

Tracey N. Mason ([00:02](#)):

Well, good morning. Good morning. Good morning everyone. Welcome to the 17th Policy Summit. I am thrilled to see you all here today, but before we dive in, let's gauge how you all are feeling about today's summit. So let's get the drum roll. Excited, curious. I love it and I have glasses on and I'm still struggling to see. Eager. I had to lift them up. Motivated. Well, I love it. I think that's all great. We hope to bring that kind of energy throughout the summit. I am Tracey Mason and I am the Assistant Vice President of Outreach and Engagement for the Cleveland Fed Community Development Department. For those who are unfamiliar with our work, the community development team focuses on understanding economic experiences of low- and moderate-income households and communities to help build a stronger economy for all Americans. We achieve this in a number of ways.

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One, we listen and learn from community stakeholders. We conduct research and data analysis to address information gaps. We share publications, programs, tools, and a host of resources. Lastly, we convene community organizations to leverage insights and identify emerging issues and opportunities to collaborate. These efforts contribute to a resilient economy and financial system so people in every community have opportunities to participate and prosper. This summit is one of many ways we fulfill our purpose as an organization. Over the next couple of days, you will hear from experts from across the country who will share research and innovative solutions related to the workforce, housing, economic development, all aimed to build a strong and stable community that benefits everyone.

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A heartfelt thank you to 600 people who have joined us right here in Cleveland as well as virtual. Collectively, we have representation from more than 25 states. We are proud to partner with local and national community organizations to promote this year's summit, along with other Federal Reserve banks that have contributed to the program. Thank you for your partnership and they are listed in your program.

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We want you to get the most out of the summit. We encourage you to have an open mind, ask questions, well ask brief questions, learn from each other as we work towards changing the lives of individuals in our community. Lastly, the views shared during the summit are those of the speakers and not necessarily those of the Federal Reserve Bank of Cleveland or the Federal Reserve System. Now it is my pleasure to introduce Cleveland Fed President Beth Hammack. Beth is responsible for all of the bank activities including monetary policy, bank supervision, payment services, some of which she will talk about this morning. Before joining the Fed, Beth spent more than 30 years in finance, capital markets, and risk management. Beth also worked closely with US policymakers on several different committees, all aimed to advance financial industry best practices. Please join me in welcoming President Beth Hammack to the stage.

Beth M. Hammack ([04:06](#)):

Well, good morning. Thank you all for coming here to join us for the 17th Policy Summit. I'm honored to welcome you to our marquee community development event, my first as the president and CEO of the Federal Reserve Bank of Cleveland. If this is your first visit to our fair city, let me assure you, Cleveland does rock. I highly recommend exploring some of what this vibrant city has to offer in one of our loveliest weather months. The Rock & Roll Hall of Fame is just down the street, as is Progressive Field where I happen to know the Guardians are playing home games over the next couple of days. But while we're here participating in the summit, I'd like to acknowledge that we wouldn't all be together in

person or virtually if it wasn't for the efforts of the Cleveland Fed's community development staff and our reserve bank and community partners.

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The Federal Reserve System's Community Development Departments aim to promote economic growth and financial stability. We are honored to welcome representatives from each of the reserve banks to this summit, and I'm especially grateful to the Federal Reserve Banks of Atlanta, Boston, Chicago, Dallas, Kansas City, New York, Philadelphia, Richmond, and St. Louis for supporting the planning and execution of this event. Your dedication and collaboration made this ambitious program a reality. I'd also like to recognize and thank Federal Reserve Governors Michael Barr and Lisa Cook for joining us. Governor Barr is a community development oversight governor for the Board of Governors and will share some remarks about the system's community development efforts this afternoon. And Governor Cook will join me tomorrow for our 2025 Fed Listens discussion. We hope that all of you will take part in that productive conversation about how monetary policy affects your lives and the lives of the people that you work with and serve. And before I continue, I note that the views I present will be my own and not necessarily those of the Federal Reserve System or of my colleagues on the Federal Open Market Committee.

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There's a lot to look forward to today starting with Dr. Rajiv Shah's keynote address. Dr. Shah is the President of the Rockefeller Foundation, and after his address, he'll have a conversation with Lillian Curry, the President and CEO of the Cleveland Foundation. Now, it's not often I get to say organizations have the Fed's longevity, but both the Federal Reserve and the Rockefeller Foundation were founded in 1913 and the Cleveland Foundation was founded just one year later. All three organizations have evolved and transformed over the past centuries to address new challenges and serve their stakeholders. I'm eagerly anticipating the discussion.

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The Policy Summit has a long history of bringing together community development practitioners, researchers, and community leaders with diverse perspectives to share best practices. An aim of this conference is that you'll bring the information and solutions you gain here back to your home communities. It's like the movie Pay It Forward. If each person shares what they've learned with three people and those people share with three more and so on and so on, the knowledge on how to build strong and sustainable communities will spread far beyond this room. If this is your first Policy Summit, you may wonder why the Fed is holding this event, so I'd like to take a minute to do a quick Fed 101 on our structure and responsibilities.

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As many of you know, the Federal Reserve system is more than 100 years old and is made up of 2 main parts: the Board of Governors in Washington D.C. 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. The 12 regional reserve banks across the country, including Cleveland, serve as the operating arms of the Federal Reserve System. The Cleveland Fed represents the Fourth Federal Reserve district encompassing all of Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of 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 the community, and I'm grateful that we have some of our board members here today.

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The Federal Reserve System has five main responsibilities: promoting financial stability, supervision and regulation, overseeing the payment system, monetary policy, and our fifth function most relevant for this summit is consumer protection and community development. As many of you know, the Fed's community development roots began in 1977. That's when the Community Reinvestment Act charged the Federal Reserve System and other federal banking regulators with encouraging local financial institutions to help meet the credit needs of the communities where they do business, including in low- and moderate-income neighborhoods.

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Nearly 50 years on, the 12 reserve banks and the Board of Governors each have their own teams that focus on research and outreach to promote community development and protect consumers. This research focuses on many topics, including several of those featured at this conference such as housing, workforce and economic development. The Fed's decentralized structure means the System can create baseline national data, and each reserve bank then decides based on the unique concerns in their respective districts, which topics make sense to prioritize further for more local research. That's in part why we know that housing affordability is front of mind, both nationally and in the Fourth District for many low- and moderate-income communities.

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The System's 2024 Annual Community Perspectives Survey showed housing as a major concern, with few of those surveyed expecting any positive changes in that space over the next year. Similarly, in the Fourth District, the latest Cleveland Fed Community Issues Survey, which gathered input from those who serve low- and moderate-income individuals, pointed to rising rents and the lack of affordable housing as top challenges. More than 60% of respondents said there has been a decrease in the availability of affordable housing. The results of both surveys are in line with data from across the country. According to the Atlanta Fed's Home Ownership Affordability Monitor, home prices are broadly outpacing incomes. This is just one of many reasons why housing affordability has worsened nationally over recent decades.

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Another contributing factor is new housing construction is not keeping up with demand. Both of these topics will be discussed during today's plenary session on how to tackle the housing supply shortage. It is our role to elevate these types of concerns when we see them and to better understand their impact on the economy. The Federal Reserve System's community development function prioritizes gathering information about the workforce, and employment barriers can prevent some people from fully participating in the labor market, which can be especially true for individuals from low- and moderate-income communities. As maximum employment is one side of our dual mandate, understanding those barriers and learning about possible solutions is core to our work.

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An example of this effort is the Worker Voices Project, a series of roundtables the Federal Reserve System held across the country to learn how workers navigated the labor market during the pandemic. Participant responses revealed not all individuals benefited from the tight labor market in 2021 and that workers have higher expectations around job quality. Researchers in the Fourth District decided to build on this research and collaborated with 10 external partners to pilot our Perspectives on Work Survey last year. According to a new piece on clevelandfed.org, local survey respondents indicated that finding jobs that offer benefits and provide wages high enough to cover living expenses remains a challenge for

job seekers. The information collected in our survey was also used in the community conditions section of the January, 2025 Beige Book.

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Sometimes insights from stakeholders can lead directly to action, which is what happened with the Occupational Mobility Explorer or OME tool after community development research staff were repeatedly asked during outreach visits, "How can I find a job that provides a livable wage?" To help answer this question, the Cleveland and Philadelphia Feds developed the OME, a free tool that takes a skills-based approach to help workers identify higher-paying occupations in their regions that match their skill sets. The OME provides valuable information about the skills most requested by employers. Our analysis of the tool's data determined that a variety of social and soft skills are the most requested nationally by employers and that these skills are important for economic mobility. Other times we use outreach trips to develop relationships and learn more about community partners' ongoing work. During trips I took to MAGNET: The Manufacturing Advocacy and Growth Network in Cleveland and to Lorain County Community College, I saw how each is trying new and unique solutions to train the next generation of workers for good high-paying jobs.

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We know that it may be hard for people who are so used to things the way they are to change even if things are bad, but these visits underscore the creativity and commitment we see in the workforce development space, recognizing that initiatives may need to evolve quickly because of changing market demand. I was impressed by these two examples within our District, and I'm looking forward to this afternoon's plenary session to learn more about what other communities are doing to increase access to good-paying jobs and long-lasting careers. At the Cleveland Fed and across the Federal Reserve System, we take our responsibility as public servants seriously and rely on input from the people we serve to ensure that we are doing the best job fulfilling the Bank's mission of improving economic opportunities for all. I encourage everyone to get involved in the Fed's work. You can become a Beige Book contact and share your perspective on the economy with our research and outreach teams.

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For those of you who are unfamiliar, the Beige Book summarizes anecdotal information from each of the 12 Districts. Each Beige Book is an important snapshot in time, allowing policymakers to both better understand current conditions and recognize potential trends by comparing the differences between successive Beige Books. If you're interested in serving as a Beige Book contact, you can reach out to your local reserve bank to see how to get involved. You can also read stories about our critical work in this area on [fedcommunities.org](https://www.fedcommunities.org), which is a System-wide effort led by the Cleveland Fed.

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In addition to gathering perspectives from the people we serve, the Cleveland Fed, alongside the 11 other reserve banks provide resources and insights into community conditions. We also seek out opportunities to connect groups to build strong and sustainable communities. I hope you'll consider us as a resource as you move forward with your work. And now my ask of you: Pay it forward. That take the information you learned here and share it with the communities you serve. By doing that, we will make sure that our impact spreads far and wide beyond this ballroom. Thank you again for your time and at this summit. And now I'd like to welcome my Cleveland Fed colleague, Emily Garr Pacetti, who will introduce Dr. Rajiv Shah.