



# Diversity & Inclusion

In its ongoing effort to increase regulation of the consumer financial services industry, the federal government has turned its attention to workforce diversity and inclusion. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, industry regulators expect financial institutions to foster greater workplace and supplier inclusion among women and minorities.

Ballard Spahr is a recognized leader in the area of diversity and inclusion and we can help financial services companies confront this new regulatory challenge. Our Consumer Financial Services and Mortgage Banking Groups represent clients ranging from the nation's largest financial institutions to smaller enterprises and Internet-based providers. In addition, the groups work closely with the firm's Labor and Employment practice, which has formed a Diversity & Inclusion Team to provide specific guidance on issues involving diversity and inclusion.

The team also advises on legal issues related to discrimination, reverse discrimination, and affirmative action. Our experience includes assisting with the ongoing design and implementation of a diversity and inclusion program for a Fortune 100 and DiversityInc Top 50 company in a heavily regulated industry. This company is considered an industry leader for its comprehensive, unique, and transparent approach to diversity.

## DODD-FRANK DIVERSITY AND INCLUSION MANDATES

Pursuant to Section 342 of Dodd-Frank, each of the six federal financial agencies—including the CFPB, FDIC, NCUA, Federal Reserve Banks and Board, OCC, and SEC—created an Office of Minority and Women Inclusion (OMWI). Each OMWI assesses diversity and inclusion policies and practices of regulated entities based on a set of voluntary joint standards issued by the SEC and several other agencies.

The standards are divided into four assessment areas:

- Organizational commitment to diversity and inclusion
- Workforce profile and employment practices
- Supplier diversity
- Promotion and transparency of organizational diversity and inclusion initiatives

In addition, the joint standards anticipate that consumer financial services companies will conduct an annual self-assessment of their diversity and inclusion practices in these four areas and encourage both public reporting and self-reporting to the governing agency.

Our Diversity & Inclusion Team can help financial institutions meet their diversity goals under Dodd-Frank. Although the standards technically are voluntary, in the regulatory context, any entity regulated by one or more of these six agencies will likely at some point be in front of them, whether to seek regulatory approval or in the uncomfortable position of having to explain the results of an audit or investigation. Complying with the standards will allow companies to show they are good corporate citizens. Additionally, many companies recognize that promoting diversity and inclusion is good for the bottom line, fostering creativity and innovation, and is instrumental in reaching multicultural markets.

Our experience includes:

- Developing strategic plans that include workplace initiatives and programs designed to enhance recruitment, retention, and promotion of diverse talent
- Creating diversity and inclusion policies that reflect approval and support of senior leadership
- Advising on the establishment of supplier diversity policies and programs to increase the participation of minority- and women-owned businesses in procurement
- Designing assessment metrics and reports to evaluate and track diversity and inclusion programs and initiatives
- Developing annual internal and external reporting and communication strategies for diversity and inclusion programs and practices

## CONTACTS

For more information on how we can help your organization comply with the Dodd-Frank diversity standards, please contact a member of the team:



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