

Speaker 1 ([00:00](#)):

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Nikki Lewis Simon ([00:18](#)):

Welcome to GT Drives Dynamic Dialogues, a Greenberg Traurig diversity and inclusion podcast. I'm your host, Nikki Lewis Simon, shareholder and chief diversity officer at the firm. We are excited to share this content with you, our listeners.

Nikki Lewis Simon ([01:30](#)):

I'm Nikki Lewis Simon, a shareholder based in our Miami office, and I have the privilege of serving as the firm's chief diversity equity and inclusion officer. Today's discussion, how inclusion powers the economy is brought to you by Greenberg Traurig's social justice action academy, which is part of the firm's social, racial, and economic justice plan. The social justice action academy is designed to educate and train GT employees and the communities we serve to facilitate and encourage these kinds of courageous conversations and to drive forward meaningful change around these issues, and now I introduce my friend and colleague Ernest Greer, who will introduce our guest speaker. Ernest.

Ernest Greer ([02:24](#)):

Thank you so much, Nikki. Good morning. Good afternoon. Good evening to everybody. We really appreciate you joining. These issues of social, racial, and economic justice have been major issues in the United States from its inception. I am proud of my partner and our chief diversity officer, Nikki Lewis Simon, and the leadership of this firm for confronting these issues head on and creating this program of courageous conversation in which we have been able to hear from some of our African-American partners about their tolls and struggles. We've been able to hear from Mark Maryelle from the urban league and the plight and the challenges that they have fought since their founding. We've heard from Shaka Patterson just last week on the issues that he's seen facing African Americans in the legal profession and others.

Ernest Greer ([03:17](#)):

And today, I am honored that we will hear from Raphael Bostic, president and chief executive officer of the Federal Reserve Bank of Atlanta. It's a role that Dr. Bostic has had since 2007. You may know that the federal reserve bank of Atlanta serves the sixth federal reserve district and that covers Alabama, Florida, and Georgia, as well as parts of Louisiana, Mississippi, and Tennessee. Dr. Bostic's role in running the federal reserve is to discuss, or to I'm sorry, to organize and drive the day-to-day management of the fed reserve. He has written extensively on the importance of the reserve bank and the federal reserve more generally in bringing about a more inclusive economy. I want to thank Dr. Bostic for helping us continue this legacy of discussion, helping us on our journey, helping us to educate our many clients and friends and Dr. Bostic, I am excited to hear the discussion between you and Nikki Lewis Simon at this lunch hour. So thank you so much for joining us and Nikki, I will turn it back over to you.

Nikki Lewis Simon ([04:33](#)):

Thank you. Thank you, Ernest. And so president Bostic, let's jump into this. Just a phenomenal path, but we want you to share with our attendees today a little bit about your past. So can you please share with

us, president Bostic, a little of your story and the journey that led you to serving as president and CEO of the Federal Reserve Bank of Atlanta?

Raphael Bostic ([04:58](#)):

Well, Nikki, I'm happy to do that, but before I do that, I just want to say thank you to Ernest and I also want to call out Mark Stratton, who's a family friend who reached out to me and said, asked if I would be interested to do this. So I'm really happy to be here and to do this. So in terms of my journey, I have to say I grew up in suburban New Jersey, outside of Philadelphia in a small town and had never really been exposed, wasn't really exposed to a lot of higher education or worldly types of perspectives, but my family had long had this idea that it was really important that you go to college and get an education, and so I was pushed to work hard by my family and really, it gave me an opportunity then to have access to places like Harvard, where I wound up going to undergrad.

Raphael Bostic ([05:48](#)):

Harvard, I started as a chemistry guy, but quickly got out of that. There's a funny story there. Maybe we'll get to that later, but I wound up discovering psychology and economics, two fields that I really just love. I think they both are super interesting and they also give some insights as to how we all get together and interact as people to create the society that we have. From there, I got a job out of college and then went to Stanford to get a PhD in economics. That was a hard experience. I don't know, you might hear some economists talk about how they loved grad school. I wasn't one of them. So for me, grad school was extremely difficult. It was challenging and it really did test my faith in my decision making and made me really think deeply about why I wanted to do this and what was going to drive me and what were the outcomes that I was trying to accomplish.

Raphael Bostic ([06:53](#)):

So it wound up, I got great training there and that has served me to this day. My first job out of grad school, I was a research economist at the fed in Washington. There, I had the really good fortune to work with a team that was my first real experience into the benefits of diversity. So the team was really made up of a collection of people that came from very different backgrounds and had very different ideological perspectives, and yet our manager, a guy named Glen Canner, basically insisted that if your name was on the paper, you had to be okay with everything in the paper and so we all had to step back and say, okay, we're going to let our entire diversity inform our work, and what that did was really, it caused any kind of bias or words that might be construed in particular out of these papers and the documents that we produced.

Raphael Bostic ([08:01](#)):

They were pure, they were clear, they were evidence based and they were just what they were, and so it wound up just a real different kind of reputation in the field. This was on discrimination and mortgage lending and bank branching patterns, all the ways that banks interact with communities and we wound up having a pretty [inaudible 00:08:25] where policies should go and how that should play out and it was really remarkable that in those days, diversity, D&I was not stuff that people were talking about, but it was really a principle that my manager lived by and it's something that I've really kind of internalized through the rest of my career. From there, I went to be a professor at USC, and that was another situation where it was just a leap of faith. I was very happy at the fed, but an opportunity made itself available. I was at a conference.

Raphael Bostic ([08:58](#)):

Someone said, oh, you'd be great in this role, one that I was looking, but I tried and that kind of worked out. The work that I did at USC was really around mortgage lending and Fannie May and Freddie Mack and around economic development and how all those things intersect, and it turned out that those wound up being very good training for the housing crisis that would ensue. So my experience in the research there really positioned me to go and work in the Obama administration as an assistant secretary at HUD, and really work on some of the housing crisis response, but also on things that I didn't really anticipate such as more opportunities for people and not less, and then those are the sorts of things that I was working on. It was a really rich experience and I learned a lot. I've not really thought much about, but leadership matters and creating a clear vision and a clear support for your team and that you understand they have expertise.

Raphael Bostic ([10:14](#)):

And that should be unleashed is really important, and I not look this job either. Well, a search firm reached out to me and said, we think you'd be great. I had never really contemplated being a fed president, but was fortunate enough through the interview process to rise to the top and be selected. The one thing I think is really interesting, and I like talking about this is the last three or four jobs I've had, if you had asked me a year and a half before, I would never, I wouldn't have had that job on my list. So one of the things I've really tried to do is be open to opportunity and really run when the opportunity's presented and try to make the most of it. So it's been a really great journey. It's been a lot of fun actually, and it's really been rooted in things I'm passionate about, which made it easy to do.

Nikki Lewis Simon ([11:09](#)):

I mean, you've had this tremendous journey and you talked about the pivot from chemistry, which I hope that we can maybe get to that story at the end into psychology and economic, and really what I'm hearing is through that pivotal moment, that switch from chemistry into economics and psychology, you became engaged in your passion and then that passion has just led to a tremendous amount of service and where you're serving, where you've been planted and you've bloomed has been incredible, and to have that now then converge not only with the mortgage crisis, but with a social justice crisis. I mean, it's sort of like, well, I too bring faith into the work I do, but it just seems like these things have combined for just such a season as this and so you've written and spoken out about the moral and economic imperative to end racism, which we'll discuss a little bit more later, but can you talk about how you reached that conclusion and then opened up this dialogue?

Raphael Bostic ([12:24](#)):

So it's really interesting and thinking about this type of issue, I don't think I actually reached the conclusion. I think it's something that's always been evident. It has always been the case that who matters in terms of what kind of opportunities you have access to, and is also the case that where you live matters in terms of who you're going to bump into and then learn about things, and what we know is that who you know is not randomly distributed, where you live, people aren't randomly distributed across the population.

Raphael Bostic ([12:56](#)):

And there's a history that drives a lot of that, which means that if you're African American in this country, or if you're Latino or if you're in some Asian backgrounds, you're not going to have the same sorts of access. You're not going to have the same networks that you can tap into. You're not going to

have the same school systems that can give you an opportunity to get a leg up where you might not have those familial backgrounds. So that for me, has always been understood and that's always just been there. The thing I think has changed is really, and this happened last summer, the willingness of people to talk about this out loud and the George Floyd, I think, and his death was a turning point and I think has been crescendo. So since I've been in this role, there have been a shift happen.

Nikki Lewis Simon ([14:01](#)):

We were having trouble hearing you and I think many of us did experience that intersection of two pandemics that Dr. Bostic is going to talk about. It's sort of the slowing down of our daily affairs, the working from home, and then realizing this eight minutes and 49 seconds, 69 seconds of video that came forward and how that peeled back some deep layers, and Dr. Bostic, are you ready to-

Raphael Bostic ([14:32](#)):

Yeah. So those two pandemics, I like how you put it, converge, and it really could created an opportunity to start to have a conversation about what does structural racism mean and how is it affecting us, not only from a moral perspective, but from an economic perspective, and one of the things that I think is really important in this is that when we think about what structural racism does, it constrains access to opportunity, and what that means is that people who have talent and have the abilities and innovative ideas.

Raphael Bostic ([15:07](#)):

If you're constrained, then you don't get a chance to have those fully contribute to our economy, and so our economy winds up being less than it could be otherwise and so we are less than we could be otherwise, and I think collectively, we all have an interest to be collectively as much as we can. The world is more globally competitive than it's ever been before and we can't afford to have our assets not working at a hundred percent, and I think that structural racism is one of the barriers that prevents us from getting our assets to work that way and so we should be taking this on and it's in all of our interests to do so.

Nikki Lewis Simon ([15:49](#)):

Right. And you talked a little bit about that in your oped from last summer and which was pivotal, a moral and economic imperative to end racism, which I mean, I read it again and again from June of 2020 approximately, and every time I read that essay, that opinion, it just jumps off the page and I think what's transient about it is you're saying it's not that progress has not been made. Certainly, the laws have been put in place to level the playing field, but what's poignant about your insight is you say, but there are vestiges of the thought processes and that the ways of thinking that undergirded those systems, that still exists and so how does that cost us and can we talk about the economic impact of inclusion?

Raphael Bostic ([16:48](#)):

So yeah. So one of the things that I say on this, which is so interesting to me is in many regards, I've had to become a historian in talking about this because a lot of things that have happened in the past determine how we are and the station that people are in today. So if you think about, say wealth, for example, for many families in America, wealth has been born out of their ability to own homes, have those homes appreciate, tap into that equity to start small businesses and the like, and then the ball starts rolling. Well, African Americans for extended periods were actively prevented from really

becoming homeowners and then when they were allowed to become homeowners, the neighborhoods they had access to for a long time were constrained to those that are going to appreciate the least, and so when we think about where people are from a wealth perspective today, that history actually plays a critical role.

Raphael Bostic ([17:46](#)):

And so there have been lots of estimates on this. We're doing a seminar series in the federal reserve now called racism in the economy, and yesterday, or I guess two days ago, we did one on housing and one of the researchers who we had a speaker said that the practices in the appraisal industry undervalue African American homes by about 25% and that translates to billions of dollars of wealth that is just not there because of embedded practices and how homes are appraised. There are other works. Some of my colleagues in the federal reserve system in San Francisco, Mary Daley is another president, has done work that suggests that the discriminatory practices have really cost us \$5 billion on an annual basis, actually \$5 trillion over the next five years. So basically, a trillion dollars a year in terms of what could happen if we could reverse these things.

Raphael Bostic ([18:54](#)):

And then Morgan Stanley and others have done estimates that are also in the trillions of dollars of loss that we've had. So these are our real costs that families have had and then because, think about this pandemic. Because there's less wealth in African American communities, small businesses have less savings so that when you get into fragile situations, businesses in African American communities are going to be more precarious. There were reports that came out of our system that suggested that failures of small businesses were much, much higher in African American communities as a result of the pandemic and all of this has in part its root in those old practices, those old practices that constrained what African Americans can do, and so the history matters and how we think about solutions needs to acknowledge that there's a history that needs to be confronted.

Nikki Lewis Simon ([19:47](#)):

Absolutely powerful, and as we sort of use this conversation as the continuation of Black History Month. Black history is everyday history. It's US history. It's the history of our world. It's really, it's stunning. The research that you reference by your federal reserve colleague estimates that based on differences in educational attainment, employment and wages mainly based on race, that our reduced GDP over 30 years is about \$70 trillion. I mean, that's considerable and even in some of the conversations we've been having in the last month or so, we've talked about Black Wall Street in Tulsa, Oklahoma and the whole concept that there was that opportunity. Of course, it got wiped out and the impact that has had, the history. So certainly, that is something that we need to be aware of.

Speaker 1 ([20:50](#)):

Thank you for listening to part one of the discussion. Listen to the next episode for part two.