

## 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."

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