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Welcoming Remarks by James Bullard, President and CEO
The 2016 Homer Jones Memorial Lecture
Federal Reserve Bank of St. Louis
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Welcome to the Homer Jones Memorial Lecture.

The opening of the major league baseball season is an opportunity for fans to view with wide wonder the possibilities of future glory. Yet, the splendor of opening day notwithstanding, we all know in our hearts that for some teams, a pessimistic outlook will likely provide a better match to actual results. The hard reality of error-prone fielders, poor hitting and down-the-middle pitching can add up to a lot of losses before the All-Star break, leading fans of some teams to sigh and say, "Wait until next year."

In many ways, "Wait until next year" has been a motto for the U.S. economy since the financial crisis of 2007-09. Professional forecasters, monetary and fiscal policymakers, as well as Wall Street analysts and traders, have been predicting each year since then a return to halcyon days in the U.S., only to be disappointed by the time the All-Star break rolls around. Although labor markets have shown dramatic improvement, U.S. real economic growth has remained stubbornly low. Many economists have lowered their assessment of the longer-term real GDP growth rate in the U.S. to 2 percent or less, as opposed to the 3 percent or more that might once have been expected for the world's largest economy.

What is it that has caused this relative losing streak? Is it something that can be fixed with a new power hitter, perhaps, or a left-handed relief pitcher who can get timely outs in the late innings of a game? Or is it, like the Chicago Cubs, a situation that requires a total revamp of the entire approach to the game?

Today's speaker will likely offer some thoughts on this matter.

This is the 27th Homer Jones Memorial Lecture. This lecture series, which began in 1986 shortly after Homer's death, honors the contributions and legacy of a former Research director at the St. Louis Fed. The series, much like the vaunted St. Louis-based Energizer Bunny, has persisted, in large part because of the past support of many organizations and people—several of whom are in this audience or who represent some of the institutions that were vital in the lecture series' long run. These include the St. Louis Gateway Chapter of the National Association for Business Economics, Saint Louis University, Southern Illinois University at Edwardsville, the

University of Missouri at St. Louis and Washington University in St. Louis.

Homer Jones is often described as "Milton Friedman's teacher." Jones taught Friedman when Friedman was an undergraduate at Rutgers University in the early 1930s. Jones had gone to Rutgers after studying at the University of Chicago, where he was a student of legendary Chicago professor Frank Knight. Friedman wasn't the only person at Rutgers during Homer's time there to go on to become a well-known economist—the Rutgers economics faculty also included future Fed Chairman Arthur Burns.[1]

According to Friedman, Jones was one of the primary influences in Friedman's choice to study economics, as opposed to mathematics or statistics. In Friedman's 1976 reminiscence, he says Jones opened his eyes "to the broader reaches of economics and to the beauties and intricacies of economic theory."[2] They remained lifelong friends, eventually teaming up to oppose the high inflation monetary policy of the Burns era.

In 1958, Homer Jones joined the St. Louis Fed. He is remembered for many contributions to the Bank, but his role in the Bank's development as a leader in monetary research and statistics stands out. Jones was a pioneer, perhaps *the* pioneer, within the Fed in developing the concept of independent research departments at the Reserve banks. This development, which subsequently spread across the Federal Reserve System, has been invaluable to the Fed over the years. The Fed's ability to absorb and be open to multiple viewpoints helps prevent groupthink and leads to superior monetary policy and ultimately to better macroeconomic performance.

Today, the St. Louis Fed is a leader in the public dissemination of economic data. Many of my current and previous colleagues, building upon the legacy of Homer Jones, have designed and introduced Bank products like FRED, mobile FRED, ALFRED, GeoFRED, CASSIDI, FRASER and IDEAS. Underlying all of these products is the core belief that underpinned Homer's initial innovative efforts: to keep the public better informed about its central bank and the U.S. economy, and to provide accurate, timely data for economic researchers. Like Homer, we are always striving to innovate—so stay tuned for some future St. Louis Fed acronym!

This year's speaker is Lawrence H. Summers.

Some of you may have heard of him!

Dr. Summers is the Charles W. Eliot University Professor and President Emeritus at Harvard University. He served as the 71st Secretary of the United States Treasury for President Clinton and the Director of the National Economic Council for President Obama. Currently, Dr.

[1] See Friedman, Milton. "Homer Jones: A Personal Reminiscence." *Journal of Monetary Economics*, November 1976, 2(4), pp. 433-6.
[2] Friedman (1976).

Summers directs Harvard University's Mossavar-Rahmani Center for Business and Government. Dr. Summers was the first social scientist to receive the National Science Foundation's Alan Waterman Award for scientific achievement. In 1993, he was awarded the John Bates Clark Medal, which is given to the most outstanding economist under 40 in the United States. He was elected to the National Academy of Sciences in 2002. He has published more than 150 papers in scholarly journals and maintains an active presence as a public intellectual.

Please join me in welcoming Dr. Larry Summers.