


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Abstract

One of the puzzles of the 2007–2009 financial crisis was the Federal Open Market Committee’s (FOMC) response to the crisis. The FOMC’s response and its broader context of framing and cognition, and frame content, are explored. We argue that the FOMC’s “asymmetry,” we show how the FOMC generally interpreted discomfoting facts in a positive light, marginalizing and normalizing anomalous information. We argue that all frames limit what can be understood, but the content of frames matters for how facts are identified and explained. We provide evidence that the Federal Reserve’s primary frame for making sense of the economy was macroeconomic theory. The content of macroeconomics made it difficult for the FOMC to connect events into a narrative reflecting the links between foreclosures in the housing market, the financial instruments used to package the mortgages into securities, and the threats to the larger economy. We conclude with implications for the sociological literatures on framing and cognition and for decision-making in future crises.



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