

# United States Senate

WASHINGTON, DC 20510

September 22, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Dear President Biden,

We write today to echo the call of our colleagues in the House of Representatives in support of creating a White House Initiative on Inclusive Economic Growth. The proposal for such an Initiative was first made by a coalition of more than 50 impact-oriented organizations in April. We believe the creation of this Initiative would complement your efforts to address the intersecting crises of the COVID-19 pandemic, systemic racial injustice, and climate change. The Initiative would serve as a nexus for efforts to reshape capital markets to advance the interest of working Americans and promote community investing to bring opportunity to historically marginalized communities.

Over the course of the past eighteen months, we have seen how the economic costs of the COVID-19 pandemic have been disproportionately borne by communities of color and low-income workers. According to the National Bureau of Economic Research, approximately 440,000 Black-owned businesses were shuttered in just the first few months of the pandemic.<sup>1</sup> Despite well-intentioned efforts in Congress to deliver relief through the Paycheck Protection Program and other relief measures, many businesses, especially sole proprietorships and others without long-established banking relationships were tragically left behind. Likewise during the pandemic, low-wage workers have been disproportionately laid off in hard-hit sectors such as hospitality and retail, while those fortunate enough to keep their jobs were often at increased risk of contracting COVID-19 due to the necessity of completing their work in-person.<sup>2</sup>

While we support passing much of your Build Back Better Agenda through a budget reconciliation package, we believe it is also essential that the Administration prioritize executive action to reform capitalism in such a way that short-term profits and shareholder primacy no longer take center stage. A White House Initiative on Inclusive Economic Growth could play a central coordinating role between policy councils, executive agencies, and independent agencies in promoting equitable economic policy. The Initiative could also serve to convene private sector and civil society organizations that increasingly recognize the critical nature of a transition towards stakeholder capitalism.

As outlined by the coalition of impact-oriented organizations that put forward the proposed Initiative, its primary focus would be corporate disclosure and governance reform and community investing. By changing the incentives for corporations and investors, we can lessen

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<sup>1</sup> <https://www.nber.org/reporter/2020number4/covid-19-small-business-owners-and-racial-inequality>

<sup>2</sup> <https://www.kff.org/coronavirus-covid-19/issue-brief/double-jeopardy-low-wage-workers-at-risk-for-health-and-financial-implications-of-covid-19/>

the disregard too often shown towards workers, environmental harms, or racial and gender inequity. And by renewing focus on community investing, we can work to mitigate the historic harms of disinvestment in Black, brown, tribal, and rural communities. Congress took an important first step towards this end by approving \$12 billion towards Community Development Financial Institutions (CDFIs) and Minority-Depository Institutions (MDIs) last December. We must build on this progress to enable the generational wealth building and quality jobs needed in underserved communities.

In developing a comprehensive approach towards these necessary and long overdue structural reforms to capital markets, numerous agencies will need to be aligned in their efforts, demonstrating the need for a coordinating body such as a White House Initiative staffed at the National Economic Council.

As members of the Senate, we will continue to put forward legislation to promote broad-based economic growth. The proposed White House Initiative would complement our legislative efforts to hold corporations accountable and ensure that the long-term resilience and well-being of our economy, workers, and planet will take priority over short-term financial pressures. We thank you for your consideration.

Sincerely,



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Mark R. Warner  
United States Senator



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Chris Van Hollen  
United States Senator



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Dianne Feinstein  
United States Senator