



new business, they still have health care. And that's why I believe we've got to take steps to modernize our unemployment insurance system.

If a hard-working American loses her job, regardless of what state she lives in, we should make sure she can get unemployment insurance and some help to retrain for her next job. If she's been unemployed for a while, we should reach out to her and connect her with career counseling. And if she finds a new job that doesn't pay as much as her old one, we should offer some wage insurance that helps her pay her bills. Under my plan, experienced workers who now make less than \$50,000 could replace half of their lost wages—up to \$10,000 over two years.

1. Who should the new economy aim to serve?
2. What does the “fundamental American belief” mean?
3. What's the focus of the speech?

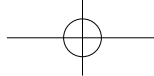
Part III Test yourself

Questions 1 to 4 will be based on the following lecture.

Thank you. It is truly a pleasure for me to join President Bullard and Chairman Cotney in welcoming you to the Community Banking Research and Policy Conference, which, I am proud to say, has been co-sponsored since its inception by the Federal Reserve System and the Conference of State Bank Supervisors (CSBS).

This is the third year for this conference, which I consider a milestone. Based on the agenda and conference materials I have seen, I expect participants over the next two days will tackle some of the most important issues facing community banks, provoke discussion and debates about opportunities and challenges, and generate some promising ideas about how community banks can continue to play the indispensable role they have played in so many communities. The lineup of speakers, which includes my Federal Reserve Board colleague, Governor Brainard, is impressive. She and others will delve deeply into the important research questions and other issues facing community banking.

My role today is to welcome you on behalf of the Federal Reserve Board. In the interest of getting to the important work of this conference, I will be brief, but if I accomplish anything by speaking to you today, I hope it is to convey the Board's understanding of the unique and important role of community banks in our financial system as well as the Board's commitment, at the highest level, to consider how our supervisory and regulatory decisions affect those institutions.



My fellow Board members and I know that community banks provide essential financial services to households, small businesses, and farms in communities throughout the country. We know that community banks serve many customers that large banks do not and provide services that are not offered by large banks in many communities. This circumstance is especially true in rural areas and other small communities, where community banks are sometimes the only retail financial institutions.

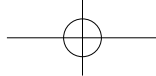
We understand that community bankers serve members of their local communities who are not just their customers, but also their neighbors and their friends. We know the strong links these banks have to the people and businesses in their communities provide firsthand knowledge of local economic conditions. My colleagues on the Board understand, as I do, that these close ties give community bankers special insight and understanding into local needs so that they can tailor their products and services to meet those needs.

Although community banks largely kept to their traditional business model of prudent, local lending and avoided the excessive risk-taking that helped fuel the financial crisis, that crisis, and the deep recession that followed, devastated many communities and the banks that serve them. The significant improvement in the economy since then has helped communities and community banks, but I am well aware that the challenges for this sector continue, and my Board colleagues understand this also.

1. Which of the following are participants expected to deal with on the agenda?
2. Who do community banks provide essential financial services to?
3. What is the benefit of knowing about local needs for community banks?
4. What challenge threatens the survival community banks most?

Questions 5 to 7 will be based on the following lecture.

During my first trip in India, I was in a person's house, where they had dirt floors, no running water, no electricity, and that's really what I see all over the country. So in short, I'm startled by all the things that they don't have. But I'm surprised most by one thing that they do have: Coca-Cola. Coke is everywhere. In fact, when I travel to the developing world, Coke feels ubiquitous. And so when I come back from these trips, I'm thinking about development. We are trying to deliver condoms or vaccinations to people, but Coke's success makes you wonder: how can they get Coke to these far-flung places? If they can do that, why can't governments and NGOs do the same thing? And I'm not the first person to ask this question.



But I think, as a community, we still have a lot to learn. It's staggering, if you think about Coca-Cola. They sell 1.5 billion servings every single day. That's like every man, woman and child on the planet having a serving of Coke every week. So why does this matter? Well, if we're going to speed up the progress and go even faster on the set of Millennium Development Goals that we've set as a world, we need to learn from the innovators and those innovators come from every single sector. I feel that, if we can understand what makes something like Coca-Cola ubiquitous, we can apply these lessons then for the public good. Coke's success is relevant, because if we can analyze it, learn from it, then we can save lives. So that's why I took a bit of time to study Coke. And I think there are really three things we can take away from Coca-Cola. They take real-time data, and immediately feed it back into the product. They tap into the local entrepreneurial talent and they do incredible marketing. So let's start with the data. Coke has a very clear bottom line. They report to a set of stockholders. They have to turn a profit. So they take the data and they use it to measure progress. They have this very continuous feedback loop. They learn something. They put it back into the product. They put it back into the market. They have a whole team called "knowledge and insight". It's a lot like other consumer companies.

5. What astonished the speaker most while traveling in India?
6. What leads to Coca-Cola's great success?
7. What does Coca-Cola use to measure progress?

Questions 8 to 10 will be based on the following lecture.

Thank you for having me here today. I'd like to introduce the basics of forms of business, which are critical issues that must be addressed first.

The simplest form of business is called an individual or sole proprietorship. The proprietor owns all of the property of the business and is responsible for everything. I mean the proprietor gets all of the profits of the business, but must also pay any debts.

Another kind of business is the partnership. Two or more people go into business together. An agreement is usually needed to decide how much of the partnership each person controls.

One kind of the partnership is called a limited liability partnership. It has full partners and limited partners. Limited partners may not share as much in the profits, but they also have less responsibility for the business. Doctors, lawyers and accountants often form partnerships to share their risks and profits.