

# **“TO REPRESENT THE PUBLIC”**

**The Federal Reserve's Continued Failure  
to Represent the American People**



February 2016



**POPULAR  
DEMOCRACY  
IN ACTION**

## ABOUT THE AUTHORS

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This paper was written by Connie M. Razza. It was edited by Jordan Haedtler. Additional research support was provided by Joe Speer and Alexa McMenamin.



**Fed Up** is a coalition of community organizations and labor unions across the country, calling on the Federal Reserve to reform its governance and adopt policies that build a strong economy for the American public. The Fed can keep interest rates low, give the economy a fair chance to recover, and prioritize genuine full employment and rising wages.  
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## Executive Summary

The boards of directors of the 12 Federal Reserve Banks are important decision-makers and influencers of national monetary policy. Designed to bring voices from diverse economic perspectives to the table, Federal Reserve directors have historically—and dramatically—failed to adequately represent communities, consumers, employees, women, and people of color.

### Key Findings

This report analyzes the current diversity—in terms of economic sector, gender, and racial representation—of head-office regional Federal Reserve Bank boards and finds that there is:

#### Insufficient sectoral diversity on regional boards

- Banking and commercial sectors have increased their already-outsized share of board seats since the most recent GAO study of this issue, in 2011.
- Representation of the service sector has shrunk, despite the sector's growth.
- Organizations governed by community members and employees continue to represent less than five percent of all seats.

#### Inadequate racial and gender representation on regional boards

- While 63 percent of the nation's population is white, 83 percent of Federal Reserve board members are white.
- Similarly, men make up nearly three-fourths of all board members, despite constituting 49 percent of the US population.

#### The lack of diversity at the boards generates a lack of diversity among the regional presidents and the Federal Open Market Committee (FOMC)

- While many of the Federal Reserve Bank presidents have spent their entire careers staffing the Federal Reserve and/or bodies of federal government, banking is the next most common career path to a Fed presidency. For instance, one-fourth of current presidents had strong ties to Goldman Sachs before becoming a regional Bank president.
- Ninety-two percent of presidents and 100 percent of voting FOMC members are white.
- Eighty-three percent of presidents and 60 percent of voting FOMC members are men.

## Recommendations

These findings show a significant lack of representation. Therefore, we propose concrete solutions that the Board of Governors and the regional banks can implement immediately:

- Each regional board should include among its Class B and Class C directors at least one member from a labor organization.
- Each regional board should include among its Class B and Class C directors at least one member from a community organization with operations primarily within the region and in which community members participate in governance.
- Each regional board should include among its Class B and Class C directors at least one member from a university or a policy think tank. Currently, 6 regional board members are attached to academic institutions in various capacities, and some regions make a regular practice of including academics. This is a best practice that can be built upon.
- Each regional board should include among its Class A directors a member from a community bank, community financial development institution, or credit union.

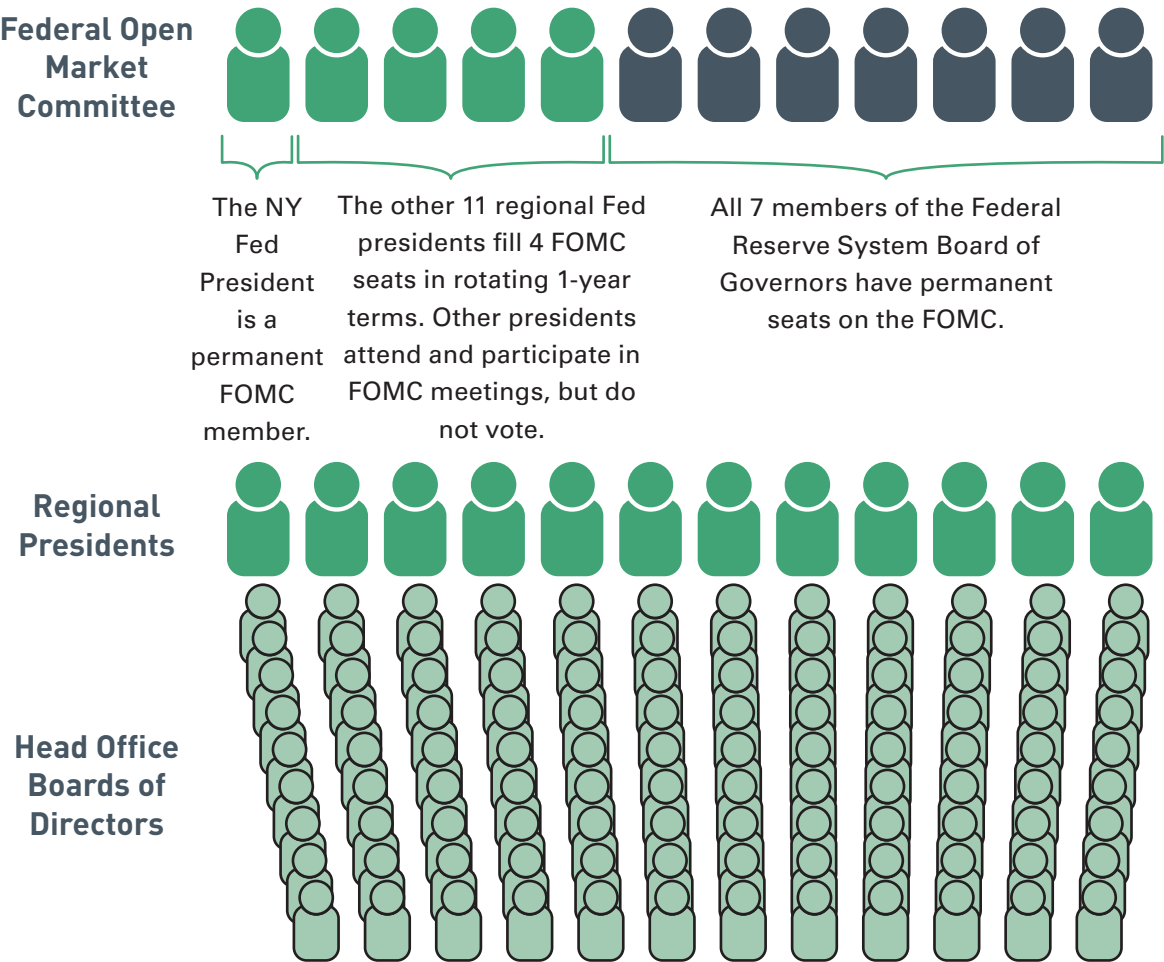
In addition to these changes, future board appointments and elections should move aggressively toward more reflective racial and gender representation.

# Introduction

The Federal Reserve is a vital institution for ensuring that the economy works for the American people. However, with the recent announcements of new head-office Directors of Regional Federal Reserve Banks, one thing is evident: these key decision-making bodies remain dramatically unbalanced and unrepresentative of the vast majority of people who participate in the economy.

The regional Banks’ boards of directors are highly influential: they establish the overall strategy at the Banks; make key hiring decisions, including that of the regional bank president; and meet regularly to make recommendations to the Fed’s Board of Governors regarding the rate of discount lending between the Fed and commercial banks.<sup>1</sup> The directors choose regional bank presidents, who are responsible for managing the Federal Reserve Banks and serve on the Federal Open Market Committee, the policymaking body with the power to slow down or speed up economic growth through its interest rate decisions. Regional directors are therefore influential economic actors, contributing directly and indirectly to national monetary policy.

## Boards of Directors Influence National Monetary Policy



Importantly, boards of directors are also supposed to “act as a link between the [Federal Reserve] System and the public,” and between the Federal Reserve and the private sector. For this reason, directors are expected to be “individuals who can contribute to the System’s understanding of the economic conditions of their District and the effect of those conditions on the economy as a whole.”<sup>2</sup>

This report analyzes the current diversity—in terms of economic sector, gender, and racial representation—of head-office regional Federal Reserve Bank boards, in comparison with the boards of 2006-2010.

This report finds that there is:

### **Insufficient sectoral diversity on regional boards**

- Banking and commercial sectors have increased their already-outsized share of board seats since the GAO study.
- Representation of the service sector has shrunk, despite the sector's growth.<sup>3</sup>
- Organizations governed by community members and employees continue to represent less than five percent of all seats.

### **Inadequate racial and gender representation on regional boards**

- While 63 percent of the nation's population is white, 83 percent of Federal Reserve board members are white.
- Similarly, men make up nearly three-fourths of all board members, despite constituting 49 percent of the US population.

### **The lack of diversity at the boards generates a lack of diversity among the regional presidents and the Federal Open Market Committee (FOMC)**

- While many of the Federal Reserve Bank presidents have spent their entire careers staffing the Federal Reserve and/or bodies of federal government, banking is the next most common career path to a Fed presidency. For instance, one-fourth of current presidents had strong ties to Goldman Sachs before becoming a regional Bank president.
- Ninety-two percent of presidents and 100 percent of voting FOMC members are white.
- Eighty-three percent of presidents and 60 percent of voting FOMC members are men.

These findings show a significant lack of progress following the recommendations made by the GAO. Therefore, we propose concrete solutions that the Board of Governors and the regional banks can implement immediately:

- Each regional board should include among its Class B and Class C directors at least one member from a labor organization.
- Each regional board should include among its Class B and Class C directors at least one member from a community organization with operations primarily within the region and in which community members participate in governance.
- Each regional board should include among its Class B and Class C directors at least one member from a university or a policy think tank. Currently, 6 regional board members are attached to academic institutions in various capacities, and some regions make a regular practice of including academics. This is a best practice that can be built upon.
- Each regional board should include among its Class A directors a member from a community bank, community financial development institution, or credit union.

In addition to these changes, future board appointments and elections should move aggressively toward more reflective racial and gender representation

## Inadequate representation across economic sector, race, and class: A long-term problem for Federal Reserve Bank boards

Representation on the boards has long failed to adequately match regional demographics or reflect a diversity of economic sectors and perspectives. In 1976, a report by the US House of Representatives' Banking Committee found that "Women are ignored totally in the selection of district bank directors and only six women are among the 161 branch directors. Minorities are given little more than token representation . . . [and] the Fed has never had a woman among the 1,042 directors in its 62-year history."<sup>4</sup> The following year, Congress passed the Federal Reserve Reform Act, in an attempt to make it more representative of and accountable to the public. One key change was the creation of Class C directorships for each Federal Reserve Bank board of directors. Class C directors were to be appointed by the Board of Governors to "represent the public, without discrimination on the basis of race, creed, color, sex, or national origin, and with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor and consumers."<sup>5</sup>

Although some women were eventually named to the regional Fed Bank's boards, the underlying problem persisted. In 1992, a new House Banking study of diversity at the Fed found "a decided lack of minorities and women," and that the Fed "simply ignored those parts of the law which require consumer and labor representatives on the Federal Reserve Boards [of directors]."<sup>6</sup>

Public representation has continued to be a problem in the Fed. In 2010, as part of the landmark Dodd-Frank Act, Congress commissioned a Government Accountability Office (GAO) study of diversity and public representation among the Federal Reserve Banks' boards of directors. Once again, the GAO found that "diversity of Reserve Bank boards was limited from 2006 to 2010" and that "labor and consumer groups had less representation than other industries."<sup>7</sup>

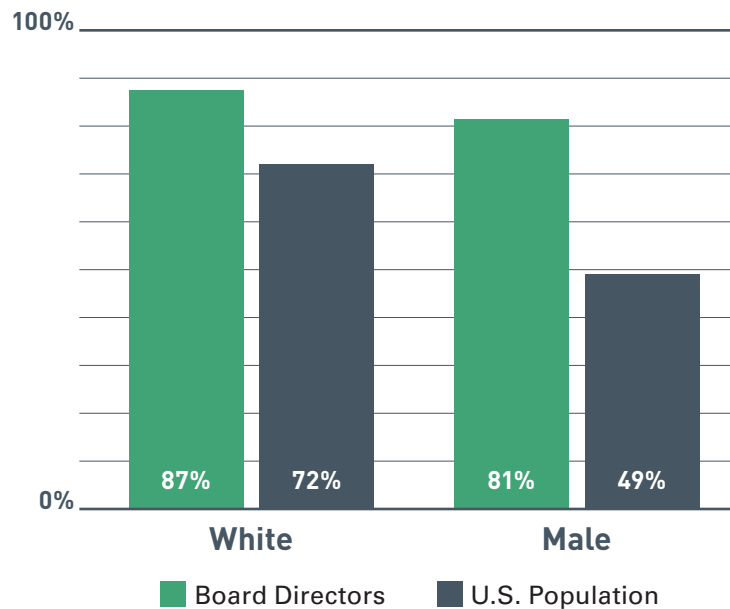
The announcement of a new list of Federal Reserve Bank directors for 2016 provides another opportunity to check in on the Fed's progress. This report finds that, while some halting progress has been made, the Fed continues to fall well short of the guidelines Congress created for it nearly forty years ago.

# Representation on the Federal Reserve's Regional Boards of Directors

## Directors' Race, Gender, and Sector

In 2011, the US Government Accountability Office studied the head office directors of regional Federal Reserve Banks.<sup>8</sup> That study found that between 2006–10, 87 percent of regional directors were white and 81 percent were men.<sup>9</sup>

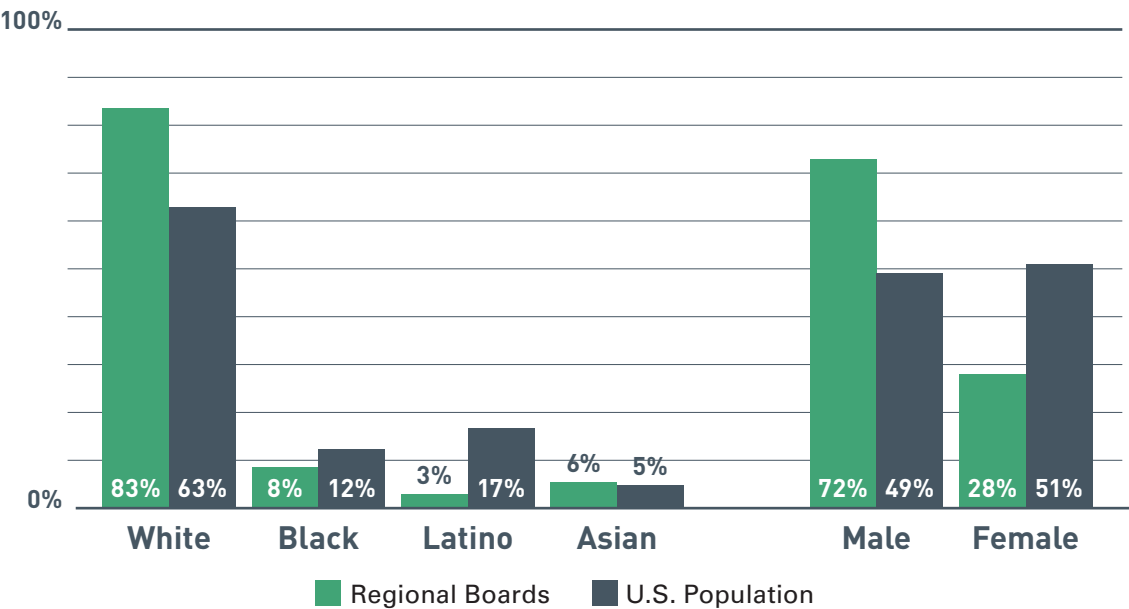
### White and Male Representation in 2006-2010 Federal Reserve Regional Boards of Directors and 2010 US Population



Source: U.S. Government Accountability Office.

Racial and gender representation has improved only marginally in the 6 years since the GAO's study. The proportion of regional board members who are white is slowly falling toward the proportion of white members of the population. Similarly, the proportion of male board members is beginning to approach the proportion of males in the general population.

Current Race and Gender Representation on Regional Federal Reserve Banks Boards of Directors (2016) and in the US Population (2010)

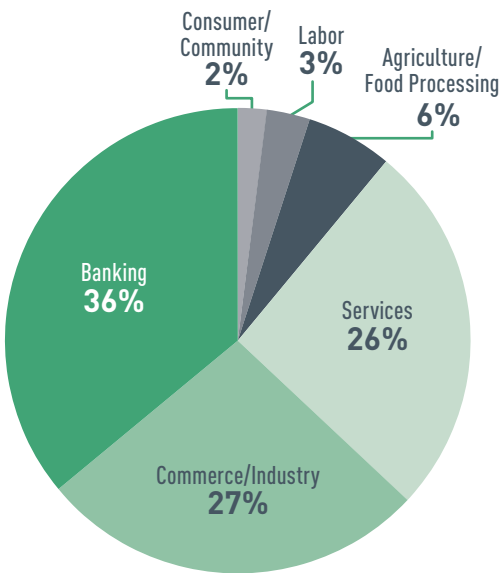


Sources: Regional Federal Reserve Banks (2016); American Community Survey (2014).

On sectoral diversity, however, Federal Reserve representation remains dramatically unbalanced, with the interests of the finance/banking and commerce/industry sectors overrepresented.

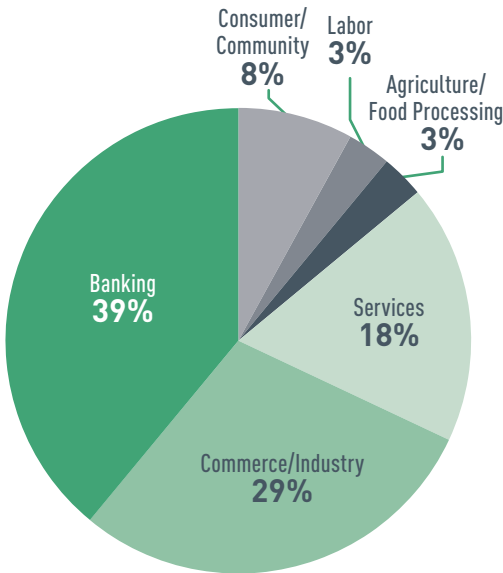
Among board members from 2006 to 2010, sectoral representation was skewed. Two-thirds (66%) of board seats are supposed to represent commerce, agriculture, labor, and consumers. However, between 2006 and 2010, consumer/community, labor, and agricultural/food processing representatives collectively made up only 11% of the regional boards.<sup>10</sup>

Industry Representation on Federal Reserve Bank Boards, 2006-2010



Source: U.S. Government Accountability Office.

Industry Representation on Federal Reserve Bank Boards, 2016



Source: Federal Reserve Banks.

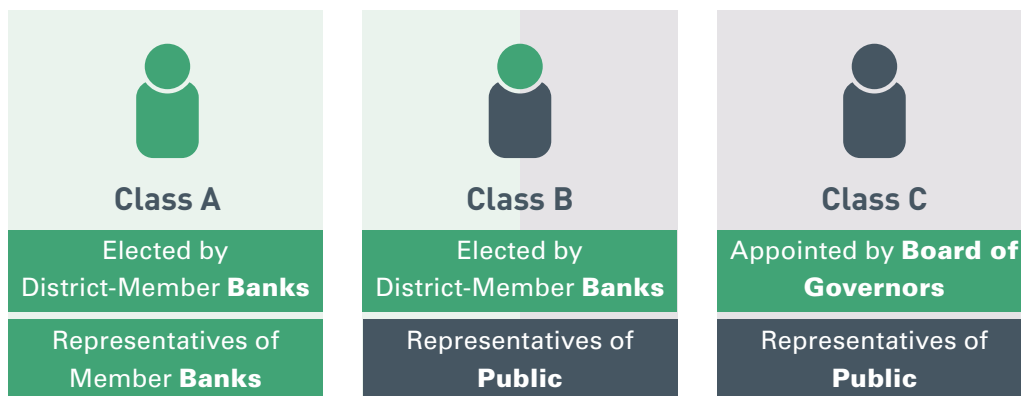
The number of directors affiliated with Consumer and Community organizations has grown to 8 percent. A number of these seats are filled by members affiliated with local, national, or global service providers, cultural institutions, and community foundations; however, few, if any, of the organizations are governed by community members within the Federal Reserve’s region.

Banking and Commerce/Industry representation has grown by 8 percent over its previous level. By contrast, service sector representation has fallen by 30 percent. Agriculture and food processing representation has been halved. Labor representation has remained steady—and scant—at 3 percent.

## Director Classes and Selection

This overrepresentation of the banking industry and the commerce/industry sector is a predictable outcome of a fundamental imbalance in the control of regional Federal Reserve Banks. The banks that hold shares in these regional Reserve Banks vote for two-thirds of each region’s board. Of the nine directors on a regional board, three Class A directors are elected by and from among the member banks of the region’s Federal Reserve Bank and the six Class B and Class C directors are supposed to “represent the public with due, but not exclusive, consideration to the interests of agriculture, commerce, industry, services, labor, and consumers.” The region’s shareholder-banks elect Class B directors, and the Federal Reserve System’s Board of Governors appoint Class C directors.<sup>11</sup>

### Selection and Composition of Regional Head-Office Boards of Directors



Our research reveals a disturbing reality that has not previously been studied: In the past 30 years, at least 12 Class B directors initially elected by member banks have been transitioned to Class C seats by the Fed’s Board of Governors; three-fourths of these cross-appointments have happened since 2001. Because Class C directors are chosen by the Board of Governors and not member banks, they are the one category of directors who are supposed to be independent of the commercial banks, yet the Board of Governors has repeatedly chosen Class C appointees from among the existing crop of commercial bank-elected Class B directors. Such transitions increase the influence of the banking industry on the decisions of the regional Federal Reserve Banks, as they increase the number of directors serving at any one time who were initially selected by the banks.

The outsized voice of banks in selecting regional Federal Reserve directors—and of financial and commercial directors in board decision-making—dramatically limits the ability of regional Federal Reserve Banks, and the whole System, to understand “the economic conditions of [the] District[s] and the effect of those conditions on the economy as a whole.”<sup>12</sup> A properly run banking industry should play an indispensable role in our modern economy, “akin to a power utility,

distributing money (power) to where it is needed and keeping an account of how it is used.”<sup>13</sup> But, the opposite currently holds: the financial industry and, increasingly, the commercial sector fail to serve the broader economy, extracting resources from the real economy to feed the financial sector itself.

Today, the interests of the banking industry are at odds with the interests of consumers, workers, and business owners operating in the real economy. Therefore, the potential for increased influence of banks and financialized commercial interests on Class C seats is particularly concerning. Each Reserve Bank Board sends recommendations to the Fed's national Board of Governors regarding discount rates.<sup>14</sup> Class B and Class C directors appoint regional Federal Reserve Bank presidents and first vice presidents.<sup>15</sup> These presidents are responsible for managing the regional Banks, and also set economic policy for the entire country through their position on the FOMC. For this reason, it is important that Class C directors' independence from commercial banks be preserved.

### **Regional Bank Presidents and the Federal Open Market Committee**

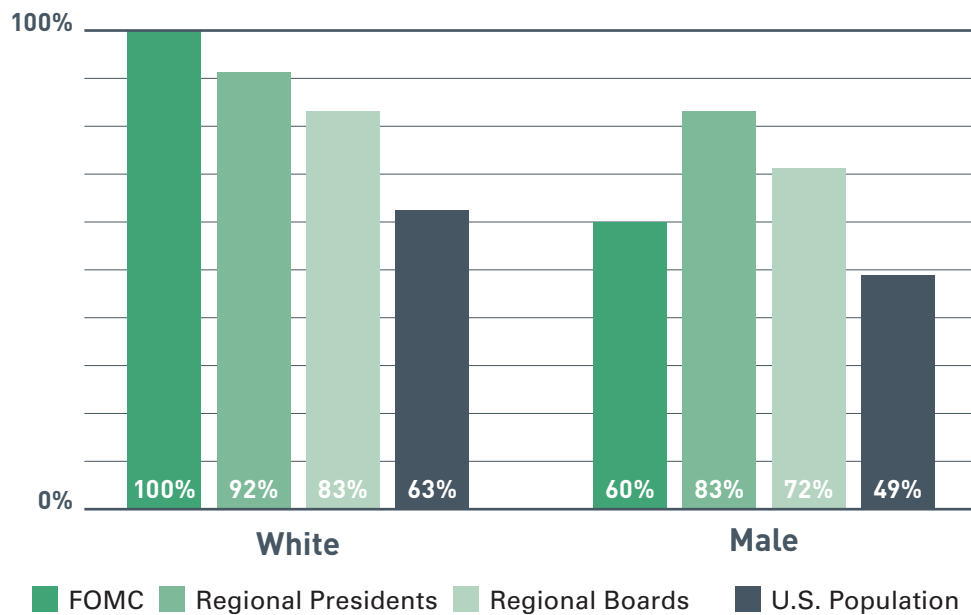
Federal Reserve Bank presidents, responsible for the day-to-day steering of the regional banks and important decision makers for the national system, are even whiter (92 percent) and more male (83 percent) than the regional directors. While many of the Bank presidents have spent their entire careers staffing the Federal Reserve or bodies of federal government, banking is the next most common career path to a Fed presidency. For instance, one-quarter (25 percent) of current presidents have strong ties to Goldman Sachs.

Bank presidents serve on the FOMC, which meets every six weeks to set monetary policy for the entire country. During FOMC meetings, Bank presidents join the Board of Governors to review and discuss global economic data, in order to guide decisions about how to best fulfill the Fed's dual mandate to achieve both full employment and price stability. The 12 regional presidents serve on a rotating basis as voting members of the FOMC. Their votes help determine when and how to move the federal funds rate (commonly known as the interest rate). Because the Fed has historically been a consensus-driven institution, however, Bank presidents can play a key role in setting policy even in years when they are not voting members.

The significance of regional presidents' role on the FOMC is heightened during periods of Congressional gridlock. In recent years, delays in the confirmation process for Federal Reserve Governor appointees have meant that Bank Presidents have often comprised a majority of the FOMC. The Federal Reserve Act establishes that Fed Governors, who are appointed by the US President and confirmed by the US Senate, are supposed to hold a 7-5 majority on the FOMC. However, Stanford Fellow Peter Conti-Brown has found that the proportion of time that this is the case has been shrinking during the last three presidential administrations; in fact, during the Obama administration, Conti-Brown found that “private bankers effectively held a majority on the FOMC 58% of the time.”<sup>16</sup>

The diversity of regional board members is meant to inform the Bank presidents, who in turn, participate in discussions and vote at the FOMC. In this way, the full economic reality in the regions bears on economic policy decisions made by the Federal Reserve. However, the boards, the presidents, and the FOMC fail to represent their region's racial diversity. Today, 100 percent of voting FOMC members are white and 60 percent of them are male.

## White and Male Representation among Federal Reserve FOMC, Regional Presidents, and Regional Boards of Directors (2016), and US Population (2010)



Sources: *Regional Federal Reserve Banks (2016)*; *American Community Survey (2014)*.

Reflecting on his FOMC experience in a blog post published on Martin Luther King Day, former Minneapolis Federal Reserve President Narayana Kocherlakota wrote, “There is one key source of economic difference in American life that is likely underemphasized in FOMC deliberations: race.” Kocherlakota reviewed the most recent full year of FOMC meeting transcripts available (2010) and found that “there was no reference in the meetings to labor market conditions among African Americans (or Black Americans),” despite the fact that Black unemployment never dropped below 15.5% in 2010.<sup>17</sup>



**NRKocherlakota**  
@kocherlakota009



Following

@IvanTheK Important point - no African-American has ever been a Bank President

...

6:39 AM - 18 Jan 2016



In a Tweet that day, Kocherlakota also pointed out that there has never been an African American president of a regional Federal Reserve Bank.

The failure of the Federal Reserve to have representative decision-makers has policy ramifications for the whole economy. With African-American unemployment still above pre-recession levels in most states and cities, the overwhelmingly white FOMC meets every six weeks but evidently fails to consider labor market conditions for African-American workers. And, despite

the warnings of numerous respected economists that a rate hike was premature and threatened to hamper recent job gains that disproportionately benefited communities of color,<sup>18</sup> the FOMC voted in December 2015 to raise interest rates for the first time in nearly a decade.<sup>19</sup>

As the Federal Reserve has historically failed to meet its mandate for diversity, it has also historically shown a bias toward curbing inflation over ensuring full employment, and regional presidents are usually the Fed policymakers who exhibit this bias most strongly. A 2009 analysis of voting patterns on the FOMC found that 90% of dissents on the FOMC had come from regional Bank presidents, and that 97% of dissents from a “hawkish” perspective had come from regional Bank presidents.<sup>20</sup>

The attitudes, perspectives, and life experiences that regional Bank presidents and board directors take to the FOMC have a huge bearing on the decisions that the Federal Reserve makes. It is with this in mind that Congress reformed the Federal Reserve Act in 1977 to require that Federal Reserve leaders represent the public.

## Steps to Take toward Greater Representation

The Federal Reserve Act’s requirement that regional directors “represent the public” was meant to ensure that decision-makers at the Fed come from a variety of economic backgrounds and bring a diverse set of perspectives to FOMC deliberations. But, the Fed too often fails to fulfill that mission. While the Federal Reserve agreed to the recommendations of the Government Accountability Office to improve representation on the regional boards of directors, the change on race and gender has been far too slow. The sectoral changes have largely been in the wrong direction. The Board of Governors should work with regional presidents to issue specific rules so that board structures are put to the best effect.

With the distinct roles of the different director classes in mind, the structure of the board may help ensure that people experiencing the economy as consumers and employees are represented on the board. By ensuring that the following seats are filled, regional Federal Reserve Banks may better allow for public representation in the important conversations pertaining to the real economy.

1. Each regional board should include among its Class B and Class C directors at least one member from a labor organization.
2. Each regional board should include among its Class B and Class C directors at least one member from a community organization with operations primarily within the region and in which community members participate in governance.
3. Each regional board should include among its Class B and Class C directors at least one member from a university or a policy think tank. Currently 6 regional board members are attached to academic institutions in various capacities, and some regions make a regular practice of including academics. This is a best practice that can be built upon.
4. Each regional board should include among its Class A directors a member from a community bank, community financial development institution, or credit union.

In addition to these changes, future board appointments and elections should move aggressively toward more reflective racial and gender representation.

## Appendix

Boston—District 1		
Class A		<b>Peter L. Judkins</b> President and CEO Franklin Savings Bank Farmington, Maine
		<b>Joseph F. Hooley</b> Chairman and CEO State Street Corporation Boston, Massachusetts
		<b>Michael E. Tucker</b> President and CEO Greenfield Co-operative Bank Greenfield, Massachusetts
Class B		<b>Roger S. Berkowitz</b> President and CEO Legal Sea Foods, LLC Boston, Massachusetts
		<b>Laura J. Sen</b> President and CEO BJ's Wholesale Club, Inc. Westborough, Massachusetts
		<b>Christina Hull Paxson</b> President Brown University Providence, RI
Class C		<b>Gary L. Gottlieb, M.D. (Deputy Chair)</b> CEO Partners in Health Boston, Massachusetts
		<b>John. F. Fish (Chair)</b> Chairman and CEO Suffolk Construction Company, Inc. Boston, Massachusetts
		<b>Philip L. Clay, PhD</b> Professor MIT Boston, Massachusetts










Green highlight = New director serving their first year as a director in 2016

New York—District 2		
Class A		<b>Gerald H. Lipkin</b> Chairman, President and CEO Valley National Bank Wanye, NJ
		<b>Paul P. Mello</b> President and Chief Executive Officer Solvay Bank Solvay, NY
		<b>James Gorman</b> CEO Morgan Stanley New York, NY
Class B		<b>David M. Cote</b> Chairman and CEO Honeywell International Inc. Morristown, NJ
		<b>Terry J. Lundgren</b> Chairman and CEO Macy's, Inc. New York, NY
		<b>Glenn H. Hutchins</b> Co-Founder Silver Lake New York, NY
Class C		<b>Marc Tessier-Lavigne</b> President The Rockefeller University New York, NY
		<b>Emily K. Rafferty (Chair)</b> President Emerita The Metropolitan Museum of Art New York, NY
		<b>Sara Horowitz (Deputy Chair)</b> Founder and Executive Director Freelancers Union Brooklyn, NY



Philadelphia—District 3		
Class A		<b>David R. Hunsicker</b> Chairman, President and CEO New Tripoli Bank New Tripoli, PA
		<b>William S. Aichele</b> Chairman Univest Corporation of Pennsylvania Souderton, PA
		<b>Jon Evans</b> President and CEO Atlantic Community Bankers Bank Camp Hill, PA
Class B		<b>Carol J. Johnson</b> President and COO AlliedBarton Security Services Conshohocken, PA
		<b>Edward J. Graham</b> Chairman and CEO South Jersey Industries Folsom, NJ
		<b>Patricia Hasson</b> President and Executive Director Clarifi Philadelphia, PA
Class C		<b>VACANT</b>
		<b>Brain McNeill</b> President and CEO TouchPoint, Inc. Concordville, Pennsylvania
		<b>Michael K. Angelakis (Chair)</b> Senior Advisor - Executive Management Committee, Comcast Corporation Chair and CEO, Atairos Management, L.P. Philadelphia, PA

Cleveland—District 4		
Class A		<b>Claude E. Davis</b> President and CEO First Financial Bancorp Cincinnati, OH
		<b>Beth E. Mooney</b> Chair and CEO KeyCorp Cleveland, OH
		<b>Todd A. Mason</b> President and CEO First National Bank of Pandora Pandora, OH
Class B		<b>George S. Barrett</b> Chair and CEO Cardinal Health, Inc. Dublin, OH
		<b>Hal Keller</b> President Ohio Capital Corporation for Housing Columbus, OH
		<b>Charles H. Brown</b> Vice President and Secretary Toyota Motor Engineering & Manufacturing, N.A. Erlanger, Kentucky
Class C		<b>Dawne S. Hickton</b> Former President and CEO RTI International Metals, Inc Pittsburgh, PA
		<b>Christopher M. Connor (Chair)</b> Chairman and CEO The Sherwin-Williams Company Cleveland, OH
		<b>John P. Surma (Deputy Chair)</b> Retired Chairman and CEO United States Steel Corporation Pittsburgh, PA

Richmond—District 5		
Class A		<b>Susan K. Still</b> President & CEO HomeTown Bankshares Corporation and HomeTown Bank Roanoke, VA
		<b>C. Richard Miller, Jr.</b> President and CEO Woodsboro Bank Woodsboro, MD
		<b>Robert R. Hill</b> CEO South State Corporation and South State Bank Columbia, SC
Class B		<b>Catherine A. Meloy</b> President & CEO Goodwill of Washington/Goodwill Excel Center Washington, DC
		<b>Charles R. Patton</b> President and CEO Appalachian Power Company Charleston, WV
		<b>Thomas C. Nelson</b> Chairman, President and CEO National Gypsum Company Charlotte, NC
Class C		<b>Russell C. Lindner</b> Executive Chairman and CEO The Forge Company Washington, DC
		<b>Margaret G. Lewis</b> Retired President HCA Capital Division Richmond, VA
		<b>Kathy J. Warden</b> Corporate Vice President and President, Information Systems Northrop Grumman Corporation McLean, Virginia

Atlanta—District 6		
Class A		<b>Gerard R. Host</b> President and CEO Trustmark Corporation Jackson, MS
		<b>T. Anthony Humphries</b> President and CEO NobleBank and Trust Anniston, Alabama
		<b>William H. Rogers</b> Chairman and CEO SunTrust Banks, Inc. Atlanta, GA
Class B		<b>Elizabeth Smith</b> CEO Bloomin' Brands Tampa, FL
		<b>José S. Suguet</b> Chairman, President and CEO Pan-American Life Insurance Group New Orleans, LA
		<b>Jonathan T.M. Reckford</b> CEO Habitat for Humanity International Atlanta, GA
Class C		<b>Thomas A. Fanning</b> Chairman, President and CEO Southern Company Atlanta, GA
		<b>Michael J. Jackson</b> Chairman and CEO AutoNation, Inc. Ft. Lauderdale, FL
		<b>Myron A. Gray</b> President, U.S. Operations UPS Atlanta, GA

Chicago—District 7		
Class A		<b>William M. Farrow</b> President and CEO Urban Partnership bank Chicago, IL
		<b>Abram A. Tubbs</b> Chairman and CEO Ohnward Bank & Trust Cascade, IO
		<b>David W. Nelms</b> Chairman and CEO Discover Financial Services Riverwoods, IL
Class B		<b>Susan Collins</b> Dean of Public Policy University of Michigan Ann Arbor, MI
		<b>Jorge Ramirez</b> President and CEO Chicago Federation of Labor Chicago, IL
		<b>Nelda J. Connors</b> CEO Pine Grove Holdings, LLC Chicago, IL
Class C		<b>Greg Brown</b> Chairman and CEO Motorola Solutions, Inc. Schaumburg, IL
		<b>Anne R. Pramaggiore</b> President and CEO ComEd Chicago, IL
		<b>E. Scott Santi</b> CEO Illinois ToolWorks Glenview, IL



St. Louis—District 8		
Class A		<b>Patricia Clarke</b> CEO The First National Bank Vandalia, IL
		<b>D. Bryan Jordan</b> Chairman, President and CEO First Horizon National Corporation Memphis, TN
		<b>Susan S. Stephenson</b> Co-Chairman and President Independent Bank Memphis, TN
Class B		<b>Daniel Ludeman</b> CEO St. Louis Concordance Academy St. Louis, MO
		<b>Cal McCastlain</b> Partner Dover Dixon Horne PLLC Little Rock, AR
		<b>John N. Roberts III</b> President and CEO J.B. Hunt Transport Services, Inc. Lowell, AR
Class C		<b>Suzanne Sitherwood</b> CEO Laclede Group St. Louis, MO
		<b>Kathleen M. Mazzeella</b> Chairman, President and CEO Graybar Electric Company, Inc. St. Louis, MO
		<b>Rakesh Sachdev</b> President and CEO Sigma-Aldrich St. Louis, MO

Minneapolis—District 9	
Class A	<b>Randy L. Newman</b> Chairman and CEO Alerus Financial, NA and Alerus Financial Corp. Grand Forks, ND
	 <b>Kate Kelly</b> President and CEO Minnesota Bank & Trust Edina, MN
	<b>Thomas W. Armstrong</b> President The First National Bank of Park Falls Park Falls, WS
Class B	 <b>Christine Hamilton</b> Managing Partner Christiansen Land and Cattle, Ltd. Kimball, SD
	 <b>Lawrence R. Simkins</b> President and CEO The Washington Companies Missoula, MT
	 <b>Kathleen Neset</b> President Neset Consulting Service Tioga, ND
Class C	 <b>Harry Melander</b> President Minnesota Building and Trades Council St. Paul, MN
	 <b>Ken Powell</b> Chairperson and CEO General Mills Minneapolis, MN
	 <b>MayKao Y. Hang</b> President and CEO Amherst H. Wilder Foundation St. Paul, MN

Kansas City—District 10		
Class A		<b>Mark Zaback</b> CEO Jonah Bank Wyoming
		<b>Max T. Wake</b> President Jones National Bank & Trust Co. Seward, NE
		<b>Paul J. Thompson</b> President and CEO Country Club Bank Kansas City, MO
Class B		<b>Brent Stewart</b> CEO United Way of Great Kansas City Kansas City
		<b>Len C. Rodman</b> Former Chairman, President and CEO Black and Veatch Overland Park, KS
		<b>Lilly Marks</b> VP for Health Affairs and Executive Vice Chancellor University of Colorado and Anschutz Medical Campus Aurora, CO
Class C		<b>Steve Maestas</b> CEO Maestas Development Group Albuquerque, NM
		<b>Rose Washington</b> Executive Director Tulsa Economic Development Corporation Tulsa, OK
		<b>James C. Farrell</b> President and CEO Farmers National Company Omaha, NE

Dallas—District 11		
Class A		<b>Allan James "Jimmy" Rasmussen</b> President and CEO HomeTown Bank, N.A. Galveston, TX
		<b>J. Russell Shannon</b> President and CEO National Bank of Andrews Andrews, TX
		<b>Christopher C. Doyle</b> President and CEO Texas First Bank Texas City, TX
Class B		<b>Ann B. Stern</b> President and CEO Houston Endowment, Inc. Houston, TX
		<b>Curtis V. Anastasio</b> Executive Chairman Gas Log Partners L.P. New York, NY
		<b>Jorge A. Bermudez</b> President and CEO The Byebrook Group, LLC College Station, TX
Class C		<b>Greg L. Armstrong</b> Chairman and CEO Plains All American Pipeline L.P. Houston, TX
		<b>Matthew K. Rose</b> Executive Chairman BNSF Railway Company Fort Worth, TX
		<b>Renu Khator</b> Chancellor and President University of Houston System/ University of Houston Houston, TX

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San Francisco—District 12		
Class A		<b>Peter S. Ho</b> Chairman, President and CEO Bank of Hawaii and Bank of Hawaii Corporation Honolulu, HI
		<b>Stephen R. Gardner</b> President and CEO Pacific Premier Bank Irving, CA
		<b>Megan F. Clubb</b> CEO and Chairman of the Board Baker Boyer National Bank Walla Walla, WA
Class B		<b>Stephen E. Bochner</b> Partner Wilson, Sonsini, Goodrich, & Rosati, P.C. Palo Alto, CA
		<b>Nicole C. Taylor</b> President and CEO Thrive Foundation for Youth Menlo Park, CA
		<b>Richard A. Galanti</b> Executive VP and CEO Costco Wholesale Corporation Issaquah, WA
Class C		<b>Alexander R. Mehran</b> Chairman and CEO Sunset Development Company San Ramon, CA
		<b>Barry M. Meyer</b> Chairman and Founder North Ten Mile Associates Burbank, CA
		<b>Roy A. Vallee</b> Chairman and CEO (Retired) Avnet, Inc. Phoenix, AZ

## Notes

- 1 "Roles and Responsibilities of Federal Reserve Directors," Federal Reserve System, [http://www.federalreserve.gov/aboutthefed/directors/pdf/roles\\_responsibilities\\_FINALweb013013.pdf](http://www.federalreserve.gov/aboutthefed/directors/pdf/roles_responsibilities_FINALweb013013.pdf) (accessed November 18, 2015), 32.
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- 3 "Table 2.1. Employment by Major Industry Sector," *Monthly Labor Review*, Bureau of Labor Statistics, December 2015, [http://www.bls.gov/emp/ep\\_table\\_201.htm](http://www.bls.gov/emp/ep_table_201.htm).
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- 5 Ibid.
- 6 Ibid.
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- 8 Several regional Federal Reserve Banks have branch directors, who serve a strategy-setting role for the region's branches. Both the GAO study and this one focus on the statutory, head-office directors. For the remainder of this paper, we will refer to them as "directors" or "board members" without specifying "head-office."
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