

Virtual Fed

Crisis & Response: Fed's Response

FRBSF RESEARCH ON THE CRISIS

THE ECONOMY

CRISIS & RESPONSE

FINANCIAL CRISIS **FED'S RESPONSE** ROAD AHEAD

Fed's Response

The Fed has taken aggressive action using unprecedented strategies in response to the financial crisis. The Fed's actions to stabilize the financial system, respond to the recession, and address the safety and soundness of banking institutions are examined here.

ESSENTIAL QUESTIONS

What has the Fed done about the financial crisis?
The Federal Reserve has taken a number of steps to stabilize and improve conditions in financial markets.

What has the Fed done about banks?
The Federal Reserve, in concert with the Treasury Department and other agencies, has taken a number of steps to strengthen the banking sector.

What has the Fed done about the economy?
The Federal Reserve has taken a variety of actions to lower interest rates and stimulate economic growth.

Fed's Balance Sheet

Reserve Bank Credit Outstanding

Treasury Securities
Lending to Financial Institutions
Lending to Credit Markets
Financial Institution Support
Federal Agency Debt and Mortgage-Backed Securities

Jan-07 Jul-07 Jan-08 Jul-08 Jan-09 Jul-09

Holistic coverage

Over the past year or so, a great portion of cyberspace has been devoted in one way or another to the financial crisis. Some of these Web sites have been featured in Virtual Fed. However, few have covered the whole story; most have focused instead on why the crisis happened, how the Fed responded, how it will change financial policy in the future or some other aspect. Fortunately, the San Francisco Fed has now developed a new Web site that looks at the financial crisis from all of these angles.

The Economy: Crisis & Response is an attempt to provide coverage of the topic that is exhaustive but not exhausting. It tells the story with a step-by-step narrative, where each step is mercifully brief, written in plain English and illustrated with dozens of informative graphics. The site also serves as an information clearinghouse, aggregating news and research on the crisis from across the Fed system, along with speeches from Fed governors and Reserve Bank presidents.

For more, go to frbsf.org/econanswers.

—Joe Mahon