Friends and Colleagues,

Less than a year ago we were facing what seemed like a severe but short recession. Many were discussing the contours and characteristics of an inclusive recovery, comparing it to the Great Recession. Unfortunately, the conversation has necessarily pivoted more toward uncertainty than optimism. There are different challenges than the tremendous crisis of the late 2000s, but some shared features are also apparent. Unemployment remains far above pre-pandemic levels, and high levels of unemployment remain concentrated in lower-paid, women-dominated industries. Wages seem largely flat, with little sign of improvement because of a lack of jobs but because of health and childcare uncertainties. But there are lessons that can be learned from the coronavirus’s disparate impacts on lower-income people and people of color, and there’s much we can learn together about the solutions that can set us up for an inclusive and sustained recovery.

In the privileged place I am in, I often feel disconnected from many of the struggles I learn about every day. I am limited to making sense of data and stories that come across my screen, watching the news about the latest virus counts, and reading about changing demands for workers, housing, food, and unemployment assistance. But I am also deeply motivated to action by my colleagues here at the Fed and our partners in the community.

We hope you’ll find these actions reflected below. In my 3+ years in this role, we have never been so committed to our mission to elevate the voices of lower-income people and families, explicitly discuss the racial inequities and racism that reverberate through the economy, and highlight the policies and programs that can make a significant difference. Are we achieving an inclusive recovery? Not yet. But can we still? Absolutely.

Stay in touch and share your perspective. Working everyone together, patience, and a good dose of optimism,
Emily Garr Pacetti
and the Cleveland Fed Community Development team

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**Featured**

**Cleveland Fed launches new Program on Economic Inclusion**

At the Cleveland Fed, we believe that for the economy to live up to its full potential, all people must be able to fully participate in it to the best of their abilities.

This is one reason why the Federal Reserve Bank of Cleveland launched the Program on Economic Inclusion (PEI) in Fall 2020. We recognize that racism has limited—and continues to limit—economic and educational opportunities for many US workers and their families, both for past and current generations. The work of our economists, analysts, and outreach staff helps to ensure that the economy offers opportunities to all, and pays specific attention to the structural barriers that limit the full potential of communities of color.

The PEI gathers our ongoing work on this critical issue in one place, covering topics such as the racial wealth gap, jobs and workforce, housing and redlining, minority-owned small businesses, and access to credit.

**Join the Cleveland Fed Community Development Team**

We are hiring for two exciting new roles!

- Program Manager: Small Business Credit
- Program Manager: Strategic Initiatives

Apply now or share with someone you think would be interested.

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**Covid-19’s Disproportionate Impact**

The coronavirus outbreak is an evolving situation that we continue to monitor closely, particularly how it affects lower-income people and communities. For Cleveland Fed’s latest updates and many useful resources, please visit our page on Responding to Coronavirus - Economic Inclusion.

**Research & Reports**

**Small Business Credit Survey**

Released this week, the Federal Reserve Banks' Small Business Credit Survey 2021 Report on Paycheck Protection Program highlights the headwinds facing small firms as they navigate the impact of the COVID-19 pandemic. Most firms reported declines in revenues and employment in the 12 months prior to the survey, and the majority expect challenges to persist. Nearly one-third of firms say they’re unlikely to survive without additional government aid until sales recover.

**Occupational Mobility Explorer Tool**

The Federal Reserve Banks of Philadelphia and Cleveland have launched an interactive online tool to help workers without a bachelor’s degree examine opportunities to transition to occupations that require similar skills and provide an income gap. The Occupational Mobility Explorer incorporates data from a recent report that finds 49 percent of lower-wage employment across the largest 33 metro areas in the United States can be paired with at least
As millions of workers displaced during the pandemic reenter the job market, the Occupational Mobility Explorer can provide workforce development practitioners, community colleges, and employers with critical insights to inform their reskilling efforts and recruitment and hiring practices.

To learn more about the research behind this tool, read **Exploring a Skills-Based Approach to Occupational Mobility**. You can learn more about Opportunity Occupations and past reports on our [Opportunity Occupations landing page](#).

For workers, the proximity of their homes to jobs enhances economic mobility and opportunity. This is particularly true for lower-income workers who have lost their jobs and especially for those who are African American, female, or older. We analyze trends in job access from 2007 to 2017 and investigate developments that can inform policy choices to address the COVID-19-induced recession.

**What Determines the Success of Housing Mobility Programs?**

More US cities are working to build public housing policies that combat residential segregation. One such policy is the Housing Mobility Program (HMP), which aims to help people move from disinvested neighborhoods to ones with more opportunities. This paper studies how design features influence the success of HMPs in reducing racial segregation.

**Neighborhood Sorting Obscures Neighborhood Effects in the Opportunity Atlas**

Though the Opportunity Atlas contributes to our understanding of intergenerational mobility and provides a foundation for future neighborhood effects research, the data set is not without its challenges. Our results suggest users exercise caution when using only OA data to predict outcomes, especially those of black children in high-income neighborhoods.

**Modernizing the Community Reinvestment Act**

The Community Reinvestment Act (CRA) is one of the most powerful tools the Federal Reserve uses—with input and work from bankers and community organizations—to address systemic inequalities in credit access that persist for minority individuals and communities. The Fed seeks your input about reforming CRA regulations, as proposed in the Fed’s advance notice of proposed rulemaking (ANPR), now published in the Federal Register.

To learn more about the Community Reinvestment Act, and why these proposed changes are important to the work so many of our partners do, you can read some of our latest releases here:

- CRA, Racism & the Federal Reserve: A Midwest Perspective
- The CRA Is Important for Underserved Communities, and Your Input Can Help

The ANPR is available for public view and comment until February 16, 2021.

**Mark your Calendar**

**FedTalk: Connecting the Dots... Redlining and the CRA in the Community**

On February 17 at noon, February’s FedTalk will focus on CRA laws to redlining, the impact in the community, and how people (maybe you) can address redlining and its consequences today. A Q&A session will follow the panel discussion.

**Racism and the Economy Series**

The Reserve Banks will host a series of virtual events to examine the ways in which structural racism manifests in America and advance actions to dismantle structural racism.

Upcoming topics in the series include:

- Housing
- Racism in the Economics Profession
- Criminal Justice
- Access to Credit

Get news on future events and more about this ongoing series.

**Policy Summit 2021: Pathways to Economic Resilience in Our Communities**

**June 23–25, 2021**

Policy Summit 2021 will focus on economic resilience and equity and how they play out in communities of all sizes and compositions. Stay tuned for more updates.

Meet the Federal Reserve Bank of Cleveland's Community Development team. Learn more about our work in the region here.

Got this through a forward? [Subscribe here](#) for 2-4 updates per year.