

A message from Chair Jerome Powell

The Federal Reserve is a careful and responsible steward of public resources. Our budgets are mission-driven and result from close oversight and the annual engagement of our Board members. Those budgets overwhelmingly represent our most valued asset, the people who work here. Reflecting prudent stewardship, our staff level at the Board has grown only about 1 percent per year on average over the last decade.

Even so, experience here and elsewhere shows that it is healthy for any organization to periodically take a fresh look at its staffing and resources. The Fed has done that from time to time as our work, priorities, or external environment have changed. One example is when there have been government-wide efforts to improve efficiency, like in the 1990s and now. Another example is when there are significant changes in our operating environment, like we saw with the decline of check usage in the 1990s. Each time, we were able to streamline our operations thoughtfully and deliberately over time to better reflect current conditions while maintaining a rock-solid focus on meeting our public mission.

I believe it is time to do it again, in that same conscientious and deliberate spirit.

I have directed the leadership of the Federal Reserve, here at the Board and across the System, to find incremental ways to consolidate functions where appropriate, modernize some business practices, and ensure that we are right-sized and able to meet our statutory mission. Over the next couple of years, our overall staffing level will decline by about 10 percent from today.

As a part of this effort, and as the Federal Reserve previously did in 1997, we at the Board will offer a voluntary deferred resignation program to Board staff who are fully eligible to retire as of *December 31, 2027*. Board staff who are eligible for this program will receive an email with more specific information. This will provide new professional growth opportunities for our staff and help us remain well-prepared to carry out our important responsibilities in the years to come.

Changes around staffing and operations can be challenging. I assure you that this work will be guided by several principles:

- Prioritize and safeguard our ability to meet our Congressionally mandated mission.
- Demonstrate careful and responsible stewardship of public resources.
- Assure our work continues to be high quality, nonpolitical, and mission-focused.
- Remain consistent with statutory directives and obligations.
- Maintain the professional values of our organization.
- Align our goals across the System.

Thank you for your commitment to the Federal Reserve's work on behalf of the American people.