

All the Stars We Cannot See

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This presentation represents the views of the author and not necessarily those of the Federal Open Market Committee (FOMC) or anyone else in the Federal Reserve System.

Figure 1: The Determination of R-Star

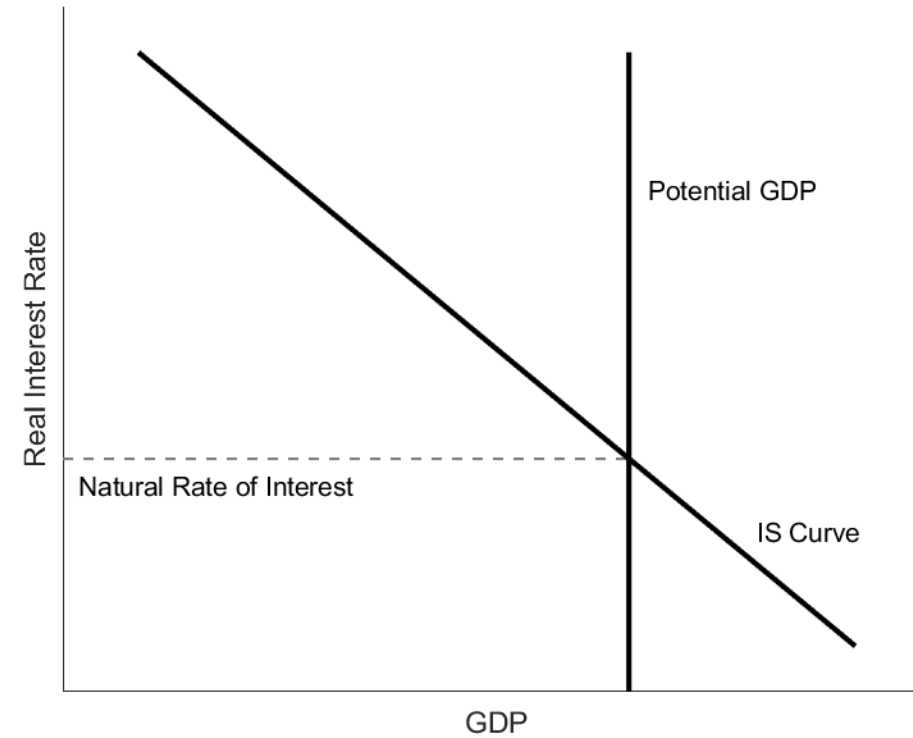
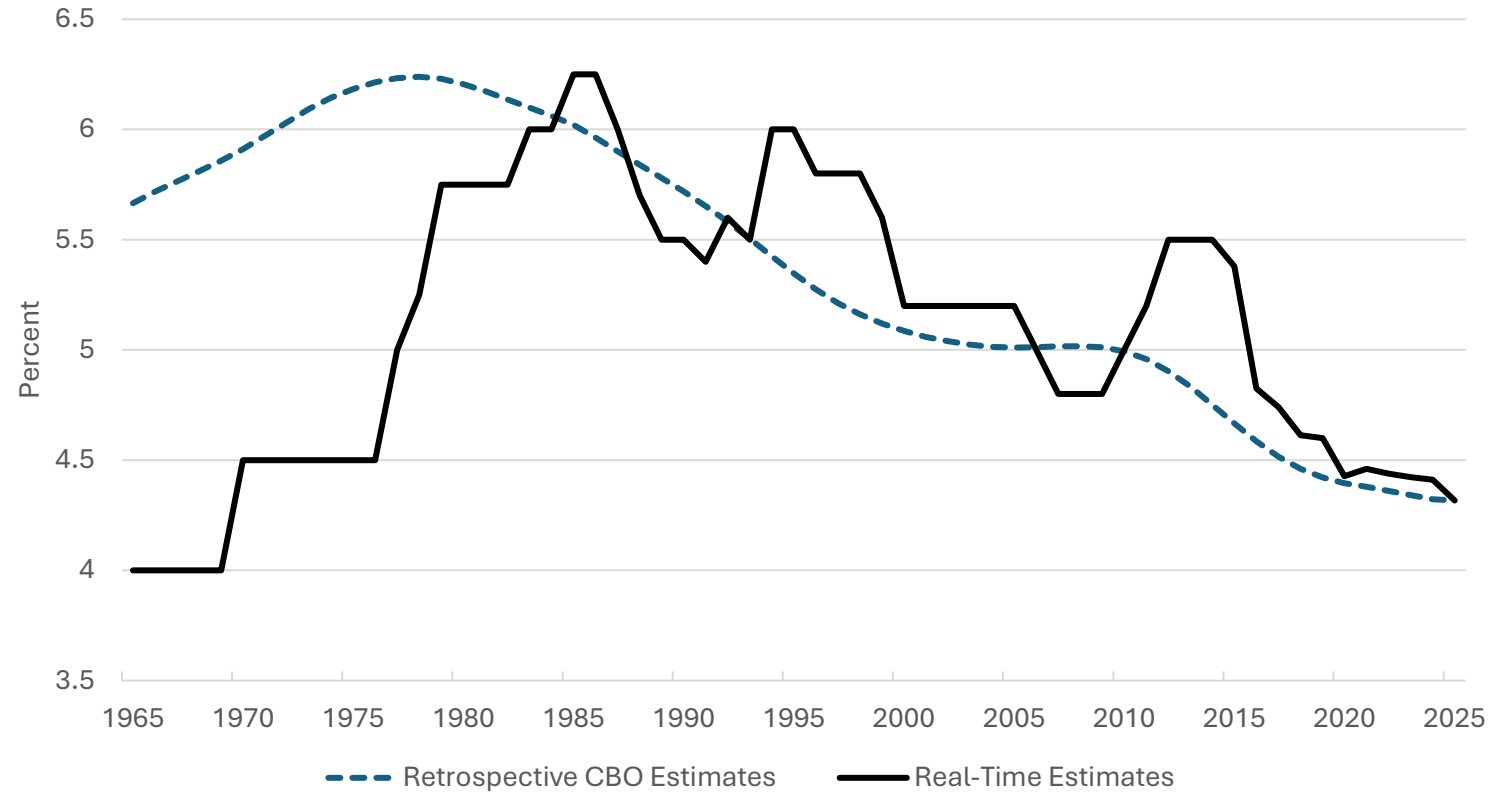
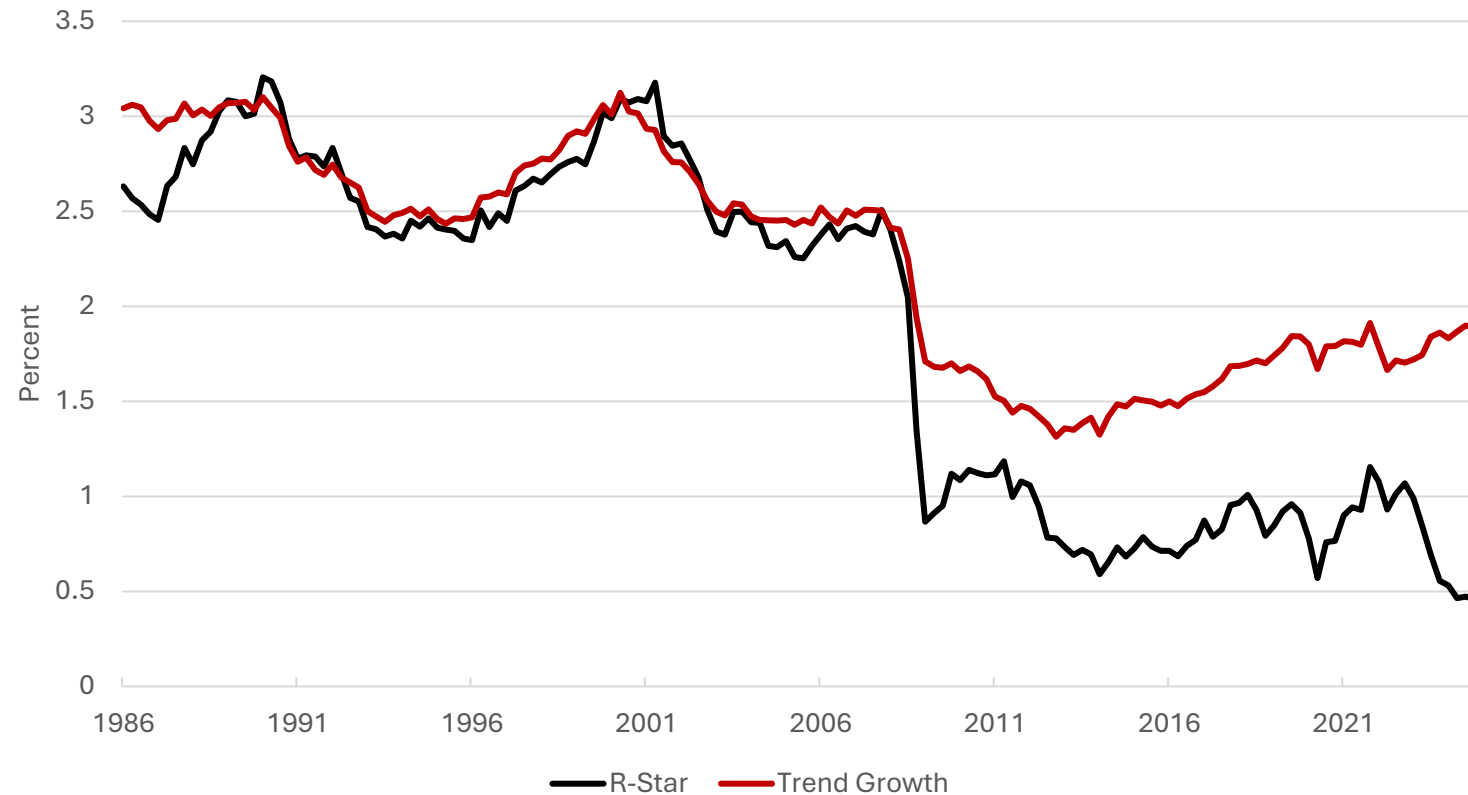


Figure 2: The Challenge of Estimating U-Star



Notes: Athanasios Orphanides and John C. Williams (2013). *Monetary Policy Mistakes and the Evolution of Inflation Expectations*. Author's calculations.

Figure 3: HLW Estimates of Trend Growth and R-Star



Notes: GDP-weighted average of USA, Canada, Euro Area, and UK estimates from Holston, Laubach, and Williams (2023). Weights are GDP at purchasing power parity. OECD estimates. Prior to 1995, Euro Area weights are summed weights of the 11 original Euro Area countries.