



July 29, 2020

The Honorable Mike Crapo
Chairman
Committee on Banking, Housing and
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

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Ramiro A. Cavazos
President and CEO

**Re: U.S. Hispanic Chamber of Commerce encourages support for H.R. 5084
“Improving Corporate Governance through Diversity Act of 2019”**

Dear Chairman Crapo and Ranking Member Brown:

Thank you for the opportunity to address this committee on important policy matters facing our minority business community. On behalf of the United States Hispanic Chamber of Commerce (USHCC) and our Board of Directors, we write to encourage the Senate Committee on Banking, Housing, and Urban Affairs to take up and pass H.R. 5084, the *“Improving Corporate Governance through Diversity Act of 2019”*, which the U.S. House of Representatives passed with a strong bi-partisan vote last November.

The USHCC actively promotes the economic growth, development and interests of more than 4.7 million Hispanic-owned businesses that, combined, contribute over \$800 billion to the American economy every year. We also serve as a platform for our nationwide network of over 250 local Hispanic chambers of commerce. With the growing diversity in communities across the nation, the face of business in corporate America is changing, with minorities driving the growth in new business formation.

When we fail to invest professionally in minorities our economy suffers. In fact, according to the Kauffman Foundation, if minorities were able to start and own businesses at the same rate as non-minorities, there would be 9.5 million more jobs and, according to Stanford University, \$1.3 trillion would be added to the American economy. Now is the time to cultivate minority leaders in corporate America. Collectively, we have been actively advocating for policies that will create systemic change and positive economic outcomes for the 61 million Latinos living in the U.S. as they strive to seek their American dream.

The USHCC and our respective constituents support efforts to increase gender, racial, and, ethnic diversity on corporate boards of directors, as diversity has become increasingly important to institutional investors, pension funds, and other stakeholders. According to PWC’s 2019 Annual Corporate Directors Survey, 94% of board directors surveyed indicated that a diverse board brings unique perspectives, 87% responded that diversity enhances board performance, and 84% responded that it improves relationships with investors. Additionally, 76% of directors agree that board diversity enhances the performance and profitability of the company.



The “*Improving Corporate Governance through Diversity Act of 2019*” would establish a model to organically boost diversity on boards through disclosure, rather than the counterproductive quota-driven strategies that some jurisdictions have attempted. The legislation would also establish an advisory group that would carry out a study and provide recommendations on private sector strategies to increase gender, racial, and ethnic diversity among boards of directors.

The USHCC remains committed to advocating for the U.S. Congress to enact legislation that will create positive systemic impact for minorities in America. We will continue to propose necessary solutions for the equitable inclusion of minorities into future legislation that will enhance these necessary changes.

If you have any questions or require additional information, please do not hesitate to contact C. LeRoy Cavazos-Reyna, Vice President of Government and International Affairs via email at LCavazos@ushcc.com. Thank you in advance for your consideration in this matter, we look forward to your positive response and collaboration on these important policy priorities.

Respectfully,

Carmen Castillo
Chairwoman of the Board of Directors
United States Hispanic Chamber of
Commerce

Ramiro A. Cavazos
President & CEO
United States Hispanic Chamber of
Commerce

CC: The Honorable Mitch McConnell, Majority Leader, U.S. Senate
The Honorable Charles Schumer, Minority Leader, U.S. Senate
Member of the Senate Committee on Banking, Housing and Urban Affairs
The Honorable Gregory Meeks, U.S. House of Representatives