

# Remarks by Treasury Department's Counselor for Racial Equity Janis Bowdler at White House Briefing with the National Alliance of Latino CDFI Executives

October 11, 2023

## *As Prepared for Delivery*

Hello everyone. I would first like to extend my thanks to Sol and the White House's Public Engagement team for having me, and to my colleague Marcia Sigal from the CDFI Fund for accompanying me to this event today. It's inspiring to stand in a room like this with so many individuals who are so committed to the cause of economic empowerment for communities who are often underserved.

It's an honor to represent Treasury as the Department's first Counselor to the Secretary for Racial Equity. Advancing equity for historically underserved people and places is a priority for the Biden-Harris Administration and for the Treasury Department under Secretary Yellen's leadership. We believe our work has delivered real results and expanded opportunities for all Americans, including Black and Brown communities, to fully participate and compete in the 21st century economy.

As an example of Treasury's intentionality behind these efforts, in June, the Department took a moment to reflect on that progress and discuss how we can continue to drive this work forward. In partnership with several key stakeholders and coalition groups across the public, private, and philanthropic sectors, we held the Latino Economic Summit, the first ever convening at the Treasury Department focused on investing in the economic future of Latino communities.

Our work at Treasury is driven by an economic philosophy Secretary Yellen refers to as "Modern Supply-Side Economics," which recognizes that a key element of America's economic growth going forward must come from investing in people, places, and infrastructure that have been marginalized, overlooked, and underestimated.

This is not only a moral imperative, but also an economic necessity, and Community Development Financial Institutions (CDFIs) play a significant role in this vision. This morning, I

want to highlight the historic investments that we have made through CDFIs and Minority Depository Institutions (MDIs), which are having meaningful impacts in underserved communities.

Through the Consolidated Appropriations Act, 2021, Treasury and the Community Development Financial Institutions Fund (CDFI Fund) were allocated \$12 billion in supplemental funding that was specifically focused on providing CDFIs and MDIs with resources needed to help distressed communities recover from the economic effects of the COVID-19 pandemic. This included two grant programs administered by the CDFI Fund and also Treasury's Emergency Capital Investment Program.

The CDFI Rapid Response Program, or "CDFI RRP," awarded \$1.25 billion in grants to 863 CDFIs in June 2021. This funding provided CDFIs with the means to respond to economic challenges created by the COVID-19 pandemic, particularly in underserved communities. My colleagues in the CDFI Fund designed the program to disburse these resources rapidly in order to meet the urgency of the moment and respond to the immediate impacts of the pandemic. This included \$47.3 million in awards to 28 CDFIs that primarily serve Puerto Rico and \$133.9 million in awards to 90 MDIs with a demonstrated track record of reaching financially underserved borrowers. To date, recipients of these funds have lent or invested more than \$14.8 billion to help distressed and underserved communities recover from the effects of the pandemic, demonstrating the value federal investments bring to the communities they lend in.

The CDFI Equitable Recovery Program, the largest CDFI grant program in history, made grant awards to CDFIs to expand economic opportunity in low- or moderate-income communities that were disproportionately impacted by the COVID-19 pandemic. In April 2023, we announced \$1.73 billion in grants through this program. That included a historic investment of \$226 million of grants to 69 cooperativas in Puerto Rico. The CDFI ERP award recipients also committed to use their awards in a variety of historically underserved and marginalized communities and businesses, including:

- 222 recipients that committed to serve low- or moderate-income majority-minority areas, which received a total of \$705.6 million in awards;
- 179 recipients that committed to serve minority individuals or minority-owned or controlled businesses, which received a total of \$420.6 million in awards;
- 134 recipients that committed to serve persistent poverty counties, Native Areas or U.S. Territories, which received a total of \$441.5 million in awards; and

- 40 recipients that committed to serve small businesses and farms, which received a total of \$99.7 million in awards.

The focus of this program on underserved communities further underscores our intentionality to advance economic stability for these marginalized groups, as they are often hit the hardest and recover the slowest in times of national economic downturn.

In addition to the CDFI Fund's grant programs, through the Emergency Capital Investment Program, or "ECIP," the Treasury Department has invested more than \$8.5 billion in 175 federally insured depository institutions that are either CDFIs or MDIs. This includes \$1.6 billion invested in Latino-owned and Latino-majority shareholder depository institutions. Based on a 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. And in alignment with this federal program, the Deputy Treasury Secretary joined Senators Warner and Crapo this past June to announce that the Economic Opportunity Coalition (EOC), a group of more than 20 private-sector companies and foundations, reached their goal to make \$1 billion in deposits in CDFIs and MDIs to help CDFIs deliver capital to underserved communities.

The investments I've just 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 sustained over the long term. 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.

During this Hispanic Heritage Month, I want to remind us of a principle that Cesar Chavez once famously stated: "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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