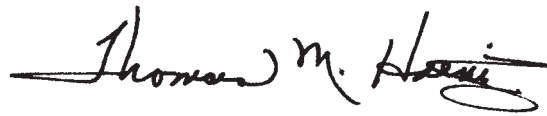


Foreword

The 21st century will experience a series of unprecedented demographic changes that could transform the world economy. Over the next several decades, the combined effects of increased life expectancy and lower fertility are expected to lead to rapid population aging in many countries with important consequences for economic growth and living standards around the world. These changes pose significant challenges for policymakers in both developed and developing countries, including the fiscal challenges of pension and health care reform and the need for labor market reforms, especially in the area of immigration. Central banks must also be cognizant of these demographic trends to the extent that they influence an economy's growth potential or the functioning of the financial system.

To examine these issues in greater depth, the Federal Reserve Bank of Kansas City sponsored an economic policy symposium, "Global Demographic Change: Economic Impacts and Policy Challenges," at Jackson Hole, Wyoming, on August 26-28, 2004. The symposium brought together a distinguished group of central bank officials, academic and policy economists, and business economists to discuss the economic implications of these demographic changes and to explore policy options.

Over the years, the Jackson Hole symposium has provided a forum for the exchange of ideas on public policy issues of interest to central banks around the world. Its continuing success is due to the contributions of all who participate and to the efforts of staff members of the Federal Reserve Bank of Kansas City. Special thanks go to Craig Hakkio, Gordon Sellon, and other members of the Research Department who helped develop this year's program and to Robert Hampton and Diane Raley for supervising symposium logistics and arrangements.

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