

## Talking Points

In the latest *Take Five* released Monday, September 21, 2020, Economist Bill Emmons discusses...

### The September 16, 2020, FOMC Policy Statement:

- Labor Market and Inflation
  - Economic activity and employment have picked up in recent months but remain well below their levels at the beginning of the year. Weaker demand and significantly lower oil prices are holding down consumer price inflation. Overall financial conditions have improved in recent months, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
  - With inflation running persistently below this longer-run goal, the Committee will aim to achieve inflation moderately above 2 percent for some time so that inflation averages 2 percent over time and longer-term inflation expectations remain well anchored at 2 percent. The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved.
- The Federal Funds Target Range
  - The Federal Open Market Committee voted to maintain the target range for the federal funds rate at 0.0% to 0.25% and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time.
- Monetary Policy
  - To support the flow of credit to households and businesses, over coming months the Federal Reserve will increase its holdings of Treasury securities and agency mortgage-backed securities at least at the current pace to sustain smooth market functioning and help foster accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

Any views expressed in a *Take Five* video are the views of the presenter and do not represent the official opinions of the Federal Reserve Bank of St. Louis or the Board of Governors of the Federal Reserve System.



**September 21, 2020**  
***FOMC UPGRADES 2020 ECONOMIC  
OUTLOOK BUT REMAINS CAUTIOUS***

## Resources

- [FOMC Statement](#)
- [FOMC Press Conference](#)
- [FOMC Projections](#)