

## Talking Points

In the latest *Take Five* released Monday, January 31, 2022, Economist Bill Emmons discusses...

The January 26, 2022, Federal Open Market Committee (FOMC) Policy Statement:

- Labor Market and Inflation
  - Indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have improved in recent months but are being affected by the recent sharp rise in COVID-19 cases. The sectors most adversely affected by the pandemic have improved in recent months but continue to be affected by COVID-19. Job gains have been solid in recent months, and the unemployment rate has declined substantially.
  - Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation. 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.
- The Federal Funds Target Range
  - The FOMC decided to keep the target range for the federal funds rate at 0 to 1/4 percent. With inflation well above 2 percent and a strong labor market, the Committee expects it will be appropriate to raise the target range for the federal funds rate
- Monetary Policy
  - The FOMC decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in early March. Beginning in February, the Committee will increase its holdings of Treasury securities by at least \$20 billion per month and of agency mortgage-backed securities by at least \$10 billion per month. The Federal Reserve's ongoing purchases and holdings of securities will continue to 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](#)
- [Statement on Longer-Run Goals and Monetary Policy Strategy](#)
- [Principles for Reducing Size of the Federal Reserve's Balance Sheet](#)