

# The Miami Herald

Posted on Wed, Jan. 18, 2012

## For info on Miami, Fed looks to elite group

By Ina Paiva Cordle

[icordle@MiamiHerald.com](mailto:icordle@MiamiHerald.com)



MARSHA HALPER / Miami Herald Staff

The Federal Reserve Bank of Atlanta's Miami Branch Board of Directors met Friday, Jan. 13, 2012 for the first of eight board meetings in 2012. The seven directors gathered for a group portrait before the meeting. Standing from left are Chairman Eduardo J. Padron, Leonard L. Abess, Michael J. Jackson, Carol C. Lang, and Regional Director Juan del Busto. Seated from left are Gary L. Tice, Thomas W. Hurley, and Facundo L. Bacardi. The meeting, to set monetary policy, was at the Miami Branch Building, 9100 NW 36th St., Doral.

Call them economic detectives: an elite group of local corporate titans, community and business leaders, who are working quietly behind the scenes, gathering intelligence to help set United States monetary policy.

They're directors of the Federal Reserve Bank of Atlanta's Miami branch, and they poll dozens of their contacts regularly on economic conditions, then feed the information upwards, ultimately to the Federal Open Market Committee in Washington, D.C., which makes monetary policy decisions.

"[The Federal Reserve] is really looking for real time, real world, real life information on what is happening in the economy," said Autonation Chairman and Chief Executive Mike Jackson, one of the seven board

members. "And they really fold that systematically into their system — it's part of their process when they make decisions at the FOMC."

The Miami branch of the Federal Reserve Bank of Atlanta — comprised of the 13 southernmost counties in the state — represents the world's 32nd largest economy based on gross domestic product figures, said Juan del Busto, regional executive for the Federal Reserve Bank of Atlanta, Miami branch.

Miami-Fort Lauderdale, alone, represent the world's 41st-largest economy, he said.

"There are 800 economists in the Fed system, but monetary policy is really done by getting anecdotal information in real time" in such sectors as tourism, agriculture, auto sales, real estate, and more, del Busto said. "That is where directors come in."

Are banks seeing loan requests? Are condos selling? Are auto dealers running low on inventory? Are retailers hiring?

Eight times a year, including last week, the board meets in Miami, after asking a specific set of questions of their contacts, who include chief executives and business owners in

various industries. Hiring, inventory levels and capital spending are among recent themes to assess the marketplace.

The meetings are confidential, and the information that directors' contacts provide is given without disclosing their identities.

Across America, the same scenario plays out.

"The nicest part about it is they actually pay attention, listen and respond, and you feel — which you don't always feel with public service — that there actually is some action from your input, and it makes you want to continue," said Leonard L. Abess, chairman and chief executive of ThinkLAB Ventures, who has been on the board for five years, dating back to when he was chief executive of Miami-based City National Bank.

Topics have run the gamut, from employment, inflation, inventory, retail sales and consumer spending, he said, to credit availability, housing, construction, tourism, manufacturing, and more. "They drill and they drill, and they drill," Abess said. "They want to know at the macro level and the micro level. It's one thing to know that retail sales are rising, but what retail sales, and why are they rising?"

Del Busto chooses the directors from different industries and different counties.

"This is an opportunity to be of service to my country," said Miami Dade College President Eduardo Padrón, who is the board's current chairman, and whose doctorate is in economics. "But most important of all things, is being an economist by training, this gives me the ability to put into practice the knowledge I acquired in school in the discipline."

So, what have the directors found is the current pulse of the economy?

"I have seen a tremendous increase in the level of optimism," Padrón said. "And in my opinion, it is the important thing in a recovery — people feeling confident that the economy is going in the right direction."

Board members serve three-year staggered terms. The Fed's Board of Governors appoints three Miami Branch directors, and the Atlanta head office directors appoint four. Their terms can be renewed for three more years.

Facundo L. Bacardi, chairman of Bacardi Ltd., based in Coral Gables; Carol C. Lang, president of Miami Beach-based HealthLink Enterprises; and Thomas W. Hurley, chairman and chief executive of Becker Holding Corp. in Vero Beach, were just appointed for terms beginning this month.

They join Gary L. Tice, chairman and chief executive of First National Bank of the Gulf Coast, Padrón, Jackson, and Abess, who were already on the board.

"I'm totally impressed with the professionalism within the entire Federal Reserve System," Jackson said. "It's probably my most positive experience with a government agency, ever."

Each meeting is held 11 days before the FOMC meeting in Washington. In between, one Miami director is chosen to go to Atlanta to convey the group's findings, del Busto said.

This week will be Padrón's turn.

“We have discussions and we don’t always agree. And we have to vote on what the discount rate should be, to increase or decrease it or whatever,” Padrón said. “Then we tabulate the responses, so you have a consensus. And that is what we send to Atlanta.”

Overall, the Atlanta district covers Georgia, Florida, Alabama and parts of Tennessee, Mississippi and Louisiana., and represents the ninth largest economy in the world, behind Italy and ahead of Canada, del Busto said.

“It’s a wonderful way of involving citizens,” Padrón said, “in setting monetary policy for the nation.”

---

© 2012 Miami Herald Media Company. All Rights Reserved.  
<http://www.miamiherald.com>