

100 years of data, statistics and facts

COMMEMORATING THE *ECONOMIC REVIEW*

First published in 1916, the Federal Reserve Bank of Kansas City's primary economic research publication, *Economic Review*, has focused on a variety of topics, including monetary policy, agriculture, energy, banking, payments systems, labor markets and industries within the Tenth Federal Reserve District, the nation and international economies.

The *Economic Review* has evolved since its early years, reshaping its focus and especially its name (see sidebar, page 9), which changed several times after the first issue was published less than two years after the Kansas City Fed opened on Nov. 16, 1914.

When the Kansas City Fed started publishing the economic data it collected, writers and bank staff produced the information as part of their daily duties. It wasn't until 1918 that the staff was organized as a separate Editorial and Statistical department (see sidebar, page 8).

The first department head was Perl W. Morgan, a newspaperman who at one time led the news department at *The Kansas City Star*. Newspaper accounts at the time described Morgan's position at the Kansas City Fed as that of a statistician. And early publications, although informative, leaned toward statistical analysis rather than economics. Although the publication's name changed four times in its first 25 years, *Monthly Review* typically remained part of its name.

Although economic thought often is traced to Aristotle, who examined the ideas of acquisition and trade, it wasn't until the latter 1930s that economics left behind philosophical or political treatises and became more grounded in math and science. Banks in the early 20th century, however, had few uses for economists.

Most banks in the Tenth District were small community banks, including some located inside general stores. Economics was mainly for academics, and even the Kansas City Fed was hesitant to add economists to its staff.

In correspondence with the Board of Governors in the 1930s, the Bank expressed its apprehension. It was the Great Depression and the Kansas City Fed hadn't increased wages or staff and was reluctant to make changes to its operations.

Reluctant or not, passage of two key banking measures—the Banking Act of 1933 and the Bank Act of 1935—helped bring the need for economists into focus. The 1933 measure formed the Federal Open Market Committee (FOMC) and the 1935 measure reorganized the FOMC and restructured the Federal Reserve System. Following passage of these measures, the Board of Governors pushed for the use of economists at each Reserve Bank. The economists would advise Reserve Bank presidents on monetary policy issues and other matters that would help them as members of the FOMC.

GENERAL ORGANIZATION of THE "RESEARCH" DEPARTMENT

Editorial and Statistical (approx. 1918 – 31)
Research and Statistics (approx. 1932 – 37)
Statistical Division (approx. 1937 – 43)
Research Department (1944-present).

"Economic" is added to the Research Department title sometime between 1952 and 1963.

The Economic Review

(AND ITS PREDECESSORS):

The Kansas City Fed's first professional economist, T. Bruce Robb, was hired in 1936. Robb had received his master's and Ph.D. degrees from Yale University and taught economics at various universities before coming to the Federal Reserve. It wasn't until 1943, with the appointment of Charles O. Hardy, that the Research and Statistical Department was led by an officer-level position (vice president), who also was a professional economist.

According to the American Economic Association, Hardy was an established economist before coming to the Kansas City Fed, where he reorganized its economic publications.

Robb was manager of the Research and Statistical Department from 1943-46 under Hardy, and was research director from 1946-50 after Hardy resigned.

Robb and Hardy made several improvements to what then was called *The Monthly Review: Agricultural and Business Conditions*, adding graphs, charts and analysis in the reporting of regional economic conditions.

While Robb was director, the Federal Reserve agreed to use the title "Research Department" across the System, and Reserve Banks began to hire more economists. By 1950, the publication's name was shortened to *Monthly Review* and its purview was expanded under the leadership of Clarence W. Tow, who was director of research for 20 years.

More definitive changes occurred in the 1970s. Economists began to publish independent, self-directed research in the *Monthly Review*. This gave economists the opportunity to create valuable new insights into important public policy questions. The publication's name changed to *Economic Review* during this decade.

These changes translated into a complete integration of economic thought pertinent to the Federal Reserve. Articles highlighted economists' knowledge in banking, finance, macroeconomics, agriculture, energy, labor, supervision and regulation, monetary policy, payments and community development.

With the advent of the information age, the Kansas City Fed has provided high-performance

1916 – 19 (volumes 1 – 4)

Report of Conditions in District 10

1920 (volume 5)

The Monthly Bulletin Covering Conditions in the Tenth Federal Reserve District

1921 – 25 (volumes 6 – 10)

The Monthly Review Covering Conditions in the Tenth Federal Reserve District

1926 – 36 (volumes 11 – 21)

The Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in the Tenth Federal Reserve District

1937 – 53 (volumes 22 – 38)

The Monthly Review: Agricultural and Business Conditions

1954 – 77 (volumes 39 – 62)

Monthly Review

1978 – 2015 (volumes 63 – 100)

Economic Review

computing services for researchers using large and complex datasets. Technology also has allowed the Kansas City Fed the opportunity to share its research online. Although the way economists conduct and publish research may have changed throughout the last 100 years, the *Economic Review* has remained at the forefront as the Kansas City Fed's primary economic publication, offering reliable, timely and significant research on relevant issues.



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COMMENTS/QUESTIONS are welcome and should be sent to teneditors@kc.frb.org.