

**DEPARTMENT OF THE TREASURY  
OFFICE OF DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY (ODEIA)  
TREASURY ADVISORY COMMITTEE ON RACIAL EQUITY (TACRE)**

**MINUTES – March 9, 2023**

The Treasury Advisory Committee on Racial Equity (TACRE) convened at 2:00 PM on 9 March 2023 in the Cash Room, Department of the Treasury, with Felicia Wong, Vice Chair, presiding.

**Committee Members Present**

FELICIA WONG, President and Chief Executive Officer, The Roosevelt Institute, Vice Chair  
NICOLE ANAND, Deputy Director, Inclusive Action for the City  
JANIE BARRERA, President and Chief Executive Officer, LiftFund, Inc.  
NICOLE BORROMEO, Executive Vice President and General Counsel, Alaska Federation of Natives  
DOROTHY BROWN, Martin D. Ginsburg Chair in Taxation, Georgetown University  
WILLIAM BYNUM, Chief Executive Officer and Founder, Hope Enterprise Corporation (via video teleconference)  
DAVID CLUNIE, Principal-Head of Community Relations, Edward Jones  
GARY CUNNINGHAM, President and Chief Executive Officer, Prosperity Now  
NICOLE ELAM, President and Chief Executive Officer, National Bankers Association  
JOHN FRIEDMAN, PDBF Distinguished Professor of Economics, Brown University  
BULBUL GUPTA, President and Chief Executive Officer, Pacific Community Ventures  
DARRICK HAMILTON, Henry Cohen Professor of Economics and Urban Policy, The New School  
GINA NISBETH, President, 9th and Clinton Advisory  
JOSE QUINONEZ, Chief Executive Officer, Mission Asset Fund  
CARLOS RANGEL, Vice President and Chief Investment Officer, W.K. Kellogg Foundation  
VALERIE RED-HORSE MOHL, President and Co-Founder, Known Holdings  
AMANDA RENTERIA, Chief Executive Officer, Code for America  
JOHN ROGERS, Chairman and Co-Chief Executive Officer, Ariel Investments (via video teleconference)  
CHILING TONG, President and Chief Executive Officer, National Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship  
BARIKA X. WILLIAMS, Executive Director, Association for Neighborhood Housing & Development

**Department of Treasury Staff Present**

JANIS BOWDLER, Counselor for Racial Equity  
SNIDER PAGE, Designated Federal Official (DFO)

At 2:01 p.m., Vice Chair Wong called the meeting to order, conducted roll call, and thanked the members of the Treasury Advisory Committee on Racial Equity (TACRE). In her introductory remarks, Vice Chair Wong highlighted the mission of TACRE to advise the offices of the

Secretary and Deputy Secretary on measures to advance racial equity in the Department of the Treasury. Across its four subcommittees, TACRE is focused on providing advice concerning implementing the Inflation Reduction Act (IRA), internal culture and employment best practices at the agency, and Internal Revenue Service (IRS) modernization.

### Ms. Bowdler's Remarks

Ms. Bowdler thanked the committee members for their hard work and emphasized the need to address structural economic inequality, especially for marginalized communities, using new available tools. By leveraging TACRE's subcommittees, she hoped that members would develop action-oriented recommendations in the areas of:

1. Financial Health Inclusion and Access to Capital,
2. Internal Staffing and Culture,
3. Research and Data Equity, and
4. IRA Implementation.

Vice Chair Wong asked each subcommittee chair to present on recommended priorities for full Committee consideration, in the order of Research and Data Equity, IRA Implementation, Financial Health (Inclusion) and Access to Capital, and Internal Staffing and Culture. Each subcommittee was allotted 10-15 minutes to present, with the opportunity to answer clarifying questions.

### Research and Data Equity subcommittee

Member Brown recommended that Treasury prioritize analyzing IRS data by race and ethnicity to expand the set of tax information available for analysis. Currently, the most comprehensive and available data on race and ethnicity come from the decennial census files. She indicated that "to expand the set of tax information available for analysis, the [C]ensus has requested additional variable from IRS." Member Brown noted that the subcommittee believes that providing such data is technically feasible and would enable the greatest expansion of data available to assess the distributional impacts of taxes and other policies. She stated that to fulfill the Census request, considerable administrative steps, including revising IRS regulations, are required. Member Brown recommended for the subcommittee that Treasury prioritize this process and complete it by the Spring/Summer of 2024.

Member Brown emphasized that this recommendation is a complement to, and not a substitute for, analysis of racial disparities using imputed racial and ethnic information.

Member Friedman recommended that Treasury add estimates of the distributional impacts of proposals to the General Explanations of the Administration's FY2024 Revenue Proposals (Green Book), which is a document produced by the Treasury Department that details tax-related proposals in the President's Budget. Specifically, he stated that the subcommittee recommends adding estimates of the impact of each proposal by race and ethnicity to make salient the extent to which individual provisions of the budget lessen or exacerbate racial gaps. It would also be valuable to publish estimates of the impacts of each proposal across the income distribution. He

indicated that the subcommittee member believes that adding these types of distributional estimates to the Green Book would allow Treasury and the administration to take a leadership role in emphasizing distributional concerns in policymaking.

Vice Chair Wong asked if anyone had clarifying questions about two proposed priority areas by Members Brown and Friedman. As there were no questions, the meeting moved on to Amanda Renteria, chair of the Inflation Reduction Act Implementation Subcommittee.

### IRA Implementation subcommittee

Member Renteria discussed the five key topics the subcommittee would work on over the next six months.

The first topic was metrics and accountability. Member Renteria asserted that the subcommittee members discussed the importance of identifying metrics and ensuring accountability at the outset of the IRA implementation. She stated the subcommittee identified three specific areas to focus on: population uptake, infrastructure and how organizations are being tracked in this area, and (tax) audit disparities. The subcommittee plans to work with others to specify these metrics further.

The second topic was ensuring the quality-of-service delivery. She noted the subcommittee members identified three areas to focus on: simplification, navigation, and customer satisfaction. They discussed the importance of making the process for applying for services and benefits simple and easy to navigate, particularly for communities that have historically been left out of programs. They also emphasized the need to understand how people feel during the process, including whether they were treated with dignity and respect.

The third topic was monitoring incentives for effectiveness. Member Renteria expressed that the subcommittee members discussed the need to target specific incentives to particular communities and to monitor their effectiveness. They plan to work on identifying these incentives and ensuring they reach the communities they are intended to help.

The fourth topic was protecting people from predatory activities. Member Renteria disclosed that the subcommittee members recognized that Black, Brown, Native American, and Asian American and Native Hawaiian/Pacific Islander (AANHPI) communities are often and disproportionately targeted by predatory actors and discussed the importance of protecting these communities. While they didn't identify specific actions, they emphasized the need to consider this issue at the outset.

The final topic was outreach. Member Renteria communicated that the subcommittee members discussed the importance of messaging and resources for communities. They identified two areas to focus on: the overall messaging of the different programs within the IRA Implementation, and how to resource outreach efforts in a way that lifts communities who are closest to the people the programs are intended to help.

Overall, Member Renteria affirmed that the subcommittee recognized the importance of these topics and plans to work on them over the next six months. She emphasized the subcommittee need to work with others to identify specific actions and metrics to ensure the success of the IRA implementation.

Vice Chair Wong asked if anyone had questions about the priority areas proposed by Member Renteria. As there were no questions, the meeting moved on to the Financial Health Inclusion and Access to Capital Subcommittee.

#### Financial Health Inclusion and Access to Capital subcommittee

Member Red-Horse Mohl discussed the subcommittee's focus on increasing financial access and capital flow to Black, Indigenous, and People of Color (BIPOC) fund managers and vendors. The subcommittee members highlighted the fact that despite 40% of the U.S. population identifying as people of color, less than 2% of assets in the country and globally are managed by people of color. To address this issue, the subcommittee members suggested incentivizing large endowments in universities and corporations that have received tax benefits to encourage capital flow to BIPOC entities. A discussion was held exploring the idea of creating standardized questions in solicitations and procurement that would reward companies with extra points or benefits if they can demonstrate their commitment to investing in BIPOC fund managers and vendors.

Member Gupta prepared recommendations focused on two areas, the first being deepen the impact guidelines across Treasury capital access programs that strengthen BIPOC-led community institutions, such as CDFIs (community development financial institutions), MDIs (minority depository institutions), and other institutions historically undercapitalized to effectively reach historically marginalized communities. Additionally, they suggested implementing incentives for investors, including tax credits and direct grants to increase investments in startups in underserved areas.

The second area of focus for Member Gupta's recommendations for the subcommittee was "to advance demographic and race disaggregated data collection analysis and reporting across financial inclusion and capital access programs at Treasury . . . to help improve access to and leverage of private sector partnerships and capital markets" to reach the most intended communities and small business owners in low-income and communities of color.

Vice Chair Wong asked a clarifying question to Member Gupta regarding the subcommittee recommendation on investing in and modernizing access to capital for BIPOC communities. Member Gupta confirmed that Vice Chair Wong's summary captured all three elements of the recommendation. Member Gupta explained that the intention was to improve access to capital for communities that are not well-reached by CDFIs and MDIs, including immigrants, undocumented, and justice-impacted individuals. She also emphasized the importance of investing in and capitalizing on organizations that reach impact metrics in communities designed to be impacted through Treasury programs.

Member Renteria and Member Rangel both shared their thoughts on the importance of leveraging data to analyze loans in the context of climate change and risk-taking. Member Gupta suggested that Treasury's programs, including the CDFI Fund, should require CDFIs to report on data collection analysis, and that Treasury should build a data team to analyze and report on its data.

#### Internal Staffing and Culture subcommittee

Member Cunningham outlined three high-level priorities that the subcommittee is focusing on.

The first priority is to foster an inclusive culture and environment within Treasury. This involves reviewing the tools currently being used to promote inclusivity, determining if they are effective, and providing training and education to all members of the Department to help create a culture of belonging and inclusion.

The second priority is to improve the hiring practices for disadvantaged groups and groups that have been historically left out at all levels of the Treasury. Member Cunningham stated this includes analyzing all employment transactions, not just hiring, and making recommendations to address any disparities that are found. He asserted that the subcommittee will also be studying the staff development pipeline and pathways to increase the representation of underrepresented groups in the senior executive service.

The third priority is to increase the participation of underrepresented groups in business and procurement practices with the Treasury. Member Cunningham expressed that this would involve looking at the best-value approach, which considers more than just the lowest bid, and reviewing outreach practices to increase the utilization of disadvantaged businesses. He confirmed that the subcommittee also wants to disaggregate purchasing by industry to gain a clearer picture of opportunities for underrepresented groups.

Member Cunningham explained that the subcommittee believes that the Treasury Department should put mechanisms in place to help industries with low levels of representation for people of color diversify. The subcommittee will be reviewing subcontracting opportunities to ensure that goals for underrepresented groups are being met and that the system is working effectively.

Finally, Member Cunningham stated that the subcommittee is concerned about the level of investment being made in the systems and people necessary to carry out these goals. He indicated that the subcommittee will be looking at benchmarking data from Treasury's Office of Minority and Women Inclusion (OMWI) to determine how much Treasury is investing compared to other offices in the federal government. The subcommittee believes that if Treasury under-invests, the Department will not achieve the necessary outputs to meet the subcommittee's recommended goals.

Member Red-Horse Mohl commented on the intersection of the Financial Health Inclusion and Access to Capital subcommittee's work with the internal programs that Member Cunningham was exploring as part of the Internal Staffing and Culture subcommittee. Member Red-Horse Mohl asked if Member Cunningham's subcommittee finds any successful models and language

used to recruit people of color to be shared with them. Member Red-Horse Mohl expressed interest in learning more about the internal programs.

Member Cunningham acknowledged the overlap between the Internal Staffing and Culture subcommittee's work and Member Red-Horse Mohl's subcommittee's work and suggested that they put their heads together to discuss what that means. Member Cunningham explained that the Internal Staffing and Culture subcommittee had not talked about setting specific goals but rather looked at disparate impact in relationship to what would be expected. He stated that the subcommittee aimed to examine what is available in the marketplace and compare it to the expected level, because levels that are "statistically impossible" or outside the expected level, would require an explanation from Treasury.

### Roundtable Discussion

After the subcommittee presentations, Vice Chair Wong listed out thirteen priority area recommendations for collective consideration. She also identified themes she heard across all of the priority area. She asked the members to think about the overlap and joint areas of research together.

The thirteen recommendations discussed are as follows:

1. Making sure that the IRS can fulfill the census request for data sharing to complement the imputation methods already being used by the IRS and IRS researchers.
2. Utilizing distributional analyses in the Green Book across the range of all of the tax law that it documents.
3. Metrics and accountability as the Inflation Reduction Act is shaped, including population uptake, growth of infrastructure, and an audit request to audit disparate uptake.
4. Service delivery within the Inflation Reduction Act to make sure that service delivery is simple, people can find benefits, and they report a level of satisfaction with their interaction with government and their access of those benefits.
5. Incentives for people and communities to report to ensure there are effective outcomes, for both people and communities.
6. Protection from predatory actors who may try to misappropriate the IRA program money. The IRA has money designed to incentivize new, clean business, in and owned by communities that are traditionally underserved.
7. Conducting outreach about the benefits of the IRA and how outreach can be well-resourced and what the message should be.
8. Mechanisms to increase the diversity of both fund managers and asset managers, as well as supplier diversity.
9. More investment in BIPOC-owned assets, modernizing the vehicles that reach BIPOC communities, and overall making sure that they measure those appropriately.
10. Proper reporting for the reach of capital access programs, disaggregated data collection and reporting of people who are actually accessing capital and receiving capital.
11. Creating an inclusive culture at Treasury, improving Treasury's ability to hire from diverse groups of people and markets of people that have been historically excluded.

12. Making sure that once people are hired, there are actual resources to support internal change.
13. Improving Treasury's ability to hire from groups of people and markets of people that have been historically excluded.

The themes that Vice Chair Wong identified across all of these recommendations were data and measurement, people and places, and Treasury's ability to act and catalyze actions of other actors in the economy.

Member Hamilton expressed his concerns around data. He asserted that a framework should be added to ensure that once data is collected, safeguards are in place to avoid its exploitation and extraction.

Member Gupta suggested that the Data and Equity Subcommittee should lead this conversation for the Committee, and Vice Chair Wong asked whether artificial intelligence (AI) should be its own recommendation or incorporated into existing ones.

Vice Chair Wong also expressed concern about ensuring equitable distribution of resources and cited examples where low-income communities did not benefit from development projects.

Member Brown reported on the longer-term goals of the Data and Equity Subcommittee, which included examining the Treasury's top programs from an equity perspective.

Member Williams suggested that a more nuanced and nuclear understanding of “place” was necessary, and recommended that the council use a micro-level geographic lens to understand the impact of place.

Member Rangel suggested that it's important to focus on technical assistance, and that cultural competence is critical for the success of technical assistance programs.

Vice Chair Wong agreed and suggested that outreach and marketing are important as well. She notes that communication can be complicated and suggests that technical assistance and outreach are related but separable.

Member Rangel added that this is an opportunity for learning and suggested that the members could be good ambassadors for the technical assistance programs.

Member Bynum added on to Member Rangel's point by noting that the ability of certain communities to put together applications and strategies to take advantage of resources may be weaker than others. He suggested that the advisory services and technical assistants are critical in economically underserved and diverse places like the Black Belt.

Member Renteria suggested that cultural competency in messaging is important when thinking about simplification and outreach. She gave an example of how the tone and approach of connecting with people matters.

Member Elam noted that the private sector and philanthropic sector can play a role in data collection and technical assistance and suggested that Treasury could help catalyze this role. She encouraged the other subcommittees to think about this as well.

### Public Comments

Vice Chair Wong proceeded to review the public comments that the committee has received. Member Gupta indicated that the Financial Health Inclusion and Capital Access Subcommittee will take the public comment from CSH under consideration.

Before adjourning, Vice Chair Wong shared that the next TACRE meeting would be scheduled for June 8th. Mr. Page reminded the Committee of the importance of timely submitting their travel records for processing. Ms. Bowdler remarked on some of the items that might be covered in the June meeting, such as the new Executive Order on racial equity and rolling announcements on the State Small Business Credit Initiative (SSBCI) and CDFI Fund.

Vice Chair Wong adjourned the meeting at 4:20 p.m.