Financial Services Pipeline Initiative

2015 Index
What is the FSP?

Our Mission

The Financial Services Pipeline (FSP) Initiative is a collaboration of financial organizations and The Chicago Community Trust—the region’s community foundation—whose main goals include:

- Increasing the representation of Latinos and African-Americans, at all levels, and
- Improving the overall cultural competency within the Chicago area financial services industry.

The FSP Initiative was founded in 2013 as a collaborative fund of The Chicago Community Trust by a group of financial institutions headquartered in Chicago, including Ariel Investments, BMO Harris Bank, the Federal Reserve Bank of Chicago, Holland Capital Management, Loop Capital, Northern Trust, and Urban Partnership Bank. A number of other financial institutions have joined the Initiative since then; the 20 current members are listed on the back of this report. Today, the FSP Initiative members collectively represent more than 30,000 leaders and professionals in Chicagoland’s financial industry—close to 50 percent of the total Chicagoland financial industry population.

The members of the FSP Initiative have committed to participate in joint research, pool and align their resources, and develop an action plan to address the Initiative’s goals. Research undertaken by the FSP Initiative indicated that the number of minorities in the U.S. financial services industry—particularly African-Americans and Latinos—is limited at all levels, with the most significant deficits at the top levels of the organizations. In addition to entering the financial services industry in small numbers, many minorities who do so encounter environments of limited inclusion. This lack of diversity negatively impacts the competitiveness and equity of the Chicago region, as well as the organizational cultures and “bottom lines” of financial services institutions.

As a result of its research into issues that need to be addressed internally and externally, the Initiative has identified three domains in which concurrent projects will be launched. These three domains and their overall objectives include:

I. Preparation and Community Presence
Projects in this domain aim to:
1) Strengthen young people’s competencies to enter the industry at professional levels, and
2) Broaden community exposure to the industry and its career opportunities.

II. Recruitment and Hiring
Projects in this domain aim to:
1) Increase professional level hiring of African-Americans and Latinos, and
2) Increase early exposure to the industry through internships.

III. Development and Retention
Projects in this domain aim to:
1) Increase retention of African-Americans and Latinos,
2) Increase individuals’ advancement to higher levels and growth opportunities,
3) Recognize diverse cultural values, and
4) Support financial sector leadership commitment to the Initiative.

Finally, across all three domains, member firms are committed to increasing the cultural competencies of their organizations in all sections of the pipeline.
**Introduction**

The FSP Initiative Index is a tool to track the representation of African-Americans and Latinos over time in the Chicago metropolitan area’s financial services industry; examine trends, both at the local and national level, and establish comparisons with other major financial hubs in the United States. The Index is designed to be updated yearly in order to track changes in African-American and Latino representation over time.

The FSP Initiative 2015 Index looks at the financial services industry from a local and a national perspective and offers:

- Snapshots of racial and ethnic representation levels in 2014,
- Five-year trends in racial and ethnic representation, with a focus on African-Americans and Latinos, and
- Representation gaps for African-Americans and Latinos.

In addition to Chicago area and United States-based data, the FSP Initiative 2015 Index explores racial and ethnic representation levels, and gaps in African-American and Latino representation, in two major financial services hubs comparable to Chicago: the New York and the San Francisco metropolitan areas.

**The Chicago Metropolitan Area Financial Services Industry: African-American and Latino Representation**

Low representation of African-Americans and Latinos in the financial industry is evident in the Chicago metropolitan area. The U.S. Census estimates from 2014 revealed a diverse population, with African-Americans comprising 17% of the population and Latinos comprising 22% of the population. In contrast, data released by the EEOC shows that the financial services workforce in the region was less diverse, with limited representation of the African-American and Latino populations. Chart 1 summarizes these numbers by offering a comparison of racial and ethnic representation for the Chicago metro area, its financial services sector, and three key job categories within it: (1) Executives/Senior Level Officials and Managers, (2) First/Mid Level Officials and Managers, and (3) Professionals,

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**Chart 1.**

*Chicago metropolitan area racial and ethnic representation: Total population vs. financial services industry and selected EEOC job categories (2014)*

![Chart 1](chart1.png)

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey
Technicians and Sales Workers combined. In 2014, the representation of African-Americans and Latinos in the financial services workforce was lower than the Chicago metropolitan region as a whole. At the Executive/Senior Level Officials and Managers, African-Americans and Latinos are starkly underrepresented, at only 3% and 2% respectively.

The most recent five-year series for which data is available shows that the number of jobs in the Chicago area in EEOC job categories analyzed in this Index grew progressively between 2010 and 2014 (See Chart 2). During the same time, the total number of African-Americans and Latinos in leadership and professional positions in Chicago’s financial services sector also grew (See Table 1).

In spite of these gains in absolute terms, the overall percentage of African-Americans and Latinos at all levels in the financial services industry remained the same or minimally changed from 2010 to 2015. Comparing the percentages to the 2014 FSP Initiative Index highlights the stubbornness of the numbers, as there was no change in the percentages from 2014 to 2015. Indeed, the trajectory of African-Americans and Latinos

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Year</th>
<th>White</th>
<th>Black or African-American</th>
<th>Hispanic or Latino</th>
<th>Asian</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exec/Sr Level Officials &amp; Managers</td>
<td>2010</td>
<td>2,628</td>
<td>96</td>
<td>135</td>
<td>93</td>
<td>14</td>
<td>2,966</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2,927</td>
<td>92</td>
<td>70</td>
<td>107</td>
<td>13</td>
<td>3,209</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>2,704</td>
<td>78</td>
<td>56</td>
<td>99</td>
<td>17</td>
<td>2,954</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2,829</td>
<td>98</td>
<td>66</td>
<td>108</td>
<td>14</td>
<td>3,115</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2,799</td>
<td>96</td>
<td>74</td>
<td>154</td>
<td>16</td>
<td>3,139</td>
</tr>
<tr>
<td>First/Mid Level Officials &amp; Managers</td>
<td>2010</td>
<td>9,998</td>
<td>1,068</td>
<td>1,153</td>
<td>864</td>
<td>64</td>
<td>13,147</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>10,710</td>
<td>1,237</td>
<td>1,359</td>
<td>1,015</td>
<td>81</td>
<td>14,402</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>11,255</td>
<td>1,264</td>
<td>1,490</td>
<td>1,110</td>
<td>115</td>
<td>15,234</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>12,101</td>
<td>1,318</td>
<td>1,600</td>
<td>1,249</td>
<td>142</td>
<td>16,410</td>
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<tr>
<td></td>
<td>2014</td>
<td>12,066</td>
<td>1,342</td>
<td>1,657</td>
<td>1,371</td>
<td>147</td>
<td>16,583</td>
</tr>
<tr>
<td>Professionals, Technicians &amp; Sales Workers</td>
<td>2010</td>
<td>26,190</td>
<td>3,550</td>
<td>3,119</td>
<td>4,175</td>
<td>273</td>
<td>37,307</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>28,133</td>
<td>3,774</td>
<td>3,239</td>
<td>4,649</td>
<td>361</td>
<td>40,156</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>29,378</td>
<td>3,853</td>
<td>3,460</td>
<td>5,049</td>
<td>502</td>
<td>42,242</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>30,986</td>
<td>4,007</td>
<td>3,817</td>
<td>5,511</td>
<td>512</td>
<td>44,833</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>31,026</td>
<td>4,062</td>
<td>4,063</td>
<td>5,774</td>
<td>607</td>
<td>45,532</td>
</tr>
</tbody>
</table>

Source: U.S. Equal Employment Opportunity Commission
continued to be stagnant, highlighting the challenge the region faces in increasing the overall percentage of African-Americans and Latinos in the financial services industry. Chart 3 summarizes these trends.

**A National Perspective**

For the purposes of the FSP Initiative 2015 Index, “representation gap” is the difference, expressed in percentage points, between the representation of an ethnic/racial group within a certain geographic area (e.g., a Metropolitan Statistical Area), and the representation of that same group in the financial services industry (as a whole, and in selected job categories) in the same geographic area.

In general, while the Chicago metropolitan area is more ethnically and racially diverse than the United States as a whole, the African-American and Latino representation gaps in the financial sector are in most cases more pronounced in the Chicago area than at the national level (See Chart 4, and Tables 2 and 3).

As it relates to the five-year national trend, the combined number of jobs in the EEOC categories analyzed in this Index grew steadily between 2010 and 2014 (See Chart 5). The absolute numbers of African-Americans and Latinos in the job categories examined also grew in those five years, with the largest gains observed among Latinos (See Table 4).

Once again, while the gains in absolute terms at the national level were noticeable for both African-Americans and Latinos in the three financial services job categories studied, overall representation remained virtually stagnant from 2010 to 2014 for both Latinos and African-Americans (See Chart 6).

Finally, as part of this FSP Initiative 2015 Index, the Chicago metro area is compared with two other major financial hubs in the United States: the New York and the San Francisco metropolitan areas. The New York metropolitan area is a majority-minority region with significant representation of African-American and Latino populations. Its financial services industry,
CHART 4. United States racial and ethnic representation: Total population vs. financial services industry and selected EEOC job categories (2014)

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey

TABLE 2. Representation gaps for African-Americans: Financial services industry and selected EEOC job categories (2014)

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Total Population</th>
<th>Financial Industry (All job categories)</th>
<th>Exec/Sr Level Officials and Managers</th>
<th>First/Mid Level Officials and Managers</th>
<th>Profs., Techs., and Sales Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Metro Area</td>
<td>17%</td>
<td>12%</td>
<td>5%</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>United States</td>
<td>12%</td>
<td>11%</td>
<td>1%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>New York Metro Area</td>
<td>16%</td>
<td>8%</td>
<td>8%</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>San Francisco Metro Area</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>1%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey

TABLE 3. Representation gaps for Hispanics and Latinos: Financial services industry and selected EEOC job categories (2014)

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Total Population</th>
<th>Financial Industry (All job categories)</th>
<th>Exec/Sr Level Officials and Managers</th>
<th>First/Mid Level Officials and Managers</th>
<th>Profs., Techs., and Sales Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Metro Area</td>
<td>22%</td>
<td>10%</td>
<td>12%</td>
<td>2%</td>
<td>20%</td>
</tr>
<tr>
<td>United States</td>
<td>18%</td>
<td>9%</td>
<td>9%</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>New York Metro Area</td>
<td>23%</td>
<td>8%</td>
<td>15%</td>
<td>3%</td>
<td>20%</td>
</tr>
<tr>
<td>San Francisco Metro Area</td>
<td>22%</td>
<td>8%</td>
<td>14%</td>
<td>4%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey
nevertheless, overrepresents Whites (63% compared to 49%) and under represents African-Americans by half (8% compared to 16%) and Latinos by nearly two-thirds (8% compared to 23%) when compared to the total regional population (See Chart 7). At the Executive/Senior Level, the percentage of Latinos and African-Americans is almost identical to the Chicago region. For African-Americans, New York has a wider representation gap as compared to Chicago in all other categories. The New York representation gap for Latinos mirrors that of African-Americans, with the Executive/Senior Level Officials and Managers category having the same gap and the gap for New York Latinos being greater than Chicago in all other categories (See Tables 2 and 3).

The San Francisco metropolitan area is also a majority-minority region. In the Executive/Senior Level Officials and Managers category, the percentage of Latinos is greater than that of the Chicago region (4% in San Francisco compared to 2% in Chicago) but the African-American percentage is lower, at 1% (See Tables 2 and 3 and Chart 8). The San Francisco metro area representation gap for African-Americans is smaller in all categories compared to the Chicago metro area, while the Latino representation gap in San Francisco is wider in all categories except the Executive/Senior Level Officials and Managers category (See Tables 2 and 3).

### TABLE 4.
**United States** racial and ethnic representation: Financial services industry, selected EEOC job categories (2010-2014)

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Year</th>
<th>Black or African-American</th>
<th>Hispanic or Latino</th>
<th>Asian</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exec/Sr Level Officials &amp; Managers</strong></td>
<td>2010</td>
<td>55,037</td>
<td>1,466</td>
<td>1,897</td>
<td>2,282</td>
<td>444</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>55,643</td>
<td>1,479</td>
<td>2,160</td>
<td>2,548</td>
<td>471</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>56,144</td>
<td>1,400</td>
<td>1,938</td>
<td>2,538</td>
<td>485</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>59,261</td>
<td>1,577</td>
<td>2,140</td>
<td>2,783</td>
<td>574</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>57,367</td>
<td>1,482</td>
<td>2,227</td>
<td>3,018</td>
<td>584</td>
</tr>
<tr>
<td><strong>First/Mid Level Officials &amp; Managers</strong></td>
<td>2010</td>
<td>221,250</td>
<td>18,423</td>
<td>16,305</td>
<td>21,841</td>
<td>2,614</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>228,164</td>
<td>18,907</td>
<td>17,367</td>
<td>23,653</td>
<td>3,005</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>234,245</td>
<td>19,534</td>
<td>18,380</td>
<td>25,158</td>
<td>3,347</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>241,372</td>
<td>19,683</td>
<td>19,146</td>
<td>27,265</td>
<td>3,861</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>239,011</td>
<td>19,227</td>
<td>19,127</td>
<td>28,123</td>
<td>4,189</td>
</tr>
<tr>
<td><strong>Professional, Technicians &amp; Sales Workers</strong></td>
<td>2010</td>
<td>464,731</td>
<td>45,201</td>
<td>36,998</td>
<td>75,577</td>
<td>7,584</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>485,534</td>
<td>47,424</td>
<td>39,451</td>
<td>82,654</td>
<td>8,832</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>499,933</td>
<td>50,771</td>
<td>42,292</td>
<td>86,731</td>
<td>10,073</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>515,882</td>
<td>52,467</td>
<td>45,512</td>
<td>91,442</td>
<td>11,519</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>514,487</td>
<td>52,301</td>
<td>46,439</td>
<td>95,248</td>
<td>12,861</td>
</tr>
</tbody>
</table>

Source: U.S. Equal Employment Opportunity Commission
CHART 6.
United States racial and ethnic representation: Financial services industry, selected EEOC job categories (2010-2014)

Source: U.S. Equal Employment Opportunity Commission

CHART 7.
New York metropolitan area racial and ethnic representation: Total population vs. financial services industry and selected EEOC job categories (2014)

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey
Hispanic/Latino: 4%
Black/African-American: 1%
Asian: 12%
Other: 1%

Hispanic/Latino: 6%
Black/African-American: 3%
Asian: 26%
Other: 3%

Hispanic/Latino: 22%
Asian: 24%
Other: 5%

White: 41%
Black/African-American: 8%
Hispanic/Latino: 22%
Asian: 4%
Other: 1%

White: 52%
Black/African-American: 4%
Hispanic/Latino: 8%
Asian: 31%
Other: 3%

San Francisco Metro Area, Total Population
San Francisco Metro Area, Financial Services Industry, All Jobs
San Francisco Metro Area, Financial Services Industry, Exec./Sr. Level Officials & Managers
San Francisco Metro Area, Financial Services Industry, First/Mid Level Officials & Managers
San Francisco Metro Area, Financial Services Industry, Professionals, Technicians, and Sales Workers

Source: U.S. Equal Employment Opportunity Commission, and U.S. Census Bureau, American Community Survey
Endnotes

1 For the purposes of this index, the term “Chicago metropolitan area” refers to the Chicago-Naperville-Joliet Metropolitan Statistical Area (MSA) as defined by the U.S. Office of Management and Budget (OMB). MSAs are defined by the OMB for collecting, tabulating, and publishing Federal statistics by agencies such as the Equal Employment Opportunity Commission (EEOC). In 2013, the Chicago-Naperville-Joliet MSA changed to the Chicago-Naperville-Elgin MSA. The term “New York metropolitan area” refers to the New York-Newark-Jersey City MSA. The term “San Francisco metropolitan area” refers to the San Francisco-Oakland-Hayward MSA.

2 For the purposes of this Index, the definition of “financial services sector” includes all subsectors within the North American Industry Classification System (NAICS) code 52 “Finance and Insurance” with the exception of sub-industry code 524 “Insurance.” The sub-industry codes included in this definition are: 521 “Monetary Authorities – Central Bank,” 522 “Credit Intermediation and Related Activities,” 523 “Securities, Commodity Contracts, and Other Financial Investments and Related Activities,” and 525 “Funds, Trusts, and Other Financial Vehicles.” When considered as a whole, the financial services industry includes all EEOC job categories within it.

3 The FSP 2015 Index understands representation gaps as the difference between the representation of an ethnic/racial group in the larger community (in this case, the metropolitan area) and the representation of that same group in the local financial industry as a whole, and in selected job categories. The Index does not include a job group availability analysis, which would involve calculation of minorities who are “available” to work in specific jobs (e.g. the percentage of minorities who have the skills required to perform the jobs within each job group), in order to make comparisons.

4 In all Charts showing percentages, these have been rounded up: as a result, in some cases they do not add up to 100%. Percentages under 0.5% are not shown.

5 This Index focuses on the following EEOC categories: (1) “Executive/Sr Level Officials and Managers”: these individuals reside in the highest levels of organizations and direct or coordinate activities with the support of subordinate executive and staff managers, e.g. chief executive officers, chief operating officers, managing partners, etc.; (2) “First/Mid Level Officials and Managers”: these individuals serve as managers and receive directions from the Exec/Sr Level Officials and Managers, including those who report to middle managers, e.g. regional vice presidents, information system managers, branch managers, etc.; (3) “Professionals”: Most jobs in this category require bachelor or graduate degrees, and/or professional certification, such as accountant, economist, auditor, etc.; (4) “Technicians”: these jobs include activities that require applied scientific skills, usually obtained by post-secondary education; and (5) Sales Workers: these jobs include non-managerial activities that wholly and primarily involve direct sales; e.g. brokers, sales agents, etc. For the purposes of this Index, “Professionals,” “Technicians” and “Sales Workers” have been aggregated under one category that combines the three of them. Detailed definitions of EEOC job categories can be found at http://www.workplace-dynamics.com/EEO-1_Categories.pdf
Financial Services Pipeline Initiative

Members

Ariel Investments, LLC
Bank of America
BMO Harris Bank
CME Group
Discover
Federal Home Loan Bank of Chicago
Federal Reserve Bank of Chicago
Holland Capital Management, LLC
Illinois State Treasurer’s Office
Loop Capital
Madison Dearborn Partners
Mesirow Financial
Morgan Stanley
Northern Trust
The Chicago Community Trust
The PrivateBank
U.S. Bank
Urban Partnership Bank
William Blair
Wintrust Financial Corporation