

Contents

	CONTRIBUTORS	vii
	INTRODUCTION	
	Alan S. Blinder, Andrew W. Lo, and Robert M. Solow	ix
PART I	RETHINKING MACROECONOMICS AND FINANCE	1
Chapter 1	SOME REFLECTIONS ON THE CRISIS AND THE POLICY RESPONSE Ben S. Bernanke	3
Chapter 2	THIS TIME, IT IS <i>NOT</i> DIFFERENT: THE PERSISTENT CONCERNS OF FINANCIAL MACROECONOMICS J. Bradford DeLong	14
Chapter 3	CREDIT SUPPLY SHOCKS AND ECONOMIC ACTIVITY IN A FINANCIAL ACCELERATOR MODEL Simon G. Gilchrist and Egon Zakrajšek	37
PART II	RETHINKING MARKET EFFICIENCY	73
Chapter 4	THE EFFICIENT-MARKET HYPOTHESIS AND THE FINANCIAL CRISIS Burton G. Malkiel	75
Chapter 5	BEHAVIORAL FINANCE IN THE FINANCIAL CRISIS: MARKET EFFICIENCY, MINSKY, AND KEYNES Hersh Shefrin and Meir Statman	99
Chapter 6	WHY DID SO MANY PEOPLE MAKE SO MANY EX POST BAD DECISIONS? THE CAUSES OF THE FORECLOSURE CRISIS Christopher L. Foote, Kristopher S. Gerardi, and Paul S. Willen	136
PART III	RETHINKING FINANCIAL INNOVATION	187
Chapter 7	RATINGS, MORTGAGE SECURITIZATIONS, AND THE APPARENT CREATION OF VALUE John Hull and Alan White	189

Contents

Chapter 8	THE ROLE OF ABSs, CDSs, AND CDOs IN THE CREDIT CRISIS AND THE ECONOMY Robert A. Jarrow	210
Chapter 9	FINANCE VERSUS WAL-MART: WHY ARE FINANCIAL SERVICES SO EXPENSIVE? Thomas Philippon	235
Chapter 10	SHADOW FINANCE Patrick Bolton, Tano Santos, and José A. Scheinkman	247
PART IV	RETHINKING FINANCIAL REGULATION	267
Chapter 11	THE POLITICAL ECONOMY OF FINANCIAL REGULATION AFTER THE CRISIS Robert E. Litan	269
Chapter 12	PAY, POLITICS, AND THE FINANCIAL CRISIS Kevin J. Murphy	303
	INDEX	345