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## Diversity in the Finance Industry

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## Diversity in the Finance Industry

### Abstract

The Finance Industry is an important aspect of the economy including banking, credit, securities and insurance activities. It offers many well-paying jobs, and is expected to see growth in the coming years. This report examines the Finance Industry with respect to the employment of women, African Americans, Hispanics, Asians and American Indians /Alaskan Natives. Of particular interest is the status of these groups in management positions. EEO-1 data is utilized to examine the subsectors of the Finance Industry.

- The percentage of women officials and managers is highest in the Banking/Credit subsector (48.6 percent) and their lowest percentage is in the Securities subsector (33.8 percent). The percentage of women officials and managers in each of the subsectors falls below the percentage of women employed as professionals, which might be considered a source for management jobs.
- Similar disparities between the percentage of African American officials and managers and the percentage of African American professionals are also observed. Among the Financial Industry subsectors, the percentage of African American officials and managers is highest in the Banking/Credit subsector (7.0 percent) and lowest in the Securities subsector (4.4 percent).
- The percentage of Hispanic officials and managers is highest in the Central Banking subsector (5.1 percent) and lowest in the Securities subsector (2.9 percent). In all subsectors, the percentage of Hispanic officials and managers is less than the percentage of Hispanic professionals.
- The highest percentage of Asian officials and managers is in the Securities subsector (6.4 percent) and the lowest percentage of Asian officials and managers is in Central Banking and Insurance (2.8 percent). Like the other groups examined, the percentage of Asian officials and managers falls below the percentage of Asian professionals in each subsector.
- Employment as officials and managers is examined in more detail for each of these groups by determining their chance of being officials and managers in contrast to professionals and sales workers. This shows that each subsector has a large portion of establishments where such chances are unfavorable to women, African Americans, Hispanics and Asians when compared to white males. Entry into management may be a particular concern for Asians.
- While the relative chance of being an official or manager is better in the Securities subsector for each of the groups analyzed, the low proportion of women and African American professionals in this subsector may be partly responsible for these results.

### Keywords

Equal Employment Opportunity Commission, EEOC, Title VII, report, special, assessment, diversity, finance, financial, private sector, compliance, affirmative employment, equal employment, oversight, programs, 2006

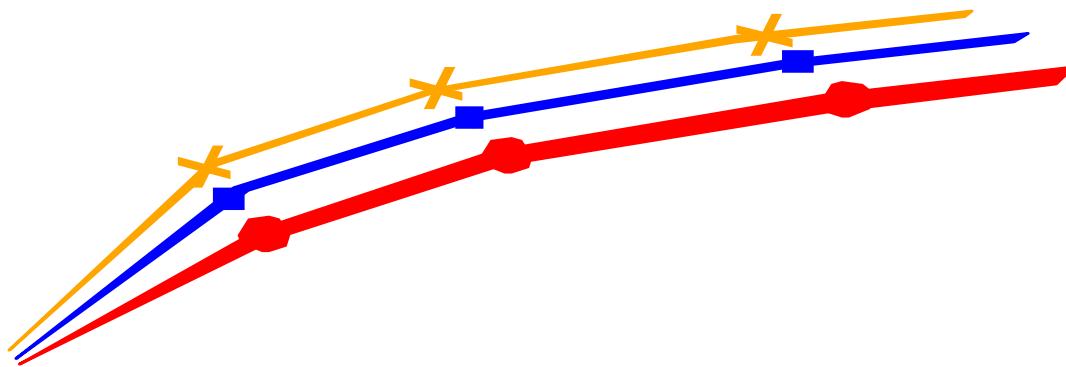
### Comments

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# DIVERSITY IN THE FINANCE INDUSTRY



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
2006

# DIVERSITY IN THE FINANCE INDUSTRY

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## EXECUTIVE SUMMARY

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The Finance Industry is an important aspect of the economy including banking, credit, securities and insurance activities. It offers many well-paying jobs, and is expected to see growth in the coming years. This report examines the Finance Industry with respect to the employment of women, African Americans, Hispanics, Asians and American Indians /Alaskan Natives. Of particular interest is the status of these groups in management positions. EEO-1 data is utilized to examine the subsectors of the Finance Industry.

- The percentage of women officials and managers is highest in the Banking/Credit subsector (48.6 percent) and their lowest percentage is in the Securities subsector (33.8 percent). The percentage of women officials and managers in each of the subsectors falls below the percentage of women employed as professionals, which might be considered a source for management jobs.
- Similar disparities between the percentage of African American officials and managers and the percentage of African American professionals are also observed. Among the Financial Industry subsectors, the percentage of African American officials and managers is highest in the Banking/Credit subsector (7.0 percent) and lowest in the Securities subsector (4.4 percent).
- The percentage of Hispanic officials and managers is highest in the Central Banking subsector (5.1 percent) and lowest in the Securities subsector (2.9 percent). In all subsectors, the percentage of Hispanic officials and managers is less than the percentage of Hispanic professionals.
- The highest percentage of Asian officials and managers is in the Securities subsector (6.4 percent) and the lowest percentage of Asian officials and managers is in Central Banking and Insurance (2.8 percent). Like the other groups examined, the percentage of Asian officials and managers falls below the percentage of Asian professionals in each subsector.
- Employment as officials and managers is examined in more detail for each of these groups by determining their chance of being officials and managers in contrast to professionals and sales workers. This shows that each subsector has a large portion of establishments where such chances are unfavorable to women, African Americans, Hispanics and Asians when compared to white males. Entry into management may be a particular concern for Asians.
- While the relative chance of being an official or manager is better in the Securities subsector for each of the groups analyzed, the low proportion of women and African American professionals in this subsector may be partly responsible for these results.

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# DIVERSITY IN THE FINANCE INDUSTRY

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## INTRODUCTION

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As part of its mandate under Title VII of the Civil Rights Act of 1964, as amended, the Equal Employment Opportunity Commission requires periodic reports from public and private employers, and unions and labor organizations which indicate the composition of their work forces by sex and by race/ethnic category. Key among these reports is the EEO-1 which is collected annually from private employers with 100 or more employees or federal contractors with 50 more employees. The purpose of this report is to examine the Finance Industry with respect to the employment of women, African Americans, Hispanics, Asians and American Indians /Alaskan Natives. White collar employment in this industry predominates and the analyses will therefore focus on those jobs. In particular, the analyses will look at employment as officials and managers. The Commission supports proactive prevention programs that are designed to anticipate and remove, from the workplace, potentially discriminatory practices. Consistent with that goal, this report seeks to assist employers in the Finance Industry make full use of America's labor markets by understanding more about the characteristics of those markets. A general overview of what the EEO-1 reports suggest about employment in this industry is provided for that purpose.

### Background

This section provides a brief overview of the subsectors making up this industry. The Finance Industry is, of course, an important aspect of the economy, offering many well-paying jobs, and is expected to see growth in the coming years.<sup>1</sup> The Finance Industry is composed of five subsectors according to the North American Industrial Classification System (NAICS). These subsectors are as follows:<sup>2</sup>

**The Monetary Authorities-Central Bank (Central Banking):** This subsector includes establishments performing central banking functions, such as issuing currency, managing the Nation's money supply and international reserves, holding deposits that represent the reserves of other banks and other central banks, and acting as a fiscal agent for the central government.

**Credit Intermediation and Related Activities (Banking/Credit):** This subsector consists of firms that (1) lend funds raised from depositors; (2) lend funds raised from credit market borrowing; or (3) facilitate the lending of funds or issuance of credit by engaging in such activities as mortgage and loan brokerage, clearinghouse and reserve services, and check cashing services.

**Securities, Commodity Contracts, and Other Financial Investments and Related Activities (Securities):** These establishments are primarily engaged in (1) underwriting securities issues

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<sup>1</sup> *Career Guide to Industries, Overview and Outlook*, <http://www.bls.gov/oco/cg/indchar.htm>, downloaded April 9, 2006

<sup>2</sup> The industry classifications utilized in this report and the description of these industries are from the North American Industrial Classification system, 1997 (See <http://www.census.gov/epcd/naics02/naicod02.htm> .)

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and/or making markets for securities and commodities; (2) acting as agents (i.e., brokers) between buyers and sellers of securities and commodities; (3) providing securities and commodity exchange services; and/or (4) providing other services, such as managing portfolios of assets; providing investment advice; and trust, fiduciary, and custody services.

**Insurance Carriers and Related Activities (Insurance):** This subsector is primarily engaged in underwriting (assuming the risk, assigning premiums, and so forth) annuities and insurance policies or facilitating such underwriting by selling insurance policies, and by providing other insurance and employee-benefit related services.

**Funds, Trusts, and Other Financial Vehicles (Funds):** These are legal entities (i.e., funds, plans, and/or programs) organized to pool securities or other assets on behalf of shareholders or beneficiaries of employee-benefit or other trust funds. The portfolios are customized to achieve specific investment characteristics, such as diversification, risk, rate of return, and price volatility. These entities earn interest, dividends, and other property income, but have limited employment and no revenue from the sale of services. Establishments with employees devoted to the management of funds are classified as being in the Securities subsector.

### Data

The data used for the analysis is primarily EEO-1 reports filed by the companies identified as being in the Finance Industry as defined above. The Equal Employment Opportunity Commission (EEOC) as part of its mandate under Title VII of the Civil Rights Act of 1964, as amended operates a data collection system that collects data from nearly all employers in the United States with more than 100 employees. Private employers must file an Employer Information Report, EEO-1, with separate reports for each facility with 50 or more employees. In 2003, more than 40,000 employers submitted reports for about 50 million employees (U.S. Equal Employment Opportunity Commission, 2002).<sup>3</sup> The EEO-1 collects race/ethnic and gender data annually on nine major job categories.<sup>4</sup> In addition to the workforce data, information about each establishment's North American Industrial Classification System code, the establishment's county, its metropolitan area code and other data is included. The EEO-1 provides data that are more firm specific than other possible data sources and provides useful data by job groups, race/ethnicity and gender. A subset of 2003 EEO-1 data consisting of 13,112 establishments in the Finance Industry is used.<sup>5</sup>

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<sup>3</sup> Job Patterns for Minorities and Women in Private Industry, 2003, p. v.

<sup>4</sup> For details about these job groups and other information about the EEO-1 see the instruction booklet and the form at <http://www.eeoc.gov/eo1survey/e1instruct.html>

<sup>5</sup> The original 2003 EEO-1 data base for employers in the Finance Industry has information on 13,086 establishments. For this study, 81 reports were deleted on the basis of quality control tests. The quality control tests identify establishments with changes in selected categories from 2002 to 2003. For example, approximately two-thirds of the deleted establishments had two-digit NAICS finance codes in either 2002 or 2003 but not in both years. Another one-quarter of the deleted establishments switched modal job categories from 2002 to 2003 (that is, the most frequent job category in 2002 did not match the most frequent job category in 2003). We also added 107 observations, present in 2002 and 2004 but missing from 2003. The 107 observations represent five parent companies with a combined total of 48,809 employees.

## DIVERSITY IN THE FINANCE INDUSTRY

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### EMPLOYMENT AS OFFICIALS AND MANAGERS AND AS PROFESSIONALS

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As one might expect, the finance industry utilizes a highly professionalized work force. Employment in blue collar job groups reported on the EEO-1 is consistently less than 2 percent for each of those job groups. Table 1 shows how employment is divided among white collar job groups for each of the finance subsectors.

<b>TABLE 1: AN EXAMINATION OF THE FINANCE INDUSTRY OCCUPATIONAL DISTRIBUTION</b>						
SUBSECTOR	TOTAL EMPLOYEES	PERCENT OF ALL JOBS				
		OFFICIALS AND MANAGERS	PROFESSIONALS	TECHNICIANS	SALES	CLERICAL
INSURANCE	1,305,821	15.07	31.66	6.78	5.21	39.84
SECURITIES	358,009	19.44	31.93	5.54	15.94	26.56
BANKING/ CREDIT	1,370,674	19.50	19.62	2.92	5.12	51.58
CENTRAL BANKING	41,580	19.75	20.07	2.29	3.41	46.69
FUNDS	60,548	20.62	26.01	4.69	8.53	36.78
TOTAL	3,136,632	17.67	26.16	4.85	6.44	43.49

Clearly, the bulk of employment in these firms is in the officials and managers, professionals or clerical job categories. The only exception is the employment of sales workers (such as stock brokers) in the Securities subsector. Thus, this report will initially, examine the employment of officials and managers then professionals, based on the assumption that the primary source of officials and managers in the subsectors of this industry are its professional workers. After examining general employment in these two job groups, more precise analyses are used by constructing probabilities (or odds) of being officials and managers for each of the demographic groups and Finance subsectors.

#### **Officials and Managers**

Table 2 shows how women and nonwhite employees are employed in the officials and managers job category in each of the Finance subsectors.



## DIVERSITY IN THE FINANCE INDUSTRY

<b>TABLE 2: PARTICIPATION RATES<sup>6</sup></b>						
<b>WOMEN AND NONWHITE OFFICIALS AND MANAGERS IN THE FINANCE SUBSECTORS</b>						
SUBSECTOR	OFFICIALS AND MANAGERS	PERCENT OF OFFICIALS AND MANAGERS				
		WOMEN	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN
CENTRAL BANKING	8,213	47.3	6.8	5.1	2.8	0.3
BANKING/CREDIT	267,213	48.6	7.0	5.0	4.3	0.3
SECURITIES	69,603	33.8	4.4	2.9	6.4	0.1
INSURANCE	196,750	47.9	6.4	3.1	2.8	0.3
FUNDS	12,488	41.2	5.1	3.3	5.1	0.2

As Table 2 demonstrates, the highest percent of women officials and managers is in the Banking/Credit subsector and their lowest representation is in the Securities subsector. The employment of African Americans and Hispanics as officials and managers is highest in Central Banking and Banking/Credit and lowest in the Securities subsector. While the percentage of women, African American and Hispanic officials and managers is lowest in the Securities subsector, this is in contrast to Asian employment. Asians are most frequently employed as officials and managers in the Securities subsector. The lowest percentage of Asian officials and managers is in Central Banking and Insurance.<sup>7</sup>

Table 3 presents the same type of tabulation for women of color. With respect to percentage of officials and managers, the best subsectors for the employment of women of color are Banking and Credit for African American and Hispanic women and Securities and Funds for Asian

<b>TABLE 3: PARTICIPATION RATES</b>				
<b>WOMEN OF COLOR IN OFFICIALS AND MANAGERS JOBS</b>				
SUBSECTOR	PERCENT OF OFFICIALS AND MANAGERS			
	BLACK WOMEN	HISPANIC WOMEN	ASIAN WOMEN	AMERICAN INDIAN
CENTRAL BANKING	3.8	2.5	1.6	0.1
BANKING/CREDIT	4.5	2.8	2.0	0.2
SECURITIES	2.2	1.2	2.4	0.1
INSURANCE	4.2	1.7	1.3	0.1
FUNDS	2.9	1.6	2.4	0.1

<sup>6</sup> Participation rates are percentages where, for example, the number of women officials and managers is divided by the number of all officials and managers and the proportion is converted to a percentage.

<sup>7</sup> Results for American Indians/Alaskan Natives (American Indian) are reported in the data tables but these percentages are too small for meaningful comparisons.

## DIVERSITY IN THE FINANCE INDUSTRY

women. Again, consistent with the results in Table 2, the best industries for Asian women are the least favorable for African American and Hispanic women.

### Professionals

When looking at the professional job group, we find that generally the percentages of women and nonwhites are higher in professional jobs than in officials and manager jobs (see Table 4).

<b>TABLE 4: PARTICIPATION RATES WOMEN AND NONWHITE PROFESSIONALS IN THE FINANCE SUBSECTORS</b>						
SUBSECTOR	PROFESSIONALS	PERCENT OF PROFESSIONALS				
		WOMEN	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN
CENTRAL BANKING	8,345	51.1	13.3	5.2	8.1	0.3
BANKING/CREDIT	268,871	54.0	9.7	5.8	7.9	0.4
SECURITIES	114,312	40.3	7.0	4.4	13.1	0.2
INSURANCE	413,360	60.3	9.0	3.9	4.9	0.3
FUNDS	15,750	52.3	7.1	3.7	7.8	0.3

Employment of women as professionals seems relatively high in the Insurance subsector and in the Banking/Credit subsector especially when compared to Securities. African Americans are employed at a higher rate as professionals in Central Banking, than the other subsectors. Employment in the Securities and the Funds subsectors has the lowest percentage of this group. Hispanic employment as professionals appears to be a bit more evenly distributed, with the percentage of Hispanic employment the highest in the Banking/Credit subsector and the lowest in the Funds subsector. Asian professionals are most prevalent in the Securities subsector and least prevalent in the Insurance subsector.

<b>TABLE 5: PARTICIPATION RATES WOMEN OF COLOR AS PROFESSIONALS IN THE FINANCE SUBSECTORS</b>				
SUBSECTOR	PERCENT OF PROFESSIONALS			
	BLACK WOMEN	HISPANIC WOMEN	ASIAN WOMEN	AMERICAN INDIAN WOMEN
CENTRAL BANKING	8.5	2.8	3.9	0.1
BANKING/CREDIT	6.7	3.4	3.9	0.2
SECURITIES	4.0	2.0	5.3	0.1
INSURANCE	6.7	2.5	2.6	0.2
FUNDS	4.6	2.0	4.0	0.2

## DIVERSITY IN THE FINANCE INDUSTRY

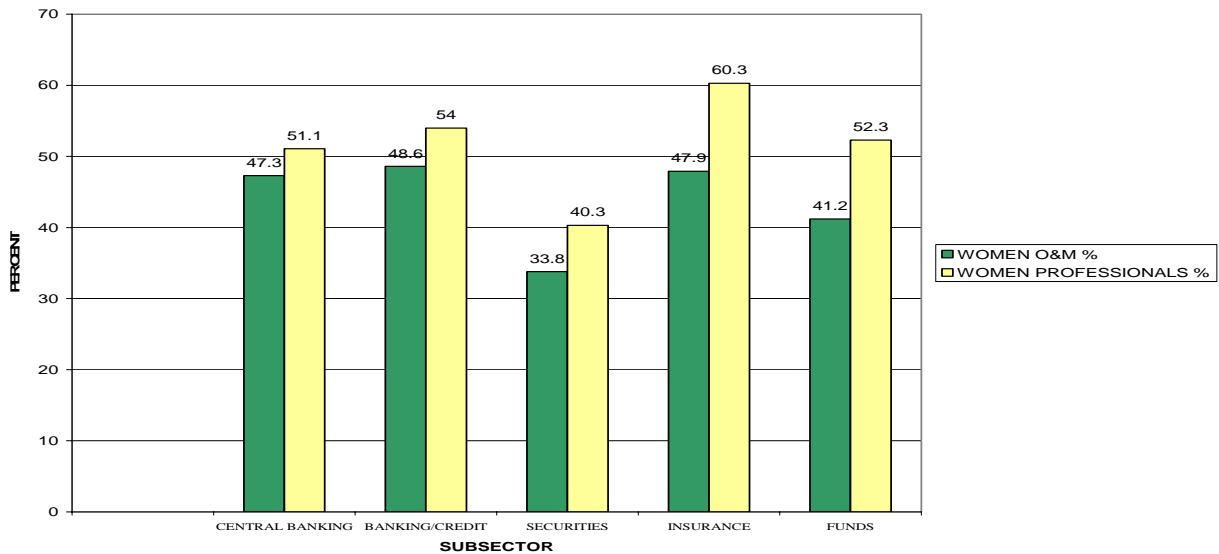
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Patterns for the employment of women of color as professionals in the finance industry are consistent with those reported for all nonwhites. African American women are most frequently employed as professionals in Central Banking (8.5 percent), Hispanic women in Banking/Credit (3.4 percent) and Asian women in the Securities subsector (5.3 percent). As when examining the total for these groups, the low employment rate of African American and Hispanic women in the Securities subsector stands in contrast to high employment rate of Asian women as professionals there.

### Officials and Managers Compared To Professionals

The section provides a series of graphs in order to provide an overview of how women and nonwhite employment as officials and managers compares to their employment as professionals. Figure 1 shows the disparities between women officials and managers and women professionals. Note that for women the largest disparities are observed in the Insurance and Funds subsectors.

**FIGURE 1: PERCENTAGE OF WOMEN OFFICIALS AND MANAGERS AND PROFESSIONALS BY SUBSECTOR**



SUBSECTOR	PERCENT OF WOMEN	
	OFFICIALS AND MANAGERS	PROFESSIONALS
CENTRAL BANKING	47.3	51.1
BANKING/CREDIT	48.6	54.0
SECURITIES	33.8	40.3
INSURANCE	47.9	60.3
FUNDS	41.2	52.3

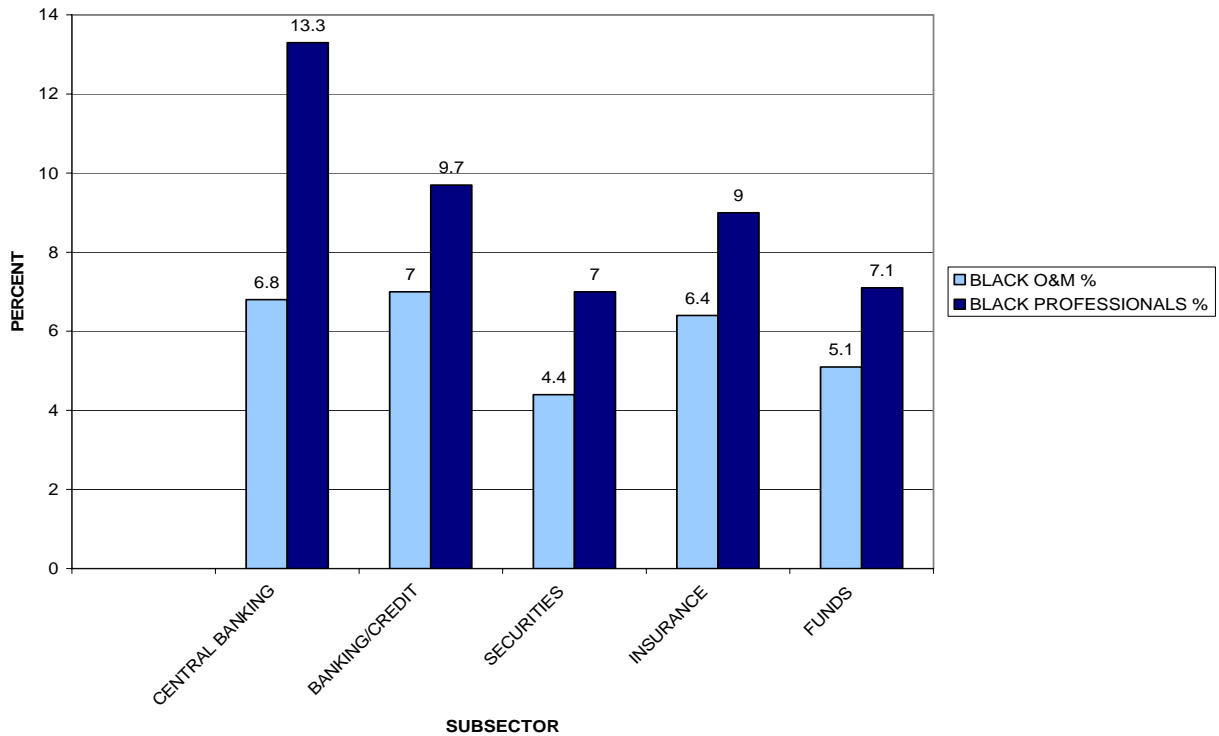
## DIVERSITY IN THE FINANCE INDUSTRY

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Figure 2 displays disparities between African Americans as professionals and as officials and managers in the Finance industry. The disparities between employment as officials and managers and as professionals are relatively similar in each of the subsectors except for Central Banking. Here a relatively high employment rate for African American professionals (13.3 percent) appears to be quite different than the percentage of African American officials and managers (6.8 percent).

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**FIGURE 2: PERCENTAGE OF  
AFRICAN AMERICAN OFFICIALS AND  
MANAGERS AND PROFESSIONALS BY SUBSECTOR**



SUBSECTOR	PERCENT AFRICAN AMERICAN	
	OFFICIALS AND MANAGERS	PROFESSIONALS
CENTRAL BANKING	6.8	13.3
BANKING/CREDIT	7.0	9.7
SECURITIES	4.4	7.0
INSURANCE	6.4	9.0
FUNDS	5.1	7.1

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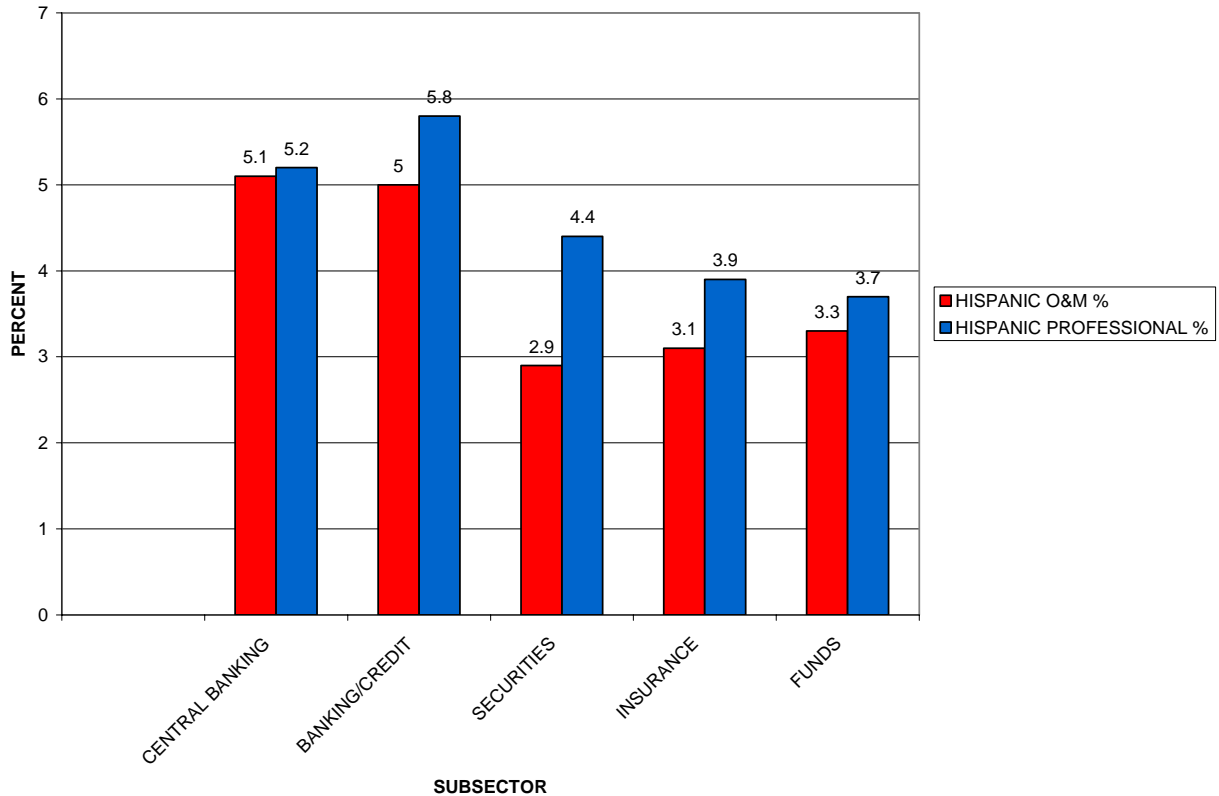
## DIVERSITY IN THE FINANCE INDUSTRY

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Figure 3 shows that Hispanic employment as professionals and as officials and managers is fairly consistent, with differences normally less than one percent. The exception is the Securities subsector.

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**FIGURE 3: PERCENTAGE OF  
HISPANIC OFFICIALS AND  
MANAGERS AND PROFESSIONALS BY SUBSECTOR**



SUBSECTOR	PERCENT HISPANIC	
	OFFICIALS AND MANAGERS	PROFESSIONALS
CENTRAL BANKING	5.1	5.2
BANKING/CREDIT	5.0	5.8
SECURITIES	2.9	4.4
INSURANCE	3.1	3.9
FUNDS	3.3	3.7

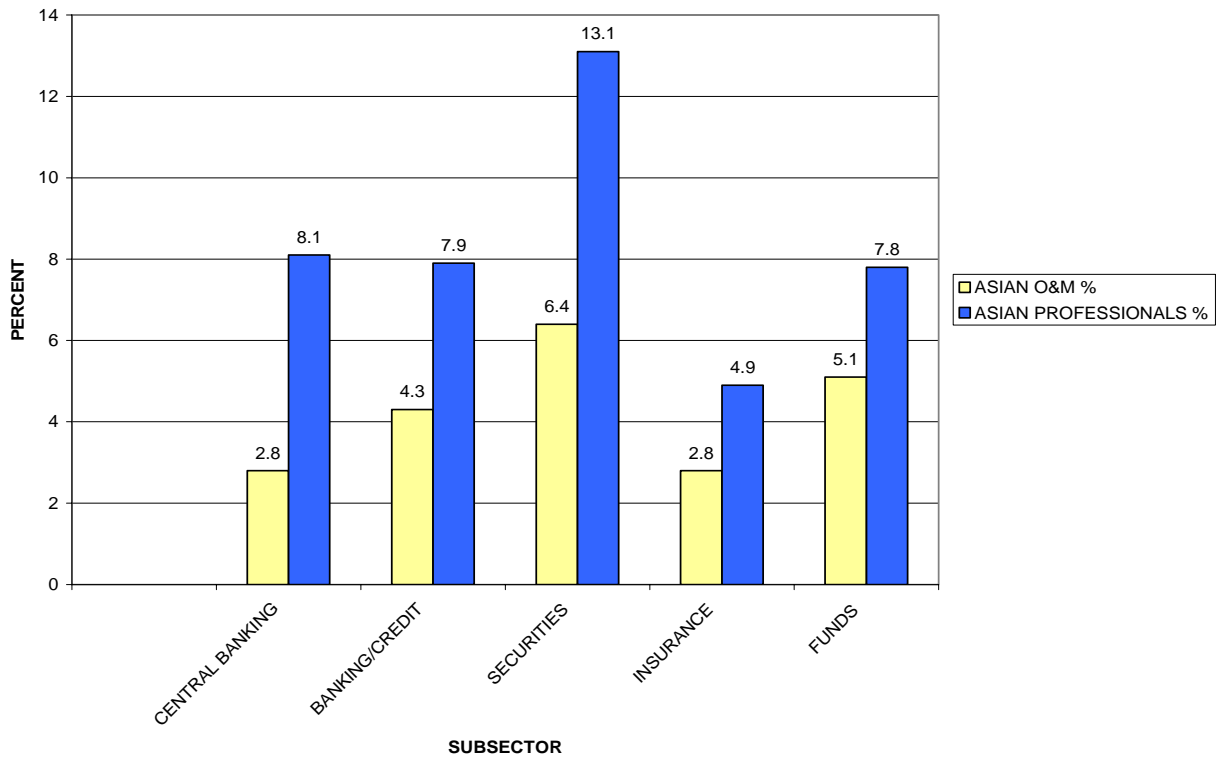
## DIVERSITY IN THE FINANCE INDUSTRY

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Figure 4 displays these figures for Asians. Here the differences between the percentage of Asian officials and managers and Asian professionals are clearly more pronounced than those observed for the other groups reported above.

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**FIGURE 4: PERCENTAGE OF  
ASIAN OFFICIALS AND  
MANAGERS AND PROFESSIONALS BY SUBSECTOR**



SUBSECTOR	PERCENT ASIAN	
	OFFICIALS AND MANAGERS	PROFESSIONALS
CENTRAL BANKING	2.8	8.1
BANKING/CREDIT	4.3	7.9
SECURITIES	6.4	13.1
INSURANCE	2.8	4.9
FUNDS	5.1	7.8

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## DIVERSITY IN THE FINANCE INDUSTRY

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While Asians make up about 13.1 percent of all professionals in the Securities subsector, they drop to about half that amount, about 6.4 percent, in the officials and managers category. The difference between Asian professionals in Central Banking (8.1 percent) and Asian officials and managers (2.8 percent) is also notable.

Table 6 displays the differences between the employment of women of color in these two job groups.

<b>TABLE 6: DIFFERENCES BETWEEN PERCENTAGE OF OFFICIALS AND MANAGERS AND PERCENTAGE OF PROFESSIONALS BY SUBSECTOR FOR WOMEN OF COLOR</b>			
<b>SUBSECTOR</b>	<b>BLACK WOMEN DIFFERENCE</b>	<b>HISPANIC WOMEN DIFFERENCE</b>	<b>ASIAN WOMEN DIFFERENCE</b>
CENTRAL BANKING	4.7	0.3	2.3
BANKING/CREDIT	2.2	0.6	1.9
SECURITIES	1.8	0.8	2.9
INSURANCE	2.5	0.8	1.3
FUNDS	1.7	0.4	1.6

The disparities for women of color are not inconsistent with those seen when examining nonwhites in general.

This section identified some very broad disparities between the employment of women and nonwhite officials and managers and their employment as professionals for various subsectors of the Finance industry. There are similar disparities for women of color but they do not appear to be any greater than that observed for nonwhites in general. It appears to be useful at this point to examine these differences for women, African Americans, Hispanics and Asians with a bit more precision.

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### ENTRY INTO MANAGEMENT

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In order to examine employment of officials and managers in more detail, each of the examined groups was compared to white males. Specifically, the chances of the examined group being officials and managers were compared to the chances of white males being officials and managers. An odds ratio<sup>8</sup> was constructed that assumes that the pool for the target job group, officials and managers, consists of professionals and sales workers.<sup>9</sup> The odds of being in the officials and managers job group can be expressed by the ratio of two proportions.

For example, consider Table 7 showing the relationship between women and white male employment as officials and managers and as professional and sales workers in the Finance Industry:

TABLE 7: EXAMPLE OF AN ODDS RATIO FOR THE FINANCE INDUSTRY			
JOB GROUPS	WHITE MEN	WOMEN	TOTAL
OFFICIALS AND MANAGERS	261,230	256,579	517,809
PROFESSIONALS AND SALES	403,619	530,855	934,474
TOTAL	664,849	787,434	1,452,283

The proportion of women management employees is 0.326 (256,579/787,434), so the proportion of women professional and sales workers is 0.674 (1-0.326). The proportion of white male management employees is 0.393 (261,230/664,849) and the proportion of white male professional and sales workers is 0.607 (1-0.393). The odds of being a management employee is 0.484 (.326/0.674) for female employees and 0.647 (0.393/0.607) for male employees. The odds ratio between female and white male employees can be formulated as the ratio of two odds as follows:

$$\begin{aligned}\text{Odds Ratio} &= (\text{Management Odds for Females}) / (\text{Management Odds for Males}) \\ &= (0.484) / (0.647) \\ &= 0.748.\end{aligned}$$

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<sup>8</sup> Fienberg, S. (1977) *The Analysis of Cross-Classified Categorical Data*, The MIT Press, Cambridge, pp. 17-18. Also see Agresti, A. (2002) *Categorical Data Analysis*, second edition, John Wiley and Sons, New York, pp. 44-46; Breslow, N. and Day, N. (1980) *Statistical Methods in Cancer Research*, IARC, Lyon, p. 125; Finkelstein, M. and Levin, B. (1990) *Statistics for Lawyers*, Springer-Verlag, New York, p. 2.

<sup>9</sup> Sales workers were used to primarily to account for the importance of brokers in the securities industry. For ease of calculation and exposition, they are used for all subsectors but would have little impact in the other subsectors.



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Odds ratios with values of 1.0 can be interpreted as a measure of racial or gender neutrality. Odds ratios with values substantially greater than 1.0 reflect disparities favorable to females or nonwhites. Odds ratios with values substantially less than 1.0 reflect disparities unfavorable to females or people of nonwhites.

Comparisons are drawn between the control group of white men and the various groups of interest: women, African Americans, Hispanics and Asians. Odds ratios are computed by comparing the odds of being an official or manager in the group of interest to the odds of being an official or manager and a white male. The log of this ratio equals zero when the group of interest has odds that are equal to the odds for white males. Logged values greater than zero (positive values) indicate that the group's odds of being officials and managers are higher than that of white males.<sup>10</sup>

Logged odds ratios were computed for each establishment in the Finance industry filing EEO-1 reports as explained above.<sup>11</sup> Some firms have either positive or negative logged odds ratios, other firms approach the neutral value of a zero logged odds ratio. What is interesting then is to see how the log of the odds ratios are distributed across firms. In the following tables, the median log of the odds ratio is presented along with the cutoff values for the first quartile (lowest 25 percent of values) and the third quartile value (highest 25 percent of values). The number and percent of firms with positive odds (that is, logged odds values greater than zero) are also presented. Positive logged odds ratios are important measures because they represent the point at which the group being analyzed has odds of being officials and managers that exceed those for white males.

Table 8 shows that the highest median log of the odds ratio for women is in the Securities subsector. That is, the odds of women being officials and managers compared to white men (0.043) are higher here than in other subsectors. Note that it is also the only area where the median values indicate that the odds for women being managers (officials and managers) are greater than the odds for white men being managers, that is, positive logged odds ratios. However, as can be seen by examining the third-quartile values, there are establishments in the other subsectors with positive logged odds ratios. Table 8 also shows that in 51.4 percent of establishments in the

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<sup>10</sup> It is important to emphasize that the EEO-1 Survey collects cross-sectional information on the number of employees occupying various job groups at a given point in time. The EEO-1 Survey does not collect flow or transactional information on the number of employees that move within or across job groups. In particular, the EEO-1 Survey does not show how many employees are promoted from one job group to another over time. Given the absence of promotion data, the EEO-1 data used here is best viewed as a preliminary screening device designed to detect potential disparities in management opportunities for gender and race/ethnic groups.

<sup>11</sup> As an initial step, a common odds ratio was computed for each of the groups of interest for the entire Finance industry and then for each subsector. This computation indicated that the establishments in this industry and within the subsectors are very heterogeneous. This means that the common logged odds ratio is not a useful measure because there is high variation between firms.

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Securities subsector, women have odds of being managers that are greater than the odds for males. The percentage of establishments where women have higher odds than white men is lowest (23.52 percent) in the Insurance subsector.

<b>TABLE 8: QUARTILE SUMMARY TABLES FROM LOGGED ODDS RATIOS WOMEN QUARTILE VALUES</b>						
<b>FINANCE SUBSECTOR</b>	<b>FIRST QUARTILE</b>	<b>MEDIAN VALUE</b>	<b>THIRD QUARTILE VALUE</b>	<b>ESTABLISHMENTS</b>		
				<b>TOTAL</b>	<b>POSITIVE LOGGED ODDS RATIOS</b>	
					<b>NUMBER</b>	<b>PERCENT</b>
CENTRAL BANKING	-1.299	-0.426	0.274	261	82	31.42
BANKING/CREDIT	-0.926	-0.336	0.264	5,420	1,872	34.54
SECURITIES	-0.597	0.043	0.902	1,358	698	51.40
INSURANCE	-1.111	-0.579	-0.029	4,727	1,112	23.52
FUNDS	-1.109	-0.546	0.179	250	74	29.60

Table 9 shows the results for African Americans. Here the median logged odds ratio is once again highest for the Securities subsector, but it has negative values for all of the subsectors ranging from -0.534 to -0.011. For each of the industries the distribution of the logged odds ratio exceeds zero (positive odds ratios) by the upper one-fourth of establishments' values. For example, 25 percent of all establishments in the Central Banking subsector have logged odds ratios of 0.21 or higher. As with women, if one examines the percent of establishments with positive logged odds ratios for African Americans, the Securities subsector has the highest portion of establishments (49.01 percent) and the Insurance subsector has the lowest (29.24 percent).

<b>TABLE 9: QUARTILE SUMMARY TABLES FROM LOGGED ODDS RATIOS AFRICAN AMERICAN QUARTILE VALUES</b>						
<b>FINANCE SUBSECTOR</b>	<b>FIRST QUARTILE</b>	<b>MEDIAN VALUE</b>	<b>THIRD QUARTILE VALUE</b>	<b>ESTABLISHMENTS</b>		
				<b>TOTAL</b>	<b>POSITIVE LOGGED ODDS RATIOS</b>	
					<b>NUMBER</b>	<b>PERCENT</b>
CENTRAL BANKING	-1.253	-0.439	0.210	116	36	31.03
BANKING/CREDIT	-1.177	-0.452	0.309	3,501	1,179	33.68
SECURITIES	-0.812	-0.011	0.995	1,010	495	49.01
INSURANCE	-1.224	-0.534	0.171	3,701	1,082	29.24
FUNDS	-1.307	-0.498	0.263	195	60	30.77

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Table 10 displays the calculations for Hispanics. Like women and African Americans, the median logged odds ratio is highest for the Securities subsector, but Hispanics fare somewhat better than African Americans because the median value for Hispanics is greater than zero (0.012). Thus, approximately one-half of establishments in the Securities subsector have positive logged odds ratios for Hispanic employment as officials and managers. Another positive result for Hispanics is the percent of firms displaying positive logged odds ratios across the subsectors. In each of the subsectors, at least 30 percent of all establishments meet this condition. Again, the largest percentage is in the Securities subsector, and the lowest is in the Central Banking subsector.

<b>TABLE10: CREATE QUARTILE SUMMARY TABLES FROM LOGGED ODDS RATIOS HISPANICS QUARTILE VALUES</b>						
FINANCE SUBSECTOR	FIRST QUARTILE	MEDIAN VALUE	THIRD QUARTILE VALUE	ESTABLISHMENTS		
				TOTAL	POSITIVE LOGGED ODDS RATIOS	
					NUMBER	PERCENT
CENTRAL BANKING	-1.350	-0.669	0.318	84	26	30.95
BANKING/CREDIT	-1.210	-0.436	0.333	3,176	1068	33.63
SECURITIES	-0.775	0.012	0.993	948	476	50.21
INSURANCE	-1.142	-0.420	0.336	3,119	1085	34.79
FUNDS	-1.237	-0.524	0.488	167	60	35.93

Table 11 shows that, generally, the results for Asians are less encouraging than that for the other groups. Similar to other groups, the median logged odds ratio is highest for the Securities subsector, but it is less than zero (-0.333). Asians have some of the lowest median logged odds ratios reported in Tables 8 through 11. Further, only in the Securities subsector does the percent of establishments (39.21 percent) with positive logged odds ratios reach one-third of establishments.

<b>TABLE 11: QUARTILE SUMMARY TABLES FROM LOGGED ODDS RATIOS ASIANS QUARTILE VALUES</b>						
FINANCE SUBSECTOR	FIRST QUARTILE	MEDIAN VALUE	THIRD QUARTILE VALUE	ESTABLISHMENTS		
				TOTAL	POSITIVE LOGGED ODDS RATIOS	
					NUMBER	PERCENT
CENTRAL BANKING	-1.686	-0.711	0.167	86	24	27.91
BANKING/CREDIT	-1.290	-0.631	0.100	2,817	762	27.05
SECURITIES	-1.034	-0.333	0.619	1,015	398	39.21
INSURANCE	-1.298	-0.573	0.143	2,872	829	28.86
FUNDS	-1.493	-0.525	0.255	160	47	29.38

### CONCLUSION

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In examining the Finance subsectors with respect to the employment of women, African Americans, Hispanics and Asians as officials and managers, one must be somewhat cautious in interpreting the positive results for the Securities industry. The odds ratio used to measure employment in this job group depends on employment in both the target job group (officials and managers) and a pool job group (professionals and sales workers). The greater the disparity between the target job group and the pool job group, the larger the value of the odds ratio. Compared to the other subsectors, the Securities subsector consistently has the lowest percentage of women professionals (40.3 percent), and African Americans professionals (7.0 percent). The smaller pool of these workers may influence the odds ratios computed here. For example, in the Banking/Credit subsector, 48.6 percent of all officials and managers are women, while just 33.8 percent of officials and managers in the Securities subsector are women. The high percentage of women professionals, 54 percent in the Banking/Credit subsector may make the achievement of positive odds ratios more difficult. In contrast, having a lower percentage (40.3 percent) of women professionals in the Securities subsector, may make the achievement of positive odds ratios less difficult. This can occur even though the employment of women as officials and managers and as professionals is lower in the Securities subsector than in Banking/Credit and the other subsectors. This might be interpreted as suggesting that for women and African Americans in the Securities subsector, entry into professional and sales jobs may be as much an issue as entry into management.

By using a comparison group of white males and comparing odds of being officials and managers in contrast to professionals and sales workers, we can see that while there is substantial equity in these odds, there remains a large portion of establishments where these odds are unfavorable to women, African Americans, Hispanics and Asians. Entry into management may be a particular concern for Asians in the Finance industry.

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### ADDITIONAL INFORMATION

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For additional information, visit our web site at <http://www.eeoc.gov>. Click on *STATISTICS* and *JOB PATTERNS FOR MINORITIES AND WOMEN* (<http://www.eeoc.gov/stats/jobpat/jobpat.html>) for sample copies of the EEO-1 form, an instruction booklet and aggregate statistics.

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