Mary Daly:

Thank you very much, and I look forward to our discussion.

Randy:

Well Mary, thank you. It's a pleasure and an honor to be able to share this platform with you today. Your comments, they're fascinating. Everything that we face in our business world, and every one of us in our various fields, these are certainly unprecedented times and for monetary policies, we try to navigate this. So, I do have a few questions I'd like to ask that...

Mary Daly:

Perfect.

Randy:

... Are top of mind for the folks that we have here, that all of us are facing. So, first off, how is the Fed able to address the financial stability concerns and inflation, at the same time? What policies are the most effective, and is there a risk that those start bumping into each other and offsetting results?

Mary Daly:

Well, that's a terrific question. It's one that many people have. So, let me start by saying that managing our financial stability issues and monetary policy are completely... They work together, they're not competing. So, let me talk about financial stability first, and then I'll talk about monetary policy and the tools we use for both. So, on financial stability, the recent failure of two banks, which had unique features but caused some stress more broadly, were an example of how the Federal Reserve, with the backstop from treasury, immediately goes in and provides liquidity to ensure that there aren't broader risks. Since we've done that, which you've seen as bank stresses have moderated, they've stabilized. So, that's an example of treating financial stability concerns with swift and decisive actions.

Now, let's go to monetary policy. Well, that's a different tool set doing a different job. When we do monetary policy, we're looking at our dual mandate goals of price stability and full employment, as I just noted, we're doing fine on full employment. We are well off on price stability. So, we use our interest rate policy, raising the interest rates, and calibrating how much more we have to do to ensure that we can restore price stability. Both are important, both financial stability and price stability, for the continued growth and sustained growth of our economy. That's what we're dedicated to. But we have the tools on both sides, and they don't compete with each other.

Randy:

Okay, that's good to hear. You know, you said you can't, nor would you ever speculate on what the FOMC might do at a coming meeting. But can I ask, where do you think we are in the process? Do you believe that we're nearing the end of the tightening cycle, and does the Fed really need to get inflation back down to 2% this year to say, "Hey, job well done."?

Mary Daly:

No, let me start there on the question, right? I'm going to point you to the summary of economic projections. So, four times a year, the FOMC publishes its economic projections, including its projections for inflation, the labor market, and the federal funds rate. In March, which was the last time we did that, you saw inflation in that number, the median inflation forecast still being above 3%, which is my own forecast. It'll be a little bit above three. Now, of course we could get it down to 2%, but that's not how you balance the economy. We have two sides of our mandate, full employment and price stability. We also recognize that if we force an unnecessary contraction, that hurts the very people we're trying to assist by bringing inflation down. One of the barometers we use to see if we need to be more urgent than that is inflation expectations.

What you see in inflation expectations is Americans, whether they're businesses or consumers, market participants, they believe that we're going to bring inflation down to 2%. So, that allows us to take the time that we need, which would be another couple of years to really do that job. Now, in terms of the tightening cycle, which was the second question you asked... Or the first question you asked me, but I reversed them, the tightening cycle, I'd like to think of it in stages, and I think this is a helpful way to think about it. So, stage one when we were at zero, was to get the rate up to restrictive territory so that we were actually pulling back on the reins, because we were highly accommodated, which was stimulating the economy. We needed to get it up so that we could pull back on the reins.

Now that that job is done, that phase one is complete, now we can take smaller steps and you've seen us do that, moving to 50 then to 25. We're at a point now... Again, I'll direct you to the summary of economic projections. We're at a point now where we don't expect right now in our projections, the median, we don't expect to continue to raise rates up every meeting. There is a sense where we'll get it up to a level and then we'll wait. Policy will still be restrictive, but it gives us more time to see the impact, and also off the offsets that I talked about in those uncertainties. So, I don't want to forecast the end or not the end of the tightening cycle, but I just do want to reassure everyone here that it's not raised until we get to 2%. That is not the way to do optimal policy, and it's not the way to generate the smoothest transition we can.

Randy:

You've said today, and I've heard you say many times, that it's important for the Fed to remain data dependent and...

Mary Daly:

It is.

Randy:

So, which signals in that data then, with what you've just been talking about, would make you lean towards the need for more tightening, or possibly easing off on that?

Mary Daly:

Sure. So, let me start with the signals that I went over the uncertainty. So, we have the banking, the credit, whether their credit will contract, how much it will contract. We have the global stresses, and whether that slows growth globally a lot or a little. Then, also we need to watch how our policies are taking effect. So, when we do that, those are also, those are things that put the breaks on the economy without us making any more policy adjustments. So, I'm going to watch how those three things evolve, and what impact they have on the economy. Now, when I get down to specifics, what I'm looking for... We had some good news today on the CPI, the headline release showed that it's going down, it's going in the right direction, but it's still elevated. It's not consistent with price stability.

I'm going to be looking specifically in the CPI, and in our other measures to see if core services are coming down. Really, core services minus housing. So, that's a really long phrase, but it's a meaningful one, because that is about how the labor market and service providers are interacting. We need that to start coming down. It's a big portion of where we spend our money as consumers and businesses, and we need to see that coming down to feel confident that we're on our path to 2%. So, I'll be watching that. I'm also watching the labor market. We got some signs of cooling, we're getting those signs of cooling, but we're not there yet. So, I think what I'm looking at today, I say, "Oh, the economy is making the adjustments I would like it to make, but we're not there yet." How far away from there yet we are, is why we watched the data so carefully.

Randy:

It was a good way to start the day. The first thing when I picked up my phone this morning was to see that Wall Street Journal announcement. I'm going, "Oh hey, it's moving in the right direction."

Mary Daly:

Yes.

Randy:

I've wondered through this whole process, through this whole cycle, how long does it really take for a bump in the interest rate to change in the rate to trickle through the economy and actually end up making a meaningful difference?

Mary Daly:

Sure. There's a lot of discussion and debate, and it's changed over time. So, what was really interesting in this tightening cycle is that the FOMC's policy adjustments to financial markets were incredibly rapid, because of what we call forward guidance. We said, "We're going to raise the interest rate, but we're going to continue to raise the interest rate." Financial markets adjusted immediately. Clark and I were talking about mortgage interest rates, they just hit overnight, really. We said we're going to tighten, and they went up and that slowed the housing market. So, that part of it was rapid. But there's a lot of uncertainty, frankly, about how much time it takes for that tightening interest rates to show through to the economy. I think it's colliding with a tremendous amount of momentum. We came out of the pandemic extremely strong as a nation, and you have this momentum, and then you have lags in monetary policy that take some time and the estimates range from 12 months to 18 months.

That seems reasonable. Probably is a little shorter than that, but I'm not really certain. But we're starting to see... We started raising rates last year in March. We've did our forward guidance, and you're seeing now 12 months later, the effects starting to come through. So, it doesn't seem like a bad estimate to take 12 months, but there's a lot more in the pipeline that will continue to work its way through.

Randy:

That seems to make sense to me. Especially where our region here was over overly heated, we had so much going on that I feel like it's taken maybe longer, but I do feel like we're finally seeing that type of stuff. One other thing, as you were talking, you were commenting on the labor market and how it remains historically tight. Can Fed policy really address the root causes of those imbalances? How much of that structural, and what's just trickle down carry over from the pandemic problems?

Mary Daly:

Sure. The way we look at that, and I'm going to give you a little more detail, so you can see how we think about it, or how I think about it, is that there's an absolutely a cyclical hit to the labor market that we saw in the pandemic. People were worried about their health. Some people got thrown out of work, it was hard to find other jobs. There was this whole change in how people thought about their work. They had issues with getting childcare, and other elder care, so that they could provide, and actually leave for work. Then inflation, actually, we did a number of inflation round tables. I think some of you participated. One of the things we learned is gas prices really kept people from working as much as they'd like because they couldn't get to the place of employment, they couldn't make it work.

So, all of those features would be in the cyclical bucket, and those of more or less diminished. You see labor force participation up to pre-pandemic levels. You see people coming back in, and yet we still have a shortage, and that's where Fed policy comes in. So, we have a interest rate tool that slows the economy to the level of available supply, so that we can keep inflation at 2%. If we had more supply, if we had a working age population that was working at the rates of other industrialized nations, well then we could grow more quickly. But this is what we have. So, what the Fed does, we don't change those types of things. What we do is respond to those things to keep inflation low. So, we are going to continue to want the economy to slow to get back to that 90,000 jobs per month level, in order to feel confident that wage and price inflation will moderate, and people won't have that striking fact I told you, which is inflation's just eroding their wages month after month after month.

Randy:

You started off talking about the banking sector and mentioned that lending standards have been tightened up, and lending activity has been curtailed. We're certainly feeling that in our business. But at what point do those tightening credit conditions actually become a concern for the economy, and the financial system, and what is it you're looking for there to read those tea leaves?

Mary Daly:

So, let me start by just reiterating when I said at the top of our time together that the banking system is safe, and sound, and resilient and what banks are doing now and what they have been doing is tightening credit standards, looking at their liquidity and balance sheets, and managing those relative to the projections they have for the economy going forward. That's what we want banks to do. It's one of the contributors to why banks are so safe and sound. You want them to ensure that they continue to play valuable roles in financial intermediation. But when an economy is slowing, this is what happens. Banks respond by saying, "The economy's slowing. I need to get things in balance myself." It is another reason why that could put the brakes on the economy, in a way that we wouldn't have to adjust the policy rate further to do. So, that's one of the reasons I'm watching it so carefully. How much does that put the brakes on the economy so that we don't have to tighten more? We don't know the answer, but it's one of the things we'll focus on.

Randy:

In our own shop, we've talked about just concerns about liquidity in the marketplace. The fact that it's just happened in 30 days, it was like, poof, the valve's been shut off. So, our question is where's all the money gone? Are our concerns unfounded?

Mary Daly:

So, let me separate liquidity into two things because I want to make sure that everyone here understands. The Fed's action backstop by the treasury was meant to provide liquidity to banks so that they didn't have any liquidity stresses. So, that's done, and that's what is working well. The other side is that banks, they're just a business, every other business, and they look at, "How much can we lend and feel comfortable with our liquidity and our balance sheet?" That's going to contract. When you ask where have things gone? This is just part of the transition that happens when the economy goes from very rapid growth to slowing. I think we're all trying to figure out after the pandemic, the dynamics are working as we expect, but they're just working in different ways.

To think of the pandemic. We go from, "Oh my gosh, we're in a terrible ditch," to, "We're booming." Now we're going from, "Okay, we are lending, we're growing," and now the slowing is coming. But that's pretty consistent with that 12 month timeframe I gave you. We started raising interest rates, started talking about raising interest rates more. This is when it starts to happen. I think of this as just part of the natural dynamics of how an economy slows. It can be challenging, but this is how we get back to price stability.

Randy:

Thank you. Maybe a couple of questions that are more direct to just our region here. How's the Fed working to ensure that the financial systems in Salt Lake City and around here remains resilient in the face of risks and potential disruptions?

Mary Daly:

So, let me give two answers to that. The first one is, the one I've mentioned a couple of times here, is that the Fed took that decisive action along with the backstop from the treasury that they work together. We can't do that without the treasuries backstop. To open a facility, the bank term lending facility... I think that's called, I always forget the acronym, but it's basically a term lending facility that allows institutions to come and get liquidity provision. That's been very successful, and that is a key stability. Important about that facility is it's for all banks; community banks, regional banks, the banks that you rely on here in your local community. So, that is a direct support for banks of all sizes. The second thing, though, is that we talked about monetary policy, and it's not up for financial stability, but we are very cognizant... I said this in my remarks, we're very cognizant that things are going on in the economy that we need to pay very close attention to.

So, that brings us back to, we don't keep raising interest rates until we get to 2%, and we don't keep raising interest rates with blinders on about these other factors. So, one of those other factors is, how much will banks pull back on credit provision? Then I see that as is supporting the overall growth, getting back to a sustainable pay. So, we're going to step down on growth. It's going to feel different than it did last year, but the outcome of that is going to be moving us towards an inflation rate that's 2%. One of the things I really think about every day is, I don't want people to think about inflation when they wake up in the morning. I don't want you to pick up your phone when the CPI's released and say, "Oh my gosh, what's happening?" Ultimately, you want inflation to be 2% because that's a level that people understand, and they could put in the background.

A sustainable economy where people make good decisions about how to allocate their time or their business investments is one where inflation isn't a material concern. It's one where they're making decisions because of the ideas they have about how to run a business, or the work they want to do and how they want to manage their careers. Right now, those decision making parts are being disrupted by people making trade-offs about whether they can take jobs and build their careers, and about businesses thinking, "Well, what's the price of something going to be? Do I really have the affordability going forward?" That's why I am so committed in the FOMC chair, Paula said this, we are so committed to bringing inflation down. It is actually a tax, and a little and a lot of a toxin on the economy, and bringing that down is the very thing that will restore the confidence and the sustained growth rate that we all enjoy.

Randy:

We've all enjoyed for a long time touting the strength of our economy here, and how well Utah and Idaho and this region has been doing. They say sometimes there's a risk in drinking your own bath water. So...

Mary Daly:

I didn't hear that one before, but there we go.

Randy:

What is the Federal Reserve's outlook for economic growth in Salt Lake City and the surrounding region here, and what are those factors that you see important in that?

Mary Daly:

Sure, absolutely. I have the 12th district, and that's nine western states. So, I have the coastal states, I have Alaska and Hawaii, and then I have this inter-mountain region, which is, I think of it broadly as Utah, Idaho, parts of Arizona and Nevada. If you look at states in this inter-mountain region, or this inner region of the district, what you see are similar features, lot of interest in living here, lot of people wanting to move here and start businesses. They have very good prospects for growing their business with populations that really want to be working and getting the skills. There's just so much energy here. If you think about in that whole region, Salt Lake and Boise, Idaho are like the poster children for fast growth, thinking about how to manage that with the development, et cetera. But really wanting to have smart growth, good growth, and expansion.

That's not changing. That's a structural feature that I think... Plus, look outside. You fly in, you think, who doesn't want to live here, right? I'm just always grateful you're in my district. I'm like, "Okay, if I can't live everywhere, at least you're in my district so I can go everywhere." But I think when people think about that, they really think, "this is a great place to raise my family or have a career. It's a great place to form community, and it's most importantly, a great place to grow a business." So, that's a strength. So, when I look out at the transition we're all making nationally to go from this unsustainable pace of growth, to something more sustainable, I just think of Utah, Salt Lake, Boise, Idaho, a lot of the inter-mountain regions as just that transition will be a transition, but it won't be a falling off of any cliff, on terms of growth because you have all the fundamentals. I think this as well as I do, you have all the fundamentals that you need to just continue to prosper.

Randy:

That's great. Maybe lastly, I'm curious to what you see as some of the biggest risks in the economic outlook that you've laid out for us. We've seen some layoffs start to happen, especially in tech. We talked earlier about it's even hitting the banking sectors. Is the economy eventually headed for a recession, or you still think this can be navigated to a soft landing?

Mary Daly:

So, my modal outlook, as we call it, the one I think is most likely is that we don't have a recession. In my projections, we have growth that slows quite substantially. We need growth to slow to bring inflation down. We have a labor market that slows, and that's another feature of a slowing economy getting back in balance. Remember, we're not slowing for the sake of slowing, we are out of balance. Just go back to that 350,000 jobs per month relative to 90,000. That's an imbalance. We have businesses that want more workers than they can get. We have inflation that's printing high, so we need to slow the economy to get things back into balance. But slowing the economy when we're off on such a fast pace doesn't mean recession.

It means slowing the economy back to a more sustainable pace. It's going to feel different than it did last year, but my modal outlook is we don't have a recession, but we do have a substantial slowdown, and we transition to a place where we have something closer to 2% inflation over time. That's going to be this great relief that keeps your phone in your pocket on CPI day. Or look at your grandkids or something.

Randy:

Yeah, yeah. That's usually what I'm looking at first thing in the morning. Maybe just one last question before we open it up to the audience here is, what areas of lending may be lagging the tightening cycle so far, and when do you expect to see some meaningful correction and change in that?

Mary Daly:

So, you know what I'm looking at now, and the data are just coming in. So, we knew that credit conditions were tightening and they're tightening broadly. But when we are looking now at lending, we're seeing data come in and we don't really see a pattern forming yet. So, I'd say there's just general declines in lending activity, and we'll be watching that carefully. But what banks do, and this is what you want them to do, is they look for sectors where they feel like lending is productive and earns a high rate of return. If they see sectors that are more at risk, then they don't lend to those sectors as readily. The thing I want to come back to, to end this whole thing is, banks are doing what we want banks to do, not we, the Fed, we everyone. We want banks to manage their situations, prudently, keep their capital secure, keep their liquidity well managed, so that they can continue to perform the valuable functions that we need them to perform in the system.

Which is why I feel confident when I say, as many have said, Chair Powell, Secretary Yellen, Vice Chair Barr, the banking system is safe and sound and resilient.

Randy:

I'm going to keep those thoughts in mind because we have meetings with two or three of our bankers over the next rest of this week, and the coming week. So, I've really enjoyed being able to engage with you and this. Now's a good time, I think, for us to switch to some questions that you may have from the audience. Yes.

Sue Johnson:

Got one.

Randy:

Got the microphone?

Mary Daly:

We got a microphone. Yep. So, your voice can be heard.

Sue Johnson:

Sue Johnson used to be on the Salt Lake Fed.

Mary Daly:

Nice to see you.

Sue Johnson:

Nice to see you. I was there when John left and you came in. It was wonderful. So, I realize you don't run the FDIC, but making all the people that had deposits over $250,000 in Silicon Valley Bank hold, what are the potential ramifications for that into the future? I know this is the non-correct term, but did your enforcement arm of the Federal Reserve Bank use all the levers they had with Silicon Valley? I know they saw the smoke coming from the sky, that there were issues afoot, were all the levers engaged that were possible?

Mary Daly:

So, let me say this. So, the first thing is that Vice Chair Barr, as I mentioned, is completing a thorough review of Silicon Valley Bank, and the supervision and regulation that preceded its failure. That review is coming out May 1st, or by May 1st, and it will have released to the public with the details of some of the questions that all of you have. It wouldn't be appropriate for me to offer an opinion, because that review is in place, and that's actually the function of the Vice Chair. He has that review. So, I won't comment on that, because I don't think it's appropriate. The second thing though is broader, and I won't comment on the FDIC, particularly. What I will say is that the institutions of regulation are meant, with the treasury, are meant to do the following thing; ensure that stresses that come in a couple of institutions don't spread to other well-managed institutions who are then trying to make sense of their world.

That's what the backstop in lending facility did. That's what the decisive actions on the Sunday did with all the regulators and treasury. I think that is a strength of our system that our individuals in Washington, our agencies in Washington joined together, and did this piece that has calmed bank stresses. Remember, relative to four weeks ago, the banking system is not in... It's stabilized. We're talking now about liquidity management and things that banks normally do, and that is a feature of our system.

Sue Johnson:

Great.

Randy:

Another question in the back, Howard? You want to get the microphone?

Howard Headlee:

Howard Headlee. I'm with the Utah Bankers Association. I'm interested in your thoughts on the role of fiscal policy in how we got here, and can you actually get us to where we need to be in terms of price stability without cooperation from Congress?

Mary Daly:

So, let me start with the final part of your question. The answer to that question is yes. Ultimately, inflation is something that's really in control of the Fed. It's the reason we have one of the mandates, price stability, full employment, is because we have the tools to do that. So, we absolutely can do that. When I think about fiscal monetary policy, et cetera, and the looking back on the actions taken by both agencies, both groups, one I'm in, the other one I have no decisional authority on, which is fiscal. Both of those organizations, both of those groups in our society, were really trying to fight a pandemic that through no fault of anyone's had come, and not leave the country with a wake of pain and difficulty. So, those actions, while we might review them in history, I think the job was always about doing more.

It's better to leave people more whole than less whole through something that was a really substantial shock, something we hadn't seen in a hundred years. So, history will be the judge of whether that was too much or too little. But the thing I would like to leave you with is that, absolutely the Fed has the tools to restore price stability. We have the commitment and we have the resolve. Now we're in a situation where we're trying to judge, engage what the tactical nature of our policy adjustments will be to accomplish that. That comes back to one of the questions you asked earlier. We're not going to be able to accomplish it in 2% by the end of the year, in all likelihood, not with the forecast that we have in mind, or I have in mind, but that's okay because we're headed to 2%.

So, far people think that we're going to get to 2%. I think that combination of people believe we'll get there, and we are working towards it, are the very things we need to demonstrate that we're going to restore price stability, we're going to go back to a sustainable economy, and we're going to go back to, as I said earlier, making the decisions about how we do our work. Whether you're in banking, or industry, or you're a worker trying to figure out what to do with your career. Those are the decisions we want people to make, not the inflation decisions. So, I'm confident we can do this job.

Randy:

There we go.

Josh England:

Josh England, former Salt Lake Fed Director. Mary, thank you for being here, and thank you for the way you serve our community. You mentioned improvements in labor force participation. I wonder if you could put that in context, and what do you think the prospects are for further improvement?

Mary Daly:

So, that's a terrific question. One, I think about a lot. I've trained as a labor economist originally, and one of the things that was true before the pandemic, and it's useful to remind ourselves of it, is that we have one of the lowest labor force participation rates in the industrialized world. So, for whatever reasons, and there are lots of them, and people think about those, we just don't have as many people working in our working age population as other countries. The pandemic put a spotlight on that. What's interesting is that we've recovered to labor force participation rates, pre-pandemic levels, but we don't have much information, or I'm not very optimistic about how that will continue to grow. So, we're going to have to think about that as a society because if you have less labor force participation, you have slower growth.

The Fed's job is to bring demand back in line with available supply, which means that we will be continuing to manage the economy to keep inflation down with constrained supply. So, I think it's not a question that the Fed has... We don't have tools to solve that problem. As Randy mentioned, we don't have the tools to change the levers, but we don't have the levers to change the outcomes. But we can say that with less supply, demand growth will need to be more constrained in order to deliver 2% inflation. So, I think we've probably done as much as we can as a nation in terms of getting it back up to pre-pandemic levels. But that doesn't mean we would necessarily be satisfied when we're lower than other countries. But that's a societal question, one that fiscal agents or elected officials have to grapple with. It's not something the Fed can directly affect.

Randy:

Another question, one last question maybe? Oh, there we go. Scott?

Scott Hummus:

Scott Hummus. Good to see you again. Mary.

Mary Daly:

Good to see you.

Scott Hummus:

Hey, I want to follow up on Howard's question. You indicated that you thought monetary policy could fix the inflation. I want to go the reverse of that then, is I think many people would have given some of the blame for inflation going in the past, or getting where we are today on some fiscal policy. If fiscal policy does not have an element in correcting it, does that mean that monetary policy is what got us where it is today, and that you kept interest rates too low for too long, and that's why we're where we are today?

Mary Daly:

So, the way I think about it is, is this, that you have policy interventions, both monetary policy interventions with low interest rates, and you have fiscal interventions to help the economy stay on its feet, as we work our way through the initial shock of the pandemic and its aftermath. Then we find several things happened. So, one thing that happened is that demand... This is not just of the United States, this is globally where they had much less fiscal policy, and even less monetary policy. Global demand just bounced back rapidly. Countries reopened, people went back out, and they went out with abandon because even if you didn't have fiscal support, you had saved money, because you couldn't go anywhere. So, they went out and now we're spending like, "Okay, I'm going to catch up on the lost..." It's some people called it 'revenge spending', I just called it natural human behavior.

You're stuck in your house for a long time. You want to go out and do stuff, and you spend money to do it. So, that was a tremendously rapid recovery of demand. Supply lagged tremendously. You saw this, if you were in the goods producing sector, you couldn't get inputs. You saw this, you went to your stores, you had no inventory. The supply just did not recover for all the reasons that we already know, that supply chains weren't as resilient as we thought they would be. Countries opened to different speeds.

China opened really late. All of this mattered. So, we ended up with this huge imbalance between demand and supply. If you look globally, it's the same everywhere. One of the reasons that global economies, central banks across the world are tightening policy is because they have inflation.

They have demand outstripping available supply. So, what really has to happen now is supplies coming back up and it's getting back to levels we're accustomed to. Demand is coming back down. Things are getting into balance. We should see inflation come down. That's why I say the Fed has the tools. We didn't cause all the inflation, in my opinion, but we definitely have the tools to help rebalance the economy by continuing to restrain demand to bring inflation back in line with 2%. When I think about history telling us what we'll look into this, we'll do deep dives on this, I think we're going to find that it was a pandemic.

This is how I think about it. It was a pandemic. We scrambled to do the best we could nationally and globally to fight the pandemic. What we found in the aftermath is people are very resilient, and want to come back out and spend, but supply is not resilient, and it didn't come back to meet it. So, now we're left with high inflation and a hard job to do, but we're working on it and we have the tools to resolve to do it.

Randy:

Very good.

Speaker 8:

All right. Thanks everyone for attending today. This has been great to hear Mary and Randy. One of the things that gives me great confidence in the Fed system is the grassroots nature of it, the way Mary and Fed presidents get out to the states and listen to our local branches, like here in Salt Lake City today. Let's give both of them a great round of applause.

Speaker 9:

Thank you