

University Symposium in Portland

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FEDERAL RESERVE BANK OF SAN FRANCISCO



The Fed in Brief

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Federal Reserve Bank of San Francisco

Public Information & Community Perspectives



Agenda

- History
- Structure
- Roles & Responsibilities
- The Fed in Action
- Your Questions



Banking in the Early 1900s



Banking in the Early 1900s

- Financial disruptions
- Loss of faith in the banking system
- Bank panics & failures



Federal Reserve Act

- Signed into law in 1913
- Created the Federal Reserve System
- “Decentralized Central Bank”
- Independent within government



Unique Among World Central Banks

- Public/Private Structure
- Self-financed
 - Earns interest on Treasury securities
 - Pays excess back into the U.S. Treasury



Our Nation's Central Bank

Mission:

Promote the safety, soundness and stability of our nation's financial system.

Mandate:

Promote maximum sustainable employment, stable prices and steady economic growth.

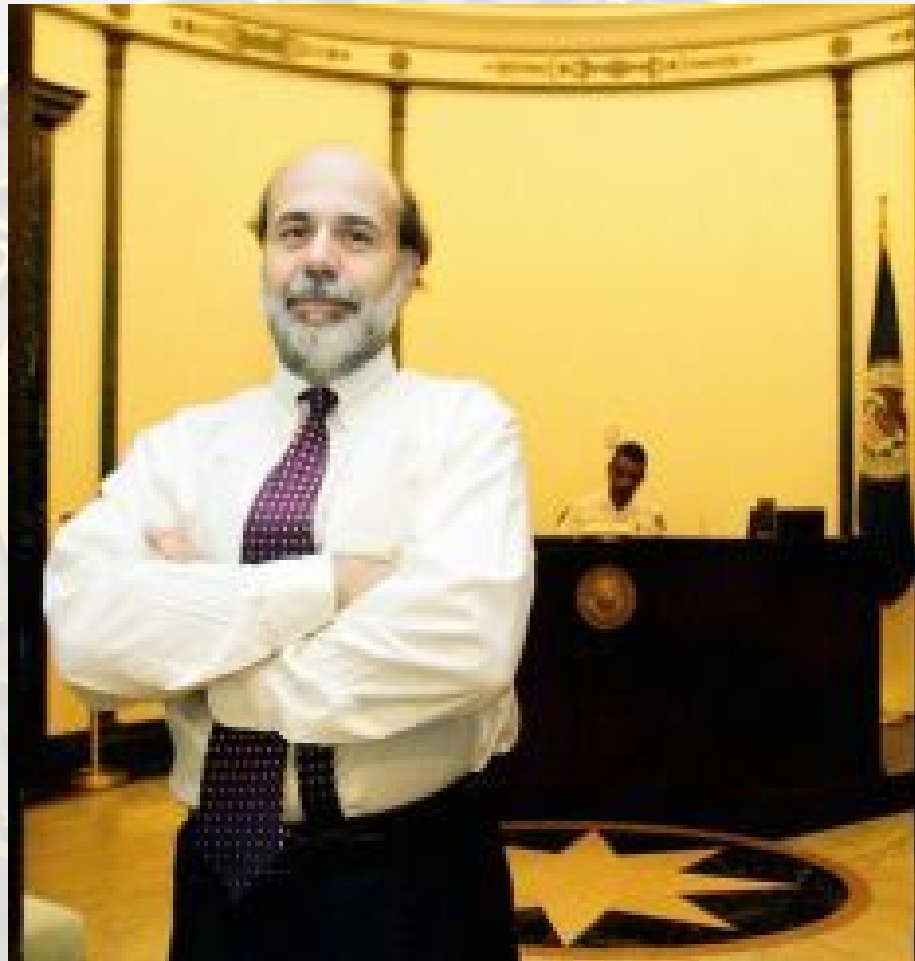


Structure: Decentralized Central Bank

- Board of Governors
 - 7 Members
- 12 Regional Reserve Banks
 - Independent Boards
- Federal Open Market Committee (FOMC)
 - 7 Governors/5 Voting Presidents







Ben Bernanke

PORTLAND STATE UNIVERSITY
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NOVEMBER 30, 2006

Board of Governors

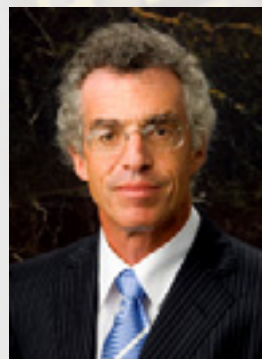


**Ben S.
Bernanke**



**Donald L.
Kohn**

- Fourteen Year Term
- Appointed by the President
- Confirmed by the Senate



**Frederic S.
Mishkin**



**Susan B.
Bies**



Vacant



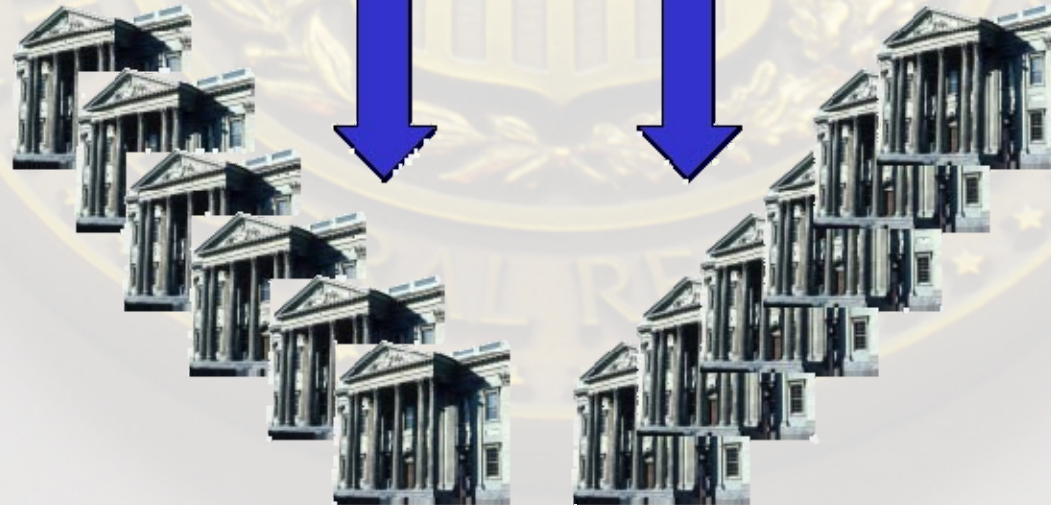
**Kevin M.
Warsh**



**Randall S.
Kroszner**



Federal Reserve Banks



12th District Structure



Roles of the Fed

- Conduct Monetary Policy
- Supervise Banks
- Provide Financial Services



Roles of the Fed

Supervising Banks: Minimize risk in the banking system.

- Establish safe and sound banking practices
- Protect consumers in financial transactions



Roles of the Fed

Supervision & Regulation

Examine bank and financial holding companies, state chartered member banks, & U.S. branches of foreign banks.

Recommend and enforce consumer protection legislation.



Roles of the Fed

Supervision & Regulation

Consumer protection legislation:

- Truth in Lending
- Equal Credit Opportunity
- Home Mortgage Disclosure Act
- Electronic Funds Transfer
- Community Reinvestment (CRA)



Roles of the Fed

Providing Financial Services:
Serves as the “bankers bank”
and fiscal agent for the U.S.
Treasury.

- Currency and Coin
- Check Processing
- Electronic Payments



Cash Services

- Circulate coin and currency
- Maintain the quality of money
- Detect counterfeit currency



New Currency

The New Color of Money
Safer. Smarter. More Secure.

Series 2004A
\$10 Note — Face



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Check Processing



Check Processing

- Checkless society?
- FRB processes one-third written
- Check 21 legislation



Electronic Payments

Annual Volume

ACH 12b

Debit 19b

Credit 23b

Check 34b

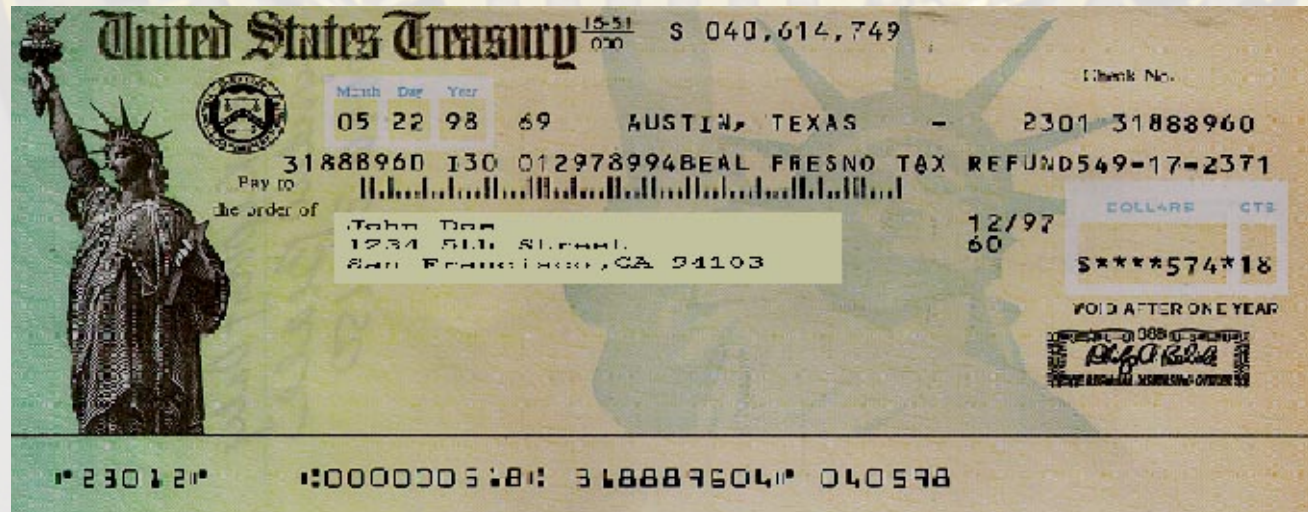
Daily Volume

Wires \$1.7t



U.S. Treasury's Bank

- Maintain the Treasury's checking account
- Send and receive Treasury payments
- Sell Treasury securities



Fed in Action

September 11, 2001, Fed acted to:

- Keep markets open
- Provide sufficient liquidity
- Maintain public confidence



Conclusion

The U.S. financial system is safe and sound and worthy of the public's trust!



Did You Know?

- Fastest increase in bankruptcy is in 18-24 age group
- In 2002, more people filed for bankruptcy than graduated from college
- U.S. has a negative savings rate



Fun Facts

- How many checks are written annually in the US?
- How much US currency is in circulation?
- What percentage of US currency is held overseas?



For More Information

<http://www.frbsf.org>

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