



# Monetary Policy and Productivity Growth

**Austan Goolsbee**

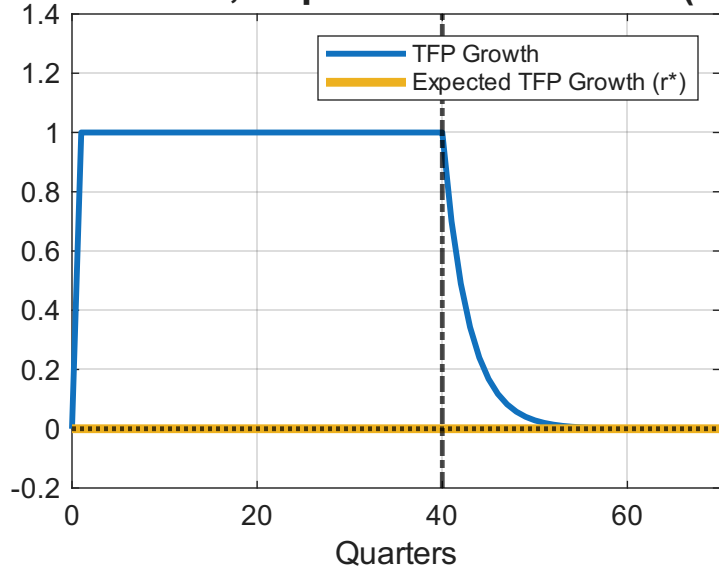
Federal Reserve Bank of Chicago

May 2026

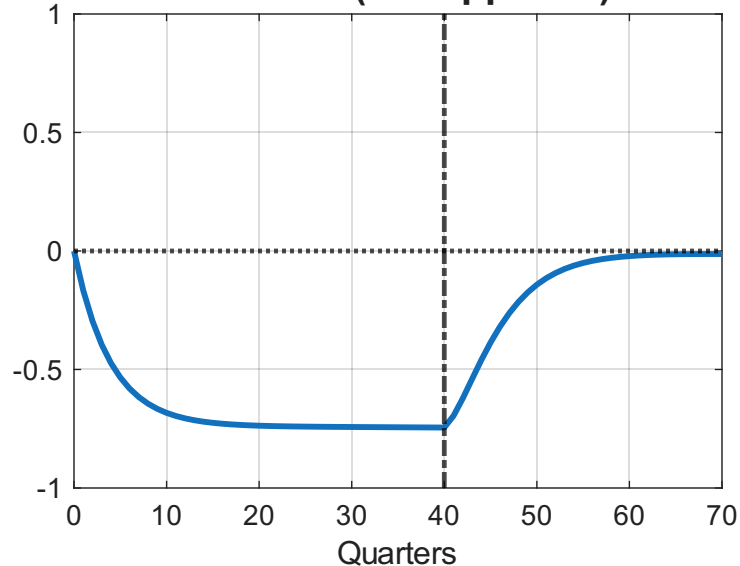
*The views expressed here do not necessarily reflect the views of the Federal Reserve Bank of Chicago or the Federal Reserve System.*

# 10-year Productivity Growth where Agents Repeatedly Surprised

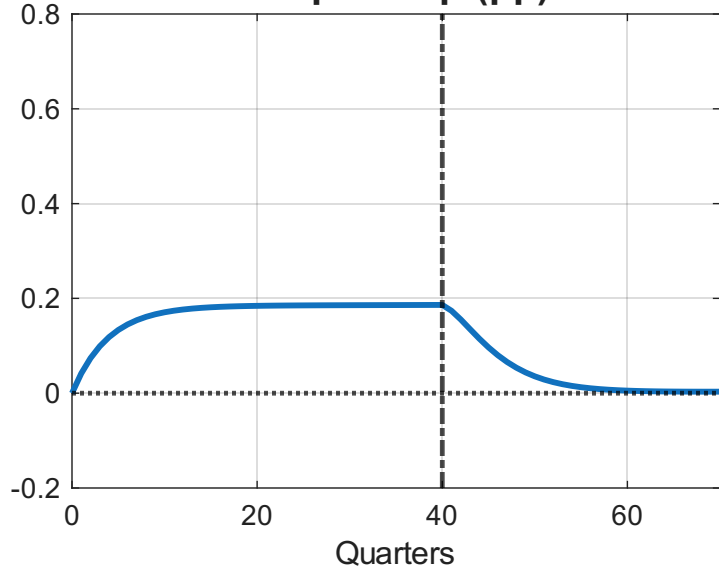
## TFP Growth, Expected TFP Growth (ann.)



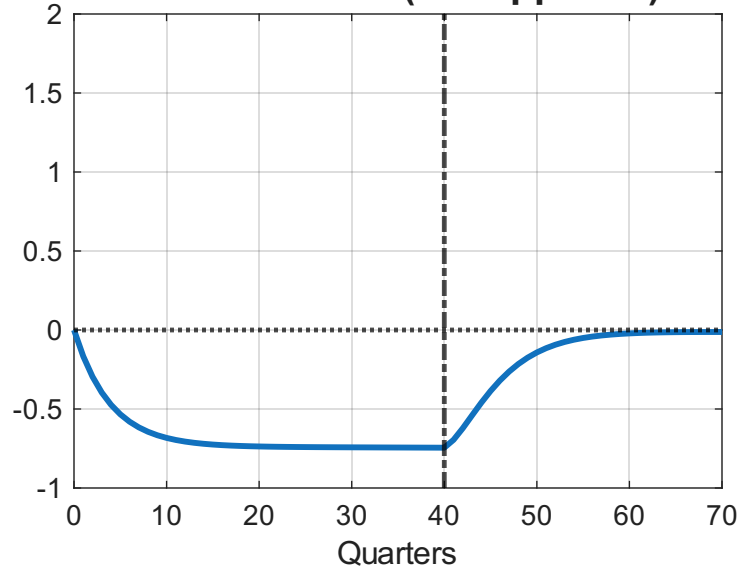
## Inflation (ann. pp dev.)



## Output Gap (pp)

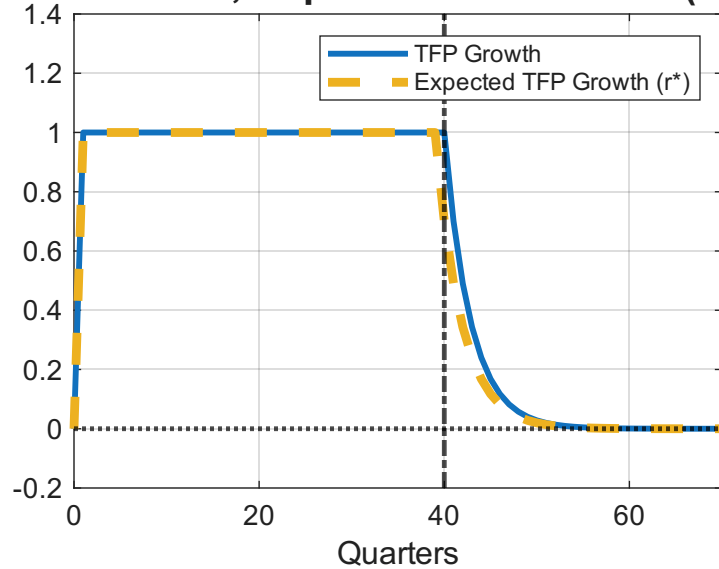


## Nominal Rate (ann. pp dev.)

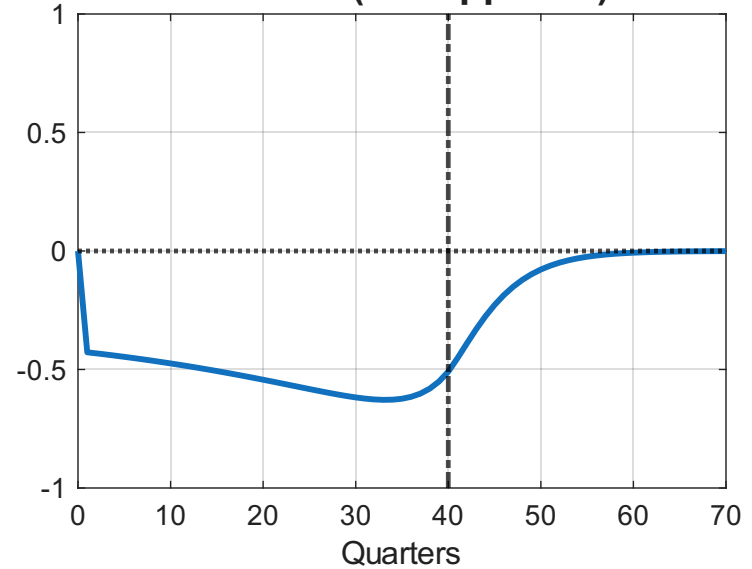


# 10-year Productivity Growth with Perfect Foresight

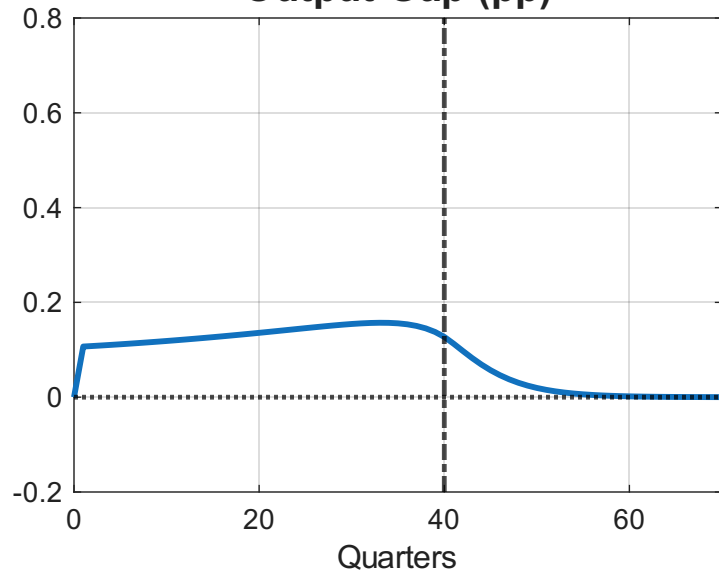
### TFP Growth, Expected TFP Growth (ann.)



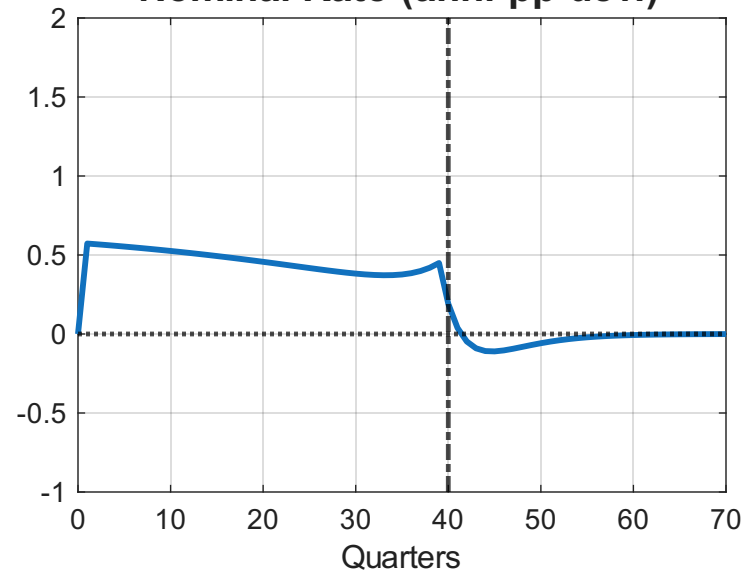
### Inflation (ann. pp dev.)



### Output Gap (pp)

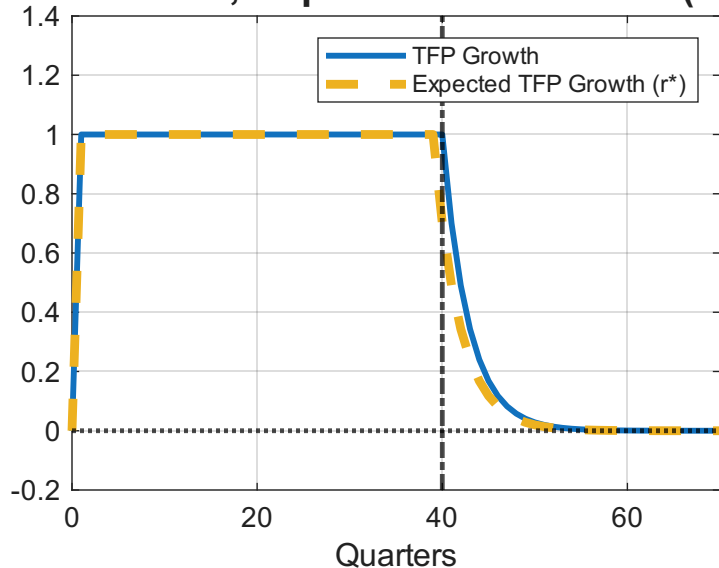


### Nominal Rate (ann. pp dev.)

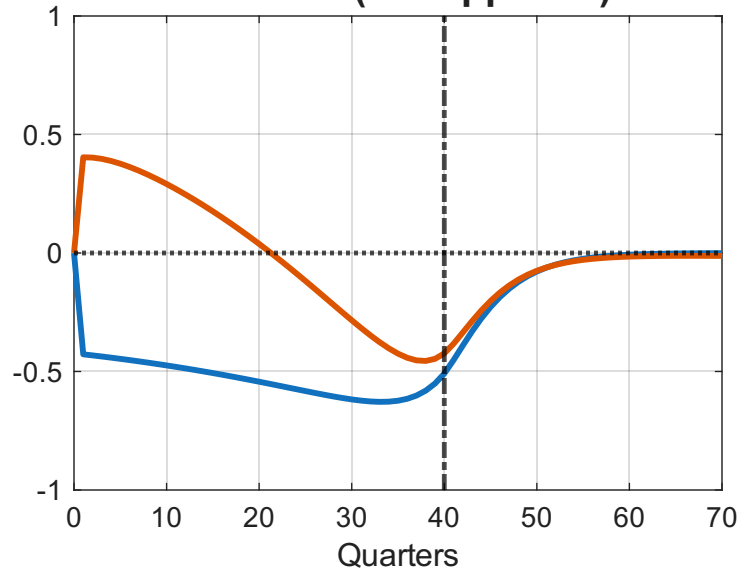


# Implications of Tracking $r^*$

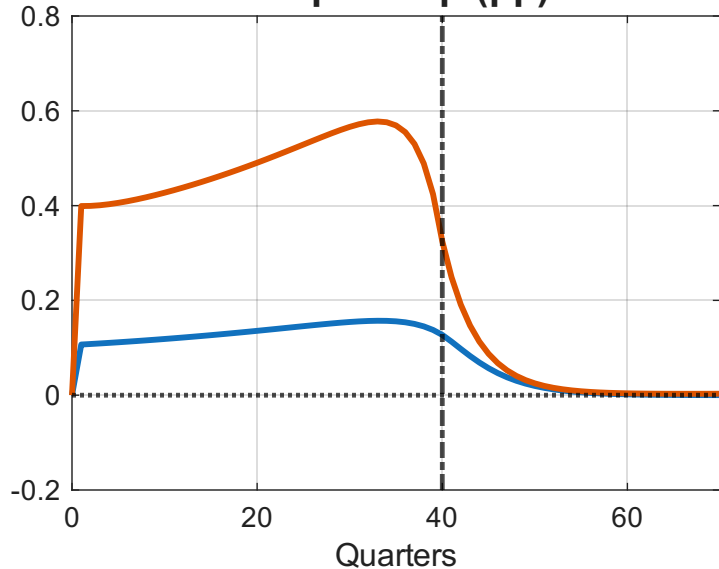
## TFP Growth, Expected TFP Growth (ann.)



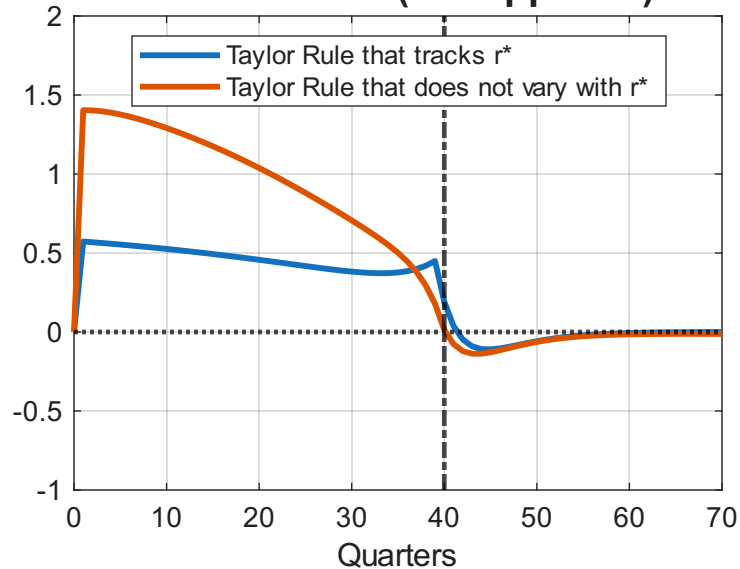
## Inflation (ann. pp dev.)



## Output Gap (pp)



## Nominal Rate (ann. pp dev.)





# Monetary Policy and Productivity Growth

**Austan Goolsbee**

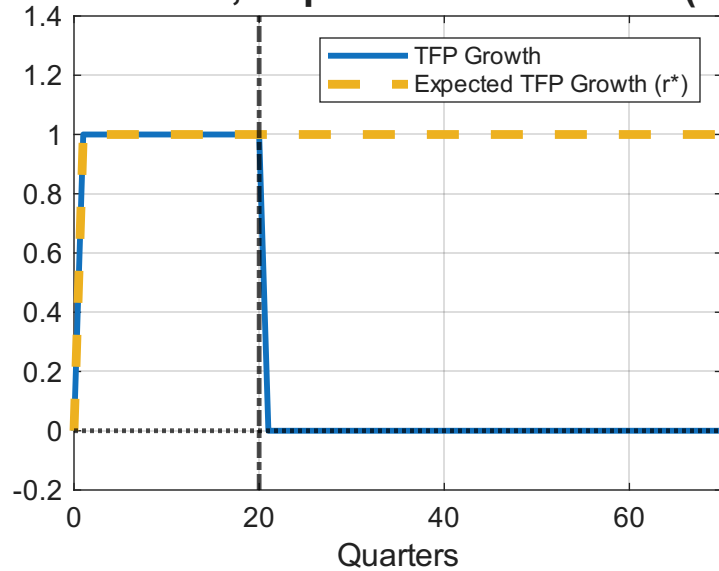
Federal Reserve Bank of Chicago

May 2026

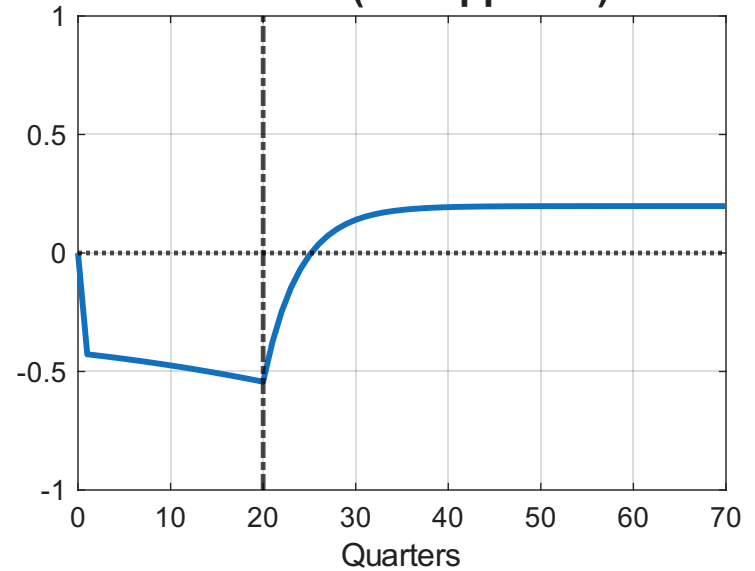
*The views expressed here do not necessarily reflect the views of the Federal Reserve Bank of Chicago or the Federal Reserve System.*

# Productivity Growth Continually Disappoints Expectations

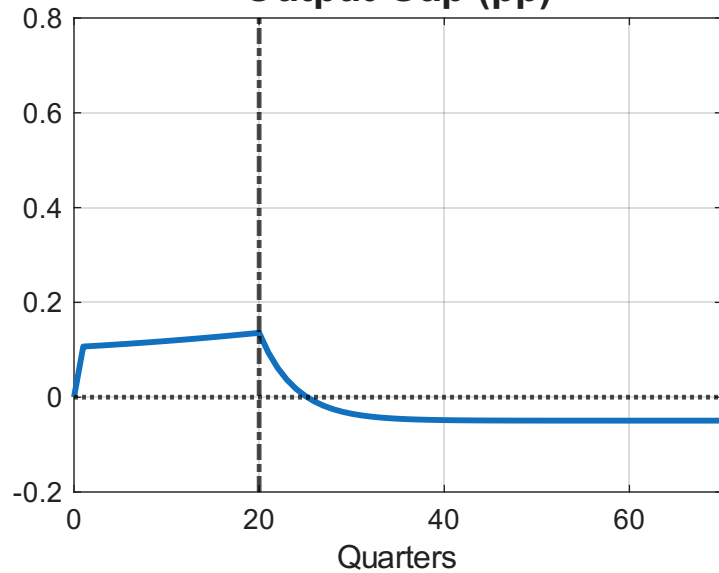
## TFP Growth, Expected TFP Growth (ann.)



## Inflation (ann. pp dev.)



## Output Gap (pp)



## Nominal Rate (ann. pp dev.)

