

**Federal Reserve Bank of Chicago**

**Academic Advisory Council Meeting Agenda**

**November, 2022**

**12:30 a.m. – 3:00 p.m. CDT**

The meeting will follow a model similar to our recent meetings, with the discussion organized into blocks. We will first go around the participants in the block to give a few comments on the questions they selected (please keep these remarks to 10 minutes per speaker); please feel free to comment on a different block's topic, too, if you are interested. At the end of each block's go-around, we will have some time for Q&A and discussion by the entire group.

The meeting follows Chatham House rules – particulars of the communications guidelines are at <https://www.chicagofed.org/people/academic-advisory-council>.

**AGENDA**

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| <b>12:30 – 12:45</b> | <b>Welcome and lunch serving</b>                                     |
| <b>12:45 – 1:15</b>  | <b>International and Finance</b><br>Linda Tesar, Randy Kroszner      |
| <b>1:15 – 1:45</b>   | <b>Labor Markets</b><br>Rob Shimer, Alan Auerbach                    |
| <b>1:45 – 1:50</b>   | <b>Break</b>   |
| <b>1:50 – 2:20</b>   | <b>Growth and Inflation Outlook</b><br>Bob Gordon, Matthew Shapiro   |
| <b>2:20 – 3:00</b>   | <b>Monetary Policy</b><br>Anil Kashyap, Jan Eberly, Marty Eichenbaum |

***Members of the Panel***

Alan Auerbach	University of California, Berkeley
Marty Eichenbaum	Northwestern University
Jan Eberly	Northwestern University
Robert Gordon	Northwestern University
Anil Kashyap	University of Chicago
Randy Kroszner	University of Chicago
Matthew Shapiro	University of Michigan
Rob Shimer	University of Chicago
Linda Tesar	University of Michigan

***Federal Reserve Bank of Chicago***

Charles Evans  
Dan Aaronson  
Gene Amromin  
Luca Benzoni  
Kristin Butcher  
Jason Faberman  
Jonas Fisher  
Francois Gourio  
Spencer Krane  
Leslie McGranahan  
Anna Paulson

## **Discussion Questions**

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#### International:

What is your take on the economic prospects for Europe? What additional policy actions might be expected from European governments to address the risks?

How far will China go in de-emphasizing economic growth and what related changes in Chinese policies do you see coming? What will be the repercussions for the US?

What is your take so far on “re-shoring” and other changes in international trade patterns?

How much risk do emerging market economies face from the global tightening of monetary policy?

#### Labor markets:

What has surprised you the most about the performance of the labor market over the past 6 months?

What is your take on longer-lasting pandemic-induced changes in the labor market? How have these views changed over the past year or so?

#### Finance:

Do you see any financial exposures/fragilities that could lead to disruptions in U.S. financial markets similar to what happened in the UK with the margin calls on liability driven investment strategies? If so, what kind of shock might trigger such an event?

How much have financial conditions been affected by volatility in markets as opposed to simply a higher expected path for interest rates? If so, where are you seeing this show up?

Are you seeing any important differences between market conditions in credit markets, banks, and non-bank lenders?

#### Growth and inflation outlooks:

Have you seen changes in financial conditions weighing importantly on real activity beyond the obvious effects on housing markets? Is heightened uncertainty about credit conditions influencing spending decisions today?

How likely do you think the transition to a softer labor market will occur primarily through reduced job vacancies as opposed to layoffs and high unemployment? If firms engage in labor hoarding, what do you think the effect will be on productivity and labor costs?

What are the odds of a 1970’s style wage-price spiral emerging today?

If you think the Fed will be successful in returning inflation to near 2 percent by mid-decade: What do you think will be the most important factors reducing inflation? What do you think are the greatest risks to your forecast?

If you do not think the Fed will be successful in returning inflation to near 2 percent by mid-decade: What do you think will prevent the Fed from achieving this goal? How damaging would this be for Fed credibility?

How do you see the balance of risks between the Fed's inflation and employment mandates evolving over the next year or so? Will the US skirt a recession?

Monetary policy:

As of 11/7, futures market are pricing in the fed funds rate reaching about 5 percent in March 2023 and staying roughly at that level through late 2023. Do you think such a policy path will be adequate to bring inflation down?

At what point should the Fed consider slowing down the pace of rate increases? Is there a particular configuration of data and forecasts that you would need to see before making this recommendation? How about conditions for deciding when to pause rate increases?

How should the FOMC be viewing the long and variable lags in monetary policy in its decision making? Do you think those lags currently might be shorter than average – say due to a faster pass through to financial conditions – or longer than average – say due to pent up demands from the pandemic or a muted mortgage refinancing channel?

How would you rate Fed policy communications since we last met?