

Written Testimony

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Introduction

Good afternoon Chairman Watt and members of the subcommittee. My name is Geri Thomas. I am the Global Diversity and Inclusion Executive at Bank of America. I have been with Bank of America since 1970 and in my current role as diversity executive since 2002.

I'm glad to have this opportunity to talk about Bank of America's commitment to diversity and inclusion to provide a workplace in which all associates can reach their full potential and feel valued for **who** they are...not **what** they are.

I'm also happy to be here because of my personal commitment to diversity and inclusion, not just in the workplace but in every facet of our society. As an Atlanta native, I was involved in the early Civil Rights movement. I know, from my own experience, that diversity is about more than numbers, it's about being inclusive.

As Global Diversity and Inclusion Executive at the bank, I oversee company-wide diversity initiatives and serve as a diversity resource to our senior leaders, business lines and associates.

As you may be aware, Bank of America is one of the world's largest global financial institutions. We have offices in 31 states and in Washington DC and in more than 20 countries. We serve individual consumers, small and middle market businesses, and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. We have clients in 175 countries and relationships with 99% of the U.S. Fortune 500 and 80% of the Global Fortune 500 companies. We have 59 million consumer and small business relationships; 6,100 retail banking offices; 19,000 ATMs; and more than 200,000 employees around the world. Bank of America is the No. 1 online bank with more than 24 million active online banking users. The bank also is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 Small Business Administration lender to minority-owned small businesses.

Why is diversity so important at Bank of America? Perhaps my summary description of our global business gives you an idea. Being responsive in this global environment demands diversity in people – in their experience, working styles and business acumen. We know diversity gives us the edge in understanding and meeting the financial services needs of our many customers and clients. It also helps us understand and meet the development needs of our associates. And by having a diverse associate base developing products and services for our equally diverse, global customers, we grow as an organization and deliver greater shareholder value.

Leadership commitment

As they say, it all begins at the top. Our executive leaders are fully committed to creating a rich, inclusive and welcoming environment at Bank of America. In fact, our commitment to diversity starts with our Chairman and CEO Kenneth D. Lewis, who is personally committed to diversity and inclusion. His leadership commitment - and that of his senior leadership team – forms the foundation of our success.

We have a long history of leadership in the area of diversity and inclusion: Fifteen of our company's 105 founding stockholders were women. As early as the 1800s, the bank managed the trust account for the Volta Bureau School for the hearing-impaired and the African American Teachers Union retirement fund.

In 1919, we formed international foreign departments to serve Russian, Spanish, Greek and Italian customers. The bank's first tellers were multilingual, and in 1920, the bank named its first female Vice President.

Today, about 66% of our workforce is comprised of women, of whom 49% are in officer or manager roles. And 44% of our associates are "people of color," of whom 25% are in officer or manager roles.

As you can see, our commitment to diversity has deep historical roots and today is ingrained in our culture. Our company's commitment to diversity is so strong that it exemplifies two of our core values: Doing the right thing and inclusive meritocracy. Every associate at the bank understands these are our guiding principles.

To support this commitment, we've built a broad, comprehensive program in which diversity is integrated into our core business practices and operations. In other words, we manage diversity as we do other business practices – we require management accountability; diversity metrics; personal commitment and demonstrated activity; recognition and rewards; a diverse candidate recruiting slate; integration into business-as-usual routines; solid communications processes and channels; and visible and active support.

Global Diversity and Inclusion Council

To ensure integration of diversity throughout the organization, the bank has a clear structure in place. At the top is the Global Diversity and Inclusion Council, a group of 25 senior leaders from across lines of business who are appointed directly by Ken Lewis.

Council members are charged with developing and implementing diversity initiatives that support Bank of America's core values – especially that of achieving an inclusive meritocracy – and actively promote a work environment in which *all* associates are welcomed, included, respected and empowered to do their best work...and are rewarded for their contributions. By promoting an inclusive work environment, the council enables associates to achieve personal success and contribute to the growth and success of our company.

Our vision is that associates reflect the bank's commitment to be inclusive at all levels in every community where they work and live. Some key objectives for the council are to:

- Ensure qualified, more diverse candidate pools

- Promote associate growth, engagement and career development through diversity training and other related programs
- Demonstrate and communicate inclusive meritocracy in everything we do
- Expand diversity focus beyond race and gender
- Communicate and raise awareness of the bank's diversity and inclusion efforts across the enterprise and how associates can get involved in diversity activities
- Help associates better understand other working cultures and traditions as we continue to grow our global enterprise.

Diversity Business Councils

We also have Diversity Business Councils and Global Regional Councils throughout our various lines of business. These business councils build on the corporate diversity initiatives set by the Global Diversity and Inclusion Council and help implement and raise awareness of specific inclusion efforts within the various business units. These business councils are responsible for:

- Promoting education and awareness on matters of diversity and inclusion
- Creating an inclusive and diverse work environment where all associates flourish
- Promoting inclusive and diverse associate recruiting, retention and development practices
- Advising and influencing management on achieving business goals through diversity and inclusion

Associate affinity groups

In addition to the Global Diversity and Inclusion Council and several diversity business councils, the bank supports associate affinity groups. These are employee networks that bring the voice of the employee into the equation and serve as the foundation of our diversity efforts. We have seven associate affinity groups:

- Asian Leadership Network
- Black Professional Group
- Disability Affinity Group
- Hispanic/Latino Organization for Leadership and Advancement, otherwise known as HOLA
- LEAD for Women. LEAD stands for Leadership, Education, Advocacy and Development
- Pride Resource Group
- Military Support Affinity Group

Associates in our affinity groups have a clear and important mission: to maximize the contributions and enhance the professional development of their members. And importantly, they bring unique cultural perspectives to the table. These seven affinity groups currently have 75 local affinity group chapters and are growing.

Our associate affinity groups also have a grant program that allows them to support community organizations that focus on issues important to the group.

The Team Bank of America Diversity Network is another associate group that works in the communities we serve. This group of volunteers of current and retired associates work together to touch the lives of co-workers, customers and the neighborhoods we serve.

Contracting with diverse suppliers

Bank of America also fully supports a Supplier Diversity program that actively seeks and provides diverse suppliers an opportunity to do business with our company. We realize the importance of having a supplier base that reflects our customer, community and associate populations. Promoting a better economic environment through supplier diversity helps our communities and Bank of America thrive. As a leader in this effort, Bank of America has increased spending with diverse suppliers each year.

The Bank of America Charitable Foundation

Our diversity efforts are also directed to communities and neighborhoods. Bank of America is in its fourth year of achieving an unprecedented 10-year goal to donate more than \$1.5 billion to nonprofit organizations engaged in improving the health and vitality of their neighborhoods. In 2007, the Bank of America Charitable Foundation invested more than \$200 million in communities across the country, making the bank the most generous financial institution in the world and the second largest donor of all U.S. corporations in cash contributions. In addition to the bank's philanthropic support, bank associates contributed more than 675,000 volunteer hours in 2007 to enhance the quality of life in their communities nationwide. These efforts will only expand as we continue to grow.

Based on our philanthropic strategy of "neighborhood excellence," we determine our giving priorities locally to ensure we are meeting diverse community issues. We believe that dedicated community nonprofit organizations know better than anyone else what their community needs. In partnership with local community leaders, we develop local giving priorities and remain committed to them to ensure we can truly make a difference in these areas. And we have developed innovative giving programs to support nonprofits to successfully serve the community.

Through our signature philanthropic program, the *Neighborhood Excellence Initiative™*, the bank builds capacity and develops leadership in local nonprofits serving diverse communities. Recent awardees include the Latin American Coalition in Charlotte, PRIDE Industries in Sacramento, Habitat for Humanity of Broward County, Nuestra Comunidad Development Corporation in Boston, the Erie Neighborhood House in Chicago, the Cuban American National Council in Miami, and the Pacific Asian Consortium in Employment in Los Angeles.

Through our philanthropy and community development activities, we support diverse communities across the country.

Let me give you a few other examples:

We have supported the National Urban League (NUL) for more than 50 years. The bank's involvement with the NUL starts at the top of the organization. Ken Lewis is a past co-chairman of the NUL and the bank's Global Consumer & Small Business Banking President Liam McGee currently serves as a trustee on the NUL board. As part of our partnership with the NUL, Bank of America has provided advice on homeownership, loans, financial literacy education and affordable

housing development to African Americans across the country. Bank of America also has used feedback from the NUL to guide our investments in the restoration of urban areas.

The Bank of America Charitable Foundation has provided \$16 million in operating support and scholarships at historically black colleges and universities across the United States since 1985.

The Bank of America Charitable Foundation also continues to support the Special Olympics and other diverse organizations. One of our associates participated in the 2007 Special Olympics Summer Games held in China, winning two gold medals and one silver in the swimming competition.

In addition, as part of our commitment to help working individuals and families achieve their financial goals, the bank is sponsoring the National Disability Institute's Real Economic Tour, an initiative assisting individuals with disabilities access free tax-preparation support and the Earned Income Tax Credit.

The bank has a 10-year \$750 billion community development goal, and is providing greater access to capital and credit to low- and moderate-income individuals, families and communities across the country through loans and investments.

Program Related Investments – or PRI– provides one example of our community development work. Last year, the bank made \$85 million in PRIs to capitalize loans for affordable housing, charter schools, community facilities, and micro-credit and small business lenders. Included in the \$85 million is an investment of \$2 million – our first investment in a Native American Community Development Financial Institution.

In another example of community development, Bank of America provided \$34 million in financing for the Renaissance Walk development in Atlanta to help revitalize one of the city's culturally important neighborhoods.

These are just a few examples of Bank of America's commitment to supporting diversity through our philanthropic and community development activities.

Recruiting and retention

Ours is a "people business." Obviously, our customers are important to us, but our associates are just as vital – just as critical – to our success. At Bank of America, we are passionate about offering our associates a culture of fairness – one that values each person for what he or she can contribute. We look for talent, ability, creativity and determination, and we're not concerned about family backgrounds or what school they attended. We know that with this wealth of perspective, we will always be able to take advantage of new opportunities, develop innovative products and help people find new ways to live constructive and productive lives.

Our success depends on hiring the very best people. And talented people come from all walks of life and from different ethnicities, colors, beliefs and lifestyles. Each year, we participate in diversity recruiting events ensuring our associates represent the varied communities we serve. Our focus on diversity helps us attract and retain the best people, and we're constantly energized by the wealth of fresh ideas and insights our talented teams produce.

Financial products and services

To meet the financial needs of our customer base, we must develop products and services that address their unique requirements. The bank actively hires bilingual associates to help us design and deliver services to our diverse customer base around the globe.

Let me give you examples of our specially designed products and services.

Our ATMs and banking center materials are translated into in multiple languages to better meet the needs of the communities we serve.

Bank of America provides a free nationwide remittance service, called SafeSend, which makes it easy to send money to Mexico by eliminating transfer fees.

Our Accessible Banking program empowers disabled customers to access our banking products and services as they choose:

- 24/7 free Online Banking and Billpay
- 24/7 access through Telephone Banking with TTY/TDD service
- Over 6,100 banking centers coast-to-coast, many with drive-thru banking
- Over 11,000 talking ATMs; 19,000 ATMs nationwide
- Braille and large-print checking, savings and credit card statements
- Raised-line, large-print checks and large-print check registers
- Sign language interpreter services can be requested from banking center associates
- Reader services are available from our banking center and Telephone Banking associates

In addition, our credit card division offers a wide variety of affinity cards that support diverse affinity groups. Some examples include:

- Elton John AIDS Foundation
- Olivia
- Rainbow Card
- Atlantis Events
- United Spinal Association
- Paralyzed Veterans of America
- Thurgood Marshall College Fund
- American Society of Women Accountants
- Women in Military Service for America
- Hispanic National Bar
- National Society of Hispanic MBAs

Public recognition

My report today wouldn't be complete without letting you know about the extensive recognition we've received for our efforts in actively promoting and supporting a diverse, inclusive culture.

- In 2007, **DiversityInc magazine** ranked the bank the No. 1 company for diversity and inclusion as part of its annual “Top 50 Companies for Diversity.” Additionally, in its specialty list, Bank of America ranked No. 1 in the Top 10 Companies for Executive Women and No. 1 for Recruitment and Retention. The bank also ranked No. 3 for Hispanics and GLBT employees and No. 8 for Asian Americans. In addition, the bank placed No. 6 on the Supplier Diversity list. *DiversityInc* also recognized the bank as having a “Top Web Site for Diversity.”
- **Black Enterprise** magazine ranked the bank again as one of the “40 Best Companies for Diversity.”
- We scored 100% on the Human Rights Campaign Corporate Equality Index.
- **U.S. Banker** magazine, **Fortune** magazine and **The Wall Street Journal** continue to recognize the bank’s senior women in their annual top women’s rankings.
- And **Working Mother** magazine, for the 19th year, recognized Bank of America as one of the “100 Best Companies” for working mothers.
- Hispanic and other diversity magazines also continue to recognize the bank for its commitment to diversity and inclusion.

Conclusion

Obviously I am proud of the bank’s diversity and inclusion efforts. As a true meritocracy, we provide an open environment where each person is evaluated on his or her own merits, where associates of diverse backgrounds, viewpoints and experiences can succeed, and where all associates have the opportunity to achieve their full potential.

That said, we still have work to do. Diversity is a journey. We have leadership and commitment from our executives starting at the top as well as the right people and the right business processes to know that our diversity and inclusion efforts are making a positive difference at our organization. We will continue to actively promote and support diversity of thought and experience. It makes us a better company, a better place to work and a better citizen in the communities we serve. Diversity and inclusion are part our day-to-day business processes and results. It is the differentiator in the marketplace.

And I’d encourage each of you – regardless of your position, title, background, etc. – to interact with people who are different from you. Through open and candid dialogue, we’ll learn from each other, we’ll develop better ideas and solutions than we would on our own, and we’ll have a better understanding of – and appreciation for – different perspectives and points of view.

By proactively engaging with people who are different from us – different backgrounds and cultures, different lifestyles or different ideas – we foster true inclusion and fairness.

Thank you for your attention to this issue. It’s been a pleasure to be with you today.