

“Diverse Policy Committees Can Reach Underrepresented Groups”

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Overview of RCT

- ▶ Randomly varies *salience* of the diversity of the FOMC and provides FOMC inflation or unemployment forecasts
- ▶ Outcomes of interest: Unemployment and inflation
“expectations management,” distrust of the Fed

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- ▶ Hypotheses: “homophily” or “taste for diversity”
- ▶ Results: Mixed evidence for both hypotheses; lots of heterogeneity
- ▶ Novel part of second wave: give people a *choice between information sources*.
 - ▶ Men and especially women seem to prefer to read an article about a woman than an article about a man.

What Does the Treatment Do?

- ▶ What are respondents' **priors** about FOMC composition?
- ▶ How does a photo of *one* member cause them to update?
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Unlikely but plausible example: Respondent only associates the Fed with Janet Yellen.

What Does the Treatment Do?, Cont.

- ▶ Do Barkin, Bostic, and Daly images differ in other ways (e.g. apparent age, facial expression, dress, hairstyle)?
- ▶ Daly seems much more well-known than Bostic, and Barkin the least well-known. Maybe respondents already had heard the name Daly or Bostic and the familiarity (not the demographics) increased trust.
 - ▶ Daly and Bostic on Twitter, but not Barkin
 - ▶ 4 times as many Google searches for Bostic as for Barkin; 10 times as many for Daly as for Barkin (past 12 months in US)

Homophily and Taste for Diversity

- ▶ Authors' definition of homophily: “underrepresented groups might react more to the committees forecasts when they observe that a member of their same demographic group ('in-group') participated in the formation of such forecasts relative to the member of a different demographic group ('out-group')
 - ▶ Must “in-group” be same race, gender, or both?
(Intersectionality?)

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(Intersectionality?)
- ▶ Taste for diversity is not defined. What would be most preferred by someone with taste for diversity:
 - ▶ FOMC that most closely resembles population demographics?
 - ▶ All female and/or all black FOMC?
 - ▶ FOMC with most demographic variation?

Other Thoughts

- ▶ Can respondents view the photo well enough, especially on mobile or with poor connection?
- ▶ Paper notes that there was one Asian American man on the FOMC in 2020 but does not discuss Asian Americans in the survey sample. Are they classified as white?
- ▶ White women are referred to as “underrepresented consumers” (?) May want to rethink the “Reach underrepresented groups” part of the title.
- ▶ Policy implications (regarding diversity *salience*) are not so straightforward.