

Press Releases

Waters and 42 Democrats Call for Diverse Candidates in Search for Next President of Federal Reserve Bank of San Francisco

Washington, DC, June 8, 2018

In a [letter](#) to Jerome Powell, Chairman of the Board of Governors of the Federal Reserve System, and Alex Mehran, Chair of the Federal Reserve Bank of San Francisco's Search Committee, **Congresswoman Maxine Waters (D-CA)**, Ranking Member of the House Committee on Financial Services and 42 Democratic Members of Congress called for a transparent and inclusive search process to identify candidates to replace Federal Reserve Bank of San Francisco President John Williams. The letter was signed by Members of the Committee on Financial Services and Members representing districts within the purview of the Federal Reserve Bank of San Francisco.

In the letter, the lawmakers applauded the Federal Reserve's public commitment to inclusivity and highlighted the importance of recruiting a broad pool of applicants who reflect the diversity of the Twelfth Federal Reserve District and our nation.

“Given that the Twelfth Federal Reserve District has 67.4 million people representing 21 percent of the U.S. population, it is especially important that the search is focused on recruiting a broad pool of applicants who are racially, ethnically, occupationally, and gender diverse,” **the lawmakers wrote**. “As we have emphasized to other Reserve Banks, a lack of participation from individuals from a broad range of personal and professional backgrounds increases the problem of “group-think” and threatens to undermine the quality of monetary and prudential policy decisions.”

Ranking Member Waters has been a leading advocate for increased diversity within the Federal Reserve System.

In February, she and her Democratic colleagues sent a [letter](#) to Chairman Jerome Powell and Co-Chairs of the Federal Reserve Bank of New York's Search Committee, calling for their commitment to a transparent and inclusive search process to identify candidates to replace Federal Reserve Bank of New York President William C. Dudley.

Waters and Congressional Democrats have also [previously written](#) to former Chair Janet Yellen as well as the Federal Reserve Banks of [Richmond](#) and [Atlanta](#) calling for search processes that ensure racial, ethnic, gender and occupationally diverse candidates are considered to serve as presidents of the regional Federal Reserve Banks.

The full text of the [letter](#) is below.

June 8, 2018

The Honorable Jerome H. Powell, Chairman
Board of Governors

Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mr. Alex Mehran, Chair
Search Committee
The Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, CA 94105

Dear Chairman Powell and Chair Mehran,

We write to thank you for your public commitment to conduct a “broad and inclusive search process” to replace Federal Reserve Bank of San Francisco President John Williams, who will soon be serving as the new President of the Federal Reserve Bank of New York. We sincerely appreciate your goal of finding “the best and most qualified person to lead the San Francisco Fed from a diverse candidate pool.” As you begin your search, we urge you to prioritize transparency and public input in the selection process.

As you know, one of the most important roles each of the Reserve Bank presidents play is to help inform and shape monetary policy decisions based on the economic conditions of the residents in their districts. Given that the Twelfth Federal Reserve District has 67.4 million people representing 21 percent of the U.S. population, it is especially important that the search is focused on recruiting a broad pool of applicants who are racially, ethnically, occupationally, and gender diverse. As we have emphasized to other Reserve Banks, a lack of participation from individuals from a broad range of personal and professional backgrounds increases the problem of “group-think” and threatens to undermine the quality of monetary and prudential policy decisions.

Although last year the Federal Reserve Bank of Atlanta selected Dr. Raphael Bostic, the first African American to serve as a Reserve Bank president, the last two presidential vacancies at Federal Reserve Banks have been filled by white, male Federal Reserve insiders. The fact remains that leadership positions within the Federal Reserve System are disproportionately occupied by white men with strong ties to either Wall Street or to the agency itself. Given this pattern of selecting individuals from similar backgrounds, we remain concerned that the Federal Reserve Bank of Atlanta’s appointment of a diverse candidate, and the process by which the candidate pool was aggregated, may not be a systematic, replicable practice being implemented at all Reserve Banks. Though we are pleased that the Reserve Banks that we have previously contacted about this matter have publicly affirmed the need for more diversity among the Fed’s ranks, the fact that the entire search and the final choice of a candidate takes place in an opaque manner behind closed doors does not facilitate public trust.

While we are pleased that you have already taken steps to engage the public in the search process by “solicit[ing] input regarding the key attributes that are important in the ideal

presidential candidate from a wide range of stakeholders across the San Francisco Fed's district and beyond" and "provid[ing] periodic updates to internal and external stakeholders on progress it is making against key milestones throughout the search," more must be done. It is critical that the Federal Reserve Bank of San Francisco not only engage the public in the search to replace President Williams by asking for candidate recommendations and consulting a wide range of labor, consumer, civil rights, and community groups throughout the process, but also by providing regular updates on the status of the search as it progresses and an opportunity to weigh in at various stages. Providing statistics on the number of candidates in the entire applicant pool who represent various professional sectors such as finance, academia, labor, civil rights, and non-profit groups, and who represent different races and ethnicities, as well as the proportion of male to female candidates, would be a step in the right direction. Publicly updating these statistics as the search progresses and the pool is narrowed down would also be useful.

We encourage you to solicit input from the other Reserve Banks that have recently conducted presidential searches to understand any challenges that they encountered to ensure that the San Francisco Fed adopts "best practices" in attracting and selecting highly qualified diverse candidates as well as to facilitate possible connections with potential diverse candidates they identified who could be suitable for this position. In doing so, we also encourage you to proactively address, to the maximum extent practicable, any administrative or operational barriers that the other Reserve Banks may have outlined.

We look forward to receiving more detailed information about the San Francisco Fed's selection process, particularly obtaining demographic data on the pool of candidates identified by the search committee at the different stages of the search process. We applaud President Williams' recognition of the value of diversity during his tenure with the bank and understanding that an array of perspectives enhances the Federal Reserve System's independence, credibility with the public, and the ability to fulfill its monetary and supervisory missions. We appreciate that you also share our view on the importance of conducting a broad, inclusive and transparent search, and we hope that you will continue to further the progress made by President Williams.

Thank you for your consideration of this important matter.

Sincerely,

Maxine Waters
Nannette Diaz Barragán
Karen Bass
Joyce Beatty
Earl Blumenauer
Julia Brownley
Michael E. Capuano
Judy Chu
Wm. Lacy Clay
Emanuel Cleaver, II

Jim Costa
David Scott
Suzan DelBene
Keith Ellison
Anna G. Eshoo
Tulsi Gabbard
Vicente Gonzalez
Al Green
Colleen Hanabusa
Denny Heck
Pramila Jayapal
Ro Khanna
Ruben J. Kihuen
Derek Kilmer
Rick Larsen
Barbara Lee
Zoe Lofgren
Alan Lowenthal
Stephen F. Lynch
Carolyn B. Maloney
Doris Matsui
Gwen S. Moore
Grace F. Napolitano
Lucille Roybal-Allard
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Mark Takano
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