



**August 2, 2019**  
**FOMC CUTS FED-FUNDS TARGET**  
**RANGE 25 BASIS POINTS; FIRST CUT IN**  
**10+ YEARS**

## Talking Points

In the latest *Take Five* released Friday, August 2, 2019, Economist Bill Emmons discusses...

### The July 31, 2019, FOMC Policy Statement:

- Labor Market
  - The labor market remains strong and economic activity is rising at a moderate rate. Job gains have been solid in recent months and unemployment remains low. Although growth of household spending has picked up from earlier in the year, growth of business fixed investment has been soft.
- Inflation
  - Overall inflation and inflation for items other than food and energy have declined and are running below 2 percent.
- The Federal Funds Target Range
  - The Federal Open Market Committee voted to lower the target range for the federal funds rate to 2.00% to 2.25%.
- The Fed's Balance Sheet
  - The balance sheet normalization program, which began in October 2017, was halted on August 1, 2019.

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