

[Banking and Finance Law Daily Wrap Up, TOP STORY—Waters and Beatty criticize Wells Fargo CEO diversity remarks, \(Sept. 25, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By [J. Preston Carter, J.D., LL.M.](#)

The lawmakers called CEO Scharf's remarks about a "limited" talent pool inaccurate and "an excuse for his failure to meet Wells Fargo's workforce diversity goals."

Representative Maxine Waters (D-Calif), Chair of the House Financial Services Committee, and Rep. Joyce Beatty (D-Ohio), Chair of the House Subcommittee on Diversity and Inclusion, have responded to remarks made by Wells Fargo CEO Charles Scharf regarding his recruitment of Black executives. It was reported by the [Washington Post](#) that Scharf blamed the lack of Black employees at the Wells Fargo "on a 'limited' talent pool."

In a [statement](#), Waters said, "Charlie Scharf's comments—spoken to Wells Fargo employees in June and then later memorialized in a memo to them—are sadly familiar to Black people who work in the financial services industry. It's a refrain that many of them have heard even when they are denied jobs for which they are clearly qualified. It's been repeated so often that it has become a trope. The truth, however, is that Scharf's comments are not just an excuse, they are also highly inaccurate. There are qualified people of color in the industry and within Wells Fargo. The problem is that Mr. Scharf does not see them or make a full effort to include such people in his professional circles. To be clear, the financial services industry must do better in terms of diversity and inclusion."

Beatty released a [letter](#) to Scharf in which she "expressed her profound disappointment and disagreement with his remarks regarding the false and misguided perception of a shortage of qualified African Americans as an excuse for his failure to meet Wells Fargo's workforce diversity goals." In her letter, Beatty said, "As the Chairwoman of the Subcommittee on Diversity and Inclusion, I am determined to achieve greater accountability from business leaders on their firm's diversity and inclusion performance. While business leaders cannot change past performance, they must make every effort to ensure a more diverse and inclusive culture is fully integrated into the boardroom, C-suite and every facet of the enterprise in the future. I look forward to speaking with you in the future on this issue."

Beatty's subcommittee released a report last February, which found that: banks' boards of directors are not diverse; banks' senior employees are not diverse; and banks have limited spending and investments with diverse firms. Despite these shortcomings, the Financial Services Committee staff also found that some banks are implementing diversity-focused policies and practices, including: recruiting diverse talent; establishing employee resource groups; and linking diversity and inclusion results to performance (see [Banking and Finance Law Daily](#), Feb. 13, 2020).

Companies: Wells Fargo

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