

Richmond Fed eBrief

March 2012

Lacker Discusses Executive Compensation

Congress enacted a number of provisions in the 2010 Dodd-Frank Act to address perceived excesses in executive compensation. In the latest issue of Region Focus, Jeff Lacker, president of the Richmond Fed, believes there is reason to be cautious about the efficacy and necessity of such interventions, and he discusses when federal law should step in to try to shape compensation at private companies.

No Quick Fix for Housing Market

In his "Opinion" column for Region Focus, John Weinberg, director of research, outlines the problems facing the nation's housing sector and how they have affected the broader economy. Weinberg argues there is no easy solution to these problems and a hands-off approach may ultimately be more effective than well-intentioned policy interventions.

Are Student Loans the Next Financial Bubble?

With student loan debt skyrocketing over the last decade, our Supervision and Regulation team looks at the supply and demand dynamics as well as the recent performance of this credit market segment.

New Financial Education Website Launched for High School Teachers

Our Economic Education team is supporting a new website called TeachingMoneyVA.org — an online resource where Virginia's high school teachers can find quality lesson plans and other materials to use in teaching Virginia's new economics and personal finance course.

Stress Testing at Community Banks

One of the biggest appeals of stress testing is that it takes a forward-looking view of performance. Our Supervision and Regulation team examines the benefits and expectations of stress testing at community banks.

Industry Roundtable Summit Offers Economic Perspective

Our first annual Industry Roundtable Summit, held in February, provided a cautiously upbeat perspective on economic trends across major sectors of the Fifth District and national economies and their implications for 2012.

Contingent Capital Triggers

Contingent capital is debt that converts to equity when some triggering event occurs, automatically recapitalizing a bank in distress and avoiding potentially costly failure. Our *Economic Brief* examines results from laboratory experiments that suggest contingent capital with price triggers would increase the volatility of prices and the chance of mistakes in conversion decisions.

Fifth District Economic Snapshot for March 2012

The most recent reports on Fifth District economic conditions remained upbeat, with strengthening in housing markets and continued optimism from area businesses.

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