

## Women in Economics: Michelle Bowman

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**Michelle Bowman discusses her banking background while recording a Women in Economics Podcast Series episode.**

“I think I have community banking in my blood,” said Michelle Bowman, member of the Board of Governors of the Federal Reserve System. Prior to her appointment to the Board, she served as the state bank commissioner of Kansas and vice president of Farmers & Drovers Bank in Kansas. She talks with St. Louis Fed Media Relations Coordinator Maria Hasenstab.

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### Transcript

**Maria Hasenstab:** Welcome to the St. Louis Fed's [Women in Economics Podcast Series](#) where we interview women who are making their marks in the field of economics.

I'm Maria Hasenstab, your host. In this episode we hear from [Michelle Bowman](#), member of the Board of Governors of the Federal Reserve System since 2018. Prior to her appointment to the Board she served as the State Bank Commissioner of Kansas in 2017 and 2018, and she also served as vice president of Farmers and Drovers Bank in Kansas from 2010 to 2017. Miki, thank you so much for joining us today.

**Michelle Bowman:** Well, thank you so much for inviting me to join you. It's really a pleasure and a privilege to be here.

**Hasenstab:** Miki, you took office as a member of the Board of Governors of the Federal Reserve System in 2018, and you were reappointed in 2020. You've been sworn into a term ending in 2034. Tell us about the work you do at the Board.

**Bowman:** Well, the work that we do at the Board is extremely diverse. So in addition to our responsibilities with respect to supervision and regulation, which is sort of the reason that I serve on the Board because of my experience as a community banker and a state bank commissioner, we also have very broad responsibilities to serve on the Federal Open Market Committee to, to oversee the system in all 12 Reserve banks, and to oversee the work of the, of the Board itself. So we have a vast array of responsibilities, and there is never a dull moment. In addition to supervision and regulation, we also do consumer and community affairs. And as part of the work that I've done, I've followed onto the framework work, The Fed Listens events that Vice Chair Clarida and now our new Vice Chair Lael Brainard launched, to talk to the public and to different participants and stakeholders about how our framework should evolve as we're thinking about monetary policy. We expanded that in 2021 to cover the recovery from the pandemic. So we've launched a series of events and worked with Reserve banks to also host events that would help us better understand how everyday people, businesses, communities are operating in this new post-pandemic economy and how they're faring, so that's been a really exciting opportunity.

**Hasenstab:** It has. So thanks for filling us in on that. You mentioned [Lael Brainard](#). We also interviewed her for the podcast series a couple years ago, so this is great.

**Bowman:** Oh, fantastic. Yeah, she's a wonderful colleague.

**Hasenstab:** So like you said, you've worked in community banking, and you regularly speak at the Community Banking Research Conference, which is sponsored by the Federal Reserve, the Conference of State Bank Supervisors, and the Federal Deposit Insurance Corp. Tell us about the important role community banking plays in the economy, your experience as a community banker, and why you're passionate about community banking.

**Bowman:** Well, Maria, that's an excellent question. I think I have community banking in my blood. Back in 1882, my family along with several other members of our small community in Kansas chartered a state bank called Farmers and Drovers Bank, named after the customers that we served at that time and still serve. Farmers and people who drive cattle, so ranchers as well. We're primarily an ag focused bank. And although I didn't have the opportunity to become a banker until well into my career and when I returned to Kansas in 2010 with my very young family— I really understand the importance of community banks within their communities, and they really are the cornerstone of the activity, the economy, and everything that happens within a community. So it's been a real privilege for me to be able to go from being a community banker where I served every role within our institution, 185 million in assets, so a pretty small one, to becoming the first female bank commissioner in the state of Kansas, to now serving as the first official person to fill the role of the community bank governor at the Federal Reserve Board. And it has

really been a privilege to me to be exposed to the Community Banking Research Conference as the state bank commissioner in Kansas, and then now to be able to be such an important part of its formation and being able to speak every year, to talk to community bankers and to researchers, and to try to help others understand and to learn more that would be helpful for the continuation and creating opportunities for community banks to thrive within their communities and within our great country.

**Hasenstab:** Yeah. What a strong connection to community banks. And I love what you said, that it's in your blood. That's awesome. So thank you.

You have a really important role that allows you to attend the Federal Open Market Committee, or the FOMC. The body that meets to set monetary policy. What have you learned through that experience, attending those meetings, and what unique perspectives are you bringing to some of those conversations?

**Bowman:** Well, that's a really great question, Maria. And probably when I started the most intimidating part of this role, being a community banker, someone from a rural area in Kansas, and not understanding exactly how monetary policy plays such an important role in shaping the future of our economy. It's been a very humbling experience for someone who's pretty humble to begin with. At my first meeting back in early December of 2018, I've come a long way. So from bringing the perspective that I brought at that time, and seeing the economy as it was then when we were just at the end of a very short interest rate hiking cycle, and then moving into the next year, and then not long after that, the pandemic situation, we've seen the economy from being very stable with extremely low unemployment and low inflation to where we are now, which is a very different situation with a lot of uncertainty and an important reliance upon the data that we're reviewing, inflation information, how the economy has continued to evolve and recover from some of the more difficult experiences of supply chain disruptions and very high unemployment, and then working to address inflation, having low unemployment and a tight labor market, and then working as we're looking forward into the future to see how the economy will evolve and how our decisions will need to adjust as a result of that.

**Hasenstab:** Yeah. And through all those bumps and changes you mentioned community banks are still a mainstay in so many communities. Absolutely.

**Bowman:** They are. And it's so incredible the work that they did during the pandemic, especially with the PPP program. That program could not have been successful without the contributions and dedication of those bankers across the country being able to make a program that really had very little guidelines or support work in getting money directly to small businesses when they were in their absolute hour of need. Being able to continue to employ people in the economy when there weren't jobs to be had. So it's a real testament to the character of our community banks and the people that work in them. And I think we have to thank them for the incredible efforts that they put in during that time.

**Hasenstab:** Absolutely. Now Miki, before your time at the Fed you served as the state commissioner of Kansas, like we said, and you were also the vice president of Farmers and Drovers Bank in Kansas, and banking is a traditional, male-dominated field. So tell us how you navigated that, and did you face any challenges in the arena as a woman in this male-dominated field? And if so, how did you overcome those challenges?

**Bowman:** Well, I have to tell you that my small bank in Kansas was very visionary in its embracing of women in management and women within the field within our bank. So I would say once I joined the

Board, three of the management team were women. Three of seven. So we had a pretty good perspective that we brought to that team, and my cousin continues to run the bank as the chairman, the president and CEO of the bank. So it's wonderful to see women in leadership within the banking industry. And I think there really is a shift. It's taking a while to see that happen and to really take hold, but I think as more and more women are serving within the staffs of community banks, and are taking on roles – like when I took on the role of compliance officer within our small bank, it was not generally a role that led to much else. Right? Because prior to that time and prior to the implementation of Dodd Frank, you were there really just to make sure the bank was adhering to regulations, and working through examinations, and all of those safety and soundness requirements, as well as the consumer compliance requirements. I think once Dodd Frank came into play and all of those rules were being implemented within the organization, it really took on a much different role within a management team because the focus and the energy that had to be put behind implementing completely new ways to do business as a result of this new law, I think it elevated a lot of people that wouldn't necessarily have had a stronger or higher seat at a table than they were able to have as a result of being able to participate in this implementation program.

**Hasenstab:** You studied advertising and journalism at the University of Kansas before going on to earn your JD from the Washburn University School of Law. And while you do not hold a degree in economics, you work in the field of economics. How does your education play into your role on the Board of Governors?

**Bowman:** I think one thing that our chair, Chair Powell has been very vocal about is the importance of the diversity of views and diversity of experience and diversity of thought for those that sit around our FOMC table, and for those who serve within the Federal Reserve System. I think it's a real testament to his leadership that each of those of us who are on the Federal Open Market Committee feel very comfortable and encouraged to share our perspectives and the way that we view the data and information, and how we gather that data and information, and how we filter that and use it to shape our views and what we present during the FOMC meetings. So I think it's been wonderful and very welcoming to me, even not having a PhD in economics as many of my colleagues do, but there are lots of us around that table who don't. And we feel just as welcome to contribute in those conversations. Of course we do our homework and we understand what it is that we're talking about and how it's going to interact with the conversation and the other information. But, it's a very welcoming feeling and conversation.

**Hasenstab:** Well, you kind of hit the nail on the head there where you mentioned diversity. You know, this podcast series launched in 2018 as a way to share the experiences of women who are making their marks in the field with the goal of inspiring more women to consider studying and working in economics. The Federal Reserve itself has been criticized for a lack of diversity, and so I want to ask you what are you doing? What is the Federal Reserve doing to represent diverse voices?

**Bowman:** Well, that's also an excellent question. And as often as I can, I find opportunities to support and to speak to groups that are interested in hearing messages and learning more about the roles that women can play, both at the Federal Reserve within the banking system, and within the field of economics. We spend a great deal of time at the Board, especially with the women who are leading our economics division, which is really exciting. Since I came on Board, we have a female that's running our research and statistics division and also our international finance division. So it's really been an evolution since I joined the Board and really under the leadership of Chair Powell and the way that he has approached and focused the importance of establishing that diversity and making it commonplace.

You know, another area that we're seeing a lot more participation of women is in Reserve Bank president roles. So we've just brought most recently two new presidents on board. One at the Boston Fed, Susan Collins who is really just incredible. A PhD economist from University of Michigan. It's really exciting to be able to work with an economist of her caliber. And also Lorie Logan at the Dallas Reserve Bank. She brings this incredible wealth and depth of information because of the work that she has done with the New York Fed and the Market's Division there, and all of the contributions that she made, the education efforts that she provided to us, analysis of how the markets were working throughout the pandemic. So these different perspectives are so incredibly valuable, and they really help all of us understand and, and, and better think about how we should be approaching these challenges that lie before us.

**Hasenstab:** Recently you gave an important speech around the topic of working women during the pandemic era, and you highlighted some of the concerns that especially faced women and how this most recent recession saw women disproportionately suffering more job losses than men. What can we learn from this era? And how can we help working women moving forward?

**Bowman:** Another excellent question. I think what we've seen that's a little bit different from the early pandemic recession from previous recessions was that we've found that there are a lot of different reasons that are keeping women out of the work force. Many of those have to do with care giving reasons. And it's a bigger picture than just looking at women individually or as a gender, but looking at the circumstances of the entire pandemic. So what we're seeing is that a lot of people are sitting out of the work force at this point. Three-point-five million at last data check on the labor force participation rate of prime working age people are still sitting out of the labor force. There are many reasons, but I think a lot of those reasons are because of child care, and because of elder care, or those that continue to be sick, or suffering longer term consequences of illnesses. We're seeing that people aren't going back to child care as work, or within nursing homes. There's still a very large shortage of workers in both of those caring professions. And we're also seeing it in hospitals and healthcare as well. So I think many of these factors really contribute to the ability of women to be able to return to the work force when there are responsibilities and a lack of opportunity to find ways for women to take care of these important responsibilities, but also be able to return to the work force. And I think especially with the added layer of inflation, families are looking and seeing that it's not worth it for them to have two people working outside the home, because when they have to find or pay for or delay going back to work because they can't find or secure that child care or elder care, that it's just not working. So it's a challenge.

**Hasenstab:** It is a challenge. And you're right. I know researchers here at the St. Louis Fed and all around the Federal Reserve System are looking more into that. Child care and other care giving issues. So we'll, we'll see how it continues to play out, and if there is a return to whatever normal was before pandemic, or if we're just in a whole new era. Is there anything else you'd like to discuss today about women in economics?

**Bowman:** I think probably the most important thing is the fact that women really need to be studying in areas that include economics, but also science, technology, math, these very technical fields, because women approach a thought process differently than men do. And I think that by including that thought process and that decision making or analytical style into larger conversations, we benefit from having both of those perspectives, or all of those perspectives represented in our decision making processes. So we need more women in economics. We have lots of opportunities within the Board and within the Reserve System. We're always looking for women and diverse candidates to come and work in our institutions, and just like everywhere else, we're having challenges finding workers too. Lots of openings. So anyone who's listening, please take a look at what our openings are and see if there's a role that's right for you.

**Hasenstab:** Yeah. Lots of need for diverse women working at the Federal Reserve and also underrepresented minorities. So thank you for that.

To hear more from the Women in Economics Podcast Series visit [www.stlouisfed.org/womeninecon](http://www.stlouisfed.org/womeninecon). We're also on Apple Podcast, Spotify, and wherever you like to listen to podcasts. Miki, thank you so much for sharing your story today and telling us all about your career.

**Bowman:** Maria, thank you so much for the opportunity to be here with you today. Thank you.

**Hasenstab:** Thank you.