

## Talking Points

In the latest *Take Five* released Monday, September 27, 2021, Economist Bill Emmons discusses...

The September 22, 2021, Federal Open Market Committee (FOMC) Policy Statement:

- Labor Market and Inflation
  - Amid progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have improved in recent months, but the rise in COVID-19 cases has slowed their recovery. Inflation is elevated, largely reflecting transitory factors. Overall financial conditions remain accommodative, 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 FOMC 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 FOMC expects to maintain an accommodative stance of monetary policy until these outcomes are achieved.
- The Federal Funds Target Range
  - The FOMC decided to keep the target range for the federal funds rate at 0 to 1/4 percent and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the FOMC'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
  - The Federal Reserve will continue to increase its holdings of Treasury securities and agency mortgage-backed securities until substantial further progress has been made toward the FOMC's maximum employment and price stability goals. If progress continues broadly as expected, the FOMC judges that a moderation in the pace of asset purchases may soon be warranted. These asset purchases help foster smooth market functioning and 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.

## Resources

- [FOMC Statement](#)
- [FOMC Press Conference](#)
- [FOMC Projection Materials](#)