



June 9, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500
SENT VIA EMAIL

An Economy that Works for Everyone: Promoting Diversity and Reform on the Federal Reserve Board

Dear President Obama,

Decisions about who will serve as Governors on the Board of the Federal Reserve System are vitally important to U.S. economic policy. With this in mind, we urge you to nominate a new Governor for the open seat on the Board who will strongly and effectively represent everyday Americans who work hard to achieve stability and financial progress.

A New Majority: Diversifying the Federal Reserve Board

As you are well aware, the demographics of our nation are shifting rapidly. Already, in our home state of California, we are a ["majority-minority"](#) state. And the entire country is moving in this direction with the Census predicting that we will become a majority-minority nation by 2042. The clock is ticking for our government to effectively catch up to the new reality that we are a nation of color. The financial crisis was caused by a financial sector that neither reflected nor addressed communities of color—and it is those communities that continue to disproportionately feel the effects of the crisis. It is therefore critical to promote diverse regulators, who are often more attuned to the unique needs of communities of color.

During most of your Administration, we have been alarmed to see that your Cabinet and other key appointments have been predominantly represented by Caucasian males. We have been encouraged by recent diverse appointments, including-- SBA Administrator Maria Contreras-Sweet, Mayor Julian Castro to HUD, FHFA Director Mel Watt, DOJ Secretary Thomas Perez, DOT Secretary Anthony Foxx, DVA Secretary Eric Shinseki, and DHS Secretary Jeh Johnson. Opportunities to promote diversity will continue to present themselves. For example, with the resignation of Secretary of DVA Eric Shinseki, it is the first time since 2000 that there will be no Asian-American members of the Cabinet.

Diversifying these key posts show that you understand that our nation cannot progress without leadership who reflect and understand our citizens. Despite this, we are concerned to see that the overall level of diversity among government leaders is lacking, especially in the financial regulatory sector. It goes beyond the Fed, to other agencies including the FDIC, OCC, NCUA, OTS, SEC, CFTC, Treasury, and FHA.

Greenlining Coalition:

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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 Concilio 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
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This lack of diversity for our decision-makers on financial reform and monetary policy is unacceptable. Accordingly, while any new Federal Reserve Governor must be deeply committed to achieving the Federal Reserve's employment mandate and fighting joblessness in coming years, they should also reflect the many diverse communities of our nation.

Our national prosperity rests on ensuring economic equity for all, regardless of race or zip code.

Job Prerequisite: Demonstrated Commitment to Financial Reform

New Governors must also be deeply committed to aggressively implementing effective financial reform. Almost half of Dodd-Frank rules are [still unwritten](#), with the process slowed and deadlines missed thanks in part to industry opposition.

This is why we must have Governors committed to changing the features of the financial system that created a devastating economic crisis that has cost hard-working Americans trillions of dollars, led to sustained high unemployment, and increased poverty and inequality. Our leaders should be well-versed in how their decision-making will impact communities across the country, especially diverse communities. This should not be a criterion only for some members of the Board, but a standard for all of them.

Precisely because this can be such a difficult task, the Greenlining Institute has created the [Racial Equity Framework](#). This resource is a strategic thinking tool to help those in the financial regulatory agencies develop policies with fair and equitable outcomes for an increasingly diverse America.

The departure of Sarah Bloom Raskin from the Board, who was a strong advocate for economic inclusion, leaves a critical void in the Board's representation of consumers. This is why it is particularly important that you nominate Governors who have a real record of pushing the reforms needed to address Wall Street abuses. As lobbying pressure remains persistent in the face of new rulemaking, Governors must promote the public interest in areas where the biggest banks have too often held sway.

Next steps

Thank you for your attention to this important matter. Who you nominate to these positions will play a major role in determining how our increasingly diverse nation will prosper. You inherited an economy devastated by financial recklessness, which left behind communities of color that were stripped of [most their wealth](#). It is imperative that these communities benefit equitably from our painstaking economic recovery.

Your legacy will be determined in no small part by the extent to which the Federal Reserve Board that you appoint is committed to building a safer financial system that can underpin more stable, and more broadly shared, prosperity.

Sincerely,



Orson Aguilar
Executive Director
The Greenlining Institute

cc. Chair Janet Yellen, Federal Reserve Board of Governors
Anna Alvarez-Boyd, Division of Consumer and Community Affairs, Federal Reserve Board of Governors
Sheila Clark, Federal Reserve Board of Governors Office of Minority and Women Inclusion
Joseph Firschein, Federal Reserve Board of Governors