



FEDERAL RESERVE BANK OF PHILADELPHIA

Economic and Community Advisory Council

April 20, 2017, Meeting Summary

The Federal Reserve Bank of Philadelphia's Economic and Community Advisory Council (ECAC) convened for its first meeting of 2017. The council, which consists of national and regional leaders from the business, philanthropic, academic, and community development sectors, met to discuss economic and business trends and ways to leverage members' resources and expertise to affect positive change. Conversations were built upon previous discussions of key strategies and priorities for promoting equitable economic growth, especially in relation to key Philadelphia Fed initiatives currently underway.

Council members had the opportunity to engage with the Bank's board of directors to start the day and participated in the first portion of the board's monthly meeting. This included introductions and opening remarks from Bank President Patrick T. Harker and presentations from Bank staff. Michael Dotsey, Executive Vice President and Director of Research, delivered an economic outlook that touched on both regional and national trends. Senior Vice President and Payment Cards Center Director Bob Hunt presented research on trends in student loan debt and other consumer credit markets.

The core of the meeting revolved around discussions of the Economic Growth & Mobility Project (EGMP), a key initiative for the Philadelphia Fed. The EGMP was established in early 2017 as a multilevel effort to find solutions that promote more inclusive economic growth in our region and to create pathways out of poverty in communities across the Third District. While the initiative will be fueled and informed by the valuable economic and public policy research produced by the Federal Reserve System and others, partnerships with leaders in the private, nonprofit, and philanthropic sectors will be key to achieving long-term economic improvements. To this end, Bank staff sought the perspectives and insights of ECAC members on the project development, with an emphasis on strengthening cross-sector collaboration.

Members were intrigued by, and optimistic about, the EGMP's mission and vision and expressed an eagerness to consider opportunities to further engage their organizations in the work. They agreed with Bank staff that it is important to establish a feedback loop between researchers and practitioners/stakeholders so policies can be tested and fine-tuned in real time. Members indicated that getting buy-in from business leaders would be imperative and



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not as challenging as expected. They see more room for the business community to participate in the dialogue and consider creative solutions to reduce income inequality and childhood poverty, and this project offers an opportunity to do so.

Members raised questions about the initiative's scope as well as the way in which the Reserve Bank's role in policy implementation was delineated. Bank staff emphasized that the Reserve Bank could not play a direct role in policy implementation, but it could offer emerging models and unbiased research to inform the policymaking process. Members noted that it was important for the Fed to take a stronger approach to disseminating research and data, especially to private sector stakeholders.

There were also discussions regarding areas the project seeks to address as members noted key economic issues facing regions in the Third District. These included low labor force participation, the mismatch between skills present in the workforce and those needed by local employers, the lack of availability of affordable housing, and transportation barriers, among other impediments to equitable economic growth. Underpinning these conversations was an emphasis from several members, representing diverse sectors and geographic regions, that the initiative should focus on bottom-up, community-oriented practices and solutions with a concentration on inclusivity. Understanding the issues from this perspective, members noted, would be a key driver of long-term success and positive change.

Bank staff left the meeting with numerous ideas and suggestions for the future project direction, and an assurance that council members and other stakeholders in the private, nonprofit, academic, and philanthropic sectors were ready to act as partners. The insights that council members provided during the meeting will help Bank leaders as they continue their work to promote inclusive economic growth and create pathways out of poverty for communities across the country.