

Expanding Diversity & Inclusion (D&I) at CalPERS

February 13, 2018

Renewed Focus on D&I

- Recruit and empower a broad range of talent
- Promote a high performing and diverse workforce
- Increase engagement of leaders and team members
- Expand education to increase awareness and understanding
- Integrate best practices

Focus Areas



Talent
Management



Education



Communication

Measuring our Success

Method:
Enterprise-wide survey

Strategic Measure:
Workforce Diversity & Inclusion

Baseline:
66% of team members

Target:
Increase team member engagement survey scores related to D&I to 8% by 2022

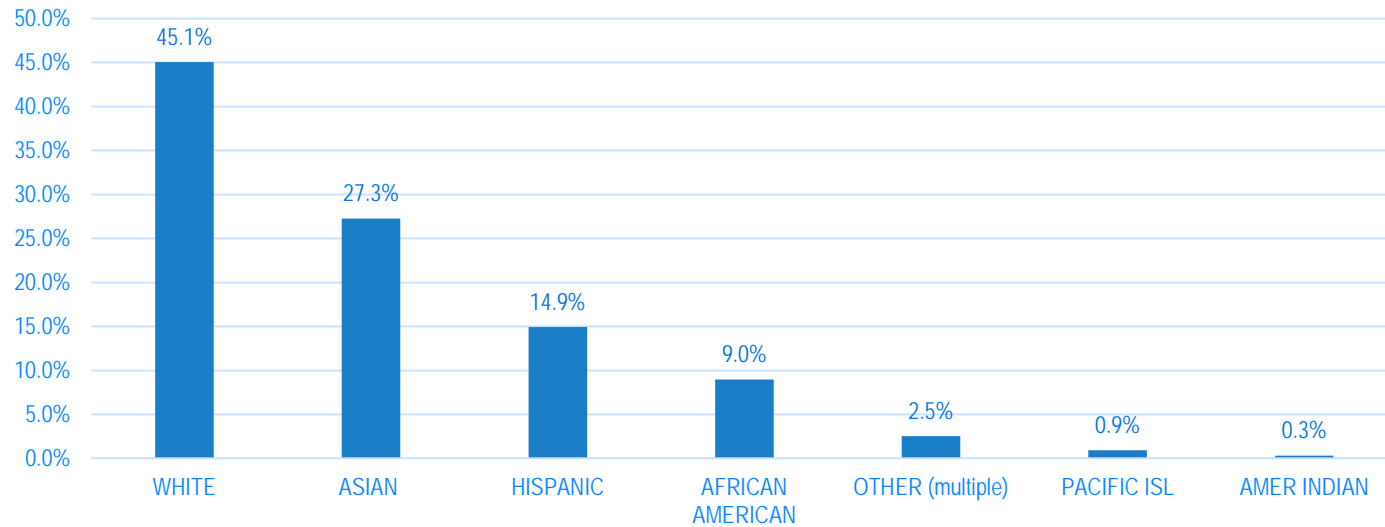
Threshold:
Increase engagement scores related to D&I by at least 1.6% each year

D&I Accomplishments

- In FY 2016-17, over a thousand CalPERS team members were educated about D&I topics and reported a positive rating of 92%.
- In 2017, the CalPERS Diversity & Inclusion Group was honored with the Spotlight Impact Award for best practices in the areas of organizational impact, talent management, and culture of inclusion on behalf of PRISM International, Inc.
- Over 500 team members attended the 10th Annual D&I Day, 81% reported that the event helped them appreciate the unique differences and experiences of their team members.

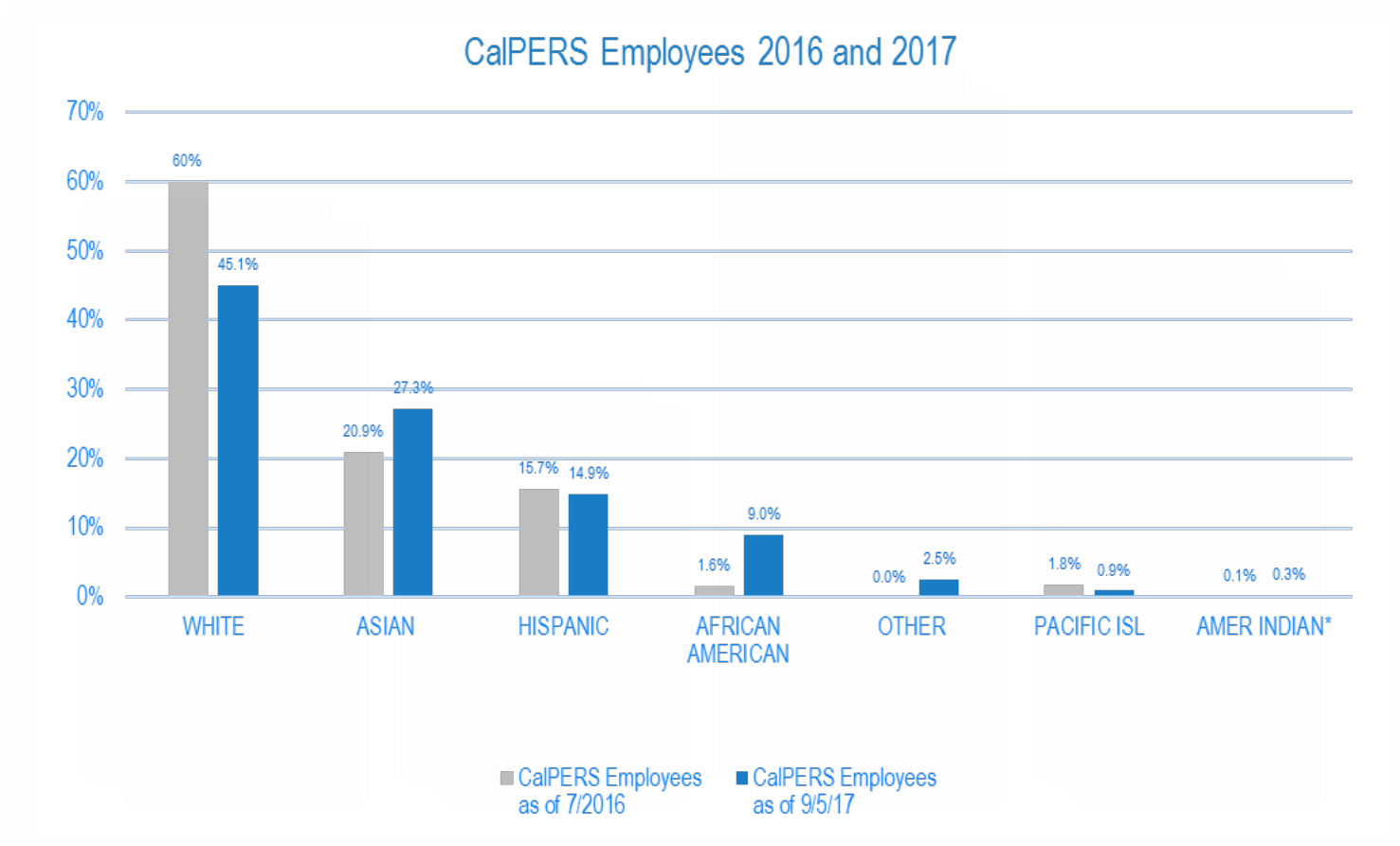
CalPERS Workforce

Ethnicity Demographics



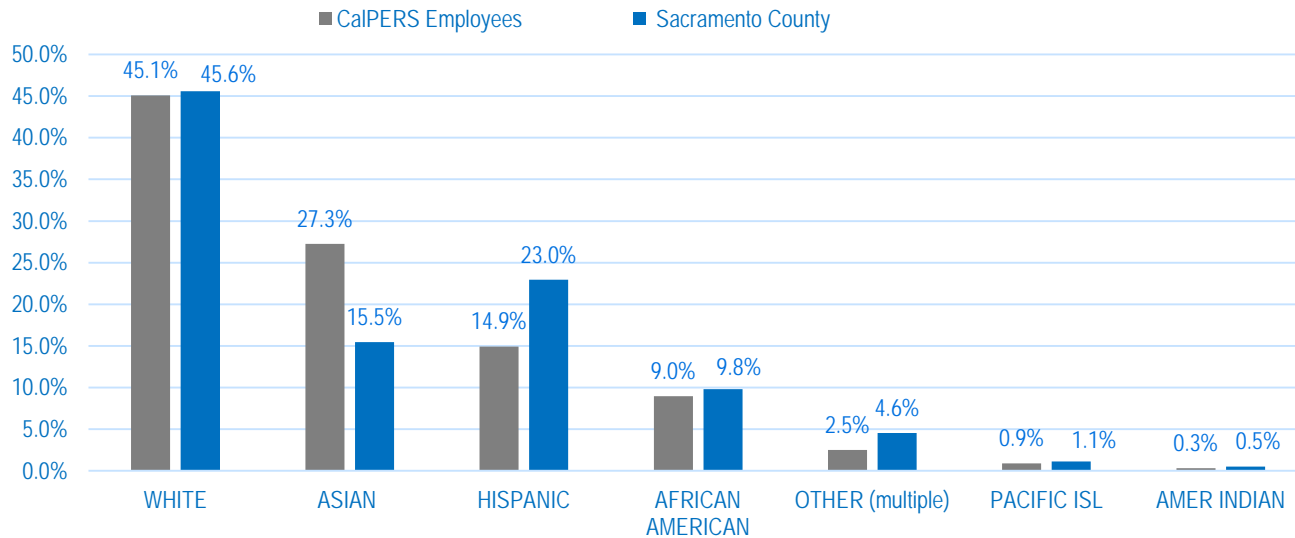
*Source: SCO Data from MIRS (September 5, 2017)

A Change in Methodology



CalPERS Employees Compared to Sacramento County

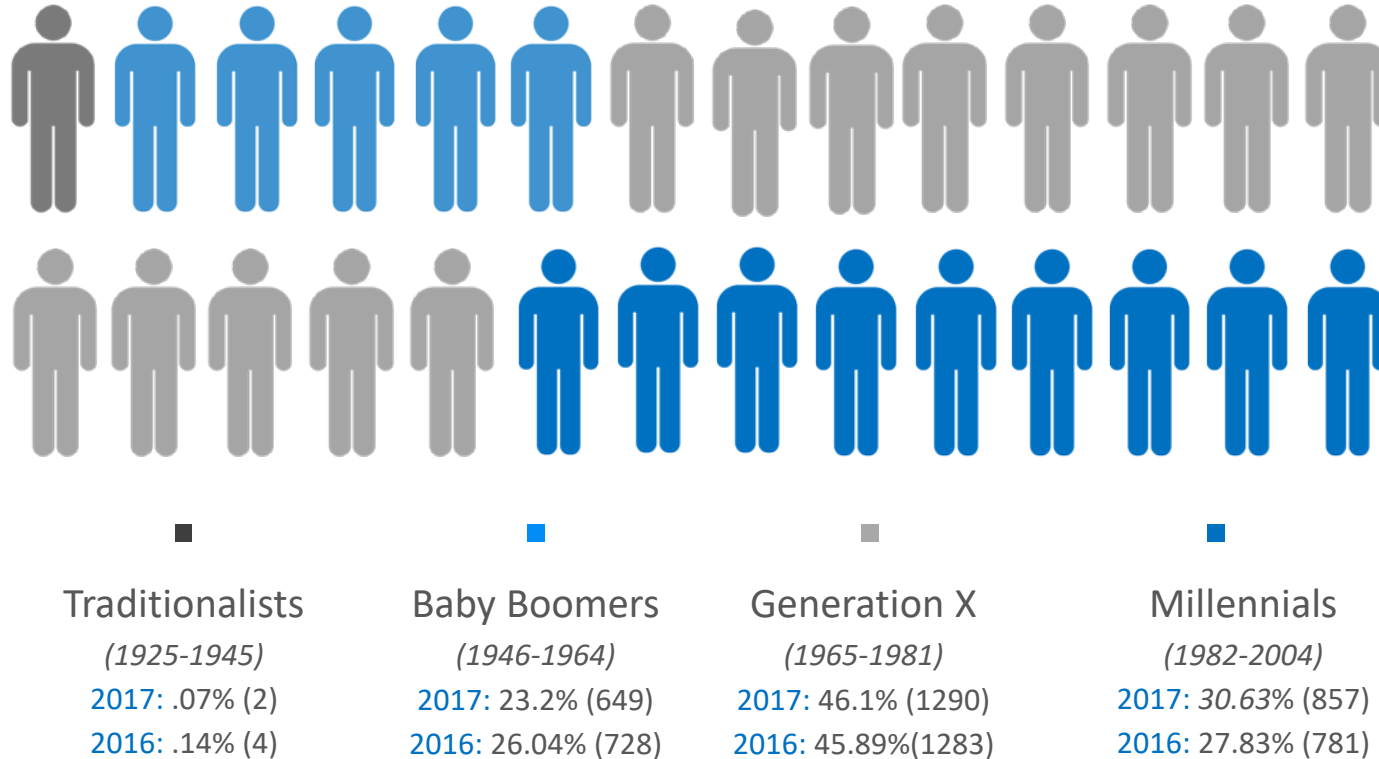
Ethnicity Demographics



*(Sources: California State Controller’s Office, MIRS, September 5, 2017 and U.S. Census Bureau, Population Division: Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States, States, and Counties: 2016 Population Estimates, Released June 2017)

Generational Demographics

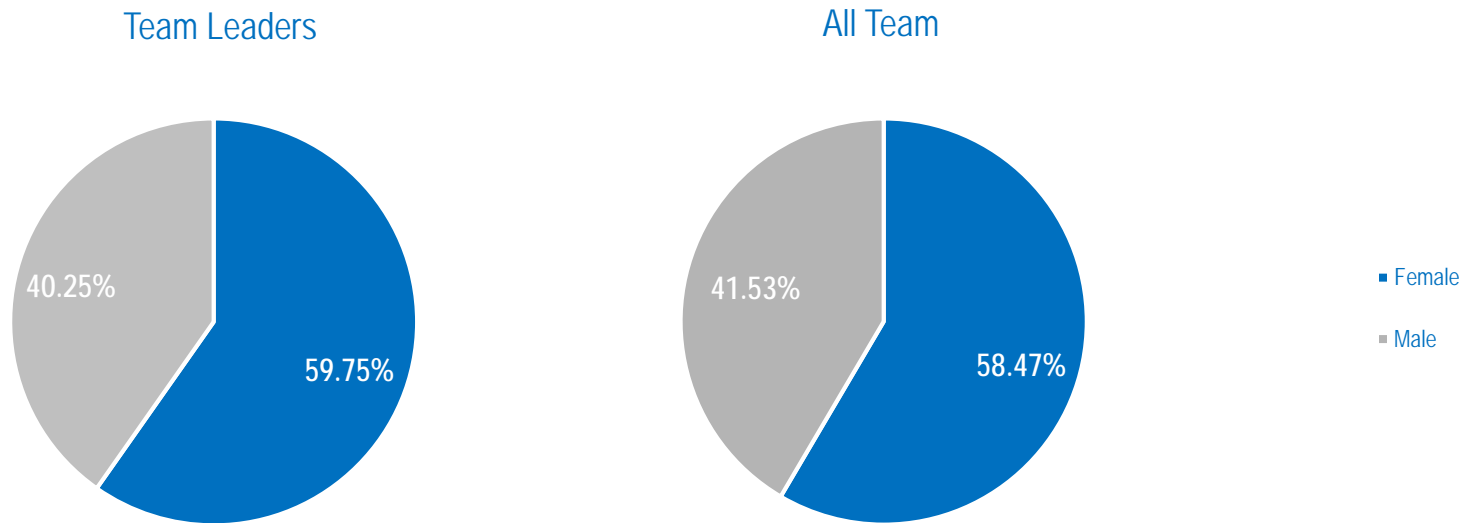
CalPERS workforce continues to span over four generations, as Baby Boomers are exiting the workforce. Generation Xers are now the largest group at CalPERS, while the Millennial workforce is quickly growing and surpassing the Baby Boomers.



Source: State Controller’s Office (SCO); MIRS; data pulled 2017

Gender Demographics

The CalPERS workforce is within the optimal gender balance “zone” with a male-female ratio between 40% and 60%, reinforcing that no one gender is better than the other; rather diversity is key to enhanced performance.



Source: State Controller’s Office (SCO); MIRS; data pulled 2017

Investment Office Diversity and Inclusion Steering Committee

The Steering Committee includes the Chief Investment Officer, Chief Operating Investment Officer, and additional representation from throughout the Investment Office.

Investment Belief 10

Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives

Sub-belief 1:

Diversity of talent (including a broad range of education, experience, perspectives and skills) at all levels (Board, staff, external managers, corporate boards) is important

INVO 2020 D&I Plan

The Investment Office Diversity and Inclusion Steering Committee developed the INVO 2020 D&I Plan to operationalize Investment Belief 10, Sub-belief 1.

INVO 2020 Diversity and Inclusion Plan

Operationalize Investment Belief 10

Corporate Boards

- Diverse Director DataSource (3D)
- Securities and Exchange Committee Petition on Enhanced Disclosure
- Board Diversity

External Investment Managers

- Emerging Manager Five Year Plan
- Emerging and Transition Manager 2020 Plan
- Established Manager Outreach and Engagement Initiative

Talent Management

- Management Leadership Discussion Series
- Strategic Partner Plan¹
- Internships
- All-Staff D&I updates



CalPERS and CalSTRS Diversity Forum May 2017



¹Includes partnerships with 100 Women in Finance, Association of Asian American Investment Managers, CFA Institute, Executive Leadership Council, New America Alliance, and the Robert Toigo Foundation

Next Steps

- D&I Enterprise Strategy Implementation
 - Training Action Plan
 - Communication Plan