March 27, 2018

The Honorable Jerome H. Powell, Chairman
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

The Honorable Sara Horowitz, Co-Chair
Search Committee
The Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

The Honorable Glenn H. Hutchins, Co-Chair
Search Committee
The Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

Dear Chairman Powell and Co-Chairs Horowitz and Hutchins,

With a vacancy at the top of the Federal Reserve Bank of New York, I am writing to encourage the Search Committee and the Federal Reserve’s directors to conduct the most open and inclusive search process possible. I believe that it is essential that the next president of the Federal Reserve Bank of New York is equipped with a deep understanding of the diversity of the Second District and a commitment to enhancing the economic well-being of our nation.

The president of the New York Fed plays an instrumental role in promoting a strong economy for the region, which has long served as an economic engine for the rest of America. I urge the search committee to select a candidate who will prioritize an inclusive economy that works for everyone. Despite years of robust economic growth and a decline in the unemployment rate, too many New Yorkers have not seen significant gains in wages since the depths of the Great Recession. With a permanent seat on the Federal Open Market Committee, the president of the New York Fed has a key role in helping to take actions that will boost the pay of New Yorkers and lift the fortunes of struggling families.

Beyond the Federal Reserve’s core mandate to maximize employment and keep prices stable, the New York Fed is also charged with supervising and regulating some of the nation’s largest financial institutions. This is a serious responsibility and the next New York Fed president must be an independent voice, unafraid to hold Wall Street accountable. It is imperative that the New York Fed be an effective check on the kind of greed and mismanagement that led our nation into
the Great Recession and I encourage the selection of a president with a proven dedication to public service. I believe that a demonstrated track record of advocacy on behalf of our communities is a crucial qualification for the role of president, certainly more important than experience accrued working in the financial industry.

I also urge the selection of a candidate who can represent the diverse interests of the entire Second District. The territory served by the New York Fed encompasses the most diverse city in the country, upstate New York, northern New Jersey, southeastern Connecticut, as well as Puerto Rico and the U.S. Virgin Islands, and the bank must represent all these interests. It is crucial that the voices of individuals from across the breadth of the Second District are fully represented at the New York Fed.

As Comptroller and steward of the combined New York City Pension Funds, I have a unique perspective on the value of diversity. Since 2014, we have led a market-changing campaign to bring more diversity to the boardrooms of America’s largest companies. Bringing more diversity to boardrooms is a strategy for economic success. Studies show that diverse groups make better business decisions. Our Boardroom Accountability Project has pushed companies to make their boards more diverse and independent. I believe that this same principle applies to the Federal Reserve Board and the regional Federal Reserve banks, which can only benefit from the inclusion of more diverse perspectives, backgrounds, and experience.

The selection of a new president is also an opportunity to bring new perspectives to decision making at the Federal Reserve. For much of its history, the Federal Reserve has remained the enclave of white male directors and presidents.¹ Research from the Center for Popular Democracy has shown that while recent years have seen growing diversification at leadership levels within the Fed, the institution has a long way to go before it adequately reflects the diversity and character of our nation.

I have every faith that the Search Committee is fully committed to identifying an independent candidate and will work select a worthy president to follow the successful and stable tenure of President Dudley. I hope the Search Committee will continue to solicit the opinions and perspective of the public that the New York Fed serves and conduct as open and transparent a process as possible.

Sincerely,

Scott M. Stringer
New York City Comptroller