

**Minutes of the joint meeting of the
ADVISORY COUNCIL ON SMALL BUSINESS AND AGRICULTURE
&
UPSTATE NEW YORK AND REGIONAL ADVISORY BOARD**

3:00 p.m. – 5:45 p.m., Thursday, November 21, 2019
Federal Reserve Bank of New York
33 Liberty Street, New York, NY
Museum & Learning Center

Present:

Donnel Baird, Founder & CEO, BlocPower
Adenah Bayoh, Founder, Adenah Bayoh & Companies
Jaswinder Chadha, President & CEO, Axtria, Inc.
Kevin Ellis, CEO, Cayuga Milk Ingredients
Sarah LaFleur, Founder & CEO, MM. LaFleur
Kenneth Franasiak, Chairman, Calamar
Melanie Littlejohn, VP, Customer & Community Engagement, National Grid
Linda MacFarlane, Executive Director, Community Loan Fund of the Capital Region
Anthony E. Shorris, John Weinberg/Goldman Sachs Visiting Scholar, Princeton University
Waleska Rivera, President, Danosa Caribbean, Inc.

Federal Reserve Bank of New York (“FRBNY”) attendees:

John Williams, President & CEO
Jack Gutt, EVP, Communications & Outreach
David Erickson, SVP, Outreach & Education
Kausar Hamdani, SVP, Communications & Outreach
Matthew Higgins, VP, Research & Statistics
Rosanne Notaro, VP, Legal
Jaison Abel, AVP, Research & Statistics
Claire Kramer Mills, AVP, Outreach & Education
David Lucca, AVP, Research & Statistics
Jason Bram, Officer, Research & Statistics
Tony Davis, Officer, Outreach & Education
Chelsea Cruz, Associate, Outreach & Education
Edison Reyes, Associate, Outreach & Education

Tony Davis called the meeting to order at approximately 3:00 p.m.

1. Welcome

Claire Kramer Mills welcomed council members and staff to the joint meeting of the Advisory Council on Small Business (SBAAC) and Agriculture and the Upstate New York and Regional Advisory Board (UNYRAB).

2. U.S. Economic Conditions

Mr. Lucca presented an update on the national economy and highlighted consumer spending trends, an elevated uncertainty in trade policy, and an inflation rate that remains below the Federal Reserve's objective.

3. Economic Conditions in the Region

Mr. Abel spoke about recent regional economic trends in the Second Federal Reserve District, and highlighted a tightening labor market and results from the New York Fed's Regional Business and Business Leaders Surveys.

4. Minimum Wage Research

Mr. Bram presented research on potential effects of changes in state minimum wage policies. He highlighted findings from a recent analysis of bordering counties in New York, which increased its minimum wage, and Pennsylvania where the minimum wage has remained constant. Mr. Bram noted that early findings indicate that business earnings in New York have outpaced those in Pennsylvania counties without adverse employment effects.

5. Facilitated Discussion

Ms. Kramer Mills began the facilitated discussion by asking members to draw on their experiences to comment on the minimum wage research presentation. Some members stated that businesses often weather expected increases in wages by orienting prices in goods and services accordingly, while others engage in cost-cutting in other areas. Many members believe that minimum wage increases will likely impact jobs considered to be at risk of being made obsolete due to automation, and some believe it will change physical spaces of businesses and lead to reduced storefront footprints. Members also noted that increases to the minimum wage would affect salary scales more broadly, resulting in increased wages for middle and upper management as well. Members said that the low unemployment rate, coupled with increases to the minimum wage, will create a competitive market for workers. Members recommended further research on benefits and the impact it may have on business margins.

Ms. Kramer Mills then asked members to discuss their industry outlook and the state of competition for talent. Mr. Williams joined this part of the discussion. Several members expressed their challenge with finding local talent and are looking at either sourcing talent from other areas or hiring abroad. Some members believe that the existing workforce and its capabilities is constraining the economy and preventing maximum output from businesses. A few members discussed their ongoing efforts in developing partnerships and creating unique in-house training programs, such as mentorships between recent hires and experienced workers.

The facilitated discussion concluded with business leaders' thoughts on their industry outlook for 2020. Almost all members stated that they have an optimistic view of the economy, but business unease remains due to ongoing trade policy issues and concerns with the global economy. Many members believe future discussions should focus on the workforce system challenges with connecting skilled labor to opportunities, as well as what it means for local economies when the economy is strong.

6. Update on New Advisory Board

Mr. Williams provided an update on the creation of a new advisory board, Second District Advisory Council (SDAC), which will replace the Advisory Council on Small Business and Agriculture and the Upstate New York and Regional Advisory Board. SDAC will be comprised of some existing members of SBAAC and UNYRAB, and will include new business leaders from various sectors across the Second District. Mr. Williams thanked Aminy Audi (*in absentia*), Kenneth Franasiak, James Laurito (*in absentia*), Linda MacFarlane and Waleska Rivera for their contributions to the councils over the past years. Mr. Williams noted that the New York Fed will be engaging council members and alumni regularly moving forward, beginning with a reunion reception on May 21, 2020. The SDAC will formally launch in Q1 2020.

The meeting adjourned at approximately 5:45 p.m.