

# FDIC Advisory Committee on Community Banking

July 28, 2020

Diversity and Inclusion at Financial Institutions



# Financial Institution Diversity Self-Assessment (FID-SA)

- Dodd-Frank Section 342(b)(2)(C) requires the FDIC and other financial regulatory agencies to assess the diversity policies and practices of regulated financial institutions
- Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies (Policy Statement) was issued on June 10, 2015
- The Standards are a framework for each financial institution to assess its own diversity policies and practices in the following areas:
  - Organizational Commitment to Diversity and Inclusion;
  - Workforce Profile and Employment Practices;
  - Procurement and Business Practices – Supplier Diversity;
  - Practices to Promote Transparency of Organizational Diversity and Inclusion;
  - Financial Institutions' Self-Assessment.

# FID Program Strategic Roadmap

- Overarching goals that guide program implementation
  - Create and strengthen partnerships with financial institutions, including community banks
  - Maximize use of technology to improve banks' experience conducting the self-assessments
  - Promote the diversity and inclusion maturity journey for financial institutions
- Strategies to accomplish goals
  - Expand the number of institutions that voluntarily complete the self-assessment and share their results with the FDIC
  - Develop resources based on diversity self-assessment responses that financial institutions can leverage to develop and improve their diversity policies and practices
  - Promote benefits realized by financial institutions that are intentional about diversity and inclusion

# What's New - 2020 Diversity Self-Assessment Portal

- External banker portal was launched for financial institutions to electronically submit self-assessment data
- Self-assessment automated tool is accessible through FDICconnect secure portal
- Multiple users are able to work on the self-assessment
- Financial institutions are able to view previous submissions
- Financial institutions can attach support materials and print a pdf copy

# Community Banks Diversity Self-Assessment

- Financial institutions with 100 or more employees are encouraged to conduct and voluntarily submit an assessment
- Community banks may use the Standards to assess diversity practices, in a manner appropriate to their size, governance structure and characteristics
- Participation increases available small bank data for comparative analysis used to:
  - highlight small financial institutions' successful diversity policies and practices;
  - raise awareness of diversity policies and practices that benefits the financial industry as a whole;
  - promote diversity within the financial services industry; and
  - identify leading practices for financial institutions to assess and improve diversity and inclusion policies and practices

# Diversity Challenges and Impediments

## What are your challenges?

### Here is what we've heard:

- Location and size of FDIC-regulated financial institutions (community banks) limits their resources to grow a diversity program.
- Financial institutions are at different stages in their D&I maturity.
- Financial institutions are not aware of the benefits of completing a diversity self-assessment.
- Banking community may be wary of sharing diversity and inclusion information with their federal regulators.
- The majority of FDIC-regulated institutions are not maximizing use of the FID-SA Diversity Self-Assessment template.

# Examples of Financial Institution Efforts

- Creating programs targeting women and minorities for promotion and leadership.
- Incorporating diversity and inclusion scorecards onto management's dashboard.
- Embedding diversity and inclusion modules into leadership and management training.
- Creating training programs for students to provide opportunities for full/part-time employment.
- Expanding their supplier diversity approach to minority- and women-owned businesses.
- Incorporating diversity and inclusion into annual corporate goals.
- Adding diversity and inclusion evaluations in senior-level performance management systems.

**How can the FDIC support community banks' diversity and inclusion efforts?**

# FID Program Contact Information

Additional information about FDIC's Financial Institution Diversity Program and its process may be obtained from OMWI:

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**Financial Institutions Diversity Website -**

**<https://www.fdic.gov/about/diversity/dibanking.html>**