

ECONOMIC ADVISORY PANEL MEETING

**Federal Reserve Bank of New York
33 Liberty Street, New York, New York**

Friday, May 16th, 2014

AGENDA

10:00 a.m. Convene, Benjamin Strong Room, 10th floor

10:30 a.m. Economic Outlook Discussion

- Presentation on FRBNY Staff Economic Outlook. (FRBNY staff)
- Review of recent literature on the relative effects of Short-Term versus Long-Term Unemployment on wage and price inflation. (FRBNY staff)
- Discussion led by Mike Feroli and Julia Coronado
- General discussion based on attached “Discussion Questions”.

Discussion Questions

1. Why has growth of business fixed investment been so sluggish given what appear to be strong underlying fundamentals—high profits and cash flows, low borrowing costs? Do you sense that investment spending is on the verge of stronger growth in the near future?
2. To date, the recovery of housing has been weaker than in past recoveries, despite quite low mortgage interest rates. To what do you attribute this weakness? Do you expect housing construction to strengthen over the medium term?
3. What is your current view concerning the short-term/long-term unemployment debate?
4. What is your forecast for price and wage inflation over the near- and medium-term horizons?
5. Some have claimed that labor market conditions may be more closely linked to services inflation than goods inflation. Do you believe this distinction is helpful in discussions of inflation and the inflation outlook?