

## Not quite 92 years in the making

**Y**ou don't have to look back 92 years to see how much the world has changed since Congress passed legislation creating the Federal Reserve.

The Federal Reserve Act, approved in 1913, called for the creation of a central bank "to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes."

In the intervening years, those other purposes, like the world, have evolved.

A little more than a decade ago, for many Americans the debit card was something used for a cash withdrawal at their bank's automated teller machine. Today, ATMs dot the landscape while the debit card is becoming the preferred choice at the checkout as consumers favor the speed and convenience of electronic payments over the checkbook. In response, the Federal Reserve Bank of Kansas City's Payments System Research staff is among the leaders in this highly-specialized research, recently hosting a conference on specific fees, known as interchange, that are a part of each credit and debit card transaction. The conference, along with research on an array of banking and business related topics, is featured in this debut issue of TEN, a quarterly publication for the Tenth Federal Reserve District from the Federal Reserve Bank of Kansas City.

The rapid rise in debit card use may be the most visible, but certainly not the only, example of a changing financial world that's reflected in the expansion of research at the Federal Reserve Bank of Kansas City.

While much of our research remains focused on banking, the economy and monetary policy, our mandate has broadened in recent years, encompassing studies in areas including the pay-

ments system as well as community and rural economic development. In the same way our research is broadening, TEN is expanding the distribution of the research. The work of our economists will provide a foundation for magazine articles that will illustrate our academic research with the business and industry of the Tenth

District. Meanwhile, the core research, like the publication's content, will be available on our website: [www.kansascityfed.org](http://www.kansascityfed.org).

TEN will also include articles focused specifically on the Federal Reserve, including its history, structure and operations. With these articles, TEN will provide some insight into the purpose and function of both this region's central bank and the broader work of the entire Federal Reserve System.

I hope you find this debut issue and future editions of TEN to be insightful and worthy of sharing with others who are involved in the banking, business and industry of the Tenth Federal Reserve District. To start a subscription or to comment, email us at [teneditors@kc.frb.org](mailto:teneditors@kc.frb.org). TEN will be distributed at no charge, so there's no need to use your debit card.



A handwritten signature in black ink that reads "Thomas M. Hoenig".

**THOMAS M. HOENIG, PRESIDENT**  
FEDERAL RESERVE BANK OF KANSAS CITY