The Federal Reserve

August 2026
Seema Sheth, SVP & Regional Executive
Louisville Branch

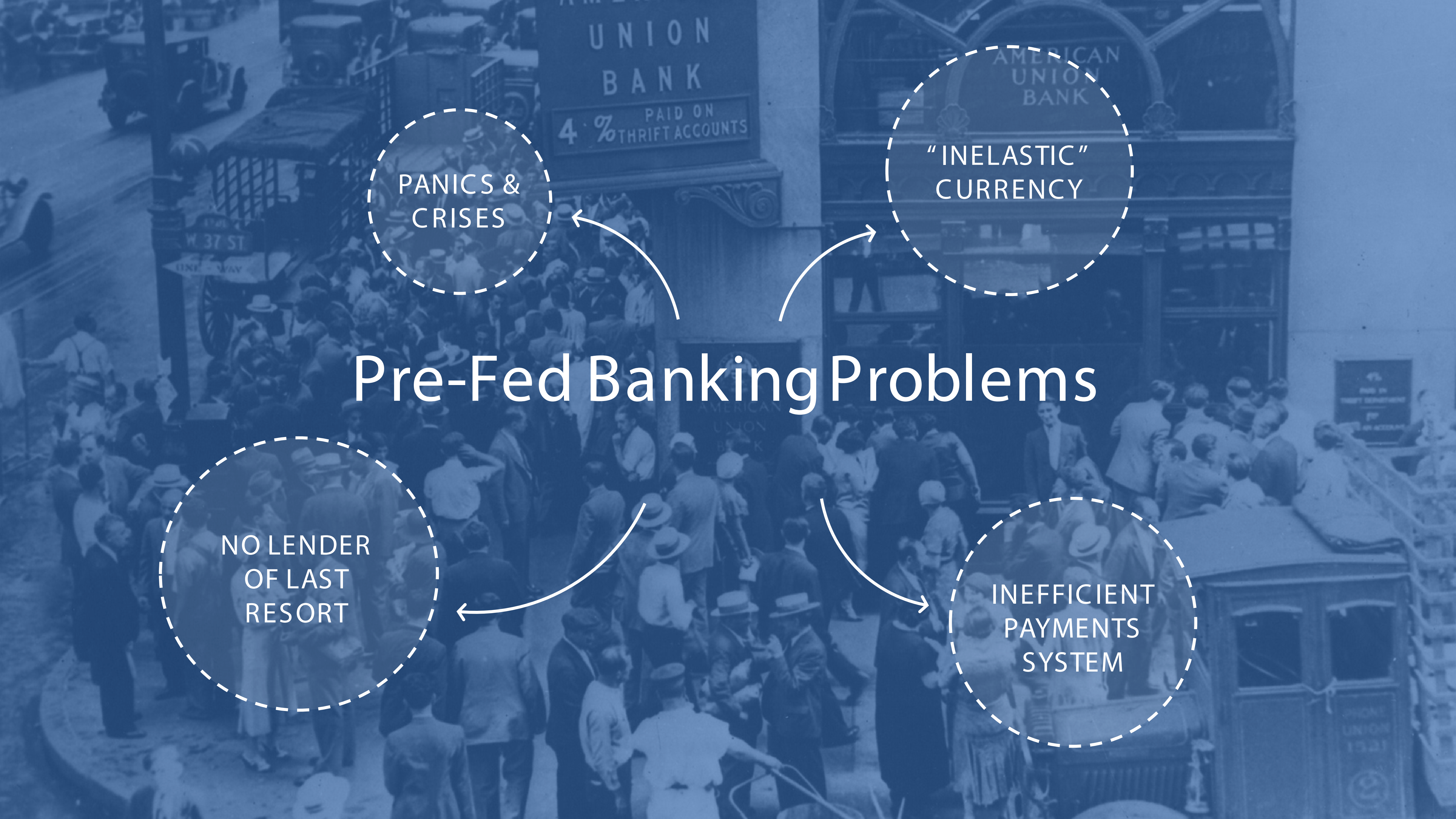
FEDERAL RESERVE BANK of ST. LOUIS

DISCLAIMER

These views are my own and not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

The Federal Reserve

A REFRESHER



Pre-Fed Banking Problems

- PANICS & CRISES
- "INELASTIC" CURRENCY
- NO LENDER OF LAST RESORT
- INEFFICIENT PAYMENTS SYSTEM


PANICS &
CRISES
"INELASTIC"
CURRENCY
Solution?
NO LENDER
OF LAST
RESORT
INEFFICIENT
PAYMENTS
SYSTEM
UNION
BANK
4 % PAID ON
THRIFT ACCOUNTS
AMERICAN
UNION
BANK
W 37 ST

A non-central "Central Bank"

PANICS & CRISES

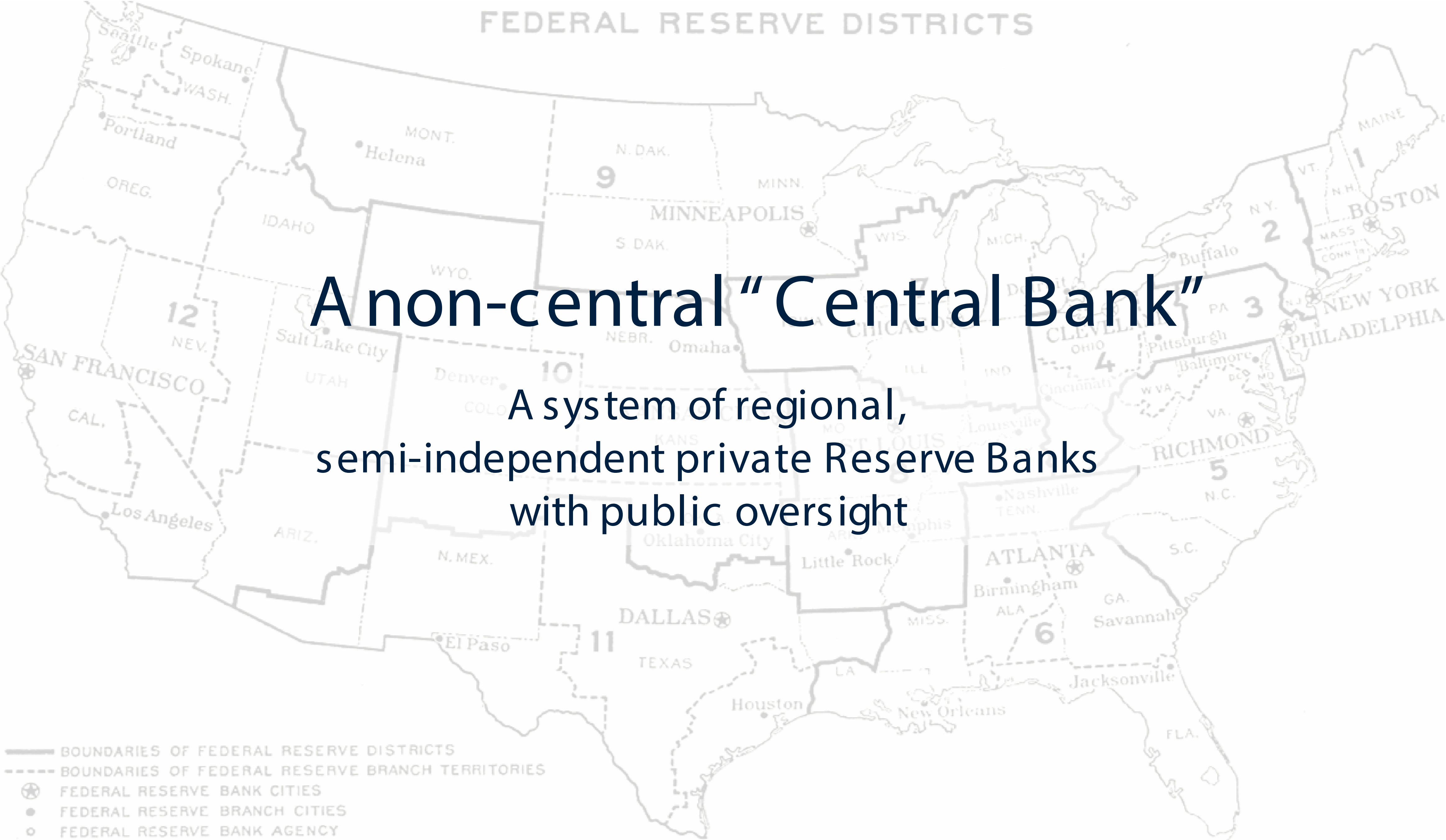
"INELASTIC" CURRENCY

NO LENDER OF LAST RESORT

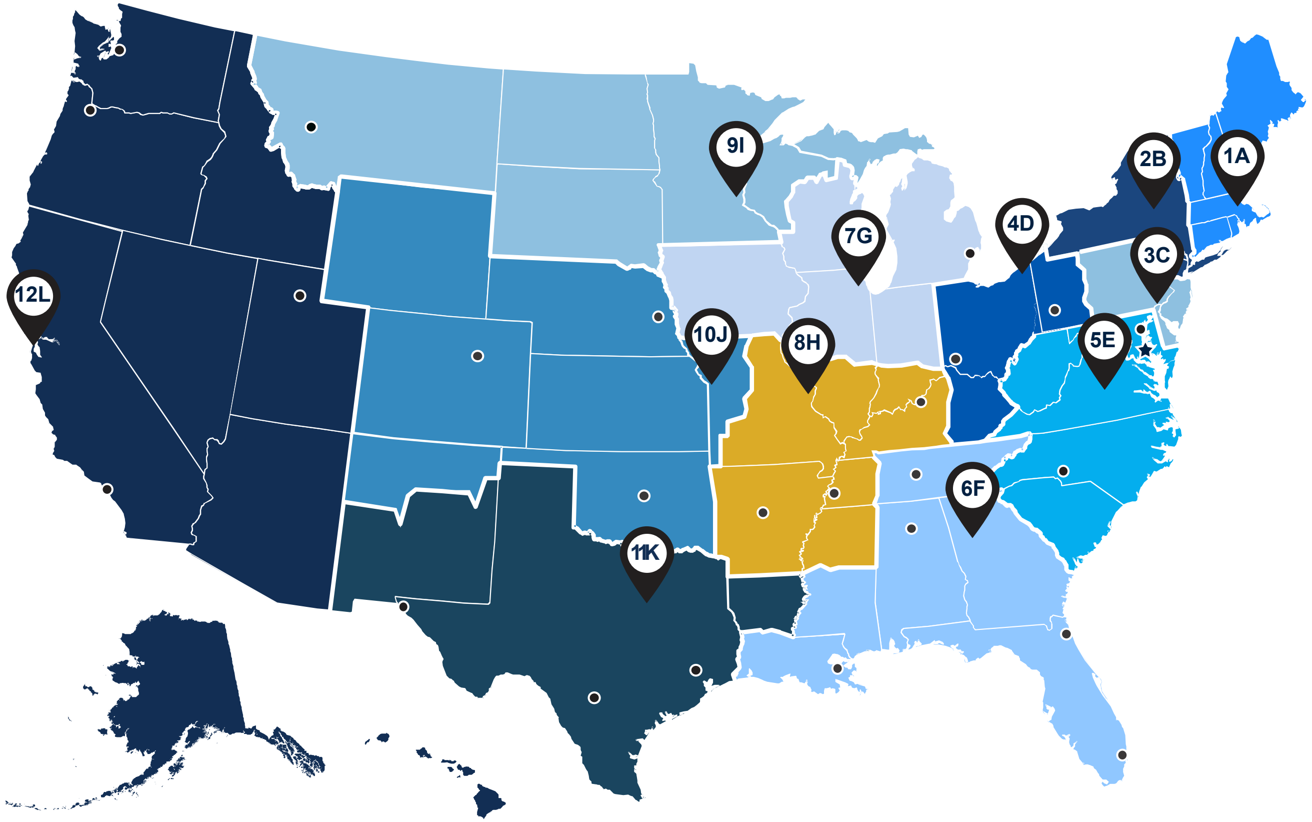
INEFFICIENT PAYMENTS SYSTEM

A non-central "Central Bank"

A system of regional, semi-independent private Reserve Banks with public oversight

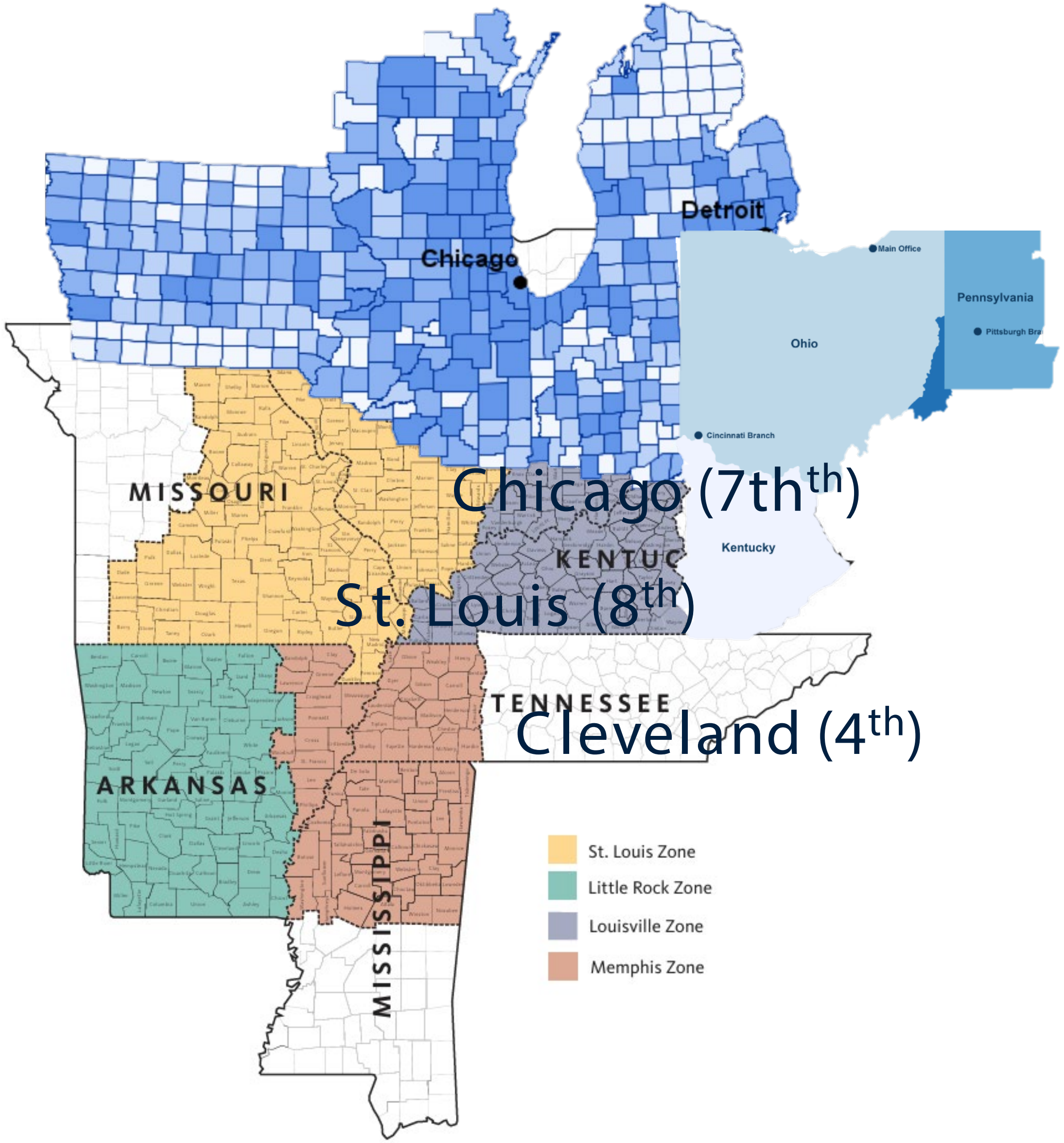


Still Decentralized by Design



BOSTON
NEW YORK
PHILADELPHIA
CLEVELAND
RICHMOND
ATLANTA
CHICAGO
ST. LOUIS
MINNEAPOLIS
KANSAS CITY
DALLAS
SAN FRANCISCO
BOARD OF GOVERNORS
BRANCH OFFICES

The Fourth, Seventh and Eighth Districts



What Does the Fed Do?

KEY FUNCTIONS

- Conduct monetary policy
- Foster safe, sound & stable financial system
- Advancing a safe, efficient & accessible payments system
- Supporting the U.S. Treasury as fiscal agent
- Promote consumer protection and community development

Support the U.S. Treasury as fiscal agent

1. Assists the Treasury in issuing and servicing U.S. government debt, ensuring government securities are auctioned, settled, and maintained efficiently.

2. Acts as the Treasury's fiscal agent, helping process government payments, manage federal accounts, and support Treasury financing operations

3. Supports Treasury functions during periods of stress by maintaining liquidity in financial markets, ensuring the federal government can continue to fund operations smoothly

Advance a safe, efficient, and accessible payments system

Supply paper currency

Process ACH transfers and credits

Operate wholesale payment services like Fedwire Funds & Fedwire Securities

FedNow instant payments service


FEDERAL RESERVE NOTE
THE UNITED STATES OF AMERICA
THIS NOTE IS LEGAL TENDER
FOR ALL DEBTS, PUBLIC AND PRIVATE
H 02282577 ☆
WASHINGTON, D.C.
ONE
H
FEDERAL RESERVE BANK OF ST. LOUIS MISSOURI
G3 8
H 02282577 ☆
8
G 108
8
SERIES 1985
Katherine Davalos Ortega
Treasurer of the United States.
WASHINGTON
James A. Baker III
Secretary of the Treasury.
ONE DOLLAR

Foster a safe, sound, and stable financial system

REGULATION

Establish rules within which financial institutions operate

SUPERVISION

Make sure institutions comply and operate safely

Promote consumer protection and community development

The Fed works to ensure the financial institutions it supervises comply with laws that protect consumers

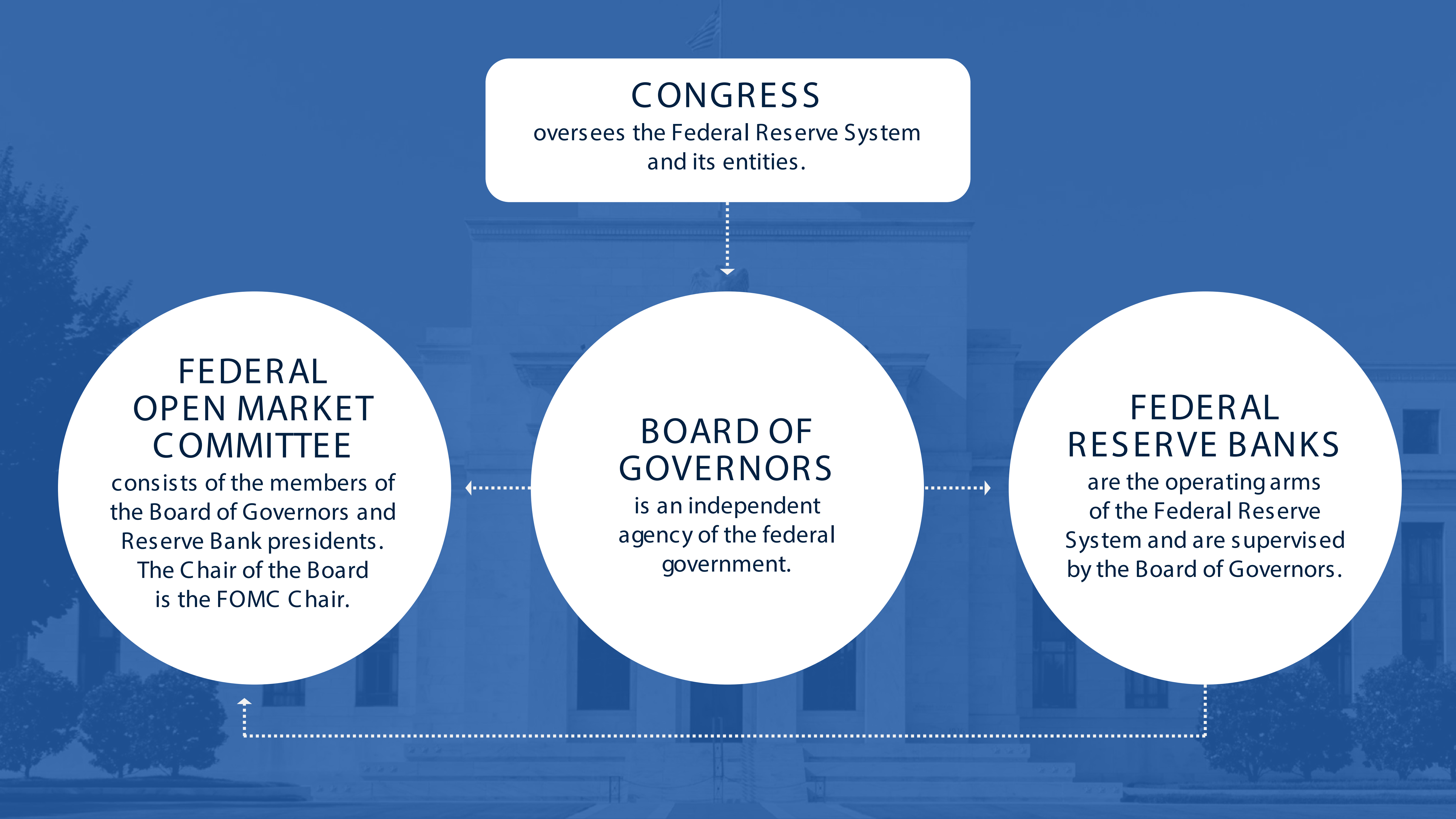
- Help to implement consumer protection, fair lending, fair housing and community reinvestment laws
- Research and analyze consumer issues and policy implications
- Inform and engage key stakeholders in conversations about consumer protection and community development issues

Independent and Accountable

APOLITICAL:
Essential for monetary policy

AUDITED EXTENSIVELY:
Internal audit
External auditor: KPMG
Board of Governors
GAO

...But How?


CONGRESS
oversees the Federal Reserve System
and its entities.
BOARD OF
GOVERNORS
is an independent
agency of the federal
government.
FEDERAL
OPEN MARKET
COMMITTEE
consists of the members of
the Board of Governors and
Reserve Bank presidents.
The Chair of the Board
is the FOMC Chair.
FEDERAL
RESERVE BANKS
are the operating arms
of the Federal Reserve
System and are supervised
by the Board of Governors.

Federal Reserve Board of Governors

Kevin Warsh (Chair)

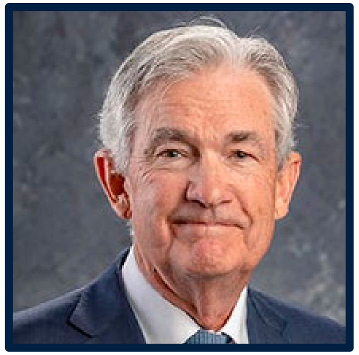
Philip Jefferson

Michelle Bowman

Lisa D. Cook

Michael Barr

Christopher Waller



Jerome Powell

Federal Reserve Bank Presidents

Alberto Musalem
St. Louis

Cheryl Venable*
Atlanta

Susan M. Collins
Boston

John C. Williams
New York

Anna Paulson
Philadelphia

Beth Hammack
Cleveland

Lorie Logan
Dallas

Jeffrey Schmid
Kansas City

Mary Daly
San Francisco

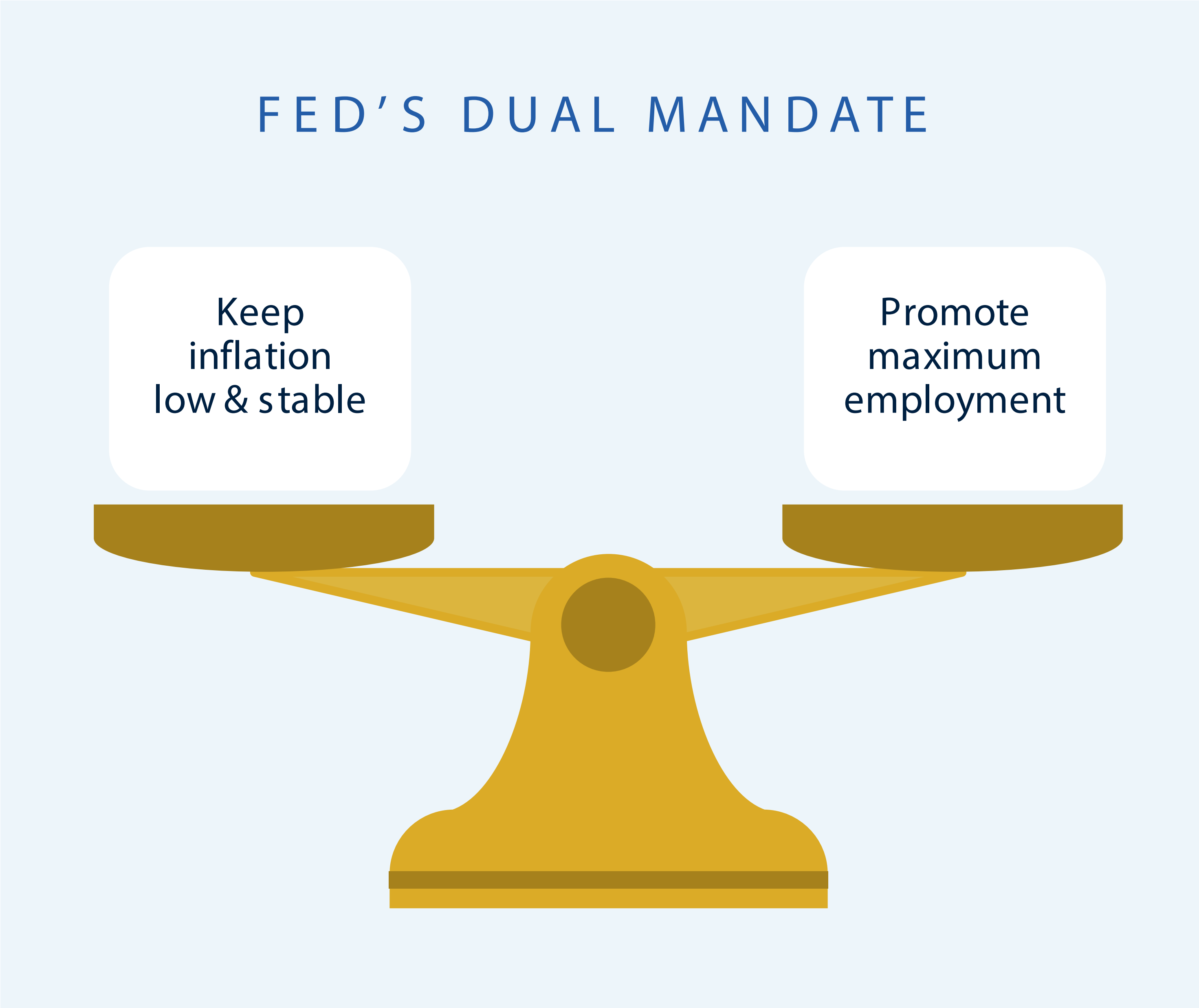
Neel Kashkari
Minneapolis

Austan Goolsbee
Chicago

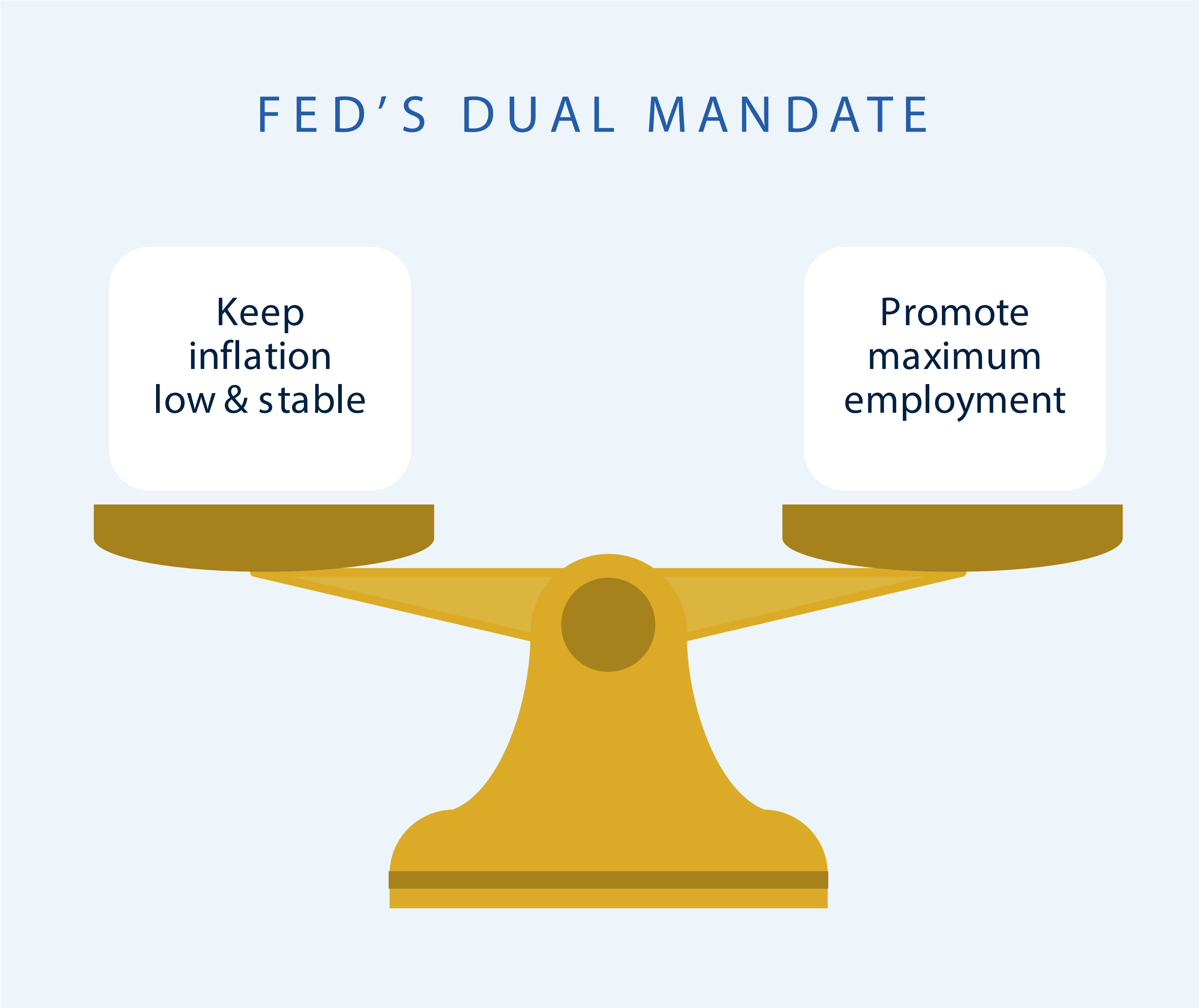
Tom Barkin
Richmond

*Interim President & CEO

Conduct monetary policy



Conduct monetary policy




Hard Data
District Anecdotes
Economic Picture

Hard Data

District Anecdotes

Economic Picture

I want to hear from you!

Please take a few minutes and share your insights on economic conditions

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Community development tools to support an economy in which all can benefit

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