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

1. The National Economy
   Mr. Peach gave a macroeconomic overview of the state of the U.S. economy during the first half of 2014.

2. Regional Update
   Mr. Orr discussed current economic conditions in the Second Federal Reserve District.

3. International Update
   Mr. Clark spoke about international developments in the advanced and emerging economies.

4. Luncheon Discussion
   Mr. Dudley joined the group for the luncheon discussion. Members were asked to comment on changes in demand in recent months, projected hiring and investment in plant and
equipment for the remainder of 2014, access to credit, impacts due to changes in tax policy, legislation, or regulations, and any effects from the severe weather earlier this year.

Members reported varying degrees of first quarter growth, with several members attributing slow growth to severe winter weather in the region. Those most affected by the weather reported improvements in the second quarter.

Some members reported plans to increase employment, particularly in areas such as information technology, while others are hiring only to fill vacancies. As before, members noted that unskilled positions remain relatively easy to fill, while tightness in the skilled labor market has led to increasing competition for skilled workers. Members reported the continued use of contingent workers and consultants to fill some vacancies.

Several members reported new and ongoing capital investments, particularly in technology. Some members mentioned continuing efforts to automate and increase efficiency and productivity.

Access to credit did not seem to be an issue for members.

Members reported ongoing confusion about implementation of the Affordable Care Act (“ACA”). Some members mentioned growing costs in areas like compliance in response to new federal regulations.

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