

Richmond Fed eBrief

September 2013

A Look Back at the History of the Federal Reserve

In a speech at Christopher Newport University on August 29, Richmond Federal Reserve Bank President Jeff Lacker discussed the problems in the banking system that led to the creation of the Federal Reserve. The same questions that faced the founders — how should the Fed be governed, and what sort of assets should the Fed invest in? — are being debated today.

Financial System Fragility: Inherent or Induced?

Many policy responses to the financial crisis were based on the view that the financial system is inherently fragile. But those actions might actually have made the system more fragile in the long run by creating the expectation of government bailouts.

Economic Snapshot, September 2013

The most recent reports on the Fifth District economy show little improvement in labor markets, but business activity was positive and housing markets generally continued to recover.

Manufacturing in the Fifth District

The current issue of the 5th District Footprint looks at the distribution of manufacturing employment in the Virginias, the Carolinas, Maryland and Washington, D.C. Counties with a high concentration of manufacturing employment tend to be located close to transportation networks, have low population density and are near other counties that also have a high share of manufacturing jobs.

Re-employing Displaced Workers

This issue of Community Scope explores the re-employment experience of displaced Pillowtex textile workers in North Carolina following the largest permanent mass layoff in the state's history. Our study focuses on the assistance strategies and re-employment outcomes in the counties with the largest concentration of displaced workers and highlights the challenges and opportunities involved in the process.

Watching Labor Force Participation

The number of people in the labor force has declined significantly since the recession, in part because of demographic factors and in part because more people are discouraged about the likelihood of finding a job. Watching the labor force participation rate is important for interpreting changes in the unemployment rate.

Is Fiscal Austerity Good for the Economy?

What is the effect on economic growth if governments dramatically cut spending or increase taxes to reduce government debt? That question has not been definitively answered, but even if fiscal austerity is costly in the short run, it may provide long-run benefits.

Green Jobs: Not a Black and White Issue

Many policies are premised on the link between environmental policy and economic results. But that link isn't entirely clear, and policies that attempt to both save the environment and create jobs might not be the best way to achieve either goal.

Sizing Up Currency Manipulation

China is often accused of keeping its currency artificially cheap. But identifying currency manipulation is tricky, and the costs to U.S. consumers of a more expensive yuan might be greater than the benefits to U.S. manufacturing and employment.

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