

Macro Roundup Article

Headline: [Central Banking Post Crises](#)

Article Link: <https://www.nber.org/papers/w32237>

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Tweet: Kiley and Mishkin argue that curbing threats to financial stability is essential to price and economic stability, but that pursuit of additional objectives like climate change and inequality is not feasible for monetary policy.

Summary: Monetary policy is difficult. Strict adherence to a Taylor rule may have led to policy mistakes. There is now a strong argument that there is an interaction between monetary policy and financial stability. Despite this, there has been some call for central banks to take on additional mandates, including issues such as inequality and climate change. These issues have important macroeconomic and financial implications, and as a result central bank analysis to understand these issues is part of promoting price, economic, and financial stability. However, the central banks have limited tools and additional mandates for central banks may not be achievable given their tools. Such additional mandates may also affect monetary policy independence in ways that affect the achievement of price, economic, and financial stability. Related: In Search of Safe Havens: The Trust Deficit and Risk-free Investments! and The Fed and the Secular Decline in Interest Rates

Primary Topic: Business Cycle

Topics: Academic paper, Business Cycle, Database, Financial Markets, GDP, Monetary Policy

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