

Statement of

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Committee on Financial Services
U.S. House of Representatives**

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“Diversity in the Financial Services Industry”

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Good afternoon Mr. Chairman and Members of the Subcommittee.

My name is Ron Edwards; I am the Director of the Program Research and Surveys Division within the Office of Research, Information and Planning at the Equal Employment Opportunity Commission. Among our Division's responsibilities is the implementation of the Equal Employment Opportunity Survey Program that collects work force data from employers in various sectors of the economy. Key among these efforts is our collection of data from the private sector in the EEO-1 report. We appreciate the opportunity to address the subcommittee today.

The EEO-1 Report – formally known as the "Employer Information Report EEO-1" – is a government form requiring many employers to provide a count of their employees by job category, race/ethnicity and gender. EEO-1 employment data are collected annually by the EEOC for its own programs and for those of the Office of Federal Contract Compliance Programs (OFCCP) in the U.S. Department of Labor.

Private employers meeting the following criteria are required to file the EEO-1 report:

(1) Subject to Title VII of the Civil Rights Act of 1964, as amended, with 100 or more employees; or

(2) federal government contractors and first-tier subcontractors subject to Executive Order 11246, as amended, with 50 or more employees **and** a contract/subcontract amounting to \$50,000 or more.

Data are collected for each employer who meets these criteria. Employers doing business at more than one establishment must file a separate report for each establishment or facility employing 50 or more employees. The workforce data are reported on a matrix that captures summary statistics by job category; race and ethnicity; and gender. The EEO-1 report must be filed annually with the EEOC. The annual regulatory filing deadline is September 30. Employment data must be used from one pay period in July through-September of that year. The Commission is required by law to keep individual employer EEO-1 reports strictly confidential, with certain very limited exceptions (42 U.S.C. 2000e-8(e)). In 2006 we collected data from nearly 50,000 employers reporting on more than 55 million employees.

Both the EEOC and OFCCP have used EEO-1 data since 1966. EEO-1 data are used for a variety of purposes. The EEOC uses the data to support its enforcement program. The EEOC also uses the data to analyze employment patterns, such as the representation of female and minority workers within industries, or regions. A number of the studies that we have conducted recently are posted on our web site (www.eeoc.gov). It is our understanding that OFCCP uses EEO-1 data to determine which contractor/subcontractor establishments to select for compliance evaluations.

EEOC also encourages employers to use EEO-1 data for self-assessment purposes. We post aggregate EEO-1 data on our web site and also provide customized tables that employers can use to compare general work force data to their own. Finally, a wide range of academic researchers, from economics, sociology, public policy and public administration utilize the EEO-1 data to develop and publish research.

Prior to 2007, we collected data on nine job categories groups. These included officials and managers; professionals; technicians; sales workers; office and clerical; craft workers (skilled); operatives (semi-skilled); laborers (unskilled); and service workers. In 2007, the officials and managers job category was divided into two categories: "Executive/ Senior Level Officials Managers" and "First/Mid Level Officials and Managers". "Executive/ Senior Level Officials Managers" are individuals who plan, direct and formulate policies, set strategy and provide the overall direction in developing and delivering products or services, within the parameters approved by boards of directors or other governing bodies. We would expect the number of managers who fall into this category to be relatively small. Examples of jobs in this category would be the chief executive officers, chief operating officers, chief financial officers, presidents, executive vice presidents, chief information officers, and chief human resources officers. In the securities industry we recognize that these job titles may be different - managing director, for example, might be a key job title for "Executive/ Senior Level Officials Managers." Also, like other industries, job titles are not always uniform; it is the job function, such as providing overall direction, that is key rather than the job title. "First/Mid Level Officials and Managers" are individuals who serve as officials and managers, other than those who serve as Executive/Senior Level Officials and Managers, including those who oversee and direct the delivery of products, services or functions at group, regional or divisional levels of organizations. This category would also include first line managers, operations and production managers, and branch or store managers. In the finance industry this might also include vice presidents.

Additionally, the revised EEO-1 moved some business and financial occupations from the Officials and Managers category to the Professionals category. With respect to business occupations, for example, purchasing agents were formerly classified as officials and managers; now, purchasing agents are classified as "Professionals." This adjustment more accurately reflects the nature of this job. Of direct relevance here, Professional jobs in the financial industry are now more clearly defined. This includes Financial Analysts and Personal Financial Analysts. Note, however, that for all business and financial occupations reported on the EEO-1, individuals who function as supervisors, managers, or officials should be counted exclusively in the Officials and Managers category.

Thank you, Mr. Chairman, for the opportunity to testify here today. I look forward to any questions that you may have.