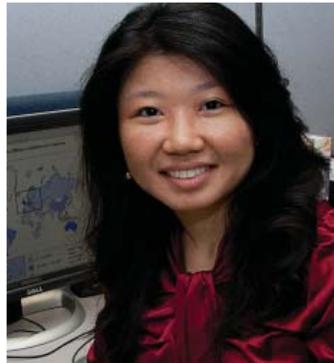


Federal Reserve Bank of New York
Research and Statistics Group

Research Analyst Opportunities

for College Graduates
2012/2013



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

As an RA in the Regional Analysis Function, I work on a variety of research topics with many talented economists. I'm involved not only with projects that focus on the Second District, but also with issues of national, or even international, relevance. Many of these projects have immediate policy relevance as well as long-term research potential. For example, I've used data to quantify the impact of the Obama Administration's housing initiatives on foreclosure rates, and Current Population Survey data to track how demographics affect unemployment flows over the business cycle.

I've also learned a lot of economics in my time here. On the policy side, I really enjoy being up to date on the economy's developments. It's very informative to see how the Fed's leaders decipher and interpret new data and ongoing trends. On the research side, I've been exposed to many new techniques for working with data and seen how a topic moves from question to analysis to final product.

—Joshua Abel
Regional Analysis



Microeconomic Studies

Focus: theoretical and applied areas of microeconomics

Research Topics: analysis of household balance sheets and consumer credit; household inflation expectations and their links to economic behavior; formation and updating of subjective expectations; empirical analysis of models with multiple equilibria; skill and locational mismatch in the labor market; empirical analysis of auctions; land markets in U.S. metropolitan areas; 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

A great aspect of working in Money and Payments Studies is the high degree of trust and respect that the economists have for us. We're expected to formulate our own approach to open-ended research questions, which in turn trains us to think independently and really understand the research process.

The economists study a wealth of interesting research topics, and I've been fortunate to be able to help them from both theoretical and empirical viewpoints. I've become fluent in several statistical programming languages, and I've come to understand the interbank markets that played an important role during the crisis. Finally, the work environment in Research is amazing. Everyone's incredibly bright and friendly, and it's a pleasure to work with them.

—Adam Biesenbach
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

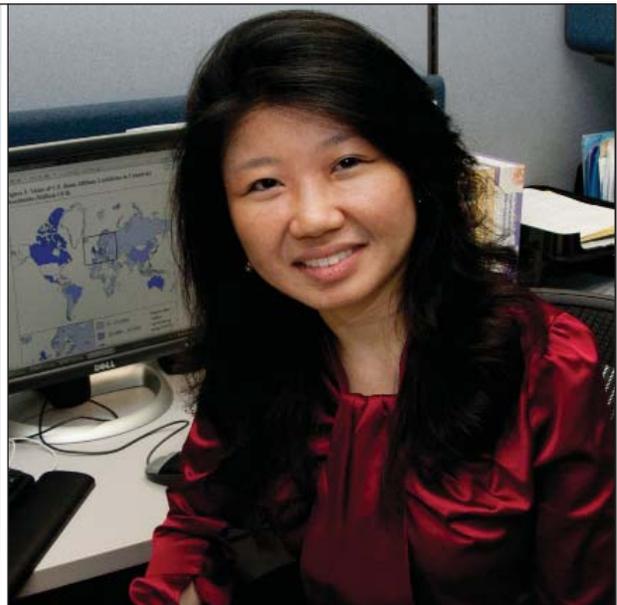
Research Topics: development of regional economic activity indexes; human capital and local economic development; analysis

of K-12 and higher-education policies and outcomes; K-12 and higher-education finance; information content of regional business surveys; relationship between home prices and rents in New York City

My two years in the International Research Function have given me the opportunity to collaborate with economists as either a research assistant or coauthor on more than a dozen research projects, in which we studied a number of interesting questions in international finance/macroeconomics and international trade.

Through hands-on learning, I've developed a strong set of research skills, from forming ideas to developing propositions, from building rigorous models to analyzing empirical results, as well an awareness of the ongoing academic and policy debates in the international field. These experiences are invaluable assets in preparing me for graduate studies and an academic research career. I've also learned a great deal from working with colleagues who are among the most intelligent and intellectually curious individuals I know, in an environment where there's a constant drive to advance the frontier of knowledge.

—Leslie Shen
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

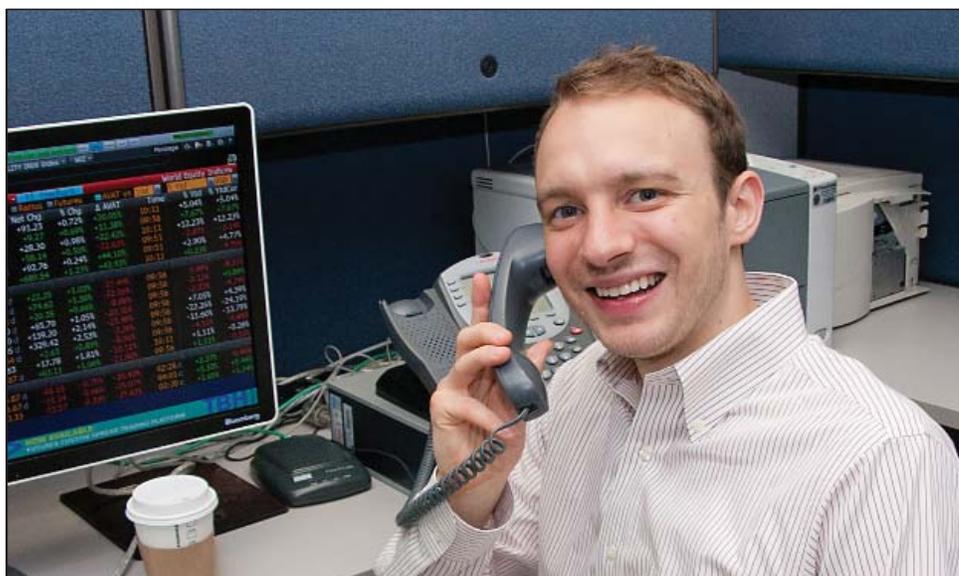
to the Bank's president and senior management.

- 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.



In Capital Markets, I work on projects that vary in depth and scope—from assisting in policy work to producing publishable long-term research. What's truly exciting is that I get to work closely with the economists. So my learning has been varied, in-depth, and profound in the last year.

For example, I've acquired a broad understanding of financial markets through policy-relevant work on pricing mechanisms in mortgage and Treasury markets. I've also learned new technical skills, including how to derive, estimate, or calibrate various econometric and financial models, and how to efficiently use programs such as Stata and Matlab for many advanced programming tasks. In addition, and maybe more importantly, I've come to understand why my projects represent interesting, cutting-edge research questions to pursue in the first place. The RA position at the New York Fed is an invaluable research experience and without a doubt the best professional preparation a young researcher can hope for.

—Jonas Mishara-Blomberger
Capital Markets

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, NERA Economic Consulting, Standard and Poor's

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

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.

Working as an RA in the Microeconomic Studies Function has been a transformational experience for me. I've had the unique opportunity to study a broad range of economic topics with both the intellectual rigor of academia and the real-world pragmatism of policy formation. We not only get the opportunity to work on policy memos and research papers, but also are involved in the process of transferring ideas between the two.

The intellectual curiosity here is infectious. Whether through attending seminars, taking classes in the evening, investigating data puzzles, or contributing to policy discussions, we're encouraged to ask questions and think for ourselves.

—Christina Patterson
Microeconomic Studies



Publications Coauthored by Research Analysts

Federal Reserve Bank of New York Publications

Olivier Armantier, Eric Ghysels, Asani Sarkar, and **Jeffrey Shrader**. 2011. "Stigma in Financial Markets: Evidence from Liquidity Auctions and Discount Window Borrowing during the Crisis." *Staff Reports*, no. 483, January.

Olivier Armantier, **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).

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).

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

Rajashri Chakrabarti and **Elizabeth Setren**. 2011. "The Impact of the Great Recession on School District Finances: Evidence from New York." *Staff Reports*, no. 534, December.

Rajashri Chakrabarti and **Sarah Sutherland**. 2012. "Precarious Slopes? The Great Recession, Federal Stimulus, and New Jersey Schools." *Staff Reports*, no. 538, January.

Vasco Cúrdia, Andrea Ferrero, **Ging Cee Ng**, and Andrea Tambalotti. 2011. "Evaluating Interest Rate Rules in an Estimated DSGE Model." *Staff Reports*, no. 510, August.

Matthew Denes, Gauti B. Eggertsson, and **Sophia Gilbukh**. 2012. "Deficits, Public Debt Dynamics, and Tax and Spending Multipliers." *Staff Reports*, no. 551, February.

Michael Fleming and **Nicholas Klagge**. 2011. "Income Effects of Federal Reserve Liquidity Facilities." *Current Issues in Economics and Finance* 17, no. 1.

Michael Fleming and **Neel Krishnan**. 2012. "The Microstructure of the TIPS Market." *Economic Policy Review* 18, no. 1 (March).

Linda Goldberg, **Craig Kennedy**, and Jason Miu. 2011. "Central Bank Dollar Swap Lines and Overseas Dollar Funding Costs." *Economic Policy Review* 17, no. 1 (May).



The Financial Intermediation Function has provided a very exciting and rewarding experience. I've had the opportunity to work closely with leading economists in examining the increasing structural complexity of bank holding companies, analyzing the role of trust institutions in shadow banking, and developing forecasting models for use in the Fed's supervisory stress tests. These projects have allowed me to apply my theoretical training in economics and mathematics to critical real-world issues, particularly those pertaining to the financial crisis.

The Research Group also provides a collegial atmosphere in which RAs are encouraged to collaborate with economists to answer research questions and form regulatory policy. The skills and relationships that I've developed along with my exposure to a range of academic and policy topics, set in an environment of intrinsic curiosity and high intellect, have given me an experience that will prove invaluable throughout my career.

—**Dafna Avraham**
Financial Intermediation



Coming out of college, I was almost certain that I knew the career path I wanted to follow. I was convinced that I wanted to pursue a Ph.D., and it seemed almost silly to do anything but go straight back to school. Luckily, instead of jumping into a program I wasn't ready for, I chose to come learn about the research process at the New York Fed.

I couldn't have made a better decision. These last two years have been an incredible opportunity. Working in Macroeconomic and Monetary Studies has exposed me to areas of economics I had never considered working on, given me the opportunity to develop a set of analytical skills that are essential to the research process, and introduced me to a group of economists and RAs from whom I'm constantly learning. Working here has taught me that I knew very little about real research before I came to the Fed, and although I still want to get my Ph.D., at least now I know what I'm getting into.

—Sarah Stein
Macroeconomic and Monetary Studies

Andrew Haughwout, Richard Peach, **John Sporn**, and Joseph Tracy. 2012. "The Supply Side of the Housing Boom and Bust of the 2000s." *Staff Reports*, no. 556, March.

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

Hamid Mehran and **Lindsay Mollineaux**. 2012. "Corporate Governance of Financial Institutions." *Staff Reports*, no. 539, January.

Donald Morgan, **Benjamin Iverson**, and **Matthew Botsch**. 2012. "Subprime Foreclosures and the 2005 Bankruptcy Reform." *Economic Policy Review* 18, no. 1 (March).

James Orr, **John Sporn**, Joseph Tracy, and Junfeng Huang. 2011. "Help for Unemployed Borrowers: Lessons from the Pennsylvania Homeowners' Emergency Mortgage Assistance Program." *Current Issues in Economics and Finance* 17, no. 2.

Richard Peach, Robert Rich, and **Anna Cororaton**. 2011. "How Does Slack Influence Inflation?" *Current Issues in Economics and Finance* 17, no. 3.

Stavros Peristiani and **Vanessa Savino**. 2011. "Are Credit Default Swaps Associated with Higher Corporate Defaults?" *Staff Reports*, no. 494, May.

Ayşegül Şahin, Sagiri Kitao, **Anna Cororaton**, and Sergiu Laiu. 2011. "Why Small Businesses Were Hit Harder by the Recent Recession." *Current Issues in Economics and Finance* 17, no. 4.

Academic Journals

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.

Morten Bech and **Enghin Atalay**. 2010. "The Topology of the Federal Funds Market." *Physica A: Statistical Mechanics and Its Applications* 389, no. 22 (November): 5223-46.

Paul Goldsmith-Pinkham and Tanju Yorulmazer. 2010. "Liquidity, Bank Runs, and Bailouts: Spillover Effects during the Northern Rock Episode." *Journal of Financial Services Research* 37, no. 2-3 (June): 83-98.



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**
- Business-casual dress policy**
- Tuition assistance for undergraduate and graduate courses**