

high side for some time. Consequently, the FOMC will not be as preemptive as in the past in attempting to quell incipient inflation pressures. Instead of raising interest rates when higher inflation looks to be on the horizon, the FOMC is now more likely to allow inflation to develop to a certain degree and allow that to feed into inflation expectations. As a result, the U.S. could see somewhat higher inflation.

Given that inflation has generally been below the 2% target for many years, an inflation outcome modestly above 2% for some time would be a welcome development for the FOMC. Such an outcome would help the FOMC hit its inflation target on average over time.

The Regional Economist offers insights on regional, national and international issues. Views expressed are not necessarily those of the St. Louis Fed or Federal Reserve System.

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- **March 23, 2021.** Panel Discussion. [Bullard Discusses Economic Outlook, Federal Debt, Currency Competition](#), National Association for Business Economics (NABE) Economic Policy Conference.

Bullard Discusses Economic Outlook, Federal Debt, Currency Competition in NABE Panel

March 23, 2021

St. Louis Fed President James Bullard shared his views on the policy responses to the pandemic, the U.S. economic outlook, debt-to-GDP ratios and currency competition. He spoke during a moderated panel discussion at the National Association for Business Economics (NABE) Economic Policy Conference.

Bullard noted that the monetary policy and fiscal policy responses during the COVID-19 crisis have been quite good. He also noted that the economic recovery has been quite a bit stronger than most people had projected as of last March and April.

He said that he is expecting a strong year on many dimensions for the U.S. economy. For 2021, he has penciled in 6.5% real GDP growth, inflation moving up to 2.5% and unemployment moving down to 4.5%. He cautioned that the pandemic is still going on, adding that he'd like to see actual data come in that verifies his forecast.

On the issue of federal debt, Bullard noted that he has been thinking about new ways to assess debt-to-GDP ratios across nations and how much debt is too much. He said the advice from macroeconomists has to take the country into account, rather than having a blanket statement that some debt-to-GDP ratio is appropriate for all nations at all times.

Regarding the U.S. dollar, he reiterated his view that the dollar is going to be the world's reserve currency for a long time. He also discussed currency competition, privately issued currencies and exchange rate chaos. (See Bullard's July 2018 presentation " [Non-Uniform Currencies and Exchange Rate Chaos](https://www.stlouisfed.org/-/media/project/frbstl/stlouisfed/files/pdfs/bullard/remarks/2018/bullard_mu_cato_15july2018.pdf).")

Having trouble with the video? [Watch it here.](<https://www.youtube.com/watch?v=r04VJJDEujA>)

- **March 23, 2021.** Presentation. "[Classic Policy Benchmarks for Economies with Substantial Inequality](#)," Central Banking Series: Perspectives Across the Atlantic, LSE Students' Union Central Banking Society, London School of Economics and Political Science. [Presentation \(pdf\)](#) ([bullard_dicecio_slides_lse_cb_society_mar_23_2021pdf](#)).

Classic Policy Benchmarks for Economies with Substantial Inequality

November 22, 2022

Presented during a policy panel at the XXV Annual Conference of the Central Bank of Chile, Heterogeneity in Macroeconomics: Implications for Monetary