

Discount Rate Database

David S. Miller
Federal Reserve Board*

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This folder contains a database of discount rate submissions since 1977 by regional Federal Reserve banks to the Board of Governors. It may not include the most recent data. For more information on the discount rate and the most recent submissions, see the Federal Reserve's official page: <http://www.federalreserve.gov/monetarypolicy/discountrate.htm>

The folder contains 3 files other than this one:

1. **DiscountData.csv**: This file contains a recording of requests by regional Federal Reserve banks to the Board of Governors for changes in the discount rate. An entry consists of
 - Date: The date of the submission or response. Due to how the data was recorded, it's not always clear if the date corresponds to when the request was made or when the Board of Governors acted on the request.
 - Type: The decision made by the Board of Governors on the proposal. There are three possibilities
 - A: Approval of the proposed discount rate. The actual discount rate is changed to the new value.
 - D: Denial of the proposed discount rate. After a submission is denied it disappears from the data.
 - W: Deferral of the proposed discount rate. If a submission is deferred it is recorded in future discount rate proposals until the proposal is withdrawn by the regional bank that proposed it or the actual discount rate is changed (to the proposed value or a different value).
 - Actual: The actual discount rate at the time of the request
 - Bank Names: The regional bank(s) making the request and the rate requested.
 - Notes: Notes containing special information recorded along with the discount rate submissions.

*E-mail: david.s.miller@frb.gov. The views expressed here are those of the author and not necessarily those of the Federal Reserve Board or of the Federal Reserve System.

2. `CompiledDiscountData.csv`: This file is an attempt to create a single record of the discount rate preferred by each regional bank at all dates. Making these preferences hard to determine is a clear break in the discount rate data beginning in 1985 and strengthening in 1993. Prior to 1985 discount rate proposals that were not approved were denied. After 1985 discount rate proposals that were not approved were generally deferred rather than denied. After 1993 there are no denials at all.
3. `DoData.do`: The STATA do file that reads `DiscountData.csv` and creates `CompiledDiscountData.csv`. There are two main assumptions used:
 - Any regional bank not making a proposal for a change to the discount rate is implicitly proposing the current existing discount rate.
 - Discount rate proposals that were denied prior to 1993 are treated as deferred thus they are recorded until the next change in the actual discount rate or the regional bank proposes a different discount rate.

The second assumption could miss some changes in the preferences of a regional bank. If in the original data a regional bank had its proposal denied, it would not have needed a new proposal to change its preference to the actual discount rate. The second assumption assumes that a proposal holds until the actual rate changes or the regional bank affirmatively proposes a new rate. Thus the imputed discount rate preference may not accurately reflect the regional bank's preferences.