

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

January 14, 2020

Chairman Jay Clayton
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Clayton:

We are writing to express concern about the continued lack of ethnic and racial diversity on advisory committees at the Securities and Exchange Commission (SEC). Advisory committees play an important role across the federal government by providing advice and recommendations to the executive branch. To most effectively articulate industry concerns to the SEC, these committees should represent the diversity of the issue areas as well as reflect the demographic diversity of the businesses and consumers under SEC authority and purview.

Unfortunately, the Financial Services Committee review of SEC's current advisory committee demographics—the Investor Advisory Committee, the Small Business Capital Formation Advisory Committee, the Fixed Income Market Structure Advisory Committee and the newest committee, the Asset Management Advisory Committee¹—reveals that only a limited number of Latinos and Blacks serve as committee members. It appears that only 3 of SEC's 79 advisory committee members are Black. Among the women of color currently serving, it also appears that there are seven Asian women, only one Black woman, and zero Latinas on SEC's advisory committees. Two advisory committees have one Latino member, but that same Latino male serves on both committees. The formation of a new advisory committee presented an opportunity to approve a diverse slate of members. Alas, SEC's October 2019 announcement of the 23-member Asset Management Advisory Committee includes no Black committee members.

Moreover, it is no surprise that the Asset Management Advisory Committee with its limited diverse membership would propose an agenda for its inaugural meeting with no plan to discuss the historical bias against and limited investment with diverse-owned asset management firms.²

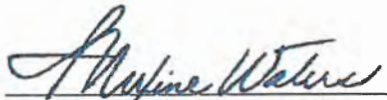
To best examine this advisory committee diversity concern, please provide a response to the following about SEC's advisory committee process:

1. Data on the demographics of SEC's advisory committee members since 2015.
2. Description of SEC's advisory committee appointment process, including:
 1. Extent to which SEC commissioners and your office required that a diverse slate of candidates be offered for consideration for each advisory committee seat;
 2. Who at SEC or otherwise approves the final list of advisory committee members;
 3. SEC's diversity policies related to the appointment of advisory committee members;
 4. Any challenges you or SEC commissioners face in selecting diverse individuals as advisory committee members.

3. Description of the role of the Office of Minority, Women and Inclusion, including:
 1. Any review of the diversity of the proposed advisory committee members;
 2. Tracking the diversity demographics of SEC's advisory committees;
 3. Assisting commissioners with identifying diverse candidates for advisory committee seats.
4. Description of SEC's plan to immediately and continually increase the representation of racial and ethnic minorities on its advisory committees.

We appreciate your full attention to this matter and ask that you provide a response to this inquiry, no later than January 31, 2020. You may contact committee staff Erica Miles at (202) 225-4247 with any questions regarding this request.

Sincerely,



The Honorable Maxine Waters
Chairwoman
Committee on Financial Services



The Honorable Joyce Beatty
Chair
Committee on Financial Services
Subcommittee on Diversity and Inclusion