



Laura Veronika Gati <gati@bc.edu>

comments on your paper

2 messages

Peter Ireland <peter.ireland@bc.edu>
Reply-To: peter.ireland@bc.edu
To: Laura Veronika Gati <gati@bc.edu>

Mon, Sep 28, 2020 at 7:18 PM

Dear Laura,

I finished reading your paper today. It's great! It would be fine to send it out in its present form. But here are a few quick comments. Some or all could be completely off-the-mark; if so, feel free to ignore them.

- 1) Page 11. Below eq (22), you say that g is increasing in both k and f . But do you mean g is increasing in the absolute value of f ?
- 2) Page 20. As you say here, it's easy to see thanks to your clear formula that whether the anchoring equation alleviates or exacerbates the inflation-output gap trade-off depends on the sign of the derivative of g with respect to π . But I wonder if you could also say more about what, in turn, determines the sign of that derivative. Doesn't the fact that g is increasing in the absolute value of f mean that the derivative is negative when there has been a negative inflation surprise and positive when there has been a positive inflation surprise?
- 3) Page 21. The discussion of time consistency is interesting, but it also interrupts the flow of our discussion of optimal policy. I wonder if it would be better to move it to an appendix? I am on the fence about this; perhaps it's worth waiting to see what Ryan says. By the way, if you keep this section 5.1.2, the heading should be "time-consistency" instead of "time consistence," I think.
- 4) Pages 23-24. Your discussion on implementing the Ramsey policy makes sense to me, but I had difficulty going back and linking it up to the earlier discussion of the targeting rule. Can evidence of the "volatility trade-off" be seen somewhere in (29) as well? If not, why?
- 5) Page 41. There are missing right) in both D.4 and D.5.

Your teaching and research statements are terrific too. My only small comment on the latter is to say that in sentence three, to avoid repetition, you might want to replace "in particular" with "especially."

We will talk on Thursday at 130pm. In the meantime I'll get your job market recommendation letter ready.

Peter

Laura Veronika Gati <gati@bc.edu>
To: Peter Ireland <peter.ireland@bc.edu>

Mon, Sep 28, 2020 at 9:11 PM

Dear Peter,

And thanks for this! Looking forward to talking on Thursday!

Laura

[Quoted text hidden]