



About the 2020 Jackson Hole Economic Symposium

February 23, 2021

The Federal Reserve Bank of Kansas City hosted central bankers, policymakers, academics and economists from around the world at its annual economic policy symposium, Aug. 27-28, 2020.

Navigating the Decade Ahead: Implications for Monetary Policy

The Covid-19 pandemic has dramatically changed the near-term outlook for the global economy and elicited unprecedented monetary and fiscal policy responses. The effectiveness of the policy responses and the prospects for recovery from the shutdown of economies around the world remain highly uncertain. Over the longer run, the sluggish economic growth and historically low interest rates that preceded the pandemic pose additional challenges for policymakers. Although the future is always uncertain, slow growth and low rates are widely expected to persist. These expectations play a key role in decisions made today that, in turn, may reinforce the dynamics of slow growth and low rates. Thus, understanding how low interest rates are related to slow growth, how households and businesses form expectations, and how changes in those expectations affect economic activity is critically important for central bankers as they develop strategies to achieve their mandates.

Given the low rate environment, a deep monetary policy toolkit and clear central bank communications will be essential elements for achieving and sustaining an economic recovery. Low equilibrium interest rates will likely lead to more frequent episodes in which conventional monetary policy is constrained by the effective lower bound (ELB) on nominal rates. This implies that policymakers' understanding of unconventional monetary policy and alternative policy tools is likely to become increasingly important in times of financial stress and economic weakness. Likewise, the effect of uncertainty on business and consumer expectations may determine the extent to which monetary policies may be effective in sustaining economic expansions and price stability. But uncertainty comes in many forms, making it critical not only to acknowledge the presence of uncertainty, but to have a clear understanding of the implications of various forms of uncertainty for the economy and the conduct of monetary policy.

This year's symposium was conducted online. The proceedings were livestreamed on the Federal Reserve Bank of Kansas City's [YouTube channel](#).

[Click here](#) to view this year's agenda. To learn more about the symposium's history, read [In Late August](#).
