

News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY

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KANSAS CITY FED MARKS 42nd ECONOMIC POLICY SYMPOSIUM

The Federal Reserve Bank of Kansas City's annual Economic Policy Symposium begins Thursday, Aug. 23, at Jackson Hole, Wyo., bringing together central bankers, academics, economists and media from around world to discuss "Changing Market Structure and Implications for Monetary Policy." The 2018 Symposium will be the Kansas City Fed's 42nd such gathering, and the 37th since moving the event to Jackson Lake Lodge in the Grand Tetons National Park, located in Wyoming—one of seven states comprising the Tenth Federal Reserve District.

The program for this year's symposium will be available on the Kansas City Fed's website, www.KansasCityFed.org, at the start of the event's opening at 6 p.m., Mountain Time, on Aug. 23. All proceedings are on-the-record with reporters in the room for all sessions as has been the case since 1982. Papers presented at the symposium will be posted online as they are delivered and a full list of attendees will be available at the conclusion of the event. Complete historical information about the event from 1978 to present, including [a background statement](#), a [timeline of notable events](#) and the publication "[In Late August](#)" is available online.

The Symposium's venue has been cited as a key part of the event's success through the decades. The Jackson Lake Lodge is a National Park Service facility that remains open to the public throughout the working conference.

This year's symposium topic will explore dynamics that have contributed to shifts in productivity, growth and inflation that are of concern to central bankers. Within product markets, there has been a notable increase in economic activity associated with large multinational corporations along with increased market concentration in many industries. These developments suggest that large firms today may have greater market power than in the past, and this shift may result in a decrease in competition within many industries. These shifts should concern central bankers since they likely have important linkages to observed structural changes in the global economy, including lower capital investment, a declining labor share, slow productivity growth, slow wage growth and declining dynamism.

The marketplace for consumers also has seen rapid changes due to advances in technology along with changes in consumer behavior. New markets are emerging online as traditional retailers struggle to



adapt. This shift may be altering pricing behavior of firms in an increasingly global marketplace. In particular, it may limit the ability of firms to raise prices in response to rising demand which may affect deviations from the law of one price. As pricing behavior evolves, inflation dynamics will also evolve, suggesting that the monetary policy transmission mechanism within and between countries may change as well.

Finally, the marketplace for the banking industry has also changed, leading to an increased focus on financial stability in the aftermath of the financial crisis that has raised questions about potentially competing trade-offs between competition, efficiency and stability. Disentangling these potential trade-offs requires an improved understanding of the relationship between competition and bank risk. Analysis of changes in banking markets and bank regulation across countries before and after the financial crisis can provide valuable insights for regulatory policy makers and central bankers concerned about the monetary transmission mechanism.

With changes in the markets that firms, consumers, banks and the government transact in, understanding the implications of these changes for inflation, pricing dynamics, productivity and growth is vital for policymakers as they seek to promote conditions that can best foster long-run sustainable growth with stable prices. The 2018 Economic Policy Symposium will be an opportunity for central bankers, policy experts and academics to discuss the range of issues around this important topic.

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