

News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY

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THE FEDERAL RESERVE'S ROLE IN RETAIL PAYMENTS: ADAPTING TO A NEW ENVIRONMENT

The U.S. retail payments system is undergoing rapid change as new instruments emerge, nonbank participation rises, risk profiles change and participants shift from paper to electronic records. How does the Federal Reserve fulfill its mandate to foster a safe, efficient and accessible payments system in this changing environment?

That's the question examined by Stuart Weiner, vice president and director of Payments System Research at the Federal Reserve Bank of Kansas City in the article "The Federal Reserve's Role in Retail Payments: Adapting to a New Environment." The article appears in the fourth quarter edition of the Bank's *Economic Review*.

Since its beginning, the Federal Reserve has played a crucial role in the retail payments system. Occasionally, the Fed's role has been reevaluated, and the time may be right for another examination. Weiner writes that the Fed will likely continue to play an important role in this new environment, but given the payments system's evolution, this role and its rationale might be different than in the past.

The article is available on the Bank's website at www.KansasCityFed.org.

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