

WHAT DO WE DO IN RESEARCH?

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before
Federal Reserve Pioneers

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Introduction:

Deeply honored when Gus Kress asked me to speak.

I am only - to use an expression that WJD used on Bob Hilkert last year - a half assed Pioneer.

Yet I feel inadequate to the job.

As a professional economist I am - and we use big words -
a psycho-ceramic - crack-pot!

Usual to have a discussion of the Retirement System and changes in it. On this, I can say only - though it is important - that the System has engaged an independent group of experts to make a thorough study of our entire system (Industrial Relations Counsellors) and to make comparisons with other private systems. That study is now in progress.

Gus didn't give me a topic, and I have prepared at least half-a-dozen speeches for this occasion.

Speech I - Pioneers suggests taking a long view
economic possibilities of our grandchildren

Wage and salary receipts	1930	\$46 billion
	1955	215 "

Let them take care of themselves

II - Rehash a recent speech

III - Developed introductory remarks at Columbia University
- a word or two about you as individuals

e.g. Charlie Sherman - whiz on finding differences
3/23/17 → 7/5/18 Out following up his
12/16/18 → first difference

(practicing making a hole in 1 in the dark)

Then I found many on whom I had stories, including Charlie, wouldn't be here.

IV. Lampoon fellow officers

e.g. Dick Wilgus - Texas trick or treat. It's my treat

Ernie Hill came 7/1/21 - He still has 4 pennies of the first nickel he ever earned. Has 4 1921 pennies in his coin collection - and for a small admission will show them to you.

Jim Vergari - watch his weight to predict future of business.

Bob Hilkert out with the Boy Scouts lest you think him ready to retire.

V. Contributions you have made
- you are the backbone of the Bank

e.g. Olga Matuck - who designed your emblem and who has brought beauty and creative activity to so many Bank people
- But would miss many.

Then remembered

Alex dePutron's famous conversation with Harold Hat, who is not to be confused with Harry "the Hat" Walker or David "the Hat" Noonan.

First opportunity to defend myself.

Have to wait a long time in Research for rebuttals but one needs PATIENCE in research

What do we do in Research?

1. Why have economic research?

Philadelphia National and First Pennsylvania Co. don't have

2. We are a central bank - as you know

One of our less visible jobs

3. Decisions based on

- a. Hunch
- b. Communion with burning bush
- c. Impressions
- d. Intuition
- e. On basis of solid facts

The Jobs to be done

1. Areas to cover - releases reflect
2. Collection of original data
 - a. Enlisting respondents
new firms
 - b. Getting data on time
 - c. Establishing accuracy of raw data - classification
3. Combining individual reports
 - a. Confidentiality of individual reports
 - b. The sample and the universe
% change vs. blowup (Literary Digest ended)
 - c. Bank mergers
 - d. Philadelphia (metropolitan)
center city
outlying

(Importance of accuracy - Dept. store buyers' salaries
4. Releases
5. Interpreting the data
Seasonals (Dept. Stores)
6. Analytical research
Directed research a contradiction in terms
An economist: Textbook, wired for sound
Write so people will read!
Must be accurate
Must say something
7. Public education
 - a. Field meetings
 - b. Banking schools
 - c. Adult education generally
 - d. Business Review
8. Policy recommendations
9. The morning telephone call
10. Some headaches
Dealing with the press
Leaning vs. the breezes

A final story

He always knows when to stop