Federal Reserve Bank of Chicago

Academic Advisory Council Meeting Questions

October 16, 2026
10:00 a.m. – 2:00 p.m. CDT

Each participant should plan on 6–7 minutes of remarks, with just one or two slides as reference. This will leave time the end of each section for general discussion. After the monetary policy topics discussion at lunch we will go around the table for views on appropriate policy. 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 – 10:30	**Financial** Financial conditions. Ricardo AI and financial stability concerns. Andrew
10:30 - 10:55	**International** Are we done with tariff/energy passthrough? Chad What's the outlook for energy markets? Anil
10:55 – 11:20	**Labor markets** The labor market for new college graduates. Katharine Lengthening unemployment duration. Rob
11:20 – 11:30	**Break**
11:30 – 12:05	**Outlook** Outlook for growth and inflation. Mike Household views on inflation. Joanne Industry contributions to productivity growth. Bob
12:05 – 12:25	**Break to lunch**
12:25 - 1:00	**Monetary policy topics** Balance sheet. Seth Policy stance, communications, and forward guidance. Matthew, Eric
1:00 – 2:00	**General monetary policy discussion**

Members of the Panel

Katharine Abraham	University of Maryland
Ricardo Caballero	MIT
Seth Carpenter	Morgan Stanley
Marty Eichenbaum	Northwestern University
Mike Feroli	J.P. Morgan
Bob Gordon	Northwestern University
Joanne Hsu	University of Michigan Survey Research Center
Anil Kashyap	University of Chicago
Andrew Metrick	Yale University
Eric Sims	Notre Dame
Matthew Shapiro	University of Michigan
Rober Shimer	University of Chicago
Chad Syverson	University of Chicago

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Austan Goolsbee
Gene Amromin
Gadi Barlevy
Kristin Butcher
Jonas Fisher
Simon Gilchrist (NYU, Leahy Fellow)
Bart Hobijn
Cindy Hull
Spencer Krane
Ralf Meisenzahl

Below is our list of potential discussion questions. As always, please let us know if there is another topic you would like to talk about.

Potential Discussion Questions

Outlook for growth and inflation:

Just how much is AI propping up the economy? It is fairly easy to trace out investment, but what about gross spending -- including outlays by households and business on AI services -- and employment?

How much are wealth effects buoying consumer spending? Do you see any vulnerabilities in household balance sheets that pose a risk for the consumption outlook?

What is the impact of the recent increases in long term interest rates on your economic outlook?

Is the pass through of tariffs to consumer prices complete? How about the pass through of higher energy prices?

How should we view the inflationary pressures emanating from the AI buildout — a sector-specific adjustment, a more general overheating of the economy, or some combination of both? How does your answer to this influence your outlook for inflation?

What are your expectations for productivity growth over the near and medium terms? How does this factor into your views concerning supply/demand balance and associated inflation pressures? What do you see as the most important up and downside risks to your productivity outlook?

What is/are your favorite measure(s) of "underlying" inflation — core, trimmed mean, something else, all of them, none of them? Do you find statistics regarding the distribution of inflation across items in the PCE basket useful for discerning underlying inflation trends?

International:

What adjustments are occurring in international supply chains in response to disruptions from the war in the Middle East? How costly are these adjustments?

What do you see as the two or three most likely scenarios for international energy markets over the next 2 to 3 years and in the longer run?

Finance:

Commentators have noted a number of (not necessarily independent) factors contributing to the rise in

long term Treasury rates: concerns about fiscal deficits, surge in borrowing for AI-related investment, higher inflation expectations, persistently tighter Fed policy, elevated risk premium, higher r*. Where do you come down on the relative importance of these or any other considerations in explaining the rise in long-term rates?

What do you make of the continued low level of private borrowing spreads? When thinking about the overall accommodation or restrictiveness of financial conditions, how should we weigh borrowing spreads versus the absolute level of real interest rates?

What would be the most important implications and challenges of more widespread usage of stablecoins in the payment system for financial markets both in the U.S. and abroad?

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

Labor:

What do you make of the sharp drop in the labor force participation rate this year?

What have we learned (if anything) about the effects of AI on labor markets? What data can we follow to monitor whether and where AI is a complement or a substitute for labor?

Other than lower trend employment growth, what impact have you seen of changes in immigration policy on US labor markets? Do you expect any further adjustments over the medium term?

What is your view of the overall condition of the U.S. labor market — still with some slack, roughly in balance, beginning to overheat?

Monetary policy:

How do you evaluate the current stance of monetary policy – modestly restrictive, neutral, modestly expansionary?

How (if at all) should the Fed adjust the duration of its balance sheet in response to Treasury decisions about the maturity composition of government debt?

What is the optimal monetary policy response to a persistent negative supply shock or a series of negative shocks? How does this differ from the response to overheated aggregate demand?

What are the issues associated with the Fed signaling less about the future path of rates? How does the amount of Fed communication affect the degree to which the bond market reflects expectations of policy versus the economic fundamentals?

What do you think of the shorter policy statements and other changes in Fed communications under Chairman Warsh? What are your preferences over the use of forward guidance on rates or expressing balance of risks in Committee communications?

Note: Over lunch we will go around the table and ask each (non-investment bank) member for their recommendations on monetary policy moves over the next few meetings.