

Remarks by Secretary of the Treasury Janet L. Yellen at Asian American, Native Hawaiian, and Pacific Islander Economic Summit

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As Prepared for Delivery

Good morning. I am very glad to welcome all of you to the Treasury Department's first Asian American, Native Hawaiian, and Pacific Islander Economic Summit. Today, we convene a diverse group—academics, community leaders, and representatives from nonprofits, the private sector, and government—to discuss issues that matter specifically to AA and NHPI communities. We'll discuss the diverse strengths of these communities, as well as the unique challenges they face; Treasury's relevant work; and what more can be done to build a thriving economic future for them and for our country.

Let me speak briefly to the incredible economic strength of AA and NHPI communities. Asian Americans, Native Hawaiians, and Pacific Islanders contribute significantly to the American economy. Members of these communities participate in the labor force at higher rates than the national average and own over three million businesses. Based on 2020 census data, they make up 6.2 percent of the population, but nearly 11 percent of all employer firms. And they are the fastest-growing communities in the United States, meaning these contributions will continue to compound.

At the same time, in recent years, AA and NHPI communities have faced unique challenges. They were particularly hard-hit by the COVID pandemic. Asian Americans were almost 50 percent more likely to die of COVID than white Americans in part due to systemic discrimination in public health and medicine that resulted in testing disparities. And the pandemic also fueled anti-Asian racism, leading to an unacceptable surge in hate crimes and discrimination.

AA and NHPI communities face financial challenges as well. According to the Fed's Small Business Credit Survey, 50 percent more white-owned businesses than Asian-owned businesses were fully approved for a line of credit last year. And among the incredibly diverse AA and NHPI communities, certain subgroups are especially economically vulnerable.

The Biden Administration has sought to address these challenges as part of our efforts to increase economic opportunity for all Americans, across income levels, genders, ethnicities, and geographies. Over the past three years, this Administration has driven a historically inclusive economic recovery. By one analysis, the American Rescue Plan contributed to a nearly 22 percent decline in the poverty rate within AA and NHPI communities, including due to the expanded Child Tax Credit, housing support, and direct relief payments. And unemployment rates for AA and NHPI workers quickly returned to near pre-pandemic levels.

Now, we're focused on building on this recovery to invest in the communities' prosperity for the medium- to long-term. We've worked to enhance access to capital for members of AA and NHPI communities, including through the State Small Business Credit Initiative, a \$10 billion program that invests in small businesses around the country, with a focus on underserved communities. We're investing in Community Development Financial Institutions that have a track record of reaching financially underserved borrowers. This includes updating the CDFI certification process to formally incorporate the Vietnamese and Filipino populations as targeted populations. Our outreach efforts also include working to raise awareness and confidence among AA and NHPI individuals and business owners that they can take advantage of our historic legislation, including the Inflation Reduction Act's tax credits.

Let me give one specific example of our work. In April, Deputy Secretary Adeyemo hosted a small business roundtable in Philadelphia with business owners who received loans from Asian Bank, an independent community bank. Asian Bank received significant support from the CDFI Fund during the pandemic, including a \$6.2 million grant from the CDFI Equitable Recovery Program that it committed to investing entirely in minority individuals or minority-owned businesses. Some of those individuals were at the roundtable—including the owners of Ninja Bao, an Asian fusion restaurant, and the owner of Asia Crafts, a local gift shop.

As we look ahead, there's much more work to do—from additional strategic investments to innovative public and private sector partnerships. And we'll need to push for more granular data collection to help policymakers at Treasury, across the government, and beyond to better understand how programs impact different populations, including the tax code. More granularity is especially important for capturing the broad diversity within AA and NHPI communities.

Today's Summit is just one step in Treasury's ongoing efforts to engage with and elevate AA and NHPI communities. But as the first such Summit, it's a significant one. I hope today provides an opportunity to take stock of where we are and generate momentum for the work

ahead. Thank you to Treasury's AA and NHPI staff, who contribute so greatly to the Department, and many of whom have been instrumental to bringing us together today. And thank you to all of you for being here today and for your partnership in this important work.

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