |
| Asian              | 33      | 7.5%   | 31      | 7.5%   | 31      | 8.1%   | 33      | 8.6%   | 27      | 7.5%   |
| Black              | 26      | 5.9%   | 26      | 6.3%   | 26      | 6.8%   | 17      | 4.4%   | 12      | 3.3%   |
| Hispanic           | 12      | 2.7%   | 13      | 3.1%   | 14      | 3.7%   | 9       | 2.3%   | 12      | 3.3%   |
| Native American    | 6       | 1.4%   | 6       | 1.5%   | 6       | 1.6%   | 6       | 1.6%   | 5       | 1.4%   |
| Other              | 6       | 1.4%   | 2       | 0.5%   | 7       | 1.8%   | 5       | 1.3%   | 2       | 0.6%   |

Source: Sam.gov retrieved on November 12, 2021. WOBs include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

Figure 18 shows the dollar value of contract awards to MWOBs in each fiscal year since FY 2017, and the percentage of SEC contract dollars awarded to MWOBs. Of the \$585.4 million in SEC contract awards made in FY 2021, \$226.9 million or 38.8 percent of SEC contract dollars were awarded to MWOBs. This represents an increase of 5 percentage points from FY 2020, and an increase of over 4.8 percentage points since FY 2017.

Contract awards to minority-owned businesses represented 27.9 percent (\$163.4 million) of SEC contract awards; awards to women-owned businesses represented 13.9 percent (\$81.6 million); and awards to minority women-owned businesses represented 3.1 percent (\$18.1 million). The amount awarded to MWOBs in FY 2021 was \$41.8 million more than the amount awarded to MWOBs in FY 2020, representing an increase of 5 percentage points.

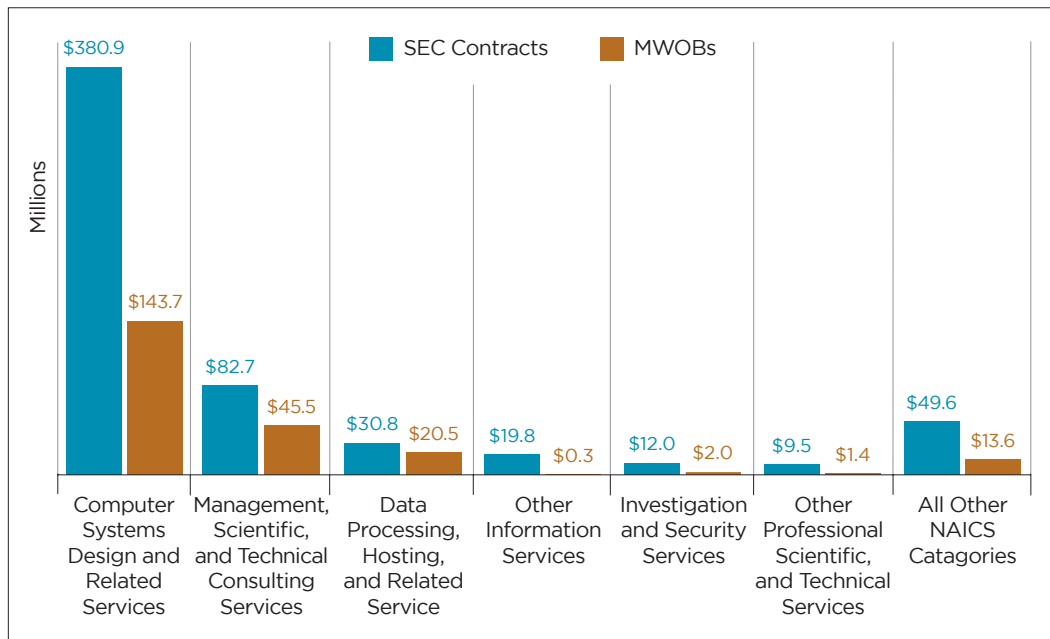
Figure 18. Contract Awards by MWOB Category FY 2017 – FY 2021 (Amount in Millions)

|                    | FY 2017 |        | FY 2018 |        | FY 2019 |        | FY 2020 |        | FY 2021 |        |
|--------------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| <b>SEC Total</b>   | \$418.9 | 100.0% | \$451.0 | 100.0% | \$484.0 | 100.0% | \$546.9 | 100.0% | \$585.4 | 100.0% |
| <b>Total MWOBs</b> | \$142.5 | 34.0%  | \$143.8 | 31.9%  | \$141.3 | 29.2%  | \$185.1 | 33.8%  | \$226.9 | 38.8%  |
| <b>WOBs</b>        | \$57.0  | 13.6%  | \$61.3  | 13.6%  | \$54.9  | 11.3%  | \$80.1  | 14.7%  | \$81.6  | 13.9%  |
| <b>MWOBs</b>       | \$34.7  | 8.3%   | \$33.8  | 7.5%   | \$32.9  | 6.8%   | \$26.7  | 4.9%   | \$18.1  | 3.1%   |
| <b>MOBs</b>        | \$112.4 | 26.8%  | \$116.2 | 25.8%  | \$119.4 | 24.7%  | \$131.6 | 24.1%  | \$163.4 | 27.9%  |
| Asian              | \$72.6  | 17.3%  | \$65.1  | 14.4%  | \$72.6  | 15.0%  | \$68.2  | 12.5%  | \$78.1  | 13.3%  |
| Black              | \$12.8  | 3.1%   | \$12.0  | 2.7%   | \$14.4  | 3.0%   | \$7.7   | 1.4%   | \$5.0   | 0.9%   |
| Hispanic           | \$5.0   | 1.2%   | \$17.9  | 4.0%   | \$15.0  | 3.1%   | \$11.5  | 2.1%   | \$27.2  | 4.6%   |
| Native American    | \$14.9  | 3.6%   | \$14.3  | 3.2%   | \$13.7  | 2.8%   | \$36.5  | 6.7%   | \$45.3  | 7.7%   |
| Other              | \$7.1   | 1.7%   | \$6.9   | 1.5%   | \$3.7   | 0.8%   | \$7.7   | 1.4%   | \$7.8   | 1.3%   |

Source: sam.gov retrieved on November 12, 2021. WOBs include all firms designated as women-owned irrespective of MOB designation. MOBs include all firms designated as minority-owned irrespective of WOB designation. MW-OBs include firms with both minority-owned and women-owned designations. "Other" category includes MOBs with more than one race designation and MOBs with an "other" designation.

**MAJOR CONTRACT AWARD CATEGORIES.** Figure 19 shows the distribution of SEC contract awards by NAICS categories. The largest percentage of SEC contract dollars was awarded for contracts in the NAICS category of Computer Systems Design and Related Services, followed by Management, Scientific, and Technical Consulting Services. These categories also accounted for the two largest percentages of SEC contract dollars awarded to MWOBs. In FY 2021, contract awards in these two categories accounted for 79.2 percent of SEC contract dollars awarded and 83.4 percent of the contract dollars awarded to MWOBs.

**Figure 19. SEC and MWOBs Contract Amount by NAICS Category (Amount in Millions)**



“All Other NAICS Categories” includes, among others: Software Publishers (5112) - \$8.0 million in SEC contract awards, with \$0.4 million awarded to MWOBs; Accounting, Tax Preparation, Bookkeeping, and Payroll Services (5412) - \$4.2 million in SEC contract awards, with \$1.8 million awarded to MWOBs; Employment Services (5613) - \$3.8 million in SEC contract awards, with \$3.8 million awarded to MWOBs; Office Furniture (including Fixtures) Manufacturing (3372) - \$3.2 million in SEC contract awards, with \$3.1 million awarded to MWOBs; and Business Support Services (5614) - \$2.1 million in SEC contract awards, with \$2.1 million awarded to MWOBs.

Source: sam.gov retrieved on November 12, 2021.

**CONTRACTOR WORKFORCE INCLUSION: GOOD FAITH EFFORT REVIEWS**

To implement the requirements of the Dodd-Frank Act related to the workforce diversity of agency contractors, the SEC includes its Contract Standard for Contractor Workforce Inclusion (Contract Standard) in all solicitations and contracts and subcontracts for services with a dollar value of \$100,000 or more. The Contract Standard requires the service contractor, upon entering into a contract with the SEC, to confirm it will ensure, to the maximum extent possible and consistent with applicable law, the fair inclusion of minorities and women in its workforce.

The Contract Standard further requires a contractor to provide documentation, upon the request of the OMWI Director, demonstrating it has made good faith efforts to ensure the fair inclusion of minorities and women in its workforce and, as applicable, demonstrating its covered subcontractor(s) has made such good faith efforts. The Dodd-Frank Act directs the OMWI Director to determine whether a contractor has failed to make good faith efforts to include minorities and women in its workforce, and requires the agency administrator to take appropriate action if the OMWI Director makes such a determination. OMWI conducts post-award reviews, referred to as “Good Faith Effort Reviews,” (GFE Reviews) to determine whether contractors have complied with the requirements of the Contract Standard to make good faith efforts to ensure workforce inclusion of minorities and women.

In each GFE Review, OMWI determined that the information and representations in the contractor’s submission appeared to indicate the contractor had taken actions demonstrating good faith efforts to comply with the requirements of the Contract Standard. During the review, OMWI also compared the diversity in the contractor’s workforce by EEO-1 job categories to the diversity in the same EEO-1 job categories in the relevant labor market, using the 2006-2010 Census EEO Tabulation as the benchmark. Where OMWI’s analysis of a contractor’s workforce data revealed that the representation of women or minorities in an EEO-1 job category (e.g., Officials and Managers and Professionals) was lower than would be expected, OMWI advised the contractor that the particular job categories should be an area of focus for its ongoing diversity efforts. In FY 2021, OMWI conducted GFE Reviews on a total of 53 contractors (50 prime and 3 subcontractors). In the case of 54% of the GFE Reviews conducted (29 prime), OMWI identified EEO job categories for focus areas of diversity efforts. The identified focus areas for diversity efforts were shared with the contractors to assist in their future, diversity-focused efforts.

## Challenges and Next Steps

During the pandemic, all outreach efforts were virtual which sometimes limited the number of minority-owned and women-owned businesses OMWI was able to reach at a particular event. OMWI is looking forward to participating at in-person supplier diversity conferences in order to reach more minority-owned and women-owned businesses. To increase outreach and based on the positive feedback on the OneIT Program brochure, OMWI is looking to expand the concept to other large SEC contracts being awarded. OMWI will also seek to further leverage SDBMS by working with OA to send targeted invitations to MWOBs on programs that will assist potential vendors on effective engagement in SEC procurements and increase the utilization of SDBMS by SEC business managers, contracting officer representatives, and program managers.

In the spirit of *Executive Order 13895 “Advancing Racial Equity and Support for Underserved Communities through the Federal Government,”* OMWI has been engaging with OA to conduct data-driven analyses to identify potential barriers to equity in the procurement process. OMWI will continue to work with OA towards removing potential barriers for MWOBs and expanding vendor diversity in SEC procurements.

“ Aligned with the DI Strategic Plan goal of promoting diversity with SEC stakeholders, including SEC-regulated entities, the SEC continued to focus on encouraging SEC-regulated entities to conduct and share self-assessments of their diversity policies and practices with the SEC.”



## DIVERSITY POLICIES AND PRACTICES OF SEC-REGULATED ENTITIES

The Dodd-Frank Act requires the OMWI Director to assess the diversity policies and practices of entities regulated by the SEC. In January 2018, the SEC developed a form called the “Diversity Assessment Report for Entities Regulated by the SEC” (SEC DAR Form) to complement the *Joint Standards for Assessing Diversity Policies and Practices of Entities Regulated by the Agencies* (Joint Standards) issued by the SEC and five other financial regulatory agencies<sup>31</sup> in June 2015.<sup>32</sup> The SEC DAR Form was designed, in part, to: (1) help guide a regulated entity’s self-assessment of its diversity policies and practices using the Joint Standards; and (2) provide the regulated entity with a template for submitting diversity assessment information to the OMWI Director at the SEC.

Although the Joint Standards suggest that regulated entities conduct self-assessments of their diversity policies and practices at least annually, to alleviate reporting burdens, the SEC collects the SEC DAR Form, or comparable diversity self-assessment (e.g., narrative report, firm-prepared diversity self-assessment template, a diversity assessment report submitted to OCC, FRB and/or FDIC) from select regulated entities every two years. In FY 2022, the SEC will invite certain regulated entities, including investment advisors, broker-dealers, municipal advisors, and Self-Regulatory Organizations, to again share information about their self-assessments of their diversity policies and practices.

### Highlights

Aligned with the DI Strategic Plan goal of promoting diversity with SEC stakeholders, including SEC-regulated entities, the SEC continued to focus on encouraging SEC-regulated entities to conduct and share self-assessments of their diversity policies and practices with the SEC. In addition to continuing to promote the Joint Standards and raise awareness about the SEC DAR Form, the SEC has focused on educating regulated entities on the benefits and importance of sharing self-assessments. In FY 2021, the SEC began developing its first ever “2020 Diversity Assessment Report,” a document which will provide background on the SEC’s 2020 diversity assessment process, quantify results of five diversity and inclusion indicators in SEC DAR Forms submitted by respondents, and share diversity practices highlighted by respondents.

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31 The agencies are OCC, Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), NCUA, and Bureau of Consumer Financial Protection (CFPB).

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



## Challenges and Next Steps

The biggest challenge the SEC faces relating to assessing the diversity policies and practices of its regulated entities remains getting the regulated entities to share information about their self-assessments. In an effort to increase participation in the SEC's collection of self-assessments, the SEC proactively engages external stakeholders in conversations about the importance of diversity, equity, and inclusion during many of the other events discussed throughout this report, such as regulatory events and conferences. The SEC has used these forums to promote the tenets of the Joint Standards and to raise awareness about diversity self-assessments and will continue to do so in the future.

In FY 2022, OMWI will host outreach and awareness campaigns aimed at illustrating the importance of, and business case for, diversity, equity, and inclusion and the attendant value of submitting self-assessments to the SEC. One of the events will feature executives from two regulated entities who will highlight their business-case for participating in the SEC's diversity assessment collection process. OMWI will also provide increased technical support throughout the FY 2022 diversity assessment collection process with updated FAQs and open office hours for its regulated entities.

## LEVERAGING DIVERSITY AND INCLUSION FOR MISSION EFFECTIVENESS

In FY 2021, OMWI focused on leveraging diversity and inclusion for mission effectiveness and promoting diversity and inclusion throughout the financial services industry. Using an all-agency approach, OMWI continued to partner with other SEC divisions and offices to proactively connect with the SEC's stakeholders about the importance of diversity, equity, and inclusion and also to provide support and guidance to the SEC on diversity and inclusion imperatives interrelated with the SEC's mission-critical activities. Externally, OMWI continued to support outreach programs that focus on the mission-critical nature of the SEC's diversity, equity, and inclusion efforts, and its importance for the financial services industry.

### Highlights

In FY 2021, the SEC remained focused on leveraging diversity and inclusion for mission effectiveness and promoting diversity and inclusion throughout the financial services industry. Consistent with these imperatives, the SEC approved the Nasdaq's proposed rules requiring issuers to disclose certain information about a company's board diversity representation and to offer certain companies access to complimentary board recruiting services. OMWI provided substantive input to various SEC divisions regarding the proposed rules, which were ultimately approved in accordance with the requirements of the Securities Exchange Act of 1934 (Exchange Act).

OMWI also continued to work with the SEC advisory committees to enhance mission effectiveness by working to ensure diverse representation and perspectives on the committees. Through OMWI's efforts, the Commission received feedback on some of the challenges facing underrepresented communities with regard to access and opportunities in the financial services industry. Utilizing this feedback, in July 2021, the SEC's Asset Management Advisory Committee (AMAC), Subcommittee on Diversity and Inclusion (DI Subcommittee), issued a report directly addressing the challenges faced by minority- and women-owned firms with regard to assets under management and representation in senior management and board positions. The DI Subcommittee's report noted findings from its three FY 2020 public sessions on this issue and made five specific recommendations for policy action for consideration by the Commission. The DI Subcommittee's report was unanimously adopted by the AMAC. Similarly, the Small Business Capital Advisory and Investor Advisory Committees addressed issues impacting underrepresented groups.

As part of its efforts to increase diversity, externally, OMWI facilitated a program hosted by the National Association of Minority and Women Owned Law Firms (NAMWOLF) focused on receivership opportunities. The head of the SEC's Division of Enforcement's Bankruptcy Unit participated in a webinar with representatives from the FDIC to discuss receivership opportunities for NAMWOLF firms in connection with SEC and FDIC proceedings and provided a "nuts and bolts" presentation on receivership proceedings.

OMWI also connected with stakeholders about the importance of diversity, equity, and inclusion. These outreach programs focused on the mission-critical nature of the SEC's diversity, equity, and inclusion efforts, and its importance for the financial services industry. In FY 2021, OMWI's Director discussed how OMWI has worked to improve diversity and inclusion within the SEC, as well as within the entities it regulates, at the Securities Industry and Financial Markets Association's (SIFMA) *Diversity, Equity & Inclusion Leadership Summit*. OMWI's Senior Policy Advisor on Diversity and Inclusion spoke at the Practising Law Institute's Diversity & Inclusion in Law Practice 2021 on the SEC's approach to diversity and inclusion as a business imperative impacting mission effectiveness, and the operational efforts the SEC has undertaken to implement its DI Strategic Plan which focuses on both internal and external activities.

Additional outreach events in FY 2021 that OMWI hosted, participated in, supported, or contributed to, that fostered an understanding of the importance of diverse participation in the financial services industry included:

- » Hosting and participating in a roundtable panel discussion with leaders from HBCU business and law schools to discuss developing sustained relationships with HBCUs that result in impactful outcomes for both HBCU students and partner organizations;
- » Supporting *Tech Entrepreneurs of Color* - Taking the Pulse of Capital Raising and Women of Color Entrepreneurs on Being Powerful Voices for Access to Capital, both of which focused on challenges facing entrepreneurs of color in raising capital and ways to increase access;
- » Partnering with 100 Women in Finance to host a panel which focused on sharing stories of women in public sector financial services;
- » Participating at National Association of Securities Professionals' Are We Doing the Right Thing? program which focused on evaluating investment policy tools that seek to mitigate the economic consequences of poor investment outcomes, with an emphasis on diversity in senior-level decision making; and
- » Participating in Beyond Diversifying Your Board: Investor-Driven Diversity, a panel discussion sponsored by All Places/NYU Law's Birnbaum Women's Leadership Network/Beyond #MeToo Working Group on Corporate Governance, Compliance, and Risk, where panelists discussed how: investors can act as allies to advance diversity goals; investors can drive companies' approach to corporate governance, particularly regarding diversity, inclusion, and belonging; regulators influence diversity decisions at companies; and investor diversity can contribute to board and company diversity.

## Challenges and Next Steps

The SEC will continue to communicate its commitment to diversity and inclusion to its stakeholders by utilizing a whole-agency approach and by embedding diversity and inclusion principles in its mission-related activities and external engagements. In FY 2022, the SEC will continue to impress upon its stakeholders the importance of diversity and inclusion by practicing transparency and leading through example.

## APPENDIX A. OMWI FY 2021 DIVERSITY PARTNERS

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

Source: Office of Minority and Women Inclusion.

## APPENDIX B: OMWI FY 2021 STRATEGIC DIVERSITY JOB BOARDS

| Organization Name                      |
|--|
| ButterMilk Club                        |
| Financial Services Professionals       |
| Minority Corporate Counsel Association |
| Minority Professional Network, Inc.    |
| Professional Diversity Network         |

Source: Office of Minority and Women Inclusion.

## APPENDIX C: OMWI FY 2021 TARGETED OUTREACH EVENTS AND MISSION-RELATED ACTIVITIES

| Date                          | Event   |
|-------------------------------|---|
| January 29, 2021              | Self-regulatory Organization Roundtable on Diversity and Inclusion Best Practices and Challenges  |
| February 3, 2021              | National Society of High School Scholars  |
| February 21, 2021             | College Diversity Network   |
| February 25, 2021             | Philadelphia Regional Office Financial Empowerment and Financial Fraud  |
| February 25, 2021             | Protecting Yourself from Investment Scams (Community Outreach)  |
| March 10, 2021                | NYC Bar Association Thurgood Marshall Society Financial Education   |
| April 6 - 8, 2021             | SEO Alternative Investment Conference   |
| April 21, 2021                | PROPELS Financial Literacy and Career Day (High School)   |
| April 26-29, 2021             | Native American Financial Officers Association  |
| May 18, 2021                  | National Organization of Investment Professionals   |
| May 21, 2021                  | Speaking Engagement at "2021 NASAA/SEC 19(D) Conference" regarding Exchange Act Section 19(d) at Conference with North American Securities Administrators Association |
| June 1, 2021 - August 1, 2021 | High School Scholars Internship Program   |
| June 21-26, 2021              | South Asia Bar Association Annual Conference  |
| June 26, 2021                 | National Association of Black Accountants - National Convention & Expo  |
| June 22-24, 2021              | Practicing Law Institute—Diversity and Inclusion  |
| June 29, 2021                 | Walton Foundation HBCU Interns  |
| July 16, 2021                 | SEC/Minority Business Development Agency: Enterprising Women of Color program at the Regional Center  |
| July 24, 2021-30, 2021        | National Bar Association Convention & Exhibits  |
| July 28-30, 2021              | Lavender Law Conference & Career Fair   |
| July 29, 2021                 | Scholars Day Program for National Society of High School Scholars   |
| July 31, 2021                 | SEC/100 Women in Finance Impact Program   |
| August 2, 2021                | Receiverships with National Association of Minority and Women Owned Law Firms   |
| August 12, 2021               | Prairie View A&M University College of Business   |
| August 16, 2021               | Diversity Dialogue II Presentation to FDR   |
| August 19, 2021               | HBCU Sustainability: Engaging with HBCUs for Impact Panel   |
| September 2, 2021             | Florida International University College of Law   |
| September 2, 2021             | Daniels College of Business/Women's College of the University of Denver   |
| September 10, 2021            | Metroplex Area Consortium of Career Centers (MAC3)  |
| September 12-17, 2021         | Congressional Black Caucus - Annual Legislative Conference  |
| September 14, 2021            | Presentation to Loyola University of Chicago Law School   |
| September 14, 2021            | OMNI Research (Dorien Nunez)  |
| September 15, 2021            | Prairie View A&M University - Virtual Career Fair - All Majors  |
| September 17, 2021            | Association of African American Investment Advisors Vision Conference   |
| September 21, 2021            | Provided video on unconscious bias to Daniels College of Business/Women's College of the University of Denver Beyond Career Fairs                                     |

APPENDIX C. *Continued*

| Date                                 | Event   |
|--------------------------------------|---|
| September 22-24, 2021                | National Association of Securities Professionals - Annual Pension and Financial Services Conference |
| September 22-25, 2021                | Corporate Counsel Women of Color – Career Strategies Conference                                     |
| September 23, 2021                   | North Carolina Central University Virtual Business & IT Career Fair                                 |
| September 23, 2021                   | Texas Woman's University Connect2Careers in Business  |
| September 28, 2021                   | SEC partnered with Financial Services Professionals to host a panel event for their membership      |
| September 28, 2021                   | Finance Professor at Delaware State University  |
| September 29, 2021                   | Texas Woman's University – Virtual Career & Internship Fair   |
| September 29, 2021                   | Navajo Technical University - Fall 2021 Employment Expo   |
| September 29-30, 2021                | California State University – Fall 2021 Business Career Fair (Fullerton and Los Angeles)            |
| September 30, 2021                   | College Diversity Network   |
| September 29, 2021 – October 1, 2021 | PROSPANICA Annual Conference & Career Expo (aka National Society of Hispanic MBAs)                  |

Source: Office of Minority and Women Inclusion.

## APPENDIX D: FY 2021 PROGRAMS FOR SPECIAL OBSERVANCES AND OTHER EVENTS CELEBRATING AFFINITY GROUPS

| Date              | Event  |
|-------------------|--|
| October 1, 2020   | Hispanic Heritage Month signature event "COVID and its Impact on the Hispanic Community and Hispanic-Owned Small Businesses"   |
| October 14, 2020  | CHRO Hispanic Heritage Month program on the life and works of 20th century Mexican painter Frida Kahlo   |
| October 15, 2020  | Pride Alliance LGBT History Month: Out at the SEC Career panel featuring Senior Officers   |
| October 23, 2020  | DIAC National Disability Employment Awareness Month (NDEAM) Increasing Access and Opportunity at the SEC: An Open Discussion with Senior Officers who identify as LGBTQ+ |
| October 26, 2020  | DIAC NDEAM 'Out the Box Series' event, TED Talk discussion by Haben Girma "Why I Work to Remove Access Barriers for Students with Disabilities"                          |
| October 27, 2020  | NYRO Hispanic Heritage Month featuring professor Maria Victoria Murrillo   |
| October 29, 2020  | SFRO, Pride Alliance, and AAC co-hosted "Common Ground: Examining the Connections Between the Black Civil Rights Movements and the Fight for LGBTQ+ Equality"            |
| October 30, 2020  | CHRO Women's History presentation on Ida B. Wells by her great-grandson, Dan Duster.   |
| November 10, 2020 | Veteran's Day fireside chat Chair Jay Clayton and retired Navy Adm. Michelle Howard  |
| November 19, 2020 | Native American Heritage Month signature event featuring attorney Riyaz Kanji, "History and Impact of the Landmark case McGirt v. Oklahoma"                              |
| January 14, 2021  | OMWI EAG Welcome Back/ New Year event to celebrate the 2020 EAG accomplishments  |
| February 4, 2021  | LARO Celebrates African American History month with USC law professor Jody Armour 'Diversity, Equity, and Inclusion and the Current State of Racial Justice in America'  |
| February 17, 2021 | African American History Month: Diversity and Inclusion in the Financial Services featuring Professor Christopher Brummer  |
| February 17, 2021 | SFRO African American History Month: Black Wall Street and the 1921 Tulsa Race Massacre featuring professor Karlos K. Hill   |
| February 28, 2021 | AAPIC Lunar New Year event with the Gung Kwok Lion Dance troupe  |
| February 24, 2021 | AAC African American History Month Book Club discussion "Caste: The Origins of Our Discontents" by Isabel Wilkerson  |
| February 25, 2021 | FWRO African American History Month event featuring the Hon. Maryellen Hicks   |
| February 25, 2021 | NYRO African American History Month event "Discovering Your Roots Workshop: How to Begin A Journey of a Lifetime" featuring Ms. Robin Semple                             |
| March 15, 2021    | LARO Women's History Month Entrepreneur Spotlight on SusieCakes Founder-CEO Susan Sarich   |
| March 22, 2021    | Joint FIRREA Pride in the Federal Workplace: A Roundtable Panel Discussion   |
| March 24, 2021    | NYRO Women's History Month event featuring guest speaker Rebecca Pak   |



APPENDIX D. *Continued*

| Date               | Event  |
|--------------------|--|
| March 24, 2021     | LARO Women's History Month event featuring guest speaker 'I Waited 96 Years' featuring Sarah Bunin Benor   |
| March 25, 2021     | PLRO Women's History Month 'Domestic Violence and Human Rights' featuring Professor Belinda Cooper   |
| March 29, 2021     | LARO Women's History Month event "The Power of a Girl and Her Pen featuring Keren Taylor"  |
| March 30, 2021     | DIAC 'Outside the Box' series TED Talk discussion by Chris Downey "Design with the Blind in Mind"  |
| April 15, 2021     | SFRO/LARO Town Hall on Diversity & Allyship with professor Russell Jeung, co-founder of the Stop AAPI Hate reporting center  |
| April 18, 2021     | Joint FIRREA's OMWI Unmasking Anti-Asian Violence, Bias, and Xenophobia featuring Steve Robbins  |
| May 14, 2021       | MIRO Asian American Native Hawaiian and Pacific Islander Month event featuring Hon. Raag Singhal   |
| May 19, 2021       | ARO Asian American Native Hawaiian and Pacific Islander Month event featuring Byung "Bjay" Pak   |
| May 25, 2021       | Asian American Native Hawaiian and Pacific Islander Month Event Signature event featuring Vandi Verma and Swati Mohan (NASA's Jet Propulsion Laboratory)   |
| May 26, 2021       | MIRO Asian American Native Hawaiian and Pacific Islander Month Reenactment of the trial for the murder of Vincent Chin   |
| May 31, 2021       | Veterans Committee: Memorial Day virtual commemoration featuring personal memorials and tributes from SEC staff honoring family and friends who have served our country with a message from Commissioner Crenshaw. |
| June 17, 2021      | Caribbean American Heritage Month signature event featuring Stephen Thomas   |
| June 23, 2021      | Pride Month Joint Event with CFTC: Transgender in the Workplace featuring Scott Turner Schofield and Katherine Cooper  |
| June 29, 2021      | Pride Alliance Pride Month History of Pride Virtual Discussion   |
| June 30, 2021      | SFRO Pride Alliance and AAPI Asian Pacific American Activism in LGBT+ History featuring professor Amy Sueyoshi   |
| June 30, 2021      | PLRO Celebration of Caribbean American Heritage Month featuring Miranda Alexander (Caribbean Community, Philadelphia)  |
| July 14, 2021      | MIRO event Women in the Workplace presented by Hilarie Bass  |
| September 10, 2021 | Sept. 11th 20th Commemoration event featuring Gen. Richard Myers (U.S. Air Force, retired)   |
| September 29, 2021 | ARO Hispanic Heritage Month event featuring Dr. Carlos del Rio   |

Source: Office of Minority and Women Inclusion.





U.S. Securities and Exchange Commission  
**OFFICE OF MINORITY and WOMEN INCLUSION**  
Washington, DC

# OMWI Reports Highlight Progress in Diversity, Equity and Inclusion

## Agency Seeks Greater Participation from Regulated Entities in Conducting and Submitting Voluntary Self-Assessments of Diversity Policies and Practices

### FOR IMMEDIATE RELEASE

2022-77

Washington D.C., May 2, 2022 — As part of its continuing efforts to educate regulated entities on the benefits and importance of sharing self-assessments of their diversity policies and practices, the Securities and Exchange Commission (SEC) published a [Diversity Assessment Report](#) today that analyzes information received from regulated entities in response to OMWI's 2020 invitation to conduct and submit voluntary self-assessments of their diversity policies and practices. Although there has been an incremental increase in participation of voluntary self-assessments by SEC-regulated entities since the SEC began collecting voluntary self-assessments in 2018, the SEC continues to focus on encouraging SEC-regulated entities to conduct and share self-assessments of their diversity policies and practices with the SEC.

"The Diversity Assessment Report provides a starting point for regulated entities to set, track and meet diversity, equity, and inclusion goals. It also provides a framework for self-reflection, and allows us to engage regulated entities in a deeper analysis and understanding of the leading practices and policies for advancing workforce and supplier diversity," said Pamela Gibbs, the SEC's Director of the Office of Minority and Women Inclusion (OMWI).

The 2020 Diversity Assessment Report noted accomplishments with regard to diversity efforts among the entities that submitted responses to the voluntary self-assessment. Notable highlights include:

- 87 percent have a diversity and inclusion policy;
- 70 percent take proactive steps to promote a diverse pool of candidates when selecting members of their board of directors or other governing body;
- 88 percent publish information about their diversity and inclusion efforts on their website;
- 62 percent include the progress they have made toward achieving diversity and inclusion in their workforce; and
- 55 percent maintain a list of qualified minority-owned and women-owned businesses that may compete for upcoming contracting opportunities.

But the report also noted that the vast majority of regulated entities did not submit self-assessments of their diversity policies and practices. More participation is necessary to collect the greater depth of knowledge and information for a more comprehensive understanding of practices and policies for workforce and supplier diversity in the financial securities industry.

Ms. Gibbs said, "Increasing workplace diversity and inclusion benefits all employees, and self-assessments provide a starting point for how to set and track financial industry goals. By providing this framework for self-reflection, we engage regulated entities in a deeper analysis and understanding of the leading practices and policies for advancing workforce and supplier diversity. But to effectively help them achieve their diversity and inclusion objectives, we need greater participation in this self-assessment process."

More information about the SEC's actions and progress concerning the diversity policies and practices of SEC-regulated entities can also be found in OMWI's recently submitted annual report to Congress. The annual report to Congress summarizes the agency's actions and progress in advancing diversity, equity, and inclusion internally and externally, as well as the goals under its Diversity and Inclusion Strategic Plan.

"I believe that a diverse SEC workforce helps promote fairness and inclusion in the financial services industry," said SEC Chair Gary Gensler in the annual report. "OMWI continues to lead our efforts to develop an inclusive and equitable workplace that reflects the diversity of the public we serve, uses minority- and women-owned businesses in our business operations, and engages our regulated entities."

Among the annual report's highlights for FY2021:

- 26.8 percent of SEC supervisors and managers identify as minorities. The percentages of SEC supervisors and managers who are Black, Hispanic or Latino, and Asian have each increased over the past three years;
- 45.8 percent of Senior Officers at the SEC are women (Senior Officers are equivalent to Senior Executive Service at other federal agencies)
- 45.4 percent of new hires identified as minorities;
- 18 diversity college and graduate student interns participated in a new paid internship program along with five high school scholars interns from the SEC's partnership with the Office of the Comptroller of the Currency internship program; and
- 38.8 percent of total SEC contract awards were to Minority Women Owned Businesses (MWOBs).

OMWI provides leadership and guidance for the SEC's efforts to leverage diversity and inclusion throughout the agency, and works to build and maintain a diverse workforce, cultivate an inclusive work environment, and foster diversity in the agency's business activities. OMWI works in close collaboration with all SEC divisions and offices.

###

## Related Materials

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- [OMWI Annual Report - 2021](#)
- [Diversity Assessment Report](#)

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[ANALYSIS](#)

## Thanks to the SEC, Law Firms See Increasing Business in ESG

Demand is up in ESG and corporate practices as clients sweat the SEC's proposed climate risk disclosures.

August 09, 2022 at 07:57 PM

Corporate Governance

Dan Roe

Reporter

### What You Need to Know

- ESG and corporate governance lawyers are in high demand as corporate America holds its breath on proposed SEC climate risk disclosures.
- Corporate opposition is broad-based, ranging from asset managers to retailers and chemical companies.
- Small public companies are particularly burdened by rising compliance costs, said one practice leader courting their business.

As the government moves closer to regulations requiring climate disclosures, large law firms are staffing up on ESG lawyers and are already seeing more business from corporate clients rattled by the potential changes.

The Securities and Exchange Commission in March proposed rules requiring climate-related disclosures in registration statements and periodic reports, although the climate disclosure rule had been on the SEC's agenda for two years.

Asset managers, the fossil fuel industry and others are mounting opposition to the disclosure as they prepare for the changes, which is driving more demand for law firm ESG and corporate practices.

Even as some disclosures may change in the face of such opposition, Greenberg Traurig U.S. corporate governance practice leader Frank Placenti said disclosure proposals are likely to pass along a 3-2 party-line vote of SEC commissioners.

The vote is expected to come down by the end of the year, as the effective date is December 2022.

"Clients are very concerned about the proliferation of alternative ESG standards because numerous entities already issue their own standards without much collaboration," Placenti said in an interview. "It's really difficult for clients to sort this out on their own, so they're increasingly looking to law firms not simply to bring legal talent to the table, but also to have a Rolodex of the right consultants to bring to the table on behalf of clients as well."

Kristyn Noeth, of counsel at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, said she's already seeing an uptick in demand for corporate governance expertise as boards stress-test their existing compliance, risk management and audit functions ahead of the expected climate risk disclosures.

"This is potentially a big lift even for companies that have been reporting on climate to make sure they're compliant," said Noeth. "And for companies where this hasn't been the top-level priority of all of their ESG work, this has been raised to that level."

The present feels like a watershed moment in the prominence of ESG, Noeth said. It's also a time of uncommon law firm and in-house lateral movement in her practice—Noeth herself joined Mintz from Paul, Weiss, Rifkind, Wharton & Garrison earlier this month.

Skadden, Arps, Slate, Meagher & Flom and Arnold & Porter Kaye Scholer each hired SEC enforcement lawyers the week of the SEC's climate disclosure announcement. In May, Steptoe & Johnson hired SEC veteran Coy Garrison, former counsel to pro-cryptocurrency Commissioner Hester Peirce. Willkie Farr & Gallagher [added](#) two former SEC lawyers in June with a combined 25 years of experience, Kristina Littman and Adam Aderton. And Placenti [arrived](#) at Greenberg this month after 15 years at the helm of Squire Patton Boggs' corporate governance practice.

Although the SEC exempts "smaller reporting companies"—those with a public float under \$250 million, or less than \$100 million in annual revenue and a public float under \$700 million—ESG lawyers said the reporting process will be particularly costly for small public companies that fall outside the exemption and don't have the same ESG infrastructure as large public corporations.

Greenberg global corporate co-chair Alan Annex said Placenti's hiring was part of the firm's commitment to smaller public companies that need more guidance on the proposed climate risk rules.

"Something like 80% of public companies have market caps less than \$480 million—most public companies are not huge," said Annex. "They don't have the resources to hire a director of sustainability, a director of DEI, a director of ESG. If you're a modestly sized public company, who are you going to turn to to find those resources? We want to be the place people turn to."

### Corporate Opposition

The proposal contains new disclosure requirements on how companies govern climate-related risks, climate risk-management processes, and the current and potential impact of climate-related events on a company's business model and finances.

Opposition was swift from large corporations and asset managers, particularly among companies whose climate disclosure obligations would increase dramatically as a result of the proposed rules.

The commission extended its initial 60-day comments window after receiving over 14,000 comment letters (most of them form letters). Still, [BlackRock](#), the world's largest asset manager, wrote in to say that the proposal would raise compliance costs and obscure investors' ability to determine the most significant information for a company's bottom line, an argument adopted by many of its contemporaries.

The proposal also requires companies to disclose information on "Scope 1" direct emissions (greenhouse gasses) and "Scope 2" indirect emissions (purchased energy), as well as upstream and downstream (or Scope 3) emissions for some companies. Scope 3 emissions disclosures are the most contentious requirement of the proposal because they require some companies to scrutinize global supply chains and the indirect impact of their products or services.

The proposal leaves it up to companies to determine whether they must report Scope 3 emissions, a preliminary analysis that ESG consultants have called "[very costly](#)," for some.

The fossil fuel industry generally opposes Scope 3 emissions disclosures because the vast majority of its emissions—[90% or more](#), according to a Morningstar analyst—come from consumers' use of its products rather than extraction, refining and distribution. Whereas those emissions weren't covered by Scopes 1 and 2, Scope 3 would force the companies to calculate and disclose the environmental impact of its products after they're purchased by global energy consumers.

Companies with complex global supply chains such as apparel brands and manufacturers also tend to oppose Scope 3 disclosures because their emissions are generally higher and harder to measure.

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#### [RELATED STORIES](#)

### [\*\*BlackRock Urges SEC to Change Climate-Risk Disclosure Plan\*\*](#)

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### [\*\*Legal Chiefs Worried About Cost of SEC's Climate Disclosure Rules\*\*](#)

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### [\*\*Another Two SEC Lawyers Defect—This Time to Wilkie\*\*](#)

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**FINRA**<sup>®</sup>

**Employee Resource Group**

**Year in Review**

**2021**







We are pleased to share our 2021 Employee Resource Group Year in Review, which, in conjunction with our 2021 Diversity, Equity & Inclusion Report, describes our commitment to fostering a diverse and inclusive culture. The report highlights the activities of our 10 Employee Resource Groups (ERGs), including professional development, educational, networking and recruiting, and community outreach programs.

We are proud and grateful for the commitment of the executive sponsors and management committee members who plan and produce programs that reflect FINRA's values and our commitment to fostering an inclusive environment. As a result, employee participation in ERGs has continued to grow year over year. At year-end, almost 50 percent of employees were members of one or more ERGs—a 3 percent increase over 2020.

To ensure our ERGs continue to thrive, FINRA hosts an annual summit to provide ERG management committee members with opportunities to enhance their leadership skills, identify strategic opportunities to align their goals with FINRA's values, hear from senior leaders and build relationships. We are proud of the impact of our ERGs on FINRA's recruitment, retention and engagement efforts, and continue to seek opportunities to enhance and leverage the ERG programs to positively influence our DEI strategy.

**Camille Robinson**  
Associate Director, HR Diversity and Worklife

## Fostering Inclusion

FINRA's Employee Resource Groups (ERGs) create a more inclusive environment by engaging employees through a variety of activities—all with a goal to further FINRA's mission by providing leadership and personal development opportunities to employees, and enriching life at work and outside of work.

Throughout 2021, FINRA's 10 ERGs developed and hosted more than 100 professional development, educational, networking, recruiting and community outreach programs. These activities—part of FINRA's overarching Diversity, Equity and Inclusion (DEI) program—help FINRA build and retain a workforce that mirrors the diversity of our communities and supports our mission of investor protection and market integrity.

This report describes the activities FINRA's ERGs undertook in 2021 and their impact within FINRA and our broader community.



“Being a member of an ERG, is much more than being in a community. It’s shared experiences and backgrounds, as well as the opportunity to network and learn from one another. It’s almost like family.”

**Millie Cortes**

ERG member



## Our ERGs at Work

Across FINRA, our ERGs are an important component of our employee engagement strategy. Throughout 2021, as we remained in a remote-work environment, our ERGs stepped up to connect employees across our 20 offices, providing opportunities for employees to share, learn and give back.

- ▶ **Almost 50 percent** of employees are members of one or more ERGs—a **3 percent increase over 2020**.
- ▶ **ERG events had a combined attendance of over 15,000 participants in 2021**.
- ▶ **28 percent** of employees volunteered **9,603 hours** in their communities in 2021.
- ▶ **Employees donated \$436,459 to 582 organizations** with ERG-led campaigns driving more than **\$40,000 to charities**.



“In the last two years, individuals around the globe have suffered from unprecedented physical and mental health challenges, many of which are invisible and unreported. Offering a community and services to our members and stakeholders that provides a safe space, education and resources is critical to sustain FINRA and to support our mission of protecting investors, including the most vulnerable investors.”

**Sarah Wallis**

Member DAWN Management Committee



## FINRA African American Network (FAAN)

Provides networking and mentoring opportunities, and promotes professional development and community involvement.

Members: 516

### Supporting Health and Wellness

FAAN, in collaboration with the FINRA Women's Network, hosted a panel discussion about cancer prevention and how a sedentary lifestyle and chronic stress affects breast cancer survivors. Panelists also discussed cancer prevention and control in communities of color and underserved populations, and the importance of legislative funding and support for cancer research and innovation.

### Developing Professional Skills

FAAN's 2021 annual Black History Month Program featured a conversation with Melody Hobson, president and co-chief executive officer of Ariel Investments and the chairwoman of Starbucks Corporation, and FINRA CEO Robert Cook and FINRA Chief Human Resources Officer Rainia Washington. FAAN followed the conversation with a post-panel discussion on living FINRA's values, positive change and the importance of management.

### Recruiting the Next Generation

FAAN collaborated with FINRA's People Solutions department to expand FINRA's relationship with Historically Black Colleges and Universities and associations for black professionals. FAAN assisted with recruitment events at FAMU College of Law and the virtual National Black MBA Conference.

### Supporting Financial Literacy for Students

FAAN along with the FINRA Latino Affinity Network (FLAN) have established a partnership with the SIFMA Foundation—the financial education arm of SIFMA, a trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. Our ERGs identified volunteer opportunities offered through the SIFMA Foundation and recruited ERG members and FINRA employees to teach financial literacy to students nationwide. In 2021, more than 30 FINRA employees volunteered and presented approximately 20 different SIFMA programs in connection with Invest It Forward™, an industry-wide financial education and capital markets literacy initiative that gives young Americans a solid understanding of the capital markets system and the invaluable tools to achieve their dreams.

## FINRA Asian Professionals Association (FAPA)

Educates FINRA employees about Asian cultures and their significance to FINRA's diversity and inclusion goals.

Members: 434

### Raising Awareness of Cultural Experiences

With increasing levels of violence against Asian Americans, FAPA hosted The Asian American Experience Panel to create awareness of the history of and increased violence towards Asian Americans. Panelists discussed xenophobia, racism, anxiety, fear and strategies and resources for coping with incidents of violence.

FAPA also raised \$8,700 for Stop AAPI Hate—an organization that strives to advance equity, justice and power by dismantling systemic racism and building a multiracial movement to end anti-Asian American and Pacific Islander (AAPI) hate.

### Supporting A Country Devastated by COVID-19

With the COVID-19 crisis overwhelming hospitals and medical systems in India in the spring of 2021, FAPA initiated a Special Action Charity Drive for India to support FINRA Indian employees and their families through the health crisis in India. Through the special charity drive, FAPA encouraged employees to donate to UNICEF to support the cause. With FINRA's matching funds, FAPA donated \$7,960.



**Maria Rodriguez**

Member, FLAN Management Committee



"I strongly believe that leaders have the social sway to directly and indirectly affect the workplace—and our presence as Latinos is needed."

## FINRA Interfaith Network (BRIDGES)

Promotes understanding and appreciation of all religious faiths, spiritual beliefs and traditions, including the values of those who are religiously unaffiliated, agnostics and atheists.

Members: 166

### Promoting Respectful Engagement

Conversations about faith are not always easy ones to have, but BRIDGES, through its monthly Bring Your Faith events, provides opportunities for employees to share their faith and beliefs in an open and respectful environment.

### Understanding Intersectionality

BRIDGES also partnered with PRIDE Alliance to host a discussion on the intersectionality of religion and the LGBTQ community and navigating LGBTQ issues and religion in the workplace.

### Celebrating Ramadan

BRIDGES collaborated with FAPA on an Eid al-Fitr event to celebrate the end of the Muslim holy month of Ramadan. The virtual celebration of Eid al-Fitr highlighted the many ways to conclude the month of prayer and fasting.

## FINRA Disability and Wellness Network (DAWN)

Fosters a compassionate culture and community that promotes physical and mental wellbeing in the workplace through education and initiatives that encourage those with visible and invisible disabilities to bring their whole, authentic selves to work.

Members: 485

### Raising Awareness of Health and Wellness

For the fourth year, DAWN sponsored its annual Health and Wellness Symposium. The 2021 event offered a space for colleagues to reset, reconnect and learn strategies for building resilience and enhancing their wellbeing. Overall, about 600 employees attended the four-part event—twice as many participants compared to past symposiums.

In addition, DAWN continued its popular How Ya' Doin' Series, which was launched in 2020 at the height of the pandemic. The lunchtime meditation sessions take place every Monday and give FINRA staff the opportunity to start the week off on a positive and mindful note.

### Giving Back

For the second year, DAWN raised money for the National Alliance on Mental Illness (NAMI)—the nation's largest grassroots mental health organization dedicated to building better lives for the millions of Americans affected by mental illness. DAWN raised and donated over \$2,000 to NAMI. DAWN also lent support to the Cerebral Palsy Alliance Research Foundation. DAWN helped raise more than \$15,000 and promoted a healthy lifestyle to employees with the STEPtember challenge. FINRA steppers took more than 37 million steps during the challenge.



“Being able to go through my process of my daughter’s autism has strengthened my commitment to give back and try and provide support to others that may feel the same way I did initially and for months after hearing her diagnosis. I have spoken to colleagues that have been a part of DAWN and its management committees, and I feel their shared experiences have furthered my commitment to take a more active role in promoting the efforts of this ERG.”

**Jim Morris**

Member DAWN Management Committee





## FINRA Latino Affinity Network (FLAN)

Increases awareness, education and visibility of Hispanic/Latino values within FINRA.

Members: 356

### Inspiring and Empowering Employees

In celebration of Hispanic Heritage Month, FLAN hosted a conversation with Jessica Hopper, executive vice president and head of Enforcement, which gave members an opportunity to hear from a senior executive who is part of their community. Ms. Hopper discussed her achievements as a leader, the importance of identity, mentoring and the benefits of ERGs.

FLAN's Cafecito Chat Series introduces members to influential Latino/a individuals at FINRA and in varying industries. FLAN hosted a chat about the extraordinary career of Colombian immigrant Adela Cepeda. Ms. Cepeda, who was raised in New York, is an honors graduate of Harvard College and holds an MBA from the University of Chicago School of Business. She was a corporate finance executive, started her own municipal advisory firm, and serves as a director of the board of BMO Harris Bank and on the boards of UBS, Mercer and CGCM Mutual Funds.

### Inspiring Youth

FLAN developed the Seeing is Believing program to connect with and inspire youth in local communities. The program's goal is to give young people opportunities to interact with financial industry professionals who look like them and learn about their personal and professional experiences. In 2021, FLAN held the first session with Fordham Leadership Academy in Bronx, New York.

### Encouraging Financial Security

During Hispanic Heritage Month, FLAN selected Qualitas of Life Foundation as its sponsored charity. Qualitas provides basic financial education to Hispanic individuals and their families to foster financial security and improve their standard of living. FLAN raised over \$2,000, helping the organization to reach its goal of ensuring that Hispanic Americans have the tools to take control of their finances, break the cycle of poverty and realize the American dream.

## FINRA Military Community (MilCom)

Raises FINRA employee awareness of potential opportunities to help, support and improve the quality of life of the military community in their areas and assists FINRA's efforts to recruit and hire qualified military veterans.

Members: 327

### Raising Awareness of Issues Veterans Face

MilCom hosted a discussion with Dr. David Shulkin, former Secretary of the U.S. Department of Veterans Affairs (VA) and Under Secretary for Health, to bring awareness to challenges veterans face. Dr. Shulkin provided an overview of the state of the VA; generational differences, and similarities among veterans; issues veterans face when transitioning to civilian life, such as health, trauma and financial difficulties; and strategies for improving the everyday life of members of the military and veteran community.

### Fostering Inclusion

MilCom partnered with the FINRA Pride Alliance to present a two-part program on the intersectionality of being LGBTQ+ and serving in the military. The first part of the discussion highlighted themes of gender identity and the use of personal pronouns as a means of acknowledging and celebrating diversity. The second part focused on the adversities LGBTQ+ members of the military must overcome. Participants shared their experiences and stories about where the intersectionality exists in within these two groups and beyond.

### Giving Thanks to the Military Community

MilCom has established a partnership with the Tragedy Assistance Program for Survivors (TAPS) and A Million Thanks, which both support U.S. military members and their families. MilCom helped raise over \$3,700 for TAPS, and FINRA employees also wrote letters and cards to service members via A Million Thanks organization.

### Raising Awareness of Veteran Suicides

An average of 22 veterans take their own lives every day. MilCom raised awareness of this statistic through the 22 push up challenge. The challenge also encouraged participants to donate \$22 or more to the Tragedy Assistance Program for Survivors (TAPS). Overall, MilCom raised and donated nearly \$6,000 to TAPS.

## FINRA Multigenerational Employee Resource Group Exchange (MERGE)

Creates a welcoming community that gives voice to each generation by showcasing their unique and diverse perspectives and facilitating intergenerational collaboration and communication.

Members: 383

### Exploring Generational Differences and Similarities

MERGE co-sponsored an event with FAAN as part of FAAN's Juneteenth event series to provide employees insight into the different perspectives of Black Americans among different generations. Panelists discussed Juneteenth and its significance, as well as the impacts of the nationwide social justice protests in 2020.

MERGE also hosted a Generational Divides Snack-tastic Networking Lunch during which participants explored generational differences that produce tension and misunderstanding between generations.

FINRA leaders from different generations joined MERGE for a Video Series on Breaking Down Multigenerational Misconceptions in the Workplace. Presenters and panelists discussed their preferred methods of communication, working styles and the overall impact of the remote work environment on their generations.

### Supporting Mental Health Awareness

In 2021, MERGE raised more than \$3,000 for Brain and Behavior Research Foundation—an organization committed to alleviating the suffering mental illness causes by awarding grants that will lead to advances and breakthroughs in scientific research.

#### Alicia Aldas

Member, FLAN



"I enjoy being part of FLAN. It has given me a sense of belonging and I just love being able to connect and network with other Latinos at FINRA. I love learning about all the different cultures. We may share the language, but we are so diverse."

## FINRA Parents Network (FPN)

Fosters a culture of community for parents, caregivers and allies by providing opportunities and resources to balance life's priorities.

Members: 735

### Balancing Work and Life

FPN collaborated with several ERGs on a four-part series—Caregivers Doing It All: Tools for Parents and Caregivers—with behavioral expert, Dr. Marcie Beigel. The series provided tips and tactics to identify and cope with anxiety; communicate one's emotional needs in a professional way; navigate an employee's role as a professional, parent and human; change behavior, specifically around children; and balance technology access at home.

### Supporting Employees Managing Pregnancy and Loss

Often miscarriage and pregnancy loss are accompanied by silence and quiet grief. To support the many families who have suffered such a tragic loss, and educate coworkers and allies about ways to support bereaved parents, FPN hosted "Shattering the Silence Around Pregnancy and Infant Loss." Led by Dr. Kiley Hanish, OTD, PMH-C, an advocate and coach dedicated to helping people through transformational growth and healing after infant or pregnancy loss, the event also honored the tiny lives lost too soon.

While planning for the event, FPN raised questions about coverage for pregnancy loss in FINRA's Bereavement Leave Policy. Following discussions with People Solutions, FINRA enhanced the policy to expand the definition of pregnancy loss to include miscarriage.

### Raising Awareness of Child Hunger and Supporting Families

FPN raised nearly \$6,000 for Save the Children—a humanitarian organization for children that has changed the lives of over 1 billion children in the U.S. and around the world. With FINRA's matching policy, FPN contributed nearly \$12,000 to help provide food for those in need. For the third consecutive year, FPN engaged members in raising donations for Ronald McDonald House Charities Global Inc. FPN raised \$7,300 to help families access the medical care and resources they need.

## FINRA Pride Alliance (FPA)

Increases awareness, education and visibility of the LGBTQ community.

Members: 404

### Fostering Inclusion, Increasing Visibility

Pride Alliance hosted various activities to increase visibility and awareness of LGBTQ+ matters, and increase knowledge and understanding for both LGBTQ+ employees and their allies.

Together with FAAN, Pride Alliance hosted a social hour that featured a video focused on the intersectionality of being black and gay in America. Participants learned about the origins of the Pride movement and Juneteenth, and the intersectionality within the two communities.

Pride Alliance hosted a discussion about the movie “Lady Valor,” which tells the story of former U.S. Navy SEAL Christopher Beck, her long career as a member of the armed forces and her journey to become Kristin Beck, a transgender woman.

Pride Alliance organized a watch party with Diversity Best Practice for a program that provided inspiration and practical tips and tools to empower individuals, ERGs and communities to do their best work. The program featured stories that amplify and uplift the efforts of individuals and ERGs working to support the LGBTQ+ community both at their organizations and in the communities in which they serve.

### Giving Back

FPA partnered with GRIOT Circle in June 2021—also celebrated as Pride month—for its annual giving campaign. FPA raised more than \$3,500 for GRIOT Circle. In addition, FPA hosted a virtual event with representatives from GRIOT to learn more about the organization and how it successfully provides a welcoming space, culturally sensitive services, and member-centered programming that affirms the lives of LGBTQ+ elders of color.

## FINRA Women’s Network (FWN)

Promotes and champions the growth, development and success of FINRA women, while maximizing their unique talents and contributions to help meet FINRA’s goals and objectives.

Members: 879

### Supporting New Leaders

FWN, in collaboration with FINRA’s Diversity and Worklife team, hosted the Women’s Leadership Summit—which provides a forum for ongoing conversations about diversity, equity, inclusion, and career development at FINRA. More than 800 employees joined to hear women at different stages in their lives share their experiences and perspectives and provide valuable insights on this year’s theme, Invest in Yourself.

FWN sponsored ten members to attend the Conference for Women held in Pennsylvania, Texas and Massachusetts. The personal and professional development conferences feature more than 100 renowned speakers sharing inspiring stories and leading seminars on the issues that matter most to women. Members who attended shared lessons they learned with other members.

FWN’s Women’s Circles program met 20 times with nearly 550 attendees. Women’s Circles participants in each FINRA office meet at least quarterly to engage in authentic conversation on a range of topics, including work/life balance, career, workplace challenges, parenting and book discussions. Women’s Circles provide an opportunity for networking and fostering new relationships among fellow FINRA Women and FWN allies.



“The ERGs are all key in helping us cement the foundation of success by providing employees with career enrichment and development, resources, and valuable and impactful initiatives that help us professionally and personally.”

**Diana Roberto**  
Co-chair, FLAN



## ERG 2021 EVENTS

### Recurring Events:

DAWN Mindful Mondays: Every Monday

FLAN Conversaciones en Español: Every Other Wednesday

### JANUARY

January 29: FWN Wellness Workshop and Networking Circle

### FEBRUARY

February 1 – 28: Celebrate Black History Month With FAAN

February 3: FAAN “School Daze” Zoom Social

February 5: FWN, FAAN and DAWN Celebrate “Go Red for Women”

February 9: Six ERGs Present Tools for Parents and Caregivers Series With Dr. Marcie – Mental Wellbeing: Finding Happiness and Coping With Anxiety

February 11: The Year of the Ox – FAPA Celebrates Lunar New Year

February 16: FAAN Talks

February 18: MilCom Presents – A Conversation With Dr. Shulkin

February 22: FAAN sponsored a discussion with Melody Hobson

February 26: FWN Presents – The Power of “Atomic Habits”

February 26: Courageous Conversations – Black Men Share Their Experiences

### MARCH

March 1 – 31: Celebrate Women’s History Month With FWN

March 2: FWN Annual Membership Meeting

March 4: FLAN Virtual Open House

March 8: FWN Invite: Gympass International Women’s Day Wellness Event

March 12: FLAN Cafecito Chats: “Girl Like Me: Cafecito With a Latina”

March 25: FAPA Networking Happy Hour

March 30: FWN-FAAN “Women in Solidarity” Panel Discussion

### APRIL

April 9: Introduction to Toastmasters: Pathways

April 13: The Asian American Experience

April 16: FLAN Cafecito Chats: “Girl Like Me: Cafecito With a Latina”

April 21: FWN Speed Networking

April 22: FAPA Networking Happy Hour

April 22: FAAN Annual Membership Meeting

April 22: 2021 Take Our Children to Work Day

April 26: FWN Tips and Tricks for SIE Exam Success

April 29: FAAN Zoom Social



## **MAY**

May 1 – 31: Celebrate Asian Pacific American Heritage Month With FAPA

May 4: MERGE General Membership Meeting

May 6: FPN Presents: Working Mother's Day Panel With FAPA and FLAN

May 11: Let Kids Be Kids – Rules for Technology and Socializations

May 17: Eid al-Fitr "Festival of Breaking the Fast" Celebration

May 28: FLAN Cafecito Chats: The Story of Dalia Botero – A Mover and Shaker in the Financial Industry

## **JUNE**

June 1 – 30: Celebrate "Virtual" Pride Month With FPA

Beginning June 1: FWN Summer Book Club

Beginning June 7: DAWN's Spring into Wellness Challenge

June 8: DAWN Presents: How Ya Doin' Series

June 8: Pride Presents Circling Back with Griot

June 10: Meet the Members – Milcom/Pride Social

June 11: FWN Lunch 'N Learn: Make Your Development Goals Work for You

June 14: FAAN/Pride Zoom Social

June 16: FWN Summer Series Networking With Guest Speaker Jessica Hopper

June 16: Pride Alliance Watch Party: Diversity Best Practices Seminar

June 17: Multigenerational Experiences Among Black Americans with FAAN/MERGE

June 17: Bridges/Pride Bring Your Faith Event on Intersectionality

June 24: FAAN Juneteenth Discussion

June 25: "What the +" – PFLAG Event

June 25: Lunch With a Leader – Jeff Kalinowski and Gregory Dean

June 30: Pride Month History With PFLAG

## **JULY**

July 2 – 5: MilCom, DAWN and FPN Present: Military Appreciation Event

July 8: FWN Lunch and Learn – ACAMS and ACFE

July 9: FWN Financial Literacy Building Financial Resilience – Lessons from Disruption

July 14: FWN Summer Series Networking with Guest Speaker Rainia Washington

Through July 18: DAWN's Spring into Wellness Challenge

July 19: FWN, FLAN, FAPA, and FAAN Speed Networking

July 21: DAWN Lunch and Learn Featuring Doc Golden

## **AUGUST**

August 5: Pride Lunch With a Leader – John Kalohn

August 11: FWN Summer Series Networking with Guest Speaker Kayte Toczylowski

August 16: DAWN's STEPtember Kickoff

August 24: BRIDGES Presents: More Alike than Different: A Conversation with Miles McPherson

August 25: FWN Presents: The 'M' Word

August 25: MERGE Generational Divides Snack-tastic Networking Luncheon

August 26: FAAN Ice Cream Social

## SEPTEMBER

September 1 – 30: STEPtember Challenge

September 9: FWN Coffee with a Leader

September 11 – October 31: FINRA's Volunteer Service Period and ERG Opportunities

September 14: Tools for Parents and Caregivers Series Featuring Dr. Marcie – ALL Behavior CAN Change – Learn How to Navigate Challenging Behavior

September 17: FAAN Virtual Open House

September 20: Financial Savings and Budgeting Panel Discussion

September 21: FLAN Cafecito Chats: "Cafecito with a Latina" – The Story of Dalia Botero: A Mover and Shaker in the Financial Industry

September 22: Practical Strategies to Help Your Child With Time Management and Organization Skills

September 24: FLAN's Virtual Cooking Class With Rudy Acosta from Rincón Criollo

## OCTOBER

October 6: Keynote Speaker – Shattering the Silence Around Pregnancy and Infant Loss

October 7: Pride Lunch With a Leader – Audria Lee

October 11: FPA/MERGE Intergenerational National Coming Out Day Panel Discussion

October 12 – 26 (Various Events): DAWN's Health and Wellness Symposium

October 13: FAAN/FWN Breast Cancer Awareness Panel Discussion

October 14: FLAN Inspired and Empowered – A Discussion With Jessica Hopper

October 15: FWN Breast Cancer Survivor Program Kickoff Event

October 18: FWN and Women in Technology Ada Lovelace Day Celebration

October 21: Four Self-Transformative Lessons to Learn From Diwali

October 22: FAAN - The Power of Emotional Intelligence With Dr. Precious Boyle

October 27: FWN Presents: Domestic Abuse Dynamics

Through October 31: FINRA's Volunteer Service Period and ERG Opportunities

## NOVEMBER

November 3: FAPA Diwali Celebration

November 8: FPA/MERGE Intergenerational National Coming Out Day Panel Discussion

November 9: Tools for Parents and Caregivers Featuring Dr. Marcie: Finding Your Rhythm With Work and Parenting – Tools to Succeed at Both

November 10: MilCom Veterans Day Event With TAPS

November 11 – January 31: MilCom and DAWN – 22 Pushup Challenge

November 11: FPA, MilCom, and FAPA Celebrate Transgender and Nonbinary Awareness Month

November 15: Caring for Kids With Allergies

November 19: 2021 FINRA Toastmasters Speech Competition

November 22: FWN Presents Tips on Applying to Internal Positions

November 23: MERGE Generational Divides Networking event

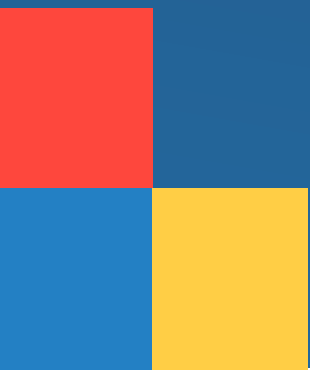
## DECEMBER

December 1: Fireside Chat Featuring Sarah Kimball

December 2: Cyber Safe Tea Workshop

December 6: FWN Discussion Panel: FINRA Benefits

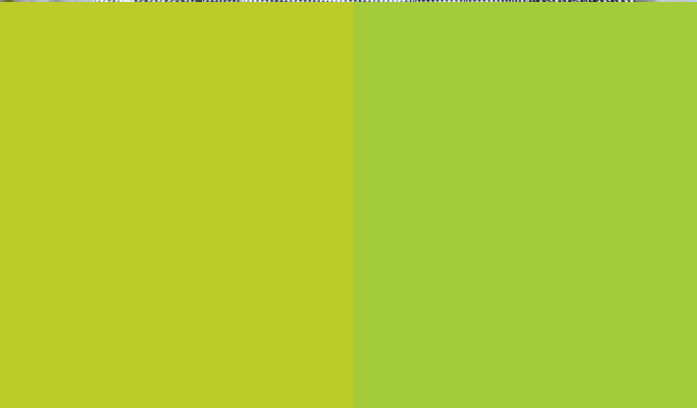
Through December 31: MilCom and DAWN – 22 Pushup Challenge



Investor protection. Market integrity.

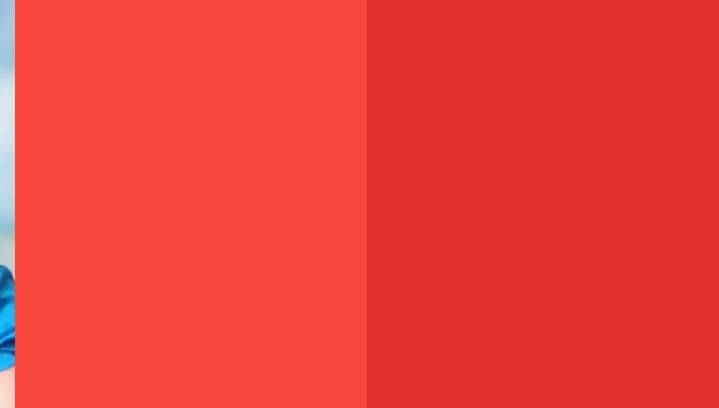
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# 2021 DIVERSITY, EQUITY & INCLUSION REPORT

ELEVATING OUR IMPACT



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Photos on Cover: Jason Thomas, New York, NY; Stephanie Rutter, Rockville, MD; Bobby Gomez, Rockville, MD; Michelle Liu, New York, NY





## LETTER FROM OUR CEO

We are pleased to share our 2021 Diversity, Equity and Inclusion Annual Report, which describes the steps FINRA is taking to promote greater DEI in our organization, our industry and our communities. Publishing this Annual Report—the second year we have done so—underscores our continuing commitment to being transparent about our DEI journey and promoting broader discussion and learning around DEI issues.

The report highlights the DEI efforts undertaken as part of our day-to-day work as well as through a range of special initiatives—such as our Annual Diversity Leadership Summit, our investor education programs that help underrepresented groups participate in the financial markets and our Racial Justice Task Force—among many other programs and activities.

Fostering a culture that promotes diversity, equity and inclusion requires support and engagement from across our organization. We are proud and grateful for the ongoing commitment of time and resources this work entails from our Board of Governors, senior leaders and employees throughout FINRA. We look forward to continuing to share our experiences, and to learning from others, as we seek to do our part to advance DEI in the financial services industry.

Robert Cook,  
Chairman and CEO

# LETTER FROM OUR CHIEF DIVERSITY OFFICER

Looking back on 2021, I am inspired by the commitment of FINRA leadership and staff to design and implement DEI-focused programs that support our goal to foster inclusion across the financial services industry. These efforts, highlighted in the following report, build on FINRA's 12-year history of formal diversity and inclusion programming, and allow us to positively influence full market participation through diversity, equity and inclusion strategies, and meet the evolving and emerging needs of our communities, industry and workforce.

Some of these programs have won us recognition and support from our stakeholders. While we are proud that we have received awards and recognition for our employee-focused programs—including earning a top score of 100 in the 2021 Human Rights Campaign Corporate Equality Index for the seventh year in a row and being recognized for the first time as a Leading Disability Employer by the National Organization on Disability—we fully recognize that there is always more work to be done.

This includes talking more broadly—and more importantly, intentionally thinking—about our work in this space as diversity, **equity** and inclusion. To that end, in 2021, we formally introduced “equity” into our organization's lexicon. We provided education and experiences

for our 3,600-plus employees that highlighted a required emphasis on building fair and just practices and policies that allow all stakeholders to thrive.

In addition, we again hosted bold, courageous conversations at our FINRA Annual Conference Diversity Luncheon and Diversity Leadership Summit events that focused on how discrimination, inequality and racism continue to impact our industry and the communities we serve. We hosted speakers from academia, government and a number of industries, providing opportunities for the more than 1,000 attendees from member firms to learn strategies to elevate their ability to influence inclusion in our industry.

Looking ahead, we know our task is to continue to thoughtfully leverage key learnings both from our experiences here at FINRA and from the positive efforts of our colleagues across the financial services industry to collaboratively elevate our inclusion impact.

With Gratitude and Optimism,

Audria Lee,  
Vice President Talent Acquisition and  
Chief Diversity Officer





## Elevating Our Voice: Advancing Racial Justice

In July 2020, following a spate of violent acts against members of Black communities and social justice protests in multiple cities across the country, FINRA formed the Racial Justice Task Force (RJTF) to provide an opportunity for FINRA to reflect on and take action toward achieving meaningful, sustained progress in the fight against racism and prejudice within our organization, industry and communities. FINRA's RJTF got to work quickly, developing an action plan that aligned with the goals set by our Board of Governors:

- » further enhance FINRA's longstanding initiatives to pursue our mission with a diverse and inclusive workforce that represents all of society;
- » expand our efforts to promote the financial capability of minority communities; and
- » work collaboratively to promote greater diversity and inclusion across the industry, with the goal of better engaging traditionally underinvested communities and representing the needs of all investors.

In the spirit of inclusivity, the RJTF solicited employee ideas—also known as “seeds for change”—that address FINRA's DEI programs for employees, increase opportunities for

meaningful engagement of people of color in all aspects of FINRA's governance and the financial services industry, and empower communities of color to fully participate in financial markets and enhance financial capability. We received more than 70 ideas from employees. Nearly two years into that process, we have made meaningful change in our workforce, industry and community programs, and we continue to assess new initiatives to help level the playing field for diverse and underserved members of our communities.

### LEADERSHIP

**Beacon Statement:** FINRA publicly affirmed that we take a strong stance against racism and discrimination via our “Beacon Statement” and public disclosure of steps we are taking to advance racial justice.

### CULTURE

**Juneteenth:** FINRA committed to observe and increase employee understanding of Juneteenth.

### INCLUSION

**Diversity Training:** Building on ongoing DEI education and programming, we continue to holistically review our education courses to ensure that employee and industry learning programs are relevant and include diverse names and characters who better represent our workforce and communities.



**Rainia Washington**

Executive Vice President & Chief  
Human Resources Officer



“The Racial Justice Task Force is not only an opportunity for FINRA to be “loud” about our commitment to advancing racial justice, but lets FINRA lead by example, with the goal of inspiring other organizations to follow suit with their own public expressions of support. The task force has executed on initiatives that drive measurable and sustainable impact and help bring us closer to the bigger changes we all want to see.”



## RECRUITMENT

### Enforcement Associates Honors Program:

In January 2021, FINRA launched and began marketing to diverse groups of students and clerks a program that provides third-year law students and attorneys concluding judicial clerkships the opportunity to join FINRA in a full-time capacity. Participants develop specialized knowledge of the financial industry and securities laws by working with various groups across FINRA's Enforcement team.

## REPRESENTATION

**Diversity Advisory Committee:** FINRA is establishing a formal Industry Diversity Advisory Committee responsible for providing guidance to FINRA and our broker-dealer members on enhancing DEI across the financial services industry.

### Diversity and Inclusion Request for Comment:

FINRA sought comments from industry members and stakeholders on any aspects of our rules, operations and administrative processes that may create unintended barriers to greater diversity and inclusion in the broker-dealer industry or that might have unintended disparate impacts on those within the industry. We are evaluating the comments and have already taken steps to reduce barriers to entry and facilitate competition in the corporate debt underwriting market.

## FINANCIAL INCLUSION

**Financial Inclusion Framework:** The FINRA Investor Education Foundation adopted a Financial Inclusion Framework, which aims to create new understanding and relationships that address systemic wealth disparities and lead to better outcomes for communities of color and underserved communities. The three core elements of the Framework are:

- » Communications: Convene thought leaders to foster credibility, cultivate potential partnerships and leverage collective impact;
- » Education: Enhance financial capability by investing in tools, platforms, and community-based initiatives; and
- » Research: Expand diversity and inclusion among financial capability researchers and the topics leading the research agenda.

### Dissertation Completion Fellowship:

The FINRA Foundation also developed and launched a Dissertation Completion Fellowship program that seeks to expand the pipeline of researchers from racial and ethnic backgrounds whose underrepresentation in the U.S. professoriate has been severe and longstanding. The program supports doctoral candidates pursuing dissertation research on topics related to financial capability; investor protection; expanding

access to financial services and the capital markets; and understanding the systemic barriers to financial inclusion underserved communities and communities of color experience.



**Gerri Walsh**  
President, FINRA Foundation



“A commitment to building financial capability—especially inclusive financial capability—really requires a commitment to racial, gender and socioeconomic justice.”

## Elevating Our Workplace: Expanding Representation

FINRA's diversity—meaning our backgrounds, education, cultures, thinking styles and unique perspectives—is a driving force behind our ability to effectively carry out our mission of investor protection and market integrity. We've taken important steps over the last year to leverage our successes in building an inclusive culture, including an initiative to regularly use more inclusive language in our training materials.

Increasing the diversity of our workforce through targeted recruiting and development opportunities remains a key goal of our DEI initiatives. We continue to broaden our approach for recruiting new talent and expanding our pool of applicants. In 2021, we introduced The Enforcement Honors Program, designed to hire recent law school graduates who share our passion for FINRA's mission of investor protection and market integrity. Honors Associates work closely with

FINRA attorneys and investigators to develop specialized knowledge of the financial industry and securities laws and gain substantive experience in investigating, litigating, writing and other legal skills.

FINRA's Employee Resource Groups (ERGs)—an integral part of our DEI program—also play a key role in our recruitment program. In 2021, several ERGs participated in recruiting outreach events at universities, including Historically Black Colleges and Universities (HBCUs), and professional organization conferences. FLAN—the FINRA Latino Affinity Network—developed the Seeing is Believing program to connect with and inspire youth in local communities. The program's goal is to give young people opportunities to interact with financial industry professionals who look like them and learn about their personal and professional experiences.

We are also focused on retention and providing opportunities for employees to grow and thrive, and we offer formal mentoring programs and a network of ERGs to help us achieve these goals. FINRA's ERGs also make a significant contribution to FINRA's efforts to promote an inclusive culture and increase employee engagement. Nearly half of our employees



"I first became focused on issues of racial and social justice when I began practicing law in Dallas, Texas. Over a period of time, the various associations I was involved with took steps to provide a seat at the table for underrepresented communities on various boards of directors. We also worked on offering practice support; mentoring, clerkship and employment opportunities; and pipeline development initiatives to support law school students, college students, and high school students from disadvantaged communities. It was in working through those efforts over the years that I saw how change was possible, and I also observed that it requires sustained efforts and determination."

**Tim Mountz**  
Member, RJTF



belong to one or more of our 10 ERGs. In 2021, our 10 ERGs collectively hosted more than 100 professional development events, including a Women’s History Month panel discussion with FINRA Board members, an event celebrating and commemorating Juneteenth, as well as a panel discussion on the professional and personal experiences of Asian professionals.

Diversity awareness training and education is a core part of our program. In 2021, as part of the expansion of our program to include equity, we offered a new Inclusion@FINRA education series that builds on previous DEI training. The two-part program focused on creating a shared understanding of DEI at FINRA and provided a practical framework for mitigating unconscious bias.



Diana Roberto, Boca Raton, FL

Engaging in candid discussions about relevant DEI topics—including racial justice—is another component of our strategy. We encourage members of our executive leadership team to host conversations with their staff and with all employees to create and foster understanding and inclusive practices within and across teams. In 2021, we continued these types of dialogues—called Courageous Conversations—including a company-wide discussion with Emmanuel Acho, author, 2021 Primetime Emmy Award winner and Fox Network sports analyst. Mr. Acho discussed how difficult conversations about systemic racism, allyship, racial stereotypes and white privilege are the key to mending the nation’s racial divide. Other dialogues in the series featured the stories of Black men at FINRA and the perspectives of Asian American and Pacific Islander members of our community.

FINRA recognizes that sustaining and growing a diverse and inclusive environment requires more work. We take pride in what we have accomplished and the recognition we have received for our work. In 2021, we were recognized by the National Organization on Disability as a Leading Disability Employer; received the Working Mother and Working Dad award from Seramount; and received a 100 percent rating from the Human Rights Campaign.



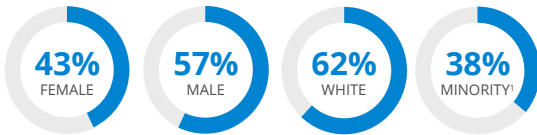
Russell Kemp  
Member, RJTF



“Historically, we’ve been taught that talking about race in the workplace is taboo. We need to move away from a place of looking at racial justice from a perspective of staying silent just to ‘keep the peace.’ I think we can still peacefully move toward better results and more equality if we take a firm stand against racial injustice, rather than remain silent. I encourage people to strengthen and/or deepen their relationships with people who don’t look like them or share their same experiences. Deeper relationships and friendships tend to reveal that, regardless of any cultural differences, all of us are ultimately the same and we generally want the same things for ourselves and our families.”

# Life at FINRA

We are focused on building a workforce that mirrors the diversity of our communities and supports our mission of investor protection and market integrity.

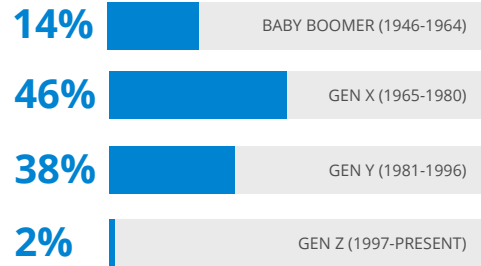


## DIVERSITY OF OUR OFFICERS AND NEW HIRES

|            |            |                                   |                                |
|------------|------------|-----------------------------------|--------------------------------|
| OFFICERS   |            | NEW HIRES                         |                                |
| <b>41%</b> | <b>14%</b> | <b>38%</b>                        | <b>48%</b>                     |
| FEMALE     | MINORITY   | FEMALE                            | MINORITY                       |
| BOARD      |            | WE REPRESENT                      |                                |
| <b>48%</b> | <b>29%</b> | <b>1.1%</b>                       | <b>11.1%</b>                   |
| FEMALE     | MINORITY   | PROTECTED VETERANS <sup>2,3</sup> | DIFFERENTLY ABLED <sup>3</sup> |

## GENERATIONS

Our employees represent four distinct generations.



## 2021 AWARDS



## OUR EMPLOYEES ARE ENGAGED

At FINRA, we believe it is our responsibility to be good corporate citizens by enriching the communities where we live and work.

- ▶ **Almost 50 percent** of employees are members of one or more ERGs—a **3 percent increase** over 2020
- ▶ **ERG events had a combined attendance of over 15,000 employees** in 2021
- ▶ **28 percent of employees** volunteered **9,603 hours** in their communities in 2021
- ▶ **Employees donated \$436,459 to 582 organizations** with ERG-led campaigns driving more than **\$40,000 to charities**

### ERGs

- FINRA African American Network (FAAN)
- FINRA Asian Professionals Association (FAPA)
- FINRA Disability and Wellness Network (DAWN)
- FINRA Interfaith Network (BRIDGES)
- FINRA Latino Affinity Network (FLAN)
- FINRA Military Community (MilCom)
- FINRA Multigenerational Employee Resource Group (MERGE)
- FINRA Parents Network (FPN)
- FINRA Pride Alliance (FPA)
- FINRA Women's Network (FWN)

1. Minority refers to the percentage of employees who selected a racial category other than "White (Not Hispanic or Latino)" in response to the EEO-1 Voluntary Self Identification Form to include American Indian or Alaska Native (Not Hispanic or Latino); Black or African American (Not Hispanic or Latino); Hispanic or Latino; Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino); Two or More Races (Not Hispanic or Latino). 2. Protected Veterans refers to the percentage of employees who have voluntarily indicated that they identify as a veteran as defined by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), as amended by the Jobs for Veterans Act of 2002. 3. Source: FINRA 2021 Employee Disability and Veteran Self-Identification Form.



# Community Involvement

## FAAN AND FLAN CONNECT WITH STUDENTS

Two FINRA ERGs—the FINRA African American Network (FAAN) and FINRA Latino Affinity Network (FLAN)—co-sponsored an initiative to facilitate volunteering opportunities with the SIFMA Foundation’s Invest It Forward™ program. The financial literacy and career exploratory program serves middle and high school students by connecting them with financial professionals.

## MILCOM CONNECTS WITH MILITARY MEMBERS

The FINRA Military Community (MilCom) established a partnership with the Tragedy Assistance Program for Survivors (TAPS) and A Million Thanks, which support U.S. military members and their families. In 2021, MilCom helped raise more than \$3,700 for TAPS, and FINRA employees wrote letters and cards to service members via A Million Thanks.

## SUPPORTING HEALTH AND WELLNESS INITIATIVES

FINRA Disability and Wellness Network (DAWN) collaborated with the National Alliance on Mental Illness (NAMI) and STEPTember, in support of the Cerebral Palsy Alliance Research Foundation (CPARF). DAWN helped raise more than \$15,000 and promoted healthy lifestyles to employees with the STEPTember challenge. FINRA steppers took more than 37 million steps during the challenge.



John Barron, Los Angeles, CA



Claire Fleischer  
Co-Chair, Milcom



“Being a MilCom co-chair has provided me with invaluable leadership and networking opportunities and is a way for me to make a direct contribution to FINRA’s efforts to create a diverse and inclusive organizational environment. My involvement with this and other ERGs has expanded my understanding of other cultures and communities, provided a unique window into the experiences of others, and truly enhanced my overall FINRA employee experience. I feel fortunate to be part of an organization that demonstrates such strong support for its ERG program.”

## Elevating Financial Education: Enhancing Financial Capability

Dismantling barriers that prevent underrepresented groups from participating fully in the financial markets and addressing systemic wealth disparities among investors is a priority for FINRA. We know that having a meaningful impact on these goals means FINRA must enhance financial capability through collaborative work with other regulators and external stakeholders.

Much of this work is carried out by the FINRA Foundation, a subsidiary of FINRA whose mission is to empower underserved Americans with the knowledge, skills and tools to make sound financial decisions throughout life. In striving to achieve our vision of a society characterized by universal financial capability and well-being, we believe that financial capability is defined not only by knowledge and skill, but also by opportunity and access.

We further believe that improving financial capability requires a strong commitment to racial, ethnic, gender and economic justice, as well as a willingness to collaborate and innovate—and that all people across the nation should have the ability to participate in the opportunities and benefits of the capital markets. That is why the Foundation has long supported and actively directs research and outreach initiatives that focus on building financial stability and establishing pathways to investing for women, people of color, younger investors, lower-wage workers, vulnerable adults and more.

At the core of our approach is the FINRA Foundation's Financial Inclusion Framework, designed to expand existing research and outreach efforts and to undertake new workstreams aimed at advancing financial capability among underserved groups and supporting racial equity in the communities. The Financial Inclusion Framework provides sustainable, long-term partnerships with national and community-

based organizations that demonstrate FINRA's commitment to being a responsible corporate citizen with targeted programmatic investments.

One of the early programs we developed as a component of our Financial Inclusion Framework was the October 2021 Access and Impact Conference: Gauging the Participation of Diverse Communities in the Capital Markets. Developed with our partners at NORC at the University of Chicago, the virtual conference brought together leaders in academia, industry and policy to explore original academic and industry research on financial inclusion in the capital markets.

In addition to the conference, in 2021, the FINRA Foundation published and supported focused research on DEI in the financial markets. Studies show the racial and ethnic divide among investors in the United States remains a problem. We believe it is important to provide substantive information to the public and highlight potential approaches to solving disparities and encouraging market participation.

### Focused Research on DEI in the Financial Markets

- ▶ Bridging the Divide: A Closer Look at Changes in the Racial and Ethnic Composition of Investor Households
- ▶ Financial Anxiety and Stress among U.S. Households: New Evidence from a National Survey and Focus Groups
- ▶ Bouncing Back? The Financial Resilience of Americans
- ▶ Investing 2020: New Accounts and the People Who Opened Them

## Elevating Our Industry: Increasing Representation

In 2021, we expanded our efforts to increase diverse representation and build a more inclusive environment in the financial services industry. A key component of our approach is assessing whether our own rules, operations and administrative processes create unintended barriers to greater diversity and inclusion in the broker-dealer industry or may have unintended disparate impacts on members of the industry. We solicited input from broker-dealers and FINRA stakeholders and received a range of comments that we continue to review. FINRA has also asked broker-dealers and members of the public to review a proposal to amend some rules governing corporate debt securities. We took this step to reduce barriers to entry and facilitate competition in the corporate debt underwriting market.

Initiatives such as our Maintaining Qualifications Program are also intended to make the industry more inclusive and accommodate individuals whose personal circumstances take them away from the industry for a time. The program allows previously registered persons to maintain their qualifications for up to five years after terminating their registration by participating

in annual continuing education. FINRA recognizes that reducing unnecessary impediments to requalification helps promote greater diversity and inclusion in the securities industry by attracting and retaining a broader and more diverse group of professionals.

We continue to share best practices from our robust DEI program. In 2021, FINRA reached over 1,000 external stakeholders through our Diversity Leadership Summit and DEI-focused programs at our Annual Conference. In addition, the Diversity Leadership Summit, which FINRA sponsors each year, provides a forum for diversity practitioners from firms, financial regulators and other organizations to share ideas and effective practices to promote diversity and inclusion in the workplace. The 2021 virtual summit offered discussions on the importance of embracing DEI even during times of crisis, and included a session with the Honorable Joyce Beatty (D-OH), Chair of the U.S. House of Representatives Subcommittee on Diversity and Inclusion. Representative Beatty discussed re-evaluating paradigms of employment, enhancing accountability and transparency, maximizing the impact of chief diversity officers and reiterated her pledge to continue working closely with our industry to advance DEI. Stratification economist

Dr. Darrick Hamilton, Henry Cohen Professor of Economics and Urban Policy at the New School for Social Research and policy architect of “Baby Bonds,” discussed approaches to address the U.S. racial wealth gap. In addition, FINRA’s Chairperson Eileen Murray joined FINRA President and CEO Robert Cook to discuss the challenges, progress and breakthroughs of DEI in the financial services industry.



Sylvia Joseph, Philadelphia, PA



## Building a Diverse Pipeline of Arbitrators

Since 2015, FINRA's Dispute Resolution program has embarked on an aggressive recruitment campaign to diversify the roster of arbitrators who hear cases in this forum. Each year, we survey the arbitrators and mediators who serve in the forum to understand where we are making progress and to identify future opportunity areas.

The following table shows the diversity of the new arbitrators added in 2021 as compared to 2020 and 2015.

|                           | 2021 | 2020 | 2015 |
|---------------------------|------|------|------|
| Female                    | 45%  | 40%  | 26%  |
| Black or African American | 23%  | 14%  | 4%   |
| Hispanic or Latino        | 7%   | 3%   | 17%  |
| Multiracial               | 6%   | 3%   | 7%   |
| LGBTQ                     | 5%   | 2%   | 3%   |
| Asian                     | 4%   | 2%   | 2%   |



Photos: Nicole Floyd, Atlanta, GA; Krishna Podury, Rockville, MD



# FINRA<sup>®</sup>

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20006-1506

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CCSD-119– 05/22

# Partnering for positive impact

## 2022 Purpose, Inclusion and Citizenship Report

At Edward Jones, our purpose is to partner for positive impact to improve the lives of our clients and colleagues, and together, better our communities and society. Our fourth annual Purpose, Inclusion and Citizenship Report, **Partnering for Positive Impact**, highlights some of the many ways we brought our purpose to life through our culture in 2021.

As we reflect on 100 years of history and look to the next 100 years, we continue to put our purpose in action, making a positive impact for clients, colleagues, communities and society. We do it by partnering with our clients, one another and with organizations that share our passion and our purpose. Together, we have an ability to impact and enable future generations.

The report is organized in three areas – Partnering for Lasting Financial Strength, Promoting Healthier Futures and Advancing Inclusive Growth – and highlights our goals, commitments and progress.

### Partnering for Lasting Financial Strength

We believe in the power of financial knowledge and a personal approach to build long-lasting financial strength. That's why we work to educate and support people in creating intergenerational wealth. This philosophy comes to life in many ways, including our Financial Fitness program, designed to address financial health among younger generations, and our Grassroots Task Force, which serves as our voice for the individual investor in our nation's capital.

### Promoting Healthier Futures

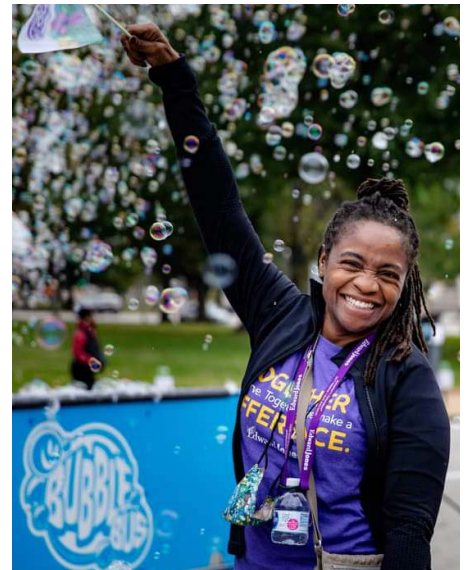
We believe pervasive health issues stand in the way of people building, maintaining and enjoying wealth in life. Whether it's through our support for the Alzheimer's Association®, offering sustainable investment products or helping our clients give to charities through the Edward Jones Charitable Gift Fund, we work to promote the financial and emotional well-being of those impacted by health issues, so each person can live an enriching life.

### Advancing Inclusive Growth

We believe every person deserves the opportunity to thrive – regardless of where they start. That's why we invest to lift all people and communities, including the underserved, by equipping more people to fully participate in the economy and build the future they want. For us, it starts with progress toward greater diverse representation among our associates and creating a place of belonging for all.

Our impact would not be possible without the time, treasure and talent our approximately 50,000 associates invest in their local communities. Time and time again, we demonstrate that when we bring together our collective resources, reach and resolve, we can create amazing opportunities for individuals, families and communities to thrive.

To learn more, download the full report at [edwardjones.com/positiveimpact](https://edwardjones.com/positiveimpact).



# Our purpose in action: 2021 at a glance\*

Edward Jones, a Fortune 500 company headquartered in St. Louis, provides financial services across the U.S. and, through our affiliate, in Canada. Every aspect of the firm's business caters to serving individual investors and business owners in a human-centered and complete way – helping them put their purpose into action and achieve financially what is most important to them and their families.

## Clients:

**73%**

of our client relationships are deeply served\*\*



**\$1.5 billion**

invested by clients in sustainable ETFs and mutual funds

**\$225 million**

invested by clients in the Edward Jones Charitable Gift Fund, and more than \$7 million has already been granted to charities



## Bringing our purpose to life:



## Colleagues:

**22% women and 9% people of color are financial advisors**

in the U.S. and Canada – increases for both over last year demonstrating progress toward achieving representation goals by the end of 2025

**\$328,000 in disaster relief assistance**

distributed to 76 associates and families from associate and retiree contributions

**\$10 billion**

value in savings in associate retirement accounts – supported by Edward Jones' profit-sharing contribution and retirement match



## Communities:

**7.2 million pounds of paper saved**

through electronic delivery of client statements, promoting a reduction of more than

**64 million pounds**

of CO<sub>2</sub>e



**>\$26 million**

contributed through corporate, Edward Jones Foundation and associate philanthropic support to 259 organizations

**~175,000 participants**

reached in person and online through Financial Fitness educational programs – including more than 25,000 high school students

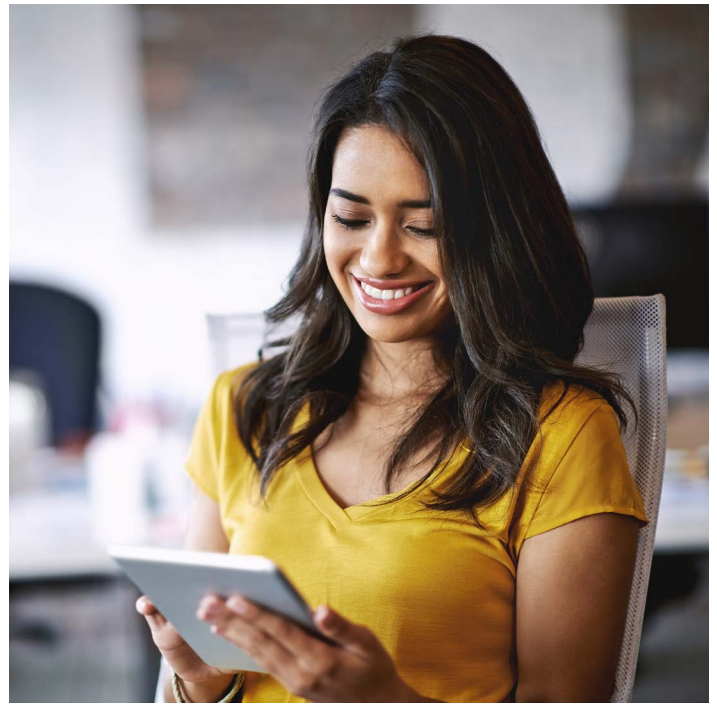
**>\$30 million**

raised through corporate and associate giving since 2016 to support the Alzheimer's Association and the fight to end Alzheimer's disease

**>200,000 Canadian dollars**

committed to The Terry Fox Foundation through corporate and associate giving as part of the inaugural Edward Jones Canada national purpose alliance

\*All data is as of December 31, 2021. \*\*"Deeply served" is a measure of the depth of client relationships that includes documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services.



# Partnering for positive impact

2022 Edward Jones Purpose, Inclusion and Citizenship Report

Edward Jones





## About this report

Edward Jones, a Fortune 500 company headquartered in St. Louis, provides financial services across the U.S. and, through our affiliate, in Canada. Every aspect of the firm's business caters to serving individual investors and business owners in a human-centered and complete way – helping them put their purpose into action and achieve financially what is most important to them and their families. As of December 31, 2021, the firm's 18,823 financial advisors, along with their branch teams, serve more than 7 million clients with more than \$1.8 trillion in assets under care. Visit [edwardjones.com](https://edwardjones.com) or the recruiting website at [careers.edwardjones.com](https://careers.edwardjones.com) for more information. Member SIPC.

This Purpose, Inclusion and Citizenship Report highlights some of the many ways Edward Jones brought our purpose to life through our culture throughout 2021 and our plans for 2022. In its fourth installment, the report reflects the achievements of our approximately 50,000 associates throughout North America as we collectively pursue our purpose: To partner for positive impact to improve the lives of our clients and colleagues, and together, better our communities and society. Our purpose and the initiatives brought forth in this report are critical to the success of our branch teams and to ensuring that our firm is sustainable for the next 100 years.

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for greater impact in the future**

# A letter from Penny Pennington



Welcome to our 2022 Purpose, Inclusion and Citizenship Report: Partnering for Positive Impact. As we celebrate 100 years of history and look to the next 100 years, Edward Jones continues to put our purpose in action, making a positive impact for our clients, colleagues, communities and society. We do it by

partnering with our clients, one another and with organizations that share our passion and our purpose. Together, we have an ability to impact and enable future generations.

Our purpose – to partner for positive impact to improve the lives of our clients and colleagues, and together, better our communities and society – is brought to life in this report in three areas of impact. All of this is being achieved through new ways of working and demonstrated through our five culture mindsets: Leadership, Place of Belonging, Continuous Learning, Effective Decision-Making and Growing Our Impact.

**Partnering for Lasting Financial Strength** reflects our belief in the power of financial knowledge and a personal approach to building long-lasting financial strength. Our nearly 19,000 financial advisors serve more than 7 million clients in approximately 3,000 communities across North America every day. We strive to provide access to financial knowledge for clients and help people connect to their own purpose and achieve things in their lives they might not have known were possible. To date, through our Financial Fitness resources, we've helped reshape the relationship with finances for more than 365,000 people, in person and online, with a goal of reaching 1 million adults and youth by the end of 2025.

We are dedicated to **Promoting Healthier Futures** because we know pervasive health issues stand in the way of people building, maintaining and enjoying financial well-being. In 2021, we continued our long-standing alliance with the Alzheimer's Association®. Together, we enhance programming, provide

educational materials, fund critical research and impact early detection of the disease. Internally, supporting healthier futures for everyone also means ensuring eligible associates and their family members have access to insurance and comprehensive health care, including preventive care and mental health services. And for our clients, it means providing opportunities to make a positive impact on our collective future through sustainable investment options such as donor-advised funds.

**Advancing Inclusive Growth** demonstrates our belief that every person deserves the opportunity to thrive, regardless of where they start in life. That's why we focus on diversity, equity and inclusion – and make intentional investments to lift our communities. We continue to make progress advancing our commitment to expand diversity, equity and inclusion at all levels of our organization. We remain steadfast in fostering a place of belonging for everyone and deepening accountability through our diverse representation goals. Our efforts to foster economic inclusion extend into our communities. We actively collaborate with organizations to make meaningful progress, enabling the St. Louis region, where we were founded 100 years ago, and other communities where we are located to thrive inclusively.

As a firm, we are in an exciting period of transformation, which has no doubt been accelerated in many respects by the pandemic. However, we remain fully dedicated to actualizing our purpose through a multi-stakeholder lens, and we are committed to reporting our goals and our progress with transparency and rigor. Those principles guide us as we make continued investments of our time, talent and treasure in dozens of nonprofit organizations and public institutions that share our ambition and understand our responsibility.

As we reflect on 100 years of positive impact in the communities we serve, we also look ahead, applying what we've learned to continue growing our impact. We believe in the growth of possibility for more lives, across all generations and walks of life.

Together, we will make a difference.

**Penny Pennington,**  
Managing Partner, Edward Jones

# Our purpose in action: 2021 at a glance\*

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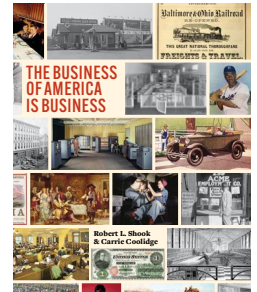
# 100 years of positive impact

Edward Jones turned 100 on January 28, 2022, marking a century of serving clients and communities, continuously growing and evolving to become the successful firm we are today.

To honor those who have made this milestone possible - our clients, colleagues, communities and business partners - we have planned a yearlong commemoration that brings our purpose to life, celebrates our past and looks forward to the growth of our impact, all the while continuing to reinforce and strengthen our culture. This includes sharing our story, from our humble beginnings to who we have become today: a firm making a meaningful difference in the lives of our more than 7 million clients and approximately 50,000 associates in communities across North America.

The following is an excerpt from the book *The Business of America is Business*, featuring Edward Jones, by Robert L. Shook and Carrie Coolidge, Phaidon Press.

Although the company is now entering its second century, and its founder, Edward Jones Sr., and his son Ted might be bewildered by the advances in technology at the firm, there are many things that would be familiar to them. The Joneses would recognize the firm’s ambition of maintaining a sense of empathy, value delivery, and service to its clients, as these goals have remained intact at the firm since its earliest days.



“We see ourselves as part of the fabric of every community where we serve and in every community where our headquarters locations are,” Penny Pennington says. “We partner with other stakeholders who share our purposeful intention to make a difference in people’s lives. We don’t want to do it alone, and we can’t do it alone. We know that by pulling together the fabric of our communities, of our families, of society, and partnering within our domains of expertise, we can come up with integrated solutions that make a difference for individual families that provide equity in terms of access to information, financial literacy, and all the ways that families can recognize the possibilities in their own lives. We as businesses, as regulators, as community organizations can partner to improve their lives.”

# Spirit of Caring award: Handcrafting a culture of purpose

Since 2010, the annual Ted Jones Spirit of Caring Award has gone to one financial advisor and one branch office administrator in every one of the firm's regions who best exemplify Edward Jones' values, culture and spirit of giving back. This award extends beyond typical performance standards and honors those who have reached the highest level of giving back to other financial advisors, branch teams, their region and the firm.

The story of each recipient is as unique as the physical award itself: each one is handcrafted from wood harvested directly from the farm of Ted and Pat Jones.

The awards are made by a small group of Edward Jones associates who volunteer their time and woodworking expertise. Led by 30-year Edward Jones veteran Jim Jansen, it takes approximately 40 minutes to create each award, and hundreds are made each year. Here's the process in Jim's words:

"The first year, I built all the awards myself. But now there is a team of us who work together to cut up the trees and make the awards.

"Whenever a tree falls or dies, the farm caretaker lets me know. The pine trees on the land are now between 50 and 60 years old. After the trees are milled into boards, we store the lumber for about two years while it dries. Every year we select dried boards to run through a planer to thin and smooth the wood, hand draw the template, drill press and route each piece. In total, it takes about seven steps done in batches."



The story of each recipient is as unique as the physical award itself: each one is handcrafted from wood harvested directly from the farm of Ted and Pat Jones.





# Partnering for lasting financial strength

We believe in the power of financial knowledge and a personal approach to build long-lasting financial strength. That's why we create deep relationships and provide tailored resources to educate and support people in creating intergenerational wealth for themselves and those around them.



## Building greater financial resilience

In 2020, Edward Jones launched our Financial Fitness educational curriculum in conjunction with EVERFI. With a goal of building financial knowledge and confidence, we aim to address financial health by reshaping conversations around money in younger generations. We have a goal of impacting 1 million adults and youth by the end of 2025. In 2021, we reached more than 25,000 students at 575 high schools, 52% of which are high-need schools. More than 149,000 individuals participated through online learning at [edwardjones.com/financialfitness](https://edwardjones.com/financialfitness).

We also expanded the curriculum in collaboration with St. Louis Community College and their various academic program affinity groups, including the Black Male Achiever Academy, Phi Theta Kappa Honor Society and TRIO, a federal outreach and student services program targeted to serve and assist low-income individuals, first-generation college students and individuals with disabilities to progress through the academic pipeline. Ten Edward Jones financial advisors taught more than 12 in-person and virtual classes. Classes focused on helping participants understand financial basics such as saving, spending and borrowing, and the principle that, with guidance, they can create opportunities to financially empower themselves and their families.

In addition, we help more than 7 million clients and estimate that 40% of our clients are confident in their financial futures versus 19% of investors, according to a survey of 600 clients and 600 investors conducted by Edward Jones Client & Investor Research (October 2021). We continue to look for ways to measure our efforts, including a four-year longitudinal study exploring the impact of the Financial Fitness curriculum. The study is set to kick off in 2022 and seeks to better understand the financial needs of students and how they are applying their new financial knowledge as they move from school into the workforce.

“Financial Literacy is so important, and the sooner an individual can gain financial knowledge, the better their relationship will be with money.”

**Rhonda R.**, St. Louis Community College Staff Member

### 2021 Financial Fitness by the numbers:

(Data as of December 31, 2021)

#### High school:

**>25,000**

high school students engaged

**575**

high schools engaged –  
52% high-need schools

**>23,000**

hours of financial education provided by associates about being financially knowledgeable, confident and resilient

#### Online:

**>149,000**

online visitors

**12 minutes,  
29 seconds**

average time on site

**27%**

of site visitors opened other pages on the Edward Jones website

#### College:

**>12**

classes taught by Edward Jones financial advisors

**>100**

college students and staff reached

**11.5%**

average knowledge gain, measured by pre- and post-curriculum surveys

## Advocating for a secure retirement

The Grassroots Task Force is our voice for the individual investor in our nation's capital. It is also the securities industry's only volunteer advocacy organization that travels to Washington, D.C., to speak out on issues of importance to the individual investor. The Grassroots Task Force is comprised of financial advisor and branch office administrator chairs in all 50 states who foster relationships with and educate elected officials to ensure they understand how legislative and regulatory proposals could impact individual investors. The Grassroots Task Force is currently advocating for bipartisan retirement savings legislation to help millions more Americans save for a secure and dignified retirement.



Financial Advisor Scott Barr, chair of our Grassroots Task Force, testifies on Capitol Hill from his Zanesville, Ohio, branch office.

### Creating a path to more affordable access to education

Despite increasing student debt and rising college tuition, only one-third of people in the U.S. recognize a 529 plan as an education savings tool, according to a 2021 study conducted by Edward Jones. In the same survey, only one-fifth of parents nationwide reported they have saved or are planning to save for theirs or their children's education using a 529 plan, even though saving for education remains a top three financial priority for many.

At Edward Jones, our financial advisors discuss evolving financial priorities with clients, including, for example, saving for education through various investment vehicles, such as a 529 plan.

Edward Jones offers

**21 plans for 529s**

**>800,000 accounts**  
participate in 529 plans

**\$17.5 billion**  
in assets under care in 529 plans,  
**#2 in the industry**  
based on assets under care  
(as of December 31, 2021)

Tax issues for 529 plans can be complex. Please consult your tax advisor about your situation. Edward Jones, its financial advisors and associates cannot provide tax or legal advice.



## Culture mindset: Growing our impact

### Caring for our clients to and through the new retirement

In 2019, Edward Jones collaborated with Age Wave on a study titled “The Four Pillars of the New Retirement.” Following this study, we created a new, comprehensive framework to help people live well to and through retirement by considering the challenges and opportunities with four interconnected pillars: health, family, purpose and finances. Recognizing these extraordinary times, we introduced a new study in 2021 to track how the pandemic disrupted lives, how Americans are faring across all four pillars and what’s next in the “new retirement.” The study findings underscore the importance of having financial advice and guidance to help plan and prepare for retirement.



Our financial advisors work with clients to understand what is most important to them, creating unique plans for success based on needs and circumstances.

Among U.S. households ages 45-54,

**42%**

do not have any retirement savings, and the median retirement balance is \$100,000\*

At the end of 2020,

**22 million people**

in the U.S. had stopped making monthly retirement contributions; but by March 2021, that number dropped to 14 million\*\*

In March 2021,

**69 million people**

in the U.S. indicated the pandemic altered their anticipated retirement, with 32% indicating they plan to retire later, while 11% plan to retire earlier\*\*

\*The Federal Reserve, Survey of Consumer Finances, 2019.

\*\*Source: Edward Jones/Age Wave, The Four Pillars of the New Retirement, 2020 (Base: Ages 50+).

Study methodology: This nationally representative survey was conducted online within the United States by The Harris Poll on behalf of Edward Jones and Age Wave from August 12-16, 2021, among 2,020 U.S. adults ages 18+. Results were weighted where necessary to bring them into line with their actual proportions in the population. The March survey was fielded from March 22-24, 2021; the December survey was fielded from December 1-3, 2020; and the May survey was fielded from May 21-June 4, 2020.



## A spirit of caring

### Ashby Dawson, Amarillo, Texas

The spirit of caring at Edward Jones is one that is passed down from generation to generation. Financial Advisor Ashby Dawson of Amarillo, Texas, saw it firsthand through her dad, who was a financial advisor. Now, she carries a spirit of caring every day through the connections she forges and maintains with her clients and her colleagues and in her community.

When Ashby began her career as a financial advisor in 2007, she had the added challenge of building trust with clients amid a recession. She learned quickly trust was developed by listening to and understanding the emotional concerns and fears that people had during that turbulent time. Ashby carried those skills with her as she grew her business. She is a firm believer that connecting with people is not just a foundational part of her business, but is also essential to strengthening the community she's grown up in and still calls home.

Ashby describes what the Spirit of Caring at Edward Jones means to her: "Whenever I nominate someone for the Spirit of Caring award, I think of someone who has treated me most like a member of their family. Someone who mentors people and understands the power of empathy in connecting with others."

Ashby grew up in a home surrounded by family. She learned early on how much connection matters and the value of being able to share meaningful life moments – good and bad – with those around you. She embraces that mentality in her personal and professional life, using her free time to make meaningful connections.

"It's not about money for me, but just to be a guiding voice or soundboard for someone."



**Branch location:** Amarillo, Texas

**FA can serve date:** December 31, 2007

**Branch team:** Senior BOAs Brenda Malamen and Megan Wissler; On-call BOAs Becky Perkins and Alexander Waters

**Number of households served by branch:** >300

**Percent of clients deeply served\*:** 81%

\*"Deeply served" is a measure of the depth of client relationships that includes documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services.

"Whenever I nominate someone for the Spirit of Caring award, I think of someone who has treated me most like a member of their family. Someone who mentors people and understands the power of empathy in connecting with others."

**Ashby Dawson**, Financial Advisor

# Promoting healthier futures

We believe pervasive health issues stand in the way of people building, maintaining and enjoying wealth in life. That's why we work to promote the financial and emotional well-being of those impacted by health issues, so each person can live an enriching life.





## A culture of caring for each other

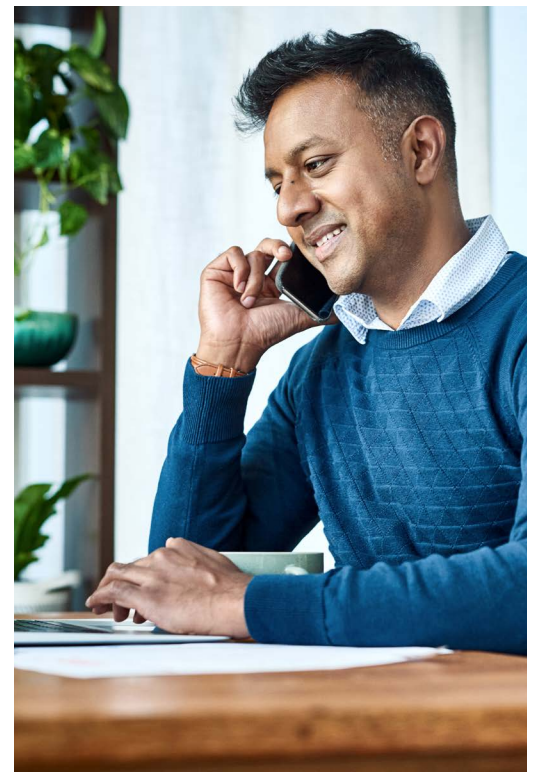
Making a positive impact in the lives of our clients, colleagues and communities starts with the care and support we provide our associates to address their own physical, emotional, financial and social well-being. Utilizing a global well-being solutions provider, Edward Jones gives all associates and their spouses/partners access to resources to help improve their quality of life. Once enrolled in the program, associates who also participate in the firm's health plan can earn medical plan premium discounts and incentives – across all populations of ability and wellness – based on daily activities and program participation. In addition, participants have access to health coaches, who create personalized plans to help participants achieve their goals.

### Edward Jones is committed to offering comprehensive benefits and flexible work to meet the needs of our associates:

- Waived deductibles for testing and treatment of COVID-19 for those enrolled in Edward Jones' health plan
- New programs in support of the emotional well-being of all our associates, including:
  - Connections to online tutors, live online classes and test preparation services by engaging with a vendor to connect K-12 students to the right resource
  - 24/7/365 access to a live Employee Assistance Program (EAP) resource
  - Virtual access to counselors and other mental health providers
- Expanded number of free mental health visits for all associates
- A range of physical activity programs all associates can incorporate into their workday
- Continued flexibility for all associates and work-from-home options for home office associates during the pandemic with increased investments in collaborative technology
- Profit sharing for all eligible associates and a retirement matching program for eligible home office associates and branch office administrators

In 2021, we reached **\$10 billion** value in savings in associate retirement accounts, supported by Edward Jones' profit-sharing contribution and retirement match, providing more financial opportunity for Edward Jones associates.

The firm makes a significant investment in subsidizing health and wellness benefits for associates, including the annual Health Savings Account (HSA) match for participating BOAs, home office associates and transitional financial advisors. For eligible associates, the firm matches HSA contributions annually dollar for dollar up to \$500 for associates or \$1,000 for associates and family enrolled in Edward Jones' health plan. These associates have saved more than **\$240 million** in their health savings accounts with the help of the firm match.





## Ending Alzheimer's, together

Since 2016, Edward Jones has proudly served as a National Presenting Sponsor for the Alzheimer's Association Walk to End Alzheimer's®, which takes place in more than 600 communities each year. Since then, more than 85,000 participants have walked under the Edward Jones banner. The firm and its associates have raised more than \$30 million for the fight to end Alzheimer's disease.

In addition to returning to in-person Walks in 2021, we completed the second year of our renewed, five-year strategic alliance. Our continued support will enhance the Alzheimer's Association's care and support programs, provide educational materials, fund critical Alzheimer's research and impact early detection.

According to a recent Edward Jones and Age Wave survey, Alzheimer's disease is the most feared health condition of later life by U.S. retirees - more than cancer, heart attack, COVID and stroke. We prioritized Alzheimer's as our first national community sponsorship for a multitude of reasons and pledged to raise \$50 million with an estimated 150,000 walk participants for the Alzheimer's Association by the end of 2025.





# Why we walk: Nicole MacLean

Senior BOA Nicole MacLean, from Havertown, Pa., understands firsthand the importance of our relationship with the Alzheimer’s Association. Our efforts play a critical role in supporting research and resources to fight the disease that has impacted her own family and affects an estimated 300,000 Edward Jones clients in the U.S.

“My mom was diagnosed with younger-onset Alzheimer’s disease when she was in her early 60s. When I would visit my folks, Mom seemed normal to me – just a little forgetful. As the years went by, her forgetfulness got worse. In 2013, while he was fighting cancer, my dad started calling me in tears. My mom was being ‘mean’ or was in a ‘foul’ mood. I would talk him down by reminding him that it was the disease and not her. I lost my dad in March 2016.

“I was not prepared. My mom was not my mom. I was her mom. I had to remind her to take a bath, brush her teeth, change her clothes, eat her food, use her walker and so on. I worked 40 hours a week, and while I was at work, she was at a senior care facility that had a very structured daily routine, which she required. When I’d pick her up after work, I’d start my other job of caring for her.

“This disease is awful. It robs not only the one who has the disease of their memories and life, but it robs the family as well. This was so much harder than I ever thought it could be. Not a day goes by that I don’t think about her and wish that I had one more day with her.

“Now it’s my turn. I was diagnosed with younger-onset Alzheimer’s in August 2021. Knowing early has opened some doors for me and allowed me to plan in ways many are unable to. I have a 10-year plan, both medical and financial, and caregivers are already in place. I have been seeking out clinical trials and treatments that are available for those in my stage of the disease progression. I share my struggles with those close to me so they understand what is happening to me.”

“I participate in Walk to End Alzheimer’s for my mom. I walk to help build awareness. I walk to help raise funds so that one day this disease can be eliminated. I walk so one day no other family will ever have to watch their loved one slowly disappear into a world we can’t understand. That’s why I work to help fight Alzheimer’s.”

**Nicole MacLean,**  
Senior BOA



# A marathon of hope: The Terry Fox Foundation

Giving back to the communities where we live is an important part of our culture. In early 2021, we enthusiastically announced our support of The Terry Fox Foundation in Canada. Our contribution of more than 200,000 Canadian dollars, raised through both corporate and associate giving, will support the organization’s mission to find a cure for cancer by funding outstanding research.

Terry Fox was 18 when he was diagnosed with osteosarcoma (a form of bone cancer) and forced to have his right leg amputated in 1977. On April 12, 1980, Terry dipped his artificial leg in the Atlantic Ocean and began his Marathon of Hope, a cross-country run with the ambitious goal of raising \$1 from every Canadian (\$24 million). After 143 days and 3,339 miles, Terry stopped running outside of Thunder Bay, Ontario. His cancer had spread to his lungs, and he tragically passed away nine months later. Today his legacy lives on, and The Terry Fox Foundation has raised over \$850 million and funded 1,300 innovative cancer research projects, bringing hope and health to millions. The foundation funds all types of cancer research projects, with a focus on the most difficult and incurable cancers.



## Carrying Terry’s torch

Five years ago, Financial Advisor Keith Haigh’s practice in Victoria, British Columbia, was struck by cancer. Keith’s wife, Jane, was diagnosed with malignant breast cancer, and his BOA Dana Bryant’s husband, Scott, was diagnosed with pancreatic cancer. “In the space of a month, we went from being everything normal, business is great, into complete panic mode,” Keith said. In 2021, Jane received the five-year “all clear.” However, despite receiving top-notch care, Scott died of stage 4 cancer.

The contrasting experiences of Jane and Scott showed Keith that while so much progress has been made in fighting this terrible illness, we still have so much further to go. When Edward Jones announced the firm would be supporting The Terry Fox Foundation, Keith quickly volunteered to be a regional champion. Jane and Scott’s stories have become a rallying point for their whole region as they fundraise to help cure cancer.

“When you’ve been on the receiving end of any of these things, there’s both an obligation and a desire to do the right thing because it’s going to happen to many other people, it’s going to happen to people in our region: clients, colleagues, friends. It’s not going away any time soon. The marathon goes on. For all of us at Edward Jones who have decided to help, we’re carrying Terry’s torch, we’re continuing the Marathon of Hope.”

**Keith Haigh**, Financial Advisor



# Creating a more sustainable future

Through the firm's history of conservation, including our commitment to the Katy Trail, and innovations such as sustainable investing, donor-advised funds, reducing paper consumption through e-delivery and improving air quality by planting trees, Edward Jones is creating a more sustainable future for all.

## Sustainable investing

Many studies show individual investors are increasingly interested in investing with purpose and making a positive impact with their money. In fact, 33% of total assets under professional management in the U.S. - that's one out of every three dollars - is already being invested using some type of sustainable strategy, according to a 2020 report from U.S. SIF: The Forum for Sustainable and Responsible Investment. We are seeing this firsthand - our assets under care related to sustainable investments increased 53% year-over-year.

At Edward Jones, we believe sustainable investments can help our clients achieve their financial goals as part of a diversified portfolio. There is growing recognition environmental, social, governance (ESG) risks may impact long-term corporate performance, and we have taken steps to incorporate sustainable considerations into our research teams' investment processes.

As investor preferences change, demand for sustainable mutual funds and exchange-traded funds (ETFs) may change. We continue to enhance our sustainable investment research and advice, and collaborate with many of our product partners to offer a wide array of sustainable investment solutions to our clients and investors.



**36 new**

sustainable mutual funds and ETFs offered in 2021 to our clients and investors



**117**

sustainable mutual funds and ETFs offered at the end of 2021



**\$1.5 billion**

invested by clients in sustainable mutual funds and ETFs in 2021 (as of December 31, 2021)



The firm's sustainable investment offerings represent a mix of active and passive investing strategies across asset classes, available in mutual funds and ETFs. These include sustainable and values-based products. Some but not all of the assets are linked to products that invest according to the United Nations Sustainable Development Goals (SDGs).

Mutual fund and exchange-traded fund investing involves risk. Your principal and investment return will fluctuate in value. Your investment, when redeemed, may be worth more or less than the original cost. Mutual funds and exchange-traded funds are sold by prospectus. The prospectus contains more complete information, including investment objectives, risks, and charges and expenses as well as other important information that should be carefully considered. Your financial advisor can provide a prospectus, which should be read carefully before investing.

## Reducing paper consumption

Edward Jones has an expansive home office and branch real estate portfolio. In our home offices alone, 2.2 million square feet is designed for associate office, training and data center use. As a consumer of natural resources and a responsible citizen, we are evaluating long-term investments to operate in more environmentally sustainable ways. Our desire to lead with purpose extends to improving the quality of life for our associates and neighbors and minimizing our overall environmental impact for the sake of future generations.

We're continuing our commitment to sustainability through advancements in our digital strategy to reduce paper consumption. We've seen an increase in clients choosing electronic delivery of documents from 37% in 2019 to 57% at the end of 2021. Not only is this a better client and branch experience, every 1% increase represents \$1 million of annual recurring expense savings for the firm, allowing us an additional opportunity to invest in our communities and causes important to our clients and colleagues.

In 2021, Edward Jones saved a total of 7.2 million pounds of paper through electronic delivery, promoting a reduction of more than 64 million pounds of CO<sub>2</sub>e. Thanks to these efforts, our paper reduction saved the equivalent of more than 85,800 trees – that's nearly five times the total number of trees in Central Park. Edward Jones' paper reduction efforts have provided an estimated \$76 million in total savings in 2021.

## 7.2 million

pounds of paper saved through electronic delivery of client statements, promoting a reduction of more than 64 million pounds of CO<sub>2</sub>e in 2021\*

## Improving air quality by planting trees

Trees are the most scalable and affordable natural solution to neutralize the ever-increasing negative side effects of climate change. Trees remove pollution and carbon dioxide from our atmosphere, purify our water supply, benefit wildlife, cool cities, increase property values and improve overall health and well-being. In 2022, we plan for our support for good causes to include a collaboration with the Arbor Day Foundation.

As a firm, in 2022, we plan to engage our clients and colleagues to plant trees in rural and metro areas including: Atlanta, Charlotte, Cleveland, Dallas-Fort Worth, Denver, Kansas City, Los Angeles, Raleigh-Durham, San Diego, Tempe/Phoenix and St. Louis. Through this collaboration with the Arbor Day Foundation, we pledge to plant or sponsor the planting of 10,000 trees during our centennial year – deepening relationships as we preserve and protect the environment. We plan to monitor the environmental impact of the trees over 40 years, including CO<sub>2</sub> captured, air quality savings and stormwater runoff reduction.



## Investing in communities with donor-advised funds

The Edward Jones Charitable Gift Fund is helping our clients leave a legacy through a donor-advised fund (DAF). A DAF is a charitable giving tool that allows our clients and investors to make an irrevocable contribution to the fund and receive an immediate tax deduction. Over time, clients can request distributions be made to IRS-approved public charities and maximize their charitable impact, investing their contributions and growing their charitable gifts over time, tax free.

Financial Advisor Nanette Fahrenbruch from Lakewood, Colo., says: "Over the years, I'd have many conversations with my clients about how important charitable giving is to them. And that is true for clients of all income levels, net worth and personal needs. Now I am finding that conversations with clients and their tax professionals have become even more frequent and strategic around charitable giving. A solution like a donor-advised fund helps our clients give in a more efficient and effective way to causes that matter most to them."

**As of December 31, 2021, Edward Jones clients invested \$225 million in the Edward Jones Charitable Gift Fund in 2021, and more than \$7 million has already been granted to charities, enabling them to make an impact in their communities aligned to their own purpose.**

## A spirit of caring

### Cynthia Wemyss, Los Altos, Calif.

When Cynthia Wemyss joined Edward Jones in 1999 following a career change, she quickly recognized a firm that cared deeply about helping people in her community. She saw a spirit of caring at Edward Jones long before the award even existed.

"When I joined Edward Jones, there were so many people that took time to help me succeed. For a while, I thought it was too good to be true. But it has just continued. I'm so grateful to be part of this partnership. For everyone that gave back to me, I want to pay that forward."

Coming from a previous career in Middle East petrochemical sales, she was also all-too-familiar with male-dominated industries. In the last 23 years, Cynthia has been a driver of change at Edward Jones, helping to elevate more women into positions of leadership, creating a more inclusive place to work. As an Area Women Inclusion Leader, she works to increase awareness and to help drive recruitment and leadership to better represent women.

"First, I am a financial advisor, and I happen to be female. As a female, I believe we just want the same resources and responsibilities as anyone else." Cynthia continued, "We have to be sure that everyone is being included. We don't have to make it complicated."

Cynthia summed up her Spirit of Caring experience: "This award is not based on numbers; it comes from the heart of my colleagues. To me, that means everything. In my opinion, the heart of Edward Jones is our culture of caring for our clients, colleagues and the communities we serve. If every associate is selected to receive this award during their career at Edward Jones, we can all be confident the heart of the firm will continue to beat and thrive for another 100 years and beyond.

"The great thing about being a part of Edward Jones is you have so many great teammates. You never have to go it alone."



**Branch location:** Los Altos, Calif.

**FA can serve date:** May 17, 1999

**Branch team:** Senior BOAs Keith McGinnis and Nicole Huber; On-call BOAs Nicole Wemyss and Alyssa Wemyss

**Number of households served by branch:** >350

**Percent of clients deeply served\*:** 85%

\*"Deeply served" is a measure of the depth of client relationships that includes documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services.

"This award is not based on numbers; it comes from the heart of my colleagues. To me, that means everything."

**Cynthia Wemyss**, Financial Advisor



# Advancing inclusive growth

We believe every person deserves the opportunity to thrive - regardless of where they start. That's why we invest to lift all people and communities, including the underserved, by equipping more people to fully participate in the economy and build the future they want.



# A place of belonging results from recognizing the worth and value in each of us

At Edward Jones, we know progress depends on our collective hard work and everyday actions to work together toward true equity. Our commitments to diversity, equity and inclusion, including a five-point commitment in the U.S. and a four-point commitment in Canada, diverse representation goals and our everyday ways of working are all part of the important efforts to build a truly equitable culture at Edward Jones.



## Advancing equitable hiring, training, promotional practices and policies to progress toward greater diverse representation in U.S. and Canada by the end of 2025:

|  | Current | 2025 Goals |
|--|---------|------------|
| U.S. and Canadian financial advisors of color:                             | 9%      | 15%        |
| Female U.S. and Canadian financial advisors:                               | 22%     | 30%        |
| People of color in leadership* in the firm's U.S. and Canada headquarters: | 17%     | 20%        |
| Female leadership in the firm's U.S. and Canada headquarters:              | 49%     | 50%        |
| General partners of color in U.S. and Canada headquarters:                 | 12%     | 15%        |
| Female general partners in U.S. and Canada headquarters:                   | 31%     | 40%        |

\*Leaders include leaders of leaders and leaders of associate roles. All percentages are as of December 31, 2021.





### Meet Jennifer Kingston

In 2021, Edward Jones named Jennifer Kingston Head of Diversity, Equity and Inclusion (DEI). She leads a growing team working to build a stronger, better Edward Jones through our diverse workforce, enabling us to grow our impact on our clients, colleagues and communities. As we work to create equity and a place of belonging where all associates feel valued and are able to thrive, we are creating a place where we come together to help people achieve what matters most.

“I am honored to lead our diversity, equity and inclusion work into its next phase, where everyone can achieve their full potential and where all dimensions of diversity are respected and celebrated. From building broad capabilities like establishing a supplier diversity framework, to seemingly simple yet intentional steps of solidarity, we are taking actions to ignite potential,” says Jennifer Kingston. “While we are excited about hiring more diverse talent, there is a lot of focus on the retention, development and advancement of our current teams. We will have failed if we reach our diverse representation goals by only hiring external leaders. We are committed to providing resources, opportunities and support to break through barriers, increase retention, lead and pave a bold path forward, and we’re already seeing positive results through metrics such as attrition rates among financial advisors of color.”

Jennifer has been with Edward Jones since April 2019. Her 2022 DEI priorities for the firm include inclusive hiring, retention, development and advancement by enhancing our diverse talent pipeline, supporting community relationships to build equity in local communities and expanding branch team training to ensure we are meeting the unique needs of our clients.

## Culture mindset: Continuous learning

### Deepening understanding for a more equitable future

In Fall 2021, more than 350 leaders from the field and our home offices came together virtually at Edward Jones’ inaugural Diversity, Equity and Inclusion Conference to recognize inclusive leadership, strengthen our growth mindset and foster a place of belonging where everyone can feel comfortable bringing their full selves to work.

During the three-day event, firm leaders, peers and DEI experts – including Kenji Yoshino, Chief Justice Earl Warren Professor of Constitutional Law at New York University School of Law and author of *Covering: The Hidden Assault on our Civil Rights* – engaged in dialogue on the importance of being intentional about diversity and its critical role in business.

Serving as a session host, Chief Information Officer Frank LaQuinta appreciated the emphasis on meeting people where they are and bringing a “learn-it-all,” not “know-it-all,” attitude.

“Making meaningful progress around DEI is additive not just for individuals but communities and society. This work is central to the way we’re living our purpose as a firm – to partner for positive impact to improve the lives of our clients and colleagues, and together, better our communities and society.”

**Frank LaQuinta**, Chief Information Officer

## Our ways of working

At Edward Jones, we are purpose-driven, leader-led and team-based. DEI practices are embedded into the fabric of our firm, including how we solve problems and deliver for our clients. Talented colleagues from across our organization come together regularly to develop innovative ways to evolve and improve our processes, systems and culture through the work of our Business Resource Groups (BRGs), mentorship programs and other initiatives. These activities, combined with our culture mindsets, are critical to ensuring Edward Jones is a place of belonging for all. Some of the many examples of how this comes to life include:

Promoted in 2021 to director of executive staff integration in the Managing Partner's Office, **Kevin Buie** exemplifies the power of formal and informal mentorship programs. He recently participated in the St. Louis Business Diversity Initiative's Fellows Experience, a long-standing alliance the firm has maintained to nurture and mentor executives of color to accelerate career progression and increase positive impact on the Greater St. Louis area. Along with associates **Edgar Johnson, Dana Rogers, Tasha Sain** and **Kaylyn Truelove**, Kevin saw a gap and created an informal mentorship group to pair Black associates in the St. Louis home office with leaders from various backgrounds and experiences to benefit from diverse perspectives.

Bilingual Financial Advisor **Michele Delawder** of Gray, Tenn., uses American Sign Language (ASL) to converse with her Deaf family members. In less than two years with the firm, Michele has channeled her passion for inclusion and improving conditions for people with disabilities. Her advocacy for strengthening client service and talent recruitment of the Deaf community has already been extremely impactful to recommend practices and policies to better meet the unique needs of Edward Jones clients and colleagues with disabilities. With an acute focus on the needs of the Deaf community, Michele has been an advocate for resources designed to help the marketplace identify which of our branch teams speak sign language.

Associate efforts, guided by a leadership mindset, improve diversity, equity and inclusion and help create a workplace of belonging for all.

## Culture mindset: Place of belonging

### Kim Grbac recognized for LGBTQ+ advocacy

The *St. Louis Business Journal* recently announced its inaugural class of Business of Pride Awards honorees in celebration of LGBTQ+ leaders and allies who are successful in their careers, active in their communities and advocates for inclusion and equality. Among this year's inaugural class of eight honorees is the firm's head of benefits, Kim Grbac.

Kim is the definition of an exceptional LGBTQ+ equality advocate and ally leader in the workplace. She has been a pivotal, trailblazing executive at our firm, truly effecting meaningful and progressive change - including parental leave for primary and secondary caregivers, flexible work and transgender benefits - that has positively impacted the lives of associates and their families.



# A century of DEI milestones - Creating a place of belonging since 1922



# A spirit of caring

## Thomas Scott Jr., Zachary, La.

Hometown communities are vital to the success of Edward Jones. So, when one of our financial advisors devotes their life and practice to supporting their hometown, our purpose and spirit of caring really come to life. To say Thomas is involved in his hometown is, well, an understatement.

“Well, it’s a lot! I sit on the Board of Directors for the YMCA. I’m a commissioner for the zoning and planning commission for the city.” Thomas went on: “I’ve been on the Chamber of Commerce board of directors for quite some time. I serve on the advisory board for a local bank here in Zachary. And I play the organ currently in four different churches. Oh, and I’m the radio call for the Friday night football games.”

Being an active part of his community has always been important to Thomas. From the beginning, he would show up at community events just to talk to people, building connections and relationships. It’s a mindset and a practice he’s extended across his region, serving as a mentor to many within the firm.

“People that look like me, we traditionally aren’t investing. People of color, diverse individuals, we don’t talk about stocks or investing or money, and I want to change that. It starts with education. And after education, it’s about bringing along your peers, helping people out, giving more people an opportunity to learn and having a seat at the table.”

Thomas shared what he sees as the foundation for caring at the firm: “The spirit is really Ted Jones. It’s how he looked at business, how he looked at the community. When you talk about the spirit of caring, you want to take that to every person you meet. You want every person to see you for who you are, not only what you do.”

“People that look like me, we traditionally aren’t investing. People of color, diverse individuals, we don’t talk about stocks or investing or money, and I want to change that. It starts with education. And after education, it’s about bringing along your peers, helping people out, giving more people an opportunity to learn and having a seat at the table.”

**Thomas Scott Jr.,** Financial Advisor



**Branch location:** Zachary, La.

**FA can serve date:** March 9, 2015

**Branch team:** FA Dedrick Lewis and Senior BOA Joleen Coolman Oswald

**Number of households served by the branch:** >500

**Percent of clients deeply served\*:** 79%

\*“Deeply served” is a measure of the depth of client relationships that includes documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services.



# About Edward Jones

Edward Jones, a Fortune 500 company headquartered in St. Louis, provides financial services across the U.S. and through our affiliate in Canada. Every aspect of the firm's business caters to serving individual investors in a human-centered and complete way – helping them put their purpose into action and achieve financially what is most important to them and their families. As of December 31, 2021, the firm's 18,823 financial advisors, along with their branch teams, served more than 7 million clients with more than \$1.8 trillion in assets under care. We strive to deeply serve all our clients by understanding and documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services. In 2021, we achieved deeply serving\* 73% of our clients. Visit [edwardjones.com](https://www.edwardjones.com) or the recruiting website at [careers.edwardjones.com](https://careers.edwardjones.com) for more information. Member SIPC.

## Our home office locations

St. Louis, Mo.; Tempe, Ariz.; Mississauga, Ontario, Canada

## Our purpose

We partner for positive impact to improve the lives of our clients and colleagues, and together, better our communities and society.

## Our top accolades

- J.D. Power 2021 U.S. Full-Service Investor Satisfaction Study – Highest Ranked<sup>1</sup>
- J.D. Power 2021 U.S. Financial Advisor Satisfaction Study – Highest Ranked in Employee Advisor Segment<sup>2</sup>
- 2021 *FORTUNE* 100 Best Companies to Work For
- 2021 Human Rights Campaign Corporate Equality Index – score of 100
- 2021 *FORTUNE* Best Workplaces in Financial Services and Insurance
- 2021 *Training* magazine's Top 100 (now the APEX Awards)
- 2021 *People* magazine's Companies That Care
- 2021 *Barron's* Top 1,200 Financial Advisors – 13 Edward Jones FAs ranked
- 2021 Forbes Top Women Wealth Advisors – 3 Edward Jones FAs ranked
- 2021 *Phoenix Business Journal* Best Places to Work
- 2021 *St. Louis Business Journal* Business of Pride and Corporate Philanthropy Awards

<sup>1</sup>Edward Jones received the highest score in the J.D. Power 2019 and 2021 U.S. Full-Service Investor Satisfaction Study of investors' satisfaction with full-service investment firms. Visit [jdpower.com/awards](https://jdpower.com/awards) for more details.

<sup>2</sup>Edward Jones received the highest score among employee advisors in the J.D. Power 2007, 2008, 2010, 2012-2015, 2017-2021 U.S. Financial Advisor Satisfaction Studies of employee advisors' satisfaction among those who are employed by an investment services firm. Visit [jdpower.com/awards](https://jdpower.com/awards) for more details.

## Our impact:

**>7 million**

clients, 73% deeply served\*

**15,525**

branch locations throughout North America

approximately

**50,000**

associates

**17,515**

branch office administrators

**18,823**

financial advisors

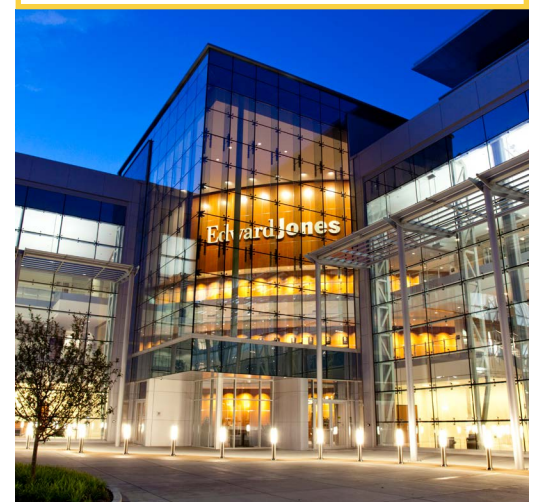
**\$1.8 trillion**

assets under care

**\$12,279 million**

annual net revenue

All data as of December 31, 2021.



\*"Deeply served" is a measure of the depth of client relationships that includes documenting client goals, risk tolerance and portfolio performance, and then implementing tailored solutions by way of investments, insurance and services.



# A foundation of giving – our time, talent and treasure

In 2021, we contributed more than \$26 million through corporate, Edward Jones Foundation and associate philanthropic support to 259 organizations across a wide variety of causes. In addition to this critical financial support, more than 10,000 associates served more than 15,000 community organizations across North America.

We anticipate making approximately \$200 million in philanthropic contributions through the end of 2025 in communities across the U.S. and Canada. This is an increase of \$50 million in corporate, Edward Jones Foundation and associate philanthropic support, which was shared in our 2021 Purpose, Inclusion and Citizenship Report.

As a part of that goal – \$200 million by the end of 2025 – we plan to build upon our legacy of community engagement in the St. Louis region, our hometown for 100 years. We anticipate \$80 million in philanthropic giving toward inclusive economic growth and community health and well-being. We are hopeful we will create a model of impact that can be replicated in other communities we call home.

Edward Jones supports several initiatives focused on inclusive economic growth, including the St. Louis Anchor Action Network, Brickline Greenway, the Urban League of Metropolitan St. Louis and others. More detailed information about our involvement can be found in our 2021 Purpose, Inclusion and Citizenship Report.



\$26 million in corporate, Edward Jones Foundation and associate giving contributed to 259 unique organizations, allocated in the following categories:

- 64%** Health & Social Services
- 12%** Education, K-12
- 9%** Culture & Arts
- 6%** Community & Economic Development
- 5%** Education, Higher
- 2%** Civic & Public Affairs
- 2%** Environment



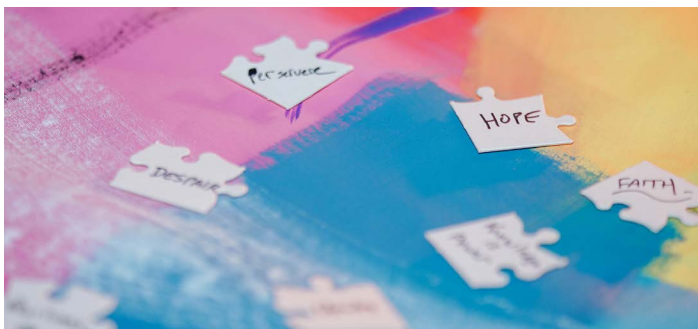
## Culture mindset: Leadership

### Penny Pennington leads by example

In 2021, Penny Pennington proudly served as chair of the American Cancer Society Champions of Hope Gala in St. Louis. Since its inception in 2016, the Champions of Hope Gala has raised more than \$7.6 million to support the mission of the American Cancer Society, including \$1.4 million in 2021 under Penny’s leadership.

**>\$7.6 million**

has been raised by the Champions of Hope Gala to support the mission of the American Cancer Society since its inception in 2016



## United to build wealth and address inequity

### St. Louis Anchor Action Network

We are proud to join with other institutions in St. Louis as a founding member of the St. Louis Anchor Action Network (STLAAN).

STLAAN brings together institutions, companies and community partners to develop and implement successful wealth-building strategies to address long-standing patterns of inequity in our region.

Core to the network is the belief that we can achieve more working together. Community stakeholders and institutional leaders work together, learn from one another and implement impactful strategies designed to increase employment, career development and minority supplier spending in St. Louis. The goal of the intentional investments we make together is to create benefits that will elevate whole communities and ultimately build a stronger and more equitable St. Louis region.







### Coming together to support Core Causes

One of the many ways our associates and the firm came together to bring our purpose to life was through our annual Core Causes campaign. Together, we surpassed our goal, raising approximately \$8.7 million through associate giving and corporate match to benefit the United Way in St. Louis and Tempe and the Arts and Education Council of St. Louis.

### \$8.7 million raised

through associate giving and corporate match in Core Causes campaign benefiting United Way and Arts and Education Council

### When disasters happen, we're there for one another

Whether they're wildfires, hurricanes or global pandemics, federally declared disasters are why the Edward Jones Disaster Relief Fund was created - to help our associates and their families recover with resilience when the unexpected strikes. In 2021, \$328,000 in disaster relief assistance was distributed to 76 associates and families from associate and retiree contributions.

### \$328,000 in disaster relief assistance

distributed in 2021 to 76 associates and families from associate and retiree contributions



### A shining future with Toys for Tots

Delivering hope to less fortunate children exemplifies our purpose. In 2021, we continued our alliance with Toys for Tots, creating more opportunities for our associates to give and providing safe donation drop sites in 162 communities in the U.S.



**255**  
volunteer hours recorded



**9,362 toys**  
collected in 162 communities



## Living our purpose today, **partnering for greater impact in the future**

In 2015, the world's leaders set out on an ambitious path to end poverty, fight inequality and injustice, and protect the planet. The United Nations Sustainable Development Goals (SDGs) provide a framework of action to achieve shared prosperity for the world at large. The SDG framework aims to help align efforts to ensure a more peaceful, healthy and prosperous world for future generations. It has become clear how interconnected the world is and how we all play a critical role in shaping our future. At Edward Jones, we believe that business for good is good for business and society. As we activate our purpose across our organization - throughout our home offices and branch teams, in communities throughout North America - we are making our contribution today and setting our ambition for the future.

We've chosen to respond to some of the most pressing challenges of our time in a way that Edward Jones knows well - through three areas of impact - Partnering for Lasting Financial Strength, Promoting Healthier Futures and Advancing Inclusive Growth. We are working to define outcomes and measures for six of the UN's 17 SDGs, enabling us to grow our impact and deepen our relationships with our clients, colleagues and communities. Accomplishing these outcomes will take exceptional effort, innovation and collaboration. To fulfill our responsibilities and commitments, we hope to align our work on the six SDGs and three purpose focus areas with our business strategy and operations in our three home offices and more than 15,000 branch locations in the U.S. and Canada. The firm is developing a strategy for goals it expects to share in future reporting.



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As we activate our purpose across our organization - throughout our home offices and branch teams, in communities throughout North America - we are making our contribution today and setting our ambition for the future.

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# Aligning to a strategic framework, benefiting clients, colleagues and communities

We've chosen to respond to some of the most pressing challenges of our time in a way that Edward Jones knows well - through three areas of impact - Partnering for Lasting Financial Strength, Promoting Healthier Futures and Advancing Inclusive Growth. We are working to define outcomes and measures for six of the United Nation's 17 Sustainable Development Goals, enabling us to grow our impact and deepen our relationships with our clients, colleagues and communities.





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Thank you for helping us make a positive impact in the lives of our clients, colleagues and communities.

To learn more about Edward Jones' Purpose, Inclusion and Citizenship efforts, please visit: [edwardjones.com/postiveimpact](https://edwardjones.com/postiveimpact).

To learn more about Edward Jones careers, visit [careers.edwardjones.com](https://careers.edwardjones.com).

### Forward-looking statements

This report contains forward-looking statements within the meaning of the U.S. federal securities laws. You can identify forward-looking statements by the use of expressions that predict or indicate future events and trends and that do not relate to historical matters. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of Edward Jones and its parent, The Jones Financial Companies, L.L.P. (the "Partnership"). These risks, uncertainties and other factors, including those described in the Partnership's filings with the U.S. Securities and Exchange Commission, may cause the actual results, performance or achievements of the Partnership to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements contained herein.