



FEDERAL RESERVE BANK OF RICHMOND

## Lacker speaks on workforce development

When unemployment is high, it is natural for policymakers to think about policies designed to improve prospects for workers. President Jeffrey Lacker recently gave speeches on two aspects of workforce development: Is college the right choice for everyone? And what workforce development policies are likely to be successful?

The Richmond Fed believes there is no “one size fits all” approach to major financial decisions; in our view, financial decisions should depend on the personal preferences and constraints of the consumer who is making the choice. But consumers can benefit from high-quality information to help them make major financial decisions such as buying versus renting a home, planning for retirement, and attending college.

For example, about 50 percent of students who attend college drop out with no degree, and the labor market rewards for such people aren’t nearly as great as for college graduates. The flipside of the dropout problem is the failure of some relatively high-achieving students to apply for college, perhaps because they overestimate the costs of college or underestimate the future payoffs. President Lacker notes that students should pursue accurate information about the return on investment for college and the preparation necessary to realize that return.

In addition, traditional workforce development programs have reached workers too late for them to make large

investments in their human capital. Programs targeting younger people have the potential to significantly improve people’s earlier educational decisions. Many students benefit from programs that provide exposure to alternatives to traditional four-year college degrees, such as community college, vocational and apprenticeship programs.

Read full speeches on the [college decision](#) and [workforce development](#).

## New website on Fed’s first 100 years

December 23, 2013 marked the 100th anniversary of the Federal Reserve Act that created the Fed. The Fed’s first century has included both successes and failures, all of which have provided valuable lessons for future policy. To share information about these events with students, educators, researchers, and policymakers, the Fed launched the History Web Gateway on December 6, 2013. This new website includes essays on key events, biographies of key players, and historical images. Visit the [History Web Gateway](#).

## State of the Fifth District

As 2013 drew to a close, the [Fifth Federal Reserve District economy](#) continued along the steady but slow growth of the past few years. In general, between the sequester and the government shutdown, the large presence of the federal government continues to add to business uncertainty and weigh on the Fifth District economic recovery, although the short-term effect of both the sequester and the shutdown was almost universally reported to be weaker than initially anticipated. Employment expanded, but the labor force participation rate continued to fall. The housing recovery persisted, but residential construction activity remained low compared to the 1990s. Auto sales continued to be strong and most manufacturing activity independent of federal government spending picked up.



Richmond Fed President Jeffrey Lacker spoke on workforce development.



## Charlotte Regional Forum

**Richmond Fed Leaders visited Charlotte, N.C. in November during a Regional Economic Forum. The two day event provided Bank executives an opportunity to explore several sectors driving growth in the region in recent years—energy, manufacturing, entrepreneurship and financial services.**

The Charlotte region has made strides in workforce skills development and professional development related to these industries as a result of area leaders making it a priority. The forum was designed to explore the unique aspects of the Charlotte region to better understand economic developments taking place regionally but nationwide as well.

The forum kicked off with a discussion about one of Charlotte's emerging economic clusters – energy and energy technologies. The Charlotte area is home to more than 250 energy producers, service providers, and equipment and parts manufacturers. President Lacker learned about the diversity of the energy sector's presence in the area, as well as its contributions to the general health of the region's economy. Our leaders toured Siemens Energy, one of Charlotte's newest energy manufacturing enterprises, to get an overview of the apprenticeship program that Siemens developed in collaboration with Central Piedmont Community College. Next was a tour of the main campus of CPCC for a broader discussion on workforce skills development efforts in Charlotte.

The dynamic nature of Charlotte's economy was further explored with a trip to Johnson C. Smith University, which is a private liberal arts school ranked among the top Historically Black Colleges and Universities in the country. The meeting took place with participants in the University's Innovo Laboratory initiative. Here, President Lacker had an opportunity

to interact with a small group of the program's student entrepreneurs and their mentors. Another roundtable discussion titled "Developing Innovators, Entrepreneurs, and Professionals" was held to explore how corporations, economic development professionals, and institutions of higher learning are working together to deepen the human capital of the creative, risk-taking, and leadership talent that enhances the region's longer term economic growth potential.

Charlotte was commonly referred to as a "banking town," and while banking is undoubtedly still prominent in the area, Charlotte has diversified its financial services base. The "Changing Face of Financial Services" round table discussion brought leaders from some emerging financial services sectors to talk about how the industry has evolved over time.

President Lacker gave the keynote address at the Business Leaders Luncheon. During lunch, Fed staff had the opportunity to meet with, and develop mutually beneficial relationships with local business leaders, economic development professionals, and academics.

Regional economic forums provide us with opportunities to stay grounded on "Main Streets" in communities throughout our District, as well as to develop and build relationships with business and community leaders. The next Regional Economic Forum will take place in Lynchburg, Va. in June.

## Upcoming Events & Activities

- **February 4** — Jeff Lacker will speak on the economic outlook at Shenandoah University in Winchester, Va.
- **February 11** — Jeff Lacker will speak on "The Path to Financial Stability" at the Stanford Institute for Economic Policy Research Associates meeting in Palo Alto, Calif.
- **February 27** — Land Use: Aligning Vision and Investment, Detroit, Mich.

## Contact Information

Selena Carr  
Government Affairs  
[selena.carr@rich.frb.org](mailto:selena.carr@rich.frb.org)  
(804) 697-8436

## Research Resources

- [Community Data Resources](#)
- [Economic Snapshot](#) (includes labor market, household and housing market conditions)
- [National Economic Indicators](#)
- [Data and Mapping](#)
- [Surveys of Business Activity](#)
- [Supervision, Regulation and Credit](#)

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