

## **Richmond Fed eBrief**

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**February 2014**

### **Lacker Provides Economic Outlook**

Richmond Fed President Jeffrey Lacker predicted GDP growth of slightly more than 2 percent during 2014 in an economic outlook speech on Feb. 4 at Shenandoah University in Winchester, Va. Despite many factors that might contribute to slower economic growth in the near term, there is still room for optimism about the prospects for future growth.

### **Lacker Speaks on the Path to Financial Stability**

President Lacker gave his thoughts on how to secure a stable financial system at a speech in Stanford, Calif. Reform starts with reducing incentives for risk taking, including rolling back the government's financial safety net, he told the Stanford Institute for Economic Policy Research.

### **The Fed's New Leader**

Janet Yellen was sworn in as Fed Chair on Feb. 3. In 2010, we analyzed how the faces of monetary policy have changed over the years.

### **Money Market Mutual Fund Reform**

Unlike many areas of the financial system, major reforms to money market mutual funds have not yet been passed since the financial crisis. A recent *Economic Brief* describes the main issues that regulators have grappled with in their struggle to agree on a path for reform.

### **Does Income Inequality Lead to More Household Borrowing?**

Some have worried that greater income inequality causes poorer households to over-borrow in order to "keep up with the Joneses." However, a recent Richmond Fed study finds this was not true leading up to the housing boom.

### **Congressional Testimony on Economies of Nation and South Carolina**

Rick Kaglic, senior regional economist at the Charlotte branch of the Richmond Fed, testified at a congressional field hearing in Dillon, S.C. on Jan. 24.

### **Labor Market Health**

Part of the recent improvement in unemployment has been as a result of people leaving the workforce. A 2012 *Econ Focus* cover story asked where do they go when they drop out?

### **Fifth Federal Reserve District Economic Snapshot**

Economic growth in the Fifth Federal Reserve District was largely positive in recent months, with growth in labor markets and strengthening business conditions but some mixed reports in residential real estate.

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