

**Financial Innovations and the Real Economy**  
**A Conference Sponsored by the Center for the Study of Innovation and Productivity**  
**November 16 & 17, 2006**  
**Federal Reserve Bank of San Francisco**

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**Thursday, November 16**

12:00 PM **Informal lunch**

1:00 PM **Introduction**

Janet Yellen, President, *Federal Reserve Bank of San Francisco*

**Afternoon Session: Financial Innovation and the Consumer**

1:10 PM **"The Macroeconomic Transition to High Household Debt"**

Jeffrey Campbell, *Federal Reserve Bank of Chicago*

Zvi Hercowitz, *Tel Aviv University*

*Discussants:*

Eric Hurst, *University of Chicago*

Richard Rogerson, *Arizona State University*

2:25 PM **"Financial Innovation and the Great Moderation: What Do Household Data Say?"**

Karen Dynan, *Board of Governors*

Douglas Elmendorf, *Board of Governors*

Daniel Sichel, *Board of Governors*

*Discussants:*

Chris Carroll, *Johns Hopkins*

Paul Willen, *Federal Reserve Bank of Boston*

3:40 PM **Break**

4:10 PM **"The Supply and Demand Side Impacts of Credit Market Information"**

Craig McIntosh, *University of California, San Diego*

Alain de Janvry, *University of California, Berkeley*

Elisabeth Sadoulet, *University of California, Berkeley*

*Discussants:*

Steve Boucher, *University of California, Davis*

Atif Mian, *University of Chicago*

5:30 PM **Reception**

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**Friday, November 17**

8:00 AM **Breakfast**

**Morning Session: Financial Innovations, Risk Sharing and Systemic Risk**

9:00 AM **"Has the Development of the Structured Credit Market Affected the Cost of Corporate Debt?"**

Adam Ashcraft, *Federal Reserve Bank of New York*

Joao Santos, *Federal Reserve Bank of New York*

*Discussants:*

Simon Gilchrist, *Boston University*

Christine Parlour, *University of California, Berkeley*

10:15 AM **Break**

10:45 AM **"Financial Innovation, Macroeconomic Stability and Systemic Crises"**

Prasanna Gai, *Bank of England*

Sujit Kapadia, *Bank of England*

Stephen Millard, *Bank of England*

Ander Perez, *LSE*

*Discussants:*

Arvind Krishnamurthy, *Northwestern University*

William Nelson, *Board of Governors*

12:00 PM **Lunch**

**Afternoon Session: Financial Innovations, Borrowers and Lenders**

1:00 PM ["Financial Innovations and Macroeconomic Volatility"](#)

Urban Jermann, *The Wharton School*

Vincenzo Quadrini, *University of Southern California*

*Discussants:*

Wouter den Haan, *University of Amsterdam*

Giorgio Primiceri, *Northwestern University*

2:15 PM **Break**

2:45 PM ["Financial Innovations, Idiosyncratic Risk, and the Joint Evolution of Real and Financial Volatilities"](#)

Christina Wang, *Federal Reserve Bank of Boston*

*Discussants:*

Brad DeLong, *University of California, Berkeley*

Richard Rosen, *Federal Reserve Bank of Chicago*