



FEDERAL RESERVE BANK *of* CLEVELAND

Cleveland Fed Digest

Get to know us

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SPEAKING OF...

“It saved my business.”

That’s what my neighbor told me last summer about the Paycheck Protection Program (PPP), the US Small Business Administration’s initiative to provide forgivable loans to small businesses so they could continue to pay employees and stay open during the pandemic. Her retail business was one of the 76 percent of US small businesses that received a PPP loan last year. And like [other small business owners across the country](#), her path to getting a PPP loan was not straightforward.

During the first round of PPP in 2020, she couldn’t get a loan through the bank she’d been working with for years. She started to panic, she told me—she didn’t want to

lay off any employees and couldn't imagine losing the business she'd been running for more than two decades. Then a friend recommended that she try working with a smaller bank instead. So when the second round of PPP funding opened, she applied through a community bank and finally received a loan.

Today, my neighbor's business is thriving. Not only am I relieved for her and her staff, I'm also relieved and happy for our town—businesses like hers boost local economies and add character to communities across the US.

You can read more about PPP loans and the types of businesses that sought and received them in this month's *Cleveland Fed Digest*. We hope you explore the work that's featured in this newsletter and get a better understanding of what's happening in communities like mine and like yours across the country.



Michelle Volpe-Kohler
Senior Writer at the Cleveland Fed



OUR COMMUNITIES



What We're Hearing and Seeing

“If we weren't motivated enough to improve the conditions for essential/frontline workers during a global pandemic, why should we believe it will happen once COVID-19 is under control?”

When I heard Grace Heffernan say this during an April phone call, it felt like a bucket of cold water to the face. Heffernan, a senior project manager with the consulting firm Thomas P. Miller & Associates, spoke with great passion about the rights of low-wage workers and the struggles they face during the COVID-19 pandemic. Her comments took me back to the social media posts depicting people banging pots and pans to cheer on healthcare workers at shift change time, to the small acts of gratitude I witnessed people do for the cashier at the local grocery store.

Her comments also reminded me of how optimistic I was when conversations restarted about job quality for these “essential workers,” particularly when the discussion turned to wages and safety measures. Sadly, change has yet to happen, and, as more people get vaccinated and we get closer to “normal,” it is easy to be skeptical that it ever will. For its part, the Cleveland Fed is working to keep the conversation going: Join us for the session “Praise Is Not Enough: Solutions for Closing the Pay Gap for Our Essential Workers” at our Policy Summit 2021 conference. [Register today](#). — Treye Johnson, regional outreach manager



Outreach

Policy Summit 2021 goes virtual

At Policy Summit 2021 we'll dig deeply into economic resilience, small business, housing, strategies for rural communities, issues facing people of color, and more. [Join us June 23–25.](#)

The challenging financial lives of young adults

In the United States, 31 percent of Black and 28 percent of Latinx young adults reported struggling with unmanageable amounts of debt, compared with 22 percent of white and 17 percent of Asian young adults. [Watch the FedTalk and read the transcript.](#)

Banking

Community members share ideas about CRA modernization

Conversations with people about how the Community Reinvestment Act should be modernized revealed two things key for ensuring access to capital for all people and communities. [Read the blog.](#)



Housing

“I started to get scared”: The threat of eviction during COVID-19

Clevelanders explain how national and local policies such as rent assistance helped prevent mass evictions during the pandemic. [See our latest multimedia story.](#)

Community development org takes action

Toledo Local Initiatives Support Corporation makes use of financial resources and existing partnerships to focus on closing the racial wealth gap through homeownership. [Learn about its efforts.](#)

Workforce

Pandemic creates possibilities for remote work in rural communities

The pandemic is putting an emphasis on remote work. Can we use this momentum to create new jobs and new investments in rural communities? [This speaker hopes so.](#)

OUR NATION

Small Business

How much did PPP help?

Which businesses received Paycheck Protection Program loans, what ways did they benefit, and how were these funds distributed across industry sectors? [This recent study has the answers.](#)

Inflation

An eye on the cost of living

Expectations for strong growth have stirred up concern about rising inflation. [Here's why the Fed cares.](#)

Economic Inclusion

Big potential, big challenges

Firms owned by people of color are a rapidly growing segment of small businesses, but they face additional growth and survival issues compared to white-owned businesses. [This report provides a detailed look.](#)

Workforce

Goodbye, downtown?

A shift to home offices, the shuttering of service businesses because of the pandemic, and civil upheavals seem to have resulted in an urban exodus. Or did they? [See what was said during a recent FedTalk.](#)

Economic Inclusion

Education and the economic divide

Disparities in educational opportunity and attainment hamper the economic advancement of people and communities. [Read our president's reflections.](#)

People and Households

Not-so-great expectations

COVID-19 vaccines promise to give post-pandemic optimism and consumer spending a needed boost, but expectations for the spending bump vary among Americans. [Read more.](#)

ASK THE EXPERT

Treye Johnson

Regional Outreach Manager
Community Development



Question: *Why do we need to hold Policy Summit now more than ever, and what does the conference's being virtual mean for how attendees can experience it?*

Treye: It feels like we're in a different moment—we're in a pandemic, and it's exposing the inequities communities are facing. The pandemic has impacted people's jobs. Housing insecurity has risen. My observation is that it's affecting most of the communities the Fed is charged with serving, so it feels like the right time to talk about resilience and what we are doing to include in our work the perspectives of and lessons from communities of color, lower-income communities, and people who have been historically excluded.

[Read the entire Q&A](#), in which Treye Johnson, lead organizer of Policy Summit 2021, reacts to calls to celebrate things returning to “normal” and explains how this year's conference will be different than those in years past.

ON THE CALENDAR

May 25

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

[Join today](#)

June 2

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

[Register](#)

June 2

Opportunity Occupations: Pathways to Success
(webinar for educators)

[Register by May 31](#)

June 23–25

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

[Register](#)

June 30

Discussing Race and Inequality in the Classroom: COVID's Impact on Economic Well-Being
(virtual event)

See the speakers and register

November 17–19

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

Save the date

FROM AROUND THE FEDERAL RESERVE SYSTEM



From the Super Bowl to your local grocery store, contactless payments are on the rise

With the COVID-19 pandemic, the demand for and adoption of a touch-free payment experience was inevitable. [Read why the contactless payment revolution is here.](#)



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