



DISCUSSION

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

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The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

The full mosaic



Source: A mosaic of a peacock amidst the ruins of ancient Rome. Generated by Nano-Banana (Prompt: "a mosaic of an animal similar to the kinds that would have been discovered amidst the ruins of ancient Rome. Maybe a Peacock?") Mar. 01, 2026.

Choosing the tiles

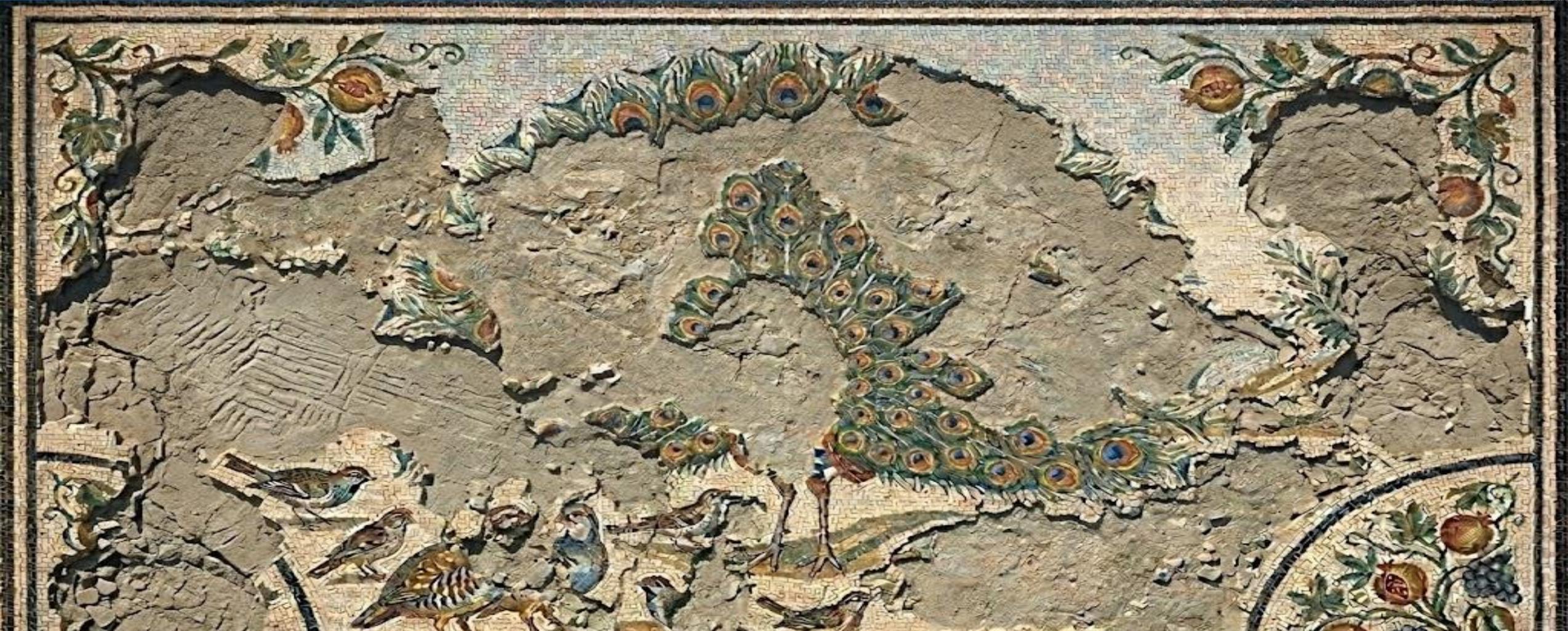


Source: Pieces of mosaic of a peacock amidst the ruins of ancient Rome. Generated by Nano-Banana (Prompt: "a mosaic of an animal similar to the kinds that would have been discovered amidst the ruins of ancient Rome. Maybe a Peacock? Instead of having the mosaic assembled, can you just have the tiles all laid out in the same area and only preliminarily organized by color, shape, etc.") Mar. 01, 2026.

Beware of shiny objects!



Result: an incomplete picture



Source: A mosaic of a peacock amidst the ruins of ancient Rome with 50 percent removed. Generated by Nano-Banana (Prompt: "a mosaic of an animal similar to the kinds that would have been discovered amidst the ruins of ancient Rome. Maybe a Peacock? Can you remove 50 percent of tiles?") Mar. 01, 2026.

Valuable tiles tell us when the picture is changing

Civilian Unemployment Rate

(Percent, SA)



Source: Bureau of Labor Statistics via Haver Analytics

The paper through the lens of a mosaicist

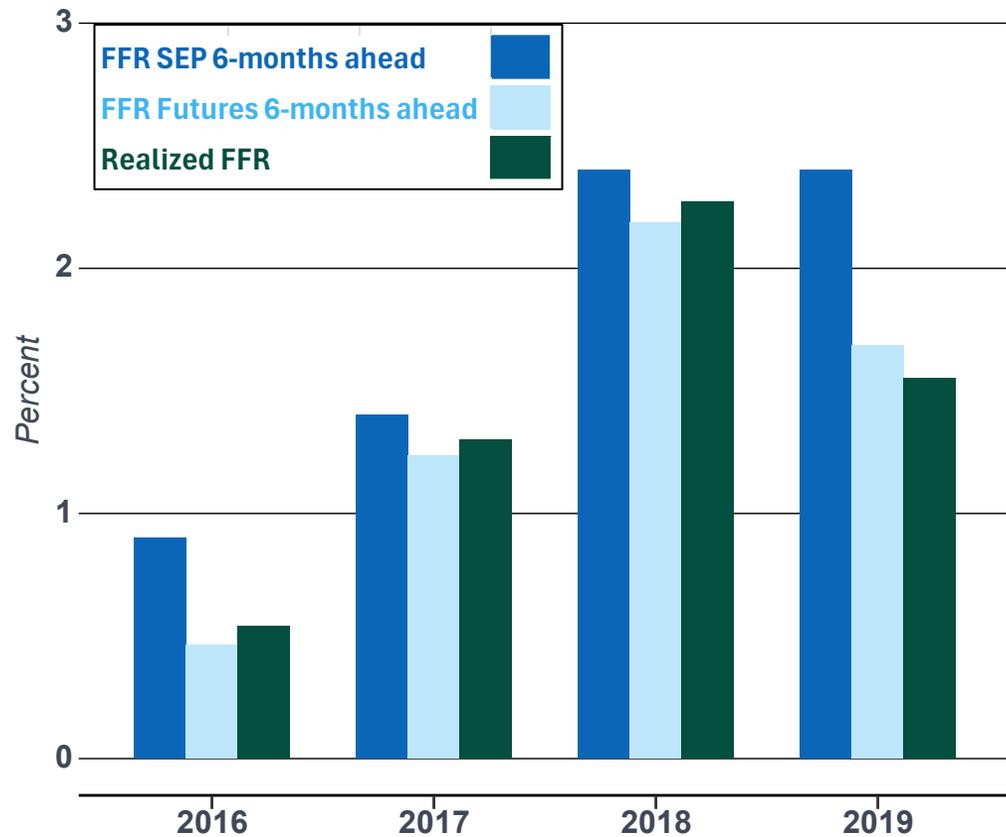
- Agree with the paper's conclusions:
 - Private and public data are complements
 - Private data provide timely and useful information about inflation and employment
 - Private data can improve monetary policymaking

Paper raises a number of questions

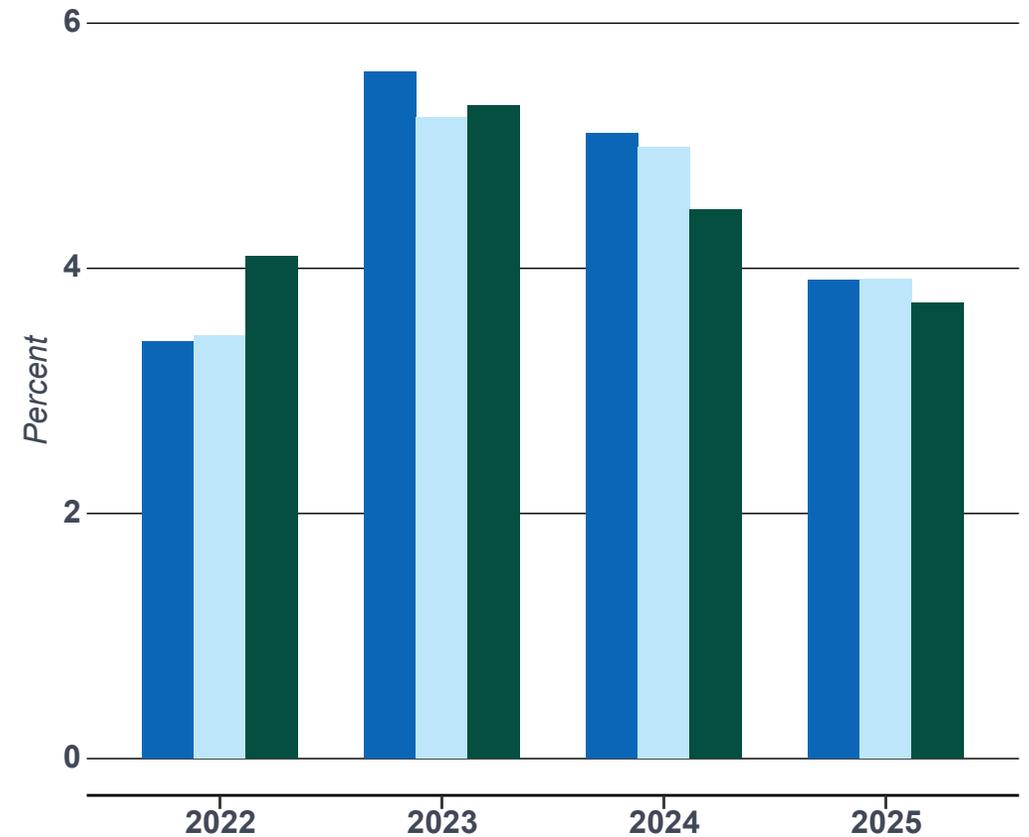
- Do markets and policymakers interpret the same data the same way?
- Do policymakers use all the relevant data, including private data, effectively?
- Do policymakers communicate effectively about the data that are driving the outlook and policy path?

Do markets and policymakers use the same data in the same way?

Federal Funds Rate Expectations (Pre-Pandemic)



Federal Funds Rate Expectations (Post-Pandemic)



Sources: Bloomberg, Board of Governors, FRED

Summing up

- Quality of information from the tiles is more important than the source (although the source may affect the quality of the information)
- Opportunity to study role of data in divergences between policymakers and market views
- Opportunity to improve monetary policy communications by describing which data are important and why