

Federal Reserve Bank of San Francisco

Serving Our Communities in the Twelfth District

How the Federal Reserve Works for You

The Federal Reserve System is the central bank of the United States, responsible for promoting a strong and stable economy. It consists of the Board of Governors in Washington DC and 12 Federal Reserve Banks.

The Federal Reserve:

- + Sets U.S. monetary policy
- + Regulates banks
- + Provides payment services to the U.S. government and depository institutions
- + Listens to and learns from the people we serve to understand how our policy is affecting their lives and livelihoods
- + Conducts research and engages communities to expand economic opportunity and help our economy reach its full potential

Above all, our goal is to ensure a healthy, inclusive, and sustainable economy. To support this effort, we pursue two key goals: **maximum employment** and **price stability**. This is known as the Fed's dual mandate.

One way that the San Francisco Fed works toward our dual mandate is by pursuing strategic initiatives to examine the events, risks, and trends that materially affect the economy, as well as factors that could limit future economic growth. In doing so, we aim to help create unreserved opportunity for all Americans.

What Is Monetary Policy?

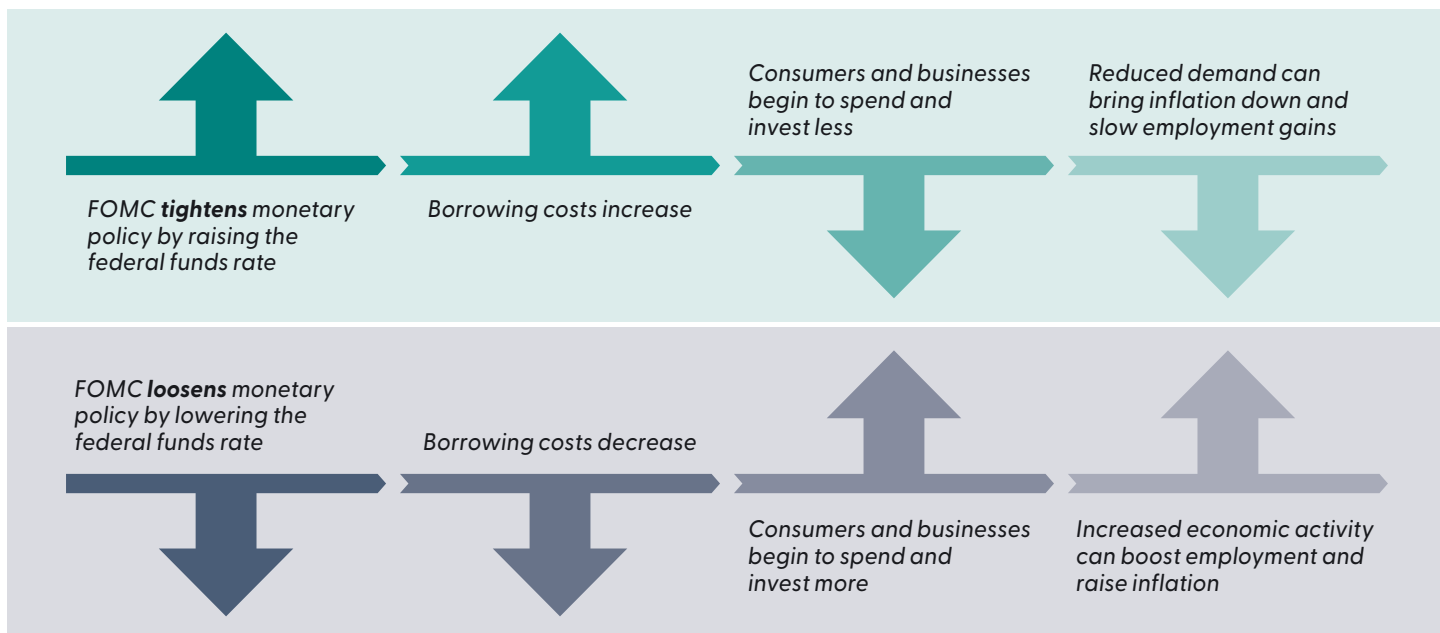
Monetary policy refers to the actions and tools the Fed uses to influence the availability of money and credit across the U.S. economy. The Federal Open Market Committee (FOMC), which is the Fed's policymaking body, adjusts monetary policy as needed to achieve its dual mandate of price stability and maximum employment.

One of the key policy tools is setting the federal funds rate, or raising and lowering interest rates. Lowering the federal funds rate is referred to as "monetary accommodation" or "loosening" because it reduces the costs of borrowing and generally makes money and credit more readily available. Raising the federal funds rate is referred to as "monetary tightening" because it increases the costs of borrowing and generally makes money and credit less readily available.

Monetary policy is distinct and separate from fiscal policy—taxes and spending—which is the responsibility of the U.S. government.

The Levers of Monetary Policy

Monetary policy can be thought of as levers the Fed uses to steer inflation and employment toward its longer-term goals, based on prevailing conditions in the economy.



The Twelfth District in Brief

The San Francisco Fed serves the Twelfth District, which comprises nine Western states, plus American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

Headquartered in San Francisco, the Bank also has branch offices in Los Angeles, Portland, Salt Lake City, and Seattle, along with a cash processing center in Phoenix.



We Process

77 Million

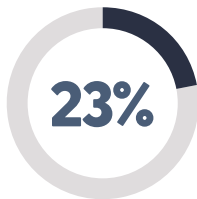
Bank Notes
per day

We Support

400+

Banks
and bank holding companies

The largest and most diverse in the Federal Reserve System, the Twelfth District covers 1.4 million square miles – equal to 37% of the nation's area.



of Total U.S. Personal Income
is earned by 29 million
workers in the Twelfth District.



of Nation's Exported Goods
originate in the Twelfth District.



69 Million
People live in the
Twelfth District

Key Industries



Information
Technology



Construction



Professional and
Business Services



Leisure and Hospitality



Agriculture



Government



“No matter who you are, the Federal Reserve impacts your life – whether you’re applying for a mortgage, starting a new business, planning for retirement, or just getting some cash from the ATM. It’s a big responsibility, and one we take seriously. **At the San Francisco Fed, we represent the system’s largest and most diverse district. It’s our job to make sure the economy works for everyone we serve. That’s why we’ve committed to putting people at the heart of our work and to becoming America’s premier public service organization.**”

– **Mary C. Daly**
PRESIDENT & CEO

**Federal Reserve Bank
of San Francisco**

Data sources available upon request. Revised September 2020.