

What Is REIN? Part 2: How REIN Distills Information for Input into Monetary Policy

September 1, 2016



Editors' note: This is the second segment of a multi-part series on the Atlanta Fed's Regional Economic Information Network (REIN).

When data can't tell the full story, the Atlanta Fed's Regional Economic Information Network (REIN) fills in the gaps by talking to business and community leaders across the Southeast. This information-gathering process begins and ends after each meeting of the Federal Open Market Committee (FOMC), the Federal Reserve's policymaking body.

Following an FOMC meeting, the Atlanta Fed's director of research debriefs the research staff on the issues that will be of particular interest for the next FOMC meeting and how these issues should be explored. The issues that arise from the debrief discussion are highly influenced by the outcome of the previous cycle (issues that were not well understood or were surprising developments in the policy discussion) and are likely to get increased attention in the following cycle through research or directed questions for business contacts.

Regional executives then spend the next few weeks in their territories, as the first segment of this series, "[What Is REIN? Part 1: How the Atlanta Fed Stays in Touch with Nearly 50 Million People](#)," mentioned. They meet most often with the executives of larger firms—those with a national or international reach are of particular interest because of their macro scope. But the regional executives also contact small and medium enterprises when there is a particular interest in what these firms do or in any unique insights they may have into issues such as changes in access to credit. A typical interview usually includes questions about pricing, employment, past performance, future expectations, and other topics.

Post-interview, the regional executive enters meeting notes into a qualitative database that serves as a record of the meeting as well as a means for providing searchable data over time and across multiple meetings. More important, all staff members of the Atlanta Fed's REIN team receive a brief summary that provides highlights of the meeting as well as answers to any pressing questions that were addressed. This distribution allows for interaction among REIN team members across the District in near real time, as intelligence is gathered, and can help fine tune the topics discussed in subsequent interviews.

Regional executives and other REIN staff members also attend weekly meetings with the economists and the Atlanta Fed's president. Some of the topics that come out of these meetings can also lend themselves to further REIN exploration in the field. These ongoing interactions can result in real-time intelligence on the most pressing issues.

The week before each FOMC meeting, the regional executives gather in Atlanta for three more meetings. First is a forecast meeting,

at which a group of Atlanta Fed economists hosts an in-depth discussion of the economic outlook with the Atlanta Fed president. At these meetings, the regional executives can see how their syntheses of anecdotal input are consistent with statistical model results or how they vary from them.

The macroeconomic forecast presented at the first meeting serves as a base for a discussion at the second meeting, which only regional executives attend. Each regional executive is assigned a specific segment of the economy to analyze—for example, general business conditions and demand, labor markets, prices, credit markets, or something else.

The third meeting is with the REIN group, the president, and the policy team of economists. It gives an opportunity for the regional executives to report to the Bank president on business conditions in the District as well as present whatever information that may add to the Atlanta Fed's understanding of the economy. This meeting may also result in new questions from the president and the economists to be explored during future REIN interviews.

After each meeting, the regional executives provide a written summary of key takeaways, which the president eventually distills into content for the statement on the southeastern and national economy he delivers at the next FOMC meeting. And then the cycle begins again.

Read the final installment "What Is REIN? Part 3: Other uses of REIN" in December.



Shalini Patel

Director, Regional Economic Information Network



Galina Alexeenko

Director, Regional Economic Information Network
