

## John C Williams: Diversity and inclusion - we are not where we need to be

Remarks by Mr John C Williams, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the OPEN Finance Forum, New York City, 25 June 2019.

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*As prepared for delivery*

Good morning. I'm an economist, so I'm going to start with some numbers.

The unemployment rate for lesbian, gay, bisexual, and transgender people is nearly double the national average.<sup>1</sup> And the unemployment rate specifically for transgender people is three times the national rate.<sup>2</sup> As President of a Federal Reserve Bank, I am focused on two vital economic goals: maximum employment and stable prices for the U.S. economy. These statistics paint a clear picture of why conferences like this one are so important: We are not where we need to be.

Before I go any further, I need to give the standard Fed disclaimer that the views I express today are mine alone and do not necessarily reflect those of the Federal Open Market Committee or others in the Federal Reserve System.

Let me say, as an ally, that it's a genuine honor to be invited to open today's Forum.

This Pride Month marks 50 years since the Stonewall uprising. We've come a long way since the 1960s, but we still have far to go. It was also a great honor to be able to fly the Pride flag outside the Federal Reserve Bank of New York for the first time this June. But, given that it *is* 50 years since Stonewall, it's clear we have more catching up to do.

And this is where we owe OPEN Finance a great debt of gratitude. OPEN Finance gives us the tools we need to assess how we're doing, and where we need to make progress.

With the support of OPEN Finance, and the dedication of the Open Network at the New York Fed, we've introduced a number of new policies and measures that drive our efforts to make the Bank the open and inclusive employer we aspire to be. I'd personally like to thank David Ignell and Gil Carroll, presidents of our Open Network, for their work moving us forward.

These efforts are important because they send a message to LGBT employees and the organization as a whole about our values and culture.

I'd like to share one specific example. We recently created the option to add gender pronouns to our official e-mail signatures. This is a part of an organization-wide effort to raise awareness around the use of pronouns. On its own, it may seem like a small change, but it sends a loud message that part of respecting one another is using the correct pronouns. This effort has been well received, and a big part of that is because it's created spaces for conversations that just weren't happening before.

But policies can only go so far.

In fact, we can have world-class policies, but if we don't have a culture where people feel comfortable bringing their whole selves to work, rules alone won't get us to where we need to be.

This is true of every element of diversity and inclusion. In a culture where taking extended leave damages your career prospects, a generous parental leave policy won't make up for that. In a culture where people don't feel that their voices are welcome, few will speak up. In a culture that fails to embrace differences, we won't reap the benefits of diversity.

The data are clear. Nearly half of LGBT people are closeted at work, and the top reason LGBT workers don't report negative comments they hear about LGBT employees is they don't believe that anything will be done about it.<sup>3</sup>

This gets to the heart of why the "inclusion" piece of diversity and inclusion is essential, and a personal priority. Obviously, there's a moral imperative for diversity, and numerous studies have shown the benefits to both productivity and the bottom line.<sup>4</sup>

But for me, it's my experiences as both an academic and a policymaker that have made inclusion so important. Economics is a profession that has a glaring diversity issue. As economists, we have not done enough to create a diverse profession or an inclusive culture.

When I'm sitting in a room and see a bunch of people who look and sound the same, I know it's a problem. When everyone has an identical view, it's easy to assume it's because that view is the right one. But for me it raises questions: Who isn't in the room? Who's missing, and why aren't they here?

I'm always on the hunt for different perspectives on how to interpret the data, new takes on old problems, and innovative approaches to tackle the challenges that lie ahead. If I have a bunch of cookie-cutter theories and explanations that look like my own, I know it's highly probable we've not been challenging ourselves enough.

Most CEOs will tell you that their people are their greatest asset. I *know* that to be true. That's another reason why an inclusive culture is something that's so important, and needs to be embedded across an organization. It's not enough for diversity to live in HR documents and policies. We need to create an environment where everyone has the potential to flourish; to bring their best, most innovative, and creative selves to work; and to do the best work of their careers.

So how do we make progress? We need to have honest and open conversations every day. Not just about work performance and ideas, but on everything. We need to make sure that everyone—regardless of their background, their age, the color of their skin, their sexual orientation, or their gender identity—feels their perspectives are heard and valued.

Creating an inclusive culture has no end date. Like so many aspects of culture and values, it's not a project with a deadline, where we can say, "OK, we're done now." Instead, we need to be constantly reassessing our goals, refining what we do, and how we do it.

We need to be vigilant, attuned to change, and open to new ideas. Because it's one thing to create an open culture, but a much harder challenge to keep it that way.

I'm reminded of a quote by Brené Brown, which I believe sums this up: "*To not have the conversation because of discomfort is the definition of privilege...*"

When we step back, when the dialogue—however uncomfortable it may be—stops, or is never initiated in the first place, is when there's a problem. It's the conversations that aren't spoken that erode trust, alienate people, and take us back.

I'd like to conclude where I began. I spend a lot of time examining data, and it's a source of constant disappointment and frustration that LGBT people, women, and people of color continue to have less economic opportunity than their straight, white, male counterparts.

Creating equality of opportunity at the national level is a challenge the United States continues to struggle with. But it's both the right thing to do and the *only* way we'll reach our full economic potential.

Creating a more diverse—and equally important—a more inclusive Federal Reserve is a key

priority. We have come a long way, but there's no doubt we still have far to go. And this is a journey without a final destination. When someone tells me "we're done," is when I know we have the furthest to go. It's also a journey that is so much easier when we do not walk alone. Partners like OPEN Finance are crucial to our progress.

Once again, I'd like to thank you for inviting me to open today's forum. I know it's going to be a productive and insightful day, and one full of the conversations we all need to be having more frequently.

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<sup>1</sup> [LGBT Demographic Data Interactive](#). Los Angeles, CA: The Williams Institute, UCLA School of Law, January 2019.

<sup>2</sup> James, Sandy E., Jody L. Herman, Susan Rankin, Mara Keisling, Lisa Mottet, and Ma'ayan Anafi. [The Report of the 2015 U.S. Transgender Survey](#). Washington, DC: National Center for Transgender Equality, chap. 9, 2016.

<sup>3</sup> Human Rights Campaign Foundation, [A Workplace Divided: Understanding the Climate for LGBTQ Workers Nationwide](#), June 2018.

<sup>4</sup> See for example: Hewlett, Sylvia Ann, and Karen Sumberg, [For LGBT Workers, Being 'Out' Brings Advantages](#), *Harvard Business Review*, July-August, 2011; and Hunt, Vivian, and Lareina Yee, Sara Prince, and Sundiatu Dixon-Fyle, [Delivering Through Diversity](#), McKinsey & Company, January 2018.