A photograph showing a person's hands sorting through papers on a desk. A white coffee cup on a saucer is visible on the right. The background is slightly blurred, showing a desk with various papers and a pen.

FEDERAL RESERVE BANK *of* CLEVELAND

# Cleveland Fed Digest

Get to know us

Issue #53 | June 28, 2022

## SPEAKING OF...

Being flexible hasn't always come easy for me, but as I've gotten older and taken on more responsibilities, I've become better at being—and staying—flexible. Often, though, being flexible isn't *really* a choice: in my husband's and my case, for example, it's included needing to drop everything to take care of a sick child or parent, scrapping months of work on a project to accommodate a sudden change, and finding a new school to better meet the needs of one of our kids during the pandemic.

As I've gotten older, I've also become better able to spot and appreciate the flexibility of those around me. For instance, the clothing boutique down the street has had inconsistent hours since the beginning of the pandemic because of staffing issues and the owners' needing to take care of an ailing family member. They've also changed how they primarily communicate with their clientele—instead of a sign on their door and a voice message on their phone line, they share their hours on Instagram. Now, before I go, I check to see if they're open.

It occurs to me that much of the work that we share with you this month touches on

flexibility: small businesses' navigating supply chain issues and rising costs, families' needing to visit a food bank or make their paychecks go farther at the grocery store because of inflation, parents' leaving the workforce because they can't find reliable or affordable childcare.

Being flexible isn't easy, and it is often a result of less-than-ideal circumstances. But I've come to find that flexibility can lead to better opportunities and to a greater sense of empathy—I try to think about the situation someone else may be in before I make a judgment, for instance. If you've been forced to change course in recent years, I hope it has led—or will lead—to something good.



**Michelle Volpe-Kohler**  
Marketing Strategy Manager

---

## OUR COMMUNITIES

### People and Households

Pandemic brought many families to the food bank for the first time



Pandemic-related school and business closures introduced a new territory to many families: food insecurity. Our latest [blog](#) takes a closer look at Greater Cleveland Food Bank food distribution data from March 2019 to April 2022.

## Inflation and scarcity of affordable childcare add burden for families

Wages may be up, but so is the cost of housing and necessary goods. Also, [low-income households cite](#) lack of affordable childcare as a top barrier to employment.

---

### **Economic Inclusion**

## Toxic stress has effects on youth and the economy

Abuse, exposure to violence, and poverty in adolescence may lead to difficulties acquiring new skills during key developmental stages. [Watch](#) our latest *Conversations on Economic Inclusion*. (For more economic inclusion content like this, [subscribe](#).)

## Listening sessions shed light on Asian American and Pacific Islander and Hispanic and Latino experiences

Cleveland Fed staff listened to community stakeholders as they discussed conditions and challenges that can prevent specific communities from fully participating in the economy. Read the key takeaways [here](#) and [here](#). ([Subscribe](#) to the Program on Economic Inclusion's mailing list, too.)

---

### **Banking**

## Agencies issue joint proposal to strengthen and modernize Community Reinvestment Act regulations

Building on feedback from stakeholders and research, three agencies invite public comment on their proposed rulemaking. [Read more](#).

## SMALL BUSINESS CREDIT SURVEY

# Firms in Focus



### Small Business

#### Download ready-to-use slides about small businesses' credit experiences

Perfect for policymakers and educators, presentations about business performance and financing needs by firms' type, size, industry, and more can help you spread the word about the challenges small business owners face. [Download here](#).

---

## OUR NATION

### Inflation

#### Pushing back on inflation

Ongoing supply chain disruptions, especially those caused by China's COVID-19 policy and Russia's invasion of Ukraine, along with rising wages, continue to drive inflation. Cleveland Fed President Loretta J. Mester describes [the Fed's response](#).

#### Explaining a policy path forward

Speaking to two major news outlets, Cleveland Fed President Loretta J. Mester explains how the Fed will raise interest rates incrementally in its commitment to stop rising inflation and details the evidence she wants to see before changing this policy. Watch the [Bloomberg](#) and [CNBC](#) interviews.





## Understanding inflation

Where is the inflation surge coming from? [See this informative Q&A](#). (Plus [subscribe to see the next](#) inflation-related content we create.)

---

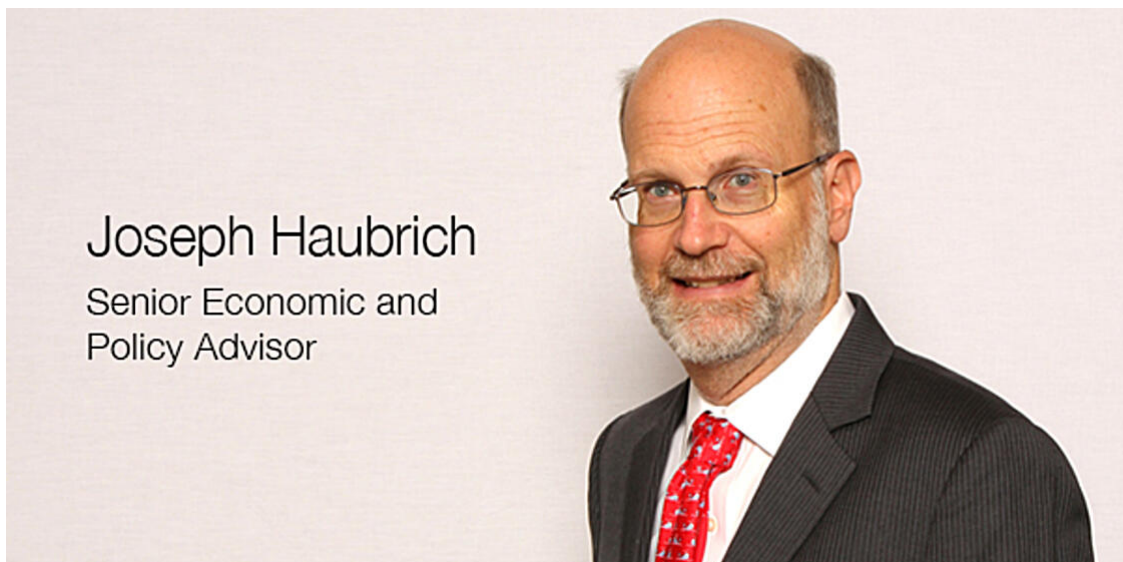
### Banking

## Unbanked in America

More than five percent of households in the United States do not have a bank account for a variety of reasons, from lack of trust in banks to avoiding fees to a wish for greater privacy. [Discover causes and consequences of being unbanked](#).

---

## ASK THE EXPERT



**Question:** Can recessions be predicted?

**Joseph:** The answer to that depends on what you mean—by both what a recession is and what it means to predict one. Broadly speaking, a recession is when the economy is shrinking. I could be reasonably bold and say we are going to have a recession again sometime because they're an enduring feature of the US economy, but that doesn't do much more than remind people that there is a business cycle.

[Read the entire Q&A](#), in which Joseph Haubrich, senior economic and policy advisor for the Cleveland Fed, explains one “fairly good” predictor of whether the US will have a recession in the coming 18 months.

---

## ON THE CALENDAR

**June 29, September 8, and October 20**

2022 Federal Reserve Community Development Research Seminar Series  
Join us for three sessions about the consequences of the pandemic and building an inclusive recovery.

**Details and registration**

**June 30**

*FedTalk:* Small-Dollar Mortgages: Increasing Affordable Housing Options for Lower-Income Households

**Register**

**July 14**

What's Ahead for the Community Reinvestment Act: A Discussion

**Register**

**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

2022 Financial Stability Conference: Frontier Risks, a New Normal, and Policy Challenges

Save the date

---

## FROM AROUND THE FEDERAL RESERVE SYSTEM

### The relationship between race and currency

Owning cryptocurrency has become popular among Black consumers for reasons related to historical context and the forward-looking views of young consumers, but this interest comes with risks. [Read the full story.](#)



### Want to amplify the voices of small businesses in your community?

The Federal Reserve seeks help from not-for-profit organizations that work with or assist small businesses to become distribution partners for the Small Business Credit Survey. [Learn more and sign up.](#)

