

FEDERAL RESERVE BANK OF KANSAS CITY / WINTER 2023

TEN

A portrait of Esther George, a woman with shoulder-length blonde hair, wearing a black blazer over a black top and a pearl necklace. She is sitting and looking directly at the camera with a slight smile. The background is a blurred office setting with blue vertical elements.

A Legacy of Leadership

**ESTHER GEORGE RETIRING AFTER 40 YEARS
OF SERVICE WITH THE FEDERAL RESERVE**

[Career Retrospective](#) | [What's Really Inside a President's Office?](#) | [Farewell Letter to the Tenth District](#)

TEN

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TEN magazine is a quarterly publication of the Federal Reserve Bank of Kansas City focused on the connection between the Bank's research and the Tenth Federal Reserve District. TEN features articles on the Federal Reserve's history, structure and operations. The views and opinions expressed in TEN are not necessarily those of the Federal Reserve Bank of Kansas City, the Federal Reserve System, its governors, officers or representatives.

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ON THE COVER»

President Esther L. George pictured in the fall of 2022 in the board room at the Kansas City Fed's head office. Photo by Mark McDonald. Design by Alison Reichert.



Farewell from the President

ESTHER L. GEORGE

Photo by Gary Barber

Deeply grateful: It has been an honor to serve

When Congress created the Federal Reserve more than a century ago, it was intent on ensuring that the central bank of the United States would engage a wide range of stakeholders. Previous attempts at creating a central bank had not proven capable of serving an economy as broad and diverse as ours in part because they were monolithic institutions that many Americans felt were too closely aligned with powerful political and financial interests.

Under the Fed's decentralized structure, the Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, a seven-state region of the central United States: western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado and northern New Mexico. We supervise and examine the region's banks, provide financial services to depository institutions and

represent the District in the Federal Reserve's monetary policy deliberations.

The Federal Reserve, like the world around it, has changed considerably since I came to work for the Kansas City Fed in 1982. One of the most dramatic changes has occurred in the area of payments. At the time, checks were a prominent form of payment, and we processed them by the truckload as each moved from the point of payment back through a network of financial institutions until finally arriving in the monthly statements that depository institutions returned to their customers.

Today, of course, check volumes are far lower, and those that are written move through a process involving digital image capture. Notably, electronic payments across credit and debit networks have grown exponentially. As speed

“IT HAS BEEN AN HONOR TO SERVE AS PRESIDENT OF THE FEDERAL RESERVE BANK OF KANSAS CITY THE PAST 11 YEARS AND TO REPRESENT THIS REGION’S PERSPECTIVE AS PART OF POLICY DELIBERATIONS.”

and efficiency began to dominate the landscape, the Federal Reserve’s mission to ensure broad access and safety and resilience for the nation’s payment system prompted it to develop a new instant payment settlement service called FedNow, scheduled to be implemented later this year. The Kansas City Fed has been directly involved in this work.

While this payments project is a major initiative, our team at the Kansas City Fed has witnessed other changes in the way we fulfill our mission. Like many firms, technology has brought significant change to how we work, and today we employ a large number of IT professionals who are engaged in a wide range of projects, including work we do on behalf of the United States Treasury. In some cases, the consolidation of certain activities across the Federal Reserve System has occurred.

In the years to come, the Federal Reserve will be faced with changes in how it must deliver on its public mission. I am confident that the Kansas City Fed’s dedicated employees are more than capable of continuing to serve our region with the commitment and skill I have witnessed throughout my career. However, it is imperative that the founding principles of the institution remain its compass. The public’s trust in the nation’s central bank will likely continue to require its decentralized engagement in communities across the country. While the pandemic made very clear that technology can bring us together in ways once unimaginable, it also reaffirmed to me and many others the true value of

getting out from behind the screen and talking to each other in person. The experience confirmed for me something that I have experienced firsthand: the regional Federal Reserve Banks along with their affiliated Branch offices, are as important today in understanding our economy and serving our nation as they have ever been. Technology may offer the functionality of a connection, but effective understanding and engagement can only come from a shared experience and perspective.

It has been an honor to serve as president of the Federal Reserve Bank of Kansas City the past 11 years and to represent this region’s perspective as part of policy deliberations.

I am deeply grateful to those who have been willing to serve with me, including our directors, advisory council members, roundtable participants and the many individuals who attended Fed-sponsored events over the years. By welcoming me and other members of the Fed team to your factories, farms and other workplaces, you have helped to ground our understanding of the region’s diverse and vibrant economy and contributed meaningfully to the policy views I shared with my colleagues on the Federal Open Market Committee.

Thank you.



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 across Colorado, Kansas, western Missouri, Oklahoma, Nebraska, northern New Mexico and Wyoming. Here is a glimpse at the recent activities of President Esther L. George and the staff of the Kansas City Fed.

KANSAS, MISSOURI and BEYOND »



Speaking at conference hosted by the Central Bank of Chile

In November, President Esther George spoke at the 25th Annual Conference of the Central Bank of Chile in Santiago. Pictured with George were (from left) Jordi Gali, professor at Pompeu Fabra University in Barcelona, Spain, and José de Gregorio, professor at the University of Chile in Santiago and former governor of the Central Bank of Chile.



Awards program highlights diversity in financial services

The greater Kansas City chapter of the Urban Financial Services Coalition (UFSC) hosted its annual scholarship awards program at the Kansas City Fed in November. President George provided remarks at the event. The UFSC is a non-profit organization of diverse financial service professionals aimed at offering opportunities to influence financial conditions of ethnically and culturally diverse communities. Pictured with George were Theodis Watson, UFSC's national vice president, and Ola Truelove, UFSC's national president.



Kansas City Fed directors and senior leaders gather

In October, President George joined the Bank's Board of Directors and members of senior management at J. Rieger & Co. in Kansas City for a reception and dinner in conjunction with the Board's monthly meeting.



Truck leasing company's financial officers meet in Kansas City

President George in October visited the Nationalease Financial Officers annual meeting in Kansas City. The attendees shared insights on supply chains, shipping and distribution.



Former Fed vice chair honored at Truman Medal ceremony

In October, President Esther participated in the 2022 Truman Medal for Economic Policy award ceremony. The event's honoree was Roger W. Ferguson Jr., former vice chair of the Federal Reserve Board of Governors and current Steven A. Tananbaum Distinguished Fellow for International Economics at the Council on Foreign Relations. The Truman Medal for Economic Policy, established in 2005, provides a forum to recognize exceptional economic policy contributions. Pictured with George (left to right) were Ferguson; Alex Burden, executive director of the Truman Library Institute; Brian Klaas, dean of the Henry W. Bloch School of Management at the University of Missouri-Kansas City; and Amy Hawley Rose, president and executive director of the Economic Club of Kansas City. Learn more at www.trumanlibraryinstitute.org.



Missouri bankers hold management conference in Kansas City

At the Missouri Bankers Association's 2022 Executive Management Conference in December, President George delivered remarks on the outlook for community banking and took questions from the audience.



Chartered financial analysts' organization holds event at Kansas City Fed

In October, the Bank hosted nearly 100 members and guests of CFA Society Kansas City. President George provided remarks and engaged in discussions with attendees. Pictured with George are (from left) Michelle Trouvé, CFA Society Kansas City's president and CAPTRUST principal-financial advisor; Scott Ward, vice president of Draper and Kramer Inc.; and Michael Orndorff, a member of CFA Society Kansas City's board of directors.

Podcast features discussion about System innovation

Recently George joined a Federal Reserve System podcast focusing on innovation and the people and projects on the cutting edge of technological trends. The conversation was co-hosted by Sunayna Tuteja (right), the System's chief innovation officer, and Kim Robbins, Kansas City Fed executive vice president and chief of enterprise services for Federal Reserve Financial Services.





Hosting Federal Reserve conference on financial system

The Federal Reserve System Conference on Financial Institutions, Regulation, and Markets was hosted at the Bank over two days in October. President George provided keynote remarks for the hybrid event. About 30 economists from across the Federal Reserve presented papers on the financial system. Among the participants, pictured with George, was Kansas City Fed Research and Policy Officer Stefan Jacewitz.



Payments topics explored

In October, President George spoke at an annual payments symposium hosted by the Federal Reserve Bank of Chicago. Pictured with George (top photo, from left): Mark Gould, chief payments executive, Federal Reserve Financial Services; Ellen Bromagen, Chicago Fed first vice president; Loretta Mester, Cleveland Fed president and Chicago Fed President Charles Evans. (At right) President George and Evans participated in a discussion moderated by Bromagen. *Photos by Powell Creative Services*



Kansas City community guests attend Bank's annual holiday reception

The Bank's Kansas City holiday reception was held Nov. 30 at the Kansas City Fed's head office. Guests included leaders serving communities across the metropolitan area. Pictured with President George in the photo at right were (from left) Adriana Fields, a board member with the Urban Financial Services Coalition of Greater Kansas City (UFSC), and Tracy Rainge, president of the UFSC's Greater Kansas City chapter.



President George spoke with Terry and Peggy Dunn at the reception. Terry Dunn is CEO of Dunn Construction and a former director of the Kansas City Fed.



President George with Patrick (Duke) Dujakovich, deputy chair of the Kansas City Fed's Board of Directors and president of the Greater Kansas City AFL-CIO.



Denver Branch holds community reception

Civic and business leaders from the Rocky Mountain region attended the Denver Branch's annual community reception in November. President George (top photo) greeted guests and provided remarks. At the reception (bottom photo), George posed with Barbara Mowry, former Board of Directors chair; Lilly Marks, a former Bank director; and Jeff Mowry.



Omaha Branch hosts annual holiday reception

In December the Omaha Branch hosted community leaders and other guests at the annual President's Holiday Reception. Attendees interacted with branch management and President George. (Top photo) President George with (left to right) Mary Lopez and Omaha Branch alumni directors Rodrigo Lopez and Lyn Wallin Ziegenbein. (Middle photo) While at the Branch for the holiday reception, George posed for a group picture with the Branch employees. (Bottom photo) President George and Omaha Branch Executive Nate Kauffman spoke with Joanne Li, chancellor of the University of Nebraska at Omaha and Branch board member.



Oklahoma City Branch hosts annual holiday reception

In December the Oklahoma City Branch hosted community leaders and other guests at the annual President's Holiday Reception. Attendees interacted with branch management and President George.



President George with Tina Patel, former chair of the Oklahoma City Branch Board of Directors, and Pete Patel.



Christopher Turner, member of the Oklahoma City Branch Board of Directors, with Citizen Potawatomi Nation Tribal Chairman Rocky Barrett and Vice Chair Linda Capps, a former Kansas City Fed director.



Jill Castilla, president and CEO of Citizens Bank, Edmond, Oklahoma, and current Federal Advisory Council member, with Richard Ratcliffe, former member of the Bank's Oklahoma City Branch and Kansas City boards.



Oklahoma City Branch Executive Chad Wilkerson (left) with Terry Salmon, founder of Computer System Designers and Branch board member.

COLORADO, NEW MEXICO, WYOMING »

Sharing economic insight at New Mexico conference

Denver Branch Executive Nick Sly shared his thoughts about recent monetary policy actions and regional trends in late September at the New Mexico Conference on Economic Development in Albuquerque.



Conversations about Denver's economy

Denver Branch Community Development Advisor Ariel Cisneros (in the center at left) and Nick Sly participated in a roundtable with non-profit organizations to hear their thoughts on the Denver area's economy.



Sly and leaders from the Cheyenne area discuss the economy

In the fall, Nick Sly delivered a presentation and discussed national economic trends with business and community leaders in Cheyenne, Wyoming, at a Greater Cheyenne Chamber of Commerce Economic Forecast Breakfast. Anne Alexander, vice provost of Strategic Planning and Initiatives at the University of Wyoming, also spoke at the event, on the topic of local data.

OKLAHOMA »



Oklahoma City Branch welcomes Student Board of Directors

The 11th year of the Oklahoma City Branch Student Board of Directors kicked off in the fall with 26 students from 13 schools comprising the branch's largest student board to date. During the fall sessions, students learned about the purpose and functions of the Federal Reserve, college and career readiness, personal finance and budgeting.



Wilkerson provides economic outlook during outreach events

Chad Wilkerson, Oklahoma City Branch Executive, spoke at several events throughout Oklahoma in the fall. He discussed the U.S. and Oklahoma economic outlook during remarks to organizations including the Oklahoma City Association of Petroleum Landmen; the Center for Studies in Democracy and Culture at the University of Oklahoma Tulsa (pictured here); and the Ditch Witch leadership team in Perry.

Oklahoma Housing Conference puts eviction topic front and center

Steven Shepelwich, lead community development advisor at the Oklahoma City Branch, partnered with the Oklahoma Coalition for Affordable Housing on the 2022 Oklahoma Housing Conference. Matthew Desmond, Pulitzer Prize-winning author of the book *Evicted*, provided insight on emerging affordable housing and eviction trends.



Oklahoma City Branch hosts Banking and Supervision forum

The Oklahoma City Branch hosted the 2022 Banking and Supervision Forum in October. Chad Wilkerson and other Kansas City Fed leaders connected with Oklahoma bankers on current topics and regulations relevant to state member banks and holding companies.

NEBRASKA »



Nebraska organizations participate in Investment Connection event

Lead Community Development Advisor Dell Gines welcomed participants to the Omaha Branch for Investment Connection: Nebraska in November. During the event, representatives from eight community and economic development organizations presented proposals about investment opportunities in Nebraska that are eligible for CRA consideration to an audience of potential funders.



Providing economic updates in Manhattan, Kansas

Omaha Branch Executive Nate Kauffman shared an update on the regional and national economy during a meeting of the Manhattan Rotary Club in Manhattan, Kansas, in October. While in Manhattan, Kauffman also met with representatives from the Kansas Farm Bureau to discuss conditions in the agricultural economy.



Discussing economic conditions and outlook at ag bankers conference

Nate Kauffman spoke about the economic crosswinds shaping the path for agriculture, businesses and consumers during a general session of the American Bankers Association Agricultural Bankers Conference. The event took place in November in Omaha.



Panel discussion with area business leaders

Nate Kauffman participated in a panel discussion facilitated by Greater Omaha Chamber President and CEO Veta Jeffery at the Chamber's annual Economic Outlook forum in November. Also on the panel: Derek Leathers, chairman, president and CEO of Werner Enterprises; Beth Whited, executive vice president and chief human resources officer, Union Pacific Railroad; and Howard Liu, chair and professor, Department of Psychiatry, University of Nebraska Medical Center (not pictured). The discussion touched on trends affecting the business climate, economic conditions, and perspectives on future growth.



Notes from around the Tenth District



At the Minorities in Banking forum in September, Kansas City Fed Senior Vice President Tammy Edwards led a discussion with Atlanta Fed President Raphael Bostic.


Banking forums support career advancement of women and people of color

In 2022, the Kansas City Fed partnered with the Federal Reserve System to host “Banking and the Economy” forums that focused on diversity, inclusion and leadership in the banking industry.

These annual forums support women and people of color in the financial services industry by providing professional development, networking options and opportunities to increase their awareness of the Federal Reserve’s mission and resources. After two years of hosting the events virtually, both forums were offered in a hybrid format in 2022, allowing attendees to participate either in-person or virtually.

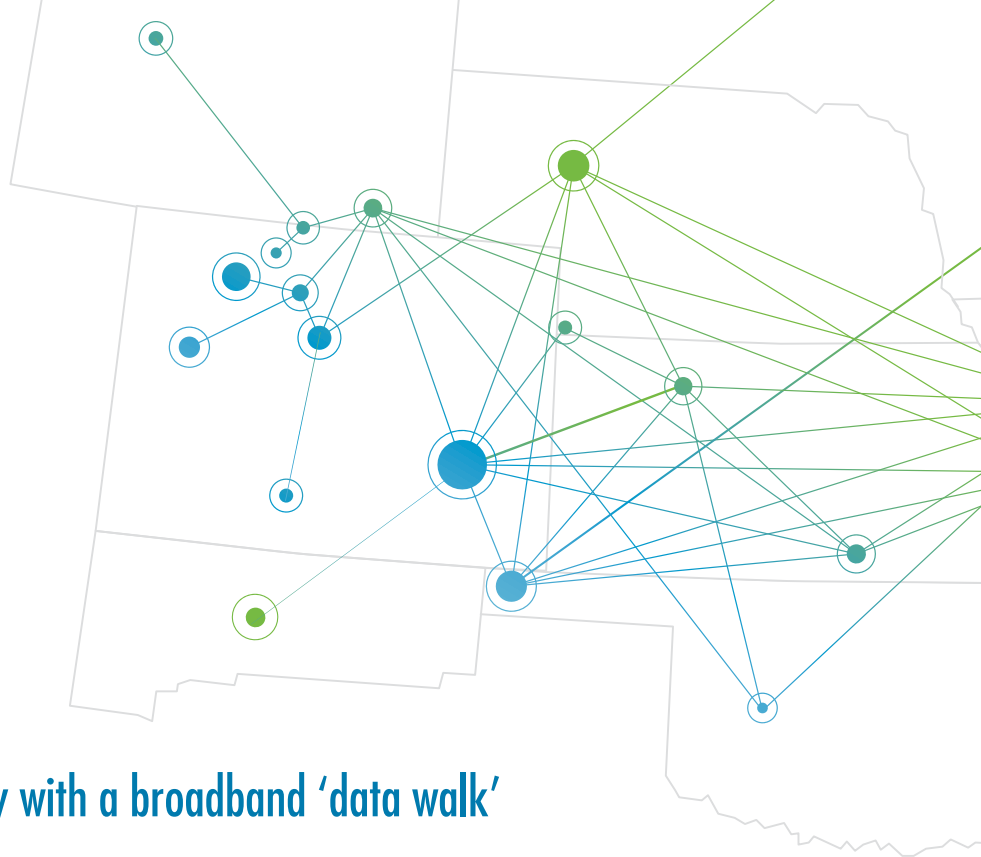
In March, the Kansas City Fed hosted “Banking and the Economy: A Forum for Women in Banking” in Oklahoma City in partnership with the Oklahoma Bankers Association and the Independent Community Bankers Association of Oklahoma. The event was attended by 176 women bank leaders, representing

64 organizations, from Colorado, Kansas, Missouri, Nebraska, New Mexico, Oklahoma and Wyoming. In September, the Federal Reserve System’s seventh annual “Minorities in Banking” forum took place at the Federal Reserve Bank of Atlanta and virtually, convening 235 diverse bank leaders from 25 states and 68 organizations.



FURTHER RESOURCES

Learn more about these forums and get registration details for future programs at [KansasCityFed.org/events](https://www.kansascityfed.org/events).



Engaging the community with a broadband ‘data walk’

Swatches of bright red on a map of the Kansas City area were the catalyst for a neighborhood conversation about broadband that included the Kansas City Fed and community partners.

The swatches—in Kansas City’s urban core and in the nearby cities of Independence and Lee’s Summit—showed where broadband was available but residents were not subscribing. The data map and broader report—produced by the Bank and available at KansasCityFed.org/community/digital-divide—shed light on Missouri’s broadband needs.

In October, residents of the Wendell Phillips neighborhood in Kansas City participated in a “data walk” conversation, designed to share information about the Kansas City Fed’s broadband research and hear residents’ views on whether the findings were accurate and what the results might mean for the neighborhood. The event was produced by the Bank and partners including aSTEAM Village and the Wendell Phillips Neighborhood Association. It was held at the offices of aSTEAM Village, a nonprofit that brings science, technology, engineering, arts and mathematics (STEAM) learning to Kansas City. The partners will use the data walk observations to identify actions they could take together or separately—such as further research, policy changes, training, or events—that would meet community needs.

The Kansas City partnership is one of four pilot projects in Reserve Banks; the others involve the Atlanta, Philadelphia and San Francisco banks. The projects are part of a System-wide effort to incorporate community-engaged research.

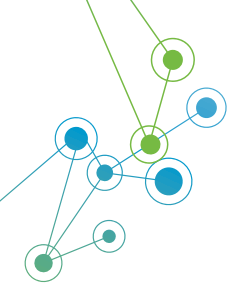


In October, Jarede Swinton, a student involved with aSTEAM Village in Kansas City, shared high points from a conversation she led among neighborhood residents about broadband. Kansas City Fed Senior Community Development Advisor Jeremy Hegle (center) helped coordinate the event. *Photo by Gary Barber*

FURTHER RESOURCES

Learn more about these forums and get registration details for future programs at KansasCityFed.org/events.





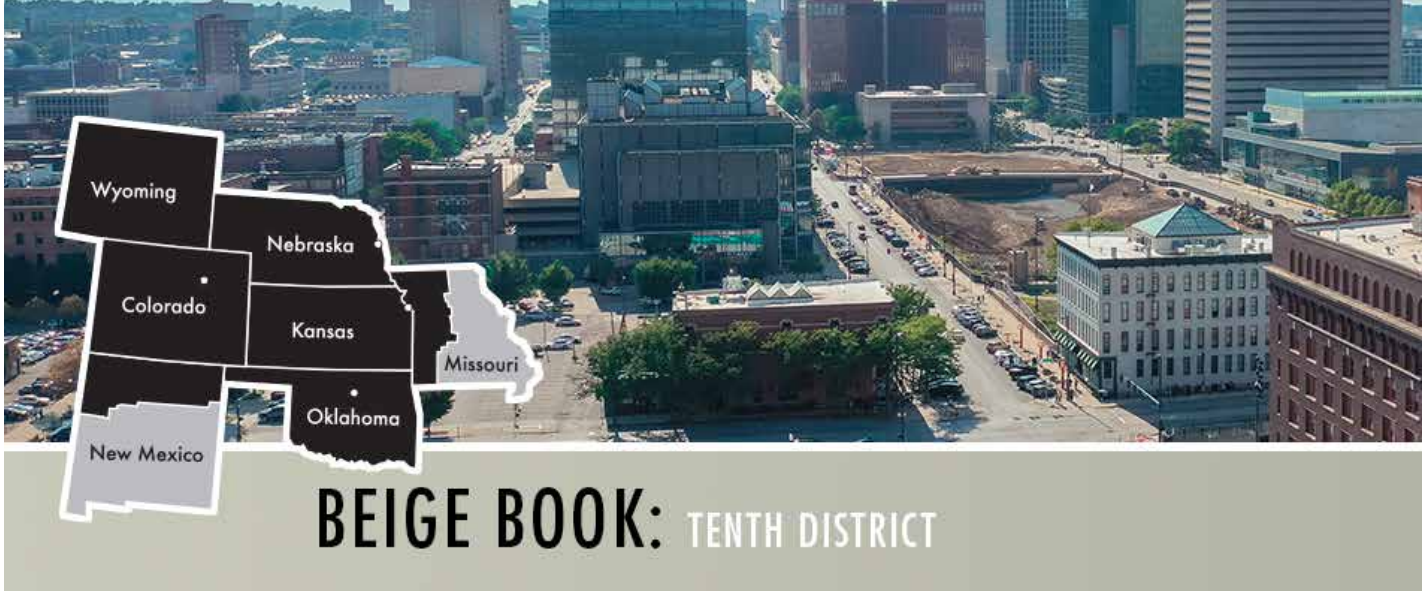
Kansas City Fed Law Enforcement Officer Mike Pofahl and K-9 officer Reese display the neckerchief and patch presented by the Girl Scouts of Nebraska.

Law Enforcement K-9 becomes honorary Girl Scout

Picture this: A K-9 becoming an honorary Girl Scout. That's actually what happened in October with Reese, a member of the Law Enforcement team in the Bank's Omaha Branch. Reese received the designation for her service to the community.

The recognition was part of Reese's visit with students at Highland Elementary School in Omaha as part of a Girl Scouts of Nebraska after-school program. Reese's handler, Officer Mike Pofahl, discussed the duties and responsibilities of a Law Enforcement K-9, while Reese demonstrated obedience and detection.

After the demonstration, a Girl Scout representative awarded a "Spirit of Nebraska" patch and neckerchief to Reese, declaring her an honorary Girl Scout in recognition of her contribution to Girl Scouts of Nebraska's after-school programs. The programs are provided free of charge with the goal of supporting girls in underserved communities and helping them achieve their goals in life. Following the October recognition, Reese participated in another after-school program presented by the Girl Scouts.



Get updated economic snapshots based on feedback from the region

Real economic activity in the Tenth District declined slightly in the latter months of 2022, according to feedback gathered for the Federal Reserve’s “Beige Book.”

declined slightly. Also, despite lower crop prices and worse-than-anticipated consequences of drought in the region, farm incomes and agricultural credit conditions improved modestly.

The Beige Book reports—made available to the public eight times a year—offer updated summaries on the economy in each of the Federal Reserve’s 12 regional bank districts. See the most recent Tenth District economic summaries and sign up to receive alerts at [KansasCityFed.org/surveys/beige-book](https://www.kansascityfed.org/surveys/beige-book).

Each District compiles an individual report based on various perspectives from its region, summarizing information collected across industries, communities and businesses. Kansas City Fed input sources include Bank and Branch directors and interviews, along with interviews with key business contacts, economists and market experts. The Kansas City Fed section of the Beige Book covers nine topics: labor markets; prices; consumer spending; community conditions; manufacturing and other business activity; real estate and construction; community and regional banking; energy and agriculture.

The Beige Book summary published in late November also showed that the pace of job growth in the Tenth District slowed because of the combination of lower demand from employers and ongoing labor supply constraints. Still, employers indicated that they were using higher compensation and additional training to build their workforces. Other feedback from that time frame showed that manufacturing production declined modestly; rent prices moderated; and commodity prices

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 January, February and March.

Colorado B&TC of La Junta	La Junta	Co.	99
Lusk State Bank	Lusk	Wyo.	89
Community B&TC	Neosho	Mo.	81
Oklahoma Capital Bank	Tulsa	Okla.	31
Community State Bank	Poteau	Okla.	28
Adams B&TC	Ogallala	Neb.	28
Union State Bank	Arkansas City	Kan.	27
Exchange Bank of Missouri	Fayette	Mo.	27
Bank of Star Valley	Afton	Wyo.	27
Exchange B&TC	Perry	Okla.	25
Emerald Bank	Burden	Kan.	25
Method Bank	Wyandotte	Okla.	25
First Option Bank	Osawatomie	Kan.	24
Town & Country Bank	Ravenna	Neb.	23
Lamar Bank & Trust Co.	Lamar	Mo.	23
FirstBank	Antlers	Okla.	22
Bank 7	Oklahoma City	Okla.	21
Butte State Bank	Butte	Neb.	21
Auburn State Bank	Auburn	Neb.	20

ANNUAL CONFERENCE EXPLORES ENERGY'S IMPORANT ROLE IN THE GLOBAL ECONOMY

by KAYLA REGAN



More than 1,000 online and in-person attendees from 24 countries engaged in conversation around shifting geopolitics, the transition to renewable energy, and supply constraints at “Energy and the Economy: The New Energy Landscape,” a conference hosted in November by the Federal Reserve Banks of Kansas City and Dallas.

The annual event, in its seventh year, was held in Houston as a hybrid event. The conference rotates each year between Tenth and Eleventh District cities. In addition to the Federal Reserve participants, industry leaders, bankers, government officials and leaders from academia discussed the emerging outlook for global energy markets and the U.S. energy sector.

Each year, the conference highlights the critical role that energy plays in the economy, said Esther George, Kansas City Fed president and CEO. That was clearly the case in 2022.

The 2022 conference, conducted in a hybrid format, had attendees in Houston and online.



“Energy is often in the spotlight, given its central role in the economy, but the events of this past year have only further reinforced the importance of energy to our region, the economy, and the backdrop for conducting monetary policy,” George said.

In one of her first public speeches as president and CEO of the Dallas Fed, Lorie Logan spoke about the crucial role that energy plays in the Tenth and Eleventh Federal Reserve Districts, which together produce almost half of the United States’ energy.

“A deep understanding of the energy ecosystem is critical so the Federal Reserve can best accomplish core elements of our mission: setting monetary policy to promote maximum employment and stable prices; promoting the stability and efficiency of the financial system; and supporting community development,” Logan said.

One of the main discussions during the conference centered on geopolitics. Over the last year, the Russia-Ukraine war and subsequent sanctions affecting Russian energy output highlighted geopolitics’ role in energy policy. Panelists during the conference said that conflict was only one part of the story. Much of the world is still operating under an old paradigm in which there are clear differences between producers and consumers, said Ellen Wald, president of Transversal Consulting. “That paradigm has undergone a major shift in the last decade,” she said. “The relationships are no longer that clear cut and simple.”



Other speakers provided insight into the current dynamics over energy supply and demand. Abhi Rajendran, director of oil markets research at Energy

Intelligence, said that the energy sector has been in a “just in time” market, which would lead to more price and supply volatility. “We’re under water on the supply side and that’s with demand still pent up coming out of COVID,” he said.

Natural gas demand and prices will likely continue to increase going forward, said Ademiju Allen, Rystad Energy analyst. While higher prices are good for allocators, he explained unknown variables like winter severity and shifting geopolitics bring a level of caution. “We’ve always had an issue where we’re considering winter in the United States. Now we’re considering winter in the United States and the European Union,” Allen said.

Panelists representing the U.S. energy sector were largely in agreement that demand for energy would grow in the near and long term. They also did not expect legacy fuels to disappear as the energy transition to renewable sources occurs.

Shifting geopolitics, regulatory issues and environmental uncertainty in the industry were contributing to constrained capital and price inflation, they said. Given that demand for energy is only likely to increase, panelists said they were cautiously optimistic for the sector despite their concerns.



Kansas City Fed President and CEO Esther George.

Energy conference host Chad Wilkerson, Oklahoma City branch executive, senior vice president and economist.



FURTHER RESOURCES

Go to [KansasCityFed.org/energy](https://www.kansascityfed.org/energy) for recaps from the 2022 conference sessions, video of participants’ remarks, summaries from previous conferences and announcements for 2023.





from the
FARM
to the
PRESIDENCY

*Esther George retiring
after more than 40 years
with the Federal Reserve*

by TIMOTHY TODD

The drive from the Federal Reserve Bank of Kansas City's headquarters to the rural northwest Missouri farm where Esther George grew up takes about an hour, depending, of course, on how long it takes you to get out of the city traffic.

Faucett, Missouri, is an unincorporated community of around 250 residents just off Interstate 29. It is probably best known as the former home of the Farris Truck Stop—a gas station and restaurant that was popular with interstate travelers and local farmers. It was somewhat renowned for an old tractor-trailer turned billboard that towered above the interstate starting in the 1970s and became a regional landmark.

The truck stop, however, was a relative newcomer. George's ancestors started plowing ground for the Roundtree Farm in the late 1830s. It is the same land where Walter and Barbara Landis raised George and her three siblings and where, in 1981, she would marry classmate Kevin George, and where, later, their children, Landis and Leah, and their children, would play.

But in the 1970s, it was where Esther, like every other farm kid in America, worked for the family enterprise—"I made my 25 cents an hour cutting weeds out of soybeans and doing chores"—while they dreamed about being somewhere else.



Esther George, wearing her father's work hat and gloves, as a child on the Landis family farm in Faucett, Missouri.



Looking back: Events and milestones during Esther George's career at the Federal Reserve Bank of Kansas City

compiled by CYNTHIA EDWARDS

1980s



APRIL 1982

After following up on a newspaper ad, Esther George makes a career change: She is hired by the Kansas City Fed as an Examiner Trainee.



JULY 1982

George's on-the-job training is accelerated when Penn Square Bank in Oklahoma City is declared insolvent, part of a banking crisis that would have deep regional and national implications. Photo courtesy of the Oklahoma Historical Society.

ESTHER, LIKE EVERY
OTHER FARM KID IN
AMERICA, WORKED FOR
THE FAMILY ENTERPRISE —
“ I MADE MY 25 CENTS AN
HOUR CUTTING WEEDS
OUT OF SOYBEANS AND
DOING CHORES.”

Eventually, that somewhere else would be the President’s Office of the Federal Reserve Bank in downtown Kansas City. In 2011 she became only the ninth president in what was at that time the Bank’s nearly century of service to the Tenth Federal Reserve District.

In early 2023, under requirements for Reserve Bank presidents, George will retire after she reaches age 65. Her journey from the farm to the Fed, however, was not solely along the interstate. First, there was a detour through France. And before that, there was a trip to the local bank to figure out how to pay for it.

Early lessons

When George told her parents that she wanted to take part in a foreign exchange program that was sending U.S. high school students to France, they were supportive. The idea of studying abroad had become increasingly popular after World War II. By the mid-1970s, such programs were comparatively rare, especially for students in rural Missouri.

Still, her parents were supportive, even if the cost was a stretch for the family budget. Growing up, George would sometimes accompany her father on those parts of the family business that happened off the farm,

1983

In January, the Kansas City Fed promotes George to Assistant Examiner II in the Holding Company Supervision Department. In October, she is promoted to Assistant Examiner I.

1984

George is promoted to Senior Assistant Examiner. Her examiner commission credentials were signed by then-Fed Chairman Paul Volcker.

1984

The Kansas City Fed, led by President J. Roger Guffey, marks its 70th year of operation.



JANUARY 1986

Thomas M. Hoenig—who later would become Kansas City Fed president—is named Senior Vice President in charge of all examination, inspection and supervision activities in the Tenth District.

George is promoted to Examiner II in the Exams & Inspections Department, where she reports to Hoenig.

1986

George transfers to the Applications Department. In 1987 she becomes Examiner 1 in Applications.



As a high school student, Esther George traveled to France with the help of a loan that was her first personal interaction with a local bank.

including trips to a bank in nearby St. Joseph. And here she found herself again; this time the conversation was not about the farm, but about France. When the loan officer started asking questions about the loan, including how much money she had available, George looked to her father. His look in response made it clear that it was going to be her loan and her responsibility.

“So, my commitment was that I was paying for it,” she said. “I would go in the bank with my loan coupon and my money and make the payments.”

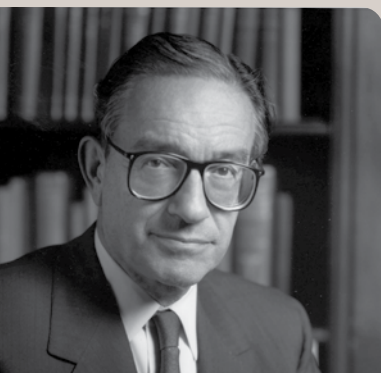
While she learned those important life lessons that parents like to instill in their children about making plans and earning your own way, she also noticed something else. The bank was a world very different from the farm.

“If you grow up on a farm, summer jobs aren’t fun, and they don’t pay well,” she later told a reporter. “So going to the bank, I thought, ‘This is great! It’s clean. It’s cool in the summer. This would be a good place (to work).’”

The bank must have also been impressed by the teenager who was paying her own way to Europe.

Soon, she was working at the bank, both in high school and while attending college at Missouri Western

1980s



1987
Alan Greenspan becomes chairman of the Federal Reserve Board during the year of a historic stock market crash and widespread turmoil in the financial sector.

OCTOBER 1989
In a step toward diversity and inclusion efforts that would expand under the presidency of George, the Kansas City Fed names Debra Bronston its first full-time affirmative action coordinator, responsible for the Bank’s Equal Employment Opportunity programs.



1988
George is promoted to Senior Examiner in the Applications Department. In October, she is promoted to Manager of the Loan Department.



1989
At the end of a turbulent decade for markets and financial institutions, the government authorizes a bailout of the savings and loan industry.

State University where she majored in business administration.

At a time when many payments were made via check, she sorted the thousands of checks that had been processed and were sent monthly back to bank customers in their statements. Sometimes, she worked as a teller or filled-in in other areas when there was a need. It was a first-hand education in banking, but for someone who would spend a lifetime working closely with community banks, the most important lesson may have been the one that came with that first visit. The bank was not solely a place to deposit money or that worked with her family's business.

"When the bank gave me the loan that allowed me to go to France, I viewed it as the bank was helping me do something that I wanted to do," she said.

And her time in France showed her a world of possibilities well beyond the farm.

In college, she became interested in international banking—a career that a local reporter in that less enlightened time said was "an atypical career for most young women." She went back to Europe, this time as a college student – and again thanks to a bank loan—where she toured European banks and exchanges for college credit.

After graduation, she set her sights on New York City. She took a job with Dun & Bradstreet, the firm that compiles and provides financial and commercial data, hoping it would lead her there. Instead, the position was in the Kansas City office and the job was largely about making cold calls to businesses—some who had no interest in talking with her—and trying to get them to share details about their activities. When she saw in a newspaper ad that the Kansas City Fed was looking for bank examiners, she jumped at the chance to change careers.

She joined the Bank on April 5, 1982, as an examiner trainee. Exactly three months later, on July 5, 1982, Oklahoma City's Penn Square Bank failed, marking the first event in what became a banking crisis that was felt deeply across the communities of the Tenth Federal Reserve District and rippled across the U.S. banking system.

The Federal Reserve

A relatively small Oklahoma bank, Penn Square, was heavily involved in oil and gas lending. Although regulations restricted how much the bank could extend to an individual borrower, Penn Square officials could lend above that amount by selling loan participations to other banks, including some of the largest in the

1990s



AUGUST 1991

The Kansas City Fed's Board of Directors announces the selection of Hoenig as the eighth president of the Bank, succeeding J. Roger Guffey.

1993

George transfers to the Exams & Inspections Department as Managing Examiner.

1994

George graduates from the American Bankers Association's Stonier Graduate School of Banking. See **From the Vault, page 45.**

JANUARY 1995

George is promoted to Assistant Vice President and transfers to the Economic Research Division.

JANUARY 1997

George is promoted to Vice President in the Research Division.

MARCH 1998

Hoenig chairs the Federal Reserve System's Conference of Presidents, with George, as Bank vice president, serving as the Conference Secretary.



1999

George transfers to the Human Resources Department.

WHEN THE HEAD OF A LARGE BANK ASKED HER HOW OFTEN SHE HAD BEEN TO THE LOCAL SYMPHONY, SHE RECOGNIZED THAT THE QUESTION WAS NOT ABOUT HER INTEREST IN MUSIC, BUT INSTEAD ABOUT HER UNDERSTANDING OF AND ENGAGEMENT WITH THE COMMUNITY. TO REALLY UNDERSTAND A BANK, SHE REALIZED, YOU HAD TO UNDERSTAND THE COMMUNITY IT SERVED.

United States. When energy markets inevitably turned lower in the spring and summer of 1982, the loans became increasingly precarious. Soon, Penn Square failed and eventually others were pulled down with it. Meanwhile, the plummeting energy and agriculture markets also created problems for Tenth District banks that had no direct relationship to Penn Square but had been involved in extending credit in both of those areas. It was one of the most difficult economic periods in the region's history. By the end of the 1980s, 350 banks in the Tenth District failed or received assistance as a result of the crisis.

As someone new to the job, George found herself in a situation in which the typical development and training process for a new hire had become a luxury that would be forgone. It would become on-the-job learning in the midst of a crisis.

“When you are in a time of stress, the learning curve is steep,” she says. “As a trainee, the Fed wanted you to go out to banks that they were pretty confident were well run and in good shape. In 1982 and '83, I don't know that there were many of those.”

2001-2009

AUGUST 2001

George is promoted to Senior Vice President over the Supervision & Regulation Division, responsible for regulation of nearly 200 state member banks and 1,000 bank and financial holding companies.



SEPTEMBER 11, 2001

Terrorists attack the United States. The Fed moves to deter panic among financial institutions. George and other senior regulatory officials are at the forefront of keeping money and commerce flowing.

FEBRUARY 2006

Ben Bernanke becomes Chairman of the Federal Reserve Board.

2007

Esther George is inducted into the Bank's 25 Year Club.





In 2016, Esther George was photographed in her office by The Kansas City Star.

“It ended up being a time of stress in the economy, but that also was an opportunity to learn.”

For George, this meant she spent a lot more time observing and listening than she did talking. When she saw that her peers were getting better and more detailed answers from bankers during the examination process, she closely watched what they did and how they asked questions.

The head of a large bank in one Tenth District city asked her, seemingly at random during a conversation, how often she had been to the local symphony. She recognized that the question was not about her interest in music, but instead about her understanding of and engagement with the community. To really understand a bank, she realized, you had to understand the community it served.

The listening served her well. She was promoted twice in 1983 and again in 1984. Within a few years, she managed the discount window, where banks can obtain collateralized loans to meet short-term liquidity needs, often overnight. Generally, discount lending rises during times of financial stress and is a key mechanism the central bank uses to ease pressure on the financial system.

She continued her education, earning an MBA from the University of Missouri-Kansas City. She graduated from the American Bankers Association Stonier Graduate School of Banking and the Stanford University Executive Program.

In 1995, she became an officer. She supervised researchers who were brilliant in their understanding of the financial system and in their work.



FEBRUARY 2008

The Kansas City Fed begins moving from 925 Grand to its new headquarters at 1 Memorial Drive.

2008

By the fall, the United States finds itself in a credit crisis precipitated, in part, by loose sub-prime mortgage lending practices.

JANUARY 2009

George is promoted to Executive Vice President of the Supervision and Regulation Division. In August, she is promoted to First Vice President upon the retirement of Richard K. Rasdall.



2009

During the Great Recession, George is tapped by the Federal Reserve Board of Governors to serve as Acting Director of the Banking Supervision and Regulation Division in Washington, D.C.



Esther George spoke at a 2015 event in Kansas City hosted by the Central Exchange, which promotes women's empowerment and achievement. Ten years earlier she was featured in a Bank newsletter article about being committed to learning.

"I didn't have the same research background as them, but I could pay attention to learn what made their job work," she said. "It's not so much what you know, but what you can figure out."

Later she was transferred to the Public Affairs Department, and after that assignment she moved again, to become the head of Human Resources. Soon she was promoted to senior vice president and was

made the head of Supervision and Regulation, known today as Supervision and Risk Management. In a bit of an echo of her beginnings as a bank examiner on the eve of a major crisis, she became the Tenth District's top regulator on Aug. 1, 2001, responsible for the regulation of nearly 200 state member banks and 1,000 bank and financial holding companies.

Six weeks into the new job, the 9/11 attacks occurred,

2009-2018

2009

With the United States entering a deep recession, Congress passes a \$787 billion stimulus package to address the country's worst financial crisis since the Great Depression.

2010

At the end of the year, the Kansas City Fed has 1,194 employees, driven by expanded System and Treasury work in an efficiency effort.



SEPTEMBER 15, 2011

The Bank's Board of Directors announces that George will be appointed as the ninth President of the Federal Reserve Bank of Kansas City effective October 1. George is the first woman to serve in that role.

and the Fed moved to an emergency footing to keep the banking system open and operating—keeping money in bank ATMs and commerce flowing at a time of tragedy and turmoil—much of it directed at the heart of the American financial network. She was in the same position in 2007 when the housing bubble burst and the subprime mortgage crisis threatening the availability of credit to families and businesses and forcing the Fed to respond. In 2009, with what had by then become the Great Recession underway, she was sent to the Federal Reserve’s Board of Governors in Washington, D.C., to serve as the interim head of supervision. There, she led the supervision of all banks, including the largest in the United States.

In August of that year she was promoted to first vice president of the Kansas City Fed. In 2011, when Thomas Hoenig retired under the Fed’s mandatory retirement rules for Reserve Bank presidents, the Kansas City Fed’s Board selected George as his successor.

The presidency

In the eyes of the public—particularly those who closely watch financial markets—the most visible part of the job for a Reserve Bank president is participating in the Federal Open Market Committee’s policy deliberations.

The transcript of her first policy meeting shows she was not intimidated. At one point, she challenged some of the ideas about a policy framework proposal then under consideration. Soon, she made headlines after dissenting—disagreeing with the FOMC’s policy decisions—in her first meeting as a voting member and in nine of her next 12 votes.

“I found myself at the FOMC table, where I knew I had a lot to learn about monetary policy theories and frameworks, but by understanding the banking system in the 1980s, all the way through the crisis in 2008-09, I also appreciate it for what is occurring in the real economy,” she said later. “I studied hard, but I thought of it as my job to say what I thought. These are decisions that are affecting millions of people, and I needed to be intellectually honest about that.”

In a 2016 profile of George published in *American Banker*, Oklahoma State Banking Commissioner Mick Thompson offered to a reporter his perspective of George’s policy votes.

“A lot of times...the economists who report to the (Federal Open Market Committee) have never been in the trenches to see what actually happens in community banks,” he said. “Unfortunately, not everything in the real world fits within a neat box or

APRIL 2012

The Kansas City Fed submits its first Office of Minority and Women Inclusion report to Congress as mandated by the Dodd-Frank Act. The report is submitted each year.



APRIL 2012

The Kansas City Fed’s Student Board of Directors wraps up its first year of service with a formal pinning ceremony led by President George.

JANUARY 2013

George begins serving her first term as a voting member on the Federal Open Market Committee, the Federal Reserve’s policy making arm.

2014

Janet Yellen becomes Federal Reserve Board chair. She is the first woman to serve in that role.

2018

Jerome Powell is named chair of the Federal Reserve, succeeding Yellen.





Members of the Nebraska Independent Community Bankers visited the Kansas City Fed's head office in 2021.

computer program. I think Esther understands what sometimes gets lost if you have not actually been in the small community banks.”

The role of policymaker, however, is only part of the Reserve Bank president's job. George is the Chief Executive Officer of a Reserve Bank that serves a

seven-state region: western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado and northern New Mexico. As George prepares to retire, the bank has more than 2,200 employees—twice as many as were on the job when George began her presidential tenure in 2011.

Under her leadership, the Bank has taken on expanded System and U.S. Treasury work that has helped more than triple the number of employees involved in technology.

The Kansas City Fed is heavily involved in the payment system—George was a key leader in the development of FedNow, a near real-time payment service scheduled to launch in 2023—and administers programs for the U.S. Treasury. This is in addition, of course, to the Bank's role in financial supervision and monitoring the pulse of the regional economy.

2020 to 2022

AUGUST 2019

The Federal Reserve continues to develop FedNow, a real-time payment and settlement service. President George is appointed executive co-sponsor, along with Fed Governor Lael Brainard. FedNow is scheduled to launch in 2023.



MARCH 2020

The Kansas City Fed and other Reserve Banks move to a largely remote-work footing in response to the coronavirus outbreak.

SPRING 2020

Congress, the Federal Reserve System and the U.S. Treasury begin extraordinary measures to address severe economic repercussions from the COVID-19 pandemic.

AUGUST 2020

For the first time since the Kansas City Fed's Economic Policy Symposium began in the 1980s, the annual event is conducted virtually with President George delivering opening remarks from the Bank's head office.



This was also work that remained critically important as the COVID-19 pandemic thrust the world into a period of uncertainty and very nearly shut down the U.S. economy.

“It was a type of crisis that none of us have ever known before,” George said. “You don’t have a playbook other than to make people’s health and safety a top priority.”

The Bank moved almost overnight into a remote working environment and was able to continue performing at a high level. As her retirement draws near, George says it is yet to be determined what, exactly, the pandemic experience will mean for the nature of the workplace. Similarly undetermined are the long-term ramifications for the economy.

At the time of her appointment, George received a lot of attention as a woman in an arena that was dominated by men. Few women had been Reserve Bank presidents or held senior positions at the Fed Board of Governors. She had become for some a role model.

Under her leadership, the Bank created a Division of Community Engagement and Inclusion, increasing the focus on creating a diverse and inclusive culture both within the Bank and for its employees, but also outside of the Bank focused on community and stakeholder

engagement in the communities that the Bank serves.

“It is really important to me,” she said. “The culture of the Bank needs to be one where it should feel like we are all involved in work that is important.”

Meanwhile, she has also done much to raise the profile of female economists. Each August, the Kansas City Fed hosts the Jackson Hole Economic Policy Symposium, one of the world’s premier events for central bankers, economists and policymakers.

The economics profession is predominately male. There had been occasional female presenters in Jackson Hole, but program diversity accelerated under George’s tenure.

As the person with the final say on the invitation list and program, she worked diligently to connect with female economists and expand the Bank’s network of connections. While it was never an announced initiative, over the years the press began to notice an increasing number of female economists in Jackson Hole. Soon, they labeled it the “Esther effect.” In 2022, George’s final symposium as Bank president, nearly half of the presenters were female as were many of the participants in attendance.

JANUARY 2022

George begins her final term as a voting member of the Federal Open Market Committee. George previously voted in 2013, 2016 and 2019.

MAY 2022

The Bank announces that George will retire in 2023 upon the Fed’s mandatory retirement age of 65. The Bank’s Board of Directors forms a search committee to select the next president.

AUGUST 2022

President George hosts her final Jackson Hole symposium as Kansas City Fed president. The symposium returns to a fully in-person format for the first time since 2019 and is regarded as the most diverse gathering of attendees in the event’s history, reflective of George’s efforts during her tenure to make the event more inclusive.





STEWARDSHIP, INFLUENCE

Esther George's tenure has included leadership on several initiatives that have had broad impact.

Payments: Helping shape and execute the System's payments strategy, including serving as executive co-sponsor of the FedNow instant-payments platform, launching in 2023.

Monetary policy: Serving as a Federal Open Market Committee participant from 2011 to 2022. She was a voting member in 2013, 2016, 2019 and 2022.

Supervision: Being asked during the 2009 financial crisis to serve as acting director of the Board of Governors' Banking Supervision and Regulation Division.

Diversity and inclusion: Actively working on many initiatives in the Bank to attract and retain diverse talent. Formed the "Women of Jackson Hole" and supported development of forums for minorities and women in banking.

Engagement: Maintaining a robust schedule of public speaking and outreach to large and small communities.

Treasury: Guiding the Bank through a significant expansion of its work on behalf of the U.S. Treasury Department.

"When I think about the path I followed and my career, it did not happen because I had any particularly unique insight," she said. "It was because somebody had confidence in me and it allowed me to work my way up to positions that I never would have imagined."

One of those who had confidence was Terry Moore.

"Esther is a very humble person," said Moore, former head of the Omaha Federation of Labor AFL-CIO in Omaha, Neb.

In 2011, Moore, who was on Kansas City Fed's Board of Directors, chaired the search committee that chose George to succeed Hoenig. He said during the selection process it soon became apparent that she was the best choice for the job.

"Esther is someone who worked very hard and who often put herself outside of her comfort zone," Moore said. "When we were looking at candidates for the job, here was someone who had not only a wide range of experiences at the Fed, but also had a real depth of knowledge about the Fed and the financial system and the economy. She was the ideal candidate.

"What she has accomplished as president, and the way she's been an advocate for our District has really proven what we saw in her and what many others also saw throughout her career."



During a 2021 visit to Omaha, George visited retired director Terry Moore, former head of the Omaha AFL-CIO.



Esther George spoke in 2017 at a town hall at the Bank's Omaha Branch, commemorating the Branch centennial and 100 years of serving Nebraska.



In March 2016, the Community Development Advisory Council and the Bank's Community Development team met with George.

“WHEN I THINK ABOUT THE PATH I FOLLOWED AND MY CAREER, IT DID NOT HAPPEN BECAUSE I HAD ANY PARTICULARLY UNIQUE INSIGHT. IT WAS BECAUSE SOMEBODY HAD CONFIDENCE IN ME, AND IT ALLOWED ME TO WORK MY WAY UP TO POSITIONS THAT I NEVER WOULD HAVE IMAGINED.”

— President Esther George



In 2019, President George was interviewed for a St. Louis Fed podcast focusing on women in economics.



George interacted with attendees at a 2015 Tenth District event. She was committed to actively traveling across the region for community engagement activities.

T H E N A N

KANSAS CITY FED LEADERSHIP THROUGH THE YEARS

Many changes have occurred in the Tenth District since President Esther George joined the Federal Reserve Bank of Kansas City in 1982. For example, the District's workforce has more than doubled, with information technology driving a large portion of that expansion. Notable changes also have taken place in the ranks of senior management, with many occurring during George's tenure as president. As shown in the accompanying snapshots of the Bank's Management Committee and Board of Directors—from the 1980s and from the modern era—the makeup of these leadership groups has evolved over the years to align with the Bank's commitment to diversity, equity and inclusion. Learn more about the Bank's work at [KansasCityFed.org/about-us/diversity-equity-and-inclusion](https://www.kansascityfed.org/about-us/diversity-equity-and-inclusion).



ND NOW



From the Bank's archive of annual reports:
(Clockwise from top left)
The 1987 Management Committee, the 1991
Kansas City Board of Directors, the 2021
Kansas City Board of Directors and the
2021 Management Committee.





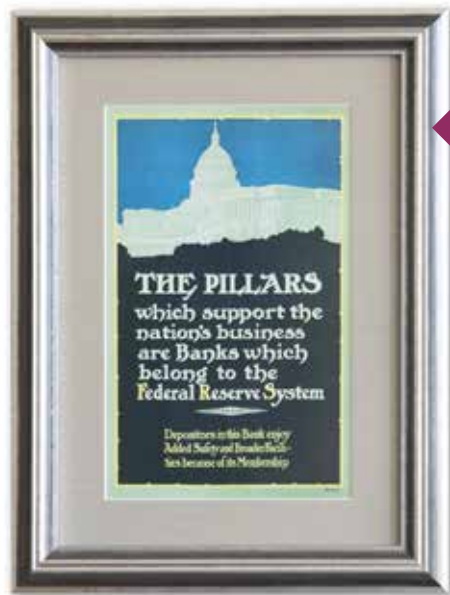
In My Office

WITH PRESIDENT ESTHER GEORGE

With her 40-year career at the Federal Reserve Bank of Kansas City, it would be expected to learn that President Esther George has collected many mementos, inherited and displayed in her office, as meaningful reminders of the Bank's mission and her role.

On the top floor of the Fed's building at 1 Memorial Drive, the president's office has unobstructed views of the Kansas City, Missouri skyline, to the north, and views across the Kansas River to the west into the state of Kansas. The panoramic views also show the train and railroad tracks, roads and downtown airport—the transportation hub that built Kansas City and remains a key asset in the very center of the United States. These views are a reminder to George of the region she serves as Fed president.

As president over the last 11 years, George has hosted countless visitors into her office—bankers, government and community leaders, the news media, students and educators, and many others. From this office, she has overseen the operations of the Tenth Federal Reserve District—not only one of the largest Federal Reserve Districts—in terms of physical size (parts or all of seven states in the middle of the country), but also one of the System's largest employers—and home to the largest number of state member banks in the System.



1. Shortly after the founding of the Federal Reserve System in 1914, a series of posters were created and distributed to member banks promoting the safety of banks with membership in the Federal Reserve, along with a membership decal for their front doors. The posters, with an art deco design reflective of the turn of the century, were framed and hang in George's office. In 2014, the posters were reproduced as cards to celebrate the Fed's Centennial and were again provided to member banks, 100 years later.



2

2. A former Denver Branch Reserve Bank director from Wyoming created a branding iron with the “10J” insignia and presented it to the Bank, along with a framed example of the brand. The “10J” reflects the Bank’s designation within the Federal Reserve System as the Bank serving the Tenth Federal Reserve District. The branding iron has a tag attached with the words “Riding for the Brand.” The phrase comes from a book entitled *Cowboy Ethics*. In the old west, when a cowboy rode for the brand, it meant that he had signed on to the mission, goals and aims of the ranch owner. In the case of the Bank, the brand reflected the five values of the Bank’s brand: integrity, service, growth and development, inclusion and innovation. George took this motto to heart as she represented the Federal Reserve and traveled and connected with individuals throughout the district.

4. One of the most prominent features in George’s office is the framed original national Bank charter from the Office of the Comptroller of the Currency presented to the Bank on its opening day, November 16, 1914. The Federal Reserve is a combination of public and private components in a federated structure designed to foster broad public support. While the Board of Governors in Washington, D.C., is a government agency, the twelve Reserve banks are considered private corporations. As a result, like any bank, the Kansas City Fed has its own charter. The original charter has been hanging on the wall of the president’s office since it was originally received from the Board of Governors in 1914. The charter reminds George, as it did the eight presidents serving before her, that Congress purposefully designed Reserve Banks to provide operational efficiency and regional connections through locations and boards.



3. Hanging on the office wall are two old pieces of currency that pre-date George’s term as president—one a German Mark and the other a Greek Drachma. To illustrate the impact of inflation, in 1921 the German Mark was worth enough to purchase a large home, while by 1923, the same amount could only pay for a single loaf of bread. The historic bills are a constant reminder of the dangers of inflation, and its relevance in the present day.



4



5

5. A framed photo is from October 2019, when the Kansas City Fed hosted Federal Reserve Chairman Jerome Powell, part of the System’s Fed Listens program. The event allowed community and business leaders from around the district to engage in a roundtable discussion with Powell and George and share a wide range of economic concerns from their communities and businesses.

The Fed Listens events were open to the media and live streamed on the internet for the public to view. Powell noted the breadth and transparency of the event was unprecedented for the Federal Reserve. A hallmark of George’s tenure as president, she hosted many community and banking events to hear thoughts and opinions from attendees from around the Tenth District.



6

6. A metal engraving of the country of Iraq, along with photos and other mementos, reflect George's time with the late Sinan Al Shabibi, an economist who was governor of the Central Bank of Iraq. George and Al-Shabibi first interacted many years ago through the Jackson Hole Economic Policy Symposium. For the last 45 years, the event has been hosted by the Kansas City Fed and attended by central bankers, economists, and policymakers from around the world. Al-Shabibi’s participation in the event followed the Bank’s work with the U.S. State Department as part of an initiative to modernize Iraq's central bank. George has developed friendships with central bankers around the world, some of which have included visits abroad.



7. Throughout her career, George has had a commitment to education, both for herself and for those she has led. A culmination to this commitment was in 2015, when she received an Honorary Doctorate from her alma mater, Missouri Western State University in St. Joseph, Missouri. Also in her office is the W.F. Yates Medallion for Distinguished Service, which she received in 2015 from William Jewell College in Liberty, Missouri. These and other certificates throughout the office are reminders of all the schools and universities that populate the bank with talent.



8. On a wall in the office is a commemorative poster that George received from Susan Chapman Plumb, a Native American and director of the Bank's Oklahoma City Branch. Plumb is chair and CEO of Bank of Cherokee County, headquartered in Tahlequah, Oklahoma, the heart of Cherokee Nation. Plumb brings a community-minded, community-owned voice to her role, and George sees this as an important perspective for the Federal Reserve to understand – and a reminder of the important diversity of the economy in the Tenth District.



9. Celebrating the Bank's long history, George has a brick and brass door plate from the Bank's former head office at 925 Grand in downtown Kansas City, finished in 1921. George and other members of the Bank's Management Committee picked up the bricks on a visit to the old building. Although not found in her office, there are several other mementos of the 925 Grand building that were moved to 1 Memorial Drive on the building's opening in 2008, including a large bronze relief of the Bank's official seal which now resides in the lobby. Also found in the Bank are several ornate chandeliers that now hang on the Bank's Executive Floor, and several brass elevator doors that reflect the art deco style of the era that existed throughout the original Bank building. George worked at the 925 Grand building for 26 of her 40 years of service at the Bank.



RESEARCH SNAPSHOTS

Prices, spending and labor markets

Here are summaries from recent economic research published by the Kansas City Fed. Read the full publications and follow the latest analysis by Reserve Bank economists at [KansasCityFed.org/research](https://www.kansascityfed.org/research).

Can higher gasoline prices set off an inflationary spiral?

In early 2022, with consumer price inflation already high, a spike in the price of gasoline increased public concerns that the U.S. economy could be in for a repeat of the inflationary spiral that gripped the nation in the 1970s and 1980s. During this period, energy price increases created an environment where rising inflation and rising inflation expectations reinforced one another until a deep economic contraction broke the feedback loop. An assessment of the risk of a similar spiral in the current environment finds that—in response to an increase in the national price of gasoline—individuals with higher initial inflation expectations upwardly revise their one-year inflation forecasts by almost twice as much as those who have lower initial inflation expectations.

— *Nida Çakır Melek, Francis M. Dillon and A. Lee Smith, November 2022 Economic Review*



Photos by Getty Images

Negative sentiment toward spending and declining real incomes might meaningfully lower consumption

Despite a contraction in real GDP in the first half of 2022, consumer spending has remained resilient. An examination of factors that have historically affected consumption growth finds that excess savings have boosted consumer spending during the COVID-19 pandemic. However, as excess savings decline and economic relationships normalize, negative sentiment toward spending and declining real incomes might meaningfully lower consumption.

—*Nida Çakır Melek and Emily Pollard, November 2022 Economic Bulletin*

Examining the tight U.S. labor market and labor demand

Relative to pre-pandemic trends, labor demand remains robust even as labor supply remains impaired. Even if the labor force participation rates of different age groups were to return to pre-pandemic levels, the aging of the population would still weigh on the aggregate labor force participation rate. However, most of the weakness in the aggregate labor force participation rate is due to a lower participation rate among older individuals who might not return to the labor force, suggesting that labor supply likely will remain below pre-pandemic levels. Therefore, the labor market might

remain tight until labor demand cools further.

—*Didem Tüzemen, October 2022 Economic Bulletin*

Hybrid working, commuting time and home construction

The long commuting times from outer suburbs to the central business districts of large metropolitan areas have depressed single-family home construction over the last two decades. The shift to hybrid working during the COVID-19 pandemic, however, has reduced the time many people spend commuting and potentially increased their willingness to live farther from employers. Lightly settled land at the peripheries of metropolitan areas may become more desirable for development, relaxing a long-standing constraint on single-family home construction.

—*Jordan Rappaport, September 2022 Economic Review*

Disruptions to Russian energy supply likely to weigh on European output

The Russia-Ukraine war and subsequent oil sanctions from European countries have substantially disrupted the supply of Russian oil and gas. An estimation of the effects of these disruptions on European output finds that a decline in the Russian oil and gas supply in 2022 could lead to a sizable drop in European output over 2023–2024. However, the estimated effect varies.

—*Thomas R. Cook, Amaze Lusompa and Jun Nie, November 2022 Economic Bulletin*

Oklahoma's changing employment mix since the COVID-19 pandemic began

By summer 2022, Oklahoma's total employment had almost returned to pre-COVID levels, after dropping 10% in the spring of 2020. But while nearly the same number of people are now employed in the state as in 2019, the industries in which many of them work have changed. In some sectors, employment is still more than 10% below pre-pandemic levels, while jobs in other industries are up markedly from three years ago. In many cases, the changes represent a continuation—or even acceleration—of trends already underway in the previous decade. On the other hand, jobs in some industries have moved in a different direction since the pandemic.

—Chad Wilkerson, *September 2022 Oklahoma Economist*

Is remote work turning the screw on labor market tightness?

Businesses continue to face difficulties retaining workers and attracting new applicants. Those challenges are more acute in industries and locations that cannot offer as much remote work because of job constraints. The rate at which workers quit their jobs for other employment grew faster in sectors where remote work

is less feasible. As retention pressures mounted over the last year and a half, job vacancies increased, and wage growth accelerated more in industries that offered fewer remote-work opportunities. Productivity also suffered where remote work was scant and quit rates were elevated.

—Bethany Greene and Nicholas Sly, *September 2022 Rocky Mountain Economist*

Pandemic widens gap in Nebraska labor markets

Much of Nebraska's economy has recovered from the pandemic, but the pandemic also exacerbated a gap in job growth between the state's strongest and weakest industries that already existed in 2019. Disparities in employment growth between the strongest and weakest industries have widened throughout the country. This widening gap in job growth across industries, however, has varied across states and between metro and nonmetro areas within states. The trend has been especially pronounced in rural Nebraska, where industries that added jobs at the strongest pace during the pandemic were also adding jobs at a much stronger pace before the pandemic. Despite the differences in job growth though, wages have grown robustly in almost all industries.

—Nate Kauffman, John McCoy and Eliana Rodriguez, *October 2022 Nebraska Economist*

Photo by Getty Images



kcFED SOCIAL SEEN



Social media highlights of our engagement across the region.

1 **@UNITEDWAYKGC** The Federal Reserve Bank of Kansas City hosted a kickball tournament yesterday to celebrate their successful United Way campaign that raised over \$300K! The Management Committee team played a team of employees who donated to United Way and won a spot on the team. [👉](#)

2 **JAMIE WAGNER @PROFJWAGS** It's @EconEdMonth and time to use my favorite @KansasCityFed mug! Did you know the @federalreserve not only does #monetarypolicy but promotes #econded to communities!? #teachecon #econdedmonth [👉](#)

3 **KANSASCITYFED** Recently some #KCFed employees spent a day volunteering with @HabitatKC at a construction site to support affordable homeownership in our community. [👉](#)



4 **JADE PIROS DE CARVALHO** The second day of Federal Reserve Bank of Kansas City #digitalequity training did not disappoint! We explored successful regional plans, learned about aligning state BEAD and DE plans, and discussed how to develop measurable outcomes. [👉](#)

5 **ALISSA ANDERSON** Hey University of Central Oklahoma Bronchos! I'm here at the Fall Career & Internship Fair, hiring for #interns and entry level full-time positions for 2023! Come see why the Federal Reserve Bank of Kansas City is a Great Place to Be. [👉](#)

6 **@KANSASCITYFED** In honor of #VeteransDay, our Denver Branch made a display to showcase all the Branch employees that have served our country. Thank you, veterans for your service! [👉](#)

GET SOCIAL »

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

Tenth District *by the numbers*

ECONOMIC INDICATORS, FACTS AND TRENDS FROM THE SEVEN STATES



\$7.2 billion

Total spending by 39.2 million visitors to New Mexico in 2021, with the retail spending component recovering to pre-pandemic levels.

Source: New Mexico Tourism Department



12.8%

The share of Nebraskans primarily working from home in 2021, compared with a 4.6% share in 2019, before the COVID-19 pandemic.

Source: U.S. Census Bureau

No. 3

Where Olathe, Kansas, ranks in Fortune's 2022 national list of "Best Places to Live for Families," behind Ann Arbor, Michigan (No. 1) and Wylie, Texas (No. 2).

Sources: Fortune

1.7 million

Oklahoma's total number of workers in the summer of 2022, roughly the same as before the pandemic, although the employment mix has changed.



Source: Federal Reserve Bank of Kansas City

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).





9%

Colorado's increase in crude oil production through the first half of 2022, following two years of declines in production from the state's wells.

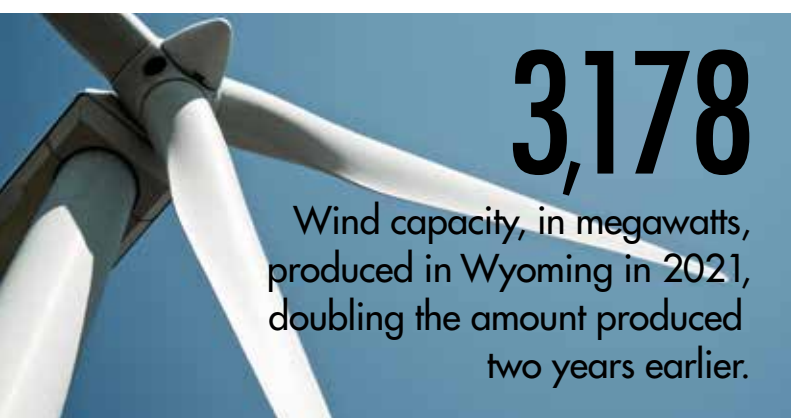
Source: Colorado Oil & Gas Conservation Commission



95.4 million

Pounds of freight loaded at Kansas City International Airport through September 2022, up 7.2% from the first nine months of 2021.

Sources: Kansas City Aviation Department



3,178

Wind capacity, in megawatts, produced in Wyoming in 2021, doubling the amount produced two years earlier.

Sources: University of Wyoming's School of Energy Resources

FROM THE VAULT *Kansas City Fed History*



Esther George in 1994. Bank archives

Balancing work and education

When Kansas City Fed President and CEO Esther George retires in early 2023, it will mark the end of a 40-year career that included numerous honors, milestones and achievements (see pages 20-39). Nearly 30 years ago, one such achievement was highlighted in a Tenth District newsletter, illustrating the Bank's support for employees striving to expand their education.

The article in the 1994 newsletter was titled "One for the Books." It noted how George successfully juggled work and family life to complete the American Bankers Association's Stonier Graduate School of Banking program. A paper that she wrote for that program, about Federal Home Loan Bank membership for commercial banks, was accepted into the school's prestigious library.

In the article, George described the commitment that was required to complete her studies while working full time as a Reserve Bank executive and, with her husband, Kevin, raising two small children. "I got up earlier, I drank a lot of coffee, and I made myself block out time to do this," she said. "Education of any type is going to contribute to your value as a person and the contribution you make to your job."

As an employee benefit, the Kansas City Fed continues offering educational assistance across a wide spectrum of academic disciplines. Learn more about the Bank's career opportunities and benefits at [KansasCityFed.org/careers](https://www.kansascityfed.org/careers).

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CHANGE SERVICE REQUESTED



Economic Insight FROM A 40-YEAR FED CAREER

Kansas City Fed President
Esther George's remarks
on monetary policy,
supervision, payments,
the Tenth District economy
and more are available at

KansasCityFed.org/esthergeorge