

The Cleveland Fed's Excellent Community Development Adventure



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**Cuyahoga Community College Corporate College
20th Anniversary Celebration
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Introduction

Good morning and thank you for the invitation to join you here at the 20th anniversary celebration for Cuyahoga Community College's Corporate College.

I'm happy to recognize the impact of community colleges like Tri-C. These most outstanding institutions offer opportunity and a chance for businesses to collaborate with educators to deliver customized training for evolving needs. They give students of all ages and socioeconomic backgrounds a chance to earn a degree, get certified for a current career, get back on track toward a goal, or start a new track altogether.

They offer possibility, especially for nontraditional students. Tri-C's student body exemplifies this, with nearly 80 percent of students enrolled part time while working and an average student age of around 26 years old.

And I know personally that they offer support and encouragement. My oldest child recently wanted to get back on track toward his goal of getting a four-year degree. A community college offered the right bridge at the right time to help him do that.

But a four-year degree isn't everyone's goal. Corporate College's enduring success shows that. Its focus on ongoing professional training and entrepreneurship also aligns with two of the Cleveland Fed's community development priorities: workforce development and small businesses, both of which I'll discuss in more depth shortly.

As we know, challenges in the community space abound. If only it was as simple as climbing into an old-fashioned telephone booth, dialing the right number...and being transported through space and time to the people who have all the right answers, just like Bill and Ted did on their most unprecedented journey.

While it may not be quite that simple for us, I'd like to invite you all to join me on our own excellent community development adventure.

Before I continue, I note that the views I present are my own and not necessarily those of the Federal Reserve System or of my colleagues on the Federal Open Market Committee.¹

Fed 101

First, let's go back into history. The Federal Reserve was created in 1913 as a decentralized system made up of two main parts, the Board of Governors in Washington DC and the 12 regional Reserve Banks. The Board is a federal government agency with seven members appointed by the US president and confirmed by the Senate. Each of the 12 Reserve Banks represents a different part of the country, called a Federal Reserve District. The Cleveland Fed, for example, represents the Fourth Federal Reserve District, encompassing Ohio and parts of Pennsylvania, Kentucky, and West Virginia. The Reserve Banks are not part of the federal government, and each one has its own board of directors drawn from different parts of its regional community.

Fed Functions

The Federal Reserve System has five main responsibilities: promoting financial stability, supervising and regulating financial services firms, supporting the US payments system, conducting monetary policy, and fostering consumer protection and community development. Today, I will focus on our community development or CD efforts.

If you're going through the *Circuits of Time* directory, you'll see the Fed's CD roots go back to 1977 with the Community Reinvestment Act, or CRA. The CRA charged the Federal Reserve System, and

¹ I am grateful to Emily Garr Pacetti, Kyle Fee, Hal Martin, and Dani Carlson for assistance with these remarks.

other federal banking regulators, with encouraging banks and financial institutions to meet the credit needs of the communities where they do business. This includes low- and moderate-income neighborhoods, which had historically faced challenges securing lending and financial services.²

Nearly 50 years on, each Reserve Bank and the Board of Governors have CD teams that conduct research and outreach focused on lower-income communities. Our teams are positioned to investigate issues ranging from small-business concerns to housing affordability and workforce development.

This work primarily takes three forms: monitoring economic conditions, producing research to help make data-informed decisions, and convening stakeholders to brainstorm solutions to common problems.

Community engagement

Input from community stakeholders has been especially valuable in my first year at the Bank. My team and I travel around the region to talk with business, nonprofit, and community leaders to gain a clearer picture of how the economy is working for people in the Fourth District. If strange things are afoot at the Circle K, I want to know. I rely on these perspectives to better understand the current economic landscape so I can best represent our region's economic reality in the nation's monetary policy-setting process.

Just a few weeks ago, I heard feedback from several hundred people in Cleveland, as part of a Fed Listens session we held at our biennial Policy Summit. Attendees shared concerns about the high cost of living and making ends meet. They talked about how applying for jobs online means being able to send hundreds of resumes to different opportunities, but they explained it can also feel like sending

² Board of Governors of the Federal Reserve System. 2024. "Community Reinvestment Act (CRA)." March 8, 2024. [federalreserve.gov/consumerscommunities/cra_about.htm](https://www.federalreserve.gov/consumerscommunities/cra_about.htm).

applications into a black hole. Participants also shared recent difficulties in finding a job despite having a traditional four-year degree.

While Fed Listens offered a unique opportunity to reach a large group of people at the same time, our ongoing information gathering efforts are usually one on one or with smaller groups. For example, we regularly meet with the Cleveland Fed's business and community advisory councils that are made up of leaders representing different Fourth District geographies and industries. And we are grateful to have Tri-C's President Baston now serving on our Community Advisory Council.

Our team at the Cleveland Fed visits all corners of the region. So far, I've had the opportunity to travel to a solar panel manufacturer in the Toledo area, a horse park in Lexington, Kentucky, an accelerator hub for nuclear reactor technology outside of Pittsburgh, an airship manufacturer in Akron, the food bank here in Cleveland, and many other places in between. On each trip, I learn something about the economic challenges businesses and community groups face as I piece together a more complete picture of the economy.

Workforce Development

One area of concern I hear about frequently during these visits is the workforce.

As maximum employment is one side of our dual mandate, the Fed's Community Development function prioritizes gathering information about the labor market. It's important to understand any potential barriers that may get in the way of people getting and keeping jobs.

On a recent visit, I toured MAGNET: The Manufacturing Advocacy and Growth Network right here in Cleveland. At its Hough headquarters, the STEM-inspired playground, remote-control cars, and robotic

arms offer age-appropriate ways for students to start thinking about potentially high-paying careers in manufacturing. MAGNET also partners with local businesses and community colleges, including Tri-C, to close skills gaps and meet the current demand for specific manufacturing jobs.

No matter where I am in the District, I hear from employers that a nearly universal challenge is a lack of available talent in manufacturing and the skilled trades. But I'm encouraged that rather than merely saying we are in danger of failing, or as Bill and Ted would say, "flunking most heinously," organizations across sectors are making efforts to address the problem.

Corporate College's computer numerical control operations, or CNC, program evolved from a collaboration among MAGNET, Tri-C, and Swagelok. Students who enroll in the CNC program learn skills that are designed to transfer to paid internships and possibly full-time positions. The program is a great example of Tri-C's work to explore how apprenticeships and earn-and-learn models can help address workforce shortages, build a sustainable talent pipeline, and support business growth.³

Occupational Mobility Explorer

In our community development work, sometimes the insights we gather from stakeholders can lead directly to action. This is exactly what happened with the creation of the occupational mobility explorer tool, or OME. On outreach visits, our CD research staff were repeatedly asked, "how can I find a job that provides a livable wage?"

To help answer this question, the Cleveland and Philadelphia Feds developed research that led to the OME, a free tool that takes a "skills-based" approach to help workers identify higher-paying occupations

³ See also Thompson, Lynne. 2025. "How Tri-C's New Workforce Innovation Division Is Shaping the Future of Skills Training." *Cleveland Magazine*, May 1, 2025. clevelandmagazine.com/cleader/business/articles/how-tri-c-s-new-workforce-innovation-division-is-shaping-the-future-of-skills-training.

in their regions, that match their skill sets.⁴ The research showed that defining occupations by the skills they require, rather than by job title alone, could help workers identify career paths they may not have otherwise considered.

For example, a career advisor in Philadelphia shared the story of a veteran who had worked in logistics while serving in the Army. Her civilian work experience included cleaning houses. The OME identified in-demand occupations in her region that could use the skills she had from both experiences. As a result, she was able to find a job at the front desk of a hotel making more than she had cleaning houses. We know some Cleveland educators and employment specialists use the OME to help students and workers identify higher-paying career paths.⁵ If you'd like to read more about that veteran's story, you can find it on FedCommunities.org, a Systemwide effort housed at the Cleveland Fed that highlights CD work from across the Federal Reserve System.

The OME also provides valuable information about the skills most requested by employers. While people often think of hard skills, like coding or operating heavy equipment, recent OME data showed a variety of “social and soft” skills are often the most requested by employers. Our research shows these skills are critically important for economic mobility and to access a broader range of job opportunities.⁶ Just a few weeks ago I saw a real-world example of a business prioritizing social and soft skills on a visit to Tendon Manufacturing, a metal fabrication and machining company in Bedford. For Tendon, qualities like being prepared and being on time are so important that there are signs posted throughout the facility

⁴ DeMaria, Kyle, Kyle D. Fee, and Keith Wardrip. 2020. “Exploring a Skills-Based Approach to Occupational Mobility.” Federal Reserve Bank of Philadelphia and Federal Reserve Bank of Cleveland. philadelphiafed.org/community-development/workforce-and-economic-development/exploring-a-skills-based-approach-to-occupational-mobility.

⁵ O'Shaughnessy, Anne. 2025. “Powerful Tool Helps Job Seekers Chart a Path to Higher-Paying Roles.” Fed Communities. February 27, 2025. fedcommunities.org/powerful-tool-helps-job-seekers-chart-path-higher-paying-roles/.

⁶ Fee, Kyle D. 2025. “Using the Occupational Mobility Explorer to Understand Which Skills Are Most in Demand.” *Community Development Reports*. Federal Reserve Bank of Cleveland. doi.org/10.26509/frbc-cd-20250425.

highlighting 10 soft skills the company looks for in hiring and that can lead to success on the shop floor.

Corporate College has also recognized that students may need more than technical training, and I was pleased to see course offerings for professional development that include things like creative thinking, teamwork, and time management. I think Abraham Lincoln would be most impressed with the OME, Tendon, and Corporate College.

In addition to creating useful tools, the Cleveland Fed elevates workforce development research, financial literacy education, and career readiness skills through our role as educator and convener. Our education outreach team works directly with community partners, including Tri-C, to support training and provide resources for students and educators to help prepare everyone to fully participate in the economy.

Small Businesses

Some of our outreach efforts have revealed that not all workers are looking for a traditional employer–employee relationship. In the summer of 2022, Cleveland and Philadelphia Fed researchers interviewed many workers, some of whom indicated they were self-employed. Of those workers, many cited flexibility and autonomy as benefits of working for themselves while also citing a lack of reliable and consistent income as a major challenge.⁷ Leaders at Corporate College’s Center for Entrepreneurs likely receive similar feedback.

⁷ Piazza, Merissa, and Ashley Putnam. 2024. “Worker Voices Special Brief: Self-Employment, Dreams Versus Reality.” Federal Reserve Bank of Philadelphia. philadelphiafed.org/community-development/workforce-and-economic-development/worker-voices-special-brief-self-employment-dreams-versus-reality. See also “2024 Report on Startup Firms: Findings from the 2023 Small Business Credit Survey.” 2024. Small Business Credit Survey. Federal Reserve Banks. doi.org/10.55350/sbcs-20241204.

Small businesses are big business. In aggregate, they contribute more than 40 percent to gross domestic product, employ nearly half of all private-sector workers, and lead the way in job creation, producing nearly two-thirds of net new jobs in recent decades.^{8, 9} Small-business creation accelerated post-Covid, and it remains elevated, with about 400,000 new business applications per month in the United States.¹⁰

On a visit to Wooster, about an hour south of here, I took a walking tour of that city's vibrant downtown, which is home to more than 40 small businesses.¹¹ While there, I spoke to the owner of a bridal salon who described her community as "Hallmark movie-esque." That's part of the reason why she decided to leave her 9-to-5 job and open a brick-and-mortar store. She says her shop has now become a destination for out-of-town brides, but she and her husband face challenges as small-business owners, too, including high costs and not being able to afford help. Her story reflects the experience of many entrepreneurs across the country who start small businesses with only a single employee or family member helping make their dreams a reality.

This is the type of information the 12 Federal Reserve Banks collect in the Small Business Credit Survey, or SBCS. The SBCS, a Systemwide effort led by the Cleveland Fed, gathers information each fall from a national sample of businesses with fewer than 500 employees.¹² Each survey provides insight into the current conditions small businesses face, how they've fared when seeking credit, and how satisfied they are with their lenders.

⁸ US Small Business Administration Office of Advocacy. 2024. "Frequently Asked Questions about Small Business, 2024." advocacy.sba.gov/2024/07/23/frequently-asked-questions-about-small-business-2024/.

⁹ Kobe, Kathryn, and Richard Schwinn. 2018. "Small Business GDP, 1998–2014." US Small Business Administration Office of Advocacy. advocacy.sba.gov/wp-content/uploads/2018/12/Small-Business-GDP-1998-2014.pdf.

¹⁰ US Census Bureau. 2025. "Business Formation Statistics Monthly Data Release – May 2025." Available at census.gov/econ/bfs/index.html.

¹¹ Federal Reserve Bank of Cleveland. 2024. "Manufacturing, Small Businesses Make Big Impact in Wooster." *Around the District*. Federal Reserve Bank of Cleveland. October 9, 2024. clevelandfed.org/collections/around-the-district/2024/atd-20241009-wooster.

¹² Visit fedsmallbusiness.org for more information about the survey and related data and research on small businesses, locally and nationally.

When we surveyed firms last fall, we found that among businesses with at least one employee other than the owner, revenue and employment growth generally held steady in the prior 12 months. But for the first time since 2021, firms were more likely to report a decrease rather than an increase in revenue. And, respondents were less satisfied with their lenders.¹³

We offer insights like these to the organizations who help field the survey. We report our findings extensively to the public, breaking down results by business and owner characteristics and by geography.

We know the economic environment is changing quickly, and that's why, in addition to the SBCS, in April we surveyed more than 140 organizations that work with small businesses to ask about current conditions. Six themes emerged: rising costs, economic uncertainty, federal spending cuts, hiring challenges, changing policy environment, and more difficulty accessing credit. Seventy percent of the organizations that support small businesses said firms they serve were less optimistic about revenue growth than they had been six months earlier. They also said small businesses are often less equipped than larger ones to handle supply chain disruptions and cost shocks.^{14, 15}

The data from these surveys are very useful in understanding the credit needs of small businesses, and we hear that nonprofits regularly use this information to inform both programming and their discussions with policymakers. In a room with so many business leaders, I would be remiss if I didn't make a pitch here

¹³ "2025 Report on Employer Firms: Findings from the 2023 Small Business Credit Survey." 2025. Small Business Credit Survey. Federal Reserve Banks. [fedsmallbusiness.org/reports/survey/2025/2025-report-on-employer-firms](https://smallbusiness.org/reports/survey/2025/2025-report-on-employer-firms).

¹⁴ Martin, Hal, and Ann Marie Wiersch. 2025. "Findings from a Survey of Small Business Resource Organizations." Federal Reserve Banks. <https://doi.org/10.55350/sbcs-20250715>.

¹⁵ "Opening Remarks by Governor Barr at the 2025 Northeast/Mid-Atlantic Small Business Credit Symposium." 2025. Board of Governors of the Federal Reserve System. May 15, 2025. federalreserve.gov/newsevents/speech/barr20250515a.htm.

for Small Business Credit Survey participants. The next survey opens in the fall, and businesses with fewer than 500 employees can visit FedSmallBusiness.org to take the survey.

Thank you

At the Cleveland Fed, we embrace our responsibility to serve the public across all five of our key functions. But we are only one organization covering many areas. We know that it takes partnerships to begin to understand the scale of need and identify potential solutions for our communities. We all have a role to play to develop the next generation of talent, understanding there's more than one way to do that. Community colleges offer many flexible, accessible, and affordable workforce programs. Corporate College's programming—one that responds to business needs—truly highlights the “community” focus in community college.

I'd like to close by taking this most triumphant opportunity to encourage all of you to get involved in our work. We need participants in our surveys about small businesses, regional conditions, and community issues.¹⁶ Whether you own a small business, are an industry contact, or are a nonprofit service provider, we want to understand how you're experiencing the economy. We'd love to hear about your innovative solutions to common problems. We want this to be a two-way street, where we learn from you and can serve as a resource for you as well. Whether we can offer research or insights or connect you with other groups who can, we at the Cleveland Fed are here to support the communities of the Fourth District.

Thank you and be excellent to each other.

¹⁶ Direct service providers in the Fourth District are welcome to participate in our Community Issues Survey: [Community Issues and Insights](#); small businesses can take the [Small Business Credit Survey](#); and business and industry leaders are invited to participate in the [Fourth District Beige Book](#), a Federal Reserve System publication on economic conditions in the United States.