

Foreword

As the international financial system emerged from the financial crisis of 2007-2009, it was clear that the economic landscape had been fundamentally altered. After the extraordinary coordinated responses undertaken by central banks across the world, financial stress eventually eased and economies began to take steps toward recovery. However, the effects of the crisis continued to linger. High unemployment, large budget deficits and the unprecedented expansion of central bank balance sheets resulted in an unclear outlook.

The aftermath of the crisis provided monetary and fiscal policy makers alike with new challenges and questions about how these forces would continue to shape the years ahead. The high cost imposed on economies by volatile asset price changes and large increases in credit have resulted in a reexamination of central banks' role in responding to such imbalances. Likewise, the increase in budget deficits and government debt during the crisis forced many nations to confront the uncertainty surrounding their fiscal situations.

To explore these issues and others, the Federal Reserve Bank of Kansas City sponsored a symposium, "Macroeconomic Challenges: The Decade Ahead," in Jackson Hole, Wyo., from Aug. 26-28, 2010. As economies continued to recover from the financial crisis, the symposium provided a forum for participants to discuss the challenges and opportunities that lie ahead for the international financial system.

We are grateful for the efforts of the authors, discussants, panelists and other participants for their contributions to the symposium. I also thank the staff of the Federal Reserve Bank of Kansas City 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 long horizontal stroke at the beginning and a loop at the end.

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