



# Strategic Plan 2020–23

December 2019

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM





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# Message from the Chair



The Federal Reserve Board's highest priority is to promote a strong economy for the American people by fostering the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems. We are committed to these goals, which have been assigned to us by Congress, and also to setting forth a clear vision of the actions we will take to achieve them.

Through our decisions on monetary policy, we will support continued economic growth, a healthy job market, and price stability. I am also pleased to report that our financial system is now far stronger and more resilient than it was before the financial crisis that began a decade ago. We will also work hard to make sure that our supervision and regulation of the financial system is efficient as well as effective.

The Federal Reserve's mission touches the lives of all Americans, and we serve the public more effectively when our workforce reflects the characteristics and experiences of our diverse nation. I have learned over a career in the public and private sectors that 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 colleagues and I will remain vigilant, and we are prepared to respond to evolving risks. At the Federal Reserve, we know that our decisions matter for American households and businesses. Our long-standing, non-partisan tradition is to make decisions objectively, based only on the best available evidence, and in the best interests of the American people.

Jerome Powell, Chair  
Federal Reserve Board





# Mission and Values

The Federal Reserve is the central bank of the United States. There are three key entities in the Federal Reserve System (System): the Board of Governors (Board), the Federal Reserve Banks (Reserve Banks), and the Federal Open Market Committee (FOMC). The Board, an independent agency of the federal government, reports to and is directly accountable to Congress, provides general guidance for the System, and oversees the 12 Reserve Banks. 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 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. The Board, located in Washington, D.C., 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. The Board conducts research, analysis, and policymaking related to domestic and international financial and economic matters; supervises and regulates certain U.S. financial institutions and activities; oversees the operations and activities of the Federal Reserve Banks, including important aspects of the nation's payments system; and plays an important role in promoting consumer protection, fair lending, and community development.

Five core values guide the Board's decisions and the actions of its employees.

**Public interest.** In its actions and policies, the Board seeks to promote the public interest. It is accountable to the general public and the Congress.

**Integrity.** The Board adheres to the highest standards of integrity in its dealings with the public, the U.S.

government, the financial community, and its employees.

**Excellence.** The conduct of monetary policy, responsibility for supervision, and maintenance of the payment system demand high-quality analysis; high performance standards; and a secure, robust infrastructure. The pursuit of excellence drives the Board's policies concerning recruitment, selection, and retention of employees.

**Efficiency and effectiveness.** In carrying out its functions, the Board recognizes its obligation to manage resources efficiently and effectively on behalf of the U.S. taxpayer.

**Independence of views.** The Board values the diversity of its employees, input from a variety of sources, and the independent professional judgment fostered by the System's regional structure. It relies on strong teamwork and consensus building to mold independent viewpoints into coherent, effective policies.

As an independent agency, the Board is accountable to the 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 policymaking approach and decisions as clearly as possible and by publishing its reports and findings. Transparency ensures public access to relevant and understandable information regarding the organization's views on the economy, monetary policy, financial stability, and supervision. To maintain public trust, the Federal Reserve must preserve its indepen-

dence 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.<sup>1</sup> 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.

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<sup>1</sup> 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.

## Reporting

The Government Performance and Results Act (GPRA) of 1993 requires federal agencies to prepare a strategic plan covering a multiyear period and requires each agency to submit an annual performance plan and an annual performance report. Although the Board is not covered by GPRA, the Board follows the spirit of the act by, like other federal agencies, preparing a public multiyear strategic plan, an annual performance plan, and an annual performance report. These reports are publically available among the Board's [publications](#). Additional information on the Board and Federal Reserve System can be found in its [Purposes & Functions](#) document and throughout its [public website](#).

# Monetary Policy and Financial Stability

The Board is responsible for conducting economic research and supporting the formulation, implementation, and communication of the FOMC's policy decisions. The FOMC sets monetary policy that promotes maximum employment, price stability, and moderate long-term interest rates in the U.S. economy. Additionally, the Board monitors financial system risks and engages domestically and internationally to help ensure a healthy economy for U.S. households, communities, and businesses.

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

**Objective 1.1:** Support the Board's and FOMC's policy deliberations through the timely provision of high-quality research, analysis, and other information that enables sound and objective decisionmaking.

- identify and analyze economic and financial developments in support of the Federal Reserve's mission
- stay abreast of technological and other changes to the financial system and assess potential impacts on the economy

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

- pursue research that promotes understanding of labor markets, inflation, and the financial system, including differences by demographic groups and areas, and implications for the functioning of the economy

- incorporate diversity of thought, perspective, and experience into the Board's research program

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

- foster public education and effective communication across a wide range of audiences
- improve delivery of and public access to information that effectively communicates the Board's understanding of economic and financial conditions, financial stability, and the impact and efficacy of monetary policy

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

- ensure applicable expertise and a broad range of perspectives are available and used in economic research and analysis to strengthen understanding of economic developments and their implications for monetary policy and financial stability
- enhance technological and data capabilities to conduct research, analysis, monitoring, and measurement that inform the public and policymakers, while meeting cyber security standards
- enhance the Board's ability to collaborate with internal and external colleagues on research and analysis through technology, automation, infrastructure, and process advancements
- sustain and nurture an inclusive culture and support a collaborative environment that encourages diversity of perspectives



# Supervision

The Board develops and implements regulatory and supervisory policies that draw on expertise across the Federal Reserve to promote a safe, sound, and efficient banking and financial system, as well as a fair and transparent consumer financial services marketplace that supports the growth and financial stability of the U.S. economy. The Board uses a multidisciplinary approach in analyzing potential risks to the financial system.

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

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

- increase supervision and enforcement process efficiency and effectiveness to promote safety and soundness, consumer compliance and protection, and financial stability
- review and, as appropriate, adjust safety and soundness, consumer compliance and protection, and community reinvestment regulations and policies to enhance effectiveness, efficiency, and simplicity, as well as align with the risk profile of supervised institutions and adjust to emerging risks and market changes
- develop training programs, communications, and appropriate oversight for supervisors to ensure effective implementation of regulatory and policy changes
- implement and promote leading cyber security standards through the Board's supervision and regulation responsibilities

**Objective 2.2:** Improve forward-looking risk-identification and assessment capabilities to inform

policy and support timely and effective risk mitigation through supervision.

- expand risk-identification capabilities to increase agility in identifying and responding to changing conditions
- evolve policy and supervisory capabilities to keep pace with financial technology innovation and operational vulnerabilities, including cyber security, for supervised firms
- ensure that emerging consumer protection risks, including those from financial technology innovation, are monitored and that policies, examination programs, and outreach efforts are effectively aligned

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

- identify and increase transparency of expectations and outcomes where increased transparency will bolster the effectiveness of traditional supervisory tools
- evaluate information-sharing policies and rules while balancing legal, privacy, and regulatory concerns
- improve information flow and information exchange with the public and within supervisory relationships

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

- promote stability of the financial system through enhanced integration of structural and countercyclical supervisory and regulatory policies
- actively follow the evolution of the financial system, including fintech and the migration of activities to nonbank institutions, and work with other regulatory bodies to address identified risks

- engage with domestic and international stakeholders to promote U.S. and global financial stability, including by enhancing the efficiency and safety of payment, clearing, and settlement systems

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

- continue to implement the supervision information technology (IT) strategic plan
- investigate the use of technologies to execute supervisory activities more efficiently and improve risk identification
- expand access to and use of data to further supervisory objectives
- implement workforce planning capabilities and develop strategies to identify the mix of skills needed to effectively execute supervision, including focusing on diversity of thought, perspective, and experience

# Payment System and Reserve Bank Oversight

The Board, along with Reserve Banks, promotes a safe, efficient, and accessible payment system, including through collaboration with consumer and business end users, financial institutions, card networks, payment processors, and emerging payments firms. Additionally, the Board assesses Reserve Bank strategies, projects, policy compliance, and ongoing operations, while engaging with Bank leadership to ensure efficient operations across all Reserve Banks.

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

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

- facilitate the further development of, and nationwide access to, secure, faster payments services in the United States
- support Reserve Banks in their efforts to upgrade the technology underlying the provision of Federal Reserve payment services to financial institutions and the U.S. Treasury
- engage with private- and public-sector stakeholders to analyze the implications of new technologies for payment, clearing, and settlement systems

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

- collaborate with the U.S. Treasury and the Bureau of Engraving and Printing on ways to improve quality and increase efficiency in the manufacturing of Federal Reserve notes
- educate global users of U.S. currency on the designs and security features of Federal Reserve

notes by leveraging a full range of the latest communication technologies and training tools

- strengthen the capacity of Reserve Banks and financial institutions to efficiently manage the circulation and processing of Federal Reserve notes through their life cycle
- enhance counterfeit deterrence capabilities through research, innovation, and education

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

- further refine a holistic oversight approach focused on the most important current and emerging risks
- support Reserve Banks' evolution toward greater Systemwide focus where standardized approaches, processes, and technology offer opportunities to increase efficiency and effectiveness
- encourage strategic planning and budget processes that are consistent with both programmatic and stewardship objectives

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

- advance the broader strategic efforts to expand the pool of qualified candidates for leadership roles, with the objective of bringing the full range of perspectives to bear when conducting analysis and making decisions
- encourage a Systemwide orientation in the development of candidates for future senior leadership positions

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

- develop workforce strategies to provide the expertise needed to effectively execute oversight responsibilities
- increase expertise to advance payment research and analysis to ensure a safe, efficient, and accessible payment system
- enhance the use of technology and leverage new data sources to improve the execution of oversight responsibilities and the identification of risk
- promote the use of leading cyber security and risk-management standards within the Reserve Banks and payments systems



# Public Engagement and Community Development

The Board is committed to expanding and enhancing activities and platforms that inform, educate, and engage the public. Public engagement is vital to keeping abreast of civic concerns and expectations in support of real-world economic problem solving. Building upon mechanisms that facilitate regular public interaction and two-way dialogue enables the organization to maximize the benefits of its economic research and policymaking. Hearing from a broad and balanced set of stakeholders ensures that the Federal Reserve's policies and research take into account consumer and community perspectives, including those of traditionally underserved and economically vulnerable households and neighborhoods. Additionally, the Board promotes community development through its research and outreach efforts.

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

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

- develop processes to identify audiences that would benefit from expanded outreach, education, or communication efforts
- improve understanding of the preferences of different audiences with respect to both the content and delivery of information
- engage a balanced and broad range of individuals and groups to increase the diversity of perspectives shared with the Federal Reserve and create additional opportunities for two-way communication

**Objective 4.2:** Expand communication and outreach efforts to increase transparency and understanding

of the Federal Reserve's mission and activities and better inform decisions.

- develop clear and concise public content designed to deepen understanding of the Federal Reserve's mission and activities
- produce content tailored to meet the interests and needs of a wide variety of audiences and deploy content in multiple formats to increase accessibility and impact
- advance the public's understanding of the Federal Reserve's mission, policy rationales, and decision-making processes

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

- ensure that processes, expertise, and technology support effective information management and sharing within the Board and across the System, while addressing cyber security risks
- assess emerging and innovative communication formats and channels tailored to the needs and interests of various audiences
- develop processes to elicit information and intelligence from stakeholders, such as public interest groups, in a timely and effective manner

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

- enhance industry outreach to promote understanding of consumer risks and help banks and third-party service providers mitigate those risks
- study, disseminate research, and hold convenings on approaches to community investment and development to promote learning, best practices, and relationships among stakeholders
- produce reports and web-based content to inform the public and policymakers about the financial conditions and experiences of consumers and communities



# Mission Enablement

The Board is committed to optimizing operations and capabilities through efficient, effective, and sustainable management of resources. The Board's ongoing success depends upon its ability to attract, retain, develop, and engage a talented and diverse workforce. Through innovative use of technology and workspace, the Board ensures a secure and adaptive work environment that maximizes productivity, continuity, and resiliency. In addition, the Board maintains continuous monitoring capabilities to safeguard the integrity and soundness of technology and data assets.

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

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

- ensure that the current and future workforce has the abilities, knowledge, and skills necessary to carry out the Board's mission
- foster an inclusive culture that enables the organization to leverage staff's diverse perspectives, talents, and skills
- ensure fair opportunity for minority and women-owned vendors to compete in the organization's procurement of goods and services

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

- execute building renovations to efficiently align physical space requirements with projected workforce needs while optimizing required resources
- design and implement a modern, safe, sustainable, and efficient workplace equipped with new tools and technology to better use resources
- promote fiscal responsibility through the effective stewardship of all human, financial, physical, and workspace assets in alignment with strategic planning

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

- optimize technologies to support effective and efficient operations within the Board and across the System
- explore new technologies and delivery mechanisms to expand capabilities and promote efficiencies and productivity improvements
- enhance cyber security and data privacy programs and maintain a secure technology environment that fosters collaboration, continuous improvement, and innovation

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

- improve data management and analytics capabilities to promote greater agility and efficiency in identifying and responding to business needs and in meeting federal requirements
- enhance capacity to leverage innovative data and technology approaches and trends, including big data, machine learning, and artificial intelligence to pilot new efforts and prepare for the future

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