



Diversity Assessment Report for Entities Regulated by the SEC

Summary of Year One Results

The Diversity Assessment Report is designed to help regulated entities conduct voluntary self-assessments of their diversity policies and practices and provide them with a template for submitting diversity-self-assessments to the SEC. It is intended primarily for SEC-regulated entities with more than 100 employees.

First Year Requests to Complete the Diversity Assessment Report

Using registration statements and public information, SEC identified approximately 1500 registrants (investment advisers, broker-dealers, municipal advisers, and self-regulatory organizations) that have more than 100 employees as potential respondents.

Invitations to complete and submit a Diversity Assessment Report were sent out in three groups:

January 2018	257 regulated entities with 1000 or more employees
September 2018	204 regulated entities with 500 to 999 employees
November 2018	906 regulated entities with 100 to 499 employees

First Year Responses

SEC received a total of 38 responses, which cover 69 or 5% of the regulated entities invited to submit Diversity Assessment Reports during the first year of its use. Most responses in the first group were from registrants that are divisions or subsidiaries of larger financial institutions. In some cases, the response covered more than one division or subsidiary regulated by the SEC.

The responses were submitted in a variety of forms:

- Diversity Assessment Reports completed online using Novi Survey
- PDF version of the Diversity Assessment Report
- Firm narrative reports of diversity self-assessments
- Firm-prepared diversity self-assessment template
- Copies of Diversity Self-Assessment Templates submitted to the Office of the Comptroller of the Currency, Federal Reserve Board, and Federal Deposit Insurance Corporation

Highlights from First Year Responses

Highlights from the diversity assessment information provided in the **38 responses** are provided below.

Organizational Commitment to Diversity and Inclusion

- **89%** - firm has written diversity and inclusion policies
- **84%** - firm has a senior level official with experience in diversity and inclusion who oversees and directs the firm's diversity and inclusion efforts

Implementation of Employment Practices to Promote Workforce Diversity and Inclusion

- **89%** - firm engages in outreach to minority and women organizations
- **79%** - firm engages in outreach to educational institutions serving significantly or predominantly minority and women student populations
- **71%** - firm regularly evaluates performance under its workforce diversity and inclusion programs
- **61%** - firm includes diversity and inclusion objectives in performance plans of its managers

Considerations of Supplier Diversity in Procurement and Business Practices

- **55%** - firm's supplier diversity policy is aimed at providing business opportunities to diverse suppliers, including minority-owned and women-owned business (MWOBs)
- **26%** - firm has an ongoing process to publicize its procurement opportunities

- **50%** - firm measures percentage of contract dollars awarded to MWOBs by gender, race, and ethnicity

Practices to Promote Transparency of Organizational Diversity and Inclusion

- **73%** - firm publishes information about its diversity and inclusion efforts on its website
- **66%** - firm publishes policy on its commitment to diversity and inclusion on firm's website
- **50%** - firm publishes information about progress toward achieving diversity and inclusion in workforce on website

Workforce Diversity Comparison to Financial Services Industry

The Diversity Assessment Report asks entities to provide summary workforce statistics including the total number of employees, and the representation of women and racial/ethnic groups in the EEO-1 Report job categories.

Of the 38 responses, 17 provided all the requested workforce statistics, 8 provided statistics only on senior level managers, one provided statistics but no gender/racial breakdown for senior level managers, 5 provided workforce statistics but not in a usable form, and 7 provided no workforce statistics.

We compared workforce diversity of respondents to the diversity in Finance & Insurance Industry by EEO-1 job categories, using industry data obtained from the EEOC.

12 - representation of minorities in Executive/Senior Level Officials and Managers category equaled or exceeded 12% industry average in this category

7 - representation of women in Executive/Senior Level Officials and Managers category nearly equaled or exceeded the 30% industry average in this category

Successful Practices for Promoting Diversity and Inclusion

According to the respondents, successful practices for advancing workforce diversity and supplier diversity, and useful tools for promoting organizational commitment to diversity and inclusion, include the following:

Organizational Commitment

- Sponsoring or supporting employee resource groups (also called employee affinity groups, networking groups, and business resource groups)
- Promoting accountability through compensation programs that recognize progress towards improving diversity
- Requiring diversity education for all managers, including unconscious bias training

Workforce Diversity

- Establishing numerical targets for increasing representation of women in senior leadership
- Requiring diverse candidate slates and interview panels for senior leadership positions
- Encouraging sponsorship by executive or senior leaders to give top talent visibility and opportunities and ensure they are ready for succession

Supplier Diversity

- Establishing goals for spending with diverse suppliers
- Maintaining a diverse supplier repository
- Hosting workshops and expos to support development and inclusion of diverse vendors in procurement

Transparency of Organizational Commitment

- Participating in annual external surveys that include rankings for diversity and inclusion
- Partnering with external organizations promoting diversity and inclusion