

## **Richmond Fed eBrief**

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**April 2014**

### **The First Time the Fed Bought GSE Debt**

*Economic Brief:* The Fed's recent purchases of mortgage-related securities were not its first. Authority was granted by Congress in 1966 when policymakers pressured the Fed to allocate credit to housing markets. The Fed argued against it, but eventually conceded after perceived threats to its independence.

### **Single Mothers and the Earned Income Tax Credit: Insurance Without Disincentives?**

You may not think of the Earned Income Tax Credit (EITC) as an insurance program, even though it protects its primary class of recipients – unskilled single mothers – against major risks to wages and changes in family structure. A new Richmond Fed working paper finds that the EITC provides substantial insurance to unskilled single mothers, and may do so without compromising their incentives to work.

### **Payment Choice and the Future of Currency**

A recent study by Richmond Fed economists -- using data from more than two billion transactions at a large discount chain -- suggests that the cash share of retail sales will fall in the next several years.

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

Reports on the economy of the Fed's Fifth District varied recently, with mixed conditions in labor markets and among area businesses, but an overall improvement in housing market indicators.

### **EITC Usage in the Fifth Federal Reserve District**

This issue of the *5<sup>th</sup> District Footprint* looks at usage and potential economic benefits of the Earned Income Tax Credit (EITC).

### **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 at a Glance* highlights how the Bank is helping to support informed financial decision-making, including through our Major Financial Decisions website which provides tools to help answer important financial planning questions.

## Developments in U.S. Energy Markets and the Implications for Future Growth

Economist Andy Bauer discussed recent developments in energy markets, particularly horizontal drilling and hydraulic fracturing.

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