

# TEN

## 2023 ANNUAL REPORT

Service and Stability in the Public's Interest

### WAGE INFLATION IN HEALTHCARE

Pay, Opportunities Rise  
for Many in the Field

# TEN

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DIVISION HEAD, LEGAL,  
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EDITOR  
Stan Austin

MAGAZINE DESIGNER  
Alison Reichert

CREATIVE DIRECTOR  
Angela Anderson

CONTENT CONTRIBUTORS  
Gary Barber, Kate Hiebert,  
Casey McKinley, Ana Nixon,  
Victoria Rosengarten, Marlina Yates,  
Roya Zaidi

RESEARCH CONTRIBUTORS  
Bethany Greene, Steven Howland,  
Emily Pollard, Nick Sly, Didem Tüzemen,  
Deepak Venkatasubramanian

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*James "Jamey" Kelly is a medical assistant at University Health Lakewood in Lee's Summit, Missouri. Photo by Gary Barber, Design by Casey McKinley*



From the *President*

JEFF SCHMID

## Explaining the guideposts for a new central banker

*(Jeff Schmid delivered these remarks on Feb. 26 in Oklahoma City during an event hosted by the Economic Club of Oklahoma.)*

I am now six months in as president and chief executive officer of the Kansas City Fed. And though that time has gone by remarkably fast, my relationship with the Fed goes back much further, shaping my view of the institution, its importance, and how I plan to approach the job.

As a former regulator and banker—and also as a native of the Tenth District—I’ve seen firsthand the quality and importance of the Kansas City Fed’s work.

As a young Federal Deposit Insurance Corp. examiner in Kansas City, I partnered and worked with Kansas City Fed supervisors and examiners to regulate district banks. As a former bank CEO, I came to appreciate the importance of the Fed’s payment services for our nation’s economy. And more generally, as a resident of the region, I’ve always found the Kansas City Fed to be a trusted resource on regional and national economic issues.

These interactions with the Kansas City Fed built my trust in the institution. And now, as Bank president, I am responsible for maintaining your trust, both in the Kansas City Fed and the Federal Reserve System as a whole.

My goal is to start that process by sharing the three core principles I will bring to the policy table as our District’s representative on the Federal Open Market Committee (FOMC).

- First, and perhaps foremost, I believe that the authority and effectiveness of a Federal Reserve Bank is rooted in its connections to the region it serves. And I see the strength of those ties, not just in Kansas City but for all 12 District banks, as instrumental to the success of the Federal Reserve System.
- Second, I believe in central banking that is accountable and transparent but independent of political influence. The independence of the Fed, and the ability to set monetary policy without political consideration, best serves our economy and nation.
- Third, and relatedly, I believe that an independent Fed is best served by a cautious approach to the Fed’s role in the financial system. We must carefully consider how our actions can affect the long-term structure of financial markets. I will bring a preference for minimizing the Fed’s footprint, particularly as it relates to the Fed’s balance sheet.

## The importance of a regional system

One of the most important parts of the job for a Fed president is building relationships in the communities we serve. Events like this, carried out regularly across the Tenth District, give me an opportunity to establish a dialogue between the Federal Reserve and our stakeholders.

Through these conversations, I can share with you my thinking on monetary policy. But more importantly, I can gather information, insight, and perspective from you that I can take back to Washington, D.C., and share with my colleagues on the FOMC.

Over 100 years ago the Federal Reserve System was designed to build public trust by dispersing power and decision-making across the country. It was for this reason that the Fed System was established with governors in Washington, D.C., and 12 regional Reserve Banks located across the country. This decentralized system invites diverse views, an important ingredient in setting monetary policy by committee.

The regional Reserve Banks and Branch offices allow the public to engage directly with the central bank. This happens at all four of our District offices, including the one here in Oklahoma City as well as those in Kansas City, Denver and Omaha.

Local bankers, labor leaders, community development officials, non-profit directors and business executives serve on our boards and advisory groups. They provide an on-the-ground view of the economy that can't be found in aggregate economic data.

For example, in the Tenth District economy, agriculture and energy play an outsized role compared to rest of the nation, and therefore national economic statistics don't always align with the economic experiences of district contacts. Unique economic features like these from each of the 12 Federal Reserve districts feed into regional survey results and Beige Book reports that are shared ahead of each FOMC meeting.

In my brief stint on the job, I've quickly come to realize the value of these regional reports as a compliment to the national economic indicators that also inform FOMC deliberations.

A regional perspective also is important for regulating and supervising financial institutions. Simply put, the business model of a community bank in rural Nebraska, like the one I led early in my career, is fundamentally different than a global financial institution in New York.

For this reason, it is important that bank regulators take a tailored approach to manage the unique risks posed by different institutions. Effective regulation should ensure that the hundreds of regional and community banks in the Tenth District are safe and sound. But regulatory frameworks should also acknowledge that a one-size-fits-all approach to regulation can come with significant compliance costs and threaten the ability of community banks to supply credit and deposit services to rural households, agricultural producers, and small businesses.

While I've emphasized the importance of a regional perspective, it also is essential for certain aspects of the U.S. financial system to be integrated across geographies, including the clearing of payments. For this reason, the Federal Reserve has taken a more centralized approach to providing financial services.

The Federal Reserve's new 24/7/365 payments system, FedNow, is a great example of how the larger Federal Reserve System can be leveraged to deliver services that benefit our district and the nation. FedNow is the Fed's first major new payment rail in over 40 years and aims to bring instant payments technology to all financial institutions, no matter their size or location.

## Central bank independence

The second principle that is core to my thinking as a new member of the FOMC is the importance of the independence of the central bank.

The policy choices made by the Fed impact the livelihoods and finances of everyone in the economy. Naturally this invites scrutiny, especially in difficult economic times.

And historically it is not unusual to hear disapproval of the Fed's handling of the economy. There are times that the criticism is justified. Acknowledging mistakes and learning from them is important for maintaining our

“TO BE CLEAR, MY POSITION IS THAT THE BALANCE SHEET IS AN IMPORTANT MONETARY POLICY TOOL, ESPECIALLY IN TIMES OF CRISIS. HOWEVER, ONCE A CRISIS HAS PASSED, IT SHOULD BE A PRIORITY FOR THE FED TO REDUCE ITS BALANCE SHEET AND TO LESSEN ITS FOOTPRINT IN FINANCIAL MARKETS.”

— Jeff Schmid



accountability. However, history has shown that a central bank that acts without political interference delivers better economic outcomes. Therefore, preserving the independence of the central bank is essential for securing long-run economic prosperity.

The best way to maintain the Fed’s independence is by remaining narrowly focused on the mandates that Congress has assigned the Federal Reserve. The Federal Reserve Act directs the FOMC to conduct monetary policy to promote the dual mandate of maximum employment and stable prices. By assigning the Fed these goals, but removing itself from the conduct of monetary policy, Congress created a system for the Fed to pursue policies that are in the economy’s long-run interests without interference from short-term political considerations.

Nevertheless, history shows that the Federal Reserve Act does not prevent the Fed from being the subject of outside pressures. These pressures tend to intensify when the FOMC faces a tradeoff between promoting maximum employment and price stability. Paul Volcker, for example, received substantial criticism for pursuing lower inflation at the cost of high unemployment.

This is an instance when the Fed’s two mandates were not complementary, which places the Fed in an especially difficult position because it can appear that the FOMC is elevating one mandate above the other. But one lesson that can be learned from the economy’s historical

performance is that price stability is an important precondition for sustaining maximum employment.

The economy’s pre-pandemic performance is a great example of the benefits that price stability can bring to the labor market. In 2019, the unemployment rate reached multi-decade lows without pushing up inflation. This was in large part because prior decades of experience had established the confidence that the Fed would deliver price stability.

Of course, this favorable balance was upset by the aftermath of the pandemic. Inflation spiked to 40-year highs, and the FOMC took decisive actions to reduce inflation, reinforcing its commitment to restoring price stability. Returning to a low and stable inflation rate is important for the economy’s long-run health, and I believe will set the stage for sustainably achieving maximum employment.

**Minimizing the Federal Reserve’s financial footprint**  
The severity of the past two economic recessions strained the ability of the Fed to pursue its dual mandate with the use of conventional monetary policy. Rather than rely solely on reductions in the federal funds rate, the FOMC turned to unconventional forms of policy easing, including large balance sheet expansions.

This brings me to the third principle that guides my thinking as a new policymaker, which is to minimize the

Fed's footprint in the financial system, particularly as it relates to the Fed's balance sheet.

The Fed's actions during both the 2008 Global Financial Crisis and the COVID-19 pandemic included purchasing large quantities of Treasury and agency mortgage-backed securities. These purchases increased the size and scope of the Fed's balance sheet.

To put some numbers on it, the Fed's balance sheet increased from less than \$1 trillion dollars in 2007 to nearly \$9 trillion by 2022, making the Fed a dominant holder of Treasury and government-backed mortgage debt. To fund these purchases, the Fed pumped money—mostly in the form of bank reserves—into the economy. Managing interest rates with so much liquidity has required a larger role for the Fed in overnight debt markets. This includes a sizeable reverse repurchase facility with many non-bank counterparties. All of these developments have increased the Fed's footprint in financial markets in recent decades.

Decisive actions are appropriate and necessary when stresses threaten the health of the financial system and the economy. In this regard, the Fed's ability to stabilize markets and the economy with its balance sheet is an important policy tool. However, maintaining a persistently large presence in markets in normal times comes with costs and increases the possibility of unintended consequences. These concerns have been highlighted by the Kansas City

Fed in the past and are concerns I also share. To be specific, I offer three examples:

- First, maintaining a large portfolio of long-term Treasury and mortgage debt can create distortions in the price of assets and the allocation of credit. These distortions risk misallocations that can ultimately sow the seeds of future imbalances in the economy.
- Second, a persistently large balance sheet can have unintended consequences on the structure of the financial system. In making asset purchases, the Fed is lowering longer-term interest rates and flattening the yield curve. Failure to unwind these purchases can challenge the ability of banks to borrow short and lend long. This is the business model that many community banks rely upon. And the Fed's sizeable overnight reverse repo facility may have unintended consequences on the allocation of liquidity and the role of depository institutions in the economy.
- Third, maintaining a large balance sheet can give the uncomfortable impression that monetary and fiscal policy are intertwined. As we've seen of late, a large balance sheet exposes the Fed to operating losses. And maintaining an excessively large Treasury portfolio offers the impression that the Fed's balance sheet is supporting government debt markets. Over time, both have the potential to threaten the Fed's independence.



*President Schmid visited Oklahoma City in February and toured the First Americans Museum along with Bank officials and business leaders from the state. Pictured, left to right: Dan Boren, Chickasaw Nation secretary of commerce; Chad Wilkerson, Bank senior vice president, economist and Oklahoma City branch executive; Shoshana Wasserman, museum director of marketing; President Schmid; Kara Bemboom, Bank senior vice president, chief of staff and corporate secretary; Joe Gruber, Bank executive vice president and director of economic research; and Chad Clayborn, general manager of OKANA Resort & Indoor Waterpark.*

To be clear, my position is that the balance sheet is an important monetary policy tool, especially in times of crisis. However, once a crisis has passed, it should be a priority for the Fed to reduce its balance sheet and to lessen its footprint in financial markets.

## Outlook for the economy and monetary policy

Before concluding, I'd like to share some brief thoughts on the outlook for the economy and monetary policy.

Since the start of monetary policy tightening in 2022, inflation has stepped down significantly. While this progress has been encouraging, when it comes to too high inflation, I believe we are not out of the woods yet. The drop in inflation has largely been driven by reductions in energy and goods price inflation as oil markets rebalanced and supply chains healed.

But, as you well know in Oklahoma, energy prices are anything but stable. And turmoil in shipping routes through the Red Sea and the Panama Canal raise the prospect that supply chain conditions could worsen and put renewed pressure on goods prices.

Absent further help from goods and energy prices, further disinflation will need to come through services. The January CPI inflation data argues for caution on this front. The prices of services—which comprise two-thirds of consumer spending—continue to rise briskly amid still tight labor markets and elevated wage growth.

Given the importance of labor costs for many service providers, restoring balance in labor markets and moderating wage growth will likely be needed to secure inflation's return to the FOMC's 2 percent target.

Labor market tightness has eased over the past year but has yet to fully normalize by a variety of measures, including the Kansas City Fed's Labor Market Conditions Indicators. Much of the progress last year in rebalancing labor markets and tempering wage pressures appeared to be driven by increases in labor supply. More recently though, labor force participation has fallen off from its recent highs, suggesting that a further moderation in demand could be needed to tame price and wage pressures.

But demand has remained resilient to date. GDP growth has come in well above trend in recent quarters, supported by strong consumer spending. And after adding more than 3 million jobs in 2023, hiring in January remained robust with net job gains of more than 350,000.

Looking ahead, many District contacts are upbeat about demand conditions in 2024, and I'm hearing few instances of layoffs. These reports are consistent with the low levels of initial jobless claims and other indicators that generally point to still strong labor demand.

With inflation running above target, labor markets tight, and demand showing considerable momentum, my own view is that there is no need to preemptively adjust the stance of policy. Instead, I believe that the best course of action is to be patient, continue to watch how the economy responds to the policy tightening that has occurred, and wait for convincing evidence that the inflation fight has been won.

Tying back to my earlier comments, I'm also in no hurry to halt the ongoing reduction in the size of the Fed's balance sheet. How much further the Fed can shrink its balance sheet is an open question. I would note that a return to any pre-crisis norm is not realistic. Some balance sheet growth was inevitable; as the economy grows, so too does demand for cash and bank reserves that the Fed must meet. However, I don't favor an overly cautious approach to balance sheet runoff for the sake of avoiding any volatility in interest rates. Instead, some interest-rate volatility should be tolerated as we continue to shrink our balance sheet.

As just the tenth president in the 110-year history of the Federal Reserve Bank of Kansas City, I am humbled by the responsibility I have been given to lead this trusted institution.

My job is to be a steward of this Bank's reputation for service and integrity in carrying out our public mission and to preserve that reputation for future presidents. In sharing these principles with you and my thoughts on the outlook, I hope that I have begun that process of building your trust in how I will lead this Bank and represent the Tenth District at the FOMC.

# 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 of the recent activities of Kansas City Fed leaders and staff.

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## KANSAS, MISSOURI and BEYOND »



### Connecting with banking leaders from the region

The Kansas City Fed in February hosted a roundtable for a group of Tenth District bankers to discuss the banking environment. The event provided an opportunity for President Jeff Schmid to connect with bankers in the District and gain a better understanding of the local and regional economies that they serve. President Schmid (above left) chatted with Greg Massey, CEO of First United Bank in Durant, Oklahoma. Along with President Schmid, Senior Vice President of Supervision and Risk Management Tara Humston and other bank leaders participated in the roundtable.



### Kansas City Fed's executive VP speaks to Central Exchange members

In January, the Bank hosted an annual gathering of the Central Exchange that focused on the economic outlook for the new year. Joe Gruber, executive vice president and director of Economic Research, delivered a presentation for the attendees, who included managers, executives, business owners and civic leaders from the Kansas City area. The Central Exchange, based in Kansas City, works to support and empower women in leadership roles in business and other fields.





**Home of the champions! Employees celebrate Kansas City Chiefs' back-to-back Super Bowl victories**

After the Kansas City Chiefs won Superbowl LVIII—their second consecutive National Football League championship—President Schmid and Bank employees donned Chiefs gear and posed on a stairway at the head office.



**Meeting Kansas governor during visit to Topeka**

During a February visit to the Kansas capitol, President Schmid met with Governor Laura Kelly. The two discussed the Kansas economy.

## KANSAS, MISSOURI and BEYOND continued >>



### **President Schmid leads panel discussion at Monetary Policy Forum in New York**

In March, President Schmid participated in the U.S. Monetary Policy Forum, hosted by the University of Chicago's Booth School of Business. The annual conference brings together policymakers, scholars and market economists. Schmid moderated a panel discussion titled "Artificial Intelligence and the Labor Market" that included San Francisco Fed President Mary Daly, Vanguard Global Chief Economist Joseph Davis, and Andrew McAfee, a principal research scientist at Massachusetts Institute of Technology.



### **Speaking with Oklahoma community bankers**

In February, President Schmid provided remarks at a leadership conference hosted by the Community Bankers Association of Oklahoma. Pictured at the event with Schmid was Robert Young, chairman of the association.



### **Sharing information about the history of Black-owned banks**

In February, the Greenwood Rising Black Wall Street History Center in Tulsa, Oklahoma, hosted Kansas City Fed Executive Writer Tim Todd for a discussion about the history of Black-owned banks. The center honors the legacy of the city's Greenwood District. Todd participated in a discussion with an audience of more than 100 attendees and signed copies of the Bank's book, "A Great Moral and Social Force: A History of Black Banks." The book, and its predecessor, "Let Us Put Our Money Together," are free and available at [KansasCityFed.org/about-us/historical-publications](https://www.kansascityfed.org/about-us/historical-publications).

## COLORADO, NEW MEXICO, WYOMING »



### **Engaging in dialogue about Denver area's underserved communities**

Denver Branch team members Nick Sly, vice president and branch executive; Ariel Cisneros, community development specialist; and Bethany Greene, research associate, in February visited members of the RTL Foundation for a tour and a roundtable discussion focused on economic impacts, trends and insight pertaining to the metropolitan Denver community. The RTL Foundation is a not-for-profit organization that serves historically underserved communities through education and support in the areas of technology, history and entrepreneurship.



### **Economic Forum presentation in New Mexico**

In February, Nick Sly delivered a presentation to members of the Economic Forum, a diverse group of business leaders and community members in Albuquerque, New Mexico. Sly's remarks focused on local economic trends and current issues.



### **NAIOP-Colorado discussion in Denver**

Nick Sly and Meredith Moon, chief economist at the Metro Denver Economic Development Corporation and Chamber of Commerce, in January participated in a panel discussion about commercial real estate in Denver. The discussion was part of an event hosted by NAIOP-Colorado, part of the National Association for Industrial and Office Parks.

## OKLAHOMA »



### Branch staff members tour Mexican Consulate

Steve Shepelwich, lead community development advisor at the Oklahoma City Branch, and Sarah Dickson, Oklahoma City Branch public affairs director, in February visited the Mexican Consulate to Oklahoma. David Castillo, president of the Greater Oklahoma City Hispanic Chamber of Commerce, and Claudio Uribe, vice consul for community affairs at the Mexican Consulate, provided a tour of the facility in downtown Oklahoma City and provided an overview of the consulate's services. Pictured, from left, Castillo, Uribe, Dickson and Shepelwich.



### Wilkerson discusses economic outlook at Tulsa meeting of risk management officials

Chad Wilkerson, Oklahoma City Branch executive and senior vice president of community development, spoke in February to the Oklahoma Risk Management Association in Tulsa. At the event, which had more than 80 attendees, Wilkerson provided updates on U.S. economic growth, unemployment data and Oklahoma's population growth.



### Student directors visit Oklahoma City Thunder

Members of the 2023-2024 Oklahoma City Branch Student Board of Directors recently visited the Oklahoma City Thunder's corporate offices. Students heard from the NBA team's employees, toured the facility, and learned more about the Thunder's economic and community impact.



**Kauffman speaks at annual gathering of agricultural producers**

As the Kansas City Fed’s principal expert on the agricultural economy, Senior Vice President and Branch Executive Nate Kauffman spoke about the economic outlook for U.S. agriculture during the Top Producer Summit in February in Kansas City. The event is hosted by Farm Journal. Visit [KansasCityFed.org/speeches](https://KansasCityFed.org/speeches) to see recent speeches from Kansas City Fed officials.



**Exploring manufacturing and agricultural connections in Columbus, Nebraska**

Nate Kauffman visited Columbus, Nebraska, in February. Along with sharing an update on the agricultural economy during an event hosted by the Columbus Community Hospital’s Occupational Health Services, Kauffman toured Behlen Mfg. Co., a manufacturer of farm and ranch equipment, to learn more about manufacturing and connections to agriculture.



**University chancellor helps Branch celebrate Lunar New Year**

In celebration of the Lunar New Year in February, the Omaha Branch welcomed Joanne Li, chancellor of the University of Nebraska at Omaha and member of the Omaha Branch Board of Directors. Li shared information about Lunar New Year traditions as well as memories from her childhood in Hong Kong.

# Notes from around the Tenth District



Photo by Getty Images

## Survey shows decline in some aspects of District's community conditions

Community conditions in the Tenth District generally declined in the fall of 2023, despite continued strength in the ability of low- and moderate-income (LMI) individuals to find work. Those results are detailed in the Kansas City Fed's Community Conditions Survey (CCS) report published in January 2024.

The survey, conducted twice each year, goes to intermediary organizations that have programming aimed at LMI populations. The survey outlined in the January report was conducted from Oct. 30 to Nov. 17, 2023. It received 98 responses from 290 surveys sent, a 34% response rate.

The CCS respondents were asked to answer questions on conditions for economic mobility for the LMI populations they serve. Each respondent then had the opportunity to answer community conditions questions related to various topic areas depending on their organization's involvement in those particular topics relative to LMI populations.

Conditions for economic mobility, housing, personal

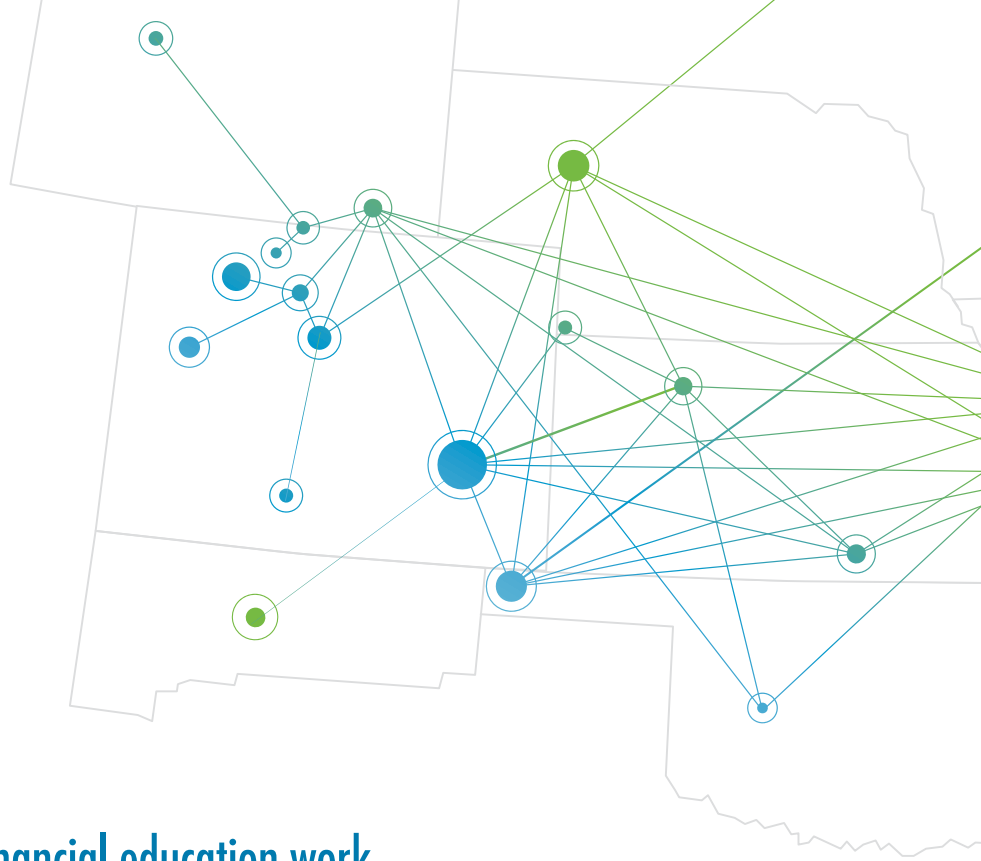
finance, small business credit and human services were reported as poor, with housing-related contacts especially downbeat. Survey respondents had some optimism for the future, particularly around employment and healthcare access. However, most participants were expecting worsening conditions in most sectors over the six months following their responses.

Responses were mixed on how conditions for economic mobility—an indicator of overall LMI conditions—might change over the coming months. Jobs and wages were seen as the primary positive drivers for future economic mobility, while housing prices and availability were cited as the biggest drags.

### FURTHER RESOURCES

Read and download the full Community Conditions Survey report at [KansasCityFed.org/surveys/community-conditions-survey](https://www.kansascityfed.org/surveys/community-conditions-survey) and learn how to participate in future surveys if your organization provides services for low- and moderate-income communities.





## Shepelwich honored for financial education work

The Oklahoma City Branch partnered with the Oklahoma Jump\$tart Coalition to present the Financial Education in Oklahoma Conference in January.

At the conference, Steve Shepelwich, lead community development advisor at the Branch, received the inaugural Connector Award. The award, which will be named the Steven Shepelwich Connector Award going forward, is for individuals who connect people and organizations in order to advance financial literacy in Oklahoma.

The conference's theme was "Nurturing Financial Wellness: Mind, Money and More."

Shepelwich, who previously served as president of the Oklahoma Jump\$tart Coalition, founded the conference and established what has become a 20-year partnership between that organization and the Kansas City Fed. The conference brings together leaders working in financial education so that they can share resources and develop relationships to further their work across Oklahoma.

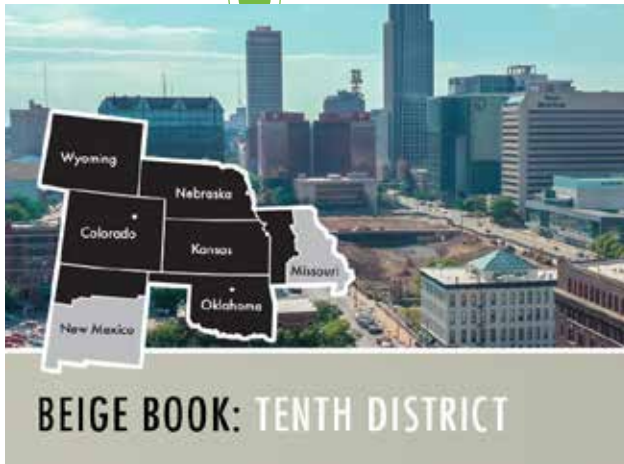


### FURTHER RESOURCES

Learn more about the Bank's financial education resources at [KansasCityFed.org/education](https://www.kansascityfed.org/education) and follow the Oklahoma City Branch's work at [KansasCityFed.org/oklahomacity](https://www.kansascityfed.org/oklahomacity).



Steve Shepelwich received the inaugural Connector Award in January.



## District activity dips

Economic activity in the Tenth District declined moderately in the weeks leading into 2024, according to the Federal Reserve’s Beige Book report.

Beige Book reports are made available to the public eight times a year, offering summaries on the economy in each of the Federal Reserve’s 12 regional bank districts. See the most recent Tenth District summaries and sign up to receive alerts at [KansasCityFed.org/surveys/beige-book](https://www.kansascityfed.org/surveys/beige-book). Read a detailed Tenth District analysis of affordable-housing information from the Beige Book at [KansasCityFed.org/community/community-connections](https://www.kansascityfed.org/community/community-connections).

Feedback from Tenth District contacts showed that consumer spending fell across several categories in the weeks leading into January. Contacts noted that sales volumes at low-cost quick-serve restaurants, which had been robust despite pullbacks elsewhere, declined moderately.

Meanwhile, community organizations providing food assistance indicated a significant rise in the number of people seeking aid, particularly among working families and seniors. Job gains were modest in the private sector, but several reports suggested other measures of labor demand weakened. Despite the softening in activity, most contacts expressed a favorable outlook for the ensuing six months.



## 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 April, May and June.

Sundance State Bank	Sundance	Wyo.	93
First State Bank	Ness City	Kan.	90
First Nebraska Bank	Valley	Neb.	90
Bank of Hartington	Hartington	Neb.	88
BankWest of Kansas	Goodland	Kan.	85
Fusion Bank	Larned	Kan.	82
First State Bank of Temple	Temple	Okla.	81
Citizens-Farmers Bank Cole Camp	Cole Camp	Mo.	79
Bank of Commerce	Rawlins	Wyo.	46
Citizens Bank of Edmond	Edmond	Okla.	43
Bank of Jackson Hole	Jackson	Wyo.	42
Bankers Bank	Oklahoma City	Okla.	38
Mabrey Bank	Bixby	Okla.	27
Bank of Commerce	Chelsea	Okla.	27
First State Bank	Anadarko	Okla.	26
Adrian Bank	Adrian	Mo.	25
American Bank of Baxter Springs	Baxter Springs	Kan.	25
Bank of Kremlin	Kremlin	Okla.	25
Battle Creek State Bank	Battle Creek	Neb.	24
First Bank & Trust Co.	Clinton	Okla.	23
American Heritage Bank	Sapulpa	Okla.	23
Cowboy State Bank	Ranchester	Wyo.	22
Heritage Bank	Topeka	Kan.	21
Peoples Bank	Coldwater	Kan.	21
Cottonwood Valley Bank	Cedar Point	Kan.	21
First Westroads Bank	Omaha	Neb.	20
Valley State Bank	Syracuse	Kan.	20
New Century Bank	Belleville	Kan.	10
Buffalo Federal Bank	Buffalo	Wyo.	10
Bank of the Flint Hills	Wamego	Kan.	10
Investors Community Bank	Chillicothe	Mo.	10
Sovereign Bank	Shawnee	Okla.	1



# kcFED SOCIAL SEEN



Social media highlights of our engagement across the region.

1. **KANSASCITYFED** Our Community Development team, led by Jeremy Hegle, paired up with peers from the Federal Reserve Bank of Atlanta, Federal Reserve Bank of Dallas & Federal Reserve Bank of Philadelphia to co-host the Fed's first Digital Inclusion Research Forum. [bit.ly/3U7jQfj](https://bit.ly/3U7jQfj)
2. **ADAM WINZENRIED** Wow! Was grateful to be part of today's launch of the Federal Reserve Bank of Kansas City's new inclusion network for Black professionals. It could have not come at a more perfect time in the midst of Black History Month. #dei #inclusion #blackhistorymonth
3. **@KANSASCITYFED** In honor of #LibraryShelfieDay, some of our Research Library staff took a break to snap a photo!
4. **@MISSOURIVALLEY** Missouri Valley College field trip. Students had an opportunity to learn more about the history of central banking in the U.S. and the history of the Federal Reserve Bank of KC, Truman Coin Collection exhibit, and observe cash processing in real-time.
5. **@DRGREEN2014** Congratulations to our phenomenal Langston University students... We are thrilled to announce that our talented students secured 2nd place in the recent Code-A-Thon hosted by the Federal Reserve Bank of Kansas City.



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GET SOCIAL»

Find us on Find us on Instagram, LinkedIn, Pinterest, X (formerly Twitter) and YouTube to follow Kansas City Fed activities, share your photos and post feedback.



## BROAD REPRESENTATION, REGIONAL ROOTS

»»»»» Reserve Bank directors provide diverse expertise, vital 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 2024.**

## » SUSAN CHAPMAN PLUMB, Kansas City Director

Servant leadership, cultural acknowledgment and community collaboration drive Susan Chapman Plumb every day.

The chief executive officer and board chair of Local Bank in Hulbert, Oklahoma, says that treating customers like family is a trait central to her Cherokee culture. It's also something that her late father, longtime banker Gary Chapman, instilled in her as far back as she can remember. And as a Cherokee Nation citizen whose family has lived in present-day northeast Oklahoma since long before statehood, it's a value that she doesn't want anyone to forget.

"My father treated everyone the same and was always looking for ways to help people," Chapman Plumb. "That's a value I'm proud our bank is known for."

This year Chapman Plumb joins the Bank's head office Board of Directors, a familiar public service role for her. From 2017 to 2022 she served on the Bank's Oklahoma City Branch Board of Directors.

"I believe in and am committed to the decentralized nature of the Federal Reserve; I think it's part of the backbone of the economy and critical to keeping the American economy on track," she said. "Community banks should have a role to play in that. I'm grateful the Kansas City Fed recognizes that and allows me to represent the minority-owned and community-owned institutions. I'm also proud that a Cherokee senator helped shape that vision."

Oklahoman Robert L. Owen, a U.S. senator and Cherokee Nation citizen, helped author the legislation that established the Federal Reserve. Chapman Plumb is the only female Native American bank owner and CEO in the United States.

She noted that her father, who died in 2019, was involved in Cherokee banking for 40 years. He headed the investment group of tribal members who bought the Bank of Cherokee County when it was the smallest bank in Oklahoma with about \$6 million in assets. The bank has been renamed Local Bank and today is a community development financial institution with five office locations and about \$347 million in assets.



*Photo courtesy of Local Bank*

She said that it is important that the Federal Reserve understand the perspective of community banks, particularly given the decline of community banks on the national level.

Chapman Plumb earned a juris doctorate at the University of Tulsa and practiced law for 10 years before returning to community banking more than 30 years ago.

She said that starting her day around 6 a.m., she often finds herself multitasking by sending email to employees and making calls to ensure things are running smoothly.

"To create an environment for our customers that feels like a family, we need to treat each other like family, so I'm always checking in on people, their families, and their lives to make sure everyone is doing well," Chapman Plumb said. "This atmosphere is what makes community banks so important."

## » SCOTT CASE, Oklahoma City Director



*Photo by Gary Barber*

As the president of Case & Associates Properties Inc. in Tulsa, Scott Case oversees the company's operations in Kansas, Missouri and Oklahoma in the Tenth Federal Reserve District, as well as projects in Arkansas, Mississippi and Texas.

Case, who joins the Oklahoma City Branch Board of Directors after serving for a year on the Kansas City Fed's Economic Advisory Council, sees his company's broad footprint and more than 40 years in business as assets in helping the Bank understand varying economic conditions and policies.

"I was happy to have served on the Economic Advisory Council," Case said. "That was a great experience. As a director, I'm honored to be part of the group and just have a seat at the table and be able to share my experiences in the apartment, investment and management industry."

Case & Associates was founded in 1983 by his father, Mike Case. Today the company manages more than 30,000 apartment units and about 1 million square feet of commercial property.

"I started working for the company in 1990," Case said. "We are a full-service real estate management and development company. A lot of my time is spent on maintaining the trajectory of our growth, whether on the development side or through acquisitions. We have 800 employees, and we focus on taking care of the customer and instilling that in all of our employees. We have some of the best people in the industry."

Case holds a certified property manager designation from the Institute of Real Estate Management and holds real estate broker's licenses in Oklahoma and Texas. He earned a bachelor's degree in business administration and a minor in management.

Case said that being asked to serve as a Reserve Bank director was "very humbling."

"I was flattered and honored to serve in whatever capacity the Federal Reserve was asking of me," he said. "We watch monetary policy fairly closely in our business, so I've always kind of been fascinated with that piece of it. I was just happy to be able to share the knowledge and information that I've gained over the last 33 years. I see it as part of my civic duty."

He added, "There's so much data that's available to the Fed and the economists there... The perspective that I hope to bring to that is some behind-the-curtain information that the data might not reveal... kind of what happens in the trenches."

Joining the Board of Directors also opens an avenue of learning.

"I hope to learn more about the ins and outs of how the Federal Reserve Bank operates and the policies and procedures they put in place to keep our economy as stable as possible," Case said. "The number of brilliant people, employees and peers in various states and industries will be very valuable to me, and there will be lifelong friendships not only at the Fed but in the corporate world as well."

## » DJ EIHUSEN, Omaha Director

Chief Industries Inc. is marking its 70th year in business, and over that span the Grand Island, Nebraska, company has grown from a small construction firm operating out of a garage to a diversified global manufacturer with seven brand divisions.

DJ Eihusen, the company's president, CEO, and chair of the board, represents the third generation to lead the family-owned enterprise.

"Our mission is to provide unparalleled personal attention to meeting the needs of our customers while treating all stakeholders with dignity and respect, thereby ensuring our strength and stability," Eihusen said. "As we enter our 70th year in business this year, we are more committed to this mission than ever before."

Eihusen, who served on the Tenth District's Economic Advisory Council, joined the Omaha Branch Board of Directors this year.

"Really it's an amazing opportunity to learn from others who are in various industries as well as those in the Bank itself," he said. "I've always believed that banking is the backbone of our economy, so to be involved in that process is really exciting to me and truly an honor."

Eihusen added that he looks forward to sharing perspectives gained from leading all of Chief Industries' operations and previously working in several of the company's divisions. The company's business lines range from agricultural products and commercial carriers to ethanol fuels and factory-built homes.

"Chief is a diversified company; we're involved in several different industries...energy, logistics, manufacturing, construction and agricultural businesses," he said. "We touch on just about every facet of the economy. I believe this allows us to provide feedback on what we're seeing in multiple areas of the economy and really see how industries are reacting to the policies that are being set."

Eihusen graduated from the University of Nebraska-Lincoln (UNL) in 1995 with a bachelor's degree in Business Administration. He became a member of Chief Industries' Board of Directors in 1998 and became president and CEO in 2010. Among numerous civic roles, he has served on the boards of the Nebraska



*Photo by Gary Barber*

Chamber of Commerce & Industry, the UNL College of Business Administration Dean's Advisory Board, and BluePrint Nebraska.

Joining the Omaha Branch Board opens additional avenues for serving the public and acquiring knowledge from fellow directors and from within the Reserve Bank.

"I look forward to learning more about the process and thoughts that go into monetary policy and to build upon relationships with some amazing people at the Bank and on the Board," Eihusen said. "I've been so impressed with how the Bank develops its talent. Though my time has only been a short while between being on the Advisory Council and now the Board, it is apparent that the Bank has some great best practices that could be implemented in my own business that would benefit our entire organization."



## Ask an **ECONOMIST**

Didem Tüzemen and Deepak Venkatasubramanian

*Photo by Gary Barber*

### **Black and white non-college men: Strong labor market has narrowed gaps**

Consistent with previous downturns in the U.S. economy, Black and Hispanic prime-age workers faced disproportionately larger declines in their labor force participation and employment rates than white prime-age workers during the COVID-19 pandemic-led recession. After April 2020, the labor market has experienced a strong recovery, with large gains in employment. But how has the recovery changed the disparities in labor market outcomes among prime-age workers of different race and ethnicities? These gaps in labor market outcomes are among the dynamics explored in research by Senior Economist Didem Tüzemen and Research Associate Deepak Venkatasubramanian. Their findings are detailed in a November 2023 Economic Review article available at [KansasCityFed.org/research](https://www.kansascityfed.org/research).

### **What did your study reveal about labor market outcomes for Black and white workers since the start of the pandemic?**

Although aggregate statistics from the U.S. Census Bureau's Current Population Survey (CPS) show that the labor force participation and employment rates of prime-age individuals have more than fully recovered since the start of the pandemic, we found important differences across race and ethnicity groups:

- Black individuals have experienced the largest improvements in their labor market outcomes during the recovery, especially during its later phase.
- Black men who do not hold a bachelor's degree had the largest increase in their labor force participation rate, driven by strong employment gains.

- Black men without a bachelor’s degree experienced larger wage gains compared with other men without a bachelor’s degree and compared with the average wage gains across all prime-age individuals.

As a result of these gains, we found that gaps in the labor force participation and employment rates between white and Black men without a bachelor’s degree have narrowed during the recovery from the pandemic recession.

## What historical context do these findings provide?

They provide additional support for previous research showing that when the labor market is already strong, a further tightening in labor market conditions can benefit some historically disadvantaged groups

## How does educational attainment play a role in the comparisons?

The labor force participation rates of less educated individuals have tended to decline more during economic downturns than for their more educated counterparts. To facilitate comparison, we sorted Black individuals into one of four groups: Men with less than a bachelor’s degree (“non-college men”); men with a bachelor’s degree or higher (“college men”); women with less than a bachelor’s degree (“non-college women”), and women with a bachelor’s degree or higher (“college women”). Historically, higher educational attainment has been associated with a higher labor force participation rate among Black individuals. Before the pandemic, the participation rate of Black men with a college degree was 94.0 percent, around 18 percentage points higher than for non-college Black men. Similarly, in February 2020, the participation rate of college Black women was 87.1 percent, 12 percentage points higher than for non-college Black women.

Although the labor force participation rates declined for all four groups during the pandemic-led recession, non-college men and college women were the least affected. The participation rate also recovered the most quickly for non-college men during the recovery periods. Notably, non-college Black men had the largest rise in their participation rate during the late recovery period, when the labor market was already tight. By September 2023, the participation rate of non-college Black men reached 81.1 percent, 5.3 percentage points higher than its pre-pandemic level. In contrast, the participation rate of college-educated Black men remained 0.9 percentage points below its pre-pandemic level. For Black women, the participation rates of both college and non-college women remained 1.6 percentage points below their pre-pandemic levels.

The strong increase in the labor force participation rate among non-college Black men was driven by strong employment gains. In February 2020, the employment rate of non-college Black men was 68.9 percent, the lowest of all four groups. However, non-college Black men experienced the largest gains in employment during the recovery periods. As of September 2023, the employment rate of non-college Black men was 75.4 percent, 6.5 percentage points higher than its pre-pandemic level. This stands in stark contrast to the September 2023 employment rates of the other three groups, which remained below their February 2020 levels. Therefore, the labor market gains for Black individuals in general were driven by improvements in the labor market outcomes of non-college Black men.

Pictured, from left on opposite page: Deepak Venkatasubramanian and Didem Tüzemen. *Photo by Gary Barber.*



### FURTHER RESOURCES

Go to [KansasCityFed.org/research](https://www.kansascityfed.org/research) or scan the QR code to read and download the full *Economic Review* article.



# RESEARCH SNAPSHOTS

## *Bank deposits, labor picture, population*

Here are summaries of recent economic research published by the Federal Reserve Bank of Kansas City. Go to [KansasCityFed.org/research](https://KansasCityFed.org/research) to read the full articles and follow the latest analysis in *Charting the Economy*, a stream of timely economic data curated by the Bank's research staff.

### **Bank deposit rates haven't kept pace with yields on other investments, but depositors are staying anyway**

Bank deposit outflows continued during 2023 despite rising deposit rates. One possible explanation is that deposit rate increases have not kept pace with rising yields on other investments. For example, spreads between bank deposit rates and yields on deposit substitutes such as money market funds have reached historically high levels. Although the outlook for deposit rates depends on the policy rate path, deposit levels are likely to remain stable under alternative policy scenarios.

—*W. Blake Marsh, Padma Sharma and Chris Acker, February 2024 Economic Bulletin*

### **Explaining the life cycle of bank-sponsored money market funds**

For decades, a cap on commercial deposit interest rates fueled dramatic growth in bank-sponsored prime institutional money market funds (PI-MMFs) as a form of shadow banking. During the growth period, banks with more commercial deposits were more likely to enter the PI-MMF industry in an effort to keep their commercial customers in affiliated subsidiaries. However, the 2008 crisis and subsequent regulatory changes halted the rapid growth of PI-MMFs. In the post-crisis regulatory regime, bank-sponsored funds were more likely to exit the industry than nonbank-sponsored funds. Simultaneously, the industry shifted from PI-MMFs to government institutional MMFs as substitute products. Reserve Bank economists conjecture



that the collapse of the PI-MMF can further lead to the emergence of substitute products, such as stablecoins.

—*Stefan A. Jacewitz, Jonathan Pogach, Haluk Unal and Chengjun Wu, February 2024 Research Working Paper*

## Community bank funding is getting costlier and riskier

Although bank deposits are relatively cheap and stable sources of funding for banks, they are subject to market forces. Banks' core funding has been under pressure since the Federal Open Market Committee (FOMC) began raising rates in early 2022. As depositors shift funds out of low-yielding savings and noninterest-bearing deposit accounts and into more lucrative alternative investments, community banks have increasingly turned to longer-maturity deposits and borrowings to finance their balance sheets. Although these funding sources allow banks to retain their asset size, they are more expensive and potentially less stable.

—*Brendan Laliberte, W. Blake Marsh and Padma Sharma, December 2024 Economic Bulletin*

## Tight labor market in the Rocky Mountain Region is showing some signs of easing

Tight labor markets, characterized by labor shortages and rising wages, have been a key feature of the regional and national economy over the last couple of years. However, these pressures are now showing some signs of subsiding. Labor market tightness contributed to rising wages, which coincided with outsized inflationary pressures, especially in expenditure categories closely tied to higher labor costs. Some of those pressures are starting to moderate, evidenced by slower employment growth in the region and tempering wage pressures. The pace of job gains slowed to 1.8% year-over-year in 2023 across Colorado, New Mexico and Wyoming, well below the 4.3% annual gain in 2022 (through October). Additionally, average annual hourly earnings slowed in all three Rocky Mountain states. In 2023, wages grew 4.1%, 0.2% and 3.6% on average in Colorado, New Mexico and Wyoming respectively, compared with 8.1%, 9.8% and 4.0% in 2022.

—*Bethany Greene and David Rodziewicz, January 2024 Rocky Mountain Economist*



Photos (left and above) by Getty Images

## From brain drain to brain gain: Oklahoma's population on the rise

Following several years of sluggish population growth prior to the COVID-19 pandemic, Oklahoma experienced a surge of in-migration from other states in recent years, including in 2023. The Kansas City Fed examined multiple sources of state migration data to quantify the drivers of the state's population growth and found that the recent surge of new residents was driven mainly by historic levels of domestic migration from states in the western half of the United States, as well as a reversal of the "brain drain" that plagued the state for much of the 2010s. Domestic migration to the state slowed slightly in 2023 but is still very high relative to historical averages. It remains to be seen if this trend will continue with the pandemic largely in the rearview mirror, and how it will affect the state's economy.

—*Chad Wilkerson and Chase Farha, January 2024  
Oklahoma Economist*

## Nebraska's tight labor market: An update on long-running shortage concerns

For nearly a decade, businesses in Nebraska have faced challenges finding enough workers to fill available jobs. While the pandemic exacerbated some of these challenges, other trends had constrained the availability of labor in the state for many years before the pandemic. Previous research has detailed both pandemic-induced distortions to the labor market and longer-term headwinds to labor force growth. An updated look at the situation shows that among the population currently in Nebraska, younger individuals have been less active in seeking employment, compounding issues associated with labor scarcity in recent years.

—*John McCoy, January 2024 Nebraska Economist*



Photo by Getty Images

## How much do nonbank transaction accounts improve access to digital payments for unbanked households?

Efforts to achieve digital payments inclusion—meaning all consumers can access safe and affordable digital payment products or services to meet their transaction needs—often have focused on increasing bank account ownership. According to the 2021 Federal Deposit Insurance Corporation (FDIC) National Survey of Unbanked and Underbanked Households, 4.5 percent of U.S. households are unbanked and could be considered excluded from digital payments. However, focusing on bank account ownership might understate digital payments inclusion, as some households may use nonbank transaction accounts to make and receive digital payments relatively safely and affordably. The Kansas City Fed examined the extent to which nonbank transaction accounts help promote digital payments inclusion among unbanked households. The study found that around 40 percent of unbanked households might have used nonbank transaction accounts to access digital payments in 2021. The study



further explored strategies to promote digital payments inclusion among households that do not use nonbank transaction accounts.

—*Ying Lei Toh, November 2023 Payments System Research Briefing*

## Declining mergers and acquisitions activity could portend lower investment

Higher interest rates and tighter financial conditions tend to slow firms' growth and reduce mergers and acquisitions (M&A) activity. Such deal activity complements businesses' fixed investments and tends to lead changes in spending on equipment and structures. The sharp decline in M&A deals in late 2022 and throughout 2023 might be a reversal of the sharp rise in M&A activity in the second half of 2021. However, it could portend a decline in capital investment in the coming quarters.

—*Bethany Greene, David Rodziejewicz, and Nicholas Sly, December 2023 Charting the Economy*

## Corporate interest expenses expected to increase further

Although firm leverage has fallen from pandemic highs, rising interest rates have raised firms' interest expenses. The effects of this monetary policy tightening are likely to continue unfolding over the next few years. As low-yield, fixed-rate corporate debt issued during the pandemic matures, firms may need to refinance this debt at higher rates, further increasing their interest expenses. However, most corporations are well-positioned to carry these interest expenses so long as their earnings remain stable.

—*Huixin Bi, W. Blake Marsh and Phillip An, February 2024 Economic Bulletin*

## Shocks, frictions, and policy regimes: Understanding inflation after the COVID-19 pandemic

A Kansas City Fed study used a calibrated two-sector sticky price model with real and nominal frictions to understand the persistent rise in inflation during the post-COVID-19 period. Given the size of disruption to the economy and extra-ordinary policy responses to the pandemic shock, isolating the contribution of many factors to the recent inflationary episode is challenging without such a model. The findings suggest that large fiscal support packages implemented during 2020 and 2021 have exerted inflationary pressures in 2021 but the supply side shocks are mostly responsible for the elevated level of inflation in 2022.

—*Taeyoung Doh and Choongryul Yang, December 2023 Research Working Paper*



# COMMERCIAL REAL ESTATE INDEX

Kansas City Fed's new regional economic indicator tracks wide span of activity in rapidly changing sector

by STAN AUSTIN

Seeing local news reports about office construction projects or driving past signs advertising vacant space provide only a glimpse of what is happening in the vast world of commercial real estate.

The CRE sector touches a wide span of activity that can provide insight into many economic trends such as community banking, construction activity, employment forecasts, infrastructure investment and land development. Activities in these areas and others have always been vital to understanding a region's economic condition but tracking them can be difficult to accomplish all at once. Besides the need to monitor conditions for various property types and local markets, many developments only become evident after some time has passed.

To present a more comprehensive measure with minimal lag, the Bank launched the KC Fed CRE Index in February. The index, which will be updated quarterly, was developed by Vice President, Economist and Denver Branch Executive Nick Sly and Research Associate Bethany Greene.

In an *Economic Review* article introducing the index, Sly and Greene explained that the new tool “encompasses a broad range of related economic activities and financial considerations based on timely survey responses received from market participants across the Tenth Federal Reserve District.”

The KC Fed CRE Index data for the first quarter of 2024, the *Economic Review* article, a “CRE 101” fact sheet, and related resources are available on the Bank's website. The new index joins the Bank's suite of regional economic indicators.

Those products include the Agricultural Credit Survey, the Community Banking Bulletin, the Manufacturing Survey and Tenth District Beige Book reports.

## What the index tracks and how

The KC Fed CRE Index synthesizes a broad set of conditions into a simple tracker that reflects local developments and provides early insight into developments that might be on the horizon. A positive value in the index indicates that CRE conditions are stronger than the long-run average, while a negative value signifies that activity is below the long-run average. The current release describes conditions for the previous quarter.

“It's one simple number that describes conditions relative to historical norms,” Sly said. “That makes it very easy to understand a diverse and complex market.”

The index is based on information received from contacts spanning Colorado, Kansas, Nebraska, Oklahoma, Wyoming, western Missouri and northern New Mexico. The measure incorporates related economic activities and financial considerations across a variety of commercial property types, including retail properties, hotels, office buildings, multifamily housing and industrial space. Further, the index accounts for subsegments of each property type.

## Why the CRE Index matters

Sly said that business, community and policymaking leaders can look to the index for insight into key areas such as construction employment and CRE loan performance—important in a region where community banks have a strong presence and often have extensive commercial real estate lending portfolios. Commercial real estate also is closely watched because the sector is sensitive to changes in interest rates.

He added that the Kansas City Fed has a long history of broadly monitoring CRE trends across its footprint and that the KC Fed CRE Index advances that



analysis by using a network of contacts to help identify factors in commercial real estate activity that might differ from one business cycle to another.

“Commercial real estate has many property types and looks very different across geographies,” Sly said. “You can go one mile down the road and see two very different outlooks for activity. There are so many market types and so many market segments that can all move in different directions. You have to talk to a lot of people and have broad engagement in order to track those market conditions.”

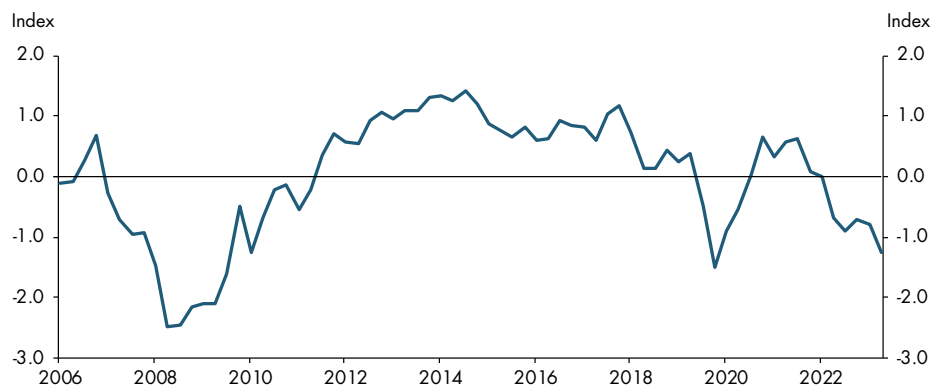
## Regional focus

While the CRE is broad in its makeup and reach, the index reflects the regional economic landscape rather than be shaped by national factors.

“The need for industrial space versus office space, for example, depends entirely on the makeup of the regional economy,” Sly and Greene stated in their article. “Likewise, proximity to airports or travel destinations motivates investments in hotels and retail, while population density and the pace of regional development drive demand for multifamily housing separate from national trends.”

Sly added that with the KC Fed CRE index, “People get to see what’s happening in their market, whereas as a lot of the national headlines are about what’s happening in big cities outside the Tenth District. It really is a regional tool.”

## First Quarter 2024 Commercial Real Estate Index



Note: The index declined because of falling absorption rates and lower CRE loan demand.

## Looking ahead

Sly and Greene noted that going forward the index could be helpful as leaders across the region face “structural shifts” that are unfolding in the CRE sector:

“Workplace habits have changed, altering the use of office and retail spaces and the geography of economic activity within cities. Supply chains for many industries are being reformed, altering the needs for warehouses and industrial space across locations. The KC Fed CRE Index may be a useful tool for tracking these developments in a timely manner and delineating the drivers of CRE activity amid these structural shifts.”



### FURTHER RESOURCES



Scan the QR code or visit [KansasCityFed.org/data-and-trends/kansas-city-cre-index](https://KansasCityFed.org/data-and-trends/kansas-city-cre-index) to follow the KC Fed CRE Index, sign up for alerts and read the accompanying *Economic Review* article.



# TEN Questions with First VP Kelly Dubbert

*Retired senior officer reflects on nearly 38 years with the Kansas City Fed*

**A**fter a career that spanned numerous leadership responsibilities—including serving as interim president for much of 2023—First Vice President and Chief Operating Officer Kelly Dubbert retired from the Kansas City Fed at the end of February. He was succeeded as first vice president and COO by Kim Robbins. Shortly before retirement, Dubbert shared some thoughts about his career at the Bank.

**Q:** You have continued to fulfill your many duties as first vice president since your retirement was announced in the fall of 2023. In general, what were these last several months like for you?

**A:** I've been busy with supporting the transition to Kim as the next first vice president and in looking to wrap up various Federal Reserve System projects and commitments before I leave. I'm also enjoying the opportunity to extend my thanks to many who have mentored or supported me in my career, including directors, System leaders, Treasury officials, and Bank

leaders and staff. Time is going by fast, and I know once retirement arrives it will be bittersweet, but I'm also leaving with great confidence in the future of the Bank given the strength of its ongoing performance and the quality of the leadership team and staff.

**Q:** Looking back to 1986, what attracted you to the Bank?

**A:** I was referred by a faculty member at Kansas State to interview for an internship program. While I had general “textbook knowledge” of the Fed, I had almost no knowledge of the responsibilities and work of staff at a Reserve Bank. But from the first interview, I was impressed with the quality of the people I was introduced to and intrigued by the mission and reputation of the Federal Reserve. Even very early in my career I didn't give much serious thought to other career opportunities. I felt challenged and rewarded at the Bank and, as I learned more and more about its mission and the impact of its work, I became convinced I would be very happy to spend my entire career with the Bank.

**Q:** So much has changed since the 1980s. What were some memorable changes and challenges throughout your career?

**A:** It's hard for me to pick which job was the most challenging, but certain roles stand out—moving to the Oklahoma City Branch and shortly after becoming branch manager; being asked to lead the Information Technology Division despite having no career background in IT; and certainly being selected as first vice president 12 years ago. Those and other assignment changes challenged me to stay committed to learning new things, helped me gain confidence in leading in different environments, and helped me understand the importance of focusing on developing staff and leaders.

**Q:** You spent significant time at the Oklahoma City Branch, including serving as branch manager from 1996 to 2001. What are your thoughts on the importance of the three branches in the Tenth Federal Reserve District?

**A:** The role gave me a deep appreciation for the presence of the Federal Reserve throughout the country and how important our branch offices are to serving a large and economically diverse Tenth District. As branch manager, I spent extensive time and attention on the visibility of the branch and Bank within the region through contact with our board of directors, advisory groups, banking and business constituents, and through various community boards and leadership experiences. The experience taught me how important it was to educate and engage the public regarding the mission of the Federal Reserve. I was also very proud to lead an Oklahoma City Branch team that consistently demonstrated excellence in operations.

(Top Left) Kelly Dubbert (right) answered employees' questions during a February retirement ceremony at the Bank's head office. Tim Todd, Bank executive writer and historian, moderated the event.

(Right) A June 1986 internal newsletter introduced new Bank employees (from left) Kelly Dubbert, Virginia Bellis and Rusty Klein.

**Q:** You served as chair of the System Crisis Team during the COVID-19 pandemic, leading the entire System's reaction to the crisis. What lessons were learned during that time? Years earlier, you served in an important leadership role during the 9/11 aftermath. Please share some reflections from those experiences.

**A:** I served as System Crisis Management Team (SCMT) chair during part of my three-year tenure as chair of the Conference of First Vice Presidents. As with many aspects of COVID, it was quite a learning process, but one in which some of the strongest aspects of System coordination across the Reserve Banks really shined. The challenge was in balancing what aspects of our COVID response and risk management needed to be highly uniform across the banks, and where did we need to leave decisions up to local bank management discretion. I was pleased with how both the bank presidents and first vice presidents allowed me to work through the SCMT and have broad discretion in managing the key areas requiring coordination. This and other past experiences like 9/11 demonstrate just how important resilience planning and execution are to the continuity of our mission areas and key operations.





In 1993, then-Assistant Vice President Kelly Dubbert helped prepare desserts during Staff Appreciation Day at the Bank.



In 2016, during Esther George's tenure as president, Kelly Dubbert joined her to greet the Bank's management team and directors during a meeting in Oklahoma City.

**Q:** In the last year, you took on the interim role as president of the Bank following the retirement of Esther George. What were the significant challenges and accomplishments during this time?

**A:** I had to recognize that it just wasn't possible to perform every aspect of both the interim president and first vice president roles, so I certainly had to prioritize and focus my attention. I also relied heavily on the experience and skills of the entire Management Committee to support me. I had the privilege of attending five Federal Open Market Committee meetings and received outstanding support from Joe Gruber (executive vice president) and the Economic Research team. I also focused attention on working with the Board of Directors and helping support the ongoing work of the Presidential Search Committee. Despite the challenges I faced in managing both roles, it was an honor and privilege to serve in the interim president role.

**Q:** Travelers might know that your hometown, Cawker City, Kansas, is famous for the world's largest ball of twine. On a more reflective note, what impact did your roots in north-central Kansas have on your career journey?

**A:** For me, it was a great experience to grow up in a small town. My parents raised six kids (with me being the youngest) and instilled in us a strong work ethic and commitment to family and the local community. There are still times that I look back fondly on working on my dad's and uncles' farm, having the opportunity to play various sports and be active in Boy Scouts and other activities. But I also learned how difficult it sometimes was for my parents to make ends meet and how much they emphasized the importance of a good education to open the door to opportunities. My siblings and I often talk about how fortunate we have been to have such great parents and a good family life. I just hope my commitment to the Bank and its people have shown that I learned some important lessons early in life.





Kelly Dubbert frequently spoke with employees during leadership training sessions, such as this one at the Bank's head office in 2021.

**Q: You have been a long-time supporter of the Bank's mentor program. Were there mentors who helped you along your journey, and what advice would you share that might help others?**

A: I've been blessed to have so many strong mentors throughout my career, so it's impossible to name them all. But I've been particularly pleased that two strong mentors, Rich Rasdall, former First Vice President, and Esther George, have been able to attend some of my retirement events. Rich was not only a strong mentor through most of my career, but he conducted my first interview (along with former officer Harold Shewmaker) And Esther of course was a great mentor and partner as we served together as president and first vice president for 11 years. Both Rich and Esther and a long list of other mentors instilled in me the importance of developing leadership and staff, always striving to ensure the Bank has a deep pool of talent to meet current and future needs. So, the announcement of Kim as the Bank's next first vice president has been very gratifying for me and many others who recognize the Bank's long-term commitment to developing outstanding leaders.

**Q: What are your final thoughts for Kansas City Fed employees of the Tenth District?**

A: To all our employees, a word of personal thanks and gratitude for your service and commitment to the mission of the Bank. In my many opportunities to represent the Bank within the System and externally, it has always been an honor and pleasure to speak to and witness the excellence with which you have performed your work. And thank you for the many opportunities to meet with you and hear your feedback and support, from one-on-one meetings to all-employee town halls. I have benefitted greatly from your support in both good and challenging times.

**Q: On a personal note, how will you spend your time in retirement? With the presumption that time with your grandchildren might be at the top of your list, what other plans are on your agenda?**

A: Yes, time with family will certainly be at the top of my list. But I expect to be busy doing a variety of things, including travel, hobbies, and finding ways to give back. I may take a few weeks to just relax at the start...reading a few newspapers front to back is something I always enjoy, but rarely accomplish! And I also expect to stay informally connected to the Bank and look forward to watching its continued success in the years ahead.



# Especially in HEALTHCARE, pay has risen for workers who have 'SOME COLLEGE'

RESEARCH EXPLORES WAGE INFLATION FOR THOSE WHO HOLD CERTIFICATIONS BUT NOT FOUR-YEAR DEGREES

by STAN AUSTIN

It wasn't the first time that police officer James "Jamey" Kelly felt the pull into a healthcare career, and it wouldn't be the last.

This time he was the first officer on the scene of a serious car crash in Sedgwick County, Kansas, near Wichita, his hometown. A woman had severe injuries and needed to be taken to a hospital. Paramedics and emergency medical technicians (EMTs) arrived and asked Kelly to ride along in the ambulance. On the way, he began to think again about something that had increasingly been on his mind since he became an officer: "wanting to help people even more."

"I rode in the ambulance providing assistance by holding pressure and following directions until we arrived at an emergency room," Kelly said. "That incident showed me how I wanted to continue my education."

A few years afterward—following up on suggestions from a paramedic and an emergency room nurse—

Kelly signed up for EMT certification classes. After completing that training, he eventually decided to officially shift from criminal justice classes at a community college and begin the healthcare coursework that would lead to his career switch from law enforcement officer to certified medical assistant (CMA).

Kelly, 40, now works in the Neurology Clinic at the University Health Lakewood Medical Center in Lee's Summit, Missouri, near Kansas City. Kelly, who is married and has five children ranging in age from 6 to 17, said that his path might not have been conventional, but it has provided a rewarding career that allows him to financially support his family while filling a longstanding desire to help others.

Kelly and his peers—workers in the fast-growing healthcare field who have "some college" but not bachelor's degrees or more advanced academic degrees—are part of a workforce segment that has seen notable wage growth since the start of the COVID-19 pandemic. Kansas City Fed Associate Economist

Emily Pollard explored the topic in detail in an *Economic Bulletin* published in December 2023. The full publication is available at [KansasCityFed.org/research/economic-bulletin](https://www.kansascityfed.org/research/economic-bulletin).

Pollard’s study found that, compared with 2019, the overall labor force contains about 1.5 million fewer individuals who have some post-secondary education but less than a bachelor’s degree. As a result, vacancies for jobs that require a post-secondary certificate or an associate degree remain high, especially in health-related fields. These shortages have contributed to higher wages in the healthcare sector, and the scenario is unlikely to change soon.

“First, the vacancies data suggest that while employers have strong demand for workers with this level of education, the supply of these workers is limited,” Pollard said. “Consequently, employers may be forced to offer higher wages in hopes of attracting qualified workers. Second, the employment data suggest that employers have turned to workers with more education to fill these open positions. More highly educated workers are generally more expensive; thus, as employers shift to these workers, the average wage in these occupations is likely to increase.”

## What the trends tell us

The components central to Pollard’s study—labor tightness and inflation—are among the trends closely monitored by the Federal Reserve.



Associate Economist Emily Pollard

“Healthcare in general has very high labor costs, and wages in the healthcare sector feed into overall inflation and prices,” Pollard said “It’s something that we want to keep in mind. So, in healthcare, here’s another place where we have labor tightness.”

Pollard found that the increase in wages in the healthcare field from 2019 to 2023 was in line with the increase in wages across the economy during that same period. However, wages for healthcare and for the economy as a whole increased much more during that span than from 2015 to 2019.

“In fact, they grew about twice as much,” Pollard said. “For instance, CPS (Current Population Survey) data show wages in the healthcare field grew about 12% from 2015 to 2019 compared with nearly 25% from 2019 to 2023.”

While studying those trends, Pollard explored the drop in the number of individuals with some college education in the overall workforce compared with pre-pandemic years. She began by asking “Who are these people, and where did they go?” She found that there has been an especially high rate of retirement in that education group while fewer young people with that level of education have been entering the labor force.

“CPS DATA SHOW WAGES IN THE HEALTHCARE FIELD GREW ABOUT 12% FROM 2015 TO 2019 COMPARED WITH NEARLY 25% FROM 2019 TO 2023.”

— Emily Pollard

Administrators and human resources professionals in the healthcare sector are still dealing with the effects of those trends.

“Healthcare recruitment across the board has reached a new dynamic,” said Danielle Harrison, senior director of talent acquisition for University Health. “Throughout the COVID-19 pandemic, many individuals left the healthcare profession, and many students dropped out of school, or finished school but were underprepared to enter the workforce in the pandemic state.”

While acknowledging the data presented in the *Economic Bulletin*, Harrison said that a broader picture should be understood.

“I believe other factors have contributed to the overall wage inflation, including the shortage of skilled professionals; the mentality around gig/staffing agency work; and the competition between local hospitals,” Harrison said. “I believe there is fierce competition for all positions in healthcare, regardless of the educational component.”

The post-pandemic competition for workers with “some college” can extend beyond hospital settings.



Greg Ikner, The AGA Group

“In today’s rapidly evolving job market, it is crucial for the public to understand that a college degree does not define one’s capabilities or potential for success,” said Greg Ikner, president of The AGA Group, an Overland Park, Kansas-based staffing and recruiting firm specializing in the dental health workforce. “As we navigate the post-COVID-19 labor market, the demand for skilled healthcare professionals has never been higher.”

Ikner said that following the pandemic he has seen employers increasing compensation offers to workers who hold certifications. He said that it is important for employers in general to understand that—compared with previous eras—these workers might not have four-year degrees, but they have more options.

“Many high school grads are seeking careers that interest them in IT, project management, sales, architecture, plumbing and electrical work,” Ikner said.

“These jobs and careers are well-paying, and there is no burden of four-year school loans that eat into your paycheck. By tapping into this talent pool, businesses can benefit from a more diverse and innovative team.”

## Inside a career shift

For his part, Kelly said he doesn’t regret the change to a healthcare career despite the fact that he comes from a long line of lawmen on both parents’ sides of the family. Varying family experiences with healthcare set the foundation for the switch, even if he didn’t always realize it. For example, his sister once worked in medical billing, and his mother served as a counselor in a Wichita area health clinic serving low-income patients.

At age 8, Kelly was diagnosed as a Type 1 diabetic, meaning that he had to learn to inject insulin. Later, his mother would invite him to speak to youth groups at the clinic as part of diabetes awareness and outreach efforts. Kelly now wears a continuous glucose monitor to help manage his health, and he freely shares his experiences as a way to enlighten others about the condition. “I tell my story frequently to patients, my co-workers and friends,” he said. Kelly also said that his career decision was heavily influenced by the care provided to his daughter (now 12 years old) when she faced a serious medical condition as an infant. Those interactions with doctors, nurses and staff “changed my mentality,” he said.

When he decided to move on from criminal justice classes, he found a program at Wellspring School of Allied Health in Kansas City that offered two healthcare certifications on an accelerated track.

“I am a CMA through the American Association of Medical Assistants, and I completed certification through the National Association of Health Professionals as a Nationally Certified Registered Medical Assistant,” Kelly said. “The healthcare field offers a lot of positive things: Some of the best medical insurance available, great flexibility and readily available positions worldwide... My options are limitless as a medical assistant.”

Kelly’s duties day to day can range from recording patients’ vital signs and medical histories to coordinating information pertaining to medical records, test results and medication as needed by physicians and pharmacists.

“My education and hands-on schooling gave me confidence to hit the ground running in our hospital,” he said.

## Assessing the outlook

In healthcare occupations as a whole, unwinding of labor tightness does not appear on the horizon, Pollard concluded in the *Economic Bulletin*. The increase in retirements among workers with some college education was part of a long-term trend rather than a pandemic anomaly, so that is unlikely to reverse course. Other data in Pollard’s study suggests that the number of young workers stepping into roles left by those retirees is unlikely to increase substantially in the short term.

“We are an aging population,” Pollard said. “A lot of people went to school 35 or 40 years ago for associate degrees and are now aging out of the workforce.”

Beyond those factors, the healthcare sector overall is having to adjust how it recruits and retains people, according to Jandel Allen-Davis, president and CEO of Craig Hospital in Englewood, Colorado. Allen-Davis also is deputy chair of the Bank’s Kansas City Board of Directors.

“The reality is that we (in healthcare overall) are going to need to rethink how we onboard people,” which goes beyond compensation and extends to such factors as having work environments that are welcoming, inclusive and attentive to language and culture,” Allen-Davis said.

That notion of onboarding can require training and development in “soft skills to effectively navigate workplaces,” she said. “I don’t know that certificate programs or associate degree programs are teaching that, and I’m also not sure that colleges are either. But that’s a big problem, both in terms of retention and engagement.”

She added that wages are part of a much bigger picture that the healthcare sector needs to work through.

“We’re in an era where we’ve got to rethink the whole nature of recruitment and retention and what qualifications for work look like without, in our business, sacrificing safety or quality,” Allen-Davis said. “As you start to see turnover rise, there’s a tendency (among employers) to increase wages just to be able to recruit and keep people without dealing with the root



Jandel Allen-Davis, Craig Hospital, Denver, Colorado

causes of why your turnover is what it is—especially when the job market is as tight as it is.”

At University Health in Kansas City, Harrison said that one of the ways the medical center has addressed those challenges was by establishing Career Pipeline Programs. These programs offer free education and training, and participants are paid while working on site. For example, one of the offerings is a medical assistant apprenticeship in partnership with Metropolitan Community College of Kansas City and the Full Employment Council. Upon completion, participants can transition from apprentice to employee in the University Health system.

“We consider that a win-win scenario,” Harrison said.

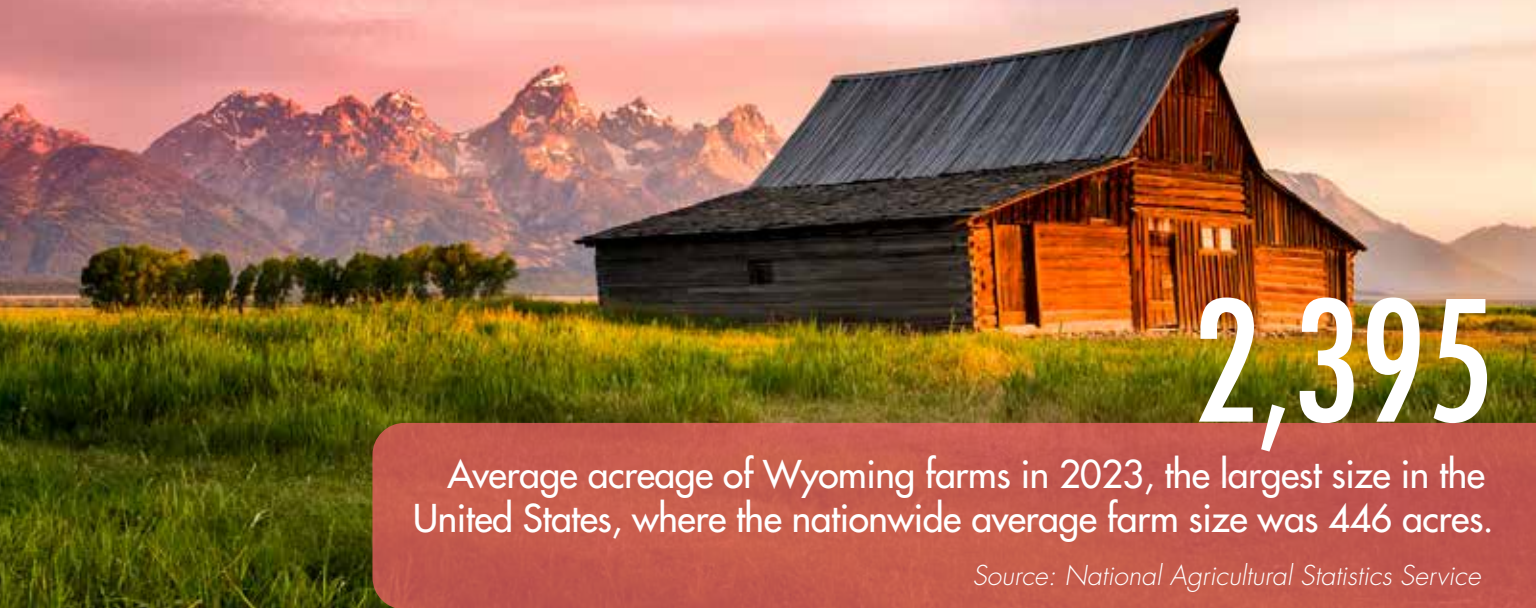


### FURTHER RESOURCES

To learn more about the study highlighted in this article and see other analysis by the Bank’s economists, go to [KansasCityFed.org/research](https://www.kansascityfed.org/research).

# Tenth District *by the numbers*

ECONOMIC INDICATORS, FACTS AND TRENDS FROM THE SEVEN STATES



# 2,395

Average acreage of Wyoming farms in 2023, the largest size in the United States, where the nationwide average farm size was 446 acres.

Source: National Agricultural Statistics Service



# 104,656

Number of people in Nebraska working in the manufacturing industry in 2023.

Source: Nebraska Department of Labor

# \$1.3 billion

Missouri's total sales of legal marijuana in 2023, driven heavily by adult-use recreational sales that began in February of that year.



Sources: Missouri Department of Cannabis Regulation



# 0.85%

Oklahoma's population growth in 2023, reflecting the fastest rate of growth since 2013.

Source: Kansas City Fed's Oklahoma Economist

## MORE ECONOMIC DATA

The Bank regularly publishes data about regional and national economic conditions at [KansasCityFed.org/research/indicatorsdata](https://www.kansascityfed.org/research/indicatorsdata).



# No. 1

Where Wichita, Kansas, landed in a December 2023 ranking of affordable U.S. cities for single renters. Minneapolis was No. 2, and New York City was last.

Source: RentHop



# 45.9%

Portion of Colorado's adult population holding a four-year or higher academic degree, the second-highest percentage nationally.

Sources: Denver Metro Chamber of Commerce and the Metro Denver Economic Development Corporation

# 2.75 billion

Revenue collected by the New Mexico State Land Office in the 2023 fiscal year, mostly from oil and gas, breaking the record of \$2.4 billion in 2022.

Source: New Mexico State Land Office

## FROM THE VAULT

### *Kansas City Fed History*



### How the Tenth District footprint took shape

The modern-day boundaries of the Tenth Federal Reserve District comprise Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. The District's footprint evolved over a span of nearly 70 years, adding some territory along the way.

Throughout the first several decades of the Federal Reserve, it was not unusual for counties to transfer from one Reserve Bank district to another, with approval from the Board of Governors and usually at the request of banks in those regions. For the Kansas City Fed, there were four such instances:

**1915:** In the year after the Bank opened, 26 Oklahoma counties transferred from the Federal Reserve Bank of Dallas to Kansas City's territory after the petition of the banks in those counties.

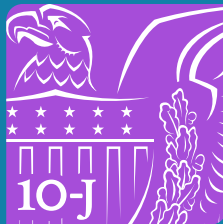
**1926:** Two counties in New Mexico transferred from the Dallas Fed to Kansas City.

**1972:** In the Federal Reserve's first boundary change in more than 40 years, 24 counties and 118 banks in Missouri transferred from the St. Louis Fed to Kansas City.

**1984:** Eight counties in southern Oklahoma transferred from the Dallas Fed to Kansas City, leaving the Tenth District's footprint as it is today.



2023  
**OMWI**  
report to congress  
FEDERAL RESERVE BANK OF KANSAS CITY



In 2023, the Federal Reserve Bank of Kansas City’s Office of Minority and Women Inclusion (OMWI) continued to meet the objectives required by Congress. For the Bank to successfully serve the public’s interests, its workforce, procurement practices, partnerships, and financial education efforts must embody inclusivity and reflect the Bank’s ethos.

### THREE-YEAR DEI STRATEGY

The Bank’s three-year (2022–2024) DEI plan was created to detail how a culture of diversity, inclusion, and belonging contributes to the organization’s success. Through four strategic priorities — recruitment and diversity, development and inclusion, “how we work”, and supplier diversity — the plan underlines the Bank’s dedication to recruitment and

focuses on sourcing talent and building on internal pipelines that are representative of the communities we serve. The Bank invests in professional and leadership development to position the workforce to deliver exceptional outcomes and to support a culture of inclusiveness and belonging. The “how we work” framework enhances culture with policies, practices, and resources supporting an accessible and inclusive workplace. The final strategic priority emphasizes the value of supplier diversity so that all companies interested in doing business with the Bank have the opportunity, where appropriate.

### PEOPLE, PROCUREMENT AND PARTNERSHIPS

Throughout 2023, the Bank enhanced efforts to remain proactive relative to its strategy.

*(Above) From left to right, employees are: DeAngelo Young, Information Technology; Kira Lillard, Research, Regional and Community Affairs; and Silvey El-Sayed, People, Strategy and Workplace Support.*



## PEOPLE

- Women's representation in mid-level management increased from 42.5% in 2022 to 43.5% in 2023.
- Women made up 42.1% of new hires in 2023 compared to 41.1% in 2022, while people of color made up 36.4% of the new hires in 2023 compared to 34.8% in 2022.

## PROCUREMENT

- The Bank recorded \$14.4 million in diverse spend in 2023 or 12.8% of the Bank's total reportable spend, exceeding its established benchmark of \$11 million.
- Diverse spend in 2023 was \$3.4 million with women-owned businesses and \$11 million was with minority-owned businesses

## PARTNERSHIPS

- The Bank partnered with the Federal Reserve Bank of Richmond and the Negro Leagues Baseball Museum to host Bob Kendrick, Museum President, who spoke on its history.
- The Bank's Denver branch office partnered with Junior Achievement, Economic Literacy of Colorado, and Big Brothers and Big Sisters of Colorado to expand its economic education reach.
- The Bank co-hosted the annual Girls in Tech event during Computer Science Education Week with the involvement of members of the Bank's Women in Technology Inclusion network.
- The Bank hosted its annual Banking and the Economy events along with other Reserve Banks and state bankers associations. For women and professionals of color working in the financial services sector, the programs offer distinctive experiences and knowledge about leadership, banking, and the economy.

## EMBRACING DEI: A JOURNEY BACK TO BASICS

TEESHA MILLER, VICE PRESIDENT AND DIRECTOR OF OMWI



In our ongoing pursuit of supporting the objectives of OMWI within our organization, it's imperative to celebrate the strides we've made while remaining committed to continuous improvement. Our latest OMWI report

reflects a range of progress, showcasing initiatives that have helped us build a more inclusive workplace.

We've witnessed continued advancements, including enhanced hiring practices and development programs. Our efforts have not only diversified our talent pool but have also fostered an environment where every individual feels valued, respected, and empowered to bring their authentic selves to work.

However, as we reflect on our achievements, we recognize the need to return to basics – to refocus our attention on aligning skill with will. While policies and programs are essential, true transformation occurs when we embed our OMWI strategy into our organizational culture. It's about embracing diversity as a fundamental aspect of how we operate and interact.

Moving forward, our emphasis will be on equipping our teams with the tools and mindset needed to support our OMWI efforts at every level. This means fostering a culture of accountability, where every member of our organization is empowered to drive meaningful change.

We commit to an inclusive future, fostering innovation and collective success together.

## INCLUSION NETWORKS

Inclusion networks offer ways for employees to engage, support and reinforce the Bank value of inclusion. Across the Bank's eight inclusion networks, over 63 events were held, reaching a total of 2,615 Bank employees (some employees attended multiple events). Events were strategically aligned with bankwide DEI initiatives and directly supported the mission and goals of each network.

### Asian American and Pacific Islander Voices (AAPI Voices)

AAPI Voices hosted an event to celebrate Diwali in partnership with the Federal Reserve Bank of Atlanta's Asian American Employee Resource Group. The event was attended by over 300 employees spanning across the Federal Reserve System.

### Black Employee Inclusion Network Group (BEING)

BEING was launched in December to support and advance the 10th District Bank's strategic theme of "great place to be" by creating an inclusive space for employees supporting the Black community.

### Employee Diversity Committee (EDC)

EDC hosted a monthly book club, totaling 270 attendees across all events. The book club provides an opportunity to learn about topics, generate honest and critical conversations, and increase support among Bank employees.

### Minorities in Technology (MIT)

MIT created a community outreach program with the goal of fostering a passion for learning. The initiative, involving students in the engineering and robotics program, further solidified its success in nurturing a culture of innovation and education.

### People of Color in Leadership (POCL)

POCL met with Bank Vice President Christina Robertson to hear about the new leadership assessment process and how members could lean into their own development and position themselves for opportunities. Additionally, the group held its annual fireside chat with President Jeff Schmid and got to learn more about him and his vision for DEI at the Bank.

### Rainbow Alliance

The Rainbow Alliance welcomed Jay Bohanon, a DEI specialist and cultural intelligence certified facilitator, who serves on the board for the Mid-American LGBT Chamber of Commerce for the Kansas City metro. This event provided employees with the opportunity to hear more about the organization and its role in the business community.

### Women in Technology (WIT)

Women in Technology hosted a panel of women technology leaders in an event called "Favorite Failure." Over 100 employees attended this empowering event, and a panel of speakers shared personal stories of resilience by highlighting pivotal moments in their careers that were initially seen as failures. Each leader delved into the challenges they faced, providing



Kalynn Murray, right, a Kansas City Fed employee, teaching coding skills at the Girls in Tech event on December 12, 2023.



Bank employees pose for picture at the Asian American Pacific Islander Voices Diwali event.

insights into the lessons learned and the strategies employed to navigate and overcome those setbacks.

### **Veteran Engagement Network (VEN)**

Jill Castilla, 10th District Federal Advisory Council member and president and CEO of Citizens Bank of Edmond, Oklahoma, presented on her military background, challenges military members and spouses are facing especially with financing and banking, and banking initiatives she is leading. She provided a view into the struggles many military personnel face and discussed how the Bank can help provide tools and resources to support them.

### **Diversity Change Agent**

Each year, the Diversity Change Agent Award is presented to someone whose efforts have meaningfully advanced DEI at the Bank. This year's award honored Tammy Edwards, who retired in 2023 after 15 years of service as the Bank's OMWI Director. Two employees received the Change Agent Award: Caroline Farchmin, researcher in user experience in the IT division, and Kira Lillard, information management specialist in the Research division. Farchmin was recognized for their role in organizing the Bank's Rainbow Alliance and Lillard was recognized for her involvement with the Bank's Diversity Book Club.

For more about the Office of Minority and Women Inclusion and to read the 2023 OMWI report to Congress, visit [KansascityFed.org/aboutus/kcfedinformation/diversity](https://kansascityfed.org/aboutus/kcfedinformation/diversity).

# 2023 FEDERAL RESERVE BANK OF KANSAS CITY ANNUAL REPORT

The more than 2,000 employees of the Federal Reserve Bank of Kansas City serve the public across a seven-state region of the United States, spanning from the Central Plains through the Rocky Mountains of the American West. Their work encompasses each of the Federal Reserve's core mission areas: ensuring that the banks in the Tenth Federal Reserve District are well run and treating their customers fairly, that the payment system is safe and efficient, and that our region has an active voice in the Fed's decisions on national monetary policy.

Our ability to serve a large and diverse section of the United States from our offices in Kansas City, Denver, Oklahoma City and Omaha also relies on direct input from many individuals with whom we have been fortunate to build long-standing relationships. They serve as our directors, participate in advisory councils, attend roundtables or other events where we learn about economic and banking conditions. They come from a wide range of backgrounds including banking, business, community organizations, labor, agriculture, and other areas. They embody the spirit of the Federal Reserve's founders who recognized that an effective central bank for the United States needs to be directly engaged in the communities.

In this year's annual report edition of TEN, you can learn more about these connections and how they come together in our mission to foster a stable economic environment and a resilient financial and banking system.

The 2023 audited financial statements are available at [KansasCityFed.org](https://www.kansascityfed.org).

**JEFF SCHMID**  
President and Chief Executive Officer

(Right) Stability and service, then and now: President Jeff Schmid is pictured at an elevator at the Bank's headquarters, 1 Memorial Drive, with (at left) an archived elevator photo from 925 Grand, the Bank's former home.



In Case of Emergency,  
Please use Available  
Stairways



# 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, Federal Reserve Banks participate in the monetary policy process to help promote maximum employment and price stability.

The Bank fulfills its congressionally assigned role in shaping monetary policy by executing several actions and meeting specific responsibilities year-round. 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:

- 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 for all consumers.
- Making short-term collateralized loans to banks and assessing risks so that we can support the region in times of crisis and stress.
- Using supervisory authority to guard against threats to the stability of the financial system.



## PAYMENTS EXPERTISE, PARTNERSHIPS AND LEADERSHIP

The Bank supports a safe, reliable, 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. The Federal Reserve Bank of Kansas City is leading the Federal Reserve System's efforts to improve payments in the United States and make certain that the country's payments system is modern, safe, secure and accessible. Among the Bank's responsibilities:

- Supporting payments policies and systems that best serve the public.
- Using our expertise and talented technology professionals to be top provider of operational and support services to the U.S. Treasury.
- Leveraging our service culture.
- Ensuring efficiency and strong outcomes across all payments operations.



Scenes from the Tenth District's history: A 1960 photo taken during scouting for a new Denver Branch location. *Bank archives*



# HOW WE work

THE KANSAS CITY FED employs more than 2,000 workers across 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 and senior management. The Board's Audit Committee meets with Audit Division management, the Bank president and first vice president and other Bank management several times a year.

## RESEARCH, REGIONAL AND COMMUNITY AFFAIRS

The Research, Regional and Community Affairs Division studies and evaluates 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. The Division also includes the branch executives that lead the Bank's Denver, Oklahoma City and Omaha branch offices. Each year, in collaboration with the Public Affairs department, the division develops and hosts the Jackson Hole Economic Policy Symposium, assembling central bankers, economists, policymakers and academics from around the world 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.



Facilities Management employees (from left) Halaki Gionet, Michelle Parker and Cecilia Cheadle participated in an Engagement Fair at the Bank in October 2023.



<< In 1960 at the Kansas City Fed's former headquarters at 925 Grand, a worker performed maintenance inside the elevator system's control room. *Bank archives*

The division's Community Affairs function leverages research, resources, programs and partnerships to address a variety of community and economic development challenges faced by low- and moderate-income individuals, communities and underserved small businesses.

Each year, together with Human Resources, Public Affairs and other teams at the bank, the division produces an Office of Minority and Women Inclusion Report to Congress. Read a summary of the latest report on page 38.

### FEDERAL RESERVE FINANCIAL SERVICES

The Federal Reserve Financial Services Division (FRFS) provides leadership and support for several functions in support of the System's payments mission. Tenth District FRFS responsibilities include leadership for FRFS Enterprise Services, engagement in the FedNow program, and responsibilities for various FRFS functions in Technology, Operations, Enterprise Services, Office of the Chief Payments Executive, and Product and Relationship Management.

### INFORMATION TECHNOLOGY

Employees in this division support the efforts of all business areas in the Kansas City Fed and the Federal Reserve System through innovative information technology solutions. Among the services and functions in this division are Technology Delivery, Tech Strategy and Enablement, Information Security and IT Client Services.



At the Girls in Tech event in December 2023, Sirisha Manchella and other women working in information technology roles for the Bank introduced Kansas City area girls to IT career paths.

### LEGAL, GOVERNANCE AND PUBLIC AFFAIRS

This division provides advice on legal issues to management and the Board of Directors at each office, represents the Bank in administrative and judicial proceedings, and assists the Bank in complying with applicable law. The division also counsels employees on matters concerning the Code of Conduct, and it helps educate Bank employees on various legal issues. The division's Public Affairs department houses the corporate secretary's office and includes external and internal communications, media relations, government relations, public programs, publishing services, student and teacher education programs, and the District's Money Museums.

## PAYMENTS AND LAW ENFORCEMENT

The Payments and Law Enforcement 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 also houses Payments System Research, which produces public policy-related academic research, publications and presentations on domestic and international payments systems. Additionally, the division encompasses the Cash Services function which receives and distributes currency and coin to financial institutions, and the Law Enforcement function, which safeguards the Bank's assets and provides for a secure work environment.

## PEOPLE, STRATEGY AND WORKPLACE SUPPORT

The People and Strategy Division comprises Human Resources; Enterprise Strategy, Continuity, and Risk; Financial Management; and Facilities operations. The division serves the Bank's mission

through strategic business and workforce planning, risk management, facilities management, and the acquisition and allocation of talent, material goods and financial resources. The division also houses the Human Resources Technology Center. The division's engagement and inclusion function promotes a culture of inclusion and belonging that values diversity in the Bank's workforce, business practices and partnerships.

## SUPERVISION AND RISK MANAGEMENT

This division is responsible for supervising bank holding companies, savings and loan holding companies and state-chartered member banks in the Tenth District. 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 reviews and analyzes applications received from banking organizations for transactions requiring approval, such as acquisitions, mergers,



(Left) Senior Vice President Tara Humston leads the Supervision and Risk Management Division.

(Top right) Teams of employees competed during some of the annual United Way campaign activities at the Bank.



establishing additional branches and changes in ownership or control. Supervision and Risk Management also has responsibility for extending credit to depository institutions and assisting organizations in managing Federal Reserve account balances.

### TREASURY SERVICES

The Treasury Services Division carries out its responsibilities as a fiscal agent partner with the U.S. Treasury's Bureau of the Fiscal Service through providing leadership, program management, and operational support for programs within the Payments, Debt Financing, Debt Management, and Information Management business domains within the Tenth District's Treasury Portfolio.



Information Technology employee Sunitha Baswapuram took part in November celebrations of Diwali, a Hindu festival of lights, hosted by the Tenth District's Asian American and Pacific Islander inclusion network.

# ANNUAL REPORT 2023 MANAGEMENT COMMITTEE



(From left) Mr. Aleman, Mr. Zahnd, Ms. Humston, Ms. Cole, Ms. Connor, Mr. Schmid, Mr. Dubbert, Mr. Aadland, Ms. Block, Mr. Gruber, Ms. Robbins, Ms. Raley.

**Jeffrey R. Schmid**, President and Chief Executive Officer

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

**Josias A. Aleman**, Executive Vice President, Payments and Law Enforcement Division

**Denise I. Connor**, Executive Vice President and Chief Information Officer, Information Technology Division

**Joseph W. Gruber**, Executive Vice President and Director of Research, Research, Regional and Community Affairs Division

**Kimberly N. Robbins**, Executive Vice President, Federal Reserve Financial Services Division and Chief of Enterprise Services

**Todd L. Aadland**, Senior Vice President, Treasury Services Division

**Amy E. Cole**, Senior Vice President and Chief Human Resources Officer, People, Strategy and Workplace Support Division

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

**Diane Raley**, Senior Vice President, Regional, Public and Community Affairs Division, and Chief of Staff and Corporate Secretary (Retired)

**Craig C. Zahnd**, Senior Vice President, General Counsel, Ethics Officer and Chief Compliance Officer, Legal, Governance and Public Affairs Division

**Porcia B. Block**, Senior Vice President and General Auditor, Audit Division, Advisor to Management Committee

**Kara S. Bemboom**, Senior Vice President, Chief of Staff and Corporate Secretary, Advisor to Management Committee  
(Not pictured)

**Teesha Miller**, Vice President and Director of the Office of Minority and Women Inclusion, Advisor to Management Committee (Not pictured)

(Above) A 1922 snapshot of Bank officers and Law Enforcement personnel around an armored car. *Bank archives*



# OUR 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 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 capital, 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, Alex Williams, chair, chief executive officer and president of Halstead Bank, Halstead, Kansas, is a Class A director who was elected by and represents Group 3 member banks.

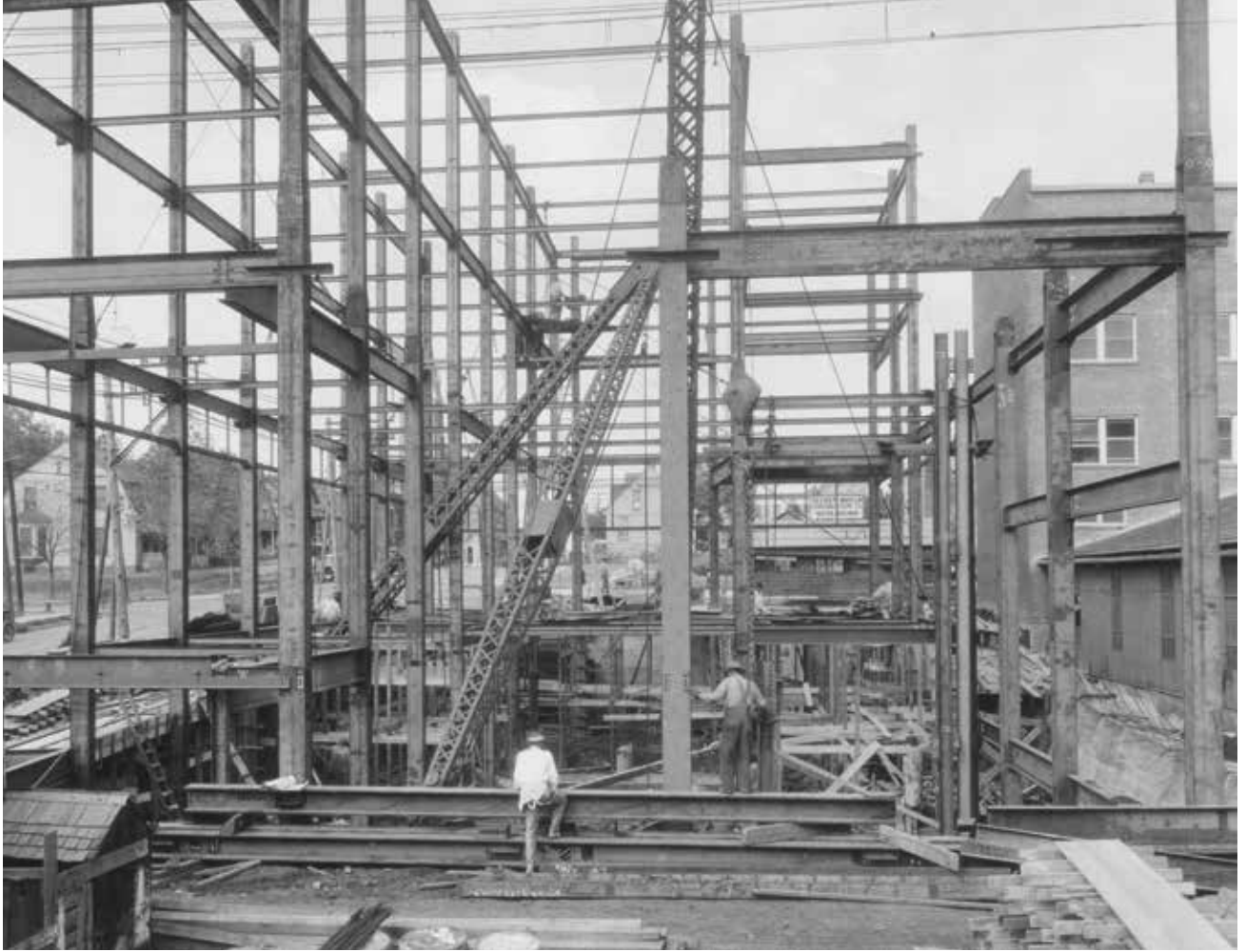
### CLASS B

The three Class B directors represent the public but must not be an officer, director or employee of a financial affiliation company. These directors also are elected by member banks under the same categories as Class A directors. For example, Ramin Cherifat, chief executive officer, McCownGordon Construction, Kansas City, Missouri, is a Class B director elected by and representing Group 1 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 must not be an officer, director or employee of a financial affiliation company. These directors must not own stock in a bank or a bank holding company. For example, Jandel Allen-Davis, president and chief executive officer, Craig Hospital, Englewood, Colorado, is a Class C director. From the Class C directors, the Board of Governors selects one person as chair and another as deputy chair.

(Above) A 1922 photo of a directors' board room at 925 Grand. *Bank archives*



## SERVING ON THE HEAD OFFICE BOARD

### Federal Reserve Bank of Kansas City

Reserve Bank directors meet several times a year 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 page 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 54-56.

## COMMITTEE MEMBERSHIP FOR HEAD OFFICE DIRECTORS DURING 2023

### Audit Committee

Trish Minard, Chair  
 Ruben Alonso III  
 Ramin Cherifat  
 Kyle Heckman  
 Alex Williams

### Compensation Committee

María Griego-Raby, Chair  
 Jandel Allen-Davis  
 Paul Maass

*Note: Board Chair Patrick Dujakovich is an ex officio member of each standing committee.*

(Above) Construction at the corner of Harvey and Third streets for the Oklahoma City Branch facility in 1922. Bank archives



(From left) Mr. Alonso, Ms. Allen-Davis, Mr. Williams, Mr. Dujakovich, Mr. Heckman, Ms. Griego-Raby, Ms. Minard, Mr. Maass, Mr. Cherafat.

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

**María Griego-Raby**, Deputy Chair, President and Principal, Contract Associates, Albuquerque, New Mexico (Class C)

**Jandel Allen-Davis**, President and Chief Executive Officer, Craig Hospital, Englewood, Colorado (Class C)

**Ramin Cherafat**, Chief Executive Officer, McCownGordon Construction, Kansas City, Missouri (Class B, Group 1)

**Ruben Alonso III**, President, AltCap, Kansas City, Missouri (Class B, Group 2)

**Paul Maass**, Chief Executive Officer, Scoular, Omaha, Nebraska (Class B, Group 3)

**Patricia J. Minard**, Executive Vice President and Chief Financial Officer, Emprise Bank, Wichita, Kansas (Class A, Group 1)

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

**Alex Williams**, Chairman, Chief Executive Officer and President, Halstead Bank, Halstead, Kansas (Class A, Group 3)

#### FEDERAL ADVISORY COUNCIL MEMBER

**Jill Castilla** (not pictured) President and Chief Executive Officer, Citizens Bank of Edmond, Edmond, Oklahoma



(From left) Ms. Gerlach, Ms. Lucero, Mr. Esparza, Mr. Dimond, Mr. Coyne, Ms. Glaros. (Not pictured: Mr. Wright.)

**Navin Dimond**, Branch Board Chair, Founder and Chief Executive Officer, Stonebridge Companies, Denver, Colorado (Board of Governors appointed)

**Del Esparza**, Chief Executive Officer, Esparza Digital + Advertising, Albuquerque, New Mexico (Board of Governors appointed)

**Janice J. Lucero**, President and Chief Executive Officer, MVD Express, Albuquerque, New Mexico (Board of Governors appointed)

**John J. Coyne III**, Chairman, Chief Executive Officer and President, Big Horn Federal Savings Bank, Greybull, Wyoming (Kansas City Fed Board appointed)

**Rachel Gerlach**, Chief Credit Officer, Alpine Bank, Glenwood Springs, Colorado (Kansas City Fed Board appointed)

**Nicole Glaros**, Founder and Chief Executive Officer, Phos, Boulder, Colorado (Kansas City Fed Board appointed)

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

Branch directors provide insight on local economic conditions, and they advise and counsel the Branch executives.





(From left) Mr. Burrage, Ms. Hooper, Mr. Sidwell, Ms. Washington, Mr. Duncan, Ms. Weber, Mr. Salmon.

**Katrina Washington**, Branch Board Chair, Owner, Stratos Realty Group and Executive Director, Neighborhood Housing Services Oklahoma, Oklahoma City, Oklahoma (Board of Governors appointed)

**Rhonda Hooper**, President and Chief Executive Officer, Jordan Advertising, Oklahoma City, Oklahoma (Board of Governors appointed)

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

**Mark Burrage**, Chief Executive Officer, FirstBank, Atoka, Oklahoma (Kansas City Fed Board appointed)

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

**Terry Salmon**, President, CSD, Oklahoma City, Oklahoma (Kansas City Board Fed appointed)

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



(From left) Mr. Karpf, Ms. Martin, Mr. Lauritzen, Mr. Fernandez, Ms. Tapio, Ms. Li, Mr. Sieck.

**L. Javier Fernandez**, Branch Board Chair, President and Chief Executive Officer, Omaha Public Power District, Omaha, Nebraska (Board of Governors appointed)

**Joanne Li**, Chancellor, University of Nebraska at Omaha, Omaha, Nebraska (Board of Governors appointed)

**Carmen Tapio**, Owner, President and Chief Executive Officer, North End Teleservices LLC, Omaha, Nebraska (Board of Governors appointed)

**Zac Karpf**, President, Platte Valley Bank, Scottsbluff, Nebraska (Kansas City Fed Board appointed)

**Clark Lauritzen**, Chairman and President, First National Bank of Omaha, Omaha, Nebraska (Kansas City Fed Board appointed)

**Susan L. Martin**, President and Secretary-Treasurer, Nebraska State AFL- CIO, Lincoln, Nebraska (Kansas City Fed Board appointed)

**Dwayne W. Sieck**, Managing Principal, Farnam Street Real Estate Capital, Omaha, Nebraska (Kansas City Fed Board appointed)

# THEN AND NOW: FOSTERING ECONOMIC STABILITY

At the Federal Reserve Bank of Kansas City, our 110-year history as an organization is foundational to who we are and the work that we do through our head office and through our branch offices in Denver, Oklahoma City and Omaha. Learn more about the Bank's formation and its history in the free book "Confidence Restored" at [KansasCityFed.org/about-us/historical-publications](https://www.kansascityfed.org/about-us/historical-publications).



A 1927 view of the Denver Branch building at 1111 17th St.



The Omaha Branch office opened in 1917 in the Farnam Building (shown here in 1924) at 13th and Farnam streets.



The Kansas City Fed moved into the 925 Grand building in 1921.



The Oklahoma City Branch has been at Third and Harvey streets since 1923, with an extension in 1962.

# ANNUAL REPORT 2023 ADVISORY COUNCILS ECONOMIC ADVISORY COUNCIL



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



(Front row, left to right) Mr. Eihusen, Ms. Davidson, Mr. Case, Ms. Thompson, Mr. Gaspar. (Back row, left to right) Mr. Kramer, Mr. Burkett, Ms. Beatty, Ms. Montoya. (Not pictured) Ms. Hamann, Mr. Murphy, Ms. Simmons.

(Above) The entrance to the sixth floor of the 925 Grand building in 1950, before an alteration of that space.  
*Bank archives*

**Kim Beatty**

Chancellor  
Metropolitan Community College  
Kansas City, Missouri

**Matthew Burkett**

Chairman and Chief Executive Officer  
The Flyfisher Group  
Denver, Colorado

**Scott Case**

President  
Case & Associates Properties  
Tulsa, Oklahoma

**Janine Davidson**

President  
Metropolitan State University of Denver  
Denver, Colorado

**DJ Eihusen**

President and Chief Executive Officer  
Chief Industries  
Grand Island, Nebraska

**Clay Gaspar**

Executive Vice President and Chief Operating Officer  
Devon Energy  
Oklahoma City, Oklahoma

**Jennifer Hamann**

Executive Vice President and Chief Financial Officer  
Union Pacific Railroad  
Omaha, Nebraska

**Joe Kramer**

Chief Financial Officer  
J-Six Enterprises  
Seneca, Kansas

**Lillian Montoya**

President and Chief Executive Officer  
CHRISTUS St. Vincent Regional Medical Center  
Santa Fe, New Mexico

**Tim Murphy**

Executive Chairman  
Murphy-Hoffman  
Leawood, Kansas

**Peggy Simmons**

President and Chief Operating Officer  
Public Service Company of Oklahoma  
Tulsa, Oklahoma

**Rebecca Thompson**

Chief Financial Officer & Treasurer  
AAON Inc  
Tulsa, Oklahoma

# ANNUAL REPORT 2023 COMMUNITY DEVELOPMENT ADVISORY COUNCIL

Members, who come from community organizations and financial institutions, meet twice a year with Kansas City Fed community development staff to offer insight on economic and community development issues in the region.



(Front row, left to right) Ms. Abeita, Ms. Loya-Torres, Ms. Bish, Mr. Greenwell. (Middle row, left to right) Ms. Smith, Ms. Abbott Patterson, Mr. Ramirez, Mr. Sufi. (Back row, left to right) Mr. Upton, Mr. Hughes. (Not pictured: Ms. Donawa, Mr. Hoversland, Mr. Jolley.)

[Niki Donawa](#)

Chief Community Relations  
Officer  
University Health  
Kansas City, Missouri

[Monica Abeita](#)

Executive Director  
North Central New Mexico  
Economic Development District  
Santa Fe, New Mexico

[Don Greenwell](#)

President and Executive Director  
The Builders' Association  
Kansas City, Missouri

[Scott Hoversland](#)

Executive Director  
Wyoming Community  
Development Authority  
Casper, Wyoming

[Quintin Hughes](#)

Program Director  
Northeast OKC Renaissance Inc.  
Oklahoma City, Oklahoma

[Geoff Jolley](#)

Executive Director  
Local Initiatives Support  
Corporation  
Kansas City, Missouri

[Cindy Logsdon](#)

Executive Director/Chief Executive  
Officer  
Citizen Potawatomi Community  
Development Corporation  
Shawnee, Oklahoma

[Jackie Loya-Torres](#)

Manager, CRA and Community  
Development  
Commerce Bank  
Kansas City, Missouri

[Aubrey Abbott Patterson](#)

President and Chief Executive  
Director  
Hutchinson Community  
Foundation  
Hutchinson, Kansas

[Alan Ramirez](#)

Director of Strategic Lending  
Colorado Enterprise Fund  
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

[Pete Upton](#)

Executive Director  
Native 360  
Grand Island, Nebraska

# ANNUAL REPORT 2023

## 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. The advisory council's chair represents the District at semi-annual meetings with the Federal Reserve Board of Governors in Washington D.C.



(Left to right) Ms. DeVore, Mr. Wolfe, Mr. R. Anderson, Mr. Becker, Ms. Harmon, Mr. Liebelt, Ms. Reses, Mr. Tyurikov, Mr. B. Anderson. (Not pictured: Mr. Klug, Mr. Martinez, Ms. Wade).

**Kim DeVore**, Advisory Council Chair, President, Jonah Bank, Casper, Wyoming

**Barry Anderson**, President and Chief Operating Officer, F&M Bank, Edmond, OK 73012

**Rick Anderson**, Executive Vice President and Chief Operating Officer, Sandia Laboratory Federal Credit Union, Albuquerque, New Mexico

**Curt Becker**, Executive Vice President and Chief Financial Officer, American National Corporation and American National Bank, Omaha, Nebraska

**Megan Harmon**, Branch President and Chief Operating Officer, The Eastern Colorado Bank, Colorado Springs, Colorado

**Ted Klug Jr.**, President, Sand Hills State Bank, North Platte, Nebraska

**Kelvin Liebelt**, Chief Risk Officer, INTRUST Bank NA, Prairie Village, Kansas

**Joe Martinez**, President and Chief Lending Officer, San Luis Valley Federal Bank, Alamosa, Colorado

**Jackie Reses**, Chief Executive Officer and Chair, Lead Bank, Lees Summit, Missouri

**Oleg Tyurikov**, President, Community Bank & Trust, Neosho, Missouri

**Alicia Wade**, President and Chief Operating Officer, Valliance Bank, Oklahoma City, Oklahoma

**Leonard Wolfe**, President and Chairman, United Bank & Trust, Marysville, Kansas



Members represent Tenth District financial institutions and nonbanks that play a role in the payments system. 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.



(From left) Mr. Doyle, Ms. McQueen, Mr. Pierce, Mr. Wiedenmann, Ms. Puckett, Mr. Brown, Ms. Wilson, Ms. Doyle, Ms. Kaminkas, Ms. Robinson, Mr. DeBroeck, Mr. Hagan.

**Michael Brown**, Chairman, Chief Executive Officer and President, Euronet Worldwide, Kansas City, Missouri

**Michael DeBroeck**, Director, Commercial Support Services, Intrust Bank, Wichita, Kansas

**Jon Doyle**, Senior Vice President, Operations, FNBO, Omaha, Nebraska

**Susan Doyle**, President and Chief Executive Officer, EPCOR, Kansas City, Missouri

**Jason Hagan**, Senior Vice President, Sunrise Banks, Omaha, Nebraska

**Kelly Kaminkas**, Chief Digital Officer, FirstBank, Lakewood, Colorado

**Christine McQueen**, Senior Vice President, BOK Financial, Tulsa, Oklahoma

**David Pierce**, Chief Information Officer, Canvas Credit Union, Denver, Colorado

**Chelsea Puckett**, Senior Vice President, Strategic Payments Systems, Stride Bank, Enid, Oklahoma

**Susan Robinson**, Deputy Assistant Commissioner, Federal Disbursement Services, Department of the Treasury, Kansas City, Missouri

**Chris Wiedenmann**, Senior Vice President, Commerce Bank, Kansas City, Missouri

**Uma Wilson**, Executive Vice President, UMB Bank, Kansas City, Missouri

# ANNUAL REPORT 2023 OFFICERS ROSTER

## KANSAS CITY

Jeffrey R. Schmid  
President and Chief Executive Officer

Kelly J. Dubbert  
First Vice President and  
Chief Operating Officer

Denise I. Connor  
Executive Vice President and  
Chief Information Officer

Joseph Gruber  
Executive Vice President and  
Director of Research

Kimberly N. Robbins  
Executive Vice President and  
Chief of Enterprise Services for  
Federal Reserve Financial Services

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Executive Vice President

Todd L. Aadland  
Senior Vice President

Amy E. Cole  
Senior Vice President and  
Chief Human Resources Officer

Tara L. Humston  
Senior Vice President

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

Porcia B. Block  
Senior Vice President and  
General Auditor

Kara S. Bemboom  
Senior Vice President, Chief of Staff  
and Corporate Secretary

Kristi Coy  
Senior Vice President

Andrew J. Frank  
Senior Vice President

Megan L. Hruda  
Senior Vice President

William T. Mackey  
Senior Vice President

Renu A. Mehra  
Senior Vice President

Evan A. Polly  
Senior Vice President

Lee Smith  
Senior Vice President and Economist

Brosie D. Strada  
Senior Vice President

Donna J. Ward  
Senior Vice President

Luke B. Woodward  
Senior Vice President

William W. Dandridge  
Group Vice President

Judith H. Hazen  
Group Vice President

Stephanie L. Stratemeier  
Group Vice President

Adam M. Winzenried  
Group Vice President

John R. Arensberg  
Vice President

Nicholas S. Billman  
Vice President and  
Assistant General Counsel

Jason P. Brown  
Vice President and Economist

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Vice President

Sharon Charles  
Vice President

Chris J. Constant  
Vice President

Ernie W. Craig Jr.  
Vice President

Ryan L. Harwell  
Vice President

Jill M. Hicks  
Vice President

Jennifer L. Hopkins  
Vice President

Melissa L. Jackson  
Vice President and  
Administrative Officer

Jami K. Kennedy  
Vice President

Holly A. Koenig  
Vice President

John T. Lee  
Vice President

Brooke Metcalf  
Vice President

Teesha Miller  
Vice President and  
Director of the Office of  
Women and Minority Inclusion

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Vice President

Amanda M. Ressler  
Vice President

Christina Robertson  
Vice President

Lindsay D. Schuler  
Vice President

David R. Smith  
Vice President

Michael R. Steckline  
Vice President

Holly D. Steffes  
Vice President

James W. Stuart II  
Vice President

Hailie F. Turner  
Vice President

David Whittaker  
Vice President

Ingrid M. Wong  
Vice President and  
Assistant General Counsel

Frank C. Allen  
Assistant Vice President

Patrick M. Balint  
Assistant Vice President

Huixin Bi  
Research and Policy Officer

Dan A. Bower  
Assistant Vice President

Dawn Boydston  
Assistant Vice President

Dan Cade  
Assistant Vice President

Andy Chiamopoulos  
Assistant Vice President

Emily Clothier  
Assistant Vice President

Jennifer Cobos  
Assistant Vice President

Sarah Crumley  
Assistant Vice President

Paulo Dominguez  
Assistant Vice President

Marjy Elam  
Assistant Vice President

Gregory H. Gander  
Assistant Vice President

John Gray  
Assistant Vice President

Jeremy W. Hegle  
Assistant Vice President and  
Community Affairs Officer

Jeffrey Imgarten  
Assistant Vice President

Stefan Jacewitz  
Research and Policy Officer

Jeffrey G. Kisling  
Assistant Vice President

Erin Kliethermes  
Assistant Vice President

Keely Kropf  
Assistant Vice President

Olivia Kussoy  
Assistant Vice President

Jeffrey E. Legette  
Assistant Vice President

Gentry Leitner  
Assistant Vice President

Bonnie B. Lyons  
Assistant Vice President

Valerie Marsh  
Assistant Vice President

Christi May-Oder  
Assistant Vice President

Lakota L. McCune  
Assistant Vice President and  
Assistant General Auditor

Cassandra L. McKown  
Assistant Vice President

Bill Medley  
Assistant Vice President and  
Public Information Officer

Roger Moore  
Assistant Vice President

Jose Mustre-del-Rio  
Research and Policy Officer

Melissa Norwood  
Assistant Vice President

Jacqueline M. Nugent  
Assistant Vice President

Lacey Peters  
Assistant Vice President

William A. Plewa  
Assistant Vice President

Jeffery E. Puckett  
Assistant Vice President

Zachary J. Richmond  
Assistant Vice President

Kristi Roman  
Assistant Vice President

Matthew Ruemker  
Assistant Vice President

Kevin Rutledge  
Assistant Vice President

Paul R. Savastano  
Assistant Vice President

Rodney J. Schmidt  
Assistant Vice President

Paul L. Somogye  
Assistant Vice President

Jared Weikum  
Assistant Vice President

Joshua Woods  
Assistant Vice President

## DENVER

Nicholas B. Sly  
Vice President, Branch Executive  
and Economist

Amber R. Conley  
Vice President

Anne C. Gossweiler  
Vice President

Trina Chapman  
Assistant Vice President

Lara Hurst  
Assistant Vice President

William Kelper  
Assistant Vice President

## OKLAHOMA CITY

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Senior Vice President,  
Branch Executive and Economist

Michael A. Combs  
Vice President

Nick Baker  
Assistant Vice President

Dustyn DeSpain  
Assistant Vice President

Douglas L. Gray  
Assistant Vice President

## OMAHA

Nathan S. Kauffman  
Senior Vice President, Branch  
Executive and Economist

Nicholas Hatz  
Assistant Vice President

Julie Nielsen  
Assistant Vice President

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

CHANGE SERVICE REQUESTED

A photograph of a woman with brown hair, wearing a yellow cardigan and glasses on her head, smiling warmly. She is looking towards a man in a blue suit who is seen from the back/side. They appear to be in an office or professional setting. The image is partially obscured by an orange banner at the top and bottom.

# 2023 FINANCIAL REPORT

Read the Federal Reserve Bank of Kansas City's 2023 audited financial report.  
[KansasCityFed.org/about-us/kc-fed-information/annual-reports](https://www.kansascityfed.org/about-us/kc-fed-information/annual-reports)

Also available online: Financial reports from previous years, as well as lists of officers, directors and advisory councils.