Reserve Bank Director Elections
How are directors elected?

First, a little background...
As a corporation, the Federal Reserve Bank of Minneapolis is overseen by a Board of Directors. The board has three major functions:
• Oversee the Bank, including its budget, operations and management
• Provide input on the District’s economic and business climate
• Serve as ambassadors for the Federal Reserve.

By law, our board has nine members, and like other corporations, the majority of those directors are put into their positions through an election by stockholders.

Who owns stock in FRB Minneapolis?
A Reserve Bank’s stockholders are the banks in its District who are Federal Reserve members. By law, national banks are required to be members, but state banks may choose whether to be members. Each member bank owns stock in our Bank and earns dividends. This includes banks both big and small. Regardless of a member bank’s size or assets, each has an equal voice and vote in the election of directors.

Is there an Election Day, ballot boxes, etc?
The rules about conducting an election are mandated by the Federal Reserve Act, signed into law in 1913. But our method of collecting nominations and votes is updated for the 21st century. The election is conducted through a secure online application. So, no ballot boxes anymore.

How does the election process work?

1. Member banks (stockholders) “register to vote” by confirming their contact information and identifying the executive on their staff who is designated to act in the election.

2. Member banks nominate candidates for board positions. Reserve Banks may have an advisory committee to assist the member banks in making nominations. Our Bank’s advisory committee consists of one banker from each state in our District. Prior to the nomination phase, it meets to identify a single candidate for each open seat. The candidate is put forth as a “recommendation” by this committee, but member banks may nominate anyone qualified to hold the board position.

3. Each member bank casts a ballot for the candidate of their choice. The candidate receiving the most votes becomes the next Reserve Bank director.

Who are the candidates?
Candidates are business and community leaders from the Ninth District. One important consideration is ensuring diversity among our directors. This diversity includes not only gender, race and background, but we also seek geographical diversity, to reflect the entire District, and sector diversity, so that all types of communities and industries that make up the District economy are represented. We seek leaders who are well-connected in their communities and industries, and who actively engage with many types of people and enterprises to understand our region’s economic trends. This allows us to gather similarly diverse information about our District.

Once elected, then what?
Directors serve 3-year terms and may be re-elected once (for a total of 6 years’ service). Elections occur annually and with staggered terms, one or two directors are ending terms each year.

Also, Reserve Bank directors are not allowed to be politicians. This rule keeps the Fed independent from the political process and focused on our economy.

How is the Board of Directors structured?
This diagram illustrates the structure of a Federal Reserve Bank board. By law, directors are divided into three classes of three directors; bankers (Class A), are elected by the member banks; business/community leaders (Class B) are elected by the member banks to represent the public; and business/community leaders who are appointed by the Board of Governors in Washington, DC (Class C). Reserve Banks actively network year-round with business leaders in their Districts, which is one way potential candidates are identified for these Class C positions; each Reserve Bank makes recommendations for the Board of Governors’ consideration. Find out more about our current directors here.

What about Reserve Bank Branches? Our Helena branch has its own board of five directors, three of whom are appointed by the Bank and two by the Board of Governors. They do not oversee the Bank, but serve in an economic advisory role, as well as ambassadors for the Bank.

Want to learn more?
Refer to the Board of Directors webpage or contact our leaders in the Corporate Secretary’s Office who would be happy to help you.

LuAnne Kinney Pederson, Corporate Secretary
Jean Hinz, Assistant Corporate Secretary
Kimberly Morrison, Helena Branch Board Secretary