Remarks by Vice President Harris and Secretary of the Treasury Janet Yellen at the 2022 Freedman’s Bank Forum

October 4, 2022

As prepared for delivery

Secretary Yellen:

Thank you very much to everyone for joining today.

Since January of last year, the Biden-Harris Administration has made racial equity a centerpiece of our economic agenda. We know that advancing equity is not just a moral priority. It is also vital to our economic success.

Led by President Biden and Vice President Harris, our efforts to build a fairer economy began with our economic recovery. We know that communities of color have been hit hardest by the pandemic, and reaching and supporting these communities is a core priority in our implementation of the American Rescue Plan. Two and a half years into the pandemic, data indicates that our recovery has been historically equitable, with record drops in the unemployment rate for many communities of color.

But it’s not enough to help families simply recover. Together, we are also building a stronger and more inclusive post-pandemic economy. Investing in disadvantaged communities has far-reaching effects beyond the communities themselves: it can offer high returns on investment and boost economic growth. The Administration’s trifecta of legislation enacted over the past year — the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act — will create good-paying jobs and growth opportunities for businesses across the United States. These laws will expand economic opportunity for communities of color and other underserved people and places.

A major part of our strategy is to ensure historically underserved communities have the capital they need to seize these new opportunities. Just this month, we announced that Treasury has made over $8 billion of investments from the Emergency Capital Investment Program in more than 160 community financial institutions across the country. Through this
program, Treasury is helping level the playing field for borrowers that face the greatest barriers to capital.

As we implement these measures, our Treasury team has been intentional in ensuring that we reflect the background and experiences of all of America. We have the most diverse leadership team in Treasury’s history. We’ve hired our first counselor for racial equity. And we’ve recently established a new Office of Tribal and Native Affairs and appointed members to the Treasury Advisory Committee on Racial Equity to help make progress on our key equity priorities.

In these efforts, we have had no greater champion than Vice President Kamala Harris. While she was in the Senate, she helped lead efforts to pass the law that became the Emergency Capital Investment Program. And, since the first day of this Administration, Vice President Harris has been a true partner in our work to build a more equitable economy and country. She’s announced the formation of the Economic Opportunity Coalition, part of a historic effort to align public and private investments to accelerate inclusive economic growth. She has advocated for investments to reduce maternal mortality, which disproportionately affects women of color. She has led efforts to root out racial and ethnic discrimination in the appraisal of home values. And, more broadly, she has spearheaded the Administration’s coordinated approach to racial equity – ensuring that it is a cornerstone of everything we do.

So, with that, I am proud to welcome to Treasury: The Vice President of the United States — Kamala Harris.

**Vice President Harris:**

Good afternoon. Good afternoon. Please have a seat. Good afternoon.

And to our incredible Secretary, Janet Yellen, thank you for welcoming us, thank you for hosting us, and thank you for your partnership. I think you all — many of you here have worked with our Secretary, with Janet Yellen over the years, and you know that she’s an extraordinary fighter for the working people of America, and she’s been an extraordinary partner to me and the President as we work on the issue of ensuring that all people in our nation have the ability and the capacity to realize their dreams and that access to capital will not be a barrier to those achievements.

So, thank you, Secretary Yellen. And everyone here — this is a room full of leaders — thank you all for joining us this afternoon.
So, I will begin with some history, which I think is familiar with many people in this room, but there are many who are not familiar with the history of the — of Freedman’s Bank.

So, Freedman’s Savings Bank was founded by the United States Congress in 1865. It was a bank unlike any other our nation had known. Freedman’s Bank was established to serve Black Americans newly freed from slavery, to help them build wealth and to build a better future. At Freedman’s, to open a savings account, you just needed five cents, which, as I’ve calculated, is about a dollar today.

In the years after its founding, tens of thousands of Black families opened an account at Freedman’s. They saved up to buy a farm, to build a home, to open a business. Even schoolchildren saved their pocket money to deposit it in this institution.

And then, nine years later, after the bank first opened its doors, because of an economic downturn and because of the organized assault on the project of Reconstruction, Freedman’s Bank was forced to close. Over 60,000 people lost their savings.

Now, Freedman’s Bank was guided by a vision — the vision of an economy that works for all Americans and includes all Americans; the vision of a nation in which all people have access to the financial resources they need to succeed, to thrive, and to determine their own future. Truly, at the heart of that bank was the concept of self-determination.

Over a century and a half later, in communities across our nation, that vision remains unrealized.

Consider: Today, Black entrepreneurs are three times more likely to report they did not apply for a loan for fear of being turned away by a bank — often, anecdotally, because they heard about that experience from friends and relatives.

Today, Black and Latino homeowners are rejected by traditional financial institutions at a higher rate when applying for home loans. And this is the case even when they have credit profiles similar to other applicants.

Today, many immigrant businessowners, including some Asian American businessowners, face language barriers that limit their ability to access capital and banking services.

And people who live in rural areas, including many Native Americans, often lack access to traditional financial services of any kind.

So, President Biden and I know that for our nation to succeed, these disparities must be
spoken of, acknowledged, and addressed.

One of the last actions — actions, as you heard Secretary Yellen mention, I took as a United States senator was to team up with Leader Chuck Schumer and Senator Mark Warner and Senator Cory Booker and Chairman — Chairwoman, excuse me — Maxine Waters to invest $12 billion in community lenders, which, of course, are financial institutions that predominantly do business in overlooked and underserved communities.

Last month, I was proud to announce that because of that hard work and the work of many of the leaders in this room, our administration has distributed more than $8 billion of that investment to 162 community lenders across our nation. That is $8 billion on the ground in communities across our nation right now.

And I’ll share with you some of the examples. In North Dakota, Native American Bank lent $10 million to help fund an opioid addiction treatment facility on Tribal lands.

In Georgia, Carver Bank lent over half a million dollars to help Black-owned companies build affordable housing.

And in Mississippi, Hope Credit Union — led, of course, by the great Bill Bynum — (laughter) — lent $10 thousand to a Black-owned and women-owned coffee company to help them expand. And that’s just one example of the incredible work that they do there.

Since taking office then, I will tell you, I have traveled our nation and spoken with small business owners who have received funds from community lenders. And I have seen what it means in terms of — in terms of acknowledging and recognizing, and then feeding their ambition and aspiration and creativity, both in terms of their own aptitude and capacity, but also because they are in the best position to understand the needs and the capacity of their communities.

And I’ve seen how they use that capital to hire people from the community, to open a new storefront on the main street, how they buy inventory from local businesses. The whole community benefits in one way or another economically — not to mention psychically — from their presence.

And, at the same time, I have also seen how the great need for capital still remains in our country, meaning how much more work we still have yet to do.

You know, I hope and know that everyone here does get the opportunity to travel our
country. And from my travels, I will share with you: There are so many people in our country that have incredible dreams — fueled by their ambition, fueled by their aspiration, fueled by seeing what is possible and then going for it — but far too many still lack the resources and the support to make those dreams a reality.

And what ends up happening then is these entrepreneurs cannot access capital to start a business. We’re talking about families who then cannot access the capital they need to buy a home; students who cannot access capital to get an education because they live in an underserved community and because, often, they also do not have the benefit of intergenerational wealth.

We need to address this because, again, there is a complete disconnect between their inability to grow and — and the fact that they are so talented and desirous of doing just that.

So let’s deal with that disconnect — which we also refer to as disparities, because we see that people in our country are having an experience that is not equal. And that’s why we talk about equity, because we recognize not everybody starts out on the same base. They don’t start out in the same place, even though they have the same God-given capacity.

So, when we talk about the work we are doing here together, it is recognizing that and being guided by this principle of what we must do in the spirit and in the interest of equity. And to do this, one of the aspects of the success we have seen so far is the benefit and the incredible power of public-private partnership — the public and the private sector joining together.

And what we have been doing and must do more is to combine the expertise and the experience of the private sector with the reach and the scale that only the government can provide. And together, that is what we have done so far, which has resulted in the success we have seen.

As Secretary Yellen mentioned, earlier this year, we launched the Economic Opportunity Coalition. This coalition consists of over 20 private-sector organizations. It includes technology companies, philanthropies, and some of the largest consumer banks and investment firms.

And together, these private-sector leaders have committed tens of billions of dollars to promote and then provide capital to community lenders to support entrepreneurship and minority-owned businesses, and to expand access to financial services, and to create and protect affordable housing.
And today, this coalition has committed more than $1 billion to community banks serving minority and rural communities.

So all of our work thus far — we still have more to do — all of our work thus far, I believe, comes down to this: America is a nation driven by the ambition and aspiration of her people. And so let us continue to fight to make sure all people have a chance to realize their dreams and to determine their own future. Because when we do, we not only advance economic justice, we strengthen our economy as a whole, creating prosperity and opportunity for all.

Together, we here know we have the ability and the responsibility and the duty, dare I say, to realize the vision of Freedman’s Bank. And that is what we have gathered here to do.

So, thank you all so very much for your vision, for your commitment, and your work. Thank you. Thank you.