

President's Perspective



“A tidbit usually grabs my attention because it provides a lesson—sometimes a small one, sometimes a big one.”

The economy is one of my passions, and I am a collector of sorts.

As I read and listen during the day, I gather bits of information on a global economy that produces jumbo jets, microchips and everything in between. A tidbit usually grabs my attention because it provides a lesson—sometimes a small one, sometimes a big one.

I'd like to share a few.

- Starting a business takes five days in the United States, compared with 45 days in Germany, 108 in Spain and no one knows how many in China. These numbers hint at America's true strength—a flexible, adaptable economy that doesn't try to thwart competition from new enterprises.

- China has to sell 800 million shirts to buy a single Airbus A380 jet. I could ask for no better example of international division of labor and how it pays to move up to higher value-added production.

- The Apple I personal computer sold for \$667 in 1976. It ran at the speed of 1 megahertz and had 4K of memory. Today, a Dell Dimension E310 with a Pentium 4

processor provides 2.9 billion times Apple I's processing power and millions of times more memory, plus a free flat-panel screen and lots of other features. It costs about \$500. Is there any doubt about technology's tendency toward better and cheaper?

Numbers like these, of course, don't reveal what's happening in the economy as a whole. So I keep a keen eye on the broad data and forecasts for growth, inflation, employment and other indicators of the economy's ups and downs.

Even the best statistical fact book cannot replace human experience. One of my most reliable sources of information on the economy is the talks I have regularly with CEOs, COOs and CFOs at dozens of companies, large and small.

These are real-time decisionmakers who are on the front lines, doing the business of America, and they are one of the key inputs the Federal Reserve needs in formulating monetary policy.

These business leaders are often the first to spot dominant and shifting trends—in demand, in hiring, in pricing power, in technology. Many are plugged into the world economy, and they can tell you about India, China or almost anyplace else.

The numbers and the anecdotes work together to provide me a timely and in-depth view of the regional and national economies.

A handwritten signature in gold ink that reads "Richard W. Fisher". The signature is fluid and cursive.

Richard W. Fisher
President and CEO
Federal Reserve Bank of Dallas