

Prepared Welcoming and Introductory Remarks

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Any opinions expressed here are my own and do not necessarily reflect those of the Federal Reserve System or the Federal Open Market Committee.

Good morning and welcome to Day 2 of the 2025 Community Banking Research Conference.

I would like to thank all speakers and presenters. Your willingness to share perspectives and spark dialogue is why this conference remains an essential annual focal point—for researchers, regulators, community bankers and policymakers.

I would also like to thank the Conference of State Bank Supervisors, the FDIC and my colleagues across the Federal Reserve System for sponsoring this conference each year. Your commitment of time and talent ensures that we attract top researchers and engage key thought leaders over the planning cycle.

This partnership has endured for many years and shows our collective commitment to supporting research on community banks that can lead to better policy decisions and outcomes.

I am now in my second year as president and CEO of the Federal Reserve Bank of St. Louis. I have greatly appreciated that I get to see firsthand the pivotal role that community banks play in the Federal Reserve's Eighth District and across the United States.

My colleagues and I continuously look to community bankers for critical insights on the health of local economies across the Eighth District.

As the primary federal supervisor for 131 state member banks in our District, the St. Louis Fed also observes the challenges that community banks face in navigating an ever-changing consumer marketplace for banking products and services.

Nevertheless, community banks stay resilient and keenly focused on providing credit and other essential banking services to their customers.

Their relationship lending business model enables community banks to combine hard data and “soft” information on borrowers and other customers—and to translate those insights into actionable lending decisions.

This is both an art and a science, like the Federal Reserve’s approach to gathering economic insights. The 12 regional Federal Reserve banks are situated strategically in districts across the U.S., with unique industries and communities, each with its own set of opportunities and challenges. Reserve banks combine hard economic data with soft information gathered through direct engagement with businesses, community leaders, bankers and the public. This information helps us develop a more complete picture of the regional and national economies to better understand the impact of our monetary policy.

We heard about several of those challenges yesterday in the presentation on the CSBS annual survey of community banks and during discussions about the impact of failed banks and bank market power.

We heard from key voices at the CSBS and the FDIC and from students on the winning team of CSBS’ annual Community Bank Case Study competition. I should note the team hails from the University of Tennessee at Martin, which is in the Eighth District.

We also heard from our 2025 community bank keynote speaker, Alexander Price, and learned how a small asset-size bank can meet a wide range of customer needs and still compete with much larger entities.

As we kick off Day 2, I am confident that we will build on the solid foundation set during yesterday’s proceedings.

Today during the research paper session, you will explore the impact of technology on small business lending.

We will also hear from a panel of experts about the different choices banks have made to remain competitive with banks and nonbanks while addressing the ever-changing needs of their customers. This is a timely and important conversation.

But first, we will hear from Federal Reserve Gov. Michael Barr, who will deliver this morning’s keynote address.

Gov. Barr began his tenure as Federal Reserve governor on July 19, 2022, and served as the Federal Reserve's vice chair for Supervision until Feb. 28, 2025.

Prior to his appointment to the Board, Gov. Barr was the Joan and Sanford Weill Dean of the Gerald R. Ford School of Public Policy, the Frank Murphy Collegiate Professor of Public Policy, the Roy F. and Jean Humphrey Proffitt Professor of Law at the University of Michigan Law School, and the founder and faculty director of the University of Michigan's Center on Finance, Law & Policy.

Gov. Barr served as the U.S. Department of the Treasury's assistant secretary for financial institutions from 2009 to 2010. Under President William J. Clinton, he served as the Treasury secretary's special assistant, as deputy assistant secretary of the Treasury, as special adviser to the president, and as a special adviser and counselor on the policy planning staff at the U.S. Department of State.

Additionally, he served as a law clerk to U.S. Supreme Court Justice David H. Souter during the court's October 1993 term.

Gov. Barr received a Bachelor of Arts in history from Yale University, a Master of Philosophy in international relations from Oxford University and a J.D. from Yale Law School.

Please join me in welcoming Gov. Barr to the 2025 Community Banking Research Conference.