

Macro Roundup Article

Headline: [Settling Into 4% Inflation?](#)

Article Link: <https://theovershoot.co/p/settling-into-4-inflation>

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Summary: Job churn is coming down, yet nominal wage growth has remained stubbornly stuck around 5% a year. Given the rough historical link between wages, output, and prices, the implication is that the trend growth rate of nominal gross domestic product (GDP) is now around 5-6% a year while trend inflation is around 4% a year. Related: What Have We Learned About the Neutral Rate? and The Case for "Higher for Longer": Prices are Disinflating, But Not Wages (Yet) and Measuring the Natural Rate of Interest After COVID-19

Primary Topic: Inflation

Topics: GDP, Inflation, Op-Ed/Blog Post, Wages/Income, Workforce

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