

The Federal Reserve System and the Cooperative Extension Service: Partnerships to Enhance Community Building¹

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Introduction

The Federal Reserve System and the Cooperative Extension Service both have unique positions and roles in the United States. Yet similarities exist as do opportunities for joint efforts that capitalize on the strengths that each group brings to the table. The purpose of this white paper is to outline the history, structure, mission and current activities of the respective organizations. Together with the initial meeting and conversation surrounding the paper, the goals are to: increase understanding; encourage further dialogue and planning; and, ultimately, undertake future joint projects benefiting the clients of both organizations.

¹ The views expressed herein are solely those of the authors and do not necessarily reflect the views of the Oklahoma Cooperative Extension Service, the Federal Reserve Bank of Kansas City or the Federal Reserve System.
The Federal Reserve System and the Cooperative Extension Service
Muske, Shepelwich and Woods
April 9, 2007

Background Information

Federal Reserve System and the Community Affairs Function

History

The Federal Reserve System was established by Congress in 1913 to act as the nation's central bank. The mission of the Federal Reserve System is to ensure that the nation has a safe, flexible and stable monetary and financial system. The Federal Reserve System carries out three main activities in the fulfillment of its mission: the conduct of the nation's monetary policy, supervision and regulation of banking institutions, and the provision of financial services to depository institutions and the U.S. government. In 1981, the Community Affairs function was formally added to the Federal Reserve's activities to assist in the implementation of the Community Reinvestment Act of 1977².

Structure

The Federal Reserve System consists of the Federal Reserve Board of Governors, a federal government agency, and twelve independent Federal Reserve Banks chartered by Congress to carry out the operations of the central banking system. The Board of Governors provides oversight of the functions and activities of each of the Federal Reserve Banks. The Federal Reserve Banks were established as independent institutions, each with its own geographic area of coverage, to ensure political neutrality, decentralized control of monetary policy and the central banking functions, and representation of local and regional perspectives in the policy making process. Districts have very broad discretion in terms of programs and research. A map of the Federal Reserve Bank districts is provided in Attachment 1.

While each Federal Reserve Bank has a Community Affairs Officer that oversees the Bank's community affairs function, the structure, activities and staffing of each of the twelve Bank's community affairs functions differs depending on the individual Bank's strategy, interests and identified needs within its geographic area. This independence has fostered a great range of activities and projects in support of community development across the System. The Community Affairs Officers meet on a regular basis to discuss issues that may cross over district lines, share information about local programs and activities and identify opportunities for collaborations. The Consumer and Community Affairs Division of the Federal Reserve Board of Governors provides oversight to the community affairs departments within each Bank.

Mission

The mission of the community affairs function is to support the Federal Reserve System's economic growth objectives by promoting community development and fair and impartial access to credit, with a particular focus on low- to moderate-income individuals and communities. While the community affairs function was initially framed as an information gathering and dissemination role to further the objectives of the Community Reinvestment Act, it has evolved into a broader and more proactive agenda in facilitating community development efforts.

Current Activities

The community affairs offices at the Board and Reserve Banks are engaged in a range of programs and activities to assist key stake-holders in the development process, such as financial institutions,

² In brief, "The Community Reinvestment Act is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations." For additional information, see www.ffiec.gov.

community-based organizations, government agencies, and the public, address issues affecting low- and moderate-income people and geographic regions. In general, the community affairs offices apply their strengths in convening diverse stakeholders, facilitation and process management, and research to:

- “Foster depository institutions’ active engagement in providing credit and other banking services to their entire communities, particularly traditionally underserved markets;
- Encourage mutually beneficial cooperation among community organizations, government agencies, financial institutions, and other community development practitioners;
- Develop greater public awareness of the benefits and risks of financial products and of the rights and responsibilities that derive from community investment and fair lending regulations; and
- Promote among policy makers, community leaders, and private-sector decision makers a better understanding of the practices, processes, and resources that result in successful community development programs.”³

These objectives are achieved through support of functions common to all Federal Reserve Banks:

- Engaging in ongoing community outreach initiatives,
- Developing and presenting educational programs,
- Producing informational materials, and
- Providing technical assistance to a range of stakeholders.

Initial information about the programs and resources of the different Community Affairs offices can be found through links at www.federalreserve.gov/communityaffairs/national/default.htm.

³ http://www.federalreserve.gov/pf/pdf/pf_6.pdf

Cooperative Extension Service

History

The Cooperative Extension Service traces its history back to 1914 with the third of three significant pieces of legislation dealing with rural opportunities, programs and policy. The Smith-Level Act provided funds for extension education to increase farm productivity and improve rural life. This third piece of legislation created the unique outreach mission of the land-grant college system. That system was created by the 1862 Morrill Act which established these educational institutions and the 1887 Hatch Act which added the 2nd mission of research to their role.

The third mission of the Cooperative Extension Service challenged this unique set of colleges to extend their resources to solve public needs through non-formal, non-credit educational programs. Today this mission is handled by land-grant institutions, the “cooperating institutions” or sometimes referred to as the “1862” universities, the “1890” universities or the historically black colleges and the “1994” Tribal colleges (See Attachment 2). The mission today includes programs such as 4-H clubs (1928), rural development (1972), and the Expanded Food and Nutrition Programs (1969), while maintaining programs in its traditional areas of agriculture and home economics.

Structure

At the Federal level, the Cooperative Extension Service is a part of the Cooperative Research, Education and Extension Service (CSREES), an agency of the U. S. Department of Agriculture (USDA). CSREES provides guidance to the national education, research and extension efforts addressing the problems and needs in agriculture, the environment, human health and well-being, and communities. Federal funds are allocated towards these efforts through formula-based criteria and competitive grants.

The Federal government is however just one of three principal partners for the Cooperative Extension Service. Funding and direction for its efforts also comes from state and county governments thus giving the Cooperative Extension Service a perspective and structure that varies across the country. At the state-level, 57 state Extension efforts are located across more than 100 land-grant colleges and universities. At the state-level, and at times area-level, problem-focused specialists work to develop educational materials and to work with Extension’s third partner, county governments, to provide educational programs (Attachment 2).

Being connected to and working with county governments provides Cooperative Extension Service one of its most significant assets, the ability to reach all counties through a network of 2900 extension offices. Yet, it is also in this local base that structural variances are most noted. Traditionally county-based educators delivered the programs. Today some states have chosen models where educators are topic-focused and serve a district or region within a state as opposed to a single county. Other models include some combination of the above as well as use of today’s new technologies such as the Internet.

Regional Rural Development Centers - As part of the Federal CSREES linkage, four regional centers link the land-grant universities together to bring the combined educational and research capacities to bear on crucial, cutting-edge rural issues. Each center tailors the programs offered to address the needs of its region (Attachment 3). More information can be found at:

http://www.csrees.usda.gov/nea/family/in_focus/rural_if_regional.html

Mission

The stated mission of the Cooperative Extension Service is to *advance knowledge for agriculture, the environment, human health and well-being and communities*⁴. Its mission is guided by two basic operating tenets, “local needs-based programming” and “making science useful.” When combined with its often local presence, the result is bringing local people together to work on local problems. In terms of comparison, the Cooperative Extension Service can probably be viewed as operating more at the “retail” level.

Current Activities

Today, using the research capacity of the land-grant system, Extension provides trustworthy and balanced information as the core of its educational efforts in:

- agriculture productivity;
- the stewardship of our nation’s natural resources;
- the creation of confident, public-service-oriented citizens;
- the strengthening of families; and
- the viability of communities, both rural and urban.

These five areas plus 4-H youth development then form the launching platform for future efforts. In an outline, *The Extension System: A Vision for the 21st Century*, it was noted that while the “capacity of the Extension model for grass roots engagement is unparalleled,” for Extension to play a significant role in engagement, it must include provisions for partnerships, staffing and funding capacities.” As one effort to meet the challenges of the new century, the Cooperative Extension Service is working towards extension, a coordinated, Internet-based information system offering round-the-clock information for common questions. You can find more information about this effort at www.extension.org.

⁴ <http://www.csrees.usda.gov/about/leadership.html>

Complementary Missions and Assets

The Cooperative Extension Service and the Federal Reserve's Community Affairs Departments have complementary missions of expanding access to and use of knowledge that supports the development of individuals and communities. In addition, each organization bases its activities on a set of similar principles which include identifying and responding to local needs, fostering inclusive partnerships and processes, and reliance on a base of sound and credible research. Following are descriptions of the shared and complementary assets that each system offers:

Federal Reserve System

- Regional and Federal presence
- National coverage
- Ties to key industry representatives, particularly in financial services and industry
- Strengths in planning and managing a variety of group meetings
- On-going community development efforts/interest

Cooperative Extension Service

- Strong local networks with national coverage
- Access to research capabilities of the land-grant university system
- Partners at local, state, regional, and national levels, particularly in education, community and rural development, and agriculture
- Existing programs and materials
- On-going community development efforts/interest

Attachment 4 provides a look at the comparisons of the Federal Reserve regions and the coverage area of the Regional Rural Development Centers.

Examples of Successful Partnerships

In part because of the nature of the institutions and their shared missions, the Cooperative Extension System and Community Affairs have worked together on a number of initiatives and projects together over the years. Following are descriptions of several activities involving different levels of involvement highlighting potential advantages of collaboration.

Building Entrepreneurial Communities in Oklahoma – The Oklahoma City Branch of the Kansas City Federal Reserve, the Oklahoma Cooperative Extension Service (OCES), and the Oklahoma Department of Commerce developed and offered an initial in-service training and then two regional workshops on rural community development. Using the building block of entrepreneurship, rural Oklahoma communities were trained in understanding entrepreneurship development, both in terms of individual enterprises as well as at a community level. In this collaboration, Cooperative Extension and the Federal Reserve were able to combine resource materials and contacts unique to their institutions to facilitate the design of the training curriculum. Cooperative Extension leveraged its local staff in promoting the workshops, while the Federal Reserve was able to attract participants from the local banking industry as well as handle the logistics of the events.

Oklahoma Jump\$tart Coalition – The Oklahoma Cooperative Extension Service and the Oklahoma Branch of the Kansas City Federal Reserve Bank along with several other organizations took the initiative to form the Oklahoma chapter of Jump\$tart, a national financial literacy effort. Four years later, both organizations continue to support the organization, with the Federal Reserve supporting an annual 2-day conference and OCES through local educational programming and awareness efforts. OCES's local networks of extension staff and educators have proved invaluable in maintaining momentum around financial education and in developing local resources. The Federal Reserve has used its connections to identify national speakers for the annual conference to address locally identified issues.

Opportunities for Collaboration

As the examples above show, there are a number of ways in which Cooperative Extension and Community Affairs have successfully collaborated based on their complementary missions and institutional assets. Given the size and complexity of the institutions, their range of interests and resources, and their grounding in different fields of expertise, awareness of the opportunities and benefits for collaboration is not widely shared among the staff of both institutions.

The following recommendations are presented as options to assist Cooperative Extension and Community Affairs in developing strengthened ties to increase each institution's ability to fulfill its mission:

National

- Appoint liaisons at the Board of Governors and the Cooperative Research, Education and Extension Service within the U.S. Department of Agriculture to facilitate communications and sharing of program goals, activities and opportunities between the two systems at the national level.
- Facilitate the promotion and participation of system staff at national events through sharing information about relevant conferences, research initiatives and related opportunities.
- Conduct and disseminate an inventory of activities, events and partnerships involving both systems to both spur ideas for potential joint activities.
- Develop a document that cross-links Federal Reserve districts and community affairs outreach areas with the coverage areas of the Cooperative Extension's four Regional Rural Development Centers and state office boundaries to assist staff in identifying relevant contacts.
- Include a session on opportunities for partnerships at the Community Affairs Officer's Conference and relevant Cooperative Extension conferences such as the Galaxy Conference.

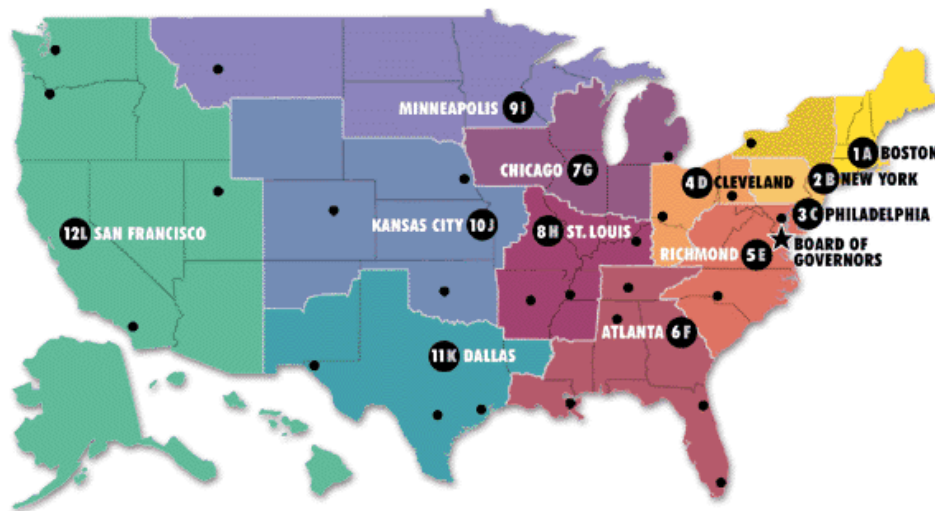
Regional

- Host introductory meetings between appropriate levels of Cooperative Extension and Federal Reserve staff at the regional and state level to share information about goals, structure and activities. Outreach meetings between Community Affairs Officers and staff, State Extension Directors, and State Extension Specialists can provide a foundation for exploring potential collaborations.
- Develop a contact directory of key individuals and regional priorities.
- Extend invitations to participate in programs in priority areas.
- Encourage the possibility of mutual membership on advisory boards or committees
- Share annual work plans

Local

- Ensure local staff are aware of program resources and planned events to foster familiarity and improved communications.
- Develop a joint in-service training session to familiarize staff about the goals, structure and activities of both organizations and explore opportunities for collaboration.
- Extend invitations to participate in programs in priority areas.

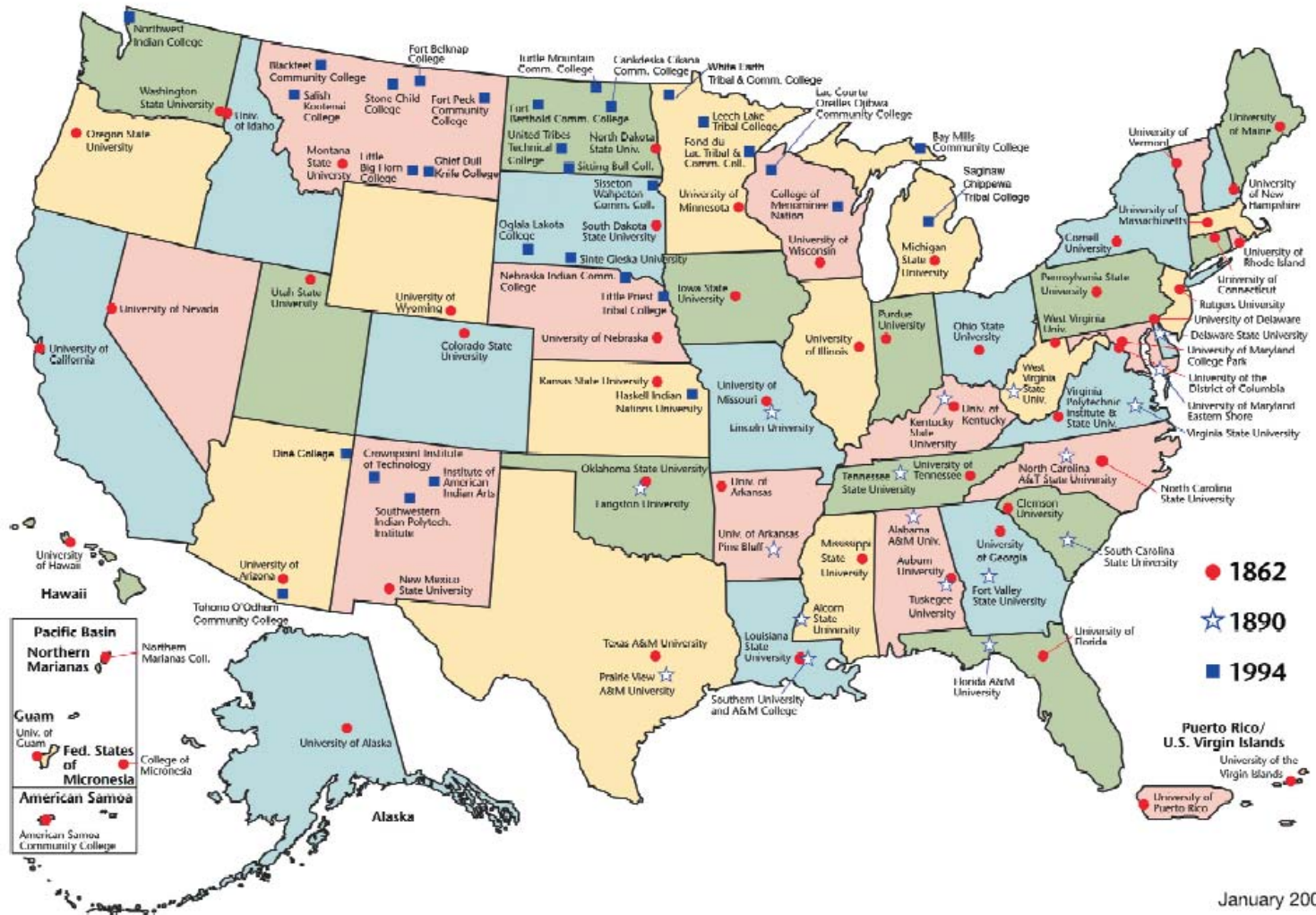
Attachment 1: Federal Reserve Bank Community Affairs Department Contacts



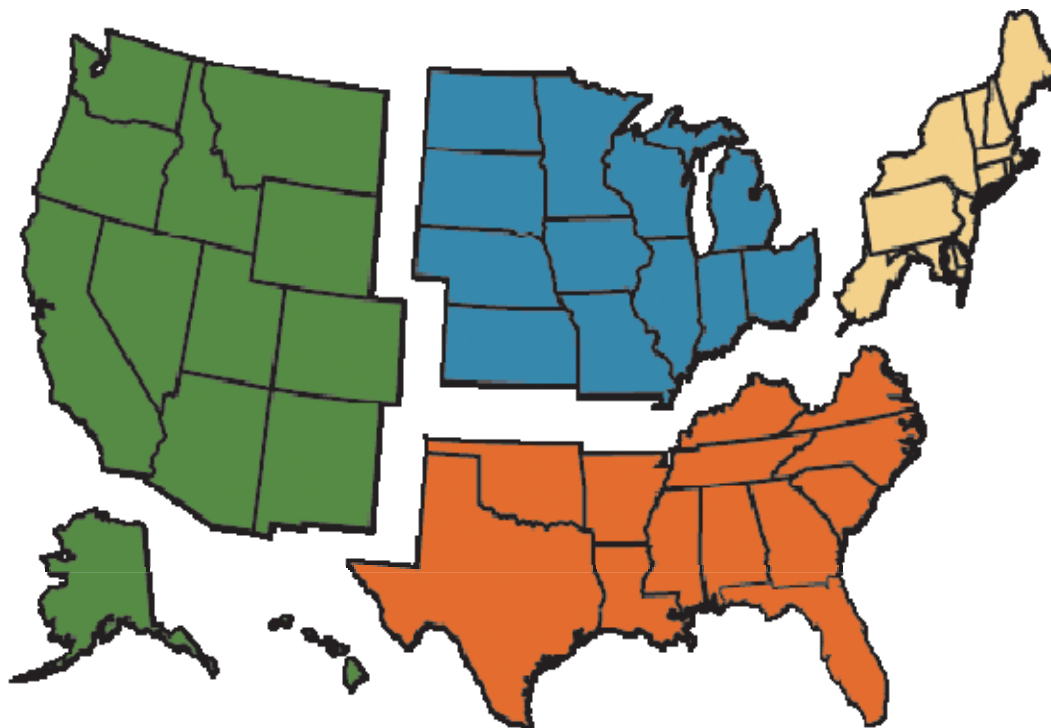
www.federalreserve.gov/communityaffairs/national/reservebanks.htm

<p>1. Boston Richard Walker Vice President & Community Affairs Officer Federal Reserve Bank of Boston 600 Atlantic Avenue Boston, MA 02210 (617) 973-3059 www.bos.frb.org/commdev</p>	<p>5. Richmond Daniel D. Tatar Assistant Vice President and Community Affairs Officer Federal Reserve Bank of Richmond 701 East Byrd Street, Richmond, VA 23219 (804) 697-8299 www.richmondfed.org/community_affairs</p>	<p>9. Minneapolis Jacqueline King Assistant Vice President and Community Affairs Officer Federal Reserve Bank of Minneapolis 90 Hennepin Avenue Minneapolis, MN 55480-0291 (612) 204-5470 www.minneapolisfed.org/community</p>
<p>2. New York Elizabeth Ann Rodriguez Vice President and Community Affairs Officer Office of Regional and Community Affairs Federal Reserve Bank of New York 33 Liberty Street New York, NY 10045 (212) 720-5215 / elizabethann.rodriquez@ny.frb.org www.newyorkfed.org/regional/commdev.html</p>	<p>6. Atlanta Juan Sanchez Community Affairs Officer Federal Reserve Bank of Atlanta 1000 Peachtree Street N.E. Atlanta, Georgia 30309-4470 (404) 498-7200 www.frbatlanta.org/frbatlanta/comm.cfm</p>	<p>10. Kansas City Paul Coquillette Assistant Vice President and Community Affairs Officer Federal Reserve Bank of Kansas City 925 Grand Boulevard Kansas City, Missouri 64198-0001 (816) 881-2123 / paul.j.coquillette@kc.frb.org www.kansascityfed.org/comaffrs/camain.htm</p>
<p>3. Philadelphia Dede Myers Vice President and Community Affairs Officer Federal Reserve Bank of Philadelphia 100 North 6th Street Philadelphia, PA 19106-1574 (215) 574-6458 / dede.myers@phil.frb.org www.phil.frb.org/cca</p>	<p>7. Chicago Alicia Williams Community Affairs Officer Federal Reserve Bank of Chicago 230 South LaSalle St. Chicago, IL 60604 (312) 322-5322 www.chicagofed.org/community_development</p>	<p>11. Dallas Alfreda Norman Assistant Vice President and Community Affairs Officer Federal Reserve Bank of Dallas 2200 North Pearl Street Dallas, TX 75201-2272 (214) 922-5377 / alfreda.norman@dal.frb.org www.dallasfed.org/ca/about.html</p>
<p>4. Cleveland Ruth Clevenger Vice President & Community Affairs Officer Federal Reserve Bank of Cleveland 1455 East 6th Street Cleveland, Ohio 44114 (216) 579-2392 / ruth.m.clevenger@clev.frb.org www.clevelandfed.org/CommAffairs</p>	<p>8. St. Louis Glenda Wilson Community Affairs Officer Federal Reserve Bank of St. Louis P.O. Box 442 St. Louis, MO 63166-0442 (314) 444-8761 / communityaffairs@stls.frb.org www.stlouisfed.org/community</p>	<p>12. San Francisco Scott Turner Director, Community Development Federal Reserve Bank of San Francisco 101 Market Street San Francisco, CA 94105 (415) 974-3314 www.frbssf.org/community/index.html</p>

Land-Grant Colleges and Universities



Attachment 3: Regional Rural Development Centers



North Central Regional Center for Rural Development

Dr. Cornelia Butler Flora, Director
Iowa State University
107 Curtiss Hall
Ames, IA 50011-1050
(515) 294-8321, (515) 294-3180 fax
<http://www.ncrcrd.iastate.edu>

Southern Rural Development Center

Dr. Lionel Beaulieu, Director
Mississippi State University
Box 9656
410 Bost Extension Building
Mississippi State, MS 39762
(662) 325-3207, (662) 325-8915 fax
<http://srdc.msstate.edu>

Northeast Regional Center for Rural Development

Dr. Stephen Goetz, Director
Pennsylvania State University
7 Armsby Building
University Park, PA 16802-5600
(814) 863-4656, (814) 863-0586 fax
<http://nercrd.psu.edu>

Western Rural Development Center

Dr. John Allen, Director
Utah State University
8335 Old Main Hill
Logan, UT 84322-8335
(435) 797-9732, (435) 797-9733 fax
<http://extension.usu.edu/wrdc>

Attachment 4: Regional Connections: Matching Federal Reserve and Regional Rural Development Center coverage areas

Coverage Areas

Federal Reserve District	NE Regional Rural Dev Center	NC Regional Rural Dev Center	S Regional Rural Dev Center	W Regional Rural Dev Center
1 – Boston	Yes			
2 – New York	Yes			
3 – Philadelphia	Yes			
4 – Cleveland	Yes	Yes	Yes	
5 – Richmond	Yes		Yes	
6 – Atlanta			Yes	
7 – Chicago		Yes		
8 – St. Louis		Yes	Yes	
9 – Minneapolis		Yes		Yes
10 – Kansas City		Yes	Yes	Yes
11 – Dallas				Yes
12 – San Francisco				Yes

NE – Northeast
 NC – North Central
 S – South
 W – West