Take 5 Five
WITH THE ST. LOUIS FED

March 27, 2022

Fed Stays the Course on Rate Increases, Monitors Credit Conditions

Talking Points

In the latest *Take Five* released Monday, March 27, 2023, Senior Business Economist Kathleen Navin discusses…

The March 22, 2023, Federal Open Market Committee (FOMC) Policy Statement:

- Labor Market and Inflation
  - Recent indicators of spending and production point to modest growth. Job gains have been robust in recent months, and the unemployment rate has remained low.
  - Inflation remains elevated.
- The Federal Funds Target Range
  - The FOMC decided to raise the target range for the federal funds rate to 4 ¾ to 5 percent and anticipates some additional policy firming may be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time.
- Monetary Policy
  - The FOMC would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.
- Credit Conditions
  - The U.S. banking system is sound and resilient. Recent developments are likely to result in tighter credit conditions for households and businesses and to weigh on economic activity, hiring, and inflation. The extent of these effects is uncertain.

Resources

- [FOMC Statement]
- [FOMC Press Conference]
- [Summary of Economic Projections]