



# IBC BANK & COMMERCE BANK 2021-2022 KEYNOTE SPEAKER SERIES

## “THE GREAT DEMOGRAPHIC REVERSAL”



PRESENTED BY:

**Manoj Pradhan, Ph.D.**

Founder, Talking Heads Macroeconomics

**WEDNESDAY, NOVEMBER 3, 2021**

3 p.m. CST via Webex

**On-Campus Viewing**

TAMIU Student Center Ballroom (STC 203)

Doors Open at 2:30 p.m.



To join online,  
scan the QR code, search for  
Webex Event #2465 125 8822, or  
visit <https://go.tamtu.edu/pradhan>.

Sponsored by



For additional information, contact the  
Center for the Study of Western Hemispheric Trade  
at 956.326.2820, email [cswht@tamtu.edu](mailto:cswht@tamtu.edu), or visit <http://freetrade.tamtu.edu>.



# IBC BANK & COMMERCE BANK 2021-2022 KEYNOTE SPEAKER SERIES

## MANOJ PRADHAN FOUNDER, TALKING HEADS MACROECONOMICS



**Manoj Pradhan** is the founder of Talking Heads Macroeconomics, an independent research firm and co-author of the bestseller “The Great Demographic Reversal.” Dr. Pradhan was most recently Managing Director at Morgan Stanley where he led the Global Economics team. He joined Morgan Stanley in 2005 after serving on the faculty of George Washington University and the State University of New York. Dr. Pradhan works on thematic global macroeconomics, with a focus on emerging markets. He has a Ph.D. in Economics from George Washington University and a Masters in Finance from the London Business School.

**The Great Demographic Reversal:** The integration of China’s massive labor force into the global economy and the entry of baby boomers into the workforce in the advanced economies created a “demographic sweet spot” over the last three decades. Inflation, wage growth, and interest rates fell, while growth remained steady, and asset prices inflated rapidly. These developments did exact a social toll on our world, however, as inequality rose. Central banks played a role in bringing inflation lower, but not nearly as much as they attribute to themselves. In fact, after the Volcker recessions of the early 1980s, inflation fell persistently without any similar aggressive tightening by central banks globally. It is Pradhan’s opinion and that of his co-author, Dr. Charles Goodhart, that China and demography have had more to do with this multi-decade disinflation than is generally understood.

The sweet spot is now turning sour, he believes.

An ageing planet will see inflation and interest rates rise, and yield curves steepen. The equilibrium real interest rate could also rise. Put together, these dynamics stand to produce a very difficult environment for both central banks and financial markets. Indeed, the cordial, symbiotic relationship that central banks and governments have enjoyed over the last few decades is likely to become far more rocky as the objectives of central banks and governments come into conflict. A silver lining is that productivity and wages will rise modestly, and that will help reduce the scourge of inequality. Per capita incomes will do much better than aggregate growth, but the adverse effects of the great demographic reversal will likely weigh heavily upon the world.

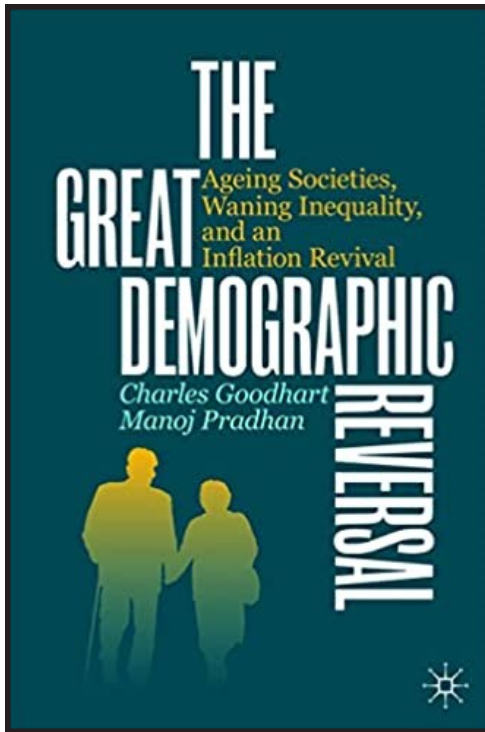
We cannot predict the future, but we can say with great confidence that it will be nothing like the past.





# IBC BANK & COMMERCE BANK 2021-2022 KEYNOTE SPEAKER SERIES

## “THE GREAT DEMOGRAPHIC REVERSAL”



The integration of China’s massive labor force into the global economy and the entry of baby boomers into the workforce in the advanced economies created a “demographic sweet spot” over the last three decades. Inflation, wage growth, and interest rates fell, while growth remained steady, and asset prices inflated rapidly. These developments did exact a social toll on our world, however, as inequality rose. Central banks played a role in bringing inflation lower, but not nearly as much as they attribute to themselves. In fact, after the Volcker recessions of the early 1980s, inflation fell persistently without any similar aggressive tightening by central banks globally. In the authors’ opinion, China and demography have had more to do with this multi-decade disinflation than is generally understood.

The sweet spot is now turning sour, writes Manoj Pradhan, Ph.D.

An ageing planet will see inflation and interest rates rise, and yield curves steepen. The equilibrium real interest rate could also rise. Put together, these dynamics stand to produce a very difficult environment for both central banks and financial markets. Indeed, the cordial, symbiotic relationship that central banks and governments have enjoyed over the last few decades is likely to become far more rocky as the objectives of central banks and governments come into conflict. A silver lining is that productivity and wages will rise modestly, and that will help reduce the scourge of inequality. Per capita incomes will do much better than aggregate growth, but the adverse effects of the great demographic reversal will likely weigh heavily upon the world.

We cannot predict the future, but we can say with great confidence that it will be nothing like the past.

WEDNESDAY, NOVEMBER 3, 2021

3 p.m. CST via Webex

On-Campus Viewing: Student Center Ballroom (STC 203)



To join online,  
scan the QR code, search for  
Webex Event #2465 125 8822, or  
visit <https://go.tamui.edu/pradhan>.

Sponsored by



For additional information, contact the  
Center for the Study of Western Hemispheric Trade  
at 956.326.2820, email [cswht@tamui.edu](mailto:cswht@tamui.edu), or visit <http://freetrade.tamui.edu>.