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The Optimal Inflation Target and the Natural Rate of Interest

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Conflict of Interest Disclosure: Philippe Andrade is a senior economist at the Federal Reserve Bank of Boston; Jordi Galí is Director and Senior Researcher at the Center for Research in International Economics and Director of the Centre de Recerca en Economia Internacional at Universitat Pompeu Fabra, as well as a Research Professor at the Barcelona Graduate School of Economics, and has served as an academic consultant to Sveriges Riksbank, the central bank of Sweden; Hervé Le Bihan is Deputy Director for the Directorate of Monetary and Financial Studies at the Banque de France; Julien Matheron is Senior Research Advisor for the Directorate of Monetary and Financial Studies at the Banque de France. Beyond these affiliations, the authors did not receive financial support from any firm or person for this paper or from any firm or person with a financial or political interest in this paper. None of the authors are currently officers, directors, or board members of any organization with an interest in this paper. No outside party had the right to review this paper before circulation. The views expressed in this paper are those of the authors, and do not necessarily reflect those of the aforementioned institutions affiliated with the authors.