



Credit: Sadat Karim, Federal Reserve Bank of Atlanta

## A Moral and Economic Imperative to End Racism

By Raphael Bostic, President and CEO

As I have observed the protests against police brutality over the past few weeks, I have shared in the outrage of the truly horrific events that brought us to this point. I know many of you are feeling shocked and outraged. My first thoughts are for those who lost their lives and those suffering through these events in very real ways, and I stand with all those peacefully protesting for change.

These events are yet another reminder that many of our fellow citizens endure the burden of unjust, exploitative, and abusive treatment by institutions in this country. Over the course of American history, the examples of such institutionalized racism are many, and include slavery, federal law (consider the Three-Fifths Compromise our founding fathers established to determine federal representation), sanctioned intimidation during Reconstruction, Jim Crow laws in southern states, redlining by bankers and brokers, segregation, voter suppression, and racial profiling in policing.

These institutions hurt not only the African Americans they've targeted, but the systemic racism they've codified also hurt, and continues to hurt, America and its economy. By limiting economic and educational opportunities for a large number of Americans, institutionalized racism constrains this country's economic potential. The economic contributions of these Americans, in the form of work product and innovation, will be less than they otherwise could have been. Systemic racism is a yoke that drags on the American economy.

This country has both a moral and economic imperative to end these unjust and destructive practices.

To be fair, we have made some progress. Legal reforms have erased many of those historical institutions that caused so much pain and violence, and further reform essential for helping end harmful practices is under way in many places. But the legacies of these institutions remain, and we continue to experience misguided bias and prejudices that stem from these stains on our history. These have manifested in the worst way possible—in the deaths of George Floyd, Breonna Taylor, Ahmaud Arbery, Dana Martin, and, sadly, so many others.

It is time for this cycle to stop. It is time for us to collectively embrace the promise of an inclusive America, one where everyone can participate fully. We are each being challenged to rise to this occasion through education and action. All of us, especially our white allies, must learn the history of systemic racism and the ways it continues to manifest in our lives today. Furthermore, we all must reflect on what we can do to effect change at every turn.

A commitment to an inclusive society also means a commitment to an inclusive economy. Such an economy would represent a rebuke of systemic racism and other exclusionary structures. It would represent a true embrace of the principles that all are created equal and should enjoy unburdened life, liberty, and the pursuit of happiness.

I believe the Federal Reserve Bank of Atlanta, and the Federal Reserve more generally, can play an important role in helping to reduce racial inequities and bring about a more inclusive economy.

We can do this, first, by fulfilling the mission given to us, which is to promote the health of the U.S. economy and the stability of the U.S. financial system. Through our monetary policy decisions, our role as a supervisor and regulator of banks, our support of the payments system, and our commitment to community and economic development, the Federal Reserve acts to create a foundation upon which businesses, families, and communities can thrive. Our success means that businesses can grow faster and hire more workers and that more innovation can be supported, which would mean more opportunities for African Americans and others who have not been as attached to the economy. A recent example of this promise is our decisive response to the pandemic in an effort to reduce the distress and pain of many markets and help preserve jobs.

The second way the Atlanta Fed can contribute to a more inclusive economy lies in the foundation of promoting maximum employment, by addressing the economic inequality that persists in this country. We have the ability and the responsibility to link economic mobility and resilience to broader economic health and to raise awareness among stakeholders who may not be fully attuned to the consequences of an inequitable economy. Our work on this disparity has been going on for some time, but its urgency and importance have been renewed as the economic inequality adds fuel to the underlying oppression that is now driving the protesters.

Finally, the Atlanta Fed is committed to modeling economic inclusion, and that starts with our own organization. We embrace diversity and inclusion as essential to who we are. The Bank's values—integrity, excellence, and respect—support our sincere belief that every employee is an important part of the Atlanta Fed's story and success. We have a longstanding commitment to seeing that all of our staff are treated fairly and respectfully and that their career opportunities are not limited by any bias. Recently, I have urged the Atlanta Fed to look even deeper at its own practices. Our staff have identified a number of policy changes that will further increase inclusion. Our aim is to demonstrate, in all of our actions, the simple truth that we will reach our greatest potential only by fully drawing on the talent, expertise, and perspectives of diverse staff and external stakeholders.

What we are witnessing in the protests is inspiring all of us to step up, and the Atlanta Fed stands by those fighting for equality in every form. I feel the weight of those afflicted by the hateful bias and prejudices that have no place in our society. My colleagues and I are committed to listening to and learning from all people within the Sixth District so we can best fulfill our mission. As the nation moves forward, the economy must work for all Americans, and we at the Atlanta Fed are committed to helping our economy get there.



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