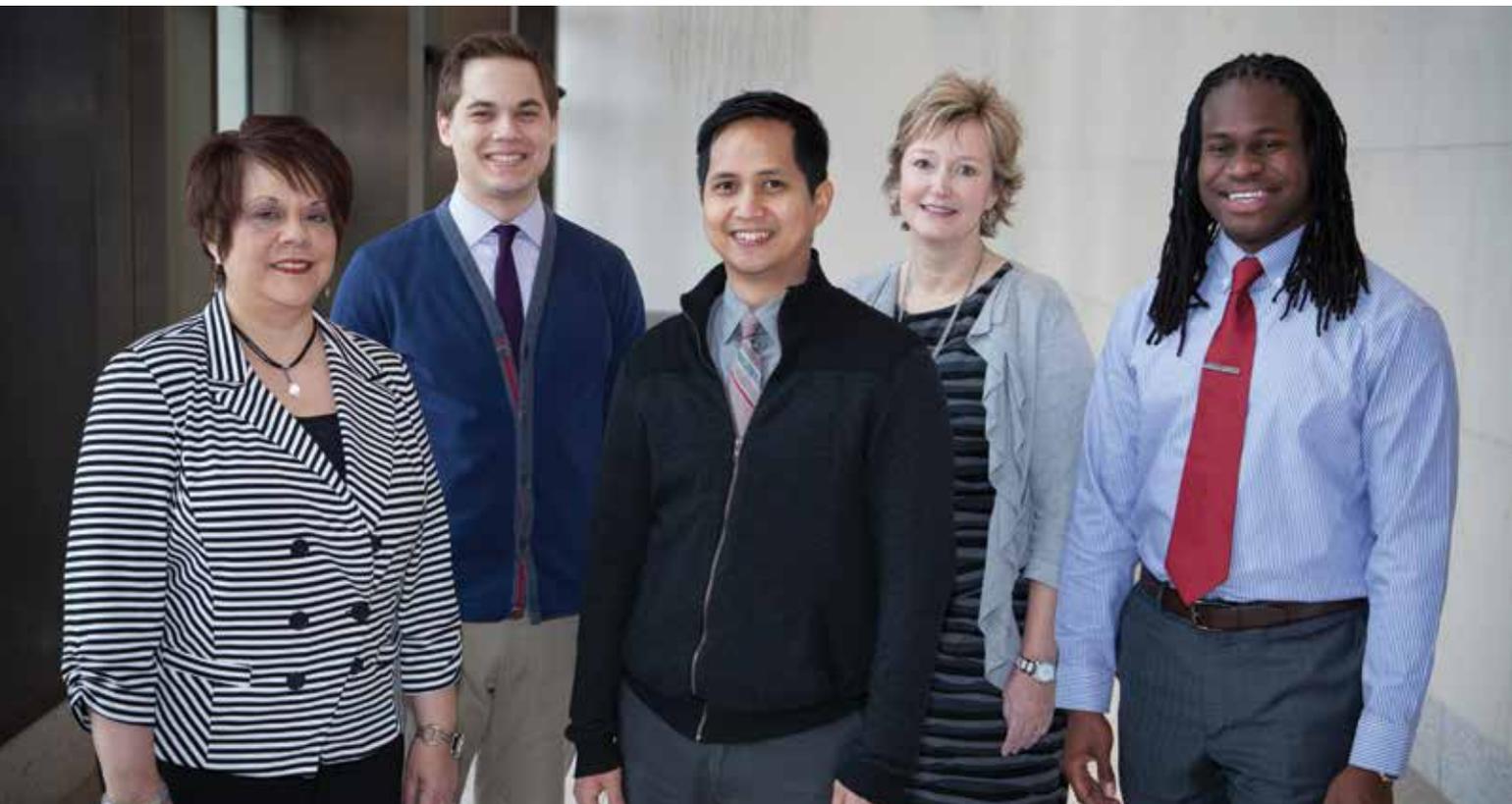


Commitment to

DIVERSITY



FEDERAL RESERVE BANK *of* KANSAS CITY

2013 REPORT TO CONGRESS *on the*

OFFICE *of* MINORITY *and* WOMEN INCLUSION

PEOPLE

PRACTICES

PARTNERSHIPS

Contents

| | |
|----|---|
| 59 | Executive Summary |
| 61 | Overview |
| 63 | People: Minority and Women Employment |
| 71 | Practices: Minority- and Women-Owned Business Inclusion |
| 77 | Partnerships: Outreach and Financial Education |
| 85 | Appendix |



ON THE COVER: From left, Bank employees Lisa Aquino, Grant Goodack, Anggi Gularso, Connie Shuler and Maurice Roper.



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

APRIL 1, 2014

For the past century, the Federal Reserve Bank of Kansas City has served the nation and our region through its role in setting monetary policy, supervising financial institutions and providing services to depository institutions. To effectively fulfill these public missions, it is important that we continue to ensure the diversity of our region is well represented through our recruitment and retention efforts, supplier practices and in the partnerships we build and develop with community organizations.

The Bank's 2013 Annual Report to Congress on the Office of Minority and Women Inclusion (OMWI) illustrates how we make diversity a priority throughout our organization. This report details our efforts in meeting the requirements of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Bank's OMWI continues to provide leadership for our long-standing tradition of ensuring the Bank's people, practices and partnerships are inclusive and representative of the wide range of demographics, experiences and backgrounds that make up the Tenth Federal Reserve District. The following pages detail our successes and the challenges we faced in 2013.

To learn more about our initiatives and successes, I invite you to visit www.KansasCityFed.org/diversity, where you can find links to all of our OMWI annual reports, information on supplier and hiring opportunities, and summaries of key programs.

Sincerely,

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



Minority members of management participate in a mentoring circle to share common opportunities, learn from each other's experiences, and focus on professional development.

FOR THE PAST THREE YEARS, THE FEDERAL RESERVE BANK OF KANSAS CITY'S OFFICE OF MINORITY AND WOMEN INCLUSION has led and strengthened the Bank's tradition of commitment to the principles outlined in Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

As it pursues its mission in a number of areas that have direct impact on the public, the Bank continues to work to ensure its people, practices and partnerships reflect the diversity of the seven-state region it serves.

Office of Minority and Women Inclusion

The Kansas City Fed's Office of Minority and Women Inclusion (OMWI) is led by Donna Ward, who was appointed as the office's director in 2010. Ward is senior vice president of the Bank's Administrative Services Division, which has responsibility for the Bank's human resources and procurement functions. She serves on the Bank's Management Committee, the senior policy-setting body for the organization.

Ward collaborates closely with the Bank's Regional, Public and Community Affairs Division, which coordinates OMWI-related public programs and financial education activities at urban and diverse school districts. Through this partnership, the Bank has implemented innovative programs and practices targeted to diverse audiences.

The Diversity Strategy Steering Committee, a nine-member panel composed of senior-level officers, advises the OMWI director and provides resources to implement the Bank's OMWI practices. This structure ensures broad, organization-wide support for diversity initiatives.

Standards and Procedures

Through its OMWI, the Bank has formal standards and procedures for the following:

- Equal Employment Opportunity (EEO) and racial, ethnic and gender diversity of the workforce and senior management.
- Participation of minority- and women-owned businesses in the Bank's programs and contracts.
- Technical assistance for minority- and women-owned businesses.

People, Practices and Partnerships

The Bank's focus on diversity and inclusion applies to all business areas. Throughout 2013, the Bank experienced a number of successes in its OMWI efforts in the following areas:

People

- In 2013, the Bank's hiring rate for minority full-time hires identified through campus recruiting efforts, including at majority-minority colleges and universities, was 18.5 percent. This reflects the highest hiring rate in three years.

- Participation in the Bank's formal mentorship program increased 39 percent from a year earlier. In addition, 88 percent of minority supervisors and managers participate in the mentorship program.

Practices

- The Bank spent 16.5 percent of total reportable spend with minority- and women-owned firms, an increase from 15.7 percent in 2012.
- Minority- and women-owned firms were awarded 27.8 percent of all 2013 contacts, an increase from 26.4 percent in 2012.

Partnerships

- More than 1,000 urban high school students participated in mentorship programs hosted by the Bank.
- The Bank's innovative financial education programs, including the Student Board of Directors, Financial Education Summit and Teach Children to Save, continued to establish a standard for success.



Donna Ward serves as OMWI director and senior vice president of the Bank's Administrative Services Division. In addition to leading the Bank's diversity strategy, she oversees the human resources and procurement functions.

Overview



President Esther George pictured with Luis Andrés Rivera Hurtado and Symone Carlton, two of the students recruited into full-time positions at the Bank through campus recruiting efforts.

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 used in national policy deliberations.

The Kansas City Fed employs more than 1,400 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. About 33 percent of the District's residents live in rural areas, more than the national average of approximately 20 percent. Additionally, 27 percent of the District's population is minority compared to about 36 percent of 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 are 8.3 percent of the senior leaders, exceeding the 6.1 percent average for equivalent positions at Kansas City-area companies.

The Bank also focuses on diversity among the members of its boards of directors. In 2013, women held board leadership positions across the District, including as chair of the Kansas City head office and chair of the Denver Branch. Additionally, minorities and women represent more than 40 percent of the board of director positions across the District.

People

MINORITY AND WOMEN EMPLOYMENT

STRATEGIES

Diversity leads to creative approaches and innovative solutions that help the Federal Reserve Bank of Kansas City meet its current and future challenges. An emphasis on diversity, including race, gender, religion, national origin, age, sexual orientation and disability, strengthens the Bank's ability to attract and retain a talented workforce, which is needed to carry out its important public role.

The Bank actively seeks to attract, retain and develop a workforce that is representative of the labor pool of qualified candidates for its positions, at all levels, in the markets in which it operates. During 2013, the Bank continued to strengthen and develop its long-standing commitment to a representative workforce. The Bank continuously assesses its organizational practices and outreach efforts to support this strategy.

Members of the Employee Diversity Council promote an inclusive work environment by recognizing the diversity of its workforce and reinforcing employee awareness of diversity and inclusion and their importance to business outcomes.



RESULTS

Recruitment

In 2013, the Bank increased its presence and engagement on the campuses of a number of historically black colleges and universities, women's colleges and Hispanic-serving institutions by conducting classroom presentations, participating in career fairs and hosting on-campus interviews.

The Bank actively engaged with seven historically black colleges and universities, women's colleges and Hispanic-serving institutions throughout the year.

- Clark Atlanta University
- Colorado State University-Pueblo
- Lincoln University

- Morehouse College
- Spelman College

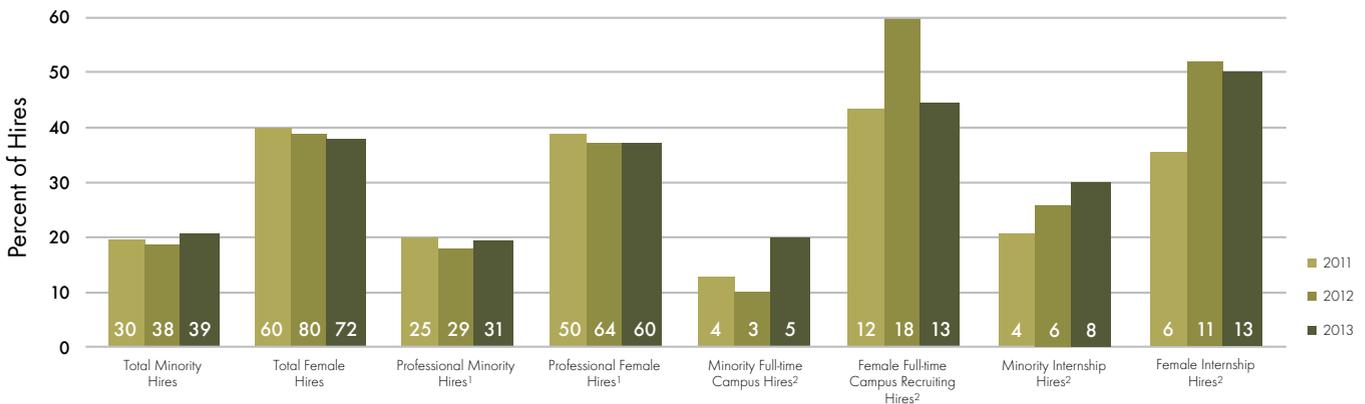
- Stephens College
- University of New Mexico

28

The Bank participated in 28 diverse college and university recruiting events in 2013.



Minority and Female Recruiting



¹Percentage reflects official management and professional staff.
²Data reflects employees who started in the represented year.

The Bank's hiring rate for minority full-time and intern hires identified through campus recruiting efforts, including at majority-minority colleges and universities, was 18.5 percent and 30.8 percent, respectively.



The Bank's partnership with INROADS, Inc. helps develop a diverse pipeline of talent. The program prepares interns, such as Jazmin McDaniel, for future careers in a variety of industries, including financial services. Jazmin, who also participated in the Student Board of Directors and Summer @ the Fed, is one of many students in whom the Bank invests.

Jazmin McDaniel, right, works as an INROADS intern and has served on the Student Board of Directors.

53

The Bank advertised its career opportunities on 53 diversity-focused online job boards that target a variety of audiences and increased the number of ads placed in diverse electronic media by 20 percent.



Partnerships improve reach

The Bank partners with diverse community organizations such as the Kansas City chapters of the Urban Financial Services Coalition (UFSC), National Black MBA Association (NBMBA) and National Society of Hispanic MBAs (NSHMBA). For example, in 2013, Bank President Esther George provided an update of economic conditions for a UFSC national program, and the Bank's Research Director spoke at NSHMBA's annual networking event.

Nationally, the Bank worked with other Reserve Banks and the Federal Reserve Board of Governors to recruit minority and women candidates through partnerships, including the Association of Latino Professionals in Finance and Accounting, National Association of Black Accountants, NBMBA,

NSHMBA, Society of Hispanic Professional Engineers, and the Thurgood Marshall College Fund.



Senior Vice President Donna Ward accepts the 2013 Platinum Partner Award from Earnest Campbell (left) and Theodis Watson of the Kansas City chapter of the UFSC.

RESULTS

Employee Retention and Development

The Bank retains and develops a diverse workforce by fostering an inclusive work environment and offering workforce support and professional development through employee orientation, coaching and the transfer of institutional knowledge through mentorship, training and other initiatives. The goal of these programs is to facilitate successful transitions to Bank employment, high achievement at all levels, and to retain employees, including minority and female talent.

88%

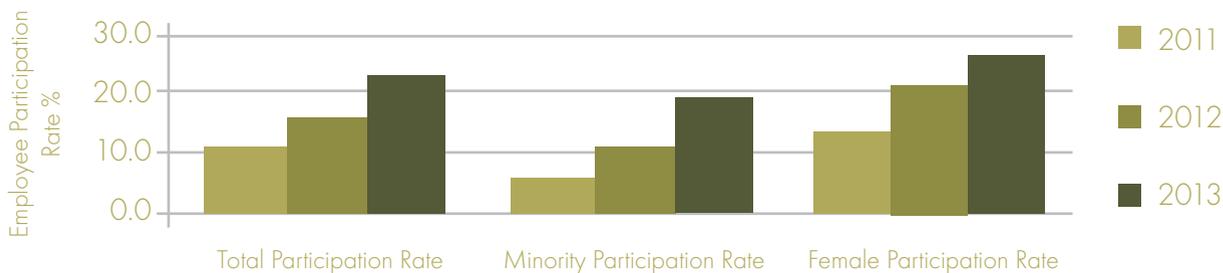
Mentorship Matters:

88% of minority supervisors and managers participate in the Bank's mentorship program.



Rhonda Patterson, Human Resources, participates in an employee mentoring program.

Mentorship Program Participation Increased 39%



In 2013, the Bank grew employee mentoring participation by 39 percent and increased minority participation by 8.2 percent from the previous year. Mentorship circles, designed to broaden the concept of mentoring to a group of individuals who share common opportunities to continue professional development and to learn from each other's experiences, also were enhanced. The Bank offers four mentorship circles, including analysts, new members of management, mid-career professionals and minority supervisors and managers.

Employee Education and Communication

Maintaining an inclusive work environment requires the commitment and support of all employees. Every employee is responsible for understanding the importance of diversity to the success of the Bank, and contributing to an inclusive work environment where excellence and continuous improvement thrive.

The Bank uses several forums to educate employees about its commitment to diversity and expectations of staff and management. Specifically, employee education efforts focus on underscoring the importance of diversity as a business opportunity and clarifying the link between diversity and organizational success. All employees are introduced to the Bank's EEO-related policies and practices during a New Employee Orientation program and provided with web-based harassment prevention training on a biennial basis. In addition, the Bank's Excellence in Management Training Curriculum for members of management includes an overview of the Bank's EEO policies and practices. The Bank's EEO-related policies and the duties/responsibilities of EEO personnel are readily available to all employees on the Bank's intranet site.

In 2013, the Bank continued to provide diversity training to employees at all levels of the organization, including *Valuing Differences*, *Being an Inclusive Leader*, *ADA and FMLA: A Closer Look*, *Creating an Inclusive Workplace*, *Peacock in the Land of Penguins*, and *Leading in a Multi-Generational Workforce*. These training sessions are designed to increase understanding of diversity as a business opportunity, the Bank's diversity strategy, and actions that management and employees can take to promote and support diversity and an inclusive environment.

Another tool the Bank uses to educate and communicate with employees about diversity is the Employee Diversity Council (EDC). The EDC promotes an inclusive work environment by recognizing the diversity of the Bank's workforce and reinforcing employee awareness of diversity and inclusion issues and their importance to business outcomes. Throughout the year, the EDC hosted a variety of educational activities that provided employees with unique and diverse opportunities to recognize their similarities, educate themselves on and appreciate their differences, and understand how they contribute to an inclusive work environment. All activities supported the Bank's Valuing Diversity and Teamwork Critical Success Factor and the Bank's Diversity Strategy.



Inez Nicholson, center, is presented an award by First Vice President Kelly Dubbert and Senior Vice President Barb Pacheco for increasing diversity awareness in the workplace.

Internal Reporting and Assessment

The Bank has established systematic processes to measure progress toward achieving its workforce diversity strategies. In 2013, the Bank focused on refining and strengthening the reporting, data analysis and benchmarks that support its diversity strategy and initiatives.

On a quarterly basis, senior leaders assess the Bank's performance by reviewing diversity recruitment results, including workforce representation compared to census data, minority and women hiring rates, minority-serving and women university activities, sponsorship and participation in urban career fairs, employment advertisements placed in diverse media, and partnerships with community organizations. Retention is also monitored through separation rates, minority and women mentorship program participation, and the results of employee engagement surveys. Diversity and EEO-related metrics also are shared regularly with the Bank's Management Committee and Diversity Strategy Steering Committee.



The Kansas City Fed's senior leadership team guides the Bank's mission, vision, values and objectives.

CHALLENGES

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

- The composition of the Bank's workforce continues to evolve from a service- and operations-based workforce to an increasingly knowledge-based workforce. This has created a demand for highly specialized and technical positions such as information technology professionals and bank examiners. The Bank faces high competition for these positions, particularly for minority and female candidates. In response, the Bank continues to enhance its recruitment and outreach efforts to identify diverse applicants.
- Within the region that the Bank serves, there is a limited number of colleges and universities that are historically minority- and women-serving or have a majority of minority students. As a result, the Bank has expanded its recruiting efforts beyond its region's boundaries; however, prospective diverse job candidates often choose not to relocate to one of the Bank's office/Branch locations.

LOOKING AHEAD

The Bank recently undertook a comprehensive assessment of progress to date and identified opportunities to strengthen its long-standing commitment to diversity and inclusion. Accordingly, a revised strategy was developed to guide future efforts. **Key initiatives related to workforce diversity include:**

- Enhance minority and female representation, particularly within the Bank's professional positions and management succession pipeline.
- Strengthen professional and leadership development programs to prepare minority and women employees for managerial and technical career paths.
- Enhance partnerships with professional and diverse community organizations that provide opportunities to network with qualified minority and female professionals who may have an interest in positions at the Bank.
- Leverage social media and other online tools to ensure the Bank's employment opportunities are broadly communicated to minority and female candidates, particularly those with leadership potential and interest in a management career path.

400

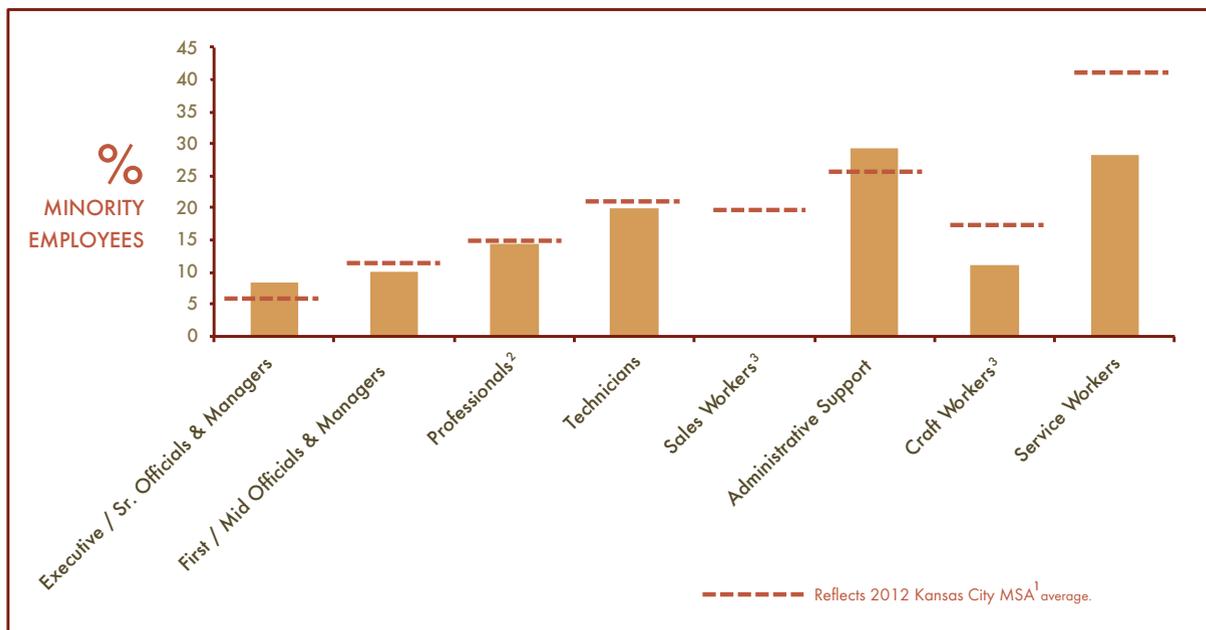
Diversity Awareness Week

The Bank's Employee Diversity Council hosted an inaugural Diversity Awareness Week in 2013. More than 400 employees participated in a variety of events, including the "Walk a Mile in My Shoes" enrichment activity and the "Diversity and Inclusion: A Historical Perspective" event. Throughout the week, employees learned facts and information that highlight the importance of diversity to a creative and innovative workplace. The Bank's first vice president and chief operating officer brought the week to a close by linking diversity and inclusion to the Bank and its performance.



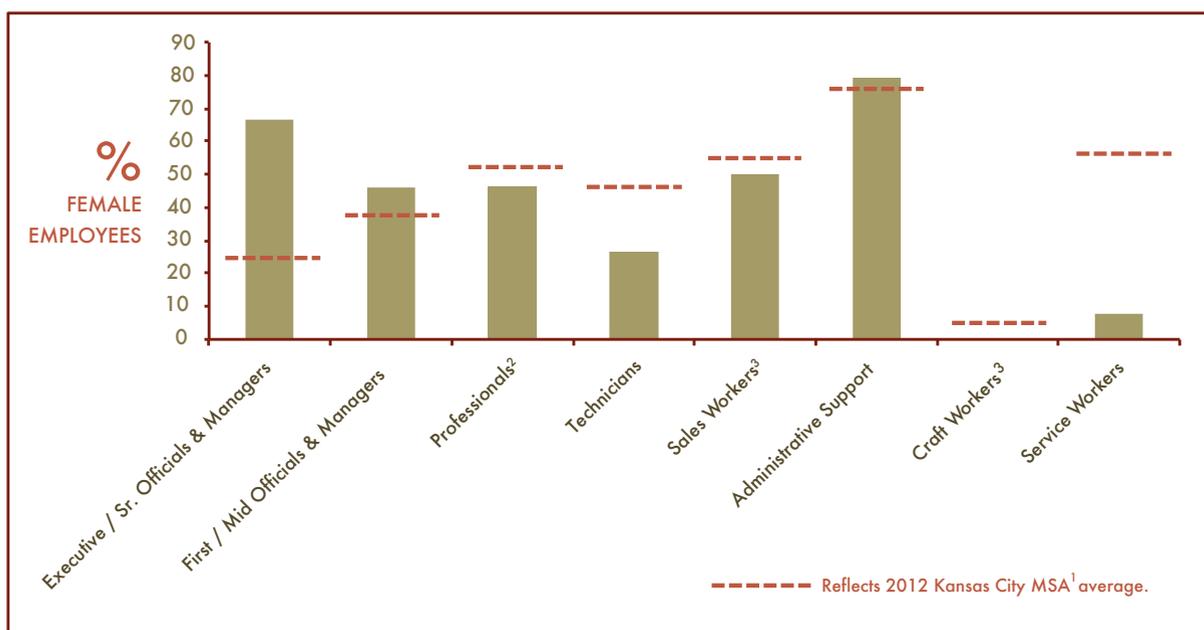
During Black History Month, Dell Gines, Senior Community Affairs Adviser, leads a lunch-and-learn session for employees to learn about the accomplishments of African-Americans throughout history.

2013 Minority Workforce Representation, Kansas City Office



Minorities make up 8.3 percent of the Bank's Senior Management team, exceeding the Kansas City MSA.

2013 Female Workforce Representation, Kansas City Office



Women make up 66.7 percent of the Bank's senior management team.

¹Kansas City Metropolitan Statistical Area (MSA) is based on 2012 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.

STRATEGIES

In 2013, the Bank strengthened its supplier diversity efforts by increasing the participation of minority- and women-owned businesses in procurement opportunities and promoting business practices to diverse suppliers. Bank staff engaged with local, regional and national groups and organizations through outreach activities and events targeted to diverse suppliers.

Supplier diversity creates value by providing the Bank with access to a wider pool of qualified vendors. This practice also benefits the community by supporting small and diverse businesses. Therefore, the Bank ensures that at least one minority- and one woman-owned business are included in procurement opportunities, when available.

These strategies, along with evaluation and measurement processes, position the Bank to make progress toward increasing participation of diverse suppliers in business practices.

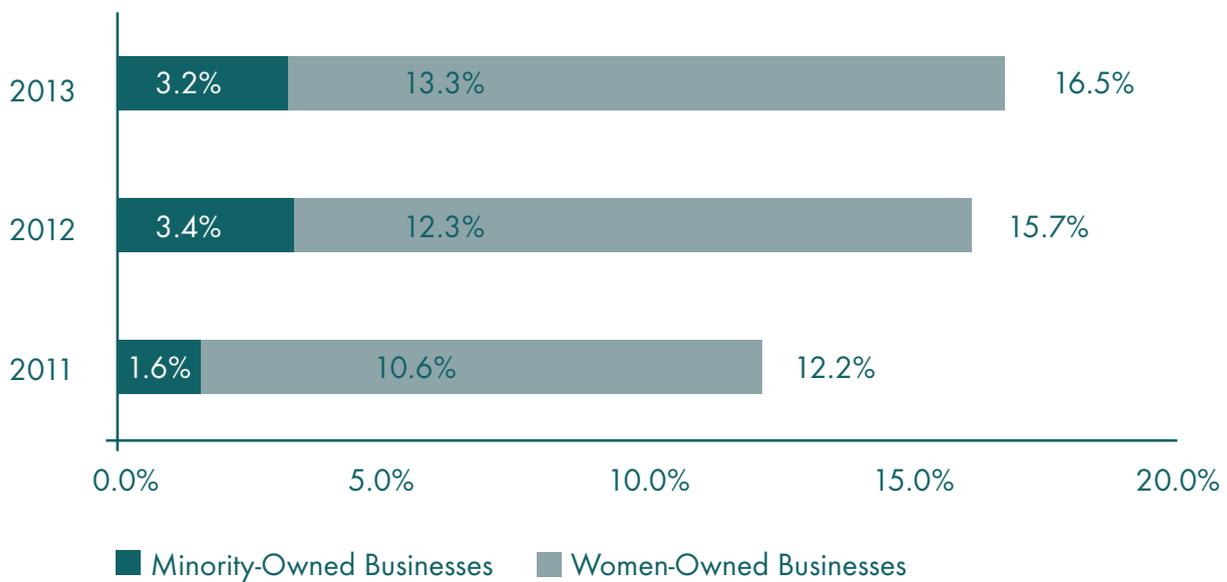


Luke Gildehaus and Diana Serrano host a supplier diversity event for vendors to learn about procurement opportunities.

16.5%

In 2013, the Bank spent 16.5 percent of its total reportable spend with minority- and women-owned businesses. This compares to 15.7 percent in 2012 and 12.2 percent in 2011. This growth highlights the Bank's commitment to diversity and supports the Bank's core value that supplier diversity strengthens its operations and benefits the community.

2011-2013 Percent of Total Reportable Spend with Diverse Suppliers

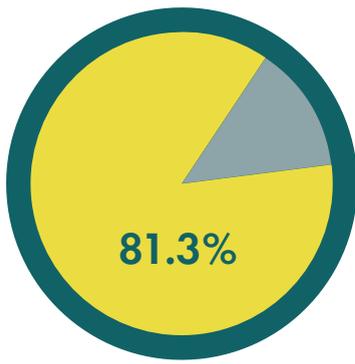


Spend with Contractors and Suppliers

| | <u>2013</u> | | <u>2012</u> | | <u>2011</u> | |
|--|----------------|------|----------------|------|----------------|------|
| | Amount | % | Amount | % | Amount | % |
| Total Reportable Spend ¹ | \$42.9 million | 100 | \$45.6 million | 100 | \$37.5 million | 100 |
| Total Diverse Spend | \$7.1 million | 16.5 | \$7.2 million | 15.7 | \$4.6 million | 12.2 |
| Women-Owned Business ² Spend | \$5.7 million | 13.3 | \$5.6 million | 12.3 | \$4.0 million | 10.6 |
| Minority-Owned Business ² Spend | \$1.4 million | 3.2 | \$1.6 million | 3.4 | \$618,000 | 1.6 |

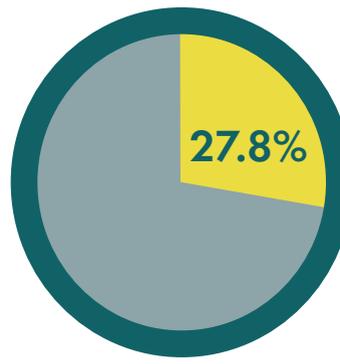
¹Reportable spend includes all vendor payments except those made for/to association memberships, dues and fees; international banks; inter-company/inter-Fed transfers; government payments; legal settlements; payment network fees; rent; and utilities.

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



2013 Diverse Supplier Inclusion

The Bank identified and included diverse suppliers in 81.3 percent of all requests for proposals in 2013.



2013 Contracts Awarded to Diverse Suppliers

27.8 percent of all 2013 contracts were awarded to minority- and women-owned businesses, an increase from 26.4 percent in 2012.

A commitment to diverse suppliers

Eddy Whitley, CEO of Whitley Construction Co., turned a meeting with Bank staff into a business opportunity for his small firm. The contractor was one of several minority-owned suppliers the Bank worked with during the year.

Bank staff first met Whitley at an event in August 2013 aimed at connecting minority-owned small businesses with procurement opportunities across the Kansas City area. Two weeks later, Whitley Construction met with the Bank's Facilities Management staff and was included for consideration in upcoming construction projects.

Whitley then received a contract for a new project in September. "We had a great experience," Whitley said of his work with the Bank, which involved a space renovation project at the Bank's headquarters. "I think the Bank is very serious and committed to working with diverse suppliers."

One of Whitley's business goals for the year was to develop relationships with four new customers. "The Federal Reserve helped us meet and exceed our 2013 goals," he said.

"I think the Bank is very serious and committed to working with diverse suppliers."

-Eddy Whitley, CEO of Whitley Construction Co.

57.8%

The Bank received responses from 57.8 percent of all minority- and women-owned businesses that were invited to submit a request for proposal.



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 Greater Kansas City
- Greater Kansas City Chamber of Commerce
- Hispanic Chamber of Commerce of Greater Kansas City
- Kansas Black Chamber of Commerce (new partnership in 2013)
- MidAmerica Minority Supplier Development Council (MAMSDC)
- Women's Business Development Center

Outreach and Community Engagement

In 2013, the Bank participated in 12 outreach events and activities that provided staff with opportunities to network and connect with diverse suppliers and learn about best practices. At these events, Bank staff met in person with diverse businesses and provided technical assistance to suppliers about how to do business with the Bank. These outreach events included the following:

- Asian American Chamber of Commerce Networking Lunch and Learn
- Hispanic Chamber of Commerce Annual Awards Recognition
- Kansas Black Chamber of Commerce Informational Meeting
- Kansas City Government Contracting and Procurement Forum Business Fair
- MAMSDC Business Opportunity Exchange
- MAMSDC, Hispanic Chamber of Commerce, and Young Latino Professionals Event
- MAMSDC One-on-One Meeting with Council President
- MAMSDC President's Quarterly Breakfast (Two Events)
- MAMSDC Spotlight Luncheon
- National Minority Supplier Development Council Annual Conference
- Women's Business Enterprise National Council Business Fair

The Bank actively collaborates with other Reserve Banks to develop and promote initiatives that strengthen supplier diversity. In 2013, 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 towards achieving its supplier diversity strategies. In 2013, the Bank refined and strengthened the reporting and data analysis that supports its diversity strategy and initiatives. The Bank implemented automated reporting tools, including a supplier database with capabilities for searching for diverse suppliers and tracking participation of those suppliers in Bank contracts.

On a quarterly basis, senior management assesses the Bank's performance 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.

CHALLENGES

While the Bank continues to see progress towards participation of diverse suppliers, several challenges remain. The Bank continues to face challenges in identifying qualified suppliers for certain goods and services, such as specialized or proprietary software.

Additionally, the Bank is challenged with increasing the responsiveness of diverse suppliers to requests for proposals (RFP) and other contracting opportunities. In an effort to enhance business practices, the Bank surveys quarterly those suppliers who did not respond to a RFP in the previous quarter. These surveys have found that suppliers that do not respond to a RFP say they are not able to provide the requested goods or services during the time schedule required or face other resource constraints, such as scale. In an effort to address supplier concerns about the Bank's processes and tools, purchasing staff provide one-on-one assistance to ensure that potential suppliers have the information necessary to compete.



Bank employee, Melinda Benavidez, meets with potential vendors at a business opportunity event.

Diverse businesses learn more about the Bank's procurement opportunities at Business Opportunity Fairs and other outreach events.



LOOKING AHEAD

The Bank has identified the following opportunities to continue to enhance its supplier diversity and inclusion efforts in 2014:

- Increase efforts to promote awareness about the role of supplier diversity in the Bank's performance and diversity strategy. This includes regularly educating management and staff about supplier diversity metrics through activities that engage employees.
- Provide more opportunities for business areas throughout the Bank to meet one-on-one with diverse suppliers. The Bank plans to host onsite events where suppliers can share information about the goods or services they provide, and in turn, learn about the Bank's needs.
- Continue to identify improvements to business practices that may improve the ability to source qualified diverse suppliers through new tools and processes.

Partnerships

OUTREACH and
FINANCIAL EDUCATION

STRATEGIES

The Federal Reserve Bank of Kansas City leads a number of innovative programs and initiatives aimed at expanding economic education throughout the region it serves.

In 2013, the Bank continued to expand its partnerships with urban school districts, youth organizations, community groups and others, reaching thousands of students and teachers in the process. The Bank recognizes that an investment in financial education leads to stronger communities, stable neighborhoods and better opportunities for young people.



The Bank's Summer @ the Fed program provides paid internships to high-achieving recent high school graduates. These interns lead financial education programs at summer camps in the Kansas City area.

107 PROGRAMS

Last year, the Bank hosted and participated in 107 financial education programs across the Tenth District, reaching 15,561 people in urban and underserved communities.

Students at Boys and Girls Club of the Midlands, Omaha, published a book of finance tips they learned through a Bank program.



36

Staff at the Bank's head office in Kansas City and its three Branches in Omaha, Oklahoma City and Denver, participated in 36 financial education events at urban high schools.

1,092

During the year, 1,092 students participated in at least one of the Bank's targeted mentorship programs.



Students at diverse school districts explored financial concepts through interactive Bank programs.



Tammy Edwards, vice president and community affairs officer, speaks with high school students about personal finances.

INNOVATIVE PROGRAMS



Evening at the Fed: District offices invite area educators, including those from urban school districts, to attend an evening of professional development to learn more about current economic issues and available educational resources from the Bank. Districtwide, the Bank hosted 410 educators for these events.

7,000

Teach Children to Save: In April, 154 Bank volunteers visited 323 classrooms throughout the Kansas City metro area to share financial education lessons to more than 7,000 elementary students.



Financial Education Summit: The Bank, along with the Federal Reserve Bank of Cleveland, hosted a Financial Education Summit in Washington, D.C., for more than 100 high school students from D.C. Public Schools. Staff from both Banks shared economic education lessons covering credit, banking, financing college and career development. The students also toured the U.S. Capitol building and met with U.S. Rep. Emanuel Cleaver II and Bank President Esther George.

Kansas City Mayor Sly James, Board Chairman Barb Mowry and Bank President Esther George spoke with the Student Board of Directors upon completion of their program.



Kansas City Fed's student board expands districtwide

During the 2012-13 school year, the Bank expanded its successful Student Board of Directors program to the Branch Offices in Denver, Oklahoma City and Omaha.

A total of 44 high school students from school districts in all four cities participated in the program, which provided the students with an in-depth look at business and financial concepts, as well as opportunities to receive college and career advice from Bank staff.

Throughout the school year, the students met with Bank leaders, such as Bank President Esther George and Board of Directors members, who helped the students better understand the Bank's role. Through tours of the Bank and local businesses, students learned about career paths, the local economy and ideas for planning their futures.

Members of the Denver Student Board of Directors learned about entrepreneurship during a tour of Amerigo, a local fast-casual deli-style restaurant. Amerigo's owner shared his experience as a young entrepreneur running a restaurant and the importance of understanding the economy.

Teens and their money

Personal finance lessons are a crucial part of the Student Board experience. They are presented in a hands-on format to make them more meaningful.

Omaha Student Board members reviewed budget profiles for different scenarios, including a young college graduate and a family of four. The students were asked to create budgets for the income and expenses of each. They were then challenged with how to handle an emergency or windfall.

Taking it with you

As the academic year came to a close, the student board members were recognized for their dedication and hard work at special ceremonies held at each office.



Jay Flies Through 10J: In a program launched in 2013, teachers can sign up for a "visit" from Jay the Flying Eagle. The program prompts students to write letters to Jay about their area, which helps reinforce themes related to the local, regional and national economy. During the year, 143 educators signed up for a visit from Jay, reaching more than 5,100 students.



Summer @ the Fed

During the summer of 2013, seven college-bound students from the Kansas City, Mo., school district who participated as members of the Student Board of Directors continued their involvement with the Kansas City Fed as paid interns with the Summer @ the Fed program.

Through the program, which marked its second year in 2013, the students shared their own financial knowledge and mentored more than 600 young people involved in summer programs at several community organizations in the Kansas City area, such as the Boys and Girls Club of Greater Kansas City, Operation Breakthrough and The Upper Room.

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

"By the end of the summer, I worked with hundreds of kids in the Kansas City metropolitan area," one of the student interns, Jared Freeman, said. "Working as an activities director at the Federal Reserve has not only given me the opportunity to teach kids and learn, but has also been thoroughly enjoyable and educational for me."



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. A number of these events are listed below.

| Event | Date | Location | Attendance |
|---|----------|-------------------|------------|
| Kansas City Commercial Real Estate Women Meeting | Jan. 22 | Kansas City, Mo. | 125 |
| Omaha Public Schools Superintendent's Career Education Advisory Meeting | Feb. 6 | Omaha | 40 |
| Oklahoma City Public Schools Districtwide Academy of Finance | Feb. 7 | Oklahoma City | 60 |
| Evening at the Fed | Feb. 7 | Denver | 45 |
| Omaha Empowerment Breakfast | Feb. 8 | Omaha | 100 |
| 20/20 Leadership High School Student Workshop | March 11 | Kansas City, Mo. | 80 |
| Money Day at Colorado's Alternative High School | March 11 | Denver | 50 |
| PAVE the Way High School Student Workshop | March 20 | Kansas City, Mo. | 40 |
| New Mexico Financial Education Summit | April 1 | Albuquerque, N.M. | 337 |
| Personal Finance and Economics Challenge | April 2 | Oklahoma City | 150 |
| \$core Your Goals | April 6 | Kansas City, Kan. | 250 |
| Outstanding Economics Student Awards | April 25 | Oklahoma City | 80 |
| Adams Elementary Student Workshop | May 16 | Wichita, Kan. | 76 |
| Moneywise Financial Education | June 1 | Denver | 250 |
| Junior Achievement Business Week | June 11 | Denver | 267 |
| Career Tech Summer Conference | Aug. 1 | Oklahoma City | 250 |
| Business Development Opportunities | Aug. 22 | Denver | 275 |
| Financial Education Youth Summit | Sept. 21 | Washington, D.C. | 115 |
| Ready to Lead Youth Program | Sept. 30 | Denver | 250 |
| Federal Reserve Financial Education Day Student Workshop | Oct. 23 | Kansas City, Mo. | 200 |
| Youth Financial Education Conference | Nov. 5 | Denver | 124 |

CHALLENGES

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

- Budget challenges in school districts continue to limit the Bank’s ability to reach students and teachers through traditional avenues. In addition, educators have reported time constraints that limit their ability to participate in professional development opportunities.
- Many classrooms have limited time available for economic or financial instruction. The Bank continues to seek ways to incorporate economic education concepts into existing curricular areas.
- Increasing focus on standards-based teaching requirements in many school districts limits 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 2014:

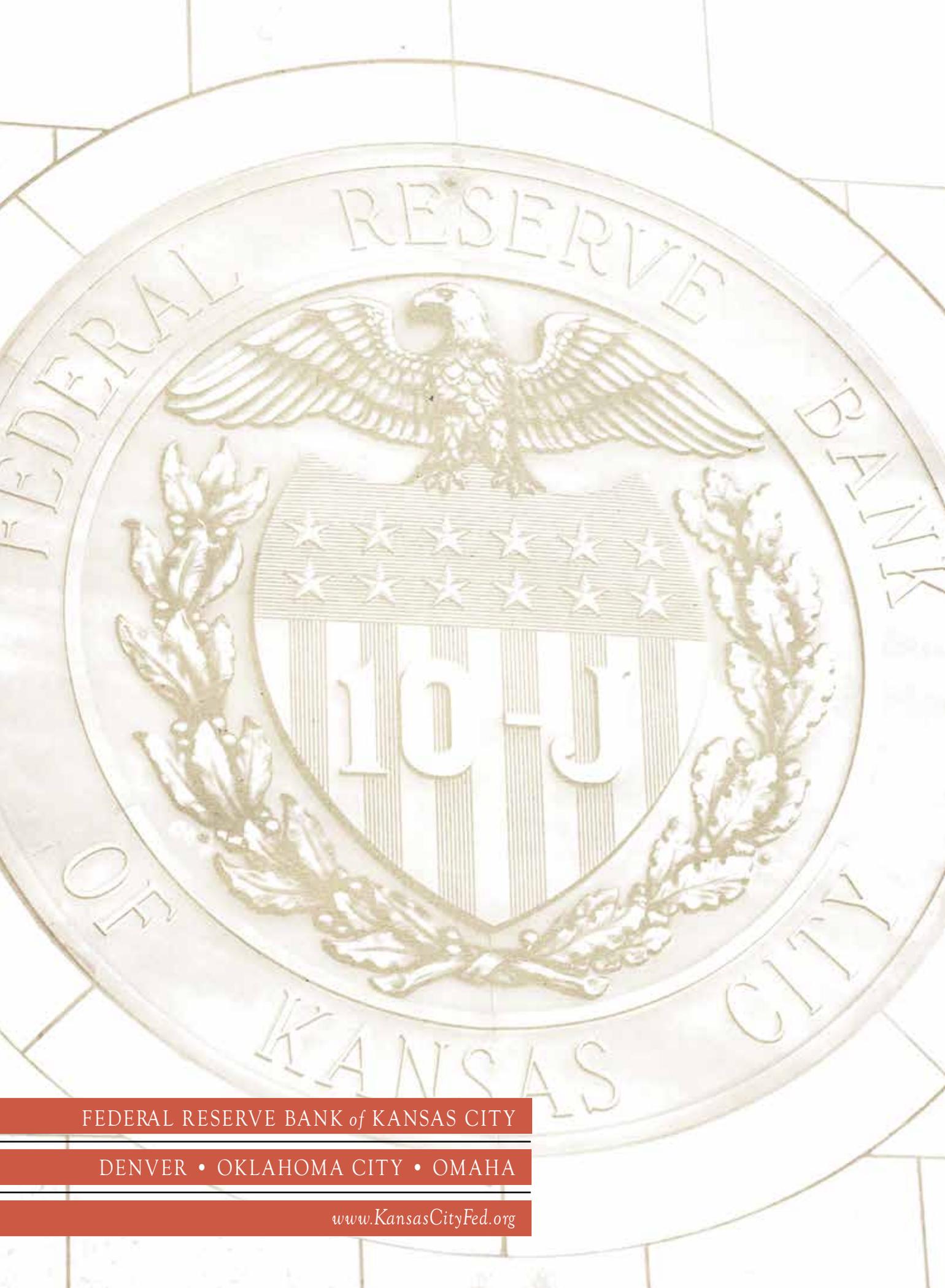
- Expand the Student Board program to allow Board members to attend the Congressional Black Caucus’ Financial Education Youth Summit in Washington, D.C. The Student Board members will also be required to prepare a presentation or other work explaining how their involvement with the Board enriches their personal and professional development.
- 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.
- Develop additional interactive activities and new resources to make financial concepts relatable.



| Native Hawaiian or Pacific Islander | | Asian | | American Indian or Alaskan Native | | Two or More Races | | Overall Totals | |
|-------------------------------------|---------|--------|---------|-----------------------------------|---------|-------------------|---------|----------------|---------|
| Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| - | - | - | - | - | - | - | - | 8 | 100.0 |
| - | - | 3 | 3.0 | - | - | - | - | 101 | 100.0 |
| 1 | 0.3 | 10 | 3.2 | - | - | 3 | 1.0 | 315 | 100.0 |
| - | - | 1 | 3.0 | - | - | - | - | 33 | 100.0 |
| - | - | - | - | - | - | - | - | 2 | 100.0 |
| 1 | 0.6 | 3 | 1.9 | - | - | 1 | 0.6 | 158 | 100.0 |
| - | - | - | - | - | - | - | - | 0 | 0.0 |
| - | - | 1 | 11.1 | - | - | - | - | 9 | 100.0 |
| 2 | 0.3% | 18 | 2.9% | 0 | 0.0% | 4 | 0.6% | 626 | 100.0% |

| Native Hawaiian or Pacific Islander | | Asian | | American Indian or Alaskan Native | | Two or More Races | | Overall Totals | |
|-------------------------------------|---------|--------|---------|-----------------------------------|---------|-------------------|---------|----------------|---------|
| Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| - | - | - | - | - | - | - | - | 4 | 100.0 |
| - | - | - | - | 1 | 0.8 | 1 | 0.8 | 129 | 100.0 |
| - | - | 19 | 4.9 | 3 | 0.8 | 5 | 1.3 | 391 | 100.0 |
| - | - | 1 | 1.1 | - | - | - | - | 87 | 100.0 |
| - | - | - | - | - | - | - | - | 2 | 100.0 |
| - | - | 4 | 10.3 | - | - | - | - | 39 | 100.0 |
| - | - | 1 | 2.9 | - | - | - | - | 34 | 100.0 |
| 1 | 1.1 | 4 | 4.4 | - | - | - | - | 91 | 100.0 |
| 1 | 0.1% | 29 | 3.7% | 4 | 0.5% | 6 | 0.8% | 777 | 100.0% |
| 3 | 0.2% | 47 | 3.3% | 4 | 0.3% | 10 | 0.7% | 1,403 | 100.0% |

Note: Numbers may not add due to rounding. Information reflects EEO-1 data as defined by the Equal Employment Opportunity Commission (EEOC). The data is as of August 31, 2013, 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.



FEDERAL RESERVE BANK of KANSAS CITY

DENVER • OKLAHOMA CITY • OMAHA

www.KansasCityFed.org