



When people tell us how much they get out of our annual Global Conference, which takes place in April in Los Angeles, we remind them that

more of the same – the intellectual stimulation, in-depth policy research, and exposure to new ideas – is available year-round through the Milken Institute and its publications.

For evidence, look no further than the pages before you. Indeed, the articles in this quarter's *The Milken Institute Review* mirror many of the issues causing a stir at this year's conference:

Global credit and the American mortgage meltdown. Numerous panels wrestle with the ways in which the integration of credit markets has transformed an American housing bubble into a global financial crisis. In this issue, Milken Institute scholars Jim Barth, Tong Li, Triphon Phumiwasana and Glenn Yago remind readers of how much we have to gain from financial engineering when it works – as well as how much we have to lose when it doesn't. By the same token, Larry White of New York University's Stern School of Business frets about America's increasing reliance on Fannie Mae and Freddie Mac to keep housing finance afloat in a sea of uncertainty.

Sovereign Big Oil. The growing geopolitical power of Middle Eastern oil producers is a key topic at the conference, as the major exporters, flush with cash, begin to flex their fi-

nanacial muscles. In the *Review*, Diana Farrell and Susan Lund of the McKinsey Global Institute explain how a torrent of petro-dollars will transform the Gulf states – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates – from passive *rentiers* into major financial players.

The entitlement crunch. Concerns about how the United States is going to pay for a rapidly aging – and, by its own perception, heavily entitled – population will receive much attention at the Global Conference. In this issue, Syl Schieber, chairman of the Social Security Advisory Board, lays out the hard economics, warning readers that the entitlement gravy train is about to go off the rails.

Global poverty. The question of how to reduce poverty will be center stage at the conference. In this issue, Greg Zachary, a former *Wall Street Journal* correspondent, focuses on what education can (and can't) do in the short term for Africa. And Cornell economist Eswar Prasad dissects the strange turn of events that has led poor nations to finance the shop-til-you-drop inclinations of American consumers.

So even if you were unable to make it to Los Angeles for this year's festival of ideas, we trust that the Milken Institute and its *Review* can be an exciting window on the world of finance, economics and public policy.

Michael Klowden, President and CEO