

## Conferences

### Asset Prices, Exchange Rates, and Monetary Policy

#### Nominal Rigidities

The San Francisco Fed's Research Department organized two conferences in 2001.

The first, cohosted with the Stanford Institute for Economic Policy, was a two-day conference that provided some first steps in understanding how policymakers at central banks can and should respond to fluctuations in asset prices. Papers covered the role of asset prices in forecasting output and inflation and how asset prices, financial conditions, and exchange rate uncertainty affect monetary policy decisions.

The second conference, cosponsored with the National Bureau of Economic Research and the Central Bank Institute of the Federal Reserve Bank of Cleveland, focused on the effects of policy in economies with "sticky" prices or wages, that is, economies in which wages or prices adjust sluggishly to changes in the environment. The papers analyzed the usefulness of sticky prices and the role they play in propagating business cycles, as well as how optimal policies should be set in a sticky-price environment.

These conferences bring professional economists from the Federal Reserve System and from research institutions together with policymakers from the U.S. and abroad. Many of the papers presented are "works in progress" and therefore represent the latest research on policy-related issues.

Attendance at all of the conferences is by invitation only. In addition, the papers are chosen from submissions by a select group of noted researchers.

This section contains the conference agendas as well as summaries of the two conferences that appeared in our *FRBSF Economic Letter*.