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NEWS RELEASE

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Boston Fed Creates Two New Policy Centers

Boston--The Federal Reserve Bank of Boston announced today the formation of two new Economic Research Centers, one focused on Behavioral Economics and the other focused on New England Public Policy. The Centers will operate as concentrations of expertise, produce specialized research, and explore the implications of their respective disciplines for the benefit of macroeconomic policy.

Federal Reserve Bank President, Cathy E. Minehan, said, "The Centers will apply talent, thought and energy to two of the most dynamic fronts in economics today, human behavior and public policy. We are very excited about the Centers' potential as regional resources and know both hold considerable promise in contributing to the public discourse on economics."

The Research Center for Behavioral Economics and Decisionmaking will conduct and publish research on a wide array of topics that incorporate elements of behavioral economics. The staff will be comprised of a small group of full-time researchers who will be permanent employees of the Bank's Research Department. The staff will also include visiting scholars from the fields of economics, psychology, or other social sciences. The acting director of the Center is Christopher Foote, a senior economist at the Bank.

According to Chris Foote, "Behavioral economics investigates how traditional assumptions of perfectly rational consumers with unlimited information processing power fail, and why such failures matter for economics and public policy."

The New England Public Policy Center will address regional policy issues through issue briefs, databases, and original research papers. It will also hold conferences and policy forums to help foster sound policy-making. The staff will be comprised of researchers in the Bank's Regional Outreach Group, and supplemented with other experts on key regional policy issues. The director of the Center is Robert Tannenwald, a senior economist and assistant vice-president at the Bank.

According to Bob Tannenwald, "We want to help legislators, gubernatorial staff, and policy analysts, and the public at large obtain high-quality, unbiased

research on the economic policy issues that affect the region, as well as promote regional cooperation in policy-making."

The Federal Reserve Bank of Boston is one of 12 regional Reserve Banks in the United States that, together with the Board of Governors in Washington, D.C., comprise the Federal Reserve System. The Federal Reserve Bank of Boston serves the First Federal Reserve District. The First District includes all of New England except Fairfield County, Connecticut.