1.	Record Nr.	UNINA9910960603303321
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	Titolo	On Price Stability and Welfare / / Etienne Yehoue
	Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2012
	ISBN	9781475579253 147557925X 9781475513653 1475513658
	Edizione	[1st ed.]
	Descrizione fisica	1 online resource (37 p.)
	Collana	IMF Working Papers
	Disciplina	362.6
	Soggetti	Price regulation Welfare economics Banks and Banking Deflation Demand for Money Demand for money Finance Financial services Income Inflation targeting Inflation Interest rates Interest Rates: Determination, Term Structure, and Effects Macroeconomics Mathematical Methods Monetary economics Monetary Policy Monetary policy Money and Interest Rates: Forecasting and Simulation Money and Monetary Policy Money National accounts Personal income Personal Income, Wealth, and Their Distributions Price Level Prices Real interest rates United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Cover; Contents; I. Introduction; II. Inflation and Growth; III. Inflation and Welfare: A General Equilibrium Approach; Tables; 1. Inflation Targets or Definitions of Price Stability in Selected Countries; A. The Opportunity Cost Channel; B. A Simple Model of Inflation and Welfare; 2. Summary of the Calibration Results; C. The Menu Cost Channel; D. Some Caveats; IV. Balancing Costs and Benefits; V. Concluding Remarks; Figures; 1. Welfare Cost Function with Log-Log Money Demand Function, Alpha = 0.5 and K= (0.05) 2. Welfare Cost Function with Log-Log Money Demand Function, Alpha = 0.5 and K = exp (0.05)3. Welfare Cost Function with Semi-Log Money Demand Function, Alpha = 7 and K= (0.3548); 4. Welfare Cost Function with Semi-Log Money Demand Function, Alpha = 7 and K = exp (0.3548); 5. Welfare Costs at Various Inflation Targets with Log-Log Money Demand Function, Alpha = 0.5 and K = (0.05); 6. Welfare Costs at Various Inflation Targets with Log-Log Money Demand Function, Alpha = 0.5 and K = exp (0.05) 7. Welfare Costs at Various Inflation Targets with Semi-Log Money Demand Function, Alpha = 7 and K = (0.3548)8. Welfare Costs at Various Inflation Targets with Semi-Log Money Demand Function, Alpha = 7 and K = exp (0.3548); 9. Welfare Costs at Various Inflation Targets with Semi-Log Money Demand Function, Alpha = 1.7944 and K = (0.1686); 10. Welfare Costs at Various Inflation Targets with Semi-Log Money Demand Function, Alpha = 1.7944 and K = exp (0.1686); 11. Welfare Costs at Various Inflations with Log-Log Money Demand Function, Alpha = 0.5 and K = (0.05) 12. Welfare Costs at Various Inflations with Log-Log Money Demand Function, Alpha = 0.5 and K = exp (0.05)13. Welfare Costs at Various Inflations with Semi-Log Money Demand Function, Alpha = 7 and K = (0.3548); 14. Welfare Costs at Various Inflations with Semi-Log Money Demand Function, Alpha = 7 and K = exp (0.3548); References
Sommario/riassunto	The financial crisis in the advanced countries that began in 2007 has led central bankers to adopt unconventional policy measures as policy interest rates neared the zero bound. One suggestion (Blanchard, Dell'Ariccia, and Mauro, 2010) has been to raise inflation targets to provide more room for policy rate easing during crises. This paper addresses a different issue: the relationship between inflation and welfare. The literature is surveyed and a model is developed. A key conclusion is that an increase in inflation targets gives rise to additional welfare costs, even after the extra room to maneuver above the zero lower bound for nominal policy rates is taken into account. Based on parameter values that fit U.S. data, the additional welfare costs of raising inflation targets from 2 to 4 percent are estimated at about 0.3 percent of annual real income. A rise to 10 percent would yield additional welfare costs of about 1 percent of real income. Other parameter values yield welfare costs as high as 7 (respectively 30) percent of real income for raising inflation targets from 2 to 4 (respectively from 2 to 10) percent. The full costs of raising inflation targets are likely to be higher because the model used to generate these estimates does not account for higher inflation-induced volatility.