An Agenda to Reform Monetary Policy
DAVID BECKWORTH
Edited by Ramesh Ponnuru and Yuval Levin
Dear Reader:

The Conservative Reform Network (CRN) recognizes that today’s challenges won’t be met by yesterday’s solutions. That’s why we are eager to deliver a new series of important policy papers that will offer fresh, innovative solutions to some of the biggest policy challenges facing America—practical solutions that are ready to be put into action.

Building on the tremendous success of our 2014 essay collection, Room to Grow: Conservative Reforms for a Limited Government and a Thriving Middle Class, we are pleased to bring you Room to Grow: A Series. Each briefing book in the series will tackle a specific set of domestic policy challenges and provide thoughtful analysis from a leading expert in the field. CRN commissioned this series of more than a dozen briefing books to show how a conservative agenda can empower individuals by replacing failed one-size-fits-all government programs with policies that foster opportunity, choice, and competition. It is our belief that the demonstrable failure of the liberal welfare state provides an opportunity to advance conservative reforms, firmly rooted in our constitutional order, that advance the aspirations of all Americans.
The books in this series were the subject of a conference that took place in Middleburg, Virginia, in April 2015. We are deeply grateful to the authors and the other talented policy experts who engaged in lively discussions about these pressing issues during the conference. Our colleague and friend, the late Kate O’Beirne, expertly guided these discussions and ensured they were productive while also being great fun. We owe special thanks to Yuval Levin and Ramesh Ponnuru, who skillfully edited all of the books in this series. They were there when we first conceived of this collection of reform conservative ideas, and together with Pete Wehner, have continued to offer support and direction. We are grateful for the invaluable advice of Karlyn Bowman, who reviewed our public opinion data. And we offer our sincere thanks to the Conservative Reform Policy Center and its donor, the Lynde and Harry Bradley Foundation, whose generosity made this project possible.

Sincerely,

John Murray  
Chairman

April Ponnuru  
Senior Advisor

The Conservative Reform Network (CRN), organized as a non-profit 501(c)(4), is the leading organization supporting the Conservative Reform Movement by producing, incubating, and promoting ideas, policies, and efforts to grow the American economy, expand the middle class, and create opportunity for all Americans. All section 501(c)(4) organizations must operate primarily to advance social welfare. The Conservative Reform Policy Center (CRPC) is organized and operated as a non-profit 501(c)(3) educational organization and is affiliated with CRN.
A defining feature of U.S. monetary policy over the past eight years has been its ad hoc nature. During this time the Federal Reserve conducted a series of large-scale asset-purchase programs and provided forward guidance on interest rates in a very unpredictable manner. These programs were supposed to promote price stability and spur a strong recovery, but proved more effective at creating uncertainty about the aims and direction of monetary policy.

This failure to provide stability and confidence is not simply the result of a series of individual mistakes by the central bank. They are the byproduct of a flawed monetary regime. Recent years have shown that our current monetary arrangements leave policymakers unprepared for the kind of supply and demand shocks to which modern economies are liable. They leave policymakers, as well, unable to prevent or effectively fight sharp recessions. And these inadequacies tempt the Federal Reserve to experiment in ways that increase monetary uncertainty. It is time for a new path.
Getting monetary policy right requires meeting the goal of monetary neutrality under conditions of imperfect knowledge.

Money is the one asset that is a part of nearly every transaction. Destabilize it and you destabilize all markets. A neutral monetary policy is one that neither undersupplies nor oversupplies money given the public’s demand for money balances. When people increase their desire to hold money balances—when they are scared of economic trouble, for example, and want liquid assets—the supply of money should increase to meet that demand. Put differently, the Fed should increase the money supply when the circulation of money slows down. (The “velocity” of money is the inverse of money demand.) It should decrease the money supply when money is turning over quickly—that is, when money demand is low.

But increasing or decreasing the money supply is more complicated than it may sound. Most money is created by banks and other financial firms when they make loans. So the Fed cannot directly adjust the money supply in response to changes in money demand. Instead, the Fed has to indirectly influence the creation and flow of money by adjusting the stance of monetary policy.2

Central bankers also confront a special case of the “knowledge problem” identified by Friedrich Hayek in his 1945 critique of central economic planning. To be successful, he noted, the planner would have to have information that is in fact distributed widely among millions of households and firms. Central planning cannot work because of this constraint.
Approaches to central banking that require monetary authorities to have access to more information than they can practically possess are similarly doomed to fail. It is easiest to see how a purely discretionary central bank attempting to “fine tune” the ups and downs of an economy falls prey to this problem: It cannot possibly know enough to identify the right direction for the economy and guide it there. Orphanides (2000, 2002a, 2002b, 2004) shows that the problem also affects even those central banks that attempt to reduce it by following a “constrained discretionary” approach to monetary policy.

Take the various versions of a “Taylor rule” that have been proposed to direct monetary policy. These rules seek to have policy systematically adjust to changes in the inflation rate and to the amount of slack in the economy. There are, however, often large, persistent errors in the measurement of the amount of economic slack, and these errors can cause a Taylor rule systematically to prescribe the wrong path for monetary policy.³

By constraining policy, a monetary rule can reduce uncertainty. But the right rule has to be able to handle the knowledge problem and achieve monetary neutrality. This is a challenge that U.S. monetary policy has not reliably met.
MONETARY POLICY
The modern history of American monetary policy begins with the collapse of the Bretton Woods System in the early 1970s. That monetary regime kept inflation anchored through a system of fixed exchange rates. Its collapse, in conjunction with bad economic theories and measurement problems, led to the high inflation of the 1970s.

In the mid-to-late 1970s, the Fed attempted to rein in inflation by setting targets for the growth of the money supply. It did not succeed. Inflation is a function not only of the supply of money but of demand for it. Money-supply targeting incorrectly assumed that demand was stable. But when demand fluctuates, holding the growth of the money supply to a steady rate will not hold inflation steady. The Fed had to abandon its effort and eventually curtailed high inflation in the early 1980s only by engineering two sharp recessions.

Following other advanced economies, the Fed gradually moved toward flexible inflation targeting (FIT). Under this approach, central banks aim to hit a 2% inflation target on average over a 2–4 year period. This flexibility is supposed to allow central bankers to respond to slack in the economy in the short run while still anchoring long-term inflation expectations. Many observers attribute the improved macroeconomic stability between the mid-1980s and mid-2000s to the Fed’s adoption of FIT.

Figure 1 lends support to this view. It shows that between the mid-1980s and the mid-2000s, deviations from trend growth in money supply and money demand (as measured by its inverse, money velocity) generally offset each other.
This stability ended, however, in the mid-2000s, as Figure 1 also shows. At that point, money supply deviations increased inordinately. Then, after 2007, they fell enormously. In both cases, money-supply deviations were much larger than money-demand ones. For portions of these periods, the deviations were adding to rather than offsetting each other. These periods of monetary instability, when supply and demand were out of sync, correspond to the housing boom and the Great Recession that followed.

**Figure 1**

### Monetary Conditions

#### Deviations from Trend Growth

- **Monetary Instability**
- **M4 Money Supply Deviations**
- **M4 Velocity Deviations**

**Note:** monetary instability—absolute sum of money and velocity deviations greater than 2%

### Monetary Conditions

#### Sum of Money Supply Deviations + Money Velocity Deviations

- **Monetary Instability = Absolute Deviations Greater than 2%**
The initial failure, when the money supply grew too fast, illustrates a weakness of inflation targeting in the face of supply shocks. Supply shocks push real economic output and the price level in opposite directions. A sudden reduction in the supply of oil, for example, would weaken the economy and temporarily raise inflation. An inflation-targeting central bank would be tempted to counter that inflation by reducing the money supply, but that step would weaken the economy further. Conversely, a sudden surge in the supply of oil may boost output and temporarily reduce inflation. If the central bank eases monetary policy to keep inflation from falling, it will be stimulating an economy that does not need it.

So, what is an FIT central bank to do about supply shocks? It can hope to be lucky and face few supply shocks. Some studies argue that the Federal Reserve and other advanced economies that adopted inflation targeting did, in fact, get lucky in the decades leading up to the housing boom. These studies point to a reduced frequency of supply shocks over this time. Figure 2 supports this view for the United States. It shows that productivity growth—a source of supply shocks—was stable and modest over much of the period when FIT was adopted and enjoyed its greatest success.

Figure 2 also indicates that a productivity boom emerged in the late 1990s and further strengthened in the early 2000s. Actual productivity began to outstrip its trend level, and by an increasing amount. This productivity boom spurred economic growth, but also put downward pressure on inflation. Instead of ignoring this benign disinflation, the Fed eased monetary policy in the early-to-mid 2000s. The Fed’s FIT had finally run out of supply-shock luck.
The Great Recession and the prolonged slump that came afterward illustrate two more problems with FIT. In 2008-9, the money supply fell even as money demand rose: a recipe for economic contraction. In part that was the result of an inflation-targeting Fed afraid of oil-price spikes. It treated the rising inflation that resulted from a negative supply shock as though it had resulted from excess demand.\textsuperscript{14} Subsequently, the Fed failed to create the catch-up growth the economy needed.

To many observers, it seemed as though this failure was not for want of trying.

The Fed’s large-scale asset purchases began in November 2008. This first stage, called QE1, involved the purchases of mortgage backed securities, GSE debt, and Treasury securities as a way to support the economy.\textsuperscript{15,16} By March 2010 the Fed had acquired almost $1.8 trillion of new assets and concluded it was enough. QE1 was terminated.

Eight months later Fed officials changed their minds and began QE2. Under this program, the Fed committed to an additional $600 billion of Treasury purchases through June 2011. Three months after QE2 the economy was still weak, so the Fed decided to try a new approach called “Operation Twist.” This policy would swap $400 billion of the Fed’s short-term Treasury holdings for long-term Treasuries as a way to lower long-term interest rates. It too failed to jump-start a robust recovery.
So in September 2012 the Federal Reserve decided to try one more round of large scale asset purchases under QE3. This time the asset purchases would be unlimited at $85 billion a month and not tied to a specific calendar date. But by May 2013 Fed officials were having second thoughts and so then-Fed Chairman Ben Bernanke announced there would be a tapering of QE3 purchases. The Fed, however, kept markets guessing for another nine months before it actually began to taper. Even then, it was unclear how much the asset purchases would be tapered from one FOMC meeting to the next. Finally, in October 2014, QE3 ended and put to rest the almost six-year run of stop-go large-scale asset purchases by the Fed.

The Fed’s forward guidance on interest rates has been no less ad hoc than its QE programs. After cutting its benchmark short-term interest rate, the federal funds rate, to 0.25 percent in December 2008, the Fed committed to keeping it low for “some time.” From March 2009 up through August 2011, the Fed committed to keeping it low for “an extended period.” Fed officials never offered more specificity.
In September 2011, the Fed got more explicit by promising to keep interest rates low “at least through mid-2013.” This promise got pushed back to “mid-2014” and later to “mid-2015” before being dropped altogether in December 2012. It was replaced by the “Evans Rule”: Interest rates would not rise until the unemployment rate dropped to 6.5 percent or inflation rose to 2.5 percent. But by March 2014 the unemployment rate was getting close to 6.5 percent and the Fed was ready to tighten. So it dropped the Evans Rule. By early 2015 the Fed had signaled forward guidance would be ending altogether.

This erratic behavior meant that no one, including Fed officials, knew for sure what would happen from one FOMC meeting to the next. It also meant that the markets became more obsessed with every word coming from the mouths of Fed officials. Post-FOMC press conferences became must-watch TV for anyone concerned about investments. Interest in Fed deliberations rose in proportion to the Fed’s increased use of discretion over this period.

Why were the results so disappointing? In part it is because the Fed’s version of FIT turned out to be less flexible than advertised. It treated 2 percent annual inflation less as a goal to hit on average than as a ceiling. It signaled that it was unwilling to let inflation go above 2 percent, and eventually began to tighten monetary policy while inflation was still below that level. Consequently, the Fed’s large-scale asset-purchase programs and its forward guidance on interest rates were never going to spur a robust recovery. These two programs, in addition to being ad hoc, were muzzled by FIT from the get-go.
What we are searching for, then, is the right rule to guide monetary policy. To the extent possible, this rule should achieve monetary neutrality so that the money supply offsets swings in money demand and neither overstimulates nor contracts the economy. It should avoid reacting to supply shocks in ways that destabilize the economy.

A rule that stabilizes total dollar spending would meet these conditions.

The equation of exchange is an accounting identity that is useful for understanding monetary policy. It holds that \( MV = PY \), where \( M \) is the money supply, \( V \) is the velocity of money, \( P \) is the price level, and \( Y \) is real economic output. Thus if velocity drops (because, say, people are holding on to money balances during a panic) and the money supply does not adjust, then the price level will fall. If prices cannot fall as rapidly as needed to accommodate falling velocity, output will fall too. This is more or less what happened during the economic crisis of 2008-9.

**Box 1: Maintaining Monetary Stability**

The Seesaw View

When total dollar spending is stabilized, movements in the money supply are automatically offset by movements in the velocity of money, and vice-versa. If one goes up, the other goes down.
Stabilizing total dollar spending would mean making sure that PY grows at a steady rate. The Fed could aim for 5 percent annual growth in total dollar spending. Achieving that goal would mean offsetting changes in money demand: Changes in V would be matched by changes in M to keep PY growing steadily. A total dollar spending target would thus meet the condition of having the money supply move in tandem with money demand. This understanding is visualized in Box 1 in terms of a seesaw.

At the same time this target would remove the temptation for the Fed to respond to changes in the real economy. Take an economy that has had 3 percent real growth and 2 percent inflation, so that total dollar spending growth has hit the 5 percent target. A positive supply shock, such as new technology or increased access to oil, will not require any adjustment in that target. Only the composition of total spending would change: It would include more goods and services being bought at lower prices than previously expected. The economy might experience 4 percent real growth and 1 percent inflation. The decline in inflation in itself would cease to be a reason for the Fed to be concerned, and it would not need to know the reason for the change. It would need only to make sure it was still hitting its total dollar spending target.

Likewise, total dollar spending would not change if there were a negative supply shock—such as a natural disaster or an oil shortage—though its composition would alter too. In other words, the Fed would let relative prices and markets sort out real shocks on their own while maintaining monetary stability. This means the knowledge problem would cease to be a constraint on implementing monetary policy.

A stability-maximizing rule would have one more feature: It would correct for past mistakes. If the Fed undershot the target one year, it would overshoot the next to keep the path of total dollar spending on
track. And vice-versa: Under our 5 percent rule, a year of 6 percent spending growth should be followed by one with 4 percent.

Stabilizing the path of total dollar spending would also stabilize the public’s expectations about spending, and should thus have a stabilizing effect on money demand. That is, households and firms would have less incentive to rapidly spend or hoard money in the first place if they expected the Fed to always respond whenever total dollar spending growth deviated from its target.\textsuperscript{20}
1. Adopt a Rules-Based, Total Dollar Spending \textit{Growth Path} Rule for Monetary Policy.

A growth path or level target for total dollar spending would commit the Fed to make up for past misses both above and below the target so that the targeted growth path would be maintained. As noted earlier, this rule would create expectations of stable spending growth that would become self-fulfilling. That is, households and firms would have less incentive to rapidly spend or hoard money in the first place since they believe the Fed will always correct past misses. It is important, then, that a growth \textit{path} target rather than a growth \textit{rate} target be set for total dollar spending.

This is illustrated in Figure 3. It shows a scenario where the Fed is targeting 5 percent growth—the slope of the line—in total dollar spending. Now imagine some adverse economic development causes money spending to fall in year \(Y_1\). The Federal Reserve would make up for the miss the next year, \(Y_2\), by growing total dollar spending faster than 5 percent—the steeper slope—until it is caught up to its target path (the dashed line). A similar response would follow a spending boom that pushed money spending
above the 5% targeted path, as seen in the right-hand side panel of figure 3.

This proposal could be implemented either both targeting nominal GDP as suggested by Sumner (2011) and Woodford (2012) or by targeting nominal final sales to domestic purchasers as suggested by Niskanen (2009). In either case, the Fed would adjust monetary policy so that the forecasted path of total dollar spending was kept on target.


This could be done in several ways. First, the Fed could collect and report consensus estimates of forecasted total dollar spending. This information is already provided by the Philadelphia Federal Reserve Bank in its Survey of Professional Forecasters. The Fed could easily expand this quarterly survey to a monthly frequency for better real-time estimates of the expected path of total dollar spending. A second, more ambitious, alternative would be to use a nominal GDP futures market to steer monetary policy, as suggested by Sumner (2013). Here the Fed would rely on the real-time value of a nominal GDP futures contract to determine the expected path of the monetary policy.

Sticking to a total dollar spending target would make for more predictable monetary policy. And the Fed would find it easier to stick to this rule than to FIT, because it would not systematically mishandle supply shocks and would lead to fewer demand shocks. So the Fed would face fewer occasions when it was tempted to deviate from the rule in ad hoc ways. We would have a consistently neutral monetary policy—which means we would have a world where economic policymakers could spend less time thinking about Fed policy and more time about important structural reforms that would allow markets to flourish.
An Agenda to Reform Monetary Policy

DAVID BECKWORTH
1. What would happen to inflation under a total dollar spending target?

The average inflation rate would be the total dollar spending target minus the trend rate of real economic growth. So if a target of 5 percent were selected and the economy tended to grow at 3 percent a year, inflation would average 2 percent. But inflation would fluctuate from year to year in response to changes in productivity and other supply-side developments, moving down in years with higher economic growth and up in years with lower economic growth. (Inflation, that is, would be counter-cyclical.)

2. What would a total dollar spending target mean for countercyclical fiscal policy?

Under a credible total dollar spending target, the demand side of the economy would be stabilized. Consequently, it would eliminate the need for fiscal policy as a tool to manage business cycles. If the Fed had followed this rule in the late 1920s and the late 2000s, we could have avoided severe recessions there would therefore have been much less political demand for the New Deal in the 1930s and the large fiscal stimulus bill of 2009.

Fiscal stimulus works, when it works, by increasing total dollar spending. If the Fed has credibility in hitting a total dollar spending target, fiscal stimulus cannot be effective. All it can do is change the composition of spending. For example, a government that tries to stimulate the economy by spending money will produce more government and less private spending within an unchanged total.
3. What does a total dollar spending target mean for balancing the federal deficit?

A cut in government spending would be automatically offset by monetary easing under a total dollar spending target. A very rough illustration of this point came in 2013, when the sequestration and the demand side of a tax increase were offset by the Fed’s QE3. Many observers predicted another recession and hundreds of thousands of lost jobs because of these fiscal-policy changes. But that did not happen.21

4. What does a total dollar spending target mean for financial stability?

It would not solve structural problems such as undercapitalized bank balance sheets and risky behavior by financial institutions that expect to be bailed out if needed because they are considered “too big to fail.” It would, however, address a key financial distortion created when inflation targeting meets large productivity booms. Productivity gains raise both the expected return on capital and the expected future income of households. The former will cause firms to invest more in factories, machines, tools, and other capital, while the latter will encourage households to increase their current consumption, either by saving less or by tapping into their higher future income via borrowing. Both responses put upward pressure on interest rates and cause the “market-clearing” interest rate to rise. The appropriate response by the central bank would be to let the interest rate under its control rise too.

Productivity gains, however, also create deflationary pressures that an inflation-targeting central bank will try to offset by lowering interest rates. The gap between actual and market-
clearing rates will therefore expand, with actual rates held artificially low. As a consequence, firms will see an inordinately low cost of capital, investors will see great arbitrage opportunities, and households will have an incentive to take on more debt. This opens the door for unwarranted capital accumulation, excessive reaching for yield, too much leverage, soaring asset prices, and ultimately a buildup of financial imbalances. A total dollar spending target avoids this problem since it allows deflationary pressures to take effect.\textsuperscript{22}
References


1. When a bank makes a loan, it also creates a deposit. Deposits are then used in payment as money.

2. This generally means adjusting its short-term interest rate target, though it could also mean adopting a target for the money it directly creates. This money, called the monetary base, is a small fraction of the entire money supply. So even with a monetary base target, the Fed would still be trying to influence broader monetary conditions.

3. There are other issues with the Taylor Rule too. To see them, consider a standard Taylor rule where the target interest rate, $r_t$, follows a baseline equilibrium nominal interest rate, $r^n$, and responds to deviations of inflation from its target, $\bar{\pi}$, and the output gap, $\bar{y}$.

$$r_t = r^n + \phi_{\pi} \bar{\pi} + \phi_{y} \bar{y}$$

There is some debate over the appropriate size for the response coefficients $\phi_{\pi}$ and $\phi_{y}$ as well as the correct measure for $r^n$. For example, should $r^n$ be based on current or forecasted values of inflation, and if the latter, what is the appropriate forecast horizon? These differences have come up in recent debates between Ben Bernanke (2015) and John Taylor (2015) on the role the Fed played in the housing boom. The biggest issue, though, is noted above: the inability to know $\bar{y}$ in real time. That there is so much debate over the Taylor rule speaks to the case with which policymakers can use it to justify their discretionary actions ex post.

4. There were two bad economic theories. First, some policymakers believed that increasing inflation was a viable long-term strategy for reducing unemployment. Second, many economists believed monetary policy did not determine inflation. Instead fiscal policy could in various ways control inflation. The measurement problem was that Fed officials overestimated the economy’s productive capacity, concluded that the economy had fallen short of its potential than it had, and therefore conducted an excessively expansionary monetary policy to close the gap.

5. The Fed began setting target growth rates for the M1 money supply in the mid-1970s and in 1979 began targeting nonborrowed bank reserves. Nonborrowed bank reserves are reserves that banks obtain through open-market operations with the Federal Reserve. Bank reserves plus currency make up the monetary base.

6. The equation of exchange is an identity that illustrates these relationships: $MV = PY$, where $M$ is the money supply, $V$ is the velocity of money, $P$ is the price level, and $Y$ is real economic output. If $V$ were stable, steady growth of $M$ would produce steady growth of $PY$ (nominal output). But central bankers discovered during the money-supply targeting experiment that $V$ was not stable.

7. The Fed officially became a flexible inflation targeter only in 2012, but most studies show that it was effectively one by the early 1990s. See Beckworth (2014) for more on this point.

8. These figures are based off the M4 money supply. This measure of money includes retail money assets as found in the M2 money supply, but also includes institutional money assets used by large institutional investors. Barnett (2012) and Ricks (2016) show that broader measures of money such as M4 now track the money supply better than narrower measures such as M2 do.

9. The only exceptions were in the recessions in the early 1990s and early 2000s.

10. See for example, Cecchetti and Ehrmann (2002), Mishkin and Schmidt-Hebbel (2007), and Walsh (2009).

11. The productivity boom was the result of ongoing technological innovations and the opening up of Asia during this time. See Beckworth (2014) for further discussion of this productivity boom and the challenges it presented for inflation targeting. See also Selgin, Beckworth, and Bahadir (2015) for a more formal treatment of this discussion.

12. This is commonly seen as the period when the Fed kept interest rates “too low, for too long” between 2002-2004. See, for example, Taylor (2009).

13. See Hetzel (2009) for more on this point.

14. In order to buy the assets, the Fed had to create money to complete the transaction. Consequently, the Fed’s balance sheet grew both on the asset side (its holdings of mortgage backed securities, GSE debt, and Treasury securities) and the liability side (the money it created to make the purchases). In short, the Fed’s large-scale asset purchases also meant a large scale expansion of the money created by the Fed.

15. The objectives of these large-scale asset purchases evolved over time. Under QE1 they were used as a way to support the banking system which in turn would support the economy. The asset purchases under QE2 and QE3, however, were used to support economic growth more generally with less emphasis on the banking system.

16. QE3 was less muzzled than the other programs since it was not tied to a calendar date and was loosely tied to other economic objectives.
17. Another way of saying this is that inflation targeting does not make up for past misses in its target. A rule that aims to stabilize the growth path of the price level, rather than inflation, would make up for past misses and is therefore seen by some observers as superior to inflation targeting. The policy proposal in the next section draws upon this point, but applies it to total dollar spending.

18. In this case there would be fewer goods and services at higher prices.

19. Another advantage of this approach is that by stabilizing spending expectations, the Fed would also be stabilizing interest rate expectations. This would help prevent the collapse in interest rates that occurred in the weakened economic environment after 2008.

20. For more discussion on this point see Ponnuru (2015).

21. Selgin (1997) develops this point more. He notes that allowing inflation to move inversely with changes in the productivity growth rate will enhance financial and macroeconomic stability.
David Beckworth is an adjunct scholar at the Cato Institute, an assistant professor of economics at Western Kentucky University, and former international economist at the U.S. Department of the Treasury and assistant professor of economics at Texas State University. He has done research on the assessment of monetary policy, the transmission mechanisms through which it works, and its impact on the global, national, and regional economies. He has published in several leading scholarly journals including *Economic Inquiry, Applied Economics Letters, Journal of Macroeconomics, The Cato Journal*, and the *North American Journal of Economics and Finance*. Beckworth’s blogging at Macro and Other Market Musings has been cited by the *Washington Post, New York Times, Financial Times, The Economist, CNN/Fortune, Bloomberg/Businessweek, Newsweek*, and at other prominent blogs, and his popular articles have appeared in *The New Republic, National Review Online, Investor’s Business Daily, Barron’s*, and *Focus*. 
“[T]he most coherent and compelling policy agenda the American right has produced this century.” David Brooks

“...[T]he most extensive rethinking of conservative policy in a generation.” Byron York

“A blueprint for policy innovation...[C]oncrete proposals...If enacted, they could revive not just the party but also the country.” Mona Charen

“Commonsense, sellable, workable conservative solutions to the most serious problems facing middle-class families today.” Pascal-Emmanuel Gobry

“A 120-page prospective agenda designed to drag contemporary American conservatism out of 1981’s death grip and give it marching orders fit to the challenges of the present day.” Jonathan Coppage

“Reform conservatives—‘reformicons’—have justly earned this reputation, putting forth serious policy proposals and demonstrating a mastery of details.”

“...is the latest evidence that conservatism may be experiencing an intellectual resurgence as well as a political one.”