

U.S. Monetary Policy's Distributional Impacts: Evaluating Wealth and Employment Outcomes by Race and Gender

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Summary

How monetary policy impacts wealth and employment inequality by race and gender in the U.S. (1984-2007)

- ▶ Unemployment rates increase more for Blacks than Whites, no gender gap
- ▶ Wealth impacts are smaller for Black households; gaps disappear when measured relative to average wealth (log)
- ▶ Results hold during unconventional monetary policy times
- ▶ Literature: inconclusive results (builds on Seguino and Heintz 2012)

Contributions:

- ▶ Household-level data, aggregated at the state level
- ▶ Impacts of monetary policy on the wealth distribution

Questions & Comments

- ▶ Meaning of a one year monetary policy shock? Labor market results at higher frequency?
- ▶ Using estimate of IS curve from first stage in second stage regression. Standard errors?
- ▶ Sample size by state-race-gender groups?
- ▶ Gender comparison: singles versus couples? Different by race.
- ▶ Mediator analysis, Industry employment result: Why is there no effect on the racial gap between male workers? Black men likely more concentrated in industry than Black women.
- ▶ Mediator analysis, Bank branches result: Higher gap in bank branches results in less of an effect on the racial unemployment rate gap?
- ▶ Literature on unconventional monetary policy & gender/racial gaps: Ume and Williams (2019); Metzger and Young (2020); Bennani (2021); Bergman et al. (2022)
- ▶ Contractionary vs expansionary shocks