

# NECAG Conference

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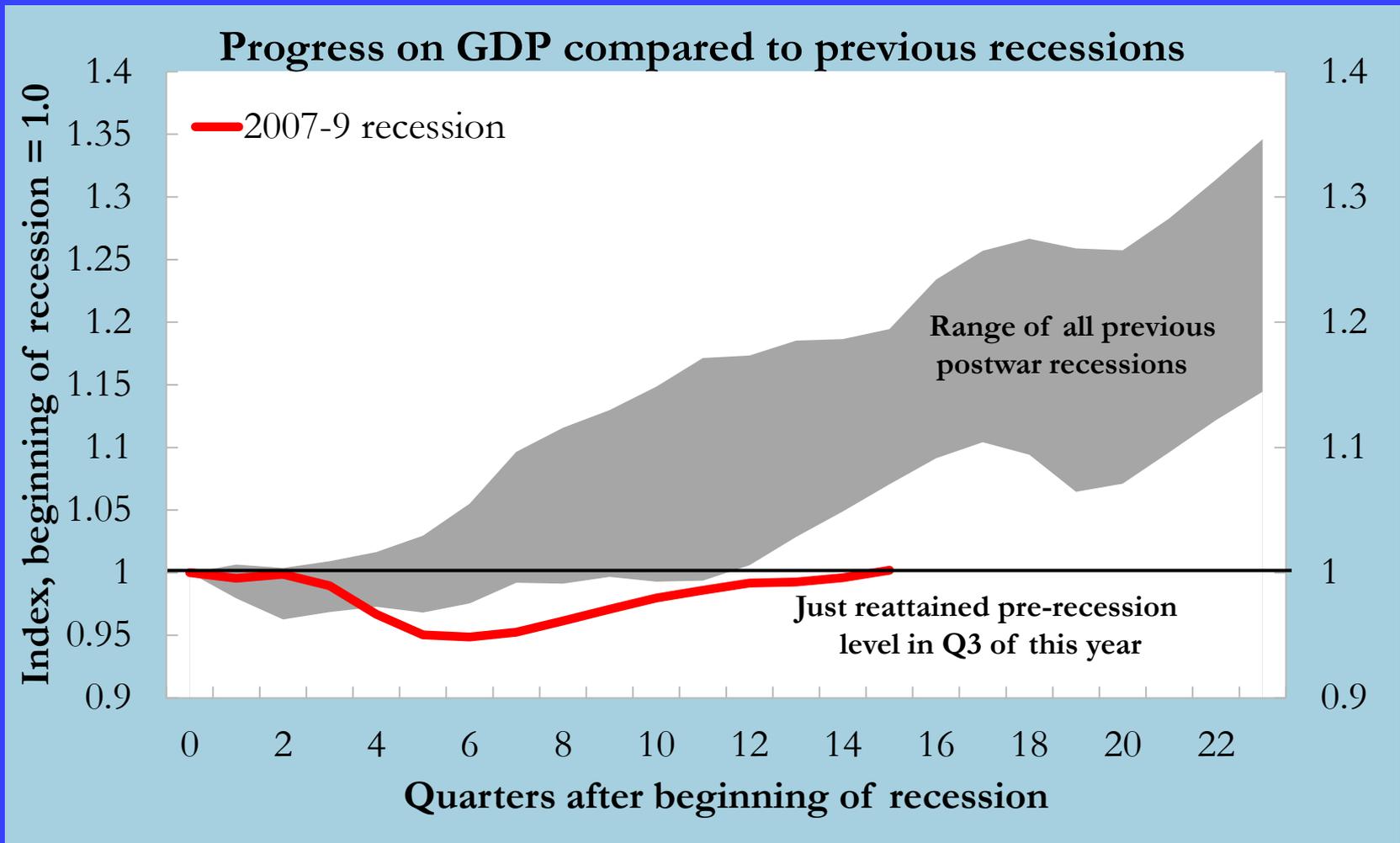
# **If ever there was a case for consumer protection and financial literacy...**

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... the economic crises of the past four years have provided the perfect ammunition:

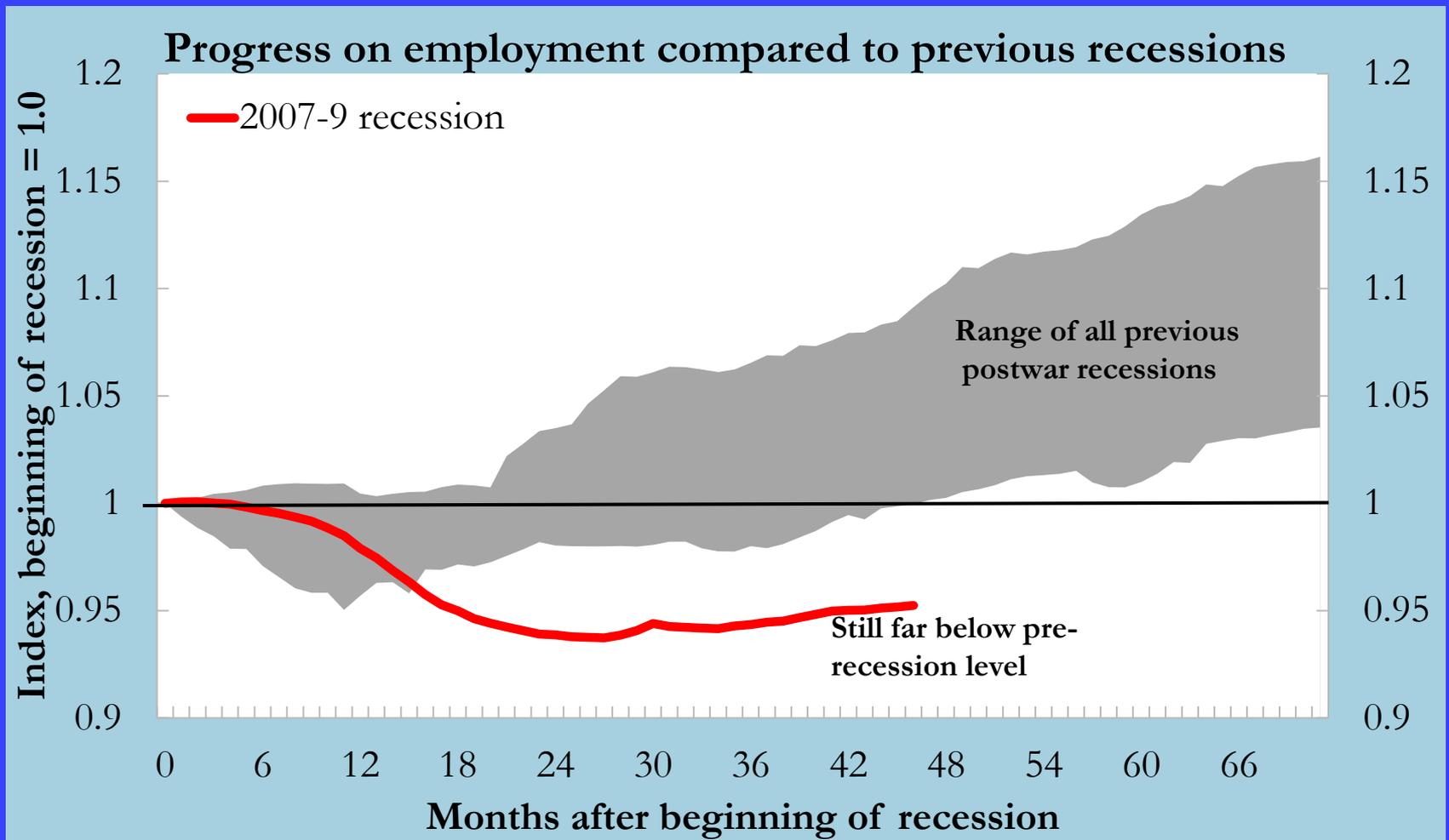
# The Worst Postwar Recession

## GDP has just recovered to its pre-recession level

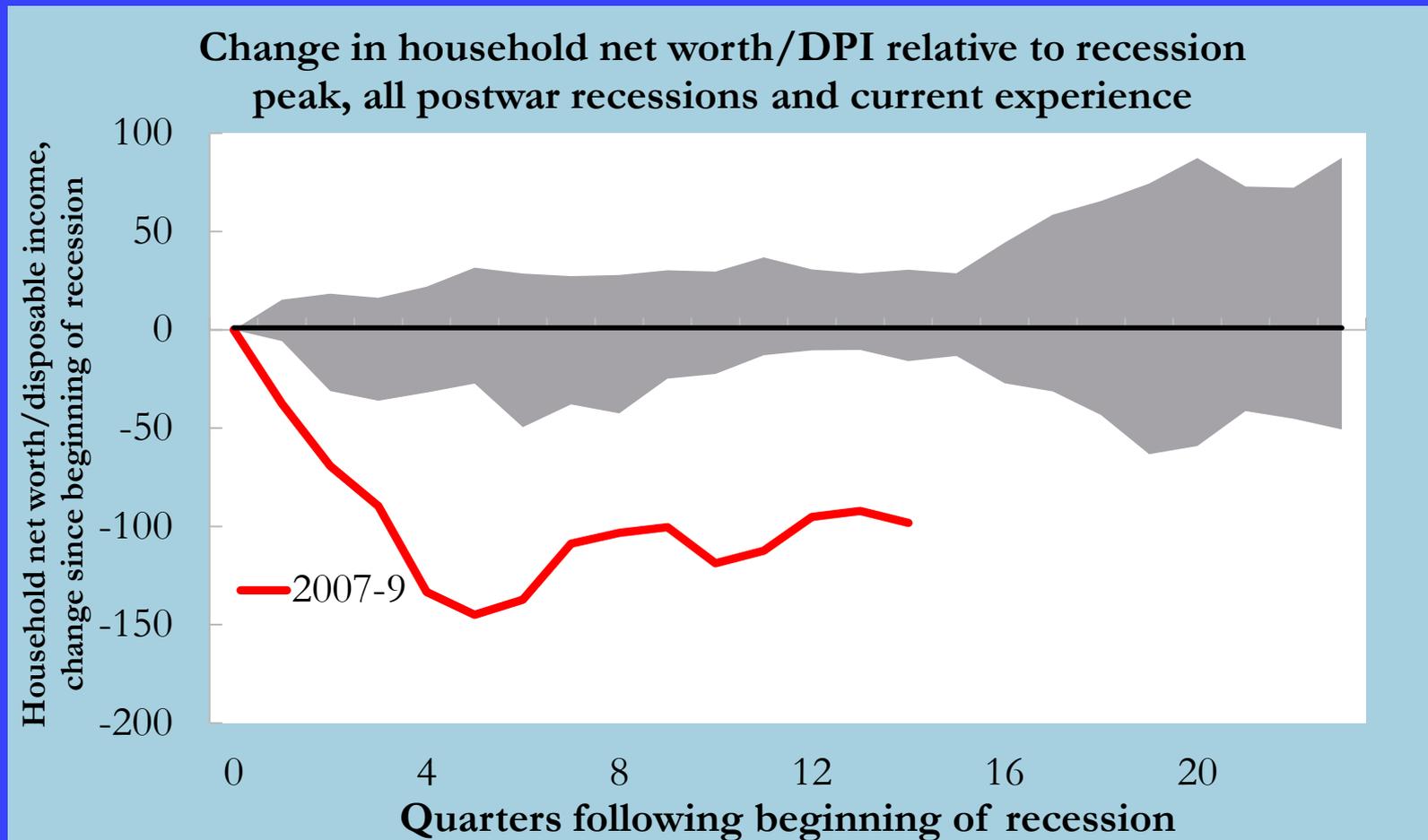


# The Worst Postwar Recession!

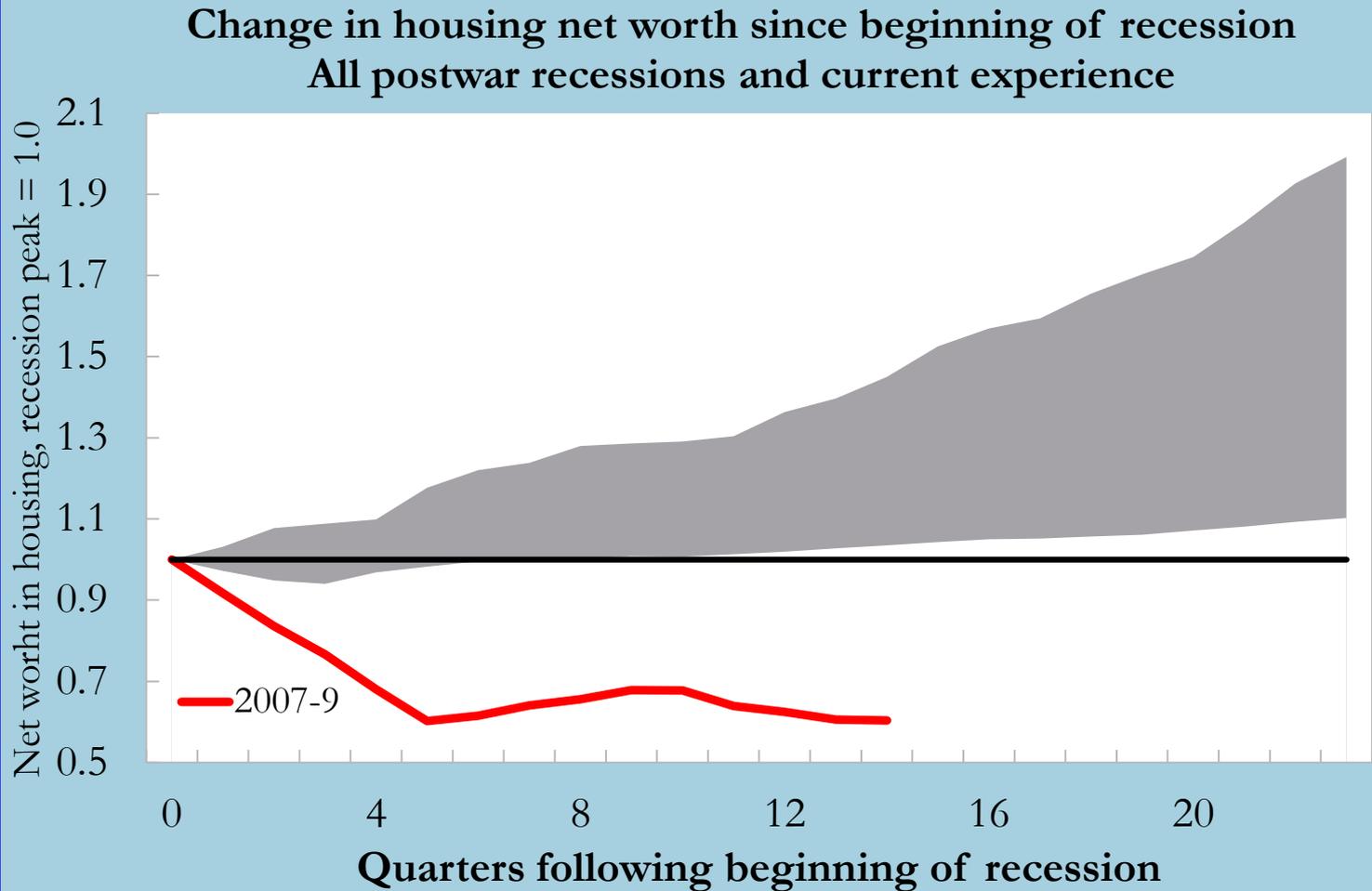
Employment is not close to its pre-recession level



# The recession was caused by and led to the greatest loss of overall household net worth ever

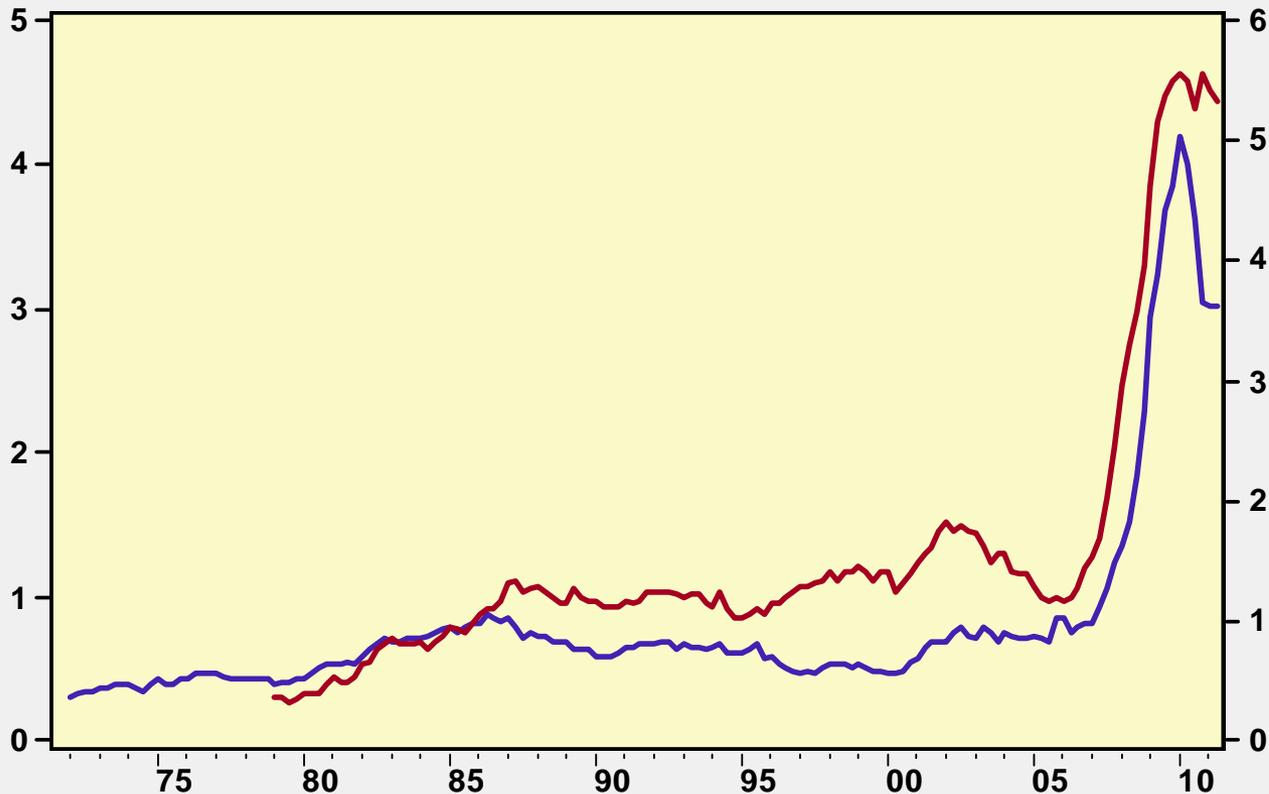


# The loss of net worth was most dramatic in housing



# Which in turn was linked to the worst delinquency and foreclosure crisis since the Great Depression

**Mortgage Foreclosure Inventory**  
**Mortgage Payments Past Due 90+ Days**  
SA, %



Sources: Mortgage Bankers Association /Haver Analytics

# The need for consumer protection and financial education is great

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- ▣ Crises will happen again
- ▣ Better education and protection will
  - Put households in a better starting position, *before* the crisis hits
  - Make households better able to withstand the effects of the next crisis
  - Put households in a better position for *non-crisis* periods
    - ▣ Better long-term savings, use of appropriate savings instruments
    - ▣ Better use of credit
  - Which in turn will help the overall economy perform better in a crisis

# Dodd-Frank took steps in the right direction

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- ▣ Establishment of CFPB
- ▣ Our conversation with Gail Hillebrand (Associate Director of Consumer Education and Engagement at CFPB):
  - A really good leader within the CFPB
  - Has a clear and sensible view of their mission
  - But they do not have plans for regional presence
- ▣ Implies a role for the NECAG, the Fed and other regional consumer protection institutions
  - Our blend of objective analysis, outreach and relationship-building within our region is a critical complement to the work CFPB will do
  - There's plenty of work to go around!

# NECAG and the CFPB

this could be the beginning of a beautiful friendship

**NECAG**

**cfpb** Consumer Financial  
Protection Bureau

 **FEDERAL RESERVE  
BANK OF BOSTON™**

**Board of Governors of the  
Federal Reserve System**