

## Federal Reserve Bank of Chicago

### Academic Advisory Council Meeting Preliminary Agenda

**May 30, 2025**

**10:00 a.m. – 2:00 p.m. CDT**

We will follow the usual model, with the discussion organized into blocks. We will first go around the participants in the block to give a few comments (5 to 10 minutes per speaker) on the questions they selected; please feel free to comment on a different block's topic, too, if you are interested. At the end of each and at lunch we will have some time for more 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**

<b>10:00 – 10:05</b>	<b>Introductions</b>
<b>10:05 – 10:45</b>	<b>Labor</b> Katharine Abraham, Rob Shimer, Bob Gordon
<b>10:45 - 11:25</b>	<b>Outlook</b> Mike Feroli, Joanne Hsu, Seth Carpenter
<b>11:25 – 11:30</b>	<b>Break</b>
<b>11:30 - 11:45</b>	<b>Fiscal</b> Alan Auerbach
<b>11:45 - 12:25</b>	<b>Treasury markets and the dollar</b> Arvind Krishnamurthy, Lindar Tesar, Anil Kashyap
<b>12:25 – 12:30</b>	<b>Break to lunch</b>
<b>12:30 – 1:10</b>	<b>Monetary policy and the framework review</b> Matthew Shapiro, Jan Eberly, Randy Kroszner
<b>1:10 – 2:00</b>	General discussion and participants' views on appropriate monetary policy.

***Members of the Panel***

Katharine Abraham	University of Maryland
Alan Auerbach	University of California, Berkeley
Seth Carpenter	Morgan Stanley
Jan Eberly	Northwestern University
Mike Feroli	J.P. Morgan
Bob Gordon	Northwestern University
Joanne Hsu	Michigan Survey Research Center
Anil Kashyap	University of Chicago
Arvind Krishnamurthy	Stanford University
Randy Kroszner	University of Chicago
Matthew Shapiro	University of Michigan
Rober Shimer	University of Chicago
Linda Tesar	University of Michigan

***Federal Reserve Bank of Chicago***

Austan Goolsbee  
Dan Aaronson  
Gene Amromin  
Kristin Butcher  
Jonas Fisher  
Francois Gourio  
Spencer Krane  
Ralf Meisenzahl  
Anna Paulson  
Dan Sullivan

## **Potential Discussion Questions**

### ***Finance:***

How do you interpret the recent volatility in U.S. Treasury rates? What role(s) do you ascribe to: frequent reassessments of U.S. growth, inflation, and monetary policy prospects in light of the rapid changes in tariffs and other policies; uncertainty generated by these changes; market liquidity conditions; other factors?

What are the most likely changes in financial regulation coming over the next year or two and how do you see these affecting credit intermediation and market functioning?

What are the most important vulnerabilities in the financial system you see today? How would you address these concerns? What should we be monitoring?

### ***International:***

Where do you think U.S. tariffs and foreign retaliatory measures will eventually land? What will the overall U.S. effective tariff rate look like then? What major exemptions do you anticipate? Do you expect the back and forth to have largely settled out by mid-summer or do you see it continuing for some time longer?

What will be the most important longer-run implications of recent trade developments for the U.S. and global economies?

Is the dollar losing some of its appeal as a reserve currency? Do you see a risk of a major shift in foreign demand for dollar assets over the near or medium term? What might be the alternative to the dollar as the reserve currency? And if there is none, what might the implications for the world financial system?

### ***Labor:***

The top line numbers point to a stable, healthy labor market. Do you see anything in the more detailed data that suggests labor market pressures or weaknesses?

What is your current view of the trend rate in payroll employment growth given changes in immigration policy and recent trends in labor force participation?

Do you see Gen-AI having an important impact on the labor market over the medium run?

Are there any plans in train for improving the major labor market data programs that have been suffering from low response rates? Are there any programs at risk of being cancelled?

***Outlook for economic activity and inflation:***

How has the tariff news affected your forecast:

How are you modeling the various demand and supply channels through which tariffs affect output and inflation in the U.S.? Which are the most important in the short run, and which are the most important in the long run?

How are you viewing the passthrough of tariffs to consumer prices – how much and how fast? What are the major considerations driving your assessment?

What indicators will you be monitoring to see if your forecast rationale is on track?

Does a decline in openness of the U.S. economy that unfolds over multiple years raise your outlook for longer-term inflationary pressures, e.g., a reversal of the price implications of the “China Shock”?

Did you see any cracks developing in the economy prior to all of the news about tariffs?

What is your take on the declines in business and household consumer sentiment and increases in measures of economic and policy uncertainty? What do they portend for investment and consumption?

How important are supply vs. demand factors in explaining the decline in oil prices this year? Will lower energy prices be a meaningful offset to higher tariffs?

Where do you see the Federal budget bill landing? What are the implications for both the demand and supply sides of the economy over the next few years? How do you think the budget outlook will affect real interest rates?

The news on productivity continues to be good (the 2025:Q1 number aside). What is your assessment of the trend rate of productivity growth relative to pre-pandemic? Do you see any changes in regulatory or other policies that would leave a meaningful imprint on productivity?

***Monetary policy:***

Monetary policy response to tariffs:

Should monetary policy be predisposed to “look through” tariff induced inflation and focus on offsetting any negative impact on employment? Or do you think policymakers should be more concerned about the risk that tariffs will have a meaningful spillover effect on overall inflationary dynamics? In either case, how should the FOMC communicate its decision-making rationale?

How does the 2021-22 inflation surge factor into your thinking about the appropriate monetary policy response to tariffs?

Would you consider a fall in the ex post real federal funds rate due to a tariff-induced increase in inflation as a passive loosening of monetary policy?

Monetary policy framework review:

Should/can the framework be designed to be helpful for navigating through the type of events we are experiencing today? If so, what features would be the most useful?

What major changes would you make to the Federal Reserve's Statement on Longer-Run Goals and Monetary Policy Strategy? [Federal Reserve Board - Federal Open Market Committee reaffirms its "Statement on Longer-Run Goals and Monetary Policy Strategy"](#)

How would you grade Federal Reserve communications over the past several months?

