



FEDERAL RESERVE BANK *of* CLEVELAND

Cleveland Fed Digest

Get to know us

Issue #54 | August 2, 2022

SPEAKING OF...

When I was in ninth grade, I wanted so badly to be a singer. I admired singers and I loved singing to myself. The problem was, I didn't know if I could sing, and I was terrified of finding out whether I could.

I shared my predicament with my mom, and she encouraged me to go for it. She advised that I start off by singing at home; I would have to get over my fear of singing around my family if I ever wanted to sing in front of an audience. Soon I was singing renditions of my favorite Madonna, Janet Jackson, and Sinéad O'Connor songs all around the house (so delightful, I'm sure, for my family).

Though I got comfortable singing at home, the thought of singing anywhere else freaked me out. I told my mom that I'd never be able to sing in front of other people, let alone on a stage. "If you say you'll never be able to do it, you won't," she said. "If you say you will be able to, and you work hard, then you probably will. Don't ever set low expectations for yourself."

Months went by, and I continued singing in the kitchen, the hallway, and my room,

but nowhere else. Then, when I was in tenth grade, a friend mentioned that she was going to audition for both the choir and show choir. I confessed that I also wanted to. I practiced like crazy—in front of my family and in front of my friend. I was so determined that I somehow figured out a way to temporarily set aside my stage fright; I focused on the end goal and ignored my annoying inner doubts. When it was time to audition, I was so nervous I felt sick. But I pushed through and did my best. And I made it into both groups.

My confidence soared after joining these choirs, and I went on to develop a deep love for music and performance. I even won awards at singing competitions. It sounds dramatic, but the experience changed my life—I literally found my voice and a way to push myself to achieve my goals, even when they scare me.

Our expectations are powerful. Whether it's setting goals for ourselves or anticipating what will happen next with our economy, expectations can affect outcomes.

Do you have a story to share about the role expectations have played in your life? If so, [email it to us](#). We'd love to hear from you.



OUR COMMUNITIES

What We're Hearing and Seeing

"Mom, look! The money tree is still here!"



That's what I heard a child say while at the reopening of the Cleveland Fed's Money Museum on July 18. Despite the pouring rain outside, chatter was in the air. It had been 858 days since the museum closed its doors to visitors because of COVID-19. While museum employees stayed connected to classrooms and the public through virtual events, online resources, and its [new museum app](#), people were still eager to return in person. I was.

Although some exhibits remain unchanged, such as the money tree and the monetary policy journey through "The Wonderful Wizard of Oz," the museum went through a renovation while it was closed. Some new features include a guided tour you can access through an app on your phone and an exhibit about the Fed's responses during historic crises such as World War II, 9/11, the Great Recession, and the COVID-19 pandemic. Another notable addition to the museum is a sensory room, available for anyone who may need a break from all the sights and sounds.

Whether it's your first time visiting or your fifth, the Cleveland Fed Money Museum offers a unique experience to all visitors—and just as it was 858 days ago, it remains free. [Come visit](#), but not before you check the CDC website. **Our museum closes when COVID-19 cases in Cuyahoga County are high.** —Sydney Stone, Communications Advisor



Industry

Costs of war hit home

The war in Ukraine could cause shortages of raw materials produced by Ukraine and Russia and used by businesses in the Cleveland Fed's District, which includes Ohio and parts of Pennsylvania, Kentucky, and West Virginia. [Read why](#) our economist expects the impact to be modest.

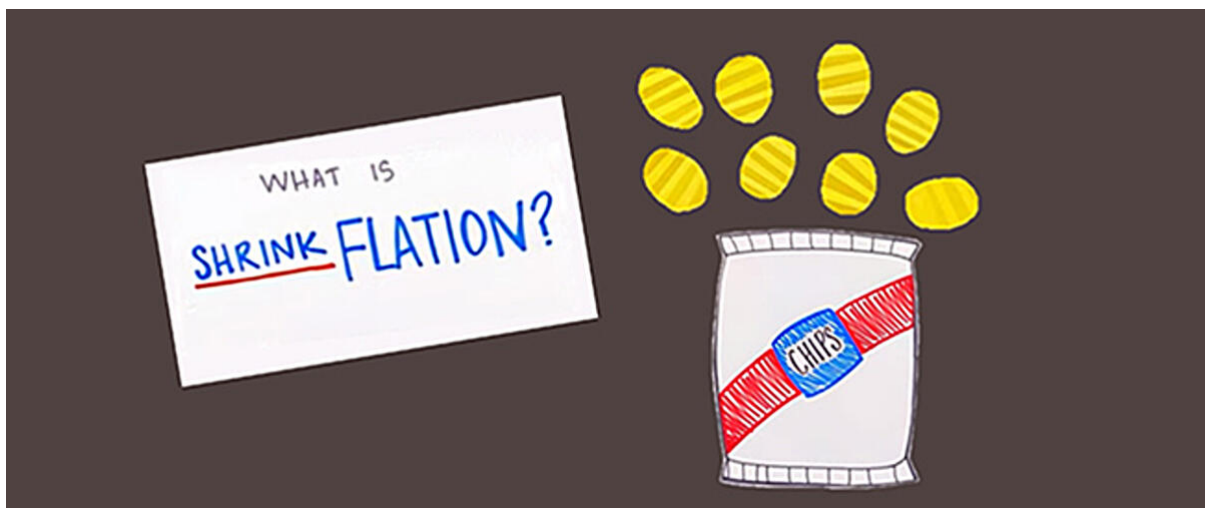
OUR NATION

Inflation

Happening *now* with inflation

The Cleveland Fed provides daily “nowcasting”—estimates or forecasts of current inflation—for two measures tracking the cost of goods and services consumed by households. [Explore this tool](#).

"Shrinkflation," explained



Have you been hearing people talk about "shrinkflation"? Wondering what it means? [Watch our quick video to find out](#).

The effect of expectations

Cleveland Fed President Loretta J. Mester explains how household and business expectations during inflationary periods can help policymakers better understand the

actual impact of inflation. [Read her full speech.](#)

Measures to prevent a recession

On *Face the Nation*, Cleveland Fed President Loretta J. Mester discusses the Fed's commitment to battle inflation. [Watch the segment.](#)

Economic Inclusion

Firms owned by people of color continued to have difficulty accessing credit in 2021



A recent report stemming from the Fed's 2021 Small Business Credit Survey finds businesses owned by people of color continue to face more financial and operational challenges than their white-owned counterparts. [Read the findings.](#)

Small Business

Small firms face challenges hiring and retaining workers

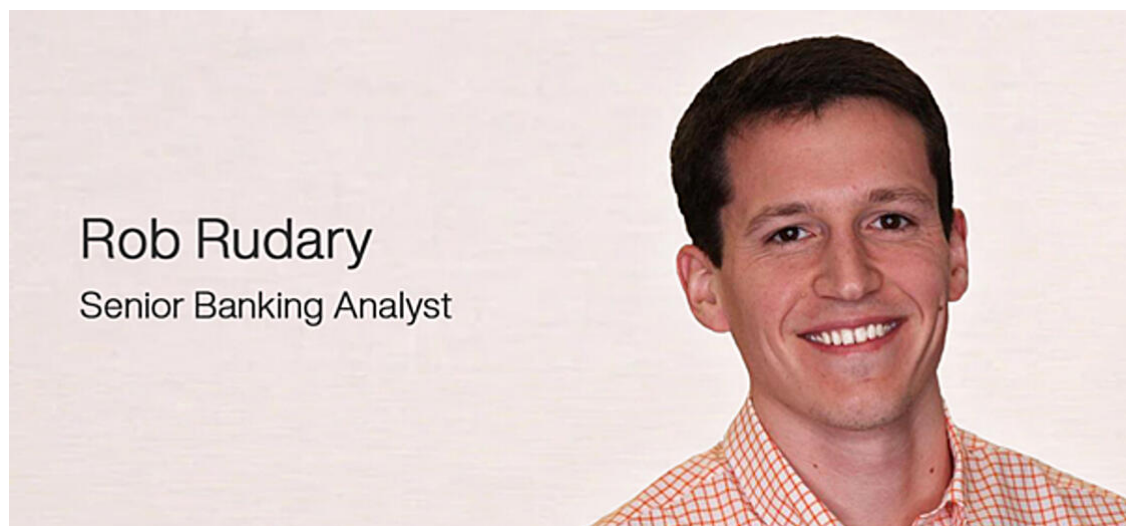
Filling jobs was more difficult for small firms in 2021 than in 2018, when the US experienced a similarly tight labor market. Read the newest report from the Fed's 2021 Small Business Credit Survey to [learn more about small businesses' workforce challenges](#).

Housing

Evictions escalate in post-pandemic era

Continuing Cleveland Fed work finds that eviction filings between July 8 and July 14 were 25 percent higher than the same period in 2019 in 49 US jurisdictions. [See the numbers](#).

ASK THE EXPERT



Question: How did the pandemic change the way we bank?

Rob: Even though it appears that the worst of the pandemic is in our rearview mirror, the habits we picked up while locked down at home—when visiting bank

branches was out of the question—have stuck. The pandemic accelerated the shift to digital banking as opposed to traditional visits with bank tellers and lenders. We do more banking on our phones, and it's expanded from simple tasks like checking a balance to all sorts of things, such as transferring money to accounts and paying mortgages. One local bank recently announced that it plans to convert 60 percent of its branch footprint to a technology model. In this new model, customers will be met with screens with which they will conduct their banking. Customers will still be able to speak with a teller, but that teller will be operating in a remote location.

[Read the entire Q&A](#), in which Rob Rudary, senior banking analyst for the Cleveland Fed, reveals other changes and challenges the banking industry is experiencing and how consumers might feel the impacts.

ON THE CALENDAR

DEADLINE APPROACHING! By August 5

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

Review what's proposed

September 8 and October 20

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

Details and registration

November 17–18

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

Save the date

FROM AROUND THE FEDERAL RESERVE SYSTEM

How consumers without debit or credit cards navigate a digital economy

Participation in today's payments system often assumes digital access. [Learn how](#) a lack of access hinders some people's full participation in the economy.

Do Black households face higher inflation?

Evidence from spending in retail outlets between 2004 and 2020 found that Black households in the US faced higher and more volatile inflation than white households. [Read more](#).

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](#).



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