The New York Times

Business/Financial Desk; SECTB
This Time, Firms Promise Concrete Action on Social Justice

By Gillian Friedman
1,346 words
20 June 2020
The New York Times
NYTF
Late Edition - Final
3
English

Corporate America has pledged millions to social justice efforts since the killing of George Floyd. But some businesses have gone further, committing to concrete changes in their practices.

Friday will be a paid company holiday for employees at Nike. The same goes for workers at Twitter, Target, General Motors, the National Football League and a variety of other businesses. JPMorgan Chase, Capital One and other banks will close branches early.

Companies big and small decided to recognize Juneteenth, a holiday that commemorates the end of slavery, after the killing of George Floyd set off an urgent national conversation about race.

Companies are usually quiet at moments of public upheaval and hesitant to take a political stand for fear of alienating customers. But since Mr. Floyd's killing late last month, businesses of all kinds have expressed their solidarity with protesters, donated millions of dollars to organizations dedicated to racial justice or vowed to change their office cultures to be more inclusive.

But some have gone further, announcing intentions to make concrete changes inside their own institutions or in how they do business. Here is a list of some of the promises made.

Adidas

The sportswear giant said it would fill at least 30 percent of all open positions at Adidas and Reebok, which it also owns, with black or Latinx candidates.

Amazon and IBM

Amazon has placed a one-year moratorium on police use of Rekognition, its facial recognition **technology**, which has come under fire for its unfair treatment of African-Americans. Similarly, IBM said it would no longer offer, develop or research facial recognition **technology**, citing potential human rights and privacy abuses.

Andreessen Horowitz

The investment firm donated $2.2 million to start the Talent x Opportunity fund, a program designed to support entrepreneurs from underserved communities. The company will provide entrepreneurs with seed capital and training to help start their businesses.

Apple

The **technology** company is creating an entrepreneurship camp for black software developers to promote their best work and ideas, and said it would increase the number of black-owned suppliers that provided materials for its operations.

Estée Lauder

The cosmetics brand said it would make sure the percentage of black employees at all levels in the company would mirror the percentage of black people that make up the United States population within the next five years. It also committed to doubling recruits from historically black colleges and universities in the next two years. Over the next three years, the company committed to doubling the amount it currently spends on sourcing ingredients, packing materials and supplies from black-owned businesses.

Facebook

The company pledged to double the number of its black and Latinx employees by 2023, and to increase the number of black people in leadership positions by 30 percent over the next five years. Facebook also committed to spend at least $100 million annually on black-owned suppliers, from marketing firms to construction companies.

FitBit

The company behind the fitness app said it would support research projects to address health conditions that disproportionately affected black people, including Covid-19. FitBit also pledged to offer more workouts from black fitness influencers on its app and feature them on its social media channels.

NASCAR

The motorsports organization has barred Confederate flags from its events and properties. NASCAR had begun asking fans to stop taking Confederate battle flags to its races in 2015, but many have flown the flag anyway, hoisting it atop campers and R.V.s on fields around racetracks. NASCAR said it would set protocols for enforcing at its tracks.

PayPal

The payment platform created a $500 million fund to support black and minority businesses by strengthening ties with community banks and credit unions serving underrepresented communities as well as investing directly in black- and other minority-led start-ups. Another $10 million was set aside for grants to assist black-owned businesses affected by Covid-19, with an extra $5 million to fund program grants and employee matching gifts for nonprofits working with black business owners. PayPal also pledged to put $15 million into efforts to create more robust internal diversity and inclusion programs.

PepsiCo

The beverage giant said it would increase its number of black managers by 30 percent by 2025. It committed to adding more than 250 black employees to its managerial positions, including a minimum of 100 black employees to the executive ranks.

The company said it would double spending with black-owned suppliers and create more jobs for black people at its marketing agencies.

Pinterest

Pinterest said it would work to showcase content about racial justice on its platform and remove all ads from Black Lives Matter search results so users could focus on learning about the movement.

Sephora and Rent the Runway

The beauty chain took the 15 Percent Pledge, which means it will look to increase the amount of shelf space given over to products from black-owned businesses to 15 percent. Rent the Runway also committed to the 15 Percent Pledge.

SoftBank

The Japanese conglomerate said it would start a $100 million fund to invest in companies led by minority entrepreneurs in the United States.

Target

The retailer, which has its headquarters in Minneapolis, where Mr. Floyd was killed, is donating 10,000 hours of consulting services for small businesses owned by black people in the Twin Cities to help with rebuilding efforts.

Trek

The bicycle manufacturer plans to create 1,000 cycling industry jobs for black people by investing $2.5 million over 10 years in a new retail management and bicycle training scholarship program. It also pledged to invest $5 million over the next three years to establish new bike shops in underserved communities, with the goal of building 50 stores in 10 years.

To help make competitive cycling more diverse, Trek pledged to establish a scholarship fund to equip 25 National Interscholastic Cycling Association teams made up of children of diverse ethic backgrounds for the next 10 years.

Viacom CBS

One of Viacom's subsidiaries, BET, started a $25 million social justice initiative called Content for Change. On Friday, it started airing original short-form programming and a slate of films including "Selma" and "Do the Right Thing."

Walmart

The retail giant said it would end the practice of storing "multicultural cosmetic products" in locked cases in its stores. CVS and Walgreens followed suit.

Walmart also said it would invest $100 million over the next five years to create a Center on Racial Equity. The center's mission will be to support philanthropic initiatives that address systemic racism in American society, including job training and criminal justice reform.

WarnerMedia

The company committed on June 4 to providing on-air advertising to Color of Change, a nonprofit civil rights advocacy organization, and the NAACP Legal Defense and Educational Fund Inc. The company also announced it was giving $500,000 to its content innovation program, OneFifty, to support the development of issue-focused shows from underrepresented communities.

HBO Max, owned by WarnerMedia, temporarily removed "Gone With the Wind" from its library in the wake of the George Floyd protests, but later said the film would return to the platform, accompanied by an introduction that puts the film into historical context.

YouTube

The Google-owned platform invested in a $100 million fund to support and promote the work of black creators and artists. It also pledged to re-examine its policies to ensure that black users and artists were protected from white-supremacist and bullying content.

Clockwise from top left: PepsiCo promised a 30 percent increase in black managers by 2025; Adidas said it'd fill at least 30 percent of openings with candidates of color; Walmart planned to create a Center on Racial Equality; Sephora pledged 15 percent of shelf space to products from black-owned businesses. (PHOTOGRAPHS BY GABRIELA BHASKAR FOR THE NEW YORK TIMES; BRITTAINY NEWMAN FOR THE NEW YORK TIMES; GABBY JONES FOR THE NEW YORK TIMES; ROMKE HOOGWAERTS FOR THE NEW YORK TIMES)

Document NYTF000020200620eg6k0004i

THE WALL STREET JOURNAL.

Tapping Home Equity Becomes Tougher for Many Americans

By Orla McCaffrey
958 words
19 June 2020
The Wall Street Journal
J
B1
English

Millions of Americans are out of work. But for many, tapping their home equity isn't an option.

New home-equity lines of credit dropped 19% from March through May compared with the same time last year, according to preliminary data from credit-reporting firm Equifax Inc.

Many lenders are getting stricter about offering the credit lines, known as Helocs. Both JPMorgan Chase & Co. and Wells Fargo & Co. have temporarily stopped accepting new Heloc applications, and other lenders have tightened standards.

Banks are trying to protect themselves from the big losses they suffered in the 2008 crisis, when borrowers who had been using their homes as ATMs defaulted as housing prices unexpectedly tanked. But the lenders' caution means that in many cases borrowers who thought they would be able to fall back on their home equity in a crisis can't do so now.

U.S. banks' holdings of home-equity lines of credit were down more than 9% from a year earlier as of early June, the largest decline on record, according to Federal Reserve data. Originations of home-equity loans, another popular way for borrowers to pull cash out of their homes, fell 43% from March through May, according to Equifax.

The amount of equity Americans have in their homes has been rising for almost a decade, boosted by resilient home price growth. Some homeowners remember the financial crisis and are wary of relying too much on home equity. But out-of-work borrowers and others who could benefit from Helocs might be locked out by lofty lending requirements, economists said.

"These homeowners may be the ones that no longer qualify because they've suffered an economic injury like a job loss," said Ralph McLaughlin, chief economist at Haus, a home-finance startup.

The logistics of lending in a pandemic might also be muting Helocs. For example, they sometimes require an appraisal, which can be harder to execute under stay-at-home orders.

There are a few ways that borrowers can pull cash out of their homes, often using the money for luxuries such as home renovations and necessities including medical bills.

Helocs are somewhat similar to credit cards: Borrowers can apply for them and then use when needed. Though getting a Heloc now might be difficult, homeowners who already have one should be able to tap into it.

Home-equity loans, on the other hand, are generally lump-sum payments with a fixed repayment schedule.

Helocs have been losing popularity for over a decade, in part because low interest rates made cash-out refinancings more popular. The average rate on the 30-year fixed mortgage fell to 3.13% on Thursday from 3.21% last week, according to mortgage-finance giant Freddie Mac.

In a cash-out refi, a borrower generally refinances an existing mortgage with a new one that has a higher principal balance. That allows the homeowner to pay off the old mortgage and still have cash left over.

When Matthew Worner logged on to the website of Navy Federal Credit Union last week, he learned that it had temporarily stopped accepting applications for Helocs.

Mr. Worner shelved the renovation plans for his kitchen, which hasn't been updated since just before Neil Armstrong reached the moon. He is hoping that the credit union will start offering Helocs again and that he will be able to apply for a $15,000 line of credit soon.

Navy Federal said it paused all home-equity applications in March when near-zero interest rates prompted a surge in refinance applications. The credit union decided to shift 95% of its home-equity employees to the mortgage department, said Sean Murphy, the credit union's assistant vice president of equity lending. "We've had to make some tough choices in order to best serve our members, and hope to resume Equity Lending as soon as we can," Mr. Murphy said in a statement.

Jeff Taylor, managing partner of Digital Risk, a **technology** and risk firm that consults with mortgage lenders, said the availability of home-equity lines and cash-out refis has declined. "In the last 60 days, lenders have tightened the box dramatically," he said.

Less than 4% of consumers had an existing Heloc in the first quarter of this year, according to a report by the Federal Reserve Bank of New York, compared with about 8% in the years leading up to the financial crisis. About 9% of consumers in the highest-income ZIP Codes had tappable lines, about three times the rate as those in the lowest-income areas, according to the New York Fed.

The dollar value of home-equity lines on banks' balance sheets jumped in mid-March during the first wave of pandemic layoffs, according to Fed data.

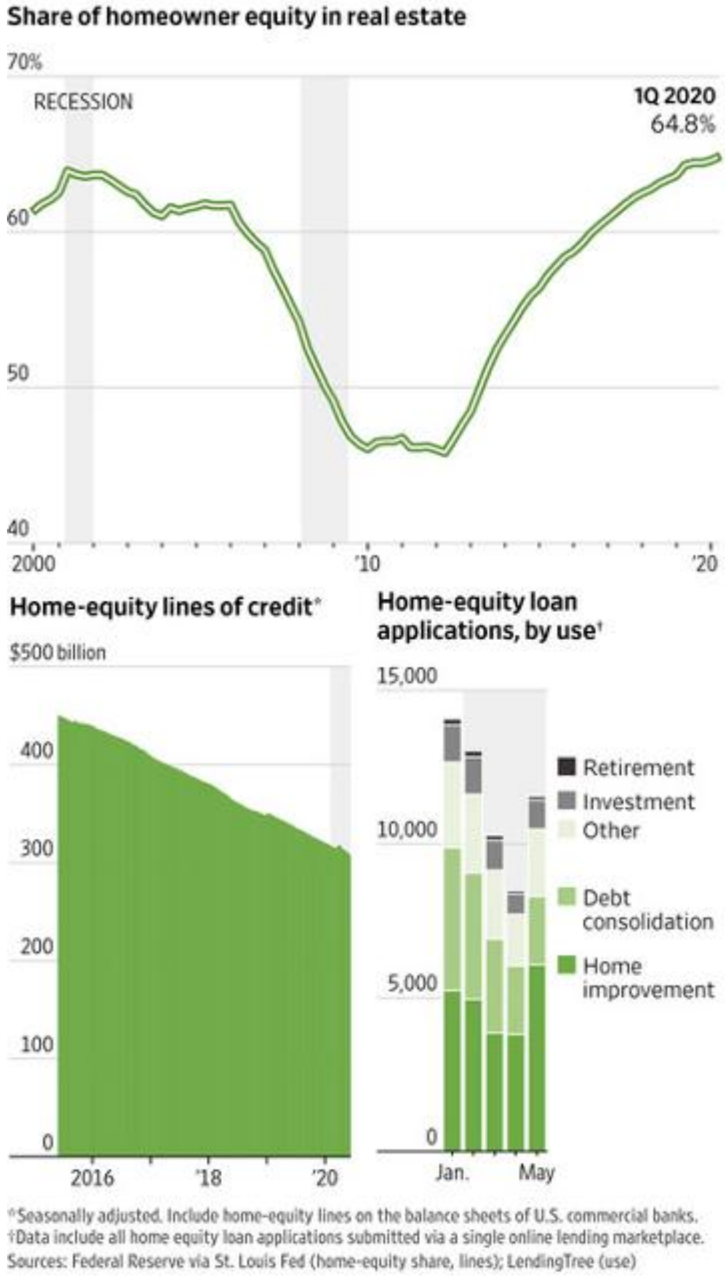
"Every indication pointed to people tapping into home equity lines," said Sri Thanabalasingam, a senior economist at TD Bank.

But in April, JPMorgan and Wells Fargo said they would temporarily stop accepting new Heloc applications. JPMorgan cited high unemployment rates and projections that housing prices would fall.

Other lenders are raising credit-score requirements or decreasing the amount they are willing to lend relative to a home's value. "You had to have stellar credit to get one beforehand, and now you need really stellar credit," said Amy Crews Cutts, an economist and president of AC Cutts & Associates.

Multiple lenders, including Fifth Third Bancorp and Santander Bank, have limited home-equity applications to existing customers.

Banks are wary of extending home-equity products in part because of their second-class status if the borrower defaults. The lender that holds a home's mortgage usually has the first shot at recouping what is owed.



Document J000000020200619eg6j00016

THE WALL STREET JOURNAL.

Business & Technology: Firms Aim To Forestall Consumer Defaults

By Nina Trentmann and Mark Maurer
254 words
18 May 2020
The Wall Street Journal
J
B4
English

As borrowers get a break on paying down credit-card, vehicle and other consumer loans, banks and financial institutions extending the relief face a balancing act in the months ahead.

Efforts to maintain customer relationships now could stave off a wave of potential defaults, finance professionals say. But companies with weakening consumer debt on their books need to figure out how much payment relief they can afford to provide, allowing that some consumers won't be able to pay later, potentially driving up losses for lenders.

Financial institutions from American Express Co. to JPMorgan Chase & Co. are offering delayed payments, fee waivers and other credit relief to consumers as more than 36 million Americans filed for unemployment claims in the weeks after many states locked down nonessential businesses to curb the spread of the coronavirus.

In doing so, finance chiefs are leaning on a playbook that recalls how they handled the record number of defaults and nonperforming loans arising from the 2008 financial crisis.

"So what is the carrot at the end? These are good customers who are in a bad time through no fault of their own, and we'd like to retain them as customers," AmEx Chief Executive Stephen Squeri said during an April earnings call.

JPMorgan is providing payment relief for hundreds of thousands of consumer accounts, including offering 90-day grace periods for mortgage, auto and car payments, as well as waiving or refunding certain fees.

Document J000000020200518eg5i0001k

THE WALL STREET JOURNAL.

Banking & Finance: Morgan Accepts Bitcoin Firms as Clients

By Paul Vigna
612 words
13 May 2020
The Wall Street Journal
J
B12
English

JPMorgan Chase & Co. has taken on two bitcoin exchanges, Coinbase Inc. and Gemini Trust Co., as banking customers, according to people familiar with the matter, the first time the bank has accepted clients from the cryptocurrency industry.

The move is the latest in a string of positive developments for bitcoin and another sign that Wall Street is becoming more comfortable with the business of cryptocurrencies.

Coinbase, founded in 2012, is the largest U.S.-based bitcoin exchange, with more than 30 million accounts. Gemini, founded in 2014 by Tyler and Cameron Winklevoss, is a smaller exchange, but it has been in the vanguard of the industry's movement to attract mainstream clients and embrace regulation.

The accounts were approved in April, and transactions are just starting to be processed, the people said.

The bank is primarily providing cash-management services to the firms and handling dollar-based transactions for the exchanges' U.S.-based customers, according to the people. It will process wire transfers, and deposits and withdrawals through the Automated Clearing House network, an electronic funds-transfer system.

Although Coinbase and Gemini are built around trading cryptocurrencies, many of their customers link traditional bank accounts to their accounts on the exchanges. Handling transfers in and out of those bank accounts requires a payments processor.

JPMorgan's services don't extend to any bitcoin or cryptocurrency-based transactions. The firms handle those themselves.

JPMorgan took a notable step in extending services to businesses built around bitcoin. Such businesses have for years been blocked by banks from opening up accounts. Bankers were concerned with exposing themselves to bitcoin's shadier uses, such as money laundering, and the added glare from regulators.

Coinbase and Gemini had to go through a long vetting process to get JPMorgan's approval, the people said. What separates the exchanges from others in the space is the degree to which they have become regulated entities. The fact that both are regulated by multiple parties played a big part in the approval process.

Gemini obtained a trust charter from the New York State Department of Financial Services in 2015. Coinbase is registered as a money services business with Financial Crimes Enforcement Network, or FinCEN, and has a specialized license for crypto businesses, called the BitLicense, from the New York department. Both are licensed as money transmitters in multiple states.

Bitcoin has had a run of good news lately. The price has more than doubled from its March lows, recently touching $10,000, though it is still more than two years removed from its all-time high of $19,800. Trading volumes hit record highs in April and March as investors became interested in the digital currency as a hedge against volatility in traditional markets.

Meanwhile, more Wall Street traders are in the market as well. Average daily trading volume this year of CME's bitcoin futures contract has risen 43% from the same time frame a year ago, the exchange said. Nearly 850 new accounts have been opened this year, more than twice as many as a year ago. Popular vehicles for institutional investors, including the Grayscale Bitcoin Trust, an over-the-counter ETF, have seen increased activity as well.

For JPMorgan, the new relationship with Coinbase and Gemini is the latest step in what has been a long and sometimes acrimonious relationship with digital money. Chief Executive James Dimon has been a high-profile critic of bitcoin in the past. But the bank itself experimented extensively with **blockchain**, bitcoin's underlying technology, and more recently implemented its own digital currency, JPM Coin, for digital payments among its clients.

Document J000000020200513eg5d00014

THE WALL STREET JOURNAL.

The Coronavirus Pandemic: Covid-19 Swept Through JPMorgan's Trading Floor

By Rob Copeland and David Benoit
981 words
4 April 2020
The Wall Street Journal
J
A6
English

March 9 was supposed to be the start of a new routine for JPMorgan Chase & Co. employees. With coronavirus spreading, the bank had told the staff in its stock-trading operation to head to three separate sites around New York City.

Hours before the workday began, with global markets plunging, **technology** at the sites wasn't ready. JPMorgan top brass reversed the order and told many traders to report for duty, as usual, to the firm's Manhattan headquarters, employees said.

An employee who wasn't feeling well came to the office. JPMorgan traded more shares that Monday than any day in the bank's history. The sick employee turned out to have Covid-19, and over the past three weeks, about 20 employees on a single floor at the bank's headquarters have tested positive for the virus, with another 65 quarantined as a result.

Wall Street is used to making tough choices in seconds, but the coronavirus pandemic has added a dimension of life or death. Amid the wildest trading conditions in more than a decade, banks are loath to fully allow the thousands of traders and salespeople who keep the markets humming to work from home. Setups in home offices lack the multibillion-dollar **technology** infrastructure of the trading floor. Even slight delays in speed could cost money.

Wall Street trading has been deemed an "essential service" by New York authorities, and though the New York Stock Exchange has shut its floor, the major banks continue to have some employees report to work.

For JPMorgan, the consequences of keeping employees in the office have been swift and painful. The outbreak has rattled rank-and-file employees, who said they feel the bank took a gamble with their health to protect a prized business.

Traders and salespeople said they feel pressure to come in. Managers, many of whom have stayed in the office themselves, have reminded staff that their compensation may be tied to their performance in recent weeks.

On Thursday, head of global equities Jason Sippel told subordinates they had a responsibility to come into the office, according to a person on the call. "There are risks to personal health, there are risks to public health," Mr. Sippel said. "We are called upon to balance."

A JPMorgan spokesman said that more than 80% of the firm's traders are working remotely and those in the office have been spaced more than 6 feet apart. Employees deemed at risk of infection have been sent home. Managers were instructed to tell employees they are free to work remotely, the spokesman said.

"We recognize how stressful this is for those employees on the front lines who are supporting global markets," a spokesman said.

JPMorgan's coronavirus outbreak is concentrated on the fifth floor of the bank's Madison Avenue headquarters, a tight web of desks for those who buy and sell stocks and pitch clients on trades.

It started with a managing director who came into the office on March 9. He began to feel ill as the day progressed, and was coughing at his fifth-floor desk. He stayed home the next day and was tested for the coronavirus.

JPMorgan brass kept the news tight for a few days. That Friday, the test came back positive. Longtime executive Marc Badrichani broke the news to a group of fifth floor traders over the bank's "hoot and holler," an intercom system connected to individual desks. Employees crowded around to hear the announcement on a handful of speakers, people present said. Mr. Badrichani described the situation as under control.

Later, the bank told the rest of the trading staff on other floors. The bank followed up with another memo that weekend to the whole building, confirming two cases. People who worked on the same floor as a sick colleague would be informed, the memo said, but should continue to report to work.

By then, companies that had been merely advising employees to stay home were now making it mandatory.

All the while, global markets were haywire. That Thursday, March 12, the S&P 500 posted one of its biggest one-day drops in history. Friday brought one of its largest-ever gains. JPMorgan's trading volume was hitting records. A group focused on volatility trading made about $1.5 billion in revenue as of late March, employees said.

Throughout the week, the bank sent some traders to work in other offices in Brooklyn and New Jersey, staggering them to keep from overloading its systems. Some were sent to work from home.

Several employees who asked to work from home said they were told that not enough remote computer equipment had arrived yet. Some broke into tears when told they were expected to report in-person, employees said.

The bank's human-resources department put together a document outlining when employees could return to work. Those who tested positive were told they could return to the office one week afterward, so long as symptoms had subsided, according to a copy of the document reviewed by The Wall Street Journal. The policy matched the recommendations of the Centers for Disease Control and Prevention.

"A persistent cough alone does not mean you must continue to self-isolate," the document said.

On March 20, Gov. Andrew Cuomo ordered all nonessential businesses to close. That weekend, JPMorgan threw out its original plans to separate people and said most would work from home.

But the trading floor has remained open, and some managers continued to press staff to come in, according to employees.

On Thursday, Mr. Sippel, the bank's global head of equities, said JPMorgan's business would suffer if too many employees called out. JPMorgan's rivals were lagging, he said, presenting an opportunity for the bank to win business.

Document J000000020200404eg4400090

Search Summary

Text	(technology OR "AI" OR fintech OR "digital banking" OR "cloud computing" OR blockchain OR cybersecurity OR "machine learning" OR "data analytics" OR "big data" OR "predictive analytics" OR "cloud migration" OR "edge computing" OR "5G banking" OR "API banking" OR "open banking" OR "data governance" OR "data monetization" OR "digital transformation" OR "quantum computing" OR "AI-driven banking" OR "AI in compliance" OR "AI-powered fraud detection" OR "AI in customer service" OR "AI in investment banking" OR "conversational AI" OR "generative AI" OR "robo-advisors" OR "natural language processing" OR "algorithmic trading" OR "automated risk assessment" OR "AI regulatory challenges" OR "embedded finance" OR neobanks OR "Banking as a Service" OR "BaaS" OR regtech OR suptech OR "decentralized finance" OR DeFi OR "cryptocurrency adoption" OR "Central Bank Digital Currencies" OR CBDCs OR tokenization OR "real-time payments" OR "Buy Now Pay Later" OR BNPL OR "cyber resilience" OR "Zero Trust security" OR "identity verification" OR "fraud detection" OR "insider threats" OR "AI-driven cybersecurity" OR "financial data breaches" OR "data privacy laws" OR GDPR OR CCPA OR "operational risk management" OR "regulatory compliance technology" OR KYC OR "Know Your Customer" OR AML OR "Anti-Money Laundering" OR "hyper-personalization in banking" OR "customer-centric banking" OR "omnichannel banking" OR "digital wallets" OR "contactless payments" OR "voice banking" OR "biometric authentication" OR "wearable banking" OR "banking UX/UI innovations" OR "financial inclusion technology")
Date	04/01/2020 to 06/30/2020
Source	The New York Times Or The Wall Street Journal Or The Economist Or Forbes
Author	All Authors
Company	JPMorgan Chase & Co.
Subject	All Subjects

Industry	All Industries
Region	All Regions
Language	English
Results Found	5
Timestamp	5 March 2025 3:05 PM GMT

