

Financial Innovation, Leverage, Bubbles, and the Distribution of Income

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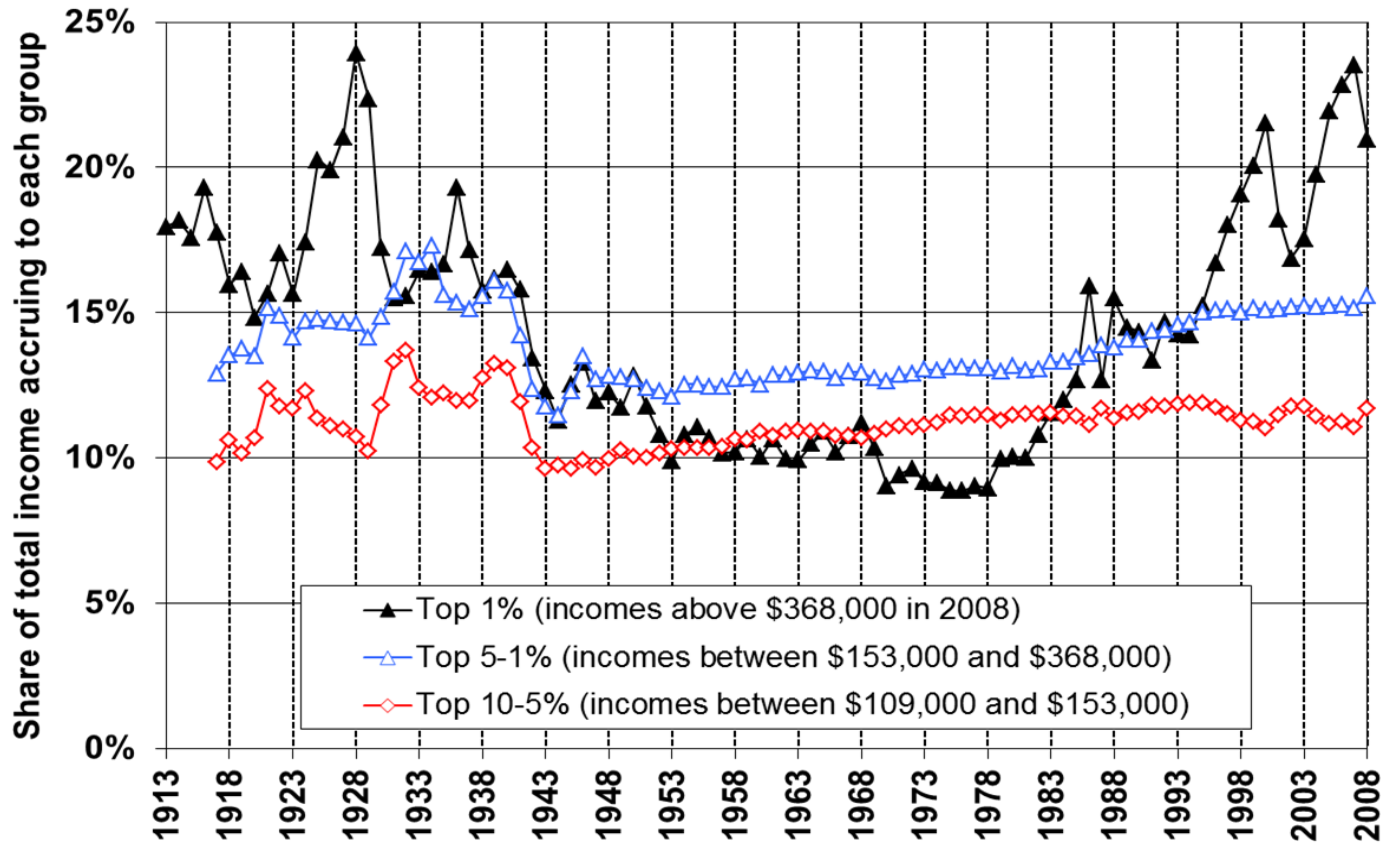
for

Restoring the Balance: Financial
Regulation and the Real Economy

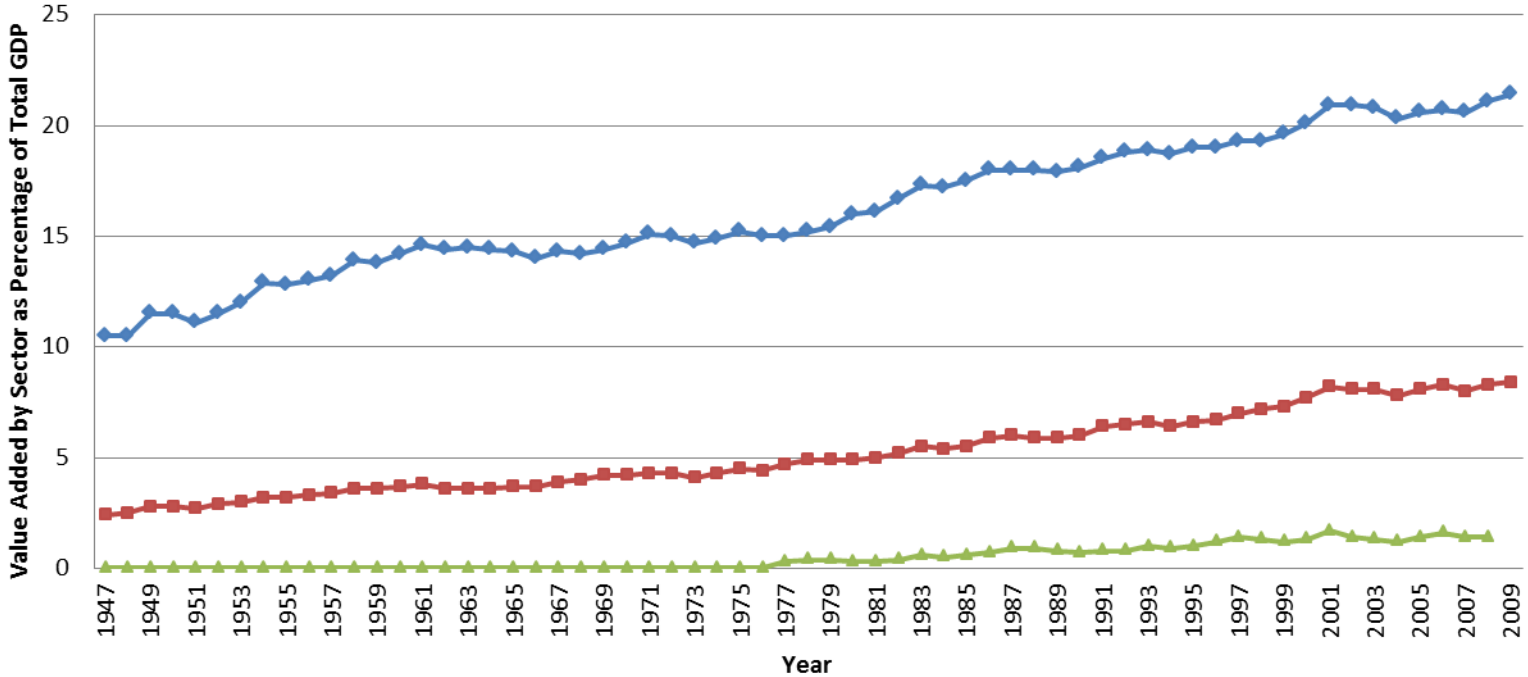
Conference of Americans for Financial Reform

June 28, 2011

Share of Income Going to Top Decile

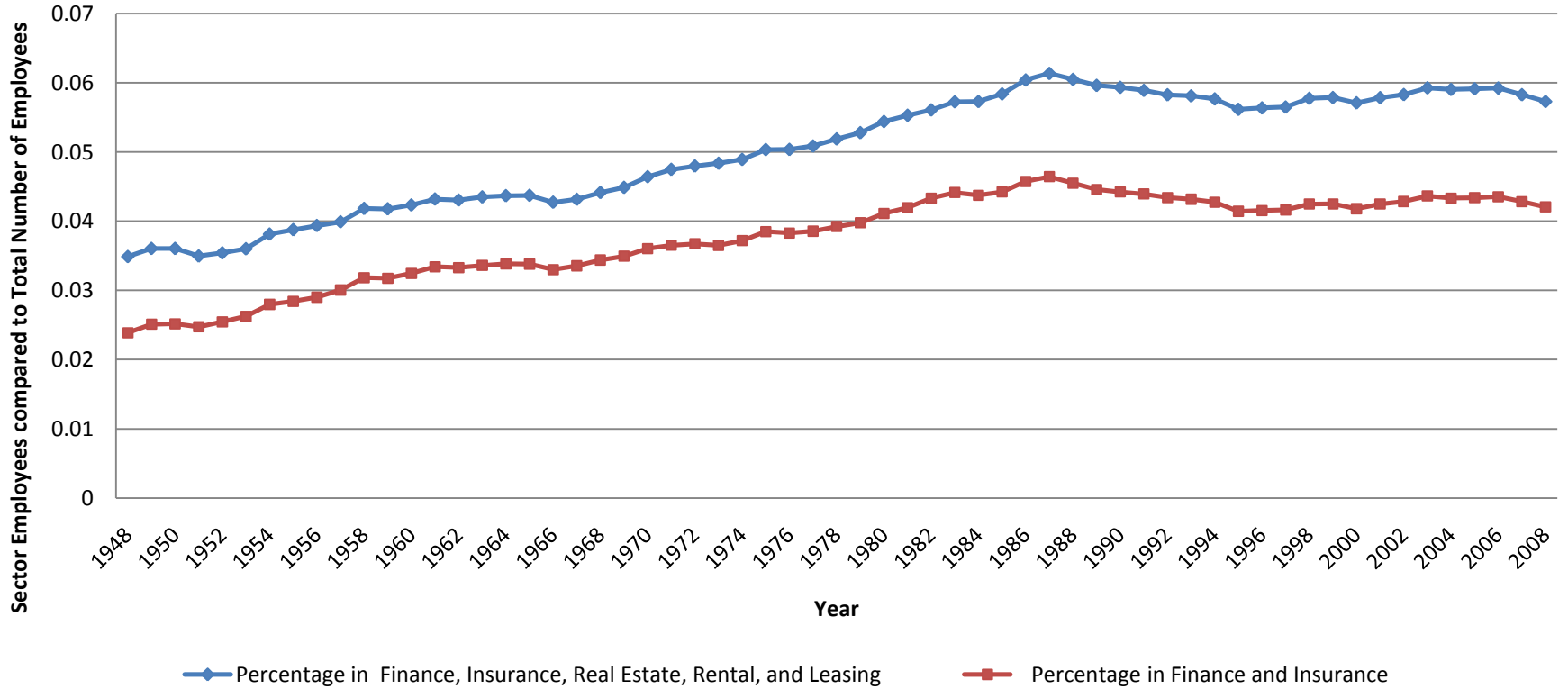


Share of GDP in Finance

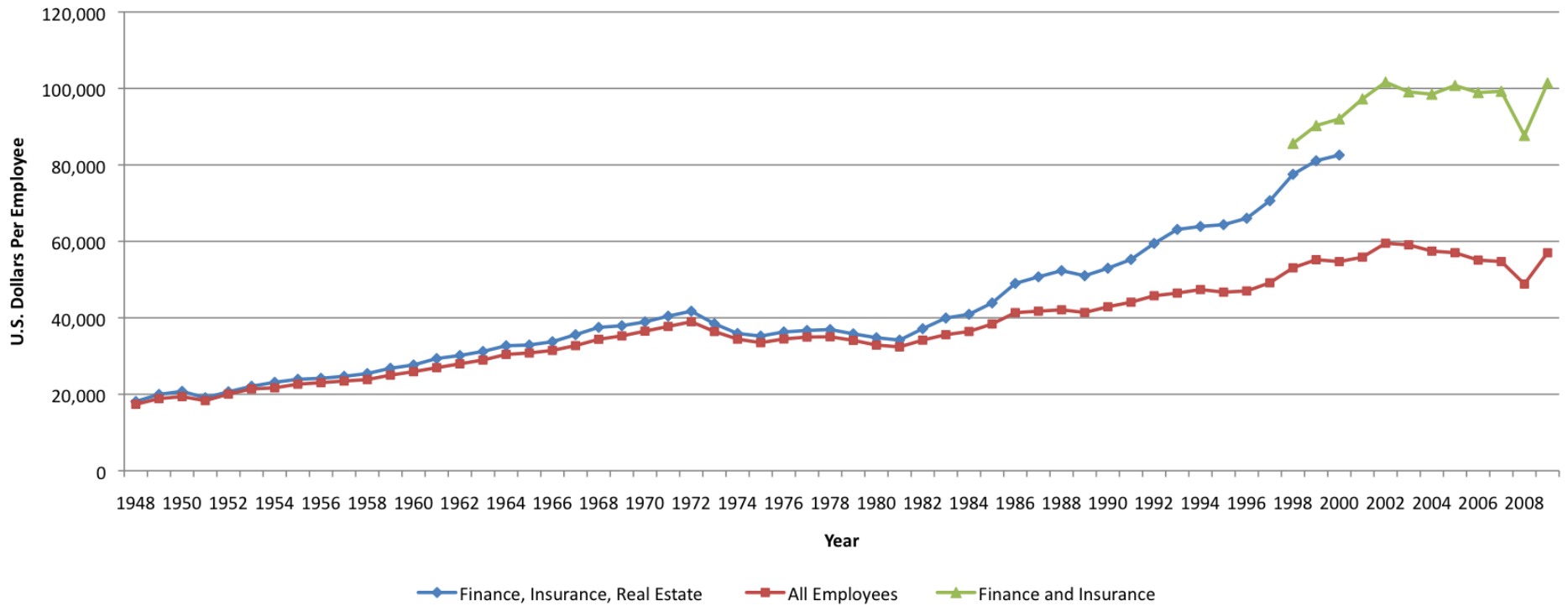


◆ Finance, Insurance, Real Estate Lending and Leasing ■ Finance and Insurance ▲ Securities and Commodities

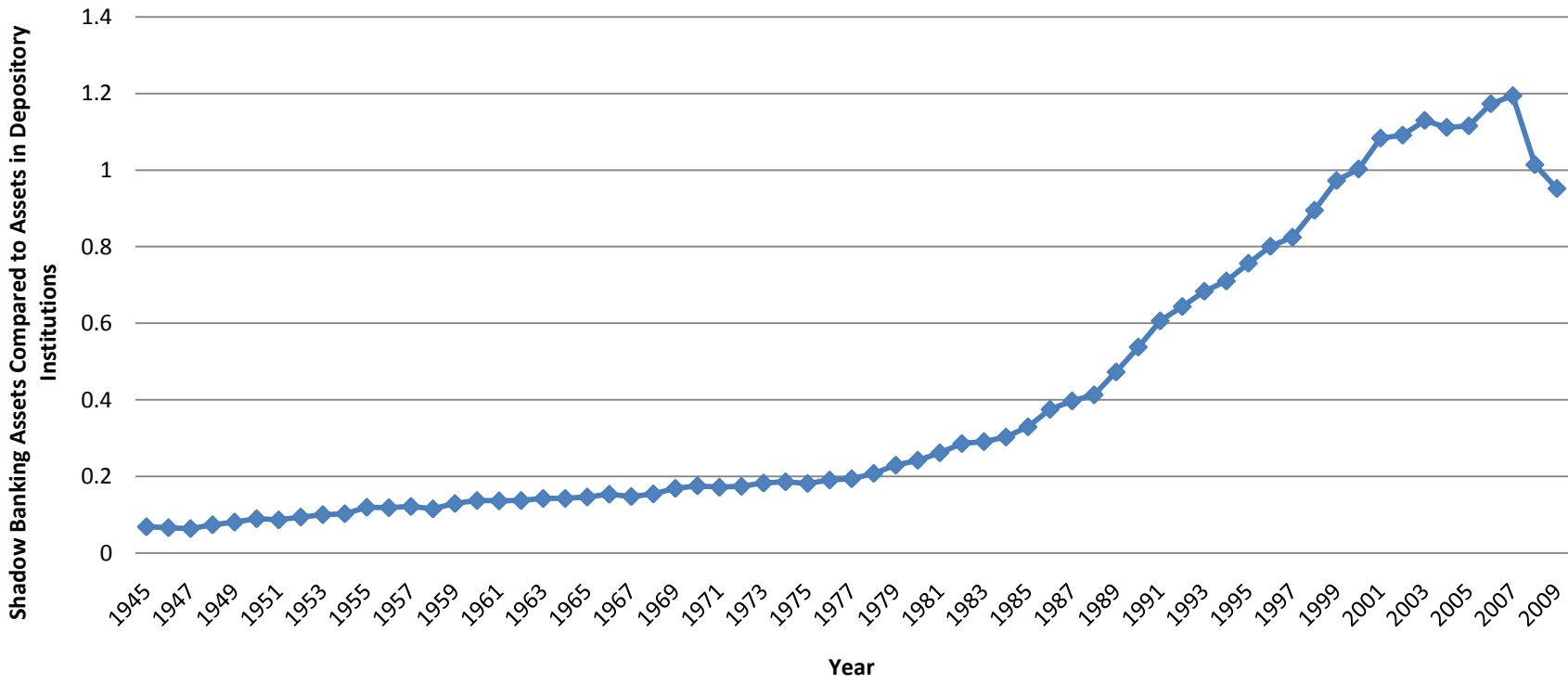
Share of Employment in Finance



Compensation Per Employee (2009 Dollars)

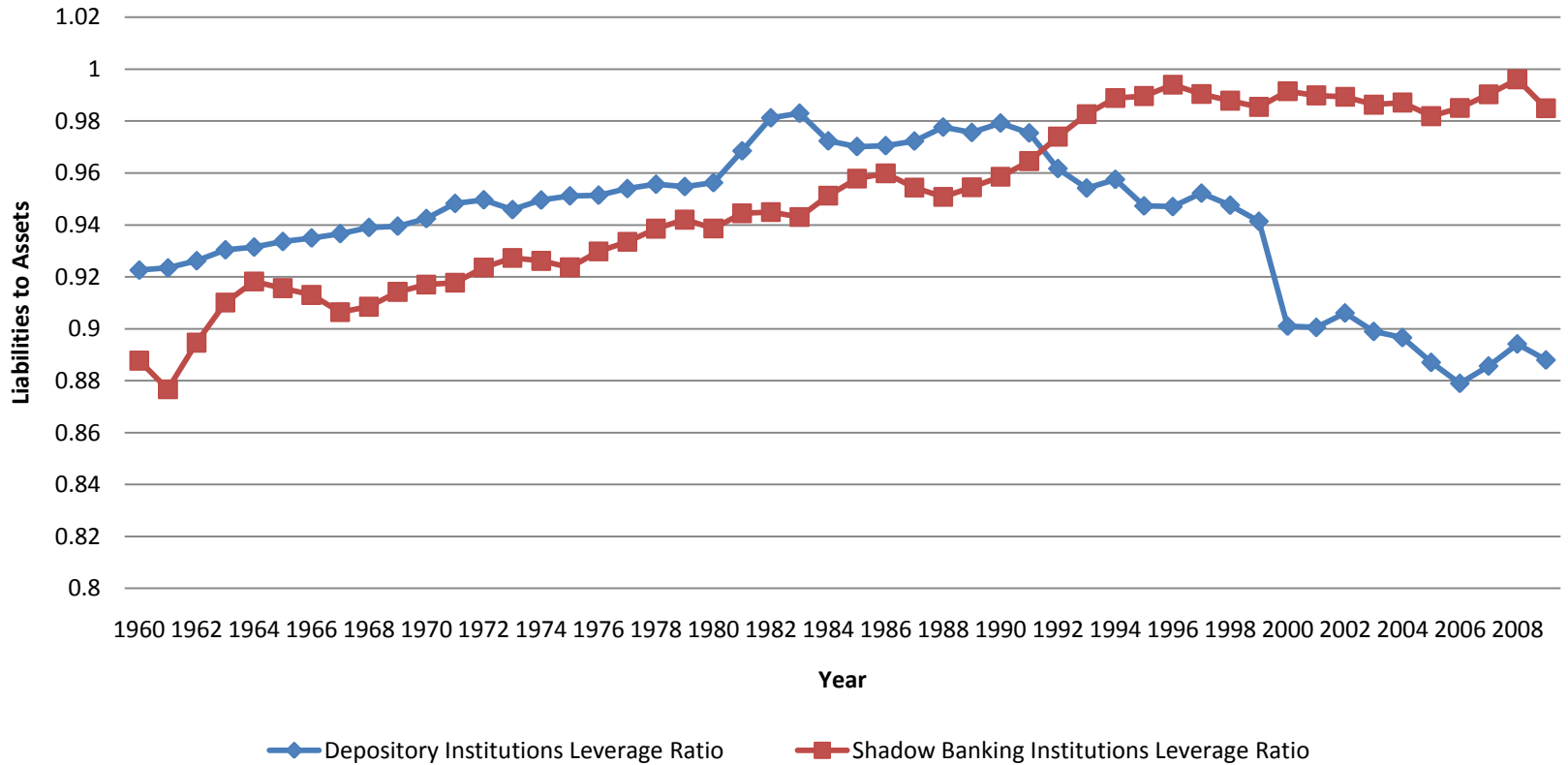


Ratio of Assets in Shadow Banking to Assets in Depository Institutions

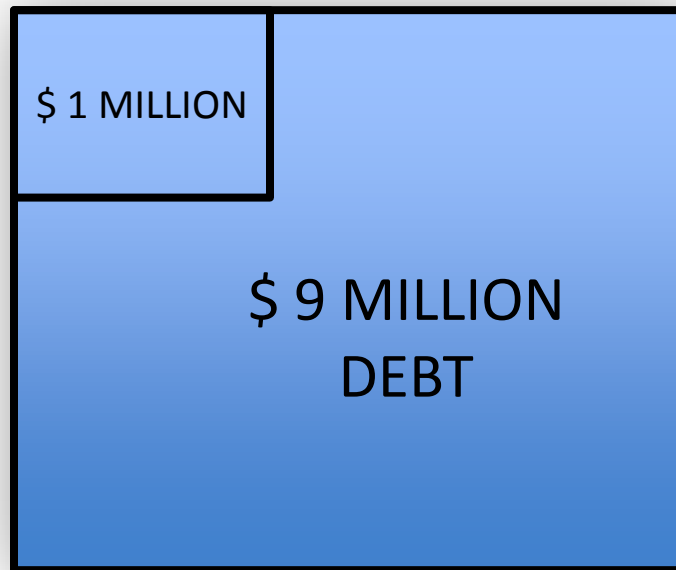


Ratio of Assets in Shadow Banking to Assets in Depository Institutions

Depository Institutions vs. Shadow Banking Institutions Leverage Ratios

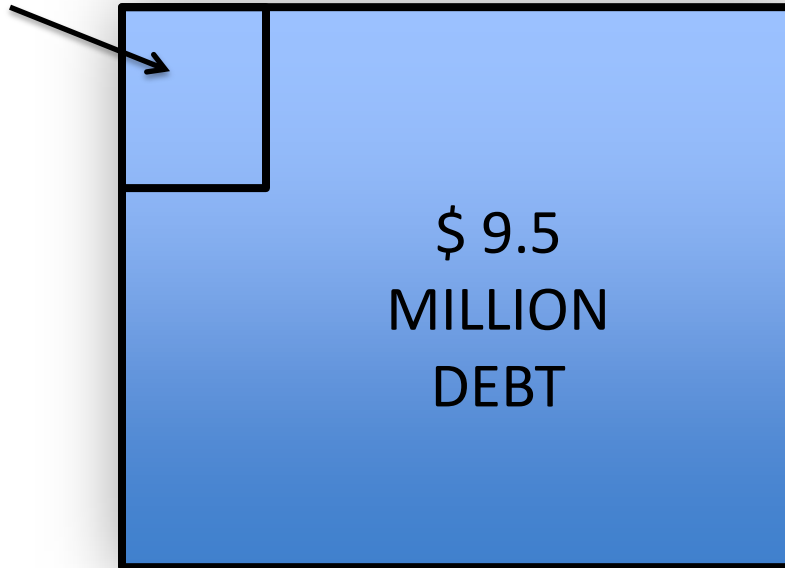


90% Leverage

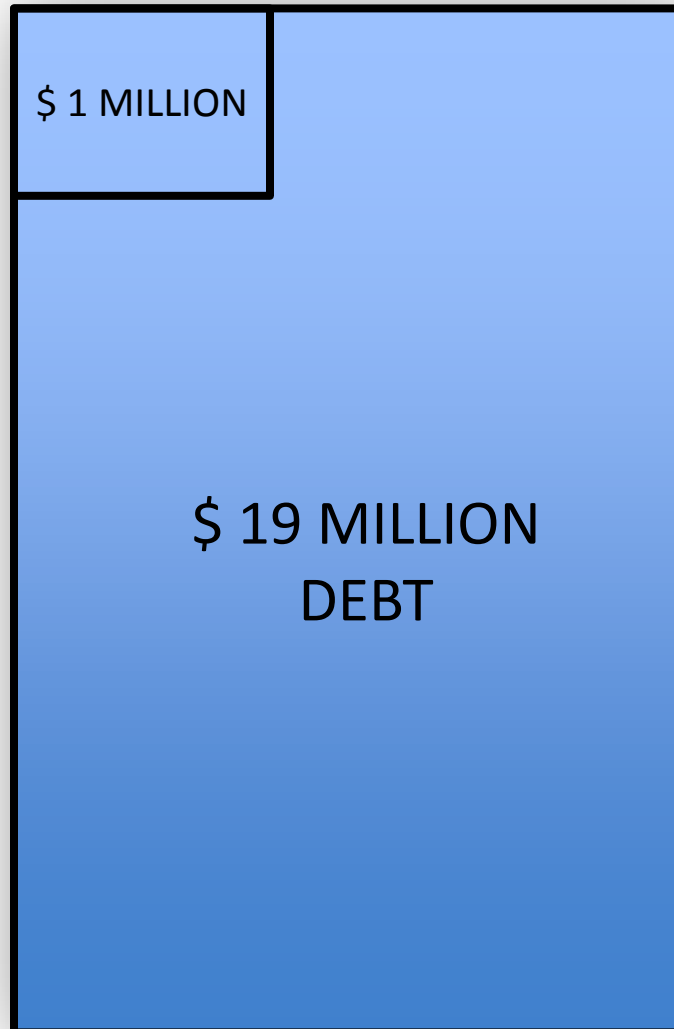


95% Leverage

\$500,000



95% Leverage



Annual U.S. Money Supply Growth - SGS Continuation

Monthly Average through Mar. 2011 (St Louis Fed, SGS)

