

Forefront

New Ideas on Economic Policy from the FEDERAL RESERVE BANK
of CLEVELAND

A close-up photograph of a hand holding a white credit card. A red pen is pointing to the text on the card. The card has a barcode and the word "MARK" visible. The background is dark and out of focus.

Making Financial Markets Safer for Consumers

INSIDE:

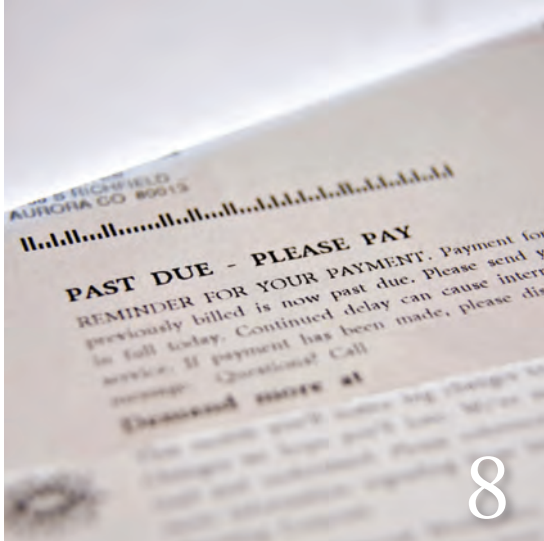
How to Rein in
Systemically Important Institutions

The Curious Case of
Cleveland's Foreclosure Rate

Q&A with Urban Economist
Matthew Kahn

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PRESIDENT'S MESSAGE

Sandra Pianalto

President and Chief Executive Officer
Federal Reserve Bank of Cleveland



We're out there talking. In the face of the most wrenching economic crisis since the Great Depression, the Federal Reserve has stepped up its communications program over the past couple of

years. Chairman Ben Bernanke has added to his already packed schedule of testimony and speeches, held town hall meetings, and appeared on *60 Minutes*. A number of Reserve Banks are now on Twitter. You can find clips of my own speeches, as well as a series of entertaining and informative Drawing Board videos, on YouTube. The Federal Reserve Bank of Cleveland is even on Facebook.

All of this communicating is done with purpose. We at the Federal Reserve believe that a well-informed public is crucial to our efforts in fulfilling our dual mandate of price stability and maximum sustainable economic growth. The more you know, the easier it is for us to do our job. This is particularly true in these turbulent economic times.

We also believe that a decentralized central bank is essential to keeping the interests of Main Street and Wall Street balanced as we conduct monetary policy. An independent Federal Reserve System, with the Board of Governors in Washington, DC, and the 12 Reserve Banks across the country, brings regional conditions and concerns to the policy table, free from political overtones.

In that spirit, I welcome you to *Forefront*, the Federal Reserve Bank of Cleveland's new policy magazine. Whether online or in print, *Forefront* is our vehicle for advancing ideas on economic policy. The language will be clear, the concepts accessible. Although many articles will be penned by highly trained economists, you don't have to hold a PhD to understand them. *Forefront* is not homework. But it is informative.

Our premiere issue focuses on the sometimes complicated topic of regulatory reform. We take a look at consumer protection through the lens of a recent seminar that our Bank hosted in Cleveland. Some of the nation's top researchers in consumer protection gathered to discuss new approaches, building from lessons learned in products beyond financial services, from food and drugs to internet marketing. We also explain our favored approach for regulating large financial institutions to avoid the turmoil that visited the financial system in 2008.

With *Forefront*, we hope to give you a glimpse into the policy-making decisions happening inside our Bank. But we don't want this to be a one-sided conversation. In fact, it is through my contacts throughout the Fourth Federal Reserve District that I develop my views on the most important policy issues of the day—the classic Main Street to Wall Street connection. We'd like to hear from you: What do you think of *Forefront*? Do you agree with our economists on consumer protection? How can we make housing policy more effective?

Please help us contribute to better policy by sharing your perspective. You can comment on specific articles at www.clevelandfed.org/forefront, or email us at forefront@clev.frb.org. We look forward to hearing from you. ■