



OFFICE OF THE CITY TREASURER

MELISSA CONYEARS-ERVIN • TREASURER • CITY OF CHICAGO



Michael W. Frerichs

ILLINOIS STATE TREASURER

Thursday, October 29, 2020

CITY AND STATE TREASURER HOST RACIAL EQUITY DISCUSSION WITH BANK EXECUTIVES

Executives and treasurers continue the June discussion on racial disparities in the banking industry following commitments of more than \$30 billion by three AEBC member banks to bridge the wealth gap

Press Release

Royce Strahan, Office of the City Treasurer, (w) 312-744-3364, (c) 312-375-6963

Paris Ervin, Office of the Illinois State Treasurer, (c) 217-685-2584

Chicago City Treasurer Melissa Conyears-Ervin and Illinois State Treasurer Michael Frerichs hosted a follow-up this week to their June 19 virtual town hall with the Advancing Equity in Banking Commission (AEBC), where bank executives reported their investments in bridging the racial wealth gap and how they can continue to do more.

The Advancing Equity in Banking Commission is a network of prominent banking institutions anchored in Illinois and committed to advancing equity and eliminating systemic racism in the banking industry through equitable hiring and lending and investment in underserved neighborhoods. The public meeting this week gave attendees additional details on how the banks are planning to eliminate systemic racism in their industry.

“I’m proud of the work the AEBC is doing to drive the change we’ve needed to achieve equity in our city to serve as a model for other communities around the country,” Conyears-Ervin said. “We are hoping that more banking institutions will follow in the footsteps of those who are working hard to bridge the wealth gap by investing in Black communities and backing up their commitments with action.”

Since the first meeting, held on Juneteenth, several of the banks that are members of the AEBC have committed to more than \$30 billion to advance racial equity and implement sustainable solutions to systemic racism in the banking industry. The AEBC is continuing to encourage the banks to do more to drive systemic change for communities that have been historically underserved by banking institutions.

“I’m pleased we’ve begun a serious discussion, but there’s still so much more we can do,” said Illinois State Treasurer Michael Frerichs. “I’m proud to be working in partnership with so many chief executives of financial organizations who recognize the importance of diversity, equity, and inclusion. Data doesn’t lie and the data tells us that increased diversity drives profits and it’s good for business. This Commission is just one more avenue to help right some of the wrongs rooted in systemic racism.”

The event was moderated by Horacio Mendez, president and CEO of Woodstock Institute, a nonprofit working to develop policy recommendations that address the racial income and wealth gap. Mendez noted that the country has a long and proud history of legislating morality, but has failed in the implementation, finding ways around rules to continue doing things the way they've always been done.

"The reality is that most financial institutions just haven't tried as hard to serve these markets as they have the much more crowded high net worth that they're all scrambling over," Mendez said during the meeting. "Channeling just a fraction of that energy would do wonders to some of our more challenged neighborhoods."

The meeting also included executives from banks, including David Casper, CEO of BMO Harris Bank; Daniel Sprehe, managing director of JPMorgan Chase; and Scott Swanson, Illinois president of PNC Bank. These banks have all made commitments to bridging the wealth gap through long-term investments and hiring practices.

"At BMO we celebrate diversity, and all of its aspects – we see it as our strength," Casper said regarding [BMO's five-year diversity goals](#) to address equity gaps in the company's workforce, its customers, and communities it serves. "But more needs to be done. It is very clear that there is no middle ground on issues of racial injustice and inclusion. If we are not a meaningful part of that change, then we are part of the problem, and we are working to ensure that we are a meaningful part of that change."

JPMorgan Chase recently committed to a \$30 billion investment over the next five years to provide economic opportunity to underserved communities, specifically Black and Latinx communities. This includes [\\$600 million committed to Chicago](#) as a part of the Chicago Rising commitment to put 3,000 Black and Latinx families into homes.

"I would welcome anybody to go to our [Path Forward website](#) on our company's homepage and that's the way I think we'll show progress on the \$30 billion commitment," Sprehe said. "From the local level up to the CEO's office, we'll be monitoring this along the five-year period, trying to determine the impact and adjusting along the way."

Along with BMO Harris Bank and JPMorgan Chase, PNC has also invested in ending systemic racism by [committing more than \\$1 billion](#) to low- and moderate-income communities.

"At the core of our company is our unwavering commitment to support the communities that we serve, particularly where we can drive meaningful and sustainable change to those who need it most," Swanson said.

Chicago City Treasurer Conyears-Ervin and State Treasurer Frerichs will continue to meet with AEBC member banks and push for engagement with additional banks to make similar commitments to driving systemic change. The [event can be viewed here](#).