

Natural and Neutral Real Interest Rates: Past and Future

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- Natural rate \bar{r} vs neutral rate r^*
- Outlook: back to low real rates

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- Why they don't have to be the same

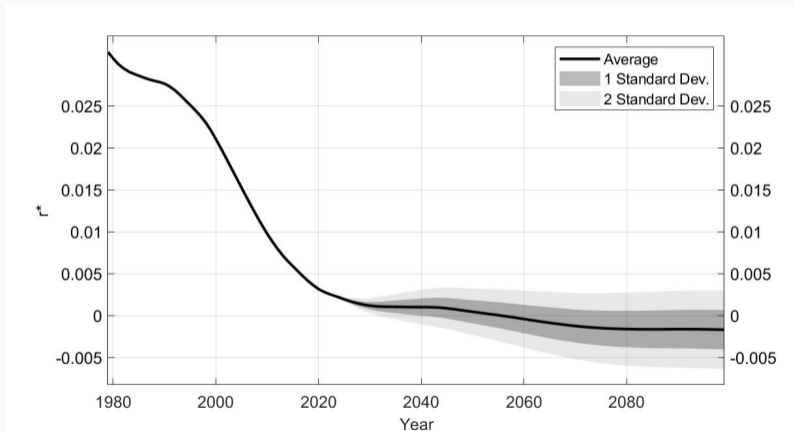
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- Zoom in on **demographics**

Outlook: Demographics in Platzer & Peruffo 2023

Future projection: impact of demographic change on natural rate in US



Notes: The figure shows the one and the two standard deviation confidence intervals for the Monte Carlo simulations of the path of \bar{r} only due to Demographics.

Source: Platzer & Peruffo 2023

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 - Tax and transfer policies (Platzer & Peruffo 2023)