Codebook: FAC Monetary Policy Dataset (1968–2025)

Dataset Overview

Title: Federal Advisory Council Monetary Policy Stance Dataset

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Coverage: 1968 Q1 – 2025 Q3 (231 quarterly observations)

Unit of observation: FAC quarterly meeting

Primary Variables

Identification Variables

Variable	Type	Description
year	integer	Calendar year (1968–2025)
quarter	integer	Calendar quarter (1–4)
date	date	Meeting date (YYYY-MM-DD)
source	string	Data source: "weise" (1968–2000) or "foia" (2000–2025)

Monetary Policy Stance

Variable	Type	Range	Description
fac_score	float	−1 to +1	FAC monetary policy stance (Weise scale)
fac_score_raw	float	−2 to +2	Raw LLM coding (internal scale)

Coding scheme for fac_score:

Value	Label	Description
−1	Strongly hawkish	Explicit call for tightening
–0.5	Hawkish	Clear lean toward tightening
0	Neutral	"Appropriate," balanced risks
+0.5	Dovish	Clear lean toward easing
+1	Strongly dovish	Explicit call for easing

Note: Positive values indicate preference for monetary easing (lower rates); negative values indicate preference for tightening (higher rates).

Auxiliary Variables

Meeting Characteristics

Variable	Type	Description
unanimity	binary	1 if explicit unanimous agreement stated
dissent	binary	1 if minority views noted ("some members," "a few felt")
confidence	ordinal (1–5)	Coder confidence: 1=highly uncertain, 5=highly confident

Warning Language

Variable	Type	Description
warning	binary	1 if risk/fragility/concern language present
warning_intensity	ordinal (1–3)	1=passing mention, 2=substantive, 3=dominant theme
crisis_language	binary	1 if crisis/turmoil/panic/systemic terms used
forward_looking	binary	1 if discusses future risks or recommended future action

Sectoral Coverage

Variable	Type	Description
sectors	string	Comma-separated list of sectors discussed

Valid sector codes:

- RE_residential: Residential real estate
- RE_commercial: Commercial real estate
- consumer: Consumer lending/spending
- CI: Commercial and industrial
- agriculture: Agricultural sector
- energy: Energy sector
- financial: Financial sector/markets
- small_business: Small business lending
- international: International/trade

Economic Topics

Variable	Type	Description
inflation_mentioned	binary	1 if inflation discussed
growth_mentioned	binary	1 if growth/GDP discussed
employment_mentioned	binary	1 if employment/labor discussed
credit_mentioned	binary	1 if credit conditions/lending discussed

Documentation

Variable	Type	Description
key_quote	string	Most important 15–25 words from source text
reasoning	string	One-sentence explanation of coding decision
notes	string	Additional coder notes

Derived Variables

Crisis Period Indicators

Binary variables indicating position relative to financial crises, coded following Laeven and Valencia (2013) IMF Systemic Banking Crises Database.

Variable	Type	Description
pre_crisis	binary	6 quarters preceding crisis onset
crisis	binary	Duration of financial stress
post_crisis	binary	6 quarters following crisis resolution
normal	binary	All other periods

Monetary Policy Era Indicators

Variable	Type	Period	Description
pre_volcker	binary	1968Q1–1979Q3	Pre-Volcker era
volcker_glb	binary	1979Q4–1999Q4	Volcker through GLB Act
glb_gfc	binary	2000Q1–2009Q4	GLB Act through GFC
post_gfc	binary	2010Q1–2025Q3	Post-GFC era

Crisis Type Indicators

Variable	Type	Description
financial_crisis	binary	1987 crash, LTCM 1998, GFC 2008–09
ordinary_recession	binary	1970, 1980, 1990–91, 2001, COVID 2020

Macroeconomic Controls

Downloaded from FRED (Federal Reserve Bank of St. Louis).

Variable	Type	FRED Code	Description
fedfunds	float	FEDFUNDS	Federal funds effective rate (%)
inflation	float	derived	Year-over-year CPI inflation (%)
unemployment	float	UNRATE	Civilian unemployment rate (%)
output_gap	float	derived	(Real GDP – Potential GDP) / Potential GDP × 100
inflation_gap	float	derived	Inflation – 2.0 (implicit target)

Data Sources

1968–2000: Weise (2008)

Coded from FAC meeting records reproduced in the appendix of:

Weise, C.L. (2008) Private sector influences on monetary policy in the United States. *Journal of Money, Credit and Banking*, 40(2–3): 441–462.

Original records obtained by Weise via FOIA request.

2000–2025: Author's FOIA Requests

- **2000–2010**: Obtained via FOIA request to Board of Governors
- **2011–2025**: Publicly available at https://www.federalreserve.gov/aboutthefed/fac.htm

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Coding Methodology

LLM-Assisted Coding

FAC records for 2000–2025 were coded using Claude (Anthropic) via API. The coding prompt instructed the model to classify monetary policy stance on a scale from –2 (strongly hawkish) to +2 (strongly dovish), then rescaled to the Weise (–1 to +1) scale for comparability.

Full coding prompts are documented in `llm_coding_prompts.txt`.

Validation

Validation against Weise (2008) for the overlap period (n = 130):

Metric	Value	Interpretation
Linearly-weighted Cohen's κ	0.88	Almost perfect agreement
Pearson correlation	0.91	Strong linear relationship
Exact agreement	83.8%	—
Adjacent agreement (±0.5)	100%	—
Directional reversals	0	No cases of opposite sign

Missing Data

Known Gaps

Period	Reason
2003 Q3–Q4	FAC records not located in archives

Coverage Summary

Period	Observations	Coverage
1968–2000	132	100%
2000–2025	99	98%
Total	**231**	**99%**

File Formats

File	Format	Description
fac_master_1968_2025.dta	Stata 17	Primary analysis file with labels
fac_master_1968_2025.csv	CSV	Open format version

References

Laeven, L. and Valencia, F. (2013) Systemic Banking Crises Database. *IMF Economic Review*, 61(2): 225–270.

Landis, J.R. and Koch, G.G. (1977) The measurement of observer agreement for categorical data. *Biometrics*, 33(1): 159–174.

Weise, C.L. (2008) Private sector influences on monetary policy in the United States. *Journal of Money, Credit and Banking*, 40(2–3): 441–462.

Version History

Version	Date	Changes
1.0	December 2024	Initial release

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