

Acting Comptroller of the Currency Michael J. Hsu
Remarks at the
Launch of DC REACH
December 13, 2021

Good afternoon and thank you for joining us today at the launch of the Washington, D.C. Roundtable for Economic Access and Change, or what we call DC REACH.

Since being appointed Acting Comptroller of the Currency, I have prioritized addressing economic inequality within the financial services industry as one of the key priorities for the agency. Our Project REACH National Working Group has been a wonderful vehicle for us to bring the greatest minds together and address the challenges that limit the full and fair participation in the nation's economy by minority and underserved communities.

Economic inequality has been rising in the U.S. for decades. The income gap between upper income and lower income households has nearly doubled since 1970. The wealth gap is even more stark, with lower income household wealth falling between 1983 and 2016, while median upper income household wealth has doubled to more than 70 times that of lower income households. Homeownership, which is key to wealth creation in the U.S., has followed a similar pattern, with the racial homeownership gap between Blacks and Whites widening to its highest level in 50 years. Structural forces reinforce the problem. According to one study, homes in majority Black neighborhoods are valued at roughly half the price of comparable homes in neighborhoods with no Black residents.

The pandemic has further accelerated these trends. Vulnerable and underserved communities have endured disproportionately higher unemployment rates and business closures.

The gap in financial well-being between White adults and Black and Hispanic adults grew by 4 percentage points since 2017. More than a third of Black and Hispanic adults reported doing worse financially than prior to the pandemic.

To reverse these trends, we need to substantially increase financial inclusion, which is the objective of Project REACH. Project REACH's structure and approach is worth highlighting because it is, in my experience, quite unique. REACH enables two things that otherwise might not happen: collaborative problem identification and problem solving, and incubation of ideas and pilots by business and community representatives that can later be implemented on a broader scale than possible by any one institution or organization.

We also recognize that the barriers which limit economic access may differ from town to town and city to city. A purely national focus could unintentionally offer a one-size-fits-all solution, which may or may not address the needs of a particular community or neighborhood. That's why the voices of local stakeholders are critical in this effort.

So today, we are glad to announce along with the District of Columbia's Department of Insurance, Securities and Banking, the start of DC REACH. As part of DC REACH, we will be working with local community leaders and financial institutions to build paths towards entrepreneurship and affordable homeownership for District residents. Local leaders like Brian Argrett from City First Bank and Marcia Griffin from HomeFree USA have both been major contributors to our national Project REACH initiative, and I welcome their participation in this local initiative to bring their ideas and resources to support the residents and communities in Washington, D.C.

As we all know, it is expensive to be poor. My focus is to tilt the balance of economic opportunity more clearly in favor of helping poor and working Americans obtain and build wealth – specifically by addressing the problem of credit invisibles – improving access to affordable housing, increasing credit availability to minority and small businesses, and supporting and revitalizing minority depository institutions.

I have been impressed by what Project REACH participants, like Brian and Marcia, have been able to accomplish since the launch of Project REACH and believe that the potential for what we can do here in the District is great. As REACH expands and matures, my hope is that it continues to attract those who want to join us in meeting the challenge of transformative outcomes and that the members aim high.

We are happy to welcome the District Government as one of our new Project REACH participants, so now let me introduce Deputy Mayor for Operations and Infrastructure Lucinda Babers.