A number of Committee members and members of the Reserve Bank research
staffs have asked for more information about the measures of the equilibrium real
federal funds rate used in the construction of Chart 3 in the May bluebook. The
attached memorandum provides summary descriptions of the series used. The
methods described in the memorandum were developed by Antulio Bomfim of the
Division of Monetary Affairs and by Tilda Horvath, Thomas Laubach, Eileen
Mauskopf, and John Williams of the Division of Research and Statistics.

Our intention is to include these measures in future bluebooks. However,
please bear in mind that these measures are preliminary in nature and represent work in
progress. Board staff will continue to improve and refine the estimates, and
information on the resulting changes in the measures will be distributed.

1. Additional background information can be obtained in the documents cited in
the memorandum. These documents will be posted on the secure document site. Time
series for these five measures of the equilibrium real federal funds rate can be obtained
from Andrew Carlson at the Board (Andrew.P.Carlson@frb.gov).