Latino Leadership Class VII
Greater Oklahoma City Hispanic Chamber of Commerce

Federal Reserve Bank of Kansas City
Oklahoma City Branch
May 12, 2020
The Fed, Monetary Policy, and the U.S. Economy

Hispanic Chamber’s Latino Leadership Class VII
May 12, 2020

Chad Wilkerson
Vice President and Oklahoma City Branch Executive

*The views expressed herein are those of the presenter only and do not necessarily reflect the views of the Federal Reserve Bank of Kansas City or the Federal Reserve System.
The “Fed” consists of three main entities:

- **Board of Governors**: 7 members appointed by U.S. President
- **Federal Reserve Banks**: 12 total; semi-independent by design
- **Federal Open Market Committee**: 19 members; 12 voting

Primary responsibility areas:

- Monetary policy
- Bank regulation
- Financial services
The Federal Reserve’s Role in Monetary Policy

• Dual Mandate from U.S. Congress:
  1) Maximum employment
  2) Price stability

• Federal Open Market Committee (FOMC):

  **Board of Governors**
  • Jerome H. Powell, Chairman
  • Richard H. Clarida, Vice Chairman
  • Randal K. Quarles, Vice Chairman of Supervision
  • Lael Brainard
  • Michelle W. Bowman
  • Open
  • Open

  **Reserve Bank Presidents**
  • John C. Williams, New York, Vice Chairman
  • Patrick T. Harker, Philadelphia
  • Robert S. Kaplan, Dallas
  • Neel Kashkari, Minneapolis
  • Loretta J. Mester, Cleveland
  • Thomas I. Barkin, Richmond
  • Raphael W. Bostic, Atlanta
  • Mary C. Daly, San Francisco
  • Charles L. Evans, Chicago
  • James Bullard, St. Louis
  • Esther L. George, Kansas City
  • Eric Rosengren, Boston

*Permanent voters in bold; 2020 rotating voters in red; 2021 rotating voters in blue*
The Oklahoma City Branch of the Federal Reserve Bank of Kansas City

- **2020 Is Our Centennial!**

- **Functions and purposes ~ 50 staff**
  - Research on U.S. and Oklahoma economies; energy sector and business survey focus
  - Examinations of Oklahoma financial institutions (~45 banks, ~175 holding cos.)
  - Community development programming for low and moderate income groups, workforce focus
  - Economic education and public outreach programming

- **2020 OKC Fed Branch Board of Directors**
  - Tina Patel (chair), Co-Owner & CFO, Promise Hotels, Tulsa
  - Walt Duncan, President, Duncan Oil Properties, Oklahoma City
  - Susan Plumb, Chair & CEO, Bank of Cherokee County, Tahlequah
  - Brady Sidwell, Principal, Sidwell Strategies, Enid
  - Chris Turner, President & CFO, First State Bank, Oklahoma City
  - Katrina Washington, Owner/Broker, Stratos Realty, Oklahoma City
  - Dana Weber, Chair & CEO, Webco Industries, Sand Springs
In early 2020, cases of COVID-19 spread rapidly across the nation, and cases in Oklahoma have risen.

*Source: The COVID Tracking Project*
In early 2020 prior to COVID-19, unemployment rates were at historic lows.

New state claims for unemployment insurance surged past record highs in March and again the first week of May.

Weekly Initial UI Claims
Through Week Ending May 2, 2020

Source: U.S. Department of Labor
U.S. GDP decreased 4.8 percent in the first quarter of 2020, despite solid months in January and February.
Inflation is likely to remain subdued in the near term
Questions for discussion today

• In what ways has the spread of coronavirus, including government directives (shelter-in-place, essential businesses, etc.), affected your business?

• How has access or lack of access to credit opportunities further affected your operations, employment, and capital spending plans in this time?
Community Development at the Fed

Mission of the Department
Develop the capacity of low- and moderate-income (LMI) individuals, their communities and the organizations that serve them to create widely shared prosperity and economic opportunity.

- Promote fair and impartial access to financial products through research, relationship building and resource development.
- Grounded in the Community Reinvestment Act
- Focused on low- and moderate-income communities
- Responsive to local needs and opportunities
Areas of Focus

- Community Development Investments
- Small Business and Economic Development
- Workforce Development
- Digital Inclusion
- Research and Analysis

*Relationships, Research and Resources*
Investment Connection

Requirements
- Nonprofit or CDFI
- CRA eligible activity
- One year of reviewed or audited financials.
- Request depends on capacity and project need.
- Online application: http://investmentconnection.kcfed.org

Over $34 million in connections

“There are many valuable non-profit organizations in our communities. We like to find partners that align with the bank’s strategic initiatives so that both the non-profit and the bank find value. Investment Connection has helped Guaranty Bank identify new partners that fit into our CRA initiatives.”

Nancy Taylor, Guaranty Bank
Questions?