

Macro Roundup Article

Headline: [How Low Must Inflation Go?](#)

Article Link: <https://www.nytimes.com/2023/06/09/opinion/inflation-target-2-percent.html>

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| Author(s) | Paul Krugman |
| Publication | Krugman Wonks Out |
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Tweet: [. @paulkrugman argues the cost associated with getting inflation from 3% to 2% outweighs the benefits citing the public's declining interest in inflation among consumers, noting declining searches for "inflation."](#)

Summary: So people are thinking about inflation a lot less, and their interest will probably recede even further toward normal as grocery prices decrease. The question is, how low does the inflation target have to be for the public to lose interest? I now worry that 4 percent may be a bit too high. But 3 percent almost surely isn't. In which case, should we be willing to pay a high price to get inflation down from 3 to 2? This isn't a hypothetical question about a remote possibility. It may very well be exactly the question policymakers face a few months from now.

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Primary Topic: Inflation

Topics: GDP, Inflation, Monetary Policy, Op-Ed/Blog Post

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