



Annual Performance Plan 2024



January 2024

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

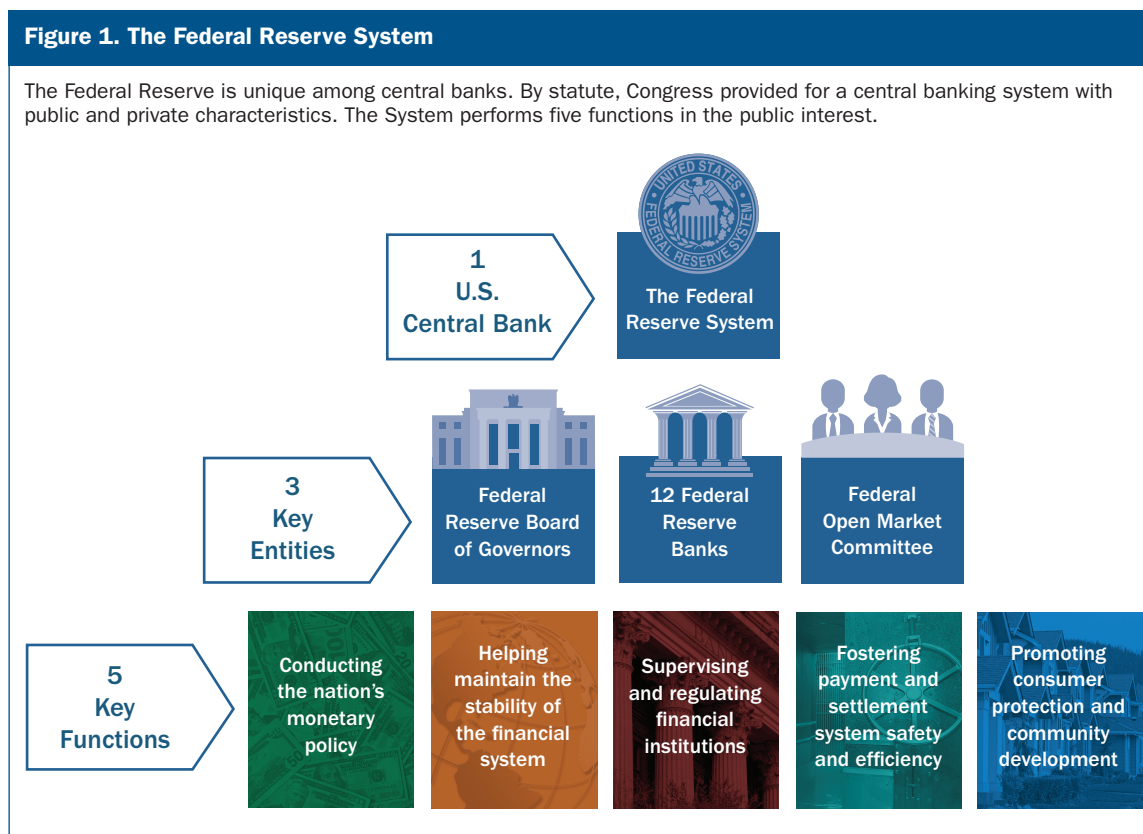
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Preface

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

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



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

The Board also conducts research, analysis, and policymaking related to domestic and international financial and economic matters; supervises and regulates certain U.S. financial institutions and activities; oversees the operations and activities of the Federal Reserve Banks, including important aspects of the nation's payments system; and plays an important role in promoting consumer protection, fair lending, and community development.²

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

Mission and Values

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

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

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

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

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

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

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

Overview

The Board of Governors of the Federal Reserve System's (Board) *Strategic Plan* identifies and frames the organization's goals, objectives, and strategic themes.⁴ On December 15, 2023, the Board published its *Strategic Plan 2024–27*, which outlines the organization's priorities within five goal areas for maintaining the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems:

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

The Board continuously seeks to understand changes in the economic and financial environment and how these changes may impact policy decisions. Additionally, the Board monitors changes in the financial services industry, including the influence of advances in technology, to execute its supervisory and regulatory responsibilities.

The Board's work has become increasingly complex, with growing responsibilities and skill requirements, resulting in a need for enhanced capabilities in operational areas such as data, cybersecurity, technology, and workforce planning. To ensure the System remains an effective steward of public resources, the Board is committed to pursuing additional efficiencies in its operations, as well as the operations throughout the Reserve Banks.

The planning process allows the Board to continuously develop and evaluate how to best prioritize initiatives and investments and then allocate resources in support of strategic objectives. 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 and statutory responsibilities.

This document sets forth the planned projects and initiatives that will contribute to furthering the Federal Reserve's mission and strategic goals and objectives in the year ahead. Given the large scope of work performed by the Board, not all activities are identified within this document. The

⁴ The *Strategic Plan 2024–27* is available at <https://www.federalreserve.gov/publications/files/2024-2027-gpra-strategic-plan.pdf>.

Board's senior leadership reassesses priorities throughout the year and will adjust priorities and resources as necessary to fulfill the organization's mandate from Congress to promote maximum employment and stable prices, along with its responsibilities to promote the stability of the financial system.

Reporting

The Board issues this report in the spirit of the Government Performance and Results Act of 1993 (GPRA), as amended by the GPRA Modernization Act of 2010, which requires that federal agencies prepare a strategic plan covering a multiyear period. Although the Board is not covered by GPRA, the Board voluntarily follows with the spirit of GPRA and, like other federal agencies, prepares a *Strategic Plan* as well as an *Annual Performance Plan* and an *Annual Performance Report*. These reports are publicly available among the Board's publications.⁵

As required by the Federal Reserve Act, the Board also annually submits to Congress the *Annual Report* describing the operations of the Federal Reserve System for the previous year, as well as a detailed explanation of the plans and resources discussed in the approved budgets of the Board and the 12 Federal Reserve Banks.⁶

⁵ See the GPRA reports at <https://www.federalreserve.gov/publications/gpra.htm>.

⁶ The *Annual Report* is available at <https://www.federalreserve.gov/publications/annual-report>.

Goal 1: Monetary Policy and Financial Stability

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

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

1.1.1 Identify, monitor, and analyze economic and financial developments, changes in the financial system, and technological changes.

1.1.2 Solicit a broad range of perspectives and expertise to inform policy deliberation.

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

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

1.2.2 Ensure diverse perspectives, experiences, and applicable expertise are incorporated in economic research, analysis, monitoring, and measurement.

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

1.3.1 Collaborate with domestic and international forums and groups on issues impacting monetary policy and financial stability, including the evolution and function of financial markets, related infrastructures, and payment systems.

1.3.2 Communicate findings to support and advance shared understanding of global issues impacting monetary policy and financial stability.

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

1.4.1 Enhance delivery of, and public access to, information that communicates the organization's understanding of economic and financial conditions, the impact and efficacy of monetary policy, and monitoring of financial stability risks.

1.4.2 Advance public understanding of multifaceted, interconnected issues and their potential effects on the economy and financial stability.

Goal 2: Supervision and Regulation

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

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

2.1.1 Ensure activities are executed effectively within the current supervision framework and appropriately respond to evolving conditions in the U.S. banking system.

2.1.2 Evolve the broader supervisory framework and approach to improve the speed, force, and agility of supervision based on lessons learned.

Objective 2.2: Raise the baseline for resilience.

2.2.1 Modify and evaluate rulemakings, guidance, prudential standards, and supervisory programs to ensure that financial institutions are resilient and able to absorb losses under a range of conditions.

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

2.3.1 Enhance supervision and monitoring of novel activity trends.

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

2.4.1 Provide education and timely guidance on relevant regulations and compliance matters.

2.4.2 Broaden understanding of the Ombuds function, including through the “Meet the Fed” series and other information sharing opportunities.

2.4.3 Implement a pilot post-exam survey for supervised institutions to provide feedback on their examination experience.

Goal 3: Payment System and Reserve Bank Oversight

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

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

3.1.1 Conduct analysis and consider options for improving wholesale payment services to support customer needs and policy objectives.

3.1.2 Oversee and support enhancements to the new FedNow Service to support goals of ubiquity, safety, and efficiency.

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

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

3.2.1 Monitor market structure developments and assess financial market infrastructure's resiliency and use of emerging technologies.

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

3.3.1 Collaborate with partner agencies in the effective development and production of Federal Reserve notes.

3.3.2 Enable Reserve Banks and financial institutions to effectively manage the circulation and processing of Federal Reserve notes.

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

3.3.4 Educate global users on U.S. currency designs and security features of Federal Reserve notes.

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

3.4.1 Enhance oversight capabilities to effectively assess Reserve Banks' operations, internal controls, and emerging risks.

3.4.2 Identify opportunities for standardization and shared service consolidation across Reserve Banks.

3.4.3 Ensure accountable Reserve Bank stewardship of resources in alignment with strategic planning and budget processes.

Goal 4: Consumer Protection and Community Development

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

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

4.1.1 Review and, as needed, refine and revise consumer protection supervisory policies, processes, and analytical tools to ensure rigor, timeliness, and efficiency.

4.1.2 Proactively engage with partner agencies to ensure Federal Reserve expertise informs rule-making, policies, and/or regulations to tailor supervisory expectations, and provide clear and concise information to the industry on compliance with consumer laws and regulations.

4.1.3 Work on an interagency basis to support the implementation of Community Reinvestment Act regulations.

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

4.2.1 Proactively engage with experts and practitioners in community and consumer organizations to gain insight into challenges and opportunities that advance financial inclusion, particularly for low- and moderate-income households and communities.

4.2.2 Engage with community and consumer groups, financial institutions, and policy and research organizations to ensure inclusion of balanced, diverse, and differing perspectives on community needs and consumer risks.

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

4.3.1 Further promote transparency, accountability, communication, diversity of perspectives, and public outreach to support community development and consumer supervisory and rulemaking responsibilities.

4.3.2 Ensure Reserve Bank and Branch directors reflect the communities they serve and provide diverse perspectives.

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

4.4.1 Conduct rigorous ongoing data collection and expert analysis to inform internal and external stakeholders on consumer protection and community economic conditions, opportunities, and challenges.

4.4.2 Actively monitor an array of financial and economic topics, particularly those affecting low- and moderate-income communities and households.

Goal 5: Mission Advancement

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

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

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

5.1.2 Enhance outreach programs to support the public's understanding of career paths and opportunities at the Federal Reserve.

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

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

5.1.5 Provide targeted learning and development opportunities and foster an environment of continuous growth to cultivate leaders' readiness for future roles.

Objective 5.2: Ensure effective stewardship and management of resources.

5.2.1 Promote financial stewardship, responsible acquisitions, and appropriate risk management to optimize the use of organizational resources and enable informed decisionmaking.

5.2.2 Implement the long-term space strategy ensuring appropriate stewardship of resources, including records management.

5.2.3 Implement an information preservation strategy to support timely decisionmaking by expanding content availability, improving responsiveness, and enhancing discovery capabilities.

5.2.4 Strengthen supervisory approach and common business practices across all portfolios in the implementation of the Common Exam Platform One Agile Supervision Solution.

5.2.5 Effectively respond to increasing intensity of supervision of high-risk firms through the rapid development of data-related improvements and analytics in the Common Data Platform.

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

5.3.1 Advance robust data processes and capabilities to deliver timely and high-quality data products to meet the business stakeholders' needs.

5.3.2 Enhance data practices to meet legal and regulatory requirements.

5.3.3 Promote innovative data management and analytics approaches that transform business processes and create value through collaboration across the Federal Reserve System.⁷

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

5.4.1 Enhance foundational and innovative technology capabilities, such as cloud services, artificial intelligence, and machine learning, to further the adoption of future technology.

5.4.2 Design a modern digital workspace that enables easy access to information and improves sharing and delivery of data.

5.4.3 Strengthen cybersecurity and privacy programs for cloud services, cyber risk management, and continuous monitoring, in alignment with federal requirements and industry standards.

5.4.4 Oversee and guide the implementation of transformational technology solutions to modernize the human capital system.

5.4.5 Ensure continuity of operations for essential mission and business function during disaster recovery events.

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

5.5.1 Facilitate communications with the public, media, Congress, and other stakeholders to ensure timely and accurate dissemination of information.

5.5.2 Increase understanding related to the Federal Reserve's mission and responsibilities, including through interaction with the public and community groups and by using transparent language.

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

5.5.3 Enhance public access to information through effective records management practices, the Official Response Collaboration Application for responses to public queries, and in compliance with the Freedom of Information Act.

5.5.4 Conduct business process analyses, explore emerging technologies, and modernize technology infrastructure and software to support the delivery of content on the public website and other platforms.



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