## A New Keynesian Model with Technological Change

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## **Abstract**

In this study, we develop a New Keynesian model with constant technological change. The analysis on the steady-state output in the model provides the following two results. Eliminating the output gap requires the money growth rate to be equal to the technological change rate and eliminating the welfare-relevant output gap requires the money growth rate to be equal to a rate more than the technological change rate.

JEL Classification Number: E12, E31, O42

Keywords: Technological Change, Price Stickiness, Money Growth, Output Gap, New Keynesian Phillips Curve, Monopolistic Competitiveness