Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the U.S. Hispanic Chamber of Commerce’s 2023 Legislative Summit

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As Prepared for Delivery

Good morning. It is a privilege to join you today.

I know that, when Secretary Yellen addressed this audience almost exactly two years ago, the world felt very different. For one, she joined you from a Zoom screen in her home. But even more than that, the COVID-19 pandemic defined so many aspects of our lives: where we went, how we worked, and how we spent time with our loved ones.

Things have changed so much since then, and they have changed for the better. But before I get into the work the Biden Administration has done to get us to that point, I want to take a few moments to talk about the recent events in our banking system.

At the Treasury Department, we view maintaining the stability of our financial system and the resilience of our banking sector as core components of our mission. This is especially true when it comes to institutions like Minority Depository Institutions (MDIs), community banks, and Community Development Financial Institutions (CDFIs)—the small and mid-sized institutions that are often the closest to the communities they bank and that have the strongest track records of reaching underserved communities.

That is why, in response to the recent failures of two banks, Secretary Yellen took decisive action to restore stability and confidence in our system. In coordination with the Federal Reserve Board and the FDIC, and in consultation with the President, Secretary Yellen acted to ensure depositors were protected. And we worked with the Federal Reserve to create a new temporary facility to provide the liquidity other banks might need during this challenging period.

And we achieved all of this while ensuring none of the losses from these institutions would be borne by the taxpayer. These actions were not just targeted at protecting our banks, they were targeted at protecting the hard-earned savings of Americans depositors across the country -- money used to pay rent, mortgages, and grocery bills. And while we protected depositors, shareholders and bondholders were not protected.

Of course, it is paramount that Americans understand that their deposits are safe. But I want to take a moment to dig deeper into our commitment to protecting our small and mid-sized banks, especially MDIs, community banks, and CDFIs. We know that smaller banks—those that would have been at greater risk absent the steps we took—play a critical role in providing access to capital in Hispanic communities and other communities of color.

According to one survey, a higher share of minority small business owners than white small business owners report that community banks and credit unions are more vital to the US banking system than national banks. That survey also found that 70 percent of non-white small business owners plan to open an account at a community bank or credit union in the next 12 months.

Let's be clear about what this data is saying: Hispanic and other diverse small business owners know that our small and mid-sized banks matter. They know they can rely on them for the capital and support they need to grow their businesses and support their families. That's why it is so critical to us in the Treasury that these small and regional banks know they can rely on us.

We are continuing to closely monitor this situation and consider what steps we can take to further strengthen America's financial system. Taking a step back, though, it is clear our actions have stabilized the banking system and provided liquidity to the small and mid-sized banks at the heart of our economy, enabling them to continue serving the families and small businesses in Hispanic communities and others who rely on them.

As the President has said, it is also important that we review the failure of Silicon Valley Bank and Signature Bank to ensure that we have a set of rules and procedures for the banking system that continues to protect our economy and depositors across our country. The steps we have taken to stabilize the banking system and support the banks that serve Hispanic communities and others are just the latest in our efforts to protect America's communities of color and underserved communities.

When Secretary Yellen spoke to you two years ago, we were just three weeks into implementing the President's American Rescue Plan Act, an historic 1.9 trillion dollars in federal recovery funds.

She promised that when we looked back at the pandemic, we wouldn't "simply conclude that Hispanic workers and businesses were the victims of the 2020 economy. [We'd] see that they were builders of a better one in 2021 and beyond."

Today, I am proud to tell you that we have kept these commitments at the center of our recovery and economic growth strategy. The numbers tell a clear story about this historically equitable recovery, including for Hispanic communities:

- In 2021, Hispanic entrepreneurs started small businesses at the highest rate in more than a decade.
- Hispanic unemployment saw its fastest one year drop and, in 2022, reached its lowest rate ever.
- And through the ARP's reauthorization of the Child Tax Credit, we were able to reduce child poverty by half, including a 42% cut in Hispanic child poverty.

At Treasury and across the Biden Administration, we are proud of this recovery, and I want to thank you for your partnership in these efforts over the past two years. But there is still work to do.

Whether it is supporting financial stability, promoting economic recovery, or building a more inclusive economic future, we are committed to continuing to do this work in partnership with you.

Thank you again for letting me join you today.