



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

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During Inaugural Economic Equity Conference, DFPI Unveils Findings of Diversity in State Banking Survey

Calls on Financial Leaders to Develop Strategies for Inclusive Economic Recovery

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) today hosted its inaugural Economic Equity Conference, drawing more than 450 banking executives and senior regulators from across the state and unveiling its first-ever [Survey of Diversity in State Banking](#).

Intended to give state financial leaders tools and strategies to improve their diversity, equity, and inclusion initiatives and consider their role in helping to close the racial wealth gap, DFPI Commissioner Manuel P. Alvarez pushed attendees to consider bold efforts in the wake of a pandemic that further exacerbated economic disparities.

“When I assumed the helm of the department, I made clear that embracing more innovation in financial regulation, diversity and inclusion were top priorities,” DFPI Commissioner Alvarez told attendees before unveiling the diversity data. “Regulators and financial institutions have come to fundamentally understand that the economic health of our communities of color is essential for the security of families, the prosperity of small businesses, and to the stability of a democratic society.”

The virtual conference included remarks from several iconic leaders, including labor and civil rights activist Dolores Huerta and Deanna Singh, Chief Change Agent at Uplifting Impact. Business, Consumer Services and Housing Secretary Lourdes Castro Ramírez also rallied attendees in her remarks, noting that “closing the racial wealth gap and pursuing a more inclusive and economically equitable California is an ambitious task, but I am encouraged that all of you here today are committed to giving it your best efforts.” Lt. Governor Eleni Kounalakis’ offered closing remarks that stressed the importance of an inclusive economy.

“This conference is a testament to California’s commitment to pursuing more equitable outcomes across industries,” said Kounalakis. Our economy cannot fully recover from the COVID-19 pandemic unless we keep moving toward an economy that is inclusive, resilient, and sustainable. California has led the nation in so many arenas – and I know we can do the same with economic equity.”

A panel, “Innovating Strategies for Closing the Racial Wealth Gap,” included representatives from JPMorgan Chase, Citi, Silicon Valley Bank and USC Credit Union. Participants offered actionable steps for financial institutions, including diversity trainings, financial commitments to racial equity initiatives, and internal assessments to identify priorities.

But a major highlight of the conference was the release of the report on the diversity in state banking survey that was issued to all state-chartered banks and credit unions in October 2020. It includes the aggregated, anonymized data voluntarily submitted by 80 of 233 banks and credit unions that responded to the survey, reflecting a 34 percent response rate.

Key Findings from the Report:

- Responding financial institutions reported collecting employee and board member data on the following:
 - 60 percent collect ethnic and/or gender data.
 - roughly 40 percent inquire about veteran/disability status.
 - about 15 percent ask about “other” categories, including marital status and age.
 - only 3 percent collect data on sexual orientation.
- Approximately half of responding financial institutions mandate diversity education or training for employees while only 23 percent require diversity training for board members.
- About 40 percent of financial institutions have board-approved diversity, equity, and inclusion goals, with purposeful recruiting being the most common.
- One-third of financial institutions track diversity, equity, and inclusion efforts, with reliance on self-assessment tools being the most common.
- Over 75 percent of survey respondents would like the DFPI to support diversity, equity, and inclusion efforts by providing education and training to licensees.

In addition to supervising state-chartered banks and credit unions, the DFPI licenses and regulates commodities and investment advisers, money transmitters, mortgage servicers, the offer and sale of securities and franchises, broker-dealers, nonbank installment lenders, payday lenders, student-lending servicers, escrow companies, Property Assessed Clean Energy (PACE) program administrators, debt collectors, rent-to-own contractors, credit repair companies, consumer credit reporting agencies, debt-relief companies, and more.

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