

## Remarks by Deputy Secretary Adeyemo at the First Treasury Department Summit on Investing in the Economic Future of Latino Communities

June 23, 2023

### *As Prepared for Delivery*

Good afternoon. Let me start by thanking everyone in this room. We didn't simply invite you to hear about the critical work underway at the Treasury Department, but we also asked you for your ideas, insights – and most importantly – partnership.

From our work securing the child tax credit for 304,000 families in Puerto Rico,<sup>[1]</sup> to cutting eviction rates in half in majority-Latino neighborhoods,<sup>[2]</sup> we have seen how partnering with culturally competent partners who speak the language and are trusted by their communities is vital to our success. And today is no different. Today's Latino Economic Summit at Treasury reflects that same approach, and I want to thank those of you who made today possible.

When President Biden took office, the COVID-19 pandemic was still ravaging communities across the country and causing a dual health and economic crisis for Latino communities. Latinos were more likely to lose their jobs, more likely to work in front-line positions, and had among the highest mortality rates.

While the circumstances were dire, this Administration got to work to prevent the kind of long-term economic scarring that we've seen in previous recessions—the long-term effects from economic shocks like job loss or eviction that can linger for years or decades.

Many of you in this room partnered with us to implement the ARP's Emergency Rental Assistance program, which helped keep millions of Americans in their homes. And nearly one-third of these rental assistance funds went to Latino households.<sup>[3]</sup> Another ARP provision—the Advance Child Tax Credit—helped reduce the supplemental poverty rate among Hispanic children—which account for government benefits—to its lowest level since 2009<sup>[4]</sup>. In distributing the tax credit, we lifted restrictions that had previously prevented many families in Puerto Rico from receiving this benefit. As a result, 200,000 additional families in the archipelago received the credit when they filed taxes in 2022 compared to a year earlier.

As we've transitioned from pandemic recovery to growth, the Latino population has benefited from the Biden-Harris Administration's policies. Hispanic unemployment hit a record low last September. From 2019 to 2022, median weekly earnings increased 2.4 percent for Hispanic workers after accounting for inflation.<sup>[5]</sup>

But we have more work to do. We must continue our efforts to unlock the unrealized potential of America's marginalized communities by investing in the people and places that have too long been left behind—what Secretary Yellen calls “modern supply side economics.” At Treasury, we've focused on two particular avenues to pursue this strategy: facilitating access to mission capital and ensuring the President's legislative achievements are implemented with these communities in mind.

The Treasury Department and the Community Development Financial Institutions Fund (CDFI Fund) have deployed historic amounts of capital to community development financial institutions (CDFIs) and minority depository institutions (MDIs)—institutions that have a demonstrated track record of reaching financially underserved borrowers. Recently, I joined Vice President Harris in announcing over \$1.73 billion in grants through the CDFI Equitable Recovery Program (ERP), the largest CDFI grant program in history.

And through the Emergency Capital Investment Program (ECIP), Treasury has invested \$1.6 billion in Latino-owned and Latino-majority shareholder depository institutions, as part of an \$8.4 billion total investment. Based on preliminary analysis, we estimate that investments across the entire ECIP portfolio could increase lending in Latino communities up to nearly \$58 billion over the next decade.

We are also laser-focused on implementing the Inflation Reduction Act in an equitable manner that allows all Americans to share in the gains from the transition to a green economy. For example, we recently released guidance to help communities take advantage of the Low-Income Communities Bonus Credit Program, which offers a bonus on top of the Investment Tax Credit for clean energy if these investments are made in low-income areas.

Many of IRA's incentives directly benefit American families by lowering their energy costs. The IRA also includes new ways of accessing these credits—including direct payments and simpler mechanisms to sell and transfer them—that will help ensure non-profits and government entities benefit. Yesterday, for example, I visited a non-profit youth center in Richmond California—a community predominantly made up of people of color and many who are low-income—that will be able to access tax credits for their community-based solar investments and benefit in ways they could not have before the IRA.

The clean energy transition will also create good jobs—including opportunities for Latino families, businesses, and communities.

Taking these steps that will create economic opportunities for Latino families is good for all families. I recently wrote a blog post that outlines the ways our focus on racial equity has not only improved the economic well being of Black and Latino households, it has created economic opportunity for all Americans. We are committed to building an economy that works for everyone. Thank you again for being here, and for all you do to support the Treasury and help us build a better economy for your communities.

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[1][https://mcusercontent.com/35b40b9cf147af1ed5717180c/files/812ac348-c1a4-ce60-c924-](https://mcusercontent.com/35b40b9cf147af1ed5717180c/files/812ac348-c1a4-ce60-c924-7856ccbe747e/Child_Tax_Credit_impacto_trascendental_a_las_familias_conmenores_IDJ_enero_2022_.pdf)

[7856ccbe747e/Child\\_Tax\\_Credit\\_impacto\\_trascendental\\_a\\_las\\_familias\\_conmenores\\_IDJ\\_enero\\_2022\\_.pdf](https://mcusercontent.com/35b40b9cf147af1ed5717180c/files/812ac348-c1a4-ce60-c924-7856ccbe747e/Child_Tax_Credit_impacto_trascendental_a_las_familias_conmenores_IDJ_enero_2022_.pdf) 

[2]<https://www.rsjournal.org/content/9/3/186.full>

[3]<https://oes.gsa.gov/assets/abstracts/2113B-era-descriptive-study-abstract.pdf> 

[4] Staff calculations using data from the [2021 American Community Survey](#). “Urban counties” are defined to be the counties in the top quartile of population density, and “most rural” are the counties in the bottom quartile. For this statistic, “people of color” are non-white or Hispanic, and “white” refers to white and non-Hispanic.

[5] Weekly and Hourly Earnings from the Current Population Survey, U.S. Bureau of Labor Statistics.