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Discussion Points on "Private Canaries: The Value of Private-Sector Data for U.S. Monetary Policy Making"

2026 U.S. Monetary Policy Forum
New York

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The full mosaic *(Slide 2)*

- The U.S. economy is complex — millions of households, workers, firms, and institutions interacting daily to produce, trade, and consume billions of dollars of goods and services.
- The true state of all of this economic activity exists, but we only observe fragments. Individual data points are like tiles in a mosaic: the challenge for policymakers is to assemble the pieces to understand both current economic conditions and where they might be headed.

Choosing the tiles *(Slide 3)*

- Tiles represent different data points. They come from a lot of different data sources. The job of policymakers is to put them all together.
- Some of the tilemakers are well established — i.e., the official statistical agencies. They have long series and are reliable, and it is well understood how their tiles are made. There are also newer tilemakers — the private sector data sources.
- We can also create tiles, like the Beige Book, regional Federal Reserve Bank surveys, as well as insights that come from conversations with business and community contacts. Some of these data are tailored to the important issues of the day.
- Constructing a coherent picture from the available tiles requires experience, analysis, and judgment. Economic circumstances often dictate which tiles are most valuable and when.

Beware of shiny objects! *(Slide 4)*

- Not every new data point provides useful information.

Result: an incomplete picture *(Slide 5)*

- The end result is an incomplete mosaic with many missing pieces, which represents the economy. Sometimes the mosaic points to a clear picture for policy, and other times it does not.

Valuable tiles tell us when the picture is changing *(Slide 6)*

- There have been 12 recessions since 1950. Policy is designed to limit them. Particularly valuable tiles are those that provide consistent and timely indicators of turning points in the economy.
- Given the low frequency of recessions, longtime series public datasets are especially valuable here. They provide high-quality, benchmarked, and historically consistent measures.

The paper through the lens of a mosaicist *(Slide 7)*

- Private data and public data are complements, not substitutes. Private data provide timely and useful information about inflation and employment and can improve monetary policymaking.

The paper raises a number of questions *(Slide 8)*

- The paper raises a number of questions:
    1. Do markets and policymakers interpret the same data the same way?
    2. Do policymakers use all the relevant data, including private data, effectively?
    3. Do policymakers communicate effectively about the data that are driving the outlook and policy path?

Do markets and policymakers use the same data in the same way? *(Slide 9)*

- Policymakers and the market sometimes disagree about where policy is headed.
- Two sources of disagreement could be because they are looking at different data or because they are weighting the same data differently.

Summing up *(Slide 10)*

- The quality of information from the tiles is more important than the source (although the source may affect the quality of the information).
- Policymakers have an opportunity to improve monetary policy communications by describing which data are important and why.