

Lael Brainard: Introductory remarks for the Fed Listens panel on the COVID-19 pandemic

Introductory remarks (via webcast) by Ms Lael Brainard, Member of the Board of Governors of the Federal Reserve System, at "A Fed Listens Event: How Is COVID-19 Affecting Your Community?", sponsored by the Board of Governors of the Federal Reserve System, Washington DC, 21 May 2020.

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This will be the 15th *Fed Listens* event the Federal Reserve has conducted over 16 months. We have listened to diverse voices from every type of community in every sector and every district of our country. This rich set of perspectives is helping bring alive for us the importance of the review of our monetary policy strategy, tools, and communication practices led by Vice Chair Richard Clarida.

We have heard that maximum employment is not captured in a single national average, it brings vital benefits, and it takes a very long time to arrive in many neighborhoods. We have heard that inflation matters: Households at different life stages and in different places are balancing the cost of living against their earnings, while businesses are balancing wages and other costs against their pricing power. We have heard that access to credit matters, and that it is important to use the full range of tools to support the economy.

When we embarked on this listening journey, little did we know that our nation would experience the heartache and hardship associated with the COVID-19 pandemic—an emergency unprecedented in modern times.

Last year, we heard from small businesses that were expanding their workforces and investing in their communities. Today, many of those same businesses are running low on cash reserves and struggling to make rent and payroll—especially those in consumer services, such as restaurants and retail.

Last year, national unemployment had fallen to its lowest point in over five decades. Today, unemployment has surged to levels not seen since the Great Depression.

Last year, historically challenged groups were gaining a foothold in the workforce, and employers were investing in training and loosening job eligibility requirements. Today, the fallout from the COVID pandemic has cruelly hit groups with thinner financial cushions the hardest—workers in the lowest quarter of earnings, people of color, low and moderate income communities, and women disproportionately employed in services jobs.

As we think about how the Federal Reserve's tools and presence in communities around the country could best provide stability at this trying time and strong support for the recovery to come, we are turning again to many of the same voices we heard from earlier to learn how the COVID pandemic has affected your communities and what lies ahead.