

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**  
**DIVISION OF MONETARY AFFAIRS**  
**FOMC SECRETARIAT**

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**Date:** January 11, 2016  
**To:** Federal Open Market Committee  
**From:** Brian F. Madigan  
**Subject:** Proposed Change to Schedule for Release of Individually Attributed SEP Projections

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Currently, projections of individual FOMC participants prepared for the Summary of Economic Projections (SEP) are released after five years in conjunction with the publication of FOMC meeting transcripts. However, the individual projections released after five years are identified only by a numeric participant code. According to the schedule provided by the Committee to the National Archives and Records Administration (NARA), projections identified by the name of the FOMC participant are made public only after ten years.<sup>1, 2</sup>

An issue arises because some FOMC participants, in discussing their economic outlook during Committee meetings, mention their numeric code. Also, in their forecast narratives accompanying SEP submissions, some participants include identifying information, such as references to their District. In such cases, the identity of the participant responsible for a certain set of projections would be publicly revealed when meeting transcripts and SEP packages are released after five years, sooner than the ten years contemplated in the schedule provided to NARA. In

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<sup>1</sup> The FOMC Secretariat informed the Committee of the proposed schedule of release of SEP materials to NARA in a memo dated November 12, 2008.

<sup>2</sup> Because projections for the SEP began in 2007, and given the ten-year lag, no individually attributed SEP projections have yet been made public. However, individually attributed projections prepared earlier for publication in aggregated form in the Federal Reserve's semiannual Monetary Policy Reports are being published on an ongoing basis with a ten-year lag.

addition, in the context of speeches and other public remarks, FOMC participants sometimes describe their economic outlook in considerable detail. Even if not all FOMC participants self-identify their forecasts in FOMC meetings or in their forecast narrative, or describe their forecasts in detail in public remarks, if sufficient numbers of participants do so, by a process of elimination outside analysts might be able to determine with considerable accuracy the complete mapping between participants and the individual forecasts. Thus, the identify of a participant who made a certain forecast potentially could be determined after five years even if that participant did not mention his or her numeric code in FOMC meetings, include identifying information in his or her SEP forecast narrative, or publicly discuss in detail his or her outlook.

Considerations of transparency suggest that this issue not be dealt with by withholding information. For example, because economic forecasts are an essential component of the monetary policymaking process, it would seem quite unhelpful and perhaps inappropriate to redact participants' discussion of, and self-identification of, their economic forecasts from meeting transcripts. For similar reasons, it would presumably be inappropriate for the Committee to restrict FOMC participants' public comments on their economic outlook (outside the communications blackout period immediately surrounding each regularly scheduled Committee meeting); such public comments are a key means by which the Federal Reserve fulfills its commitment to provide "clear and timely information to the public about the Committee's monetary policy actions and the rationale for those decisions."<sup>3</sup>

Accordingly, after consultation with Chair Yellen, communications subcommittee Chairman Fischer, and the communications subcommittee, the staff recommends that the Committee revise its schedule for public release of the

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<sup>3</sup> Quote from "FOMC Policy on External Communications of Committee Participants."

individually attributed economic forecasts prepared for the SEP by publishing them in conjunction with meeting transcripts with a lag of five years rather than ten years.<sup>4</sup> This change would place the projections of all participants on the same footing: All participants' projections would be prepared with the common understanding that they are intended for release, individually attributed, after five years. This change in policy would be effective with SEP projections prepared in 2016, starting with the March meeting. Individually attributed projections prepared through 2015 would be published only with a ten-year lag, consistent with the current policy, under which such projections were made. Comments in transcripts or SEP submissions that identify the participant responsible for a projection would not be redacted.

If you have any concerns or questions about this proposal, please let me know (or contact subcommittee Chairman Fischer or Chair Yellen) by January 19.

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<sup>4</sup> To implement this change, the participant key linking numeric participant codes to participant names would be released with a lag of five years, along with the package of SEP projections that uses participant codes.