

Macro Roundup Article

Headline: [Summers and Blanchard Debate the Future of Interest Rates](#)

Article Link: <https://www.piie.com/events/summers-and-blanchard-debate-future-interest-rates>

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Tweet: Larry Summers argues over the next decade "short rates will run in the four range on average and longer-term rates if traditional spreads reassert themselves running 100 basis points above that. So, four and five." @LHSummers @ojblanchard1

Summary: Larry Summers, "I think today my expected value of inflation would be 2.5 or a bit larger given the tail risk of 4 or 5. And given that, I'd assign a very low likelihood to it being well below two. So, if you take a 1.5% to 2% real rate, a 2.5% inflation rate and some risk and term premium, you're sort of looking at short rates running in the four range on average and longer-term rates if traditional spreads reassert themselves running 100 basis points above that. So, four and five."

Primary Topic: Inflation

Topics: Business Cycle, Inflation, Monetary Policy, Op-Ed/Blog Post, Quote

Permalink: <https://www.edwardconard.com/macro-roundup/larry-summers-argues-over-the-next-decade-short-rates-will-run-in-the-four-range-on-average-and-longer-term-rates-if-traditional-spreads-reassert-themselves-running-100-basis-points-above-that-so?view=detail>