

**Handout for April 2021 Newsletter**  
**The Economics of Information in FRED®**

**Purpose.**

1. Create a plot of employment levels.
2. Add series to the graph.
3. Describe and discuss patterns in the evolution of employment levels over time.

**Pedagogical Rationale.** This assignment requires that you first look for data and plot them into a graph. Next, you will add data series to the graph. Lastly, you will describe and discuss patterns in the evolution of the data series. These tasks will develop your proficiency in searching for, transforming, and interpreting data.

**Grading.** Your grade will be determined by (a) how precisely you complete the data search and graph editing tasks and (b) how accurately you interpret the data.

**Steps to Search for and Transform the Data.**

1. Access <https://fred.stlouisfed.org/> and search for “All Employees: Information: Data Processing, Hosting, and Related Services in Texas.”
2. Select “Thousands of Persons, Monthly, Seasonally Adjusted.”
3. Click on EDIT GRAPH and select ADD LINE.
4. Search for “All Employees: Information: Data Processing, Hosting, and Related Services in Illinois, Thousands of Persons, Monthly, Seasonally Adjusted.” and click on “Add data series.”
5. Click on ADD LINE.
6. Search for “All Employees: Information: Data Processing, Hosting, and Related Services in California, Thousands of Persons, Monthly, Seasonally Adjusted” and click on “Add data series.”
7. Change the date range of the graph to start at “1990-01-01” and end at “2020-10-01.”

**Writing Prompts.** Answer the following questions:

1. Compare the number of persons employed in information data processing, hosting, and related services in Texas, Illinois and California between 1990 and 2020. As of 1991, which state employed the most persons in that activity?
2. Examine the evolution of the employment figures between 1990 and 2001. Describe how large investments in internet startups, known as the “dot.com bubble,” impacted employment in each state.
3. Examine the evolution of the employment figures after 2010. Which state recorded the fastest growth? As of 2020, which state employed the most persons in information data processing, hosting, and related services?