

**Bank of America: Racist?
Citibank: Anti-family?
American Express; Anti-American?**

by Charles B. Wendel

Of course not! Each of these companies, and many like them, have launched programs that they believe emphasize equity and justice. Unfortunately, some current and potential customers and stakeholders may feel ignored or, even worse, offended, by what they view as prejudicial or immoral stances. Let's take a look.

Bank of America. Last week CNN reported:

“Bank of America is offering zero down payment mortgages with no closing costs for first-time homebuyers in certain Black and Hispanic neighborhoods in a new program designed to chip away at inequality in the housing market.” A CNBC article states, “People of all races can qualify for the Community Affordable Loan Solution,” however, a BofA spokesperson underscored that “Our community affordable loan solution will help make the dream of sustained homeownership attainable for more Black and Hispanic families.”

But a former CFPB regulator commented that these mortgages could soon be underwater and with buyers having minimal equity in the homes. Some could walk from home ownership, defeating the purpose of the program. A quick Internet search provides an eight-year-old article titled, “Thousands Protest Bank of America’s Office in Boston” related to the bank’s foreclosure practices. Is the bank launching a program that could lead to similar future headlines or will it simply eat losses to avoid bad press? Could it lead to harming those it intends to help?

And while the National Association of Realtors estimates that the homeownership gap between white and blacks and Hispanics is 29 and 21%, respectively, they don't offer a gap number that captures only lower income whites who likely suffer from the same difficulty in generating a down payment. Why not emphasize lifting an entire economic sub-class rather than certain segments while downplaying others?

Citibank. There are few more gut wrenching and provocative issues today than the abortion debate. “Civil” discussion seems to quickly shift to name calling on both sides with each side certain of its moral superiority. Citibank management (and others) jumped into this controversy with both feet with the expected pushback in agreeing to pay for travel expenses for employees whose states restrict abortions.

A Bankingdive.com article from months ago reports: “In a letter signed by 45 Republican lawmakers Tuesday, members called on House Chief Administrative Officer Catherine Szpindor to cancel the chamber’s contract with Citi, saying the bank has “forfeited its privilege of doing business with the House of Representatives,” as a result of its new policy.” Citibank’s credit card account with the House is probably secure at least until November when Republicans are likely to take over.

At the same time Citi appears to offer attractive and competitive maternity benefits. Its abortion policies, however, have, whether fairly or not, opened the company up to an attack line that goes as follows: Citi wants to support abortions to encourage working women not to have families.

Families divert a female worker's attention from her job. No kids, more intense focus on business. This is a Tucker Carlson theory about why corporate American is going down a similar path to Citibank.

While this may seem absurd, my experience suggests there may be a seed of truth here that may be more of a societal than corporate issue. One BIG consulting firm I worked for seemed to exploit women and encourage them to work 24/7 while the male consultants went off to watch sports or hit the bars. And to be honest, as a small business owner, I found that, no surprise, women with families had more critical priorities than my needs. As for single women women, they seemed to know they had to push themselves harder than males if they were to succeed. Not fair, but maybe true.

American Express. A March *Fox Business* article states that some are targeting Amex for its woke policies and that "critics have teamed up to launch the [UnAmerican Express](#) campaign to stop their 'racially divisive policies' for good."

One of the leaders of that effort stated, "American Express is...hosting a critical race...theory style training program for its employees, teaching them that the United States is fundamentally racist, that capitalism is fundamentally racist and then promoting the idea that all of their white employees have white privilege that they need to atone for," Rufo told "[Varney & Co.](#)," Thursday.

I could add more examples of companies and issues that have embraced provocative issues. In some cases, companies risk alienating a significant segment of their customer base. That may be fine with the heads of those companies who believe in what they are espousing and are willing to live with any negative economic consequences. (Shareholders and customers can opt by making their own decisions.) Companies also risk embarrassment (although they will never admit it) due to contributions to controversial groups like Black Lives Matter, some of whose leadership has been accused of siphoning off funds for personal use.

Do companies know what they are doing by pursuing these various initiatives, or is there a lot of ad hoc, poorly considered decision-making occurring? What's their "progressive" strategy if they have one and why? How do these initiatives integrate with their corporate missions, one that should involve satisfying a diverse group of customers and making a good return for their shareholders? (Remember them?)

There are no easy answers here and maybe it is impossible for bankers today to avoid entering a politically charged morass. But every action they take will at a minimum face criticism and could lead to substantial blowback by customers and shareholders. Conducting some detailed discussions and scenario planning before taking a position in the culture wars seems prudent.

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