

# FOMC Policy on External Communications of Federal Reserve System Staff<sup>1</sup>

Adopted effective June 22, 2011; as amended effective January 31, 2017

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## PREAMBLE

In the course of making monetary policy decisions, the Federal Open Market Committee (the “Committee”) makes extensive use of background materials prepared by the staff of the Federal Reserve System, and senior staff give regular briefings at Committee meetings. In addition, staff are directly involved in the implementation and communication of the Committee’s policy decisions.

Federal Reserve System staff have contacts with members of the public in the process of gathering information about current economic and financial conditions. In addition, staff synthesize that information using a variety of analytical methods and statistical tools, and the continual refinement of these methods and tools is facilitated by ongoing interactions with academic researchers, staff at foreign central banks, and other outside analysts. Staff also have contacts with members of the public in the course of discharging their responsibilities for open market operations and other aspects of monetary policy implementation. Finally, staff play a significant role in helping the public understand the rationale for Committee decisions. The principles described below recognize the importance of these activities for monetary policymaking and are not intended to inhibit the staff from conducting or broadly disseminating economic research or from carrying out other appropriate communications with members of the public.

To reinforce the public’s confidence in the transparency and integrity of the monetary policy process, the Committee has established the following principles to govern the public contacts of Federal Reserve System staff who have access to confidential FOMC information.<sup>2</sup> The Committee maintains responsibility for ensuring that all System staff with such access abide by these principles. Specifically, the

president of each Federal Reserve Bank is responsible for ensuring the confidentiality of FOMC information at that Federal Reserve Bank and for the conduct and discretion of that Federal Reserve Bank’s staff with regard to the use of that information, and the Chair fulfills this role for Board staff.

## GENERAL PRINCIPLES

1. Federal Reserve staff play a significant role in enhancing public understanding of the Committee’s actions, thereby promoting the effectiveness of monetary policy. In all communications with the public regarding monetary policy issues, members of the staff should refrain from publicly expressing their own personal opinions or predictions regarding prospective monetary policy decisions. In explaining the rationale for announced Committee decisions, staff should draw on Committee communications, the Chair’s press conference remarks, and other published materials as appropriate. Whenever staff make public comments on monetary policy, they should clearly indicate that those comments are solely their own responsibility and should not be interpreted as necessarily representing the views of the Committee, its principals, or any other person associated with the Federal Reserve System.
2. To foster the ongoing frank exchange of views at Committee meetings, staff will refrain from characterizing such discussions—apart from what has been published in the minutes of each Committee meeting—in any contact with an individual, firm, or organization outside of the Federal Reserve System.
3. To protect the independence of the Committee’s decision-making process from short-term political pressures, members of the staff of the Board and Federal Reserve Banks will follow their respective codes of conduct regarding partisan political activities and strive to

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<sup>1</sup> This document complements the Committee policy regarding the external communication of Committee participants, which is set forth in a separate document.

<sup>2</sup> This policy is fully consistent with and complements the rules for ethical conduct prescribed for the staff of the Board of Governors and for staff at each Federal Reserve Bank.

avoid any appearance of political partisanship when discussing economic or policy issues with the public.

4. Staff will carefully safeguard all confidential FOMC information.<sup>3</sup> No confidential information may be released except pursuant to Committee instructions or with written authorization from the Chair and prompt notification to the Committee.

5. Unless the information has been made widely available to the public, Federal Reserve staff members will refrain from divulging information outside the Federal Reserve System, such as information about economic and financial conditions or about the methods and tools that are currently being used to assess those conditions, that might allow an individual, firm, or organization to profit financially.

6. Staff will strive to ensure that their contacts with members of the public do not provide any profit-making person, firm, or organization with a prestige advantage over its competitors. They will consider this principle carefully and rigorously in considering invitations to speak at meetings sponsored by profit-making organizations and in scheduling meetings with anyone who might benefit financially from apparently-exclusive contacts with Federal Reserve staff.

7. To facilitate the effectiveness of the Committee's policy deliberations and the clarity of its communications, staff will observe the blackout period on monetary policy communications in conjunction with each regularly scheduled Committee meeting. The blackout

period will begin at the start of the second Saturday (midnight) Eastern Time before the beginning of the meeting and will end at midnight Eastern Time on the next day after the meeting. For example, if the Committee meeting starts on a Tuesday, the blackout period will begin at the start of the Saturday that falls ten days earlier, and if the meeting ends on a Wednesday, the blackout period will end at the end of Thursday.<sup>4</sup> During each blackout period, FOMC staff officers<sup>5</sup> as well as staff who have knowledge of information that is classified as "Class I FOMC – Restricted Controlled (FR)" and that is related to the previous or upcoming FOMC meeting will refrain from expressing their views or providing analysis to members of the public about current or prospective monetary policy issues. In addition, during each blackout period, other staff will refrain from expressing their views or providing analysis to members of the public about current or prospective monetary policy issues unless that information has already been cleared for publication and made widely available to the public prior to the blackout period. Staff may carry out their responsibilities for public dissemination of regularly published Federal Reserve data series, System surveys and reports, statistical indexes, and model results. These responsibilities include providing purely descriptive information and answering technical questions specific to a release during the blackout period. Data series, surveys and reports, statistical indexes, and model results published during the blackout period that involve staff judgment

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<sup>3</sup> The Committee's regulations concerning the designation and handling of confidential FOMC information are set forth in a separate document, "*Program for Security of FOMC Information*," available at [https://www.federalreserve.gov/monetarypolicy/files/FOMC\\_InformationSecurityProgram.pdf](https://www.federalreserve.gov/monetarypolicy/files/FOMC_InformationSecurityProgram.pdf).

<sup>4</sup> In the event that the second Friday before the meeting is a federal holiday, the blackout period will begin at the start of that Friday (midnight) Eastern Time.

<sup>5</sup> As set forth in a separate document, "*Federal Open Market Committee—Rules of Organization*,"

the FOMC selects staff officers from the Board and Reserve Banks, including a secretary, a deputy secretary, and one or more assistant secretaries; a general counsel, a deputy general counsel, and one or more assistant general counsels; and economists, one or more of whom may be designated as senior or associate economists. The FOMC also selects a manager and a deputy manager of the System Open Market Account. For purposes of this policy, individuals selected for the above positions are considered to be FOMC staff officers.

may be published only with the written approval of the Chair (for releases prepared by Board staff) or the appropriate Federal Reserve Bank president (for releases prepared by Reserve Bank staff). Staff also may continue during the blackout period to engage in communications with depository institutions, Federal Reserve counterparties, and other market participants, consistent with their ongoing responsibilities for open market operations, other aspects of monetary policy implementation, and information gathering, as long as no confidential information is inappropriately divulged.

8. In carrying out their official responsibilities, Federal Reserve staff engage in certain closely-held communications with other parts of the U.S. government, with foreign central banks and governments, and with international organizations such as the International Monetary Fund and the Bank for International Settlements. In communicating with individuals from such institutions, staff may exchange views on current economic and financial conditions or discuss policy-related matters of interest to the Federal Reserve, including non-public information, and such communications are not subject to the blackout period described above. In all such interactions, however, no confidential FOMC information may be released except pursuant to Committee instructions or with written authorization from the Chair and prompt notification to the Committee.

#### PRACTICAL EXAMPLES

To assist Federal Reserve System staff in understanding the application of these principles, the Committee has considered how the principles should be applied to some common requests for public contact. For example, the following contacts would generally be consistent with the Committee's policy on external communications, as long as the staff member carefully adheres to all of the principles listed above during the contact itself:

1. A presentation at a widely-attended meeting, where the event is organized by a non-profit entity and does not involve fund-

raising. Such a meeting might be sponsored by an academic institution, non-profit organization, or civic or trade association (such as a chamber of commerce or a state or national bankers' association).

2. A private meeting with members of the public—such as bankers, community representatives, industry representatives, or labor representatives—to collect information about current economic and financial conditions, without divulging any information that is not widely available to the public. Whenever practical, at least two Federal Reserve staff should be present at such a meeting.

3. Release of a working paper or other publication, or delivery of a presentation, outside the blackout period that evaluates the effectiveness of monetary policy actions taken in the past.

4. A presentation during the blackout period that describes a possible future framework for the conduct of monetary policy, as long as the presenter is not an FOMC staff officer and does not have knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)” and that is related to the previous or upcoming FOMC meeting and if the content of the presentation had already been cleared for publication and made widely available to the public prior to the blackout period.

5. A discussion between Federal Reserve and Treasury staff (including during the blackout period) regarding recent economic and financial developments in the United States or a foreign economy, how to interpret them, and their implications for future developments.

6. Federal Reserve staff communications with members of the public (including during the blackout period) to gather information on financial market developments or to discuss, as necessary for operational reasons, matters related to open market operations or other aspects of monetary policy implementation.

In contrast, the following contacts would *not* be consistent with the principles set out above:

1. Disclosure of confidential FOMC information.
2. Disclosure or characterization of the views expressed at a Committee meeting except to the extent that such information has already been released to the public with the approval of the Committee or the Chair.
3. Disclosure of a Committee participant's personal views on monetary policy that have not previously been communicated to the public.
4. Communications with members of the public in which a Federal Reserve staff member expresses personal opinions about prospective monetary policy decisions.
5. A prediction to members of the public

about Committee action prior to the Committee's announcement of such decisions.

6. A private meeting with selected clients of a profit-making entity to discuss monetary policy.

Of course, the foregoing examples are not intended to serve as an exhaustive list, and hence good judgment will be essential in applying these principles. Moreover, whenever staff are unsure about whether specific contacts with the public would be appropriate, they should consult in advance with the appropriate staff person or with the head of their respective institution—namely, the Chair in the case of staff at the Board of Governors, and the president in the case of staff at a Federal Reserve Bank.