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Is Economics for Me?

Increasing the Participation of Black Women in Economics

Remarks by

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Member

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at the

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It is an honor to be a part of the inaugural Sadie T. M. Alexander conference in economics and related fields. I want to thank each of you in this room and those of you livestreaming who form the Sadie Collective. Special thanks go to Mykelle Richburg, Kayla Jones, Olusayo Adeleye, George-Ann Ryan, Jada Houser, Fanta Traore, and Anna Gifty Opoku-Agyeman for taking the initiative and launching this organization and this conference to increase the representation of black women in the field of economics. I applaud your efforts, and I support your mission.<sup>1</sup>

The story of Dr. Sadie Tanner Mossell Alexander is an inspiration for us all. A woman of firsts--the first African American to receive a Ph.D. in economics and the first woman to receive a law degree from the University of Pennsylvania--she was a pioneer who knocked down some daunting doors. The question for the women in this room here today is whether you will follow her through those doors and maybe knock down a few of your own.

### **The Need for Greater Diversity**

Let me start by making two observations about economics. First, the field of economics is rooted in evidence and research. The second observation follows strongly from the research and the evidence: Economics has a diversity challenge.

There is a stubbornly persistent lack of diversity in the economics profession.<sup>2</sup> Year after year, minorities and women are underrepresented in the pool of individuals

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<sup>1</sup> I want to thank Fanta Traore and Nancy Riley for their assistance in preparing this text.

<sup>2</sup> “Between 1995 and 2014, the share of women obtaining a doctorate in economics held roughly steady in the neighborhood of 30 percent. Among U.S. citizens and permanent residents earning doctorates, the representation of those identifying as black, Hispanic, or Native American among the pool of doctorate recipients improved from 6 percent in 1995 to 11 percent in 2007. But the improvement has since unwound and the underrepresented minority share stood at about 7 percent in 2014.” See Lael Brainard, “Strengthening Diversity in Economics” (speech at the Conference for the 2017 Summer Training and Scholarship Program, East Lansing, MI, July 28, 2017), <https://www.federalreserve.gov/newsevents/speech/brainard20170728a.htm>.

awarded a doctorate in economics in the United States relative to their share in the broader population, and the gap is especially acute for women of color. The American Economic Association reports that in the 2016–17 academic year, seven black/African American women were awarded a doctorate in economics in the United States, along with eight black/African American men, out of a total pool of 1,150 economics Ph.D.'s awarded overall.

The economics diversity gap starts even earlier.<sup>3</sup> As Amanda Bayer and David Wilcox have documented, women and minorities are also underrepresented in undergraduate economics programs. From 2011 to 2015, women accounted for only 31 percent of undergraduate degrees in economics--substantially below their 57 percent share of all four-year undergraduate degrees. For black women, the gap is even bigger: they accounted for 1.5 percent of undergraduate economics degrees compared with a 6.2 percent share of all undergraduate degrees.<sup>4</sup>

A growing body of research and evidence makes clear that the quality of the economics profession and its contribution to society will be greater when a broader range of people are engaged.<sup>5</sup> Research shows that greater diversity results in better outcomes--it broadens the range of ideas and perspectives brought to bear on solving problems, and it brings important insights to the analysis of our economy. As Amanda Bayer and Cecilia

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<sup>3</sup> See Rhonda Vonshay Sharpe, "We've to Build the Pipeline. What's the Problem? What's Next? The Remix," *The Review of Black Political Economy*, January 15, 2019, <https://journals.sagepub.com/doi/abs/10.1177/0034644618822500>

<sup>4</sup> Amanda Bayer and David Wilcox, "The Unequal Distribution of Economic Education: A Report on the Race, Ethnicity, and Gender of Economics Majors at U.S. Colleges and Universities," *Finance and Economics Discussion Series 2017-105* (Board of Governors of the Federal Reserve System), <https://www.federalreserve.gov/econres/feds/files/2017105pap.pdf>.

<sup>5</sup> See Lael Brainard, "Strengthening Diversity in Economics" (speech at the Conference for the 2017 Summer Training and Scholarship Program, East Lansing, MI, July 28, 2017), <https://www.federalreserve.gov/newsevents/speech/brainard20170728a.htm>.

Rouse have documented, microeconomic experiments and other research demonstrate the benefits of diversity for group deliberations and decisionmaking. For instance, one well-known experiment found that racially diverse groups of students outperformed other groups in solving problems, and another found similar benefits from gender diversity.<sup>6</sup>

Turning to my own institution, it is notable that when the Congress established the Federal Reserve System, it took great care to ensure there would be a diversity of perspectives around the decisionmaking table in terms of regional representation. That is why we have 12 Reserve Bank Districts represented on the Federal Open Market Committee. But we have not lived up to that standard on other dimensions of diversity. For instance, it was not until 2017, more than 100 years after the creation of the Federal Reserve, that the first African American, Raphael Bostic, was chosen to lead a Reserve Bank. We need to do better than that, and we will continue our efforts until the group of people around that table is more like America.

To achieve our goals, we will need to improve the diversity of the economics ecosystem more broadly. Of course, the Federal Reserve System hires people with all kinds of expertise--from lawyers to law enforcement, from financial analysts to data scientists. But our footprint is especially large in the economics job market, where as a System we routinely hire one of every 25 newly minted economics Ph.D.'s each year. In short, we have a significant stake in the diversity and vibrancy of the economics profession overall.

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<sup>6</sup> Amanda Bayer and Cecilia Elena Rouse, "Diversity in the Economics Profession: A New Attack on an Old Problem," *Journal of Economic Perspectives* 30 (Fall 2016): 221-42, <https://www.aeaweb.org/articles?id=10.1257/jep.30.4.221>.

### **Why Consider a Career in Economics?**

I have discussed why it is important for the Federal Reserve and for our economy to see more women of color embracing the field of economics. But what's in it for you? There are many ways your career may unfold where economics might fit in it. Some of you may decide your passion lies elsewhere as an undergraduate, and later find that advanced studies in economics align with your career interests. Others may already feel that economics is your calling. And just as there are a variety of reasons that people decide to deepen their studies in economics, so too there are many career fields where a degree in economics can be a powerful enabler.

In my case, although I did not have an undergraduate economics degree, I later decided to pursue advanced study in economics because it provided a rigorous analytical framework and approach to data to address important problems facing America. Growing up, I saw how every family's well-being is affected by their financial resilience and their economic opportunities. I decided to study economics because it provides powerful tools to help promote a better future for many Americans. I have found different ways to approach that throughout my career--from teaching the next generation of problem solvers, to assessing the challenges facing American manufacturers, to seeing the potential of microfinance for financial inclusion, to promoting maximum employment and stable inflation in my current job.

I recognize that it is challenging to look around a classroom or conference room and not see colleagues who you can relate to. It is humbling to imagine how that first economics class looked to Dr. Sadie Alexander. But now there are a number of leading scholars and practitioners in the field to provide inspiration and serve as role models.

Today, you will hear from several, including Dr. Julianne Malveaux, Dr. Willene Johnson, and Dr. Lisa Cook, who will share with you their perspectives and discuss their important and interesting work.

So what might you find by pursuing economics? As I have noted, you can influence people's lives for the better. You can craft policy to change our world. You can teach and help shape the next generation. You can find the answers to questions that matter most to you. You can develop the intellectual framework and tools that will enable you to pursue a range of opportunities, not just in economics, but also in business, finance, policy, and nonprofits.

### **Conclusion**

I hope you will take away the message that the field of economics would be the richer from your engagement and has much to offer as you decide how to make your contribution. There are many opportunities for you in the field of economics, both here and abroad, in government, academia, and the private sector. Dr. Sadie Alexander knocked down the door, and I hope you will consider following her through it.