

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 ([00:35](#)):

Wonderful, wonderful. And so, I want to open up the lines for questions as we share it if you have any questions for President Bostic you can put them in the box that's mark Q&A on the right hand side of your screen. And while we're doing that, in terms of... I'll go with this question and then we'll take any that come in and I'll, check as well. Do you think we, as a country, have reached an inflection point when it comes to economic inclusion? Is this our moment?

Dr. Bostic ([01:13](#)):

I hope so. One of the things that I think is a real challenge here, is getting people to ask collectively to believe that this isn't a zero sum game. Because of how much transition that's happening, with automation and technology and all these sorts of economic structural changes. People are afraid, and there's a genuine fear that the things that they've been able to do to make a living, aren't going to be there next year, or tomorrow, and fear can cause people to retrench and say, "I don't want to embrace change, I just want things to stay exactly how they are". And so, we've got to collectively really figure out how to make a compelling case that, an inclusive economy means the pie actually gets bigger, and it doesn't threaten the things that you have, but instead, really opens up new opportunities for you and for all of us to get more.

Dr. Bostic ([02:23](#)):

And that's something that I don't think has been discussed as much as it could be, but I think it's actually first I think it's true. And then second, I think it's something that we really need to emphasize in our messaging, that the goal here is not to take from you, take from one person and give to another person. The goal here is to create opportunities for all people, so every one is giving, and everyone is productive and everyone is earning, and that will make all of us better off.

Dr. Bostic ([02:53](#)):

We spend a lot of money in our society, because people are precarious. And when they're in precarious positions, they're under stress, and so we have to deal with just the reality housing, and hunger, and all that kind of stuff. But then we also know that when people are under stress, they actually make worse decisions. And it's not because they're dumb, it's because they're under stress. And so if we can reduce this stress, by creating an environment where there's true access to opportunity and the foundation is there for everyone to see how the system can work for them, every we'll get a lot more good decisions, and that stress penalty will disappear, and I think that we will I think that's another avenue through which we will see the pie get bigger. So, it's really an important thing for all of us.

Nikki Lewis Simon ([03:46](#)):

Yeah. Just very powerful, because that fear, I add all stress the will I be able to feed my family. Will I be able to feed myself next year this time? What do I do if I intended to use the money we had saved to send my goddaughter to college, and now that's gone, and her parents were depending on me. Right, and now I hear about this inclusion business, bringing more people to the table, and how I might internalize that is, I'm never going to get ahead, if they're going to go hire the black woman, or they're going to give this opportunity or loan to this minority owned business, is there going to be enough for me? And what I hear you saying is, really that innovation creates more pie. It doesn't contract the pie. And I think that's a powerful message that we need to continue to put forward.

Nikki Lewis Simon ([04:42](#)):

So we do have a few questions and so, it says, "Can you talk more, about bridging the rural urban divide in building and accessing wealth and capital and what the bank can do to further that work?" So, bridging the rural and urban divide and building and accessing wealth and capital and what the bank can do in that space.

Dr. Bostic ([05:07](#)):

So, in terms of building the bridging the urban rural divide, I think it really is about making sure that institutions that serve all areas are provide a wide suite of tools and services. So in for us as the Federalist Reserve we are a banking regulator, one of the areas where we spend a fair amount of time is on community banks, those smaller banks that serve a lot of these rural communities, and they're doing well right now but, one of the things that I hear them concerned about, is that these very large banks are making it necessary for every bank to be huge, and that they are put at a competitive disadvantage. So, we are working with them to try to figure out, what things can we put in place to strengthen those organizations so they can continue to serve, these smaller towns, where there are still small businesses, where there are still operations that need access to capital, and to make sure that that plays out.

Dr. Bostic ([06:11](#)):

We have, in our system governor Mickey Bowman she's really focused on this issue and, I'm pleased to say we have a number of people in our bank that are working on this as well. So, I think that's one way. Another way is really to lift up technologies and innovations that are working in rural places. So, I think about telehealth as one example, we know that there's a crisis of in hospitals and emergency rooms in rural America our rural hospitals are closing faster than in many other types of areas, and so if we want people out there to be healthy, we've got to find another delivery system. Telehealth can provide that. And so, as we see in the federal reserve, successful models of that, we're telling people, we're trying to get, wear it out. They figured out how to do this, maybe your community can do this as well.

Dr. Bostic ([07:02](#)):

I think those are important things to do in terms of the urban and the rural. More generally, I think that the question of access to capital and what represents a real opportunity is something that we really have to visit, and think hard about, because if we do the same old things, we're going to get the same old outcomes. And yet, I really believe that there are real good opportunities out there that are not being recognized nearly as much. So, banking institutions have a role in this, philanthropy has a role this, venture capital has a role in this, there are lots of different institutions that could play a role to try to help these things and, we are trying to engage with all of them to say look, "There are smart people, and innovative people, and places that you have not historically gone to. You might want to give it a chance."

Dr. Bostic ([07:59](#)):

One last thing I'll say on this is that, I'm on a task force here in Georgia, run by the Lieutenant governor called Georgia Innovates. And one of the things, I think they actually renamed it, they call it PII. So I'm terrible with that, with acronyms, I'll say that. But one of the things that we are committed to is really trying find those diamonds in the rough, those innovative ideas and places that have not historically seen venture capital go to, and lift them up. And I think that will be another example of a really successful approach that others can kind of copy, and see capital flow in the same way.

Nikki Lewis Simon ([08:41](#)):

Awesome. Thank you for that president Bostic it, one person then asked, and there was a question about the best strategy for overcoming the issue of access to capital so you did kind of touch on that when you talked about the rule in urban divide, the next question is, can you elaborate on what changes you might like to see in the community investment act, or reinvestment act?

Dr. Bostic ([09:04](#)):

Yeah. So for me I think a couple of things. So one, I really do think as I said earlier, expanding the set of activities or investments that are eligible for CRA credit, I think that's essential. A second thing is really to think hard about how do we allow investments to really germinate over extended periods of time in many instances, an investment it may take two or three years for an investment-

Nikki Lewis Simon ([09:34](#)):

Yeah-

Dr. Bostic ([09:34](#)):

In a small business, or in a community center, or a nonprofit to really work its way through so that organization is running on all cylinders. The thing about how we continue to give credit for those longer term activities. And I also think that, trying to make sure that that is structure so that capital can flow to where there's need, is another thing that's really important because you think, the old CRA was based on where bank branches were.

Dr. Bostic ([10:05](#)):

And so there are a lot of bank branches in New York city and Manhattan? Right. But the need, the deep need might actually be an Upstate New York, or it could be in Appalachian in Tennessee or in Memphis, where there might not be the same amount of branches. The way that the regulation operated before, you were really tied to where the branches were. And if you invested in other places you didn't get the same amount of credit. I think we need to think hard, and I know our folks are thinking about this. But that's another thing. And then the last one is really around, how do we think about large finance institutions now that they have no branches? So, the biggest mortgage lender right now is Quicken. And Quicken doesn't [crosstalk 00:10:45] have.

Nikki Lewis Simon ([10:44](#)):

Not a branch.

Dr. Bostic ([10:45](#)):

For not that many yet-

Nikki Lewis Simon ([10:47](#)):

Fine.

Dr. Bostic ([10:47](#)):

... they're serving people all over the country. And so, we need to think about, what does a commitment to community mean for an organization like that? So that, we can give some guidance on what good engagement might look like in that regard.

Nikki Lewis Simon ([11:02](#)):

Excellent. Thank you and we have a few more questions that we have time for but I'm going to give you one more, and then, I asked maybe Don, or Sandy, if we could try to capture some of these questions, and we could provide them to president Bostic so that he and his can have the benefit of the thinking of our attendees, and some which might help them innovate further around these issues. So let's try to do that if the platform would permit. So Community Development Financial Institutions or CDFIs are held out as the bridging mechanism, in the access to capital channels, for low income communities of color. What is your biggest idea on how CDFIs can improve access to capital for the markets they were created to serve?

Dr. Bostic ([11:50](#)):

I think CDFIs they're very powerful organizations. And their idea behind them is that they do have a community base, and they have board members who are from the communities. And that's really important to make sure that that voice is present. So for me I think the biggest thing for CDFIs is that, if we can find ways to get them more Capital so that they can meet some of the needs more fully in the communities that they're serving I think that's a real valuable opportunity and I think in the last Congress, there was a proposal I think it may have actually passed to invest funds more heavily in CDFIs to give them more lending power and more spending power that allows them to really fill some of the needs that are being expressed in communities across the country.

Nikki Lewis Simon ([12:45](#)):

Excellent. So, Dr. Bostic I want to give you an opportunity to say just a few words, in closing, and then I'll close this out.

Dr. Bostic ([12:53](#)):

Sure. So, first of all I want to say thank you Nikki. It's very easy to talk with you and, I want to thank all of you for being here as well. I did want to give you an opportunity to get connected to the Atlanta Fed. And so we have a weekly newsletter, and if you text, I think we're going to see this. If you can text that FBA to that number, you get subscribed to our weekly digest, and we have connections on Twitter, and Facebook and LinkedIn I do as well, so hopefully you will follow me and engage. We're doing a lot of great stuff we've only touched on some of that here, but I'm hopeful that you will join us on the journey to a more inclusive economy and an economy that works for everyone.

Nikki Lewis Simon ([13:42](#)):

Awesome. Dr. Bostic here I thought I was going to have to do a closing and you just dropped the mic, so thank you so much for joining this courageous conversation, how inclusion powers the economy. Thank

you Dr. Bostic so much for joining us. Thank you, Mark Stratton for connecting us, and thank you for everyone who made this possible. Have a great day. Be safe.

speaker 1 ([14:06](#)):

Thank you for listening. Tune in to future podcast episodes of GT Drives: Dynamic Dialogues, as we continue our courageous conversation series.