

**Minutes of the meeting of the
SECOND DISTRICT ADVISORY COUNCIL**

10:30 a.m. – 12:30 p.m., Wednesday, July 14, 2021
Federal Reserve Bank of New York
33 Liberty Street, New York, NY
Via WebEx

On WebEx:

Donnel Baird, Founder & CEO, BlocPower
Adenah Bayoh, Founder, Adenah Bayoh & Companies
Jaswinder Chadha, President & CEO, Axtria, Inc.
Lynne Marie Finn, President & CEO, Broadleaf Results
Hugh Johnston, Vice Chairman & CFO, PepsiCo
Sarah LaFleur, Founder & CEO, MM.LaFleur
Melanie Littlejohn, VP, Customer & Community Engagement, National Grid
Jonathan F.P. Rose, President, Jonathan Rose Companies
Anthony E. Shorris, John Weinberg/Goldman Sachs Visiting Scholar & Senior Advisory,
Princeton University, McKinsey & Company
Federico Stubbe, Jr., CEO, PRISA Group

Federal Reserve Bank of New York attendees:

John Williams, President & CEO
Naureen Hassan, First Vice President
Jack Gutt, Communications & Outreach
Michael Nelson, Communications & Outreach
Andrew Haughwout, Research & Statistics
David Lucca, Research & Statistics
Jaison Abel, Research & Statistics
Jason Bram, Research & Statistics
Wilbert Van Der Klaauw, Research & Statistics
Gizem Kosar, Research & Statistics
Rosanne Notaro, Legal
David Erickson, Outreach & Education
Claire Kramer Mills, Outreach & Education
Edison Reyes, Outreach & Education
Rebecca Landau, Outreach & Education
Dominic Ramos-Ruiz, Outreach & Education

Claire Kramer Mills called the meeting to order at approximately 10:30 a.m.

1. Welcome

Mr. Williams welcomed council members and discussed inflation and the economic recovery. He expects strong employment gains throughout the year as consumers travel again, vacation, and return to work. Mr. Williams reiterated that the Federal Reserve would continue to use the tools available to support the recovery.

2. National Economy Update

Mr. Lucca presented an update on the national economy and anticipated an uneven economic recovery. Gender, educational, and racial employment gaps continued to narrow, but overall employment remains below pre-pandemic levels. Mr. Lucca noted that wages rose across the board, and that while prices increased, the Dallas Fed Trimmed Mean measure of inflation remained stable.

3. Consumer Sentiment Update

Ms. Kosar presented the latest indicators of consumer sentiment from the Survey of Consumer Expectations (SCE). Income growth expectations reached pre-pandemic levels in June, but growth was uneven. Households with children were disproportionately impacted by the pandemic, and they were more likely to cut back spending, skip rent, and receive federal aid. Although the percent of respondents losing a job is at an all-time low, those finding a job has not yet returned to pre-pandemic levels.

4. Facilitated Discussion

Ms. Kramer Mills began the facilitated discussion by asking members to share how their industry has fared over the past quarter and to provide insights on emerging industry and overall economic trends.

Members spoke about how consumer demand continues to rise, and members are struggling to meet this demand. Many members noted that rising inflation pressures affect their business decisions. A few members reported increasing wages and absorbing a rise in input costs. Overall consumer demand is high, and many members report challenges hiring new employees and keeping old ones. Several members shared that world supply-chain disruptions pose a risk to meeting this high demand.

Ms. Kramer Mills then asked each member to provide their outlook for the economy for the remainder of the year. Many members reported a strong outlook as consumer activity strengthens and the pandemic subsides, but inflation pressures remain a major concern. A few members spoke about concerns related to the eviction moratorium ending without a long-term solution to housing affordability. In terms of employment, members shared challenges in hiring leisure & hospitality workers, construction workers, and truckers. Members also shared concerns about the increase in racial, income, and gender inequality, and noted that an uneven recovery poses a risk to their businesses. All members are optimistic for a strong recovery, and they will continue to keep an eye on the developing Covid-19 delta variant.

5. Concluding Remarks

Mr. Williams thanked members for their insights and noted that the New York Fed will continue to monitor the recovery and engage with members.

The meeting adjourned at approximately 12:30 p.m.