

Inclusive Economies: Beyond Rockefeller
*Potential Applicability & Relevance of the Framework
in a U.S. Context*

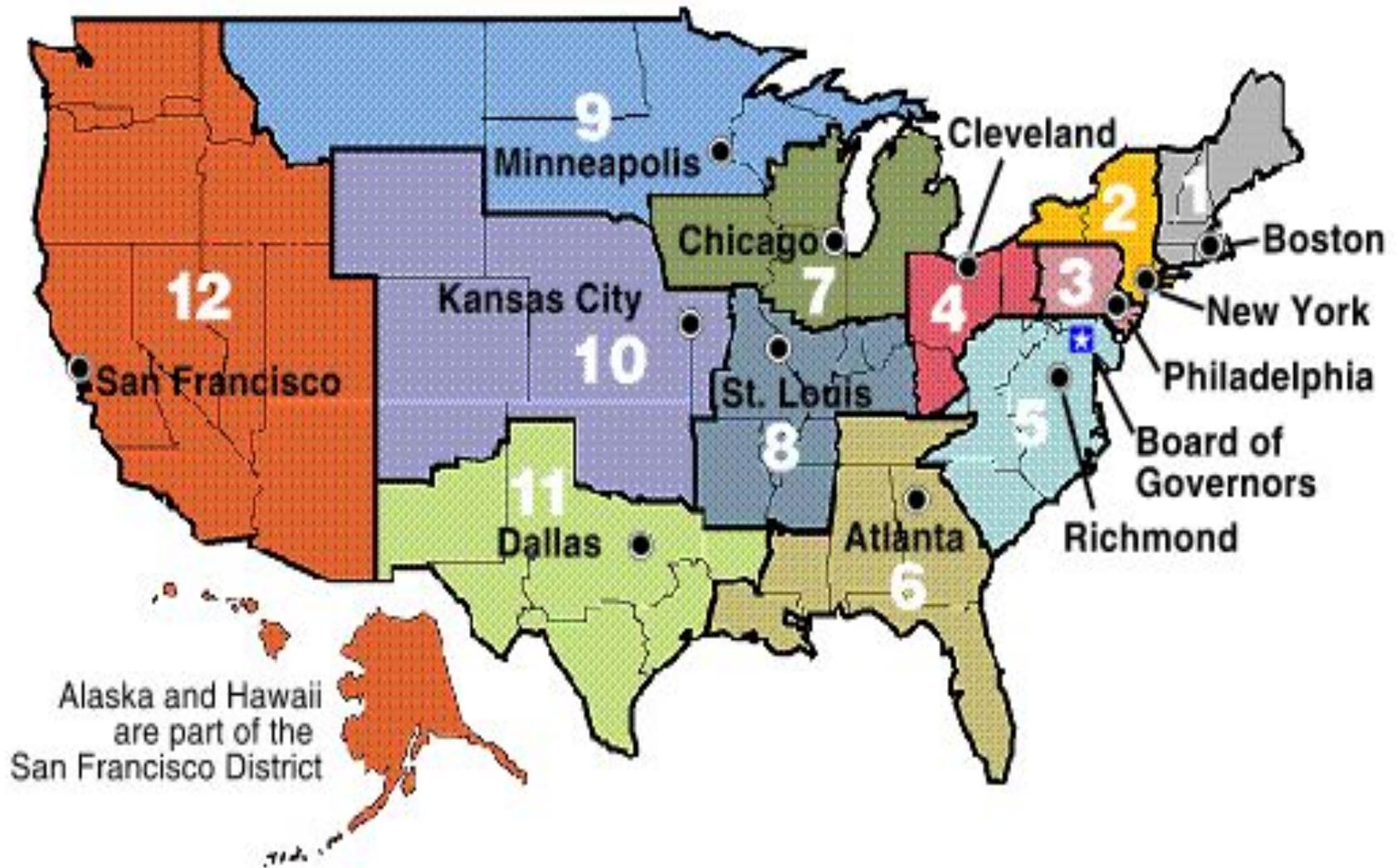
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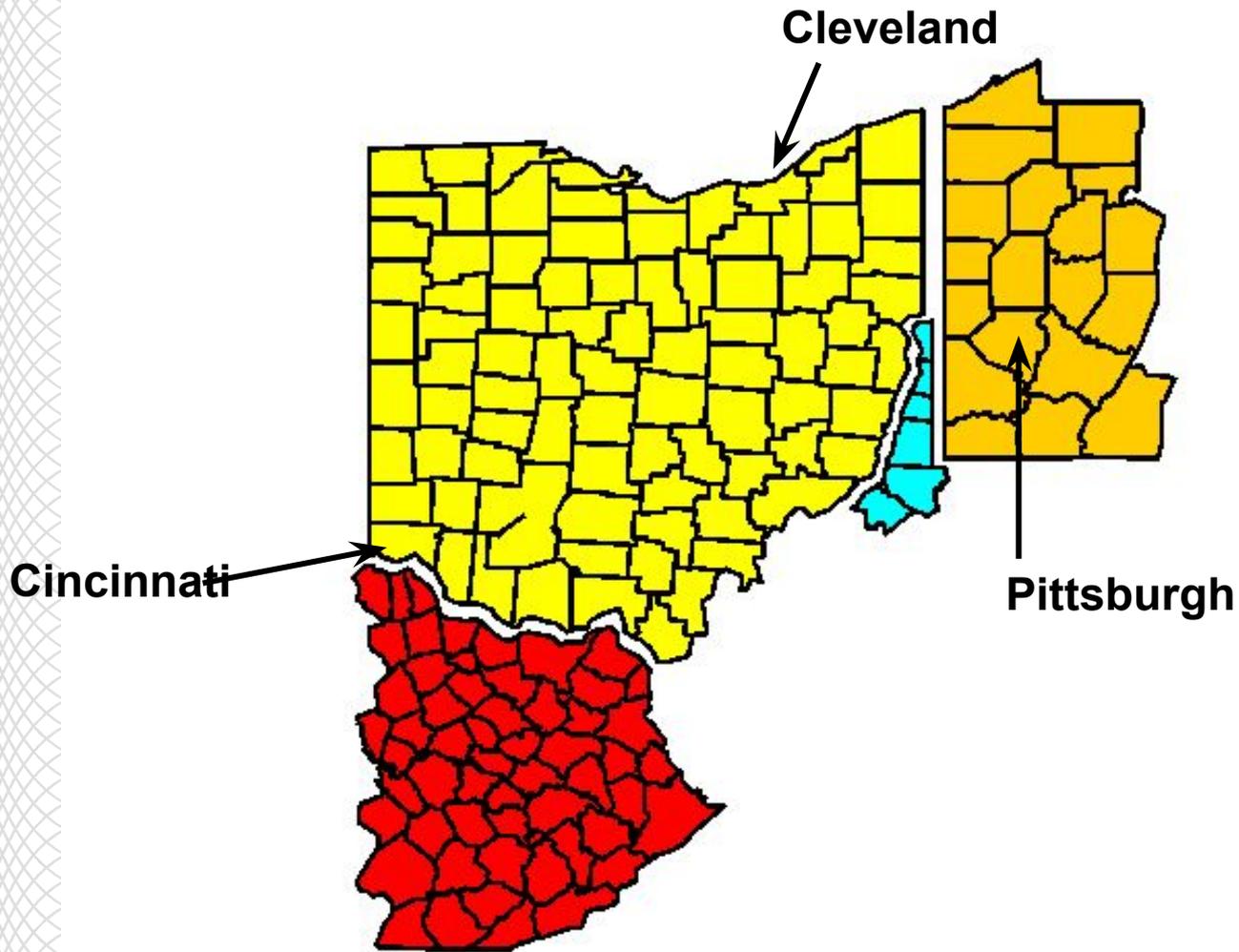
March 15, 2018

Bellagio Conference Center, Italy

Federal Reserve System



Federal Reserve's Fourth District



Central Bank Functions

MISSION: *Foster the stability, integrity, and efficiency of the nation's monetary, financial and payments systems to promote optimal economic performance.*

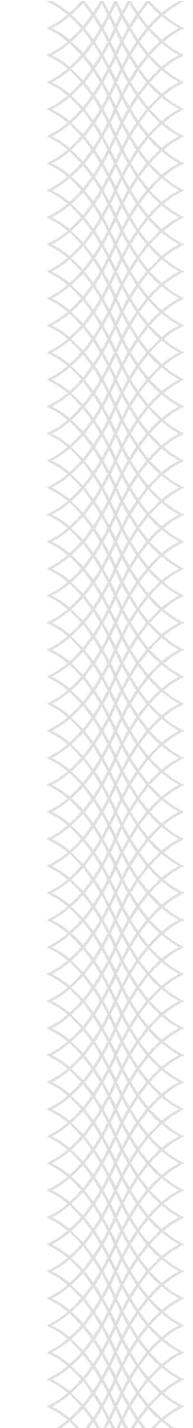
- Conducts monetary policy with dual mandate of balancing unemployment and inflation
- Operates payment systems
 - “Bank’s bank”
 - Payments to Treasury Department
 - Cash distribution and elimination
- Supervises banking institutions

Community Development within the Fed

- Originated in 1977 with the Community Reinvestment Act
- Mandated Federal Reserve Function in 1981
- A Comprehensive and Evolving Mission:

To promote the **economic resilience and mobility** of LMI and underserved individuals and communities.

- Conduct research and identifying emerging issues
- Develop resources and share ideas
- Foster collaboration and build partnerships



An emerging Strategic Plan for Community Development within the Federal Reserve System, in line with up-to-date understanding of CD role

- This is the second System-wide Community Development function strategic plan.
- Six-year plan, with a 2018-2019 tactical plan that is more specific. A biennial planning process will create tactical plans for future years.
- Advances a collaborative strategy to better align the federated system by supporting and facilitating systemwide (national) activities.

Values...how we will operate

- **Inclusive and Responsive**

Our work ensures that the voices of individuals and communities inform the research, policy, and action of the Federal Reserve, which includes having staff that come from diverse backgrounds, disciplines, and experiences.

- **Collaborative and Results-Oriented**

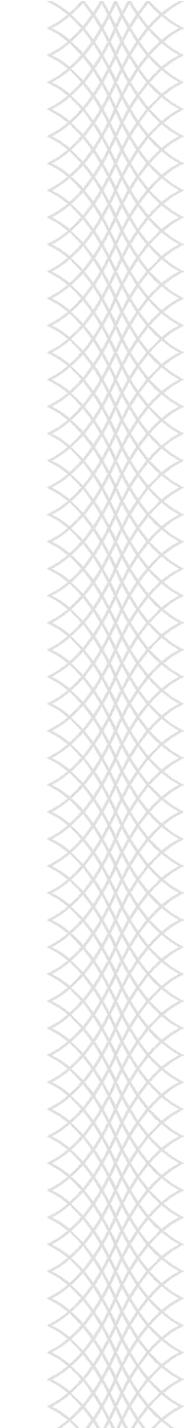
We serve as a catalyst for collective action and systems change. The complexity of the work prevents a solid understanding of impact. However, the function commits to identifying ways in which we can understand our impact at a broad scale, and whether or not the Goals which we set out for ourselves are being achieved.

- **Evidence-Based and Entrepreneurial**

We are brokers and producers of nonpartisan, data-driven research and solutions. [We] are committed to continuously learning and adapting to changes in the CD field. We strive to test new approaches, learn from failures, and pivot quickly to ensure the highest and best use of our limited resources in all aspects of our individual and collective work.

Three Goals

1. Drive transformative change and innovation in the CD field by advancing **economic resilience and mobility** of lower-and moderate-income (LMI) and underserved households and communities.
2. Strategically position the **Community Development function** as an entity known for rigorous understanding of the issues and opportunities associated with economic resilience and mobility in LMI and underserved households and communities.
3. **Inform and influence the other core functions** of the Federal Reserve System by elevating issues of LMI and underserved households and communities.



Applicability of the Inclusive Economies Framework

- **Diverse geographies**
- **Multi-dimensional understanding beyond “growth”**

Goal 1: 2018-2019

Drive transformative change and innovation in the CD field by advancing economic resilience and mobility of LMI and underserved households and communities.

- Develop a sustainable infrastructure for the Small Business Credit Survey.
- Vet participation in, and determine whether to pursue as a multi-Bank or System effort, the National Poverty Study.
- Explore the feasibility of expanding Investment Connection to a System platform.
- Pilot the creation of a system-wide innovation fund that supports the entrepreneurial and development efforts of start-ups.
- Continue the Investing in America's Workforce (IAW) initiative.
- Build on existing avenues to advance opportunities for diverse voices in the CD field.
- Plan, sponsor, and host the biennial System CD research conference in 2019.
- Ensure high-quality content by improving the vetting process for the System's Connecting Communities webinar series; lead at least six sessions each year.

**= A more
inclusive
economy?**

Applicability of IE framework

- **Participation**

- Drug abuse as impediment to employment and participation in the labor market more generally
- Access to credit by minority and micro enterprises

- **Equity**

- Income mobility by neighborhood
- Household income below median

- **Growth**

- Effective training for low-skilled workers to meet market demand
- Career pathways for lower-skilled workers to advance
- Job accessibility for low income workers

- **Stability**

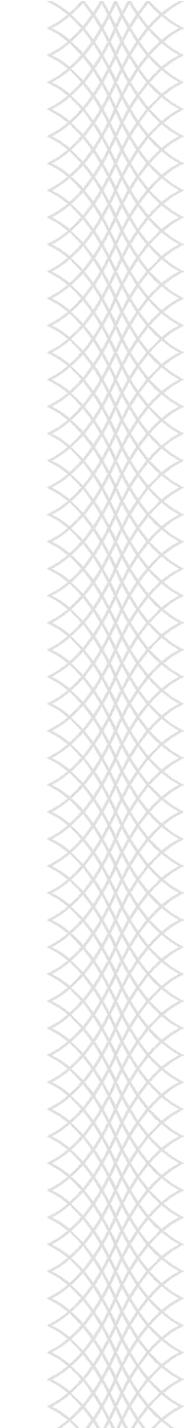
- Access to banking services
- Housing affordability and credit access by low-and-moderate income home buyers

- **Sustainability**

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Questions

- **Relevance.** What pieces of this particular framework are most relevant to your work? Where are the disconnects? Usefulness of having all five characteristics; or is it “too much”? What change can you reasonably affect?
- **Accountability.** Who has accountability and for what?
- **Institutionalization.** Is there a systemic end-game?



Stay in touch!

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Appendix: Current FRBC Research & Analysis

Using quantitative & qualitative research to inform local & national policy & decision-making

Access to Good Jobs

- Transit accessibility & job location

Workforce Development

- Identification of “opportunity occupations” based on in-demand industries & wage trends, and pathways into them

Affordable Housing

- Analysis of home lending data to describe lending patterns by income, race and geography.
- Neighborhood change and its affects on housing stock and rents
- Analysis of use of contracts-for-deeds in US markets (with Atlanta and Chicago Feds)

Small Business

- Annual Survey of Small Business Credit (with all other Feds), including non-employer and employer firms, minority and women-owned businesses
- State of Urban Manufacturing report through a survey and focus groups in Cincinnati with the Urban Manufacturers Alliance

Other topics include lead, opioid effects on the labor market, and bank branch openings and closings by neighborhood

FRBC Community Development Model

