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Remarks by

Alan Greenspan

Chairman

Board of Governors of the Federal Reserve System

at the

Visitors Center Opening

Federal Reserve Bank of Chicago

Chicago, Illinois

June 28, 2001

## Chicago Visitors Center Remarks

Thank you. I am pleased to have the opportunity to help launch the Federal Reserve Bank of Chicago's new Visitors Center and to participate in its dedication to the memory of Nancy Goodman.

In this Center, the Chicago Fed has worked to explain the Federal Reserve and its role in the economy in a way that is accurate, informative, and even entertaining. That is no easy task. The Federal Reserve is a complex institution with a wide variety of responsibilities. And while we at the Fed think constantly about issues related to the challenges of check clearing, bank regulation, or monetary policy, we are most often communicating with colleagues and experts and thus do not confront the need to convey our observations in nontechnical, accessible, or entertaining formats. Nevertheless, as I think you'll see, the Bank has done a commendable job of creating appealing and enjoyable displays.

Outreach efforts such as this are important because a central bank in a democracy depends on the trust and confidence of the citizenry. To earn and maintain that trust, the Fed must communicate to people about what we do and why we do it. These displays represent one innovative example of how the Fed fulfills its responsibility to reach out and educate the public about the important mission and work of its central bank.

I have often remarked that the Federal Reserve draws its strength from its close ties to local and regional economies across the nation and depends heavily on input from a cross-section of the nation's citizens. We who have the privilege of serving as policymakers--the Board members in Washington and the presidents of the Reserve Banks--receive valuable information about economic and business life beyond

Washington's Beltway from those who communicate with the Reserve Banks and those who serve as directors. As keen observers of local economies, the directors contribute vitally to the formulation of national monetary policy and to the governance of the Reserve Banks. It is thus appropriate that we are joined by many Seventh District directors today, and I want to take this opportunity to thank them and their colleagues for their contributions to our work.

Considering the significant role this Visitors Center will play in the Bank's outreach efforts, it is fitting that we are dedicating it to the memory of Nancy Goodman, who died tragically in an auto accident last year. In her 32 years with the Chicago Fed, Nancy Goodman was instrumental in creating and guiding the Bank's public outreach program. She played a pioneering role at the Chicago Reserve Bank, both as a communicator and as the first woman to serve the Bank as a senior vice president and member of the Management Committee. I believe she would have been proud of this initiative to help the public understand how the Federal Reserve affects individuals' lives and the U.S. economy.

Let me note in closing that the Federal Reserve's regional structure also allows the Banks to experiment with various techniques for reaching out to the public, a benefit exemplified by this Visitors Center. I understand this Center includes, for example, an interactive computer game in which visitors are challenged to pick the right monetary policy. When asked whether I might want to give it a try, I became very cognizant of the downside risk: flunking the quiz in front of you and the gathered media. So, of necessity, I developed a risk-minimizing strategy: I would now like to turn the podium over to the

Chicago Fed's president, Michael Moskow, who has had the advantage of practicing the game during its installation.

Thank you.