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OHIO, 3RD DISTRICT

COMMITTEE ON
FINANCIAL SERVICES
CHAIR, SUBCOMMITTEE ON DIVERSITY AND INCLUSION
SUBCOMMITTEE ON HOUSING, COMMUNITY
DEVELOPMENT AND INSURANCE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

JOINT ECONOMIC COMMITTEE

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September 24, 2020

Charles W. Scharf
Chief Executive Officer and President
Wells Fargo

Dear Mr. Scharf,

I am writing to share my profound disappointment and disagreement with your remarks regarding your misguided and false belief that there is a shortage of qualified Black candidates as a basis for failing to meet Wells Fargo's workforce diversity goals. I know you have apologized, but statements such as these, from leaders in the industry, only evidences why the industry has such a poor reputation and performance with diversity and inclusion. Due to historic and pervasive discrimination in this country, many young Black applicants do not have the luxury of having a father who can put their son's resume on the desk of Jaime Dimon in hopes of getting a foot in the door. Any inability of your institution to identify Black talent, does not speak to reality, but the failure of your leadership and senior leaders of your institution in this space.

According to the findings of the House Financial Services Committee's report on diversity and inclusion performance at the nation's largest banks, poorly conceived and implemented business practices are a significant impediment to the industry's inability to overcome these systemic failures. Studies have found the industry has historically failed to engage and recruit students from Historically Black Colleges and Universities (HBCUs). Further, recruitment efforts in the financial services sector routinely fail to leverage diverse recruiters or require diverse slates of candidates when filling employment vacancies. Finally, overt and unconscious bias impede the ability of senior executives to fully grasp causality and embrace sustainable long-term solutions to build a more diverse and inclusive workforce.

As the Chairwoman of the Subcommittee on Diversity and Inclusion, I am determined to achieve greater accountability from business leaders on their firm's diversity and inclusion performance. While business leaders cannot change past performance, they must make every effort to ensure a more diverse and inclusive culture is fully integrated into the boardroom, C-suite and every facet of the enterprise in the future. I look forward to speaking with you in the very near future on this issue.

Sincerely,

A handwritten signature in blue ink that reads "Joyce Beatty". The signature is written in a cursive, flowing style.

The Honorable Joyce Beatty (OH-3)
Chair, House Financial Services Subcommittee
on Diversity and Inclusion