The 25th Federal Forecasters Conference

Forecasting Under Rapid Change with Extreme Events

Date Thursday, May 23rd, 2024
Location U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC
Information federalforecasters.org

Sponsoring Agencies
Bureau of Economic Analysis • Bureau of Labor Statistics • Congressional Budget Office • Department of Veterans Affairs • Economic Research Service, USDA • Federal Aviation Administration • Federal Energy Regulatory Commission • Federal Reserve Board • Internal Revenue Service • Office of Economic Policy, U.S. Department of the Treasury • U.S. Census Bureau • U.S. Department of Labor • U.S. Energy Information Administration, Office of Energy Analysis • U.S. Geological Survey

Partnering Organizations
H.O. Stekler Research Program on Forecasting, The George Washington University • Society of Government Economists
FFC 2024
25th Federal Forecasters Conference

Conference Theme:
Forecasting Under Rapid Change with Extreme Events

Thursday, May 23, 2024, 9:00am–4:30pm
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW, Washington, DC

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Bureau of Economic Analysis
Bureau of Labor Statistics
Congressional Budget Office
Department of Veteran Affairs
Economic Research Service, USDA
Federal Aviation Administration
Federal Energy Regulatory Commission
Federal Reserve Board
Internal Revenue Service
Office of Economic Policy, U.S. Department of the Treasury
U.S. Census Bureau
U.S. Department of Labor
U.S. Energy Information Administration, Office of Energy Analysis
U.S. Geological Survey

Partnering Organizations
H.O. Stekler Research Program on Forecasting, the George Washington University
Society of Government Economists

Program Committee
Neil R. Ericsson, Chair, Federal Reserve Board; David Bernstein, Federal Energy Regulatory Commission; Alysysa D. Blake, Department of Veteran Affairs; Edward N. Gamber, Congressional Budget Office; Marina Gindelsky, Bureau of Economic Analysis; Maria Hussain, Bureau of Labor Statistics; Maros Ivanic, U.S. Department of Agriculture; Michael Kendix, Government Accounting Office; Lauren Leeman, Department of Veterans Affairs; Andrew B. Martinez, U.S. Department of the Treasury; Anne Morse, U.S. Census Bureau; Shonta Osborne, U.S. Geological Survey; Andy Roche-DeJesuis, Internal Revenue Service; Tara Sinclair, U.S. Department of the Treasury and the George Washington University; Brian Sloboda, Department of Labor; Megan Sweitzer, U.S. Department of Agriculture; Eddie Thomas, Department of Veterans Affairs; Greg Won, Federal Aviation Administration

Local Organizing Committee
Andrew B. Martinez and Tara Sinclair, U.S. Department of the Treasury

Updated: May 19, 2024
http://www.federalforecasters.org/
FFC 2024 Conference Program

8:30–9:00am  Registration  Cash Room (Room 2100)

9:00–9:15am  Opening Remarks and Introduction of Panelists  Cash Room
Tara Sinclair, U.S. Department of the Treasury
Janet Yellen, Secretary of the Treasury (video)
Neil R. Ericsson, Federal Reserve Board, panel moderator

9:15–10:15am  Panel Discussion I  Cash Room
Erika McEntarfer, Commissioner, Bureau of Labor Statistics
“Providing Timely Economic Data in Times of Natural Disasters and National Emergencies”
David Wilcox, Bloomberg Economics and the Peterson Institute
“Forecasting for Monetary Policy: What We Can and Can’t, and How Much It Matters”

10:15–10:30am  Break

10:30–11:30am  Panel Discussion II  Cash Room
Lyn Stoesen, Director, VHA Office of Enrollment and Forecasting
“Expecting the Unexpected: Forecasting for the Veterans Health Administration”
Sarah Kapnick, Chief Scientist, NOAA
“Getting the Most out of Climate Forecasts and Projections”

11:30–11:45am  Announcements of Awards  Cash Room
2024 Forecasting Contest
Brian W. Sloboda, U.S. Department of Labor, OSHA
Debra Gerald Founder’s Award
Tara Sinclair, U.S. Department of the Treasury

11:45am–1:15pm  Lunch Break (on your own; list of local restaurants attached)

Afternoon presenters and chairs: please be in your room 10 minutes before your session begins and check that your slides are on the room’s laptop. See the floor plans attached for locations of the afternoon sessions.

1:15–2:45pm  Concurrent Sessions #1
Expectations Formation and Surveys  Media A (Room 4121)
Interest Rates, Monetary Policy, and Finance  Cash Room (Room 2100)
Forecast Combination, Encompassing, and Selection  West Gables (Room 5432)
Growth and Immigration  Conference Room (Room 1428)

2:45–3:00pm  Break

3:00–4:30pm  Concurrent Sessions #2
Inflation  Media A (Room 4121)
Nowcasting  Cash Room (Room 2100)
Empirical Applications  West Gables (Room 5432)
Labor Markets  Conference Room (Room 1428)
Conference Theme:
Forecasting Under Rapid Change with Extreme Events

Forecasters increasingly produce forecasts in rapidly changing environments with extreme and uncertain events. Examples of recent events include global pandemics, financial and economic crises, and an evolving climate with devastating weather disasters. Whether these events impact individuals or societies, each of these events presents unique challenges to forecasters and can induce major policy responses that require new methods and alternative data sources. They can also evolve rapidly in unanticipated ways that require regular monitoring. The 2024 Federal Forecasters Conference will consider how different forecasters have developed approaches to monitor and forecast rapidly changing extreme events. What methods and data sources are useful for forecasting in a rapidly changing environment? How do you convey uncertainty and risks to policymakers so that they can quickly and appropriately make informed decisions?

Panelists

Erika McEntarfer became the 16th Commissioner of Labor Statistics on January 29, 2024. She was nominated by President Joseph R. Biden on July 12, 2023, and confirmed by the U.S. Senate on January 11, 2024. McEntarfer is a labor economist who has served over 20 years in federal government, with positions at the U.S. Census Bureau, the Executive Office of the President, and the Department of Treasury. At the U.S. Census Bureau, she was the head of research for the Longitudinal Employer–Household Dynamics program, using linked employer–employee data to develop new labor market statistics and improve Census surveys and operations. Prior to joining BLS, she was a senior economist at the White House Council of Economic Advisors, where she advised White House officials on the labor market recovery from the COVID-19 pandemic. Her research has focused on the consequences of job loss, wage rigidity, and the interactions between firms and workers in the economy. Her work has been published in the *Journal of Labor Economics*, *American Economic Journal: Macroeconomics*, and the *Journal of Economic Perspectives*. She has a bachelor’s degree in social science from Bard College and a Ph.D. in economics from Virginia Tech.

David Wilcox is affiliated with both Bloomberg Economics and the Peterson Institute for International Economics. His current research focuses on the U.S. macroeconomy and monetary policy. Prior to joining Bloomberg Economics and the Peterson Institute, he served for many years on the staff of the Federal Reserve Board, including as deputy director (2001–11) and director (2011–18) of the Division of Research and Statistics. In the latter role, he functioned as the chief economist of the division, a senior advisor to three successive chairs of the Federal Reserve Board, the division's lead for strategic direction, and its chief manager. David put special emphasis on improving diversity and inclusion, both at the Federal Reserve and in the economics profession. He also served as assistant secretary for economic policy at the Treasury Department from 1997 to 2001, and as a senior economist at the Council
of Economic Advisers from 1994 to 1995. David received a doctoral degree in economics from the Massachusetts Institute of Technology and a bachelor's degree in mathematics from Williams College. He currently serves as chair of the Federal Economic Statistics Advisory Committee, which advises U.S. federal statistical agencies on issues of statistical methodology and other technical matters.

**Lyn Stoesen** is the Director of the Veterans Health Administration’s Office of Enrollment and Forecasting (E&F). In this role, she leads and directs the actuarial modeling that VHA uses to support its budget submission, its strategic planning activities, and its policy analysis. VHA has developed complex and flexible models to account for many drivers of change within the VHA health care system, including external factors and agency direction, and they are designed to meet the needs of many stakeholders. Stoesen has worked in E&F since 2013 and served as Director since 2018. She has also worked in VHA’s GAO and OIG Accountability Liaison Office as well as other positions within VHA’s Central Office. She entered the federal workforce as a Presidential Management Fellow in 2009. Prior to her federal career, Stoesen worked in publications editing and management for 18 years. Stoesen is a Fellow of the American College of Health Care Executives (ACHE), and an alumna of the Federal Executive Institute. She received a Bachelor of Arts degree in English and Classics from Emory University, a Master of Arts in American Civilization from the George Washington University, and a Master of Public Health and a Graduate Certificate in Gerontology from the University of Maryland.

**Sarah Kapnick** is a climate scientist with experience across the public and private sectors. She is presently serving as Chief Scientist at the National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce. In this role, she is responsible for advancing policy and program direction for NOAA’s science and technology priorities. Her academic research spans climate prediction and projection, mountain hydroclimate, extreme storms, water security, climate risk, and climate economics. She has also held positions at JPMorgan, Goldman Sachs, a carbon registry, and a renewable energy forecasting startup. Her expertise in climate science and its economic impacts has made her a trusted resource across the federal government and for national and international outlets and publications such as The New York Times, The Wall Street Journal, PBS, BBC, the Today Show and NPR. She earned a Ph.D. from UCLA and A.B. in mathematics with a certificate in Finance from Princeton.
1:15–2:45pm: Concurrent Sessions #1

Expectations Formation and Surveys .................................................. Media A (Room 4121)
Chair: David Bernstein
Xuguang Simon Sheng “An Instrumental Variables Approach to Testing Forecast Efficiency”
Fabian Winkler “A Comprehensive Empirical Evaluation of Biases in Expectation Formation”
Julio L. Ortiz “Overreaction Through Anchoring”

Interest Rates, Monetary Policy, and Finance ......................... Cash Room (Room 2100)
Chair: William D. Larson
Amy Y. Guisinger “How Important Is Knowledge of the Fed’s Conditioning Path?”
Hanjo Terry Kim “Sensitivity of Interest Rates to News in the Treasury and Corporate Bond Markets”
Stathis Tompaidis “Measuring Risks in Hedge Funds: Evaluation and Usefulness of Exposure Data in Form PF”
William D. Larson “House Prices, Debt Burdens, and the Heterogeneous Effects of Mortgage Rate Shocks”

Forecast Combination, Encompassing, and Selection ............. West Gables (Room 5432)
Chair: Shahnaz Parsaeian
Yaojue Xu “Out-of-sample Encompassing Approaches to Select Predictors in High-dimensional Predictive Regression Models”
Boris Kozyrev “Forecast Combination and Interpretability Using Random Subspace”
Sakai Ando “Smooth Forecast Reconciliation”
Shahnaz Parsaeian “Sparsity Analysis in High Dimensional Panel MIDAS Models”

Growth and Immigration ................................................. Conference Room (Room 1428)
Chair: Olga Bespalova
Yunsheng Ma “Incorporate Insights into Growth Forecast”
Justin Schon “Integrating Judgment and Statistical Modelling to Forecast Unauthorized Immigration”
Line Nana “Overview of U.S. National Population Projections Between 2023-2100 by Age and Sex, Race, Hispanic Origin, and Nativity, under Four Immigration Scenarios”
Olga Bespalova “Value of the Michigan Consumer Survey in Forecasting U.S. Real GDP and Consumption”

2:45–3:00pm: Break
3:00–4:30pm: Concurrent Sessions #2

**Inflation** .................................................................Media A (Room 4121)
Chair: Brian W. Sloboda
Shovon Sengupta “Towards a Non-linear Phillips Curve: Machine Learning Forecast and Explanation”
Brian W. Sloboda and Rolando A. Santos “Comparative Analysis of Inflation Forecasting Using Machine Learning: Evidence from Selected G20 Countries”

**Nowcasting** ...............................................................Cash Room (Room 2100)
Chair: Marina Gindelsky
Thomas Drechsel “Advances in Nowcasting Economic Activity: The Role of Heterogeneous Dynamics and Fat Tails”
Ezra Karger “Tracking U.S. Consumers in Real Time with a New Weekly Index of Retail Trade”

**Empirical Applications** ................................................West Gables (Room 5432)
Chair: Prakash Loungani
Melissa F. McShea “U.S. State Tax Revenue Forecasting Challenges: Incorporating Innovations in Bayesian Vector Autoregression (BVAR) Forecasting”
Lindolfo Pedraza “About Polygons and Polynomials”
Yuna Lee “Evidence from the State of Britain's Foresight-based Scientific Advice in Policymaking: Are We Fully Prepared for the Next Emergency Crisis?”
Prakash Loungani “Forecasting Housing Starts: A Cross-Country Inspection”

**Labor Markets** .........................................................Conference Room (Room 1428)
Chair: Julie K. Smith
Neil R. Ericsson “Modeling and Forecasting Racial Disparities in the US Labor Market”
Julie K. Smith “Forecasting Employment with JOLTS Data”
### Select Lunch Options Near Main Treasury Building

<table>
<thead>
<tr>
<th>Name and Website</th>
<th>Address</th>
<th>Walking Distance</th>
<th>Notes</th>
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<td>Treasury Vault Cafe</td>
<td>First Floor of Main Treasury</td>
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<td>Limited Options / Space</td>
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<td><strong>Old Ebbitt Grill</strong></td>
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<td><strong>The Hamilton</strong></td>
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