William Poole
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meeting. I personally call executives at several major firms based in the District to get their latest read on the economy.

The week before each meeting, I’m briefed by the 18 St. Louis Fed research economists on what’s happening in their area of expertise. I always have two of them debate whether the FOMC should change the target for the fed funds rate. Never do I tell the economists at these meetings how I stand on the target rate—not only because I don’t want to sway them but because I want to keep an open mind until the FOMC votes.

The FOMC meetings are held at the Fed’s Washington HQ. About 50 people attend, including the seven members of the Fed board, the presidents of the 12 Reserve banks, their research directors and other staffers. Despite the imposing setting—a 56-foot-long boardroom with a marble fireplace, half-ton chandelier and Chairman Alan Greenspan—the debate is candid and sometimes pointed.

After listening to staff reports on such things as open market operations and the state of key economies, the principals partake in two “go-arounds.” First, they discuss the economy in their area and their views on the national economy. The anecdotes can get humorous. One Reserve bank president was denied a store credit card. Another noted that construction was so hot that truckloads of drywall were being hijacked.

The second go-around begins with Chairman Greenspan’s policy recommendation. Each principal takes a stand on that proposal or argues for another. Although the chairman strives for consensus, dissent isn’t quashed.

Finally, the vote is taken. Befitting the increasingly open Fed, there’s no secret ballot. The roll is called, and the breakdown of who voted how is now made public right away.

Then, in an unpretentious finale, everyone gathers in an adjoining room for a buffet of cold cuts and salads.