



Strategic Plan 2024–27



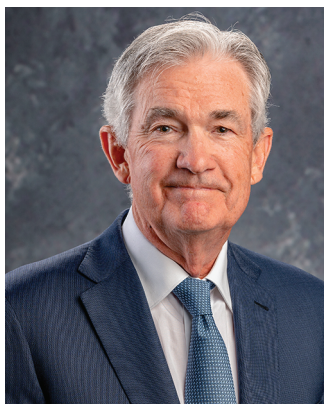
December 2023

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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Message from the Chair



The Board of Governors plays a central role in carrying out the Federal Reserve System’s responsibilities to promote a healthy economy, a strong and stable financial system, and a safe and efficient payment system. We are committed to doing so in a way that engages the public and clearly communicates the Federal Reserve’s objectives, while achieving those goals effectively and efficiently. Our strategy is laid out in a four-year strategic plan, which guides decision making by the Board and also fulfills the vital function of explaining our actions to the public. The *Strategic Plan 2024–27* contains detailed objectives for achieving the Federal Reserve’s broader goals, and a statement on the mission and values that will guide us in pursuing those objectives.

Through our decisions on monetary policy, we will work toward the goals of maximum employment and stable prices assigned to us by the Congress. Our financial system is strong and resilient after more than a decade of effort to improve supervision and regulation since the global financial crisis. Work by the Board continues to make sure that our supervision and regulation is efficient as well as effective. Our payment system is crucial to both a healthy economy and a strong and stable financial system, and the strategic plan outlines the Board’s approach to improving the payment system.

The Federal Reserve’s mission touches the lives of all Americans, and we serve the public more effectively when our workforce reflects the diversity of our nation. Diversity is a hallmark of successful organizations. Inclusion makes us stronger by providing every employee the assurance that she or he is working in an environment that welcomes and values differences. By drawing from a richer pool of experience and points of view, we will make better decisions and be more successful in achieving our mission.

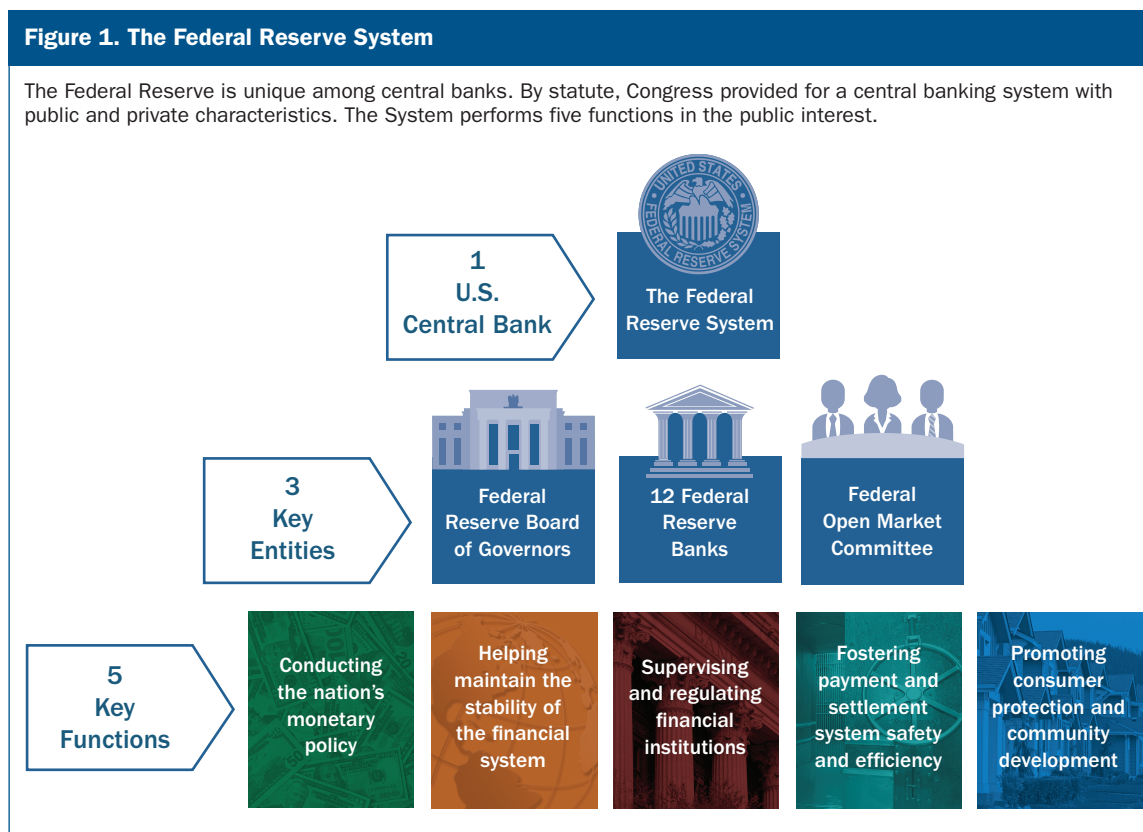
My Board colleagues and I will stay focused on achieving and maintaining our monetary policy objectives and remain vigilant and prepared to respond to evolving risks to economic and financial stability. At the Federal Reserve, we know that our decisions matter for American households and businesses. Our long-standing, nonpolitical tradition is to make decisions objectively, based only on the best available evidence, and in the best interests of the American people.

Jerome H. Powell, Chair
Federal Reserve Board

Preface

Congress founded the Federal Reserve System (System) in 1913 as the central bank of the United States. There are three key entities in the Federal Reserve System: the Board of Governors (Board), the Federal Reserve Banks (Reserve Banks), and the Federal Open Market Committee (FOMC). The Board is an independent agency of the federal government and reports to and is directly accountable to Congress, as delineated in the Federal Reserve Act.¹ The Board, the Reserve Banks, and the FOMC work together to promote the health of the U.S. economy and the stability of the U.S. financial system.

Located in Washington, D.C., the Board consists of seven members appointed by the President of the United States, confirmed by the Senate, and supported by Board staff. The Board guides the operation of the Federal Reserve System to promote the goals and fulfill the responsibilities given to the Federal Reserve by the Federal Reserve Act and oversees the 12 Reserve Banks while advancing work through the five key functions (figure 1).



¹ The Federal Reserve Act is available at <https://www.federalreserve.gov/aboutthefed/fract.htm>.

The Board also 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.²

² Additional information about the Board and Federal Reserve System can be found in *The Fed Explained: What the Central Bank Does*, available at <https://www.federalreserve.gov/aboutthefed/the-fed-explained.htm> and throughout the Board’s website at <https://www.federalreserve.gov/>.

Mission and Values

The mission of the Federal Reserve is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payments systems so as to promote optimal economic performance.

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

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

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

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

Further, the Board is committed to ensuring a diverse workforce and an environment of inclusion and respect at all levels of the organization.³ The Board's future success requires cultivating a workforce that embraces the collective mixture of differences and recognizes and values how those differences enhance the organization's decisionmaking and ability to achieve its mission. The organization's approach to cultivating diversity and inclusion extends to all entities interacting with the Board.

³ Diversity refers to all characteristics that make individuals different from one another including those related to race, color, religion, sex, gender identity, national origin, age, disability, sexual orientation, values, beliefs, experiences, backgrounds, preferences, and behaviors that make each person unique.

Overview

The Board's *Strategic Plan 2024–27* identifies and frames the organization's goals, objectives, and strategic themes. The Board published its *Strategic Plan 2024–27*, which outlines the organization's priorities across five goal areas to maintain the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems:

- [Monetary Policy and Financial Stability](#)
- [Supervision and Regulation](#)
- [Payment System and Reserve Bank Oversight](#)
- [Consumer Protection and Community Development](#)
- [Mission Advancement](#)

Reporting

The Board issues this report in the spirit of the Government Performance and Results Act of 1993 (GPRA), as amended by the GPRA Modernization Act of 2010, which requires that federal agencies prepare a strategic plan covering a multiyear period. Although the Board is not covered by GPRA, the Board voluntarily follows with the spirit of GPRA and, like other federal agencies, prepares a *Strategic Plan* as well as an *Annual Performance Plan* and an *Annual Performance Report*. These reports are publicly available among the Board's publications.⁴

As required by the Federal Reserve Act, the Board also annually submits to Congress the *Annual Report* describing the operations of the Federal Reserve System for the previous year, as well as a detailed explanation of the plans and resources discussed in the approved budgets of the Board and the 12 Federal Reserve Banks.⁵

⁴ See the GPRA reports at <https://www.federalreserve.gov/publications/gpra.htm>.

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

Goal 1: Monetary Policy and Financial Stability

Promote maximum employment and stable prices, as well as the stability of the financial system.

Objective 1.1: Support and inform Board and Federal Open Market Committee policy deliberations to enable sound and objective decisionmaking.

- identify, monitor, and analyze economic and financial developments to assess potential effects on and risks to the economy, the financial system, and financial stability
- solicit a broad range of perspectives and expertise during the development of research and analysis in support of policy deliberation

Objective 1.2: Actively pursue research, analysis, and monitoring that deepens understanding of key economic and financial issues.

- sustain an independent research environment that promotes a multifaceted understanding of the economy, the financial system, and financial stability
- incorporate diverse thoughts, perspectives, and experiences into the research and analysis environment

Objective 1.3: Engage with domestic and international entities to advance understanding of monetary policy and financial stability issues and the potential effects on the economy.

- contribute to and collaborate with domestic and international cross-institutional forums and groups
- communicate findings to support and advance shared understanding of global issues impacting monetary policy and financial stability

Objective 1.4: Promote transparency and public understanding of monetary policy, financial stability, economic measurement, and economic research.

- enhance public access to information that communicates the organization's understanding of economic and financial conditions, the impact and efficacy of monetary policy, and financial stability concerns
- advance public understanding of complex issues and their potential impacts on the economy and financial stability

Goal 2: Supervision and Regulation

Promote the safety, soundness, and fairness of financial institutions and systems.

Objective 2.1: Improve the speed, force, and agility of supervision in response to changing conditions and banking models.

- intensify supervisory programs at the right pace as a firm grows in size or complexity
- identify and escalate key supervisory issues quickly and ensure banks address those matters promptly
- foster a culture that empowers supervisors to act in the face of uncertainty

Objective 2.2: Raise the baseline for resilience.

- adjust prudential standards so banks maintain the ability to absorb losses under a range of conditions
- continuously modify and evaluate rulemakings, guidance, and supervisory programs to ensure they keep pace with changes in the banking system
- help ensure that the financial system is resilient to short- and long-term challenges

Objective 2.3: Support responsible innovation that improves access to financial services while safeguarding consumers, financial institutions, and the financial system.

- ensure supervision and regulations appropriately reflect the risks of novel activities and establish effective guardrails
- promote technological advances to increase access to financial services

Objective 2.4: Promote transparency and public outreach to better inform supervisory and regulatory responsibilities.

- engage with stakeholders to provide education and timely guidance on relevant regulations and compliance matters
- broaden understanding of the Ombuds function to support transparency of the Federal Reserve's regulatory and supervisory actions

Goal 3: Payment System and Reserve Bank Oversight

Foster a safe, efficient, and accessible payment, clearing, and settlement system, and promote effective Reserve Bank strategies, policies, and operations.

Objective 3.1: Support and facilitate the modernization of payment system infrastructure, regulations, services, and technologies to address changing stakeholder needs.

- modernize the U.S. payment system to facilitate commerce in real time
- conduct research and analysis related to digital innovations in payments
- support efforts to improve services for depository institutions' use of payments

Objective 3.2: Identify and address emerging systemic risks to further protect the payment system.

- enhance technology adoption and leverage new and relevant data sources to improve risk identification and mitigation
- reinforce leading cybersecurity and risk-management standards within payments, clearing, and settlement systems

Objective 3.3: Maintain an effective and secure U.S. currency program.

- collaborate with partner agencies in the effective development and production of Federal Reserve notes
- enable Reserve Banks and financial institutions to effectively manage the circulation and processing of Federal Reserve notes
- enhance counterfeit deterrence capabilities through research, innovation, and education
- educate global users on U.S. currency designs and security features of Federal Reserve notes

Objective 3.4: Conduct Reserve Bank oversight and support the Reserve Banks' evolution toward standardized policies, processes, and systems.

- ensure accountable stewardship of resources in alignment with strategic planning and budget processes
- enhance oversight capabilities to effectively assess Reserve Banks' operations, internal controls, and emerging risks

- identify opportunities for standardization and shared-service consolidation across Reserve Banks

Goal 4: Consumer Protection and Community Development

Foster an accessible and fair financial system and promote community investment.

Objective 4.1: Continue effective consumer protection and community reinvestment-related supervision and rulemaking.

- continue the ongoing approach to carry out and ensure effective and timely supervisory action and bank responsiveness
- modernize Community Reinvestment Act (CRA) regulations in collaboration with other regulatory agencies and once finalized, establish examination procedures for state member banks
- monitor, research, and assess risks to inform a risk-focused approach to supervision

Objective 4.2: Engage in outreach with community, consumer, and industry representatives and conduct analysis to better understand consumer financial risks and approaches to mitigate risks that would protect consumers.

- engage with external parties that bring balanced and diverse perspectives regarding financial risks to consumers and communities
- provide timely guidance and conduct educational outreach with financial institutions to promote understanding of and compliance with consumer protection laws

Objective 4.3: Convene external and system engagements to foster community development and financial inclusion.

- conduct research and outreach to improve understanding of effective community investment and the impact of financial industry practices on access to credit and banking services
- promote learning, leading practices, and relationships among stakeholders by holding convenings including experts with a balanced range of views on community development and conducting balanced research

Objective 4.4: Conduct surveys and research to advance understanding of financial and economic conditions of low- and moderate-income communities and households.

- collect data through the *Survey of Household Economics and Decisionmaking* and conduct analysis on the financial and economic conditions and experiences of households and

communities, including the broad range of economic participants and those who may be considered to be vulnerable from an economic perspective

- conduct data-driven analytic research that informs the public and policymakers with objective information about the financial conditions and experiences of consumers and communities

Goal 5: Mission Advancement

Advance operations and capabilities to sustain a high-performing workforce; promote diversity, equity, and inclusion; ensure effective stewardship of resources; modernize infrastructures; and provide impactful communication and outreach.

Objective 5.1: Attract, retain, and develop an agile, diverse, and high-performing workforce while fostering an ethical, equitable, and inclusive workplace culture.

- enhance talent strategies to remain competitive in an evolving labor market and attract an increasingly diverse candidate pool
- provide development and growth opportunities to advance knowledge, skills, and abilities of the workforce
- reinforce understanding of employment ethics obligations through education and training
- ensure policies, practices, procedures, and workforce engagement foster fairness, inclusiveness, equity, and opportunity for all employees

Objective 5.2: Ensure effective stewardship and management of resources.

- strengthen financial stewardship of resources and asset management through effective budget planning, performance reporting, and controls
- maximize the utility of data and technology investments to support effective, efficient, and secure operations
- implement a workplace strategy that furthers organizational collaboration and productivity
- promote opportunities for small, minority-owned, women-owned, and other disadvantaged vendors to compete for the organization's procurement of goods and services

Objective 5.3: Evolve data and data analytics capabilities to accelerate the ability to innovate and respond to business needs.

- advance and sustain a disciplined data management program to meet the increasing demand for complex data
- enhance business processes to incorporate best practices and data governance frameworks

Objective 5.4: Transform the technology environment and support emerging technologies to increase employee productivity, improve operational efficiency, and bolster the Board’s resilience in an ever-evolving environment.

- accelerate the adoption of cloud services, automation, foundational platforms, and related technologies
- strengthen cybersecurity, privacy, and risk-management capabilities in alignment with current and future federal requirements and leading industry practices
- invest in an advanced enterprise architecture that addresses needed technical capabilities
- evolve core technology infrastructure to support a scalable and flexible environment

Objective 5.5: Increase transparency and the public’s understanding of the Federal Reserve through effective communication, outreach, and engagement

- engage with the public, Congress, and other stakeholders to provide timely and accurate information
- broaden and deepen the public’s understanding of the Federal Reserve through a variety of content, media, and communications

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