

View this email in your
browser



Speaking of ...

Groundhog Day. I normally don't give this holiday much attention. I reside in Northeast Ohio, so it doesn't matter whether the groundhog sees its shadow or not; we are in for at least eight more weeks of cold weather.

Minimum. This year I've given it a bit more thought—not the holiday but the movie. For many of us our lives feel like *Groundhog Day*. Each day seems the same, and they all blur together. So much has happened in the past year.

It is easy to forget that prior to the start of the pandemic, the US economy was strong and growing. It lost a lot of ground because of the pandemic, and the impact has not been equally felt. While many of us are working from home, many others have lost their jobs, homes, savings, and sense of safety.

Small businesses have been hit hard. And low- and moderate-income communities and people of color have been hit hardest. You can access reports and charts on these disparities on our website, on the [Program on Economic Inclusion page](#). This issue of *Cleveland Fed Digest* highlights some of the reports on these subjects and other timely topics.

I know I am not alone in looking forward to the day when we can return to our offices, go out to dinner in bustling restaurants, and gather with others at concerts and other events. And when we do, hopefully we'll see a return to a strong and growing economy that provides opportunities for all. I know the Cleveland Fed will be doing its part to bring this about.

Be well,

A handwritten signature in black ink that reads "Lisa".

Lisa Vidacs
leads the communications team
of the Cleveland Fed.



Recently, from the Cleveland Fed



More than half of small businesses say financial condition is fair or poor

The COVID-19 pandemic affected operations for 95 percent of firms, finds the Fed's Small Business Credit Survey. Most small businesses (78 percent) reported that they experienced a decrease in revenues in the prior 12 months, and 57 percent reported that their financial condition is fair or poor. Read more, including details on the financial resiliency of small firms, in the [2021 Report on Employer Firms](#). Interested in being involved in our Small Business Credit Survey work? The Cleveland Fed is [hiring](#) a program manager.



Want to know how a worker can find a similar but higher-paying job?

Our new [Occupational Mobility Explorer tool](#) lets you compare the 25 most in-demand skills for any pair of jobs in the 33 largest US metro areas, with the aim of helping workers without a bachelor's degree transition to higher-paying jobs. For example, event planners in Columbus, Ohio, might see a 40 percent wage increase if they transition to a business operations specialist position, a role that requires similar skills.



Community Reinvestment Act helps ensure banks invest where it matters most

Today, most Americans still live in racially segregated neighborhoods, and more than half of Black individuals in the Midwest live in economically distressed ZIP codes. The Community Reinvestment Act (CRA) was meant to ensure banks responded to the credit needs of individuals in the neighborhoods where they do business, and it is a critical tool for reversing systemic disinvestment in lower-income and minority communities. Bank investments can't erase history, but they can help counteract the legacy of systemic racism. Our [latest blog](#) recounts the origins of the CRA, its ties to the Fed's Community Development work, and current efforts to modernize the act.



No racial group's employment rate is back to prepandemic levels

No racial group has returned to its prepandemic level of employment since the labor market began improving in May 2020, but Hispanic populations have seen faster returns to employment than other groups. Measuring employment rates by race is one way to monitor economic inclusion. Our Program on Economic Inclusion gives you the [latest data](#) on employment and unemployment rates by race.



Multimedia piece highlighting manufacturing earns Fed an award

The Bank's three-part "[Manufacturing under Pressure](#)" story earned a platinum AVA Digital Award in the category of multimedia storytelling from the Association of Marketing and Communication Professionals. Published in March 2020, the story explores the past, present, and future of manufacturing through interviews, data visualizations, photography, and video.

By the Numbers



1

Unique opportunity to lead the team working on the Federal Reserve System's national survey of small businesses' credit experiences

[See the job description](#)



9.9

Percent, the Black unemployment rate as of December 2020

[View job market measures by race](#)

On the Calendar

March 1

Racism and the Economy: Focus on Housing (virtual event)

Register

March 25

FedTalk (virtual event)
Treasury Services at the Federal Reserve Bank of Cleveland: Providing Modern, Seamless, and Secure Payment Solutions

Register

June 23–25

Policy Summit 2021: Pathways to Economic Resilience in Our Communities (virtual event)

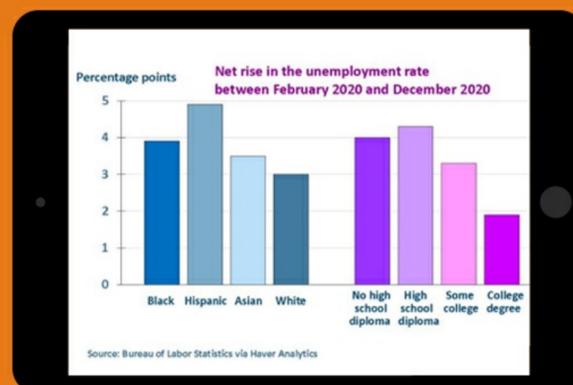
Save the date

Graphic of the Month

There's progress in the labor market, but with caveats

While the labor market is recovering from the shocks suffered in March and April 2020, the recovery has been uneven. Nonwhites and those without a college education have made less progress.

Discover what else is shaping the 2021 economic outlook



Ask the Expert

with Kyle Fee

Question: What difference do you hope the Fed's Occupational Mobility Explorer tool makes for workers and employers? Does that difference change in light of the global pandemic?

Kyle:

The Occupational Mobility Explorer tool is part of a larger research agenda that focuses on identifying occupations that pay a decent wage yet do not require a four-year degree. We refer to these as opportunity occupations. In an effort to help workers transition out of lower-wage occupations and into opportunity occupations, my Philadelphia Fed colleagues and I wrote "[Exploring A Skills-Based Approach to Occupational Mobility](#)," in which we define occupations by the skills required to do them. When we compare skills requested in online job ads across occupations, we find there is a lot of skill overlap between lower-paying and higher-paying jobs, suggesting that there's room for workers to transition into higher-paying occupations.

The Occupational Mobility Explorer tool is a way to put our research into action, so to speak. Our intention is to make the findings interactive and accessible to those interested in upward mobility. Released on December 15, the tool organizes labor market information in a way that allows users to research and explore the skills shared between occupations. Users can build their own career paths or discover the skills they need to develop or the training they need to get to successfully transition to a higher-paying occupation.

Our research suggests that employers also can find value in the tool. They can increase their pool of potential applicants for hard-to-fill positions by recruiting from occupations with similar skills, and they can use the tool to identify occupations with overlapping skills. Hopefully the tool

can make their hiring more efficient.

The importance of a tool like this is heightened by the pandemic. We've seen certain industries hard hit by the pandemic, among them hospitality and food service. A lot of those workers may not have or want careers in those industries anymore, and our tool can help start a conversation about what they do next.

[Explore moves](#) that will net workers at least 10 percent more pay.



Kyle Fee

is a senior policy analyst in the Cleveland Fed's Community Development Department, which analyzes and researches questions or policies relevant to the region the Bank serves: Ohio and parts of Kentucky, Pennsylvania, and West Virginia. Kyle's work focuses largely on workforce development and economic development.

[See more about opportunity occupations](#)

Have a question of your own for Kyle? [Email him](#).

From around the Federal Reserve System



Why education equity matters

Investments in our educational ecosystem are "essential to improving GDP [gross domestic product] for our country, to greater employment and greater prosperity for our country," explained Robert Kaplan, president of the Dallas Fed. He was one of many speakers in the third installment of the virtual series "[Racism and the Economy](#)." [Watch the January event](#) about the education system and its impact on economic outcomes for all Americans.



Investigating COVID-19's uneven impact on different racial groups

From health insurance to home crowding, discover the factors that intensified the uneven impact on low-income and majority-minority areas during the COVID-19 pandemic. In part five of the [Heterogeneity series](#), New York Fed economists highlight key determinants of the spread of the COVID-19 virus in communities hit hardest by the pandemic.

Months of Q&As with Cleveland Fed experts, all in one place.

[See the collection.](#)



[Forward this e-newsletter to a friend](#)



Federal Reserve Bank of Cleveland
1455 East Sixth Street
Cleveland, OH 44114 - USA

verticalresponse
A DELUXE COMPANY