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Comments by Steven J. Davis[#] on

"The Fed: Bad Forecasts and Misguided Monetary Policy" by Mickey D. Levy

The Fed made large forecasting and policy errors in 2021 and 2022. In his excellent contribution to this volume, Mickey Levy skillfully documents several of these errors. Some examples:[1]

- No Federal Open Markets Committee (FOMC) member "came anywhere close to anticipating the rise in inflation" that emerged in 2021–22.
- "[A]s inflation accelerated in 2021, the Fed adjusted up its inflation projection for 2021 to arithmetically reflect its rise to date and projected that inflation would quickly fall back toward the Fed's 2% target in 2022 …."
- Through December 2021, the Fed projected that negative real federal funds rates would yield sharply reduced inflation in 2022 and 2023.
- "Once the Fed came around to acknowledge that high inflation would persist, its estimates that it could lower inflation through maintaining a negative real federal funds rate seemed to rely on the transitory argument and were puzzling. The federal funds futures began pricing in Fed rate increases well above the Fed's estimates, challenging the Fed's forecasts, and they proved correct."

Levy traces the forecasting and policy errors to deeper analytical, institutional, and strategic errors:

Modeling and Analytical errors: These include an overreliance on managing inflation expectations and forward guidance; a presumption—baked into the FRB-US model—that inflationary expectations are strongly anchored at the Fed's target rate; and early insistence that the inflation rise in 2021 reflected temporary, self-reversing factors.

[#] Prepared for *How to Get Back on Track: A Policy Conference,* edited by Michael Bordo, John Cochrane and John Taylor, to be published by the Hoover Institution Press. Davis is a Senior Fellow at the Hoover Institution and William H. Abbott Distinguished Service Professor of International Business and Economics at the University of Chicago Booth School of Business.

Human and Institutional Errors: These include inadequate risk management, misguided data assessments, failure to heed important lessons from history, and a circle-the-wagons mentality that fosters groupthink in analysis and decision making.

The Fed's New Strategic Plan: Rolled out in August 2020, this plan involved a new flexible average inflation target, a new emphasis on "maximum inclusive employment," and a tilt away from preemptive tightening in response to anticipations of above-target inflation.

I largely share Levy's assessment of the Fed's errors in this period. Rather than delineate my points of agreement and my reservations, I will focus on deeper tensions that color the Fed's forecasting enterprise, influence its choice of headline economic models, and push the Fed to discount models and narratives that question its credibility and the potential for inflation expectations to become de-anchored. I will argue that the Fed faced incentives to commit the types of forecasting and policy errors it actually made.

I will further argue that circumstances in 2021–2022 intensified the Fed's incentives to shade its projections and discount contrary models and narratives, contributing to avoidable policy errors. Finally, I will argue that conformist pressures for groupthink inside the Fed and the outward emanations of Fed thinking, models, narratives, and perspectives also reduce the quality of decision making about monetary policy. In the last part of my remarks, I propose reforms that aim to reduce the negative incentive effects associated with the Fed's forecasting enterprise, the concerns about groupthink, and the potential of all of the above to undermine the quality of the Fed's decisions about monetary policy.

The Basic Incentive Problem

By making projections about inflation and its own policy actions, the Fed creates incentives that influence its forecasting enterprise and can contribute to policy errors. Consider two propositions:

1. Expected inflation affects actual inflation.

2. Fed projections influence expected inflation.

These propositions are noncontroversial inside the Fed and not much contested outside the Fed. The first proposition holds in any macroeconomic model with a Phillips Curve equation. The second is implicit in the view that it's useful for the Fed to publish its projections.

When the Fed believes these two propositions, it has an incentive to shade its inflation projections to achieve its policy goals at lower cost. In particular, if inflation exceeds the desired level—or threatens to do so in the near future—the Fed has an incentive to shade its inflation projections to the downside to lower expected and actual inflation with less need for raising the trajectory of its policy rate.

Of course, if the Fed distorts its projections, it risks undermining its credibility as a forecaster and its reputation for honest communications. In normal times, credibility and reputation concerns may suffice to prevent any distortion in the Fed's projections. I return to this point shortly and argue that 2021 and 2022 were not normal times in this respect. Before doing so, I set forth a fuller statement of the incentive problems that surround the Fed's public projections for inflation, output, and its policy rate.

Most or all FOMC policy members subscribe to three propositions:

1. Expected inflation affects actual inflation.

2. Explicit forward guidance, Fed projections, and the Fed's headline economic models all influence expected inflation, or have the potential to do so in some circumstances.

3. The future conduct of monetary policy influences future inflation.

The restatement of the second proposition recognizes that the Fed's projections and its choice of which economic models to favor in forming its projections also effectively function as forward guidance.[2] As an immediate corollary to the third proposition, expectations about the future conduct of monetary policy influence expected future inflation. Thus, the third proposition implies that the Fed also has incentives to distort projections of its own policy rates. As before, there is a tradeoff between the Fed's desire to meet near-term policy goals at least cost and the desire to preserve its credibility and reputation.

Notable Circumstances in 2021 and 2022

The US macroeconomic landscape exhibited some notable circumstances in 2021 and 2022—circumstances that were unusual in recent American history.[3] First, inflation had recently begun to exceed the desired rate after many years at or below the desired rate. Second, as inflationary pressures emerged in 2021, there was genuine uncertainty about the persistence of undesirably high inflation absent tighter monetary policy. Third, and related, there was genuine uncertainty about the extent and duration of monetary tightening required to bring inflation back to a desired level.

Pandemic-related disruptions in the global supply chain contributed to uncertainty about the economic outlook and appropriate monetary policy. In particular, economists disagreed about the extent to which supply-chain disruptions drove the initial inflation surge and the extent to which the resolution of those disruptions would moderate inflation pressures. In addition, they disagreed about the inflation effects of the tremendously expansive fiscal policy actions the US government undertook in the wake of the pandemic. They also disagreed about the risks of inflation expectations becoming de-anchored, which fed into disagreements about the urgency of the need for policy rate hikes to restrain inflation. The surprise nature of the inflation surge for goods and services raised concerns that catch-up wage inflation would propagate the initial surge, possibly setting in motion a hard-to-contain wage-price spiral. All of these unusual circumstances, some that lack close historical precedents, contributed to an unusually uncertain outlook for inflation in 2021 and 2022.

These circumstances raised the stakes for monetary policy and intensified Fed incentives to distort its projections in a manner that lower inflation at the least cost. Specifically, they intensified Fed incentives to double down on a narrative that stresses the transitory, self-correcting nature of the then-recent inflation surge. To do otherwise would validate narratives that stress the prospects for persistent inflation, which, in turn, would raise inflation expectations and the cost of achieving the Fed's policy objectives.

FOMC members also perceived another feature of the economic environment during this period that influenced their thinking. Here I will quote Richard Clarida (2020), speaking about the Fed's new strategic plan in his capacity as vice chairman of the Federal Reserve:

> "With regard to inflation expectations, there is broad agreement among academics and policymakers that achieving price stability on a sustained basis requires that inflationary expectations be well anchored at the rate of inflation consistent with the price-stability goal. *This is especially true in the world that prevails today, with flat Phillips Curves in which the primary determinant of actual inflation is expected inflation*." (Emphasis added)

This passage makes clear that the Fed saw the anchoring of inflation expectations as especially vital in 2020, a view that I believe still held inside the Fed in 2021 and 2022. This view means that it was especially risky, in the eyes of the Fed, to validate inflation narratives that ran counter to its claim that inflation expectations were firmly anchored. This view also helps explain the Fed's focus on managing inflation expectations. If you approach the conduct of monetary policy through the lens of a Phillips Curve and you further believe that economic slack has little impact on inflation, then monetary policy can materially influence inflation only through its impact on inflation expectations. It's either that or pray for favorable supply shocks.[4]

The Fed's Choice of Headline Models

The incentives to distort the Fed's forecasting enterprise extend to its choice of headline economic models. Consider the reaction if, in 2021 or early 2022, the board staff had moved to feature models that lack a strong anchor for inflation expectations. FOMC members would have seen such a move as contributing to the risk that inflation expectations would become de-anchored and, further, as casting doubts on the credibility of monetary policy. They would have viewed such a move as harming their efforts to achieve the Fed's mandate at least cost.

This incentive perspective is consistent with the design of the FRB-US model. As Levy remarks (page 10), "The [FRB-US] model presumes that inflationary expectations are anchored to the Fed's 2% longer-run inflation target, such that increases in inflation above 2% naturally tend to regress back to 2%. The magnitude and duration of fiscal stimulus impulses are muted by model specifications." Summers (2023) also highlights the limited responsiveness of inflation to fiscal stimulus in the FRB-US model in his contribution to the 2022 edition of this conference.

It would be naïve, in my view, to see the strongly anchored nature of inflation expectations in the FRB-US model as the product of a purely disinterested scientific analysis. That model design feature is influenced by the institutional objectives of the Fed, especially those of the Board of Governors and its professional staff. Similar remarks pertain to the Fed's propensity in 2021 and early 2022 to discount narratives that stress loosely anchored inflation expectations or otherwise question the Fed's ability to keep inflation near its desired level.

Moreover, it is hard for an institution like the Fed to divorce its internal deliberations, analysis, and policy decisions from its public-facing projections, favored narratives, and choice of headline economic models. A theorist might imagine the Fed advancing one view in public and holding other distinct views that actually drive its internal deliberations and policy decisions. In practice, incentives that distort the Fed's public-facing projections and choice of headline models will also influence its internal thinking and policy choices.

Inadequate Attention to Risk Management

Levy (page 16) quotes Fed Governor Chris Waller, who offers his characterization of the Fed's errors in an interview with CNBC's senior economics reporter Steve Liesman on January 20, 2023:

> Governor Waller: "The mistake in my mind, that we made, was we bet the farm on the transitory story. And any risk management model, you would have said, what if it doesn't go away? What should we be doing to get ready for that event, if it doesn't go away?"

But sound risk management would have lent credibility to contrary inflation narratives, potentially de-anchoring inflation expectations and raising the cost of achieving the Fed's mandate. In other words, the Fed's desire to shape the narrative around the inflation outlook created internal pressures that pushed it away from sound risk management.

Fed Groupthink and its Outward Emanations

Any big organization that exercises a strong influence on the careers of its employees will create, deliberately or inadvertently, pressures for groupthink and conformity of (expressed) views.

Levy (page 17) puts the point this way: "Like so many organizations, the Fed has a "circle the wagons" mentality in which FOMC members are encouraged (feel pressure) to support the institution's views and not deviate very much. Certainly, policy deliberations include outlying views, but the Fed discourages official dissents."

Levy (page 17) also observes that "[M]any private forecasters take their cues from the Fed (and many of them have been trained at the Fed)." Thus, groupthink that originates inside the Fed emanates outward to the broader community of researchers and analysts who think and write about monetary policy. It's worthwhile to expand on this point.

The Federal Reserve System employs more than 400 PhD economists at the Board of Governors and well in excess of 200 others at the twelve regional Federal Reserve banks.[5] Grim (2009) argues that "a very significant majority" of professional monetary economists in the United States work for the Fed or did so earlier in their careers. He also describes other channels through which the Federal Reserve System and individual Fed economists exercise influence in the economics profession, including the power to invite (or disinvite) speakers to high-profile conferences and the role of Fed economists in the review process for scholarly journals. In this regard, Grim remarks, "At the Journal of Monetary Economics, a must-publish venue for rising economists, more than half of the editorial board members are currently on the Fed payroll – and the rest have been in the past." Grim's concept of "on the Fed payroll" appears to include consultants as well as employees. Nevertheless, the grounds for concern are clear.

Let me clarify the nature of (my) concerns about groupthink and its potential to discourage fruitful lines of thinking and analysis, with detrimental effects on the conduct of monetary policy. Consider, first, the extensive dialogs that occur between economists and policymakers inside the Fed system and those in the academy and the private sector who have expertise in monetary policy and central banking. These dialogs with outside experts can push against groupthink. To its credit, the Fed recognizes the value of these dialogs and does much to facilitate them. Still, there is room for improvement. I offer a concrete suggestion below.

Second, it's essential to preserve intellectual space for contending perspectives to surface within the Federal Reserve System, to ground these perspectives in analysis and evidence, and to ensure that the leading perspectives—i.e., the ones that drive the conduct of monetary policy—are subject to vigorous critiques. Historically, the regional Federal Reserve banks served an important role in this regard. They are now less inclined to play that role, according to several conference participants who reacted to my remarks in private conversations. If true, that is a serious problem.

It is insufficient if a few isolated economists inside the Federal Reserve System critique the dominant models and narratives that drive FOMC decisions. To fully develop such critiques, and to adequately develop alternative models and narratives, requires institution-level resources. The regional Federal Reserve banks are natural homes for these types of contrarian research activities.

Third, there is the matter of the Fed's extensive reach, its financial resources, its impact on the career development of hundreds of economists, its role in the editorial review process for research papers on monetary policy and macroeconomics, and the Fed's capacity to offer desirable platforms for the presentation and dissemination of research and policy analysis. Fed "clout" in these various respects surely influences the expression of views and scholarly research on monetary policy, central banking, and macroeconomics.

The Fed's influence in this regard is not necessarily nefarious. Indeed, Fed economists have tremendous expertise in monetary policy, the financial system, and the workings of the broader economy. It's appropriate to tap that expertise to understand the economy and formulate better policies. But the potential for groupthink pressures that originate within the Fed to emanate outwards and shape professional opinions and the direction of research more broadly is a concern. In this respect, the Fed is not just another big organization. It is also large relative to the broader intellectual and professional ecosphere within which it operates.

Incentives and Beliefs

It's not my view that FOMC members misrepresented their beliefs in their public projections, nor do my arguments about incentives and institutional pressures rest on that view. Instead, my view is that humans have a tendency to believe that which is comfortable, familiar, and aligned with their incentives and goals. For the Fed in 2021 and early 2022, that meant belief that inflationary impulses from supply-chain disruptions and fiscal policy actions would be modest in size, that the resulting inflation would be short-lived, that inflation expectations were and would remain well anchored, and that the Fed could manage inflation expectations to achieve its policy goals. There were sound reasons to question those beliefs, but they remained tenable for some time in the face of the uncertainty and unusual circumstances that prevailed in 2021 and early 2022. Institutional pressures for conformist thinking inside the Fed system reinforced the very human tendency to maintain comfortable beliefs until they were clearly falsified by the accumulation of evidence and the course of events.

My remarks above about the Fed's shading of projections should be understood in this light. In particular, the shading is relative to what disinterested, equally-informed experts would think, absent the incentives and groupthink pressures that I describe. Similarly, my remarks above about the Fed's preference for models with strongly anchored inflation expectations and its tendency in 2021 and early 2022 to discount contrary models and narratives should be understood in that light.

Incentives Are Not Destiny: Proposals for Reform

Recognition and acknowledgment are the first steps in addressing incentive problems and their consequences. Further steps require institutional change, which is typically hard. I now sketch a few proposed reforms that aim to reduce the force of the incentive problems described above, mitigate the force of conformist pressures inside the Fed, and help contain their negative consequences.

Discontinue the Fed's Public-Facing Projection Enterprise

I start with the Fed's quarterly Summary of Economic Projections, a central object of analysis in Levy's paper. In light of my remarks above, it's reasonable to ask whether the Fed should simply stop publishing numerical forecasts for the economic outlook and its policy rate.

One argument for stopping flows directly from the incentive perspective developed above. Briefly, the argument runs as follows: When the Fed publishes numerical forecasts, it creates incentives to shade those forecasts to help achieve its policy goals in a least-cost manner. Because it's hard to divorce the Fed's public forecasts from its internal thinking and deliberations, the incentives for the Fed to shade its forecasts also undermine the quality of its decision making about monetary policy.

Uncertainty about the economic outlook, especially for inflation, intensifies the incentives for the Fed to shade its public forecasts, as described in my discussion of the 2021–2022 period. The premium on sound monetary policy is likely to be especially high when there is great uncertainty about the economic outlook. Thus, it is not much of a retort to claim that the incentive problems manifest mainly, or only, in unusual circumstances.

There are other arguments for stopping as well. For example, Summers (2023) argues that the Fed should drop its specific numerical targets for forward guidance and "return to a more modest framework with broad objectives clearly stated" because the inevitable forecast errors associated with specific projections undermine the Fed's credibility. In addition, "when the Fed gives specific forward guidance, it feels constrained to follow through on it, and so it diverts policy from what would otherwise be the more optimal path." His argument differs from mine, but I see his points as essentially additive to the concerns that flow from my incentive analysis.

In short, there is a plausible case against the Fed's current practice of issuing specific numerical forecasts for the future paths of inflation, output, and the policy rate. I have not studied the issue with enough care to hold a firm view on the matter. I do think the time is ripe for a reconsideration of the Fed's public-facing forecasting enterprise. Dropping specific numerical forecasts altogether ought to be one option on the menu of possible reforms.

Improve the Fed's Public-Facing Projection Enterprise

Another possibility is to improve the Fed's current approach to its public-facing forecasts. That approach strikes me as sub-optimal, to put it softly.[6] So, I now offer a proposal for improving the Fed's current approach. The key idea is to replace projections conditional on each FOMC member's estimate of the "appropriate monetary policy" (the current approach) with *projections conditional on specified trajectories for the policy rate and other policy instruments*. The specific elements of my proposal are as follows:

- Board staff to specify a baseline monetary policy trajectory, a materially looser policy trajectory, and a materially tighter one. Each monetary policy trajectory is to include, at a minimum, a path for the Fed's policy rate over the projection horizon.

- Each voting and non-voting FOMC member to supply projections for inflation, output, and unemployment conditional on each of the three policy trajectories specified by the Board staff. (Governors can default to the Board staff's projections if they wish.)

- In forming projections, all unspecified shocks and policies that might influence inflation and real activity over the projection horizon to be held constant across the specified policy trajectories. (Of course, FOMC members will differ in their unstated assumptions about these other shocks and policies.)

- Publish each FOMC member's set of projections.

- Identify the source of each set of projections.

- The regional Fed banks can specify additional policy trajectories, if they wish, and provide projections conditional on those trajectories.

This proposal offers several advantages relative to the Fed's current approach. First, it clarifies the monetary policy assumptions behind the economic projections. In contrast, the current approach involves projections conditioned on a vague and unspecified notion of "appropriate monetary policy." Second, it simplifies the aggregation of projections because each set of projections is conditioned on explicit trajectories for monetary policy. Third, it reveals what each FOMC member believes about the output, unemployment, and inflation effects of deviations from the baseline policy trajectory. Extracting that information from the Fed's current projections is impossible. Fourth, revealing each FOMC member's projections strengthens their incentives to prepare well-grounded projections and defend them publicly. Fifth, by advancing three rather than one policy rate trajectory, my proposal dilutes the Fed's incentives to shade its projections.

My proposal also creates more space for the regional Feds to dissent from the Board's view by presenting materially different projections for the economic outlook, conditional on the Board's specified policy trajectories, or by advancing alternative policy trajectories and corresponding economic projections. These are softer forms of dissent than voting against the FOMC majority's instructions regarding the federal funds target rate. Hence, dissent may surface more often. Dissents would also be more informative because they could be related directly to the dissenter's projections and changes in those projections over time.

I recognize that this proposal raises new issues. One thorny matter is whether and how fully to articulate the auxiliary assumptions that underpin the conditional projections. Should the Board staff also articulate its assumptions about the fiscal policy trajectory that underpins its projections for inflation, output, and unemployment? Should the Board staff articulate other assumptions, e.g., regarding the outlook for energy supplies? Should individual FOMC members articulate their assumptions in this regard? There is a challenging tradeoff here between simplicity of presentation and precision about the assumptions behind the projections. A clear picture of this tradeoff may emerge only after a period of experimentation. The opportunity for the regional banks to specify alternative trajectories is a natural vehicle for such experimentation.

Another issue is whether it's practical to compel individual-level FOMC members to hold their auxiliary assumptions constant across the Board-specified trajectories. That's reasonably straightforward for professional economists armed with an explicit model. It may be hard for others to implement and for the public to understand.

Yet another issue is whether the Board or the regional banks, should be encouraged to specify policy trajectories (and attendant economic projections) for multiple scenarios with respect to fiscal policy and shocks. The advantage of that approach is to help communicate the uncertain and contingent nature of future monetary policy actions. The disadvantage is a further increase in the complexity of the economic projections and the greater communication challenges that come with that complexity.

A New Federal Reserve Forum

The Fed should sponsor an annual conference that highlights tail risks for monetary policy and central banking, advances non-standard scenario analyses, considers emerging and latent threats to sound monetary policy, and draws lessons from historical episodes. Unlike the many forums for research and policy analysis that the Fed already sponsors and organizes, the agenda for this new forum should be externally driven. Specifically:

- The scientific committee should be composed of outside experts who are not currently or recently (say, within five years) employed by the Board of Governors or the regional Federal Reserve banks.
- Paper authors should be drawn mainly from outside the Fed system.
- Discussants should be drawn mainly from inside the Fed system.
- Substantial cash prizes should be awarded for the most thought-provoking, innovative, and informative papers— as judged by the scientific committee, with input from discussants, conference participants, and anyone else who wants to offer an assessment.

These conference elements aim to encourage outside economists to consider monetary policy issues and to encourage Fed economists to engage with the ideas, analysis, and evidence that the conference brings to the table.

Sponsorship by one or more regional Federal Reserve banks (a coalition of the willing) would be sufficient to launch and fund this enterprise and to see that it receives attention inside and beyond the Fed system. This new forum should not require Board approval. Indeed, it's preferable if one or more of the regional Federal Reserve banks takes the lead in this effort.

Promote the Analysis of Tail Risks Inside the Fed, Including at the Board

Separate business-as-usual forecasting from assessing recession risks, major inflation threats, financial crisis risks, and the implications of unprecedented shocks. These assessments call for different skills, methods, and data than business-as-usual forecasting. Moreover, standard model-based forecasts typically rest on small perturbations to highly stable systems. That may be suitable for projecting conditional mean outcomes under normal economic conditions, but it's less useful for assessing extreme tail risks and the implications of major shocks and developments that lack close precedents. Historical analyses, case studies, and the analytical evaluation of tail-risk scenarios are all potentially useful in these respects. Perhaps these non-standard types of analyses already attract much intellectual energy at the Board and adequately inform the FOMC's deliberations about monetary policy. My impression is that they do not.

Foster Contrarian Thinking at the Regional Federal Reserve Banks

The regional Federal Reserve banks are natural homes for nurturing non-conformist thinking. They should be encouraged to play that role. However, the regional banks also face pressures to conform to the perspectives that dominate thinking and policy analysis by the Board. Here, I consider one important source of conformist pressure.

The appointment of a Federal Reserve bank president is subject to the approval of the Federal Reserve Board of Governors.[7] Moreover, "The chair of the Board of Governors' Committee on Federal Reserve Bank Affairs meets regularly with the search committee chair [for a new president] throughout the search process regarding the candidate pool, with a particular focus on ensuring it is broad and diverse. The search committee interviews a range of potential candidates and forwards to the Board of Governors a list of finalist candidates, all of whom are interviewed by the governors."

It makes perfect sense for the Board of Governors to play an advisory role in vetting Federal Reserve bank presidents. Granting the Board of Governors a veto role in the selection process is much more problematic. That veto role is a powerful tool for extending conformist pressures and groupthink at the Board throughout the entire Federal Reserve System. Even if one believes that the Board of Governors has exercised its veto role with a light hand in the past, there is no assurance it will continue to do so. One alternative is to make the appointment of a Federal Reserve bank president subject to the approval of Congress or, in the event that Congress fails to approve or disapprove a proposed appointment within a reasonable time span, to revert to approval or disapproval by the Board of Governors.

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1 See pages 4, 6, and 16 and Tables 11.1 and 11.2 in Levy's paper.

2 In his comments from the floor at the conference, Jeff Lacker points out that the Fed's Summary of Economic Projections was built to influence inflation expectations.

3 See Reis (2023) for a much fuller discussion of these circumstances.

4 I am neither endorsing nor disputing the Flat-Phillips-Curve view here. Nor am I taking a stand on whether the Phillips Curve is a useful tool in thinking about monetary policy. Instead, I am describing nettlesome incentives that confront the Fed when FOMC members hold the flat-Phillips-Curve view.

5 The figure for the Federal Reserve Board of Governors website comes from "Meet the Economists," accessed on June 11, 2023. The figure for the regional Federal Reserve Bank is my assessment. The Federal Reserve Banks of Chicago, New York, and San Francisco jointly employ nearly 150 PhD economists. Information on how many at each bank can be similarly accessed from each bank's website. All were accessed on June 11, 2023.

6 Before reading Levy's paper, I had no occasion to think about how the Fed forms and communicates its projections. So, perhaps I fail to appreciate some subtle virtues in the Fed's current approach. By the same token, I have not been socialized to see the current approach as a sensible one. As it turns out, I do not.

7 See "How is a Federal Reserve Bank president selected?" at https://www.federalreserve.gov/faqs/how-is-a-federal-reserve-bank-president-selected.htm, accessed June 19, 2023.