

Foreword

In recent decades, financial systems have transformed from traditional bank-based structures of financial intermediation to market-based systems. These dramatic changes offer investors more investment options and the ability to manage their risk exposures more effectively. The recent financial crisis, however, represents the first real stress test of the stability and integrity of this new financial structure. The past year has revealed some critical strengths and weaknesses of the current global financial system. Central banks around the world have used a variety of tools to limit the spillover of this financial disruption to the broader global economy.

To better understand the current financial crisis, and the implications for monetary and regulatory policy, the Federal Reserve Bank of Kansas City sponsored a symposium, “Maintaining Stability in a Changing Financial System,” at Jackson Hole, Wyo., from Aug. 21-23, 2008. The symposium allowed central bankers, financial market participants, and academics to discuss the current financial crisis and its implications for the overall macro economy.

We greatly appreciate the efforts of the authors, discussants, panelists, and participants for their contribution to the symposium. Special thanks go to Federal Reserve Bank of Kansas City staff members who helped plan and arrange the symposium.

A handwritten signature in black ink, reading "Thomas M. Hoenig". The signature is fluid and cursive, with a prominent initial "T" and a stylized "H".

Thomas M. Hoenig
President and Chief Executive Officer
Federal Reserve Bank of Kansas City