



U.S. Securities and Exchange Commission

**INVESTOR**  
ADVISORY COMMITTEE

February 23, 2024

Allison Wise, Acting Director  
Office of Minority and Women Inclusion  
Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, DC 20549

**RE: SEC Diversity Self-Assessment Tool**

Dear Acting Director Wise:

As you know, every two years, pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), the SEC’s Office of Minority and Women Inclusion (“OMWI”) invites regulated entities to conduct and submit voluntary self-assessments of their diversity policies and practices. OMWI provides entities with a “Diversity Self-Assessment Tool” (“DSAT”) (formerly “Diversity Assessment Report”) to assist with entities self-assessments and provides a means for standardizing the diversity assessment information that entities submit. The DSAT Tool is structured around the final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies.<sup>1</sup>

Information collected from the self-assessments is aggregated without identifying any particular entity and is used in agency reports. OMWI has produced a diversity assessment report that analyzed information from the submissions.<sup>2</sup> Information from the Report can be used to identify and highlight successful policies and practices.<sup>3</sup> However, there has been a disappointingly low response rate to submission of self-assessments. Only 9% of the 1,263 entities that OMWI asked to participate in the self-assessments submitted responses in 2022, contributing to the paucity of baseline data on diversity in the securities industry.<sup>4</sup> The low response rate leaves an unacceptable gap in knowledge and impedes a comprehensive understanding of the diversity policies and practices in the securities industry. This lack of participation in submitting voluntary assessments is inconsistent with the spirit of Section 342 of the Dodd-Frank Act.

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<sup>1</sup> The OMWI Directors of the Board of Governors of the Federal Reserve System, the Bureau of Consumer Financial Protection, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency and the Securities and Exchange Commission collaborated to provide a framework for a regulated entity to create and strengthen its diversity policies and practices. 80 FR 33016 June 10, 2015, Release No. 34-75050. A regulated entity need not use the OMWI Tool but could submit a comparable self-assessment.

<sup>2</sup> See OMWI Diversity Assessment Survey available at [https://www.SEC.gov/files/OMWI-DAR-23.pdf\\_0.opdf](https://www.SEC.gov/files/OMWI-DAR-23.pdf_0.opdf).

<sup>3</sup> See OMWI Report Highlights Progress In Diversity, Equity and Inclusion (May 2, 2022), available at <https://www.SEC.gov/news/press-release/2022-77>.

<sup>4</sup> Only regulated entities with over 100 employees were identified for participation.



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To provide entities with a more streamlined and efficient reporting form and in anticipation of the 2024 collection period, the SEC recently adopted amendments to the form that: (1) refer to the form as the Diversity Self-Assessment tool; (2) allow entities to consent to the SEC to publish the names of the consenting entities having submitted a diversity self-assessment tool; (3) shorten the tool by combining and removing some items; (4) add clarifying language to items in the tool; and (5) shorten items in the tool for brevity.

The IAC, upon the recommendation of its Access and Inclusion Working Group, supports the changes to the DSAT.<sup>5</sup> The IAC also encourages SEC registered entities to submit self-assessments of their diversity policies and practices using the revised DSAT Tool in connection with the next request by OMWI for submissions. This data and information are critical in monitoring progress and trends in the securities industry regarding diversity, equity and inclusion issues and in developing effective policies and practices. The IAC encourages OMWI to continue to engage in outreach to registrants and their trade associations, encouraging submissions of diversity assessment reports.

If there is not a substantial increase in the number of diversity self-assessment reports submitted by regulated entities, the IAC urges the SEC to support legislation that would require firms in the securities industry with more than 100 employees to submit diversity reports.<sup>6</sup>

Thank you for your consideration of our views and comments.

*Christopher Mirabile*

Christopher Mirabile, Committee Chair

cc: Chair Gary Gensler  
Commissioner Hester M. Peirce  
Commissioner Caroline A. Crenshaw  
Commissioner Mark T. Uyeda  
Commissioner Jaime Lizárraga  
Robert Marchman, Senior Policy Advisor Diversity and Inclusion,  
Office of Minority and Women Inclusion

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<sup>5</sup> Twenty-two IAC members voted in support of this letter and its transmission to OMWI.

<sup>6</sup> In June 2022, the U.S. House of Representatives passed the Financial Services Racial Equity Inclusion and Economic Justice Act which would mandate reporting of diversity policies. See H.R. 2543 which passed the House of Representatives on June 15, 2022. This legislation had the support of many in the securities industry, including trade associations like the Investment Advisers Association. See April 19, 2021 Statement of Karen Barr, President and CEO of the Investment Advisers Association.