

Federal Reserve Bank of Chicago

Academic Advisory Council Meeting Preliminary Agenda

October 10, 2025

10:00 a.m. – 2:00 p.m. CDT

We are trying a small change this round. We are still organizing the discussion into blocks, but now will have the leader in the block give a few remarks (5 to 10 minutes) and then have the other block participants offer short comments. We will leave time in each block for general discussion. The lead person may work from a short slide deck, but others in the block please limit yourself to one or two slides. (All slides will be printed handouts, no overheads.) The meeting follows Chatham House rules – particulars of the communications guidelines are at <https://www.chicagofed.org/people/academic-advisory-council>.

AGENDA

10:00 – 10:05	Introductions
10:05 – 10:45	Outlook Mike Feroli (lead), Rob Shimer, Linda Tesar
10:45 - 11:20	Investment and productivity Jan Eberly, Chad Syverson, Bob Gordon
11:20 – 11:25	Break
11:25 - 11:50	Finance Andrew Metrick (lead), Arvind Krishnamurthy
11:50 - 12:30	Monetary policy Randy Kroszner (lead), Eric Sims, Seth Carpenter
12:30 – 12:40	Break to lunch
12:40 – 1:10	Statistics Katharine Abraham (lead), Matthew Shapiro
1:10 – 2:00	General discussion

Members of the Panel

Katharine Abraham	University of Maryland
Seth Carpenter	Morgan Stanley
Jan Eberly	Northwestern University
Mike Feroli	J.P. Morgan
Bob Gordon	Northwestern University
Arvind Krishnamurthy	Stanford University
Randy Kroszner	University of Chicago
Andrew Metrick	Yale
Matthew Shapiro	University of Michigan
Rober Shimer	University of Chicago
Eric Sims	Notre Dame
Chad Syverson	University of Chicago
Linda Tesar	University of Michigan

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Austan Goolsbee
Dan Aaronson
Gene Amromin
Kristin Butcher
Jonas Fisher
Francois Gourio
Bart Hobijn
Spencer Krane
Leslie McGranahan
Ralf Meisenzahl
Dan Sullivan

Potential Discussion Questions

Finance:

What do you think about equity valuations? Are you surprised at market resilience? Are you concerned about the concentration of gains in a small set of firms?

How do you interpret recent developments in U.S. Treasury rates and the flattening in the yield curve? Do you see any tensions between the current level of long-term rates, the evolution of the dollar, and the risks to the outlooks for inflation and fiscal deficits? How do you expect long-term rates to respond under different trajectories of the federal funds rate?

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? How does the GENIUS Act factor into your thinking?

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:

How much adjustment in global production sourcing are you seeing in train in response to changes in U.S. trade policy?

Concerns about public debt levels in a number of foreign economies have made the front page in recent weeks. Do you see any important adjustments in fiscal discipline coming in the near to medium term in these countries, and how might they affect the global outlook? Will financial markets force their hands?

Do you think that changes in geopolitical alignments will have important consequences for the global economy? How are your views influenced by potential shifts in technological leadership in some industries?

Fiscal:

What elements of the OBBBA will have the largest impacts on economic activity in the near and medium terms? How does [the government shutdown]/[the agreement to avoid a shutdown] affect the short and medium run outlook for fiscal policy?

How do you think the U.S. deficit will evolve over the medium run? How do tariff revenues factor into your assessment?

Labor:

Chair Powell mentioned in the September press conference that the breakeven rate for monthly employment changes could be in the range of 0 and 50,000 jobs. This rate is much lower than the 150,000 or so rate forecasters thought a year ago. Given trends in participation across the age

spectrum and migration, where do you see the breakeven rate of job growth over the next 12-18 months?

We seem to be in a “low churn” labor market, with stable but low rates of hiring, quits, and layoffs. Do you agree with this assessment? If so, what is behind it? Does it suggest downside risks to the health of the labor market?

What do you make of the slowdown in wage growth? Is it a sign of a weakening labor market, an adjustment to declining inflation, or both?

Is there a cyclical message to the large downward revisions we’ve had in the payroll employment numbers, or are they just reflecting reduced early response rates and other technical factors?

Outlook for economic activity and inflation:

How has your outlook changed since we met in May? Do you think there have been material changes in the risks to growth and inflation?

Given what we’ve seen since May, have you changed your views about the timing and magnitude of tariffs’ effects on inflation and output? If so, what have been the main factors driving your re-assessment? If not, what has transpired in-line with your expectations that makes you hold to your earlier views?

How does lower immigration and slower population growth factor into your assessments for growth and for inflation? Does this change your view about the likelihood and costs of a recession?

Investment has been booming, led by hi-tech equipment, data center construction, and intellectual property. How long-lived do you think this will be? Will it provide a meaningful boost to productivity and when might that show up—both in the tech sector and beyond? Or is overhang from the AI spending boom a potential future drag on the economy similar to experienced after the 2000 dot com bust and the 2008 housing bust?

Monetary policy:

How do you evaluate the current stance of monetary policy – modestly restrictive, neutral, modestly expansionary? What inflation rate or expectations do you look at when judging the real federal funds rate and what is your current benchmark for the neutral rate, r^* ?

How (and why) have your views of r^* changed over the past year?

Do you think the policy response to tariffs has been appropriate?

Where would you set policy to balance the risks of a slowing labor market versus continued above-target inflation?

What do you think of the Fed’s new monetary policy framework?

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

Statistical system

The Economic Measurement Research Institute, discussed briefly at the previous meeting, has been funded by the NSF, and will be led by Katharine Abraham and Matthew Shapiro. It will be based at the NBER and includes a number of projects across multiple economic domains. After a brief description of the EMRI, the AAC could discuss the following questions.

- Do ACC members see weakness or vulnerabilities of the statistical system? Are there specific examples?
- What are the promises and risks of potentially increasing reliance on private data?
- How can the private-sector user community—business and finance, academia, or non-Federal policy makers—work effectively to help address issues in statistical system such as the need to modernize and getting the resources and support to do so?