



NEWS RELEASE

The Federal Reserve Bank of St. Louis
St. Louis Little Rock Louisville Memphis

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**St. Louis Fed's *Regional Economist*:
Immigration and the Economy
The Yield Curve as a Forecasting Tool
Supermarket Bank Branches**

The October 1997 edition of *The Regional Economist*, the Federal Reserve Bank of St. Louis' quarterly journal of economic and business issues, features the following articles:

- **“A Burden to America? Immigration and the Economy.”** A negative perception of immigrants is that they take jobs from native-born Americans or drain public coffers. Economist Adam M. Zaretsky looks at the numbers behind legal immigration and concludes that although it may pose an initial fiscal burden, in the long run it's a gain for, not a drain on, the U.S. economy.
- **“Yielding Clues About Recessions: The Yield Curve as a Forecasting Tool.”** In April, the U.S. economy marked its seventh straight year of expansion. But has the business cycle been tamed, and are the positive economic figures we're enjoying a harbinger for the next recession? Dusan Stojanovic and Mark D. Vaughan, economists with the St. Louis Fed's Banking Supervision & Regulation Division, consider the yield curve, an old economics tool, as a way to determine its relation to recessions. They conclude that no tool offers better clues about the likelihood of coming economic troubles.

(more)

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• **“Banks Go Shopping for Customers.”** “Shopping for a loan” is taking on a whole new meaning as more and more banks establish full-service branches in supermarkets and other retail outlets. Christopher A. Williams, a research analyst for the Federal Reserve Bank of St. Louis, analyzes this growing trend and finds that consumers like these types of branches for the convenience, while banks like them because they’re cheaper to build and maintain than conventional branches.

Subscriptions to *The Regional Economist* are free and can be obtained by calling (314) 444-8809. The publication is also available on the Bank’s website: <http://www.stls.frb.org>.

The Federal Reserve Bank of St. Louis has branches in Little Rock, Louisville and Memphis. It serves the Eighth Federal Reserve District, which includes all of Arkansas, eastern Missouri, southern Indiana, southern Illinois, western Kentucky, western Tennessee and northern Mississippi. In addition to serving as a bank for depository institutions and the U.S. government, each Reserve Bank supervises state-chartered member banks and bank holding companies, monitors economic conditions in the District and participates in formulating monetary policy.

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