

## Foreword

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One of the most difficult challenges facing central banks is how to conduct monetary policy in an uncertain economic environment. This challenge is magnified when ongoing changes in the structure of the economy make economic models and forecasts less reliable. How should policymakers act in an environment of increased uncertainty? Should they be more cautious and wait for additional information about the economy that might reduce uncertainty? Or, should they react more aggressively in an attempt to keep the economy on course? In designing monetary policy in an uncertain world, how much should policymakers depend on formal rules, and how much should they rely on judgment?

To address these questions, the Federal Reserve Bank of Kansas City sponsored a symposium, titled, “Monetary Policy and Uncertainty: Adapting to a Changing Economy,” at Jackson Hole, Wyoming, on August 28-30, 2003. The symposium brought together a distinguished group of central bank officials, academic economists, and business economists to discuss and debate these issues.

Over the years, the Jackson Hole symposium has provided a forum for the exchange of ideas on important public policy issues of interest to central banks around the world. Its continuing success is due to

the contributions of all those who participate, including authors, discussants, panelists, and audience members. Special thanks also go to Craig Hakkio, Gordon Sellon, and other members of the Bank's Research Division who developed this year's program.

A handwritten signature in black ink, reading "Thomas M. Hoenig". The signature is fluid and cursive, with a long horizontal line extending from the start of the word "Thomas".

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