

Richmond Fed eBrief

April 2013

Lacker on CNBC's "Squawkbox"

At the Richmond Fed's Credit Markets Symposium in Charlotte, NC, Jeff Lacker, president of the Richmond Fed, spoke with CNBC's "Squawkbox" about the pace and timing of ending the Fed's asset purchases and the risks involved in shrinking the Fed's balance sheet. Lacker also discussed what appears to be a new, lower trend in GDP growth, and the role of "living wills" in ending the market's expectation that certain financial institutions are too big to fail.

Ending 'Too Big to Fail'

In a speech at the Global Society of Fellows Conference held at the University of Richmond on April 9, Jeff Lacker discussed the challenges of ending "too big to fail": the obligation that many policymakers feel to support certain financial institutions should they become troubled. The FDIC's Orderly Liquidation Authority, which was established by the Dodd-Frank Act, attempts to address this problem, but OLA still provides regulators with considerable discretion. In Lacker's view, a more promising alternative is to require firms to establish "living wills" that would facilitate rapid and orderly resolution and would not expose taxpayers to extraordinary financial support.

Richmond Fed's Lacker and Chicago Fed's Evans Discuss Monetary Policy

Jeff Lacker and Charles Evans, president of the Chicago Fed, discussed their differing views on monetary policy at an event sponsored by Virginia Commonwealth University on April 3. Evans advocated continued monetary easing, noting that the unemployment rate remains elevated, while inflation is below the Fed's 2 percent target. Lacker, however, expressed concern that the Fed's current policies are sowing the seeds of future inflation while having only a limited impact on employment.

Learn More About What's Happening in Our Communities

Our quarterly newsletter looks at Main Street across the Fifth Federal Reserve District. This edition of Region @ a Glance looks at the Tri-Bank Initiative, our unique partnership with the Atlanta and Cleveland Federal Reserve Banks formed to focus on the issue of access to capital in rural Appalachia. In addition, we look at our financial education activities during National Financial Literacy Month.

Poverty Rates in the Fifth Federal Reserve District

Our current issue of 5th District Footprint looks at 2011 poverty rates. South Carolina and the District of Columbia are ranked among the 10 states with the highest poverty rates in the U.S. Poverty rates are above the national average in North Carolina and West Virginia and below the national average in Maryland and Virginia.

New Community Development Web Resources

We have added several new features to the Community Development section of our website. Among them is an interactive data and mapping resource that allows users to spatially display data and create customized maps of communities, counties and states using PolicyMap's web-based mapping tool.

Virginia in the Global Economy: Current Trends and Outlook

Ann Macheras of our Regional Economics division recently spoke to a group of Virginia businesspeople with an interest in international trade. She discussed economic conditions in the United States and Virginia and how global trade has impacted those conditions in recent months.

Job Search Behavior: Lessons From Online Job Search

While there is a large body of theoretical work about the job search process, there is relatively little empirical evidence about important aspects of workers' search behavior. A new database of online job posting data sheds light on how workers search for jobs.

Economic Snapshot, April 2013

Economic conditions varied across sectors in the Fifth Federal Reserve District in recent months. Although the labor market continued to strengthen, improvement in overall business activity began to decelerate. In addition, residential permits and housing starts contracted, but home values appreciated.

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