Lewis Jaynes
ECON 3020
Sinai Journal
4/5/2021

1. This article covers innovations that have been made to monetary policy over time and which innovations have systematically enhance economic performance, along with the decision about which ones should remain permanent. The author breaks down the effects that monetary policy had on the U.S. econ such as inflation, interest rates, and aggregate demand.
2. The author is addressing in what ways or not whether monetary policy is sufficient or effective. He provides numbers and statistics detailing the average growths of GDP as well as the increase in inflation and how that had a positive effect on the unemployment rate from 1993-2001. He also addresses how innovations in monetary policy were brought forward, specifically a change in structure and whether or not those innovations should be retained.
3. The most important information in this article is the second part that includes the innovations that were made in monetary policy regarding structural change. The author writes that the Federal Reserve didn't tighten as soon as it typically did after the period from 1993-1996, but instead adapted and using real-time information, a falling unemployment rate along with a decline in inflation led central banks to believe that structural change might have occurred. From 1996-1998, the Federal Reserve tightened monetary policy. This change brought the federal funds rate up 2.5%.
4. The conclusions that can be drawn from this article and topic is that both preemption and the adaption of monetary policy in 1996-1998 to the structural change of higher productivity produced stronger economic growth and less volatility than if there was no preemption or adaption to structural change.
5. If we took these results seriously, I believe that insertion of monetary policy supported by preemption and structural change would benefit economic growth in the United States. The data provided by the author points to efficiency and growth in all aspects of the economy from inflation to unemployment rates.
6. The author is viewing the effects that monetary policy had on the economy and he goes in depth on the innovations and changes that were made to help continue the productivity of the economy. He believes that monetary policy would be effective based on his research and statistics. He suggests that it will need to be constantly monitored but that it is well worth the effort.