

Meet the New Atlanta Fed President

June 5, 2017



Raphael Bostic began work June 5 as the 15th president of the Federal Reserve Bank of Atlanta. An economist educated at Harvard and Stanford, Bostic most recently was the Judith and John Bedrosian Chair in Governance and the Public Enterprise at the University of Southern California's School of Public Policy.

From 2009 to 2012, Bostic was assistant secretary for policy development and research at the U.S. Department of Housing and Urban Development. He worked as an economist at the Federal Reserve Board of Governors from 1995 to 2001, and as a professor at USC starting in 2001.

In a conversation before assuming his new job, Bostic discussed his economic interests, why he was attracted to the Atlanta Fed, and other topics including his passion for birding. His favorite ornithological subject: owls.

What most intrigued you about this position?

I started my professional career at the Fed. So the Fed has always been an institution I've held in high regard. In part that's because it is a place that tries to do its job with little drama. People stick to the facts and the evidence and just try to be professional. A second factor was the opportunity to access and be influential in the policy space. That's something I've always been interested in. Few institutions have such a direct line into policy outside the political arena. Third, the Reserve Bank has a lot of independence and the ability to engage directly at a more local level.

How will your experience at the Board of Governors inform your work here?

Being there for six years helps you know how ideas circulate. For me, it's helpful to go in with a perspective—when I engage with governors and others there, it helps to understand how the information is generated, how much deliberation happens, and how much you have an ability to freelance vs. be thoroughly grounded. At the Atlanta Bank, we have a large infrastructure that's trying to do the same things. My Board experience gives me an opportunity to compare and contrast, and see how it all fits together.

How do you think you will be able to apply your broad experience—from HUD, USC, the Board?

I feel my priorities match well with some of the things we see in the Sixth District. I'm very interested in communities and in trying to make sure everyone has access to opportunity. I'm interested in how institutions engage at a Main Street level. I think there are lots of opportunities for us to reach into communities and help them help themselves, on some level.

I'm hoping to bring fresh eyes to things. My HUD experience was very instructive about the challenges of making policy. I think I have

a degree of pragmatism that will also temper approaches that are too pie-in-the-sky or too academic, and will allow us to set reasonable expectations.

One reason it's exciting to be here is I'm now going to be thinking about a bunch of things I haven't had to consider before—like financial technology and the role of innovation. It's neat to be in a place where you're learning things, and it's an opportunity to grow.

Have you been able to get a sense for the main challenges facing the Bank?

At a very high level, I think there is a huge challenge in how we manage monetary policy and how we think about how the market is going to move in the next several months to a couple years. There's so much uncertainty there that it makes our job a lot harder. A second area I'm concerned about is the role of technology in banking markets and finance.

What about opportunities?

I think we have an opportunity to lead a dialogue about the role of technology in finance. How should we be thinking about monitoring and regulating financial technology to the extent that regulation is going to happen?

We also do a lot already on workforce development. I think we can be a national leader on how human capital is being shaped, and how we might do better to improve the outcomes for more people.

What we're trying to do as an institution is have a robust economy so people can use their skills to get income and be happy. The better skills people have and the more skills they have, the easier it is for them to plug into the economy.

There seem to be some enormous challenges today, such as gaps between urban and rural areas, gaps in education, and so on.

This District has a lot of rural areas. We will be trying to understand the barriers and whether there are ways to create new channels to provide quality education and a conduit to a good job. Those problems are not going away. As an institution, we have a real opportunity to focus attention on the important aspects of these issues and work toward better outcomes.

I've done a lot of work on affordable housing. It is a function of two things: the rent level and the income level. In many parts of the country—and I would guess this region is the same—the issue is rents are as low as they're going to get. But if people don't have income, it doesn't matter what kind of rent you have—there are going to be challenges. So we need to make sure that income side can work for people. In order to do that, in today's economy increasingly you're going to have to get some technical skills.

On a related topic, we have cities in the Southeast like Atlanta that are growing quickly—the cities themselves, not just the metro areas. So property values go up, but then what happens to older, established residents who might get pushed out?

At USC, we looked at the question of displacement in Los Angeles, which is a very hot, very tight housing market. What we found is very interesting: that tightness is putting stress on people on a monthly basis. So in some neighborhoods the year-over-year turnover is 30 percent, which is a huge amount of churn. Citywide, the churn is 21 percent. And the churn is higher the less money you have. On some level, I feel L.A. has gotten used to his extremely high level of churn. I don't think people even notice it.

You're the first African American president of a regional Federal Reserve Bank. Have you given that a lot of thought? What does that mean to you?

I clearly recognized when I was going through the process that if this were to work out, it would be something relatively noteworthy. But I didn't approach this saying, "I have to prove something because I would be the first." I have to be who I am and do the job the best I can.

When the announcement happened, I got emails from a lot of individuals I did not know expressing their excitement and their pride and all that kind of stuff. That's something I'll have to carry.

I do think I'll be asked to speak on things other presidents may not be asked to speak about. So in that regard, there is some extra that goes with it, but that's exciting.

Can you talk about what you like to do away from work?

My biggest hobby is bird watching. I like it because to be good at it, you really have to focus in the moment. It allows me to forget everything else that's going on, to escape. In bird watching, you're going to miss a ton of stuff if you turn away for a moment. I've never gotten tired of doing it.

I love going to sporting events. I used to schedule my whole life around going to sports. I don't do that anymore. I want to visit every

state capital. And I'm a science fiction geek.

Did you have heroes or role models growing up?

In my family I definitely had role models. My great aunt, Aunt Vi, was a school principal. She really believed in education and in working hard. She was incredibly generous with her time and resources to help people get ahead. She set a tone for how you should carry yourself. You knew she had expectations, and that was quite powerful. My parents worked super hard. And they sacrificed a lot for us. I'll be grateful for that always. I got lucky with a lot of good teachers over time, and I had excellent mentors at the Board of Governors.



Charles Davidson

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