



MESSAGE FROM THE FIRST VICE PRESIDENT

In 1913, Congress created the Federal Reserve System and gave it the mission to provide the United States with a safer, more flexible, and more stable monetary and financial system. As part of the new Federal Reserve System, the Federal Reserve Bank of Minneapolis opened for business in 1914 in leased

space in the Minnesota Loan and Trust building with a total staff of eight employees.

The subsequent 100 years has been a period of remarkable growth and change for our country and economy. Over this time, the Federal Reserve has also grown and changed as Congress has revised and expanded its responsibilities. But despite the enormous differences between the situation today and that of 100 years ago, the Federal Reserve is connected to its past through its focus on fulfilling its mission and an unwavering commitment to always act in the public interest. At the Federal Reserve Bank of Minneapolis, we work hard every day to put our core values into practice as we strive to contribute to the System’s fulfillment of its mission to foster the stability, integrity, and efficiency of the nation’s monetary, financial, and payments systems.

We will begin 2015 with a staff of about 1,100 and an operating budget of a little over \$200 million. At least as significant as the growth in the size of the Bank has been the increase in the diversity of our activities and our staff. Given that the Bank’s responsibilities include operational, supervisory, research, and support functions, the employees of the Bank represent a rich and diverse tapestry of backgrounds, skills, and points of view. To ensure our continuing success in the face of change, we must be able to fully utilize our diverse skills and perspectives. It is for this reason that the Bank has been working hard to foster a culture of inclusion. Research shows that diverse teams make better decisions, but only if they operate in a context of inclusiveness and trust.

In terms of its operating results, the Bank had a strong year in 2014. We achieved our strategic objectives and our operational metrics. Our expenses were below budget, and we had no significant compliance issues. The accompanying “2014 by the Numbers” highlights the scope of some of the Bank’s operations. In a variety of areas, such as the FedACH, the

Customer Contact Center, and the National Service Desk, we have operational responsibilities that support the System more broadly. In a similar vein, as the Federal Reserve Treasury Retail Securities site, we support the Bureau of the Public Debt's retail program by servicing electronic and paper U.S. Savings Bonds and Treasury marketable securities. Managing these consolidated operational responsibilities requires effective coordination and collaboration with numerous stakeholders across the System and beyond.

In 2014, we met all of our supervision and regulation mandates and conducted a robust industry outreach program. In the policy arena, our research staff showcased their scholarship through numerous publications and conference presentations. In addition, Bank officers and staff made material contributions to the development of various System supervisory policies.

Effective outreach efforts across the Ninth District allow us to maximize the benefits afforded by the regional structure of the Federal Reserve. Last year, we continued to work with communities, nonprofit organizations, lenders, educators, and others in the district and across the nation to encourage financial and economic literacy, address housing problems, promote equal access to credit, and advance economic and community development.

The Bank's Office of Minority and Women Inclusion established under Section 342 of the Dodd-Frank Act continued its work to ensure equal opportunity and racial, ethnic, and gender diversity in our workforce and senior management and the participation of minority- and women-owned businesses in our procurement activities. These efforts reinforce the Bank's longstanding and ongoing commitment to diversity and inclusion in our workforce and suppliers.

As we look to the future, we will continue to be guided by a focus on fulfilling our mission and an unwavering commitment to always act in the public interest.



James M. Lyon
First Vice President