

The Federal Reserve Bank of Richmond made substantial progress toward achieving its strategic goals and contributed heavily to Federal Reserve System initiatives in 1995.

Among the highlights of the year were an expansion in public information and educational programs; a strong performance in providing financial services; substantial contributions to Systemwide monetary, banking, and payments system policy deliberations; and wide-ranging support to the U.S. Treasury in its payments activities.

The Bank expanded its public outreach and educational efforts during 1995. Professor Gary Becker of the University of Chicago, the 1992 Nobel Prize winner in Economic Science, was the guest lecturer in the Bank's Economic Lecture Series, cosponsored with local universities. Bank staff presented seminars to bankers, business leaders, educators, and the general public throughout the Fifth District. New publications were developed to further enhance communication between the Bank and its constituencies, and Bank officers shared their expertise in monetary policy, bank supervision, and payments systems with central bankers from a number of foreign countries. From economic education programs for teachers in Baltimore, Charlotte, and Richmond, to forums on community lending, the Bank presented and sponsored programs designed to foster a better understanding of the Federal Reserve System and its contributions to national and regional economies.

---

One of the Bank's strategic goals is to remain a constructive and competitive force in the markets for priced financial services. Much success was realized in this area in 1995, with the Bank fully recovering its costs of providing check collection and electronic payment services. Efforts focused on increasing the efficiency of our operations in the check and support areas. The Bank's voluntary early retirement program resulted in the retirement of 189 long-term employees. Filling the void created by the loss of so many highly experienced associates was a major challenge for the Bank this past year.

---

Another important Bank goal is to influence the direction of monetary, banking, and payments system policies. Research staff continued to provide high quality support to the Bank president for his participation in Federal Open Market Committee meetings, with special attention in 1995 devoted to the appropriateness of price level stability as the primary objective of monetary policy. Moreover, the quarterly banking policy briefings involving the president and senior staff expanded the knowledge and under-

standing of current banking and payments system policy issues throughout the Bank. Drawing upon our close contacts with Fifth District institutions, Bank staff members contributed to better understanding within the Federal Reserve of the emerging practices and unique business needs of large interstate banking organizations, and they are heavily involved in System efforts to define optimal policy and service responses to interstate branching.

Internal restructuring and formation of the Bank's Financial Group improved the integration and coordination of the Bank's credit and risk management activities, which boosted its contributions at the System level. The Bank's involvement in payments system policy issues increased rapidly in 1995 following the president's assignment as a member of the System's Financial Services Policy and Payments System Policy Advisory Committees. The Bank also helped organize a symposium on international payments system risk jointly with the System's Wholesale Payments Product Office and Financial Services Policy Committee and hosted it in Charlotte.

In keeping with another of its goals, the Bank continued to play a leadership role in providing high quality services and support to the U.S. Treasury. Consolidation of Fifth and Sixth Federal Reserve District savings bond activities at the Richmond Office was completed this year; the Office now serves as the regional processing site for the southeastern United States. Bank staff worked closely with the Treasury and other agencies to design, develop, and implement new automated payments systems that will improve the efficiency of governmentwide payments, and are engaged in further consultative work with the Treasury. In addition, the Currency Technology Office (CTO), located at the Richmond Office, provided technical support and training to all Federal Reserve Banks in the Systemwide installation of new high-speed currency processing and counterfeit detection equipment. The CTO also worked closely with the Bureau of Engraving and Printing in the design of new U.S. currency and led hardware and

software development efforts to position the Federal Reserve System to process the new currency in early 1996. Finally, the Bank's Public Affairs staff were heavy contributors to coordinated Treasury-Federal Reserve communication plans to unveil the new currency design domestically and worldwide.

Paving the way for new Community Reinvestment Act regulations and examination procedures, a series of eight training seminars were conducted for bankers across the District. The Community Affairs Department also held five community development training sessions; published community profiles of Prince George's County and Cumberland, Maryland, Fayetteville and Raleigh-Durham, North Carolina, and Norfolk, Virginia; and launched *Marketwise*, a community development newsletter. The Research Department published in-depth economic profiles of Virginia, Maryland, and the District of Columbia, and inaugurated "state snapshots" — two-page summaries of economic and demographic information for District states. The Business Development and Planning Department introduced *Fifth District Dialogue*, a quarterly newsletter designed to provide financial institutions information about Federal Reserve financial services.

A series of consumer seminars on Treasury securities and mutual funds — "Everything You Always Wanted to Know about Treasury Securities" and "Mutual Funds: Understand the Risks" — was presented to audiences in Baltimore, Charlotte, and Richmond. Throughout the year, Bank officers made presentations to numerous civic and professional groups around the Fifth District. The Bank's president augmented his public speaking efforts with two-day community forums with bankers, and business and civic leaders in Wilmington, North Carolina, and Salisbury, Maryland. As further outreach, the Baltimore and Charlotte Offices held media conferences to strengthen relationships with media representatives and increase understanding of Federal Reserve goals and objectives.