



RECOMMENDATION TO OPEN A NEW BRANCH IN JACKSON, MISSISSIPPI
Feasibility Study

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ABSTRACT

This report examines the need to open a new branch for the Federal Reserve Bank of Atlanta in Jackson, Mississippi to serve the greater Sixth District and to provide the information necessary for assessing the feasibility of this endeavor. Potential locations in Mississippi were considered based on cities' economic states, population sizes, demographics and capacity to augment the Federal Reserve's goals. Recommendations are offered for the location and rationale behind opening a branch in Jackson.

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EXECUTIVE SUMMARY

This report analyzes the possibility and feasibility of opening a new branch of the Federal Reserve Bank of Atlanta and the selection of Jackson, Mississippi as the location for the potential new branch. The purpose of this report is to provide the Federal Reserve Bank of Atlanta's Board of Directors with the information necessary to assess whether to move ahead with this idea.

The Atlanta Fed is one of 12 Federal Reserve Banks in the country. Atlanta's Federal Reserve, which is located in the Sixth District, has branches in 5 out of the 6 states within the territory. The territory of the Atlanta Fed consists of Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee (Federal Reserve Bank of Atlanta). Each state has one to two branches, except for Mississippi, which does not have a branch.

Mississippi has the potential to be much more economically productive and developed. Agriculture and aquaculture are currently the largest sectors of Mississippi's economy, and the largest city in Mississippi is Jackson. Jackson is predominantly black, and poverty levels are extremely high. There are also high levels of brain drain, which is slowing down the growth of Mississippi's economy resulting from the loss of educated and skilled workers.

One of the main goals of the Atlanta Fed is to maximize employment. It is also a priority to help make the nation have a stable and efficient economy, and it is important to note that the Atlanta Fed is a representative part of society.

Based on these goals and conclusions, it is recommended to establish a new branch in Jackson, Mississippi so as to represent an integral part of American society when considering how to optimize economic efficiency and stability in the region. Also, it will achieve an increase of employment within the state, increase representative diversity in the workforce, help move workers from low-skilled jobs, and create new jobs and decrease brain drain in Mississippi.

INTRODUCTION

This report examines the city of Jackson, Mississippi as a potential location for a new branch of the Federal Reserve Bank of Atlanta. It is both good practice to fulfill the aims of the Fed, and it also fits in with the ever-evolving culture of the organization, which changes along with the culture of American society.

Factors to consider when choosing a branch location

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Before coming to the conclusion that a new branch would be more beneficial than not and that Jackson would help further the mission of the Federal Reserve Bank of Atlanta, many factors were considered, such as rent price, demographics, infrastructure and accessibility, and recruiting efforts (Enterprise League, 2021).

Jackson's economic state and reputation are not a good representation of the rest of the region, and it is our responsibility to help Jackson become more prosperous and less of a victim of brain drain, which is causing "the loss of educated and professional people to other states" and the decline in economic productivity in the state of Mississippi (McLeod, 2023).

Much of Mississippi is rural, which is somewhat of a problem when considering economic development. It would be extremely beneficial to focus efforts in Jackson, which is the most populated city and could still use further urbanization.

ANALYSIS OF JACKSON, MS AS A POTENTIAL BRANCH LOCATION

It is important to base the decision of establishing a new branch in facts and statistics, and it has been found that "Agriculture continues to be Mississippi's top industry for revenue generated in the Magnolia State" with the state having "almost 10.4 million acres of farmland" (U.S. Department of Agriculture, 2020).

Historically, agriculture was very significant to the Atlanta Fed, and even within the organization "the Atlanta Fed employed economists who specialized in agriculture"; however, though "Agriculture is still important in the Southeast" other industries have become more important in the region (Federal Reserve Bank of Atlanta, 2021).

Due to these reasons, it is important to encourage the economic development and progress in industry and urbanization, but since agriculture remains such an important part in Mississippi and was part of the history of workers in the Atlanta Fed, it seems to be right to encourage continuity in this area. It would fit within the culture of the organization to establish a branch in Mississippi due to the rich agricultural history of the Fed and the Southeastern United States.

Also, it is important to the Fed to encourage diversity within the staff since before the 1970s there was much racism and discrimination within the organization, and "As of August 2021, not only were the Bank's top two leaders Black, but more than half of its 112 officers were women or minorities" (Federal Reserve Bank of Atlanta, 2021).

As Jackson's population is now over 80% Black, and Jackson has a history of oppression and economic ruin, it is important to encourage and facilitate the representation of historic minorities

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within the Fed and to allow for a fair representation of the population and demographics of the area (Stephan Bisaha, 2021).

CONCLUSIONS AND RECOMMENDATIONS

The validity of choosing Jackson as a new branch location can be seen through benefits within the Federal Reserve Bank and benefits to the state of Mississippi as a whole, which will affect the entire region, in turn.

The information in this report strongly supports the recommendation to establish a new branch in Jackson, Mississippi on the basis of improving the economy in Mississippi, which allows the Atlanta Fed to work toward its mission.

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GLOSSARY

Brain drain: a process in which one area (a state, country, etc.) loses skilled workers and educated people to other areas through migration