

Federal Reserve Bank of Chicago

Academic Advisory Council Meeting Agenda

May 21, 2021

10:00 a.m. – 12:30 p.m. CDT

WEBEX Information:

Password: JckPP8C2MM7

WebEx Link:

<https://frbmeetings.webex.com/frbmeetings/j.php?MTID=mfbad63486545f2be57b2991475c6a3d0>

Join by phone if you are unable to join by video conference:

+1-415-527-5035 US Toll. Access code: 199 123 6330

We're going to follow the same model as our past two meetings. We've organized the discussions 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 5 minutes per speaker). At the end of the block go-around, we will have some time for Q&A and discussion by the entire group. As before, we slotted folks in a particular block because the views of the speakers would be complementary, but please feel free to comment on other topics you are interested in when you speak. There also will be time to do so during the Q&A and general discussion. And as we noted earlier, we are very interested in your views about risks that you feel the Fed (or other policymakers) are under-weighting and what signals we should be on the lookout for to tell if these risks are gaining traction.

Attire is "work-at-home" casual.

If you have any slides, please email them to Melissa (Melissa.calahan@chi.frb.org) by Thursday, May 20th at 9:00 am CT.

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

I've attached the usual set of slides on the economic and monetary policy-making environment. Also, here is a link to a recent economic outlook and policy speech (and the webcast) that Charlie gave at the Levy Institute. Please take a look, particularly at the portion on inflation and inflation dynamics, as we know we will be discussing this issue a good deal on Friday. I've also attached a Fed Letter, "Some Inflation Scenarios for the American Rescue Plan Act of 2021," that Charlie references in the speech.

[A Promising Growth Outlook and Thoughts on Inflation Dynamics - Federal Reserve Bank of Chicago \(chicagofed.org\)](https://www.chicagofed.org/publications/2021/05/14/a-promising-growth-outlook-and-thoughts-on-inflation-dynamics-federal-reserve-bank-of-chicago)

And as a reminder next meeting is November 12 and, at this time, we do not know if it will be in-person.

Thank you all, and we are looking forward to seeing you on Friday.

ANGENDA

10:00 – 10:05. Welcome and logistics

10:05 – 10:45. Labor markets, resource pressure, and productivity

Katharine Abraham, Rob Shimer, Karin Kimbrough, Bob Gordon, Lisa Cook, Jan Eberly

10:45 - 11:05. International situation

Linda Tesar, Barry Eichengreen, Catherine Mann

11:05 – 11:15. Break

11:15 – 11:35. Fiscal policy

Jan Hatzius, Matthew Shapiro, Alan Auerbach

11:45 – 12:30. Monetary Policy

Dan Ivascyn, Monika Piazzesi, Anil Kashyap, Marty Eichenbaum, Randy Kroszner

We'll leave the WebEx session open 12:30 – 1:00 for anyone interested

Members of the Panel

Katharine Abraham	University of Maryland
Alan Auerbach	University of California, Berkeley
Lisa Cook	Michigan State University
Jan Eberly	Northwestern University
Marty Eichenbaum	Northwestern University
Barry Eichengreen	University of California, Berkeley
Robert Gordon	Northwestern University
Jan Hatzius	Goldman Sachs
Dan Ivascyn	Pimco
Anil Kashyap	University of Chicago
Karin Kimbrough	Linkedin
Randy Kroszner	University of Chicago
Catherine Mann	Citibank
Monika Piazzesi	Stanford University
Matthew Shapiro	University of Michigan
Rob Shimer	University of Chicago
Linda Tesar	University of Michigan

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Charles Evans	Ellen Rissman
Dan Aaronson	Dan Sullivan
Gene Amromin	Nicolas Werquin
Jonas Fisher	Jing Zhang
Thomas King	
Spencer Krane	
Leslie McGranahan	
Anna Paulson	

Discussion Questions

Outlook for growth, inflation, and labor markets:

Do you see any major impediments preventing sectors most severely impacted by the pandemic – such as leisure and hospitality and travel – from quickly returning to pre-pandemic levels of activity and employment as vaccination rates climb and the health situation improves?

We have long speculated about permanent structural changes that might follow the pandemic. Where do you stand on such changes today? How do you see these factors influencing the recovery over the next few years?

How do you see cyclical or structural factors influencing employment opportunities for lower-wage workers, minorities, and others disproportionately impacted by the pandemic?

How do you see the evolution of resource pressures and inflation expectations influencing the path for inflation over the next few years?

Do you think fiscal deficits play a special role in inflation expectations? If so, are we seeing that today?

Fiscal Policy:

A range of fiscal policy proposals are on the table. What are the most important ones you see being enacted over the next couple of years?

What are your views about fiscal sustainability?

What do you think will emerge from the negotiations over a global minimum corporate tax? If enacted, what effects do you expect to see on U.S. multinationals?

International:

How far is Europe behind the US? Do you think the pandemic experience will lead to any structural economic or political changes in Europe?

Do you see differential performance between the U.S. and other advanced economies generating any important monetary policy divergences over the next few years? If so, what would be the implications?

Monetary policy:

How much overshooting of 2 percent inflation should the Fed aim for? How much overshooting should it tolerate? How does your outlook for inflation align with these views?

How do you see the balance of risks to the Fed's employment and inflation objectives? Should policy be positioning against those risks today and if so, what should it be doing?

Do you see financial stability risks developing? If so, should the Fed adjust monetary policy or any of its regulatory levers (and by how much)? Are there other regulatory actions you would like to see?

Do you think the Fed's current forward guidance is adequate? If not, how would you change it?