

Cleveland Fed Digest

Get to know us

Speaking of ...

It's spring! It is refreshing to see the calendar and the weather seem to agree on that fact this year. At least for a few days.

Spring is a season of rebirth and renewal. I'm in awe at the cycle of nature every year as I see the crocuses and daffodils bloom and hear the birds sing again. It makes me reflect on what is possible for me, how I can grow and change in the coming year. This year, in addition to that sense of renewal, I'm feeling a sense of optimism that life is returning to something more like normal. COVID-19 cases are down from high levels seen earlier this year, and vaccinations are moving forward. It seems that many can now see the pandemic coming to an end.

There are also signs that the economy is improving. Many Federal Reserve officials who participate on the Federal Open Market Committee have said that the coronavirus will drive the economy—as the coronavirus recedes, the economy will improve. We are seeing signs this is happening. As health restrictions are lifted and the closed parts of the economy are reopening, economic activity is improving. While we still have a long way to go with the coronavirus, with the economy, and with many other difficult problems that our country faces, I'm feeling optimistic. The way I see it, the problems we face won't be resolved without optimism and hope. Hope is essential for us to move forward—as individuals, as a society. Now is a good time to embrace a positive outlook when facing the challenges of today and those to come.

Be inspired to find your own sense of optimism. It is far better than the alternative.

Be well,



Lisa Vidacs
leads the communications team
of the Cleveland Fed.



Recently, from the Cleveland Fed



Taking responsibility

Cleveland Fed President Loretta J. Mester recently [reaffirmed](#) the Bank's commitment to fostering inclusive economic growth: "We [the Cleveland Fed] recognize that this is our responsibility—it is not someone else's problem." Mester said the Bank will engage with its new [Equity and Inclusion Advisory Council](#) to bolster Bank efforts to promote a more equitable economy.

Additionally, in a new series of regular reflections, Mester will discuss Cleveland Fed analyses of economic disparity and the steps the Bank is taking "to ensure that our own workplace is diverse and inclusive and one that offers opportunities to all of our employees."



We need an inclusive rebound

In a [recent interview](#) with CNN International, Cleveland Fed President Loretta J. Mester said the post-vaccination recovery needs to be "broad-based, inclusive, and sustainable" and will require "sustained accommodation" from the Fed. Mester noted that the Fed is looking at data beyond the overall unemployment rate to see how individuals, households, and communities of varying income levels are faring in the labor market as the economy recovers.



Model behavior: How a pandemic influences our social lives

There have been many models that forecast the spread of COVID-19, but very few of them account for individual responses to the pandemic. [A new paper](#) finds that individuals curb their economic and social activity as the virus becomes more prevalent, even without lockdown policies, just not by as much as the

government would like.



Money matters

An education in economics can begin at any age. The Cleveland Fed's Learning Center and Money Museum offers a number of resources—many of them virtual—to help anyone get a better grasp on subjects such as the value of a dollar, the history of money, how economic matters impact our lives, and much more. April is Financial Literacy Month. Improve your classroom's or your family's economic knowledge by exploring [all the museum has to offer](#).



Beige Book says ...

The economy is picking up—people are buying things again, and prices are increasing. So say those who inform the Beige Book, which features information about our economy gathered from recent meetings with business professionals on our advisory councils and Fed branch boards. [Read the latest update](#).

By the Numbers



8 Members named to the Cleveland Fed's new Equity and Inclusion Advisory Council

[Read more](#)



82 Cents a Black worker earned for every \$1.00 a white worker earned in 2020

[See the latest trends](#)

On the Calendar

April 13

Racism and the Economy: Focus on the Economics Profession (virtual event)

[Join at noon today](#)

April 14

FedTalk (virtual event)

Understanding Financial Health: Race and the Financial Lives of Young Adults and Students

[Register](#)

April 22

ECONnections: Envision Success, What's Your Path? (webinar for educators)

[Register by April 16](#)

April 23

Responses due for the Federal Reserve 2021 CDFI Survey

Let's hear from you

May 25

FedTalk (virtual event)
COVID-19 and Supply Chains: A Year of Evolving Disruption

Register

June 23–25

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

Save the date

November 17–19

Financial Stability: Planning for Surprises, Learning from Crises (virtual event)

Save the date

Ask the Expert

with George Sample



Question: How do you define authentic diversity, equity, and inclusion, and why does authenticity relating to them matter?

George:

Practicing *authentic* diversity means that you don't limit your diversification of the workforce to a focus on just minorities and women. Practicing authentic diversity within your workforce means your organization strives to attract every dimension of difference—age, education, thought process, sexual orientation, religion, and more. Right-brained people have different approaches than left-brained people. Differently abled people experience the world differently, and their experiences bring a broader perspective to your organization.

Practicing *authentic* inclusion is ensuring we encourage ideas that are different than ours *and* we're interested in including them in what we're doing. It means we're seeking differences in opinion. We sometimes don't do that because we seek to avoid conflict, but trust can only happen if we are unafraid to have uncomfortable conversations. Authentic inclusion is when everybody feels free to bring their voices to the table and trusts that the organization will use the ideas that have value. You know authentic inclusion is happening at your organization when broad arrays of perspectives are considered before decisions are made.

Practicing *authentic* equity means we realize the interventions needed to help some people require more work than the interventions needed to assist others—and we're OK with that. This is where the conversation usually becomes challenging because people like the idea of "let's make it good for everybody," but they don't like the equity action items. When you see data showing different incarceration rates by ethnicity and the wealth gap by gender and ethnicity, it is clear that there's a lot of equity work that has to happen.

For workplaces, there are hard measures of equitable treatment. It's crucial to look for differences in pay and performance ratings for people in the same job at the same level to ensure there's equity in how you're operating as an organization. One of the things that happens often for people who are diverse is they don't get the assignments that are highly impactful and visible, and that can limit their opportunity to do work that would lead to promotion in their organization. To see if your organization is equitable, check to ensure there's equity in how performance management plays out, and consider, level by level as you go up in your ranks, do you have gender diversity, ethnic diversity, able-bodied diversity? Do you have artificial barriers for promotion such as overly restrictive job descriptions? If you examine your job descriptions, can the skills and abilities you require be acquired in ways other than through certain degrees or credentials? Often those artificial barriers have a higher impact on minorities and women than on other members of our population.

Diversity, equity, and inclusion work is tough work. For every three folks who say, "this is good work," you have one who says, "I feel this is an overreach." For these people, consistently communicate how your diversity, equity, and inclusion work helps to advance the mission of the organization. Some will never agree with the view, but it is important that they understand it.

Organizations that practice *authentic* diversity, equity, and inclusion work have a significant advantage over organizations that don't because they are able to recruit better talent, develop a broader array of talent, and create an environment where talent chooses to stay. Organizations that are not authentic in these areas often experience toxic workplaces and high employee turnover. Make your organization one where authentic diversity, equity, and inclusion matter because they create an environment where everyone feels valued and able to develop.



George Sample

is assistant vice president in the Cleveland Fed's Office of Diversity, Equity, Inclusion, and Opportunity. He works to ensure the Bank attracts diverse employees, supports them once they get there, and develops their careers so they grow.

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

From around the Federal Reserve System



Structural barriers leave Indian Country vulnerable to COVID-19

The coronavirus pandemic has devastated tribal communities across the United States, with Native Americans' experiencing double the rate of infections, more than triple the rate of hospitalizations, and more than double the death rate compared to white non-Latinx Americans. The pandemic has also clearly exposed the economic consequences of the structural weaknesses of tribal economies and revenue streams. [Learn how](#) the Minneapolis Fed's Center for Indian Country Development is supporting tribal governments with financial tools to weather the pandemic.

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

[See the collection.](#)



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

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