



Richmond Fed eBrief

April 2016

Speech

[Lacker on Economic Leadership in an Uncertain World](#)

In an April 12 speech, Richmond Fed President Jeffrey Lacker gave his economic outlook. He said the fact that U.S. monetary policy has diverged from policy in some other developed nations reflects the relative strength of the U.S. economy. Lacker advocated “staying the course with a gradual sequence of rate increases” in U.S. policy.

Research

[Understanding Living Wills](#)

The Dodd-Frank Act mandated that large financial institutions create resolution plans, or “living wills,” which are intended to reduce bailouts by making the outcomes from bankruptcy better for society. In new research, Richmond Fed economists develop a framework for evaluating the potential benefits of these plans.

[Significant Milestones Achieved With Faster and Secure Payments Task Forces](#)

In February, the Faster Payments Task Force published the [final version](#) of the [Faster Payments Effectiveness Criteria](#), a description of stakeholder needs that can be used to assess faster payments solutions and as a guide for innovation in the payments industry. In March, the [Fed announced the selection](#) of McKinsey & Company to assess faster payments solution proposals from various providers across the U.S. payments industry, using the effectiveness criteria as a guide. Solution proposals are due from task force members by the end of April, followed by the assessment process. The Secure Payments Task Force recently formed three work groups focusing on Payment Identity Management, Information Sharing for the Mitigation of Payment Risk/Fraud, and Data Protection. The groups will begin work this spring.

[Wage Growth During the Great Recession](#)

Wages remained fairly stagnant during the Great Recession and its aftermath while unemployment has fallen steadily. Aggregate wage growth is affected by a number of components, including changes in workers’ wages, changes in the composition of workers, and changes in the composition of jobs. Richmond Fed economist Marianna Kudlyak reviews the economic literature on these components.

[The Role of Option Value in College Decisions](#)

Despite the large wage premium earned by college graduates, college enrollment and graduation rates remain relatively low. In the latest *Economic Brief*, Richmond Fed researchers highlight the role of risk and option value in higher education decisions as a possible explanation for these trends.

Fifth Federal Reserve District

[Fifth District Economic Snapshot](#)

According to recent data, the Fifth District economy showed signs of improvement, as employment continued to grow and business conditions strengthened; however, housing market reports were mixed.

[Beige Book](#)

Fifth District economic conditions strengthened since the previous Beige Book report. Manufacturing activity increased moderately on balance. Retail sales increased briskly and revenues rose modestly at other services firms. Winter tourism ended on a high note. Residential mortgage demand was uneven, but rose slightly overall. In contrast, there was a broad-based increase in commercial loan demand. Residential and commercial real estate activity grew moderately. Agricultural activity increased. Production of natural gas was unchanged and coal edged down. Labor demand continued to rise modestly.

5th District Federal Reserve Map

