

Bullard Discusses Inflation Risks to the Upside during a Forum | James Bullard | St. Louis Fed

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St. Louis Fed President Jim Bullard shared his views on inflation risks and the U.S. economy during a moderated panel discussion at the World Strategic Forum hosted by the International Economic Forum of the Americas.

U.S. inflation has surprised to the upside over the past six months or so, and there is an important debate about how to handle this going forward, he said. “I am concerned that the risks are to the upside, that we’ll continue to get higher-than-anticipated inflation, that this high inflation will persist into 2022,” he said. “It will dissipate somewhat, but not all the way back down to where we’d like it to be in 2022.”

Bullard said that he is concerned about a possible change in mentality around prices in the economy and the relative freedom that businesses feel they have to pass on their increased costs easily to customers. That hasn’t been felt to be the case in the U.S. for years, he added.

During the panel, Bullard noted that output and national income are higher today than before the pandemic because the U.S. economy has adjusted and has so much resilience. He also said the U.S. may be switching to a higher productivity growth rate and therefore a higher medium-term growth rate for the economy.

He also touched on fiscal policy during the pandemic, trade policy and immigration policy.

Having trouble with the video? [Watch it here.](#)