This annual week-long workshop for central bank economists has two objectives. First, to expose participants to frontier models and techniques in monetary economics. Second, to foster discussion and exchange of ideas about applied monetary policy problems faced by different central banks.

The week is organized around lectures and computer-based assignments.

The first four editions of the workshop were held in 2005, 2006, 2007, and 2008. So far the workshop was attended by 175 participants from 33 central bank institutions (Austria, Bangladesh, Brazil, Belgium, Canada, Costa Rica, Denmark, Finland, France, Greece, Iceland, India, Italy, Israel, Japan, Korea, Malaysia, Mexico, the Netherlands, Norway, Poland, Slovakia, Spain, South Africa, Sweden, Switzerland, Uruguay, as well as the European Central Bank, the Federal Reserve Banks of Atlanta, Boston, Cleveland, and Dallas, the Bank of International Settlements, and the International Monetary Fund).
Course Lectures

The workshop includes six three-hour course lectures on the following topics.

Lecture 1: Empirical Methods in Monetary Economics, Martin Eichenbaum
Alternative techniques to estimate and empirically evaluate models of the monetary transmission mechanism: (i) structural VARs identified with short run restrictions, long run restrictions, and sign restrictions; (ii) fitting dynamic models to impulse response functions; (iii) maximum likelihood methods.

Lectures 2-4: Specification, Estimation, and Analysis of Monetary Models, Lawrence Christiano
Structural monetary models: the role of different frictions, such as sticky wages, sticky prices, working capital, and credit market imperfections. The use of Bayesian and other methods to estimate models and a review of recent developments in the use of models in the monetary policy process.

Lecture 5: Monetary Policy and Credit Markets, Anil Kashyap
Modeling capital market imperfections, particularly the role of banks in the transmission of monetary policy. Review of micro and macro empirical evidence, with emphasis on cross-country comparisons and institutional constraints.

Lecture 6: Open Economy Models, Sergio Rebelo
Parity conditions in dynamic open economy models. Empirical evidence on sources of real exchange rate (RER) fluctuations. Modeling RER fluctuations. An empirical analysis of the failure of uncovered interest parity (UIP). Modeling deviations from UIP.
Special-topic Lectures
The workshop includes six three-hour course lectures on the following topics.

Lecture 1: Securitization and Financial Stability, Hyun Shin (Princeton University)
Lecture 2: Rethinking Capital Regulation, Raghuram Rajan (University of Chicago)
Lecture 3: Expectations and Central Banking, Robert King (Boston University)
Lecture 4: Modeling Inflation, Thomas Sargent (New York University)
Lecture 5: Financial and Monetary Policy in Emerging Markets, Guillermo Calvo (Columbia University)
Lecture 6: Macroeconomic Forecasting, James Stock (Harvard University)

Practicum
The course lectures are complemented with afternoon sessions designed to provide participants with hands-on experience with the techniques presented.

Logistics
The workshop takes place at the James L. Allen Center, the home of Kellogg’s Executive Education Programs. The Center is located on the shores of Lake Michigan at Northwestern University’s Evanston campus.
Dates
The workshop will take place between Tuesday, September 8 and Tuesday, September 15, 2009. Participants are expected to arrive on Tuesday, September 8 and leave in the afternoon of Tuesday, September 15, 2009. Participants who are interested in attending the Optional Review Session on Tuesday, September 8, 2009 are expected to arrive on Monday, September 7, 2009. This optional session is devoted to a comprehensive tutorial on what you need to know about Matlab to be able to use the software employed in the course.

Software and Lecture Materials
At the end of the workshop participants receive a CDrom with lecture materials and with all the programs used during the practicum sessions.

Price
For information on the cost of the program for the current year please email eich@northwestern.edu. The fee (payable in U.S. dollars) includes tuition, course materials, accommodations, social program, meals, coffee breaks, and receptions. Enrollment is confirmed only upon receipt of full payment.

Cancellations made before June 1st, 2009 are subject to a 25% fee. Cancellations made after June 1st, 2009 are subject to the total charge.
### Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>08/set Tuesday</th>
<th>09/set Wednesday</th>
<th>10/set Thursday</th>
<th>11/set Friday</th>
<th>12/set Saturday</th>
<th>13/set Sunday</th>
<th>14/set Monday</th>
<th>15/set Tuesday</th>
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<tbody>
<tr>
<td>7:30 PM to 9:30 PM</td>
<td>Breakfast, Allen Center</td>
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<tr>
<td>9:30 PM to 10:30 PM</td>
<td>Martin Eichenbaum Session 1</td>
<td>Lawrence Christiano Session 1</td>
<td>Lawrence Christiano Session 3</td>
<td>Lawrence Christiano Session 5</td>
<td>Anil Kashyap Session 2</td>
<td>Sergio Rebelo Session 1</td>
<td>James Stock Session 1</td>
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<tr>
<td>10:45 PM to 12:15 PM</td>
<td>Martin Eichenbaum Session 2</td>
<td>Lawrence Christiano Session 2</td>
<td>Lawrence Christiano Session 4</td>
<td>Lawrence Christiano Session 6</td>
<td>Anil Kashyap Session 2</td>
<td>Sergio Rebelo Session 2</td>
<td>James Stock Session 2</td>
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<td>12:15 PM to 1:30 PM</td>
<td>Lunch</td>
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<td>1:30 PM to 4:00 PM</td>
<td>Optional Matlab Review Session</td>
<td>Practicum Session</td>
<td>Practicum Session</td>
<td>Chicago Architectural River Cruise</td>
<td>Practicum Session</td>
<td>Lecture by Thomas Sargent</td>
<td>Practicum Session</td>
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<td>4:00 PM to 4:15 PM</td>
<td>Coffee Break</td>
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<td>4:15 PM to 5:30 PM</td>
<td>Cocktails</td>
<td>Lecture by Hyun Shin</td>
<td>Lecture by Raghuram Rajan</td>
<td>Lecture by Robert King</td>
<td>Lecture by Guillermo Calvo</td>
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<td>5:30 PM to 6:30 PM</td>
<td>Dinner</td>
<td>Cocktails</td>
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<td>Cocktails</td>
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<tr>
<td>6:30 PM to 8:00 PM</td>
<td>Dinner</td>
<td>Dinner</td>
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<td>Optional Dinner</td>
<td>Dinner</td>
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Show at Second City