

A conversation with Ady Barkan, May 14, 2015

Participants

- Ady Barkan – Campaign Director of Fed Up and Co-Director of Local Progress, the Center for Popular Democracy
- Alexander Berger – Program Officer, US Policy, Open Philanthropy Project

Note: These notes were compiled by the Open Philanthropy Project and give an overview of the major points made by Mr. Barkan.

Summary

The Open Philanthropy Project spoke with Mr. Barkan of the Center for Popular Democracy (CPD) to follow up on the Open Philanthropy Project's support of the Fed Up campaign. Conversation topics include the Fed Up campaign's progress and achievements in 2015, including its March 5th day of mobilization, and CPD's internal work finding local partners and managing the campaign.

The Fed Up Campaign

CPD is running Fed Up, a national campaign advocating for full employment and a reformed Federal Reserve. As well as influencing the Federal Reserve's worldview, CPD is also trying to change the broader media discourse around the economy.

Day of mobilization

On March 5th, 2015, CPD held a day of mobilization in seven of the 12 cities with Federal Reserve banks. CPD held press conferences in six cities and held a telephone conference in the seventh city (Dallas), due to inclement weather. The press conferences were held outside the Federal Reserve banks or in other symbolic locations. In all locations, CPD and its local partners called on the Federal Reserve presidents to recognize the significant racial and ethnic inequality in the United States and to commit to working towards full employment.

These events took a significant amount of time to organize. CPD staff and local partners worked on preparing them throughout January and February. This was the first set of events where CPD's local partners did much of the press outreach and campaign work on their own; CPD had previously handled most of the coordinating for the two main Fed Up campaign events in 2014 centrally.

Publications and press coverage

In general, CPD was happy with the press coverage around the mobilization day. There were around 30 articles published, including one strong national piece and many local articles. The *New York Times* published a strong editorial, which to date was the best articulation of the Fed Up campaign's perspective in a mainstream publication.

It was also clear that the multiple events across the country got the attention of the Federal Reserve. Federal Reserve banks were aware of the other press conferences happening at other locations.

In conjunction with the day of mobilization, CPD published a report, “Wall Street, Main Street, and Martin Luther King Jr. Boulevard,” which highlights ways many African-American and Hispanic communities are disproportionately struggling in the economy. It summarized the 2014 economy by race, city, region, and highlighted the lack of diversity within the Federal Reserve. The report was released the day before “jobs day,” when the monthly employment data are released.

CPD has been able to get some press coverage on jobs day by putting out statements and making policy wonks from CPD and other organizations available to reporters. A few reporters have asked CPD to connect them to people who can talk about the state of the economy, but this sort of interest have been relatively limited.

Meeting with Federal Reserve presidents

CPD is also trying to set up meetings with the presidents at the 12 Federal Reserve banks. Fed Up campaign members have written letters, made phone calls, organized other outreach efforts and utilized backchannels to reach out to presidents. Progress in arranging the meetings has been slower than expected.

CPD’s goals in these meetings are to get Federal Reserve presidents to understand and take seriously the Fed Up campaign’s economic perspective. Good meetings depend on having the right people in the room: both coalition members who can speak from personal experience and economists who can address policy questions and concerns.

Fed Up campaign members have meet with staff at the Federal Reserve banks in Minneapolis, Philadelphia, and Dallas. They’ve meet with President Esther George of Kansas City Federal Reserve multiple times. In July, Fed Up members will meet with President John C. Williams of the San Francisco Federal Reserve.

In January 2015, Fed Up campaign members met with President George with a coalition of labor, community, faith, and economic leaders and a member of Congress. The faith organization is a new partner of the Fed Up campaign. They became involved in Fed Up in middle of 2014 and were very enthusiastic to partner. The other Fed Up coalition members across the country are all core CPD partners.

Despite some successful meetings, Federal Reserve presidents have not been responding to meeting requests as quickly as CPD had hoped. Federal Reserve banks in Richmond, VA and New York City have ignored all CPD’s attempts to schedule a meeting.

CPD is still working with local partners in Atlanta, Boston, and Chicago to make requests for meetings. It takes some time to bring local partners up to speed.

Improving the Federal Reserve’s public engagement

The Fed Up campaign is also working to improve transparency and public engagement in the Federal Reserve's appointment processes.

The Community Reinvestment Act of 1977 mandated that regional Federal Reserve banks have a community affairs office. These offices are supposed to supervise local banks' compliance with the Community Reinvestment Act and make sure they are making lending available to local businesses and businesses run by women and people of color. Although access to credit is very important for low-income communities, the Fed Up campaign has not focused on the regulatory obligations of the Federal Reserve. Community affairs office staff are generally the regional Fed staff who are assigned to meet with the Fed Up campaign.

Community advisory council

The Federal Reserve announced the creation of the Community Advisory Council in January, and CPD believes it was a direct result of their actions at Jackson Hole and meeting with Chair Yellen. There will be 15 members of the Council, who will meet with Federal Reserve chair twice a year, and there is an open application process ending in June. While this is a positive sign, the challenge will be to turn the Community Advisory Council into something substantial.

Federal Reserve president appointments

CPD has tried to influence the selection of new Federal Reserve presidents. Thus far, it has been a frustrating process because there has been little public engagement.

The Philadelphia Federal Reserve recently announced a new president, who will start soon and has already said he is willing to meet with Fed Up coalition members. The Dallas Federal Reserve is expected to announce their new president soon; the previous president, Richard Fischer, has already stepped down.

The Fed Up Campaign wrote open letters calling for more transparency in the Dallas and Philadelphia appointment processes. The letters asked for:

- The public release of the candidates list and criteria the Federal Reserve is using to evaluate and select new presidents
- Clear indication of who makes decisions about new presidents
- Timelines of when appointment decisions will be made
- Town halls where Federal Reserve board of directors could ask questions of and receive answers from the general public
- A venue for public nominations (with serious consideration)

The *New York Times* wrote about both letters and published copies on its website. In both cases, senior staff and general counsel at the Federal Reserve met with CPD staff, but they did not seem to change their behavior meaningfully in response to the attention. In response to the *Times* story, the Dallas and Philadelphia Feds released the name of the search firms they are using and one of them set up an email to receive public comments.

Board of directors appointments

CPD is also disappointed with the lack of transparency surrounding appointment to the Federal Reserve regional banks' boards of directors. Class C directors are legally supposed to be selected by the Board of Governors in D.C. to represent the public. It appears that in fact, regional branches offer up names for potential class C directors, and that the Board of Governors chooses amongst them. Regional banks' influence in terms of who gets appointed to their boards is understandable because they select people with knowledge of the local economy, but it also makes boards somewhat self-perpetuating and limits opportunities for meaningful change. This is an issue with corporate governance generally.

Fed Up was disappointed with the people chosen as class C directors around the country at the end of 2014. There was no public engagement, or even a general announcement; the individual regional Fed websites just quietly changed.

CPD's role in the Fed Up campaign

Since January 2015, CPD has also been working to get local partners on board. This work is ongoing, but was heaviest in January and February 2015. CPD signs MOUs (memorandums of understanding) with local partners. MOUs help to clarify what members are committing to, including:

- The scope of the work
- How partners will assign staff members
- What the campaign will look like
- How the local partner will organize a leadership crew of members to engage with the Federal Reserve

CPD currently has 13 partners signed up for the campaign, located nationally in every city with a regional Federal Reserve except for Cleveland, Ohio. Mr. Barkan is not sure if spreading nationally across all the regions was the best strategic choice; being more concentrated in key locations may have been a better strategy.

Mr. Barkan held a workshop at a CPD partner retreat to get input and ideas about adding local partners. As more funding arrives, the Fed Up campaign is reaching out to more potential local partners to see if they are interested in working on the campaign.

Challenges

Managing local partners can be difficult. Most partner organizations are community-based and are already stretched thin with more demands on their time than they have resources.

CPD holds a twice-monthly one-hour phone call with all partners. In the past month, it has also instituted a twice-monthly phone call with each partner individually. This is an opportunity for CPD staff to review tasks, assignments, and progress with the local partners. Mr. Barkan and two other CPD staff members who work on the Fed Up campaign join the calls. This regularly occurring check-in time has made it easier to hold local partners accountable and push them forward.

Over the past year, the Fed Up campaign has learned several lessons:

1. Getting a campaign up and running takes time. It's not enough to have a good idea, funding, or even a network of community based organizations in the right cities.
2. Regional Federal Reserve presidents are less responsive than CPD had hoped. In general, Janet Yellen and her senior staff have been more responsive than the regional presidents.
3. A good campaign needs to build momentum. It takes time to create tension and disagreement. The Fed Up campaign won't peak until the later half of the year.

Budget

CPD's operating budget for the Fed Up campaign is generally in line with the budget it submitted to the Open Philanthropy Project. It has been providing grants to its local partners at around the projected amounts.

Spending on internal staffing at CPD and on the partners is slightly lower than what was initially predicted, in part because the campaign is not going to raise quite the fully budgeted amount of revenue. If Fed Up is able to raise more money, it will spend more internally (mainly by devoting more staff time to the campaign) as well as on local partners.

It took longer than expected for CPD to find a full-time campaign deputy campaign director, but CPD eventually hired Jordan Haedtler, who has now been working for the last three weeks. Haedtler is the only person CPD has hired specifically for the Fed Up campaign; generally, it plans to dedicate existing staff time to the project rather than making new hires.

Boston and Cleveland were the only Federal Reserve regions not included in the original budget. CPD has added Boston through a grant from the Ford Foundation.

The Fed Up campaign has received around \$275,000 from other sources in 2015. This is up from 2014, where it received \$100,000 from the Open Philanthropy Project and roughly \$45,000 from other sources.

*Open Philanthropy Project conversations are available at
<http://www.givewell.org/conversations>*