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**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS  
WASHINGTON, DC 20510-6075

November 28, 2023

Heidi L. Gartland, Chair  
Search Committee  
Federal Reserve Bank of Cleveland  
1455 East 6th Street  
Cleveland, OH 44114

Doris Carson Williams, Member  
Search Committee  
Federal Reserve Bank of Cleveland  
1455 East 6th Street  
Cleveland, OH 44114

Jacqueline Gamblin, Member  
Search Committee  
Federal Reserve Bank of Cleveland  
1455 East 6th Street  
Cleveland, OH 44114

Darrel McNair, Member  
Search Committee  
Federal Reserve Bank of Cleveland  
1455 East 6th Street  
Cleveland, OH 44114

Holly Wiedemann, Member  
Search Committee  
Federal Reserve Bank of Cleveland  
1455 East 6th Street  
Cleveland, OH 44114

Dear Ms. Gartland, Ms. Williams, Ms. Gamblin, Mr. McNair, and Ms. Wiedemann,

We write to you in your capacity as members of the search committee that will select the next Cleveland Federal Reserve Bank President. As you are aware, Federal Reserve leadership holds tremendous influence over policies that impact millions of working Americans. Not only are we writing this letter in our position as members of the Senate Banking, Housing and Urban Affairs Committee, but also as people who call the Fourth District home. It is important that the Cleveland Fed President knows what makes our economy strong—its workers. We need leadership that will advance an economic agenda that prioritizes the financial security of working families in places like Toledo and Pittsburgh.

As your committee seeks the best candidate to become the next Cleveland Fed President, it is essential that Fourth District stakeholders' voices be heard and considered through the presidential selection process. Transparency and widely accessible opportunities for community engagement are vital to ensuring that the Cleveland Fed President reflects the values of the community of which they are a critical leader.

The Cleveland Fed and its President hold major responsibilities. The new President would enter as a voting member of the Federal Market Open Committee, weighing in on monetary policy decisions that will impact our economic recovery moving forward.

The new President would also oversee the supervision of about 270 financial institutions. In light of the recent bank failures at Silicon Valley Bank, First Republic, and Signature Bank, which were the result of gross mismanagement and supervisory failures, the person selected as President must not only have credibility to advance economic policy, they must also demonstrate a commitment to utilizing the bank's supervisory authorities to ensure that financial institutions under their watch operate in a safe and sound manner and provide fair access to credit.

Because Federal Reserve leaders oversee and conduct such important tasks, it has long been recognized that they should reflect the composition of the communities they serve. In 2017, then-Governor Jerome Powell, in testimony before the Senate Banking Committee, put the issue clearly: “[W]e make better decisions when we have diverse voices around the table...both at the Board of Governors and at the Reserve Banks.”<sup>1</sup> In other words, representation impacts policy.

Today the Board of Governors better reflects the racial and gender diversity of this nation. Demonstrative of the Board of Governors' commitment to diversity, between 2013 and 2022, the share of Black and Latino Class C directors, who serve on regional banks' boards and are appointed by the Board of Governors, rose by 28 percent and 23 percent, respectively.<sup>2</sup> A significant milestone came in 2022, when the Boston Fed named Susan M. Collins its President, making her the first woman of color to lead a Federal Reserve Bank.

However, more work is needed to correct persisting disparities. Despite the progress made, among all regional bank directors, a 2022 count showed that Latino, Asian, and Native American communities were all grossly underrepresented.<sup>3</sup> To this day, that underrepresentation persists.<sup>4</sup> Regarding the Cleveland Fed specifically, the makeup of the Bank's Presidents has not always represented all Ohioans. Although 13 percent of Ohio residents are Black, there has never been a Black President of the Cleveland Fed.

Furthermore, diversity also entails diversity of thought. Even though the Bank acknowledges and takes pride about being in the industrial heartland its Presidents have also notably lacked expertise beyond finance and business. The Federal Reserve system continues to foster a groupthink culture—more than three fourths of regional bank directors come from a banking or corporate business background.<sup>5</sup> The right person for this job should be someone who has worked across sectors and disciplines and can work with the Fourth District's local and state civil rights and labor groups, nonprofits, and small businesses.

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<sup>1</sup> *Executive Session and Nomination Hearing, Before the Banking, Housing, and Urban Affairs Committee of the U.S. Senate*, 115<sup>th</sup> Cong. 1 (2017) (testimony by Jerome H. Powell, Governor, Board of Governors), <https://www.govinfo.gov/content/pkg/CHRG-115shrg28661/pdf/CHRG-115shrg28661.pdf>.

<sup>2</sup> Marc Rodrigues and Maggie Corser, “Uneven Progress, Inadequate Representation,” Center for Popular Democracy and FedUp Campaign, May 2022, <https://fedupcampaign.org/>, 15.

<sup>3</sup> *Ibid.*, 16.

<sup>4</sup> “People: Current Fed Leaders”, Federal Reserve History, <https://www.federalreservehistory.org/people/current-fed-leaders>.

<sup>5</sup> Rodrigues and Corser, “Uneven Progress, Inadequate Representation,” May 2022, <https://fedupcampaign.org/>, 12.

Recently, your selection committee made public its job listing for the Cleveland Fed President. We are concerned that the Cleveland Fed moved forward with the listing before attaining public input. The recent virtual townhall on Monday November 27<sup>th</sup> was announced with less than two weeks' notice and is occurring the Monday following a holiday where most people travel to visit family and may be unavailable to attend. After reaching out to Fourth District community stakeholders, it is concerning to hear that very few have received notice of the townhall from the Cleveland Federal Reserve bank.

It is disappointing that there hasn't been a greater effort to make this townhall widely accessible to the public. It is critical that the Cleveland Federal Reserve Bank makes the presidential selection process transparent and inclusive of public opinion. As you move through the selection process, we highly encourage you to seek input from a wide range of stakeholders including labor, consumer, and civil rights groups. We also encourage you to have more public townhall events and make greater effort to circulate the public notice well in advance of the planned event.

To ensure that your committee has a plan moving forward the Senate Banking, Housing and Urban Affairs Committee would like greater clarity on your selection committee's efforts to make the selection process transparent with widely accessible opportunities for the public to engage with the presidential selection committee.

We ask that the presidential selection committee provide information to the following questions:

- Will the virtual townhall on November 27, 2023, be the sole opportunity for the public to engage with the committee on the selection process? If not, what follow-up events has the committee planned through the presidential selection process?
- What is the timeline for the presidential selection process? By what date must candidates for the role have submitted their application materials?
- To what extent has the selection committee sought input from its advisory councils? Were they involved in the development of the job profile and candidate criteria shared with the recruitment firm, Spencer Stuart?
- What steps were taken to incorporate public input into the development of job profile and candidate criteria?

Thank you for your attention to this matter and your dedication to the search for the next President of the Cleveland Federal Reserve Bank.

Sincerely,



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Sherrod Brown  
Chairman  
Senate Committee on  
Banking, Housing, and Urban  
Affairs



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John Fetterman  
United States Senator