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DATA BRIEF

THE FEDERAL RESERVE IS A PUBLIC INSTITUTION BUT IS IT BUILT TO REPRESENT THE PUBLIC?

THE NATIONAL CAMPAIGN FOR A STRONG ECONOMY
FED UP

2020 Analysis of Diversity & Public Representation

THE CENTER FOR POPULAR DEMOCRACY

ACKNOWLEDGMENTS

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Fed Up, a campaign for full employment, rising wages, and a more accountable Federal Reserve, is a coalition of community organizations and labor unions across the country, calling on the Federal Reserve to reform its governance and adopt policies that build a strong economy for the American public.

www.populardemocracy.org/campaign/fed-national-campaign-strong-economy

The Center for Popular Democracy (CPD) (CPD) 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.

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The Federal Reserve Is a Public Institution but Is it Built to Represent the Public?

2020 Analysis of Diversity and Public Representation

2020 Data Brief

Executive summary

The Center for Popular Democracy's Fed Up campaign conducts an annual analysis of the gender, racial, and occupational diversity of the Federal Reserve system's leadership. This report is designed to gauge progress on the Federal Reserve's public commitments to diversity, evaluate the degree to which members of the Board of Directors of each local Reserve bank appear to represent the public, and highlight areas for improvement in the coming year.

This 2020 analysis reveals an urgent need to diversify the leadership of the nation's most powerful monetary policymakers. While some Federal Reserve regional banks have made modest progress in gender and racial diversity, board members from the business and banking sectors continue to dominate leadership positions. In 2020, among the 108 current Fed board directors: 77% come from the banking or business sectors, 71% are white, and 59% are male. This lack of diversity also extends to Federal Reserve Bank Presidents, who are overwhelmingly (83%) white and most commonly come from with the Federal Reserve's existing leadership or the finance sector.

One area of progress is among one category of director, Class C directors, who are appointed by the Fed's Board of Governors in Washington, DC, to represent the public. In 2020, among Class C directors, 44% come from non-profits, academic, or labor; 50% are Black, Latino, or Asian; and 50% are women.

In stark contrast, Class B directors, who are supposed to represent the public but are elected by bankers, fail on diversity: 75% come from the banking or business sector, 72% are white, and 53% are male. In other words, Class B directors are nearly **34%** more likely to come from banking/finance, and **50%** more likely to be white. This raises serious questions about the outsized power of the banking sector to appoint Fed leaders and why they are not selecting directors who adequately represent the public.

Without leadership—both at the Board and Executive level—that clearly represent the public and not the banking sector, legitimate concerns about whether the Federal Reserve is fully representing the interests of the American people will persist. In 2020, 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 appoint new directors who improve the gender and racial diversity of the board of directors at the twelve Federal Reserve Banks; end the outsized representation and influence of the banking and business sectors among the twelve Reserve Bank boards of directors; and improve the occupational diversity of the boards by promoting directors with non-profit, academic, and labor backgrounds.

Introduction

The Federal Reserve Act requires leadership at the Federal Reserve to "represent the public" and be drawn from the interests of "agriculture, commerce, industry, services, labor, and consumers."[1] The diversity of Fed leadership is a key issue because there is a structural tension in the identity of the Fed that is apparent in its founding statute; it is an essential public policymaking institution that is required by law to "represent the public," but, at the same time it is a bank made up of shareholder private banks from that district. This tension—does the leadership at the Fed assume the viewpoint of the banking community or of the general public when it makes policy decisions?—is the reason that the Fed boards of directors were designed with banks in the minority. Giving banks additional, unintended power on the boards is, therefore, a significant problem. Unfortunately, the Fed has consistently failed to ensure that leadership across the Federal Reserve system fully reflects the rich diversity of our economy and local communities. Since 2016, the Center for Popular Democracy's Fed Up campaign has published comprehensive data on diversity among the Federal Reserve's leadership. These diversity data have shown a persistent lack of gender, racial, and sectoral diversity among the presidents and boards of directors at the twelve Federal Reserve Regional Banks.

Each of the 12 Federal Reserve Banks have a nine-member board of directors which have three classes of directors:

- **Class A** directors are elected by member banks in the Federal Reserve District to represent those banks.
- **Class B** directors are elected by member banks in the Federal Reserve District **to represent the public**.
- **Class C** directors are appointed by the Fed's Board of Governors in Washington, DC, **to represent the public**.

In the face of mounting calls from Congress and advocates to appoint a leadership that reflects the American people—and orients towards the interests of that broad public—the Federal Reserve has recently signaled an increased focus on improving diversity. For instance, at Fed Chair Jerome Powell's confirmation hearing in late 2017, he pledged: "We make better decisions when we have diverse voices around the table, and that's something we're very committed to at the Federal Reserve."[2] Despite these public commitments, the Fed Up annual diversity reports have revealed slow and uneven progress in diversity across the twelve regional reserve banks.

In a February 2019 House Financial Services Committee Hearing, Representative Maxine Waters cited Fed Up's 2019 diversity findings[3] before asking Fed Chair Jerome Powell how the Federal Reserve was building a pipeline for more diverse candidates.[4] Rep. Joyce Beatty echoed this question and asked Powell to address the troubling lack of progress outlined in the diversity data. Powell responded: "I've been involved in the selection of Reserve Bank directors now, really since I joined the board in 2012. I think that we've made very substantial progress there and I'm proud of the progress we've made. I think if you look at the numbers over the last five, six, seven years, the diversity among B and C directors is actually higher than the numbers that you read from that report."[5]

In response, Fed Up's 2020 diversity report drills down to look at diversity among Class A, B, and C directors[6] in order to track themes and to better understand areas of progress and continued challenges, seen over the last seven years. The report features key findings in diversity among the incoming group of 2020 Fed boards of directors, and variations in diversity levels across each of the twelve banks and among the Class A, B, and C directors. The report ends with a discussion of recommendations for the Federal Reserve Chair, Board of Governors, and leadership at the twelve Reserve Banks designed to improve gender, racial, and sectoral diversity across the Federal Reserve system.

The issue of demographic and economic interest group diversity in the Fed boards of directors is important 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 twelve local Reserve Banks are selected by the boards of directors of their local reserve bank.[7] Five of these regional bank presidents serve at any one time on the powerful Federal Open Market Committee which makes key decisions on interest rates that affect unemployment and wage growth trends across the country. The system was designed this way to ensure that the power of the Federal Reserve system was not 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.

The Fed played a crucial role in responding to the 2008 financial crash, and the challenges of the current political and economic moment underscores the importance of selecting Fed presidents and board of directors members with diverse backgrounds, independent from the financial sector. With future economic conditions always challenging and uncertain, it is critical to have Federal Reserve policymakers who will understand and interpret their policy choices through the eyes of the general public, and prioritize the needs of working families.

Key Finding #1: New data reveals that in 2020, the Fed continues to fail on its mandate to adequately represent the public

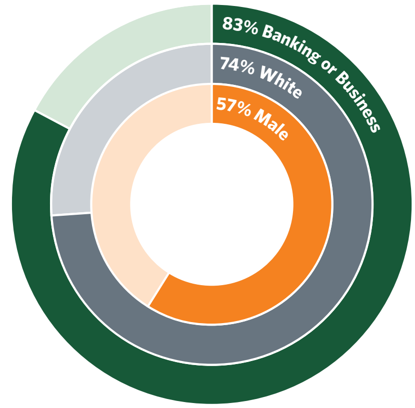
The Fed missed a critical opportunity to improve its diversity with the appointment of 23 new directors in 2020. Overall these incoming directors are:

- 83% Banking or Business
- 74% White
- 57% Male

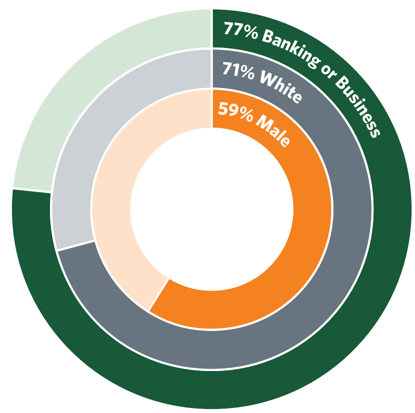
This lack of sectoral and racial diversity is echoed more broadly throughout the Federal Reserve System. Overall, the 108 directors of the 12 regional Fed bank boards are:

- 77% Banking or Business
- 71% White
- 59% Male

23 Incoming Fed Directors in 2020



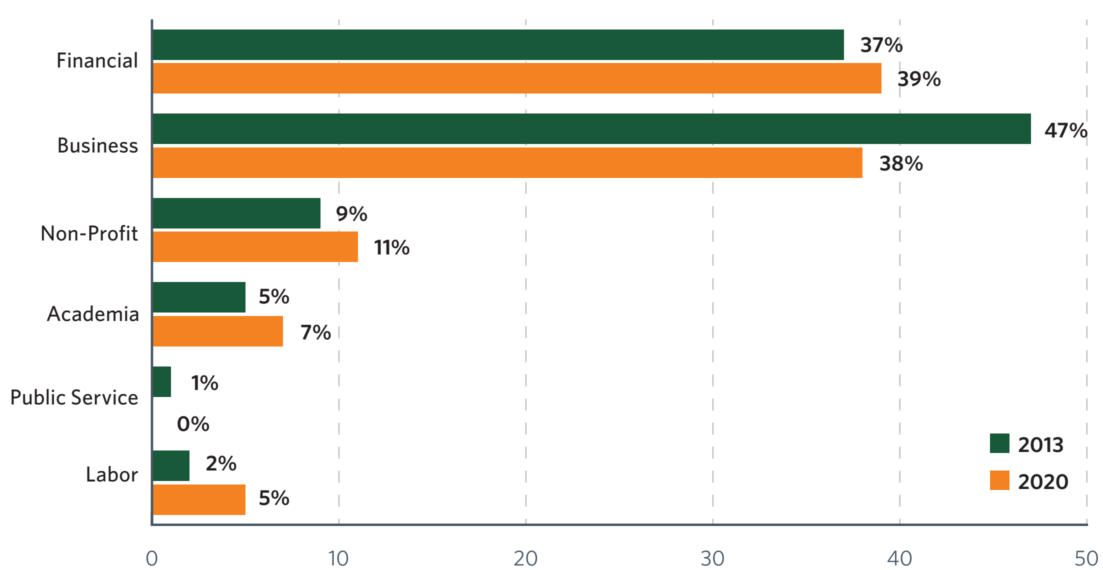
Total 108 Fed Directors



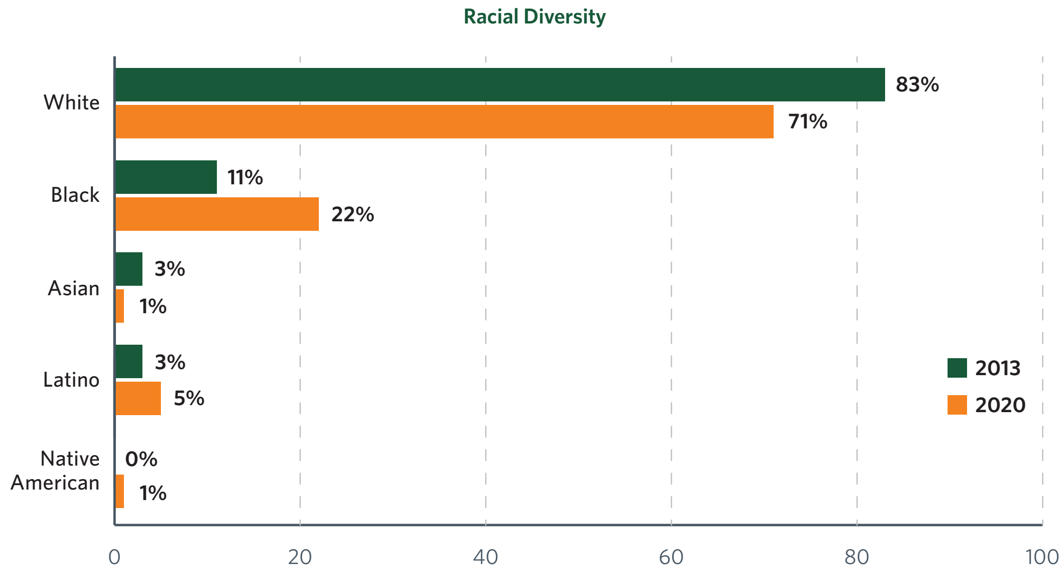
Progress in diversity over the last seven years has been slow and incremental. Comparing 2013[8] to 2020:

Sectoral Diversity: The number of directors from non-profit, academic, public service, and labor backgrounds only increased 6 percentage points in the last seven years.

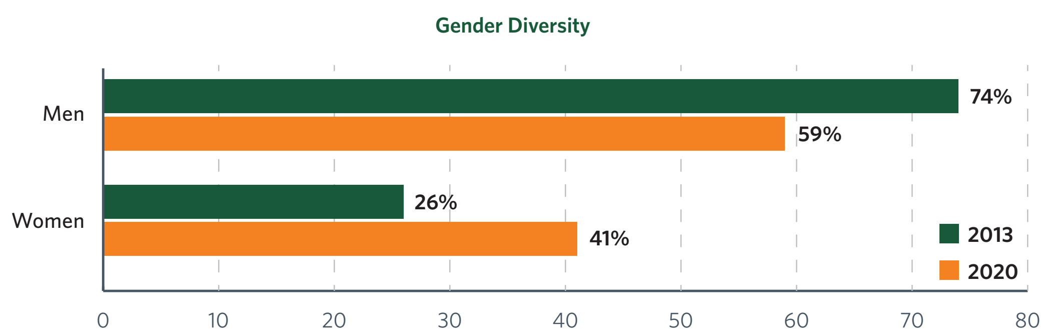
Sectoral Diversity



Racial Diversity: The number of people of color in Fed Director positions only increased 12 percentage points in the last seven years.



Gender Diversity: The number of women in Fed Director positions only increased by 15 percentage points in the last seven years.



While the Fed has made some progress on gender diversity, there are still very few women of color represented in these totals.

- Among the 44 Fed Directors who are women, only 25% are women of color.
- **In fact, across the Fed system, women of color only make up 10% of all 108 directors.**

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 twelve Regional Reserve Banks have directors whose terms are set to expire. In 2020, among the 17 directors whose terms were renewed, 82% come from the banking or business sectors, 65% are white, and 65% are male.

Key Finding #2: There is wide variation in diversity across the Fed's 12 regional Reserve Banks

While some Fed regional banks like Chicago have improved in gender, racial, and sectoral diversity, other banks, like San Francisco, have failed to take proactive steps to improve board diversity. This year, the banking and business sector continued to have an outsize representation and influence in Fed leadership positions across the 12 Fed reserve banks.

Least Diverse Regional Fed Reserve Bank: San Francisco

- San Francisco is currently the least diverse bank along lines of gender, racial, and sectoral diversity. In 2020 the bank's Board of Directors are 89% banking and business, 78% white, and 78% male. The San Francisco Fed's diversity numbers have largely remained unchanged since 2017, with the exception of the addition of one Class C director from a labor union in 2019.
- While San Francisco is the least diverse regional bank overall, St. Louis currently has the least sectoral diversity of any bank: 100% of St. Louis' directors come from the banking or business sector (56% banking and 44% business).

Most Diverse Regional Fed Reserve Bank: Chicago

- Chicago is currently the most diverse Regional Fed Reserve bank with directors who are 67% banking/business, 67% white, and 56% male. While these numbers are not fully reflective of the Chicago Fed district's population or economy, there are still encouraging diversity trends with 33% of directors coming from non-profits and academia, and 33% Black and 44% female.

Most Improvement in Diversity since 2013: Cleveland

- In 2013 the Cleveland Fed's board was 89% banking or business, 89% white, and 89% male. In 2020, the Cleveland Fed's board saw modest improvement in racial and gender diversity. The board is now 89% banking/business, 67% white, and 56% male. While there is still a long way to go on sectoral diversity, this does indicate some positive movement.

Most Business and Finance-Dominated Boards

- Across the Federal Reserve system, while most banks have added directors who are women or people of color, the regional banks have made the least improvements in sectoral diversity. Directors with ties to banks, the financial sector, and businesses continue to dominate. In fact, five regional banks have no, or almost no, sectoral diversity in 2020:
  - St. Louis (100% banking/business)
  - San Francisco (89% banking/business)
  - Cleveland* (89% banking/business)
  - Atlanta (89% banking/business)
  - Dallas (89% banking/business).

*The Cleveland Federal Reserve designates one of their Class C Directors who works for the African American Chamber of Commerce of Western Pennsylvania (a registered 501(c)(6) organization) as a non-profit Board representative. Fed Up's diversity analysis only reflects people working at 501(c)(3)'s in the report's non-profit totals and does not include 501(c)(6) organizations, including chambers of commerce, trade associations, or business leagues.

Diversity Across the 12 Federal Reserve Regional Banks

When looking at the diversity within each Federal Reserve Regional Bank's board of directors, it is clear some Reserve banks have farther to go than others. Progress is uneven, and many banks that are improving in one area of diversity are not improving in others.

2020

Boston

- 67% Banking/Business
- 78% White
- 56% Male

New York

- 67% Banking/Business
- 56% White
- 67% Male

Philadelphia

- 55% Banking/Business
- 78% White
- 56% Male

Cleveland

- 89% Banking/Business
- 67% White
- 56% Male

Richmond

- 67% Banking/Business
- 67% White
- 67% Male

Atlanta

- 89% Banking/Business
- 78% White
- 56% Male

Chicago

- 67% Banking/Business
- 67% White
- 56% Male

St. Louis

- 100% Banking/Business
- 78% White
- 33% Male

Minneapolis

- 78% Banking/Business
- 79% White
- 44% Male

Kansas City

- 67% Banking/Business
- 78% White
- 78% Male[9]

Dallas

- 89% Banking/Business
- 56% White
- 67% Male

San Francisco

- 89% Banking/Business
- 78% White
- 78% Male

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

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

- **Class A** directors are elected by member banks in the Federal Reserve District to represent those banks.
- **Class B** directors are elected by member banks in the Federal Reserve District **to represent the public**.
- **Class C** directors are appointed by the Fed's Board of Governors in Washington, DC, **to represent the public**.[10]

Key Finding #3: 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/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 that Class A directors must be bankers."[11] 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.

Key Finding #4: Class B Directors fail on diversity because they are appointed by bankers, even though they are required to represent the public

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, Chairman 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."[12]

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 then 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 2020, the 36 Class B directors who were appointed by bankers across the twelve regional banks are:

- 75% Banking/Business
- 72% White
- 53% Male

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.

Since 2013, Class B diversity numbers have not improved on race or sectoral diversity. In 2013, the 36 Class B directors were: 77% Business/Banking, 69% White, and 78% Male. When comparing changes in diversity among Class B directors between 2013 and 2020, the only meaningful improvement was in gender diversity with a 25% increase in women directors in the last seven years. Unfortunately, racial diversity is moving in the wrong direction. In 2013, 31% of Class B directors were Black or Latino; however, in 2020, the number of directors of color actually decreased to 28%.

Key Finding #5: Class C directors, who are appointed by the Board of Governors, have seen meaningful improvements in diversity in the last seven years

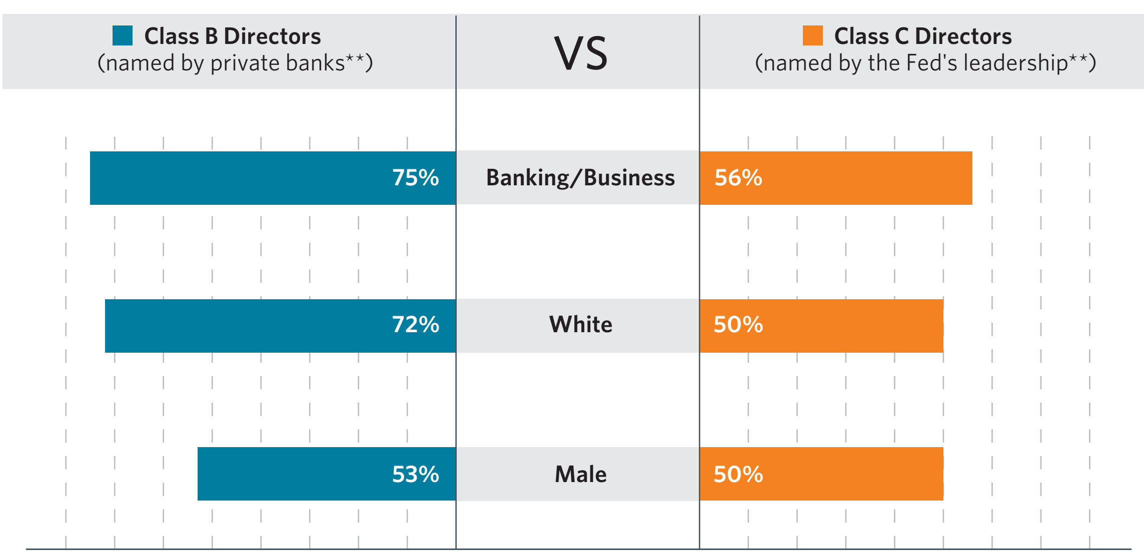
At the start of former Fed Chair Janet Yellen's tenure, the Class C directors were not diverse. In 2013, 77% of Class C directors came from banking and business, 88% were white, and 59% were male.

In 2020, the Class C directors appointed by the Fed's Board of Governors are now:

- 44% non-profits, academia, or labor
- 50% Black, Latino, or Asian
- 50% Women

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. In 2020, Class B directors are nearly 34% more likely to come from banking/finance, and 50% more likely to be white.

2020 Diversity Stats



**Both Classes of Directors are required to represent the public

Key Finding #6: The Presidents of the twelve Federal Reserve Banks are overwhelmingly white and/or male

In 2020, the twelve Fed Bank Presidents are:

- 83% White
- 75% Male

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. 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 will come up for reappointment in 2021. While most can be expected to be reappointed in that year, some will reach their mandatory retirement date within a few years after 2021, including:

- **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.[14]

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.

Recommendations

The Federal Reserve Chair, Board of Governors, and leadership at the twelve Reserve Banks must address its continued diversity problems by taking proactive steps to:

- Appoint new directors who improve the gender and racial diversity of the board of directors at the twelve Federal Reserve Banks.
- End the outsized representation and influence of the banking and business sectors among the twelve Reserve Bank boards of directors.
- Improve the occupational diversity of the boards by promoting directors with non-profit, academic, and labor backgrounds.

In our 2016 report, "**Making the Federal Reserve Fully Public: Why and How**," Fed Up recommended significant structural changes to make the Federal Reserve a fully public institution.[15] These recommendations include decoupling the Fed from its current structure of legal ownership by its local member bank shareholders and eliminating the class of bank-held seats on the board. In light of the fact that the Federal Reserve has made only minimal progress towards their diversity goals, we believe that these recommendations continue to apply. Many of Fed Up's recommendations require legislative action, such as those included in Representative Ro Khanna's *Coretta Scott King Full Employment Federal Reserve Act of 2018*,[16] as well as *The Ensuring Diverse Leadership Act*, a "Rooney Rule" for the Fed that require that at least one gender diverse candidate and one racially or ethnically diverse candidate are interviewed when there is a vacancy among the Federal Reserve Bank presidents. This bill was introduced by Representative Joyce Beatty and passed by the House in 2019, and will be reintroduced this year. Fed Up continues to support these legislative changes. But while they are important long-term goals, they should not be the only focus of people seeking immediate action for a more representative and publicly accountable Federal Reserve.

As Peter Conti-Brown, an assistant 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*."[17] (Emphasis ours.)

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, including:

- A nomination process that solicits and accepts public input;
- Publication of the selection criteria and timeline;
- Public forums at which members of the public can meet with the search committee;
- Publication of the names of all candidates under consideration; and
- Opportunities for members of the public to submit questions to the candidates, either electronically or at a public forum.[18]

We agree that there are immediate procedural changes that the Fed can make without any new legislative authority to significantly improve the outcomes of the appointment process. The Fed should focus these changes on the presidential selection process, as well as on the process for selecting Class B directors, the weakness of which is an important conclusion of this report.

Necessary changes include a more transparent and publicly accessible process, including a requirement that the search committee for any Fed president should participate in a moderated public forum with community groups and other stakeholders from across the district. A transparent and publicly accessible process provides opportunities for members of the public to submit questions and can help ensure that a Fed President is appointed who reflects the district's gender and racial diversity, who has demonstrated independence from the financial sector, who will pursue the full employment component of the Federal Reserve's dual mandate, and who will support the proper regulation and supervision of the financial firms in its district.

This report's key findings show the greatest lag in diversity is among Class B directors. Given that they are appointed by the Class A directors from the banking sector but are supposed to represent the general public, the Class B directors represent a key structural weakness of the board of directors. Therefore, these procedural changes should also focus on the Class B directors.

Specifically, the Fed should immediately implement a more transparent and publicly inclusive presidential and Class B director selection process by releasing a public timeline, a list of criteria, and a list of candidates and also creating structured opportunities for genuine public input. Absent legislative change, the Class B directors will still be elected by the member banks, but a process that is more open and transparent to the public would ensure that the banks pay greater attention to the fact the the Class B directors are supposed to represent the public and not the interests of the banking and financial sector.

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. This diversity will not only ensure that the Fed fully meets its mandate to represent the public but enable Fed policymakers to make decisions and develop policies that are responsive to communities across the Fed's twelve 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 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 must seriously consider the concrete recommendations laid out in this report.

Methodology: This report draws on publicly available information, including press releases, voluntary Fed diversity disclosures, and biographical information, to determine sector and demographic backgrounds of each incoming Federal Reserve board of director and President. For sectoral breakdowns, any director who is at a commercial or consumer bank, financial institution, or for-profit entity is captured in the "banking/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. The Federal Reserve Board of Governors and the twelve Federal Reserve Banks are welcome to provide the Fed Up Campaign with full diversity disclosures in the event these data require any updates or additions.

Correction: This report initially indicated that in 2013, 100% of the Cleveland Fed Board of Directors came from banking or business. This report has been updated to reflect that in 2013 one Class B Director worked at a housing development corporation that was a registered 501(c)(3). The report initially indicated that in 2020, the Minneapolis Fed Board was 89% white but has been updated to reflect one Class B Director who identifies as Native American. Thank you to the Cleveland and Minneapolis Federal Reserve Banks for bringing these updates to our attention.

Notes

1 "The Federal Reserve Act," Board of Governors of the Federal Reserve System, accessed February 19, 2020, https://www.federalreserve.gov/aboutthefed/fract.htm.

2 "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.

3 Maggie Corser, *The Urgent Need For A More Publicly Representative Fed: 2019 Diversity Analysis of Federal Reserve Bank Directors* (Center for Popular Democracy, February 2019), https://populardemocracy.org/2019feddiversity.

4 "Rep. Waters on Fed Diversity," US House Financial Services Committee Hearing, February 27, 2019, https://www.c-span.org/video/?c4782576/user-clip-rep-waters-fed-diversity.

5 C-SPAN, "Rep. Joyce Beatty Questions Powell on Diversity," *C-SPAN*, February 27, 2019,https://www.c-span.org/video/?c4852026/user-clip-rep-joyce-beatty-questions-powell-diversity.

6 Note: Class A directors are elected by member banks in the Federal Reserve District to represent those banks.Class B directors are elected by member banks in the Federal Reserve District to represent the public. Class C directors are appointed by the Fed's Board of Governors in Washington, DC, to represent the public.

7 "The Structure and Functions of the Federal Reserve System," FederalReserveEducation.org, accessed February 17, 2020, https://www.federalreserveeducation.org/about-the-fed/structure-and-functions.

8 Janet Yellen was appointed Fed Chair in October 2013.

9 Note that the Kansas City Federal Reserve classifies Class B and Class C directors by the "Nature of Business," which includes retail trade, manufacturing, and agriculture. Based on the analysis presented in this report, those directors fall under the "business" designation (see methodology note at the end of the report). The Kansas City Fed's 2020 Board Diversity classifications are available here: https://www.kansascityfed.org/~/media/files/publicat/aboutus/director-data-trends.pdf?la=en.

10 *Roles and Responsibilities of Federal Reserve Directors* (Board of Governors of the US Federal Reserve System, 2013), 22, https://www.federalreserve.gov/aboutthefed/directors/pdf/roles_responsibilities_FINALweb013013.pdf.

11 *Roles and Responsibilities of Federal Reserve Directors*," (Board of Governors of the US Federal Reserve System, 2013),, 23, https://www.federalreserve.gov/aboutthefed/directors/pdf/roles_responsibilities_FINALweb013013.pdf.

12 "Rep. Joyce Beatty Questions Powell on Diversity," *C-SPAN*,February 27, 2019,https://www.c-span.org/video/?c4852026/user-clip-rep-joyce-beatty-questions-powell-diversity.

13 Aaron Klein, "The Fed's striking lack of diversity and why it matters," Brookings Institute, August 1, 2016, https://www.brookings.edu/opinions/the-feds-striking-lack-of-diversity-and-why-it-matters/.

14 Kadija Yilla and David Wessel, "Who has to leave the Federal Reserve next?," Brookings Institute, September 9, 2019, https://www.brookings.edu/opinions/who-has-to-leave-the-federal-reserve-next/.

15 Jordan Haedtler, Andrew Levin, and Valerie Wilson, *Making the Federal Reserve Fully Public: Why and How* (Fed Up, Center for Popular Democracy, and Economic Policy Institute, August 2016), https://populardemocracy.org/sites/default/files/A-Public-Fed-Why-and-How.pdf.

16 US Congress, "H.R.7095 - Coretta Scott King Full Employment Federal Reserve Act of 2018," 115th Congress (2017-2018), https://www.congress.gov/bill/115th-congress/house-bill/7095?s=1&r=19.

17 Peter Conti-Brown, *Restoring the Promise of Federal Reserve Governance*, Mercatus Working Paper (Mercatus Center at George Mason University, January 2020), 49, https://www.mercatus.org/system/files/conti-brown-fed-governance-mercatus-working-paper-v1.pdf.

18 Andrew Levin, "Strengthening the Federal Reserve's Effectiveness, Transparency, and Accountability," Testimony before the Subcommittee on Monetary Policy and Trade Committee on Financial Services, U.S. House of Representatives, November 7, 2017, https://financialservices.house.gov/uploadedfiles/11.07.2017_andrew_levin_testimony.pdf.

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