

The Choice to See

Mary C. Daly
President and Chief Executive Officer
Federal Reserve Bank of San Francisco

Commencement Address, Sol Price School of Public Policy
University of Southern California, Los Angeles, CA
May 12, 2023, 11:00 AM PDT

Remarks as prepared for delivery.

Thank you, Dean Goldman, for your kind introduction. It is truly my honor to be here.

First things first. I would like all the graduates—and only the graduates—to give yourselves a big round of applause. You have earned this day. And it’s important that you take the time to recognize it.


I also want to acknowledge the family, friends, faculty, and everyone else who, in ways big and small, helped make this day possible. Thank you.

This day is especially meaningful to me because I also graduated from a public policy school: The Maxwell School at Syracuse University. While the colors of our gowns are different, and a few decades separate my graduating class from yours, we are bound by a commitment to mission-minded work and public service.

Of course, when people hear “public service,” they think either of the president of the United States or the DMV. But we know the label is bigger than that.

In fact, it’s not a label at all. It’s a choice.

I first learned about this choice decades ago in Ballwin, Missouri. A high school guidance counselor made a phone call. She asked her friend, Betsy, to meet with a former student: a young teenager who had done well in school, read a lot, loved to learn. But the family finances, and the family itself, had fallen on hard times. And the teenager, needing to help out, had



dropped out of school. She was working a bunch of different jobs—driving a donut truck, stocking shelves at Target, mowing lawns—whatever she could find. And her goal was to one day get a job as a bus driver so she could have a stable income and good benefits.

Betsy agreed to meet her. And right away she could see that the young woman had a plan. But Betsy knew that, for the plan to work, this young woman needed a GED. So, she suggested it, and the girl took her advice. Then, Betsy told her she would have even more opportunities if she went to college, at least for a little while. The young woman applied and she got in. But she couldn't afford the tuition. So, Betsy wrote a check—they still had those then—to the bursar at the University of Missouri—St. Louis. And at that moment, everything changed. A semester of college turned into a BA from the University of Missouri—Kansas City, and eventually into a PhD from Syracuse University in economics and public policy.

And that path led me here. Yes, that young woman was me. I went from a teenager hoping to be a bus driver to president and CEO of the Federal Reserve Bank of San Francisco. And the reason was Betsy.

Betsy wasn't a public servant in the traditional sense. And she certainly didn't see herself that way. But that's exactly what she was. That's exactly who she was. And it was not because of a job or a title. It was her lens on the world.

Betsy could see beyond what was right in front of her. In front of her was a teenaged dropout struggling to make ends meet. Betsy saw a young woman full of promise who had simply fallen on hard times.


And her seeing changed my life. It is the reason I am here today.

That is service.

But seeing a person right in front of you is one thing. Seeing millions whose names and faces you will never know is quite another. Every step you take up the career ladder puts you farther away from the people you serve. And that distance makes it easy to lose sight of what really matters.

It took a charged moment to bring this point home for me. And it was the most meaningful moment in my thirty-plus year career. It came in 2009, in the wake of the Global Financial Crisis. I was part of the San Francisco Fed Research team and we were briefing the Bank's then-president Janet Yellen—Treasury Secretary now, of course.

Colleagues were describing the ongoing challenges in the labor market, which included near double-digit unemployment, lack of job growth, and a dismal forecast for recovery.



Janet asked a simple question. What would the impact be? The answer was immediate, almost reflexive—the labor market will eventually come back.

But eventually was beside the point, and Janet instinctively reacted. She struck the table with her fist and said, “These are people!” Except there was a bleep before “people.” In the Midwest, we would say “friggin.” But let’s just say, Janet Yellen is not from the Midwest.

Both the expletive and the fist pound were startling. And for a moment we all fell silent. Janet had just laid bare the truth about our work. It was not simply theoretical. Behind our data, our models, our forecasts lived people—individuals who had lost jobs, homes, sometimes hope. And we had missed it.

The moment passed and we returned to the briefing. But I couldn’t stop thinking about it. And I have never forgotten it.

As a Reserve Bank president, I have tens of millions of constituents. And it’s not enough to look at the data and think I know them. Real knowing comes from seeing the *who* behind the statistics. And *how* our policy decisions affect their everyday lives.

That’s what Janet Yellen’s pound of the fist really meant.

It was a call for us to see.

Now, this practice of seeing, done day after day, changes not just what we see, but also what we do.

A vivid example of this occurred early in my research career. We were studying the impact of environmental programs. One of the study sites was a village that had a tree planting program to prevent soil erosion and offer shade. And we had gone to check on it.

When we arrived at the village, the results of the program were painfully clear: every single tree was dead. A sea of perfectly planted, completely lifeless sticks in the ground.

The program workers were devastated. But it was obvious what had happened. The trees hadn’t gotten enough water, and they died.

So, we went to speak to the villagers. We learned that it was a two-mile walk to the well and back—a trip they already made multiple times a day to get water for cooking, drinking, and bathing. When we heard that, we understood. Of course the trees had died. We had given hard-to-care-for trees to people with limited access to water.

It was a tragic but classic policy miss: providing a well-intentioned solution without ever speaking to the recipients and seeing what they needed.



And this is why seeing is so important. When we don't see things clearly, we don't do things well, no matter how good our intentions.

We end up with a sea of dead sticks.

I share these three stories with you because they capture a powerful truth. When we *see* things clearly, we *do* things differently.

We develop programs that give people what they actually need.

We acknowledge the real-life struggles that numbers don't show.

We write the check for a struggling teenager that changes the course of her life.

So, as you go out into the world, remember this: Public service is not a job. It's a choice—a choice to see people clearly and to act on what you see.

And if you make this choice, no matter where your career takes you—a courtroom, a classroom, a boardroom, or the Situation Room—you will be a public servant.

That is my call to you.

Congratulations, Class of 2023. And welcome to the fold.

Thank you.