

[Working Papers](#)

Crisis and Responses: the Federal Reserve and the Financial Crisis of 2007-2008

Stephen G. Cecchetti

SHARE   

WORKING PAPER 14134

DOI 10.3386/w14134

ISSUE DATE June 2008

Realizing that their traditional instruments were inadequate for responding to the crisis that began on 9 August 2007, Federal Reserve officials improvised. Beginning in mid-December 2007, they implemented a series of changes directed at ensuring that liquidity would be distributed to those institutions that needed it most. Conceptually, this meant America's central bankers shifted from focusing solely on the size of their balance sheet, which they use to keep the overnight interbank lending rate close to their chosen target, to manipulating the composition of their assets as well. In this paper, I examine the Federal Reserve's conventional and unconventional responses to the financial crisis of 2007-2008.

[Download a PDF](#)

Acknowledgements and Disclosures



Download Citation



Published Versions

Stephen G. Cecchetti, 2009. "Crisis and Responses: The Federal Reserve in the Early Stages of the Financial Crisis," *Journal of Economic Perspectives*, American Economic Association, vol. 23(1), pages 51-75, Winter.

Related

TOPICS

[Macroeconomics](#)

[Monetary Policy](#)

PROGRAMS

[Monetary Economics](#)

More from NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



16th Annual Martin Feldstein Lecture:

Lessons for Economists from the Pandemic

Cecilia E. Rouse, The Brookings Institution
and Princeton University
July 22, 2024

2024, 16th Annual Feldstein Lecture, Cecilia E. Rouse, "Lessons for Economists from the Pandemic"

FELDSTEIN LECTURE

PRESENTER: [CECILIA E. ROUSE](#)

Cecilia Rouse, president of the Brookings Institution and a professor at Princeton University, who chaired the Council...



Methods Lectures, Summer Institute 2024:

Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning

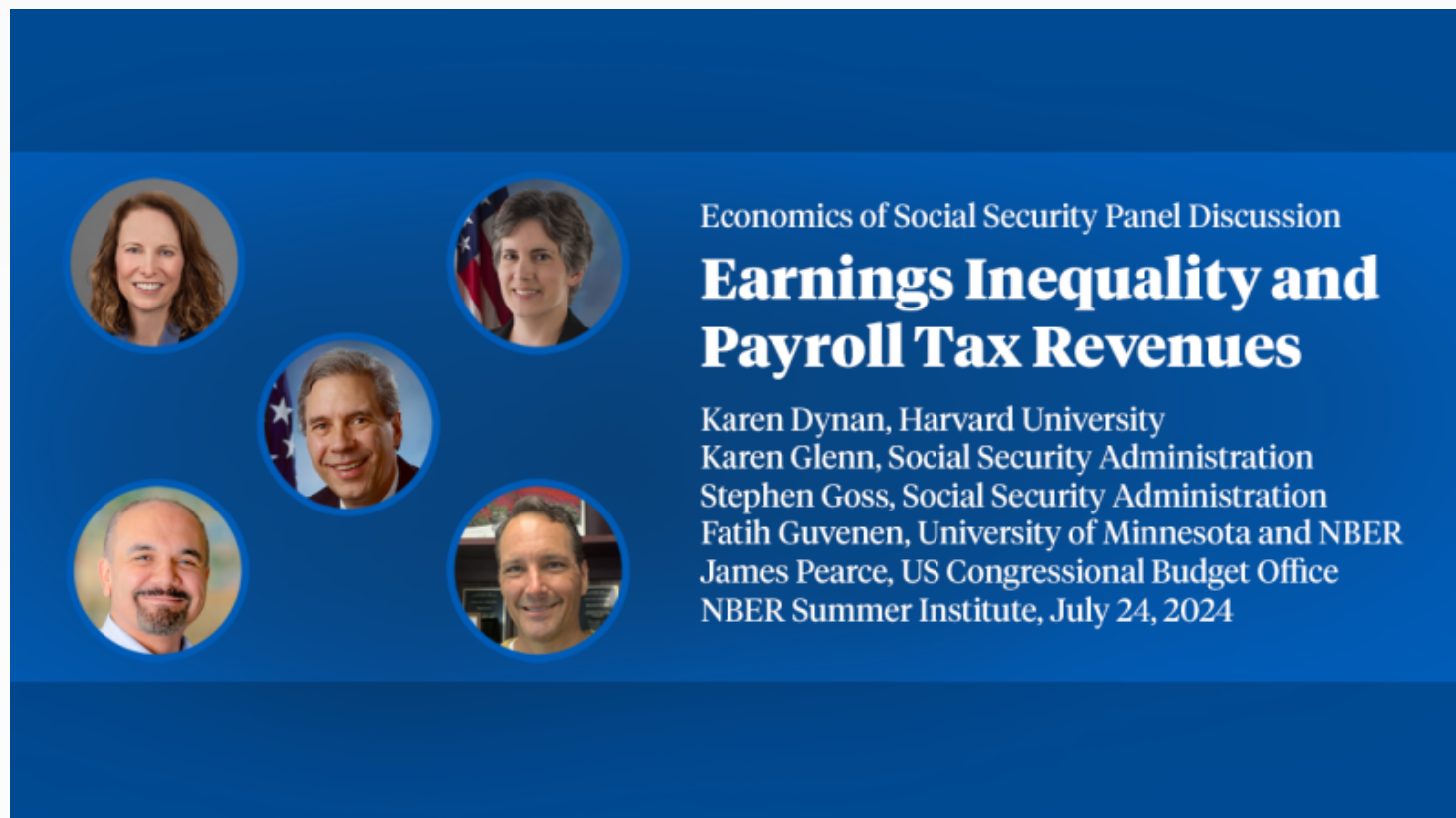
Susan Athey, Stanford University and NBER
July 25, 2024

2024 Methods Lecture, Susan Athey, "Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning"

METHODS LECTURES

PRESENTER: [SUSAN ATHEY](#)

Background Materials: [backgroundAthey](#), [Susan](#), [Undral Byambadalai](#), [Vitor Hadad](#), [Sanath Kumar Krishnamurthy](#), [Weiwen Leung](#)...



Economics of Social Security Panel Discussion
Earnings Inequality and Payroll Tax Revenues
Karen Dynan, Harvard University
Karen Glenn, Social Security Administration
Stephen Goss, Social Security Administration
Fatih Guvenen, University of Minnesota and NBER
James Pearce, US Congressional Budget Office
NBER Summer Institute, July 24, 2024

2024, Economics of Social Security Panel, "Earnings Inequality and Payroll Tax Revenues"

PANEL DISCUSSION

PRESENTERS: [KAREN DYNAN](#), KAREN GLENN, STEPHEN GOSS, [FATIH GUVENEN](#) & [JAMES PEARCE](#)

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2024 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.