



Highlights of [GAO-10-736T](#), a testimony to Subcommittees on Oversight and Investigations and Housing and Community Opportunity, Committee on Financial Services, House of Representatives

Why GAO Did This Study

As the U.S. workforce has become increasingly diverse, many private and public sector organizations have recognized the importance of recruiting and retaining minority and women candidates for key positions. However, previous congressional hearings have raised concerns about a lack of diversity at the management level in the financial services industry, which provides services that are essential to the continued growth and economic recovery of the country. The recent financial crisis has renewed concerns about the financial services industry's commitment to workforce diversity.

This testimony discusses findings from a June 2006 GAO report (GAO-06-617), February 2008 testimony (GAO-08-445T), and more recent work on diversity in the financial services industry. Specifically, GAO assesses (1) what the available data show about diversity at the management level from 1993 through 2008 and (2) steps that the industry has taken to promote workforce diversity and the challenges involved.

To address the testimony's objectives, GAO analyzed data from the Equal Employment Opportunity Commission (EEOC); reviewed select studies; and interviewed officials from financial services firms, trade organizations, and organizations that represent minority and women professionals. To the extent possible, key statistics have been updated.

[View GAO-10-736T](#) or [key components](#). For more information, contact Orice Williams Brown at (202) 512-8678 or williamso@gao.gov.

FINANCIAL SERVICES INDUSTRY

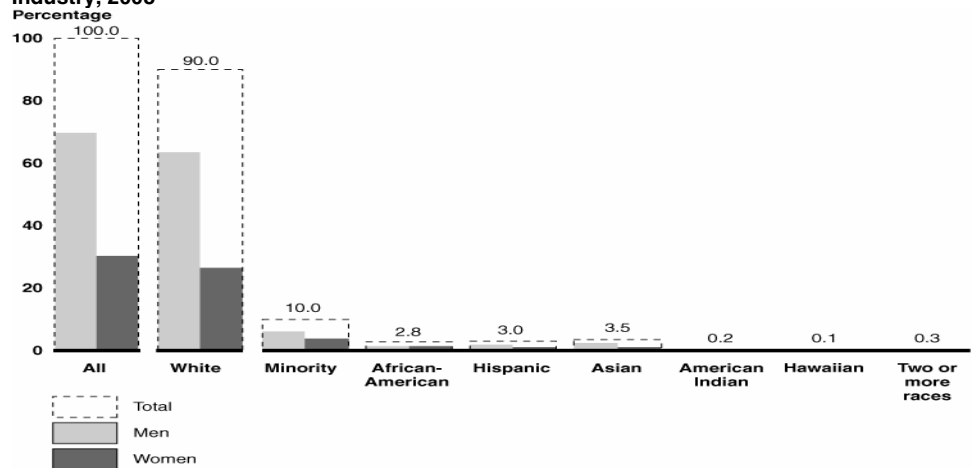
Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993-2008

What GAO Found

EEOC data indicate that overall diversity at the management level in the financial services industry did not change substantially from 1993 through 2008, and diversity in senior positions remains limited. In general, EEOC data show that management-level representation by minority women and men increased from 11.1 percent to 17.4 percent during that period. However, these EEOC data overstated minority representation at senior management levels, because the category includes mid-level management positions, such as assistant branch manager, that may have greater minority representation. In 2008, EEOC reported revised data for senior-level positions only, which showed that minorities held 10 percent of such positions compared with 17.4 percent of all management positions. The revised data also indicate that white males held 64 percent of senior positions in 2008, African-Americans held 2.8 percent, Hispanics 3 percent, and Asians 3.5 percent (see figure).

Financial services firms and trade groups have initiated programs to increase workforce diversity, but these initiatives face challenges. The programs include developing scholarships and internships, partnering with groups that represent minority professionals, and linking managers' compensation with their performance in promoting a diverse workforce. Some firms have developed indicators to measure progress in achieving workforce diversity. Industry officials said that among the challenges these initiatives faced were recruiting and retaining minority candidates, and gaining the "buy-in" of key employees such as the middle managers who are often responsible for implementing such programs. Without a sustained commitment to overcoming these challenges, diversity at the management level may continue to remain generally unchanged over time.

EEOC Data for Executive/Senior Level Officers and Managers in the Financial Services Industry, 2008



Source: GAO analysis of EEOC data.

Note: Percentages may not always add to 100 due to rounding.