THE CRISIS IN MACROECONOMICS

A. Background: The Great Moderation and the New Keynesian Model

B. The Run-Up and Bust in House Prices
   1. The explosion of house prices
      a. Some basic facts
      b. Some issues that this raises
   2. The fall

C. The Real Economy in 2008 and 2009
   1. Some facts
   2. Why were the real effects of the financial stress so large?

D. The Slow Recovery
   1. Some facts
   2. Implications for the costs of fluctuations?
   3. Are large macroeconomic costs of financial crises inevitable?
   4. The challenges of disentangling cyclical and structural movements, and of determining whether cyclical changes have left permanent scars

E. The Failure of Our Models to Predict or Explain the Crisis
   1. The severity of the downturn
   2. The sluggishness of the recovery
   3. The behavior of inflation

F. A Little on the Papers by Caballero and Ohanian

G. Financial Regulation and Unconventional Monetary Policy
   1. Interventions in financial markets
   2. What are the grounds for government intervention?
      a. Economists’ usual view of government intervention
      b. Analyses of intervention in financial markets

H. The Importance of the Zero Lower Bound on Nominal Interest Rates
   1. The zero lower bound
   2. Its importance in the episode
   3. Possible ways of dealing with the zero lower bound

I. A Few Thoughts about the Fiscal and Monetary Responses
   1. The gap between frontier academic models and models used in practice
   2. The political economy of fiscal stimulus
   3. The political economy of monetary policy
   4. Possible long-run threats from the monetary and fiscal responses to the crisis

J. How Will the Crisis Change Macroeconomics?
Sources: Edge and Gurkaynak (BPEA, 2010); Ball and Mazumder (BPEA, 2011).