

**SUPPORTING STATEMENT
JOINT STANDARDS FOR ASSESSING DIVERSITY POLICIES AND PRACTICES
(OMB Control No. 3064-0200)**

INTRODUCTION

The FDIC is requesting OMB approval of the extension, without change, of the currently approved information collection entitled “Joint Standards for Assessing the Diversity Policies and Practices” (OMB Control No. 3064-0200). This information collection currently expires on January 31, 2025.

A. JUSTIFICATION.

1. Circumstances that make the collection necessary:

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act) required the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), Bureau of Consumer Financial Protection (CFPB), National Credit Union Administration (NCUA), and Securities and Exchange Commission (SEC) (together, Agencies and separately, Agency) each to establish an Office of Minority and Women Inclusion (OMWI) to be responsible for all matters of the Agency relating to diversity in management, employment, and business activities. The Act also instructed each OMWI Director to develop standards for assessing the diversity policies and practices of entities regulated by the Agency. The Agencies worked together to develop joint standards (Joint Standards) and, on June 10, 2015, they jointly published in the Federal Register¹ the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement).²

The Policy Statement contains a “collection of information” within the meaning of the Paperwork Reduction Act of 1995 (PRA). The Policy Statement includes Joint Standards that cover “Practices to Promote Transparency of Organizational Diversity and Inclusion.” These Joint Standards contemplate that a regulated entity is transparent about its diversity and inclusion activities by making certain information available to the public annually on its Web sites or through other appropriate communications methods, in a manner reflective of the entity’s size and other characteristics. The specific information referenced in these standards is: (a) the entity’s diversity and inclusion strategic plan; (b) its policy on its commitment to diversity and inclusion; (c) its progress toward achieving diversity and inclusion in its workforce and procurement activities; and (d) opportunities available at the entity that promote diversity.

¹ 80 Fed. Reg. 33016.

² The National Credit Union Administration (NCUA) joined the Agencies in issuing the Policy Statement. However, the NCUA has not joined in this request for approval under the PRA of the information collection contained in the Policy Statement. NCUA intends to submit a separate request for PRA approval.

In addition, the Policy Statement includes Joint Standards that address “Entities’ Self-Assessment.” The Joint Standards for Entities’ Self-Assessment envision that a regulated entity, in a manner reflective of its size and other characteristics, (a) conducts annually a voluntary self-assessment of its diversity policies and practices; (b) monitors and evaluates its performance under its diversity policies and practices on an ongoing basis; (c) provides information pertaining to its self-assessment to the OMWI Director of its primary federal financial regulator; and (d) publishes information pertaining to its efforts with respect to the Joint Standards.

2. Use of the information:

The Agencies will use the information provided to them to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities, as well as to identify and highlight those policies and practices that have been successful. The primary federal financial regulator will share information with other agencies, when appropriate, to support coordination of efforts and to avoid duplication. The Agencies may publish information disclosed to them, such as best practices, in any form that does not identify a particular entity or individual or disclose confidential business information.

3. Consideration of the use of improved information technology:

An entity may use any available automated, electronic, mechanical or other technological collection technique to provide the required information to the public and to its primary federal financial regulator. The FDIC has created an electronic version of the reporting form which is intended to reduce the reporting burden for this information collection.

4. Efforts to identify duplication:

Entities that are subject to certain recordkeeping and reporting requirements, such as those required by the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs, currently collect and maintain data and supporting documentation that may assist in evaluating and assessing their policies and practices related to workforce diversity and inclusion. Entities also are encouraged to use other analytical tools that they may find helpful. In addition, the primary federal financial regulator will share information with other agencies, when appropriate, to support coordination of efforts and to avoid duplication.

5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:

The information collection does not have a significant impact on a substantial number of small entities. When drafting these standards, the Agencies focused primarily on institutions with more than 100 employees in an effort to minimize the

impact on smaller entities. In addition, in order to make clear how the standards are relevant to and may be used by small entities, the Policy Statement encourages each entity to use the standards in a manner appropriate to its size and unique characteristics. This also should minimize burden on smaller institutions. Finally, we note that the standards are voluntary.

6. Consequences to the Federal program if the collection were conducted less frequently:

If the information is not collected or is collected less frequently, the Agencies may not be able to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities or identify and highlight those policies and practices that have been successful.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

None. The information is collected in a manner consistent with 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

On November 5, 2024, the FDIC published a Federal Register notice (89 FR 87877) proposing to renew this information collection for three years. The notice provided a 60-day comment period. No comments were received.

9. Payment or gifts to respondents:

Not applicable.

10. Any assurance of confidentiality:

The Policy Statement states that the Agencies may publish information disclosed to them provided they do not identify a particular entity or individual or disclose confidential business information in an effort to balance concerns about confidentiality of information with the importance of sharing information. Any entities submitting information may designate such information as confidential, as appropriate, and the Agencies will keep this information private to the extent allowed by law.

11. Justification for questions of a sensitive nature:

Not applicable: no sensitive information is collected.

12. Estimate of hour burden including annualized hourly costs:

This ICR was last approved on January 11, 2022 with an estimated 195 responses and a total annual burden estimate of 1,560 hours (2022 ICR).³ The 2022 ICR delineated distinct burden estimates for respondents who submitted their responses electronically, respondents who submitted their responses via the paper version of the “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC” form, and respondents who submitted their responses via their own free-form format, for a total of three IC line items in OMB No. 3064-0200.

In October 2020, the FDIC implemented a copy/clone feature in FID-SA for submissions covering the 2020 reporting period and beyond. This feature allows the respondent to pre-populate a new diversity self-assessment with the information that was previously completed and submitted. FDIC has identified several submissions that complete the pro forma form but do not provide the FDIC with any material self-assessments. With the addition of these two submission types, there are now five distinct submission types for this ICR:

1. **Paper Form Submissions**, which are DSA submissions that use the “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC” form and submit the form as an email attachment or via the United States Postal Service.
2. **Electronic Form (Implementation) Submissions**, which are DSA submissions that utilize the online FID-SA application, and the financial institution has not previously submitted a DSA.
3. **Electronic Form (Ongoing) Submissions**, which are DSA submissions that utilize the online FID-SA application and are able to use the copy/clone feature in FID-SA.
4. **Free-Form (Own Form) Submissions**, which are submissions that do not use the “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC” form; and
5. **Non-material (Non-Submittal) Submissions**, which are pro forma submissions that do not provide any material self-assessments.

Additionally, the FDIC identified a disclosure IC in the Joint Policy Standards: the fourth standard recommends that the IDI voluntarily make a portion of its DSA submission available to the public.⁴ As such, this ICR includes a sixth line item that estimates the annual burden

³ The ICR is set to expire on January 31, 2025. See https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202112-3064-001

⁴ The fourth standard of the Joint Policy Standards reads, “*Practices To Promote Transparency of Organizational Diversity and Inclusion*. Transparency and publicity are important aspects of assessing diversity policies and practices. Greater awareness and transparency give the public information to assess those policies and practices. Entities publicize information about their diversity and inclusion efforts through normal business methods, which include displaying information on their Web sites, in their promotional materials, and in their annual reports to shareholders, if applicable. By making public an entity’s commitment to diversity and inclusion, its plans for achieving diversity and inclusion, and the metrics it uses to measure success in both workplace and supplier diversity, an entity informs a broad constituency of investors, employees, potential employees, suppliers, customers, and the general community about its efforts. The publication of this information can make new markets accessible for minorities and women and illustrate the progress made toward an important business goal.”

associated with this disclosure.

Estimated Number of Respondents and Responses

Responses to this ICR are voluntary and may be submitted by any FDIC-supervised financial institution. As of June 30, 2024, the FDIC supervised 2,902 insured depository institutions (IDIs).⁵ Of these institutions, 2,173 are considered small for the purposes of the Regulatory Flexibility Act (RFA).⁶

Respondents submit a single response per year. To estimate the number of respondents for the various submission types [ICs] in this ICR, FDIC reviewed data from historical submissions by FDIC-supervised IDIs covering diversity activities in the reporting periods 2020-2022.⁷ A submission is categorized as a first-time submission if no prior submission was made by the same IDI. Otherwise, it is categorized as a repeat submission. A summary of these results is provided in Table 1 below.

Submission Type	2020	2021	2022
All submissions	148	172	157
All submissions, small IDIs*	66	52	60
First-time submissions	30	31	31
First-time submissions, small IDIs*	10	13	15
Repeat submissions	118	141	126
Repeat submissions, small IDIs*	56	39	45

Source: FDIC OMWI and FDIC RAS calculations.
 * IDIs are counted as small if they meet the SBA’s definition of “small” for purposes of RFA as of December 31st in each reporting period.
 Note: The share of all submissions made up of small IDIs over the 2020-22 period is 37 percent. (178 small IDI submissions / 477 all submissions = 37 percent)

As Table 1 shows, there were 157 total submissions in 2022, the most recent reporting year. This is a decrease of 15 submissions from the previous year. The FDIC attributes this decrease to a delay in opening the 2022 reporting period due to the regional banking crisis during

⁵ FDIC Call Report data, June 30, 2024.

⁶ The Small Business Administration (SBA) defines a small banking organization as having \$850 million or less in assets, where an organization’s “assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See 13 CFR 121.201 (as amended by 87 FR 69118, effective December 19, 2022). In its determination, the “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” See 13 CFR 121.103. Following these regulations, the FDIC uses a covered entity’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the covered entity is “small” for the purposes of RFA.

⁷ The reporting period is the calendar year prior to the year of submission. For example, submissions received by the FDIC in 2022 cover diversity activities in the 2021 reporting period. The 2022 reporting period is the latest available.

the first and second quarters of 2023. FDIC expects that submission counts will increase in the future due to expanded outreach efforts as well as increased engagement with OMWI units at other federal agencies. Based on the historical submission counts and expectations on the rise in submissions, FDIC anticipates that it will see incremental increases of approximately 5 percent per year. Applying a 5 percent annual growth rate starting with the most recent data (reporting year 2022) on total submissions yields estimated annual number of submissions of 201 through the calendar year 2027.

The FDIC allocates the estimated annual number of submissions into the five separate submission types. Based on the historical trends of first-time and repeating submissions and expectations of future submissions, FDIC anticipates approximate average annual counts of 36 Electronic Form (Implementation) and 139 Electronic Form (Ongoing) submissions during the 2025 to 2027 IC renewal period.⁸ In addition, FDIC recognizes that some IDIs may prefer to continue providing Paper Submissions and anticipate 6 such submissions per year. Finally, the FDIC estimates 6 Free-Form Submissions and 14 Non-material Submissions in calendar years 2025 to 2027.^{9, 10}

The estimated annual submissions by type for the renewal period are scaled-up from the estimates discussed above for the 2020 to 2022 reporting period based on a review of the historical data and on supervisory experience. The scaling factor reflects FDIC's assumed 5 percent annual growth rate. It is derived by dividing the estimated average annual number of total submissions in calendar years 2025 to 2027 (201) by the actual number of total submissions in reporting year 2022 (157).¹¹

Each submission represents a single annual response from a single respondent. Based on the above analysis, FDIC estimates that there will be approximately 6 Respondents for Paper Form Submissions, 36 Respondents for Electronic Form (Implementation) Submissions, 139 Respondents for Electronic Form (Ongoing) Submissions, 6 Respondents for Free-Form Submissions, 14 Respondents for Non-material Submissions, for a total of 201 annual respondents across the 5 submission types. As discussed above, FDIC assumes all IDIs that submit a DSA to the FDIC will also make a portion of their report available to the general public. Thus, it estimates 201 annual respondents for the Public Disclosure line item.¹² Of these 201

⁸ Steady state averages of 20 percent for Electronic Form (first time) and 80 percent for Electronic Form (repeat) submissions were estimated from historical submissions by FDIC-supervised IDIs covering diversity activities in 2022, the most recent reporting period for which the online submission was available, and multiplied by 201, the average anticipated number of annual Electronic Form submissions for the ICR renewal period. This method generates estimates of 36 Electronic Form (Implementation) and 139 Electronic Form (Ongoing) submissions.

⁹ The FDIC counted 3, 8, and 2 Free-Form submissions and 9, 17, and 7 non-material submissions in 2020, 2021, and 2022, respectively. Based on these historical numbers FDIC calculates the three-year average of each submission type, assumes a 5 percent annual growth rate to project the average counts from the 2020-22 period to the 2025-27 period, and rounds the resulting projections to report integer values.

¹⁰ Note that 201 total submissions = 36 Electronic Form (Implementation) submissions + 139 Electronic Form (Ongoing) submissions + 6 Paper submissions + 6 Free-Form submissions + 14 non-material submissions.

¹¹ $201 / 157 = 1.28$

¹² IC 6 associated with voluntary public disclosure is tied to the fourth standard of the Joint Policy Standards. It reads, "*Practices To Promote Transparency of Organizational Diversity and Inclusion*. Transparency and publicity are important aspects of assessing diversity policies and practices. Greater awareness and transparency give the

annual respondents, FDIC estimates that 74 will be considered “small” for the purposes of the RFA.¹³

The estimated total annual number of respondents in the 2025-27 renewal period (201) represents a modest increase over the 2022 ICR’s estimated 195 annual respondents in the 2022-24 ICR renewal period. This change is due to the increase in historic respondent counts in reporting years 2020-22 that forms the basis of the estimated number of respondents in 2025-27, relative to the respondent counts in reporting years 2017-19.

Estimated Time per Response

The FDIC estimates that Electronic Form (Implementation) Submissions will take seven hours, the same burden that was recorded in the Electronic Form line item in the 2022 ICR. For Electronic Form (Ongoing) Submissions, the FDIC estimates that the copy/clone feature will save respondents an average of four hours per submission, for a net burden of three hours per response. For Non-material Submissions, the FDIC estimates that the pro forma completion of the submission application will take six minutes. The FDIC reviewed the hourly burden estimates for Paper Submissions (eight hours) and for Free-Form Submissions (12 hours) and found that the estimates from the 2022 ICR remain reasonable and appropriate. Finally, the FDIC estimates that each respondent will incur one hour of burden per year, on average, to disclose a portion of its submission to the public, in a manner reflective of the entity’s size and other characteristics.

Estimated Annual Burden

The estimated annual burden for each submission type, in hours, is the product of the estimated number of respondents, number of responses per respondent per year, and time per response, as summarized in Table 2 below. The total estimated annual burden for this information collection is 991 hours, a reduction of 569 hours from the previously approved ICR. The decrease is mainly attributable to the FDIC’s expectation that most repeat respondent banks would use the copy/clone feature in FID-SA for their future submissions, thereby saving a substantial amount of response time and reducing their overall burden hours.

Table 2. Summary of Estimated Annual Burden (OMB No. 3064-0200)					
Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of	Number of Respondents	Number of Responses per	Time per Response (HH:MM)	Annual Burden (Hours)

public information to assess those policies and practices. Entities publicize information about their diversity and inclusion efforts through normal business methods, which include displaying information on their Web sites, in their promotional materials, and in their annual reports to shareholders, if applicable. By making public an entity’s commitment to diversity and inclusion, its plans for achieving diversity and inclusion, and the metrics it uses to measure success in both workplace and supplier diversity, an entity informs a broad constituency of investors, employees, potential employees, suppliers, customers, and the general community about its efforts. The publication of this information can make new markets accessible for minorities and women and illustrate the progress made toward an important business goal.”

¹³ This estimate is equal to 37 percent of the estimated total annual number of respondents (201 * 37% = 74) and is in line with the fraction of submissions for reporting years 2020-2022 that were from small entities, as shown in the Table 1 note.

	Response)		Respondent		
1. Joint Standards for Assessing Diversity Policies and Practices –Paper Form, Interagency policy statement (Voluntary)	Reporting (Annual)	6	1	08:00	48
2. Joint Standards for Assessing Diversity Policies and Practices –Electronic Form (Implementation), Interagency policy statement (Voluntary)	Reporting (Annual)	36	1	07:00	252
3. Joint Standards for Assessing Diversity Policies and Practices –Electronic Form (Ongoing), Interagency policy statement (Voluntary)	Reporting (Annual)	139	1	03:00	417
4. Joint Standards for Assessing Diversity Policies and Practices –Free-Form, Interagency policy statement (Voluntary)	Reporting (Annual)	6	1	12:00	72
5. Joint Standards for Assessing Diversity Policies and Practices – Non-material, Interagency policy statement (Voluntary)	Reporting (Annual)	14	1	00:06	1
6. Joint Standards for Assessing Diversity Policies and Practices – Public Disclosure, Interagency policy statement (Voluntary)	Disclosure (Annual)	201	1	01:00	201
Total Annual Burden (Hours):					991
Source: FDIC.					
Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system.					

Total Estimated Hourly Labor Compensation Rates

To estimate the weighted average hourly compensation cost of the burdens described above, FDIC uses the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates for the relevant occupations in the Depository Credit Intermediation sector, as of May 2023.

The hourly wage rates reported do not include non-monetary compensation. According to the March 2023 Employer Cost of Employee Compensation data, compensation rates for health and other benefits are 34.7 percent of total compensation. To account for non-monetary compensation, FDIC adjusts the hourly wage rates reported by BLS by that percentage. It also adjusts the hourly wage by 4.96 percent based on changes in the Employer Cost Index for Credit Intermediation and Related Activities from March 2023 to June 2024 to account for inflation and ensure that the wage information is approximately contemporaneous with the non-monetary compensation statistic.

After calculating these adjustments, FDIC weights the total hourly compensation for the six occupations (Executives and Managers, Lawyers, Compliance Officers, IT Specialists, Financial Analysts, and Clerical), using the program SMEs’ estimated allocation of labor to find the estimated hourly cost of complying with this IC. The estimated hourly compensation rates are reported in Table 3 as follows.

Information Collection (IC) (Obligation to Respond)	Hourly Weight (%)	Percentage Shares of Hours Spent by and Hourly Compensation Rates for each Occupation Group (by Collection)						Estimated Hourly Compensation Rate
		Exec. & Mgr. (\$146.13)	Lawyer (\$182.07)	Compl. Ofc. (\$77.07)	IT (\$110.91)	Fin. Anlst. (\$100.28)	Clerical (\$39.39)	
1. Joint Standards for Assessing Diversity Policies and Practices –Paper Form, Interagency policy statement (Voluntary)	4.84	16	17	17	0	25	25	\$102.35
2. Joint Standards for Assessing Diversity Policies and Practices –Electronic Form (Implementation), Interagency policy statement (Voluntary)	25.43	28	28	10	0	28	6	\$130.04
3. Joint Standards for Assessing Diversity Policies	42.08	20	20	25	0	25	10	\$113.92

and Practices –Electronic Form (Ongoing), Interagency policy statement (Voluntary)								
4. Joint Standards for Assessing Diversity Policies and Practices –Free-Form, Interagency policy statement (Voluntary)	7.27	20	20	25	0	25	10	\$113.92
5. Joint Standards for Assessing Diversity Policies and Practices – Non-material, Interagency policy statement (Voluntary)	0.10	20	20	25	0	25	10	\$113.92
6. Joint Standards for Assessing Diversity Policies and Practices – Public Disclosure, Interagency policy statement (Voluntary)	20.28	20	20	25	0	25	10	\$113.92
Weighted Average Hourly Compensation Rate:								\$117.46
<p>Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2023), Employer Cost of Employee Compensation (March 2023), and Employment Cost Index (March 2023 and June 2024). Standard Occupational Classification (SOC) Codes: Exec. And Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations.</p> <p>Note: The estimated hourly compensation rate for a given IC is the average of the hourly compensation rates for the occupations used to comply with that IC, weighted by the estimated share of hours spent by each occupation. The weighted average hourly compensation rate for the entire ICR is the average of the estimated hourly compensation rates for all ICs, weighted by the share of hourly burden for IC. These hourly weights, as shown in the "Hourly Weight" column of this table, are the quotients of the estimated number of annual burden hours for each IC and the total estimated number of annual burden hours across all ICs.</p>								

Total Estimated Compliance Cost

FDIC estimates the total annual cost for OMB No. 3064-0200 by multiplying the total annual estimated burden hours reported in Table 2 by the corresponding weighted average hourly cost estimates reported in Table 3. The estimated compliance cost is presented in Table 4.

Table 4. Total Estimated Cost Burden (OMB No. 3064-0200)
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Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
Joint Standards for Assessing Diversity Policies and Practices	991	\$117.46	\$116,403
Total Annual Respondent Cost:			\$116,403
Source: FDIC.			

As Table 4 shows, the estimated total annual cost is equal to **\$116,403 per year**. The previously approved IC estimated an annual cost burden of \$132,530.58. The \$16,127.58 decline in estimated annual costs is driven largely by the fall in estimated burden hours, due to an expectation that respondents will take advantage of the online FID-SA application with the new copy/clone feature, which has the lowest hourly burden per response among respondents with submissions with material self-assessments. Accordingly, the estimated numbers of respondents for the other submission types (*Paper Form* and *Free-Form*) have greatly decreased. The reduction in estimated burden hours is partially offset by the increase in the estimated number of respondents and the increase in the weighted average hourly compensation rate.

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

The total estimated annual burden for this information collection is 991 hours, a reduction of 569 hours from the previously approved ICR. The decrease is mainly attributable to the FDIC's expectation that most repeat respondent banks would use the copy/clone feature in FID-SA for their future submissions, thereby saving a substantial amount of response time and reducing their overall burden hours. See discussion in Section 12 above.

16. Information regarding collections whose results are planned to be published for statistical use:

The result of this collection will not be published for statistical use.

17. Display of expiration date

Not applicable. The Agencies do not seek approval to not display the expiration date for OMB approval for the information collection. The OMB control number and expiration date will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.