

FEDERAL RESERVE BANK *of* CLEVELAND

Cleveland Fed Digest

Get to know us

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SPEAKING OF...

Several years ago, when my family and I were living in a different area, our neighborhood had a traffic and speeding problem. Commuters and businesses used our street as a cut-through to avoid a major intersection, and it was dangerous. We witnessed a couple of near misses with people walking or riding their bikes, and a car accident took place right in front of our house (no one was hurt, but the vehicles were in bad shape).

We loved living in this neighborhood—the people, the block parties, the holiday celebrations—but we were always so worried about the traffic. These drivers didn't care about our community; it didn't matter how many "Drive like your kids live here" signs we placed on our tree lawns. The only way to make the situation better was to take action and create a more effective solution.

So, we collaborated with our neighbors, elected officials, the police, and local businesses to try and implement a traffic-calming strategy. Long-time residents wished us luck; others had tried doing this before, but there was never enough support. We galvanized our neighbors, met with countless stakeholders, knocked on

every door in our neighborhood, and even hosted a free lemonade stand at the park down the street to explain what we were trying to do.

It was tiring and time consuming, but we were determined. And it worked: Many months after starting our campaign, more than 80 percent of voters approved the installation of speed humps in our neighborhood.

Now, every time I'm in a neighborhood and I notice a speed hump, I think about how many people had to come together to have it installed there. The speed humps in our old neighborhood didn't solve all our traffic problems, but it did make a difference.

Collaboration—and commitment—are necessary to create change, to make a difference, regardless of the challenge or the venue. In the work we share with you below, you'll find examples of people and organizations using these means to drive change in a range of spaces, including workforce development and diversity, equity, and inclusion.

In one effort, we request that you, the public, collaborate by commenting on a proposal by three federal regulators to modernize the Community Reinvestment Act; there hasn't been a major update to these regulations in more than a quarter century. We welcome you to engage to help drive change in communities across the country.



OUR COMMUNITIES

Banking

Your comments requested by August 5

Designed to encourage regulated banks to help meet the credit needs of the local communities in which they are chartered, the Community Reinvestment Act is in need of modernization. [Review the changes](#) that federal agencies, including the Fed, propose.



Inflation

Cleveland Fed videos draw award

Our Bank's Inflation 101 videos won a Silver Addy Award for Branded Content & Entertainment Campaign at the 2022 Akron American Advertising Awards. [Three videos in three minutes – that's all it takes!](#)

Industry

It's up and it's down, depending on whom you ask

Interviews reveal that some businesspeople say consumer spending picked up as the latest COVID-19 wave subsided, while others note spending slowed as consumers' concern about rising prices grew. Lenders gave contrasting reports, too, in our latest [Beige Book](#).

"There is always a problem"

Supply chain disruptions are expected to persist for some time, so many firms have made changes to the way that they manage their supply chains. [Read when our business contacts project things might improve](#).

Workforce

COVID-19 isn't sole cause of 2021's weak labor force growth

Two states in the Cleveland Fed's region, West Virginia and Pennsylvania, have for years had more people in their 60s than in their 20s. [Learn more about the demographic trends making it difficult for firms to find workers](#).



People and Households

Teaching financial literacy the focus of public conversation

"It's not about knowing everything around finances. It's knowing where to go to figure out the finances." So said one panelist during our [FedTalk](#) in April.

OUR NATION

Inflation

The power of perception

Researchers and consumers frequently have different perspectives on inflation, with the former group focusing on a broad range of factors and the latter on the costs of specific items they normally purchase. [Understand how this affects inflation trends.](#)

Do prices ever come back down? Or do they just stop rising?

That's one question answered by the director of the Center for Inflation Research, who appeared on *Marketplace* to clear up common misconceptions about inflation. [Read and listen to the full interview.](#)



Small Business

New small businesses surge but can they survive?

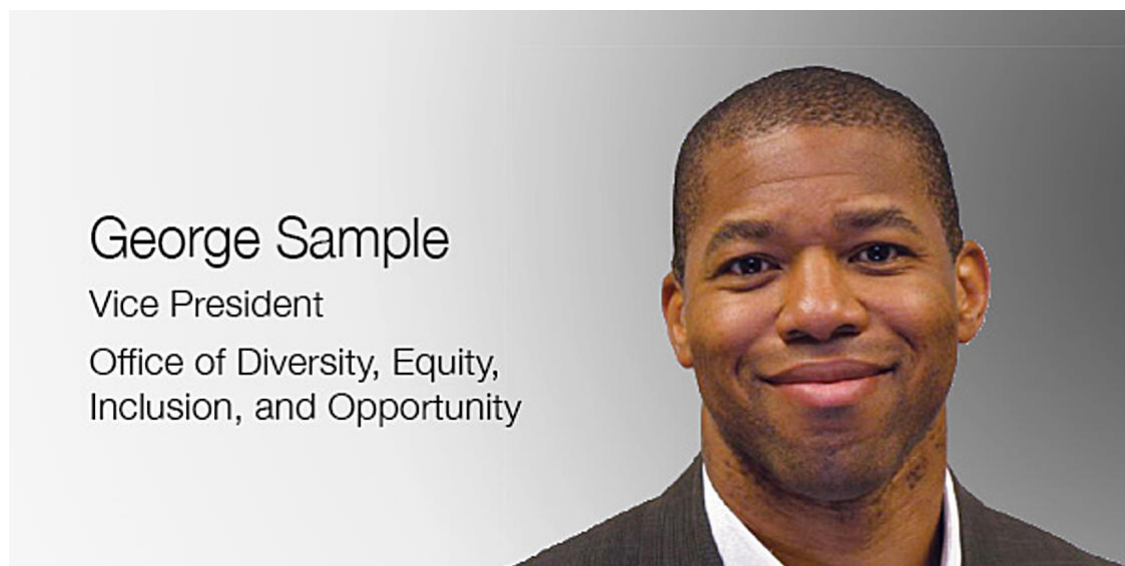
The startup rate for small businesses, which provide significant contributions in employment and innovation to the economy, has trended upward for the first time since 2000, but many of these fledgling enterprises face challenges accessing financing. Cleveland Fed President Loretta J. Mester [explains how the Fed can help.](#)

Workforce

Ingredients for helping people and communities prosper

Cleveland Fed President Loretta J. Mester shares how four key factors—collaboration and commitment, communication, place, and evaluation—can determine whether a workforce development program succeeds. [Read her full remarks.](#)

ASK THE EXPERT



Question: How has the pandemic changed the nature of diversity, equity, and inclusion work?

George: The pandemic, coupled with the killing of George Floyd in May 2020, has made organizations more aware of why diversity, equity, and inclusion (DEI) work is important. A lot of the awareness was driven by protests and the atmosphere of summer 2020. But the pandemic's lockdowns also forced us to slow down in some ways, and the sobering media coverage often drove us to be more reflective of our own situations and more empathetic toward the challenges of others. I believe the level of self-reflection and empathy sparked by COVID-19 prompted more people to think hard about these issues, which has allowed more space for DEI and its valuable work.

[Read the entire Q&A](#), in which George Sample, vice president in the Cleveland

Fed's Office of Diversity, Equity, Inclusion, and Opportunity, reveals how many organizations have started diversity, equity, and inclusion programs or brought their existing ones to the next level.

ON THE CALENDAR

By August 5

The public is invited to comment on the proposal to strengthen and modernize Community Reinvestment Act regulations

Review what's proposed

November 17–18

Financial Stability: Frontier Risks, a New Normal, and Policy Challenges

Save the date

On your own time

Policy Summit 2021: Pathways to Economic Resilience in Our Communities
(The live event is over, but the sessions and presentations are still yours to see.)

Watch

FROM AROUND THE FEDERAL
RESERVE SYSTEM



Another pandemic plight: inequalities in paid sick leave

Frontline retail, grocery, food service, and delivery workers—many of them women and people of color—were tackling low wages and lacking paid sick leave before the pandemic. Authors of [this Boston Fed brief](#) observe that the lack of paid sick-leave laws and policies is a “recipe for consequential inequality,” noting that those who had access to extended paid leave during COVID-19 reported better outcomes, such as job satisfaction and overall happiness.



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