



2019 Annual Report

Executive Summary

The Center for Inflation Research was launched in December 2018 with a mission to improve the understanding of inflation and the factors that influence its behavior among policymakers, academia, and the public. Understanding the behavior of inflation has always been critically important to the successful conduct of monetary policy and, as a consequence, economic prosperity. In pursuit of this focus, the Center is also able to build on the Cleveland Fed's long history of research and innovation in the field.

In its first full year of operation, the Center accomplished a number of key objectives.

Leadership. Two prominent economists in the field, Robert Rich and Raphael Schoenle, were recruited to lead the Center with Senior Vice President Edward S. Knotek II. To gather a diverse range of perspectives on the objectives and activities of the Center, the directors formed an advisory council, attracting prominent experts in the field of inflation from around the world. The seven council members come from academic institutions, central banks, and the private sector. The council met twice in its first full year, in May and December, and provided invaluable guidance and feedback.

Web presence. The Center's web presence went live in May 2019.* It houses all of the Bank's inflation-related content and features several areas of new content including "Inflation 101," which provides a tutorial on basic inflation concepts; "Consumer Price Data," which describes several commonly cited measures of inflation; and "Measures of Expected Inflation," which explains why expectations are important and how they are measured. On the Center's landing page, visitors can easily access this content along with the Bank's inflation-related research papers, conference information, and data on many popular measures of inflation in downloadable and chartable forms, including the Bank's inflation indicators.

Research. Cleveland Fed researchers produced a range of new inflation-related research during the course of 2019, some of which was published in the Bank's *Commentary* series and some which appeared in the Bank's working paper series and is intended for publication in professional journals.

New data products. Bank researchers developed a new indicator, median PCE inflation, and published a description of it in the Bank's *Commentary* series. A webpage featuring the indicator was added to the Center's website and contains information describing the new measure as well as charts and data that are updated monthly.

Collaboration. The Center engaged researchers to present and discuss their latest work through a number of channels. The Center organized and hosted the Bank's signature inflation conference in May 2019. The Center also organized sessions at three external conferences. In addition, the Center hosted a number of formal and informal visits throughout the year by prominent researchers from academia and other central banks.

Awareness. Another benefit of the Center's work in organizing conferences and conference sessions is that it built awareness of the Center among scholars and policymakers. The Center also introduced an email update newsletter and sent the first issue in November to its subscribers; individuals can subscribe at the Center's website. The Center is also working to establish ties with individuals in the corporate sector of northeastern Ohio who have an interest in the topic of inflation and is in discussions to cosponsor speakers who can share inflation-related research at a level that is accessible to the broader public.

The Center has outlined plans for building on these accomplishments going forward. Notably, the Center will expand the inflation conference from every other year to every year, and it will develop two new surveys, one designed to elicit information about how consumers form their inflation expectations and the other to learn how businesses integrate inflation expectations into their pricing decisions.

*The date was incorrectly given as May 2018 when this report was first posted.



The mission of the Center for Inflation Research is to improve the understanding of policymakers, researchers, and the public about inflation and the factors that influence its behavior.



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