By this account, in other words, the Fed has its foot on the brake – vigorously – from about 1980 to 2000. The simple explanation is that it responded emphatically to the double-digit inflation of the 1970s, after which it took some time to…

After 2000, however, a starkly different picture emerges. The Fed Accommodation Index moves into positive territory and, with few exceptions, remains there until about 2020. Moreover, it hits peaks of 25, 18, and 14 percent over this period, far higher than at any time since at least 1959. What is most remarkable is that the index remains relatively high throughout despite historically low inflation.