

Beyond the Numbers: Inside the Richmond Fed with Sonya Waddell

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Narrator: Why do some companies stand out while others seem to merely show up? That's what we'll explore with leaders across multiple industries to hear how they're creating better experiences by design. And now your host, Susan Quinn.

Susan Quinn: Welcome to a special episode of Better Experiences by Design. As business leaders, we are all navigating a season marked by profound uncertainty, from shifting market forces to the rapid emergence of AI, and in times like these, the best strategy is to calm the waters with clarity and that begins with hearing from leaders who ground their insights in research, not opinion. Today I'm joined by Sonya Waddell, Vice President and Economist at the Federal Reserve Bank of Richmond. We'll explore what the data is really saying, how the Fed gathers economic intelligence across the fifth district, and what indicators matter most for those of us trying to make smart business decisions in real time. If you find this episode helpful, please like it or share it and help us grow a best-in-class community of thoughtful leaders.

Sonya, it is such a pleasure to have you on the podcast today. Welcome.

Sonya Waddell: Thank you. It's great to be here.

Susan Quinn: Can you just give us a sense of your background? Like, how did you end up at the Federal Reserve of Richmond? What does that career path look like for you?

Sonya Waddell: So, let me describe my role a little bit now and then that'll sort of help define how I got to be here. So, I have a management role in that I have responsibility for the unit that does a lot of the quantitative, particularly data analysis, on the fifth Federal Reserve District, so that's North Carolina, South Carolina, Virginia, Maryland, DC, and then most of West Virginia. And that's kind of, that's from a regional perspective, an economic perspective, and a community development perspective. So, think fifth Federal Reserve District, think publicly available data, say, from the Census Bureau, from the Bureau of Labor Statistics. We also run surveys, so we have a survey of manufacturers. We have a survey of service providers. We also run a survey of community development financial institutions. We have a survey of community colleges. So, we collect data, primary data on our own. And we actually do a fair amount of collecting and analysis of qualitative data as well, and I can talk more about that.

But what we try to do is also fit our region into the national economy. So, doing that, I've met you before. We speak publicly about the national, the regional economy. I try to collaborate with my team. I collaborate with research economists. I collaborate with our outreach staff, to understand the issues of the day and help fit all of that into one picture of our region, of the nation, that

we can then share with our president, Tom Barkin, the president of the Federal Reserve Bank of Richmond, before he goes to the federal Open Market Committee eight times a year. So how did I kind of get here? Well, I started, I moved to Richmond for personal reasons. I started at the Federal Reserve Bank of Richmond in January of 2008, so that's two months before Bear Stearns collapsed, and I kind of got hooked. I got hooked on the regional economy. I got hooked on the national economy. I'll say that I also do have a passion for development economics.

Susan Quinn: Hmm.

Sonya Waddell: So, I like building the macro picture, but I feel like that has to start with the micro picture. How do people make decisions? How do businesses make decisions? What institutions or culture guides those decisions? So, the regional space in a regional Reserve Bank sort of fits that set of interests as well. I think, I like the national stuff, but I think my heart is always going to be in the regional.

Susan Quinn: In the regional.

Sonya Waddell: Mm-hmm.

Susan Quinn: So that's a great set up, and you know there are a lot of people who probably know we have 12 regional banks around the US. Are the primary roles the same for each regional, and then together you come for national? How does that whole process work?

Sonya Waddell: Yeah, so I think mostly, yes. So, like you said, we have 12 regional reserve banks spread across the country, and then we have the board of governors in Washington DC. So, the key roles of the system are around payments, supervision and regulation, and monetary policy. And that's kind of thinking about the stability of the financial system. All three of those are sort of ways to think about the stability of our financial system.

You know, let me say two things about the regional Reserve Banks—there are more things to say, of course, but—we strive to be a presence, each of us strives to be a presence in our district. So, we gather information on what's happening in our region, and we make sure that that's heard around the Federal Open Market Committee table. So, we know our districts, and I think that's a real strength of the system that each reserve Bank president goes to the Federal Open Market Committee coming from a different district, a different region, a different research department, so I think that's a real strength of the way the system is set up, and it helps in payments and supervision and regulation as well. As you can imagine, if you want to think about the strength of a financial institution, understanding the region in which they're operating is helpful. And in payments as well, if there's a disaster, you need to get cash to a place, having these reserve banks around the country is useful.

But let me say the second thing—[laughter] that was the first thing—the second thing that I want to say, is that we do, because there are 12 of us, it makes sense to consolidate certain functions that we all need. For example, national IT is actually run out of Richmond.

Susan Quinn: Hmm.

Sonya Waddell: So, IT for the whole system is run out of Richmond. Payroll, you know, is another thing that we can consolidate into one Reserve Bank, and there are a number of things like that.

So, each reserve Bank has its own district, each reserve Bank understands the regional economy, but then each reserve bank, most Reserve Bank's probably all have some function, that serves the whole system.

Susan Quinn: What do you find is the most misunderstood part of what, maybe the general public or business owners, know about the Federal Reserve and its role? Do you, in your research that you do, do you think there's a common misunderstanding that you would love to make sure we're all understanding things correctly?

Sonya Waddell: Yeah. I mean, I think maybe there are a couple of things. I don't know if this comes through research or more through the outreach, that I do, that we all do. You know, one interesting feature of our system is that we are accountable to Congress, but our sort of space in the federal government differs, and what I mean by that is this board of governors in Washington, DC, their employees, the employees of the board of governors, are federal government employees. But for the regional reserve banks, I am not a federal government employee, I'm an employee of the Federal Reserve Bank of Richmond. And I think, this is the same system that was set up in 1913, and it's, to me, it feels uniquely American, right? Where we have this combination of public sector and private sector. We have this combination of centralized and decentralized. So, you know, each reserve Bank is run like a private nonprofit.

Susan Quinn: Mm.

Sonya Waddell: So, I think that's a really, again, I think there are, strengths to that system. Of course, you know, there are things that we have to think about in how we operate and make sure that we have checks and balances, but I think that's a really interesting feature. But we are, of course, accountable to Congress. We exist because of the Federal Reserve Act. I can't speak for every employee of every reserve Bank, but I can say that I have never met somebody at the Richmond Fed that does not have this public service sort of mission, in how they do their job, and we recognize that we are public servants.

The other thing that I think is important to realize is, you know, we are accountable to Congress. We are audited. We're audited internally, externally, audited by Congress, but the one thing that we do that is not auditable by Congress and shouldn't be, in my opinion, my views, not the views of the Fed—well, actually, maybe the views of the federal government, but that's like our catch phrase, right? So, I should have said that from the beginning, of course, that any views are mine, and not those of the Richmond Fed or the system, but monetary policy decisions are not audited, which means that, you know, Congress can't... Let me put it this way, it insulates monetary policy decisions from political processes. So, you know, the board of governors all serve 14-year terms. The presidents are sort of independently selected, so they can make decisions thinking long term about the economy and not sort of subject to short term political pressures. So, you know, we are absolutely public servants, but we are sort of independent as well.

Susan Quinn: So, the fed is responsible for monetary policy, fiscal policy. How did these two worlds come together? Or maybe they don't come together.

Sonya Waddell: Yeah, so, you know, like I said, I started in 2008, in January at the Richmond Fed, and I think that that was a time—or maybe was kind of moving into 2008 and into 2009—when those distinctions got even harder, because we were in this financial crisis and you had,

you know, the chairman of the Federal Reserve, you had the Treasury secretary, you had the president of the Federal Reserve Bank of New York all coming together to try to figure out how to address this financial crisis. I think that was one of the times, actually, where it was most confusing, you know, to think about who does what in sort of understanding the economy. But, fiscal policy is taxing and spending, right, so-, and that is the job of Congress, it's the job of our elected officials, Congress and the president. What the Fed does is monetary policy, which is really thinking about the amount of credit in the economy. So, this, you know, like I said before, requires long-term thinking about the direction of the economy, where interest rates should be in the short term and often in the longer term, to maximize sustainable economic growth in the US economy.

So, what do we look at to do that? Of course, we look at employment, unemployment, inflation, but also growth, and productivity, and labor force participation to get a sense of that longer term. And the goal is, you know, what we call the mandate of monetary policy is a dual mandate, so we want stable prices, and we want an unemployment that is consistent with maximum sustainable economic growth. So, the shorthand for that is maximum employment, doesn't necessarily mean 0% unemployment, it means, again, the sort of level of employment that's consistent with the sort of growth that we can sustain, in the economy.

So, the two, fiscal policy and monetary policy, are two very different things. But, you know, of course, where do they intersect? Well, I don't know that they really intersect, but if you want to think of an intersection point, it would be the economy, right [laughter]?

Susan Quinn: [Laughs]

Sonya Waddell: So, you can think about fiscal policy affecting sort of economic outcomes, and then, you know, the fed would need to, the FOMC looks at those economic outcomes or projected economic outcomes and thinks about sort of the appropriate target fed funds rate or the appropriate monetary policy for what they're expecting.

Susan Quinn: You mentioned there are a lot of surveys that you do. You're collecting a lot of data, a lot of qualitative information. Give us a little more detail how that ultimately comes back to us businesspeople trying to figure out the economy so that we can make sense of it. Where does that exist on a weekly basis, monthly basis? I want to make sure as business leaders, we're tuning into the right channels of information that's-, well, you said some stuff isn't audited and shouldn't be but, just give us a sense of that.

Sonya Waddell: Yeah, so, I mean, you know, I want to say most of the things that we look at, and I can't, when I say we, I'm really thinking about what I know about the research department of the Federal Reserve Bank of Richmond. You know, as we're sitting there and trying to assess the economy, most of the things that we look at are publicly available data, right?

So, we're looking at data from the Bureau of Labor Statistics. We're looking at data from the Bureau of Economic Analysis, like I said, census, like wherever that information-, honestly, BEA and BLS are probably the two most common. And you know, when I say that, let me put it this way, the chairman of the Federal Reserve, you know, Jay Powell, or whoever it is in any moment, testifies before Congress, right, a few times a year. A lot of the materials, if not most of the materials, are available on the website, either of the board of governors or through one of the

Reserve Bank's, so you can look at, say, the minutes from an FOMC meeting three weeks after there's a statement that comes out the day of the meeting. You can look at the minutes three weeks after. You can look at the transcripts five years after.

And you know, there are a few of us who sit there and wait for the next set of transcripts to come out. So, there is a lot of publicly available information, but then you can also look at unemployment rates, you can look at GDP numbers, and that is kind of productivity. All of that stuff is publicly available.

But, you know, a lot of it is also lagged, right? So, right now, we're sitting here July 15th, so July of 2025 and we have, gross domestic product or GDP data only through the first quarter. So, I think we're getting this second quarter release sometime next week. I want to say, maybe towards the end of the month. We have employment data that's through June only, and actually at the regional level for states, we only have it through May. So, we will get June data at the state level pretty soon.

So then how do we account for that? Like how do we think about monetary policy today when we're looking at data that is that is lagged? And one way that we do that—well, let me talk about two ways we do that—one is through the surveys that we run. And, you know, we talked about those, and that's much more real time data, and we can look at that data as it's coming in because we're running those surveys. And those survey results are published to our website once we sort of get to the end of that, you know, fielding period, we publish those to our website. We have a survey released next week, actually. And we also talk to businesses, so we have an outreach team that is on the ground throughout the district talking to businesses, to understand what's happening right now with businesses. And, you know, of course, we're also talking to nonprofits and community development organizations. But when we think about sort of where the economy might be going and how monetary policy might need to respond to, the information that we get from our business community is critical.

Susan Quinn: Yeah. Well, I heard you speak. I think it was March or April of this year at a Virginia Bankers Association symposium, educational conference, and then a month later, I was out in Denver for another conference and there were several discussions taking place, but if there is one word that defined both of those events: uncertainty. The business owners that I was hanging out with, it's just whether the data says one thing, there's this feeling, this sentiment of uncertainty. Do you see that in the data that's coming back, or are business leaders feeling confident and ready to go? How does that play into the economy and are people eager to jump in? I could give my opinion, but we're not here to hear that [laughter].

Sonya Waddell: {Laughter} Actually, I would love to hear your opinion. I would love to hear your opinion. This is how we gather information is by hearing the opinion of businesses in the district. Yeah. So, you know, I heard you say two things, right, so, one is around sentiment and then one is around uncertainty. And those two things feel different to me.

So, one of the interesting features of the last, you know, few months of our economy—actually, you know, maybe you could even go, you know, into last year, you know, 18 months even—is this disconnect between what the numbers say, what GDP says, or payroll employment says, or unemployment says about the economy and how people are feeling about it. And when I say people, I also mean businesses. So, you know, for example, the Michigan Survey of Consumer

Sentiment, or business surveys that we run, including our CFO survey that we run with the Federal Reserve Bank of Atlanta and Duke's Fuqua School, all of those are showing, you know, sentiment that is has been kind of on the low side.

Now, depending on what month you're looking at, some reasons behind that, could be different, right? And what I mean by that is if you look, you know, back in 2023, 2024, as households were grappling with inflation and grappling with a higher price level, you know, their sentiment about the economy was lower. And this is what a lot of people have talked about when talking about, say, the consumer sentiment index from Michigan.

So even though unemployment was low, there were jobs, you know, there was, consumer spending, you know, people were sort of feeling not great about their balance sheets. Business sentiment at that time was better, but even then, among small businesses and stuff, there was this feeling that the other shoe was going to drop, that something was going to happen, a concern about the economy.

You know, I think the uncertainty, is a different concept, right. That's more about, you know, how policy or the economy is developing in a way that people don't quite know what the rules of the game are going to be tomorrow. So, you know, it has been an uncertain world right now across a number of dimensions, global trade policy, geopolitical tensions, domestic tax and spending priorities. Like, there are a lot of ways that, people have been a little bit unsure how the environment, what the landscape is going to look like, how the environment's going to develop, what the landscape is going to look like. So, the primary way that I see this is actually through our surveys. So, in the CFOs survey, for example, this uncertainty was one of the top key concerns in the first and second quarters of this year.

There are measures of uncertainty, like there are text based measures. There's an economic policy uncertainty index that's developed by some economists at Northwestern and Stanford that currently shows a pretty high level of economic policy uncertainty, which is what our businesses are also reporting, you know, through the surveys that we have and what I'm sure you're hearing about as well, you can also look at market based measures. You can look at the VIX is probably the most, the most commonly used, one of our economists actually in the Richmond Fed, Marina Azzimonti, has an economic brief on our site that describes measures of uncertainty and I, you know, recommend checking those out is something that, you know, businesses can look to, to sort of think about, to quantify a little bit on any uncertainty that you might be feeling or seeing. You know, and of course, we see this through our anecdotal data collection as well.

But then the question is, you know, what does that mean for the economy? So, you know, I think, Tom Barkin, our president, president of the Richmond Fed, has likened it in public speeches to driving in a fog recently.

Susan Quinn: [Laughs]

Sonya Waddell: Which is great, so businesses don't want to press on the gas if they don't know what lies around the next curve. They don't want to slam on the brakes because someone could run into them, so they pull over and wait it out. And you know what I think about when I hear him talk about that is, you know, we hear about firms pausing investment, so this uncertainty sort of manifests itself in this pause. What I think of it as a pause, right. That firms are pausing

investment, pausing expansion, pausing hiring, pausing firing until they know what that landscape is going to look like, and that can certainly affect growth.

Susan Quinn: That's exactly what's happening [laughter].

Sonya Waddell: [Laughs]

Susan Quinn: And I love the analogy is a lot like we are driving in the fog. We see it, I think our industry being consultants and marketers, we're a barometer for the economy. When it is thriving, people are just happy and continuing to spend money in that way. When there is uncertainty, we can start to see the impact of that where, I think we're going to pause till next quarter, we're going to move this to next year. And so it is interesting how-

Sonya Waddell: Do you feel like you see it first? Can I turn around the question, ask you a question. Do you feel like you're, in your industry, you see it before other industries, do you think of yourselves as sort of a leading indicator?

Susan Quinn: I think we're a leading indicator in that, and that's just been my experience in the 40 years I've been doing it. And a year and a half ago I just said, woah, it's coming, and it certainly has, I mean, every industry is different. I mean, we're not impacted by the tariffs and the conversation on that, but we have clients who are, so it's that trickle-down effect that just, we are all in it together, for sure.

But you talk about all this information that's coming. As business leaders, how do we interpret what signals should we be looking for? What should our dashboard be to give a real sense? I mean, you got to tune out a little bit of the political noise. There's a lot of noise. But how would you recommend? And maybe you can't guide us there because it's against rules and regulations, but I believe a dashboard is so powerful for businesses, but what should be on that dashboard?

Sonya Waddell: Yeah, so, and you asked me where to look before and I didn't even answer that question [laughter].

Susan Quinn: That's okay. [Laughs]

Sonya Waddell: I got distracted with other things. Yes, so, I mean, I think one of the challenges that you face as businesses and that our policymakers face is trying to figure out what provides the crystal ball for the future.

Susan Quinn: Can't you please provide that [laughter].

Sonya Waddell: [Laughter] Right, right. If I could, I would. I would. I have not seen anybody do that very effectively, except, you know, there are, if you predict the same thing over and over and over again, then eventually that's going to happen. But yeah, I have not seen the crystal ball reader yet.

But I think that's the challenge, right, that I could say, okay, you know, GDP is the broadest measure of economic activity that we have at the national level. But a lot of what businesses face is local, right? And GDP, like I said, is only through the first quarter. You know, the same thing with employment data, you know, a lot of that is kind of lagged and it doesn't predict what's

going to happen, which is exactly why we are on the ground with businesses like you.

So, you know, if marketing, or, you know, the kinds of, things that businesses spend on that are not critical to those operations immediately—you could argue that they're important for the long term, but not immediately important—if those are sort of, those industries are leading indicators of where the economy is going, then we want to make sure that we are talking to those businesses, which is why we're on the ground.

Now, I think we have a lot of information on, say, the Richmond Fed website. Actually, I think all of the Reserve Bank's, have a lot of really good, really accessible information on the economy, on the issues facing our economy, short and long term. On anything from tariffs to labor force participation, to other sort of, features of our economy, you know, where have inventories moved? You know, how have we seen, you know, the prime age labor force sort of move in or out of different types of employment? So, there's a lot of good information there, but I'm not sure I have a good answer for what to look at to predict the future. If you find it, please let me know [laughter].

Susan Quinn: We'll get back together.

Sonya Waddell: That would be great.

Susan Quinn: Well, you've said a couple of times that you're public servants and that there's a long-term view that you all take. As an economist, because I love patterns, are there things as you look back over many, many years—you've been here since 2008, did you say?

Sonya Waddell: Mm-hmm.

Susan Quinn: ... That have been surprises or that are the patterns that you think are important to look at? Does anything come to mind?

Sonya Waddell: The patterns that are important to look at... You know, the most effective way to forecast is to extend a line [laughter].

Susan Quinn: [Laughs]

Sonya Waddell: I mean, that seems to be, you know, how things have gone in the past, is a good indicator of how they go in the future, except for things that fundamentally change a moment, right. So, I think this was also my third time quoting Tom Barkin here, but I think I've heard him say that economic forecasts were created to make weather forecasts look good.

I mean, I think that, you know, the challenge is that economists are surprised all the time. And I can point to, you know, a few of those, right. So one is, I know we will remember the inflation post-Covid. But do we remember pre 2020 when the FOMC was struggling to get the inflation back to the 2% target, right. So, we were somewhere below 2% for a couple of years. And I think that was kind of a surprise right. In spite of keeping the target fed funds rate low mean it was a struggle to get to get inflation back up to that 2% target. And then we had what seemed to be a short-term inflationary pressure from my perspective, right. So, it was supply chain issues that, led to chip shortages, that led to price increases, and in very particular, goods that we buy that then sort of resulted in this broad inflation. There was higher price growth, as you know, broad

price growth higher than what we've seen in 40 years, right?

So, I mean, you know, these dynamics are sort of, they change the way that we think about policy. They change the way that we as individuals or as businesses sort of budget or think about our investment, and very often they're difficult to predict. I mean, okay, so obviously Covid was also difficult to predict.

Susan Quinn: Yes.

Sonya Waddell: And really changed a lot for a long time. That was not something that was just a March and April of 2020 phenomenon, right? We are probably still in some ways, you know, dealing with the aftermath of a Covid economy.

Susan Quinn: Oh, certainly.

Sonya Waddell: But certainly, if we think about the tight labor market, you know, if we think about inflation, these were all things that sort of came out of March and April of 2020. It just, you know, the result was sort of years long.

You know, but the other thing that I've been thinking about a lot is, is maybe less about economics...

Susan Quinn: Mm.

Sonya Waddell: ... and more about our changing economy. So, like, for example, the critical importance of something like childcare to labor force participation and to productivity in a world where we have and we need parents to work outside the home, we have an aging workforce. We need that prime age labor force participation, and sometimes it feels like we need shocks, like Covid, to realize that we aren't building the systems or the infrastructure fast enough to meet the changing needs of the economy. And that's something that I think about actually quite a bit.

Susan Quinn: Wow.

Sonya Waddell: What are the things that have happened in our economy that make us realize, hey, we're in a different world than we were in, and we need to think about planning for the long term in this new world, in this changing world.

Susan Quinn: That's powerful, and it is a changing economy. And if you don't have the fortitude to deal with a lot of change [laughter], I guess maybe you need to just go off to the island and sit out in the sun. But, I enjoy change. I think drinking from a firehose maybe is more than the change that I want right now in my career, but we are recording this, as you said in July 2025, we have listeners from across the country, but are there any updates that you might want to give that is important because I know you were giving data from Q1, but anything around second quarter that's standing out to you right now?

Sonya Waddell: Yeah. So let me think about this. So, second quarter is April, May, and June. We have employment data through June. We will get a couple more months of employment data, I think, by the time this has aired. You know, we have seen a slowing in employment growth. But we have not seen employment growth fall, right? We're not we're not seeing a contracting economy. We have seen a slowing in consumer spending growth, but again, we have not seen that contract.

Most of the forecast—this is going to be interesting because we'll have this data by the time this is aired—but most of the forecasts that I've seen for second quarter GDP growth are, you know, positive, not like rock star 5%, but, you know, somewhere, you know, around plus or minus one percent, most of them that I've seen, again, these are forecasts that are coming from external forecasters.

So, you know, I have a feeling again, my views that, you know, we might find ourselves sort of in this slow growth sort of space, you know, for some time, like for the next couple of months at least. Again, we've already talked about the challenges with forecasting, but you're right that we do have, you know, data in for the second quarter across a lot of different measures. And, and it seems to be, again, not a contracting economy, but just sort of a slow growing one.

Susan Quinn: Yeah. That that feels right in the world that I'm in for sure. The slow growth. You made a comment about Covid. So that was five years ago. Yeah. We're still feeling the effects of that.

Sonya Waddell: Yeah.

Susan Quinn: Let's go out five years from now. What do you think will be the biggest factors? And maybe you alluded to that of this whole changing economy. What do you think would be the biggest things that are shaping this economic period?

Sonya Waddell: So again, this crystal ball challenge, if we might-, maybe we should schedule something for five years from now...

Susan Quinn: Let's do it.

Sonya Waddell: ... and we'll see. But the one thing that I can think about and again, this is very difficult to predict, but, you know, nobody predicted Covid or the aftermath from that pandemic, but, you know, the thing that I think about is technology. So, the technology improvements that we've seen in the last 20 years have been incredible, so talk about a trend line, right? You know, this is from anything like from manufacturing, to job searching, to health care provision. You know, we've just seen these, you know, technological change and improvements and how we do so much of what we do.

So maybe AI will be a huge factor for shaping this period. It took decades for computers from the development of a computer for them to be used sort of ubiquitously, but AI seems to be moving a little bit faster. Maybe our pace of change has increased in the last 20 years. So, we adopt it faster. We'll see. You know, I could see AI impacting productivity, the distribution of employment, how we think about workforce development needs to match the changing economy, how businesses operate, and then, of course, with every new development like this, it comes with risks. So, I'm sure we will be evaluating those over the course of the next five years and, and maybe even experiencing some of them. So that to me, feels like the thing that we've seen in the last 20 years, we're continuing to see, just changes, and grapple with how do we think about the opportunities and the challenges as households and as businesses.

Susan Quinn: Do you use AI tools for gathering information or figuring out what everything is saying? Because I know we're using it in our world. I don't know anyone who's not. It is here. It's a tool.

Sonya Waddell: Yeah. So yes and no. You know, we are the Federal Reserve, so we are cautious in our use of technology usually. There is a lot of information that we have that we want to make sure is secure and protected.

Susan Quinn: Yes.

Sonya Waddell: And we have IT to staff that is making sure that that it is, but in how we process information so, we are experimenting and by experimenting I mean we have people who are really looking at how we could use that across the things that we do at the fed. So, in my world, the way that I would love to use it is in the analysis of the anecdotal information that we get, right. One of the challenges that we have is effectively processing the intelligence that we're gathering from our people on the ground, and if they weren't trying to process the information while gathering the information, maybe they could gather even more information. So that's the way that I, in my world that we're thinking about how could we use AI, but I'm also really enjoying running these surveys of businesses. So, every, I want to say maybe other quarter not—it's not that strict, but—we've been gathering, information from businesses on how they're using automation, how they're using AI. And it's really interesting, and I think what is particularly interesting is to think about sort of how firms are using it for tasks, and then how they might be thinking about using it for systems change and how they sort of operate their business. And that is probably in my mind, where some of the real productivity gains could come. So, we've been exploring, and we've certainly been asking a lot of questions.

Susan Quinn: Well, I think we're all trying to figure it out. It came upon us quickly. ChatGPT sort of changed the world that we all knew.

Sonya Waddell: It did. I should also say that there are a lot of cat poems being written by AI in my household [laughter].

Susan Quinn: [Laughter] Oh my gosh.

Sonya Waddell: [Laughter] Poems about cats.

Susan Quinn: Well, we have many uses just for that. The research that the fed does, can you guide us, what is the best place? You mentioned the website, are there other places that we should be uncovering to get information that will help us as business leaders?

Sonya Waddell: Yeah. I mean, I would love to promote the Richmond Fed website.

Susan Quinn: Okay.

Sonya Waddell: I feel like we have a lot of great information, a lot of great analysis, on our website. But every reserve Bank does, and the board of Governors does as well. I think it depends a little bit on what you're looking for. We've actually published some, great stuff on tariffs recently, and that is a place where fiscal policy and monetary policy—so we don't do anything, you know, we're not really thinking about tariffs as a, as a policy, but we are thinking about how that could affect, you know, the economy, and then we're trying to understand that, you know, for our region as well.

For our region, you know, we've seen we see dynamics, that are very different between, you know, Maryland and Virginia and North Carolina and South Carolina. So, if you're interested in sort of

some of the regional dynamics or you're interested in, and, you know, exploring an opportunity in a new state, you know, you might find, information on the region at a, at a Reserve Bank. We publish not just analysis on our district, we also publish raw information, you know, unemployment rates and, you know, GDP, state level GDP and that kind of thing. We take it from the Bureau of Economic Analysis, but we consolidate it—or the BLS—but we consolidated by region. But then we also we have analysis on macro trends. And then we also have, a great, publication, I think, called Macro Minute. That takes sort of what's the question, what's one question this week or in these two weeks about what's happening in the economy? And sort of talking about that, and that's written by one of our economists. So, I think, yeah, I'm talking about our website, but actually, a lot of the Reserve Bank's, all of the Reserve Bank's, have, really useful information as well on their region and on sort of macro trends. Now, if it's specific to monetary policy, I think the Board of Governors is a really good site for that to understand what monetary policy decisions you know are, or if you're looking for budget information or something on the fed, the Board of Governors website would be the place to go.

Susan Quinn: That's perfect. Anything else that comes to mind as we are trying to educate people to find their way in this uncertain period?

Sonya Waddell: Yeah. I mean, you know, we're all looking for the information that can help us understand the world around us. So, I obviously encourage, you know, any business to reach out if they are sort of looking for information on a particular topic. If any business who's listening is willing to be a contributor to our surveys or our anecdotal data collection, we would love it. We are always looking for new survey participants because that's how we get the real time information that we need for policy. You know, like you said, it's a constantly changing economy, so I think relying on each other to, you know, learn what everybody else knows in order to sort of figure out where the economy, either local or national, might be going, I think that's our best chance of creating some certainty.

Susan Quinn: Well, and creating a community where we can depend on each other for good information.

Sonya Waddell: Absolutely.

Susan Quinn: I always end each one of these episodes with this question, Sonya. How do you keep bettering your best? You're surrounded by so many things, and the bar must be high to deliver accurate information to keep us all wiser. How do you continue to up your game?

Sonya Waddell: So, this, actually, that's a nice transition from the last question and what you just said. I think it's the people around me. So, when I started at the Federal Reserve Bank of Richmond, I never thought that I would still be sitting here 17 years later, and I think that the reason I am is because I am continually surrounded by people who know more than I do on any given topic, be they people of research economists in my department, outreach people in my department, people that I talk to at presentations that I'm doing, our community development unit, and what they know about what's happening on the ground. So, I think relying on others, being willing to ask questions, I think is always the way, my best way, to learn and feel like I'm growing.

Susan Quinn: That's a beautiful way to conclude this time together. Thank you so much. I'm grateful. And I know our listeners will pick up many good nuggets. Thank you.

Sonya Waddell: Thank you. It was great to be here.

Narrator: Thank you for being part of our best in class community. And until next time, keep bettering your best. Narrator: Thank you for being part of our best in class community. And until next time, keep bettering your best.

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