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## Running Toward Diversity In The Workplace

by [Steve Brown](#)

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For upwards of 10Ys, schools across the country have celebrated National Multicultural Diversity Day (NMDD) on the third Monday in October. The occasion was created by Cleorah Scruggs, a fourth-grade teacher in Flint, MI and was adopted as a national event by the 1993 Representative Assembly. Numerous businesses and municipalities across the country also celebrate diversity during the month, undertaking special initiatives to promote inclusiveness and broaden perspectives.

Of course diversity should be on a bank's radar screen throughout the year, but setting aside time specifically to focus on inclusion may help prioritize it.

The US workforce has without a doubt become more diverse and will continue to become even more so over time. The question banks need to ask themselves is whether they're doing all they can to promote diversity inside and outside the organization.

A report by the NAACP released earlier this year looked at the diversity efforts of the five largest banks in the US: Bank of America, Citibank, JP Morgan Chase, Wells Fargo and U.S. Bank. As such, the findings aren't necessarily representative of what's happening at your bank, but they can be used as a starting point for a deeper look into your own diversity efforts.

For its part, the study gave these largest banks low to mediocre marks for their efforts. Based on 2011 data, the report showed that white employees continue to dominate top management positions. This is despite efforts by the banks to develop internal programs to boost diversity and inclusion, as well as significant increases in the number of minority college graduates over the past few decades.

Bankers know that embracing diverse cultures and backgrounds better connects their bank with the community and employees. That is why many community banks we know already have specifically designed programs.

Regulators seem to be looking at this as well. In October 2013, the OCC, the Fed, the FDIC, NCUA, CFPB and the SEC issued a proposed interagency policy statement establishing joint standards for assessing the diversity policies and practices at the institutions they regulate. As proposed, the standards cover organizational commitment to diversity and inclusion, workplace profile and employment practices, procurement and business practices and supplier diversity and practices to promote transparency around diversity. The comment period for the proposed standards was extended from Dec 2013 until Feb 2014 and the final rule has yet to be published.

In the meantime, banks can get a head start by reviewing internal policies and starting to get a handle on how effective or ineffective those policies are. You can also take advantage of the momentum that comes from a focus on diversity during Oct and run programs within your bank to emphasize its importance.

Be creative and know that whatever you do doesn't have to be complicated to get the message across effectively. You might, for example, create diversity posters for your organization featuring photos of your employees or play music from around the world within your branches. Concentrating on inclusivity is a win-win for everyone and focusing efforts on this now will only help.

# BANK NEWS

## **Lower Ownership**

The Fed reports home ownership among families with a head of household younger than 40Ys old have fallen from about 50% from 2005 to 2013 to only 42% today. Meanwhile, home ownership among families with a head of household age 41Ys to 61Ys has declined to 72% vs. about 77% over the same period.

## **Feeling Fine**

Bloomberg reports Fed Chair Yellen reportedly told a group of 30 people she met with in a private meeting that she is confident in the durability of the US economy despite slower global growth and increased market volatility.

## **Rate Hikes**

Despite recent market volatility, Wall Street firms say they still expect the Fed to start raising rates in mid 2015.

## **Corporate Bonds**

Bloomberg reports the non-investment grade corporate bond market has grown to \$1.3T, which is an 82% increase since 2007.

## **Higher Cost**

Cyber security research company, The Ponemon Institute, reports the average annual cost of cyber crime for companies has almost doubled in the past 5Ys.

## **Social Data**

The Financial Brand reports the top 10 banks on Facebook have 22mm "Likes". As a group, that puts them in aggregate somewhere between Captain Jack Sparrow and pro basketball player LeBron James, but about 50% the level of singer Britney Spears and the game FarmVille Cows. Meanwhile, only 53 banks have more than 100,000 "Likes", which puts them in the mix with a kid trying to get a cat from their parents, a news magazine devoted to model airplanes and the Krazy Coupon Lady to name a few. As for Twitter, FB finds only 70 banks have more than 10,000 Followers. That compares to singer Katy Perry at the top with 58.3mm and well behind even the United Nations (#686 w/3.2mm) or the Food Network (#995 with 2.3mm). Overall, the top 100 banks and credit unions send about 36 tweets per day per institution. Clearly banks have more work to do here to truly reach the masses on social media.

## **Kid Support**

A study by Pew Research Center finds 73% of parents' ages 40 to 59 have helped support an adult child in the past year.

## **Best Employees**

A survey by benefits consulting company Towers Watson finds 54% of global companies say they are struggling to keep their best employees.

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