In This Issue

A Chairman on Board
Federal Reserve Bank of Atlanta Board Chairman Hugh Brown offers his views on community development and education.

Creating Small Business Opportunities in Florida
Kaaren Johnson-Street is creating small business opportunities in Florida.

Building Communities
John Wieland builds communities - one Board at a time.

Maria Camila Leiva Speaks Up for Community Development
Maria Camila Leiva provides a voice for community development needs.

Sixth District Vision

Calendar

About this issue

Our Mission Includes Community Development

By Jack Guynn

Our Vision is more than a collection of words. It drives our existence. As the nation's central bank, we are committed to meeting this ideal in all three areas of our work: financial services, monetary policy, and supervision and regulation. Most importantly, we strive to ensure that the entire organization, from our boards of directors to every staff member, is committed to these goals.

Of course, determining the best course of action to meet public interest considerations is not always easy and can be controversial. Making recommendations to the Federal Open Market Committee (FOMC) to fight inflation, for example, requires extensive research and sensitivity.

Or, changes to bank regulations or examination procedures to ensure appropriate consumer protections may cause increased compliance burdens on financial institutions.

All of us at the Reserve Bank recognize the sensitive nature of the work we do, and we know that the way we conduct our business can have a significant impact on our communities.

For this reason, we are structured to ensure that a fair representation of interests has meaningful input into our operations. This representation is not only included among our staffs, but our board members as well.

In fact, because our boards of directors include people who work directly with community development practitioners and policymakers, we are able to stay abreast of issues that are important to your work. As you know, community development is a critical component of our own mission.

Soon after our creation as an independent public institution on December 23, 1913, our role
as the central bank began to expand beyond the initial requirement "to furnish an elastic currency, to afford a means of rediscounting commercial paper, [and] to establish a more effective supervision of banking."

The Federal Reserve Act also specifies that when conducting monetary policy, we should promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.

In addition to maximum employment, we are charged under various laws with promoting affordable housing, with implementing a variety of consumer protection laws to prevent unscrupulous lending activities, and ensuring access to credit in all communities, including low- and moderate-income areas.

To accomplish this broad mission of promoting small business opportunities, addressing affordable housing needs, and supporting other community development activities, one of our three divisions - Supervision and Regulation - has a number of trained examiners responsible for reviewing and encouraging bank loan and investment activities.

Many of these activities require us to forge public/private partnerships with community development professionals, to develop and implement specialized training to overcome barriers to credit access, and to promote effective programs through publications such as this newsletter. Our Community Affairs section is charged with meeting this mandate.

But promoting community development is not restricted to one section of the Reserve Bank. By its nature, it is a part of everything we do.

The Federal Reserve Bank of Atlanta is made up of a head office with branch locations in Birmingham, Jacksonville, Miami, Nashville, and New Orleans. These sites are critical to ensure the smooth functioning of our payments system by providing financial institutions with currency and coin, processing checks, and obtaining vital information about the local economies, especially economic intelligence that helps us formulate sound monetary policy recommendations.

For example, when reviewing economic activity in the District, it would not be uncommon for our directors to discuss the level and trend of consumer debts, bankruptcies, housing starts, and retail sales, all of which have a direct impact on community development loan and investment activity.

And our Directors call upon industry officials, government agencies, and financial institutions to gather anecdotal information to supplement the economic and statistical information we generate in an effort to ensure we make sound monetary policy recommendations.

Further, with board members providing information from each of our branch locations, our senior management is able to gather information about local economic conditions, of new development activity in our District, and pending problems that warrant concern and action.

Fortunately, the approach works well. Besides having dedicated staff throughout the District, the structure allows business and community leaders who serve on our Boards, and others who do not currently serve, an opportunity to contribute in a meaningful way to the activities of the central
A few of the community development leaders who serve on our boards of directors are featured in this issue of *Partners*.

Of course, our commitment to community development activities goes beyond this newsletter. We also sponsor conferences, seminars, and workshops. And our trained staff provides technical assistance to community development practitioners through the Community Affairs section.

This commitment to public service is incorporated in our Vision Statement and is ingrained in our employees as well as our board members.

We are proud of the District in which we live and work, and pledge to continue our efforts to meet your appropriately high level of expectations. It is, after all, our Vision.

### Conference Update

Women transitioning from welfare to small business ownership was the topic of a recent workshop attended by female entrepreneurs and bankers at the Federal Reserve Bank of Atlanta New Orleans Branch. Keynote speaker, Federal Reserve Governor, Susan Phillips, spoke of the importance of ensuring that women have adequate access to capital and credit. While a number of recommendations were set forth, workshop participants identified "one stop shops," microenterprise loans, mentoring programs and credit rehabilitation as areas vital to the success of (former) welfare recipients in small business ventures.

Mid-range financing as a source of funding for women was the focus of a conference hosted by the Federal Reserve Bank of Atlanta. In one of two policy workshops held in the Sixth District to address women-owned business and finance issues, participants spoke at length about credit scoring, loan rejection disclosure, and tax credits. Both the New Orleans and Atlanta workshops were sponsored by the Federal Reserve Board of Governors, the Small Business Administration's Office of Women's Business Ownership, and the National Women's Business Council. Recommendations from the workshops will be forwarded in a report to Congress and President Clinton later this year.
As chairman of the Board of Directors of the Federal Reserve Bank of Atlanta, Hugh Brown not only endorses the Bank's Vision Statement — he practices it.

In part, the statement reads "we will exemplify the highest ideals of integrity and accountability that merit the public's confidence and trust." One of the surest ways to earn "the public's confidence and trust" is to establish a track record of working in the community. Like other Fed directors, Chairman Brown leads by example in the community. His civic interests are varied and many. Yet, he quickly and readily admits that education ranks at the very top of his civic list.

"My philosophy is that if you can convince a child that he or she can overcome low-to-moderate circumstances, they might feel motivated to do well academically and later, professionally. This is entirely workable for our young people. I am a product of this very approach."

"Through organizations such as the Florida Education Commission and Business-Education Partnership, my approach has been to expose our young people to career choices and then introduce them to the body of knowledge they will need in order to pursue those fields," Brown says.

Brown knows first hand what it takes to excel in today's fast-paced business world. After graduating with a Bachelor of Science degree in mathematics and industrial technology from Central State University in Ohio, he went on to do graduate work towards his MBA at the American Graduate University in California.

Mr. Brown has an exceptional professional track record. He spent six years in Europe as a senior field engineer for ITT Corporation where he played a major role in the installation, operations, and maintenance of the European Tropospheric Scatter Communications System for the North Atlantic Treaty Organization. Such training came in handy when he decided to venture out on his own. His firm, BAMSI, Inc., an engineering and technical services company based in Titusville, Florida, generates some $70 million in annual revenues.

The Chairman credits his success to education: hence, his diligence as an ambassador for higher learning. "I spend quite a bit of time speaking with youngsters about the importance of sharpening their minds and preparing themselves for the future," notes Brown, a native of Florida.

Mr. Brown has been frequently honored for his achievements in business and education. In 1996, he received the Entrepreneur Excellence Award from the Jim Moran Institute at Florida State University. Currently, he serves as chairman of the board of supervisors of the Spaceport Florida Authority, and is a member of the
board of directors of Enterprise Florida. He is a frequent speaker at schools and universities across the state of Florida. "The fruits of our efforts may not be readily apparent today, but I am more than confident that the push for education will pay handsome dividends for our communities," he says regarding his civic work.

Mr. Brown was appointed to the Atlanta Federal Reserve Board in January 1992 and became its chairman in 1996. Prior to his appointment, he served as vice chair. His term expires at the end of this year.
Creating Small Business Opportunities in Florida

By Jennifer Grier

By most economic measures, the state of Florida is experiencing the best of times. Throughout the 1990s, Florida's economy has consistently outperformed the nation. Despite a slowdown in manufacturing, the state has enjoyed growth in many sectors of the economy, including retail, service and international trade. As Vice President of Minority Business Development with Enterprise Florida, it is Kaaren Johnson-Street's responsibility to ensure that small, women- and minority-owned businesses in Florida are afforded an equal opportunity to capitalize on this economic boon. Accordingly, Ms. Johnson-Street provides invaluable insight on issues affecting Florida's urban communities in her position as chairperson of the board of directors of the Federal Reserve Bank of Atlanta's Miami Branch.

Enterprise Florida

In 1995, Enterprise Florida replaced the State Department of Commerce as the state's principal economic development organization. Enterprise Florida is a unique public/private partnership that acts as a catalyst for business development in Florida. The organization develops programs and strategies to address the creation, expansion, and retention of Florida business, in addition to recruiting corporations for relocation and international trade.

In her efforts to encourage the creation and growth of small, women- and minority-owned businesses, Ms. Johnson-Street provides support to local governments and economic development organizations. As an advocate for emerging businesses, she works diligently with the public and private sectors to promote access and participation in various industries in domestic and global markets.

Minority Business Advisory Council

While addressing so many complex issues may appear to be a daunting task, Kaaren Johnson-Street has been quick to credit others. "Luckily," she asserts, "I have the support of the Minority Business Advisory Council, which represents the leadership of communities throughout Florida."

The Minority Business Advisory Council (MBAC) is made up of representatives from economic development organizations across the state. The members meet monthly to discuss pertinent economic issues affecting small and minority-owned businesses in their respective communities and, together, develop solutions to address them.

To facilitate a more focused approach to addressing these issues, the MBAC has formed 6 Working Committees to address specific issues affecting small- and minority-businesses in the state. The Committees are as follows: Private Sector Procurement, Manufacturing and Technology, Capital Formation, Urban Initiative, International Trade, and Legislative Affairs.
**Microloan Program**

Ms. Johnson-Street heads the Urban Initiative Committee that is currently developing a strategic plan to revitalize urban areas throughout Florida. One initiative is the formation of a state-funded $1 million dollar microloan program. Ms. Johnson-Street explains, "We see this program as the initial step in empowering those individuals who have entrepreneurial skills but lack the access to capital needed to form a small business."

In the wake of welfare reform, Ms. Johnson-Street also feels that the microloan program could provide opportunities for the tens of thousands of urban Florida residents who will be transitioning from welfare to work. "Many of these individuals have operated cottage industries for years. We hope to legitimize these businesses and provide the necessary support to make them viable."

**Partnering with the Financial Community**

Enterprise Florida’s efforts to develop programs that foster business development is strongly supported by private partners. The banking community is well represented on its board of directors and is a crucial component of the program's success. For example, Ms. Johnson-Street is working to leverage the $1 million state-funded microloan program with private dollars from banks and foundations.

A former executive with the Burger King Corporation, Ms. Johnson-Street has spent many years dealing with urban issues. Over time, she has acquired an understanding of what makes deals work. "We would like to see the private sector begin to look at urban areas as an emerging market," she says. "There are so many opportunities for commercial development for those lenders and investors willing to adopt a nontraditional, but sound approach to assessing these ventures."

**Unique Perspective**

Although Kaaren Johnson-Street has held various positions in the public and private sectors, she has consistently worked to promote an environment that both embraces and appreciates the diversity of women- and minority-owned businesses. She has served as vice president of Diversity Enterprise for the Burger King Corporation in Miami; President and Chief Executive Officer of the Private Industry Council of Dade County; Vice President of Personnel for the New York State Urban Development Corporation; and President and CEO of Kaaren Street Associates, Inc.

For the wealth of experience she has acquired, she believes there was probably no better training for her current position than the 12 years she spent running her own consulting firm. This experience, she says, instilled in her a true appreciation of the triumphs and challenges of being an entrepreneur. "I have learned first-hand the dynamics of business ownership, marketing and survival. It is that perspective and passion that I bring to this position everyday."

**Board of the Miami Branch**

Ms. Johnson-Street has served on the board of directors of the Miami Branch of the Federal Reserve Bank of Atlanta since 1995. Currently, she is the board chairperson. The financial, economic, and anecdotal information from each of the seven board members is extremely important to the Reserve Bank in evaluating current economic conditions in the area. This information, along with research and statistical data, is presented to the Atlanta board of directors for consideration in formulating monetary policy recommendations.

As a board member, Ms. Johnson-Street has enjoyed the collegiality and opportunity to engage in discussion on the factors affecting the current economic pulse of the community. "I also appreciate having the opportunity to present a unique perspective on what is occurring in the inner cities," she adds, "a perspective that isn't always presented at the table."

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**Kaaren Johnson-Street (center) is pictured with Doris Reeves-Lipscomb (left) and Doris Maloy (right) at a meeting of the Minority Business Advisory Council in Orlando, Florida.**
It's hard to believe that a company like John Wieland Homes - literally, a household word - began as a small business. Building thousands of homes throughout the Southeast, Mr. Wieland reminisces about how he and his college roommate started a building supply business more than 30 years ago. Realizing the venture would not be profitable, the two folded the operation. Left with a hammer, nails, and a stack of two-by-fours, John Wieland did what any resourceful entrepreneur would do; he started building. Twenty-six years and thousands of homes later, his success is remarkable.

Mr. Wieland knows the value of hard work. He always had a part-time job growing up - from working at a gas station to delivering newspapers to stocking vending machines. Currently, he employs more than 700 full-time employees and thousands of subcontractors, as president of his own company.

Today, his business is synonymous with quality. John Wieland Homes has received over 280 awards for excellence in building design, construction and marketing, and community service. The pinnacle of these achievements was reached in 1994 when he was named Builder of the Year by Professional Builder magazine.

When asked what advice he would offer new entrepreneurs, he answered without hesitation, "Know your numbers. And remember you must constantly improve your product, getting better and more efficient with every attempt. Listen to your customers. They should drive your business products."

John Wieland's success has given him the opportunity to give back to his community. Serving on the International Board of Habitat for Humanity, he has had a hand in helping provide housing to the working poor. He has also served on the board of the Georgia Trust Fund for the Homeless.

John Wieland joined the Board of Directors of the Federal Reserve Bank of Atlanta this year. He adds an important dimension to the board because of the importance of homebuilding in the Southeast, and the derived demand for home enhancements, such as carpet, tile, and furniture.
John Wieland's building history gives him valuable insights into building bigger projects as well - like communities. He stresses the importance of the nation's cities, cautioning that suburban living is not a solution for troubled cities. Mr. Wieland is not alone in his belief that a suburb is only as strong as the city it serves. He encourages residents of metro areas to preserve urban housing.

Mr. Wieland shares a philosophy with Reserve Bank management that a strong community is essential to the well-being of all citizens. His personal belief is that "We are put on this earth to be responsible for ourselves and to serve others."

In his mind, "Life isn't complete unless it includes service. If we all do for others," he adds, "there are plenty of resources to solve a lot of problems."

Mr. Wieland has been Chairman of the High Museum of Art and Vice Chairman of the Woodruff Arts Center. In addition, he is Chairman of the Advisory Council of the Emory University Center for Ethics in Public Policy and Professions, a member of the Berry College Board of Visitors, and is a Life Director of the National Association of Home Builders.

A graduate of Amherst College and the Harvard Business School, Mr. Wieland is a strong supporter of education and sees it as critical to the success of the country's young people.

"We need to mentor our young, not just send them to training programs. And the earlier we get them, the better," he stresses. "I think Head Start is one of the best investments this country has ever made."

Building young minds, building communities. We can use more builders like John Wieland.

Pictured above with John Wieland are, from left, DeKalb District 1 Commissioner Elaine Boyer and her daughter, Rebecca; Lynwood Park Community (LPCP) Project Board President, Pat Martin; DeKalb County CEO Liane Levetan; DeKalb Community Development Director, Chris Morris; and District 6 Commissioner, Judy Yates. At the dedication recently, to thank business and government partners who helped complete the first phase of a program to address housing needs in the neighborhood, John Wieland presented a check for $10,000, to complement the John Wieland Company's earlier donation of $30,000 to the effort. The project is designed to make affordable new housing available to low-income families.
Beginning her career as a professional translator - translating from Spanish to English and French - for diplomats and businessmen, Maria Camila Leiva's ability to speak for others has evolved into providing an important voice for many local business people in Miami. A native of Bogota, Colombia, Mrs. Leiva and her husband saw the importance of working in the community when they came to Miami to work with her father. Mrs. Leiva's father established the Miami Free Zone, one of the nation's few privately owned, international free trade zones.

"My work has to do with looking to the future," she explains, "because if one doesn't help his or her community become a better place, that community will be deprived of successful business, its children will have no future, and the quality of life will suffer." She believes that if a community is of a manageable size, as Miami is, and it is small enough for an individual's voice to be heard, "it is our responsibility to listen. It is our duty to help shape the future of the community," she insists.

For the past 18 years in Miami, Maria Camila Leiva has been a member of more than 20 committees or boards. From the Financial Oversight Board of the City of Miami to the board of directors of the Baptist Hospital Foundation, she tirelessly gives her time and shares her business expertise with public and private sector nonprofits, as well as with local businesses.

Mrs. Leiva is particularly proud of her work in Florida with Prison Rehabilitative Industries and Diversified Enterprises, Inc., better known as PRIDE. This Florida organization trains prison inmates to work in factories, manufacturing plants, and on farms. Some of the many products they produce are uniforms, work boots, office furniture, and perishables from fish, dairy, and citrus farms.

The benefits of this program are many. The inmates learn marketable skills so that when they are released they have a better chance of securing employment. The revenues they generate while imprisoned are remitted to the state to cover the cost of incarceration, or given as a form of restitution to victims. A portion of the small salaries the inmates earn is set aside to be given to them when they are released, so they can afford food and shelter while they look for a job.
Mrs. Leiva believes a sense of responsibility and concern for communities and the future is ingrained in the American culture. In other parts of the world, she observes, the tendency is to hold the government responsible - and to blame - for everything that happens. In the United States, by contrast, Maria Camila Leiva believes citizens are more involved in finding the solutions to problems.

Employment for unskilled workers is a challenge Maria Camila Leiva wants to address, noting Miami’s disproportionately high unemployment rate. “Sixty-five percent of jobs today must be filled by skilled workers, compared to 65% unskilled workers after World War II”, she points out.

Job training for the unskilled is a Herculean undertaking. But, she says, "We have to try. No one can criticize us for not succeeding. Only for not trying."

When praised for the strong example she provides as a mentor, particularly to women with a Hispanic background, she smiles warmly before asserting that she wants her accomplishments to be measured as a citizen, not just as a woman.

And right she is. Maria Camila Leiva's accomplishments are noteworthy for any individual. As Executive Vice President of the Miami Free Zone, she has demonstrated business acumen that would be an asset to any board. As a member of the Financial Oversight Board for the City of Miami, Mrs. Leiva and her peers have managed to bring the city to better financial health.

The Financial Oversight Board, the first in the history of the State of Florida, was implemented for crisis management. None of its members reside in the City of Miami; therefore, Mrs. Leiva believes they can "plug the private sector way into the public sector and remove the political wheeling and dealing." She believes the board members offer an objective vantage point and, as a result, have taken drastic measures to resuscitate the financially troubled city.

Maria Camila Leiva contributes a very important perspective to the Atlanta board, not only as a skilled businesswoman, but as a member with valuable insights into the international areas of economics, culture, trade, and political developments. Foreign banking organizations in the United States from the Latin American countries fall under the supervisory responsibility of the Federal Reserve Bank of Atlanta. In addition, her efforts to promote trade and create jobs is critically important to south Florida. Serving since 1995, Mrs. Leiva has given the Reserve Bank a commitment to serve a second three-year term, beginning in January 1998.

Aside from her invaluable membership on the Reserve Bank board, Mrs. Leiva is a member of the board of governors of the Greater Miami Chamber of Commerce; board of directors of the Baptist Hospital Foundation; the founding board of governors of the City Club of Miami and Miami’s World Trade Center Club. Mrs. Leiva has also served on the board of trustees of Deering Bay Club; as co-chair of the 1993 Business Services Division of the United Way; co-chair of the 1994 Direct Division of the United Way; board of directors of The Florida Partnership of the Americas; board of trustees of St. Thomas University; board of directors of PRIDE; and the board of directors of Enterprise Florida, Inc.

Maria Camila Leiva received the Omni International Business award from the International Business Chronicle, and the Outstanding Woman Business Owner 93 award from the National Association of Women Business Owners.

Maria Camila Leiva is living proof of age old wisdom, advising, "If you want something done, ask a busy person to do it."
SIXTH DISTRICT VISION

The Federal Reserve Bank of Atlanta will be a model public institution. In everything we do, we will be guided by public interest considerations, and we will exemplify the highest ideals of integrity and accountability that merit the public's confidence and trust.

Leadership: We will contribute leadership within the Federal Reserve System and provide creative ideas in assessing the environment affecting the economy and the financial system and in identifying, researching, and resolving the associated public policy issues.

Service: We will be accessible and responsive to all of our constituents, and our work will be of the highest quality and cost effective.

Community: We will be an active and responsible corporate citizen through participation in appropriate business, academic and community affairs that benefit our District cities and our constituents.

Workplace: We will be an attractive employer, creating a working environment that fosters respect, fairness, openness, innovation, diversity and personal development; we will reward continuing excellence in performance.
Information provided on upcoming events of other organizations should be viewed as strictly informational and not as an endorsement of their activities.

November

Oct. 31-Nov. 1 Atlanta, GA: National Housing Conference Fall Policy Conference. Sponsor: National Housing Conference. Contact: (202) 393-5772 ext. 22

Nov. 4-6 New Orleans, LA: 1997 National Community Development Conference. Cosponsors: American Bankers Association and the Office of the Comptroller of the Currency. Contact: (202) 663-5274 or Fax: (202) 828-4531


Nov. 10-14 Los Angeles, CA: Neighborhood Reinvestment Training Institute. Sponsor: Neighborhood Reinvestment Corporation Contact: (800) 438-5547

Nov. 12-15 Burlington, VT: 13th Annual Training Conference. Sponsor: The National Association of Community Development Loan Fund. Contact: NACDLF, 924 Cherry St., 2nd Flr., Philadelphia, PA 19107-2411; (215) 923-4754; email: NACDLF@aol.com


December

Dec. 4-6 San Diego, CA: Community Reinvestment After Interstate Branching and Mergers. Sponsor: National Community Reinvestment Coalition. Contact: (202) 628-8866
OUR MASTHEAD

Our masthead painting features Jack Guynn, President of the Federal Reserve Bank of Atlanta, building a stage for the summer theatre in the Reynoldstown neighborhood of Atlanta. The headers hold photographs of Reserve Bank employees - or family members, like Hamilton Greene (left) - working on community projects. Every little bit helps!

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