

Our Year in Review

When I took office as the First Vice President in January 2011, I was impressed with the Bank's commitment to large endeavors and its performance within the Federal Reserve System. Guided by our vision — public service that makes a difference for the region, the nation, and the world — we are proud to serve as a valued partner and business leader for our district, the Federal Reserve System, and the U.S. Treasury. Our many successes in 2011 included making independent, data-driven contributions; pursuing important System-wide initiatives; and preparing our organization for the future. But there is still more to do to accomplish our mission.



In 2011, the Federal Reserve Bank of Boston was challenged by the nation's high unemployment rate, a troubled housing market, and stressed fiscal budgets. We faced both limits on traditional monetary policy tools and a widening population in need. Additionally, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, widely seen as the most sweeping change to U.S. financial laws since the Great Depression, resulted in increased responsibilities for the Bank and the Federal Reserve System. This changing environment provided the Federal Reserve Bank of Boston with the opportunity to make unique and active contributions in bank supervision and financial stability, conduct innovative research, build upon a strong relationship with the U.S. Treasury, and find new ways to help advance economic conditions for New England's low- and moderate-income households. From our perspective, in the early months of 2012, the New England and national economies are slowly advancing toward an improved economic and financial condition.

In 2012 and beyond, the Federal Reserve Bank of Boston will focus on new opportunities in leadership and innovation. We will continue to conduct high-quality research in support of the System's dual mandate of promoting stable prices and full employment. We will continue to be a proactive contributor to the stability of the financial sector, an essential partner to the Treasury, and a leader in our communities. Additionally, we are well positioned to help the Federal Reserve System create value in an efficient and effective way. In information technology, we will demonstrate leadership to improve the Federal Reserve System's proactive stance against Internet threats. We will ensure that our business practices evolve to further foster a culture of diversity and inclusion. And to do these things, we will maintain an environment of highly effective and skilled professionals.

Thank you for your interest in our 2011 endeavors. We hope to continue to serve you to the best of our ability in the future.

Sincerely,

Kenneth C. Montgomery