

John C Williams: 100 years at 33 Liberty Street

Remarks by Mr John C Williams, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the New York Fed Alumni "Celebrating 100 Years of Making Our Mission Possible", Federal Reserve Bank of New York, New York City, 15 November 2024.

* * *

As prepared for delivery

Introduction

Welcome back!

It's wonderful to see so many of our alumni joining us today as we celebrate the 110th anniversary of the New York Fed-and the centennial of our Liberty Street home.

Buildings tell stories. And this unique building-made of sandstone and limestone, with vaulted ceilings and a gold vault in the basement-has much to say about where we've been, where we are, and where we're going.

It stood as a beacon of strength during crises: Black Thursday, Black Monday, 9/11, the Global Financial Crisis, and the COVID-19 pandemic. And it's witnessed remarkable change-in the global economy and financial markets, in technology and the ways we work, and, as you see in the photos, in hair styles and office attire.

But just as 33 Liberty Street kept its distinctive stone exterior as glass skyscrapers grew around it, our dedication to the mission of serving the American public has remained constant.

And throughout our history, our ability to be at the forefront of anticipating, adapting, and acting in a fast-changing world has helped us ensure the strength of the U.S. economy and the stability of the global financial system.

Each of you has played a critical role in this journey. And today, we're excited to share a little bit about what we're doing to prepare for the future.

You'll hear about our plans for the new Cash Services Center and the ways technology is transforming our work-including how we are using artificial intelligence. We'll also discuss the work we do with communities within the Second District, as well as how we are adapting to a changing workplace, including increased flexibility in where and how we do our work.

Before we break into sessions that will delve deeper into these topics, I'll provide some of the backstory. And since we are celebrating our building's centennial, I'll use 33 Liberty Street as the backdrop.

But first, as you all know, I must give the standard Fed disclaimer that the views I express today are mine alone and do not necessarily reflect those of the Federal Open Market Committee (FOMC) or others in the Federal Reserve System.

Paper and Pages

When you look at photographs from the past, what's most striking is how technology has altered how we do our work. This is true throughout the history of the New York Fed.

The early days were defined by paper. Lots of paper. Paper cards, paper tape, stacks of paper on desks, folders of paper in file cabinets. We communicated by paper, gave authorizations on paper, and recorded transactions on paper. Pages hurried down the halls, delivering important papers to people across the Bank.

And of course, there were landline telephones-those box-like devices with buttons, curly cords, and handles that you would hold up to your ear. Now they sit at the corner of our desks, gathering dust. In fact, with the advent of more integrated communications technology, we will soon dispense with desktop phones altogether.

We still are tied to our phones, but not by cords. Many of you remember your BlackBerry-some with fondness, others, well maybe not so much. Now, we are all connected 24/7/365.

Some of you may have even started your New York Fed careers working on huge, box-like computers. Although these technologies often look antiquated today, they were state of the art at the time.

Thankfully, computers have gotten smaller and lighter, wireless networks have made them portable, and data and processing are moving to the cloud.

There was also a time when our cash business was based in this building, with currency verification on the third floor. Employees would flip through bills like casino dealers dealing cards, eyeballing money to spot counterfeits. Later, we turned to using jewelers' microscopes. Now, the microscopes have mostly been replaced by very high-tech sensors.

Our cash operations business expanded so much that in 1992, we moved it to EROC, our East Rutherford Operations Center.

EROC was also one of many places in the Second District that processed checks. This is another business that has changed radically. At its peak in 2001, EROC alone processed an average of over three million checks per day.

But by 2006, check usage had declined dramatically, and EROC stopped processing them altogether. EROC is now solely focused on the storage, distribution, and processing of U.S. currency and coin-not just for the Second District, but internationally as well.

The Best of Who We Are

Bringing the story to more recent times, the pandemic shutdowns and their aftermath meant the New York Fed once again was called on to play its pivotal part in helping to stabilize the economy and financial markets. Historians will long write about events of the past five years and the role the New York Fed played.

As an institution, we moved quickly and decisively. We carried out record amounts of open market operations. And we set up and operated emergency facilities that, in short order, restored calm and stability to financial markets disrupted by the onset of the pandemic. My favorite quote from this time is from a colleague who said that she never imagined doing the best work of her career in pajamas and flipflops.

Left unwritten is that our people were also caring for children and ensuring their elderly parents were safe. Some lost loved ones. We lost loved ones. And while many of us worked from home, our essential on-site workers came to the office every day.

I will always remember how we supported each other while we worked tirelessly to carry out our mission.

The crisis brought out the best of who we are. And it forever changed the ways we work. It wasn't just about going virtual. Technology helped foster greater collaboration—within teams, among groups, and across the System.

We discovered that video calls can be more personal than phone calls. Brainstorming, once done sitting around a white board, can now be performed in shared documents from different locations. And processes are becoming automated and less fragmented.

All of this has empowered our people to apply their diverse perspectives and unique talents in new ways. It's one of the many reasons we are committed to making the most of the hybrid work model—what we call our flexible work evolution.

And once futuristic technologies are now part of our present. Our robots (or automated guided vehicles)—with cool names like Johnny 5, Megahertz, and Super Bad Decepticon—help us process up to \$700 million of cash each day.

Innovating and Driving Progress

Technology has made our work easier, but it's our people who are innovating and driving progress.

Our culture is shifting. We're using Agile methods to innovate and experiment. To try new things and not be afraid to fail. To learn from failure and try again. This mindset of experimentation is already paying dividends.

For example, our Data & Statistics team is using generative AI and developing prototypes to analyze data, spot anomalies, and suggest follow-ups. These efforts will provide deeper insights and save analysts' time. Of course, this is in an exploratory stage. But the opportunities feel endless.

We are also collaborating with our peers from around the world through the New York Innovation Center, which is studying the potential of new technologies in central banking.

And we are modernizing technologies in some of our most critical responsibilities in supplying currency and implementing monetary policy.

Plans are now underway to create a next-generation Cash Services Center that eventually will replace EROC.

And earlier this week, our Markets Group announced the development of FedTrade Plus, an innovative new trading platform for open market operations and the account services we provide to other central banks. This is a critical system that is core to what we do at the Fed: Annually, we carry out nearly 900 operations and process around \$32 trillion-that's trillion with a "T."

Going back to our history, auction bids have been submitted in person, by mail, by phone, and electronically-with every innovation seeming like a giant step forward. This new platform will allow us to analyze the performance of open market operations in real time, and it will substantially simplify the user experience.

Our Greatest Strength

Change has defined our century at 33 Liberty Street. We have reinvented ourselves many times, and we can only imagine how our work will evolve over the next 100 years.

But the story of 33 Liberty Street is very much about its people. Our people-people like you-have been, and always will be, our greatest strength.

Our mission is what brings us together. We are here to serve our communities, to support the strength of the U.S. economy and global financial system, and to do so in an environment where we innovate, learn, and move forward together with agility.

So today is a day to celebrate our building's centennial-and the people who make us who we are.