



Annual Performance Report 2017

June 2018

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



Annual Performance Report 2017

June 2018

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Mail Stop K1-120
Board of Governors of the Federal Reserve System
Washington, DC 20551
(ph) 202-452-3245
(fax) 202-728-5886
(email) Publications-BOG@frb.gov

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Preface

The Board of Governors of the Federal Reserve System's (Board) *Strategic Plan 2016–19* identified critical strategic challenges and forward-leaning organizational objectives, and set forth initiatives and activities aimed to move the organization toward the envisioned future state.¹ This document, the *Annual Performance Report 2017*, summarizes the Board's accomplishments in 2017 toward achieving the objectives as identified in the *Annual Performance Plan 2017*.²

¹ The *Strategic Plan 2016–19* is available on the Federal Reserve Board's website at www.federalreserve.gov/publications/gpra.

² The *Annual Performance Plan 2017* is available on the Federal Reserve Board's website at www.federalreserve.gov/publications/2017-gpra-annual-performance-plan.htm.

The Board issues these reports in the spirit of the Government Performance and Results Act (GPRA) of 1993, which requires that federal agencies prepare a strategic plan covering a multiyear period and submit an annual performance plan and annual performance report. While the Board is not covered by GPRA, the Board voluntarily complies with the spirit of the act and, like other federal agencies, publishes a strategic plan as well as an annual plan and an annual performance report.

Introduction

The Board's longstanding mission is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems and to promote optimal economic performance. The Board's mission is rooted in the System's statutory mandates and on a set of core 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 bank 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 the independent professional judgment that is fostered by the System's regional structure. It relies on strong teamwork and consensus building to mold independent viewpoints into coherent, effective policies.

The Board considers strategic planning a critical factor for ensuring the long-term effectiveness and efficiency of operations. The Board's *Strategic Plan 2016–19* identified critical organizational challenges faced by the Board and was organized into six strategic pillars to guide key investments, align resources,

and implement changes over the four-year planning period. They include

1. **Project development and resource allocation.** Improve project management capabilities and align resources to support current and emerging programs central to the Board's mission.
2. **Workforce.** Uphold the Board as a sought-after place to work that attracts highly qualified individuals and embraces the range of similarities and differences each individual brings to the workplace, including thought, experience, and background.
3. **Physical infrastructure.** Build a productive, collaborative work environment through the tailored use of space, technology, and design.
4. **Technology.** Empower operational excellence, efficiency, and security through innovative technology platforms.
5. **Data.** Research, analyze, and respond to economic and financial developments, challenges, and issues, as well as safety and soundness, consumer protection, and financial stability risks through enhancement of the Board's data management and analytics environment.
6. **Public engagement and accountability.** Increase understanding and appreciation of the Board's mission through public engagement and accountability.

The Board recognizes that there are differences between government and private-sector strategic planning and measurement of those efforts. While private-sector planning often relies on measures of revenue, the Board measures its performance relative to public policy objectives. The *Annual Performance Report 2017* presents the results for the most significant and strategic projects, initiatives, and investments that support the Board's long-term goals and objectives. However, given the large scope of work

performed by the Board, this report is not encompassing of all activities.

Throughout the strategic planning period, senior leadership reassess priorities to take into account changing circumstances, environmental factors, and trends, and aligns resources and implements changes based on these changing priorities. The Board also reviews initiatives and, to the extent possible, develops cost-saving strategies and identifies efficiency gains as part of ongoing strategic review. Strategic investments also accompany an agenda of management process changes that keeps major investments on track, identifies additional opportunities for cost savings, and improves overall operations.

This report summarizes the Board's accomplishments in 2017 toward achieving the initiatives identified in the *Annual Performance Plan 2017*, organized by strategic pillar and objective.³ Notable projects and initiatives completed in 2017 included the research and publication of a number of significant surveys and reports used to inform policy and discourse around the Board's responsibilities. Examples included the fourth annual *Survey of Household Economics and Decisionmaking* (SHED), which gauged the economic well-being of U.S. households and identified potential challenges to their financial stability, and the *Survey of Consumer Finances*, which examined families' balance sheets, pensions, income, and demographic characteristics.⁴ In addition, the Board enhanced the *Monetary Policy Report to the Congress* to include a summary of material on financial stability developments, detailed coverage of the economic experiences of major demographic groups, a special box on market liquidity, and a new box that explains the basics of monetary policy rules. The Board also published, through its Finance and Economics Discussion Series (FEDS), a paper exploring intra-city patterns of income and race to help inform public policy around poverty alleviation.⁵ Board members were briefed on several special topics ranging from the role of the Federal Home Loan Banks

in funding markets to international financial stability developments to nonbank mortgage lenders.

The Board worked collaboratively across a variety of academic, financial, community, and international stakeholders to fully appreciate diverse positions on issues germane to the stability of the economy and continued to foster public engagement and accountability. In participating as a core member of the central bank Committee of Payments and Market Infrastructures (CPMI), guidance was finalized on risk management by central counterparties. The Board also consulted regularly with the Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and other agencies, as appropriate, to discuss supervisory and regulatory policy issues.

In addition to executing the Board's central mission of maximum employment and stable prices, focus remained on investing in people, data, technology, and physical infrastructure. Work efforts continued to support long-standing programs to promote equal employment opportunity and workforce diversity and to foster diversity in procurement. The Board continued to implement its *Diversity and Strategic Plan 2016–19* by expanding recruitment activities and further fostering and sustaining an inclusive work environment and measure employee engagement through its survey process.⁶ The Board participated in events hosted by the Association of Latino Professionals for America (ALPFA), Prospanica (The Association of Hispanic Professionals), and the National Black MBA Association, Inc. (NBMBA).

The Board also made progress in both data and technological infrastructure by continuing to decommission the mainframe, upgrade hardware, and conduct robust security and compliance reviews to ensure its readiness against cyber threats. Security reviews were completed for the initial set of national applications using the trust agreement process established between the Board and Federal Reserve Banks. To strengthen governance of its data assets, the Board established the supervision Data Advisory Committee. Additionally, enhancements were implemented to the Information Collection Coordination work-

³ The *Annual Performance Plan 2017* is available on the Federal Reserve Board's website at www.federalreserve.gov/publications/2017-gpra-annual-performance-plan.htm.

⁴ The *Survey of Household Economics and Decisionmaking* is available on the Federal Reserve Board's website at www.federalreserve.gov/consumerscommunities/shed.htm and the *Survey of Consumer Finances* is available at www.federalreserve.gov/econres/aboutscf.htm.

⁵ Research papers are published under FEDS and Notes and the International Finance Discussion Papers (IFDP) and Notes and are available on the Federal Reserve Board's website at www.federalreserve.gov/econres.htm.

⁶ The *Diversity Strategic Plan 2016–19* is available on the Federal Reserve Board's website at www.federalreserve.gov/publications/diversity-inclusion-plan.htm.

flow system to allow for greater response agility and data storage capabilities.

Work also continued steadily on the Board's largest physical capital project, the renovation of the William McChesney Martin Jr. Building (Martin Building) as well as smaller scale modernization and build-out projects.

The Board voluntarily complied with the Office of Management and Budget's Memo M-17-22, which instituted a temporary hiring freeze across federal

government agencies. In addition, a comprehensive review was conducted by the Board's Senior Operating Committee to develop potential initiatives to enhance efficiency and effectiveness. These initiatives will then be reviewed by the Board's Executive Committee to determine next steps.

The remainder of this report provides more detailed information on the accomplishments reached in 2017 under the objectives and planned initiatives for each of the six strategic plan pillars.

Strategic Pillar 1: Project Development and Resource Allocation

Goal: Improve project management capabilities and align resources to support current and emerging programs central to the Board's mission.

Objective 1.1: Establish effective processes and policies to manage priorities and enable resource allocation in support of current, expanded, or emergent mission priorities.

The Board will develop and enhance processes and policies for prioritizing and allocating resources that allow the organization to respond quickly and effectively to new challenges as well as changes to existing requirements.

Projects and Initiatives

- Inform and advance Federal Reserve policymaking and research on consumer and community financial services, supervisory concerns, and community economic development opportunities and challenges, as well as inform public understanding of these economic inclusion topics.

—Published the 2016 *Survey of Household Economics and Decisionmaking*, the fourth annual survey that gauges the economic well-being of U.S. households and identifies potential challenges to their financial stability.⁷

—Published the 2016 *Survey of Consumer Finances*, a triennial cross-sectional survey of U.S. families, which examines families' balance sheets, pensions, income, and demographic characteristics.⁸

⁷ The *Survey of Household Economics and Decisionmaking* is available on the Federal Reserve Board's website at www.federalreserve.gov/consumerscommunities/shed.htm.

⁸ The *Survey of Consumer Finances* is available on the Federal Reserve Board's website at www.federalreserve.gov/econres/aboutscf.htm.

—Co-hosted the Federal Reserve System's second annual "Banking and the Economy: A Forum for Minority Bankers" in collaboration with various Federal Reserve Banks.⁹ The event provided minority banking industry leaders with industry, leadership, and professional development knowledge that will enhance their careers and networks.

—Published papers exploring the economic issues of low-income and minority neighborhoods to help inform public policy and programs for economic development or poverty alleviation.¹⁰

- Achieve Reserve Bank oversight risk-management objectives, including enhancing the information technology (IT) business model with respect to oversight of the Federal Reserve System IT strategic plan.

—Established a quarterly reporting process to track and assess Reserve Bank work streams.

- Sustain work to enhance the oversight processes of Reserve Banks to ensure an appropriate risk focus.

—Evaluated the oversight and risk assessment approach for Reserve Banks, and obtained input from stakeholders across the System's internal audit functions.

—Endorsed a revised oversight approach targeted to achieve greater effectiveness and efficiency for oversight activities.

- Enhance the budget development and forecasting processes to further the functional costing approach, multiyear outlooks, and alignment with the Board's strategic plan.

⁹ For more information on the forum, see www.kansascityfed.org/events/2017/forum-minority-bankers-9-27-17; video of the conversation with Chair Janet Yellen at the Banking and the Economy: A Forum for Minority Bankers, September 28 and 29, 2017, is available at www.youtube.com/watch?v=wmqZW4sISeY&feature=youtu.be.

¹⁰ Research papers are available on the Federal Reserve Board's website at www.federalreserve.gov/econres.htm.

- Prepared quarterly budget forecasts and communicated information to the Committee on Board Affairs (CBA). The forecasting information was used to inform the CBA and Board for the 2018 budget.
- Received approval for the Board’s 2018 operating and capital budgets.
- Continue work to develop a Boardwide Enterprise Risk Management program.
 - Continued work on developing a framework for the Boardwide Enterprise Risk Management program, including briefing the CBA and Executive Committee on the overall program. Gained approval to use the Senior Officers Committee as an interim Risk Committee for the program.
 - Completed four pilot risk assessments using the Continuity of Operations output and began two additional risk assessments at year-end.

Objective 1.2: Develop and apply repeatable processes and project management capabilities.

The Board must be able to execute new and ongoing projects successfully using project management capabilities and implementing best practices.

Projects and Initiatives

- Continue the investment review process to strengthen the ongoing oversight and governance of large and significant strategic projects.
 - Reviewed 17 large, complex projects on a quarterly basis throughout the year as part of the Investment Review Board’s process for ongoing oversight and evaluation of large and significant strategic projects.
- Enhance project management oversight by developing and implementing tools and models for use by established programs.
 - Established the project management community of practice internal website on behalf of the Investment Review Board to serve as a Boardwide repository of project management knowledge, tools, and techniques to facilitate collaboration among project practitioners and to identify and share proven practices.

- Launched pilot project management programs in two divisions. The pilots addressed business needs for uniformity and increased efficiency in project management, applying standardized project management methodology to projects to help ensure efficient use of division resources, provide management with a clearer view of projects progress, and improve alignment of projects to strategic goals.

Objective 1.3: Foster coordination of substantive work and communication within and across divisions and the System.

The Board will continue to collaborate across divisions and the System and enhance communication by using shared tools and implementation of best practices.

Projects and Initiatives

- Develop the remaining major post-crisis regulatory reform rulemakings and guidance.
 - Adopted a final rule to enhance financial stability by requiring U.S. global systemically important banks (G-SIBs) and the U.S. operations of foreign G-SIBs to amend qualified financial contracts to prevent their immediate cancellation or termination if the firm enters bankruptcy or a resolution process.
 - Finalized a rule adjusting the capital plan and stress testing effective for the 2017 cycle. The final rule removes large and noncomplex firms from the qualitative assessment of the Federal Reserve’s Comprehensive Capital Analysis and Review (CCAR), reducing significant burden on these firms and focusing the qualitative review in CCAR on the largest, most complex financial institutions.¹¹
 - Issued a letter that outlined the Federal Reserve’s supervisory education programs.¹² These programs have evolved significantly since

¹¹ Board of Governors of the Federal Reserve System, “Federal Reserve Board Announces Finalized Stress Testing Rules Removing Noncomplex Firms from Qualitative Aspect of CCAR Effective for 2017,” January 30, www.federalreserve.gov/newsevents/pressreleases/bcreg20170130a.htm.

¹² SR 17-6/CA 17-1 letter: Overview of the Federal Reserve’s Supervisory Education Programs, August 2, 2017, www.federalreserve.gov/supervisionreg/srletters/sr1706.htm.

the financial crisis to fulfill the Federal Reserve's responsibility as the consolidated supervisor of certain financial institutions and to provide Federal Reserve examiners with topical and timely supervisory knowledge and information.

- Extended the comment period for two related supervisory proposals until February 15, 2018: (1) enhancement of the effectiveness of boards of directors, and (2) implementation of a new ratings system for large financial institutions that would be aligned with the post-crisis supervisory program.
- Develop and, as appropriate, implement resolution and recovery programs, including coordinating with other relevant authorities.
 - Completed the review of Large Institution Supervision Coordinating Committee (LISCC) firms' resolution plans, as part of the Board's Title I of the Dodd-Frank Act responsibilities, and received Board approval for feedback to LISCC firms.
 - Approved jointly with the FDIC an extension for eight LISCC resolution plan filers and an extension for 82 reduced-plan filers.¹³
 - Announced jointly with the FDIC the evaluation of the 2015 resolution plans of 16 domestic banks and separately issued guidance to four foreign banks.¹⁴
 - Announced jointly with the FDIC that American International Group, Inc. and Prudential Financial, Inc. will be required to submit their next resolution plans by December 31, 2018. Previously, the firms were required to submit their plans by December 31, 2017.¹⁵
 - Collaborated extensively with other U.S. regulators, supervisors, and international multilateral groups to develop guidance on enhancing the

resilience, recovery, and resolution of financial market infrastructures, with particular emphasis on central counterparties. Through its participation in international groups, contributed substantively to three final reports providing guidance on resilience, recovery, and resolution issues and a consultative report on supervisory stress testing of central counterparties, all of which were published in late June or early July.

- Continue to evaluate potential long-run monetary policy implementation frameworks.
 - Produced detailed balance sheet and income projections for the Federal Open Market Committee (FOMC) including
 - conducted research and performing analysis focused on understanding the fiscal implications of the Federal Reserve's balance sheet normalization program; and
 - evaluated options for normalizing the Federal Reserve balance sheet as well as contributing to analysis of the implications of excluding reserves from the leverage ratio.
- Enhance coordination between community development and consumer compliance supervision to enhance efficiency, improve the understanding of community reinvestment opportunities, and inform interagency Community Reinvestment Act (CRA) supervision.
 - Led System and interagency efforts to improve coordination for CRA supervision and implementation, including
 - leveraged the work of the System's Community Development function to inform the CRA supervision program, and
 - monitored assessments of banking trends to inform CRA's supervision and policy.
 - Engaged in numerous System trainings and information sessions to promote understanding of supervisory examination policies and priorities and new consumer compliance rating systems.¹⁶
 - Issued interagency letters to encourage institutions in areas affected by Hurricane Harvey and

¹³ Board of Governors of the Federal Reserve System and the FDIC, "Agencies Extend Next Resolution Plan Filing Deadline for Certain Domestic and Foreign Banks," news release, September 28, 2017, www.federalreserve.gov/newsevents/pressreleases/bcreg20170928a.htm.

¹⁴ Board of Governors of the Federal Reserve System and the FDIC, "Agencies Complete Resolution Plan Evaluation of 16 Domestic Firms; Provide Resolution Plan Guidance to Four Foreign Banking Organizations," news release, March 24, 2017, www.federalreserve.gov/newsevents/pressreleases/bcreg20170324a.htm.

¹⁵ Board of Governors of the Federal Reserve System and the FDIC "Agencies Post Public Sections of Resolution Plans; Announce Deadline Extension for Two Non-Bank Financial Firms," news release, July 5, 2017, www.federalreserve.gov/newsevents/pressreleases/bcreg20170705a.htm.

¹⁶ Consumer Compliance Outlook is a Federal Reserve System information and training tool to inform industry stakeholders of consumer compliance supervisory issues, available at <https://consumercomplianceoutlook.org/>.

Hurricane Irma to meet the financial services needs of their communities.¹⁷

- Continue to implement Systemwide initiatives to encourage robust information exchange and analysis on risks in consumer financial services markets, encourage new consumer and small business markets and developments, and inform stakeholders on significant events affecting consumers and communities.

—Issued interagency guidance, “Home Mortgage Disclosure Act (HMDA) Examiner Transaction Testing Guidelines,” via the Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council.¹⁸

¹⁷ Board of Governors of the Federal Reserve System, “Federal and State Banking Agencies Issue Statement on Supervisory Practices Regarding Financial Institutions and Borrowers Affected by Hurricane Harvey,” news release, August 26, 2017, www.federalreserve.gov/newsevents/pressreleases/bcreg20170826a.htm; SR 17-10 letter: Temporary Exceptions to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) Appraisal Requirements in Areas Affected by Severe Storms and Flooding Related to Hurricanes Harvey, Irma, and Maria, is available at www.federalreserve.gov/supervisionreg/srletters/sr1710.htm.

¹⁸ CA 17-2 letter: Revised Interagency Home Mortgage Disclosure Act Sampling, Verification, and Resubmission Procedures,

—Conducted various meetings and trainings sessions to share supervisory insights and policy updates.

—Monitored trends in the small business lending and auto finance markets to understand implications for consumers, particularly subprime borrowers.

- Execute on and enhance the supervisory program for financial market utilities, including coordinating with other federal supervisory agencies, as appropriate.

—Coordinated with Reserve Banks to execute on the Board’s Title VIII of the Dodd-Frank Act responsibilities, inclusive of supervisory and oversight work for designated Financial Market Utilities, where either the Board, the Securities and Exchange Commission, or Commodity Futures Trading Commission are the supervisory agency.

is available at www.federalreserve.gov/supervisionreg/caletters/caltr1702.htm.

Strategic Pillar 2: Workforce

Goal: Uphold the Board as a sought-after place to work that attracts highly qualified individuals and embraces the range of similarities and differences each individual brings to the workplace, including thought, experience, and backgrounds.

Objective 2.1: Foster an inclusive and collaborative work environment that recognizes, appreciates, and effectively utilizes the talent, skills, and perspectives of every employee.

The Board will continue to promote a diverse workforce and climate that is respectful of all views at all levels of the organization.

Projects and Initiatives

- Support employee engagement efforts by providing appropriate tools, guidance, and consultation, such as facilitating focus groups, assisting with the development of action plans, and continuing to educate on best practices.
 - Hosted speaker Marshall Goldsmith, who held sessions for Board leaders; focused on engagement and fostering a “safe-to-speak” culture.
 - Received 17 division-specific organizational development and learning requests related to supporting division action plans, career development, and engagement survey feedback.
 - Completed the procurement process for implementing the 2018 engagement survey cycle. Briefed the Executive Committee and the Senior Officers Committee on the process and requested engagement champions from every division.
 - Launched the second cohort of the mentoring program and processed feedback from the first cohort.
- Received the 2017 Seal of Distinction from WorldatWork, Alliance for Worklife Progress, recognizing the Board for demonstrating leadership in workplace strategies and practices to help its employees achieve success in work–life effectiveness.
- Named one of American’s Best Employers 2017 by *Forbes Magazine*.
- Develop an implementation plan for the Board’s Diversity and Inclusion Strategic Plan.¹⁹
 - Implemented key pieces of the Diversity and Inclusion Strategic Plan in alignment with the Board’s Diversity and Inclusion and Equal Employment Opportunity Standards and Strategic Plan 2016–19:
 - established metrics to assess the effectiveness of the Board’s progress in accomplishing its strategic diversity and inclusion goals, and
 - obtained Boardwide participation in the Diversity and Inclusion Scorecard initiative.²⁰
 - Hosted the annual Equal Employment Opportunity/Diversity System conference. A panel comprising Reserve Bank presidents and Governor Powell addressed the role of senior leadership in diversity and inclusion success. The conference focused on diversity and inclusion practices, the current state and strategy of diversity and inclusion, and measuring progress.
 - Continued the FedEd and Math x Econ programs focused on working with local high

¹⁹ The *Diversity and Inclusion Strategic Plan 2016–19* aligned with the Board’s diversity and inclusion and Equal Employment Opportunity Standards in the areas of organizational commitment, workforce diversity, workplace inclusion, supplier diversity, and sustainability; it is available at www.federalreserve.gov/publications/diversity-inclusion-plan.htm.

²⁰ The Diversity and Inclusion Scorecard is a template that allows for continuity across the divisions and enables the divisions to link their objectives, strategies, and actions to the *Diversity and Inclusion Strategic Plan*, which supports the Board’s *Strategic Plan 2016–19*.

schools to provide information on economics, the Federal Reserve System, and/or financial literacy.

Objective 2.2: Attract diverse, highly qualified talent.

The Board will work to attract a diverse and qualified workforce, which is critical to executing the Board's mission.

Projects and Initiatives

- Develop and pilot new diversity-focused recruitment strategies by partnering with new talent acquisition resources and the Board's Diversity and Inclusion section in an effort to support and continue to build a culture of inclusion by broadening candidate sourcing pools, training recruiters to use skill sets that reflect diverse views, piloting new training programs focused on mitigating bias in the hiring process, and educating hiring managers.
 - Established an annual plan for attending diversity and inclusion career fairs.
 - Attended the conferences and career fairs hosted by the ALPFA, Prospanica (The Association of Hispanic Professionals), and the NMBBAA.
 - Participated in the *Grace Hopper Women in STEM* conference and the Florida International University career fair.
 - Executed training sessions Effectively Hiring Top Talent without Bias and Conveying Your Best Self.
- Develop a workforce planning strategy for organization sustainability to include determining an appropriate infrastructure and methodology, assessing the appropriate tools and technology to support such an initiative, building a team to support the strategy, and establishing a project plan for a pilot program to implement in 2018.
 - Completed a workforce planning toolkit that includes end-to-end process flow and support tools such as competency models, scenario planning, and analysis tools, including PESTEL (Political, Economic, Social, Technical, Environmental, Legal), RACI (Responsible, Accountable, Consulted, Informed), and SWOT (Strengths, Weaknesses, Opportunities, and

Threats). Met with System representatives and human resources experts as part of the stakeholder and customer analysis environmental scan and assessment of the current state.

- Initiated the new job analysis project to identify main work processes, time devoted to each process, resource allocation, and workload analysis to produce high-level career paths. Activities included
 - conducted kick-off and integration meetings with participating divisions,
 - facilitated four focus groups and conducting interviews,
 - developed a communications plan, and
 - completed job descriptions and career path guides.

Objective 2.3: Retain valued employees through human resource best practices.

The Board will continue to enhance its human resource practices and offer competitive compensation and benefits to retain top talent.

Projects and Initiatives

- Assess and update the Board's talent management policies to ensure alignment with industry best practices and to mitigate talent retention risks.
 - Continued to review human resources policies to ensure they follow best practices.
 - Reviewed nine policies; two policy reviews were completed and seven remain ongoing because of complexity and expanded scope.
 - Used hiring metrics reports and training to help reduce time-to-fill open positions. Continued research around exit and stay interviews.
 - Fully developed the Taleo Applicant Tracking System to facilitate the tracking of employment applicants to the Board.
- Develop and pilot new retention metrics strategies, such as exit and stay interviews, to determine employee turnover trends and develop future talent risk-mitigation strategies.
 - Evaluated existing human resources metrics. Met with workforce analytics and planning industry leaders to share best practices and iden-

tify challenge areas where more support and/or research is required.

- Evaluated new human resources metrics based on business impact and outcomes. Performed stay interviews as well as reviewed the current exit questionnaire in comparison with exit questionnaires used by Reserve Banks, federal agencies, and private-sector organizations. Various talent acquisition metrics were captured and reviewed to inform recruiting efforts.

Objective 2.4: Develop the next generation of Board leaders.

The Board will preserve and build upon existing leadership development programs to ensure success going forward.

Projects and Initiatives

- Develop and pilot a New Officer On-Boarding Program in an effort to support the transition of talented staff into the officer ranks by equipping them with the appropriate tools, knowledge, competencies, and resources to serve effectively as officials of the Board.
 - Awarded the vendor contract for the Officer Leadership program “Leading @ the Board,” and conducted the first, seven-month-long cohort program.

Strategic Pillar 3: Physical Infrastructure

Goal: Build a productive, collaborative work environment through the tailored use of physical space, technology, and design.

Objective 3.1: Develop and maintain a long-term space strategy that enhances the ability of the Board staff to carry out its mission.

The Board recognizes the need for a long-term strategy for managing physical space, including aligning space requirements to projected workforce growth.

Projects and Initiatives

- Build out lease space for projected near-term workforce growth.
 - Awarded the construction contract and completed the build-out of the leased space in the International Square Building. Executed occupant move-in.
- Finalize midterm space plan and begin implementation of the plan's elements.
 - Awarded the contract for the Eccles Building renovation basis of design. The basis of design is a program of requirements that will aid in forming recommendations for the building's design and will lead to the solicitation of design services in 2018.
- Continue to develop and refine the Board's long-term strategy for managing physical space.
 - Completed the procurement for real estate advisory services and selected an advisor to assist the Board in its continued development of a long-term space strategy.

Objective 3.2: Enhance the usability of existing space to provide a secure, modern environment that meets the needs of the workforce, promotes efficiency, supports resiliency and continuity efforts, and maximizes productivity.

The Board's renovation of the Martin Building and upgrades to the Eccles and New York Avenue buildings represent critical steps toward creating a modern, safe, and efficient workplace. Projects will enhance occupant safety and security within the Board's facilities.

Projects and Initiatives

- Continue to manage the multiyear Martin Building renovation project effectively.
 - Awarded the construction contracts and initiated mobilization efforts for the early work package. Began construction of the early work package.
 - Received bids for the renovation and expansion portions of the project. Began evaluating those bids against established financial and technical criteria. The bid award is anticipated in early 2018.
- Implement upgrades to the Eccles Building including completion of infrastructure upgrades to ensure the Eccles Building operates independently of the Martin Building.
 - Executed a temporary physical plant, installed a natural gas line servicing the Eccles Building, and began operating the new natural gas boilers.

- Continue work on projects that enhance the safety and security of Board facilities.
 - Completed an evaluation of the upgrade of the standby generator systems at the New York Avenue Building.
 - Separated the fire alarm system in the Martin Building’s North garage from the fire alarm system within the Martin Building and installed new fire alarm panel for the North garage.
- Enhance the usability of the New York Avenue Building to provide a modern environment that meets the needs of the workforce.
 - Received proposals for the construction and installation work associated with the New York Avenue Building standby generator and began evaluating those proposals against established financial and technical criteria.
 - Concluded the design activities for the New York Avenue Building eighth floor reconfiguration.
- Implement technology upgrades and enhance meeting space throughout the Board’s facilities.
 - Completed implementing technology needs for the leased facilities’ renovations and office moves.
 - Completed the deployment of digital signage throughout the common spaces of Board build-

ings, providing life-safety and streaming media content.

- Launched a conferencing solutions education effort, including how-to videos focused on user training and information resources for using conference room and meeting technologies.

Objective 3.3: Develop and implement best practices for efficiently managing space.

The Board seeks to emphasize the efficient use of space, including consolidating the workforce into as few locations as possible while meeting contingency needs and considering the environmental impact. Ongoing facility assessments will ensure that existing Board facilities are operating efficiently.

Projects and Initiatives

- Modernize the plumbing infrastructure at the New York Avenue Building in response to the building’s 2015 condition assessment.
 - Concluded the design activities for the New York Avenue Building restroom infrastructure upgrades.

Strategic Pillar 4: Technology

Goal: Empower operational excellence, efficiency, and security through innovative technology platforms.

Objective 4.1: Develop, implement, and maintain a Boardwide technology roadmap driven by business needs that consistently improves the computing environment while strengthening a risk-based information security program.

The Board will focus on evolving its computing infrastructure to support expanding business demands and keep pace with evolving technology. Board staff rely extensively on technology and information services to enable them to be productive; to focus on their core businesses; and to connect, collaborate, and communicate easily with the confidence that their computing environment and information are secure and of high quality. Organizational business drivers will inform an enterprise-level approach to technology and infrastructure investments.

Projects and Initiatives

- Complete the assessment of technology capability categories and execute against the technology investment and implementation plan based on business priorities.
 - Completed the refinement of the technology roadmap process and began planning for testing the roadmap process against future strategies.
 - Completed the pilot for the roadmap process for collaboration capability. Began modifying the roadmap process based on lessons learned from the pilot and prioritizing the capability categories to apply the roadmap process to finalize the repository and information layer.
- Developed a mainframe migration strategy to transition remaining Board mainframe assets to a distributed platform. Compiled an inventory of all mainframe assets and began planning work for implementing the transition.
 - Assembled a project management team to manage the decommission activities of the Board's mainframe, which includes migrating assets off the mainframe platform and onto other technology platforms.
- Implement enhancements to information labeling and continuous monitoring programs.
 - Completed security reviews for the initial set of national applications using the trust agreement process that was established between the Board and the Federal Reserve Bank information security programs.
 - Completed the rollout of the updated Information Classification and Handling Standards, including the new email classification levels. These policy changes more closely align with the Federal Reserve System's policy and make it easier for staff members to determine appropriate classification levels.
 - Coordinated with the General Services Administration on the procurement, design, and implementation process of the Department of Homeland Security-required Managed Trusted Internet Protocol Services. Completed the deployment of the required intrusion detection and prevention solutions.
 - Completed Boardwide deployment of software used to prevent unauthorized programs from running that could be harmful to the network and devices connected to it and/or cause unnecessary demand for network resources.
- Continue to identify strategic investments in technology, including those that increase capacity for

data and information processing and expand electronic collaboration capabilities.

- Implemented enterprise information security controls to allow for the ingestion of security-related logs and alerts capabilities.
- Implemented information security monitoring dashboards and metrics to enhance the Board's Information Security monitoring program.
- Implemented the production environment for enterprise-level high-performance computing to support quantitative analysis, analysis of large research data sets, and stress testing activities.
- Continued the re-architecture work of the data center space at the Board's relocation site, including the buildout of swing space and procurement of server storage equipment. Began electrical upgrades as a result of the data center capacity study (electrical, mechanical, and architecture).
- Communicated the plan of action to decommission the Board's mainframe to various key stakeholders including data owners and downstream applications including Financial Data Repository (FDR) dependent application teams, FDR end-users, and the liaisons of the divisions that own mainframe resident datasets.
- Added new data feeds to software tools used to search, monitor, and analyze machine-generated big data to improve security.
- Developed a roadmap in support of documented FOMC user community automation needs, including the enhancement of operational efficiencies of existing automation solutions.

Objective 4.2: Create and maintain a research and development (R&D) culture and environment that allows for technology evaluation and innovation outside of the necessary constraints of the production environment.

The Board will need to keep pace with rapid technological change without compromising the security of critical information assets. The development of innovative business approaches will provide an environment that enables controlled risk taking.

Projects and Initiatives

- Sustain efforts to create an innovation lab to allow for research and technical evaluation.
 - Completed the Innovation Lab governance policies by completing the FISMA review for the lab and received receipt of the authorization to operate.
 - Built an initial catalog of services to be offered as part of the innovation lab environment and successfully verified the ability to spin up servers and securely connect to the cloud-based infrastructure, in partnership with the cloud service provider.
 - Evaluated different cloud environments, selected a vendor, and executed the contract for the cloud broker for the Board.²¹ Completed vendor specific cloud training that will support the Innovation Lab environment.

Objective 4.3: Continuously enhance the mobile environment to meet requirements for information access, ease of use, and information security.

The Board will continue to improve access to its information assets from an increasingly mobile workforce.

Projects and Initiatives

- Execute against the established mobility plan, building upon existing platforms, to enhance technology services.
 - Completed the iPhone device deployment to all Board staff.
 - Completed the mobile application development and management review process for custom mobile applications on the mobile device management platform.
 - Completed the semiannual mobility strategy review including an update to further refine the strategy to ensure synchronization with the Federal Reserve System.

²¹ A cloud broker is a third-party individual or business that acts as an intermediary between the purchaser of a cloud computing service and the sellers of that service. In general, a broker is someone who acts as an intermediary between two or more parties during negotiations.

Objective 4.4: Provide the ability for Board employees to collaborate effectively with a wide variety of partners, including those within the Board, the System, and broader communities.

The Board will focus on enhancing electronic collaboration capabilities within and outside the Federal Reserve System. As the need to share information with varying degrees of sensitivity grows, the Board must be equipped to provide secure and efficient communication mechanisms.

Projects and Initiatives

- Implement technology solutions that address defined business needs and evaluate metrics for improving user experience regarding connectivity, collaboration, and data and information processing.
 - Completed the framework to assess electronic collaboration alternatives.
 - Developed a mechanism to determine how users interact with the Board’s audio/visual conferencing equipment. It is currently being used to evaluate gains in the provisioning of enhanced audio/visual services and to identify training needs and system improvements.

Objective 4.5: Evaluate the information technology service-provisioning model across the Board and the System to ensure alignment and promote service and cost efficiencies.

The Board will consider best-practice service delivery models across the Federal Reserve System to provi-

sion IT services. The Board will focus on automation enhancements that improve business processes and look for ways to fund investments through associated savings.

Projects and Initiatives

- Continue to execute against a described framework that defines key criteria that will be used in IT decisions across the organization.
 - Completed a gap analysis to help inform decisions regarding potential new investments around collaboration needs and capabilities as part of modernization activities.
- Continue to coordinate activities and employ joint project teams with technology service partners across the System in accordance with defined governance structures.
 - Executed a common mobility strategy between the Board and the Federal Reserve System. Work included an assessment of electronic collaboration solutions using cloud-based services and research and development activities in support of several national business lines.
 - Implemented the Federal Reserve System standard iPhone platform, as well as the common message labeling tool for use on the iPhone.
 - Implemented a common message classification and labeling standard, which is consistent with the Federal Reserve System standard.

Strategic Pillar 5: Data

Goal: Research, analyze, and respond to economic and financial developments, challenges, and issues, as well as safety and soundness, consumer protection, and financial stability risks through enhancement of the Board's data management and analytics environment.

Objective 5.1: Strengthen the Board's governance of its data assets to increase their quality, reliability, and usability.

The Board will work to strengthen and improve data governance policies, processes, and standards for assessing potential new data acquisitions and providing appropriate access to data across the organization.

Projects and Initiatives

- Continue to implement components of a Board-wide data governance framework.
 - Continued to focus on the governance framework of the metadata management and stewardship. Both are key components of the DataNexus Program (formerly named Enterprise Data Inventory Program).
- Implement the initial component of a data stewardship program in support of the enterprise data inventory. Continue to define requirements for the other aspects of enterprise data stewardship.
 - Identified the individuals having a stewardship role (three per data asset: Division Steward, Business Steward, and Metadata Analyst) in each data asset in DataNexus.
- Implement a Systemwide process to analyze, coordinate, and prioritize data for use in supervising institutions.
 - Established the Data Advisory Committee to provide direction on strategic issues associated with the business and technical governance of

data used for supervisory and regulatory purposes.

Objective 5.2: Improve the data architecture, processes, and data storage technology to respond with greater agility and efficiency to emerging business needs for data, while facilitating controlled sharing and the movement of data to get the right data to the right people at the right time.

The Board will institute effective data policies and procedures backed by sufficient, secure, and scalable storage capacity to ensure that employees get timely access to data.

Projects and Initiatives

- Sustain the development of a target data architecture with key enterprise assets such as the National Information Center and Financial Data Repository.
 - Continued collaborative efforts between the Office of the Chief Data Officer and the Division of Information Technology on the Board's FDR future state.
- Continue to develop the foundation for an information-sharing framework that leverages the enterprise data inventory and maintains controlled internal access to data assets.
 - Executed the strategy to migrate assets off the mainframe platform and onto other technology platforms in order to decommission the mainframe.
 - Continued work to develop a Board data platform using the Hadoop technology platform. The joint IT and Federal Reserve Bank of San

Francisco project team established milestones and project deliverables.

- Implement the automated workflow Information Collection Coordination System in a phased approach throughout the organization.
 - Implemented enhancements to the Information Collection Coordination workflow system for conditional and new notifications, additional reports, and process improvements. Enhancements included customized user interfaces, role-based security, document-level security, and custom reports, which will support additional business processes and the onboarding of new user communities.

Objective 5.3: Create and maintain an R&D culture and a stand-alone R&D environment so that the Board’s ability to evaluate and innovate regarding new data sets, tools, and policies is improved.

The Board will require investments in modernized technology, processing systems, and business analytics as data needs and data availability continue to grow.

Projects and Initiatives

- Continue to develop a cross-organizational innovation framework, including the development of an innovation lab as noted in Objective 4.2.
 - See results under Technology, 4.2 objective.

Objective 5.4: Improve Board staff’s ability to find what data are available and how to access them to be more effective, and to more easily recognize and account for data gaps and overlaps.

The Board will continue to build employee awareness and understanding of the availability of data assets across the organization.

Projects and Initiatives

- Implement the baseline enterprise data inventory of Board data assets including the collected and acquired data. Begin defining the requirements for created data assets.
 - Completed the soft launch of the DataNexus program. Board staff can search and discover information about the Board data across collected and acquired data assets.
- Create a Boardwide data awareness and education program.
 - Developed a Boardwide communication plan that includes multiple channels to communicate DataNexus go-live, its business value, and the associated stewardship framework.
- Continue to invest in and improve access to consumer and community data and information throughout the Board and the System.
 - Continued development of technology tools to support risk and surveillance assessments, consumer compliance and community reinvestment examinations, fair lending, and research on consumer and community development issues.

Objective 5.5: Enhance the transparency of Board data by increasing the awareness, accessibility, and usability of publicly available Board data to contribute to the body of global open data assets.

The Board will continue to support transparency and open data initiatives.

Projects and Initiatives

- Begin the process of analyzing the business line requirements to define an enterprise open data strategy.
 - Continued outreach efforts to the public on the Micro Data Reference Manual, including the introduction of a new data utility, which allows for machine readable downloads through the Board’s public website.²²
 - Postponed work on the business requirements process because of resource constraints.

²² See www.federalreserve.gov/apps/mdrm/.

Strategic Pillar 6: Public Engagement and Accountability

Goal: Increase understanding and appreciation of the Board's mission through public engagement and accountability.

Objective 6.1: Provide information on issues spanning the full range of the Board's mission that enhances public understanding of the Board and its policy decisions and that allows the Congress and the public to assess the effectiveness and efficiency of the Board in fulfilling its responsibilities.

- Enhance the Board's external communication platforms and mechanisms to promote better understanding of the Federal Reserve by providing more information through the Board's website and other external communication platforms.

—Launched the new design of federalreserve.gov that included additional features to improve the experience of visitors seeking information about the Federal Reserve. The site was designed to be easier to view on mobile devices and has restructured navigation menus to assist in finding information.

—Table 1 compares the various forms of communications with the public from 2016 to 2017.²³

—Posted on-demand videos and live-streamed events on the Federal Reserve YouTube channel. The channel had 16,841 subscribers and has been viewed 180,371 times throughout the year.²⁴ Topics included

—FOMC press conferences

²³ See the Federal Reserve Board Facebook account at www.facebook.com/federalreserve/; the Federal Reserve Board LinkedIn network at www.linkedin.com/company/federal-reserve-board/; the Federal Reserve Board Twitter account at <https://twitter.com/federalreserve>.

²⁴ See the Federal Reserve Board YouTube channel at www.youtube.com/user/FedReserveBoard.

Table 1. Communication with the public
as of December 31

Type	2016 total	2017 total	Percent change
Federal Reserve Board Facebook account followers	16,415	19,993	22
Federal Reserve Board LinkedIn network	23,073	27,232	18
Federal Reserve Board Twitter account	390,000	439,000	13
Fed Careers Twitter account	5,553	8,365	50
Views to the public website	50,483,163	42,912,647	(14)
Press releases on the public website	211	226	7
Letters from the public	342	66	(80)
Emails from the public	7,104	6,940	(2)

—FAQ videos

—“Fed Functions: Promoting Financial Stability”

—tenth biennial community development research conference, “Strong Foundations: the Economic Futures of Kids and Communities”²⁵

—*Report on the Economic Well-Being of U.S. Households* in 2016

—Payment Systems webinar

—highlights of the *Survey of Consumer Finances*

—Fed Challenge profile

—“Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities”

—Hosted a Teacher Town Hall with 60 teachers onsite; 392 participants watched the events in person at the Federal Reserve Banks and an additional 17,213 viewed the live link or on-demand video.

²⁵ For more information, see Strong Foundations: The Economic Futures of Kids and Communities at www.minneapolisfed.org/community/tenth-biennial-federal-reserve-system-community-development-research-conference.

- Sustain relationships and facilitate regular communications with news media and congressional offices to ensure dissemination of information on the Federal Reserve’s analysis and policies to the Congress and the public in a timely and accurate manner.
 - Published over 920 new documents to the public website, such as transcripts, FOMC materials, surveys, research papers, data on financial markets, economic activity, and monetary policy.
 - Conducted 52 press lock-ups to ensure the secure and orderly release of FOMC and other sensitive economic information to the public via the news media.
 - Facilitated calls between various reporters and subject matter experts to increase reporters’ understanding of Board and FOMC actions, policies, and research, including providing background information for reporters and congressional staff on various topics.
 - Responded to letters and questions for the record submitted by congressional oversight committees and congressional offices. Coordinated meetings between Board members and members of Congress as well as Board staff and congressional staffers on topics of interest to congressional offices.
 - Published the *Report to the Congress on the Office of Minority and Women Inclusion*, which included the consolidated contract spend for Board and Reserve Banks for 2016.²⁶
 - Hosted events included
 - “Day at the Fed” event for congressional staff,
 - journalists from the Society of Business Editors and Writers, and
 - students from Northwestern University’s Medill School Journalism.
- Increase the depth of understanding on issues related to household financial stability and effective consumer protection through engaged and informed stakeholder collaboration and research.
 - Participated on the Treasury Department’s Financial Literacy and Education Commission.
 - Co-organized three seminars for the Financial Literacy Seminar Series, featuring researchers from Yale University, University of Pennsylvania, and TIAA. These seminars are part of a joint initiative between the Board and the Global Financial Literacy Excellence Center at the George Washington University School of Business.
 - Presented research at conferences, including conferences sponsored by the Weimer School for Advanced Studies in Real Estate and Land Economics, American Economic Association, American University Latino Entrepreneurs and Start-Up Capital Forum, and Stanford Latino Entrepreneurship Initiative.
 - Partnered with the Federal Reserve Bank of Richmond and the Carsey School of Public Policy at the University of New Hampshire to host the Financial Innovations Roundtable meeting to discuss barriers and opportunities for accessing funding.
 - Participated in an outreach event with the Federal Reserve Bank of Richmond to discuss solutions and opportunities for increasing homeownership in Baltimore City.
- Conduct research on topics such as: financial markets; banking conditions; economic activities; monetary policy; the global economy and its interactions with the U.S. economy; financial stability; consumer risk; community and human capital development dynamics and practices; safety and efficiency of payment, clearing, and settlement arrangements, activities, and instruments; and retail payments trends. As appropriate, continue to make the research available to the public through publications, working papers, academic journal articles, the public website, or conference presentations.
 - Conducted research on a wide range of topics of which summary and detailed information was published and is available on the Board’s public website, including through the FEDS and IFDP working papers series.²⁷
 - Engaged in various data collections that provide insight into payment trends and the evolution of the payments market. These collections include the *Federal Reserve Payments Study*, which

²⁶ Board of Governors of the Federal Reserve System, *Report to the Congress on the Office of Minority and Women Inclusion* (Washington: March 2017), www.federalreserve.gov/publications/2017-omwi.htm.

²⁷ A summary of the Board published research is available at the FEDS and IFDP working papers series at www.federalreserve.gov/econres/scf_workingpapers.htm and www.federalreserve.gov/econres/ifdp/index.htm

involves a triennial study and annual supplements to provide authoritative and comprehensive estimates of aggregate payment patterns in the United States.²⁸

Objective 6.2: Clearly communicate the rationale underlying the Board's decisions across a range of topics, including monetary policy, regulatory policy, payment system policy, and supervisory actions.

The Board will continue to communicate and publish reports regarding its policy decisions through a variety of communication vehicles.

Projects and Initiatives

- Enhance transparency and understanding of the supervision process and outcomes, both within the System and for the public, focusing on aggregate quantitative and qualitative information rather than firm-specific information.
 - Redesigned the Supervision & Regulation and Consumers & Communities sections of the Board's public website to make the sections clearer, better organized, and more user-friendly for the public.
- Continue to support the Board and the FOMC in the formulation, implementation, and communication of monetary policy.
 - Prepared briefings related to the Reinvestment Policy, examining various options for the phase out of reinvestments and the macroeconomic effects of alternative reinvestment policies, and the addendum to the Policy Normalization Principles and Plans.
 - Briefed the Board members on analysis and assessments of how instability in different countries would impact the United States as well as provided an assessment of financial stability vulnerabilities in 13 countries.
 - Enhanced *Monetary Policy Report to the Congress* to include
 - a broader coverage of the economic experiences of major demographic groups rather

²⁸ Additional information about the study is available at www.federalreserve.gov/paymentsystems/fr-payments-study.htm.

than focusing mostly on the overall experience of the population as a whole,

- a summary of material on financial stability developments, and
- a special box on market liquidity and a new box that explains the basics of monetary policy rules.²⁹
- Completed quarterly the *Quantitative Surveillance Report on Financial Stability*.
- Provided briefs on special topics, such as
 - the role of the Federal Home Loan Banks in funding markets,
 - an update on international financial stability developments, and
 - nonbank mortgage lenders.
- Produce and publish surveys, reports, and data on financial markets, banking conditions, consumer and household finances, and the Reserve Bank balance sheets.
 - Issued to the Congress the final report on the second review of banking regulations in accordance with the Economic Growth and Regulatory Paperwork Reduction Act, jointly with the other members of the Federal Financial Institutions Examination Council. The review process included several public input opportunities, including six public hearings between December 2014 and December 2015 and a public comment period.
 - Shared perspectives at various conferences on priorities and issues in consumer compliance and community reinvestment, including the American Bankers Association conference, the Consumer Bankers Association conference, and the Federal Reserve Bank of New York's Community Bankers Conference, *The Future of Community Banking*.
 - Published papers to help the public understand how balance sheet normalization is expected to evolve and how it impacts the Federal Reserve's balance sheet, including a FEDS working paper

²⁹ The July 7, 2017, *Monetary Policy Report to the Congress*, pursuant to section 2B of the Federal Reserve Act, is available on the Federal Reserve Board's website at www.federalreserve.gov/monetarypolicy/2017-07-mpr-summary.htm.

on management of the Federal Reserve's balance sheet in light of recent FOMC decisions.³⁰

- Published a FEDS paper analyzing tax data using a new approach to analyze tax record data at the household level, rather than the tax unit level. The research may help measure how the Earned Income Tax Credit is distributed across U.S. households, a program that benefits lower-wage earners.³¹
- Published research exploring issues impacting lower-income communities and consumers, including
 - Are Central Cities Poor and Non-White?*, and
 - “Producing Affordable Housing in Rising Markets: What Works?” in The U.S. Department of Housing and Urban Development's *Cityscape: A Journal of Policy Development and Research*.

Objective 6.3: Expand the extent and effectiveness of engagement and collaborations with external entities, as appropriate.

The Board will continue to collaborate with external entities as appropriate to inform the Board's policy decisions by providing a more complete understanding of the economy and the financial system. Staff will continue to contribute to activities that enhance the resiliency of the financial sector and coordinate with other federal supervisory agencies. Staff will continue to research a wide array of policies, propose guidance on supervisory programs, and address any legislative mandates or changes in the economic conditions.

Projects and Initiatives

- Enhance working relationships and improve engagement with stakeholders, as appropriate, including representatives from academia, other government agencies, and international groups.

³⁰ *Confidence Interval Projections of the Federal Reserve Balance Sheet and Income* is available on the Federal Reserve Board's website at www.federalreserve.gov/econresdata/notes/feds-notes/2017/confidence-interval-projections-of-the-federal-reserve-balance-sheet-and-income-20170113.html.

³¹ Available on the Federal Reserve Board's website at www.federalreserve.gov/econres/notes/feds-notes/default.htm.

- Participated as a member of the central bank CPMI, including
 - participating in CPMI workgroups on digital innovations, looking at the aspects of distributed ledger and other technologies in the area of payment clearing and settlement;
 - working on fraud in wholesale payments, particularly relating to end-point security in networks used for transmitting payment messages;
 - working on the publication of a framework for supervisory stress testing of central counterparties;
 - drafting notes on central-bank-issued digital currency and the impact of digital innovations for central bank services;³² and
 - finalizing the guidance on risk management by central counterparties on a number of core issues in the Principles for Financial Market Infrastructures.
- Contributed to the CPMI efforts to promote security of the wholesale payments ecosystem with regard to end-point security. The CPMI published a discussion note, “*Reducing the Risk of Wholesale Payments Fraud Related to End-point Security*,” which sets out a strategy for reducing this risk.³³
- Engaged in meetings with U.S. agencies and key stakeholders, including representatives from the Treasury Department, the other members of the Financial Stability Oversight Council, as well as the Bank for International Settlements and the Financial Stability Board to answer questions and discuss issues related to the analysis of the effects of financial markets regulation.
- Participated in an international workgroup with other central banks and monetary authorities from other countries to gain a broader perspective on international financial markets and their impact on monetary policy and regulations.
- Met with representatives of the Loan Syndication and Trading Association regarding the current state of the syndicated loan market and

³² See Bank for International Settlements, *Central Banks Digital Currencies* (Basel: BIS, March 2018), www.bis.org/cpmi/publ/d174.pdf.

³³ See Bank for International Settlements, *Reducing the Risk of Wholesale Payments Fraud Related to Endpoint Security* (Basel: BIS, September 2017), www.bis.org/cpmi/publ/d170.pdf.

received an update on their initiative to reduce settlement times.

- Participated in a meeting with the Treasury and the International Monetary Fund to discuss Fin-tech work.
- Coordinated and hosted a meeting with the Bank of England and European Central Bank focused on money market and balance sheet modeling issues.
- Hosted a Vendor Fair to provide vendors the opportunity to collaborate with technical representatives from the Board, System, and other federal agencies. Over 500 participants representing 430 companies, of which 379 companies were small businesses, participated.
- Continue to develop policies and standards that foster safety and efficiency in the payment system and identify payment improvement strategies to increase end-to-end speed and safety, including working jointly with Reserve Banks to engage payment system stakeholders in payment system improvement efforts as outlined in the *Strategies for Improving the U.S. Payment System* paper.³⁴
 - Published “Federal Reserve’s Next Steps in the Payment Improvement Journey,” which outlines the revised strategies and initiatives to support the desired outcomes identified in the 2015 *Strategies* paper.³⁵
 - Published final guidelines for offering joint accounts to support settlement of payment systems and the expressed needs of faster payments providers.³⁶
- Foster collaboration to help refine and consult on consumer protection regulations for which the Federal Reserve has authority, working with other banking agencies and the CFPB, as appropriate.
 - Consulted with the CFPB, FDIC, NCUA, OCC, and other agencies, as appropriate, to discuss regulatory policy issues related to mortgage disclosure rules, pre-paid debit card rules, data

reporting under the Home Mortgage Disclosure Act, real estate appraisal requirements, and flood insurance requirements.

Objective 6.4: Gather information, views, and perspectives on issues related to the Board’s mission from a wide range of constituencies, including consumers, businesses, financial sector participants, community groups, researchers, and elected and other public officials.

The Board will engage with the public on a wide range of issues relevant to the organization’s mission. Staff will work on a broad research agenda that focuses on the macroeconomy and financial markets and will work to assess potential financial stresses that could threaten economic and financial stability.

Projects and Initiatives

- Contribute to domestic and international efforts to improve the quality of financial data that can better inform policymaking.
 - Conducted various data collections to provide information to policymakers and the public, including data collections related to debit cards (as required by Regulation II on Debit Card Interchange Fees and Routing) and the *Federal Reserve Payments Study*, which involves a triennial study and annual supplements to provide estimates of aggregate payment patterns in the United States.³⁷
 - Continued to participate in working groups focused on international data improvements as a member of the CPMI, which included providing data for the Bank for International Settlement statistics on payment, clearing, and settlement systems in the CPMI countries (the Red Book).
- Engage payment system stakeholders in payment system improvement efforts, including members of the faster payment and secure payment task forces and the public.

³⁴ Federal Reserve System, *Strategies for Improving the U.S. Payment System* (Washington: January 2015), <https://fedpaymentsimprovement.org/wp-content/uploads/strategies-improving-us-payment-system.pdf>.

³⁵ The paper *Federal Reserve’s Next Steps in the Payments Improvement Journey* is available at www.fedpaymentsimprovement.org/wp-content/uploads/next-step-payments-journey.pdf.

³⁶ The 2017 “Guidelines for Evaluating Joint Account Requests” is available at www.federalreserve.gov/paymentsystems/joint_requests.htm.

³⁷ Detailed information about the *Federal Reserve Payments Study* is available on the Federal Reserve Board’s website at www.federalreserve.gov/paymentsystems/fr-payments-study.htm.

- Published, on behalf of the Faster Payments Task Force, Part I and II of the Faster Payments Task Force’s final report.³⁸
- Continued to engage diverse stakeholders to solicit and inform their views on Board supervisory, monetary, payments, and regulatory policies toward effective consumer protection, strengthened communities, and household financial stability.
 - Hosted the Federal Reserve System Community Development Research Conference that convened more than 475 researchers, policymakers, and practitioners across sectors and disciplines to discuss research on the interplay between the development of kids and their communities, with an understanding that “development” factors into key economic and social aspects of kids’ lives.³⁹
- Convened the Board’s Community Advisory Committee in May and November.
- Collaborated with the Federal Reserve Banks to organize outreach meetings in the Appalachia and Delta regions, as well as along the U.S.-Mexico border to discuss community economic development challenges.
- Engaged payment system stakeholders in payment system improvement efforts, including members of the faster payment and secure payment task forces and the public.
- Met with various community and consumer groups to discuss the economic and financial conditions in rural areas and related community development priorities with external stakeholders.

³⁸ The final report of the Faster Payments Task Force, *The U.S. Path to Faster Payments, Part Two: A Call to Action*, is available at <http://fasterpaymentstaskforce.org/wp-content/uploads/faster-payments-task-force-final-report-part-two.pdf>.

³⁹ For more information, see *Strong Foundations: The Economic Futures of Kids and Communities* at <https://minneapolisfed.org/community/tenth-biennial-federal-reserve-system-community-development-research-conference>.

[community/tenth-biennial-federal-reserve-system-community-development-research-conference](https://minneapolisfed.org/community/tenth-biennial-federal-reserve-system-community-development-research-conference).

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