



Richmond Fed eBrief

January 2016

Speeches

[Lacker: Economic Growth Solid in 2015](#)

In [three economic outlook](#) talks delivered this month, Richmond Fed President Jeffrey Lacker said that employment and GDP saw solid growth in 2015, and he expects that trend to largely continue in 2016. He also noted that interest rates are likely to remain lower than usual for the next few years, but the Fed still has room to raise rates while maintaining accommodative policy.

Research

[Did the Durbin Amendment Reduce Merchant Costs?](#)

The Durbin Amendment of the Dodd-Frank Act was aimed at lowering merchants' costs of accepting debit cards by capping debit interchange fees. However, new survey results analyzed by Richmond Fed researchers suggest that the regulation has had limited and unequal effects on merchants.

[Understanding New Liquidity Requirements for Banks](#)

The 2014 liquidity coverage ratio (LCR) requirements went into effect this year for banking institutions with between \$50 billion and \$250 billion in assets. The regulation mandates that banks hold enough liquid assets to withstand a period of financial stress. This *Economic Brief* explains the new rules and explores some questions economists have raised about liquidity regulations.

[Essays on Financial Stability](#)

The latest issue of *Economic Quarterly* collects essays from Richmond Fed researchers on the sources of financial instability and the means by which public policy can promote stability. A unifying theme is that government interventions that protect creditors weaken the market discipline that might otherwise help to control risks in the financial system.

Fifth Federal Reserve District

[Fifth District Economic Snapshot](#)

Recent reports on the Fifth Federal Reserve District economy were mostly positive, with strengthening labor markets, some improvements for area businesses, and generally upbeat housing market indicators.

[Rent Share of Household Income in Fifth Federal Reserve District](#)

Nationally, 52.3 percent of renter households qualify as “rent burdened,” which means they pay 30 percent or more in gross rent as a share of their income. Most states within the Fifth District, however, are below the national average. This issue of [5th District Footprint](#) explores “rent burdened” rates across the Fifth District and what factors may lead to “rent burdened” status.

[Microbusinesses in the Fifth District](#)

Microbusinesses, which consist of 1–4 full-time employees, open and close at a faster rate than larger firms. During the Great Recession, the Fifth District saw a greater decrease of microbusinesses in percentage terms than the nation as a whole. Still, some counties in the Fifth District actually experienced net increases in microbusinesses. Find out which county experienced the greatest net increase by reading this issue of [5th District Footprint](#), which offers a look at microbusinesses in the Fifth District before and after the Great Recession.

[Impact Investing in the U.S. and the Fifth District](#)

The net assets of investment funds pursuing an impact investment strategy have grown from \$12 billion in 1995 to \$4.3 trillion in 2014 — that’s growth by a multitude of almost 360 in less than 20 years. This [5th District Spotlight](#) presents context to impact investing’s rise through facts, figures, and analysis.

Events

Feb. 22 – [Teacher Collaborative Committee Meeting](#), Richmond, Va.

