

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

August 18, 2016

The Honorable Janet Yellen  
Chair  
Federal Reserve Board of Governors  
20th Street and Constitution Ave. N.W.  
Washington, D.C. 20551

Dear Chair Yellen,

We write, in our capacity as co-Chairs of the Congressional Full Employment Caucus, to express our gratitude for, and urge you to continue, your recent work emphasizing the Federal Reserve's commitment to and focus on inequality and the impact of economic recovery on neglected communities.

Your list of accomplishments does an incredible service to the Federal Reserve at a time when our nation's economic policymaking institutions should be focused on responding forcefully to the crisis of growing inequality. During your post-Federal Open Market Committee (FOMC) press conference last September, you demonstrated needed leadership when you acknowledged that a strengthening labor market has "a disproportionately favorable effect on vulnerable portions of our population." We also greatly appreciated your testimony before Congress in June, when you presented data on what you called "troubling" disparities in unemployment and income between white workers and communities of color. You further noted that "It is important for us to be aware of those differences and to focus on them as we think about monetary policy and the broader work that the Federal Reserve does."

We are concerned, however, that some of your work may be undercut by the failure of all the Federal Reserve entities to follow your lead. In particular, we are concerned by recent reports that workers of color and affiliated advocates may have a more difficult time being heard at your upcoming symposium in Jackson Hole due to an apparent computer glitch that resulted in their hotel reservations being cancelled.<sup>1</sup> Regardless of the reasons for the hotel room cancellations, we believe that the inclusion of a more diverse set of voices in these discussions continues to be an important goal that will further the Federal Reserve's mission. Accordingly, we respectfully request that you facilitate the inclusion of these voices in the near future, whether through a meeting with them at the Jackson Hole symposium, or alternatively, at a separate gathering that could take place in Washington D.C. or another location that is accessible to these workers and organizations.

We also respectfully request that you continue to directly address the impact of your monetary policy decisions on disadvantaged communities, both in your FOMC meetings and in your subsequent press conferences. Recently, Minneapolis Federal Reserve President Neel Kashkari met

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<sup>1</sup> Steve Matthews & Jeanna Smialek, *Fed Up Says It Unjustly Lost Rooms at Jackson Hole Meeting*, BLOOMBERG, Aug. 11, 2016, <http://www.bloomberg.com/news/articles/2016-08-11/fed-up-says-members-unfairly-targeted-at-jackson-hole-conference>

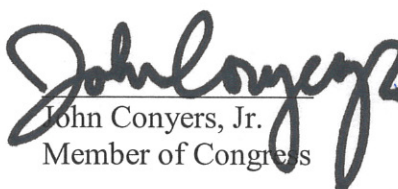
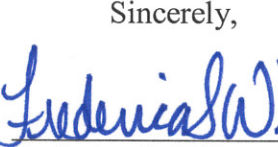
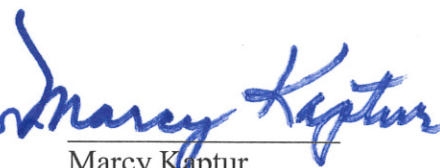
with low-wage workers from the Fed Up coalition, becoming the 12th and final Reserve Bank president to meet with the coalition. In addition to promising to spend a day in the life of these workers, Kashkari reported that unemployment and underemployment statistics were now disaggregated by race regularly during FOMC meetings, and agreed to instruct his staff to conduct research to help explain racial disparities in the economy and identify possible solutions. Examples of these research inquiries include whether a full employment economy facilitates reduced labor market discrimination, as well as the impact of our criminal justice system on economic inequity. As you search for ways to make monetary policy more inclusive and cognizant of disparate impacts, we hope you will consider directing research staff at all 12 Reserve Banks to explore such crucial questions.

Moreover, we hope you will continue to weigh the “disproportionately favorable” impacts of accommodative monetary policy that you noted last September. As economist Valerie Wilson has noted, “The timing of the Fed’s decision to raise interest rates will be a deciding factor in how close the economy gets to full employment and, thus, how fast the wages of American workers will grow. Given the amplified relationship between labor market strength and African American income growth estimated by [economists Dean] Baker and [Jared] Bernstein, the Fed’s decision also has major implications for how complete the recovery will be for African American workers. Evidence on today’s labor market suggests that it would be premature to slow the recovery in the name of staying ahead of any possible inflationary pressure. And the potential consequences of premature tightening are huge — years of foregone income and wage growth for precisely those American families that have disproportionately suffered over the past decade.”<sup>2</sup>

Going forward, FOMC meetings must take these findings into account, and must continue the trends reported by Kashkari, specifically informing FOMC participants about labor market conditions for different groups. We hope the FOMC continues to take the impact on communities of color into account when weighing its decisions, including thorough public reporting on the extent to which communities of color are included in the Fed’s assessment of whether its full employment mandate has been achieved. This is especially vital given the current lack of any people of color on the FOMC, and the longstanding lack of diversity among Federal Reserve governors and Reserve Bank presidents.

Thank you kindly for your attention to this matter and we look forward to your continued leadership as a voice for working people from all walks of life.

Sincerely,

		
John Conyers, Jr. Member of Congress	Frederica S. Wilson Member of Congress	Marcy Kaptur Member of Congress

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<sup>2</sup> Valerie Wilson, *The Impact of Full Employment on African American Employment and Wages*, ECONOMIC POLICY INSTITUTE, March 30, 2015, <http://www.epi.org/publication/the-impact-of-full-employment-on-african-american-employment-and-wages/>