



Annual Performance Report 2023



May 2024

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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Preface

Congress founded the Federal Reserve System (System) in 1913 as the central bank of the United States. While established as an independent central bank, it is subject to oversight by Congress and works within the framework of the overall objectives of economic and financial policy established by its enabling statutes. As the governing body of the System, the Board of Governors (Board or organization) guides the operations of the System to promote the goals and fulfill the responsibilities established by the Federal Reserve Act. The Board conducts research, analysis, and policymaking related to domestic and international financial and economic matters; supervises and regulates certain U.S. financial institutions and activities; oversees the operations and activities of the Federal Reserve Banks (FRBs), including important aspects of the nation's payments system; and plays an important role in promoting consumer protection, fair lending, and community development.

Additional information on the Board and the System can be found in *The Fed Explained: What the Central Bank Does* document and throughout its website.¹

¹ *The Fed Explained: What the Central Bank Does* is available at <https://www.federalreserve.gov/aboutthefed/the-fed-explained.htm> and additional information is available on the Federal Reserve's website at <https://www.federalreserve.gov/>.

Mission and Values

As the nation's central bank, the fundamental mission of the Federal Reserve System is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems so as to promote optimal economic performance.

The work of the Board is grounded in its institutional values, further supported by an organizational culture that emphasizes accountability, transparency, nonpartisanship, and objectivity. The five values of the Board that guide the decision and actions of its employees are

- **Public interest.** In its actions and policies, the Board seeks to promote the public interest. It is accountable to the general public and to Congress.
- **Integrity.** The Board adheres to the highest standards of integrity in its dealings with the public, the U.S. government, the financial community, and its employees.
- **Excellence.** The conduct of monetary policy, responsibility for supervision, and maintenance of the payment system demand high-quality analysis; high performance standards; and a secure, robust infrastructure. The pursuit of excellence drives the Board's policies concerning recruitment, selection, and retention of employees.
- **Efficiency and effectiveness.** In carrying out its functions, the Board recognizes its obligation to manage resources efficiently and effectively on behalf of the U.S. taxpayer.
- **Independence of views.** The Board values the diversity of its employees, input from a variety of sources, and independent professional judgment fostered by the System's regional structure. It relies on strong teamwork and consensus-building to develop coherent, effective policies.

As an independent agency, the Board is accountable to Congress and the public on all aspects of its policy decisions and operations. Sustaining accountability allows the Board to be independent, nonpartisan, and focused on policy decisions that support its congressional mandate. The Board seeks to meet this obligation through effective communications concerning its policy decisions, comprehensive reporting on its operations, and engagement with the public.

To foster accountability, the Board prioritizes transparency, including explaining its policymaking approach and decisions as clearly as possible and by publishing its reports and findings. Transparency ensures public access to relevant and understandable information regarding the organization's views on the economy, monetary policy, financial stability, and supervision. To maintain public trust, the Federal Reserve must preserve its independence of views and its ability to offer informed guidance.

Introduction

The Board's *Strategic Plan* identifies and frames the organization's strategic goals and objectives.² On December 27, 2019, the Board published its *Strategic Plan 2020–23*, which outlines the organization's priorities within five functional areas for maintaining the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems:

- [Monetary Policy and Financial Stability](#)
- [Supervision](#)
- [Payment System and Reserve Bank Oversight](#)
- [Public Engagement and Community Development](#)
- [Mission Enablement](#)

This document summarizes the Board's accomplishments toward achieving the objectives identified in the *Annual Performance Plan 2023* as well as provides a high-level overview of the work performed during the *Strategic Plan 2020–23* performance period.³ However, given the large scope of the Board's work, not all activities are identified within this document. Throughout this performance period, senior leadership reassessed priorities, taking into account changing circumstances and external factors, and adjusted specific activities and resources to best fulfill the Federal Reserve's congressional mandates.

The Board issues these reports in the spirit of the Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010, which requires that federal agencies prepare a strategic plan covering a multiyear period. Although the Board is not covered by GPRA, the Board voluntarily complies with the spirit of GPRA and, like other federal agencies, prepares a multiyear *Strategic Plan* as well as an *Annual Performance Plan* and an *Annual Performance Report*.

As required by the Federal Reserve Act, the Board also annually submits to Congress the *Annual Report* describing the operations of the Federal Reserve System for the previous year, as well as a detailed explanation of the plans and resources discussed in the approved budgets of the Board and the 12 Federal Reserve Banks.

² The *Strategic Plan 2020–23* is available at <https://www.federalreserve.gov/publications/2020-23-strategic-plan.htm>.

³ The *Annual Performance Plan 2023* is available at <https://www.federalreserve.gov/publications/files/2023-gpra-performance-plan.pdf>.

Key 2023 Accomplishments

The Board accomplished the planned work outlined in the *2023 Annual Performance Plan*, adjusting and reprioritizing resources as necessary, to achieve significant milestones on initiatives and complete planned projects.⁴ Although not an exhaustive list, this report highlights key organizational accomplishments throughout 2023.

While the Board engaged in significant work across all of the organization's functions, the overarching priorities in 2023 were to continue efforts to bring down inflation and respond to the banking stress in the spring. The Board's monetary policy work informed the Federal Open Market Committee's (FOMC) decisionmaking by providing a wide range of information, including on labor market conditions, inflationary pressures, financial stability issues, and domestic and international developments. The Board also responded forcefully, in conjunction with the Federal Deposit Insurance Corporation (FDIC) and U.S. Department of the Treasury (U.S. Treasury), to enable the FDIC to protect the uninsured depositors of two failed banks. The Board also used its authority under section 13(3) of the Federal Reserve Act, with the approval of the Secretary of the U.S. Treasury, to establish the Bank Term Funding Program (BTFP) to reassure depositors of other banks and prevent additional bank runs.⁵

Several reports were issued to provide detailed communication and transparency around the Board's priorities and the FOMC's analysis and decisionmaking, including:

- Reports on economic and financial conditions, such as the *Monetary Policy Report*, *Financial Stability Report*, and *Supervision and Regulation Report*, which assessed the U.S. economy and financial system, provided the public with key monetary policy and economic developments, and summarized banking conditions and supervisory and regulatory activities.⁶
- 2023 FOMC statements and meeting minutes, as well as the Chair Jerome H. Powell's press conferences.⁷

⁴ The *Annual Performance Plan 2023* is available at <https://www.federalreserve.gov/publications/files/2023-gpra-performance-plan.pdf>.

⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/financial-stability/bank-term-funding-program.htm>.

⁶ See the *Monetary Policy Report* at https://www.federalreserve.gov/monetarypolicy/publications/mpr_default.htm; the *Financial Stability Report* at <https://www.federalreserve.gov/publications/financial-stability-report.htm>; and the *Supervision and Regulation Report* at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>.

- The report on *Federal Reserve Balance Sheet Developments*, which reviewed actions taken to manage the Federal Reserve's balance sheet and increase transparency about its monetary policy decisions.⁸
- The Board's *Strategic Plan 2024–27, 2023 Annual Performance Plan, and 2022 Annual Performance Report*.⁹
- The *109th Annual Report of the Board of Governors of the Federal Reserve System*.¹⁰

In 2023, the Board, together with the FDIC and Office of the Comptroller of the Currency (OCC), requested comment on proposed changes to risk-based capital requirements associated with the Basel III endgame standards for large banks.¹¹ In addition, the Board, together with the FDIC and OCC, issued a final rule to strengthen and modernize regulations implementing the Community Reinvestment Act (CRA). The new CRA rule aims to better achieve the purposes of the law, encouraging banks to help meet the credit needs of their entire communities, especially in low- and moderate-income (LMI) neighborhoods.¹² The Board, together with the FDIC and OCC, requested comment on a proposed rule to require large banks to maintain long-term debt to improve financial stability and resolution, and subsequently extended the comment period.¹³

The Federal Reserve's 2023 bank stress tests confirmed the strength and resiliency of the U.S. banking system, finding that large banks remain well-positioned to weather a severe recession and continue to lend to households and businesses in the case of a severe economic downturn.¹⁴ Meanwhile, the Board announced Vice Chair for Supervision Michael S. Barr would lead a review of the supervision and regulation of Silicon Valley Bank, in light of its failure, announced the results from the review, publishing a *Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Banks* and *Understanding Federal Reserve Supervision* in April 2023, and committed to strengthening the System's approach to supervision and regulation.¹⁵ The Board also launched the *Novel Activities Supervision Program* to enhance risk-based focus on novel activities related to

⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/publications/balance-sheet-developments-report.htm>.

⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/2024-2027-gpra-strategic-plan.pdf>; <https://www.federalreserve.gov/publications/files/2023-gpra-performance-plan.pdf>; and <https://www.federalreserve.gov/publications/files/gpra-performance-report-2022.pdf>.

¹⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/2022-annual-report.pdf>.

¹¹ See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20230727open.htm>.

¹² See the Federal Reserve's website at <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>.

¹³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231122a.htm>.

¹⁴ See the results of the annual bank stress test at <https://www.federalreserve.gov/publications/files/2023-dfast-results-20230628.pdf>.

¹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230428a.htm>.

crypto-assets; distributed ledger technology; and complex, technology-driven partnerships with nonbanks to deliver financial services to customers.¹⁶

The Board continued its extensive outreach and communication with a wide range of stakeholders throughout the year, including by participating in the six Fed Listens events to better understand how monetary policy affects peoples' daily lives and livelihoods.¹⁷ Chair Powell hosted a townhall with educators to promote teaching and learning about the System and increase educators' ability to teach economics and personal finance. Throughout the year, the Board also hosted and co-hosted numerous engagements across a wide range of stakeholders to provide transparency and stay abreast of economic developments, including:

- hosted the Procyclicality Symposium: Measurement, Policy Implications, and Financial Stability;¹⁸
- hosted Exploring Careers in Economics;¹⁹
- hosted the inaugural Thomas Laubach Research Conference;²⁰
- hosted the Economics of Payments XII Conference;²¹
- hosted the 18th Central Bank Conference on the Microstructure of Financial Markets;²²
- co-hosted the 35th Annual Seminar for Senior Bank Supervisors from Emerging Economies;²³
- co-organized and hosted the 2023 Conference on Frictions in Real Estate and Infrastructure Investment.;²⁴
- hosted the Centennial Conference for the Division of Research and Statistics;²⁵
- hosted the fifth Conference on Nontraditional Data, Machine Learning, and Natural Language Processing in Macroeconomics;²⁶

¹⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2307.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230808a.htm>.

¹⁷ See more about Fed Listens at <https://www.federalreserve.gov/fedlistens.htm>.

¹⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/procyclicality-symposium-20230331.htm>.

¹⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/exploring-careers-in-economics-spring-2023.htm>.

²⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/thomas-laubach-research-conference.htm>.

²¹ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/economics-of-payments-xii-conference-20231027.htm>.

²² See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/18th-central-bank-conference-on-the-microstructure-of-financial-markets.htm>.

²³ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/ita/jointprograms.htm>.

²⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/frictions-in-real-estate-and-infrastructure-investment-conference-call-for-papers.htm>.

²⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/rs-centennial-conference.htm> and Chair Powell and Vice Chair Jefferson's remarks at <https://www.federalreserve.gov/newsevents/speech/powell20231108a.htm> and <https://www.federalreserve.gov/newsevents/speech/jefferson20231108a.htm>, respectively.

²⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/5th-conference-on-nontraditional-data-machine-learning-and-natural-language-processing-in-macroeconomics-20231114.htm>.

- co-organized the 2023 U.S. Treasury Market Conference;²⁷
- hosted the 2023 College Fed Challenge; and²⁸
- co-organized the Third High-Level Conference on Global Risk, Uncertainty, and Volatility.²⁹

In 2023, the Board engaged in extensive research and analysis on important areas affecting the banking system and U.S. economy. The Board published several papers and reports, including:

- the report of the *Economic Well-Being of U.S. Households in 2022*, which presented analyses of survey data from 11,000 participants in the 10th annual Survey of Household Economic Decisionmaking (SHED) and discussed findings related to financial well-being, income, expenses, employment, banking and credit, housing, retirement and investments, and higher education and student loans;³⁰
- results of the 2022 Survey of Consumer Finances, a triennial cross-sectional survey of U.S. families;³¹
- *Preserving and Promoting Minority Depository Institutions Annual Report 2023*, which covered calendar-year 2022 and looked at four areas of the Board's efforts in preserving and promoting minority depository institutions (MDIs);³²
- two issues of *Consumer & Community Context*, in July and November, and several articles on the System's Fed Communities website, which communicates how the Federal Reserve works on issues in LMI communities and other underserved areas;³³
- the *Office of Minority and Women Inclusion Annual Report 2022*; and³⁴
- ninety-six papers for the Board's two working paper series, Finance and Economics Discussion Series (FEDS) and International Finance Discussion Papers (IFDPs), and 51 FEDS Notes articles.³⁵

In 2023, Board members participated in a number of engagements, representing the Federal Reserve internationally, including at meetings of the Bank for International Settlements (BIS), the Group of 7, the Group of 20, the Organisation for Economic Co-operation and Development (OECD), the Financial Stability Board (FSB), and the International Monetary Fund, among others.

²⁷ See the Federal Reserve Bank of New York's website at <https://www.newyorkfed.org/newsevents/events/markets/2023/1116-2023> and <https://www.federalreserve.gov/newsevents/speech/barr20231116a.htm>.

²⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/college-fed-challenge-2023.htm>.

²⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/econres/notes/feds-notes/the-third-snb-frb-bis-high-level-conference-on-gru-and-vmp-and-br-20231215.html>.

³⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

³¹ See the Federal Reserve's website at <https://www.federalreserve.gov/econres/scfindex.htm>.

³² See the Federal Reserve's website at <https://www.federalreserve.gov/publications/2023-december-preserving-promoting-minority-depository-institutions.htm>.

³³ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/consumer-community-context.htm> and the FedCommunities website at <https://fedcommunities.org/>.

³⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/March-2023-Report-to-the-Congress-on-the-Office-of-Minority-and-Women-Inclusion.htm>.

³⁵ See <https://www.federalreserve.gov/econres.htm>.

In 2023, the Board announced the launch of the Federal Reserve’s new instant payments system called the FedNow[®] Service, and clarified that it is not a digital currency.³⁶ This payments system enables banks and credit unions of all sizes to instantly transfer money for their customers, any time of the day, on any day of the year. The FedNow Service initially launched with 35 banks and credit unions, 16 service providers and the U.S. Treasury’s Bureau of the Fiscal Service; it finished the year with approximately 400 participating financial institutions.³⁷

Additionally, the Board worked closely with counterparts at the Bureau of Engraving and Printing (BEP) and U.S. Secret Service (USSS) to manage the circulation and processing of Federal Reserve banknotes, while developing the next generation of bank notes. The Board’s U.S. Currency Program also provided several anti-counterfeit trainings, including four public professional cash-handlers webinars, in addition to a week-long, in-person exchange of analyses on banknote counterfeiting.³⁸

The Board issued a request for comments on a proposal to lower the maximum interchange fee that a large debit card issuer can receive for a debit card transaction, in keeping with statutory authority on adjusting the fee. The Board also held an Open Board Meeting on the proposal.³⁹

The Board continued to proactively engage in academic outreach and educational events to cultivate interest in economics as a career and enhance a diverse pipeline of talent for the Federal Reserve’s work through the FedEd Program, Annual College Fed Challenge, and Economic Education Month.⁴⁰ Board research staff taught Economics 181 (“Data Analysis and Financial Literacy in R”) and sponsored a two-month intensive American Economic Association Summer Program, both at Howard University, to strengthen economic literacy and encourage a diversity of perspectives and backgrounds in the economics profession.⁴¹ Overall, the Board participated in 42 individual on-campus and virtual recruiting events, including with 8 Historically Black Colleges and Universities (HBCUs) and 14 Hispanic Serving Institutions (HSIs). The Board also created and launched an economist recruiting outreach strategy that included hosting information sessions for both undergraduate and graduate populations, attending economics-specific career fairs, and

³⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/faqs/is-fednow-replacing-cash-is-it-a-central-bank-digital-currency.htm>.

³⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230720a.htm> and https://www.frbservices.org/news/press-releases/121423-fednow-2023-300-participating?utm_source=home-121423&utm_medium=banner&utm_campaign=fednow&utm_content=1-300-participating.

³⁸ See the Federal Reserve’s website at <https://www.uscurrency.gov/media/news/professional-cash-handler-webinars-october-2023>.

³⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231025a.htm> and <https://www.federalreserve.gov/aboutthefed/boardmeetings/20231025open.htm>.

⁴⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/educational-tools/fed-education.htm>; <https://www.federalreserve.gov/aboutthefed/educational-tools/fedchallenge.htm#aboutMen>; and <https://www.federalreserve.gov/aboutthefed/educational-tools/economic-education-month.htm>.

⁴¹ See the American Economic Association’s website at <https://www.aeaweb.org/about-aea/committees/aeasp>.

holding individual meetings with PhD students. During 2023, 80 interns and 6 law clerks were also onboarded.

Investment continued toward modernizing the Board's digital workspace capabilities in support of the post-COVID-19 pandemic, hybrid work environment. The organization progressed its cloud strategy, establishing a Cloud Taskforce and Cloud Center of Excellence to build on the cloud migration progress while strengthening its cybersecurity infrastructure. During 2023, the Board also implemented new enterprise human capital, financial management, and procurement systems and furthered its data strategy through several enterprise initiatives.⁴²

While substantial work progressed on the technology needed to support the productivity of the Board's workforce, the Board also achieved significant milestones in its long-term strategy to modernize its office space, progressing on the Eccles and 1951 buildings renovations. The Board also conducted continuity and emergency preparedness planning to ensure continued smooth operations.

The Board remained committed to continuously increasing procurements from diverse businesses by providing them access, opportunity, and engagement. In 2023, the value of the Board contracts for goods and services totaled \$1.4 billion. Of this total, \$83 million, or about 6 percent, was awarded to minority- and women-owned businesses, which included \$62 million or 4.5 percent to minority-owned businesses and \$21 million or 1.5 percent to women-owned businesses.

⁴² See the Federal Reserve's website at <https://www.federalreserve.gov/publications/information-resources-management-strategic-plan.htm>.

Monetary Policy and Financial Stability

Goal 1: Facilitate efforts that support the congressional mandate for maximum employment and price stability through monetary policy.

Objective 1.1: Support the Board's and the Federal Open Market Committee's policy deliberations through the timely provision of high-quality research, analysis, and other information that enables sound and objective decision-making.

Projects and Initiatives

1.1.1 Identify and analyze economic and financial developments in support of the Federal Reserve's mission.

- Released four Summary of Economic Projections in conjunction with the March, June, September, and December FOMC meetings.⁴³
- Submitted the semiannual *Monetary Policy Report*, in March and June, to the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services, Washington, D.C., accompanied by Chair Powell's testimony.⁴⁴
- Issued the semiannual *Financial Stability Report*, in May and October, which provide updated assessments of the resilience of the U.S. financial system using the Federal Reserve's framework for monitoring financial stability, including monitoring asset valuations; leverage in the household, business, and financial sectors; and developments in funding markets.⁴⁵
- Produced eight Tealbooks (*Report to the Federal Open Market Committee on Economic Conditions and Monetary Policy*), which provide detailed assessments and forecasts of economic and financial developments and associated risks.
- Released eight Beige Books (*Summary of Commentary on Current Economic Conditions by Federal Reserve District*), which gather anecdotal information on current economic conditions in each Reserve District through reports from Federal Reserve Bank and Branch boards of direc-

⁴³ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20230322.pdf>; <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20230614.pdf>; <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20230920.pdf>; and <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20231213.pdf>.

⁴⁴ See the Federal Reserve's website at https://www.federalreserve.gov/monetarypolicy/publications/mpr_default.htm.

⁴⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/financial-stability-report.htm>.

tors and interviews with key business contacts, economists, market experts, and other sources.⁴⁶

1.1.2 Stay abreast of technological and other changes to the financial system and assess potential impacts on the economy.

- Supported Chair Powell in his role as member of the Financial Stability Oversight Council (FSOC).
 - Contributed to the *FSOC Annual Report 2023*.⁴⁷
 - Assisted in monitoring financial risks, analyzing the implications of those risks for financial stability, and identifying steps that can be taken to mitigate those risks, in conjunction with other participants.
- Supported Vice Chair for Supervision Barr as a member of the Financial Stability Board (FSB) on topics such as structural vulnerabilities from liquidity mismatch in open-end funds, the financial stability implications of multifunction crypto-asset intermediaries, and enhancing the resilience of nonbank financial intermediation.
- Coordinated central bank action, together with the Bank of Canada, Bank of England, Bank of Japan, European Central Bank, and Swiss National Bank, to enhance the provision of liquidity via the standing U.S. dollar liquidity swap line arrangements.⁴⁸

1.1.3 Monitor the evolution and function of financial markets and related infrastructures, including the impact on monetary policy and financial stability.

- Conducted surveys to inform policymakers about economic and financial developments, including the Senior Financial Officer Survey, the Senior Loan Officer Opinion Survey, and the Senior Credit Officer Opinion Survey.⁴⁹
- Authorized the Reserve Banks, pursuant to section 13(3) of the Federal Reserve Act and with the Secretary of the U.S. Treasury's approval, to establish the BTFP.⁵⁰
- Completed the multiyear transition away from LIBOR (London Interbank Offered Rate) in a safe and sound manner, together with the other financial regulatory agencies.⁵¹

⁴⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/beigebook2023.htm>.

⁴⁷ See the U.S. Treasury's website at <https://home.treasury.gov/system/files/261/FSOC2023AnnualReport.pdf> and <https://home.treasury.gov/system/files/261/FSOC-2023-Staff-Report-on-Climate.pdf>.

⁴⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230319a.htm>.

⁴⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/data/sfos/sfos.htm>; <https://www.federalreserve.gov/data/sloos.htm>; and <https://www.federalreserve.gov/data/scoos.htm>.

⁵⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/financial-stability/bank-term-funding-program.htm>. The Board authorized the Reserve Banks to make available additional funding to eligible depository institutions in order to help assure banks have the ability to meet the needs of all their depositors. Under the BTFP, each Reserve Bank lends to eligible depository institution borrowers for up to one year, on a recourse basis, against U.S. government securities and other high-quality collateral. As of December 31, 2023, the total outstanding amount of all advances under the BTFP was \$129 billion.

⁵¹ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/libor-transition.htm> and <https://www.federalreserve.gov/supervisionreg/srletters/SR2302.htm>.

- Worked with domestic and foreign banking agencies, emphasizing the importance of preparation to mitigate potential risks, as supervised institutions completed the transition away from LIBOR through June 30, 2023.

Objective 1.2: Actively pursue research, analysis, monitoring, and measurement to advance the public’s understanding of key economic and financial issues.

Projects and Initiatives

1.2.1 Pursue research that promotes understanding of labor markets, inflation, and the financial system, including differences or inequities across demographic groups and areas, and implications for the functioning of the economy.

- Disseminated staff research by preparing working papers, publications, Finance and Economics Discussion Series (FEDS) papers, International Finance Discussion Papers (IFDP), and FEDS Notes articles on a wide range of topics.⁵²
- Published statistical releases, as well as the financial accounts of the United States; the Board also provided daily data on fitted yield curves, term premium estimates, and the interest rate paid on reserve balances (IORB) rate.⁵³
- Presented research at Board seminars, Reserve Banks, universities, and professional conferences on a wide range of topics.
- Issued the monthly *Fed Research* newsletter, which highlights published research working papers and notes to an external public audience.⁵⁴

1.2.2 Incorporate diversity of thought, perspective, experience, and talent into the Board’s research program.

- Hosted the Research and Statistics centennial conference, A Look at the Past, Present, and Future, where Chair Powell gave opening remarks and Vice Chair Phillip N. Jefferson gave closing remarks.⁵⁵
- Hosted the Frictions in Real Estate and Infrastructure Investment conference to bring together scholars at the cutting edge of research related to changes in the optimal location and quality

⁵² See the Federal Reserve’s website at <https://www.federalreserve.gov/econres.htm>.

⁵³ See the Federal Reserve’s website at <https://www.federalreserve.gov/data.htm>.

⁵⁴ To subscribe to the monthly *Fed Research* newsletter, see the Federal Reserve’s website at <https://www.federalreserve.gov/subscribe.htm>.

⁵⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/rs-centennial-conference.htm> and Chair Powell and Vice Chair Jefferson’s remarks at <https://www.federalreserve.gov/newsevents/speech/powell20231108a.htm> and <https://www.federalreserve.gov/newsevents/speech/jefferson20231108a.htm>, respectively.

of structures, the frictions impeding adjustment to these changes, and the effects of these frictions.⁵⁶

- Hosted the 18th Central Bank Conference on the Microstructure of Financial Markets to bring together researchers, policymakers, and practitioners to discuss recent research and current policy issues related to the microstructure and functioning of financial markets.⁵⁷
- Hosted the Procyclicality Symposium: Measurement, Policy Implications, and Financial Stability to promote discussion and dissemination of innovative theoretical and empirical research on the financial stability implications of procyclicality.⁵⁸
- Hosted the second DC Search and Matching Workshop, featuring empirical contributions using search and matching theory and related frameworks.⁵⁹

1.2.3 Conduct research focusing on LMI financial and economic conditions of traditionally underserved and economically vulnerable consumers and communities.

- Published various research papers exploring issues relating to disparities in access to credit, housing, employment by income, race, gender, and geography.⁶⁰
- Released findings from the Federal Reserve System's Workers Voices effort that engaged low-wage workers and non-degree job seekers through focus groups throughout the country to understand their experiences of the recovering economy.⁶¹
- Conducted research on microcredit as a pathway to commercial banks and labor market discrimination and the racial unemployment gap.⁶²
- Released a list of distressed or underserved nonmetropolitan middle-income geographies, together with the FDIC and OCC.⁶³

⁵⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/frictions-in-real-estate-and-infrastructure-investment-conference-call-for-papers.htm>.

⁵⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/18th-central-bank-conference-on-the-microstructure-of-financial-markets.htm>.

⁵⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/procyclicality-symposium-20230331.htm>.

⁵⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/second-dc-search-and-matching-workshop.htm>.

⁶⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/econres/ccastaff.htm>.

⁶¹ See the Fed Communities website at <https://fedcommunities.org/research/worker-voices/2023-shifting-perspectives-expectations-employment/>.

⁶² See the Federal Reserve's website at <https://www.federalreserve.gov/econres/feds/serving-the-underserved-microcredit-as-a-pathway-to-commercial-banks.htm>.

⁶³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230623a.htm>.

Objective 1.3: Further promote transparency, accountability, communication, and public education in monetary policy, economic research, and financial stability.

Projects and Initiatives

1.3.1 Improve delivery of, and public access to, information that effectively communicates the Board’s understanding of economic and financial conditions, financial stability, and the impact and efficacy of monetary policy.

- Board members spoke on a variety of issues, including the U.S. economic outlook and monetary policy, considerations in an environment of high inflation, financial stability and regulation, and developments in financial services.⁶⁴

1.3.2 Foster public education and engage in communication across a wide range of audiences, including on information related to the economic and financial experiences of economically vulnerable consumers and communities.

- Co-organized the 2023 U.S. Treasury Market Conference, where Vice Chair for Supervision Barr gave remarks.⁶⁵
- Participated in discussions on the U.S. Treasury market reforms, as part of the Inter-Agency Working Group on Treasury Market Surveillance, chaired by the U.S. Treasury.
- Hosted the inaugural Thomas Laubach Research Conference, bringing together monetary policy-makers and monetary economics researchers to highlight key issues and facilitate discussions.⁶⁶
- Chair Powell hosted a townhall with educators to promote teaching and learning about the Federal Reserve System and increase educators’ ability to teach economics and personal finance while helping students and the public gain real-life skills to increase their economic and financial literacy.⁶⁷
- Coordinated six Fed Listens events together with the Reserve Banks, of which Governor Michelle W. Bowman gave remarks at four events.⁶⁸
 - Transitioning to the Post-Pandemic Economy at the FRBs Richmond, Cleveland, and Boston.⁶⁹

⁶⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speeches.htm>.

⁶⁵ See the Federal Reserve Bank of New York’s website at <https://www.newyorkfed.org/newsevents/events/markets/2023/1116-2023> and Vice Chair for Supervision Barr’s remarks at <https://www.federalreserve.gov/newsevents/speech/barr20231116a.htm>.

⁶⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/thomas-laubach-research-conference.htm>.

⁶⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/chair-powell-teacher-town-hall-2023.htm>.

⁶⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/fedlistens.htm>.

⁶⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/bowman20231018a.htm>.

- Joining the Labor Force after COVID at the FRB Chicago.⁷⁰
- A community listening session at the FRB Atlanta.⁷¹
- A community listening session with the FRB Dallas.⁷²
- Hosted the College Fed Challenge, with 108 schools from across the nation submitting video presentations or participating in virtual competitions.⁷³

Objective 1.4: Broaden capabilities to effectively and efficiently fulfill the Board’s research mission through investment in people, technology, and data.

Projects and Initiatives

1.4.1 Ensure applicable expertise and a broad range of perspectives are used to conduct economic research, analysis, monitoring and measurement, strengthening the understanding of economic development and the implication for monetary policy and financial stability.

- Created and launched an economist recruiting outreach strategy that includes hosting information sessions for both undergraduate and graduate populations, attending economics-specific career fairs, and holding individual meetings with PhD students.
- Established a research mentoring program and facilitated staff rotations intended to deepen and diversify incumbent candidate pools.
- Engaged in academic outreach and recruiting by teaching Economics 181 (“Data Analysis and Financial Literacy in R”) and sponsored a two-month intensive American Economic Association Summer Program, both at Howard University, to strengthen economic literacy and encourage a diversity of perspectives and backgrounds in the economics profession.⁷⁴

1.4.2 Enhance the Board’s ability to collaborate with internal and external colleagues on research and analysis through technology, automation, infrastructure, and process advancements.

- Participated in international working groups focused on recommendations related to crypto-assets, stablecoins, and the tokenization of assets, including questions related to the future of money.
- Published the Master Account and Services Database, which provides comprehensive, searchable information on which financial institutions have access to Federal Reserve Bank master accounts and financial services.⁷⁵

⁷⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/bowman20230822a.htm>.

⁷¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/bowman20230807a.htm>.

⁷² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/bowman20230420a.htm>.

⁷³ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/educational-tools/fedchallenge.htm#aboutMenu>.

⁷⁴ See the American Economic Association’s website at <https://www.aeaweb.org/about-aea/committees/aeasp>.

⁷⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230616a.htm>.

- Hosted the fifth Conference on Nontraditional Data, Machine Learning, and Natural Language Processing in Macroeconomics to promote the discussion and dissemination of innovative research on theoretical and empirical advances in macroeconomics and financial economics that are based on nontraditional data, machine learning, artificial intelligence tools, and natural language processing.⁷⁶
- Launched an initiative to develop collaboration tools with external parties in a managed environment and began migrating internal tools and applications to the cloud.

1.4.3 Sustain and nurture an inclusive culture and support a collaborative environment that encourages diversity of perspectives.

- Hosted a series of sessions on the Behavior Impact Behavior Feedback model to provide internal, hands-on learning, create a safe environment to test out the feedback process, learn from others, and encourage application and future usage of these tools.
- Hosted two virtual Exploring Careers in Economics seminars, which engaged students across the nation with Federal Reserve System staff and research assistants on how to pursue career paths related to economics.⁷⁷

⁷⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/5th-conference-on-nontraditional-data-machine-learning-and-natural-language-processing-in-macroeconomics-20231114.htm>.

⁷⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/exploring-careers-in-economics-spring-2023.htm>.

Supervision

Goal 2: Promote safety, soundness, and stability of financial institutions and consumer protection through supervision and regulation.

Objective 2.1: Continue to refine rules, practices, and tools to enhance the efficiency and effectiveness of supervision.

Projects and Initiatives

2.1.1 Consider public comments and finalize amendments to the operational risk-management expectations in Regulation HH applicable to Board-supervised designated financial market utilities.

- Incorporated feedback received during the public consultation into the Regulation HH draft final rule and continued to discuss a draft *Federal Register* notice to accompany the final rule with System technical experts.

2.1.2 Review and, as appropriate, adjust safety and soundness, consumer compliance and protection, and community reinvestment regulations and policies to enhance effectiveness, efficiency, and simplicity, as well as align with the risk profile of supervised institutions and adjust to emerging risks and market changes.

- Issued, along with the FDIC and OCC, a final rule to strengthen and modernize regulations implementing the CRA to better achieve the purposes of the law that encourages banks to help meet the credit needs of their entire communities, especially in LMI neighborhoods, in a safe and sound manner.⁷⁸
- Proposed interagency guidance, along with the FDIC, OCC, Consumer Financial Protection Bureau (CFPB), and National Credit Union Administration (NCUA), on reconsiderations of residential real estate valuations.⁷⁹
- Requested, together with the FDIC, OCC, CFPB, NCUA, and Federal Housing Finance Agency, comment on quality control standards for automated valuation models proposed rule.⁸⁰

⁷⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>.

⁷⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230608a.htm>.

⁸⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230601a.htm>.

2.1.3 Enhance efficiency and communications of consumer compliance supervision.

- Published periodic issues of *Consumer Compliance Outlook*, which featured supervisory data-driven content and timely information to help financial institutions comply with consumer protection laws and regulations.⁸¹
- Published two issues of *Community Banking Connections*, which included messages from Governor Bowman and several articles, covering topics that ranged from post COVID-19 pandemic community banking resilience and risk management to resiliency and regional supervision.⁸²

2.1.4 Progress the development of a pilot post-exam survey for supervised institutions to provide feedback on their examination experience.

- Provided information to Board and System leadership in preparation for launching the pilot post-exam survey in early 2024.

2.1.5 Implement the policy and procedures for receiving and handling whistleblower claims regarding misconduct, unsafe or unsound practices, or violations of law or regulation.

- Conducted outreach to increase understanding and awareness of Ombuds functions through System podcasts and Board media platforms.
- Presented information about the Federal Reserve's Ombuds Office to approximately 150 attorneys at the American Bar Association Law Banking Committee's Ombuds Panel.
- Implemented a new tracking system in compliance with the procedures for receiving and handling whistleblower claims, *AD 22-6/CA Admin 22-9, Internal Procedures for Whistleblower Claims*.
 - Responded to 160 whistleblower claims in 2023, a 107 percent increase from the number of claims in 2022; the number of claims has grown exponentially each year since 2020, when 9 claims were addressed.

Supervisory Announcements

- Michael S. Gibson, Director, Division of Supervision and Regulation testified on innovation in December, before the Subcommittee on Digital Assets, Financial Technology and Inclusion, Committee on Financial Services, U.S. House of Representatives, Washington, D.C.⁸³
- Vice Chair for Supervision Barr testified on bank oversight in March and on supervision and regulation in November, in conjunction with the *Supervision and Regulation Report*, before the

⁸¹ See the Consumer Compliance Outlook's website at <https://www.consumercomplianceoutlook.org/>.

⁸² See the Community Banking Connections website at <https://www.communitybankingconnections.org> and <https://www.communitybankingconnections.org/archives>.

⁸³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/testimony/gibson20231205a.htm>.

Committee on Banking, Housing, and Urban Affairs, U.S. Senate, and the Committee on Financial Services, U.S. House of Representatives, Washington, D.C.⁸⁴

- Announced the launch of a data collection effort to gather more information from the banks affected by the large bank capital proposal.⁸⁵
 - Extended comment period on proposed rules to strengthen large bank capital requirements, together with the FDIC and OCC, to January 16, 2024.⁸⁶
- Finalized a rule establishing capital requirements for insurers supervised by the Board.⁸⁷
- Extended favorable CRA consideration, together with the FDIC and OCC, of revitalization activities in certain disaster areas affected by Hurricane Maria.⁸⁸
- Proposed, together with the FDIC, guidance to enhance resolution planning at large banks.⁸⁹
- Issued a supervisory statement that describes the process for state member banks seeking to engage in certain activities involving dollar tokens to receive supervisory nonobjection from the Federal Reserve.⁹⁰
- Updated guidance, together with the FDIC, OCC, and NCUA, on liquidity risks and contingency planning that depository institutions should regularly evaluate and use to update their contingency funding plans.⁹¹
- Requested comment, together with the FDIC and OCC, on proposed rules to strengthen capital requirements for large banks.⁹²
- Michael S. Gibson, Director, Division of Supervision and Regulation testified on climate-related financial risks, in July, before the Subcommittee on Financial Institutions and Monetary Policy, Committee on Financial Services, U.S. House of Representatives, Washington, D.C.⁹³
- Issued a joint statement, together with the FDIC and OCC, on final guidance designed to help banking organizations manage risks associated with third-party relationships, including relationships with financial technology companies.⁹⁴

⁸⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm> and Vice Chair for Supervision Barr's testimony at <https://www.federalreserve.gov/newsevents/testimony/barr20230328a.htm> and <https://www.federalreserve.gov/newsevents/testimony/barr20231113a.htm>.

⁸⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231020b.htm>.

⁸⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231020a.htm>.

⁸⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231006a.htm>.

⁸⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230920a.htm>.

⁸⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829b.htm>.

⁹⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2308.htm>.

⁹¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230728a.htm>.

⁹² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727a.htm>.

⁹³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/testimony/gibson20230718a.htm>.

⁹⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230606a.htm>.

- Issued a joint statement, together with the FDIC and OCC, on host state loan-to-deposit ratios that are used to evaluate compliance with section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.⁹⁵
- Vice Chair for Supervision Barr testified on supervision and regulation activities, in May, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, and the Committee on Financial Services, U.S. House of Representatives, Washington, D.C.⁹⁶
- Issued a supervisory letter to inform Federal Reserve supervised institutions that the Federal Reserve plans to use an external portal through the One Agile Supervision Solution (OASIS) application, which will allow supervised institutions and regulators to securely communicate and exchange examination-related documents.⁹⁷
- Issued a statement of revision to the guide that outlines the impact on data reporting on closed-end mortgage loans under the CFPB Regulation C, the Home Mortgage Disclosure Act rule.⁹⁸
- Announced that Vice Chair for Supervision Barr would lead a review of the supervision and regulation of Silicon Valley Bank, in light of its failure.⁹⁹
- Issued, together with the FDIC and OCC, 2022 Shared National Credit Program review.¹⁰⁰
- Issued, together with the FDIC and OCC, statement on liquidity risks resulting from crypto-asset market vulnerabilities.¹⁰¹
- Announced the individual capital requirements for all large banks following the stress test from earlier in the year, effective October 1.¹⁰²
 - Released results of the annual bank stress test, which demonstrates that large banks are well-positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession.¹⁰³
 - Released hypothetical scenarios for its 2023 bank stress tests.¹⁰⁴
- Issued, together with the FDIC and OCC, statement on crypto-asset risks to banking organizations.¹⁰⁵

⁹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230519a.htm>.

⁹⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/testimony/barr20230516a.htm>.

⁹⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2303.htm>.

OASIS is the Common Exam Platform. This technology solution will provide a modern, comprehensive, and flexible IT ecosystem to support and facilitate the end-to-end supervisory activities. It is intended to reduce the administrative burden and drive consistency for supervision and regulation across the Federal Reserve System.

⁹⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2302.htm>.

⁹⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230313a.htm>.

¹⁰⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230224a.htm>.

¹⁰¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230223a.htm>.

¹⁰² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727b.htm>.

¹⁰³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230628a.htm>.

¹⁰⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230209a.htm>.

¹⁰⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230103a.htm>.

Objective 2.2: Improve forward-looking risk-identification and assessment capabilities to inform policy and support timely and effective risk mitigation through supervision.

Projects and Initiatives

2.2.1 Progress development of a supervisory framework and tools and implement an analytics strategy and training program for fintech-related risks.

- Launched the Novel Activities Supervision Program to enhance risk-based focus on novel activities related to crypto-assets, distributed ledger technology, and complex, technology-driven partnerships with nonbanks to deliver financial services to customers.¹⁰⁶

2.2.2 Advance development of a policy and Systemwide supervisory approach to address climate-related financial risks to large, supervised firms.

- Developed, together with the FDIC and OCC, final interagency guidance on the Systemwide supervisory approach to address climate-related financial risks for large financial institutions.¹⁰⁷
- Launched the pilot climate scenario analysis exercise with the public release of participant instructions and FAQ process with firms.¹⁰⁸

2.2.3 Assess the capital framework, identifying and implementing improvements, while also implementing Basel III.

- Presented the Basel III endgame proposal at the Board's open meeting to discuss proposed changes to risk-based capital requirements associated with the Basel III endgame standards for large banks.¹⁰⁹
 - Extended the public comment period on the Basel III endgame, a joint proposal issued on July 27, to increase the strength and resilience of the banking system, to January 16, 2024; met with industry stakeholders and responded to related congressional requests.¹¹⁰

¹⁰⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2307.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230808a.htm>.

¹⁰⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024b.htm>.

¹⁰⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/climate-scenario-analysis-exercise-instructions.htm>.

¹⁰⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20230727open.htm> and the related *Federal Register* notice at <https://www.federalregister.gov/documents/2023/09/18/2023-19200/regulatory-capital-rule-large-banking-organizations-and-banking-organizations-with-significant>.

¹¹⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727a.htm>.

2.2.4 Review the implementation of the Bank Merger Act, identifying areas for modernization, and implementing improvements.

- Continue to coordinate with other federal agencies on review of the implementation of the Bank Merger Act.

2.2.5 Enhance monitoring of consumer compliance risks in financial markets to inform supervision.

- Published data-driven articles that leverage the Federal Reserve System’s supervisory data and observations to share top-cited violations in the prior year to help banks manage compliance risk.¹¹¹

Objective 2.3: Further promote transparency, accountability, communication, diversity of perspectives, and public outreach to support the System’s supervisory responsibilities.

Projects and Initiatives

2.3.1 Engage in regular outreach to a range of stakeholders to obtain balanced and diverse perspectives on safety and soundness, community reinvestment, and consumer protection risks to guide supervisory policy development and examination programs.

- Co-hosted, together with the International Monetary Fund and the World Bank, the 22nd Annual International Conference on Policy Challenges for the Financial Sector.¹¹²
 - The theme was “Managing Financial Stability During Structural Change and Transition;” Vice Chair Jefferson spoke on financial stability and the U.S. economy.¹¹³
- Co-hosted the 35th Annual Seminar for Senior Bank Supervisors from Emerging Economies to provide senior leaders of supervision and regulation functions with the awareness and understanding of current and emerging risks facing the global economy.¹¹⁴

¹¹¹ See Consumer Compliance Outlook article at <https://www.consumercomplianceoutlook.org/2023/second-third-issue/top-compliance-violations/>.

¹¹² See The World Bank’s website at <https://www.worldbank.org/en/events/2023/05/31/international-conference-on-policy-challenges-for-the-financial-sector-2023>.

¹¹³ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/jefferson20230531a.htm>.

¹¹⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/ita/jointprograms.htm>.

Objective 2.4: Further improve supervisory and regulatory activities to support financial system stability.***Projects and Initiatives***

2.4.1 Investigate new ways to identify risks to financial stability.

- Requested, together with the FDIC and OCC, comment on a proposed rule to require large banks to maintain long-term debt to improve financial stability and resolution, and subsequently extended the comment period.¹¹⁵
- Released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances.¹¹⁶

2.4.2 Build a tool to support analysis and financial stability-related monitoring during business-as-usual and crisis events.

- Launched a database to identify and measure relationships among and between financial market utilities and financial institutions.

Objective 2.5: Broaden capabilities to effectively and efficiently execute supervisory responsibilities through investment in people, technology, and data.***Projects and Initiatives***

2.5.1 Develop a strategy to onboard products to the common data platform, including governance, platform design, roadmap, and capabilities.

- Formed the System Information Technology (IT) Services Partners for the Common Data Platform (CDP) and selected CDP Oversight Council members.

2.5.2 Progress the development and begin implementation of multiyear System Supervision strategy and roadmap.

- Launched a broader program to improve the speed, force, and agility of supervision, as appropriate to the situation. The program will plan, coordinate, and implement appropriate changes to make the existing framework for supervision more effective and strengthen frameworks for both supervision and regulation over the longer-term.

¹¹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231122a.htm>.

¹¹⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230801a.htm>.

2.5.3 Advance the common exam platform (CEP) strategy.

- Launched the OASIS platform to facilitate secure communication between supervised institutions and regulators related to examinations or supervisory events.
 - Transitioned Large and Foreign Banking Organizations, with approximately 1,500 users, and Large Institution Supervision Coordinating Committee Organizations, including 400 firm users, to the platform.

2.5.4 Identify capabilities and dependencies for potential development by the Federal Reserve of interagency credit review tooling in conjunction with the planned work to move products for community and regional banking organizations to the common exam platform.

- Signed the interagency memorandum of understanding for the Examination Tool Suite, together with the FDIC and Conference of State Bank Supervisors, and formed a governance model.

2.5.5 Evolve the examiner commissioning programs.

- Collected a baseline for current examiners' work experience prior to their examiner role.
 - Gathered feedback on current state of the examiner commissioning programs from focus groups which included managers, trainers, and examiners.
 - Collaborated with the FDIC and OCC to gain understanding on the various approaches to examiner commissioning.
 - Gathered and validated learning-related business needs to ensure actionable and effective goals and outcomes are established as Examiner Commissioning Programs evolve.
- Established the definition of 'commission' as it relates to Examiner Commissioning Programs and drafted perceived problem statements based on data from the 'Your Examiner Commissioning Program Experience' survey results.
 - Received 322 responses that identified top themes to inform perceived business problems.

Payment System and Reserve Bank Oversight

Goal 3: Foster a safe, efficient, and accessible payment and settlement system through Reserve Bank oversight.

Objective 3.1: Support payment infrastructure modernization to serve changing stakeholder needs.

Projects and Initiatives

3.1.1 Lead efforts to draft a *Federal Register* notice on expanding operating hours for the Fedwire Funds Service and National Settlement Service.

- Engaged with Board and System experts and leaders on the expansion of operating hours for the Fedwire Funds Service and National Settlement Service and collaborated on a draft *Federal Register* notice to solicit public feedback.

3.1.2 Collaborate with the Reserve Banks on oversight, implementation, and enhancement of the FedNow[®] Service.

- Launched the FedNow Service with 35 banks and credit unions, 16 service providers, as well as the U.S. Treasury's Bureau of the Fiscal Service and finished the year with about 400 participating financial institutions.¹¹⁷
- Implemented seven-day accounting to support the implementation of the FedNow Service.

3.1.3 Advance experimentation and policy analysis of digital innovations in payments and clearing and settlement topics.

- Issued request for comments on a proposal to lower the maximum interchange fee that a large debit card issuer can receive for a debit card transaction, and held an Open Board Meeting on the debit interchange fee cap.¹¹⁸

¹¹⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230720a.htm>.

¹¹⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231025a.htm> and <https://www.federalreserve.gov/aboutthefed/boardmeetings/20231025open.htm>.

- Hosted the Economics of Payments XII Conference.¹¹⁹
- Published a summary of public comments on the Federal Reserve’s discussion paper, *Money and Payments: The U.S. Dollar in the Age of Digital Transformation*.¹²⁰
- Substantively contributed to several reports and workstreams led by the FSB and Committee on Payments and Market Infrastructures in support of the G20 priority to enhance cross-border payments.¹²¹

Objective 3.2: Maintain an effective and secure U.S. currency program.

Projects and Initiatives

3.2.1 Collaborate with the U.S. Treasury and the Bureau of Engraving and Printing on ways to improve quality and increase efficiencies in the manufacturing of Federal Reserve notes.

- Worked with the U.S. Treasury and BEP to address the recommendations of a third-party analysis regarding steps that could be taken to improve banknote development, as well as planned for and allocated resources to improvement initiatives.
- Reviewed development plans for new banknotes, tested results of new designs, and worked with the U.S. Treasury and BEP to ensure key security features developed in partnership with other central banks would be developed as needed in new U.S. Treasury and BEP designs.
- Reviewed data and provided feedback to the U.S. Treasury and BEP on print trials conducted for the new \$10 note. (The new notes series is called Catalyst.)
- Sponsored an executive-level, cross-program coordination group designed to identify and manage impacts or risks between the Federal Reserve and U.S. Treasury programs impacting the cash line of business.
- Developed and implemented new analysis to balance banknote inventory with the BEP banknote production, resultant of the new schedule for placing banknote printing orders.
- Established a new contract for the transportation of currency, which increases the resiliency for shipping currency to, and among, Reserve Banks.
- Reviewed and approved the BEP’s budget request for long-term capital equipment and 2024 operating budget, which included the costs of producing Federal Reserve notes.

¹¹⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/economics-of-payments-xii-conference-20231027.htm>; and remarks by Vice Chair for Supervision Barr and Governor Waller at <https://www.federalreserve.gov/newsevents/speech/barr20231027a.htm> and <https://www.federalreserve.gov/newsevents/speech/waller20231026a.htm> respectively.

¹²⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/summary-of-public-comments-money-and-payments-20230420.pdf>. See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/money-and-payments-discussion-paper.htm> for the 2022 discussion paper.

¹²¹ See the Financial Stability Board’s website at <https://www.fsb.org/2023/11/the-financial-stability-implications-of-multifunction-crypto-asset-intermediaries/> and the Bank for International Settlements website at <https://www.bis.org/cpmi/publ/d220.htm>.

- Approved, by joint agreement with the U.S. Treasury and Army Corps of Engineers, the 65 percent design milestone in the program to build a new, modern, note production facility in the Washington, D.C. area.

3.2.2 Educate users of U.S. currency on the designs and security features of Federal Reserve notes by leveraging a full range of the latest communication technologies and training tools.

- Expanded engagement with stakeholder groups (such as retailers) and jurisdictions with high use of Federal Reserve notes (such as partially or de facto dollarized economies) on how to identify authentic versus counterfeit notes.
 - Held four public Professional Cash Handlers Webinars to support bank tellers, cashiers, casino and gaming personnel, and law enforcement officers in their critical roles to block counterfeit currency from entering circulation.¹²²

3.2.3 Strengthen the capacity of Reserve Banks and financial institutions to efficiently manage the circulation and processing of Federal Reserve notes.

- Provided program direction to Federal Reserve Financial Services (FRFS) FedCash as it considers broader operational changes (for example, regionalization) to cash operations across the Reserve Banks.
- Collaborated with FRFS FedCash and FRB leaders to advance key programs in support of the U.S. Currency Program, including next generation cash processing machines, new vaults, and building currency inventory needed for transitions occurring between 2023 and 2032.
- Provided review, feedback, and guidance through working groups on numerous FRB-led programs, including vault construction projects, authentication sensor development programs, and the deployment of next-generation cash processing equipment.
- Evaluated the effectiveness of multiple organizations having audit, oversight, or review roles for FRB cash operations and, in partnership with the general auditors, made adjustments to what organization would cover what topics with the expectation of improving the utility of audit and/or review activities.
- Continued adversary analysis and security features development needed for new notes planned to be released between 2028 and 2032.
- Submitted the 2024 schedule to the BEP, which is expected to increase production efficiency and resilience.
- Worked with the U.S. Treasury, BEP, and USSS to develop consensus on product development improvements for the BEP to undertake during 2024 to 2028.

¹²² See the Federal Reserve's website at <https://www.uscurrency.gov/media/news/professional-cash-handler-webinars-october-2023>.

- Arrived at consensus on the disposition of several cases of highly contaminated cash deposits and draft guidance for handling future cases, together with FRFS FedCash Services and members of the Conference of General Auditors.

3.2.4 Enhance counterfeit-deterrence capabilities through research, innovation, and education.

- Held a number of anti-counterfeit engagements in partnership with the USSS, international law enforcement, and banking and retail stakeholders to expand the international community participating in anti-counterfeit efforts to protect U.S. currency.
- Consulted with colleagues at other central banks on currency design and distribution challenges they have faced similar to potential challenges for the United States and incorporated analysis from those discussions into future plans for U.S. currency.
- Conducted, together with the USSS, anti-counterfeit training with stakeholders of interest and in regions of interest in support of international distribution of U.S. dollars.
- Conducted a series of engagements with central banks' law enforcement and industry stakeholders in support of current anti-counterfeit and currency distribution.
- Continued activity to improve the counterfeit deterrence of security features in support of new Catalyst family of currency, with planned releases of the new design in 2026 (\$10), 2028 (\$50), and 2030 (\$20).
- Initiated architecture and design efforts for the Currency Data Analytics Platform, to account for Federal Reserve notes and their collateral securing.

Objective 3.3: Continue evolving Reserve Bank oversight approach.

Projects and Initiatives

3.3.1 Enhance capabilities to assess Reserve Bank risk-management activities, including information sharing and accountability for stewardship of resources.

- Approved the first Authorized Position Threshold to provide transparency, resource planning, and strategic prioritization, as part of the 2024 Reserve Bank budget approval.
- Participated in the newly created Advisory Group on Financial Management's workstreams focused on position management, capital budgets, and standardized reporting across Reserve Banks.
- Maximized opportunities for Board and System leaders to gain insight from Reserve Bank directors' unique expertise on topics such as budget and risk management and to increase Reserve Bank directors' understanding of their roles in supporting the Federal Reserve's mission, both on their respective boards and as ambassadors for the System in their communities.
- Established an Enterprise Resource Planning Executive Steering Group comprising functional executive sponsors, FRB First Vice Presidents, and Board representatives.

- Announced pricing for payment services the FRBs provide to banks and credit unions, such as the clearing of checks, ACH transactions, instant payments, and wholesale payment settlement services, effective January 2, 2024.¹²³

Objective 3.4: Advance diversity in System leadership.

Projects and Initiatives

3.4.1 Support System initiatives related to expanding and diversifying candidate pools for System leadership positions.

- Relaunched the Conference of First Vice Presidents Executive Exchange Program after a two-year hiatus due to the COVID-19 pandemic.¹²⁴
- Appointed or re-appointed approximately 55 directors, including the designation of Reserve Bank board Chairs and Deputy Chairs, to serve in 2024, ensuring that the System continues to benefit from leadership with a wide variety of diverse perspectives.

Objective 3.5: Broaden capabilities to effectively and efficiently execute oversight responsibilities for payment systems and Reserve Banks through investment in people, technology, and data.

Projects and Initiatives

3.5.1 Strengthen hiring, development, alignment, and retention of diverse talent in support of long-term workforce development and growth.

- Conducted a holistic review of oversight activities and strategies to further align how oversight responsibilities are carried out and to evolve oversight approaches to effectively address complex issues and risks at Reserve Banks.
- Built a more robust oversight program by increasing awareness of interdependencies and common areas of interest, which strengthened the oversight processes and supported staff development.

¹²³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231117a.htm>.

¹²⁴ The goal of the Executive Exchange Program is to expand and increase the readiness of a diverse pipeline of senior leaders across the System by providing opportunities to work on unique projects, gain broader insight to both System and Bank functions, and build cross-System networks while developing strong leaders, readying them for new roles both locally and across the System.

3.5.2 Provide oversight of Reserve Bank implementations of enterprise-wide systems and continue to develop agile oversight approaches, including leveraging data analytics.

- Initiated planning for the Federal Reserve Banks 2024 budget objective to encourage focus on the collective use of resources in order to prioritize large, multiyear investment projects alongside individual FRB initiatives.
- Refined architecture and design of the Currency Data Analytics Platform, to continue essential functionality of accounting for Federal Reserve notes and the collateral securing those notes.
- Released annual audited financial statements and announced the FRBs' income and expense data, including the transfer to the U.S. Treasury for 2022.¹²⁵

¹²⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230324a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/other20230113a.htm>. The Federal Reserve Banks transferred \$76.0 billion from weekly earnings to the U.S. Treasury (compared with \$109 billion in 2021) and suspended weekly remittances to the U.S. Treasury (began accumulating a deferred asset), which totaled \$16.6 billion by the end of 2022.

Public Engagement and Community Development

Goal 4: Promote broader, ongoing engagement with external individuals and groups and improved understanding of the Board's mission through outreach and public engagement.

Objective 4.1: Develop strategies to identify and engage audiences with a balanced and broad range of diverse perspectives.

Projects and Initiatives

4.1.1 Increase outreach and engagement on the Federal Reserve's mission and responsibilities, including interaction with the public and through the use of plain language.

- Issued the quarterly economic education newsletter in partnership among the Board, FRBs, and U.S. Currency Education to better inform the public of economic education events, activities, and resources.¹²⁶
- Launched Federal Reserve Board's Instagram and Threads accounts with the aim of increasing the accessibility and availability of Board news and educational content.¹²⁷

4.1.2 Engage with community and consumer groups, financial institutions, and policy and research organizations to ensure inclusion of balanced, diverse, and differing perspectives on community needs and consumer risks, particularly for LMI households and communities.

- Hosted the Consumer Compliance Outlook webinar on fair lending with speakers from eight federal agencies. Topics included algorithmic bias, redlining, appraisal discrimination, indirect automobile lending, disability discrimination, and other supervision- and/or enforcement-related updates from the agencies.¹²⁸
- Held a Connecting Communities webinar to discuss findings from the 2022 SHED survey, which presents data around various aspects of people's financial lives.¹²⁹

¹²⁶ To subscribe to the quarterly economic education newsletter, see the Federal Reserve's website at <https://www.federalreserve.gov/subscribe.htm>.

¹²⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20231002a.htm>.

¹²⁸ See the Consumer Compliance Outlook website at <https://www.consumercomplianceoutlook.org/Outlook-Live/2023/Fair-Lending-Interagency-webinar/>.

¹²⁹ See the FedCommunities website at <https://fedcommunities.org/connecting-communities/> and the SHED data at https://www.federalreserve.gov/consumerscommunities/shed_data.htm.

- Hosted, together with the FRBs of Dallas and Kansas City, the 2023 Minorities in Banking Forum, where Governor Lisa D. Cook gave closing remarks.¹³⁰
- Held the fifth annual Consumer Risk Workshop: Navigating Consumer Finances in Uncertain Times, where participants discussed the latest consumer issues, credit behaviors, and trends in the supply and demand for various consumer financial products and services.
- Vice Chair for Supervision Barr participated in roundtable conversations on banking services with the Blackfeet Tribal Business Council and Confederated Salish and Kootenai Tribal Council.
- Facilitated communications between Board leaders and stakeholders on topics of current interest through meetings with the Board's advisory councils and banking, community, and policy groups, such as the National Association for Business Economics, Leading Builders of America, National Diversity Coalition, Greenlining Institute, Treasury Borrowing Advisory Committee, American Bankers Association's Economic Advisory Committee, Jubilee USA, Certified Business Economists, and the Semiconductor Industry Association.

Objective 4.2: Expand communication and outreach efforts to increase transparency and understanding of the Federal Reserve's mission and activities and better inform decisions.

Projects and Initiatives

4.2.1 Facilitate communications with the public, the media, and Congress to ensure timely and accurate dissemination of information through direct engagement and indirectly to all audiences through official Board communications platforms.

- Published the Board's *Strategic Plan 2024–27*, *2023 Annual Performance Plan*, and *2022 Annual Performance Report*.¹³¹
- Published the *109th Annual Report of the Board of Governors of the Federal Reserve System*.¹³²
- Published several reports to Congress, including the *Cybersecurity and Financial System Resilience Report* and the *Office of Minority and Women Inclusion Annual Report 2022*.¹³³
- Coordinated and prepared for meetings and calls between the Board members and members of Congress, and between congressional staff and Board staff on topics of interest to congressional offices.
- Facilitated response to media inquiries regarding a variety of topics.

¹³⁰ See the Federal Reserve Bank of Kansas City's website at <https://www.kansascityfed.org/events/minorities-in-banking-forum/> and Governor Cook's closing remarks at <https://www.federalreserve.gov/newsevents/speech/cook20230928a.htm>.

¹³¹ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/2024-2027-gpra-strategic-plan.pdf>; <https://www.federalreserve.gov/publications/files/2023-gpra-performance-plan.pdf>; and <https://www.federalreserve.gov/publications/files/gpra-performance-report-2022.pdf>.

¹³² See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/2022-annual-report.pdf>.

¹³³ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/cybersecurity-report-202308.pdf> and <https://www.federalreserve.gov/publications/files/omwi-report-20230331.pdf>.

Type of media	Announcements	Followers
Federal Reserve Board Facebook account	728	43,000
Federal Reserve Board LinkedIn network	801	144,405
Federal Reserve Board X (Twitter) account	1,240	1,145,159
Fed Careers X (Twitter) account*	547	10,400
Press releases on the Board's website	135	n/a
Letters from public [physical/paper]	110	n/a
Emails from public	14,466	n/a
Public Freedom of Information Act (FOIA) requests	756	n/a
Case work inquiries received from members of Congress	37	n/a
Questions-for-the record (QFRs) received from congressional oversight committees	242	n/a
Responses to QFRs from congressional oversight committees†	313	n/a
Letters received from members of Congress	48	n/a
Responses to letters submitted to members of Congress‡	433	n/a
Comments from members of the public related to proposals on the Board's website	>820	n/a

* The Fed Careers Twitter account ceased posting in August 2023 to focus recruiting efforts on LinkedIn and Instagram (as of October 2023) after research on usage trends and return on resources.
† Includes responses pending from 2022 QFRs.
‡ Includes responses pending from 2022 and takes into account multiple signatories.
n/a Not applicable.

- [Table 1](#) captures the communication with the public during 2023.
- Published FOMC statements, the Chair Powell's opening statements, videos and transcripts of the press conferences, and related minutes from the 2023 FOMC meetings, which include discussion of economic and financial developments, views of policymakers, and monetary policy decisions.¹³⁴
- Responded to numerous congressional and media inquiries on a wide range of topics, including inquiries related to the Federal Reserve's mission, operational activities and responsibilities, and trending topics related to the economy, among many others.
- Held Board meetings open to in-person and virtual public attendance regarding major regulatory actions.¹³⁵
- Posted 436 documents to the Board's website, including 135 press releases, 95 speeches, and 10 testimonies.¹³⁶

¹³⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>.

¹³⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20230727open.htm>; <https://www.federalreserve.gov/aboutthefed/boardmeetings/20231024open.htm>; and <https://www.federalreserve.gov/aboutthefed/boardmeetings/20231025open.htm>.

¹³⁶ See the Federal Reserve's website at www.federalreserve.gov.

- Posted 48 new videos to the Board's YouTube channel, which has over 257,000 subscribers as of the fourth quarter of 2023.¹³⁷
- Posted 61 regulatory and policy proposals, including those related to proposed regulatory capital rules and long-term debt requirements for certain financial institutions, and over 585 comments from members of the public in an accessible format onto the Board's website.

4.2.2 Broaden awareness of consumer protection and community development issues by maximizing opportunities to share diverse perspectives among stakeholders and increase understanding of a wide range of community issues.

- Announced four new members of the Community Advisory Council, which is composed of a diverse group of experts and representatives of consumer, workforce, and community development organizations and interests.¹³⁸
- Announced the appointment of seven members, including four new members, to the Board's Insurance Policy Advisory Committee.¹³⁹
- Announced the 2023 members of the Community Depository Institutions Advisory Council, which advises the Board on the economy, lending conditions, and other issues of interest to community depository institutions.¹⁴⁰

4.2.3 Enhance public access to information through effective records management practices and in compliance with the Freedom of Information Act.

- Promoted the economical and efficient management of Board records in accordance with mandate 44 U.S.C. 3102.
 - Uploaded over 850,000 documents into the Federal Reserve Integrated Records Management Architecture (FIRMA), including over 124,000 related to the recent banking stresses and over 13,000 documents pertaining to the establishment and oversight of 13(3) lending facilities.¹⁴¹
 - Digitized approximately 3,294,050 paper documents, microfiche, and microfilm to facilitate access to the information for Freedom of Information Act and other reference requests.
 - Decommissioned over 3,000 Board and FRB legacy websites, systems, and records.

¹³⁷ See the Board's YouTube channel at <https://www.youtube.com/user/FedReserveBoard>.

¹³⁸ Community Advisory Council members provide information, advice, and recommendations to the Board on relevant policy matters and emerging issues of interest. See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230224a.htm>.

¹³⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20231215b.htm>.

¹⁴⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20230309a.htm>.

¹⁴¹ The FIRMA holds about 6 million documents.

Objective 4.3: Continue adapting and improving information management processes and communication vehicles.

Projects and Initiatives

4.3.1 Assess future needs for the Board’s website, social media, other internal content delivery platforms to expand and improve the content strategy and usability to better inform the public.

- Updated the researcher profile pages on the Board’s website; additions include the economists’ profile pages that were previously publicly available, plus newly added profiles of staff who publish research.
- Engaged a social media monitoring tool to enhance and automate monitoring for Federal Reserve-related impersonation accounts and misinformation and to provide enhanced real-time searches for social media trends.
- Onboarded automated workflow and approvals for publishing the following statistical releases to the Board’s website:
 - H.6 Money Stock Measures
 - H.8 Assets and Liabilities of Commercial Banks in the United States
 - G.17 Industrial Production and Capacity Utilization
 - G.19 Consumer Credit
 - G.20 Finance Companies
- Applied official Board branding, design, and usability standards for official Board and System publications to improve engagement with the public.
- Transitioned the Federal Reserve Regulatory Service to online-only delivery on June 1, 2023.¹⁴²

Objective 4.4: Promote understanding of community development and consumer risks.

Projects and Initiatives

4.4.1 Collect data, conduct analysis, and disseminate information on consumer financial protection and the financial conditions and experiences of households, communities, and businesses—including those traditionally underserved, economically vulnerable, or experiencing demographic inequities.

- Held an Open Board Meeting on the CRA, in concert with issuing the joint agency final rule with the FDIC and OCC, to strengthen and modernize CRA regulations.¹⁴³

¹⁴² See the Federal Reserve Regulatory Service’s website at <https://www.frrsdigital.com/>.

¹⁴³ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20231024open.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024a.htm>.

- Vice Chair for Supervision Barr, together with Chairman of the FDIC’s board of directors Martin Gruenberg and Acting Comptroller of the Currency Michael Hsu, joined National Community Reinvestment Coalition’s (NCRC) President and CEO Jesse Van Tol at an NCRC event to discuss the new CRA rule and what the new rule will mean for small businesses and underserved communities.¹⁴⁴
- Vice Chair for Supervision Barr hosted “A Conversation about CRA in the 21st Century” and also spoke on a panel at the 2023 Annual Policy & Practice Conference on the final CRA rule.¹⁴⁵
- Issued the 10th edition of the *Economic Well-Being of U.S. Households* report that covered 2022 survey results; the survey examines the financial lives of U.S. adults and their families.¹⁴⁶
 - Shared findings on issues ranging from inflation to retirement savings and barriers to homeownership in a Connecting Communities webinar.
- Published results of the 2022 *Survey of Consumer Finances*, a triennial cross-sectional survey of U.S. families.¹⁴⁷
- Published articles on the FedCommunities website that explore the Federal Reserve’s work on issues relating to challenges experienced by LMI communities and other underserved areas, including:¹⁴⁸
 - “Can Small-Dollar Credit Help Some Consumers Stay Afloat,” which explored the SHED finding that more than one-third of adults would not be able to cover a \$400 emergency with cash, savings, or a credit card paid off at the next statement.¹⁴⁹
 - “Who’s at Risk at Work? How the Pandemic Exposed Job Hazards,” which explored workplace safety and the way society values necessary, potentially hazardous work.¹⁵⁰
 - “What Is Driving the Continued Women’s Labor Force Shortage,” which referenced SHED data on the effect of family obligations and childcare have on women’s labor force participation.¹⁵¹
- Published two issues of *Consumer & Community Context*, in July and November.¹⁵²

¹⁴⁴ See the National Community Reinvestment Coalition’s website at <https://ncrc.org/event/the-new-community-reinvestment-act-rule-whats-in-it-amp-what-will-it-mean/>.

¹⁴⁵ See the video replay at <https://www.youtube.com/watch?v=hC1ngjtwh2w> and the National Association of Affordable Housing Lenders website at <https://naahl.org/calendar-event/2023-policy-practice-conference/>.

¹⁴⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/2022-report-economic-well-being-us-households-202305.pdf>.

¹⁴⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/econres/scfindex.htm>.

¹⁴⁸ See the FedCommunities website at <https://fedcommunities.org/>.

¹⁴⁹ See the article on the FedCommunities website at <https://fedcommunities.org/can-small-dollar-credit-help-some-consumers-stay-afloat/> and information on the Board’s Survey of Household Economics and Decisionmaking at <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

¹⁵⁰ See the article on the FedCommunities website at <https://fedcommunities.org/risk-work-how-pandemic-exposed-job-hazards/>.

¹⁵¹ See the article on the FedCommunities website at <https://fedcommunities.org/what-driving-continued-womens-labor-force-shortage/>.

¹⁵² See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

- “Meeting Small-Dollar Consumer Credit Needs: Old and New Choices” exploring the use of small-dollar credit offered by banks and nonbanks, and whether and how these products may be serving consumers’ needs.
- “Nuts and Bolts of the Auto Finance Market” reviewed the role of dealers, the different types of providers of financing, and the products available to auto buyers.

Mission Enablement

Goal 5: Optimize operations and capabilities through efficient, effective, and sustainable stewardship and governance of resources.

Objective 5.1: Attract, develop, and retain diverse talent with varied experiences and perspectives to ensure the Board is able to meet workforce needs in a rapidly changing environment.

Projects and Initiatives

5.1.1 Foster employee engagement and an inclusive culture, including through the development of strategic initiatives based on human capital industry best practices.

- Delivered diversity, equity, and inclusivity-related learning on several topics, including allyship, civil treatment, inclusive leadership, and respect.
- Promoted the Board's cultural events celebrating designated diversity awareness calendar dates and heritage months, including:
 - hosting fireside chats with Board members and panel discussions with Board senior leaders and female presidents of FRBs; and
 - organizing Unity Month, a series of events focused on ensuring an environment that fosters diversity, equity, inclusion, and accessibility, created by the Employee Resource Groups to highlight commonalities and connections across the organization.
- Issued the internal newsletter, *DEI Matters*, in July and December, focused on diversity, equity, empathy, and belonging in the workplace.
- Announced an internal strategic review of the organization's engagement survey approach to assess and recalibrate the methodology and timing of the exercise, in alignment with current and future needs.

5.1.2 Strategically source highly qualified, diverse talent using market information, data analytics, targeted outreach, and leading recruiting practices.

- Conducted campus recruiting and informational sessions with attendees representing 856 colleges and universities and an overall audience of 10,085 registrants; of the schools represented, 45 were HBCUs and 159 were HSIs.
- Participated in 42 individual on-campus and virtual events, including with 8 HBCUs and 14 HSIs.

- Conducted two fall internship-only webinars focused on Board internship opportunities while providing transparency into the application process and timeline.
- Hosted 80 summer interns and 6 summer law clerks.
- Onboarded 17 graduate dissertation fellows and 21 year-round interns.
- Received Handshake's 2023 Early Talent Award, which celebrates the best employers for Generation Z careers, for the organization's outreach effort toward hybrid campus engagement and the variety of year-round events, including sessions designed to engage freshmen and sophomores.¹⁵³
- Coordinated several training sessions on "Effectively Hiring Top Talent Without Bias" for new managers.
- Hosted an in-person Industry Day, the first in five years, to engage diverse suppliers interested in upcoming Board solicitation to support strategic projects involving technical consulting services, data center support, and temporary staffing services.

5.1.3 Implement an education strategy to ensure maximum understanding and use of human resource services for the Board's workforce.

- Held on-site new employee orientations for the first time since March 2020, the beginning of the COVID-19 pandemic.
- Implemented an education campaign to ensure staff have a better awareness of benefits and services.

5.1.4 Provide targeted learning and development opportunities to cultivate current and future leaders to ensure readiness for leadership roles.

- Hosted monthly, internal virtual "Living Leadership" sessions to support leaders across the organization on a range of topics, such as giving effective feedback and running efficient meetings in a hybrid work environment.
- Held discussions with division officers to share succession planning framework insights.
- Hosted four sessions to support officer development.

5.1.5 Conduct comprehensive workforce planning reviews throughout the organization to assess current human capital and to guide future workforce requirements.

- Furthered workforce planning workstreams, including analyzing data, developing communications and FAQs, and finalizing milestones for planning reviews.
- Conducted an evaluation and realignment of IT professional roles, including refreshed job descriptions and job titles.

¹⁵³ The Board was 1 of 180 total recipients out of 750,000 eligible organizations and 1 of 9 government agency winners out of 16,000 eligible.

Objective 5.2: Optimize the Board’s workspace strategy and use of resources by leveraging opportunities to increase collaboration, efficiency, and productivity.

Projects and Initiatives

5.2.1 Manage and continue the implementation of a long-term space strategy to ensure appropriate stewardship of resources.

- Progressed major construction activities as part of the Eccles and 1951 buildings renovation project, including site excavation and bracing, slurry wall construction, and micropile and foundation bracing.
- Progressed construction efforts on the Martin Building’s related renovations to the grounds, including provisioning the contract for completion and installing a temporary, protective perimeter site barrier.

Objective 5.3: Enhance organizational efficiencies and capabilities to provide automation solutions that respond to stakeholder needs.

Projects and Initiatives

5.3.1 Further the adoption of cloud services and innovative technologies such as artificial intelligence (AI) and machine learning (ML) to advance business capabilities.

- Increased the expansion and maturation of the Board’s cloud-based workflow automation platform.
- Established a Cloud Taskforce and a Cloud Center of Excellence to build on cloud migration progress, build governance for cloud adoption across the Board, and remediate overlap between existing governance groups’ activities.¹⁵⁴
 - Explored Cloud Financial Operations processes and tools for budgeting, planning, and managing cloud expenditures.
 - Created cross-divisional technical and advisory panels to assist in the proposal review process.
- Created an enterprise-wide AI Enablement working group to align with the System on generative AI governance and to organize an interagency community with the other federal financial regulatory agencies to share best practices and lessons learned for AI policy, governance, and management for use of AI.
- Continued efforts on the Board Statistics Portfolio Modernization initiative to streamline the IT Statistics business processes by automating processes and replacing existing legacy systems with cloud-ready capabilities.

¹⁵⁴ The Cloud Taskforce centrally manages planning and execution of the Board’s cloud migration effort. The Cloud Center of Excellence provides technical and architectural expertise for uniform Cloud adoption throughout the organization.

5.3.2 Create a modern digital workspace that makes it easier to securely create, find, share, and preserve information, and enables staff to work from any location or Board device with a consistent user experience.

- Commenced telecommunications system and equipment upgrades to allow communication among existing and new collaboration platforms.
- Finalized membership, charters, and high-priority objectives of the Technology Oversight Committee and established six working sub-committees under the auspices of the Chief Operating Officer to accelerate the pace of technology transformation at the Board. The committee identified strategic focus areas for enterprise technology management and supported the development of the Board's technology budget.
- Completed major milestones in the modernization of key systems that effectively facilitate and capture Board member decisionmaking.
 - Integrated critical business processes to expand functionality for senior Board officials acting under delegated authority, including secure mobile capabilities that provide flexibility and records management functions that enable transparency and records retrieval for the public.
 - Integrated several enterprise-level applications ensuring seamless data transfer and functionality.
 - Enhanced existing modules with improved workflow automation and efficiencies for Board members in their decisionmaking process, with a consistent user experience across Board devices.

5.3.3 Enhance cybersecurity and privacy programs for cloud services, cyber-risk management governance; identity, credential and access management; and continuous monitoring to meet federal cybersecurity mandates related to Zero Trust Architecture (ZTA), Multifactor Authentication, Encryption, and supply chain risk management.

- Partnered with Cybersecurity & Infrastructure Security Agency on continuing to implement Continuous Diagnostics and Mitigation capabilities at the Board.
- Collaborated with internal technology and business partners to refine the Board's ZTA strategy and roadmap, including evaluating vendor solutions that support the functional requirements of a risk-based ZTA.
- Expanded use of Login.gov to support multifactor authentication for external-facing systems.
- Implemented a new governance, risk, and compliance tool to better manage Board cyber-risk and compliance activities.
- Enhanced the supply chain risk-management program based on emerging federal mandates and guidance.
- Onboarded new privacy program resources to enhance and grow the program.

5.3.4 Establish the consistent use of an agile-based system delivery model on behalf of the enterprise by updating and/or clarifying roles, responsibilities, and business processes for business and IT stakeholders.

- Further developed the framework for Agile adoption through the Board's Lean-Agile Center of Excellence and Executive Value Management Office to ensure the consistent use of an Agile-based system delivery model.
 - Formalized Agile coaching standards to ensure consistent service and initiated opportunities for coaches to provide support on short-term engagements.
 - Held 37 101-level Agile trainings classes to support consistent adoption of Agile practices.
 - Launched two internal pilot communities of practice for supporting Agile roles.

5.3.5 Ensure continuity of operations for essential mission and business functions during disaster-recovery events.

- Initiated development of a new Board Relocation Site.
- Completed the installation of structured cabling for the Alternate Data Center.
- Conducted Continuity of Operations Plan Orientation Training and developed a related training program.
- Facilitated reconstitution workshops and participated in the Federal Emergency Management Agency's Reconstitution Summit.
- Completed the design of the Reconstitution After Action Review workshops and commenced the facilitation of those workshops with members of the Reconstitution Support Team.
- Completed risk analysis and finalized the risk assessment report for essential functions.
- Planned, coordinated, and executed over 26 functional devolution exercises for 21 Board functions.

5.3.6 Continue to oversee and guide the implementation of the transformational technology solutions, modernizing the human capital and financial management, and procurement platforms and other administrative functions resulting in an improved employee experience, adoption of industry-leading best practices, empowerment of users, and support of an enhanced culture of collaboration.

- Implemented new platforms for the human capital, financial management, and procurement functions, which support critical administrative functions while providing timely analytics and reporting.
- Finalized a contract with a trusted advisor to develop a digital workspace roadmap as part of the Digital Workspace Enhancements project.

5.3.7 Develop an electronic database to store ethics disclosures, which will create efficiency by reducing reliance on paper records.

- Implemented the Board Ethics Portal, which electronically maintains documents and records, such as the Financial Interest Statement and Bank Stock Waiver forms.

Objective 5.4: Accelerate the ability to obtain, integrate, analyze, and share data and information throughout the organization.

Projects and Initiatives

5.4.1 Implement a data strategy to support timely decisionmaking and the availability of robust data and related systems by improving responsiveness to stakeholders and enhancing capabilities in discovery, access, and use of data.

- Achieved project milestones and planned future work related to new Data Download Program (DDP).¹⁵⁵
 - Completed the DDP project roadmap with annual goals and milestones through 2025 and aligned project goals with remaining project budget.
 - Completed 508 compliance sessions with the Federal Reserve Economic Data (FRED) team, administered by the FRB St Louis.
 - Onboarded the Senior Credit Officer Opinion Survey data, together with FRB St. Louis's FRED tool, and publicly announced its availability in FRED's online database; all DDP releases are accessible through FRED.
- Achieved milestones and progressed workstreams under the Integrated Research & Analytics Platform to establish a cloud-based data and analytical hub, including development of a web portal and data infrastructure.
- Achieved several milestones under the Metadata Action Plan, including the establishment of Federal Reserve System oversight bodies and standards for the System Data Catalog, enrollment of over 30 staff members in 25 data catalog platform and tool courses, and the development of use cases for the System Data Catalog.

5.4.2 Establish and enhance the data-management life cycle to meet business needs and comply with legal and regulatory requirements.

- Established a Boardwide data governance program:
 - Defined the Board's data lifecycle.
 - Issued a foundational Board data governance policy on roles and responsibilities.

¹⁵⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/datadownload/>. The new DDP program is a multi-year modernization effort to improve how the Board provides data to the public.

- Created and launched an internal Data Governance Awareness video and data governance training.
- Furthered development of an interagency rule under the requirement of the Financial Data Transparency Act by identifying potential data standards for entity identifiers, financial instruments, transaction, product, and geolocation that can be used by financial regulators.
- Submitted the 2023 *Chief Data Officer Annual Report* to Congress.
- Completed recommendations for mid-term actions related to contingency planning and data alternatives, data vendor risk and incident management, and data vendor incident communications.
- Published the *Information Resources Management (IRM) Strategic Plan 2023*, which describes how the Board develops long-term investment strategies and how those strategies tie to annual operations planning, budgeting, and reporting activities.¹⁵⁶
- Published inaugural public data inventory on Data.gov in compliance with the OGDA.¹⁵⁷

5.4.3 Increase efficiency and capabilities by researching and adopting innovative data and analytics approaches and collaborating with other federal agencies and the Reserve Banks.

- Hosted the 8th Annual Board Data Showcase event where Federal Reserve System employees shared unique and creative ways to analyze and display data.
- Completed an enterprise-wide assessment of data visualization practices and finalized the related report that included guidance and recommendations to improve efficiency and quality of data visualizations.
- Presented and obtained approval from the Board Data Council on the following recommendations from the Unstructured Data Workgroup:
 - Put user-generated, cleaned datasets into production, which allows teams to minimize redundant effort.
 - Implement version control to help manage complicated codebases and channels for sharing and collaborating on codebases smoothly, both across the Board and System.
 - Provide special technical attention for unique challenges associated with loading, using, and maintaining large models in the Board's environment.
- Progressed data contingency planning and data provider risk and incident management, including identifying data alternatives, procedures for data incident management, and protocol for communications.

¹⁵⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/information-resources-management-strategic-plan.htm>. The *IRM Strategic Plan* contains the Open Data Plan, which describes the Board's plan and accomplishments in accordance with the Open, Public, Electronic, and Necessary (OPEN) Government Data Act (OGDA).

¹⁵⁷ The catalog includes information of data assets that are currently available to the public on the Board's website and the Board's information collections subject to the Paper Reduction Act.

Appendix: 2020–23 Summary

Every four years, to mark the end of a strategic planning cycle, the Board's *Annual Performance Report* includes an additional section which summarizes the organization's most notable accomplishments over the performance period. Twenty-twenty three is such a year, marking the end of the *Strategic Plan 2020–23*.¹⁵⁸ Although not comprehensive, below is the 2020 to 2023 summary. The *Annual Performance Report* for each year contains more extensive and detailed information, and all are available on the Board's website.¹⁵⁹

Overview of 2020–23 Accomplishments

During the 2020–23 performance period, the Board focused on promoting a strong economy for the American people by fostering the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems. Organizational efforts concentrated on supporting continued economic growth, low unemployment, price stability, and a sound and resilient financial system. During this time, the Board also acknowledged persistent challenges related to a broad array of factors, including the need to address risks in the financial markets, banking industry, and financial products and services, as well as complex supervisory and regulatory issues and continued innovations in data and technology.

Although the Board's *Strategic Plan 2020–23* articulated the planned goals and objectives for the performance period, the four-year period was highly dynamic. While the organization executed on its *Strategic Plan 2020–23* objectives in support of its mission-critical work, it also pivoted quickly in response to major challenges affecting the U.S. and global economies, including the global COVID-19 pandemic, a high inflation environment, and stress in the banking industry. The following is an overview of the Board's most notable accomplishments in each functional area during the four-year performance period; specific details are available by year in the Board's *Annual Performance Report* and in the Board's mandated *Annual Report*.¹⁶⁰

¹⁵⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/2020-2023-gpra-strategic-plan.pdf>.

¹⁵⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/gpra.htm>.

¹⁶⁰ The Board's performance reports are available at <https://www.federalreserve.gov/publications/gpra.htm>; the Board's annual reports are available at <https://www.federalreserve.gov/publications/annual-report.htm>.

Goal 1: Monetary Policy and Financial Stability

Facilitate efforts that support the congressional mandate for maximum employment and price stability through monetary policy.

- The global COVID-19 pandemic in early 2020 triggered a severe financial disruption, economic contraction, and rise in unemployment. In response, the FOMC swiftly reduced the target range for the federal funds rate to zero to 25 basis points and initiated large-scale asset purchases to restore smooth functioning of key financial markets and to support the economic recovery. In addition, the Board, with the approval of the Secretary of the U.S. Treasury, launched a series of emergency lending facilities to support the flow of credit to U.S. households and businesses.¹⁶¹
- In the wake of the pandemic, shifts in supply and demand led to a surge in inflation around the world. To restore price stability, the FOMC tightened the stance of monetary policy at a historically rapid pace. These actions included raising the target range for the federal funds rate to 5-1/4 to 5-1/2 percent and reducing the Federal Reserve's securities holdings at a brisk pace.
- The Federal Reserve pursued evolving its policy process and decisionmaking, embarking on its first formal public review of its monetary policy, strategy, tools, and communication practices. The review was motivated by changes in the U.S. economy that affect monetary policy, including the global decline in the general level of interest rates. At the conclusion of the review, the FOMC unanimously approved an update to its *Statement on Longer-Run Goals and Monetary Policy Strategy* and made available to the public the wide range of materials that informed the review.¹⁶² The FOMC also agreed to conduct subsequent reviews roughly every five years.
- The Board published comprehensive reports on economic and financial conditions semiannually, such as the *Monetary Policy Report* and the *Financial Stability Report* to provide the public with information on key economic developments and the Federal Reserve's monetary policy views.¹⁶³
- The Board published FOMC statements and meeting minutes, as well as held the Chair Powell's press conferences.¹⁶⁴
- The Federal Reserve established two standing repurchase agreement (repo) facilities—a domestic standing repo facility (SRF) and a repo facility for foreign and international monetary authorities (FIMA repo facility). These facilities serve as backstops in money markets to support the effective implementation of monetary policy and smooth market functioning.¹⁶⁵

¹⁶¹ See the Federal Reserve's website at <https://www.federalreserve.gov/funding-credit-liquidity-and-loan-facilities.htm>.

¹⁶² See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/review-of-monetary-policy-strategy-tools-and-communications-statement-on-longer-run-goals-monetary-policy-strategy.htm>.

¹⁶³ See the *Monetary Policy Report* at https://www.federalreserve.gov/monetarypolicy/mpr_default.htm; the *Financial Stability Report* at <https://www.federalreserve.gov/publications/financial-stability-report.htm>.

¹⁶⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>.

¹⁶⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fima-repo-facility.htm>.

- The Federal Reserve established temporary dollar swap lines with nine central banks during the pandemic, to complement the Federal Reserve’s five standing dollar liquidity swap lines as backstops in money markets.¹⁶⁶ The temporary swap lines expired at the end of 2021.
- The Board engaged with a variety of academic, community, and financial stakeholders to understand the diverse perspectives on issues germane to economic stability, facilitating over 85 engagements to stay abreast of economic developments and emerging risks.
- The Board streamlined and re-launched the report on *Federal Reserve Balance Sheet Developments* to more transparently communicate to the public on actions taken to manage the Federal Reserve’s balance sheet and on its monetary policy decisions.¹⁶⁷
- The organization published 466 papers through the Board’s two working paper series, Finance and Economics Discussion Series (FEDS) and International Finance Discussion Papers (IFDPs); 261 FEDS Notes articles; and the inaugural edition of a public digest aimed at increasing access to research done by the more than 400 economists and other research staff at the Board.¹⁶⁸
- The Federal Reserve assisted the private sector in completing the multiyear transition away from LIBOR (London Interbank Offered Rate), together with the other financial regulatory agencies.¹⁶⁹
- In response to the acute stress in the banking sector in early 2023, the Federal Reserve, with the approval of the Secretary of the U.S. Treasury, established an emergency lending facility, the BTFP, to support American businesses and households by making additional funding available to eligible depository institutions to help assure that banks can meet the needs of all their depositors.¹⁷⁰
- The Federal Reserve established a temporary Foreign and International Monetary Authorities (FIMA) repurchase facility to create a backstop source of temporary dollar liquidity for FIMA account holders; this facility was later made permanent.¹⁷¹

¹⁶⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200319b.htm>.

¹⁶⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/May-2022-Federal-Reserve-Balance-Sheet-Developments.htm>.

¹⁶⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/econres.htm>. To subscribe to the digest, see <https://public.govdelivery.com/accounts/USFRB/subscriber/new>

¹⁶⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20221216a.htm> and <https://www.federalreserve.gov/supervisionreg/libor-transition.htm>.

¹⁷⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/financial-stability/bank-term-funding-program.htm>.

¹⁷¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/fima-repo-facility.htm>.

Goal 2: Supervision

Promote safety, soundness, and stability of financial institutions and consumer protection through supervision and regulation.

- The Board approved a rule to simplify its capital rules for large banks, preserving the strong capital requirements already in place. The “stress capital buffer,” or SCB, integrates the Board’s stress test results with its non-stress capital requirements.¹⁷²
- The Board adopted a final rule to amend the compliance dates related to Single-Counterparty Credit Limits for Bank Holding Companies and Foreign Banking Organizations (final SCCL rule).¹⁷³
- The Federal Reserve, in response to the events related to COVID-19 pandemic, issued a number of statements, guidance, and rules to support financial institutions and the economy.¹⁷⁴
- The Federal Reserve conducted its annual stress tests. The stress tests demonstrated that large banks are well positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession.¹⁷⁵
- The Board announced the results from the review of the supervision and regulation of Silicon Valley Bank, led by Vice Chair for Supervision Barr.¹⁷⁶
 - Published the *Review of the Federal Reserve’s Supervision and Regulation of Silicon Valley Bank and Understanding Federal Reserve Supervision*.¹⁷⁷
- The Board published its semiannual *Supervision and Regulation Report* to provide the public with a transparent summary of banking industry conditions and Federal Reserve supervisory and regulatory activities, in conjunction with semiannual testimony before Congress by the Vice Chair for Supervision Barr.¹⁷⁸
- The Board published the *Cybersecurity and Financial System Resilience Report*, which informed the public on measures undertaken by the Board to strengthen cybersecurity within the financial services sector and the Board’s functions as a regulator, including the supervision and regulation of financial institutions and third-party service providers.¹⁷⁹
- The Board discussed proposed changes to risk-based capital requirements associated with the Basel III endgame standards for large banks during an Open Board Meeting.¹⁸⁰

¹⁷² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200304a.htm>.

¹⁷³ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200501a.htm>.

¹⁷⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisory-regulatory-action-response-covid-19.htm>.

¹⁷⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230209a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230628a.htm>.

¹⁷⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230428a.htm>.

¹⁷⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/review-of-the-federal-reserves-supervision-and-regulation-of-silicon-valley-bank.htm> and <https://www.federalreserve.gov/supervisionreg/understanding-federal-reserve-supervision.htm>.

¹⁷⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

¹⁷⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/cybersecurity-report-202207.pdf>.

¹⁸⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20230727open.htm>.

- The Board, together with the FDIC and OCC, requested comment on the proposed changes, and subsequently extended the comment period.
- The Board remained committed to strengthening and modernizing the regulations implementing the CRA to better achieve the purposes of the law that encourage banks to help meet the credit needs of their entire communities, especially in LMI neighborhoods, in a safe and sound manner, including holding a discussion at an Open Board Meeting.
 - The Board, along with the FDIC and OCC, issued the final rule to strengthen and modernize regulations implementing the CRA in October 2023.¹⁸¹
- The Board, together with the FDIC and OCC, requested comment on a proposed rule to require large banks to maintain long-term debt to improve financial stability and resolution, and subsequently extended the comment period.¹⁸²

Goal 3: Payment System and Reserve Bank Oversight

Foster a safe, efficient, and accessible payment and settlement system through Reserve Bank oversight.

- The Board advanced efforts to modernize the U.S. payment system, working collectively with the Reserve Banks to build the new instant payment interbank settlement service, the FedNow[®] Service.¹⁸³
 - As part of its build, the FedNow Service had 120 organizations volunteer to be part of its pilot program. The pilot program facilitated extensive industry collaboration across many aspects of the build including the International Organization for Standardization (ISO) specifications for the FedNow Service.¹⁸⁴
- The Board published *Money and Payments: The U.S. Dollar in the Age of Digital Transformation*, which served to foster a broad and transparent public dialogue about the potential benefits and risks of a U.S. central bank digital currency, and a follow-up report that summarized the comment submissions received in response to the 22 questions posed in the aforementioned paper.¹⁸⁵
- The Board provided anti-counterfeit training to central banks in jurisdictions of interest, together with the FRB New York, U.S. Department of State, and USSS. Board staff also engaged with law enforcement, banking, and retail stakeholders on ongoing initiatives to protect U.S. currency.

¹⁸¹ See the Federal Reserve's website at <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>.

¹⁸² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231122a.htm>.

¹⁸³ See the Federal Reserve's website at https://www.federalreserve.gov/paymentsystems/fednow_about.htm.

¹⁸⁴ See the website <https://www.frbservices.org/news/press-releases/012521-federal-reserve-announces-fednow-pilot-program-participants> and <https://www.frbservices.org/financial-services/fednow/blog/announcing-iso-20022-specifications-initial-launch-fednow.html>.

¹⁸⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/money-and-payments-20220120.pdf> and <https://www.federalreserve.gov/publications/money-and-payments-summary-of-public-comment.htm>.

- The Board concurred with plans by the BEP and U.S. Army Corps of Engineers for the U.S. Treasury's new Washington, D.C.-area banknote production facility.
 - The Board approved the budget to reimburse the U.S. Treasury for the facility construction and the budget for the equipment to advance the BEP's capabilities for secure banknote production.
- The Board worked closely with counterparts at other central banks to advance adversarial analysis. Board staff incorporated this analysis, in partnership with the BEP and USSS, in the designs for the new (Catalyst) family of banknotes, as well as counterfeit-deterrence capabilities.
- The Board provided program direction and oversight to Reserve Banks on the prioritization of large, multiyear, investment projects and worked with Bank leaders to further improve the management of staff costs through authorized position thresholds within the annual budget process.
- The Board continued to provide oversight on, and help further enhance, Reserve Bank strategic planning and risk-management activities, including program management, capital planning, information technology, and resource management.

Goal 4: Public Engagement and Community Development

Promote broader, ongoing engagement with external individuals and groups and improved understanding of the Board's mission through outreach and public engagement.

- The Federal Reserve hosted Fed Listens events throughout the country to engage with a wide range of stakeholders—employee groups and union members, small business owners, residents of LMI communities, workforce development organizations and community colleges, retirees, and others—and hear about how monetary policy affects peoples' daily lives and livelihoods.¹⁸⁶
 - The Board conducted listening sessions with small business leaders from national small business member organizations, community development financial institutions, mission-based lenders, loan brokers, lending platforms, foundations, nonprofits, and ecosystem builders to better understand the capital and operational challenges in reopening businesses under the COVID-19 pandemic policies.
- The Board published *Fed Listens: Perspectives from the Public*, which summarized the Fed Listens events held by the Board and FRBs since the beginning of 2019, including a meeting in May 2020 to hear specifically about the effects of the COVID-19 pandemic on communities throughout the United States.¹⁸⁷

¹⁸⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/fedlistens.htm>.

¹⁸⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/fed-listens-perspectives-from-the-public.htm>.

- The Board engaged in extensive outreach and communication throughout the COVID-19 pandemic to help both supervised firms and examiners stay informed of the organization’s actions, including developing the *Consumer Resources* and *Community Development and Small Business Resources* webpages to provide information and transparency to the public on the Board’s COVID-19 pandemic response.¹⁸⁸
- More than 300 community development financial institutions participated in the *Ask the Fed* webinar for Small Business Administration-qualified lenders that are not depository institutions.
- The Board published several reports, articles, and guides to either enhance transparency, provide detailed communication and analyses on important topics, or explain how the Federal Reserve operates and factors affecting the banking system. Major publications include:
 - The 11th edition of *The Fed Explained: What the Central Bank Does* (formerly *The Federal Reserve System Purposes & Functions*), the Board’s guide to help inform the public about the Federal Reserve’s mission and functions. The latest edition included content reflecting the effects of the COVID-19 pandemic.¹⁸⁹
 - Annual releases of the *Economic Well-Being of U.S. Households*, which examined the economic well-being and financial lives of U.S. adults and their families through analyses of survey data from 11,000 participants.
 - *Preserving and Promoting Minority Depository Institutions: Annual Report 2021 and 2022*, which discussed Federal Reserve research that evaluates conditions in LMI and describes efforts to support them, including efforts by MDIs and community banks, as well as the steps the Federal Reserve took to support and assist these institutions during the COVID-19 pandemic.¹⁹⁰
 - Four *Office of Minority and Women Inclusion Annual Reports*, which highlighted the Board’s successes and challenges in the following key areas: equal employment of minorities and women, as well as diversity and inclusion at the Board, inclusion of minority-owned and women-owned businesses in the Board’s acquisition process, financial literacy activities aimed at minorities and women, and the assessment of the diversity policies and practices of regulated entities.¹⁹¹

¹⁸⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/consumer-resources-covid-19.htm> and <https://www.federalreserve.gov/community-development-small-business-resources-covid-19.htm>.

¹⁸⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/the-fed-explained.htm>.

¹⁹⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/March-2022-Report-to-the-Congress-on-the-Office-of-Minority-and-Women-Inclusion.htm>; <https://www.federalreserve.gov/publications/files/promoting-minority-depository-institutions-2022.pdf>; and <https://www.federalreserve.gov/publications/files/omwi-report-20230331.pdf>.

¹⁹¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/March-2022-Report-to-the-Congress-on-the-Office-of-Minority-and-Women-Inclusion.htm>.

- The *Diversity, Equity, and Inclusion Strategic Plan 2022–25*, which established standards, procedures, and initiatives to foster fair inclusion of minorities, women, and minority-owned and women-owned businesses in all activities of the Board.¹⁹²
- Three issues of *Community Banking Connections*, the Federal Reserve System’s source for information on guidance, resources, and tools to help community banks across the United States.¹⁹³
- Two editions of the *Consumer & Community Context* article series, covering the themes of changes in retail banking and the pandemic’s early effects on women, that provided analyses about the financial conditions and experiences of consumers, communities, and women, including traditionally underserved and economically vulnerable households and neighborhoods.¹⁹⁴
- The *CRA: Building Blocks for Change*, a series exploring the Federal Reserve’s efforts to reform the regulations implementing the CRA.¹⁹⁵

Goal 5: Mission Enablement

Optimize operations and capabilities through efficient, effective, and sustainable stewardship and governance of resources.

- The Board initially shifted to a maximum telework posture during the COVID-19 pandemic to minimize risk of illness to employees, and beginning in 2022, moved to a hybrid work posture that recognized the benefits of in-person collaboration and the potential for telework to improve work-life balance.
- The Board advanced planned physical infrastructure projects, including:
 - Formally reopening the Martin Building after a comprehensive renovation.¹⁹⁶
 - Completing rehabilitation work on elevators at the New York Avenue Building and receiving final approval from the National Capital Planning Commission for the Eccles and 1951 buildings’ renovation designs.
- The Board implemented new platforms for the human capital, financial management, and procurement functions, which support critical administrative functions while providing timely analytics and reporting.
- The organization developed its cloud strategy in support of creating a modern digital workspace.

¹⁹² See the Federal Reserve’s website at https://www.federalreserve.gov/publications/files/distrategicplan_202211.pdf.

¹⁹³ See the Community Banking Connections website at <https://www.communitybankingconnections.org/archives>.

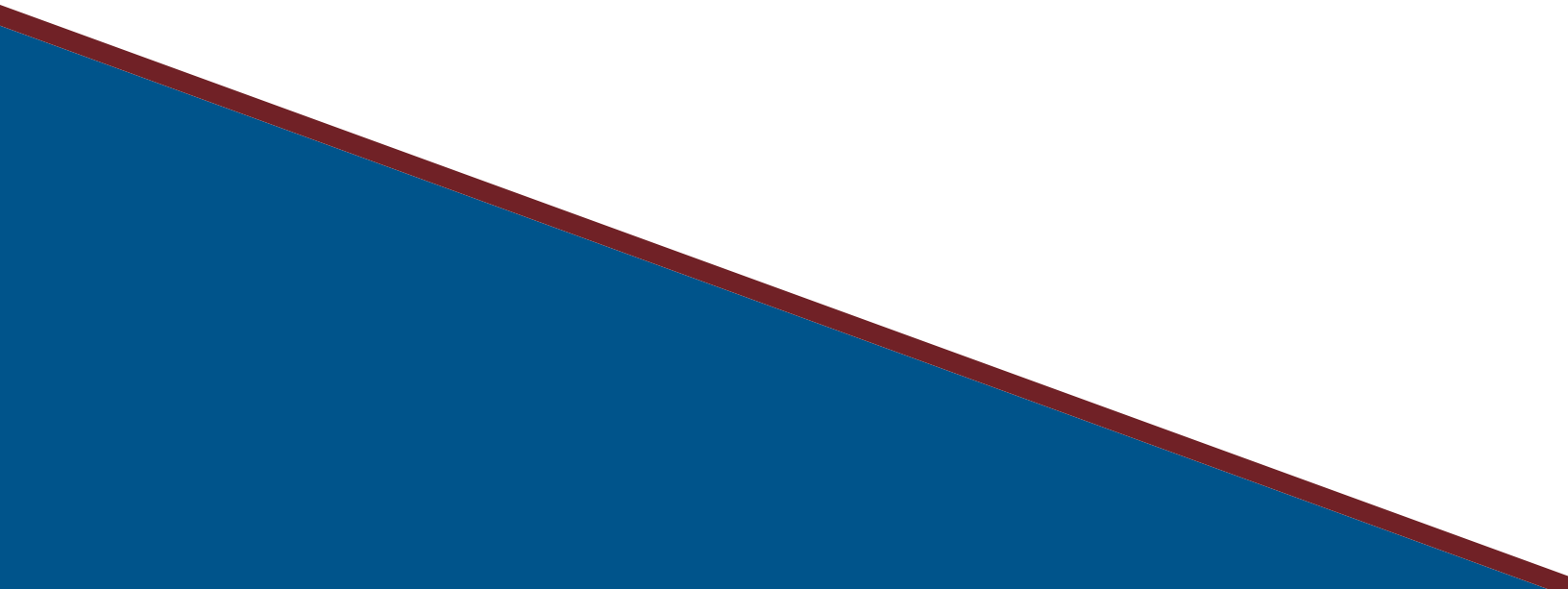
¹⁹⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

¹⁹⁵ See the Fed Communities website <https://fedcommunities.org/cra-building-blocks-for-change/>.

¹⁹⁶ Leadership in Energy and Environmental Design (LEED) standard is a certification program devised in 1994 by the U.S. Green Building Council to encourage sustainable practices design and development by means of tools and criteria for performance measurement.

- The Board continued to mature its cybersecurity; identity, credential, and access management; risk management; and privacy program posture to minimize risk and adhere to the Presidential Executive Order on Improving the Nation’s Cybersecurity.¹⁹⁷
- The organization evolved its technological infrastructure, upgrading the architecture and document ingestion process speed of the FIRMA from 10,000 documents to 40,000 documents daily.
- The Board developed a public-statement repository, which incorporates speeches and testimony, and enriched established taxonomies to support public-statement search capabilities.
- The Board implemented a new e-learning content library to provide employees access to training in an on-demand format.
- The Board established a new paid parental leave benefit.

¹⁹⁷ The Presidential Executive Order on Improving the Nation’s Cybersecurity is available at <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/12/executive-order-on-improving-the-nations-cybersecurity/>.



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