

THE CIVIC FEDERATION
ADDAMS-PALMER AWARD

Chicago, Illinois
June 26, 2007



Acceptance Speech

Thank you Lester, that was a wonderful introduction.
I wish my parents were here. It would have made my father very proud and my mother would actually believe it...

I think it's the first time in my thirteen years at the Fed that I was invited to an event without being asked to say what will happen to interest rates. And if you had asked me here to talk about interest rates I would have said, "No."

Seriously, I'm very honored to receive this award.

I'd like to congratulate the other award recipient today, Pat Ryan. Pat's efforts and commitment to civic life are extraordinary, even by this city's extraordinarily high standards.

I'd like to thank the Civic Federation for this honor, especially Barbara Stewart and Laurence Msall. Under their leadership, the Civic Federation continues to represent the best of Chicago's tradition of civic engagement and stewardship.

And I thank Lester, Jim, and Andy for chairing today's luncheon. They are true leaders in this great city. I ask everyone to join me in applauding the five of them for their work for the city.

Chicago's great tradition of civic involvement and my role in the community in the past 13 years are what bring me here today.

Though this award cites my individual involvement in the community, we all know that my role in the community is made possible by the organization that I am a part of: The Federal Reserve Bank of Chicago.

The Federal Reserve is a unique institution. Some of its functions are like those of a government agency, some are like those of a business, and others are like those of a university or a think tank.

Our responsibility to set monetary policy and to achieve our goals of price stability and maximum sustainable growth are most well known and extremely important, but the way in which the Fed works—with high integrity, in a non-partisan and non-political fashion—makes it a valuable resource for the nation and its regions.

Here in Chicago—a city with a long and much-admired tradition of close cooperation between business and government—the Chicago Fed has been a natural fit to be active in this unique community.

The Federal Reserve Act mandates that the Chicago Fed be overseen by a Board of 9 Directors from our 5-state District, who serve six year terms.

We ask a lot of its Directors—this year we have 7 in person meetings as well as bi-weekly conference calls to recommend a discount rate. And as our Directors can attest, we compensate them very little—no one has figured out how to price a stock option for stock in the Federal Reserve.

Our Directors truly perform a public service.

Fortunately, we've had some of Chicago's finest answer the call to service.

During my tenure, our Board has been chaired by

- Miles White,
- Jim Farrell,
- Bob Darnell,
- Arthur Martinez,
- Lester McKeever,
- Bob Healy,
- Dick Cline

—some of the brightest and most dedicated people I've worked with.

Our board has been filled with people who uphold the city's ethic of community involvement—including some such as Jim Farrell and Bill Osborne whose civic contributions have been recognized by the Civic Federation.

This caliber of people has only spurred on a tradition of civic involvement at the Chicago Fed. This tradition truly began to take shape in the mid-1980s, when my predecessor, Silas Keehn, resolved to deepen the Bank's involvement—beginning with the Commercial Club's study, "Jobs for Metro Chicago" and followed by research-oriented projects in both Chicago and around our Midwest District.

I've been proud to continue that tradition since I joined the Chicago Fed in 1994. Just last month, we teamed up with Metropolis 2020 to hold a conference on congestion pricing to explore ways to reduce traffic congestion in the Chicago metropolitan area.

And we've partnered with other organizations in the city on research studies and conferences. We've also been serving as a catalyst to bring together businesses and community groups to bring about positive changes in Chicago and our surrounding region. For example, we initiated two key programs in the late 1990s, bringing together many organizations, to improve credit channels for historically-underserved groups.

One program addressed minority homebuyers. The other focused on minority small business owners and entrepreneurs. We've also partnered with local groups to promote economic education and financial literacy.

The result of this partnership is the annual Money Smart Week.

This year's fifth annual Money Smart Week, held in early May, featured over 300 activities in 10 different languages hosted by 180 community partners. We've expanded the program to the other states in our District.

Last year, when Alan Greenspan—who, by the way, was a recipient of the Lyman Gage Award—neared retirement, I was often asked “How will the Fed be different when he leaves?”

My answer was always the same: “Very little.”

The strength of the Federal Reserve is bigger than any one person—it rests in the high quality of its people, the culture of the institution, and the staff's commitment to independent, fact-driven research.

I've spent the past thirteen years involved with various civic groups

- the Civic Committee of the Commercial Club,
- Metropolis 2020,
- World Business Chicago,
- the Chicagoland Chamber of Commerce,
- the Chicago Council of Global Affairs

—and my work with these groups has been enhanced by the availability of our staff, their research, and their willingness to join me in participating in these important activities.

As I get ready to retire from the Chicago Fed, I hope I will leave behind a strong tradition that continues.

One where community leaders and organizations such as the Civic Federation look to the Chicago Fed to address local problems and to seize emerging opportunities to continue to make Chicago a truly premier city.

Thank you...