



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

September 19, 2023

Dear Members of the Treasury Advisory Committee on Racial Equity:

Welcome back to the Treasury Department for the fourth meeting of the Treasury Advisory Committee on Racial Equity. The work of this Committee not only furthers our commitment to racial equity: It is also essential to building a strong economy. Investing in people and places that have been left behind opens up new avenues for economic growth, benefiting all of us. Since I am unable to attend today, I would like to take the opportunity to underscore some of Treasury's recent work and to thank you for your significant efforts over the past nine months.

In June, I spoke at the Essence Festival; Deputy Secretary Wally Adeyemo addressed the board of the Black Economic Alliance; and we hosted the Department's first-ever Latino Economic Summit. At each event, we took the opportunity to highlight investments in Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs); results of the Department's COVID relief efforts; and improvements at the Internal Revenue Service that will ensure all families receive the tax credits and deductions for which they are eligible. The Department also released two fact sheets on how our policies and programs advance economic opportunity for all Americans, including [Black](#) and [Latino](#) neighborhoods and businesses, as well as a first-of-its-kind [report](#) discussing how labor unions reduce racial wage gaps.

Our commitment to racial equity also informs our ongoing work on one of the Department's and Administration's greatest priorities: implementing the Inflation Reduction Act (IRA). Last month, we released proposed regulations for the prevailing wage and apprenticeship provisions of the IRA, which will help support good-paying jobs across the country. We also announced final rules for the Low-Income Communities Bonus Credit Program, also known as 48(e). This program provides a significant incentive on top of the existing 30% Investment Tax Credit to drive the deployment of renewable energy technology to benefit low-income households and communities. While there is clearly more work to do, early indicators show that more than 65% of IRA-related investments have been in counties with above-average child poverty, and more than 80% have been in counties with lower-than-average college graduation rates.

We have also continued efforts to spur private sector investments that align with federal programs. The Economic Opportunity Coalition—a group of private sector companies and foundations—recently met its goal of securing [\\$1 billion in committed deposits](#) into CDFIs and MDIs, which will enhance the impact of federal investments.

Turning to this Committee's work, in previous meetings I have asked you to provide sound advice on how we advance our North Star of fostering an economy that unlocks everyone's economic potential. That is exactly what you have done. I have reviewed the [recommendations](#) made to date, which included conducting distributional analyses of the Greenbook; prioritizing changes to IRS regulations to facilitate additional sharing of IRS data with the Census; addressing the issue of racial disparities in audits; increasing independent research into racial disparities in tax administration; and equalizing reporting on tax non-compliance between refundable credits and underpayment of taxes.

I asked the Office of Tax Policy, Internal Revenue Service, and Office of General Counsel to work across the broader Treasury team to review and address these recommendations. Today you will hear updates on the progress of this assessment and initial steps on implementation from key Treasury leaders. I look forward to receiving a read-out of your conversations and engaging in further discussions about how to advance our shared racial equity goals.

Thank you again for your great work.

Sincerely,

A handwritten signature in black ink that reads "Janet L. Yellen". The signature is written in a cursive style with a large, flowing "J" and "Y".

Janet L. Yellen
Secretary of the Treasury