54th Konstanz Seminar on Monetary Theory and Policy 2023

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The 54th Konstanz Seminar on Monetary Theory and Policy was held from 23 May to 25 May 2023. This year's conference took place with 45 participants. The Konstanz Seminar provides an independent platform for intense discussion of recent developments in monetary theory and policy. Each year it brings together leading senior academics, junior researchers, participants from the Federal Reserve System, European central banks, and international organisations, as well as practitioners from the private sector. Founded by renowned monetarist Karl Brunner in 1970 and currently organised by a team of researchers, with Keith Kuester as the local organiser, the seminar looks back on a unique tradition. The venue traditionally is Strandhotel Löchnerhaus on the island of Reichenau on Lake Constance. The papers for all presentations and the subsequent discussions are briefly presented below. Papers, presentations and discussions can be downloaded from http://www.konstanzseminar.org/.

The seminar's opening session featured **Lukas Nord** (European University Institute). His paper, titled "Distributive Effects of Banking Sector Losses", delves into an important issue, given the recent turbulences in the financial sector. Following the Great Financial Crisis, it has become widely acknowledged that disruptions in the banking sector have far-reaching consequences for financial intermediation, interest rates, asset prices, and, ultimately, economic activity. Nord, together with Caterina Mendicino and Marcel Peruffo (both European Central Bank), aims to shed light on the effects of such disruptions across the income distribution, in order to elicit which households are most adversely affected by financial distress. Their research uncovers that low-income households are particularly vulnerable to the repercussions of banking distress.

Using US consumption and bank equity data, the authors find that a decrease in bank equity returns has a disproportionate impact on the lowest income quintile, leading to a significant

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