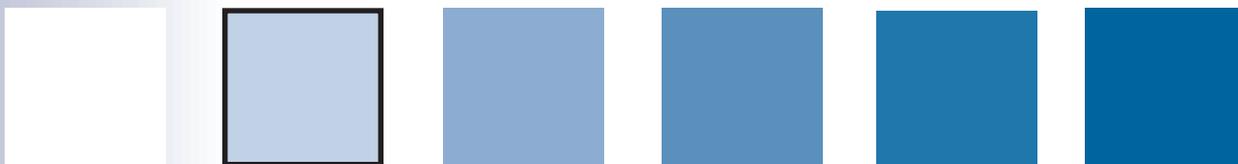


Federal Reserve Bank of St. Louis

# REVIEW

March/April 2013

Volume 95, Number 2



**The Future of Community Banks:  
Lessons from Banks That Thrived During  
the Recent Financial Crisis**

R. Alton Gilbert, Andrew P. Meyer, and James W. Fuchs

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Aleksander Berentsen and Christopher J. Waller

**Intertemporal Discounting and Policy Selection**

Juan Carlos Conesa and Carlos Garriga

# REVIEW

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## Read about the Need To Rebuild Household Balance Sheets

The net worth of many U.S. households was severely impacted by the financial crisis and ensuing recession. Severe declines in home values and stock prices, together with many job losses and weak income growth among those who held on to their jobs, exposed the precarious debt-laden balance sheets many families had created.

In the upcoming **annual report** of the Federal Reserve Bank of St. Louis, find out which groups of people lost the most wealth because of the downturn in the economy, why it's important for those households to rebuild their balance sheets, and what the latest research has to say about the impact of household financial stability on the broader economy. Many of the families with weak balance sheets going into the crisis have yet to recover financially, while others, who were better diversified and had less debt, have benefited from rising stock prices and low interest rates. Thus, the economic recovery to date has been bifurcated among households of varying balance-sheet strength and remains weak overall.

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