

Economics

## Larry Summers Says Fed Has Caught Soft-Landing Bug, But a Surprise Looms

- Former Treasury chief highlights risks including auto strike
- Summers says push by unions could have major implications

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expected economic growth. *Source: Bloomberg*

By [Chris Anstey](#)


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Former Treasury Secretary Lawrence Summers said Federal Reserve policymakers are too optimistic with their latest set of economic projections, cautioning that they are at risk of being surprised by both faster inflation and weaker growth than they anticipate.

“The Fed is considerably too optimistic,” Summers said on Bloomberg Television’s *Wall Street Week* with David Westin. “It’s more likely than not that they’re either going to get surprised on the higher-inflation side, or on the weak” growth side, “or possibly both could materialize – in a stagflationary kind of dynamic,” he said.

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