June 2021

UNREPRESENTATIVE AND UNACCOUNTABLE

2021 Analysis of Diversity in Federal Reserve Leadership

THE CENTER FOR POPULAR DEMOCRACY

THE NATIONAL CAMPAIGN FOR A STRONG ECONOMY
FED UP

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Acknowledgements

This report was researched and written by Maggie Corser. It was edited by Benjamin Dulchin, Marlon Calliste, Emily Gordon, and Yadira Sanchez at the Center for Popular Democracy.

About the Contributors

Fed Up is a coalition of community organizations across the country, calling for a full-employment economy and a Federal Reserve that works for working people. The Fed has the power to keep interest rates low, give the economy a fair chance to recover, and prioritize genuine full employment and rising wages for working people. Organized by the Center for Popular Democracy, the central goal of the Fed Up campaign is to call upon the Federal Reserve to engage with the people whose lives are deeply impacted by its policies. Whatrecovery.org and Building A National Campaign For A Strong Economy: Fed Up.

The Center for Popular Democracy (CPD) is a national network of grassroots organizations that works to create equity, opportunity and a dynamic democracy in partnership with high-impact base-building organizations, organizing alliances, and progressive unions. CPD strengthens our collective capacity to envision and win an innovative pro-worker, pro-immigrant, racial and economic justice agenda. www.populardemocracy.org

Executive Summary

The Center for Popular Democracy's Fed Up campaign conducts an annual diversity analysis of the Federal Reserve system's leadership. This report gauges progress on the Federal Reserve's public commitment to diversifying its senior leadership. In particular, the report evaluates the degree to which the directors of the regional reserve banks, as well as the regional bank presidents and the Board of Governors, represent the public they are intended to serve. It also highlights areas that need improvement and recommends procedural changes that the Federal Reserve can immediately institute to remedy these problems, as well as legislative fixes that Congress can pursue.

Our 2021 review of the numbers reveals an urgent need to diversify the nation's most powerful monetary policymakers. While some Federal Reserve regional banks have made modest progress in gender and racial diversity, regional bank board directors—who have the important power of appointing the regional bank presidents—continue to be overrepresented by the business and banking sectors. In 2021, among the 105 current Fed regional board directors: 75% come from the banking or business sectors, 66% are white, and 56% are male.[1] Women of color are vastly under-represented and only make up 14% of all directors.

This lack of sectoral and demographic diversity among the regional bank boards exacerbates the already shocking lack of diversity of the Fed's other senior leadership. In 2021, 83% of the regional bank presidents are white and 75% are male. The Board of Governors is even less representative of the public: In 2021, 100% of the governors are white and 67% are male.

Fed Up's 2021 sectoral analysis reveals bankers and large corporations continue to have an outsized representation on regional Fed boards because the Fed's structure and selection process prioritizes the interests and votes of bankers. The Fed's 2021 Class A directors—who are chosen by local private banks—are 100% banking and financial sector, 92% white and 69% male.

The Federal Reserve has made some commendable gains in diversifying Class C directors—who represent the public and are appointed by the Governors—in recent years. However, the Class B directors—who represent the public but are appointed by the private commercial bank Class A directors—look more like the Class A directors than the Class C directors, and persistently fail on sectoral and racial diversity.

In 2021, among the 34 Class B directors who were appointed by bankers across the 12 regional banks, nearly 70% came from the banking and business sectors. This is an inevitable result of a Class B directors selection process that is controlled by bankers, despite the statutory requirement that these directors represent the public. The Fed Up Campaign first published an analysis of this problem in our 2020 Diversity Analysis. In 2021, a report by well-known Federal Reserve experts Peter Conte-Brown and Kaleb Nygaard, published by the Brookings Institute, analyzed the same problem and came to similar conclusions.[2]

This leaves the overall composition of the Fed boards skewed in the direction of white and male representatives of not only the banking sector but also large corporations. Among the Fed directors from business backgrounds, three-fourths work at big businesses (as defined by the US Small Business administration). In fact, nearly 10% of Fed board directors are CEOs of Fortune 500 companies. This is despite Fortune 500 CEOs making up only 0.0003% of the US labor force.

On the other hand, the Class C directors, who are appointed by the Board of Governors, have seen meaningful improvements in diversity in recent years, which underscores the Board of Governors commitment to appointing diverse candidates. The bankers tasked with selecting Class B directors, on the other hand, have not demonstrated a similar commitment. The striking differences between Class B and Class C directors highlights the problems inherent with the current appointment process and raises questions about the ability of the banking sector to appoint Fed leadership that fully represents the public.

Without diverse perspectives, the Federal Reserve will be unable to fully understand and represent the interests of the broad public. In 2021, policymakers and advocates continue to call on the Federal Reserve to actively pursue greater diversity at all levels of its leadership. Specifically, the Fed must take proactive steps to end the influence of the banking and business sectors among the 12 Reserve Bank boards of directors; appoint new directors who improve the gender and racial diversity of the board of directors at the 12 Federal Reserve Banks; appoint more diverse regional bank presidents; and improve the occupational diversity of the boards by promoting directors with non-profit, academic, and labor backgrounds. As the country grapples with COVID-19-exacerbated economic inequality, it is more critical than ever to have Federal Reserve policymakers who will understand and prioritize the needs of working families.

Structure of the Fed's Regional Boards of Directors: Class A, B, and C Directors

Each regional Federal Reserve Bank is comprised of local private bank shareholders, also referred to as "member banks." Each of the 12 Federal Reserve Banks have a nine-member board of directors with three classes of directors:[3]

Class A Directors	Class B Directors	Class C Directors
Elected by private member banks in the Federal Reserve District **to represent those banks.**	Elected by private member banks in the Federal Reserve District **to represent the public.**	Appointed by the Fed's Board of Governors in Washington, DC, **to represent the public.**

Introduction

The Federal Reserve is the most powerful economic policy institution in our country. When the Fed's senior leadership debate their core policy choices for managing economic growth, they are effectively deciding how high the unemployment rate will be, whether wages for low-income workers will grow, and whether unemployment in Black communities will remain far above white communities.

The Federal Reserve Act requires the Federal Reserve leadership to "represent the public" and draw from the interests of "agriculture, commerce, industry, services, labor, and consumers."[4] In the face of mounting calls from Congress and advocates to appoint a leadership that reflects the people of this country—and orients towards the interests of that broad public—the Federal Reserve has signaled an increased focus on improving diversity in recent years.[5] Since 2016, the Center for Popular Democracy's Fed Up campaign has published comprehensive data on diversity among the Federal Reserve's leadership. Despite public commitments to diversity by the Fed, the Fed Up annual diversity reports have revealed slow and uneven progress across the 12 regional Reserve Banks, as well as a consistent failure to reflect the rich diversity of our economy and local communities.

This year's report draws on newly released diversity disclosures from the Federal Reserve,[6] outlining the number of women and people of color serving as board directors at the 12 Federal Reserve Regional Banks. Fed Up also conducted an original analysis of the sectoral diversity of these 2021 Fed directors to better understand the influence of the banking and business sectors on the Fed's powerful regional leadership bodies. The report features key findings in gender, racial, and sectoral diversity among the incoming group of 2021 Fed boards of directors, as well as the 12 regional bank Fed Presidents, and the Washington DC-based Board of Governors. The report ends with a discussion of key recommendations for the Federal Reserve to better improve gender, racial, and sectoral diversity across the Federal Reserve system.

What's at stake

The Federal Reserve's core policy committee—the Federal Open Market Committee—regularly meets to make decisions that have huge consequences for the country as a whole, especially for communities of color who have historically been excluded from the economic policies and systems designed to secure full employment and build wealth.[7] The Fed has a core "dual mandate" to balance the interests of price stability and maximum employment.[8] When the Fed decides how to implement that mandate and where that balance lies, there is a lot at stake in terms of who benefits and who gets left behind. For example, if the Fed emphasizes price-stability over maximum employment in its mandate it may implement policies that slow the economy while it still has the potential to absorb more workers. As a result, that unnecessarily relegates millions of people to unemployment and underemployment, keeps the gap in Black and white unemployment high, and strips bargaining power from low-income workers while allowing wages to stagnate.[9] A Federal Reserve senior leadership that is truly representative of the country is essential to ensure those decisions are in the interests of working families rather than those with most economic and political power.

The issue of demographic and economic interest group diversity in the Fed boards of directors is essential because of the significant power that those directors hold. While the seven Federal Reserve Governors are nominated by the President of the United States, each of the presidents of the 12 local Reserve Banks are selected by the boards of directors of their local Reserve Bank.[10] Five of these regional bank presidents serve at any one time, on the powerful Federal Open Market Committee which makes key decisions on employment and inflation. The system was designed this way to ensure that the power of the Federal Reserve system was not geographically centralized and that it represented the interests of the general public in each local region.

For this reason, policymakers and advocates have continued to call on the Fed to ensure greater diversity at all levels of the Federal Reserve's leadership. The shareholding banks that make up the Class A directors will always have a voice, but until people of color, women, consumer advocates, non-profit professionals, representatives of labor, community activists, and academics are fully represented within the Fed's leadership—especially among the Class B and C directors—the Fed's policymaking is in danger of centering the interests of its shareholder banks.

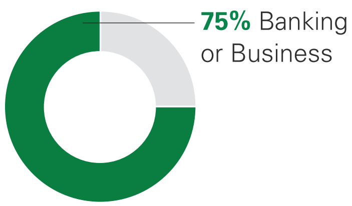
Finally, the Fed played a crucial role in responding to the 2008 financial crash and the 2020 COVID economic crisis. The challenges of the current political and economic moment underscore the importance of selecting Fed presidents and board directors with diverse backgrounds and independence from the financial sector. In this moment of crisis, and with future economic conditions challenging and uncertain, it is critical to have Federal Reserve policymakers who will hold banks accountable and prioritize the needs of working families.

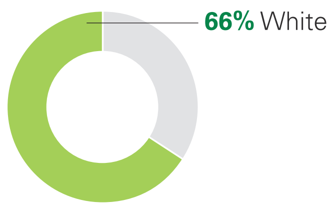
Key Findings

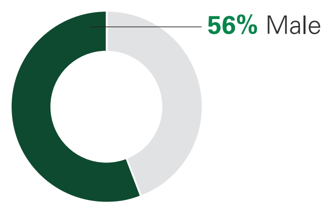
In order to track diversity at the Federal Reserve, the Fed Up campaign has regularly produced an annual diversity analysis of Fed regional board directors. After sustained calls for greater transparency, the Federal Reserve recently began disclosing its own gender and race/ethnic diversity data for regional board directors.[11] To provide a deeper understanding of who holds power at the Fed, this year the Fed Up campaign did a new, original analysis of the sectoral diversity of each board director in 2021. This new analysis is designed to evaluate the representation and influence of the banking sector and Wall Street at the Federal Reserve. What is presented below is a comprehensive overview of the gender/race data disclosed by the Federal Reserve along with the Fed Up campaign's new 2021 sectoral analysis.

1) 2021 data reveals the Fed continues to fail on its mandate to adequately represent the public.

This year, as the Fed brought in a cohort of new Directors, it missed a critical opportunity to improve its diversity. Overall, the 105 directors of the 12 regional Fed bank boards are:







2) Progress in diversity over the last eight years has been slow and incremental.

When comparing 2013 to 2021:[12]

Sectoral Diversity: The number of directors from non-profit, academic, public service, and labor backgrounds only increased 8 percentage points in the last eight years.

- **Only 5%** of 2021 directors currently represent labor.

Racial Diversity: The number of people of color in Fed director positions only increased 17 percentage points in the last eight years.

- **Only 7%** of 2021 directors are Latino and only **1%** are Asian

Gender Diversity: The number of women in Fed director positions only increased by 18 percentage points in the last eight years.

- Even with the incremental progress, women still make up **less than half** of Fed directors in 2021.

12 Federal Reserve Regional Bank Board of Director Diversity Stats—2013 vs 2021

Sector	2013		2021		% Change
	Number	Percetage	Number	Percentage	
Financial	39	37%	41	39%	↑ 2%
Business	49	47%	38	36%	↓ 10%
Non-Profit	9	9%	15	14%	↑ 6%
Academia	5	5%	6	6%	↑ 1%
Public Service	1	1%	0	0%	↓ 1%
Labor	2	2%	5	5%	↑ 3%
Total	**2**	**100%**	**105**	**100%**	

Demographics	2013		2021		% Change
	Number	Percentage	Number	Percentage	
Men	78	74%	59	56%	↓ 18%
Women	27	26%	46	44%	↑ 18%
Total	**105**	**100%**	**105**	**100%**	
White	87	83%	69	66%	↓ 17%
Black	12	11%	26	25%	↑ 13%
Asian	3	3%	1	1%	↓ 2%
Latino	3	3%	7	7%	↑ 4%
Other	0	0%	2	2%	↑ 1%
Total	**105**	**100%**	**105**	**100%**	

As with previous years, the Federal Reserve Banks also missed a key opportunity to improve diversity by renewing many of the current directors' terms. Every year, each of the 12 regional Reserve Banks have directors whose terms are set to expire. **In 2021, among the 21 directors whose terms were renewed, 81% come from the banking or business sectors, 71% are white, and 57% are male.**

3) Women of color are still vastly underrepresented in Fed leadership positions

While the Fed has made some progress on gender diversity—increasing from a shocking 26% female directors in 2013 to 44% female directors in 2021—this progress has been uneven.

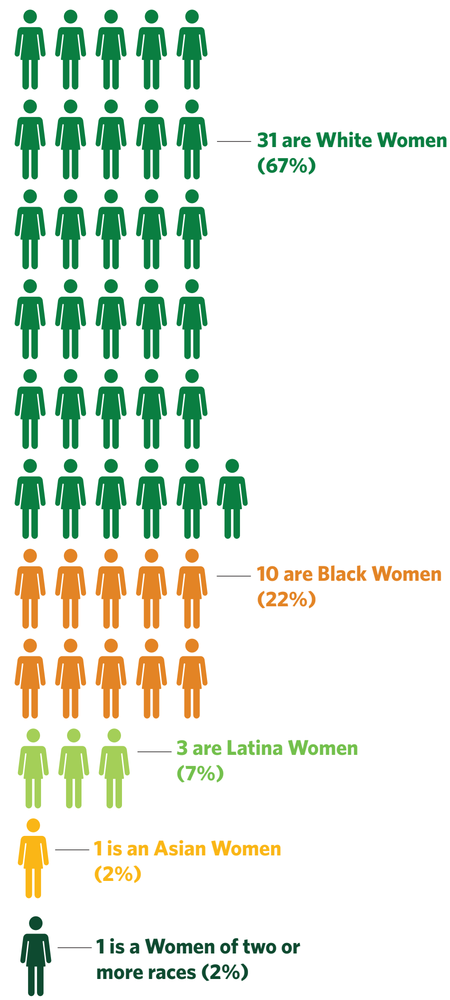
Among Fed directors who are women, two-thirds are white women:

- 67% White women
- 22% Black women
- 7% Latina women
- 2% Asian women
- 2% Women of two or more races

While women of color make up one in five people (20%) in the United States,[13] women of color are only 14% of Fed directors.

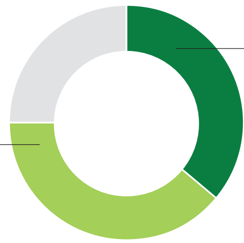
The number of women in Fed director positions only increased by 18 percentage points in the last eight years. Even with the incremental progress, women still make up less than half of Fed directors in 2021.

Of the 46 women on the Federal Reserve Board,



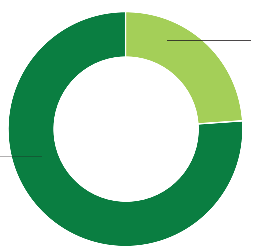
4) Fed Up's 2021 sectoral diversity analysis reveals bankers and Fortune 500 CEOs have an outsize representation on Fed Boards

As noted above, 75% of Fed regional directors currently come from the banking or business sector. Specifically that breaks down to:



While defenders of the Federal Reserve's current sectoral diversity might argue that the regional banks are recruiting small business leaders to reflect Fed districts' local economies, in reality Fed Up's analysis highlights that big business dominates. Using thresholds defined by the US Small Business Administration,[14] we found the 2021 Fed directors from the business sector are overwhelmingly running large firms.

The Fed's directors from the business sector are:



In fact, a staggering nearly one in ten Fed Board Directors are currently CEOs of Fortune 500 companies.

This is despite Fortune 500 CEOs making up only 0.0003% of the US labor force.[15] Overall, more than 13% of Fed directors work at Fortune 500 companies, when you broaden to include both CEO's and C-suite Executives currently at the Fed.[16]

Are the Fed's business representatives from Main Street small businesses or large corporations?

Q

A

Very few small business leaders are selected for Fed leadership positions; in fact, three out of four Fed business directors run large corporations.

5) The Fed's current structure and selection process privileges the banking and business sector, while undermining diversity aims

There is currently **no sectoral diversity among Class A directors in the Fed**, with 100% coming from banking and financial sector backgrounds. It is important to note that while all of the current Class A directors are in the banking and financial sector, the Fed does not have a formal requirement for these directors to work at banks. According to the Fed, "in practice, Class A directors often are affiliated with supervised institutions, **but there is no requirement** [emphasis added] that Class A directors must be bankers."[18] However, because Class A directors are selected by member banks in each Federal Reserve District, those leadership roles are traditionally stacked with people from banks and the financial sector.

Why do bankers and big businesses dominate the Fed boards? Q

A **The Fed's structure and selection process prioritizes the interests and votes of bankers.**

Structure of the Fed's Regional Boards of Directors: Class A, B, and C Directors

Each regional Federal Reserve Bank is comprised of local private bank shareholders, also referred to as "member banks." Each of the 12 Federal Reserve Banks have a nine-member board of directors with have three classes of directors:[17]

Class A Directors	Class B Directors	Class C Directors
Elected by private member banks in the Federal Reserve District **to represent those banks.**	Elected by private member banks in the Federal Reserve District **to represent the public.**	Appointed by the Fed's Board of Governors in Washington, DC, **to represent the public.**

The Fed's 2021 Class A directors—who are chosen by banks—are 100% banking and financial sector, 92% white and 69% male.

When responding to questions on Fed diversity, the Fed's leadership often distinguishes between the different classes of directors. For instance, in response to Congressional inquiries, Fed Chairman Jerome Powell responded, "Of the [Class] B and C directors that we currently have, 70% are diverse in one dimension or another and 25% are African American, and these numbers have come way up from where they were 7 or 8 years ago."[19]

While the Federal Reserve has made some commendable gains in increasing the diversity of Class C directors in recent years, the fact is that the Class B directors who are also required to represent the public's interest, look more like the Class A directors than the Class C directors, and persistently fail on sectoral and racial diversity. This leaves the overall composition of the Fed boards skewed in the direction of white and male representatives of the financial and business sectors.

In 2021, among the 34 Class B directors who were appointed by bankers across the 12 regional banks, nearly 70% came from the banking and business sectors. This is an inevitable result of a Class B directors selection process that is controlled by bankers, despite the statutory requirement that these directors represent the public.

On the other hand, the Class C directors, who are appointed by the Board of Governors, have seen meaningful improvements in diversity in recent years. In 2013, when former Fed Chair Janet Yellen was confirmed by the Senate,[20] the Class C directors were minimally diverse. In 2013, 77% of Class C directors came from banking and business, 88% were white, and 59% were male.

In 2021, the Class C directors appointed by the Fed's Board of Governors are:

- 57% Black, Latino, Asian, or two or more races
- 49% women
- 43% nonprofits, academia, or labor

This represents significant progress from 2013 and underscores the Board of Governors commitment to appointing diverse candidates. The bankers tasked with selecting Class B directors, on the other hand, have not demonstrated a similar commitment. The striking differences between Class B and Class C directors highlights the problems inherent with the current appointment process and raises questions about the ability of the banking sector to appoint Fed leadership that fully represents the public.

There is wide variation in diversity across the Fed's 12 Regional Reserve Banks

While some Fed regional banks, like Chicago, have notably improved in gender, racial, and sectoral diversity in recent years, other banks have taken inadequate steps to improve board diversity. This year, the banking and business sectors continued to have a disproportionate representation and influence in Fed leadership positions across the 12 Federal Reserve Banks.

Notable regional bank highlights:

- The St. Louis Fed board has the least sectoral diversity among all Fed boards and is 100% banking and business.
- The Philadelphia Fed's board is 78% white, despite being headquartered in a majority (over 40%) Black city.[21]
- At four regional Fed banks, women only make up one-third of board directors. There are only two Fed bank boards where women are more than half of board directors.

These regional variations highlight the need for diverse leadership at the top of each of the 12 regional Fed banks—in particular Fed Presidents who will prioritize board diversity and development.

6) The Presidents of the 12 Federal Reserve Banks are overwhelmingly white and/or male.

In 2021, the 12 Fed bank presidents are:

In 2017, the Federal Reserve made history when it appointed Dr. Raphael W. Bostic, a prominent African-American economist and academic, to lead the Atlanta Federal Reserve. In the history of the Federal Reserve System, there have been 134 Federal Reserve Bank presidents. Prior to Bostic's appointment, not one of those presidents was African American or Latino.[22] Among the current Fed presidents, the only other person of color is Neel Kashkari, who was appointed to lead the Minneapolis Fed in 2016.

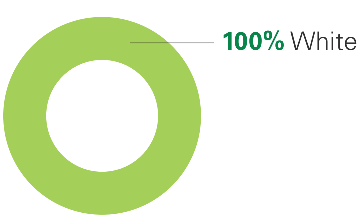
Every regional president came up for reappointment in 2021 and all were reappointed for new five-year terms.[23] Notably, however, some will reach their mandatory retirement date within the next few years:

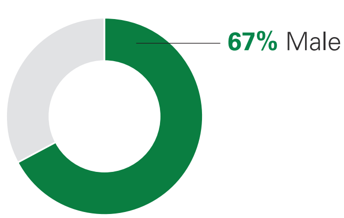
- Boston Fed President Rosengren
  Mandatory retirement date: **June 2022**
- Chicago Fed President Evans
  Mandatory retirement date: **January 2023**
- Kansas City Fed President George
  Mandatory retirement date: **January 2023**
- Cleveland Fed President Mester
  Mandatory retirement date: **May 2024**
- Philadelphia Fed President Harker
  Mandatory retirement date: **June 2025**
- Dallas Fed President Kaplan
  Mandatory retirement date: **September 2025**[24]

Each of these openings will be an important opportunity for the Federal Reserve to live up to its diversity goals by ensuring that the presidential selection process is more open and transparent and that the candidates selected are better representatives of the general public.

7) The Board of Governors has a shocking lack of diversity.

The Federal Reserve's system is overseen by the Washington DC-based Board of Governors. Nominated by the US president for 14 year terms, each governor is tasked with overseeing the operations of the 12 Reserve Banks along with the Fed Chair.[25] Unfortunately, the Fed's most powerful decision making body is also its least diverse. The six member Board of Governors, which includes Fed Chair Jerome Powell, is currently:





Recommendations

The need to reform governance and senior leadership appointment processes has been explored by other close observers of the Federal Reserve. Peter Conti-Brown, a professor at the Wharton School of the University of Pennsylvania, said on the Fed's appointment process in his 2019 working paper on "Restoring the Promise of Federal Reserve Governance:"

> "The changes that the Fed should pursue…need not be substantial legislative changes…Rather than fundamentally change the legislative framework, the Board of Governors…can offer much more clarity about the presidential [and directors] appointment process, adding regulatory specificity to statutory ambiguity."[26]
> [Emphasis added]

In their in-depth 2021 Brookings Institute report focusing on the problem of diversity and governance at the Fed, authors Peter Conti-Brown and Kaleb Nygaard made three recommendations "in order of ease of implementation:"

1. "The Fed's Board of Governors should make public the processes used to select Class C directors, including opening up that process for application and the publication of statistics regarding various aspects of such applications.
2. The Federal Reserve Banks should, together, implement "best practices" for the selection of Class A and B directors such that the member banks that elect those directors can be guided by better processes.
3. Congress should consider discarding as archaic the classified boards entirely and permit a more accountable mechanism for Fed governance that puts governance more squarely in the hands of political actors who can explain, defend, and answer for the successes and failures of those mechanisms."[27]

Andrew Levin, professor of Economics at Dartmouth College and former Federal Reserve board senior advisor, has made similar recommendations. Levin argues that the Fed must ensure that presidents and directors are better representatives of the public and that meaningful progress towards this goal can be achieved by making immediate changes to the presidential appointment process.[28]

Building on these important recommendations, the Fed Up Campaign believes that our elected representatives must take action, and that the Federal Reserve must take concrete steps to ensure that the presidents appointed to the 12 Reserve Banks are more demographically diverse and aligned with the economic interests of working people. Because the Reserve Bank boards of directors appoint the presidents, this can be achieved by ensuring that the boards of directors are significantly more racially diverse, and by ending the outsized representation and influence of the banking and business sectors on those boards.

The Fed Up Campaign recommends the following set of actions:

Congress should:

- Amend the Federal Reserve Act to eliminate the power of the member-bank representing Class A directors to appoint the public-representing Class B directors.
- Support legislative efforts such as Representative Ro Khanna's Coretta Scott King Full Employment Federal Reserve Act of 2018.[29]
- Support legislative efforts such as Representative Joyce Beatty's Ensuring Diverse Leadership Act of 2019.[30]
- Consider new legislation to require the Federal Reserve to take the steps to increase transparency and accountability outlined below.

President Biden should:

- Commit to nominating candidates for vacant Federal Reserve Board of Governor seats who increase the racial and gender diversity of that powerful body and who are aligned with the economic interests of working people.

The Federal Reserve should:

- Take immediate steps that are within the scope of its current authority to increase transparency and accountability in the selection process for both regional bank presidents and board members. These steps include:
  - Implementing a nomination process that solicits and accepts a greater level of public input;
  - Publishing the selection criteria and timeline;
  - Holding public forums at which members of the public can meet with the search committee;
  - Publishing the names of all candidates under consideration; and
  - Creating opportunities for members of the public to submit questions to the candidates, either electronically or at a public forum.

Conclusion

This report underscores the importance of having boards of directors and regional Fed bank presidents who are diverse along lines of race, gender, sector, and experience. Diversity in leadership at the Fed will not only ensure that the Fed fully meets its mandate to represent the public, but it will enable Federal Reserve policymakers to make decisions and develop policies that are truly responsive to working families across the Fed's 12 regional districts. While there has been incremental progress at individual regional Reserve Banks and among Class C directors appointed by the Board of Governors, overall, the Fed is falling short of the *Federal Reserve Act*'s mandate to represent the public. This is especially true among Class A and B directors. To ensure that its monetary policymaking is maximally inclusive, and truly takes into consideration economic conditions for all regions and demographics, the Federal Reserve, Congress, and President Biden must enact the concrete recommendations laid out in this report.

Methodology

This gender and race diversity data featured in this report comes from the Federal Reserve Board of Governor's voluntary disclosures on the gender, racial, and ethnic diversity of Class A, B, and C directors dated February 22, 2021.[31] The report also draws on publicly available information to determine sector backgrounds of each Federal Reserve board of director and president. For sectoral breakdowns, any director who is at a commercial or consumer bank or financial institution is captured in the banking total; any director who works at a for-profit entity that is not part of the financial or banking sector is captured in the business total; any director at a 501(c)3 designated organization is captured in the non-profit total; any director working at a university, college, or think tank associated with a university or college, is captured in the academia total; and any director working at a labor union is captured in the labor total.

To differentiate between directors who work at big vs. small businesses, we used the U.S. Small Business Administration's "Table of Small Business Size Standards Matched to North American Industry Classification System Codes."[32] These size standards determine thresholds for the largest that a business be, while still qualifying as a small business in federal government programs. This is generally based on either the average annual revenues or the average number of employees at a firm. For each of the Fed directors working at businesses, we identified the NAICS code (using SIC Code Lookup[33]) for their specific businesses and then compared it with the set Small Business Administration threshold for that type of small business, in order to classify whether they were big or small businesses. For the analysis of Fortune 500 CEOs we counted any company that currently appears on the Fortune 500 list as of April 8, 2021.[34]

The Federal Reserve Board of Governors and the 12 Federal Reserve Banks are welcome to provide the Fed Up Campaign with additional disclosures in the event these data require any updates or additions.

Endnotes

1 See methodology note for additional details. There are currently 3 vacancies within the Federal Reserve system so the report reflects diversity data for the 105 announced directors as of April 2021.

2 Peter Conti-Brown and Kaleb Nygaard, "Diversity within the Federal Reserve System," Brookings Institute, April 13, 2021, https://www.brookings.edu/research/diversity-within-the-federal-reserve-system/; Maggie Corser and Benjamin Dulchin, "The Federal Reserve is a Public Institution But is it Build to Represent the Public?" 2020 Analysis of Diversity and Public Representation, Center for Popular Democracy, July 2020, https://www.populardemocracy.org/sites/default/files/FedUp-Diversity-Data-Brief_7-20_Web.pdf.

3 "Roles and Responsibilities of Federal Reserve Directors," Board of Governors of the Federal Reserve System, 2013, https://www.federalreserve.gov/aboutthefed/directors/pdf/roles_responsibilities_FINALweb013013.pdf, 22.

4 "The Federal Reserve Act," Board of Governors of the Federal Reserve System, accessed April, 26, 2021, https://www.federalreserve.gov/aboutthefed/fract.htm#:~:text=The%20Federal%20Reserve%20Act%20of,stable%20monetary%20and%20financial%20syste.

5 "Chair Powell's Remarks on Racial Equality," Federal Reserve Bank of St. Louis, June, 12, 2020, https://www.stlouisfed.org/news-releases/2020/06/12/chair-powells-remarks-on-racial-equality; "Jerome Powell: I'm a big supporter of diversity," CNBC, November 28, 2017, https://www.cnbc.com/video/2017/11/28/jerome-powell-im-a-big-supporter-of-diversity.html.

6 "Federal Reserve Bank Boards of Directors: Reserve Bank Class C Directors: Gender and Racial/Ethnic Diversity" Board of Governors of the Federal Reserve System, Last update February 22, 2021, accessed April, 26, 2021, https://www.federalreserve.gov/aboutthefed/directors/federal-reserve-bank-boards-of-directors.htm.

7 This refers to the concept of "racial capitalism," which recognizes that capitalism has developed through and continues to be profoundly shaped by racist ideology and policy, and white supremacy. Throughout the nation's history, the government systematically aided white families in employment, home and land ownership–key avenues for wealth creation and asset-building–while systematically excluding Black families from owning homes and reaching full employment. For more information see: "Investing In Equity & Repairing Historic Wealth Stripping: Federal Policy Platform," 2019, Center for Popular Democracy, https://populardemocracy.org/sites/default/files/Investing%20in%20Equity_Wealth%20Stripping_Policy%20Brief%20DRAFT%20v2_FIN.pdf.

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