FEDERAL RESERVE BANK OF KANSAS CITY / SPRING 2021

TEN

SAVINGS SURGE

Sharp increase for some Americans during pandemic, study shows

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2020 ANNUAL REPORT

VIGILANT SERVICE IN THE PUBLIC'S INTEREST

Urgency on Affordable Housing | Diversity and Inclusion Report | Meet the New Tenth District Directors

FEDERAL RESERVE BANK OF KANSAS CITY / SPRING 2021

TEN

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TEN magazine is a quarterly publication of the Federal Reserve Bank of Kansas City focused on the connection between the Bank's research and the Tenth Federal Reserve District. TEN features articles on the Federal Reserve's history, structure and operations. The views and opinions expressed in TEN are not necessarily those of the Federal Reserve Bank of Kansas City, the Federal Reserve System, its governors, officers or representatives.

Learn more about the Federal Reserve Bank of Kansas City and the history, leadership and governance of the Federal Reserve System at *KansasCityFed.org/aboutus.*

FEATURES

ON THE COVER » *Cover by Getty Images*

Sharing reflections in the wake of an unprecedented year

Last year was one for the record books. The year had both the largest decline in quarterly GDP on record as well as the largest increase. The unemployment rate hit a 50-year low before climbing to levels not seen since the Great Depression. The equity market set record highs, while the price of oil dropped below zero for the first time, if only for a moment. The year saw the largest fiscal policy reaction and the most rapid increase in government debt, even as the yield on government securities fell to new lows. The Federal Reserve, for its part, broke new ground in policy accommodation, while expanding its balance sheet to record size. Suffice to say, 2020 was not a typical year.

I am hopeful, as I believe many of us are, that 2021 will mark the beginning of a return to something more like normal. I am generally optimistic that the year will be one of continued economic recovery, though not without bumps and potholes, particularly in the first part of the year, as the virus continues to exact a terrible human and economic toll. Even as the economy recovers, the events of the last year are likely to leave an imprint for years to come.

Long-term implications of the pandemic

When thinking about the long-term consequences of 2020, I find it helpful to group the potential factors into three broad categories. First, despite the best efforts of policymakers, there are likely to be scars from the crisis that will take time to heal. Businesses and workers have suffered a tremendous disruption, and while there is some optimism for a quick bounce-back, it would not be unexpected for some of the negative effects to persist. Second, the crisis will leave a lasting impact on business and public sector balance sheets, with governments taking on notably more debt, central bank balance sheets swelling around the world, and corporate borrowing soaring, even as household balance sheets, in the aggregate, have improved. Third, the crisis will likely have a lasting effect on the structure of the economy, both by changing the way that people work as well as what and how they consume.

Starting with the first category, there could be economic scarring that eventually heals, but only after time. For example, at the end of 2020, 10 million fewer individuals were working relative to before the pandemic. Given the notable decline in labor force participation over the same period, it would appear that about half of those workers that lost jobs dropped out of the labor force altogether. Traditionally, it has taken time to bring individuals back into the labor force, and it has often taken a fairly hot labor market to do so.

An additional dynamic with this crisis has been the disproportionate decline in labor force participation among women. In particular, about half of the decline in women's participation is attributable to caregiving, likely reflecting disruptions in child care. While this could suggest a quicker bounce-back once the virus is checked and normal child care options return, it is important to note that even after returning to the job, these workers could suffer interruptions in human capital development and career progression, with unfortunate long-term effects.

Turning to the second category, 2020 has scrambled balance sheets across the economy. While household balance sheets are generally in good shape, this has come at the expense of government finances. The federal government increased its liabilities to fund transfers that, in many cases, have turned into household assets. Again, it must be noted that the relative strength of household balance sheets is in the aggregate. Certainly, the pandemic has led to significant economic hardship for many, as a large number of households struggle to pay bills and purchase necessities. One of the defining features of the pandemic has been the unevenness of its economic impact. There has been substantial variation in how different industries, professions and geographies have been affected, with some sectors reporting record activity even as others have seen demand collapse.

On the business side, nonfinancial corporations have further increased borrowing from already elevated levels, in part to cover pandemic-related holes in revenue but also, for larger corporations, to take advantage of near-zero interest rates and favorable borrowing conditions. These shifts in balance sheets can have long-run impacts. For example, the large increase in government debt could limit a fiscal policy response during some future crisis. Higher levels of business debt could threaten financial stability, increasing the fragility of the financial system to prospective shocks.

Finally, looking at the third category, the pandemic has likely unleashed, or at least accelerated, structural and technological changes that will continue to play out over years or even decades. These include a shift to remote work, as well as online retail and entertainment. While these changes could ultimately result in increased economic productivity, there will likely be near- and medium-term disruptions as resources shift between sectors. These changes also increase the risks around the value of capital in certain sectors—for example, commercial and retail real estate—which could in turn raise important financial stability considerations.

Monetary policy

An exceptionally uncertain economic outlook, with the chance of both downside and upside surprises, creates a complicated and difficult environment for monetary policy. While vaccines promise an eventual end to the virus's hold on the economy, there remains a substantial gap to be bridged before we get there.

Monetary policy is also playing an important role in supporting the economy, as it has since the start of the pandemic. In March 2020, the Federal Open Market Committee (FOMC) cut its policy interest rate to near zero and launched an aggressive balance sheet expansion program, purchasing large quantities of Treasuries and mortgage-backed securities (MBS). While these purchases were initially directed toward smoothing market functioning, the expansion of the Fed's balance sheet also supports accommodative financial conditions, to the benefit of the overall economy. In September, the FOMC provided forward guidance, consistent with the Fed's new monetary policy framework, that interest rates would remain near zero until the labor market reached levels consistent with maximum employment and inflation had both risen to 2% and was on track to exceed 2% for some time. In December, the Committee further extended its forward guidance to cover its asset purchases, stating that it will continue to increase its holding of Treasuries and MBS by at least the current pace until substantial further progress has been made on its employment and inflation goals. Overall, the outlook is for monetary policy to remain accommodative for some time.

Clearly, in the current environment where the economy continues to heal, an accommodative policy stance is appropriate. It is too soon to speculate about the timing of any change in this stance. The Committee has agreed that further substantial progress in achieving high employment and average inflation at its 2% target is necessary before making adjustments. This wait-and-see approach will guide the trajectory of monetary policy. As the data come in, and the economy evolves, the public and markets should be able to adjust their expectations regarding the policy path. This feature of forward guidance is especially useful now given the heightened uncertainty around the outlook, stemming in large part from the path of the virus. In the near term, the risks are

Photo by Getty Images

predominately negative, but once the pandemic is behind us, there is considerable scope for a snapback in activity.

However, as the economy recovers and the Committee judges progress toward its mandate for employment and inflation, policymakers will necessarily wrestle with judgments about the appropriate stance of its policy settings. With longer-term implications of the pandemic noted earlier unfolding over time, these deliberations are likely to be challenging. For example, how long lasting will the effects of the pandemic on the labor market be? Should we expect employment to return to its lows of early 2020? Or will changes in the structure of the economy and labor markets shift employment's long-run equilibrium?

Will inflation continue to fall short of central bankers' desired 2% long-run average, or will other dynamics take hold and shift inflation impulses? For example, although aggregate inflation, as measured by the personal consumption expenditure price index, remains muted, a few hard-hit services prices have played a disproportionate role in depressing the aggregate index. To the extent that a post-vaccine bounce-back boosts demand and prices in these sectors, including airfares and hotel accommodation, inflation could move up quickly. Other large contributors to the decline in inflation are a bit idiosyncratic, including owner-occupied housing and financial services. In contrast to these sectors, price inflation for many other categories of consumption (particularly goods) has moved up, sometimes quite sharply. Such a scenario does not suggest higher inflation is a near-term threat, but rather that inflation could approach the Committee's average inflation objective more quickly than some might expect.

Finally, will highly accommodative monetary policy seed imbalances in the economy that increase the fragility of the economy to the next inevitable shock? Will other mechanisms effectively mitigate and balance any destabilizing elements of a low-for-long rate environment?

The experience of the pandemic will undoubtedly leave its mark even as our nation's economy shows its resilience and recovers. Ultimately, the wisdom to understand this unfolding landscape and to respond with appropriate policy adjustments will set the course for achieving our objectives for financial stability, sustainable long-run growth, employment and inflation.

This message is adapted from a speech President George delivered Jan. 12, 2021, to the Central Exchange in Kansas City.

Notes from around the Tenth District

George provides update on faster payments

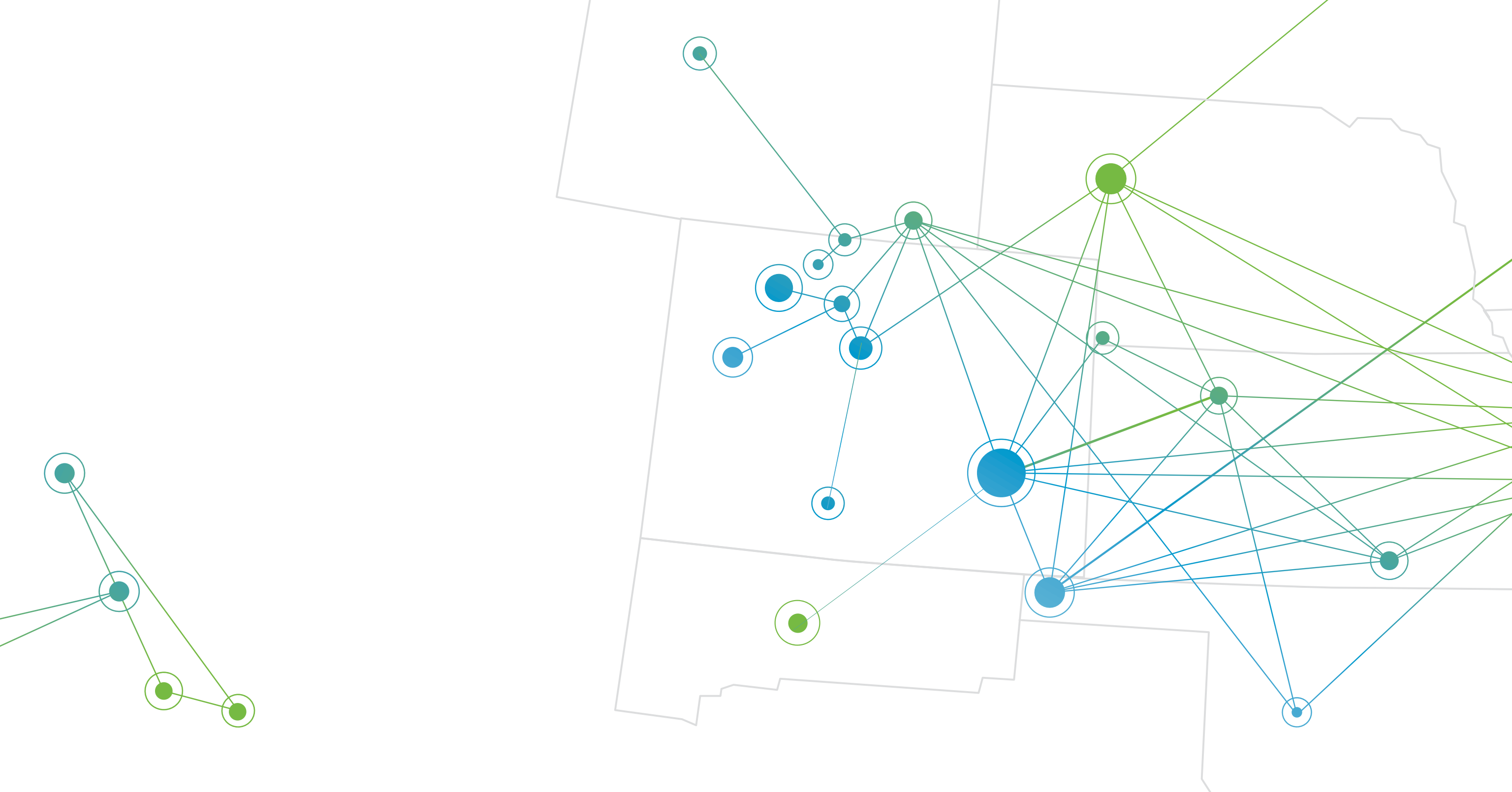
Kansas City Fed President Esther George, who serves as executive sponsor of FedNow, in February shared a timeline update on the service. The platform, which will enable financial institutions to provide instant payment services, will launch in 2023.

"Over the last several months, we've made significant strides toward our program milestones for the FedNow Service," George said. "Based on the FedNow team's progress, we are pleased to share this updated timeline so the industry can continue to prepare for the adoption of FedNow."

Through financial institutions' participation in the FedNow Service, businesses and individuals will be able to send and receive instant payments around the clock. Recipients will have full access to their funds within seconds, providing more time-sensitive flexibility to manage money. Also, financial institutions and their service providers will be able to use FedNow as a springboard for innovative instant-payment services for customers.

The Federal Reserve is taking a phased approach to expedite bringing FedNow to market. General availability of the FedNow Service will occur after extensive testing by more than 110 participants in the FedNow Pilot Program. Through involvement in the Pilot Program, participating financial institutions and processors will help shape the product's features and functions, provide input on the overall user experience, ensure readiness for testing and be the first to experience the FedNow Service before its general availability.

FURTHER RESOURCES
Learn more about development of the FedNow Service at *FedNow.org*.



Kansas City Fed rated among best places to work for LGBTQ equality

The Federal Reserve Bank of Kansas City received the highest possible score on the 2021 Corporate Equality Index (CEI) report from the Human Rights Campaign Foundation.

The CEI is the country's leading measure and report on corporate policies and practices related to LGBTQ workplace equality. The Bank earned a score of 100 on the index.

"Being named a Best Place to Work for LGBTQ Equality is a testament to our ongoing commitment to diversity, equity and inclusion at the Bank," said Tammy Edwards, senior vice president of the Kansas City Fed's Community Engagement and Inclusion Division and director of its Office of Minority and Women Inclusion. "We are focused on fostering a culture of inclusion—one of our Bank's core values—and belonging for our 2,100 employees."

This is the Bank's second year of participation in the CEI survey. The Kansas City Fed is among 767 large U.S. businesses that also earned a 100 score in 2021.

"Building and fostering an inclusive work environment for all Bank employees is a top priority for the Kansas City Fed," said Esther George, the Bank's president and chief executive officer. "Understanding and valuing diverse backgrounds is essential to carrying out our important public mission. I'm proud of the Bank's record as a workplace where all employees have the opportunity to develop and succeed."

This year, 1,142 U.S.-based companies participated in the CEI survey. Companies rated in the survey span industries, including Fortune's 500 largest publicly traded businesses and other organizations.

FURTHER RESOURCES
Learn more about the Bank's diversity and inclusion mission at *KansasCityFed.org/about-us/diversity-and-inclusion/*.

New Kansas City Fed resource summarizes economic conditions for U.S. agriculture

The Federal Reserve Bank of Kansas City in February launched the Ag Bulletin, a quarterly resource that provides a high-level outlook for the country's agricultural sector.

The Ag Bulletin includes an outlook summary, followed by charts on current U.S. economic indicators. It includes an agricultural price index, farm income and revenue, crop and meat production, demand for agricultural products, and agricultural credit conditions. The first installment of the Ag Bulletin showed that economic conditions in U.S. agriculture improved dramatically in the fourth quarter of 2020 alongside sharp increases in the prices of several major commodities.

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FURTHER RESOURCES
Find the Ag Bulletin and all of the Kansas City Fed's research on the agricultural economy at *KansasCityFed.org/agriculture.*

Registration open for virtual Agricultural Symposium

The 2021 Agricultural Symposium—"The Roots of Agricultural Productivity Growth"—will be conducted virtually May 24-25. The event will explore the persistent growth in agricultural productivity, linkages to other industries and environmental considerations.

Visit *KansasCityFed.org/agriculture/agricultural-symposium* to register, see the agenda and read the research papers written for the symposium.

Disruptions connected to the pandemic and wide fluctuations in agricultural markets have underscored the importance of further research and discussion surrounding productivity, as well as the vulnerabilities of production, when assessing longer-term conditions in agriculture and related industries.

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FURTHER RESOURCES
See the Bank's latest research and analysis at *KansasCityFed.org/agriculture.*

Bank Anniversaries

The following banks in the Tenth Federal Reserve District are celebrating one, five, 10, 20 or more years as Federal Reserve members in January, February or March.

Sundance State Bank	Sundance	Wyo.	90
First State Bank	Ness City	Kan.	87
First Nebraska Bank	Valley	Neb.	87
Bank of Hartington	Hartington	Neb.	85
BankWest of Kansas	Goodland	Kan.	82
First State Bank and Trust Company	Larned	Kan.	79
First State Bank in Temple	Temple	Okla.	78
Citizens-Farmers Bank Cole Camp	Cole Camp	Mo.	76
Bank of Commerce	Rowlins	Wyo.	43
Citizens Bank of Edmond	Edmond	Okla.	40
Bank of Jackson Hole	Jackson	Wyo.	39
Bankers Bank	Oklahoma City	Okla.	35
Bank of Commerce	Rawlins	Wyo.	24
Mabrey Bank	Bixby	Okla.	24
First State Bank	Anadarko	Okla.	23
Adrian Bank	Adrian	Mo.	22
American Bank of Baxter Springs	Baxter Springs	Kan.	22
Bank of Kremlin	Kremlin	Okla.	22
Battle Creek State Bank	Battle Creek	Neb.	21
First Bank and Trust Co.	Clinton	Okla.	20
American Heritage Bank	Sapulpa	Okla.	20
RCB Bank	Claremore	Okla.	10
Farmer's Bank of Northern Missouri	Unionville	Mo.	10
Commerce Bank	Kansas City	Mo.	10
Cornhusker Bank	Lincoln	Neb.	10
American Nation Bank	Ardmore	Oka.	5

Photo by Getty Images

TROUBLING SIGNS FOR AFFORDABLE HOUSING

Economic conditions heighten urgency for community feedback, solutions

Research over the years by the Federal Reserve and other groups has shown that a person's access to safe, stable and affordable living arrangements can be crucial for their overall quality of life—from financial security to general well-being.

Job losses and other hardships resulting from the coronavirus pandemic have increased concerns about affordable housing and made the topic more prominent in the national discourse on economics and equity. Although certain moratoriums have been implemented, many observers remain wary of a potential flood of evictions and foreclosures as the downturn continues.

The Federal Reserve, as part of its Community Development and Research missions, was tracking and studying national and regional housing issues before the pandemic. In another step toward finding solutions, the Kansas City Fed this spring is conducting an in-depth Tenth District survey aimed to gather a broad mix of perspectives, ranging from affordable housing funders and builders to groups that work with tenants and homeowners, and from elected officials to business leaders.

Among other feedback, the Bank wants to learn what respondents in various zones of the District see as their main challenges, top priorities and preferred policy outcomes. The survey's results will help inform the Bank's ongoing work on the subject of affordable housing, including community engagement activities facilitated by Community Development advisors.

"A lack of quality, affordable housing was a challenge before the pandemic and has only grown more severe since," said Tammy Edwards, Kansas City Fed senior vice president of Community Engagement and Inclusion. "Specifically, pending evictions and foreclosures are threatening to disrupt the lives of millions of Americans. It is important that we partner with public and private stakeholders to address the current crisis as well as look long term to solve the broader issues of affordable housing."

Trends raise concerns

Efforts to gather direct feedback are important—and timely, in part because of troubling economic conditions. Rents and home prices have risen steadily while incomes have stagnated. Before COVID-19, studies showed that the demand for desirable housing at fair prices outstripped supplies.

These concerns are not limited to urban areas. In some rural communities, while land might be relatively inexpensive, construction costs are often higher than in urban markets. With rents and mortgages out of step with wages, it bears watching how policy is developed to help assure that adequate, affordable housing is within reach of the workforce.

FURTHER RESOURCES

Go to *KansasCityFed.org/community* to sign up for the Community Connections newsletter, see the latest Tenth District community research, and get updates on initiatives in workforce development, community development investments, small business development and bridging the digital divide.

Go to *KansasCityFed.org/research* to read a recent study of unique dynamics in Oklahoma's housing sector.

Making a CONNECTION

In founding the Federal Reserve more than a century ago, Congress recognized the importance of connecting the nation's central bank to the Main Streets of America. The Federal Reserve Bank of Kansas City carries out this role through its president and its programs and activities throughout the Tenth District, and beyond. Here is a glimpse at the recent activities of President Esther L. George and the staff of the Kansas City Fed.

REGIONAL and NATIONAL »

Bloomberg interview covers careers, diversity

In February, Esther George joined Bloomberg TV hosts Kathleen Hays and Shery Ahn to discuss the economic outlook and diversity in the field of economics. The conversation included remarks about George's efforts to include more women in the annual Jackson Hole Economic Symposium as well as the importance of diversity in employment recruiting. "It's not just a numbers game but you have to be intentional about what you're looking for," George said. "And so there are highly qualified people that sometimes you just haven't met because it takes being persistent. It takes really reaching out to find people that can be part of this network." The broadcast noted that the Kansas City Fed was rated among the best places to work for LGBTQ equality. (See an article about the rating in the "Notes" section on page 5.) The Bloomberg segment also touched on the topic of fair access to credit, which George said "remains a very important part of our mission."

The economy and diversity were among the topics Esther George discussed with Bloomberg TV.

Connecting with Howard students

Howard University economics students interacted with Esther George in February during an event highlighting the influence of Black banking and the role of women in U.S. financial policy. George discussed her career and the Bank's publication *Let Us Put Our Money Together: The Founding of America's First Black Banks.*

Before engaging with students, Esther George spoke via livestream with Howard University economics professor William Spriggs.

UMKC real estate symposium

Esther George spoke virtually in February to participants in the annual Real Estate Symposium conducted by the University of Missouri-Kansas City's Henry W. Bloch School of Management. The symposium offered continuing education credits and focused on industry trends, case studies, technology advancements and other educational programs. Read the text of George's speech—"Real Estate: A Vital Sector Poised for Change"—at *KansasCityFed.org/senior-leadership/esther-george/.*

Monetary policy commentary featured in banking industry publication

A column by Esther George in the January 2021 issue of BankBeat outlined steps that the Federal Reserve initiated in 2020 in response to the pandemic. The commentary, titled "Fed actions forestalled burgeoning crisis," is featured under "Perspectives: Monetary Policy" in the Opinion section at BankBeat.biz. "Fiscal and monetary policy responded to the developing crisis with unprecedented swiftness and force," George wrote. "Congress and the U.S. Treasury provided direct relief while the Federal Reserve cut policy rates and made liquidity widely available. Combined, these policies aimed to calm panicked markets and to ease strains on household, business and municipal budgets."

Sharing economic perspectives in speech to Central Exchange

In her first public economic outlook speech of the year, Esther George in January spoke virtually to members of the Central Exchange, sharing reflections on the turbulence of 2020 and looking ahead to continued recovery. "The experience of the pandemic will undoubtedly leave its mark even as our nation's economy shows its resilience and recovers," George said. "Ultimately, the wisdom to understand this unfolding landscape and to respond with appropriate policy adjustments will set the course for achieving our objectives for financial stability, sustainable long-run growth, employment and inflation." The Central Exchange, based in Kansas City, advocates leadership advancement and equity for women. See the "President's Message" on page 1 for a summary of George's remarks to the group.

Student boards explore personal finance, careers, aspects of local economies

The Kansas City Fed's Student Boards of Directors across the Tenth District have focused on learning more about topics to help them prepare for careers while understanding their local economies. In Kansas City, students worked on managing their finances and developing career-focused skills such as personal branding and public speaking. Omaha students met virtually with Branch Executive Nathan Kauffman and Javier Fernandez, Omaha Branch board member and Omaha Public Power District (OPPD) chief financial officer, to hear about their career paths and the Federal Reserve's and OPPD's connections to the local economy. Denver Branch students had a virtual workshop with Zoe Otero-Martinez from WESST, a small-business development and training organization in Albuquerque, on the topics of credit, budgeting and savings. In Oklahoma City, students focused on the regional economy, including a discussion with Oklahoma City Thunder Vice President Scott Loft.

The Omaha Student Board of Directors with Branch Executive Nathan Kauffman and Branch Director Javier Fernandez.

Educators connect for Evening with the Fed

The Bank's "Evening with the Fed" program is a monthly professional development webinar for K-16 educators from the Tenth District, held January through May. In February, Denver Branch Executive Nicholas Sly and Senior Economics Specialist David Rodziewicz discussed climate risks and the economy. Visit *KansasCityFed.org/education/evening-with-the-fed* for recordings of all Evening with the Fed webinars and to learn about upcoming sessions.

Oklahoma City Branch hosts roundtable to help address rise in evictions

The Oklahoma City Branch hosted a roundtable on strategies to address the state's increasing number of evictions because of the pandemic. Recent data indicates that up to 86,000 renter households earning less than $35,000 a year could be at risk of eviction across Oklahoma. County commissioners, city council members and housing advocates explored ways to expand access to legal services, a strategy that has shown benefits for renters and property owners.

Highlighting the *Rocky Mountain Economist*

Denver Branch Executive Nicholas Sly participated in a Colorado virtual State of the Cities event to discuss his latest *Rocky Mountain Economist*, which focuses on the topic of essential workers within the region and how local areas fared with regard to employment and consumption. The quarterly publication is available at *KansasCityFed.org/denver/rocky-mountain-economist/*.

Addressing Nebraska region's financial executives

Omaha Branch Executive Nathan Kauffman joined the January virtual meeting of the Financial Executives International Nebraska Chapter to share an update on local and national economic conditions. The Nebraska Chapter, established in 1974, is made up of senior-level financial executives from the Lincoln, Omaha and Sioux City, Iowa, areas.

Accountants in Oklahoma receive update on economic conditions

Chad Wilkerson, Oklahoma City Branch executive, spoke virtually in February to the Oklahoma Society of CPAs, sharing an update on the national and regional economy with an emphasis on the energy sector and COVID-19's impact on the state.

Regional databooks available online

On the Kansas City Fed's recently enhanced and redesigned website, the public has direct access to quarterly databooks that provide economic summaries for Colorado, Kansas, Missouri, Nebraska, New Mexico, Oklahoma and Wyoming. The databooks include current economic indicators to help monitor trends and allow comparison with previous information. These indicators include: gross domestic product, inflation, employment, personal income, home prices, housing indicators, manufacturing, agriculture, exports and production of oil, gas and coal. View the databooks at *KansasCityFed.org/data-and-trends/tenth-district-economic-databooks/*.

Ask an ECONOMIST

W. Blake Marsh and Padma Sharma

Community banks and the Paycheck Protection Program

Research by Kansas City Fed Senior Economist W. Blake Marsh and Economist Padma Sharma shows that community banks have played an outsized role in the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Their findings, published in a December 2020 Economic Bulletin, show that these banks disbursed 37% of all PPP loans despite holding only 18% of outstanding bank loans. Further, although participation in the program boosted community banks' revenue, it appears to have lowered profitability—at least initially.

How have community banks benefitted from participation?

Loans through the PPP have helped community banks grow their balance sheets at a time when they might otherwise be driven to shrink them. These loans have accounted for a majority of net growth in community bank loans since the onset of the pandemic. In fact, loans at community banks grew at a substantial rate of 15% over the year ended in 2020. Without PPP loans, loan growth at these institutions was only 4.5%. The limited loan growth outside of the PPP underscores survey results reporting tightening bank standards and a lack of demand for other loan types at commercial banks.

How were profits affected?

Although the PPP has helped ease credit conditions, it also has affected profitability for community banks. Loans through the program carry a lower interest rate—1%—than many other types of loans, potentially lowering banks' profit margins. We found that banks with high PPP exposure experienced a larger decline in their net interest margins relative to banks with low PPP exposure. We categorized banks into groups of high and low exposure based on whether their share of PPP loans to total loans exceeded or fell under the median level of 7%. Before the pandemic, banks that would later have high PPP exposure were more profitable than their peers, as evidenced by their higher net interest margins. However, after the introduction of the PPP, net interest margins for the two groups of banks converged, suggesting that PPP loans were not particularly profitable assets for banks, at least initially.

What are the conclusions and forecasts?

Although the full effect of PPP lending on bank income is not yet known, our findings have implications for the near-term outlook of the banking industry and for the effects of the new round of PPP funding that became operational in January. First, as PPP loans become eligible for forgiveness, banks will need to identify alternative lending opportunities that are both sound and profitable to generate revenue. Second, the effects of PPP lending on bank profitability have not yet fully materialized, and will be determined by the pace and timing of ongoing loan forgiveness. Banks receive a further boost to their revenues in the form of lump sum origination fees from the SBA once a loan is forgiven. Overall, a bank's decision to participate in the ongoing PPP funding round, or similar government-backed lending programs, is a function of the program's effects on the bank's long-term health and the near-term economic outlook.

FURTHER RESOURCES
Read the full *Economic Bulletin* on this topic at *KansasCityFed.org/research.*

BROAD REPRESENTATION, REGIONAL ROOTS

»»»» Reserve Bank directors provide diverse expertise, important insight

As designed by Congress in 1913, the Federal Reserve System is a representation of public and private institutions. While the Board of Governors in Washington, D.C., is a government agency with broad oversight, there are 12 regional Federal Reserve Banks throughout the United States that are under the direction of the local boards of directors. In addition to overseeing their respective Reserve Banks, the regional Fed directors are essential conduits between their local communities and the nation's central bank, offering insight and counsel on the economy drawn from their own expertise and contacts.

These independent regional Reserve Banks, which also have affiliated Branch offices, are a direct recognition of the value that Americans place on limiting political influence and ensuring broad representation within a central bank. Before the Federal Reserve System was established, the United States made two attempts at a central bank. Neither survived, in part because large areas of the country—especially along the frontier and in the South—felt that the institutions were too closely aligned with the power centers of the Northeast.

The Federal Reserve's Tenth District includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. In addition to its headquarters, the Kansas City Fed has Branch offices in Denver, Oklahoma City and Omaha.

MEET THE TENTH DISTRICT DIRECTORS WHO BEGAN THEIR TERMS OF SERVICE IN 2021.

» RUBEN ALONSO III, Kansas City Director

Providing vital financing to spur investment in underserved communities is central to Ruben Alonso III's mission as president of AltCap, a certified Community Development Financial Institution (CDFI) in Kansas City.

Alonso joins the Kansas City Board of Directors after serving three years on the Bank's Community Development Advisory Council (CDAC).

"We essentially act as a specialized financing institution that is committed to bringing capital to communities or to small businesses that are underserved or overlooked by traditional financial institutions," Alonso said. "For us that's a lot of minority-owned businesses, entrepreneurs of color and women-owned businesses. We feel like we've created a niche for ourselves to support those businesses that are kind of left out of the financial mainstream."

With AltCap, Alonso is responsible for administration, management, growth and strategic direction. AltCap started as a tax credit financing institution using the New Markets Tax Credit (NMTC) program and later became a CDFI. The NMTC program provides incentives for investing in lower-income communities. The credits are authorized by Congress and allocated by the Treasury Department.

"It's an annual competitive process to get these federal tax credits," Alonso said. "Our participation has helped us to facilitate financing for $250 million in investments in Kansas City. That's where we got started and how we were really able to start to make an impact in Kansas City."

Alonso participates in numerous civic activities in the Kansas City area and serves on several local and regional boards and advisory committees. He also is an adjunct professor in the University of Missouri-Kansas City's Department of Architecture, Urban Planning and Design. He has a bachelor's degree in Accounting from the University of Miami and a master's degree in Public Policy from the University of Southern California.

Earlier in his career, Alonso was a U.S. Peace Corps volunteer in Slovakia, where he supported a microlending and business development organization, taught English at a secondary school and helped start a boxing club for Romany youth.

Photo by Gary Barber

On the CDAC, Alonso said, he worked to represent the roles that CDFIs play and be a strong advocate for small businesses facing challenges accessing capital. As a director, he wants to continue representing those viewpoints.

"To continue to be that voice for CDFIs and small businesses was for me a great opportunity and honor, to be able to continue my engagement with the Federal Reserve Bank of Kansas City," he said. "I'm really excited to be a part of such a diverse group of directors, coming from all different parts of the Heartland and different sectors and industries."

The timing also is notable, Alonso said, after a year of "seeing the economic shock to our country and the impact that it's had on small businesses," including exacerbating economic disparities. "To be able to be on the Board of Directors now is an opportunity to help make sure the financial system works for everyone."

» CASSANDRA R. SAVAGE, Kansas City Director

Photo by Gary Barber

As a McDonald's franchisee with nine restaurants in the Kansas City area, Cassandra Savage has a first-hand view of the economic challenges and opportunities for the region's businesses.

Savage is president of The Savage Group LLC in Lenexa, Kansas. Before joining the Bank's Kansas City Board of Directors in January, she served on the Tenth District's Economic Advisory Council, sharing insight from two decades as a restaurant owner, operator and industry leader. She co-founded The Savage Group with her husband and business partner, Ken Savage.

In the McDonald's organization, Savage has had several key roles, including at-large membership on the company's Heart of America Executive Board and president of the Women's Operator Network's Heartland Chapter.

"Our mission is to be the best quick-service restaurant in the country, while ensuring that we take care of customers on both sides of the counter," Savage said. "That's one of the philosophies we have in our organization. We ensure that we not only provide high-quality service to our consumers, we also provide high-quality service to our employees."

Another part of the mission is to support the communities where the group's restaurants operate, through Ronald McDonald House Charities, donations to local charitable efforts and participation in fundraising activities.

"For the 20 years that we've been in this business, we've made it a priority to give back to the communities that we serve," Savage said.

Savage said becoming a Reserve Bank director opens another avenue to provide service to the District and offer guidance to help the Board achieve its goals.

"I felt that it would allow me to continue to have an impact, not just in my organization, but outside my organization for the good of our communities," she said of becoming a director. "I thought that with the skills, knowledge and background that I have, that I could really make a contribution."

That background includes experience in education, marketing and public relations. Savage earned bachelor's and master's degrees at the University of Illinois at Urbana-Champaign and had management positions with IBM before founding The Savage Group.

The timing of her Kansas City Board membership—during the country's COVID-19 downturn—is important, Savage said, noting that employees and customers have had to adjust to safety measures and operational changes such as increased digital ordering and drive-through service.

"That's the perspective that I want to bring," she said. "We've all had challenges with COVID. I thought it would be valuable for the Board to understand how it impacts the industry that I'm in. I also want to learn how other industries are handling the economic climate, and hopefully together we can make an impact and still be successful."

» MARÍA GRIEGO-RABY, Kansas City Director

Photo by Jason Collin

María Griego-Raby joins the Kansas City Board of Directors after serving as a member of the Tenth District's Economic Advisory Council.

Griego-Raby is principal and president of Contract Associates Inc., a commercial and office furniture company she founded in Albuquerque, New Mexico. The company has operations throughout New Mexico, in southwest Texas and northeast Arizona, including part of the Navajo Nation.

"We're a full-service company, which means we provide products and services to corporate and government offices, educational and health-care facilities, as well as to hospitality customers," Griego-Raby said. "We also spend many of our efforts servicing and working on long-term projects for Los Alamos National Laboratory (northwest of Santa Fe, New Mexico) and Sandia National Laboratories (based in Albuquerque)."

Griego-Raby serves on the boards of several organizations, including New Mexico Mutual, University of New Mexico Rainforest Innovations, and the UNM Lobo Development Corporation. She has bachelor's and master's degrees in Business Administration from the University of New Mexico.

In addition to more than 30 years as a business and civic leader, Griego-Raby brings direct Reserve Bank experience from her time on the Economic Advisory Council. The council, established in 1985, comprises business and labor representatives who meet with Kansas City Fed leadership to offer insight on the regional economy.

"My time serving on the Council gave me a view of how the Tenth District operates, as well as an opportunity to understand and learn from others," she said. "It added information and perspective, and it also gave me a sense that we're all in this together, and we all share some of the same recent struggles in our region."

For example, she noted that New Mexico's economy is experiencing changes that offer valuable lessons for the District.

"We are struggling to make that transition from total reliance on fossil fuel and mining, as we are faced with how we move toward a new economy that is a green economy," Griego-Raby said. "There's a lot of transformation going on, so I find that very exciting to understand, to learn and to share."

Among many other public service roles, Griego-Raby has served on New Mexico's State Board of Finance and the University of New Mexico's Board of Regents. She said that joining the Reserve Bank's Kansas City Board presents an outlet to convey points of view from a wide range of people and organizations in the region.

"I have an opportunity to interact with many different people in our community who can give a perspective other than mine," she said. "Serving as a director gives me an opportunity to share with the Federal Reserve what is really happening on the ground level in our community. Serving in this position is such an honor, and I'm very much looking forward to the entire experience."

» JANDEL ALLEN-DAVIS, Denver Director

Photo by David Tejada

Jandel Allen-Davis brings to the Denver Branch Board of Directors the perspective of a chief executive navigating the modern health care environment and 25 years of experience as a practicing physician.

Allen-Davis is president and chief executive officer of Craig Hospital in Englewood, Colorado, a center for specialty rehabilitation and research for spinal injury and brain injury patients.

"I have oversight and responsibility for operational conduct of the hospital with respect to quality, safety, the care experience, and the work environment of our employees at this amazing institution," Allen-Davis said. "We rehabilitate people who have sustained severe injuries, and we have a very robust and active research unit. We also have a role alongside coalitions in the community of advocating and being a voice for the disabled community."

Allen-Davis was vice president of government relations, external relations and research for Kaiser Permanente Colorado before becoming Craig Hospital's CEO in 2018. She is a graduate of Dartmouth College and Dartmouth Medical School in Hanover, New Hampshire. Before joining Kaiser Permanente in 1994 as a staff physician specializing in obstetrics and gynecology, she was an assistant professor of obstetrics and gynecology at the University of Colorado Health Sciences Center and spent four years in the Indian Health Service in Tuba City, Arizona.

Allen-Davis said that her 24 years at Kaiser Permanente, one of the largest and oldest health maintenance organizations in the country, provided a valuable breadth of experience "from the care delivery side and from the insurance side of health-care work."

"That was the backdrop of how I learned how health care is organized, how it works, how it doesn't work," she said. "But I also know what happens at the bedside, and I know what happens in the exam room. And that's a voice that's missing from a lot of the policy conversations and economic conversations."

Ensuring that economic policymakers hear that voice is one of the reasons Allen-Davis was intrigued by the invitation to serve on the Denver Branch Board. Also, the new role provides an outlet to share information from her service on several business and economy-focused boards, including the Denver Metro Chamber of Commerce and the Colorado Economic Development Commission.

"So, I get to listen and learn what is happening in a number of other sectors of our economy and how they all play together," she said. "I think that might be something that could be helpful and useful."

The timing also is significant, Allen-Davis said, noting that many aspects of health care are at the forefront of economic discourse amid COVID-19.

"My strong belief is that the impact of this pandemic on every aspect this society is going to be felt for years and years," she said. "Certainly, when I think about what the Fed does—trying to figure out how to navigate that and the risks that are coming our way—it's a really interesting time to be part of how we think about the economic and the monetary policy implications."

» RACHEL GERLACH, Denver Director

For Rachel Gerlach, the path to her role as chief credit officer of Alpine Bank began with a part-time college job.

While pursuing undergraduate studies in Business Administration, International Business and Management at the University of Denver, Gerlach began working a few days a week as an Alpine Bank teller.

After progressing through several positions at the bank during college—then graduating magna cum laude—she started a full-time role and joined the company's officer training program. Concurrently she completed graduate studies in banking at Louisiana State University and Southern Methodist University.

Since 1997 Gerlach has had advancing leadership roles at Alpine, a $5.1 billion community bank headquartered in Glenwood Springs, Colorado, with operations in the state's Western Slope and Front Range.

After serving as Alpine's chief operations officer the last few years, Gerlach became chief credit officer in 2021 and oversees all loan and credit operations.

"My job is to make sure I set strong credit policies so the bank has a robust loan portfolio," Gerlach said. Her areas of responsibility include monitoring and managing credit risk, collections, loan procedures and the development and implementation of the bank's strategic plan, in collaboration with other members of the senior executive team.

Alpine Bank was founded in 1973 and became employee-owned in the 1980s. Gerlach said that structure is somewhat rare and is an important differentiating characteristic.

"For employees, ownership in the company gives them a sense of responsibility and caring," she said. "They're owners, and they know that what they do every day matters. They want to serve their communities to the best of their abilities."

Gerlach said that becoming a member of the Denver Branch Board of Directors presents an opportunity to be a voice for those communities.

Photo by David Tejada

"My excitement for joining the board stems from my personal desire to continue to give back to my community and ultimately to my country," she says. "Being a director for the Denver Branch not only allows me to bring the perspective of a community banker, but it also helps bring issues to light that our small businesses and local communities are facing."

Serving on a Reserve Bank board, Gerlach said, means acquiring knowledge as well as contributing.

"This is going to be a great learning opportunity for me," she said. "It's also an opportunity for me to achieve a greater understanding of the Federal Reserve Bank and the vital role it plays in our economy."

» CARMEN TAPIO, Omaha Director

Photo by Bob Greenspan

Carmen Tapio, founder and chief executive officer of North End Teleservices LLC (NET) in Omaha, has seen her industry evolve and adapt to economic changes. Now she looks forward to sharing her business insight and community development expertise as a member of the Omaha Branch Board of Directors.

NET was established in 2015 and provides a wide range of contact center services to commercial and government entities.

"That can be anything from phone, chat, email, text, social media, back-office and administrative support services," Tapio said. "The sector that we're in was born from what used to be direct marketing, direct response and telemarketing. The industry has evolved a lot. Where we are today is, on an outsource basis, providing contact center services typically managed in-house. And the work can range from simple transactions to highly complex interactions."

NET, whose mission, Tapio said, is to create jobs and change lives, has received several honors. These include "Small Business of the Year" and "Business Excellence in Innovation" recognitions from the Greater Omaha Chamber of Commerce. The company also received a "Best Corporate Culture" recognition from the Urban League of Nebraska Young Professionals. In 2020, NET was No. 677 on the Inc. 5000 list of the country's fastest-growing privately-owned companies, and it is the largest African American-owned business in Nebraska. Tapio said her interaction with the Kansas City Fed grew from her involvement with the Chamber of Commerce and membership on several boards that align with her interests in diversity, inclusion and economic development through job creation and community revitalization.

"One of the things that I'm most passionate about is economic development, and the opportunity that economic development can bring in elevating people and their ability to make life choices and participate in our economy," Tapio said.

Tapio participated in outreach discussions that the Omaha Branch facilitated with local business leaders. That level of engagement was important, she said, because "My industry had not been typically represented. I was usually one of the smaller businesses on the outreach calls. The leadership at the Omaha Branch has done a good job of cultivating relationships to gain broad perspectives." Notably, Tapio said, those relationships include North Omaha, an area with a significant African American population.

When invited to become a Branch director, she was ready to serve—and gain knowledge.

"I see the opportunity to serve as a director not just as one of providing input, but I consider it continuing education as well," she said. "As a business owner, you don't always have an opportunity to learn on another level. We don't always invest in ourselves, and this is a tremendous learning opportunity for me. It's also a tremendous opportunity to participate in something so important that is related to everything about our economy."

Photo by Getty Images

COVID-19 RESEARCH

In pandemic's second year, studies revealing broad effects

More than 12 months after the coronavirus became an economic and public-health crisis, Reserve Bank economists and research associates continue exploring the pandemic's historic regional and national effects. Visit **KansasCityFed.org/research** for the latest in-depth analysis, as well as a searchable archive of research related to COVID-19. Here are summaries of studies published in recent months.

Consumer spending declines, shifts in response to pandemic

Last spring, as the pandemic swept through the United States, consumer spending plunged. Although spending rebounded sharply in the second half of 2020, it remains below year-ago levels due to persistently high unemployment, business restrictions, and continued health risks in social settings. In addition to the drop in overall spending, the pandemic has led to dramatic shifts in the mix of goods and services that consumers purchase. Personal consumption expenditures dropped by more than 10% in early 2020. Overall spending rebounded in the second half of 2020 but remained below year-ago levels. Spending on goods remained robust, while spending on services remained significantly below year-ago levels.
—Alison Felix and Samantha Shampine, February 2021 Economic Bulletin

Photo by Getty Images

Hybrid officing will influence where people, businesses decide to locate

Remote work has surged during the COVID-19 pandemic. Survey estimates suggest that as many as half of all employees worked remotely on a regular basis during the pandemic, up from about 15% previously. This shift does not appear to have made workers less productive. A June 2020 survey reflected that almost half of U.S. business executives reported that employee productivity actually improved while sheltering at home, and another 25% reported that productivity remained about the same. As a result, many employers have expressed a willingness to let employees work remotely part of the time after the pandemic has ended. The reduced frequency of commutes and associated decrease in traffic might fuel residential construction in outlying suburbs, especially in the largest metropolitan areas. At the same time, suburban employers might move their offices closer to city centers because of reduced space needs, eased parking constraints, and less frequent commutes.
—Jordan Rappaport, February 2021 Economic Bulletin

Evidence indicates relief efforts helped low-income individuals

Although low-income individuals are more likely to have lost their jobs because of COVID-19, pandemic relief efforts might have helped prevent them from experiencing increased financial distress. Consumer interest in payday loans, title loans, and pawn loans all have declined since the onset of the pandemic, suggesting that low-income individuals have been able to access credit and meet basic financial needs without the use of these alternative financial services. However, the effects of early pandemic relief efforts are beginning to wear off. Some of the economic aid from the CARES Act of 2020, including enhanced unemployment benefits of $600 per week, ended in late July, and households are likely to have run out of any savings they might have set aside from these benefits by now. Moreover, job losses and furloughs among low-income individuals could rise in the coming months, as a resurgence in the virus further weighs on small businesses and contact-intensive occupations.
*—Ying Lei Toh and Thao Tran,
December 2020 Economic Bulletin*

Essential work within the Rocky Mountain region

Individual states adopted various measures to limit the spread of COVID-19 across their communities throughout 2020. Many of these public health-related policies led to closures of certain types of economic activity, particularly those associated with close contact between workers and customers. Other economic activities deemed essential or critical have continued to operate with precautions to protect workers to the extent possible. Workers employed in essential occupations and the facilities housing essential industries are not evenly spread across the Rocky Mountain region. As a result, some local economies suffered more acute challenges in sustaining economic activity at the onset of the pandemic. Those communities in closer proximity to essential activities were somewhat more insulated from the pervasive economic challenges.
*—Nicholas Sly, David Rodziewicz and Bethany Greene,
January 2021 Rocky Mountain Economist*

Challenges persist for Nebraska small businesses

A resurgence in COVID-19 cases and hospitalizations at the end of 2020 has underscored the challenges that remain for small businesses in Nebraska. Many of the state's small businesses closed temporarily in the initial months of the pandemic but gradually reopened through the summer. As the year-end approached, with the virus still spreading, some businesses closed again. Although Nebraska businesses generally have outperformed the nation throughout the pandemic, the outlook for small businesses will be particularly important in sustaining Nebraska's economic recovery.
—Nathan Kauffman and John McCoy,
December 2020 Nebraska Economist

Photo by Getty Images

Oklahoma housing: Bright horizon or cloudy future?

The COVID-19 pandemic has resulted in some unique dynamics in Oklahoma's housing sector as many residents are spending more time in their homes than ever before. On one hand, even as higher unemployment, consumer caution and business restrictions wreaked havoc on some sectors in 2020, Oklahoma home sales, prices and construction boomed. Many buyers took advantage of low interest rates and greater discretionary income, and sellers were able to increase prices in 2020. Permits for new home buildings also rose substantially. Yet a third of Oklahomans are having difficulties paying household expenses and a significant number are at risk of eviction. Mortgage delinquencies have increased considerably, especially for FHA loans. While the housing sector has been incredibly bright and profitable for many Oklahomans in an otherwise difficult year, the future for others remains cloudy.
—Chad Wilkerson and Courtney Shupert,
January 2021 Oklahoma Economist

Flight to liquidity or safety for municipal bond market?

Monetary and fiscal policy interventions during the COVID-19 pandemic stabilized the municipal bond market and shifted the pricing of localized credit risks from short-maturity bonds to longer-dated bonds. Using high-frequency trading data, a Federal Reserve Bank of Kansas City study examined key policy events at the peak of the crisis by focusing on a sample of bonds within a narrow window before and after each policy event. The study found that policy interventions, in particular those with explicit credit backstops, were effective in alleviating municipal bond market stress. Before the policy interventions, COVID-related credit risks were a significant component of elevated short-term bond yields. After the interventions, however, the pricing of localized credit risks declined for short-maturity bonds but became more notable for longer-maturity bonds. The shift in credit risk pricing reflects policy interventions being targeted on short-term bonds, as well as investors' expectations of long-lasting recession effects on state and local government budgets.
—Huixin Bi and W. Blake Marsh,
December 2020 Research Working Paper

Economic conditions continue to deteriorate in LMI communities

The economy has been slow to recover the jobs lost early in the COVID-19 pandemic. Low-to-moderate income (LMI) populations have not seen their jobs return nearly as fast as others. Many of the strong economic supports provided by the CARES Act, such as expanded unemployment insurance, have expired. The struggles among LMI populations are evident in the results of the Fourth Quarter LMI Survey the Federal Reserve Bank of Kansas City conducted Nov. 9-20. The survey collects information from nonprofits and other agencies that serve the LMI community in the states of the Federal Reserve's Tenth District: Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Overall economic conditions for LMI populations continued a downward trend in November, with respondents' comments suggesting that the slow recovery of jobs, rising COVID cases, and lack of movement on a new federal aid package was not giving them confidence for the future.
—Steven Howland, Fourth Quarter 2020 LMI Survey

Small firms still struggling, national survey shows

The majority of more than 9,000 respondents in a nationwide Federal Reserve System survey said their firms continue to face significant challenges amid the COVID-19 pandemic, including weak demand, heightened expenses and limited credit availability. Nearly one-third of firms said they were unlikely to survive without additional government aid until sales recover. The report, based on the System's Small Business Credit Survey and published in February 2021, seeks to document the toll that the pandemic took on small businesses in 2020. The survey focused on firms with between one and 499 employees that were still in business when the survey was fielded. It did not include businesses that permanently closed. Among the survey results: For 88% of the firms, sales had not returned to pre-pandemic levels. More than 60% said they would apply for another round of government aid if it were offered. The survey found stark disparities among ethnicities of business owners. While 57% of firms overall characterized their financial condition as "fair" or "poor," this figure jumped to 79% for Asian-owned firms, 77% for Black-owned firms, and 66% for Latino-owned firms.
—Federal Reserve System Report on Employer Firms

Photo by Getty Images

Ag bankers signal strong recovery in farm finance

Farm income and agricultural credit conditions improved significantly in the fourth quarter of 2020, according to agricultural lenders across major portions of the United States. Despite tumultuous conditions related to the ongoing pandemic throughout 2020, the prices of several key agricultural commodities increased sharply in the final months of the year. Dramatic improvements in crop prices drove the sharpest turnaround in agricultural lending conditions in more than a decade. Bankers reported an increase in farm income for the first time in eight years, driving an increase in farm loan repayment rates, a decrease in loan demand and expected increases in spending. Stronger economic and credit conditions in the sector also supported gains in farm real estate in numerous regions. While continued weakness in cattle markets and harsh weather conditions still left headwinds for some producers, the overall outlook for agricultural credit conditions going into 2021 was markedly more optimistic than recent years.
—Cortney Cowley and Ty Kreitman,
March 2021 Ag Finance Update

The evolving relationship between COVID-19 and financial distress

During most of the COVID-19 pandemic, regions with high financial distress saw disproportionately more infections and deaths than regions with low financial distress. As of February 2021, cumulative infections appear more evenly distributed. However, total deaths remain higher in financially distressed regions. A natural question is whether the difference in mortality across regions may be due to other variables that correlate with financial distress. For example, counties in higher financial distress also have higher incidences of tobacco usage and adult obesity. Although differences in these health metrics among high- and low-distress areas are significant, they are not large enough to explain the differences in COVID-19-related deaths observed in this study. Similarly, differences in access to health care do not fully explain the mortality differences, either. Moreover, survey evidence suggests mask usage is actually a bit higher in areas of higher financial distress, so differences in preventative actions cannot explain the mortality differences. Instead, the study's results may be indicative of the role that wealth plays in determining life expectancy in the United States. As other studies have shown, household income and wealth tend to fall as the incidence of financial distress rises.
—José Mustre-del-Río, February 2021 Economic Bulletin

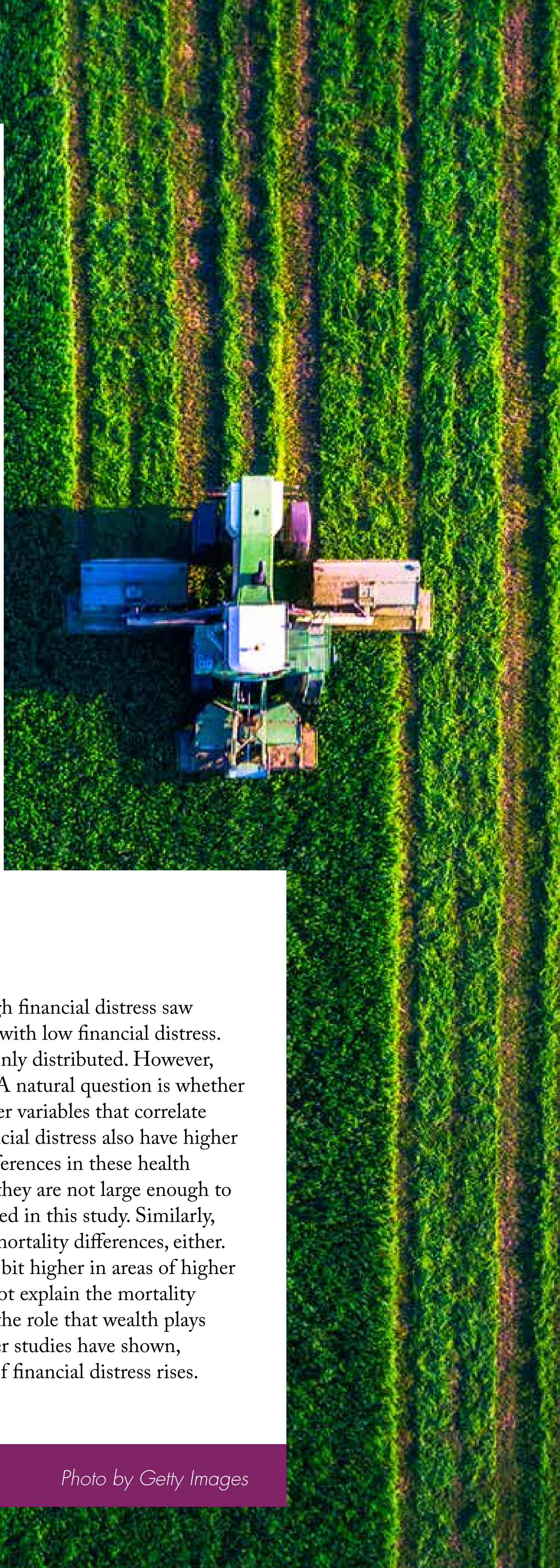

Photo by Getty Images

A SURGE IN SAVINGS

Study shows dramatic increase during pandemic

by RICK BABSON

Photo by Getty Images

How much to put into savings—long a subject of kitchen-table discussions—was a question of renewed interest among Americans as the country encountered the coronavirus pandemic. Entering the second quarter of 2020, Americans' fears of the pandemic were ramping up amid record job losses and the worst economy since the Great Depression. Those without jobs wondered how they would pay bills, while those with jobs either stopped spending or, at least, found fewer places to spend. In response, the country went on an unprecedented saving spree.

And while the response to the economic downturn was similar to what occurred in other recessions, the magnitude was sharply different. A. Lee Smith, a research and policy advisor in the Economic Research Department of the Federal Reserve Bank of Kansas City, analyzed savings rates in the United States in a December 2020 *Economic Bulletin* titled "Why Are Americans Saving So Much of Their Income?"

Photos by Getty Images

Smith documented a sharp increase in savings as a percentage of disposable personal income, from 7.2% in December 2019 to a record high of 33.7% in April 2020. From March to April of 2020 alone, the savings rate nearly quadrupled.

"That means that for every $100 of disposable income, consumers saved $7 in December," Smith said, "and by April consumers were saving almost $34 of every $100 of disposable income."

Since reaching its historic high in April the savings rate has slipped a bit but remains elevated at about 14% or nearly twice as high as it was prior to the pandemic and higher than its peak in any recent recession. Perhaps unsurprisingly, personal savings rates tend to increase when the economy is in a downturn, causing consumers to be more reluctant to spend. Smith documents rates from past recessions, including the Great Recession of 2007-09 and the current pandemic-induced recession.

"The desire to save during recessions reflects a natural response to the fact that employment opportunities are scarcer in recessions and the value of investments like stocks and housing tend to fall in recessions," he said. "This leads households to desire greater savings buffers to lean against should they find themselves unemployed."

"THE GENEROSITY OF TRANSFERS HAS BEEN SUCH THAT SOME HOUSEHOLDS HAVE BEEN ABLE TO BOTH SPEND A BIT MORE AND SAVE A BIT MORE THAN THEY OTHERWISE MIGHT ABSENT FISCAL SUPPORT."

— A. Lee Smith

A different recession

Smith said the pandemic has caused a recession unlike any others, and the difference might help explain the sharp rise in savings. He examined two key factors that contributed to the increase:

- Large fiscal transfers, including stimulus checks and unemployment benefits, which boosted incomes at a time when much of the economy was closed.
- An increase in precautionary motives as consumers became more reluctant to spend amid heightened uncertainty.

Stimulus checks of $1,200 per person were part of the Coronavirus Aid, Relief, and Economic Security Act, known as CARES, that was signed into law in March 2020. A second relief package in December included stimulus checks of up to $600 a person. CARES also included an extra $600 a month in unemployment benefits between April and July.

These transfers allowed many households, primarily ones that lost jobs or income, to meet basic necessities. On the other hand, for households fortunate enough to remain employed, the transfers may have facilitated a desire to build a savings buffer.

"The generosity of transfers has been such that some households have been able to both spend a bit more and save a bit more than they otherwise might absent fiscal support," Smith said.

As for precautionary savings, Smith said they broadly refer to an increased desire to save today to guard against a future risk or uncertainty.

"In the present context, it's not hard to imagine what risks and uncertainties might be prompting this type of savings," he said. "There is a great deal of uncertainty surrounding the economic outlook due to the many unknowns around the evolution of the virus. Moreover, the imposition of economic restrictions last spring exposed many households to a level of income risk that was previously unimaginable as many workplaces were closed."

EDUCATION RESOURCES *for* SAVERS

The Kansas City Fed offers free economic and personal finance resources for educators, bankers and consumers. Individuals of all ages who understand how the economy functions and know what tools are available make better financial decisions.

For example, elementary school students may benefit from "Bunny Money," "Financial Fables" or "There's No Business Like Bank Business." Older students and adults may be interested in "Financial Fundamentals from the Fed – Savvy Savers," "Recession Lessons – Savings Habits," "The Money Circle" or "Putting Your Paycheck to Work."

Find these resources and more at ***KansasCityFed.org/education.***

> “THIS PANDEMIC HAS BEEN VERY DIFFERENT, AS HOUSEHOLD WEALTH HAS ACTUALLY INCREASED. THAT’S ONE REASON TO BE OPTIMISTIC: THAT EVEN IF THE STOCK OF ACCUMULATED SAVINGS ISN’T DRAWN DOWN, THE SAVINGS RATE WILL MOVE BACK TO PRE-PANDEMIC LEVELS ONCE THIS CRISIS ENDS.”
>
> — A. Lee Smith

Another factor driving savings rates, he said, is that the ongoing nature of the pandemic has caused households to conclude they may need to set aside even more than ever for a rainy day. Financial advisors have been building upon the former recommendation of having at least three months of income in savings as a buffer, increasing that recommendation to six or even 12 months of income in savings.

“In the face of this unsettling situation, saving more seems a perfectly reasonable response,” he said. That, of course, assumes that all things are equal, and in the pandemic recession that’s far from the case. And while Smith’s research looked at the U.S. population as a whole and didn’t explore effects of different demographic groups, his findings overall are illustrative of individual trends.

His look at aggregate numbers for the whole population show that over 2020, excess savings, or savings above what might be normal, totaled almost $2 trillion.

“This money is, however, not divided equally among the population,” he said. “While many Americans may want to save more these days, only those who were fortunate enough to maintain their livelihoods have actually been able to save more.”

TEN TALK

Listen to our TEN Talk podcast on savings rates during a pandemic at *KansasCityFed.org/tentalk.*

The flip side

Meanwhile, as consumers were setting records for savings, their spending patterns were experiencing a roller-coaster ride of sharp ups and downs amid dramatic shifts in the mix of goods and services Americans were willing or able to purchase.

In an *Economic Bulletin* published in February titled “Consumer Spending Declines, Shifts in Response to the Pandemic,” Alison Felix, a senior policy advisor at the Bank, and Research Associate Samantha Shampine, documented how consumer spending fell sharply early in the pandemic, then rallied somewhat in following months, but still remained below year-ago levels through 2020.

Felix found that some of the same factors that affected savings rates, such as unemployment, changes in income and restrictions on activities, also affected consumer spending, and ultimately the economy overall. Early on, consumer spending fell more than 10% before bouncing back in the second half of 2020. Despite the uptick, overall spending remained below year-ago levels.

The pandemic also resulted in a significant shift in what consumers were willing or able to spend on, especially within the services sector. Unsurprisingly, Felix found the largest declines were in services with heavy COVID-19 restrictions, such as foreign travel and movie theaters. Also, spending on transportation, hotels and motels, and hairdressing salons and personal grooming services, declined sharply.

Spend it or save it?

Smith said the "$2 trillion question" is what are Americans going to do with their increased savings when the economy regains a more normal footing. He adds that Americans who saved based on precautionary motives may be hesitant to tap savings in the future for consumer spending, choosing instead to continue to save for a rainy day.

Conversely, those fortunate enough to continue working during the pandemic may essentially have been forced to save more since many parts of the economy remain closed. Some of this forced savings, he added, could be earmarked for future vacations, for example.

Smith cautioned that estimates of which motive is driving consumers to save is "imperfect." His analysis suggests that historical patterns of government transfers, savings and consumption indicate much of the recent increase in savings is due to precautionary motives.

"Therefore, this analysis cautions against the thought that all of this savings will be drawn down once the pandemic ends," he said. "The lasting effects of this pandemic on consumer behavior remain largely unknown at this point."

One possible silver lining in the current downturn, is that its effects may be much different from recent downturns, particularly the most recent, the 2007-09 Great Recession. One of the major effects of the global financial crisis and the Great Recession was the loss of household wealth amid a crash in housing prices.

"This pandemic has been very different, as household wealth has actually increased," Smith said. "That's one reason to be optimistic: that even if the stock of accumulated savings isn't drawn down, the savings rate will move back to pre-pandemic levels once this crisis ends."

FURTHER RESOURCES
Go to *KansasCityFed.org/research* to read the *Economic Bulletins* on savings rates and spending in the pandemic.

Photo by Getty Images >>

SNAPSHOTS

Summaries of reports and analysis from Kansas City Fed economists and staff

Analysis of FOMC statements: How you say it matters

by TAEYOUNG DOH, SUNGIL KIM and SHU-KUEI YANG

A study of post-meeting Federal Open Markets Committee communications illustrates an important role for qualitative statement language.

Economic Review, February 2021

Market effects of unwinding the Federal Reserve's balance sheet

by A. LEE SMITH and VICTOR J. VALCARCEL

A gradual unwinding of the Federal Reserve's balance sheet tightened financial conditions, though the tightening did not simply manifest as a reversal of effects of the original balance sheet expansion.

Research Working Paper, January 2021

Crafting a digital currency to reach all Americans

by JESSE LEIGH MANIFF

For a central bank digital currency to achieve the goal of financial inclusion, it must be designed to meet the specific needs of the diverse unbanked population.

Payments System Research Briefing, December 2020

Remote card payment fraud

by FUMIKO HAYASHI

Australia, France and the United Kingdom recently have reduced remote card payment fraud rates, each using a self-regulated body, central bank, or trade association to lead mitigation efforts.

Payments System Research Briefing, November 2020

Drought risk for agriculture

by DAVID RODZIEWICZ and JACOB DICE

Farmer losses from extreme drought represent a significant share of crop production values, and these losses might increase in coming decades as global temperatures rise.

Economic Review, December 2020

See full reports, papers, data and more at KansasCityFed.org/research.

kcFED SOCIAL SEEN

Social media highlights
across the region

1

5

1. **@UNIONSTATIONKC** From 1930, Union Station's Railway Express Agency handled everything from frozen steaks to zoo animals and bags of coins going to and from the KC Federal Reserve.

2. **#KCFEDLIFE** “I’ve been a Law Enforcement Officer at the #KCFed for 28 years. The Bank has excellent benefits and opportunities to grow and be yourself. I’ve never felt I had to change who I am while working here” - Bryan. Learn more about life at the KCFed: *bit.ly/3bk6dmX*

3. **#DENVER BRANCH** We’re pawsitively excited to introduce you to the newest member of the Law Enforcement team at our #Denver Branch! Drago is trained to help ensure the safety of our employees and facility. #DogsOftheFed #DogsAtWork

4. **#BLACKHISTORYMONTH** - View our virtual exhibit to learn the story of Black Americans’ struggle to access credit, leading to establishment of the first Black-owned and operated banks: *bit.ly/3oBI26f*

5. Congratulations to the #KansasCity #Chiefs, the 2021 #AFCChamps!

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Tenth District *by the numbers*

ECONOMIC INDICATORS, FACTS AND TRENDS FROM THE SEVEN STATES

62%

Decline in passenger traffic in 2020 at Kansas City International Airport, attributable to the pandemic.

Source: Kansas City Aviation Department

$1,510.26

Average apartment rent in the Denver area in the fourth quarter of 2020, up less than 1% from a year earlier.

Source: Apartment Association of Metro Denver

511%

Increase 2010-19 in Kansas renewable energy production, highest among all U.S. states.

Sources: U.S. Energy Information Administration and FilterBuy

17.1%

Drop in 2020 employment among New Mexico's lowest-wage workers from January to November.

Source: Opportunity Insights Economic Tracker

MORE ECONOMIC DATA

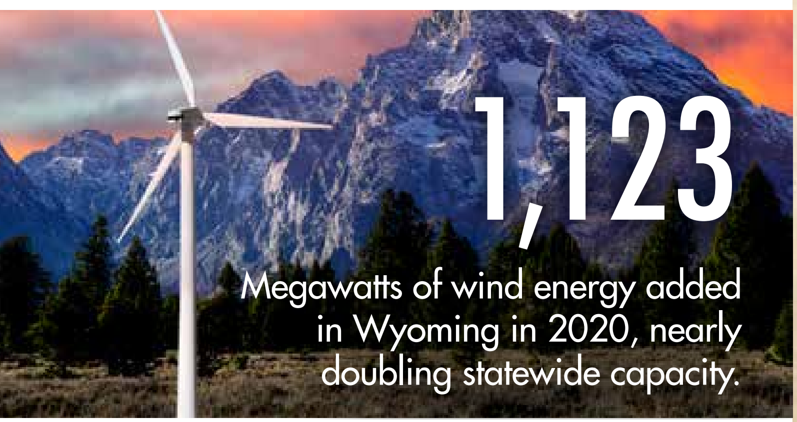
The Bank regularly publishes data about regional and national economic conditions at *KansasCityFed.org/research/indicatorsdata.*

Nebraska tax revenue from liquor sales during 2020, a 6% increase from 2019.

Source: Nebraska Liquor Control Commission

Oklahoma's median home price in November 2020, an increase of 6.8% from a year earlier.

Sources: Zillow and Haver Analytics



Source: American Clean Power Association

FROM THE VAULT

Kansas City Fed History

Jo Zach Miller Jr., Bank's first chairman.

The Bank's first Annual Report

Each spring the Bank publishes an Annual Report to the public, reflecting on the Tenth District's leadership, workforce and activities from the previous year. (See the 2020 Annual Report beginning on page 38.)

Composition of the Annual Report has changed significantly over the decades. The Bank's first was included in a document titled "Second Annual Report of the Federal Reserve Board for the Year Ending December 31, 1915." Under the heading "District 10—Kansas City," the summary period starts with the Bank's first Board of Directors meeting in October 1914 and lists "J.Z. MILLER, JR., Chairman and Federal Reserve Agent" as the reporting official. Jo Zach Miller Jr. later would switch positions with the Bank's first governor, Charles M. Sawyer, after the duties of each role became clear.

In addition to financial and operational details, that first report emphasized aspects of the region's makeup that ring true more than 100 years later: *"Probably the most striking characteristic of the Federal Reserve Bank of Kansas City is the variety of interests it is called upon to serve. The area of district No. 10 is approximately 470,000 square miles, within which is the geographical center of the continental United States…There is probably no other territory, equal in size, which compares with district No. 10 in the diversity of agricultural, industrial and commercial activity."*

Commitment to
Diversity and Inclusion
2020 REPORT TO CONGRESS

A strong commitment to diversity and inclusion is essential to the Federal Reserve Bank of Kansas City's ability to serve the Federal Reserve's Tenth District. Our seven-state region encompasses a section of the country that is home to substantial African American, Native American, Asian American and Hispanic and Latino American communities in both urban and rural settings. The responsibilities of a regional central bank make it imperative we are both engaged with and reflective of the public we serve.

The Federal Reserve Bank of Kansas City's 2020 Office of Minority and Women Inclusion (OMWI) report highlights the key role that diversity and inclusion has played throughout 2020 in the areas of our workforce, supplier and procurement strategies, partnerships and financial education. Formally established by the Dodd-Frank Act of 2010, the office ensures the Bank's business practices remain inclusive and represent the range of backgrounds and experiences that make up the Federal Reserve's Tenth District.

For more about the Office of Minority and Women Inclusion and to read the full 2020 OMWI report to Congress, visit ***KansasCityFed.org/about-us/diversity-and-inclusion/.***

In 2020 the Bank continued to build and strengthen its commitment to diversity and inclusion.

The Bank experienced a number of successes relative to its strategy of focusing on People, Procurement and Partnerships in 2020 during a year of unprecedented circumstances.

The nation was significantly challenged by both the COVID-19 pandemic and demonstrations tied to the issue of racial injustice. Amid this environment, the Bank worked to reach a largely remote workforce through innovative programming to foster conversation around topics of diversity and inequality.

President Esther George addressed staff to reinforce Bank values of service, integrity, personal growth and development, inclusion and innovation, and the Bank's overall commitment to diversity and inclusion. President George also encourgaged employees to attend supplemental programs hosted by the Diversity and Inclusion team and the Employee Diversity Committee, an employee-led group.

WOMEN ARE 43% AND **PEOPLE OF COLOR ARE 23%** OF THE BANK'S TOTAL WORKFORCE

Tammy Edwards *Photo by Gary Barber*

OFFICE OF MINORITY AND WOMEN INCLUSION

Tammy Edwards is senior vice president of the Community Engagement and Inclusion Division and director of the Office of Minority and Women Inclusion for the seven states of the Federal Reserve's Tenth District. She leads engagement initiatives for strategic stakeholders and directs programs that address challenging community and economic development issues that affect underserved individuals and communities.

Appointed OMWI director in 2018, Tammy provides strategic leadership for the development and implementation of diversity and inclusion strategies.

Tammy joined the Bank in July 2008 after holding various leadership positions at Sprint Corporation. She regularly presents on a range of leadership, community and economic development topics and co-edited the 2015 book, “Transforming U.S. Workforce Development Policies for the 21st Century.”

Photo by Gary Barber

"We want to grow our base of diverse suppliers, but we also want to ensure that each supplier can meet our requirements. We do our pre-work; it's not just an internet search."

– Alexandria Caldwell
Supplier Management Coordinator
Financial Management

STANDARDS AND PROCEDURES

While the Bank has had a rich history of diversity and inclusion, the Dodd-Frank Act of 2010 enabled leadership to create more formal standards and procedures through OMWI for the following:

- Equal Employment Opportunity and racial, ethnic and gender diversity of the workforce and senior management.
- Participation of Minority and Women Business Enterprises in the Bank's programs and contracts.
- Fair inclusion in the workforce of contractors.
- Technical assistance for Minority and Women Business Enterprises.

PEOPLE, PRACTICES AND PARTNERSHIPS

The Bank's focus on diversity and inclusion applies to all business areas. Throughout 2020, the Bank enhanced its efforts to remain proactive and progressive relative to its strategy.

PEOPLE

- In 2020, new hires were 38% women and 34% people of color.
- The Bank's total workforce in 2020 was made up of 43% women and 23% people of color.
- In 2020, 28% of supervisors at the Bank were people of color, increasing nearly 9 percentage points from 2019.
- The Bank implemented the use of a job description software aimed at identifying and removing bias to welcome applications from candidates of all backgrounds.

PROCUREMENT

- The Bank introduced Tier 2 spend tracking with suppliers, asking them to report to the Bank their own spend with diverse suppliers.
- In 2020, diverse suppliers were awarded 115 of the Bank's contracts, which contributed to an all-time high of $12.5 million spent with diverse suppliers, or 17% of the Bank's total reportable spend.

PARTNERSHIPS

- The Bank was recognized by the Human Rights Campaign Foundation's 2020 Corporate Equality Index, the nation's premier benchmarking survey and report measuring corporate policies and practices related to LGBTQ workplace equality. This was the first year the Bank participated in the assessment.
- The Bank hosted the fifth annual series of Banking and the Economy Forums, including Women in Banking and Minorities in Banking, and launched an ongoing webinar series. The Banking and the Economy webinar series reached an audience of about 1,000 attendees through five sessions from July through November.

"A Forum for Women in Banking" panelists included (clockwise from top left) Kansas City Fed Vice President and Oklahoma City Branch Executive Chad Wilkerson; Lead Bank CEO Josh Rowland; Chickasaw Community Bank CEO T.W. Shannon and moderator Susan Chapman Plumb, chair and CEO of the Bank of Cherokee County and member of the Oklahoma City Branch Board of Directors.

IN 2020, **28% OF THE BANK'S SUPERVISORS WERE PEOPLE OF COLOR**, INCREASING NEARLY 9 PERCENTAGE POINTS FROM 2019.

Photo courtesy of Megan Dorantes

Megan Dorantes

Megan Dorantes, a sophomore at Washburn University in Topeka, Kansas, studying public administration, is a graduate of the Bank's Student Board of Directors program and a former intern with the Bank's Summer @ The Fed program. During the summer of 2019 she was a member of the Summer @ The Fed team and in 2020 she returned as program director, leading the team.

"It was exciting to be an intern with the Federal Reserve," Megan said. "I definitely feel I have more confidence now."

2020

Federal Reserve Bank of Kansas City

ANNUAL REPORT

The COVID-19 pandemic and the resulting public health crisis in the United States introduced significant challenges to our nation's economy as Americans were abruptly forced to change the way that we live, work and interact with one another.

In response, the Federal Reserve cut policy rates and made liquidity widely available with policies and programs aimed at calming panicked markets and easing financial stress for households, businesses and municipalities. As one of the nation's 12 regional Federal Reserve Banks, the Kansas City Fed played an important role in these initiatives in ensuring that banks in our seven-state region were able to access these programs and support the extension of credit to businesses particularly hard hit by this crisis.

Although the conditions of the past year were extraordinary, this work aligns with the Bank's ongoing mission to ensure that banks within the Federal Reserve's Tenth District are well-run, that payments are handled safely and efficiently, and that our communities are represented in national monetary policy deliberations. This work is done by our Bank's 2,000 employees who are based at our headquarters in Kansas City and our branch offices in Denver, Oklahoma City and Omaha. Over the past year, many of them were able to continue this work remotely while others, following stringent safety protocols, continued to report to offices where they performed duties essential to the smooth functioning of our region's banking and payment systems.

Throughout the past year, our work was informed by regional perspectives from those who represent businesses, community organizations, labor, agriculture, banking and other areas. Our boards of directors and advisory councils, along with their participation in roundtables and other public engagements, ensure that a broad and diverse range of views inform our understanding of the region's banking and economic conditions. Their service to the Bank has always been important and was particularly valuable during this past year.

Esther L George

ESTHER L. GEORGE
President and Chief Executive Officer

President Esther George at Bank headquarters, where masks and other safety measures were implemented, and in-person gatherings shifted from conference rooms to virtual platforms. *Photo by Gary Barber*

HOW WE serve

OUR MISSION: We work in the public's interest by supporting economic and financial stability.

POLICY AND PUBLIC ENGAGEMENT

The Federal Reserve Bank of Kansas City supports a healthy economy that promotes stable growth and provides opportunities for all Americans. As directed by Congress, the Federal Reserve Banks participate in the monetary policy process to help promote maximum employment and price stability over the long run.

The Bank fulfills its congressionally assigned role in shaping monetary policy. This work includes:

- Producing mission-specific and insightful research analysis that informs the Bank president's views and influences policymakers at all levels.
- Providing computing resources and data warehousing to enhance research and analysis on macroeconomic, payments, banking, community development and regional issues.
- Operating regional branch offices with accessible, expert resources, including economists, examiners, community development specialists, economic educators and other specialists.
- Connecting Main Street views to regional and national policy through diverse board of directors and advisory council members.

FINANCIAL INSTITUTION SUPERVISION

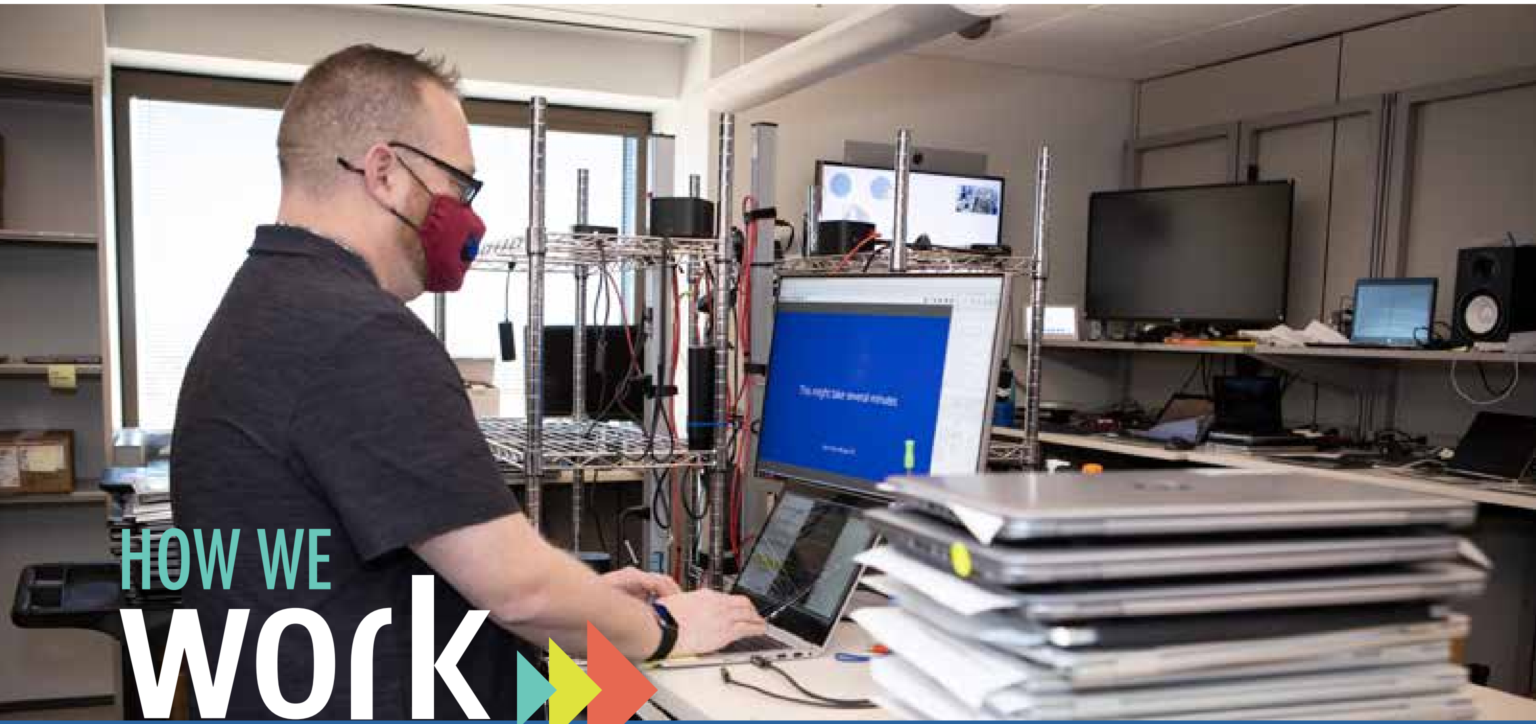
The Bank works to ensure that the nation has a safe and reliable banking system that treats customers fairly and provides credit to a diverse range of communities and businesses. Some of the actions in this scope of work include:

- Leveraging our technology, service and community bank expertise to examine our region's financial institutions for safety and soundness.
- Ensuring that banks are providing fair access to credit.
- Making short-term collateralized loans to banks and assessing risks so that we can support the region in times of crisis and stress.

PAYMENTS EXPERTISE, PARTNERSHIPS AND LEADERSHIP

The Bank supports a safe, accessible and efficient payments system for all Americans and the U.S. government. In addition to processing trillions of dollars of payments for the nation's banks and the federal government, we ensure that banks have cash and coin to meet the needs of their customers. We are involved in leading the Federal Reserve System's efforts to modernize the payments system in the United States. Among the Bank's responsibilities:

- Supporting payments policies and systems that best serve the public.
- Providing operational and support services to the U.S. Treasury.



HOW WE work

THE KANSAS CITY FED employs more than 2,000 workers who serve a region that includes Colorado, Kansas, western Missouri, Nebraska, Oklahoma, northern New Mexico and Wyoming. The Bank is headquartered at 1 Memorial Drive in Kansas City, Missouri, and it operates branch offices in Denver, Oklahoma City and Omaha.

AUDIT

The Audit Division reports to the Audit Committee of the Board of Directors and provides an independent and objective assessment of the Tenth Federal Reserve District's internal controls, risk management and governance processes to the Board of Directors and senior management.

COMMUNITY ENGAGEMENT AND INCLUSION

The Community Engagement and Inclusion Division works to promote a culture of inclusion and belonging that values diversity in the Bank's workforce, business practices and partnerships throughout the Tenth District and, in some instances, across the nation. The division identifies and works to address pressing community and economic development challenges faced by low- and moderate-income communities and small businesses. The division also facilitates community engagement initiatives and works with financial industry stakeholders to increase awareness of the Federal Reserve System, the economy and banking conditions.

ECONOMIC RESEARCH

Economists, researchers and other professionals study and evaluate monetary policy, macroeconomics and other issues of importance to the Kansas City Fed and the Federal Reserve System. Through publications and presentations, staff members communicate their research findings to the Bank's senior management and directors, policymakers, other researchers and the public. Annually, the division, in collaboration with Public Affairs Department staff, develops and hosts the Jackson Hole Economic Policy Symposium in Wyoming. Central bankers, economists, policymakers and academics from around the world gather there to discuss global economic topics. The Center for the Advancement of Data and Research in Economics (CADRE) provides high-performance computing, data warehousing and data management services to the Federal Reserve System.

<< Sam Burns is a desktop support specialist in the Information Technology and Customer Support Division. *Photo by Gary Barber*

INFORMATION TECHNOLOGY AND CUSTOMER SUPPORT

Nearly half of all Kansas City Fed employees are information technology professionals, and this is the Bank's largest division. Team members deliver and support a wide variety of innovative and secure information technology solutions for all business areas of the Kansas City Fed. This division also provides services nationally across numerous Federal Reserve System business and support functions for more than 20,000 Federal Reserve employees. The Customer Support team serves 10,000 financial organizations across the country, comprising more than 110,000 end users.

LEGAL AND ADMINISTRATIVE SERVICES

This newly restructured division provides advice on legal issues to management and the Board of Directors at each office. The division represents the Bank in administrative and judicial proceedings and assists the Bank in complying with applicable law. The division also includes the Facilities Management and Law Enforcement functions, which perform a variety of services to maintain efficient and effective internal operations at the Kansas City Fed, including maintaining the Reserve Bank's facilities and providing a safe and secure work environment. Additionally the division houses the Human Resources Technology Center, which provides project management and operational support for the centrally managed Federal Reserve System HR application portfolio.

The Bank's Employer Laptop Challenge, launched in 2020, has generated donations of more than 5,000 computers. Jeremy Hegle, of the Community Engagement and Inclusion Division, leads the program. *Photo by Gary Barber*

(Bottom) Law Enforcement officers conducted temperature checks at entrances as part of pandemic safety protocol. *Photo by Gary Barber*

Staff from Economic Research and Regional, Public and Corporate Affairs coordinate the annual Jackson Hole Economic Policy Symposium, held virtually in 2020 with opening remarks by President Esther George. *Photo by Gary Barber*

PAYMENT STRATEGIES

This division provides leadership, analytical support, policy analysis and research to support the Federal Reserve System's mission to promote a U.S. payment system that is efficient, safe and broadly accessible. The division houses the Financial Services Policy Committee Support Office, which coordinates strategic and business planning for the Federal Reserve's financial services responsibilities. In addition, staff members lead the program management office in a strategic initiative to improve the U.S. payment system.

PEOPLE AND STRATEGY

The People and Strategy Division, which includes Human Resources; Enterprise Strategy, Continuity, and Risk; and Financial Management, serves the Bank's mission through strategic business and workforce planning, risk management, and the acquisition and allocation of talent, material goods and financial resources. This division performs a variety of services, which include developing and implementing human resources strategies to meet the evolving needs of the Fed's workforce and operating environment; supporting the Bank's strategic planning activities, business continuity and resiliency strategies, and enterprise risk management; and developing the Bank's budget and monitoring expenses while providing accurate financial accounting and reporting along with procurement services.

REGIONAL, PUBLIC AND CORPORATE AFFAIRS

The Regional, Public and Corporate Affairs Division includes regional economic research and analysis throughout the Tenth District, including the Branch Executives that lead the Bank's Denver, Oklahoma City and Omaha branch offices. The division's Public Affairs activities include external and internal communications, media relations, government relations, public programs, publishing services, student and teacher education programs, and the District's Money Museums.

RETAIL PAYMENTS TECHNOLOGY SERVICES

This division, which is part of a cross-District function, develops, integrates, monitors and maintains the Retail Payments Office's technical resources for the Federal Reserve System. In collaboration with National IT and external vendors, the division ensures that automated clearinghouse and check processing applications and platforms meet service-level expectations.

SUPERVISION AND RISK MANAGEMENT

Supervision of bank holding companies, savings and loan holding companies and state-chartered member banks in the Tenth District are the chief responsibilities of this division. This oversight includes conducting examinations of these institutions to ensure a safe and sound banking system. Banks also are examined for compliance with consumer laws and regulations and for performance under the Community Reinvestment Act. The division also has responsibility for extending credit to depository institutions and assisting organizations in managing Federal Reserve account balances. The division also collects data from financial organizations, studies financial industry trends, conducts banking research and hosts seminars and forums for banks throughout the region.

TREASURY AND PAYMENT SERVICES

This division provides program/project management, business analysis and other leadership and operational services to Reserve Bank and U.S. Treasury business partners. Through Cash Services and the Wholesale Operations Site, the division receives deposits, distributes currency and coin, and supports secure and timely transfers of funds and securities.

(Left) Employees in Cash Operations are part of the Treasury and Payment Services division. *Photo by Gary Barber*

(Right) Seth Jenkins is a technician in the Facilities Management Department. *Photo by Gary Barber*

MANAGEMENT committee


Esther L. George


Kelly J. Dubbert


Joseph W. Gruber


Dawn B. Morhaus


Denise I. Connor


Tammy Edwards


Tara L. Humston

Esther L. George, President and Chief Executive Officer

Kelly J. Dubbert, First Vice President and Chief Operating Officer

Joseph W. Gruber, Executive Vice President and Director of Research

Dawn B. Morhaus, Executive Vice President, Treasury and Payment Services Division

Denise I. Connor, Senior Vice President, Retail Payments Technology Services Division

Tammy Edwards, Senior Vice President, Community Engagement and Inclusion Division, and Director of the Office of Minority and Women Inclusion

Tara L. Humston, Senior Vice President, Supervision and Risk Management Division

Karen A. Pennell

Diane M. Raley

Kimberly N. Robbins

Kristina J. Young

Craig L. Zahnd

Josias A. Aleman

Karen A. Pennell, Senior Vice President, Information Technology and Customer Support Division

Diane M. Raley, Senior Vice President, Chief of Staff and Corporate Secretary, Regional, Public and Corporate Affairs Division

Kimberly N. Robbins, Chief Administrative Officer, FedNow, and Senior Vice President, Payment Strategies Division

Kristina J. Young, Senior Vice President and Chief Human Resources Officer, People and Strategy Division

Craig L. Zahnd, Senior Vice President, General Counsel and Chief Compliance Officer, Legal and Administrative Services Division

Josias A. Aleman, Advisor, Senior Vice President and General Auditor, Audit Division

DIRECTORS

GOVERNANCE OF THE DISTRICT; GUARDIANSHIP OF THE SYSTEM

The Board of Directors of a Federal Reserve Bank is a blend of appointed and elected positions using criteria defined by Congress in the Federal Reserve Act. The nine-member board is divided evenly among three classifications. Directors serve staggered three-year terms.

CLASS A

The three Class A directors represent commercial banks that are members of the Federal Reserve System. These directors are bankers who are nominated and elected by member banks within the Federal Reserve's Tenth District. The District includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming.

In the Class A category, a director will be elected by a specific group of member banks classified as either 1, 2 or 3. This classification is based on the total amount of common stock, surplus and retained earnings for each commercial bank, with Group 1 banks being the largest. Each group within the class elects one director. For example, Gregory Hohl, chairman and president of Wahoo State Bank in Wahoo, Nebraska, is a Class A director who was elected by and represents Group 3 member banks.

CLASS B

The three Class B directors represent the public but may not be an officer, director or employee of a financial affiliation company. These directors also are elected by member banks under the same classifications as Class A directors. For example, Lilly Marks, vice president for health affairs of the University of Colorado and Anschutz Medical Campus, Aurora, Colorado, is a Class B director elected by and representing Group 2 member banks.

CLASS C

The three Class C directors also represent the public. However, these directors are appointed by the Board of Governors of the Federal Reserve System. Like a Class B director, a Class C director may not be an officer, director or employee of a financial affiliation company. These directors may not own stock in a bank or a bank holding company. For example, Patrick Dujakovich, president of the Greater Kansas City AFL-CIO, is a Class C director. From the Class C directors, the Board of Governors selects one person as chair and another as deputy chair.

Photo by Gary Barber

SERVING ON THE HEAD OFFICE BOARD

Federal Reserve Bank of Kansas City

Reserve Bank directors meet monthly to oversee the Bank's operations and policies and to confer on economic and banking developments. The directors also provide information on economic conditions within the District as part of the Bank president's preparation for Federal Open Market Committee meetings. Among directors' responsibilities is establishing the Kansas City Fed's discount rate, which is subject to review and determination by the Federal Reserve Board. The directors and their classifications are on pages 50-51.

SERVING ON THE BRANCH BOARDS

Denver, Oklahoma City and Omaha

Each branch of the Federal Reserve Bank of Kansas City also has its own seven-member Board of Directors. Four of these directors are appointed by the Kansas City Fed Board of Directors, and three are appointed by the Board of Governors. Branch directors serve three-year terms and engage with their respective branch executives to provide insight on regional economic conditions as well as to offer advice and counsel. Branch directors are listed on pages 52-54.

COMMITTEE MEMBERSHIP FOR HEAD OFFICE DIRECTORS

Audit Committee

Doug Stussi, Chair
Kyle Heckman
Edmond Johnson
Patricia J. Minard

Buildings Committee

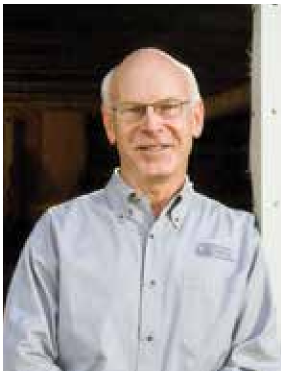
Lilly Marks, Chair
Patrick A. Dujakovich
Gregory Hohl

Compensation Committee

Edmond Johnson, Chair
Lilly Marks
Brent A. Stewart Sr.

Note: Jim Farrell is an ex officio member of each standing committee.

BOARD OF DIRECTORS, KANSAS CITY



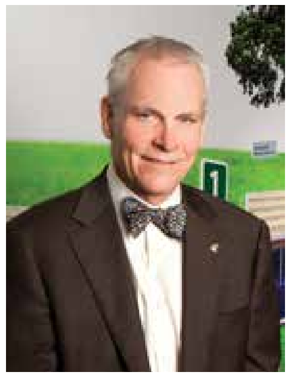
Jim Farrell

Edmond Johnson

Patrick A. Dujakovich

Brent A. Stewart Sr.

Lilly Marks



Doug Stussi

Jim Farrell, Board Chair, President and Chief Executive Officer, Farrell Growth Group, LLC, Omaha, Nebraska (Class C)

Edmond Johnson, Board Deputy Chair, President and Owner, Premier Manufacturing Inc., Frederick, Colorado (Class C)

Patrick A. Dujakovich, President, Greater Kansas City AFL-CIO, Kansas City, Missouri (Class C)

Brent A. Stewart Sr., President and Chief Executive Officer, United Way of Greater Kansas City, Kansas City, Missouri (Class B, Group 1)

Lilly Marks, Vice President for Health Affairs, University of Colorado and Anschutz Medical Campus, Aurora, Colorado (Class B, Group 2)

Doug Stussi, Executive Vice President and Managing Director, Love Family Office, Oklahoma City, Oklahoma (Class B, Group 3)

Patricia J. Minard

Kyle Heckman

Gregory Hohl

Patricia J. Minard, Chairman, President and Chief Executive Officer, Southwest National Bank, Wichita, Kansas (Class A, Group 1)

Kyle Heckman, Chairman, President and Chief Executive Officer, Flatirons Bank, Boulder, Colorado (Class A, Group 2)

Gregory Hohl, Chairman and President, Wahoo State Bank, Wahoo, Nebraska (Class A, Group 3)

FEDERAL ADVISORY COUNCIL MEMBER

John B. Dicus (not pictured), Chairman, President and Chief Executive Officer, Capitol Federal Financial, Topeka, Kansas

BOARD OF DIRECTORS, DENVER


Taryn Christison


Jacqueline Baca


Navin Dimond


Ashley J. Burt


Nicole Glaros


Jeff Wallace


Chris Wright

Taryn Christison, Branch Chair, Co-Owner, Zimmerman Metals, Denver, Colorado (Board of Governors appointed)

Jacqueline Baca, President, Bueno Foods, Albuquerque, New Mexico (Board of Governors appointed)

Navin Dimond, Chief Executive Officer and Chairman, Stonebridge Companies, Denver, Colorado (Board of Governors appointed)

Ashley J. Burt, President and Chief Executive Officer, The Gunnison Bank and Trust Company, Gunnison, Colorado (Kansas City Fed Board appointed)

Nicole Glaros, Chief Investment Strategy Officer, Techstars, Boulder, Colorado (Kansas City Fed Board appointed)

Jeff Wallace, Chief Executive Officer, Wyoming Bank & Trust, Cheyenne, Wyoming (Kansas City Fed Board appointed)

Chris Wright, Chief Executive Officer, Liberty Oilfield Services, Denver, Colorado (Kansas City Fed Board appointed)

Branch directors provide insight on local economic conditions, and they advise and counsel the Branch executives. Branch directors must satisfy the same eligibility requirements that pertain to head office directors.

BOARD OF DIRECTORS, OKLAHOMA CITY


Tina Patel


Katrina Washington


Dana S. Weber


J. Walter Duncan IV


Susan Chapman Plumb


Brady Sidwell


Christopher C. Turner

Tina Patel, Branch Chair, Chief Financial Officer, Promise Hotels, LLC, Tulsa, Oklahoma (Board of Governors appointed)

Katrina Washington, Owner, Stratos Realty Group, Oklahoma City, Oklahoma (Board of Governors appointed)

Dana S. Weber, Chief Executive Officer and Chairman of the Board, Webco Industries Inc., Sand Springs, Oklahoma (Board of Governors appointed)

J. Walter Duncan IV, President, Duncan Oil Properties Inc., Oklahoma City, Oklahoma (Kansas City Fed Board appointed)

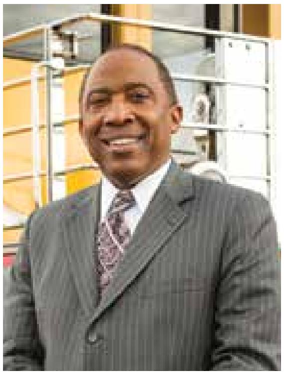
Susan Chapman Plumb, Board Chair and Chief Executive Officer, Bank of Cherokee County, Tahlequah, Oklahoma (Kansas City Fed Board appointed)

Brady Sidwell, Owner and Principal, Sidwell Strategies, LLC, Enid, Oklahoma (Kansas City Board appointed)

Christopher C. Turner, President and Chief Financial Officer, The First State Bank, Oklahoma City, Oklahoma (Kansas City Fed Board appointed)

BOARD OF DIRECTORS, OMAHA


Kimberly A. Russel


Eric Butler

L. Javier Fernandez


Annette Hamilton


Thomas J. Henning


Zac Karpf


Dwayne W. Sieck

Kimberly A. Russel, Branch Chair, Chief Executive Officer, Russel Advisors, Lincoln, Nebraska (Board of Governors appointed)

Eric Butler, Retired Executive Vice President and Chief Administrative Officer, Union Pacific Railroad, Omaha, Nebraska (Board of Governors appointed)

L. Javier Fernandez, Chief Financial Officer, Omaha Public Power District, Omaha, Nebraska (Board of Governors appointed)

Annette Hamilton, Chief Operating Officer, Ho-Chunk Inc., Winnebago, Nebraska (Kansas City Fed Board appointed)

Thomas J. Henning, President and Chief Executive Officer, Cash-wa Distributing Co., Kearney, Nebraska (Kansas City Fed Board appointed)

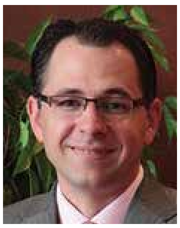
Zac Karpf, Chief Operating Officer, Platte Valley Bank, Scottsbluff, Nebraska (Kansas City Fed Board appointed)

Dwayne W. Sieck, President and Chief Executive Officer, Dodge Street Financial, Omaha, Nebraska (Kansas City Fed Board appointed)

roundtables

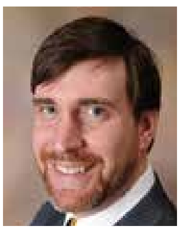
REGIONAL ECONOMIC ROUNDTABLE

Economists from the Tenth District meet annually with Kansas City Fed regional economists to review the seven states' activities from the past year and offer insight on the future. Among the sectors discussed: agriculture, banking, construction, employment, energy, exports, housing and manufacturing.

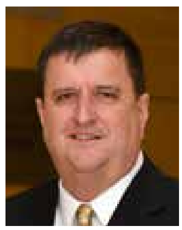


Russell Evans
Associate Professor of Economics
Executive Director, Economic Research & Policy Institute
Oklahoma City University

Jeffrey Mitchell
Director, Bureau of Business & Economic Research
University of New Mexico



Jeremy Hill
Director, Center for Economic Development & Business Research
Wichita State University



Eric Thompson
Associate Professor of Economics and Director of the Bureau of Business Research Economics
University of Nebraska

Wenlin Liu,
Chief Economist
State of Wyoming Economic Analysis Division

Richard L. Wobbekind
Senior Economist and Associate Dean for Business and Government Relations and Faculty Director of the Business Research Division
University of Colorado – Boulder

Sarah Low
Associate Professor of Regional Economics, University of Missouri

FOOD AND AGRICULTURE ROUNDTABLE

The annual Food and Agriculture Roundtable brings together agribusiness executives and Kansas City Fed economists for discussion of the agricultural economy and monetary policy. In 2020, Federal Reserve Governor Miki Bowman provided keynote remarks at the Roundtable.

(Back row, from left) Howard Hill, Neil Dierks, Bill Brooks, Ray Wyse, Bill Lapp, Steve George, David Pankonin, Nate Kauffman, Ankush Bhandari

(Front row, from left) Zach Ducheneaux, James Timmerman, Mark Byars, Miki Bowman, Jim Farrell, Sue Taylor, Kanlaya Barr, Katelyn McCullock

Kanlaya Barr
Senior Economist
John Deere
Urbandale, Iowa

Ankush Bhandari
Vice President
Gavilon, LLC
Omaha, Nebraska

Miki Bowman
Governor
Board of Governors of the
Federal Reserve System
Washington, D.C.

Bill Brooks
Dairy Economist
Dearborn, Missouri

Mark Byars
Vice President of Finance
Adams Land & Cattle
Omaha, Nebraska

Cortney Cowley
(not pictured)
Economist
Federal Reserve Bank of
Kansas City
Omaha Branch
Omaha, Nebraska

Neil Dierks
Chief Executive Officer
National Pork Producers Council
Urbandale, Iowa

Zach Ducheneaux
Executive Director
Intertribal Agriculture Council
Eagle Butte, South Dakota

Jim Farrell
President
Farrell Growth Group, LLC
Omaha, Nebraska

Steven George
President and Chief Executive
Officer
Fremont Farms of Iowa, LLP
Newton, Iowa

Howard Hill
Past President
National Pork Producers Council
Urbandale, Iowa

Nathan Kauffman
Vice President and Omaha
Branch Executive
Federal Reserve Bank of
Kansas City
Omaha Branch
Omaha, Nebraska

Ty Kreitman
(not pictured)
Assistant Economist
Federal Reserve Bank of
Kansas City
Omaha Branch
Omaha, Nebraska

Bill Lapp
President
Advanced Economic Solutions
Omaha, Nebraska

Katelyn McCullock
Director
Livestock Marketing Information
Center
Lakewood, Colorado

Dave Pankonin
Owner
Pankonin's Inc.
Louisville, Nebraska

David Rodziewicz
(not pictured)
Senior Commodity Specialist
Federal Reserve Bank of
Kansas City
Denver Branch
Denver, Colorado

Sue Taylor
Vice President, Dairy
Economics & Policy
Leprino Foods Company
Denver, Colorado

James Timmerman
Partner
Timmerman Land & Cattle Co.
Springfield, Nebraska

Didem Tüzeman
(not pictured)
Senior Economist
Federal Reserve Bank of
Kansas City
Kansas City, Missouri

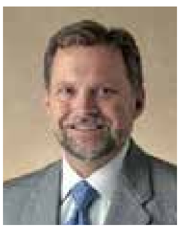
Ray Wyse
Managing Director
SWAT LLC
Elkhorn, Nebraska

ADVISORY councils

ECONOMIC ADVISORY COUNCIL

Members, representing business and labor, offer insight on the regional economy.

Carrie Besnette Hauser
President and
Chief Executive Officer
Colorado Mountain College
Glenwood Springs, Colorado



Jon Cargill
Senior Vice President and
Chief Financial Officer
Hobby Lobby Stores
Oklahoma City, Oklahoma

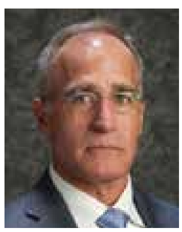
Dave Carpenter
President
American Fidelity Corporation
Oklahoma City, Oklahoma

Henry Davis
Owner, President and
Chief Executive Officer
Greater Omaha Packing Co. Inc.
Omaha, Nebraska

Michael Dunlap
Executive Chairman
Nelnet
Lincoln, Nebraska

María Griego-Raby
President
Contract Associates
Albuquerque, New Mexico

Alise Martiny
Secretary and Business Manager
Greater Kansas City Building
and Construction Trades Council
Independence, Missouri



Steve McDonald
Retired Chief Executive Officer
Geiger Ready Mix
Kansas City, Kansas

Jeanette Hernandez Prenger
President and Chief Executive Officer
ECCO Select
Kansas City, Missouri

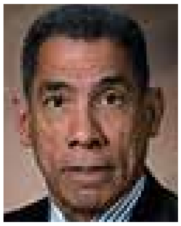
Gisela Shanahan
Chief Financial Officer and
Executive Vice President
Denver International Airport
Denver, Colorado

Jim Thorpen
Vice President, Secretary
and Treasurer
Wyoming Machinery Company
Casper, Wyoming

COMMUNITY DEVELOPMENT ADVISORY COUNCIL

Members include business leaders, educators, financial institutions, and nonprofit leaders who serve low- to moderate-income (LMI) populations. Council members provide year-round insight on economic and community development issues and meet twice a year with the Kansas City Fed's leadership.

Niki Donawa
Chief Community Relations Officer
Truman Medical Center
Kansas City, Missouri



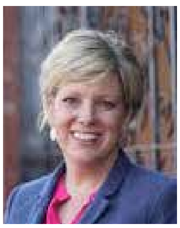
Raúl Font
President
Latino Community Development Agency
Oklahoma City, Oklahoma

Debbie Gorski
Executive Director
Wyoming Women's Business Center
Laramie, Wyoming

Don Greenwell
President
The Builders Association
Kansas City, Missouri

Marcos A. Hernandez
Vice President, Community Affairs Manager and CRA
U.S. Bank
Omaha, Nebraska

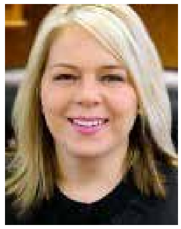
Neelima Parasker
President and Chief Executive Officer
SnapIT Solutions
Overland Park, Kansas



Aubrey Abbott Patterson
President and Chief Executive Director
Hutchinson Community Foundation
Hutchinson, Kansas

Judy Petersen
Executive Director
Central Nebraska Economic Development District
Chambers, Nebraska

Jim Reiff
Executive Director
Nebraska Enterprise Fund
Omaha, Nebraska

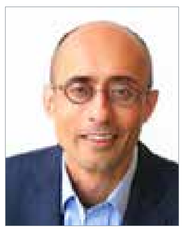


Rebecca Reynolds
Executive Director
Little Dixie Community Action Agency
Hugo, Oklahoma

Cecilia J. Robinson-Woods
Superintendent
Millwood Public Schools
Oklahoma City, Oklahoma

Liddy Romero
Founder and Chief Executive Officer
WorkLife Partnership
Denver, Colorado

Adrienne R. Smith
President and Chief Executive Officer
New Mexico Caregivers Coalition
Bernalillo, New Mexico



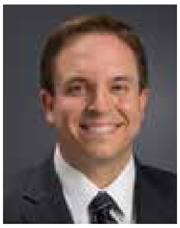
Awais Sufi
President and Chief Executive Officer
SchoolSmartKC
Kansas City, Missouri

Cris A. White
Executive Director and
Chief Executive Officer
Colorado Housing and
Finance Authority
Denver, Colorado

COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL

Members represent banks, thrift institutions and credit unions from around the Tenth District. They meet twice a year with Kansas City Fed staff to provide perspective on lending, the economy and other issues of interest to community depository institutions.

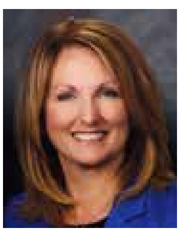
Gerry Agnes
President and Chief Executive Officer
Elevations Credit Union
Boulder, Colorado



Aaron Bastian
President and Chief Executive Officer
Fidelity Bank N.A.
Wichita, Kansas

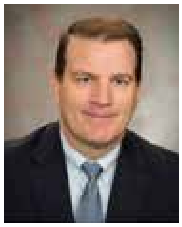
Jill Castilla
President and Chief Executive Officer
Citizens Bank of Edmond
Edmond, Oklahoma

Gary Crum
President and Chief Executive Officer
Western States Bank
Laramie, Wyoming

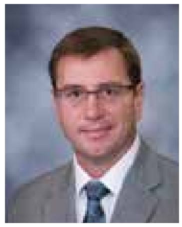


Gail DeBoer
President and Chief Executive Officer
Cobalt Federal Credit Union
Omaha, Nebraska

Kim DeVore
President
Jonah Bank
Casper, Wyoming

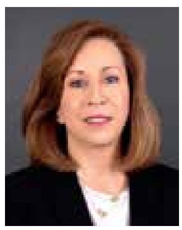


Tom Gdowski
President and Chief Executive Officer
Equitable Financial Corp.
Grand Island, Nebraska



Brad Koehn
Regional President
Midwest Bank, N.A.
Lincoln, Nebraska

Alan Shettlesworth
President and Chief Operating Officer
Main Bank
Albuquerque, New Mexico



Dawne Stafford
President and Chief Financial Officer
Security Bank
Tulsa, Oklahoma

Kristie Stuewe
President and Chief Executive Officer
First Missouri Bank
Brookfield, Missouri

PAYMENTS ADVISORY GROUP

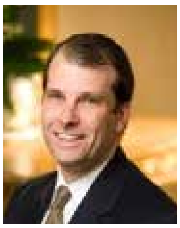
Members represent financial institutions around the Tenth District. They meet periodically with Kansas City Fed staff to provide insight on developments in the U.S. payments system and offer advice on actions the Federal Reserve might take to ensure the system's safety and efficiency while providing broad access.

Mike Atkins
Chief Executive Officer
Open Technology Solutions
Centennial, Colorado

Russell Oatman
Senior Vice President
First National Bank of Omaha
Omaha, Nebraska

Scott Copeland
Executive Vice President
BancFirst
Oklahoma City, Oklahoma

Susan Robinson
Executive Director
Kansas City Financial Center Fiscal Service Department of the Treasury
Kansas City, Missouri



Michael DeBroeck
Senior Vice President
Intrust Bank
Wichita, Kansas

Tamara Vande Velde
First Vice President and Chief Information Officer
Capitol Federal Savings Bank
Topeka, Kansas

Susan Doyle
President
EPCOR
Kansas City, Missouri

Chris Wiedenmann
Senior Vice President –
Manager of Commercial Payments Product
Commerce Bank
Kansas City, Missouri

Kelly Kaminskas
President of Retail Services
First Bank
Lakewood, Colorado

Uma Wilson
Senior Vice President
UMB Bank
Kansas City, Missouri

OFFICERS roster

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Chief Operating Officer

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Director of Research

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Executive Vice President

Denise I. Connor
Senior Vice President

Tammy Edwards
Senior Vice President and
Director of the Office of Minority
and Women Inclusion

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Senior Vice President

Diane Raley
Senior Vice President, Chief of Staff
and Corporate Secretary

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Kristina J. Young
Senior Vice President and
Chief Human Resources Officer

Craig L. Zahnd
Senior Vice President,
General Counsel, Ethics Officer and
Chief Compliance Officer

Josias A. Aleman
Senior Vice President and General Auditor

Todd L. Aadland
Senior Vice President

Kristi Coy
Senior Vice President

Brian Faros
Senior Vice President and
Chief Information Officer

Donna J. Ward
Senior Vice President

Luke B. Woodward
Senior Vice President

Susan E. Zubradt
Senior Vice President

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Group Vice President

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Richard L. Henry
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Brosie D. Strada
Group Vice President

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Vice President and
Associate General Counsel

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Vice President

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Vice President

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Vice President

Sean K. Foley
Vice President

Janel K. Frisch
Vice President and Chief Financial Officer

Ryan L. Harwell
Vice President

Judith H. Hazen
Vice President

Dawn R. Howell
Vice President

George A. Kahn
Vice President and Economist

Evan A. Polly
Vice President

Michael R. Steckline
Vice President

Stephanie L. Stratemeier
Vice President

James W. Stuart II
Vice President

Hailie F. Turner
Vice President

Mark A. Watson
Vice President

Adam M. Winzenried
Vice President

Frank C. Allen
Assistant Vice President

Stanley R. Beatty
Assistant Vice President

Huixin Bi
Research and Policy Officer

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Assistant Vice President and
Assistant General Counsel

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Assistant Vice President

Dan A. Bower
Assistant Vice President

Dawn Boydston
Assistant Vice President

J. Stephen Bradberry
Assistant Vice President

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Research and Policy Officer

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Assistant Vice President

Holly C. Cartagena
Assistant Vice President

Sharon Charles
Assistant Vice President

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Assistant Vice President

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Assistant Vice President

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Assistant Vice President and
Assistant General Auditor

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Assistant Vice President

Jennifer L. Hopkins
Assistant Vice President

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Assistant Vice President and
Administrative Officer

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Assistant Vice President

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Assistant Vice President

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Assistant Vice President

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Assistant Vice President

Jose Mustre-del-Rio
Research and Policy Officer

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Assistant Vice President

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Zachary J. Richmond
Assistant Vice President

Christina Robertson
Assistant Vice President and Equal
Employment Opportunity Officer

Kristi Roman
Assistant Vice President

Matthew Ruemker
Assistant Vice President

Rodney J. Schmidt
Assistant Vice President

Lindsay D. Schuler
Assistant Vice President

David R. Smith
Assistant Vice President

Paul L. Somogye
Assistant Vice President

Holly D. Steffes
Assistant Vice President

Carissa Swanwick
Assistant Vice President

Jared Weikum
Assistant Vice President

Jackson A. Winsett
Assistant Vice President

Ginger K. Wise
Assistant Vice President

Ingrid M. Wong
Assistant Vice President and
Assistant General Counsel

DENVER

Nicholas B. Sly
Assistant Vice President,
Branch Executive and Economist

Amber R. Conley
Vice President

Anne C. Gossweiler
Vice President

Trina Chapman
Assistant Vice President

Max Gwin
Assistant Vice President

OKLAHOMA CITY

Chad R. Wilkerson
Vice President, Branch Executive
and Economist

Nick Baker
Assistant Vice President

Michael A. Combs Jr.
Assistant Vice President

Douglas L. Gray
Assistant Vice President

OMAHA

Nathan S. Kauffman
Vice President, Branch Executive
and Economist

Nicholas Hatz
Assistant Vice President

Todd Rich
Assistant Vice President

FEDERAL RESERVE BANK OF KANSAS CITY
1 Memorial Drive
Kansas City, Missouri 64198-0001

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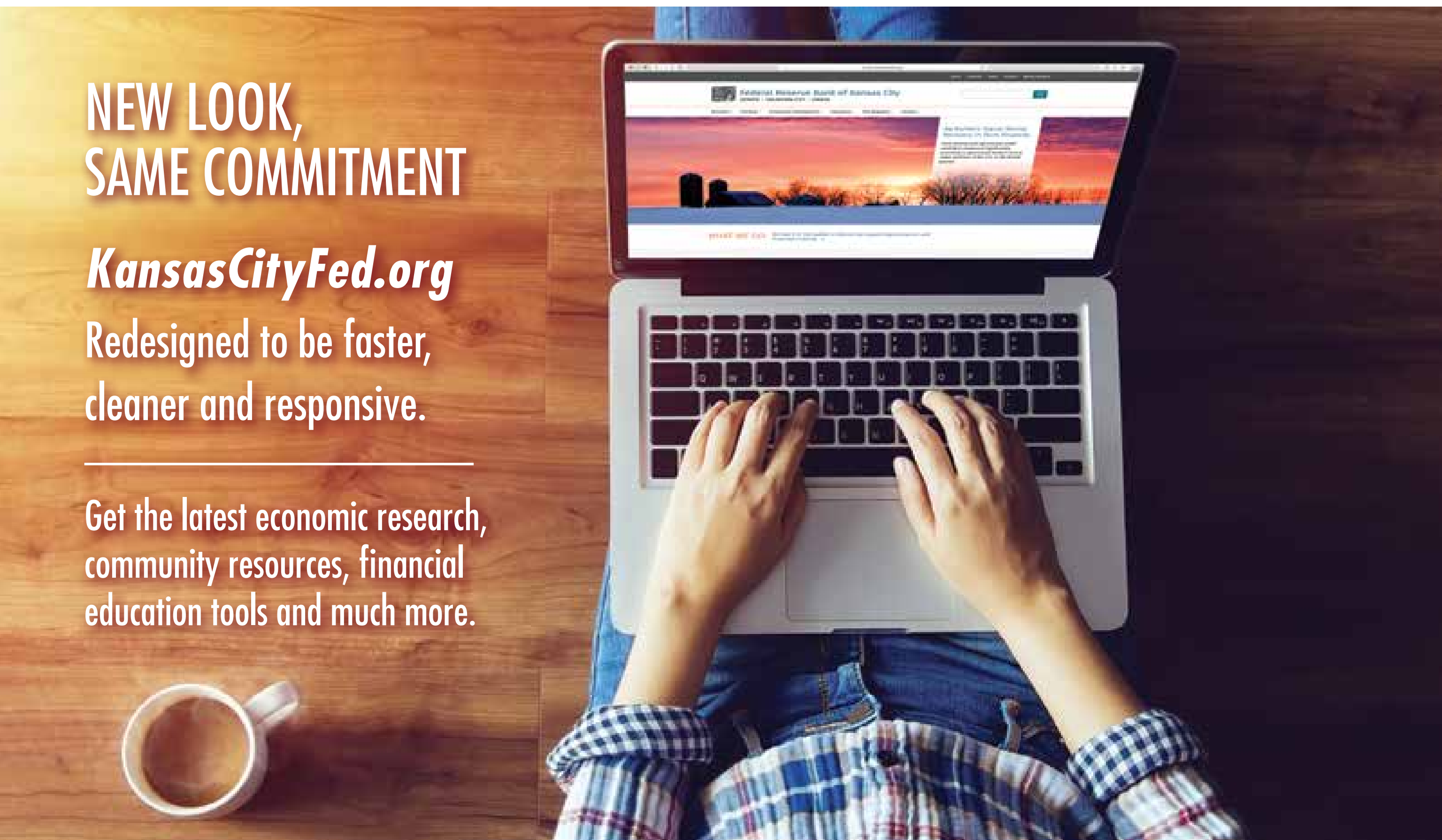

FEDERAL RESERVE BANK OF KANSAS CITY / SPRING 2021

TEN

SAVINGS SURGE

Sharp increase for some Americans during pandemic, study shows

2020 ANNUAL REPORT

VIGILANT SERVICE IN THE PUBLIC'S INTEREST

Urgency on Affordable Housing | Diversity and Inclusion Report | Meet the New Tenth District Directors