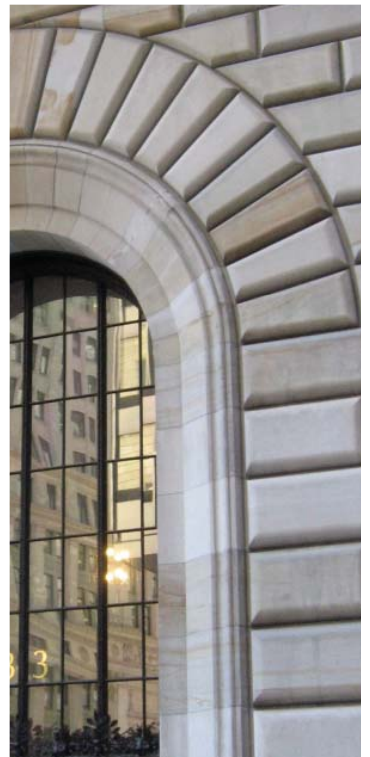
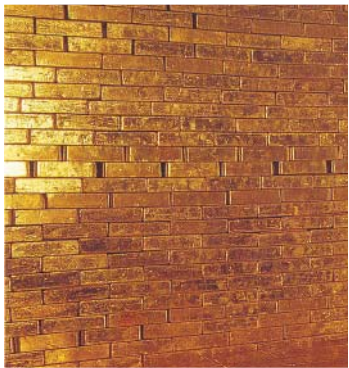


Federal Reserve Bank of New York
Research and Statistics Group

Research Associate Opportunities

for College Graduates
2011/2012



What Is the Focus of the 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. Each of the Group's seven areas conducts policy-oriented analysis and long-term research projects.

Capital Markets

Focus: asset pricing, financial institutions, market liquidity, and 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 Federal Reserve's lending facilities

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 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, and 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

"It's a great experience working in the Macroeconomic and Monetary Studies Function. As an RA, you have a unique opportunity to be in an academic environment while playing an integral role in solving real-world problems: I like the focus on independence that the former gives you and the intellectual challenges that the latter presents.

Working closely with the economists in a collegial atmosphere, you'll learn, among many things, to analyze and interpret economic indicators, to use different programming and statistical software, and, most important, how to approach a research problem. The skill set I've acquired as an RA will be invaluable for graduate school and my career."

—Sophia Gilbukh
Macroeconomic and Monetary Studies



inflation; the relationships between inflation expectation, 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

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



“RAs in the International Research Function work on academic research projects in fields such as open-economy macroeconomics and international finance and trade, and assist with policy assignments that tackle an array of global economic policy questions.

Over the past year, I've contributed to a wide range of projects, from analyzing the role of global banks' liquidity management in the international transmission of shocks to building a model of sovereign bond term premiums to quantify spillover effects. Through these experiences, I've learned to formulate testable research questions as well as probe and interpret data and analysis results. In addition to developing a valuable skill set, I enjoy working in a collegial and stimulating environment with economists and fellow RAs.”

—Leslie Shen
International Research

Money and Payments Studies

Focus: domestic and global payments and settlement systems and short-term money markets

Research Topics: design and evaluation of Federal Reserve lending facilities; bank behavior in short-term funding markets; discount window policy; payments system design; risks in the operation of payments markets and systems; securities settlement systems across countries; implementation of monetary policy

Regional Analysis

Focus: regional economics, with an emphasis on issues of interest to the Federal Reserve's Second District.

Research Topics: development of regional economic activity indexes; human capital and local economic development; design of educational reforms and their impact on student performance; state fiscal policies; subprime mortgage lending; information content of regional business surveys; relationship of home prices and rents in New York City

What Does a Research Associate Do?

Research Associates 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, MATLAB, and GAUSS
- 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.



“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 apply what we learned in school.

The financial crisis has provided a wealth of interesting research topics, and I’m fortunate to be able to study it from both a theoretical and an empirical viewpoint. I’ve become fluent in several statistical programming languages and have come to understand the interbank markets that played important roles during the crisis. Finally, the work environment in Research is amazing. Everyone is incredibly bright and friendly, and it’s a pleasure to work with them.”

—Sha Lu
Money and Payments Studies

What Are Some Advantages of Working Here?

Near-term benefits

Research Associates 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 Associates 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, Cal Tech, 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

Bank Supervision; Chief of Staff's Office; Credit, Investment, and Payment Risk; Emerging Markets; Markets Group

Business American Express, Cantor Fitzgerald, 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 Associates 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.

"The Research Group offers a unique opportunity for a student of economics to continue to learn and grow at the nexus of academic research and regulatory policy. As an RA in Financial Intermediation, I've had the chance to work with leading economists on developing theoretical models of liquidity hoarding in crises, examining risk and pricing in the subprime mortgage-backed securities market, and contributing to supervisory stress tests and macroprudential forecasts of capital adequacy in the banking sector.

The drive for constant learning in Research is highly contagious, and I have no doubt that the skills and relationships I've developed here will continue to guide me in graduate school and through the rest of my career."

—Peter Hull
Financial Intermediation



Publications Coauthored by Research Associates

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.

Adam Ashcraft, Paul Goldsmith-Pinkham, and James Vickery. 2010. “MBS Ratings and the Mortgage Credit Boom.” *Staff Reports*, no. 449, May.

Enghin Atalay, Antoine Martin, and James McAndrews. 2010. “Quantifying the Benefits of a Liquidity-Saving Mechanism.” *Staff Reports*, no. 447, May.

Michael Fleming and Nicholas Klagge. 2010. “The Federal Reserve’s Foreign Exchange Swap Lines.” *Current Issues in Economics and Finance* 16, no. 4 (April).

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

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): 3-20.

Sagiri Kitao, Ayşegül Şahin, and Joseph Song. 2010. “Subsidizing Job Creation in the Great Recession.” *Staff Reports*, no. 451, May.

Emanuel Moench, James Vickery, and Diego Aragon. 2010. “Why Is the Market Share of Adjustable-Rate Mortgages So Low?” *Current Issues in Economics and Finance* 16, no. 8 (December).

Ebiere Okah and James Orr. 2010. “Subprime Mortgage Lending in New York City: Prevalence and Performance.” *Staff Reports*, no. 432, February.

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.



“My two years in the Capital Markets Function have been very rewarding. Challenged to work in an unfamiliar field—most undergraduates are not exposed to cutting-edge asset pricing research or market microstructure topics—I’ve developed a broad understanding of financial markets as well as a more specialized knowledge of topics like transparency in over-the-counter derivatives markets. I’ve especially enjoyed the constant back-and-forth between the “real world” and the academic world that keeps our assignments relevant and engaging, whether we’re working on a policy memo or a more traditional research project.

All that I’ve learned I owe to the Research Group’s incredible support network. Our economists are not only great teachers—they also challenge us to think for ourselves. And my fellow RAs are the most talented group of people I’ve met, with whom I feel privileged to work each day.”

—Casidhe Horan
Capital Markets

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

Stavros Peristiani, Donald P. Morgan, and [Vanessa Savino](#). 2010. "The Information Value of the Stress Test and Bank Opacity." *Staff Reports*, no. 460, July.

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.

Ayşegül Şahin, [Joseph Song](#), and Bart Hobijn. 2010. "The Unemployment Gender Gap during the 2007 Recession." *Current Issues in Economics and Finance* 16, no. 2 (February).

Asani Sarkar and [Jeffrey Shrader](#). 2010. "Financial Amplification Mechanisms and the Federal Reserve's Supply of Liquidity during the Financial Crisis." *Economic Policy Review* 16, no. 1 (August): 55-74.



"Working as an RA in the Microeconomic Studies Function has been a worthwhile experience both personally and professionally. My year at the Fed has exposed me to a broad range of economic topics and provided me with invaluable insight into the field. Between working on research papers, attending seminars, and making policy contributions, the RA position has allowed me to gain skills that will undoubtedly benefit me in my career.

And for a budding economist, working at the Fed strikes the perfect balance between academic rigor and real-world experience. Each day, I'm expected not only to generate a quality work product, but also to develop a clear understanding of advanced economic concepts. Whether incorporating our ideas into the research process, encouraging us to take classes through the Bank's Tuition Assistance Program, or simply pointing out a few scholarly articles of interest, economists here are always looking to help us unlock our intellectual potential."

—Daniel Herbst
Microeconomic Studies

Argia Sbordone, Andrea Tambalotti, [Krishna Rao](#), and [Kieran Walsh](#). 2010. "Policy Analysis Using DSGE Models: An Introduction." *Economic Policy Review* 16, no. 2 (October): 23-43.

[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.

Academic Journals

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.



How Do I Apply?

To apply online for a Research Associate 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