FOMC, September 18, 2019, Press Release - Changes from July 31, 2019?

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Summary

- Labor market remains strong with solid job gains. (**no change**)
- Economic activity has been rising at a moderate rate. (**no change**)
- Unemployment rate has remained low. (**no change**)
- Growth of household spending has been rising at a strong pace. (**changed**)
- Growth of business fixed investment and exports have weakened. (**changed**)
- Inflation (nominal) is running below 2%. (**no change**)
- Inflation (core) is running below 2%. (**no change**)
- Market-based measures of inflation compensation remain low (from "have declined"). (**no change**)
- Survey-based measures of longer-term inflation expectations are little changed. (**no change**)
- Risks: implications of global developments for the economic outlook as well as muted inflation pressures (**no change**)
- Lower the federal funds target rate range at 1-3/4 to 2 percent. (**change**)
- In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. (**new**)
- James Bullard wanted to lower the target range for the federal funds rate to 1-1/2 to 1-3/4 percent. (**new**)
- Esther L. George and Eric S. Rosengren preferred to maintain range at 2 to 2-1/4 percent. (**new**)

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Press Release

September 18 ~~July 31~~, 2019
Federal Reserve issues FOMC statement
For release at 2:00 p.m. EDT

Information received since the Federal Open Market Committee met in **July** ~~June~~ indicates that the labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although ~~growth of~~ household spending has been **rising at a strong pace**, ~~picked up from earlier in the year,~~ ~~growth of~~ business fixed investment has been soft. On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. In light of the implications of global developments for the economic outlook as well as muted inflation pressures, the Committee decided to lower the target range for the federal funds rate to **1-3/4 to 2** ~~to 2-1/4~~ percent. This action supports the Committee's view that sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective are the most likely outcomes, but uncertainties about this outlook remain. As the Committee contemplates the future path of the target range for the federal funds rate, it will continue to monitor the implications of incoming information for the economic outlook and will act as appropriate to sustain the expansion, with a strong labor market and inflation near its symmetric 2 percent objective.

In determining the timing and size of future adjustments to the target range for the federal **funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments** ~~funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.~~ ~~The Committee will conclude the reduction of its aggregate securities holdings in the System Open Market Account in August, two months earlier than previously indicated.~~

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michelle W. Bowman; Lael Brainard; ~~James Bullard~~; Richard H. Clarida; Charles L. Evans; and Randal K. Quarles. Voting against the action were **James Bullard, who preferred at this meeting to lower the target range for the federal funds rate to 1-1/2 to 1-3/4 percent; and** Esther L. George and Eric S. Rosengren, who preferred ~~at this meeting~~ to maintain the target ~~range for the federal funds rate~~ at **2 percent to 2-1/4** ~~2-1/4 to 2-1/2~~ percent.

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