

Fed Offers Bleak Economic Outlook

New York Times

Worldwide Economic Crisis:

GM Seeks \$16.6 Billion More in U.S.

Saturn, Hummer Could Be History by 2011 as GM Plans to slash 47,000 Jobs; Chrysler Mentions Bankruptcy Option for First Time

Wall Street Journal

Proximate Causes, Historical

Housing Bailout at \$730 Billion

Financial Times

Deflation Warning Bells Ring Louder

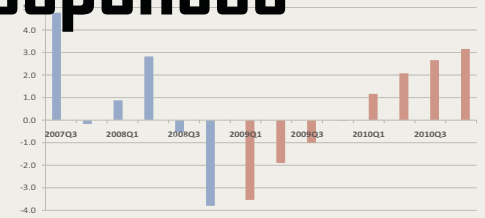
Consumer prices may fall on an annual basis for the first time in more than 50 years.

April 3, 2009

2-4 pm

Woodburn Hall 100

U.S. GDP Growth: Actual and Forecast



Greg Udell (Finance Department): Critiques the performance of the Federal Reserve in its supervision and regulation of financial institutions prior to the fall of 2007.

George von Furstenberg (Economics Department): Focuses on inefficiencies of the financial stabilization program's design and on undesirable longer-term side effects of the Treasury, Federal Reserve, and FDIC programs.

Elmus Wicker (Economics Department) and Ellis Tallman (Oberlin College): Draw out the common features and important differences between the current financial crisis and several historical episodes; key elements of this crisis have precedents, and historical experience offers insights about how government should combat the crisis.

Bill Witte (Economics Department): Compares the current recession to other post-World War Two recessions and presents forecasts of where the U.S. economy is headed.

Brian Peterson (Economics Department): Discusses the Federal Reserve's policy response, including the expansion of the Federal Reserve balance sheet and the non-traditional actions arising from setting the federal funds rate to approximately zero.

Eric Leeper (Economics Department): Presents the monetary-fiscal policy response and discusses the economic rationale underlying the unprecedentedly large stimulus package.

Economies around the world are suffering through a downturn that has a good chance of becoming the worst recession since the Great Depression. Monetary and fiscal authorities have responded aggressively. Governments have injected capital into the banking system. Central banks have cut policy interest rates dramatically and engaged in other non-standard efforts to increase liquidity and provide credit to financial institutions. Fiscal authorities have implemented or are planning to implement substantial fiscal stimulus packages that combine tax cuts with various kinds of spending increases.

Indiana University faculty and alumni with expertise in banking, finance, economic history, monetary policy, and macroeconomics discuss recent economic developments and what central banks and governments are doing to combat the recession.

U.S. Consumer Confidence

