

## Macro Roundup Article

**Headline:** [Changing Perceptions and Post-Pandemic Monetary Policy](#)

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**Summary:** We document that the Fed's perceived monetary policy response to inflation shifted materially over the post-pandemic period. In forward-looking policy rules estimated from surveys of macroeconomic forecasters, the inflation coefficient rose significantly after liftoff from the zero lower bound in March 2022. Consistent with a shift in the perceived policy response, event studies show that interest rates became significantly more sensitive to inflation data surprises following liftoff. The increase in the perceived inflation response likely aided the transmission of monetary policy to the real economy and improved the Fed's inflation-unemployment tradeoff. The timing of this shift and additional evidence from surveys and financial markets suggest that forecasters and markets were highly uncertain about the monetary policy rule prior to liftoff and learned about it from the Fed's rate hikes

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**Primary Topic:** Monetary Policy

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