



December 11, 2013

Sheila Clark  
Office of Diversity and Inclusion  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

**Docket No. OP-1465**

**Proposed Interagency Policy Statement Establishing Joint Standards for Assessing  
the Diversity Policies and Practices of Entities Regulated by the Agencies and  
Request for Comment**

Dear Ms. Clark,

Thank you for the opportunity to comment on the “Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity and Practices of Entities Regulated by the Agencies” (“Joint Standards”). I write on behalf of the XIV Foundation to express concern with the detrimental incentives that will be created by these new standards.

The Joint Standards, in accordance with Section 342 of the Dodd-Frank Act, place supreme importance on achieving diversity in the financial institutions doing business with the federal government. Unfortunately, the Joint Standards’ narrow and superficial understanding of diversity will encourage these institutions to adopt superficial hiring and contracting policies at the expense of policies that genuinely evaluate each employee and potential employee based on their individual talent and contributions, without regard for their skin color, gender or ethnicity.

Real diversity is found in the wealth of experiences, skills, opinions and accomplishments of unique individuals. The proposed Joint Standards reduce diversity to hiring and promoting the “correct” number of some ethnic minorities and women. In order to comply, financial institutions will be incentivized to adopt quota-like policies that reduce individual people to skin colors and genders.

It is inescapable that the very people these policies are intended to help – minorities and women – will be viewed as tokens of compliance, rather than judged by their own character, merit and accomplishments. This is deeply demeaning to individuals, and the bitter feelings and resentments it creates will only weaken the vitality of financial institutions.

I strongly urge the Board to work with participating agencies to revise the standards to promote the value of equal opportunity and equal treatment for all employees without regard to race, gender, color, ethnicity or national origin.

Sincerely,

Jennifer Gratz  
CEO, XIV Foundation

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