

Replication Notes to  
BANKERS, BUREAUCRATS, AND CENTRAL BANK POLITICS:  
THE MYTH OF NEUTRALITY  
Cambridge University Press, 2013

version 0.1

**Christopher Adolph**

Department of Political Science *and*  
Center for Statistics and the Social Sciences  
University of Washington  
[www.chrisadolph.com](http://www.chrisadolph.com)

This note will eventually document replication datasets for all data analyses in *Bankers, Bureaucrats, and Central Bank Politics: The Myth of Neutrality* (Cambridge University Press, 2013; hereafter *BBC*). For the moment, it documents replication datasets only for part of Chapter 4. Please contact me if you urgently need data or documentation for other parts of the book.

## Chapter 4

## Table 4.3 regressions

All the data needed to replicate these regressions – an ordered probit of FOMC members’ dissenting votes from 1960–1996 and a linear regression of FOMC members’ revealed interest rate preferences from 1970–1978 and 1987–1996 – can be found in the file `bbcChapter4FOMC.csv`, which is in comma-separated variable format. Documentation of the variables in this file follows in Table R4.3. Except for the career variables (those with names of the form `XXXExp`) or where otherwise noted, all variables are taken from Chappell, McGregor, and Vermilyea (2004) or constructed from their data. Replicators should note three items: (1) the dependent variable for the ordered probit, dissenting votes, is `vote`, and that the dependent variable for the linear regression, revealed preferences, is `idealRate`; (2) the covariates of both models are the same, and are marked by `*`’s; and (3) before running the ordered probit of dissenting votes replicators should delete all observations for which `chairDummy` is 1, as the Chairman’s voting behavior does not vary. FOMC chairs propose interest rates and thus will never be dissenters. Chairs should be included in the linear regression of revealed interest rate preferences.

**Table R4.3. Codebook for Table 4.3 variables (`bbcChapter4FOMC.csv`).**

Variable	Role	Description
<code>usnum</code>		Numerical code for each FOMC member (US-specific)
<code>idnum</code>		Numerical code for each central banker (matches other <i>BBC</i> datasets)
<code>lastname</code>		Last name of FOMC member
<code>firstname</code>		First name of FOMC member
<code>period</code>		a counter for each FOMC vote
<code>chairDummy</code>	‡	1=chair of the FOMC; 0=all other members
<code>vote</code>	†	1=dissent in favor of easing interest rates; 2=accept chair’s proposed interest rate; 3=dissent in favor of tighter interest rates
<code>idealRate</code>	†	FOMC member’s expressed interest rate preference (varies across meetings and members)
<code>FinExp</code>	*	Proportion of FOMC member’s career in private finance on date of first appointment to the FOMC

**Table R4.3. Codebook for Table 4.3 variables (bbcChapter4FOMC.csv), continued.**

Variable	Role	Description
GovExp	★	Proportion of FOMC member's career in government, (excluding the Treasury and Federal Reserve) on date of first appointment to the FOMC
FMEExp	★	proportion of FOMC member's career in the U.S. Treasury on date of first appointment to the FOMC
CBExp	★	Proportion of FOMC member's career in the Federal Reserve staff (including economists) on date of first appointment to the FOMC
EcoExp		Proportion of FOMC member's career as an economist (in academia, government, or the private sector; not including central bank staff )
BusExp		Proportion of FOMC member's career in private business, excluding the financial sector
OthExp		Proportion of FOMC member's career in other occupations, including publically-owned banks, international organizations, trade unions, academia (except economists), journalism, accountancy, and political party leadership and staff (excluding officeholders) on date of first appointment to the FOMC. For any individual FOMC member, the sum of FinExp, GovExp, FMEExp, CBExp, EcoExp, BusExp, and OthExp is 1; i.e., these are compositional variables.
demEcoExp	★	EcoExp for Democratic presidents' appointees only
repEcoExp	★	EcoExp for Republican presidents' appointees only
CBCC		The Central Banker Career Conservatism index (FinExp + FMEExp - GovExp - CBExp).
expectInfl	★	Contemporaneous inflation expectations from the Green Book
expectUnem	★	Contemporaneous unemployment expectations from the Green Book
expectGrowth		Contemporaneous expected real gross national product growth from the Green Book
inPtyElecYear	★	1=FOMC member was appointed by a party whose president is up for re-election this year; 0=otherwise
repubApt	★	1=FOMC member was appointed by a Republican president; 0=otherwise
demApt		1=FOMC member was appointed by a Democratic president; 0=otherwise

**Table R4.3. Codebook for Table 4.3 variables (bbcChapter4FOMC.csv), continued.**

Variable	Role	Description
bankPres		1=FOMC member was serving as president of a regional Federal Reserve bank; 0=otherwise
votingOrder		Rank ordering in which members voted on the Chair's proposal (i.e., alphabetical order)
chairIsMartin		1=Presiding chair was William McChesney Martin, Jr.; 0=otherwise
chairIsBurns		1=Presiding chair was Arthur F. Burns; 0=otherwise
chairIsMiller		1=Presiding chair was G. William Miller; 0=otherwise
chairIsVolker		1=Presiding chair was Paul A. Volcker; 0=otherwise
chairIsGreenspan		1=Presiding chair was Alan Greenspan; 0=otherwise
fedFunds		Actual Fed Funds rate following FOMC decision
lagFedFunds		One meeting lag of fedFunds
demPressInOff		1=Democratic President in office during FOMC meeting; 0=otherwise
repPresInOff		1=Republican President (except Reagan) in office during FOMC meeting; 0=otherwise
supplySidePresInOff		1=Reagan in office during FOMC meeting; 0=otherwise. Add this to repPresInOff to get an "all Republican presidents" indicator
presCycle		Count of meetings within each four-year presidential term
ChangIdealPt		Time-invariant FOMC member ideal points (fixed effects) estimated by Chang (2003)

\* Covariates for the Table 4.3 regressions in *BBC*.

† Dependent variables for the Table 4.3 regressions in *BBC*.

‡ Note that observations where chairDummy is 1 should be *excluded* from the dissenting votes ordered probit.

## References

- Chang, Kelly H. 2003.** *Appointing Central Bankers: The Politics of Monetary Policy in the United States and the European Monetary Union*. Cambridge: Cambridge University Press. 4
- Chappell, Henry W., Jr., Rob Roy McGregor, and Todd Vermilyea. 2004.** *Committee Decisions on Monetary Policy: Evidence from Historical Records of the Federal Open Market Committee*. Cambridge, MA: MIT Press. 2