

Remarks by Treasury Department's Counselor for Racial Equity Janis Bowdler at the 2023 U.S. Hispanic Chamber of Commerce National Conference

September 26, 2023

As Prepared for Delivery

Thank you Monika for that kind introduction. And a special thank you to Ramiro Cavazos, Nelson Reyneri, and the entire US Hispanic Chamber of Commerce for having me today. It's an honor to represent the Treasury Department here as the Department's first Counselor for Racial Equity. Advancing equity for historically underserved people and places is a priority for the Biden-Harris Administration and for the Treasury Department. We believe our efforts have delivered real results that aim to expand opportunities for all Americans to fully participate and compete in the 21st century economy.

Our work at Treasury is driven by an economic philosophy Secretary Yellen calls "Modern Supply Side Economics," which recognizes that a key element of our economic growth going forward will come from investing in people, places, and infrastructure that have been marginalized, overlooked, and underestimated. This includes our nation's numerous Latino communities.

This is not only a moral imperative, but also an economic necessity. For example, according to McKinsey, Latinos are estimated to account for more than one in four people in the United States by 2050 and one in three of its workers by 2060.

[In June, the Treasury Department partnered with the U.S. Hispanic Chamber of Commerce and several other coalition groups](#) to host the Department's Latino Economic Summit. This was an important opportunity to reflect on the unique economic challenges and opportunities facing Latino families, businesses, and neighborhoods.

We share a collective understanding that when we unleash the economic potential of Latino communities – it's not just good for our families, but for our entire economy. In order to build an economy that truly works for all, we must fix the broken systems that sideline too many of our families, businesses, and communities.

For the Biden-Harris Administration, this strategy started with prioritizing an equitable recovery. I don't have to remind this group how challenging the situation was at the beginning of 2021 when President Biden took office.

Latino unemployment reached an all-time high and Latino workers were overrepresented in frontline jobs exposed to COVID-19. In fact, Latinos were 2.3x more likely than white Americans to die from the disease. Many Latino-led non-profits banded together to support vaccine distribution, employment support and training, and care for children and families who were displaced.

We worked together to ensure Latino communities could take advantage of American Rescue Plan resources such as the Emergency Rental Assistance (ERA) Program and Homeowner Assistance Fund (HAF) – all while ensuring that residents of Puerto Rico were able to benefit from these programs as well.

In order to prevent evictions and foreclosures among Latino and other communities, we encouraged state and local ERA and HAF programs to use data to identify community needs, invest in culturally relevant partners, and work with Hispanic media, unions, and faith leaders to reach families most in need.

Our efforts paid off. These programs helped keep Latino families in their homes, preventing the kind of massive displacement and wealth loss we saw between 2008 and 2012. Research has found that nearly one-third of ERA rental assistance funds went to Hispanic households, and 20 percent of homeowners assisted by the HAF program self-identified as Hispanic.

This is deeply personal for me. During the years of the Great Recession, I was leading the effort at UnidosUS – then National Council of La Raza – to secure new mortgage protections for Latino families and hosting foreclosure rescue fairs in Latino communities around the country. I authored a report on the impact of foreclosures on Latino families and children. I sat with families who lost everything, and it was utterly heartbreaking. The fact that we avoided massive evictions and foreclosures this time around was not a foregone conclusion – it took deliberate policy and partnerships with trusted organizations.

During this Administration, we have taken significant steps to not just recover, but to build a fairer economy. And even as there is more to do, we have made progress. Our work has led to the most equitable, broad-based economic recovery in modern history. 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. And nearly one-quarter of all new entrepreneurs in 2021 were Latino.

We are taking these lessons and applying them to opportunities to build assets and intergenerational wealth through key Biden-Harris initiatives such the Bipartisan Infrastructure Law (BIL), CHIPS and Science Act, and Inflation Reduction Act (IRA).

I want to share with you five key initiatives at the center of this strategy:

First, we're responding to the two things small businesses need most – access to customers and capital.

- The State Small Business Credit Initiative (SSBCI), reauthorized and expanded by the American Rescue Plan, provides nearly \$10 billion to states, the District of Columbia, territories, and Tribal governments to increase access to capital and promote entrepreneurship. This includes \$2.5 billion in funding and incentives to support underserved businesses.
- SSBCI also includes \$200 million for eligible jurisdictions to provide technical assistance to underserved entrepreneurs and very small businesses. And Treasury has partnered with the Minority Business Development Agency (MBDA) to provide an additional \$125 million for MBDA's Capital Readiness grant program to help minority and other underserved entrepreneurs launch and scale their businesses.
- Through the Interagency Community Investment Committee (ICIC), we've adopted a "no wrong door" policy to ensure that small businesses and entrepreneurs get the assistance and information most relevant to them. Through ICIC, six agencies – including Treasury – are collaborating across our nationwide network of field offices to provide easy-to-use information guides and train staff on the full suite of federal capital products and technical assistance programs.
- The Treasury Department is also doing more business with Latino-owned companies, as part of the administration's broader efforts to substantially increase procurement opportunities with small and disadvantaged businesses. There has been a 23 percent increase in the dollar amount of prime contracts Treasury awarded to Hispanic-owned businesses since FY 2020.

Second, we're deploying mission capital via Latino-owned and -serving financial institutions to develop health clinics, day care centers, affordable housing, and support small business.

- Through the Emergency Capital Investment Program (ECIP), Treasury has invested \$1.6 billion in Latino-owned and Latino-majority shareholder depository institutions. Based on preliminary analysis, we project that investments across the entire ECIP portfolio may increase lending in Latino communities by nearly \$58 billion over the next decade.
- We recently announced over \$1.73 billion in grant awards through the Community Development Financial Institutions Fund (CDFI Fund) Equitable Recovery Program (ERP). That includes a historic investment of \$226 million in grants to 69 *cooperativas* in Puerto Rico.
- Earlier this summer, Deputy Secretary Adeyemo joined Senators Warner and Crapo to announce that the Economic Opportunity Coalition (EOC), a group of more than two dozen companies and foundations, reached their goal of securing \$1 billion in deposits into community development financial institutions (CDFIs) and minority depository institutions (MDIs) to help them further their mission to deliver capital to underserved communities.

Third, we're modernizing our tax system to emphasize benefit access and delivery for our most vulnerable. During the pandemic, Treasury steered the deployment of funds that kept the economy afloat, such as the American Rescue Plan-expanded Child Tax Credit (CTC), Earned Income Tax Credit (EITC), and targeted relief payments to families and workers. But for too long, the IRS has not had the tools or resources needed to provide world class service.

Earlier this year, the IRS laid out a modern vision that puts fairness and accessibility at the forefront of our tax system – which has been made possible by funding through the Inflation Reduction Act. This looks like:

- Enhancing taxpayer interaction in languages other than English. Scaling outreach to ensure equal access to IRS services and opportunities for all communities.
- Becoming fully digital and improving the taxpayer experience and organizational efficiency – including exploring modernizing the Individual Tax Identification Number (ITIN) process.
- Developing a limited scope pilot that would allow people to file taxes directly with the IRS rather than having to rely on a third-party provider. When shown a prototype of this product, those with limited English proficiency were more likely to be interested in a Direct File option than other potential filers.
- Expanding free tax return preparation sites in Puerto Rico. In fact, the IRS went from 10 in 2021 to more than 250 in 2022.

Fourth, we're helping deliver lower energy costs and economic growth to low-income communities through the Inflation Reduction Act, one of the most significant economic investments in generations most ambitious climate investment in our nation's history.

As we work to implement climate investments delivered via tax incentives, we are focused on creating opportunities for all Americans to share in the gains from the transition to a green economy – through tax credits, business opportunities, and good, middle-class jobs in clean energy fields. Over the past several months, Treasury has released:

- Final rules for the 48(e) Low-Income Communities Bonus Credit Program. This program is key to ensuring all Americans benefit from the growth of the clean energy economy and boosts the Investment Tax Credit (ITC) for solar and wind energy projects in underserved communities by up to 20 percentage points. Applications for the program will open this fall;
- proposed guidance on direct pay and transferability, which will allow communities, through tax-exempt and government entities, to take advantage of the clean energy tax credits directly for the first time;
- proposed rules on the IRA's enhanced incentives for projects that pay prevailing wages and employ registered apprentices. The proposed rules provide workers and employers with more clarity on IRS guardrails, incentivize employers to adopt worker-centric practices, and ensure compliance is streamlined.

Finally, the investments I described present important opportunities for Latino families, businesses, and communities to share in the prosperity of our nation. A key aspect of my role is to ensure that this progress is not fleeting with a single Administration. We are weaving racial equity into the fabric of Treasury by strengthening our understanding of the challenges facing historically under-invested communities and building a team of career professionals to sustain Treasury's efforts over time.

Cesar Chavez famously told us: "We cannot seek achievement for ourselves and forget about progress and prosperity for our community. Our ambitions must be broad enough to include the aspirations and needs of others, for their sakes and for our own." My hope is that together, we can advance strategies that invest in and elevate the marginalized and underestimated. This is how we will build an economy that truly works for all.

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