



Federal Reserve Bank of New York
Research and Statistics Group

Research Analyst Opportunities

for College Graduates
2013/2014



Joining the Federal Reserve Bank of New York's Research Group

The Research Group offers a broad range of opportunities for bachelor's degree candidates with a strong background in economics, mathematics, and statistics. Research Analysts (RAs) join one of the Group's seven areas, which conduct both policy-oriented analysis and long-term research projects.

Capital Markets

Focus: asset pricing; financial institutions; market liquidity; the interaction between markets, institutions, and economic fundamentals

Research Topics: links between financial markets and the macroeconomy; estimation of risk premia in stock, bond, and derivatives markets; interaction between financial institutions' balance sheets and risk premia; financial market stress and the measurement of systemic risk

Financial Intermediation

Focus: behavior, stability, and regulation of banks and other financial institutions; interactions between the financial system, financial markets, and the real economy

Research Topics: financial crises; banks and the real economy; financial innovation; risk management and measurement; financial system regulation and capital requirements; corporate finance and corporate governance; securitization; global banking; household finance and mortgages; restructuring and resolution of failed institutions

International Research

Focus: international trade, finance, and macroeconomic issues

Research Topics: global banks and international transmission; financial crises and trade performance; capital flows and risk sharing among and within countries; fiscal and monetary policy spillovers; exchange rate effects on prices, labor markets, and investment; forecasting exchange rates and commodity prices; international role of the U.S. dollar

Macroeconomic and Monetary Studies

Focus: monetary policy; national economic conditions; macroeconomic research

Research Topics: monetary policy transmission; monetary policy and the zero bound; monetary policy and learning; sources of inflation dynamics; changes in the inflation-unemployment relationship; goods and services price inflation; the relationships between inflation expectations, forecast dispersion, and uncertainty; methods of determining trend and cyclical productivity growth; changes in inventory dynamics and business cycles; the yield curve and recessions; forecasting using large macroeconomic panels; labor market dynamics; analysis of recent housing price trends; tax changes and consumer spending; DSGE model estimation and forecasting; financial frictions, liquidity, and the macroeconomy; fiscal and monetary policy interaction

Being a Research Analyst has given me the unique opportunity to research superstorm Sandy's economic impact on the Second District. This project enabled me to attend seminars on fiscal policy, collaborate with researchers in other areas of the Bank, and coauthor a blog post explaining our findings to regional policymakers. I've also worked on a mix of micro- and macroeconomic projects, such as household inflation expectations, the housing bubble, and the effect of unemployment insurance on joblessness.

But the best thing about being an RA here is having the flexibility to develop the knowledge and skills that I want. I can choose projects that emphasize a particular programming language, research topic, or mathematical technique that I want to learn. The work culture is very collaborative and I truly enjoy learning from my colleagues.

—Kaivan Sattar
Regional Analysis



Microeconomic Studies

Focus: theoretical and applied areas of microeconomics; labor, public, urban, and health economics; household finance; applied econometrics

Research Topics: analysis of household balance sheets and consumer credit; financial education and household debt; student loans; consumption responses to income and wealth shocks; household expectations and their links to economic behavior; formation and updating of subjective expectations; social interactions; referrals and job market outcomes; skill and locational mismatch in the labor market; education (both K-12 and higher education); empirical analysis of auctions; land markets in U.S. metropolitan areas; the housing and mortgage markets; healthcare and the health insurance market; fiscal interactions within U.S. metropolitan areas; sources of change in U.S. income distribution; evaluation of tax and labor market reforms

Money and Payments Studies

Focus: short-term funding markets; global payments systems; financial market infrastructure

Research Topics: design and evaluation of Federal Reserve lending facilities; bank behavior in short-term funding markets; money market mutual fund reform; tri-party repo reform; discount window policy; payments systems design; operational resiliency of payments under adverse shock; international securities settlement; implementation of monetary policy



RAs here have the opportunity to work with extremely talented economists who truly value mentorship. My projects generally focus on the interbank markets and payments systems—topics that I believe form the core infrastructure of financial markets. I've learned so much about economics, policy, research, and quantitative methods because I'm encouraged to attend seminars, take courses, participate in a variety of projects, and think independently. Our work isn't only timely, challenging, and interesting in its own right, it also gives us the intuition to pick up any financial newspaper and understand the current debates. All in all, the Research Group is filled with incredibly bright and enthusiastic people, all of whom come to the Fed with a diversity of goals, interests, and experiences. It's a great privilege and a tremendous experience working here.

—Parinitha Sastry
Money and Payment Studies

Regional Analysis

Focus: regional economics, with an emphasis on issues of interest to the Second District of the Federal Reserve System

Research Topics: development of regional economic activity indexes; human capital and local economic

development; analysis of K-12 and higher-education policies and outcomes; K-12 and higher-education finance; information content of regional business surveys; regional housing markets

Through the RA program, I've been lucky to work with talented economists on a range of issues. I've studied Japanese firm-level investment data, examined global exchange rates and commodity prices, and forecasted economic growth abroad. Because we're immersed in such diverse topics, I've picked up an equally diverse set of advanced econometric skills that I'm sure will give me a leg up in future research.

I'm constantly energized by the intellectual community here. Other RAs are excited to talk shop, help with research challenges, or offer insight into graduate school and careers in economics. In addition, I attend frequent lunchtime seminars given by economists from outside the Bank, where I hear about issues beyond the scope of my current research. Most importantly, working on and attending briefings with senior economists and policymakers offers a fascinating glimpse into central banking that few people my age get.

—Richard Peck
International Research



What Does a Research Analyst Do?

Research Analysts have two primary responsibilities:

- Assisting economists in the analysis of current public policy issues and events

RAs help economists conduct current analysis and other short-term research

on monetary policy, bank regulation, payments systems, financial markets, and the state of the U.S. and global economies. Current analysis often culminates in reports or presentations to the Bank's president and senior management.

- Assisting economists in long-term, academically oriented research projects

RAs help economists plan and execute long-term research on a wide range of applied and theoretical topics. Many RAs have the opportunity to coauthor scholarly articles with the economists.



Some day-to-day activities include:

- Performing econometric, computational, and analytical research intended for Bank publications as well as academic journals
- Programming in statistical packages, such as SAS, STATA, and MATLAB
- Running financial, banking, macroeconomic, and international forecasting models
- Reviewing and organizing economic and financial data
- Compiling and assessing information from academic journals, market sources, and government reports
- Writing or assisting with reports and presentations on current economic and financial conditions and policy issues
- Developing spreadsheet/web macros and programs to facilitate and improve data manipulation and analysis
- Preparing background materials for and assisting in the formulation of senior management briefings.

When you join Financial Intermediation, you work under the guidance of leading economists in the fields of global banking and securitization. Working as an RA in the newly founded New York Fed Center for Global Banking Studies, for example, has been especially rewarding. The cutting-edge research issues we get to explore are unparalleled—such as how systemically important global banks manage their strategic position, internal capital markets, and risk across foreign subsidiaries; how securitization has affected the evolution of modern liquidity management techniques; and how the rising share of noninterest income activities impacts systemic risk.

Two years in Research have given me a solid framework to test hypotheses on these issues by conducting advanced econometric analysis on extremely large data sets. And being able to discuss findings with colleagues and learn under the mentorship of top economists has been invaluable. For me, the RA experience has been excellent preparation for transitioning to a Ph.D. program.

—Arun Gupta
Financial Intermediation

What Are Some Advantages of Working Here?

Near-term benefits

Research Analysts enjoy the benefits of

- Interaction with leading economists and analysts on key policy and research issues
- Eligibility for tuition reimbursement for individual courses, certificate programs, and graduate programs
- Access to resources designed to build business, computer, and writing skills

Long-term gains

Research Analysts have gone on to enter prestigious academic programs, receive National Science Foundation and other highly regarded grants, and accept challenging positions in business and banking.

Career steps taken by former RAs include:

Ph.D. programs in economics and/or finance Berkeley, Brown, Caltech, Chicago, Columbia, Cornell, Harvard, Michigan, Minnesota, MIT, Northwestern, NYU, Penn, Princeton, Rochester, Stanford, UCLA, Wisconsin, Yale

Master's programs in public policy Berkeley, Chicago, Columbia, Harvard, Princeton, Yale

Master's programs in business administration Chicago, Columbia, Harvard, MIT Sloan, NYU Stern, Stanford, Wharton

Federal Reserve Bank of New York

Financial Institution Supervision; Chief of Staff's Office; Credit, Investment, and Payment Risk; Emerging Markets; Markets Group

Business American Express, Cantor Fitzgerald, Council on Foreign Relations, Facebook, Goldman Sachs, ISI Group, Morgan Stanley, NBER, NERA Economic Consulting, Standard and Poor's

Law and public service Berkeley, Columbia, Harvard, Michigan, NYU, Yale, IMF, Peace Corps

When I joined the Research Group, I was blown away by the level of trust economists place in research analysts. That's because the research conducted here depends on stellar-quality work—not just by the economists, but also by us. For example, work using the Consumer Credit Panel to study macroeconomic consumption called for economists and RAs to collaborate frequently to truly understand the data. This type of relationship has enabled me to grow professionally and gain a better understanding of the theoretical work I did in college. I also discovered that RAs here are more than willing to lend a helping hand when you run into trouble; this kind of environment provides me with great job satisfaction.

—David Yun
Microeconomic Studies



Tuition Assistance Program

Research Analysts receive generous tuition reimbursement for coursework and degree programs at nearby universities. In addition, the New York Fed's strong emphasis on work/life balance helps ensure that RAs have the time they need to pursue coursework in economics, mathematics, statistics, finance, or related fields.

The Tuition Assistance Program has enabled RAs to:

- Earn a Master's degree in Statistics (Columbia University) while working at the Bank
- Participate in other degree and certificate programs (New York University and Columbia University)
- Take individual graduate-level classes such as stochastic calculus, probability, statistics, real analysis, linear regression models, time series regression, linear algebra, continuous-time finance, derivative securities, graph theory, and partial differential equations.

Publications Coauthored by Research Analysts

Federal Reserve Bank of New York Publications

Olivier Armandier, **Scott Nelson**, Giorgio Topa, Wilbert van der Klaauw, and Basit Zafar. 2012. “The Price Is Right: Updating of Inflation Expectations in a Randomized Price Information Experiment.” *Staff Reports*, no. 543, January.

Dafna Avraham, Patricia Selvaggi, and James Vickery. 2012. “A Structural View of U.S. Bank Holding Companies.” *Economic Policy Review* 18, no. 2 (July).

Jennie Bai, Michael Fleming, and **Casidhe Horan**. 2013. “The Microstructure of China’s Government Bond Market.” *Staff Reports*, no. 622, May.

Vitaly Bord and João Santos. 2012. “The Rise of the Originate-to-Distribute Model and the Role of Banks in Financial Intermediation.” *Economic Policy Review* 18, no. 2 (July).

Meta Brown, **Elizabeth Setren**, and Giorgio Topa. 2012. “Do Informal Referrals Lead to Better Matches? Evidence from a Firm’s Employee Referral System.” *Staff Reports*, no. 568, August.

Meta Brown, **Sarah Stein**, and Basit Zafar. 2013. “The Impact of Housing Markets on Consumer Debt: Credit Report Evidence from 1999 to 2012.” *Staff Reports*, no. 617, May.

Nicola Cetorelli, Benjamin H. Mandel, and **Lindsay Mollineaux**. 2012. “The Evolution of Banks and Financial Intermediation: Framing the Analysis.” *Economic Policy Review* 18, no. 2 (July).

Rajashri Chakrabarti and **Sarah Sutherland**. 2013. “New Jersey’s Abbott Districts: Education Finances during the Great Recession.” *Current Issues in Economics and Finance* 19, no. 4.

Vasco Cúrdia, Marco Del Negro, and **Daniel Greenwald**. 2012. “Rare Shocks, Great Recessions.” *Staff Reports*, no. 585, December.

Marco Del Negro, Marc Giannoni, and **Christina Patterson**. 2012. “The Forward Guidance Puzzle.” *Staff Reports*, no. 574, October.

Michael Fleming and **Neel Krishnan**. 2012. “The Microstructure of the TIPS Market.” *Economic Policy Review* 18, no. 1 (March): 27-45.

Eric Ghysels, **Casidhe Horan**, and Emanuel Moench. 2012. “Forecasting through the Rear-View Mirror: Data Revisions and Bond Return Predictability.” *Staff Reports*, no. 581, November.

Linda Goldberg, Cindy Hull, and **Sarah Stein**. 2013. “Do Industrialized Countries Hold the Right Foreign Exchange Reserves?” *Current Issues in Economics and Finance* 19, no. 1.

Grant Graziani, Wilbert van der Klaauw, and Basit Zafar. 2013. “A Boost in the Paycheck: Survey Evidence on Workers’ Response to the 2011 Payroll Tax Cuts.” *Staff Reports*, no. 592, January.

Dennis Kuo, David Skeie, James Vickery, and Thomas Youle. 2013. “Identifying Term Interbank Loans from Fedwire Payments Data.” *Staff Reports*, no. 603, March.

Benjamin Mandel, Donald Morgan, and Chenyang Wei. 2012. “The Role of Bank Credit Enhancements in Securitization.” *Economic Policy Review* 18, no. 2 (July).

Donald Morgan, **Benjamin Iverson**, and **Matthew Botsch**. 2012. “Subprime Foreclosures and the 2005 Bankruptcy Reform.” *Economic Policy Review* 18, no. 1 (March): 47-57.



When I first arrived here, I knew nothing of finance. But now, I’m more than comfortable debating the virtues of one systemic risk measure over another, and I make contributions to original research every day. I’ve become an apprentice to top economic theorists, and that’s an incredibly rare and valuable opportunity.

It’s not that hard to pick up the basic tools of our field—programming and math—but it’s very difficult to acquire the maturity and discipline to use them well. This is where the Research Group excels, in shaping raw talent. A young researcher can find no better place to grow.

—**Evan Friedman**
Capital Markets



I'm involved in a variety of interesting projects in the Research Group. For instance, I work closely with leading economists on long-term research exploring important issues in labor economics and applied microeconomics. I'm also exposed to timely policy work, and have been able to sit in on meetings with economists, the Bank president, and other senior staff.

The New York Fed is a great place to learn and experience all stages of the research process, from formulating an idea, to analyzing data, to presenting conclusions. The economists are great mentors who really take an interest in your intellectual development. My time here has enabled me to hone in on my interests in economics and develop critical-thinking, analytical, and technical skills that will undoubtedly be valuable in a research career.

—Victoria Gregory
Macroeconomic and Monetary Studies

Robert Rich, **Joseph Song**, and Joseph Tracy. 2012. "The Measurement and Behavior of Uncertainty: Evidence from the ECB Survey of Professional Forecasters." *Staff Reports*, no. 588, December.

Ayşegül Şahin, **Joseph Song**, Giorgio Topa, and Giovanni Violante. 2012. "Mismatch Unemployment." *Staff Reports*, no. 566, August.

Academic Journals, Conference Volumes, and Scholarly Books

Adam Ashcraft, **Paul Goldsmith-Pinkham**, **Peter Hull**, and James Vickery. 2011. "Credit Ratings and Security Prices in the Subprime MBS Market." *American Economic Review* 101, no. 3 (May): 115-19. Papers and Proceedings of the 123rd Annual Meeting of the American Economic Association.

Carlos Carvalho, Emanuel Moench, and **Nicholas Klagge**. 2011. "The Persistent Effects of a False News Shock." *Journal of Empirical Finance* 18, no. 4 (September): 597-615.

Matthew Denes, Gauti Eggertsson, and **Sophia Gilbukh**. 2013. "Deficits, Public Debt Dynamics, and Tax and Spending Multipliers." *The Economic Journal* 123, no. 566 (February): F133-63.

Xavier Giné, **Lev Menand**, Robert Townsend, and James Vickery. 2012. "Microinsurance: A Case Study of the Indian Rainfall Index Insurance Market." In Chetan Ghate, ed., *The Oxford Handbook of the Indian Economy*, 167-94. Oxford: Oxford University Press.

Andrew Haughwout, Richard Peach, **John Sporn**, and Joseph Tracy. 2013. "The Supply Side of the Housing Boom and Bust of the 2000s." In Edward Glaeser and Todd Sinai, eds., *Housing and the Financial Crisis*. NBER conference volume. Chicago: University of Chicago Press.

Sagiri Kitao, Ayşegül Şahin, and **Joseph Song**. 2011. "Hiring Subsidies, Job Creation, and Job Destruction." *Economics Letters* 113, no. 3 (December): 248-51.

Hamid Mehran and **Lindsay Mollineaux**. 2012. "Corporate Governance of Financial Institutions." *Annual Review of Financial Economics* 4, October: 215-32.



How Do I Apply?

To apply online for a Research Analyst position, visit

www.newyorkfed.org/careers

The Federal Reserve Bank of New York is an equal opportunity employer.

Federal Reserve Bank of New York Benefits at a Glance

Competitive starting salary

Relocation assistance

Flexible work schedule

Matching 401(k) savings plan

Commutation assistance

Health, dental, and vision insurance

Tuition assistance for undergraduate and graduate courses