

August 28, 2013

President Barack H. Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Unlocking the Economic Potential of Working Class and Middle Class America: A Vote of Confidence for Vice Chairwoman Yellen to Head the Fed

Dear Mr. President:

For over 20 years, the Greenlining Institute and our coalition have led advocacy efforts on behalf of low-income communities and people of color in America. Our members represent a diverse coalition of community-based organizations, minority-owned businesses and civil rights organizations in California. Greenlining performs research, builds leadership, and organizes stakeholders to ensure that all communities have access to the American dream. We work on major policy issues that touch people's daily lives, including the economy, energy policy, health, the environment, and civic engagement.

Greenlining and our coalition have a rich history with the Federal Reserve Board. Our numerous meetings with former Federal Reserve Chairman Greenspan were well documented in a 2007 front page story in *The New York Times*, and we have continued this tradition during Federal Reserve Chairman Bernanke's tenure. Our ongoing dialogue with the Federal Reserve Chair brings the voices of working-class communities to the table, providing much-needed balance to the many meetings the Federal Reserve has with major Wall Street interests.

2040 Brings a New Majority: A Lingering Racial Wealth Gap Will Drag Down our GDP

As you continue to consider the next candidate to chair the Federal Reserve Board of Governors, we urge you to think broadly about the economic state of our nation. Our country is home to a growing population of color whose success will drive America's success. Today, the majority of newborn Americans are people of color. This means that,

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American G.I. Forum
Anewamerica
Asian Business Assn.
Asian Inc.
Asian Journal
API Small Business Program
Black Business Assn.
Brightline Defense Project
California Black Chamber of Commerce
California Hispanic Chambers of Commerce

California Journal for Filipino Americans
California Rural Legal Assistance
Chicana/Latina Foundation
Community Child Care Council
Community Resource Project
Council of Asian American Business Assn.
El Consilio of San Mateo County
Ella Baker Center for Human Rights
FAME Renaissance
Fresno Metro Black Chamber of Commerce
Greater Phoenix Urban League

Hispanic American Growers Assn.
KHEIR Center
Korean Churches for Community Development
La Maestra Family Clinic
Mentoring in Medicine Science, Inc.
Mexican American Political Assn.
Mission Housing Development Corporation
Mission Language & Vocational School
NaFFAA
OCCUR
Our Weekly

Precinct Reporter Group
Rising Sun Energy Center
Sacramento Observer
SF African American Chamber of Commerce
San Francisco Housing Development
Search to Involve Pilipino-Americans
Southeast Asia Comm. Center
TELACU
Time for Change Foundation
Ward Economic Development corp.
West Angeles CDC
West Coast Black Publishers Assn.

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around 2040, communities of color will constitute the majority in this country.¹

As America's population continues to transform, it is time to close the racial wealth gap that has held certain communities back. It is unacceptable that working-class communities are disproportionately made up of people of color. And the problem is getting steadily worse. For example, the total wealth gap between white and African-American families nearly tripled between 1984 and 2009. The mortgage meltdown played a critical role: African-American families lost half their wealth after the foreclosure crisis, while Latinos lost a staggering 67%.²

We need to act now to protect these communities, who can be the engine behind our economic recovery. This will require a Fed Chair with the experience and long-term vision to make this happen.

Vice Chair Yellen is Ahead of the Curve

Vice Chair Yellen has demonstrated that she understands the importance of unlocking the economic potential of low-income communities and communities of color.

In her 2007 remarks at Greenlining's 14th Annual Economic Summit, Vice Chair Yellen spoke about the opportunity in assets that are present but underutilized in low-income and neighborhoods of color.³ She wisely focused on creating progress through partnerships across sectors.

This understanding of America's underserved communities is similar to that of Chairman Ben Bernanke. In his a speech from April this year, Chairman Bernanke discussed the theme of "Creating Resilient Communities."⁴ To revitalize low-income communities across the nation, he said it would require "coordination and dedication" to improve housing, local job creation, health and education.

Our nation's low-income communities and communities of color are still in a financially precarious position following the recent crisis. These communities were hardest hit by high foreclosures, unemployment, and the resulting loss of wealth, and now represent critical hubs of opportunity. Until we can bring these families closer to the American dream of financial stability, our nation cannot prosper.

Does Mr. Summers' live in a Post-Racial Society?

¹ http://www.nytimes.com/2008/08/14/world/americas/14iht-census.1.15284537.html?_r=0.

² <http://iasp.brandeis.edu/pdfs/Author/shapiro-thomas-m/racialwealthgapbrief.pdf>.

³ <http://www.frbsf.org/news/speeches/2007/0419.pdf>

⁴ <http://www.federalreserve.gov/newsevents/speech/bernanke20130412a.pdf>

As an organization that advocates for communities of color, we are concerned by Mr. Summers' 2005 remarks on diversity and inclusion in the workforce. For example, Mr. Summers seems to think that the lack of racial diversity in corporate America is as important as the lack of white men in the N.B.A.⁵

These views are not only misguided, they are inaccurate. At Greenlining, we tirelessly advocate for diversity in all sectors of our economy, for the simple reason that diversity makes economic as much as social sense. Today's regulators must understand the face of today's nation. They must understand the growing demographic revolution and its impact on our economy.

Unfortunately, given Mr. Summers' history of supporting Wall Street deregulation and his apparent disregard for diversity, we feel his leadership would not provide our communities with the opportunities they need to help drive our national economy.

Vice Chair Yellen has shown she is ahead of the curve. Her maturity and deep understanding of varied communities speak to her readiness to lead the Federal Reserve Board of Governors. Her leadership can strengthen our communities' financial health and support your new initiative to increase access to the American dream.

The Greenlining Institute and our coalition urge you to appoint Vice Chair Yellen as the next Chair of the Federal Reserve.

Sincerely,



Orson Aguilar
Executive Director
The Greenlining Institute



Sasha Werblin
Economic Equity Director
The Greenlining Institute

cc. Greenlining Coalition

⁵ http://www.harvard.edu/president/speeches/summers_2005/nber.php

