

**Minutes of the regular meeting of the
ADVISORY COUNCIL ON SMALL BUSINESS AND AGRICULTURE**

10:30 a.m. – 2:00 p.m., Monday, March 25, 2019
Federal Reserve Bank of New York
33 Liberty Street, New York, NY

Present:

Donnel Baird, Founder & CEO, BlocPower
Adenah Bayoh, Founder, Adenah Bayoh & Companies
Jaswinder Chadha, President & CEO, Axtria, Inc.
Gabriel Hernández, Co-Founder and Head of Tax Division, BDO Puerto Rico
Sarah LaFleur, Founder & CEO, MM.LaFleur
Waleska Rivera, President, Danosa Caribbean, Inc.

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

Jaison Abel
Jack Gutt
Kausar Hamdani
Matthew Higgins
Tom Klitgaard
Claire Kramer Mills
Scott Lieberman
Rosanne Notaro
Edison Reyes
Alexandra Rosen
Michael Strine
John Williams

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

1. Welcome

Ms. Kramer Mills welcomed members and staff to the Advisory Council on Small Business and Agriculture (“Council”) meeting.

2. The National Economy

Mr. Klitgaard presented a macroeconomic overview of the current state of the U.S. economy.

3. International Update

Mr. Higgins discussed recent international economic developments.

4. Regional Update

Mr. Abel spoke about recent regional economic trends in the Second Federal Reserve District.

5. Luncheon Discussion

Mr. Williams and Mr. Strine joined the group for the luncheon discussion. Ms. Kramer Mills began facilitating the discussion by reminding the Council about their previous business sentiments from the end of 2018 and asking members to provide an update since then.

Members were asked to comment on changes in their firms' sales volume, hiring and growth plans, and industry challenges during the first quarter of 2019. A majority of members reported achieving on or above target sales for the first quarter of 2019, with one member anticipating below target sales. Several members discussed increasing opportunities to meet and surpass business forecasts, while one member discussed the challenge of tapping into government-related business opportunities and instead accessing international businesses opportunities.

In a discussion about labor costs, a majority of the members reported increased spending to retain and hire employees, as well as to continue business services. Members noted that the labor market is feeling increasingly tight in their industry. For some, this wage pressure is compounded by local legislation increasing the minimum wage and related pressure on wages for other roles within their companies. Some firms are exploring expanding their international workforce.

All members of the Council expressed either neutral sentiments or optimism for the remaining quarters of 2019. None of the members expressed concerns of a downturn in the economy this year.

6. Fed Listens Session Discussion

After the discussion into current economic conditions, Mr. Williams facilitated a Fed Listens Session with members of the Council to listen to their perspectives on the Fed's monetary policy strategy, tools and communications. Members discussed the impact of price stability and inflation on their business goals and how changes in interest rates inform their decision-

making. Members stated that investors and the capital they provide are influenced by the Fed's monetary policy and communication, which in turn impacts businesses. Several members stated that it is challenging to understand how a national monetary policy is reflective of the multiple and diverse local economies that exist in the country. Mr. Williams concluded the session by thanking members for their insight and informing them that the Bank will be hosting additional Fed Listens sessions, as well as a Capstone Roundtable on May 20, 2019. A synthesis of these discussions will then be collected into a report and distributed to all Federal Open Market Committee members to help inform their discussions at a future date.

The meeting adjourned at approximately 2:00 p.m.