

Chair Powell Press Conference Summary – June 12, 2024



- Squarely focused on achieving our dual mandate goals of maximum employment and stable prices for the benefit of the American people. (*affirming commitment*)
- Inflation has eased notably over the past two years but remains above the longer-run goal of 2 percent. Total PCE prices rose 2.7 percent over the 12 months ending in April; excluding the volatile food and energy categories, core PCE prices rose 2.8 percent. We are fully committed to returning inflation to our 2 percent goal (*preserving credibility*).
- Do not expect it will be appropriate to reduce the target range for the federal funds rate until gaining greater confidence that inflation is moving sustainably toward 2 percent...will need to see more good data to bolster our confidence that inflation is moving sustainably toward 2 percent. So far this year, the data have not given that greater confidence. The median projection in the SEP for total PCE inflation is 2.6 percent this year, 2.3 percent next year, and 2.0 percent in 2026. (*the very long last mile*)
- In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. (*data dependent*)
- Prepared to maintain the current target range for the federal funds rate as long as appropriate. (*higher for longer*)
- The gains in bring inflation down have been due to (1) the reversal of the unwinding of the pandemic-related distortions to both supply and demand and (2) complemented by an amplified supported by restrictive monetary policy. So the policy is restrictive and is having the expected effects. But the question of whether it's sufficiently restrictive is going to be known over time. (*restrictive policy effect sufficiency remains uncertain*).

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