

Talking Points

In the latest *Take Five* released Monday, May 9, 2022, Economist Bill Emmons discusses...

The May 4, 2022, Federal Open Market Committee (FOMC) Policy Statement:

- Labor Market and Inflation
 - Although overall economic activity edged down in the first quarter, household spending and business fixed investment remained strong. Job gains have been strong in recent months, and the unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures.
 - The invasion of Ukraine by Russia is causing tremendous human and economic hardship. The implications for the U.S. economy are highly uncertain. The invasion and related events are creating additional upward pressure on inflation and are likely to weigh on economic activity. In addition, COVID-related lockdowns in China are likely to exacerbate supply chain disruptions. The Committee is highly attentive to inflation risks.
- The Federal Funds Target Range
 - The FOMC decided to raise the target range for the federal funds rate to 3/4 to 1 percent and anticipates that ongoing increases in the target range will be appropriate.
- Monetary Policy
 - The FOMC decided to begin reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities on June 1, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet.

Views expressed in a *Take Five* videos 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](#)
- [Plans for Reducing the Size of the Federal Reserve's Balance Sheet](#)