



# Annual Performance Report 2021

June 2022

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM





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June 2022

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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 the Congress and must work within the framework of the overall objectives of economic and financial policy established by its enabling statutes. Over time, the Congress has expanded the System's role in the economy and the financial system, as reflected in its mission:

*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 and to promote optimal economic performance.*

As the governing body of the System, the Board of Governors (Board) 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, including important aspects of the nation's payments system; and plays an important role in promoting consumer protection, fair lending, and community development. The mission and activities of the Board are grounded in its institutional values.

- **Public interest.** In its actions and policies, the Board seeks to promote the public interest. It is accountable to the general public and the 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 mold independent viewpoints into coherent, effective policies.

Additional information on the Board and the System can be found in *The Fed Explained: What the Central Bank Does* (formerly *The Federal Reserve System Purposes & Functions*) document and throughout its public website.<sup>1</sup>

<sup>1</sup> *The Fed Explained: What the Central Bank Does* (formerly *The Federal Reserve System Purposes & Functions*) document is available at <https://www.federalreserve.gov/aboutthefed/files/the-fed-explained.pdf> and additional information is available on the public website at <https://www.federalreserve.gov/>.





# Introduction

The Board's strategic plan identifies and frames the organization's strategic goals and objectives.<sup>2</sup> On December 27, 2019, the Board published its current *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 2021* as well as the Board's response to the COVID-19 pandemic in 2021.<sup>3</sup> However, given the large scope of work performed by the Board, not all activities are identified within this document. Throughout this performance period, senior leadership reassessed priorities, taking into account changing circumstances and environ-

mental factors, and adjusted specific activities and resources to best fulfill the Federal Reserve's congressional mandate to promote maximum employment and price stability, including the stability of the financial system.

The Board issues these reports in the spirit of the Government Performance and Results Act (GPRA) of 1993, which requires federal agencies to prepare a strategic plan covering a multiyear period and submit an annual performance plan and an annual performance report. Although the Board is not covered by the GPRA, the Board voluntarily complies with the spirit of the GPRA and, like other federal agencies, prepares a strategic plan as well as an annual performance plan and an annual performance report.<sup>4</sup>

As required by the Federal Reserve Act, the Board also annually submits to the 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.<sup>5</sup>

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

<sup>3</sup> The *Annual Performance Plan 2021* is available at <https://www.federalreserve.gov/publications/files/2021-gpra-performance-plan.pdf>.

<sup>4</sup> The GPRA reports are available at <https://www.federalreserve.gov/publications/gpra.htm>.

<sup>5</sup> The *Annual Report* is available at <https://www.federalreserve.gov/publications/annual-report>.



# Key 2021 Accomplishments

In 2021, the United States and most countries around the globe experienced lasting challenges stemming from the global COVID-19 pandemic. While not an exhaustive list, the following activities highlight key organizational accomplishments throughout the year.

The Board continued to leverage its complement of tools to support the economy's recovery, while carefully closing the temporary programs established to support the flow of credit and ensure smooth market functioning during the period of constrained economic activity.<sup>6</sup> The Federal Reserve established a Foreign and International Monetary Authorities (FIMA) Repo Facility to serve as a backstop in money markets, supporting the effective implementation of monetary policy and smooth market functioning.<sup>7</sup>

The Federal Reserve's 2021 bank stress tests showed that large banks continue to have strong capital levels and could continue lending to households and businesses in the case of a severe recession.<sup>8</sup> The Board, together with other financial regulatory agencies, further refined its supervisory approach, working to lift the temporary, pandemic-era regulatory modifications and returning focus to enhancing transparency, promoting accountability, and maintaining fairness.

The Federal Reserve continuously seeks ways to improve its policy process and decisionmaking. The Board engaged in extensive outreach and communication throughout the year with a wide range of stakeholders to provide transparency and to stay informed on how the organization's monetary policy actions affect people's daily lives and livelihoods.

<sup>6</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/funding-credit-liquidity-and-loan-facilities.htm>.

<sup>7</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fima-repo-facility.htm>.

<sup>8</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210212a.htm>, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210624a.htm>, and <https://www.federalreserve.gov/publications/files/2021-dfast-results-20210624.pdf>.

The Board held six 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.

Throughout the year, the Board also worked collaboratively with a variety of academic, community, and financial stakeholders to understand the diverse perspectives on issues germane to economic stability. The Board advanced its policy framework, analysis, and research, as well as explored the implications of fast-evolving technology for digital payments, with a particular focus on doing research and seeking broad input on the advantages and disadvantages of a potential U.S. central bank digital currency, or CBDC.<sup>9</sup> The Board also established the Financial Stability Climate Committee and Supervision Climate Committee to strengthen the central bank's capacity to identify and assess financial risks associated with climate change and develop an appropriate framework to ensure resilience to those risks.<sup>10</sup>

In 2021, the Board published several reports and articles to enhance transparency and provide detailed communication and analysis on important areas affecting the banking system and U.S. economy. These include the following publications:

- The 11th edition of *The Fed Explained: What the Central Bank Does* (formerly *The Federal Reserve System Purposes & Functions*), the Board's flagship guide to educating the public about the Federal Reserve's mission and initiatives; this latest edition

<sup>9</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20210520b.htm>.

<sup>10</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20210323a.htm>.

includes content reflecting the effects of the COVID-19 pandemic.<sup>11</sup>

- Reports on economic and financial conditions, such as the *Financial Stability Report*, *Monetary Policy Report*, and *Supervision and Regulation Report*, which assessed the resilience of the U.S. financial system, provided the public with key monetary policy and economic developments, and summarized banking conditions and supervisory and regulatory activities, including insight into the Federal Reserve's response to the pandemic.<sup>12</sup>
- 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.<sup>13</sup>
- The report on the *Economic Well-Being of U.S. Households in 2020*, including associated data, video, and new data visualizations, which examines the economic well-being and financial lives of U.S. adults and their families eight months after the onset of the COVID-19 pandemic.<sup>14</sup>
- The *CRA: Building Blocks for Change*, a series exploring the Federal Reserve's efforts to reform the regulations implementing the Community Reinvestment Act (CRA).<sup>15</sup>
- The Board's *2020 Annual Performance Report* summarizing the Board's progress toward achieving the initiatives identified in the *Annual Performance Plan 2020*, as well as the Board's response to the COVID-19 pandemic in 2020.<sup>16</sup>

The Board advanced structural efforts to further safety and efficiency in the domestic payment system by working with the Reserve Banks to establish a

<sup>11</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/the-fed-explained.htm>.

<sup>12</sup> See the Federal Reserve's website for the *Monetary Policy Report* at [https://www.federalreserve.gov/monetarypolicy/mpr\\_default.htm](https://www.federalreserve.gov/monetarypolicy/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>.

<sup>13</sup> See the website <https://www.communitybankingconnections.org/archives>.

<sup>14</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-executive-summary.htm>.

<sup>15</sup> See the website <https://fedcommunities.org/four-ways-cra-encourages-equitable-community-investment/>.

<sup>16</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/publications/files/gpra-performance-report-2020.pdf> and <https://www.federalreserve.gov/publications/2020-gpra-annual-performance-plan.htm>.

pilot program of its new 24x7x365 interbank settlement service, FedNow<sup>SM</sup> Service, with approximately 120 organizations, and to publish, after extensive industry collaboration, the International Organization for Standardization (ISO) specifications for the FedNow Service.<sup>17</sup> The Federal Reserve System also initiated an assessment of the policy, costs, risks, and operational considerations related to expanding the System's wholesale services operating hours to 24x7x365.

Additionally, the organization worked closely with counterparts at the Bureau of Engraving and Printing (BEP) to complete the fiscal year 2022 banknote print order, while engaged in research and development of new security features for the next family of banknotes. The Board also provided anti-counterfeit training to central banks in jurisdictions of interest, together with the Federal Reserve Bank of New York, U.S. Department of State, and U.S. Secret Service, and launched two currency education tools, the Bank Teller's Toolkit and the Cash Assist Application.<sup>18</sup>

The Board sustained its long-standing commitment to equal employment, workforce diversity, and an inclusive work environment through the efforts of its seven active Employee Resource Groups (ERGs). The Board's Office of Diversity and Inclusion (ODI) began issuing a quarterly internal newsletter, *DE&I Matters*, to provide resources to Board employees on topics of diversity, equity, empathy, and belonging in the workplace.

The Board remained in a telework posture during 2021, following federal government guidelines and to minimize the risks to employees. The Board conducted hiring and new employee onboarding virtually and facilitated a successful virtual internship program for 92 summer interns. The Board also implemented a new e-learning content library to provide employees access to training in an on-demand format.

The Board evolved its technological infrastructure by progressing workstreams on a multiyear project to modernize and replace its enterprise financial, procurement, and human capital management systems.

<sup>17</sup> 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-2022-specifications-initial-launch-fednow.html>.

<sup>18</sup> See the website [https://www.uscurrency.gov/sites/default/files/downloadable-materials/files/en/CEP\\_Teller\\_Toolkit\\_2021.pdf](https://www.uscurrency.gov/sites/default/files/downloadable-materials/files/en/CEP_Teller_Toolkit_2021.pdf) and <https://www.uscurrency.gov/educational-materials/cash-assist-app>.

The Board also advanced its cybersecurity approach, submitting several deliverables as required by the Presidential Executive Order on Improving the Nation's Cybersecurity.<sup>19</sup>

Work continued to advance on the Board's planned physical infrastructure projects. The Martin Building formally reopened, after a comprehensive, Leadership in Energy and Environmental Design (LEED)-certified renovation, in concert with the Board's return-to-office pandemic protocol.<sup>20</sup> The Board also

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<sup>19</sup> 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/>.

<sup>20</sup> The LEED standard is a certification program devised in 1994 by the U.S. Green Building Council to encourage sustainable

completed rehabilitation work on elevators at its New York Avenue Building and received final approval from the National Capital Planning Commission for the Eccles and 1951 buildings' renovation designs.

In November, President Biden nominated Chair Powell to serve a second term as Chair of the Board of Governors and Governor Brainard to serve as the Vice Chair of the Board of Governors.<sup>21</sup>

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practices design and development by means of tools and criteria for performance measurement.

<sup>21</sup> See the White House November 22, 2021, statement at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/22/president-biden-nominates-jerome-powell-to-serve-as-chair-of-the-federal-reserve-dr-lael-brainard-to-serve-as-vice-chair/>.



# 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 decisionmaking.**

### Projects and Initiatives

- Identify and analyze economic and financial developments in support of the Federal Reserve’s mission.
  - Submitted the semiannual *Monetary Policy Report*, in February and July, to the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services, accompanied by Chair Powell’s testimony.<sup>22</sup>
    - These reports featured special boxes that focused on inflation, inflation expectations, nontraditional high-frequency economic indicators, supply bottlenecks, and disparities in labor market outcomes during the pandemic, among other topics.
  - Issued the semiannual *Financial Stability Report*, in May and November, to provide an assessment

to the public of vulnerabilities in the financial system.<sup>23</sup>

- The November report included a discussion of the new framework for evaluating cyber risks and financial stability and a new section on stablecoins.
- Produced eight Tealbooks (*Report to the FOMC on Economic Conditions and Monetary Policy*), which provided detailed assessments and forecasts of economic and financial developments and the risks surrounding them, such as for labor markets and inflation.
- Released four *Summary of Economic Projections* in conjunction with the March, June, September, and December FOMC meetings.<sup>24</sup>
- Established two standing repurchase agreement facilities that served as backstops in money markets to support the effective implementation of monetary policy.<sup>25</sup>
- Stay abreast of technological and other changes to the financial system and assess potential impacts on the economy.
  - Worked with domestic and foreign supervisors, emphasizing the importance of preparation to mitigate potential risks, as supervised institu-

<sup>22</sup> The Board’s *Monetary Policy Reports* are available at [https://www.federalreserve.gov/monetarypolicy/mpr\\_default.htm](https://www.federalreserve.gov/monetarypolicy/mpr_default.htm). Chair Powell’s February 23 testimony before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate is available at <https://www.federalreserve.gov/newsevents/testimony/powell20210223a.htm>. Chair Powell’s July 14 testimony before the Committee on Financial Services, U.S. House of Representatives is available at <https://www.federalreserve.gov/newsevents/testimony/powell20210714a.htm>.

<sup>23</sup> The Board’s semiannual *Financial Stability Reports* were published in May and November and are available at <https://www.federalreserve.gov/publications/financial-stability-report.htm>.

<sup>24</sup> See the 2021 Summary of Economic Projections on the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20210317.pdf>, <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20210616.pdf>, <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20210922.pdf>, and <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20211215.pdf>.

<sup>25</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210728b.htm>.

tions continue the transition away from the LIBOR through June 30, 2023.<sup>26</sup>

- The Board’s General Counsel testified on the *End of LIBOR: Transitioning to an Alternative Interest Rate Calculation for Mortgages, Student Loans, Business Borrowing, and Other Financial Products*, before the Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets, Committee on Financial Service, U.S. House of Representatives.<sup>27</sup>
- Announced a final rule intended to reduce risk and increase efficiency in the financial system by applying netting protections to a broader range of financial institutions; the rule encourages supervised firms to cease entering into new contracts that reference LIBOR as soon as practicable.<sup>28</sup>
- Issued a Supervision and Regulation Letter, SR Letter 21-7, to assist examiners in assessing supervised firms’ progress in preparing for the LIBOR transition.<sup>29</sup>
- Issued a Consumer Affairs Letter, CA 21-15, expressing the expectation that supervised institutions with LIBOR exposure continue to transition away from LIBOR.<sup>30</sup>
- Monitored developments in the household credit markets, such as “buy now pay later” lenders and lending to households using their cryptocurrencies for collateral.
- Monitored how new technologies, such as fintech, can change the structure of the financial system—for example, through community banks’ potential partnership with fintechs to offer services—or how new technologies could facilitate nonbanks dominating the market share in certain business lines because of cost savings associated with lower regulatory scrutiny.
- Analyzed issues and proposals aimed at supporting smooth functioning in the U.S. Treasury mar-

ket, including analyses of developments in the U.S. Treasury markets in the spring of 2020 and during other periods of market stress.

- Board staff contributed significantly to a report issued by the Interagency Working Group on the U.S. government securities markets, issued in November 2021.<sup>31</sup>
- Issued a *Federal Register* notice to collect secondary market transactions in U.S. Treasury securities and agency debt and mortgage-backed securities from certain banks.<sup>32</sup>
- Board staff analysis uncovered data gaps related to the role of nonbank financial institutions in the U.S. Treasury markets and coordinated with other regulatory agencies in efforts to close these data gaps through data collections.
- Analyzed economic and financial issues associated with the development of stablecoins. Board staff contributed substantially to the President’s Working Group report on stablecoins, including the analysis of potential financial stability and monetary policy issues and proposed approaches to regulation and supervision.
- Monitored literature and policy issues, began developing models and scenario analyses, acquired data, and published research assessing whether and how climate change effects economic dynamics and financial stability.
  - Began assessing what data resources will be needed by the newly formed Financial Stability Climate Committee and Supervision Climate Committee to effectively understand any micro- and macroprudential risks associated with climate change.
  - Governor Brainard spoke on the *Financial Stability Implications of Climate Change* at Transform Tomorrow Today: Ceres 2021 Conference in Boston.<sup>33</sup>
  - Governor Brainard spoke on the *Role of Financial Institutions in Tackling the Challenges of Climate Change* at the 2021 Institute of

<sup>26</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/libor-transition.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20201130a1.pdf>.

<sup>27</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/testimony/vanderweide20210415a.htm>.

<sup>28</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210218a.htm>.

<sup>29</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2107.htm>.

<sup>30</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/sr2117.htm>.

<sup>31</sup> The full report available at the website <https://home.treasury.gov/system/files/136/IAWG-Treasury-Report.pdf>.

<sup>32</sup> See the *Federal Register*’s website at <https://www.federalregister.gov/documents/2021/10/28/2021-23432/agency-information-collection-activities-announcement-of-board-approval-under-delegated-authority>.

<sup>33</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/brainard20210323a.htm>.



International Finance (IIF) U.S. Climate Finance Summit: Financing a Pro Growth Pro Markets Transition to a Sustainable, Low-Carbon Economy.<sup>34</sup>

—Released the *Statement of Chair Jerome H. Powell on the Financial Stability Oversight Council's Report on Climate-Related Financial Risk*.<sup>35</sup>

—Issued a statement in support of the Glasgow Declaration by the Network of Central Banks and Supervisors for Greening the Financial System.<sup>36</sup>

- Established a permanent FIMA Repo Facility to help address pressures in global dollar funding markets that could otherwise affect financial market conditions in the United States.<sup>37</sup>

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

- 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.

—Researched a wide range of topics:

- The effects of demand shocks on economic activity and employment, the effect of climate change and climate policy on economic activity, asset prices and financial stability, the effect of bank capital on lending; the effect of macroeconomic risk on interest rates, digital currencies, and the labor market effects of the oxycodone-heroin epidemic.
- The effect of lockdown policies on unemployment, the effect of the pandemic on inflation, the effect of the pandemic on the distribution of wealth and income in the U.S., the effect of vaccines on economic activity, the economic

effects of the Main Street Lending Program and the Paycheck Protection Program, the effect of the pandemic on consumer credit, liquidity in corporate bond markets during the pandemic, the effect of the pandemic on house prices, and Treasury market disruptions during the pandemic.

—Disseminated research by preparing working papers, publications, Finance and Economics Discussion Series (FEDS) papers, FEDS Notes, and International Finance Discussion Papers articles, in addition to presenting seminars at the Board, Federal Reserve Banks, universities, and professional conferences.

- Wrote 115 papers for the Board's two working paper series, 19 papers for non-Board series, and 66 research notes for the Board's research notes series.<sup>38</sup>
- Published more than 179 papers in research journals, with many appearing in top-tier journals, and five book sections.
- Increased awareness of Board research among academia and the public through the @FedResearch Twitter account.<sup>39</sup>

—Hosted 135 economic seminars and workshops involving internal and external speakers on topics such as, FinTech and small business lending, stablecoins, and fiscal policy.

—Sponsored or co-sponsored nine conferences on topics including on diversity and inclusion in economics, finance, central banking, commodities and macroeconomics, and non-traditional data, machine learning, and natural language processing.

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

—Presented five seminars focused on demographic economic research, featuring guests from Ohio State University, the National Bureau of Economic Research, the RAND Corporation, the Brookings Institution, and the University of California, Berkeley.

—Taught a course titled "Financial Literacy/Data Analysis with R" in conjunction with staff from

<sup>34</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/files/brainard20210218a.pdf>.

<sup>35</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20211021c.htm>.

<sup>36</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20211103a.htm>.

<sup>37</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/fima-repo-facility.htm>.

<sup>38</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/econres.htm>.

<sup>39</sup> Access the Federal Reserve's Twitter page at <https://twitter.com/fedresearch>.

Howard University to strengthen financial literacy and encourage a diversity of perspectives and backgrounds in the economics profession.

- Hosted a virtual conference on “Gender and the Economy” to explore how gender and opportunity influence economic and financial outcomes over an individual’s lifetime.<sup>40</sup>
- Hosted a virtual conference on “Diversity and Inclusion in Economics, Finance, and Central Banking” focused on issues encountered by underrepresented groups in economics, finance, and central banks.<sup>41</sup>
- Delivered high-quality research focusing on low- and moderate-income financial and economic conditions of traditionally underserved and economically vulnerable consumers and communities.

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

- Foster public education and effective communication across a wide range of audiences.
  - Further strengthened the FedEd Outreach Program, which teaches personal finance and economics to students at local high schools, particularly those with a high representation of minority students in the District of Columbia and across the country.
    - Despite the challenges of virtual learning due to the ongoing pandemic, over 50 volunteers from the Board gave 30 virtual presentations to over 700 students on topics such as saving, borrowing, credit scores, consumer decision-making, and the role of the Federal Reserve.
  - Federal Reserve research assistants taught the Advanced Placement (AP) Macroeconomics course remotely at Benjamin Banneker Senior High School over the 2020–21 school year, which concluded with 10 students sitting for the AP exam in June 2021.

<sup>40</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/conference-on-gender-and-the-economy.htm>.

<sup>41</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/conference-on-diversity-and-inclusion-in-economics-finance-and-central-banking.htm>.

—Engaged in the online teaching and mentoring partnership program with Howard University’s Department of Economics for a financial literacy/statistical software programming class, with approximately 45 staff members involved as instructors, teaching assistants, and research mentors to 17 students from Howard University and 3 students from Spelman College.

—Hosted five “Economics Connections” presentations through the “Coffee with an Economist” mentorship program, which links Board economists and college students.

- The presentations primarily covered the Federal Reserve’s policy responses to the COVID-19 pandemic and diversity issues confronting the economics profession.

—Hosted the virtual event “Exploring Careers in Economics,” in collaboration with the Federal Reserve Bank of San Francisco, the Federal Reserve Bank of Boston, and the Sadie Collective, where staff spoke to students nationwide to discuss career opportunities and diversity in economics.

- Nearly 4,300 individuals viewed the event online, an approximate 30 percent increase from the previous year’s event.

—Held the “College Fed Challenge” virtually with 74 schools from across the nation submitting video presentations or participating in local virtual competitions.

—Chair Powell held a “Virtual Teacher and Student Town Hall Meeting,” responding to questions asked by participants from across the country.<sup>42</sup>

—Published *Conducting Due Diligence on Financial Technology Companies—A Guide to Community Banks*, a joint project with the Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency to provide a resource for community banks when performing due diligence on prospective relationships with fintech companies.<sup>43</sup>

—Chair Powell spoke at the conference on “Pushing Frontiers of Payments: Towards

<sup>42</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/chair-powell-teacher-town-hall-2021.htm>.

<sup>43</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/conducting-due-diligence-on-financial-technology-firms-202108.pdf>.

Faster, Cheaper, More Transparent and More Inclusive Cross Border Payments.”<sup>44</sup>

—Hosted the “Virtual Federal Reserve Artificial Intelligence (AI) Symposium,” bringing together leading academic researchers in the field to discuss many of the key issues related to the use of AI in banking, including challenges associated with transparency and fairness.

○ Governor Brainard spoke at the event on “Supporting Responsible Use of AI and Equitable Outcomes in Financial Services.”<sup>45</sup>

—Board Members spoke on the U.S economic outlook and monetary policy, the FOMC’s new monetary policy framework, financial stability and regulation, and developments in financial services.<sup>46</sup>

—Supported Vice Chair for Supervision Quarles as Chair of the Fincial Stabily Board (FSB).

○ As FSB Chair, spoke on “Financial Stability and Coordination in Times of Crisis” at the Third Conference on Financial Stability in Madrid, Spain.<sup>47</sup>

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

—Responded to numerous congressional inquiries related to Board members’ testimony to Congress, including Chair Powell’s testimony to Congress on Monetary Policy and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

—Posted approximately 1,900 pages of meeting transcripts and 2,300 pages of staff economic projections and analysis through the FOMC Secretariat.

—Released approximately 7,100 pages of memos, dating from 1955 through 1980, as part of a project to ensure historical records from the inception of the FOMC.

<sup>44</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/powell20210318a.htm>.

<sup>45</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/brainard20210112a.htm>.

<sup>46</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speeches.htm>.

<sup>47</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/quarles20211018a.htm>.

• Develop and implement an ongoing, sustainable process for informing Federal Reserve policymakers and engaging the staff across the System on economic and financial experiences of economically vulnerable consumers and communities.

—Prepared to introduce a new minority oversample to improve the measurement of racial and ethnic disparities in the upcoming 2022 *Survey of Consumer Finances* and provided information on other planned changes to the upcoming survey; these changes will improve the ability of the survey to measure economic outcomes of households.<sup>48</sup>

—Published the *Distributional Financial Accounts* to provide quarterly estimates of the distribution of U.S. household wealth across socioeconomic characteristics such as income, age, generation, education, and race.<sup>49</sup>

○ Published the FEDS Notes paper, *Wealth Inequality and COVID-19: Evidence from the Distributional Financial Accounts* (DFA), leveraging the DFA data to analyze how different groups fared during the Covid-19 pandemic.<sup>50</sup>

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

• Ensure applicable expertise and a broad range of perspectives are available and used in economic research and analysis to strengthen understanding of economic developments and their implications for monetary policy and financial stability.

—Held four separate seminar series—“Macro and Monetary,” “Finance and Banking,” “Applied Microeconomics,” and “International Finance”—with approximately 100 outside speakers from both academic and non-academic institutions to engage in discussions around a

<sup>48</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/econres/aboutscf.htm> and <https://www.federalreserve.gov/econres/scf-announcements.htm>.

<sup>49</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/releases/z1/dataviz/dfa/index.html>.

<sup>50</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/econres/notes/feds-notes/wealth-inequality-and-covid-19-evidence-from-the-distributional-financial-accounts-20210830.htm>.

broad range of perspectives focused on current economic research.

- Announced the search for new members to serve on the Board’s Insurance Policy Advisory Committee (IPAC) with diverse and expert insurance perspectives on life, property and casualty, and reinsurance issues; selected individuals will serve a three-year term.<sup>51</sup>
- Enhance technological and data capabilities to conduct research, analysis, monitoring, and measurement that inform the public and policymakers while meeting cybersecurity standards.
  - Began publishing the Index of Common Inflation Expectations (CIE) as a research data series on a quarterly basis; the CIE index summarizes the co-movement of a wide variety of inflation expectations measures.<sup>52</sup>
  - Announced adjustments to the sample design for the *2022 Survey of Consumer Finances* that will improve the coverage of Black, Hispanic or Latino, and Asian households within the survey.<sup>53</sup>
  - Published *Sound Practices to Strengthen Operational Resilience*, a joint paper with the FDIC and OCC.<sup>54</sup>
  - Published a number of statistical releases to inform the public and policymakers about economic and financial developments.<sup>55</sup>
  - Actively developed, monitored, and analyzed high-frequency measures of economic activity to help policymakers understand economic devel-

opments particularly as it related to the reopening of the economy.<sup>56</sup>

- Enhance the Board’s ability to collaborate with internal and external colleagues on research and analysis through technology, automation, infrastructure, and process advancements.
  - Completed authorization to operate for general-purpose, cloud-based, analytic computing environments.
  - Worked in concert with the Federal Reserve Banks on the development of external sharing capabilities and sharing proof-of-concept results on cloud-based initiatives.
- Sustain and nurture an inclusive culture and support a collaborative environment that encourages diversity of perspectives.
  - Hired a new economics outreach specialist to conduct outreach and engage in collaboration aimed primarily toward increasing the diversity of the pool of qualified candidates for research assistant and intern positions and expand activities to include Ph.D. economist outreach.
  - Developed and implemented improvements to economist recruiting strategies:
    - Used more active outreach strategies to encourage a broader pool of candidates to apply for Board positions.
    - Organized efforts to communicate the broad range of fields within economics from which the Board seeks applicants.
    - Hosted two “Meet the Fed” live virtual events.
    - Made greater use of the Board’s social media accounts.
    - Continued active participation and broadened outreach to diverse professional and student economics organizations.
    - Incorporated more inclusive advertising language.
    - Conducted a more comprehensive review of candidate applications to identify candidates in areas where the Board currently faces gaps in skills or perspectives.

<sup>51</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20210730a.htm>.

<sup>52</sup> For more information, see Hie Joo Ahn and Chad Fulton, “Research Data Series: Index of Common Inflation Expectations,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, March 5, 2021), <https://doi.org/10.17016/2380-7172.2873>.

<sup>53</sup> For more information on these adjustments, please see Kevin B. Moore and Karen M. Pence, “Improving the Measurement of Racial Disparities in the Survey of Consumer Finances,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, June 21, 2021), <https://doi.org/10.17016/2380-7172.2945>. The survey data will be released on the standard schedule in the fall of 2023.

<sup>54</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20201030a2.pdf>.

<sup>55</sup> See <https://www.federalreserve.gov/data.htm> for a list of these recurring releases.

<sup>56</sup> See, for example, the box, “Monitoring Economic Activity with Nontraditional High-Frequency Indicators” in the February 19, 2021, *Monetary Policy Report* at [https://www.federalreserve.gov/monetarypolicy/mpr\\_default.htm](https://www.federalreserve.gov/monetarypolicy/mpr_default.htm).

—Launched a standing Inclusion Working Group in the economics divisions with the mission of facilitating new and ongoing projects to create a workplace environment that is actively inclusive and that acknowledges, appreciates, and effectively utilizes the talent, skills, and perspectives of every employee.

—Maintained a list of staff economic research papers on racial disparities for the staff to review.



# Monetary Policy and Financial Stability COVID-19 Response

During 2021, the Board’s Monetary Policy and Financial Stability function tracked and assessed the effects of the COVID-19 pandemic and the Federal Reserve’s previously implemented relief measures on economic and financial activity. The Board leveraged analyses and data, continuing to develop and use nontraditional high-frequency indicators, to evaluate conditions for households and businesses and to better understand the effects of the pandemic on financial stability and the economy. Key activities taken under the Monetary Policy and Financial Stability Goal are listed below.

- Managed portions of the funding, credit, liquidity and loan facilities, initially established through the financial backing of the Congress and U.S. Treasury in 2020, to support the economy and enable the flow of credit as the economy recovered from the pandemic’s effects.<sup>57</sup>
  - Phased out the portfolio of the Secondary Market Corporate Credit Facility (SMCCF), which proved vital to restoring market functioning, supporting the availability of credit for large employers, and bolstering employment through the COVID-19 pandemic.<sup>58</sup>
  - Announced the extension of the Federal Reserve’s temporary U.S. dollar liquidity swap lines with nine central banks through December 31, 2021.<sup>59</sup>
- Submitted reports to Congress pursuant to Section 13(3) of the Federal Reserve Act in response to the COVID-19 pandemic.<sup>60</sup>
  - Chair Powell testified on the Federal Reserve’s response to the COVID-19 pandemic and the CARES Act to the:
    - Committee on Financial Services, the U.S. House of Representatives in March;<sup>61</sup>
    - Select Subcommittee on the Coronavirus Crisis, the U.S. House of Representatives in June; and<sup>62</sup>
    - U.S. Senate’s Committee on Banking, Housing, and Urban Affairs in September.<sup>63</sup>
  - Announced two extensions of the Paycheck Protection Program Liquidity Facility, first by three months, to June 30, 2021, and second by an additional month, to July 30, 2021.<sup>64</sup>
    - Announced two extensions to bolster the effectiveness of the Small Business Administration’s Paycheck Protection Program (PPP) by temporarily modifying the Board’s rules so that certain bank directors and shareholders can apply to their banks for PPP loans for their small businesses.<sup>65</sup>
  - Chair Powell provided introductory remarks, via webcast, at a virtual “Fed Listens” event titled *Fed Listens: Perspective on the Pandemic Recovery*, sponsored by the Board.<sup>66</sup>

<sup>57</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/funding-credit-liquidity-and-loan-facilities.htm>.

<sup>58</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210308a.htm>.

<sup>59</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210616c.htm>.

<sup>60</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/2021-reports-to-congress-in-response-to-covid-19.htm>.

<sup>61</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/testimony/powell20210323a.htm>.

<sup>62</sup> See the Federal Reserve’s website at [https://www.federalreserve.gov/monetarypolicy/mpr\\_default.htm](https://www.federalreserve.gov/monetarypolicy/mpr_default.htm).

<sup>63</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/testimony/files/powell20210928a.pdf>.

<sup>64</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210209a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210514a.htm>.

<sup>65</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210209a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210514a.htm>.

<sup>66</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/powell20210924a.htm>.

- Chair Powell penned an essay entitled “Tools to Avoid a Meltdown and Save Livelihoods,” published in the *Wall Street Journal*.<sup>67</sup>
- Partnered with the Federal Reserve Banks’ Community Development teams to release a report titled *Perspectives from Main Street Report: The Impact of COVID-19 on Communities and the Entities Serving Them*. The report relayed findings related to the August 2021 survey on the pandemic’s effects on low- and moderate-income people, communities, and the entities serving them.<sup>68</sup>
- Board members spoke at a wide variety of events and participated in numerous panel discussions to

<sup>67</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/powell-wsj-20210319.htm>.

<sup>68</sup> See the Federal Reserve’s website at <https://fedcommunities.org/data/main-street-covid19-survey-2021/>.

convey the Federal Reserve’s approach and proactive response to supporting the economy.<sup>69</sup>

—Chair Powell was interviewed by Steve Inskeep of National Public Radio on March 25, 2021, where he discussed the Federal Reserve’s response to the COVID-19 pandemic and its recently upgraded economic forecast.<sup>70</sup>

—Chair Powell was interviewed on 60 Minutes where he discussed the U.S. economic recovery and the Federal Reserve’s policy responses to the pandemic economic crisis on April 12, 2021.<sup>71</sup>

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

<sup>70</sup> See the website <https://www.npr.org/2021/03/25/980868555/transcript-nprs-full-interview-with-fed-chairman-jerome-powell>.

<sup>71</sup> See the website <https://www.cbsnews.com/news/60-minutes-jerome-powell-federal-reserve-economy-update-2021-04-11/>.



# 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

- Identify and implement refinements to supervision that appropriately enhance transparency, promote accountability, and maintain fairness.
  - Announced individual capital requirements for all large banks, effective on October 1, which will ensure that the large banks tested will hold roughly \$1 trillion in high-quality capital.<sup>72</sup>
  - Released, together with the FDIC, the public sections of eight large domestic firms’ resolution plans, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and commonly known as living wills.<sup>73</sup>
  - Issued joint guidance (SR 21-3 Letter/CA 21-1 Letter) to provide and clarify guidance for all domestic bank holding companies and savings and loan holding companies on the expectation for boards of directors to serve a critical role in maintaining their firm’s safety, soundness, and continued financial and operational resilience of consolidated operations.<sup>74</sup>
  - Issued the Consumer Affairs Letter, CA 21-16, a joint guidance with the Consumer Financial Protection Bureau (CFPB), FDIC, National Credit Union Association (NCUA), OCC, and

<sup>72</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210805a.htm>.

<sup>73</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210719a.htm>.

<sup>74</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2103.htm>.

state financial regulators to inform mortgage servicers that the temporary supervisory and flexible enforcement of Regulation X mortgage servicing rules no longer applies.<sup>75</sup>

- Enhance community bank supervision through improvements in efficiency, communication, outreach, and regulatory coordination.
  - Released the Scaled Current Expected Credit Losses (CECL) Allowance for Losses Estimator tool, known as SCALE, that will help community banks accurately implement the CECL accounting standard.<sup>76</sup>
  - Published four 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.<sup>77</sup>
- Further the value proposition and enhance visibility of community banking initiatives.
  - Issued the joint SR 21-16 Letter/CA 21-13 Letter, to distribute the paper, *Community Bank Access to Innovation through Partnerships*, which describes the landscape of partnerships between community banks and fintech companies.<sup>78</sup>
    - Governor Bowman spoke on “Community Bank Access to Innovation” at the Government Relations Council meeting sponsored by

<sup>75</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2116.htm>.

<sup>76</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210701a.htm>.

<sup>77</sup> See the website <https://www.communitybankingconnections.org>.

<sup>78</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2116.htm> and <https://www.federalreserve.gov/publications/files/community-bank-access-to-innovation-through-partnerships-202109.pdf>.

the American Bankers Association, Washington, D.C. in support of the paper's release.<sup>79</sup>

- Issued the joint SR 21-15 Letter/CA 21-11 Letter, together with the FDIC and OCC, to provide the resource document, *Conducting Due Diligence on Financial Technology Companies: A Guide for Community Banks*, designed to help community banks assess risk in seeking access to new or innovative technologies with prospective fintech companies.<sup>80</sup>
- Published Governor Bowman's article, "Technological Innovation Is Essential to the Future of Community Banking in America," in *Consumer Compliance Outlook*, the Federal Reserve System publication dedicated to consumer compliance issues.<sup>81</sup>
- Identify and advance refinements to the Board's risk-management expectations for financial market infrastructures.
  - Issued a joint statement, in consultation with the Financial Crimes Enforcement Network and NCUA, to address how the risk-management principles described in the SR 11-7 Letter, which provides guidance to banking organizations and supervisors as they assess organizations' management of model risk, relate to the systems or models used by banks in complying with the requirements of Bank Secrecy Act laws and regulations.<sup>82</sup>
  - Released hypothetical scenarios for 2021 bank stress tests and their subsequent results, which showed that large banks continue to have strong capital levels and could continue lending to households and businesses during a severe recession.<sup>83</sup>
- Announced, together with the FDIC and OCC, the approval of a final rule to improve the sharing of information about cyber incidents that may affect the U.S. banking system.<sup>84</sup>
- Finalized a rule that updates the Board's capital planning requirements, which brings consistency with other Board rules that were recently modified.<sup>85</sup>

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

- Improve Community Reinvestment Act (CRA) implementation, including examinations, supervisory policy, and application of regulations.
  - Issued the CA 21-9 Letter to extend the period of CRA consideration of community development activities that help to revitalize or stabilize Puerto Rico and the U.S. Virgin Islands related to Hurricane Maria.<sup>86</sup>
  - Released, together with the FDIC, annual asset-size thresholds to define "small bank" and "intermediate small bank" under CRA regulations.<sup>87</sup>
- Conduct research and outreach regarding partnerships between fintech firms and supervised financial institutions to assess effect on compliance with consumer protection laws and to manage risk of consumer harm.
  - Announced, together with the FDIC and OCC, a request for comment on proposed guidance designed to help banking organizations manage risks associated with third-party relationships, including relationships with fintech-focused entities.<sup>88</sup>

<sup>79</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/bowman20210909a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210909a.htm>.

<sup>80</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210827a.htm>, <https://www.federalreserve.gov/supervisionreg/srletters/sr2115.htm>, and <https://www.federalreserve.gov/publications/files/conducting-due-diligence-on-financial-technology-firms-202108.pdf>.

<sup>81</sup> See the website <https://consumercomplianceoutlook.org/2021/first-issue/technological-innovation-is-essential-to-the-future-of-community-banking-in-america/>.

<sup>82</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210409a.htm> and <https://www.federalreserve.gov/supervisionreg/srletters/sr1107.htm>.

<sup>83</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210212a.htm>, <https://www.federalreserve.gov/newsevents/pressreleases/>

[bcreg20210624a.htm](https://www.federalreserve.gov/publications/files/2021-dfast-results-20210624.pdf), and <https://www.federalreserve.gov/publications/files/2021-dfast-results-20210624.pdf>.

<sup>84</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20211118a.htm>.

<sup>85</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210119a.htm>.

<sup>86</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2109.htm>.

<sup>87</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20211216a.htm>.

<sup>88</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210713a.htm>.

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

- Implement new capabilities and conduct regular outreach to share and exchange information with external constituencies and diverse stakeholders, utilizing various platforms to broadly communicate supervisory policy.
  - Published the semiannual Federal Reserve *Supervision and Regulation Report* in April and October, accompanied by Vice Chair for Supervision Quarles’s testimony before the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services.<sup>89</sup>
  - Engage in outreach with a range of stakeholders, including consumer advocates, industry representatives, and academic researchers, to obtain balanced, diverse, and differing perspectives on consumer protection risks to guide supervisory policy development and examination programs.
    - Announced, together with the CFPB, FDIC, NCUA, and OCC, the request for information to gain input from financial institutions, trade associations, consumer groups, and other stakeholders on the growing use of AI by financial institutions.<sup>90</sup>
    - Invited public comment, through the *Federal Register*, to understand diverse and differing perspectives on a proposed rule that updates and codifies existing guidance on income tax allocation agreements involving depository institutions and their affiliates.<sup>91</sup>
- Support CRA implementation improvements with outreach, research, and analysis.

<sup>89</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm> and <https://www.banking.senate.gov/imo/media/doc/Quarles%20Testimony%205-25-21.pdf>.

<sup>90</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210329a.htm> and <https://www.federalregister.gov/documents/2021/03/31/2021-06607/request-for-information-and-comment-on-financial-institutions-use-of-artificial-intelligence>.

<sup>91</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210422a.htm>.

—Collaborated with Fed Communities, a System-wide information, research, and data resource for community development professionals, to publish *CRA: Building Blocks for Change*, amplifying the System’s work in low- and moderate-income communities and other underserved areas across the United States.<sup>92</sup>

### Objective 2.4: Further improve supervisory and regulatory activities to support financial system stability.

- Proactively engage with partner agencies to ensure Federal Reserve expertise informs rulemakings, policies, and/or regulations to reduce burden, tailor supervisory expectations, and provide clear and concise information to the industry.
  - Issued joint statements, together with the Conference of State Bank Supervisors (CSBS), FDIC, NCUA, and OCC, on supervisory practices regarding financial institutions affected by the California wildfires, Hurricane Ida, and tornadoes.<sup>93</sup>
  - Contributed to the interagency report on Recent Disruptions and Potential Reforms in the U.S. Treasury Market: A Staff Progress Report.<sup>94</sup>
  - Met with domestic and United Kingdom counterparts to advance discussions on central counterparty resolution.
  - The Federal Reserve Board reiterated its supervisory expectations for large banks’ risk management with investment funds.<sup>95</sup>
- Investigate new ways to identify risks to financial stability.
  - Advanced high-priority initiatives through active engagement in several international workstreams launched by the FSB, the Committee on Payments and Market Infrastructure (CPMI), and the CPMI-International Organization of Securi-

<sup>92</sup> See the websites <https://fedcommunities.org/> and <https://fedcommunities.org/four-ways-cra-encourages-equitable-community-investment/>.

<sup>93</sup> See the Federal Reserve website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210831a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210830a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20211215a.htm>.

<sup>94</sup> See the website <https://home.treasury.gov/system/files/136/IAWG-Treasury-Report.pdf>.

<sup>95</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20211210a.htm>.

ties Commissions on topics such as cross-border payments, stablecoins, and margin practices associated with the COVID-19 pandemic.

- Advance and implement analytical and supervisory tools to support financial stability.
- Vice Chair for Supervision Quarles spoke on “The FSB in 2021: Addressing Financial Stability Challenges in an Age of Interconnectedness, Innovation, and Change” at the Peterson Institute for International Economics, Washington, D.C.<sup>96</sup>

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

- Sustain and nurture an inclusive work environment supportive of diverse backgrounds and perspectives.
  - Engaged in workforce advancement activities to develop and retain diverse talent with varied experiences and perspectives to meet the rapidly changing environment.
- Further streamline examiner training activities to allow for more agile development and onboarding of supervisors.
  - Issued the joint SR 21-13 Letter/CA 21-10 Letter, to promote consistency across the Federal Reserve in clarifying the process for identifying, designating, and tracking senior examiners

<sup>96</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/quarles20210330a.htm>.

restrictions; this instruction supersedes the SR 16-16 Letter/CA 16-7 Letter.<sup>97</sup>

- Investigate the use of new technologies to enhance the efficiency and effectiveness of regulatory and supervisory activities and examination processes, including with a focus on fair lending and Unfair and Deceptive Acts and Practices (UDAP).
  - Released Supervision Central, with the other regulatory agencies, which is a proprietary application that allows for secure online document intake, sharing, and collaboration with Federal Reserve Bank community and regional bank supervision staff, other regulatory agencies, and financial institutions.
  - Issued the CA 21-12 Letter to provide guidance on the Board’s supervisory expectations related to the examination of institutions’ compliance with certain timing provisions in Regulation Z, which implements the Truth in Lending Act (TILA), implicated by the designation of Juneteenth as a new federal holiday.<sup>98</sup>
  - Issued the CA 21-14 Letter, to revise examination procedures for Regulation Z, which include permanent changes to its qualified mortgage provisions and the extension and phase-out for the Government-Sponsored Enterprise Patch.<sup>99</sup>
  - Enhanced MattersTracker, a web application supporting oversight activities that collects matters and progresses them through a life cycle focused on fair lending and the new Combined Branch Reporting Tool requirements for UDAP.

<sup>97</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2113.htm>.

<sup>98</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2112.htm>.

<sup>99</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2114.htm>.

# Supervision COVID-19 Response

During 2021, the Supervision function continued to support the economy by issuing statements, guidance, and rules to support financial institutions and the ongoing economic recovery. The Board also extended temporary regulatory relief to bolster the effectiveness of lending. Key activities taken under the supervision goal in response to the COVID-19 event, as well as Board Members' formal remarks and testimony addressing the pandemic are listed below.<sup>100</sup>

- Issued an interim final rule, together with the FDIC and OCC, in support of the U.S. Treasury's Emergency Capital Investment Program's (ECIP) capital investments in Minority Depository Institutions (MDIs) and community development financial institutions.<sup>101</sup>
  - Assisted the U.S. Treasury in establishing its ECIP as well as providing staff support in the review of applicants' capital investment requests.
  - Clarified guidance related to definitions for MDIs; expanded the MDI definition to include women-owned financial institutions; and highlighted resources available to MDIs through its Partnership for Progress program.<sup>102</sup>
- Issued the CA 21-8 Letter, a guidance for financial institutions to resume quarterly Home Mortgage

<sup>100</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/supervisory-regulatory-action-response-covid-19.htm>.

<sup>101</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210309a.htm>.

The Treasury Department's Emergency Capital Investment Program (ECIP) supports the efforts of financial institutions to provide loans, grants, and forbearance to small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, which may be disproportionately affected by COVID-19. See the website <https://home.treasury.gov/news/press-releases/jy0047> for more information.

<sup>102</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210305a.htm>.

Disclosure Act reporting requirements beginning with their 2021 first quarter data.<sup>103</sup>

- This instruction superseded the CA 20-6 Letter, which provided supervised financial institutions flexibility and reduced administrative burden during the COVID-19 pandemic with the expectation that public loan data reporting would resume at a later date.<sup>104</sup>
- Issued, together with the FDIC and OCC, a shared national credit (SNC) review of large, syndicated loans originated on, or before, June 30, 2020.<sup>105</sup>
  - The SNC first and third quarter 2020 review report showed that credit risk associated with leverage lending is high and increased over the past year as a result of COVID-19; notably, the oil and gas, entertainment and recreation, and transportation services sectors were the most affected.<sup>106</sup>
- Vice Chair for Supervision Quarles testified on supervision and regulation issues before the Committee on Financial Services, U.S. House of Representatives.<sup>107</sup>
- Announced, together with the FDIC and the OCC, that the temporary change to the supplementary leverage ratio for bank holding companies

<sup>103</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2108.htm>.

<sup>104</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2006.htm>.

<sup>105</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210225a.htm>.

<sup>106</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20210225a1.pdf>.

<sup>107</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/testimony/quarles20210519a.htm>.

Identical remarks were submitted to the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C. on May 25, 2021.

and depository institutions issued on May 15, 2020, will expire as scheduled on March 31, 2021.<sup>108</sup>

- Announced that temporary and additional restrictions on bank holding company dividends and

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<sup>108</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210319a.htm> and

share repurchases currently in place will end for most firms after June 30, 2021, based on results from upcoming stress test.<sup>109</sup>

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<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210319b.htm>.

<sup>109</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210325a.htm>.

# 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

- Conduct policy analysis of expanding operating hours for the Fedwire Funds Service and National Settlement Service in conjunction with Reserve Banks.
  - Assessed, in collaboration with the Federal Reserve Banks, the policy, costs, risks, and operational considerations related to expanding Federal Reserve wholesale services operating hours up to 24 hours per day, 7 days per week, 365 per year (24x7x365); the outcomes of which will inform a *Federal Register* notice addressing the Federal Reserve’s plan on wholesale payments.
- Support efforts to modernize the U.S. payment system and bring the benefits of instant payments broadly to communities across the country, by working collectively with the Reserve Banks to build the new FedNow Service.
  - Worked, together with the System, to implement the FedNow Service pilot program with approximately 120 organizations.<sup>110</sup>

- Published International Organization for Standardization specifications for the FedNow Service after extensive industry collaboration.<sup>111</sup>
- Issued a *Federal Register* notice proposing amendments to Regulation J to govern funds transfers through the System’s new FedNow Service.<sup>112</sup>
  - Extended the comment period on a proposed rule to govern funds transfers over the System’s FedNow Service until September 9, 2021.<sup>113</sup>
- Issued a *Federal Register* notice on proposed changes to the Payment System Risk policy that support the implementation of the new FedNow Service.<sup>114</sup>
- Conduct research and support international efforts related to digital innovations in payments.
  - Advanced experimentation and policy analysis related to digital innovations in payments, clearing and settlement topics (stablecoins and CBDCs), and access to Federal Reserve accounts by nontraditional institutions.
  - Advanced policy framework, analysis, research, and experimentation exploring the implications

<sup>110</sup> See the website <https://www.frbservices.org/news/press-releases/012521-federal-reserve-announces-fednow-pilot-program-participants>.

<sup>111</sup> See the website <https://www.frbservices.org/financial-services/fednow/blog/announcing-iso-20022-specifications-initial-launch-fednow.html>.

<sup>112</sup> See the website <https://www.federalreserve.gov/newsevents/pressreleases/other20210803a.htm>.

<sup>113</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20210803a.htm>.

<sup>114</sup> See the website <https://www.federalregister.gov/documents/2021/06/03/2021-11649/potential-modifications-to-the-federal-reserve-policy-on-payment-system-risk-to-expand-access-to>.

of fast-evolving technology for digital payments, with a particular focus on the advantages and disadvantages of a potential U.S. CBDC.<sup>115</sup>

- Published a FEDS Notes paper on *Preconditions for a General-Purpose Central Bank Digital Currency*.<sup>116</sup>

- Chair Powell represented the Board on the President’s Working Group on Financial Markets to examine the current regulation of stablecoins, identify risks, and develop recommendations for addressing those risks.

- Supported nine Bank for International Settlements (BIS) coalition workstreams to advance policy thinking on CBDCs.

- Participated in an interagency crypto sprint together with the FDIC and OCC to create a unified framework and set of definitions for cryptocurrency.

- Contributed to the finalization and publication of the *Consultative Report on the Application of the Principles for Financial Market Infrastructures to Stablecoin Arrangements*.<sup>117</sup>

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

- Identify opportunities to enhance and sustain production and new banknote design processes at the Bureau of Engraving and Printing (BEP) to improve the performance, cost, and quality of Federal Reserve notes.

- Worked with the BEP to advance multiple production equipment and process improvement projects that will increase the efficiency and quality of banknote production.

- Completed the FY 2022 Print Order, in consultation with the BEP, using a risk-based approach that planned for a range of options in note delivery.

- Engaged in research and development of new security features and their deployment plan for the next family of banknotes.

- Obtained final approval from the Secretary of the U.S. Treasury on the consumer-usable, machine-readable, and high-security features to be used on the first denomination in the next new redesign of the U.S. currency family of banknotes (known as the Catalyst banknotes).

- Collaborated with colleagues from other central banks to exchange effective practices related to the introduction of the new Catalyst banknotes.

- Engaged with the European Central Bank to exchange information on improving environmental outcomes of note production, deterring forms of counterfeiting, and engaging with banknote equipment manufacturers.

- Completed the communications plan for a significant future change to the packaging of banknotes effecting domestic and international institutions’ nonsequential large examining and printing equipment.

- Worked with the BEP, U.S. Army Corps of Engineers, and others on the governance, program management, scope management, and other controls needed for the successful design and construction of the new Washington, D.C. note production facility.

- Pursue research and education strategies to advance counterfeit deterrence capabilities and support public confidence in the integrity and availability of Federal Reserve banknotes.

- Launched the Currency Education Program’s Bank Teller’s and Cashier’s Toolkits, comprehensive training guides for bank tellers and cashiers to learn how to authenticate Federal Reserve banknotes.<sup>118</sup>

- Launched the U.S. Currency Program’s second Android app called Cash Assist as a training companion for cash handlers across industries who need help authenticating Federal Reserve banknotes.<sup>119</sup>

- Provided anticounterfeit training to central banks in jurisdictions of interest, together with the Federal Reserve Bank of New York, U.S. Department of State, and U.S. Secret Service;

<sup>115</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20210520b.htm>.

<sup>116</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/econres/notes/feds-notes/preconditions-for-a-general-purpose-central-bank-digital-currency-20210224.htm>.

<sup>117</sup> See the website <https://www.bis.org/cpmi/publ/d198.pdf>.

<sup>118</sup> See the website [https://www.uscurrency.gov/sites/default/files/downloadable-materials/files/en/CEP\\_Teller\\_Toolkit\\_2021.pdf](https://www.uscurrency.gov/sites/default/files/downloadable-materials/files/en/CEP_Teller_Toolkit_2021.pdf) and <https://www.uscurrency.gov/cashier-toolkit>.

<sup>119</sup> See the website <https://www.uscurrency.gov/educational-materials/cash-assist-app>.



updated materials used to train Federal Reserve Bank staff in counterfeit detection.

- Progressed, together with the U.S. Secret Service, the development of techniques and processes for evaluation of suspect counterfeit banknotes identified by the Federal Reserve Banks.
- Worked on an adversarial analysis program that assesses techniques that could be used to create counterfeit Federal Reserve banknotes.
- Met with the U.S. Secret Service to sustain alignment and validate the early development phase of an automated Counterfeit Currency Processing Facility (CCPF).
- Advanced several security features, in collaboration with the U.S. Treasury, to next stage milestones for use in the next (Catalyst) family issuance of banknotes.
- Launched the Currency Education Program’s escape room game for middle-schoolers called Cash Codebreakers, a free, interactive online game that engages students’ algebraic skills to solve currency-related puzzles and problems.<sup>120</sup>

### Objective 3.3: Continue evolving Reserve Bank oversight approach.

- Enhance capabilities to assess Reserve Bank risk-management activities, including information sharing and accountability for fiscal stewardship.
  - Conducted pilot reviews of the Federal Reserve National IT’s and Federal Reserve Bank of New York’s Enterprise Risk Management functions.
  - Proposed guidelines in the *Federal Register* to be used by the Federal Reserve Banks in evaluating requests for master accounts and/or access to Federal Reserve financial services. The Board’s proposed guidelines are intended to ensure that the Federal Reserve Banks use a transparent and consistent set of factors when reviewing requests for accounts and services.<sup>121</sup>

<sup>120</sup> See the website <https://www.uscurrency.gov/play-cash-codebreakers>.

<sup>121</sup> See the website <https://www.federalregister.gov/documents/2021/05/11/2021-09873/proposed-guidelines-for-evaluating-account-and-services-requests>.

### Objective 3.4: Advance diversity in System leadership.

- Connect with a broad set of diverse stakeholders and potential candidates for future System leadership positions.
  - Partnered with Federal Reserve Banks in workgroups focused on talent development, talent sharing, and succession planning frameworks for senior leadership positions.
  - Submitted for Board action candidate appointments/reappointments to Federal Reserve Bank and Branch boards of directors, including nominations to serve as Federal Reserve Bank Chairs and Deputy Chairs in 2022.
  - Facilitated the Bank’s submission for Board action on candidate appointments to Federal Reserve Bank president and first vice president roles.

### 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.

- Strengthen hiring, development, alignment, and retention of diverse talent in support of long-term workforce development and growth.
  - The Board’s total workforce in 2021 was 43 percent minority and 43 percent female.
    - The Board filled 509 positions of which 73 percent were filled by new hires. The overall minority workforce increased by a net of 6 employees, while the female workforce had a net increase of 10 employees.<sup>122</sup>
  - Approved the reappointment of Federal Reserve Bank presidents and vice presidents; each individual has been approved to serve a new five-year term beginning March 1, 2021.<sup>123</sup>

<sup>122</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/omwi-report-20220331.pdf> for more detailed information in the *Annual Report 2021 from the Office of Minority and Women Inclusion*.

<sup>123</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20210121a.htm>.

- Provide oversight of Reserve Bank implementation of enterprisewide systems and continue to develop agile oversight approaches, including leveraging data analytics.
  - Oversaw the System’s implementation of a new enterprise resource program that transformed financial management, human resources, and procurement business processes; and transitioned the Federal Reserve Banks from a District-specific solution to a Systemwide solution.
  - Began effort to assess and align incident communication requirements across the System’s payment systems and operating units in response to a significant information technology outage effecting the Federal Reserve’s payment systems in February.
- Worked with the Federal Reserve’s Cash Product Office to produce metrics that would guide the Federal Reserve Banks’ ongoing resiliency, as well as cost-effectiveness, in their operations.
- Completed initial targets/metrics and started to operationalize the Long-Term Inventory Plan for domestic inventory of banknotes, reflecting a balance of goals in ongoing cost efficiency as well as resiliency for future business continuity events.

# Payment System and Reserve Bank Oversight COVID-19 Response

During 2021, the Payment System and Reserve Bank Oversight function continued to support the economy working closely with counterparts at the U.S. Bureau of Printing and Engraving, the U.S. Mint, the Federal Reserve's Cash Product Office, and other central banks to manage the demand for currency and ensure the smooth flow of Federal Reserve banknotes and coin circulation. Key activities taken under the Payment System and Reserve Bank Oversight Goal are listed below.

- Made monthly and quarterly adjustments to the denominational blend of currency production and issuance to best match the needs of commerce during ongoing volatility due to the COVID-19 pandemic
- Met with colleagues from other central banks to exchange information on the demands for currency, international distribution, and the related effects of the COVID-19 pandemic.
- Participated in discussions with Federal Reserve Bank leadership on return-to-office plans, including as a member of the five-person System Crisis

Management Team to set day-to-day policy regarding the Federal Reserve Banks' operations and posture during the pandemic to ensure a coordinated approach across the System; made recommendations to the Federal Reserve Banks' presidents and the Board's Committee on Federal Reserve Bank Affairs on strategic aspects of pandemic recovery.

- Issued an update to the *Federal Reserve Payments Study (FRPS)* to include findings from recent survey data; the findings highlight changes in card payment and increased adoption of innovative payment methods following the emergence of coronavirus.<sup>124</sup>
- Worked with the U.S. Mint and the Federal Reserve's Cash Product Office to continue education efforts aimed at the public, banking sector, and retailers related to coin circulation problems stemming from the pandemic.

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<sup>124</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20211222a.htm>.



# 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

- Increase public outreach and engagement on the Federal Reserve's mission and responsibilities, including interaction with community and affinity groups.
  - Co-hosted, with the Federal Reserve Banks of Atlanta, Boston, Cleveland, and Philadelphia, *Uneven Outcomes in the Labor Market*, a virtual conference that convened a diverse network of researchers, policymakers, and practitioners to examine inequities in labor market outcomes and explore the policy solutions to address these inequities.<sup>125</sup>
  - Released the 11th edition of *The Fed Explained: What the Central Bank Does* (formerly *The Federal Reserve System Purposes & Functions*), the Board's flagship guide to educating the public about the Federal Reserve's mission and initiatives; this latest edition includes content reflecting the effects of the COVID-19 pandemic.<sup>126</sup>
- Maximize opportunities to share broad and diverse perspectives among stakeholders and increase understanding of a wide range of community needs.

- Engaged with Federal Reserve Bank leaders to provide feedback and direction on the composition of the System's boards of directors and strategized best practices for attracting highly qualified diverse candidates for the Federal Reserve Banks and Federal Reserve Bank Branch director positions.
  - In 2021, 75 percent of Class C directors self-identify as diverse in terms of race or ethnicity and/or gender, 56 percent self-identify as a minority, and 28 percent self-identify as a female minority.
- Implemented significant format changes to the Board's meetings with Federal Reserve Bank and Branch directors to create engaging and comprehensive information sharing sessions in order to maximize opportunities for participants to exchange diverse thoughts and perspectives with governors and other System leaders.
- Co-hosted a conference on Diversity and Inclusion in Economics, Finance, and Central Banking, together with the Bank of Canada, Bank of England, and the European Central Bank.<sup>127</sup>
- Hosted the Gender and the Economy Conference to explore how gender influences economics and financial outcomes over an individual's lifetime; Chair Powell gave the opening remarks.<sup>128</sup>
- Issued the fifth edition of *Consumer & Community Context*, which featured four articles that analyze the economic effect of the pandemic on women; the articles presented data on the effec-

<sup>125</sup> See the website <https://www.atlantafed.org/news/conferences-and-events/conferences/2021/02/01/uneven-outcomes-in-the-labor-market.aspx>.

<sup>126</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/the-fed-explained.htm>.

<sup>127</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/conference-on-diversity-and-inclusion-in-economics-finance-and-central-banking.htm>.

<sup>128</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/conferences/conference-on-gender-and-the-economy.htm>.

tiveness of responses to protect public health for single and working mothers and provide women and small business owners access to credit.<sup>129</sup>

- Announced that the Board has joined the Central Bank Network for Indigenous Inclusion (CBNII), which will foster ongoing dialogue, research, and education to raise awareness of economic and financial issues and opportunities around indigenous economies.<sup>130</sup>
- Enhance outreach strategy to community and consumer groups, financial institutions, and policy and research organizations that ensures inclusion of balanced, diverse, and differing perspectives.
  - Launched the Federal Reserve Community Development Research Seminar Series that focuses on facilitating a recovery that is inclusive; seminars included:<sup>131</sup>
    - Toward an Inclusive Recovery: Improving Labor Force Attachment and Financial Security Among Low-Income and Marginalized Workers.
    - Understanding and Empowering Women’s Economic Participation and Increasing the Housing Security of Vulnerable Renters through Rental Assistance.
  - Initiated a series of meetings with other organizations and agencies, including the U.S. Census Bureau, International Monetary Fund, and the Federal Reserve Economic Data team of Federal Reserve Bank of St. Louis, to learn more about their practices, governance, tools, and challenges.
  - Chair Powell participated in a virtual townhall meeting, *Conversation with the Chair: A Virtual Teacher and Student Town Hall Meeting*, with teachers and students from across the country.<sup>132</sup>
  - Hosted meetings between the Board and a variety of stakeholders, including advisory committees, Federal Reserve Bank and Branch directors, and financial industry groups, on a wide range of topics such as labor markets, inflation, cryptocurrency, cyber security risk, economic

effects of the COVID-19 pandemic, CRA, and issues affecting minority and low- and moderate-income communities.

## 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.

- Facilitate communications with the public, media, and Congress to ensure timely and accurate dissemination of information.
  - Published the Board’s *2020 Annual Performance Report* summarizing the progress in achieving the initiatives identified in the *Annual Performance Plan 2020*, as well as the Board’s response to the COVID-19 pandemic in 2020.<sup>133</sup>
  - Leveraged a variety of media channels to communicate with the press and public.<sup>134</sup>
    - Posted approximately 800 new documents to the public website, including reports, transcripts, FOMC materials, research papers, statistical releases, and testimonies.
    - Posted 75 regulatory proposals, which were also published in the *Federal Register*, and 4,213 comments from members of the public related to those proposals.
    - Posted 38 videos on the Board’s YouTube channel and public website (which has 104,000 subscribers as of the fourth quarter of 2021).
    - Provided a review of 18 reports to the Congress and coordinated submission to respective congressional offices.
    - Coordinated 230 meetings/calls between Board members and members of Congress.
  - Responded to numerous congressional inquiries related to the Federal Reserve’s mission, operational activities and responsibilities, trending topics related to the economy, and effect of the COVID-19 pandemic, among many others.

<sup>129</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/2021-november-consumer-community-context.htm>.

<sup>130</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20211013a.htm>.

<sup>131</sup> See the website <https://fedcommunities.org/community-development-research-seminar-series/>.

<sup>132</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/powell20210817a.htm>.

<sup>133</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/files/gpra-performance-report-2020.pdf> and <https://www.federalreserve.gov/publications/2020-gpra-annual-performance-plan.htm>.

<sup>134</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents.htm>.

**Table 1. Communication with the public, as of December 31, 2021**

Type of media	Announcements	Followers
Federal Reserve Board Facebook account	572	30,385
Federal Reserve Board LinkedIn network	634	79,736
Federal Reserve Board Twitter account	969	820,700
Fed Careers Twitter account	848	9,682
Press releases on the public website	148	n/a
Letters from public	11	n/a
Emails from public	11,426	n/a
Public Freedom of Information Act (FOIA) requests	714	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
Response 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

\* Includes responses pending from 2020 QFRs.  
\*\* Includes responses pending from 2020 and takes into account multiple signatories.  
n/a Not applicable.

- **Table 1** captures the communication with the public during 2021.
- Strengthen, align, and leverage community development programs across the System to best engage stakeholders nationwide and enrich System research and analysis.
  - Hosted the Innovations in Financing Postsecondary Education & Training virtual conference featuring experts who discussed programs that seek to reduce the financial burden of accessing postsecondary education and training.
- Enhance public access to information through effective records management practices and in compliance with the Freedom of Information Act.
  - Uploaded over 800,000 documents into the Federal Reserve Integrated Records Management Architecture (FIRMA) through automated interfaces with systems, SharePoint sites, and shared drives, and by manual upload, making them accessible for Freedom of Information Act (FOIA) and other reference requests.
  - Made Board records accessible for the visually impaired in accordance with section 508 of the Rehabilitation Act of 1973.
  - Implemented a tracking and management system to streamline the Board’s processing of

FOIA requests and facilitate greater transparency and understanding with the public.

- Enabled a public access link within *FOIAXpress*, an application that allows members of the public to submit requests and check on the status of their requests electronically and to receive responsive records directly into individual reading rooms.
  - Standardized a list of required attributes based on the National Archives and Records Administration (NARA) rule requirements and completed implementation on two collections slated for transfer to NARA.
- Investigate ways to expand outreach and broaden understanding of the Ombudsman function to increase transparency of the Federal Reserve’s regulatory and supervisory actions.
  - Delivered presentations about the Ombudsman’s role and functions to the staff at the Federal Reserve Bank of San Francisco and to Banking and Government Committee members of the International Institute for Conflict Prevention and Resolution.
  - Presented at a Federal Reserve Bank of St. Louis “Ask the Fed” session, attended by over 300 people, about the Federal Reserve’s material supervisory determination appeal process and roles of the Board’s Ombudsman Office.
  - Published an article in the American Bar Association’s Business Law section to expand awareness of the Board’s Ombudsman program and the material supervisory determination appeal process.<sup>135</sup>
  - Served as an independent, neutral resource for supervised institutions to further understanding, increase transparency, and facilitate actions pursuant to the updated material supervisory determination appeals process.

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

- Assess future needs for the public website and social media platforms to expand and improve the

<sup>135</sup> See the website [https://www.americanbar.org/groups/business\\_law/publications/blt/2021/08/fed-reserve-ombudsman/](https://www.americanbar.org/groups/business_law/publications/blt/2021/08/fed-reserve-ombudsman/).

content strategy and usability to better inform the public.

- Implemented the content management system that will streamline the process for posting regulatory proposals to the Board’s public website.
- Developed and refined technical requirements in preparation for the transition to the encrypting file system to ensure seamless posting of H.2 Actions of the Board, Its Staff, and the Reserve Banks.<sup>136</sup>
- Assess information management practices and resources to modernize technology, such as adoption of cloud solutions, in support of effective and efficient communication and the Board’s decisionmaking.
  - Adopted new technology platforms to host Board meetings, including those with Federal Reserve Bank and Branch directors, to maximize opportunities for participants to exchange diverse thoughts and perspectives with governors, other System leaders, and outside speakers.
  - Progressed the Board’s records management technology modernization by enhancing FIRMA to capture and preserve records from third-party applications that were previously not preservable.
    - Developed a standard application programming interface, which will be used to safely connect FIRMA to systems to transfer records for preservation.
  - Furthered progress on a technology modernization project, which will streamline various processes, create a centralized platform for applications, provide flexibility to meet evolving business needs, and improve operations for stakeholders across the Board.

<sup>136</sup> See <https://www.federalreserve.gov/Releases/H2/>.

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

- Engage with the public to increase the awareness and dissemination of reports and web-based content to inform about the financial conditions and experiences of consumers and communities.
  - Chair Powell discussed the *Survey of Household Economics and Decisionmaking* results that expose disparities in our economy and the Federal Reserve policies that address strong, stable economic outcomes at the *2021 Just Economy Conference* sponsored by the National Community Reinvestment Coalition, Washington, D.C.<sup>137</sup>
  - Delivered three sessions of Connecting Communities®, a webinar series that provides a national audience with timely insights and information on emerging and important community and economic development topics, including a session entitled *Findings on Economic Well-Being in 2020 from the Survey of Household Economics and Decisionmaking* where subject matter experts discussed the results, as well as trends on disparities in financial well-being by education, race, and ethnicity.<sup>138</sup>
- Disseminate research on the financial conditions and experiences of households and communities, including those traditionally underserved, economically vulnerable, or experiencing demographic inequities.
  - Issued the Report on *Economic Well-Being of U.S. Households in 2020*, including associated data, video, and new data visualizations, which examines the economic well-being and financial lives of U.S. adults and their families.<sup>139</sup>

<sup>137</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/powell20210503a.htm>.

<sup>138</sup> See the website <https://bsr.stlouisfed.org/connectingCommunities>.

<sup>139</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/report-economic-well-being-us-households.htm>.



# Public Engagement and Community Development COVID-19 Response

During 2021, the Public Engagement and Community Development function continued to provide resources for small businesses, nonprofits, housing providers, lenders and servicers, and local and state governments to navigate the COVID-19 pandemic's effects and related economic recovery.<sup>140</sup> The Board engaged in outreach to better understand the pandemic's effects on communities and banking organizations. The Board also issued Consumer Affairs Letters, in conjunction with the Board's Supervision function, to address significant policy and procedural matters related to the System's consumer compliance supervisory responsibilities. Key activities taken under the Public Engagement and Community Development Goal are listed below.

- Announced that the Federal Reserve will continue its *Fed Listens* initiative in 2021 to learn from a broad range of individuals, households, and communities about the economic recovery from the COVID-19 pandemic.<sup>141</sup>

—Convened nine *Fed Listens* events, held around the country, that engaged a wide range of organizations—employee groups and union members, small business owners, residents of low- and moderate-income communities, workforce development organizations and community colleges, retirees, and others—to share how monetary policy affects peoples' daily lives and livelihoods.<sup>142</sup>

- Hosted six 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 they are confronting as businesses reopen under the COVID-19 pandemic policies.

- Conducted outreach sessions with community and regional state member banks located in the in the Districts of the Federal Reserve Banks of Atlanta, Minneapolis, Richmond, and San Francisco to discuss supervisory responses to the COVID-19 pandemic crisis.
- Issued five new Frequently Asked Questions (FAQs), together with the FDIC and OCC, on the CRA considerations for activities in response to the COVID event; the new FAQs supplement and supersede the previous FAQs in the *Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus*, CA 20-10.<sup>143</sup>
- Governor Brainard spoke on “Financial Inclusion and Economic Challenges in the Shadow of the Pandemic: A Conversation with Tribal Leaders” at the Fed Listens: Roundtable with Oklahoma tribal leaders in Oklahoma City, Oklahoma.<sup>144</sup>
- Governor Bowman provided remarks on “Engagement, Research and Policy: Integrating Indigenous Voices into Economic Inclusion at the Federal Reserve” at the Virtual Symposium on Indigenous Economies: Bank of Canada, Tulo Centre of Indigenous Economics, the Reserve Bank of New Zealand.<sup>145</sup>

<sup>140</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/community-development-small-business-resources-covid-19.htm>.

<sup>141</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210623a.htm>.

<sup>142</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/fedlistens.htm>.

<sup>143</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/ca2105attach.pdf> and Consumer Affairs Letter, CA 20-10 at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2010.htm>.

<sup>144</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20211013a.htm>.

<sup>145</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/bowman20211129a.htm>.



# 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

- Foster employee engagement and an inclusive culture, including through the development of strategic initiatives based on human capital industry best practices.
  - Supported seven active Employee Resource Groups (ERGs) to further promote a culture of inclusivity: Advocacy for the Diverse Abilities, Needs, and Contributions of Employees ERG (ADVANCE); the African American ERG (AAERG); the Asian American Pacific Islander ERG; the Hispanic ERG; the Lesbian, Gay, Bisexual, Transgender, Queer, and Allies + (LGBTQA+) ERG; the Veterans ERG; and the Women's ERG (WERG).
    - The ERGs are open to all employees, and participation is encouraged to introduce others to diverse cultures and perspectives. ERGs focus their annual programming around four key pillars to support the Board: recruitment and retention, career development, workforce engagement, and equitable policies and practices.
  - Announced a wide offering of classes and webinars in support of National Preparedness Month; topics include emergency preparedness, physical fitness, wellbeing, family preparedness, and financial readiness.

- Conducted the 2021 Board Engagement Survey, the results of which will be leveraged to cultivate lessons learned and improve employees' connection to their work and the organization.
- Announced the Board's recognition and establishment of the new federal holiday, Juneteenth National Independence Day (also known as Juneteenth) to commemorate the arrival of Union troops in Galveston, Texas, which marked the final end of slavery in the United States.
- Released *DE&I Matters*, a quarterly internal newsletter to provide resources to employees on topics of diversity, equity, empathy, and belonging in the workplace.
- Offered sessions on *Leading with Conscious Inclusion* for officers and managers, and *Allyship* open to all staff.
- Awarded a total of \$302 million in contracts for goods and services.<sup>146</sup>
  - Of this total, \$55.4 million (18.3 percent), was awarded to minority- and/or women-owned businesses (M/WOBs), including \$36.2 million (11.9 percent), to minority-owned businesses and \$19.2 million (6.4 percent), to nonminority WOBs.
- Announced new investment and trading rules for policymakers and the Federal Reserve

<sup>146</sup> This report describes the contracts awarded by the Board for the period January 1, 2021, through December 31, 2021, and includes contracts for the Board's Office of Inspector General as well as the Board's currency program. The dollar amount shown represents the total obligated amount of the contracts rather than the actual amounts paid to contractors.

- System's most senior staff, accompanied by a message from Chair Powell.<sup>147</sup>
- Strategically source highly qualified, diverse talent using market information, data analytics, targeted outreach, and leading recruiting practices.
    - Conducted campus recruiting informational sessions and engagements at 106 colleges and universities to expand outreach efforts.
      - Participated in the Hispanic Serving Institutions (HSI) Career Collaborative Summit, attended by 13 HSIs, dedicated to professional development and creating robust outreach plans to brand organizations with HSI students across the country.
    - Met with the National Association of Colleges and Employers (NACE) Executive Director and Historically Black Colleges and Universities (HBCU) Liaison to discuss the Ambassador-in-Residence program to increase access to students and serve as resources for volunteer opportunities in HBCU career centers.
      - Analyzed the *NACE 2020 Undergraduate Placement and Demographic Report* for D&I outreach efforts and benchmarking of recent graduate and intern-conversion placements.
    - Onboarded and hosted 92 summer interns across 11 divisions.
    - Initiated the Board's 2022 Summer Intern recruiting cycle with a focus on HSIs, HBCUs, and schools with large female student bodies in science, technology, engineering, and mathematics programs; registered with 106 schools (including 42 HSIs and 19 HBCUs) and began posting division vacancy announcements on 273 campus job boards.
    - Offered four training classes for the Board Ambassadors Program, a program that allows Board employees to join the Talent Acquisition team at campus and professional association recruiting events.
      - Throughout the year, 115 Ambassadors participated in recruiting outreach and/or intern-related programs.
    - Held "Hiring without Bias" training sessions, attended by people leaders across the Board.
  - Develop and facilitate an education strategy to ensure maximum understanding and utilization of the organization's benefits by the Board's workforce.
    - Launched a new Board e-learning course content provider that provides employees with digital courses taught by industry experts and videos pertaining to business and technology.
    - Issued reminder of benefits to staff who may have been effected by Hurricane Ida.
  - Provide targeted learning and development opportunities to cultivate current and future leaders to ensure readiness for leadership roles.
    - Distributed results of the System Leadership Initiative (SLI) strategic review feedback survey to the Executive Committee and Senior Officer's Committee and held a discussion about identified themes.
      - Launched the new SLI pilot program, Navigate, for level 2 and 3 officers who are not already SLI alumni.
    - Hosted a series called Look at Talent Across the Board, focused on highlighting the work, talent, and job families of each division to create a better understanding of career opportunities around the Board.
    - Held four Civil Treatment for Leaders workshops to equip senior leaders and people managers with the tools and resources to build a more inclusive, productive, and compliant workplace; 91 leaders from across the Board attended.
    - Announced the issuance of Procurement Instruction 2105 for Technical Leads of Procurement Efforts, which will outline the roles, responsibilities, and requirements of individuals serving as Technical Points of Contacts or Contracting Officer Representatives.
  - Conduct comprehensive workforce planning reviews throughout the organization to assess current human capital and to guide future workforce requirements.
    - Progressed workforce planning activities throughout the organization by analyzing the current business environment, conducting gap analyses to identify the skillsets needed for future work, and facilitating focus groups with employees at all levels.

<sup>147</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20211021b.htm>.

- Conducted pilot succession planning sessions, entitled Talking Talent, to facilitate a repeatable process, which identifies critical positions and competencies, assesses employees, develops a forward plan, and monitors that plan.

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

- Implement the long-term space strategy ensuring appropriate stewardship of resources.
  - Achieved substantial completion of the Martin Building renovation project and formally reopened the building in accordance with Stage 1 of the Board’s Return-to-Office strategy.
    - Hosted a supplier diversity webcast to provide information on acquisitions for the Martin Building, such as furniture, furnishings, and equipment, and to encourage participation of small businesses from diverse backgrounds.
  - Completed rehabilitation work on the service elevator and one passenger elevator at the New York Avenue Building.
  - Announced upcoming renovation plans at the 1951 Constitution Avenue building; received final approval from the National Capital Planning Commission for the Eccles and 1951 buildings’ renovation designs; and completed early demolition and abatement activities in the 1951 building.
    - Awarded a contract for the sustainable removal and disposal of furniture in the Eccles Building.
  - Launched a new event management system to be used by employees to make meeting room reservations or service requests and offered training sessions to demonstrate new functionalities.

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

- Further the adoption of cloud services and innovative technologies, such as AI and machine learning, to advance business capabilities.
  - Launched a data science and machine learning course led by the International Finance Tech Talks group.
  - Held the 2021 Virtual Data Showcase, an event which showcases employees’ data skills during a fast-paced series of 10-minute presentations.
  - Completed efforts to establish robotic process automation use cases to support AI capabilities within IT Statistics.
  - Hosted a two-day hackathon to solve complex business problems focused on four themes: analytics, fintech/regtech, data science, and data mining.
  - Implementation of a suite of productivity applications and software-as-a-service products to provide for enhanced collaboration.
- Create a modern digital workspace that makes it easier to securely create, share, preserve, and find information and enables staff to work from any location or Board device with a consistent user experience.
  - Advanced the implementation of enhanced electronic collaboration solutions to provide a consistent user experience for all employees in a hybrid model (remote and on-site) as employees transition back to the office.
  - Issued internal guidance on how to identify and handle records, non-records, and personal papers in relation to office relocations and renovation work; issued specific guidance to the research divisions on records unique to their work.

- Enhance cybersecurity and privacy programs for cloud services and maintain a secure technology environment that fosters continuous improvement and innovation.
  - Submitted several deliverables required by the Presidential Executive Order on Improving the Nation’s Cybersecurity.
  - Published the new Vendor Risk Management Standard, which outlines the security, privacy, and procurement requirements when an effort will include sharing data with a vendor, and held five training sessions for the staff involved in efforts that would be subject to the new process.
  - Established the process for the Records Management Program to review records in decommissioning internal online sites.
  - Completed the implementation of features within the Enterprise Security Access Management System for the Committee for Current Reporting Series System.
  - Progressed proof of concept activities for the Secure Document System to provide leadership with secure access to document libraries from Board-issued mobile devices.
- Support implementation of updated technology to modernize the human capital and financial management platforms and other administrative functions.
  - Progressed multiple workstreams related to a program to evolve and replace the Board’s enterprise financial, procurement, and human capital management systems.
  - Finalized a contract with a third-party service to facilitate direct payment of tuition expenses to colleges and universities for employees.

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

- Develop an enterprise data strategy and integrate with the technology strategy to update the strategic information resource management plan, including an open data plan.

- Developed the long-term vision, goals, and action plans for the Board Data Strategy.
  - Conducted a Boardwide survey and multiple focus group discussions to collect input on the Board’s current data landscape, as well as aspirations for, and expected challenges to, the future data environment.
- Initiated an effort to develop an enterprise metadata strategic plan that will consist of metadata standards, processes, tools, and the development of a roadmap in support of implementation of the Board Data Strategy.
- Collaborated with the Federal Reserve Bank of St. Louis for data download and visualization services to the public and improved the public’s experience in a useful, accessible, modern, and cost-effective way while adhering to the Board’s legal and regulatory requirements and in support of implementation of the Board Data Strategy.<sup>148</sup>
- Establish a data-management life-cycle framework, with enterprise data-governance standards and policies, to ensure data are consistently managed, available timely, of high quality, and utilized safely.
  - Finalized the Data Governance Program charter and kicked off a collaborative effort to establish a Boardwide data governance framework that will include developing a consistent set of roles and responsibilities for the data usage.
    - Leveraged the lessons learned from building the 13(3) emergency lending facilities data repository to initiate a data operation playbook for 13(3) data as well as other new data repositories.
  - Established a climate data committee to coordinate the data management activities to support the analysis of climate data related to financial stability, supervision and regulation, and monetary policy.
- Enhance the discoverability of both structured data assets and unstructured information; ensure compliance with the Open, Public, Electronic, and

<sup>148</sup> See the website <https://fred.stlouisfed.org/>.

Necessary (OPEN) Government Data Act; and adhere to data management principles.

—Finalized and transmitted the first *Annual Chief Data Officer Report* to Congress and the Office of Management and Budget in compliance with the OPEN Government Data Act.

—Drafted an approach and developed the preliminary content of an inventory of the Board's public data assets for publication in the Federal Data Catalog.





## Mission Enablement COVID-19 Response

During 2021, the Mission Enablement function continued to support the Board's workforce, administration, and day-to-day operations ensuring the Board's uninterrupted and smooth functioning during its extended telework posture. The Board implemented the COVID-19 vaccination requirement and communicated with employees regularly, including seeking feedback on employees' experience and resource needs during the pandemic. Key activities taken under the Mission Enablement Goal are listed below.

- All Board employees were required to be fully vaccinated against the coronavirus by November 30, 2021, unless they received a Board-approved accommodation.
  - Granted employees a total of eight hours of administrative leave for coronavirus vaccination appointments.
  - Launched a Vaccination Record System so that divisions can monitor progress on vaccination compliance.
- Posted vaccine availability information as well as answers to employee pandemic questions by the

Board's medical advisor to help equip employees with up-to-date information about the coronavirus vaccine.

- Administered an organization-wide survey on vaccination status and building access preferences in August and shared its results with all employees.
- Conducted a telework survey to assess employees' experience with the organization's remote telework posture and shared the results internally.
- Chair Powell participated in a virtual town hall event with Board staff as part of ongoing efforts to foster community and conversation during the extended telework posture.
- Launched an internal website and hosted an internal podcast to help communicate the four-staged return-to-office plan to employees and provide guidance on expectations and protocol for the new work environment.
- Modified the existing open workstations and double-occupancy offices to accommodate social-distancing guidelines.

