



PEOPLE

PRACTICES

PARTNERSHIPS

COMMITMENT TO

Diversity & Inclusion

FEDERAL RESERVE BANK OF KANSAS CITY

2015 REPORT TO CONGRESS ON THE

OFFICE OF MINORITY AND WOMEN INCLUSION





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ON THE COVER: *Federal Reserve Bank of Kansas City employees, from left: Pat Schleiger, Exams and Inspections, Omaha; Chad Parker, Retail Payments Technology Services, Kansas City; Porcia Block, Consumer Affairs, Kansas City; Nicole Connelly, Public Affairs, Omaha; Haley Burson, Human Resources, Oklahoma City; Harry Harris, Law Enforcement, Denver; Praveena Devaraj, Information Technology, Kansas City; and Chris Constant, Consumer Affairs, Kansas City.*

ESTHER L. GEORGE
PRESIDENT AND CHIEF EXECUTIVE OFFICER
FEDERAL RESERVE BANK OF KANSAS CITY



MARCH 31, 2016

For many years, the Federal Reserve Bank of Kansas City has taken steps to ensure the diverse region it serves is represented in its workforce, its procurement and supplier relationships, and in the partnerships it develops with community and educational organizations.

This report highlights the many ways we have made diversity and inclusion a priority throughout 2015 in the areas of People, Practices and Partnerships and details our efforts in meeting the requirements outlined by Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Through the Bank's Office of Minority and Women Inclusion (OMWI), we seek to strengthen and continuously improve our long-standing traditions of ensuring our activities are inclusive and representative of the range of backgrounds and experiences that make up the Federal Reserve's Tenth District. The following pages tell the story of our successes and challenges in meeting this goal during 2015.

Successes include strengthening existing relationships and developing new partnerships with area organizations that promote diversity in the community. Challenges such as a growing knowledge-based and technology-based workforce present opportunities for 2016 and beyond.

Please visit www.KansasCityFed.org to learn more about our successes, innovative programs and links to past OMWI Annual Reports, as well as information on our supplier and hiring opportunities and summaries of our key community initiatives.

A handwritten signature in black ink that reads "Esther L. George". The signature is written in a cursive, flowing style.

Esther L. George
President and Chief Executive Officer
Federal Reserve Bank of Kansas City

Executive Summary



The Bank's Diversity Strategy Steering Council includes, from left: Senior Vice President Denise Connor, Vice President Krissy Young, Senior Vice President Diane Raley, Vice President Amy Cole, Assistant Vice President and OMWI Deputy Director Andrea Hendricks, Senior Vice President Kevin Moore, Senior Vice President and OMWI Director Donna Ward, Senior Vice President and General Counsel Veronica Sellers, Senior Vice President Dawn Morhaus, Vice President Kristi Coy and Vice President Stephanie Stratemeier. Not pictured: Vice President Mark Watson.

The

Federal Reserve Bank of Kansas City's Office of Minority and Women Inclusion in 2015 continued to lead and strengthen the Bank's commitment to diversity and inclusion.

The Bank recognizes that achieving its mission and serving its large, varied region requires diversity that reflects the communities it serves and the people it represents. The Bank experienced a number of successes during 2015 relative to its strategy of focusing on People, Practices and Partnerships.

OFFICE OF MINORITY AND WOMEN INCLUSION

The Kansas City Fed's Office of Minority and Women Inclusion (OMWI) is led by Donna Ward, who has been the office's director since 2010. Ward is senior vice president of the Bank's Administrative Services Division, which is responsible for the Bank's human resources and procurement functions.

Andrea Hendricks is OMWI deputy director, a position she has had since 2014. In May 2015, Hendricks was appointed assistant vice president and secretary and advisor to the Bank's Management Committee. In this role, Hendricks advises the Committee on diversity and inclusion matters and continues to lead the Bank's diversity and inclusion portfolio of work.

Hendricks also leads a broad portfolio of human resources work, including onboarding, orientation and engagement programs, Equal Employment Opportunity (EEO) programs, employee and leadership development and training, and diversity training.

STANDARDS AND PROCEDURES

While the Bank has had a rich history of diversity and inclusion long before the Dodd-Frank Act of 2010, the Act allowed leadership to create more formal standards and procedures through OMWI for the following:

- EEO and racial, ethnic and gender diversity of the workforce and senior management.
- Participation of minority-owned and women-owned businesses in the Bank's programs and contracts.
- Fair inclusion in the workforce of contractors.
- Technical assistance for minority-owned and women-owned businesses.



Donna Ward, right, is OMWI director and senior vice president of the Bank's Administrative Services Division; Andrea Hendricks is deputy director of OMWI and an assistant vice president.

PEOPLE, PRACTICES AND PARTNERSHIPS

The Bank's focus on diversity and inclusion applies to all business areas. Throughout 2015, the Bank enhanced its efforts to remain proactive and progressive relative to its strategy.

PEOPLE

- The Bank's hiring rates for diverse job candidates showed significant movement. The total minority hiring rate increased to 32.3 percent from 20.5 percent in 2014. Following a significant increase in 2014, the hiring rate for women slightly decreased to 38.6 percent.
- More than 200 Bank employees recruited talent at 37 colleges across 10 states, including 14 historically minority institutions. To increase the Bank's emphasis on attracting diverse talent, campus recruiting teams participated in unconscious bias training.
- Participation in the Bank's mentorship program continued to grow. A total of 368 employees participated, including 23.7 percent of the minority workforce and 30.2 percent of women in the workforce.

PRACTICES

- The Bank identified and included diverse suppliers in 85.0 percent of all requests for proposals in 2015, up from 78.6 in 2014.
- The Bank awarded 22.9 percent of all contracts to minority-owned and women-owned businesses in 2015.

PARTNERSHIPS

- More than 18,500 students attended a financial education program hosted by the Bank.

Overview



Bank President Esther George and Board Chair Steve Maestas host a pinning ceremony to honor the accomplishments of the Bank's Student Board of Directors. To view a roster of student directors, visit <https://www.kansascityfed.org/education/foreducators/student-board>.

Founded

in 1914, the Federal Reserve Bank of Kansas City is one of 12 Regional Banks, which along with the Board of Governors in Washington D.C., comprise the Federal Reserve System.

THE TENTH DISTRICT

As the central bank for the United States, the Federal Reserve System is responsible for three mission areas: setting the nation's monetary policy, providing financial services to depository institutions, and supervising and regulating financial institutions. The System's decentralized structure, which includes local boards of directors and advisory councils at each Reserve Bank, ensures that a broad spectrum of views from the public at the regional level is included in national policy deliberations.

The Kansas City Fed employs nearly 1,600 people at its head office in Kansas City and Branch offices in Denver, Oklahoma City and Omaha.

The Bank is responsible for the Tenth Federal Reserve District, an area that includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.

The economy of the Tenth District represents a wide and diverse range of industries, including agriculture, banking, energy, manufacturing, aerospace, hospitality/tourism and military. Within the District, 26.2 percent of residents live in rural areas, more than the national average of 14.5 percent. Additionally, 29.9 percent of the District's population is minority, compared to 36.7 percent in the nation as a whole.

The Bank's 12-member senior leadership team, which is comprised of executives responsible for setting policy and strategic direction, includes eight women, representing 66.7 percent of senior leadership. This is much higher than the 25.7 percent average for equivalent positions at Kansas City-area companies. Minorities represent 16.7 percent of the senior leaders, exceeding the 6.7 percent average for equivalent positions at Kansas City-area companies.



Steve Maestas, CEO of Maestas Development Group, is chair of the Bank's Board of Directors.

The Bank also focuses on diversity among the members of its boards of directors. In 2015, minorities and women held board leadership positions across the District, including as chair and deputy chair of the Kansas City head office and chair of the Denver Branch.

In 2015, 37 percent of the District's Board of Directors was comprised of women and minorities representing a broad and diverse cross section of business and industry. These board members include: Steve Maestas, chief executive officer, Maestas Development Group; Rose Washington, executive director, Tulsa Economic Development Corp.; Lilly Marks, vice president for health affairs, University of Colorado and Anschutz Medical Campus; Anne Haines, president and CEO, Accion New Mexico • Arizona • Colorado • Nevada; Edmond Johnson, president and owner, Premier Manufacturing Inc.; Margaret Kelly, retired chief executive officer, RE/MAX LLC; Richard Lewis, president and CEO, RTL Networks Inc.; Jane Haskin, president and chief executive officer, First Bethany Bank & Trust; Tina Patel, chief financial officer, Promise Hotels Inc.; Anne Hindery, chief executive officer, Nonprofit Association of the Midlands; and Eric Butler, executive vice president, marketing and sales, Union Pacific Railroad.



Rose Washington, executive director of the Tulsa Economic Development Corp., is deputy chair of the Bank's Board of Directors.

People

MINORITY AND WOMEN EMPLOYMENT



Bank employees and family members demonstrated and shared their cultural traditions and heritage through dance, music, cultural dress and oration during a Multicultural Showcase.

The

Federal Reserve Bank of Kansas City continues to promote and support at the highest level a commitment to a generational and diverse workforce to meet its current and future challenges. This commitment to diversity, which includes such factors as race, gender, religion, national origin, diverse thought, age, sexual orientation and disability, strengthens the Bank's ability to attract, retain and develop the talented workforce needed to carry out its public role.

During 2015, the Bank's practices and programs continued to evolve, helping to ensure it is recruiting and developing a workforce that is representative of the labor pool of qualified candidates for positions at all levels in the markets where it operates. The Bank views its diversity and inclusion efforts as more than just policies and practices. These efforts are an integral part of our organizational culture and they guide how we operate now and in the future.

RECRUITMENT

Each year, a number of Bank employees visits college campuses spanning 10 states, to recruit talent to the organization. Of these campuses, many are majority-minority serving colleges and universities. Among the events the recruiting teams attend at majority-minority serving colleges and universities are career fairs, classroom presentations and on-campus interviews. To increase the Bank's emphasis on attracting diverse talent from all campuses, recruiting teams in 2015 participated in unconscious bias training. Furthermore, a Diversity Liaison Program was created in which each team assigned a team member to connect and build relationships with multicultural offices and diverse student organizations on those campuses.

25

In 2015, Bank employees attended 25 campus events at historically minority and women's colleges and universities.

Throughout 2015, Bank employees participated in events at:

- Clark Atlanta University
- Colorado State University at Pueblo
- Cottey College
- Langston University
- Lincoln University
- Morehouse College
- Prairie View A&M University
- Saint Mary's College
- Spelman College
- Stephens College
- Texas Southern University
- Texas Woman's University
- University of Arkansas at Pine Bluff
- University of New Mexico

In addition to campus recruiting, the Bank pursued qualified applicants through targeted events and programs. The Bank participated in 16 urban career fairs, including the Asian American Chamber of Commerce Career Fair, the Women of Color Leadership Conference and the Women in Technology Summit, among others.

60

The Bank participated in 60 diverse events with urban and diverse professional organizations, including INROADS, 100 Black Men, NSHMBA and the Urban League.

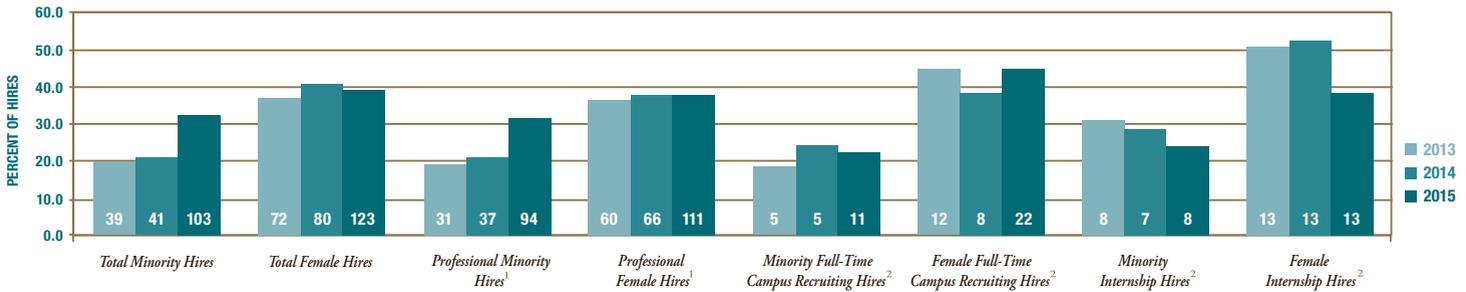
As part of the Federal Reserve System, the Bank also participated in five recruiting initiatives at national conferences, including:

- Association of Latino Professionals in Finance and Accounting
- National Black MBA Association
- National Society of Hispanic MBAs
- Thurgood Marshall College Fund Leadership Institute
- EOP STEM Diversity Career Expo



The Bank partners with groups such as the National Society of Hispanic MBAs, which had a professional development seminar at the Bank. Keynote speaker Carlos Ledezma, president and CEO of Cable Dahmer Automotive Group, second from right, spoke about his experience as an Hispanic business leader.

MINORITY AND FEMALE RECRUITING



¹ Percentage reflects official, management and professional staff

² Data reflect employees who started in the represented year

In the Kansas City office in 2015, minority IT professionals in the Bank's workforce increased from 18.4 percent to 23.0 percent, and women IT professionals increased from 31.1 percent to 32.2 percent.

EMPLOYEE RETENTION AND DEVELOPMENT

The Bank retains and develops a diverse workforce by fostering an inclusive work environment with an emphasis on training, development and enrichment activities. All aspects of the employee experience, from new employee orientation to mentorship and training and development, emphasize diversity and inclusion.

Diversity and inclusion training programs offered at the Bank extend beyond basic compliance training on EEO policies and practices and harassment prevention. Among the courses and assessment tools available to employees:

- Applied Leadership Practices Series
- EEO Refresher Training
- Being an Inclusive Leader
- Building Trust
- Generations
- Valuing Differences
- Peacock in the Land of Penguins
- I Filter
- Discovering Diversity Profile

Development and enrichment activities are promoted to all employees and include one-on-one mentoring, mentoring circles, communities of practice and the Employee Diversity Council (EDC). A new program in 2015 was the Women in Technology Community of Practice. Participation in the Bank's mentorship program continued to grow throughout 2015. A total of 368 employees participated, including 23.7 percent of the minority workforce and 30.2 percent of women in the workforce. Since 2011, minority participation in the formal mentorship program has increased 17.8 percentage points and participation among women has increased 16.8 percentage points.

368

Number of Bank employees who participated in the Bank's mentorship program in 2015, or about 25 percent of the workforce. Participation in the program by minorities (23.7 percent) and women (30.2 percent) has increased steadily since 2011.

The Diversity Strategy Steering Council, comprised of senior leaders of the Bank, provides leadership support, guidance and resources to the Bank's diversity and inclusion efforts. The council, together with the EDC and EDC diversity liaisons, works to make the Bank's diversity strategy a priority and to promote diversity and inclusion in the workplace.

The EDC includes employees from business areas across the Bank and promotes diversity and an inclusive environment through a variety of enrichment activities. The EDC hosted 14 events in 2015 with over 900 participants, including an annual Diversity Awareness Week. During the week, employees participated in a variety of activities that promoted awareness about the important role of diversity and inclusion to the Bank. Activities included a presentation about the movie “Selma” and its connection to Kansas City black history; a Multicultural Showcase featuring employees demonstrating and sharing their cultural traditions and heritage through dance, music, cultural dress and oration; and a performance by a percussion group demonstrating diverse instruments from African, Indian and Western countries.

COMMUNITY PARTNERSHIPS

In 2015, four new signature diversity and inclusion summits were hosted at the Bank in support of our long-standing commitment to diversity and inclusion and to create a community forum around the importance of diversity and inclusion in our organizations and communities.

During the year, these summits were focused on Disability Inclusion, the State of Black and Hispanic Kansas City,

Women in Technology and Building Professional Business Networks. In addition to the four summits, the Bank hosted eight other diversity community events to connect with diverse professional organizations and prospective talent.

The Bank increased its community partnerships to 17, including seven relationships initiated in 2015:

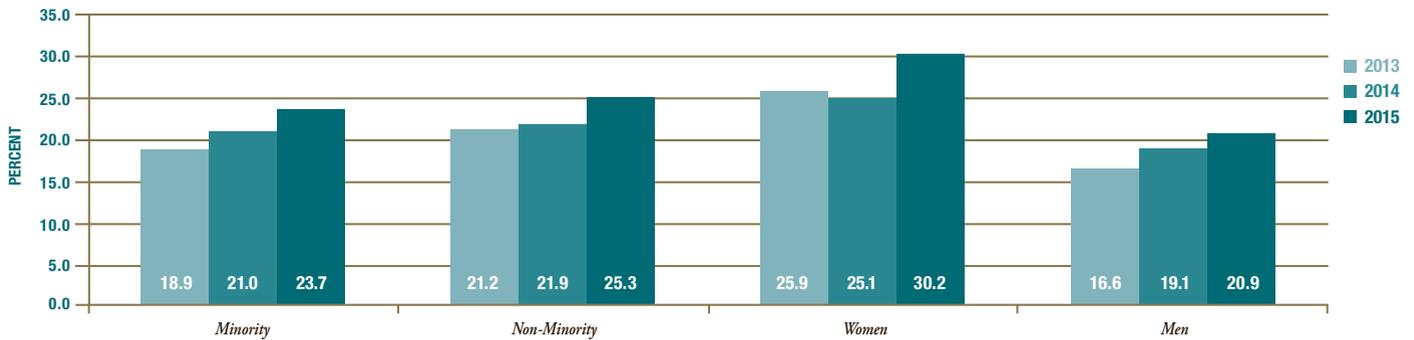
- 100 Black Men of Greater Kansas City*
- Asian American Chamber of Commerce of Kansas City
- Association of Latino Professionals for America*
- Black Achievers Kansas City*
- Heartland Black Chamber of Commerce of Greater Kansas City
- Hispanic Chamber of Commerce of Greater Kansas City
- Greater Kansas City Business Leadership Network*
- Greater Kansas City Chamber of Commerce Diversity Network
- INROADS Inc.
- Mid-America Gay & Lesbian Chamber of Commerce*
- National Black MBA Association
- National Society of Hispanic MBAs
- Project Equality*
- Urban Financial Services Coalition of Greater Kansas City
- Urban League of Greater Kansas City
- Women’s Employment Network
- Women in Technology International*

**Partnerships added in 2015*



The Bank actively recruits diverse interns, such as Victoria Onuzuruike of the Human Resources Department, who was recognized by INROADS Inc. of Kansas City with its Junior of the Year award for 2014-15.

MENTORSHIP PROGRAM PARTICIPATION RATES¹



¹ Percentage reflects total workforce

INTERNAL REPORTING AND ASSESSMENT

The Bank has an established, systematic process to measure progress toward achieving its diversity and inclusion objectives. Senior leaders assess the Bank's performance quarterly by reviewing key metrics, including workforce representation compared to the Kansas City MSA, hiring rates for minorities and women, diverse recruiting activities, employment advertisements in diverse media and partnerships with community organizations. Retention also is monitored through

separation rates, mentorship program participation and results from employee engagement surveys. Diversity and EEO-related metrics are shared regularly with the Bank's Management Committee. Additionally, semi-annual Diverse Workforce and Spend Reports are prepared at the Bank and Division levels and shared with senior management to reflect outcomes in each business area. In 2015, a community partnership scorecard was developed to track successes related to the Bank's various external partners.



Bank President Esther George congratulates employees who received the 2015 Excellence in Mentoring award, from left: Roger Moore, Karen Ellis, Holly Steffes, Keely Kropf, Curt Haverland, Esther George, Tyler Crouse, Madison Richardson, Sean Paddock and Veronica Sellers.



Members of the Bank's Minority Members of Management Mentoring Circle include, front row from left, Porcia Block and Co-Chair Andrea Hendricks; back row from left, Jeff Legette, Chris Constant, Juan Martinez and Co-Chair Mark Watson. Not pictured: Terry Browning, Ariel Cisneros, Paulo Dominguez, Dell Gines, Harry Harris, Lara Hurst, Melissa Norwood, Latonya Prather, Calvin Robertson, Margery Sendze, Yaira Velez, Jackson Winsett and Co-Chair Krissy Young.

CHALLENGES

The Bank is committed to its workforce diversity and inclusion strategies and addressing challenges in meeting its goals. Key challenges include:

- The Bank's workforce composition continues to evolve to an increasingly knowledge-based and technology-based skill set. The demand for highly specialized and technical positions, particularly for minority and women candidates with experience in these areas, presents a challenge for the Bank's recruitment efforts.
- Within the markets in which the Bank operates, there are a limited number of colleges and universities that historically are minority focused.
- Competition in our market/District to attract experienced talent for specialized technology based skill sets.
- Within the markets in which the Bank operates, there are limited numbers of IT/finance minority and women's professional organizations to recruit experienced professional talent and a lack of role models to help attract professional talent to the industry.
- Minority representation at the highest levels of the technical leadership ladder is limited.

LOOKING AHEAD

As the Bank continues to seek ways to improve its workforce inclusion efforts, it has identified a number of future goals, including:

- Develop signature recruiting programs aimed at attracting and recruiting diverse talent.
- Partner with top key national professional organizations to attract diverse talent to the Bank, i.e., Women in Technology.
- Enhance the Bank's diversity and inclusion training model for all members of Bank management to focus leaders on barriers to recruitment and retention of diverse talent.
- Develop a robust, ongoing communication strategy to more effectively communicate the Bank's commitment to diversity and inclusion with interested diverse professionals and key stakeholders.
- Enhance diversity and inclusion throughout the employee experience life cycle and throughout the onboarding program and two-year experience.
- Develop critical touch points with new minority and women employees throughout the year to ensure they are connected to the Bank and understand key community internal and external resources for success.

Practices

SUPPLIER DIVERSITY



President Esther George helped welcome community leaders to the Bank in October for a Diversity and Inclusion Summit. Among those attending, from left: Daniel Silva, executive director, Kansas City Kansas Area Chamber of Commerce; Michael Lintecum, executive director, Mid-America Gay & Lesbian Chamber of Commerce; Christal Watson, president and CEO, Heartland Black Chamber of Commerce; Esther George; Donna Ward, senior vice president of the Bank; Sook Park, executive director, Asian American Chamber of Commerce; Andrea Hendricks, assistant vice president of the Bank; and Carlos Gomez, president and CEO, Hispanic Chamber of Commerce of Greater Kansas City.

Strategies

The Bank's strategy on supplier diversity encourages acquisition of goods and services from diverse suppliers, including businesses owned by minorities and women. When the Bank makes competitive acquisitions it carries out this strategy by seeking to include, when available, at least one business owned by a minority and one owned by a woman.

Diversity in suppliers creates value by providing the Bank access to a wider pool of qualified suppliers. The community also benefits in that small and diverse businesses gain access to business opportunities. The Bank affirms its commitment to supplier diversity by including language in its contracts that states its commitment to equal opportunity in employment and contracting. The contract language further states that by entering into a contract with the Bank, the contractor confirms a similar commitment in its own business practices.

Bank staff identifies suppliers for contracting opportunities by engaging local, regional and national groups and organizations through outreach activities and events targeted to diverse suppliers. The Bank also informs suppliers about the Bank's business practices and encourages their participation in contracting opportunities. These strategies, along with processes that evaluate and measure results, position the Bank to make progress toward achieving its supplier diversity objectives.

RESULTS: PROCUREMENT OPPORTUNITIES

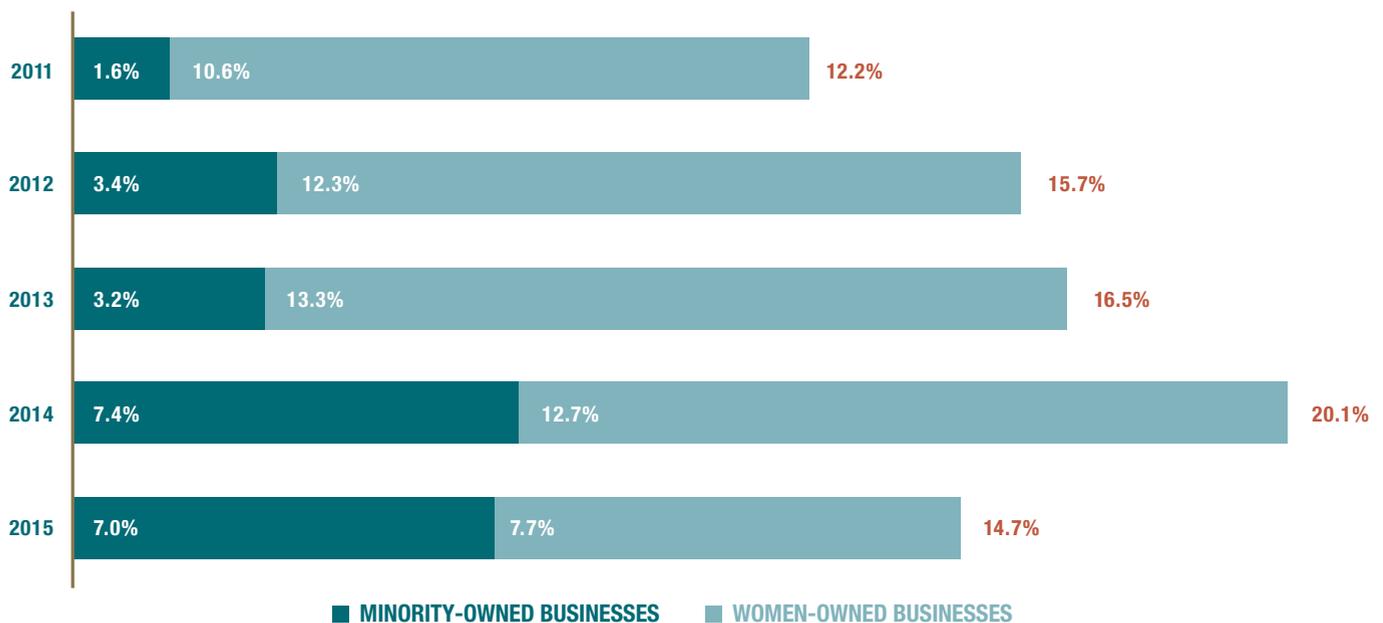
Since implementing its supplier diversity strategies in 2011, the Bank has made steady progress, increasing its percent of total reportable spend with diverse businesses. However in 2015, the Bank spent 14.7 percent of its total reportable spend with businesses owned by minorities and women, compared to 20.1 percent in 2014. The decrease in 2015 was driven primarily by a decline in spend with women-owned businesses due to reduced responsiveness and candidate submission success for one women-owned staffing agency, as well as completion of a major project engagement with a women-owned business.

The Bank received responses from 58.0 percent and 21.6 percent, respectively, of minority- and women-owned businesses included in competitive acquisitions and professional staffing agreements, for a total diverse supplier response rate of 26.7 percent.

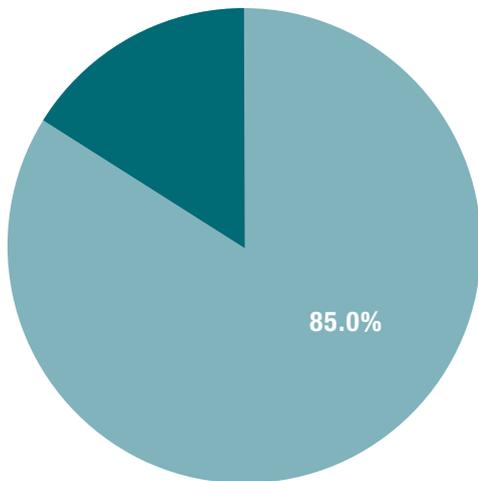
7.0%

In 2015, the Bank spent 7.0 percent of its total reportable spend with minority-owned businesses, a significant increase from 1.6 percent in 2011.

2011-2015 PERCENT OF SPEND WITH DIVERSE SUPPLIERS

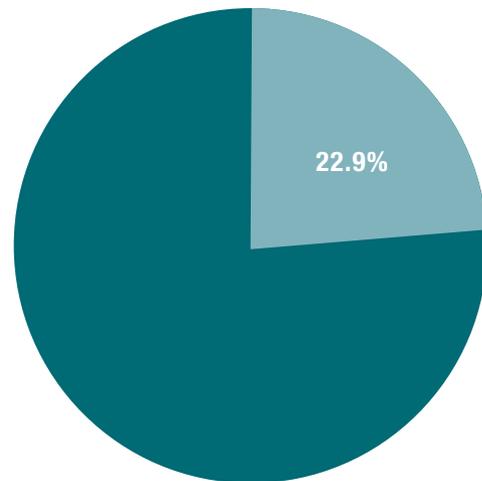


2015 DIVERSE SUPPLIER INCLUSION



The Bank identified and included diverse suppliers in 85.0 percent of all requests for proposals in 2015.

2015 CONTRACTS AWARDED TO DIVERSE SUPPLIERS



The Bank awarded 22.9 percent of all contracts to minority- and women-owned businesses in 2015.

26.7%

The Bank had a 26.7% response rate from diverse suppliers included in competitive acquisitions and professional staffing agreements during 2015.

RESULTS: INCREASING AWARENESS

The Bank partners with local, regional and national organizations that focus on minority- and women-owned business members. These partnerships help the Bank communicate business opportunities and build its network of diverse suppliers. Partner organizations include:

- Asian American Chamber of Commerce of Kansas City
- Greater Kansas City Chamber of Commerce
- Hispanic Chamber of Commerce of Greater Kansas City
- Heartland Black Chamber of Commerce
- Mid-America Gay & Lesbian Chamber of Commerce

- Mountain Plains Minority Supplier Development Council
- Midwest Women's Business Enterprise Council

In 2015, the Bank participated in 14 outreach events and activities that provided staff with opportunities to network and connect with diverse suppliers, learn more about supplier diversity best practices and support the efforts of the Bank's community partners. Additionally, the Bank hosted several meetings with diverse suppliers to learn more about their work and to inform those suppliers about the Bank's general business needs and how to navigate its procurement practices. The Bank's Employee Diversity Council also partnered with the Hispanic Chamber of Commerce of Greater Kansas City to host a Hispanic Business Fair at the Bank. During this event, Hispanic-owned businesses displayed and sold their products and services to Bank employees.

The Bank also collaborates with other Federal Reserve Banks to develop and promote initiatives that strengthen supplier diversity. In 2015, the Bank participated in two national supplier diversity conferences hosted by the Women's Business Enterprise National Council and the National Minority Supplier Development Council.

INTERNAL REPORTING AND ASSESSMENT

The Bank has established systematic processes to measure progress toward achieving its supplier diversity strategies. Senior management assesses the Bank's performance quarterly by reviewing supplier diversity results, including spend and contracts awarded to diverse suppliers; inclusion and response rates of diverse suppliers in contracting opportunities; cost savings associated with contracts awarded to diverse suppliers; and outreach events attended or hosted by the Bank. Additionally, senior leaders receive information biannually about spend with diverse

suppliers within each business area to enhance transparency around these performance metrics and encourage continued focus on supplier diversity.

CHALLENGES

While the Bank continues to see progress toward its supplier diversity objectives, several challenges remain. The Bank continues to face challenges in identifying qualified diverse suppliers for certain goods and services, such as proprietary software.



The Bank underscored the importance it places on women and entrepreneurship by partnering with the Central Exchange in October to host a launch event for the Midwest Women's Business Enterprise Council. The Council supports women-owned businesses in the Kansas City area.



Among the vendors at an Hispanic Heritage Fair hosted by Bank was Leticia DeCaigny of Kansas City, Kan.

The Employee Diversity Council hosted a Hispanic Business Fair at the Bank during October, Hispanic Heritage Month. Carlos Gomez, president and chief executive officer of the Hispanic Chamber of Commerce of Greater Kansas City, visited with Bank Senior Vice Presidents Dawn Morhaus, second from right, and Donna Ward. Gomez spoke about Hispanic buying power in America.



The Bank also continues to be challenged with increasing the responsiveness of diverse suppliers to requests for proposals. The Bank regularly surveys suppliers who did not respond to a request for proposal to solicit feedback. Feedback indicates suppliers who often do not respond feel they do not have the resources to provide the requested goods or services during the time schedule required, or they have other resource constraints, such as scale.

Purchasing staff will continue to focus on providing technical assistance to help suppliers understand the best ways to engage with the Bank and encourage their participation in contracting opportunities.

LOOKING AHEAD

The Bank will deploy the following strategies in 2016 to enhance its supplier diversity and inclusion efforts:

- Continue to partner with business areas to understand upcoming needs earlier, thus heightening the Bank's ability to proactively seek and engage potential minority- and women-owned businesses for future contracting opportunities.
- Continue to connect qualified diverse suppliers with business areas that may have real-time needs for the goods or services they offer.
- Continue streamlining business practices to improve the Bank's ability to source qualified diverse suppliers through innovative tools and processes.



Among the Bank's efforts to work with diverse partners to foster community development was an employer/vendor information fair conducted as part of a National Society of Hispanic MBA professional development seminar in October at the Bank.

IN 2015, THE BANK DEVELOPED AND EXPANDED ON PARTNERSHIPS WITH SEVERAL COMMUNITY ORGANIZATIONS, PARTICIPATING IN THE FOLLOWING PROGRAMS AIMED AT REACHING DIVERSE SUPPLIERS:

- *Mountain Plains Minority Supplier Development Council (MPMSDC) Networking Events (three events)*
- *Metropolitan Community College and MPMSDC Minority- and Women-Owned Business Expo*
- *Women's Business Enterprise National Council Conference and Business Opportunity Fair*
- *The State of Black Kansas City Summit hosted by the Federal Reserve Bank of Kansas City*
- *Federal Reserve Bank of Richmond Supplier Diversity Summit*
- *MPMSDC Business Opportunity Exchange*
- *Federal Reserve Bank of Kansas City Hispanic Vendor Fair*
- *Midwest Women's Business Enterprise Council Community Announcement Breakfast*
- *National Minority Supplier Development Council Annual Conference*
- *Federal Reserve Bank of Kansas City Building Professional Networks Summit*
- *Kansas City Procurement Roundtable Spotlight on Diverse Suppliers*
- *Asian American Chamber of Commerce of Kansas City Member Expo*

Partnerships

OUTREACH AND FINANCIAL EDUCATION



Student Board of Directors Alumni and Summer @ the Fed activities directors Mylan Gray and Alina Crouch gained valuable experience at the Bank before heading off to Stanford University and Harvard University, respectively.

Strategies

In 2015, the Bank strengthened its long-standing commitment to providing financial education and mentorship opportunities to urban high schools and minority students across the seven-state region it serves.

Throughout the year, the Bank continued to partner with diverse school districts, youth organizations and community groups to reach thousands of students and teachers through innovative programs and resources. This investment in financial education will lead to stronger communities, stable neighborhoods and better opportunities for young people of diverse backgrounds.

RESULTS:

In each of the Bank's four offices, staff and additional resources are dedicated to providing economic education to students at urban school districts in Kansas City, Denver, Omaha and Oklahoma City.



In its fourth year, Summer @ the Fed provided opportunities for interns to lead and coordinate financial education activities for more than 900 urban youth.

Pam Lueth was one of many Bank employees who visited classrooms in April as part of Teach Children to Save.

3,698

Teach Children to Save: In April 2015, Bank volunteers visited 174 classrooms throughout the Kansas City metro area to share financial education lessons with 3,698 elementary-age students at urban schools. In total, the Bank reached 9,186 students throughout the Kansas City area with the program.

2,163

During the year, 2,163 urban high school students participated in a financial education program developed and organized by the Bank. This is a 47 percent increase from 2014.





Kansas City Fed Senior Vice President Karen Pennell, third from left, watches as participants and mentors from the Girls in Technology program practice writing computer code during the program's kickoff event in December at the Bank.

GIRLS IN TECH

Girls in Technology, an initiative of the KC STEM Alliance aimed at exposing middle- and high-school aged girls to computer science education programs, held its kickoff event at the Bank in December 2015.

More than 200 people representing 86 businesses and organizations attended the Girls in Technology event. The evening included time for networking and the Hour of Code, an activity designed to help youth practice their website-building skills with assistance from mentors. Eight Bank employees served as mentors to the 42 participants, which included students from the Blue Springs and Independence school districts in Missouri.

Kansas City Mayor Sly James attended the event and read a proclamation officially naming Dec. 7 Girls in Tech Day in Kansas City. The program also included remarks from Senior Vice President Karen Pennell, Information Technology, and representatives from the KC STEM Alliance, Cerner Corp., KCnext, the Independence School District and KC Women in Technology.

"In an era where new technologies are responsible for life-altering advancements in every field from medicine to entertainment, women are not well represented in computing professions," said Margery Sendze of the Bank's Information Technology Division, who helped coordinate and lead the event. "The Girls in Technology KC movement addresses an increasing demand for a qualified and diverse workforce to fill tech jobs in the Kansas City region."

"It was amazing to see a bunch of girls and how they are interested in tech," said fourth-grader Riley Martin, a participant in the event. "It made me glad to see that there were others out there like me."

STUDENT BOARD OF DIRECTORS

In 2015, the Bank continued the success of its Student Board of Directors program, which has provided mentoring and college and career development for students from urban high schools across the Tenth District since 2012.

During the 2014-15 school year, 67 students across the District participated in the program, including the first class from the Albuquerque Public School District. Throughout the year, the students have an opportunity to meet with Bank employees and business leaders from the community on topics such as: career and college preparation, personal finance, public speaking and business etiquette.

Participation in the program exposes students to a corporate environment and builds self-confidence. “I learned the importance of not simply having drive and ambition, but also taking action when I want or need something,” said Alina Crouch, a participant in the 2014-15 Student Board in Kansas City.

“The Student Board of Directors program has been a splash into a world of financial matters, leadership, entrepreneurial concepts and opportunity,” added Melissa McNearney, another participant in Kansas City.

In addition to the immediate benefits students get from participating in the program, the Student Board of Directors also opens relationships with the Federal Reserve Bank of Kansas City that can pay off long term. Paula Odu, who is an alumnae of the program from 2012-13, was hired for a paid summer internship at the Bank in 2015 and participants are selected to help lead the Bank’s Summer @ the Fed program each year.

“Student Board members are not required to have an interest in banking or economics to be in the program,” said program coordinator Trudie Hall. “But it is inspiring when they develop a relationship with the Fed and want to come back.”



Members of the Oklahoma City Branch Student Board of Directors gained valuable hands-on financial knowledge. To view a roster of student directors, visit <https://www.kansascityfed.org/education/foreducators/student-board>.

During the summer of 2015, seven college-bound students from the Kansas City, Mo., and Kansas City, Kan., school districts who participated as members of the Bank's Student Board of Directors continued their involvement with the Kansas City Fed as paid interns, earning a market-rate wage as activities directors with the Summer @ the Fed program.

Through the program, which marked its fourth year in 2015, the students learned more about financial literacy and used economic education curriculum to mentor more than 936 young people involved in summer programs at 28 different community organizations in the Kansas City area, such as the Boys and Girls Club of Greater Kansas City, Kansas City Parks and Recreation, KidZone and The Upper Room.

In addition to their mentorship role, the interns gained valuable experience working in a corporate environment at the Bank, completing small projects and participating in workshops led by Bank staff on college and career planning, business communication and other topics.

In addition to the summer activities director, one college student from the 2013-15 Student Board program served as the assistant program director for Summer @ the Fed. In addition to helping coordinate the program, the assistant program director completed a significant project by working with the Bank's Public Affairs staff to develop a marketing brochure for the program.

As a special activity in 2015, the Summer @ the Fed staff participated in a personal "fascination" analysis designed to give them a sense of how they might be perceived in a professional environment. The staff also met with the Kauffman Foundation to explore entrepreneurship topics and participated in the Black Achievers Recognition program, which showcased leaders and leadership qualities.



Members of the Bank's Kansas City Student Board of Directors who served as paid interns in the Summer @ the Fed program, from left: Mylan Gray, Rayfield Lawrence, Kylah Owens, Queen Wilkes, Koya Couch, Alina Crouch and Daniel Reyes; Kenji Walker, center, who was in her second year in the program, was assistant program director.

INNOVATIVE PROGRAMS

Following are highlights of the Bank's financial education resources that were developed and expanded in 2015:

Denver Public Schools Resource Kits

Bank staff created a resource kit for every elementary school in Denver Public Schools that included financial literacy resources in both English and Spanish. Bank staff also conducted training with classroom teachers to explain their use and share best practices.

KCMO Public Schools Partnership Breakfast

The Bank partnered with the Kansas City, Mo., school district to host a community breakfast to highlight community support for the school district. As part of the event at the Bank's headquarters in Kansas City, the school district's superintendent provided an update on the state of the schools.

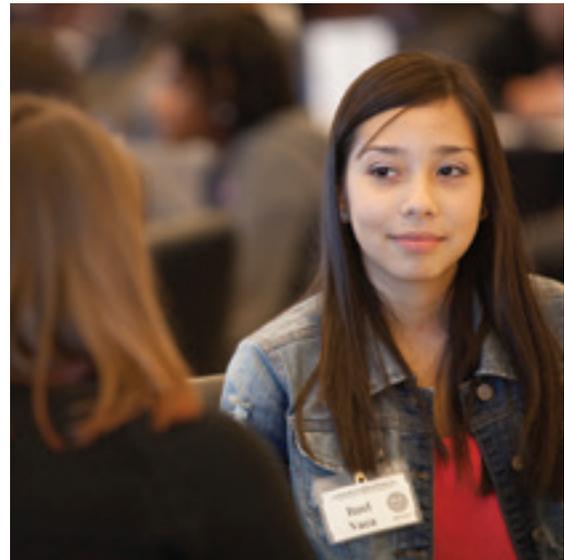
Omaha Urban Agriculture Academy

By pairing expertise in the agricultural economy with broader economic education programming, staff at the Bank's Omaha Branch supported Omaha Bryan High School's Urban Agriculture Academy. Through this program, students use knowledge of both urban and traditional agriculture to pursue innovations in the field and become positive members of the community.

Federal Reserve Financial Education Day

Each Tenth District office sponsored a program with a majority-minority high school or youth program on Oct. 21 for Federal Reserve Financial Education Day. The annual program focuses on college and career readiness with diverse high school students, and incorporated financial capability fundamentals along with the concepts of educational attainment.

At the Bank's Financial Education Day, high school students such as Itzel Vaca participated in programs designed to expose young people to financial concepts as well as college and career preparation.



Students from Hogan Preparatory Academy in Kansas City, Mo., participate in a financial education activity led by a Bank volunteer in April 2015.

Community Partnerships

Along with its programs aimed at students at urban and diverse schools, the Kansas City Fed partners with a number of community organizations to provide financial information and resources for underserved communities.

EVENT	DATE	LOCATION	ATTENDANCE
Biz Fest	Feb. 12	Kansas City	135
New Mexico Tribal Coalition	May 5	Denver	50
Black Male Achievement Conference	June 19	Omaha	200
100 Black Men of Kansas City	July 20	Kansas City	118
National Council of La Raza 2015 Conference	July 11-13	Kansas City	5,000
Black Male Summit—Striving for Success	Sept. 15	Omaha	225
Entrepreneurship in African American Communities Roundtable	Sept. 30	Wichita, Kan.	30



Bank Vice President Tammy Edwards, center, is pictured with Joelle Boos-Medina, vice president of commercial lending (right), and Kristy Miller, assistant branch manager, both of San Luis Valley Federal Bank, at the Bank's Women in Banking event in Denver. The daylong program provided opportunities for networking and professional development for women bankers in the Denver area.



As part of their participation in the Omaha Branch's Student Board of Directors, students toured the Gavilon Group LLC, a commodity management firm in Omaha. To view a roster of student directors, visit <https://www.kansascityfed.org/education/foreducators/student-board>.

CHALLENGES

The Bank continues to face challenges related to its financial education efforts, including the following:

- Public school districts are stretched by budget challenges that will limit the Bank's ability to reach students and teachers through traditional avenues. Educators are also expected to be challenged by limited time and resources that will affect their ability to participate in professional development opportunities the Bank provides.
- Many classrooms will continue to face challenges regarding the amount of time available for economic and financial education activities. The Bank continues to seek ways to incorporate economic education concepts into existing curricular areas, such as math and reading.
- Increasing focus on standards-based teaching requirements in many school districts prevents teachers from exploring financial and economic concepts with their students in the classroom.

LOOKING AHEAD

The Bank plans to expand and improve its economic education efforts in a number of ways in 2016:

- Provide additional opportunities for the Bank's Student Boards of Directors to expand their personal finance knowledge, career and college preparation activities and networking opportunities with peers and Bank mentors.
- Continue to include culturally relevant anecdotes and examples throughout the Bank's educational resources to ensure maximum effectiveness.
- Strengthen and grow partnerships with urban and diverse schools and community organizations that work with underserved populations. To that end, the Bank plans to build on its initial Women in Banking event in Denver.
- Develop additional interactive activities and new resources to make financial concepts relatable for all audiences.

Female Representation

JOB CATEGORIES	WHITE		BLACK OR AFRICAN AMERICAN		HISPANIC OR LATINO	
	Number	Percent	Number	Percent	Number	Percent
Executive / Sr. Officials & Managers	7	87.5	-	-	1	12.5
First / Mid Officials & Managers	101	89.4	7	6.2	2	1.8
Professionals ¹	295	79.3	29	7.8	13	3.5
Technicians	27	71.1	8	21.1	2	5.3
Sales Workers	2	50.0	1	25.0	1	25.0
Administrative Support	100	69.0	24	16.6	14	9.7
Craft Workers	-	-	-	-	-	-
Service Workers	5	55.6	3	33.3	-	-
TOTAL	537	77.9%	72	10.4%	33	4.8%

Male Representation

JOB CATEGORIES	WHITE		BLACK OR AFRICAN AMERICAN		HISPANIC OR LATINO	
	Number	Percent	Number	Percent	Number	Percent
Executive / Sr. Officials & Managers	3	75.0	-	-	1	25.0
First / Mid Officials & Managers	124	89.9	7	5.1	4	2.9
Professionals ¹	390	82.8	23	4.9	13	2.8
Technicians	73	80.2	11	12.1	4	4.4
Sales Workers	2	100.0	-	-	-	-
Administrative Support	28	73.7	3	7.9	2	5.3
Craft Workers	34	91.9	1	2.7	1	2.7
Service Workers	62	71.3	13	14.9	7	8.0
TOTAL	716	82.5%	58	6.7%	32	3.7%
GRAND TOTAL	1,253	80.5%	130	8.3%	65	4.2%

¹Professionals include analysts, economists, examiners and IT professionals

NATIVE HAWAIIAN OR PACIFIC ISLANDER		ASIAN		AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES		OVERALL TOTALS	
<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
-	-	-	-	-	-	-	-	8	100.0
-	-	2	1.8	-	-	1	0.9	113	100.0
2	0.5	26	7.0	-	-	7	1.9	372	100.0
-	-	1	2.6	-	-	-	-	38	100.0
-	-	-	-	-	-	-	-	4	100.0
1	0.7	4	2.8	1	0.7	1	0.7	145	100.0
-	-	-	-	-	-	-	-	0	0.0
-	-	1	11.1	-	-	-	-	9	100.0
3	0.4%	34	4.9%	1	0.1%	9	1.3%	689	100.0%

NATIVE HAWAIIAN OR PACIFIC ISLANDER		ASIAN		AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES		OVERALL TOTALS	
<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
-	-	-	-	-	-	-	-	4	100.0
-	-	1	0.7	1	0.7	1	0.7	138	100.0
-	-	36	7.6	3	0.6	6	1.3	471	100.0
-	-	2	2.2	-	-	1	1.1	91	100.0
-	-	-	-	-	-	-	-	2	100.0
-	-	4	10.5	-	-	1	2.6	38	100.0
-	-	1	2.7	-	-	-	-	37	100.0
1	1.1	4	4.6	-	-	-	-	87	100.0
1	0.1%	48	5.5%	4	0.5%	9	1.0%	868	100.0%
4	0.3%	82	5.3%	5	0.3%	18	1.2%	1,557	100.0%

Notes: Numbers may not add due to rounding. Information reflects EEO-1 data as defined by the Equal Employment Opportunity Commission (EEOC). The data are as of Aug. 31, 2015, in order to match our submitted annual EEO-1 report to the EEOC. The report is primarily based on employee self-identification. Per EEOC guidance, if race or ethnic information is not self-reported, observer identification may be used.

2015 MINORITY WORKFORCE REPRESENTATION (%) KANSAS CITY OFFICE



2015 FEMALE WORKFORCE REPRESENTATION (%) KANSAS CITY OFFICE



¹Kansas City Metropolitan Statistical Area (MSA) is based on 2014 federal statistics provided by the EEOC

²Professionals include analysts, economists, examiners and IT professionals

³Sales workers and craft workers represent a small number of the total workforce

Notes: Numbers may not add due to rounding. Information reflects EEO-1 data as defined by the Equal Employment Opportunity Commission (EEOC). The data are as of Aug. 31, 2015, in order to match our submitted annual EEO-1 Report to the EEOC. The report is primarily based on employee self-identification. Per EEOC guidance, if race or ethnic information is not self-reported, observer identification may be used.

CORE METRICS

BANK	TOPICS	MEASURES	METRICS
1.	MANAGEMENT REPRESENTATION	TOP 2 EEO-1 CATEGORIES – SR. EXECS & MID-LVL MGRS	263
		% WOMEN	46%
		% MINORITIES	10.6%
2.	HIRING STATISTICS	TOTAL EXTERNAL HIRES	319
		% WOMEN	38.6%
		% MINORITIES	32.3%
3.	INTERNS	TOTAL INTERNS	34
		% WOMEN	38.2%
		% MINORITIES	23.5%
4.	M/WBE EXPENDITURES	TOTAL SPEND (IN MILLIONS)	\$47.7M
		% WBE	7.7%
		% MBE	7.0%
5.	FINANCIAL EDUCATION	# OF EVENTS	135
		# OF STUDENTS ATTENDED	18,503
		# OF EDUCATORS ATTENDED	8,551
		# OF STUDENTS REACHED	641,325

SPEND WITH CONTRACTORS AND SUPPLIERS

	2015 AMOUNT	2015 PERCENT	2014 AMOUNT	2014 PERCENT	2013 AMOUNT	2013 PERCENT	2012 AMOUNT	2012 PERCENT	2011 AMOUNT	2011 PERCENT
TOTAL REPORTABLE SPEND ¹	\$47.7 MILLION	100.0%	\$42.8 MILLION	100.0%	\$42.9 MILLION	100.0%	\$45.6 MILLION	100.0%	\$37.5 MILLION	100.0%
MINORITY-OWNED BUSINESSES ²	\$3.3 MILLION	7.0%	\$3.2 MILLION	7.4%	\$1.4 MILLION	3.2%	\$1.6 MILLION	3.4%	\$0.6 MILLION	1.6%
WOMEN-OWNED BUSINESSES ²	\$3.7 MILLION	7.7%	\$5.4 MILLION	12.7%	\$5.7 MILLION	13.3%	\$5.6 MILLION	12.3%	\$4.0 MILLION	10.6%
TOTAL MINORITY-OWNED AND WOMEN-OWNED SPEND	\$7.0 MILLION	14.7%	\$8.6 MILLION	20.1%	\$7.1 MILLION	16.5%	\$7.2 MILLION	15.7%	\$4.6 MILLION	12.2%

¹Reportable spend includes all vendor payments except those made for/to association memberships, dues and fees; international banks; intercompany/inter-Fed transfers; government payments; payment network fees; rent; and utilities.

²Minority women-owned business spend is captured in spend for minority-owned businesses and is not double-counted in the women-owned business category.



FEDERAL RESERVE BANK OF KANSAS CITY

2015 REPORT TO CONGRESS ON THE

OFFICE OF MINORITY AND WOMEN INCLUSION