

Testimony for Subcommittee on Oversight and Investigations session:
“An Enduring Legacy: The Role of Financial Institutions in the Horrors of Slavery and the Need
for Atonement”

[Dr. Sarah Federman](#)

Hello, thank you for inviting me today.

My name is Sarah Federman, I am a former advertising executive turned conflict resolution professor at University of Baltimore.

My research considers how corporations can atone for participation in mass atrocity, such as genocide and slavery.

My comments are based on two projects:

One involving the French National Railways (aka the SNCF) and its efforts to atone for its participation in the Holocaust. This is detailed in my book [Last Train to Auschwitz](#).

My second project came at the urging of my Baltimore students who rightly encouraged me to study corporate atonement for slavery.

I discovered that Alexander Brown and Sons, based in Baltimore, developed investment banking to fund plantation agriculture.

It is easy to look at a city like Baltimore and think its golden days have passed.

Those who followed the wealthy bankers and industrialists just didn't care for the city the way they did, one might think.

But a deeper look suggests that the poverty, addiction, and violent crime we see today is *not* unrelated to how those industrialists acquired their wealth.

Where to start?

For those seeking atonement, it is tempting to treat today's executives as the slaveholders themselves.

Though their institutions benefited from participation in slavery, today's individuals inherited these histories, they did not write them.

So, as we move forward, we need to separate the people from the problem.

And there *is* a problem.

That institutional wealth has compounded for over 200 years without addressing the souls that suffered for it or the harm inflicted upon descendants.

How do we address this irreparable harm?

I offer a corporate historical integrity model in my recent [Harvard Business Review](#) piece:

In it I advise corporations to:

1. Commission an independent study of their history
2. Update the company's origin story based on the findings
3. Make a public statement about the history
4. Engage with affected communities to develop a meaningful response.
 - a. commemoration, compensation, or other programs.

Some examples of companies doing this work:

- [JAG holdings](#) commissioned an independent study of its Holocaust connections and will make that public. They have also donated to Holocaust education.
- [Georgetown University](#) now works with the descendants of the slaves it sold back in the 1800s to determine the best use of the funds it will raise.
- The SNCF: opened its archives, put up plaques, funds Holocaust commemoration activities, and engages with survivor communities.
- [Lloyds of London \(insurance\)](#): perhaps most relevant to our conversation today, has
 - researched its historical ties to slavery
 - made those findings available (opened archives)
 - offered an unequivocal apology on website and
 - outlines its commitment to develop Black and Minority Ethnic talent, increase Black and minority hires and, prevent participation in slavery in supply chain.

Statement that reflects the right spirit:

“We approach this work with profound humility, a spirit of openness and real enthusiasm for change. We will continue to listen to and be guided by our Black and Minority Ethnic colleagues...”

What about US Financial Institutions?

America’s 50 biggest public companies and their foundations collectively committed roughly \$50 billion since Floyd’s murder to address issues of racial equity.

That sounds great, however...

“More than 90 percent of that amount is allocated as loans or investments they could stand to profit from” ([Jan, McGregor, Hoyer, 2021](#))

People don’t need more loans **they need help paying them!**

Brookings Institute studies “Black-white disparity in student loan debt more than triples after graduation” ([Scott-Clayton and Lee, 2016](#))

Therefore, if we engage with communities, we will see the need for student loan forgiveness and the need to offer free higher education to three generations of descendants.

Working with the affected communities, we will also discover the need for:

1. Housing assistance **grants** (not loans)
2. Better public transit
3. Grocery stores
4. Healthcare access
5. Childcare
6. Eldercare
7. Afterschool programs in music and sport

Engaging with the communities also addresses the enormous dignity violations of slavery and segregation inflicted.

To make programs without people’s input reinforces a paternalistic approach to their participation in society.

Furthermore, corporate efforts towards racial equity will fall flat unless companies take seriously their own institutional histories.

I’m grateful for this collective opportunity to respond to a too-long unatoned aspect of our history.

In addressing it together, we can help to heal our country and be who we say we are.

Thank you.

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