



Fedspeak Monitor:

July 22, 2023

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Employ America

Summary Table

	March 2023 SEP	June 2023 SEP
Policy Rate	Realized	Hawkish
<u>Median</u>	<u>5.125%</u>	<u>5.625%</u>
4.875%	1	0
5.125%	10	2
5.375%	3	4
5.625%	3	9
5.875%	1	2
6.125%	0	1

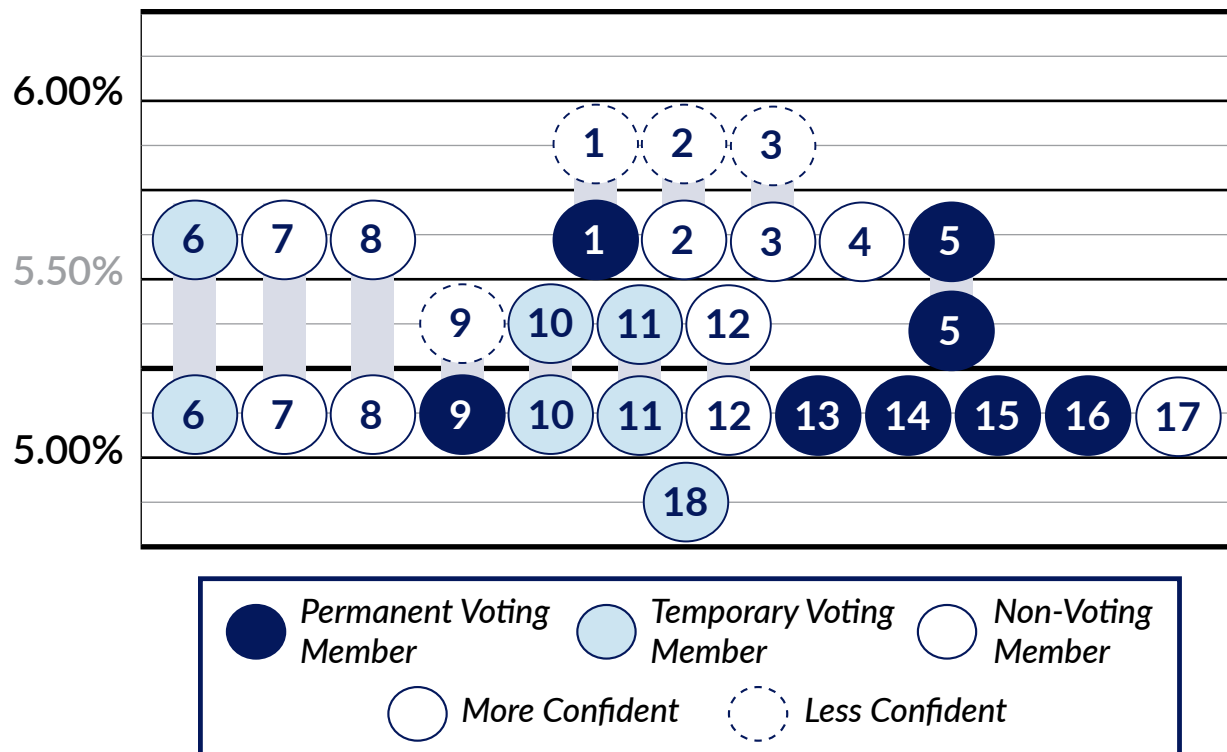
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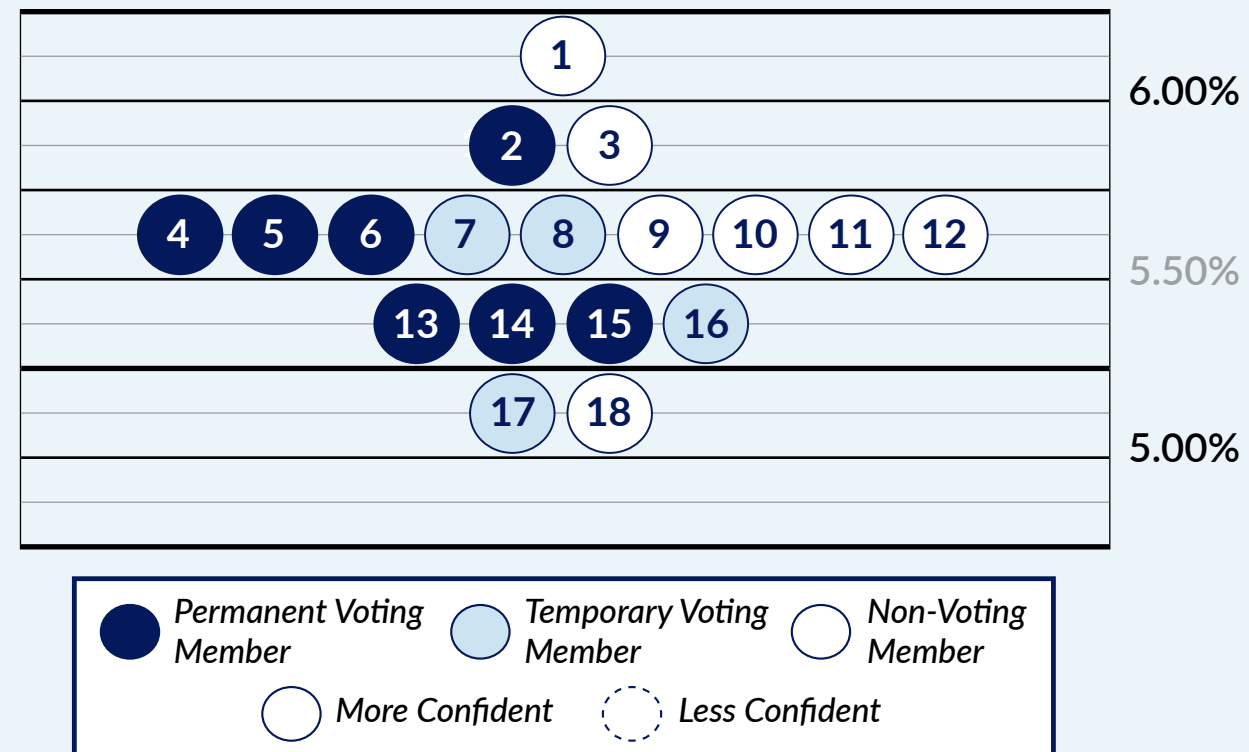
Likely March 2023 Summary of Economic Projections

Median: 5.125%



Likely June 2023 Summary of Economic Projections

Median: 5.625%



1 Michelle Bowman, Governor 5.625-5.875%

The cost and risk of continuing to raise the federal funds rate is necessary.
 (April 4, 2023)

“I don’t think we’re seeing what we need to be seeing, especially with inflation...I think we’ll have to continue to raise the federal funds rate until we start to see a lot more progress on that.”
 (March 16, 2023)

1 Esther George (Kansas City), President 6.125%

As the labor market softens, the Fed will face difficult communications and difficult choices.
 (January 6, 2023)

2 Loretta Mester (Cleveland), 2024 Voting President 5.625-5.875%

“Policymakers should move their benchmark rate above 5% this year and hold it at restrictive levels for some time to quell inflation, with the exact level depending on how quickly price pressures ease.”
 (April 4, 2023)

“Inflation readings are still not where we need them to be...[Jan PCE] just consistent with the fact that the Fed needs to do a little more on our policy rate to make sure that inflation is moving back down”

Admitted on CNBC her dot is “a little bit above” the median 5.125% projection in December
 (February 24, 2023)

2 Christopher Waller, Governor 5.875%

“Global and sectoral supply shocks over the past few years have had significant effects on trade, economic activity, and inflation, and they figured prominently in monetary policymaking. The effects of these shocks have varied across different economies, but a common theme is elevated inflation.”
 (June 22, 2023)

“There’s a lot of discussion out there about, not so much the next meeting, but the September meeting. What I’m trying to say is the September meeting is a ‘live’ meeting and it depends on the data...If the data looks like we’re making progress – we’ll get two more CPI reports. If they look like the last two, the data would suggest maybe stopping.”
 (July 13, 2023)

3 Esther George (Kansas City), President 5.625-5.875%

As the labor market softens, the Fed will face difficult communications and difficult choices.
 (January 6, 2023)

3 Loretta Mester (Cleveland), 2024 Voting President 5.875%

“I don’t really see a compelling reason to pause...I would see more of a compelling case for bringing the rates up and then holding for a while until you get less uncertain about where the economy is going.”
 (May 31, 2023)

“In order to ensure that inflation is on a sustainable and timely path back to 2%, my view is that the funds rate will need to move up somewhat further from its current level and then hold there for a while as we accumulate more information on how the economy is evolving...Waiting for passive tightening to happen, though, risks allowing inflation to remain elevated for longer.”
 (July 10, 2023)

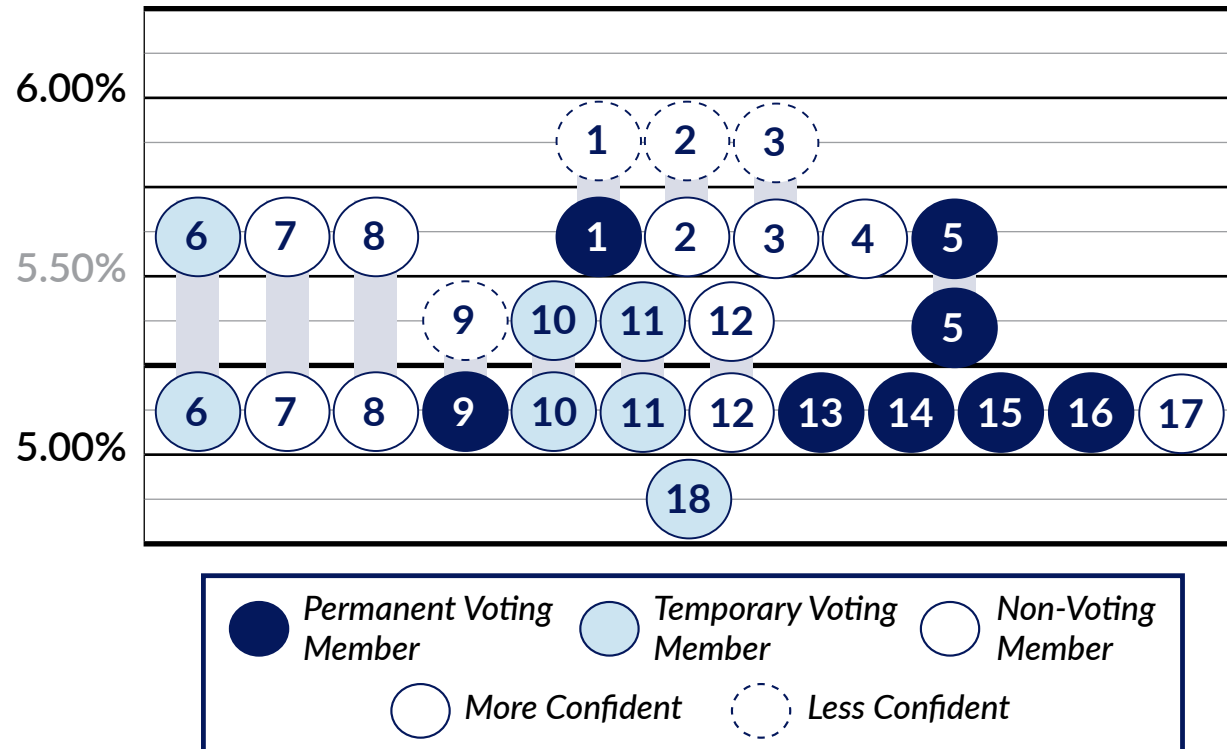
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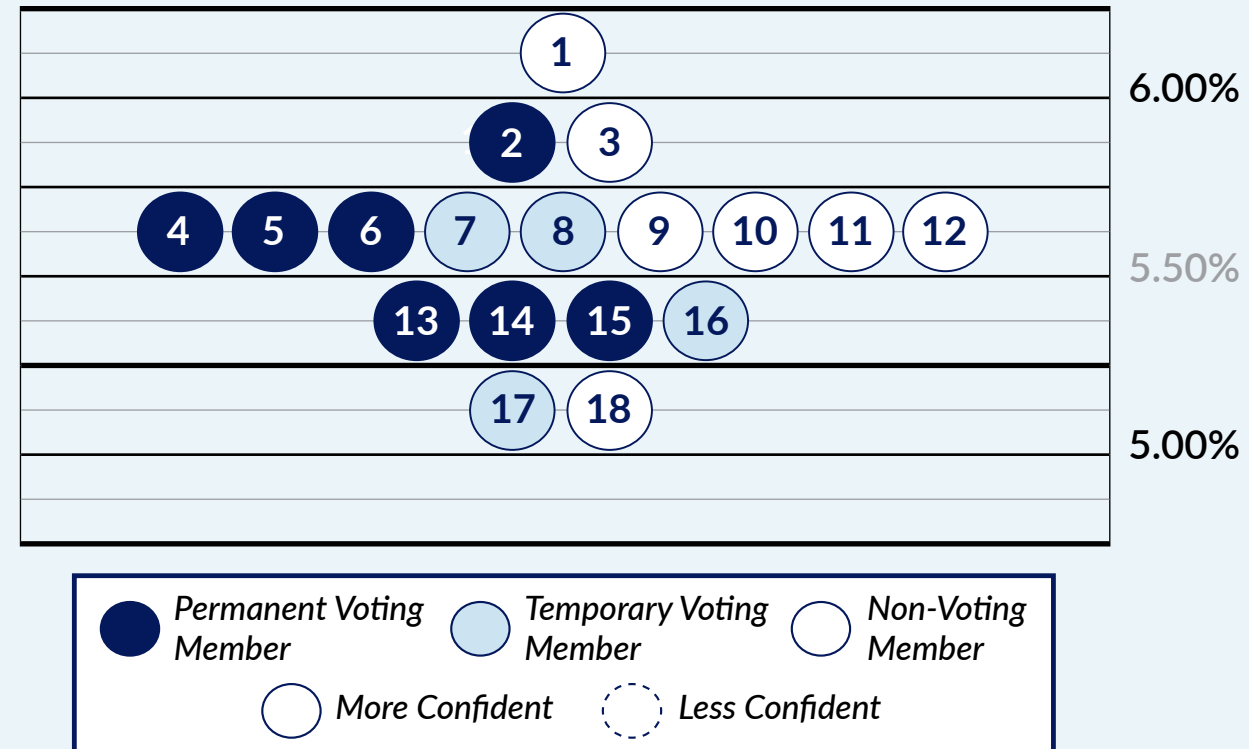
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Likely June 2023 Summary of Economic Projections

Median: 5.625%



4 **5.625%**
Jim Bullard (St. Louis), President
 Bullard told reporters on Friday he had raised his forecast for how far the Fed would lift its benchmark rate this year by a quarter of a percentage point, reflecting stronger growth in the first few months of the year. He now expects a so-called “terminal” rate of 5.6 percent.
 (March 24, 2023)
 “In my view, continued appropriate macroprudential policy can contain financial stress in the current environment, while appropriate monetary policy can continue to put downward pressure on inflation”
 (March 28, 2023)

4 **5.625%**
Jerome Powell, Fed Chair
 “Given how far we’ve come, it may make sense to move rates higher, but to do so at a more moderate pace,” Mr. Powell said in response to a lawmaker’s question, explaining that it was like moving from a highway to more local roads. “As you get closer to your destination, as you try to find that destination, you slow down even further.”
 (June 21, 2023)
 “We really need to restore price stability ... because without that we’re not going to be able to have a sustained period of maximum employment where the benefits are spread very widely...We can’t fail on this: we really have to get inflation down to 2%.”
 (June 22, 2023)
 “The only thing we decided was not to raise rates at the June meeting...I wouldn’t take, you know, moving at consecutive meetings off the table at all...the committee clearly believes that there’s more work to do, that there are more rate hikes that are likely to be appropriate.”
 (June 28, 2023)

5 **5.375-5.625%**
Christopher Waller, Governor
 If payroll and inflation data cool after hot prints in January “then I would endorse raising the target range for the federal funds rate a couple more times, to a projected terminal rate between 5.1% and 5.4%...on the other hand, if those data reports continue to come in too hot, the policy target range will have to be raised this year even more to ensure that we do not lose the momentum that was in place before the data for January were released”
 (April 14, 2023)

5 **5.625%**
Michelle Bowman, Governor
 “The residential real estate market appears to be rebounding,” Bowman said. Home prices have been “leveling out recently, which has implications for our fight to lower inflation.”
 (May 31, 2023)
 “I supported the FOMC’s decision last week to hold the federal funds rate target range steady and to continue to reduce the Fed’s securities holdings; however, I believe that additional policy rate increases will be necessary to bring inflation down to our target over time. Although tighter monetary policy has had some effect on economic activity and inflation to date, we have seen core inflation essentially plateau since the fall of 2022, and I expect that we will need to increase the federal funds rate further to achieve a sufficiently restrictive stance of monetary policy to meaningfully and durably bring inflation down.”
 (June 22, 2023)

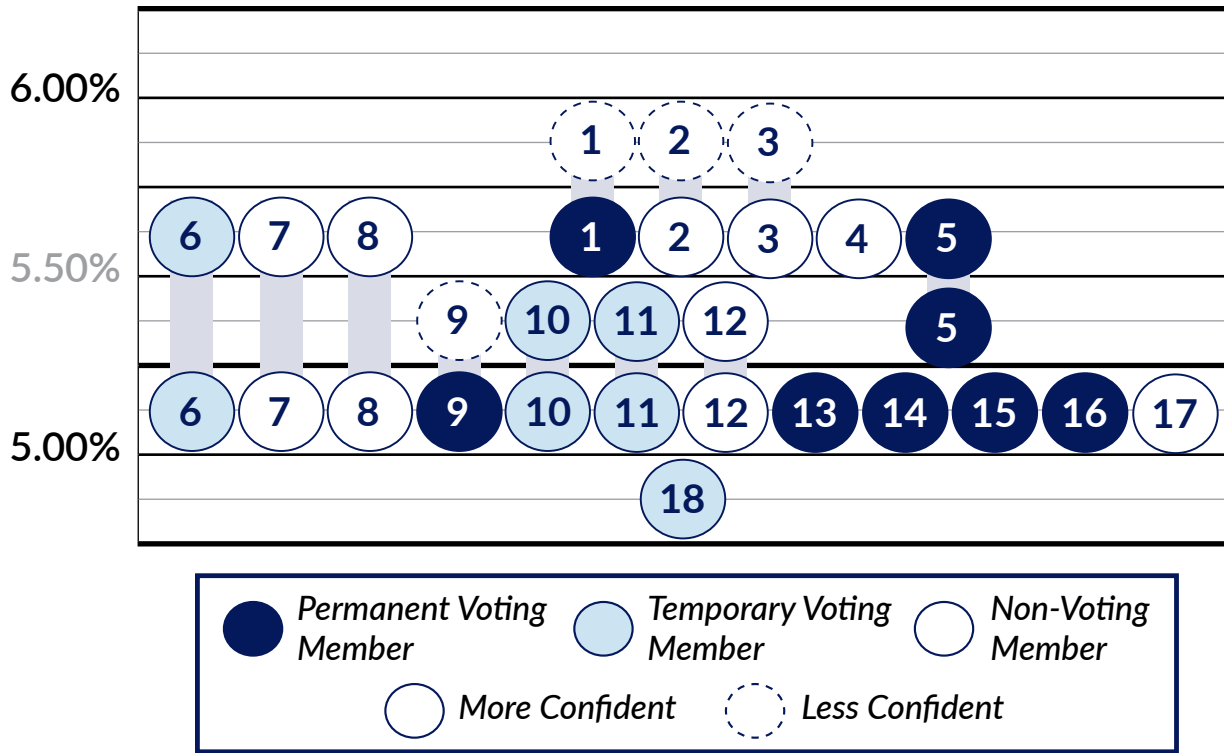
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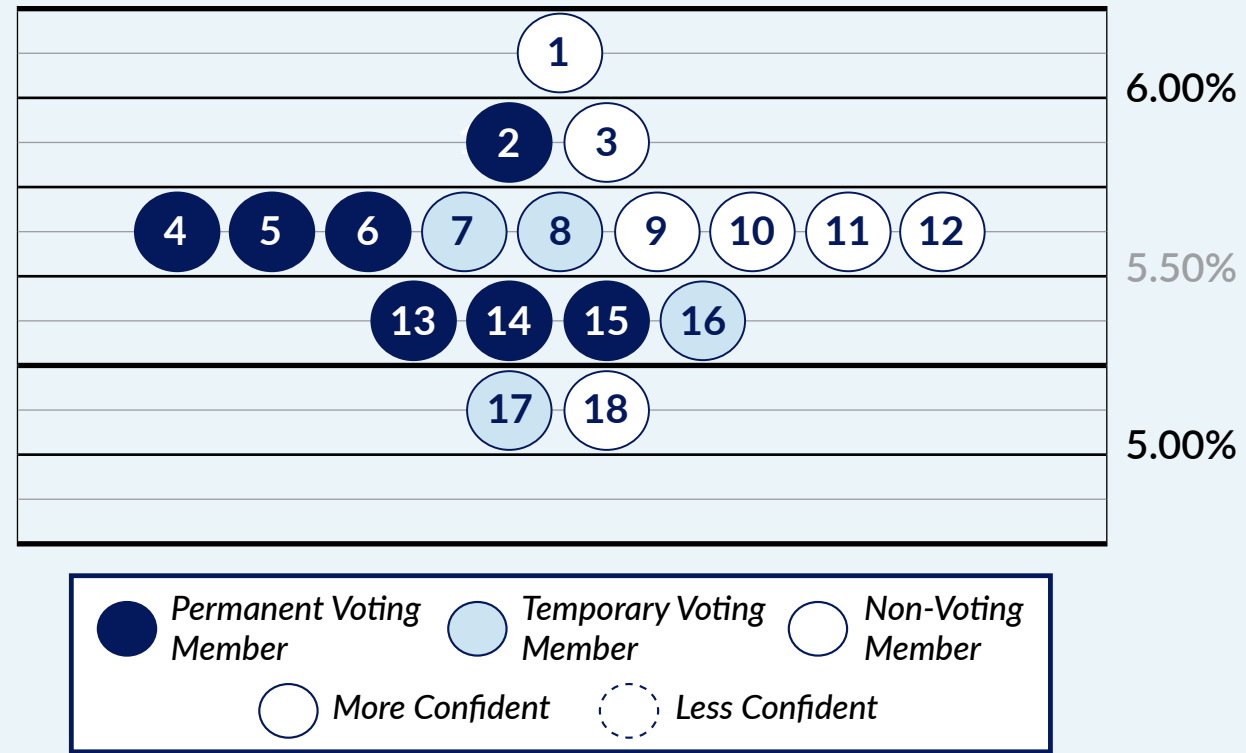
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6 **Lorie Logan (Dallas), 2023 Voting President** 5.125-5.625%
 Tightening policy too little is the top risk.
 “We must remain prepared to continue rate increases for a longer period than previously anticipated, if such a path is necessary to respond to changes in the economic outlook, or to offset any undesired easing in conditions”
 (February 14, 2023)

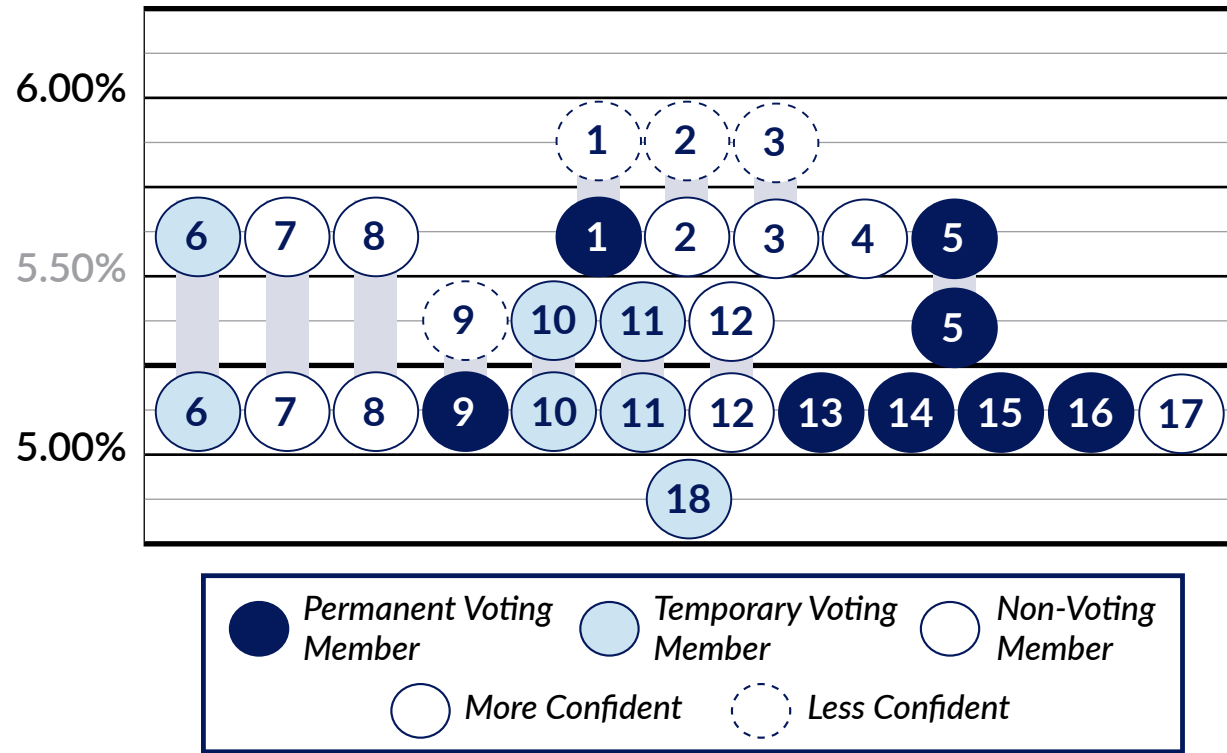
6 **Michael Barr, Governor** 5.625%
 We consider expected credit tightening when making monetary policy.
 (May 16, 2023)

7 **Mary Daly (San Francisco), 2024 Voting President** 5.125-5.625%
 “Looking ahead, there are good reasons to think that policy may have to tighten more to bring inflation down,” Daly said Wednesday in remarks at an event at the Salt Lake Chamber in Utah. “But there are also good reasons to think that the economy may continue to slow, even without additional policy adjustments.”
 (April 12, 2023)

7 **Neel Kashkari (Minneapolis), 2023 Voting President** 5.625%
 “If inflation stays high, if inflation became more entrenched than we realized then we’re going to have to keep interest rates high for longer and that’s going to increase the pressures on the banking sector,”
 (May 23, 2023)
 “If inflation proves to be more entrenched than expected, policy rates might need to go higher, which could further reduce asset prices, increasing pressure on banks. In such a scenario, policymakers could be forced to choose between aggressively fighting inflation or supporting bank stability.”
 (July 12, 2023)

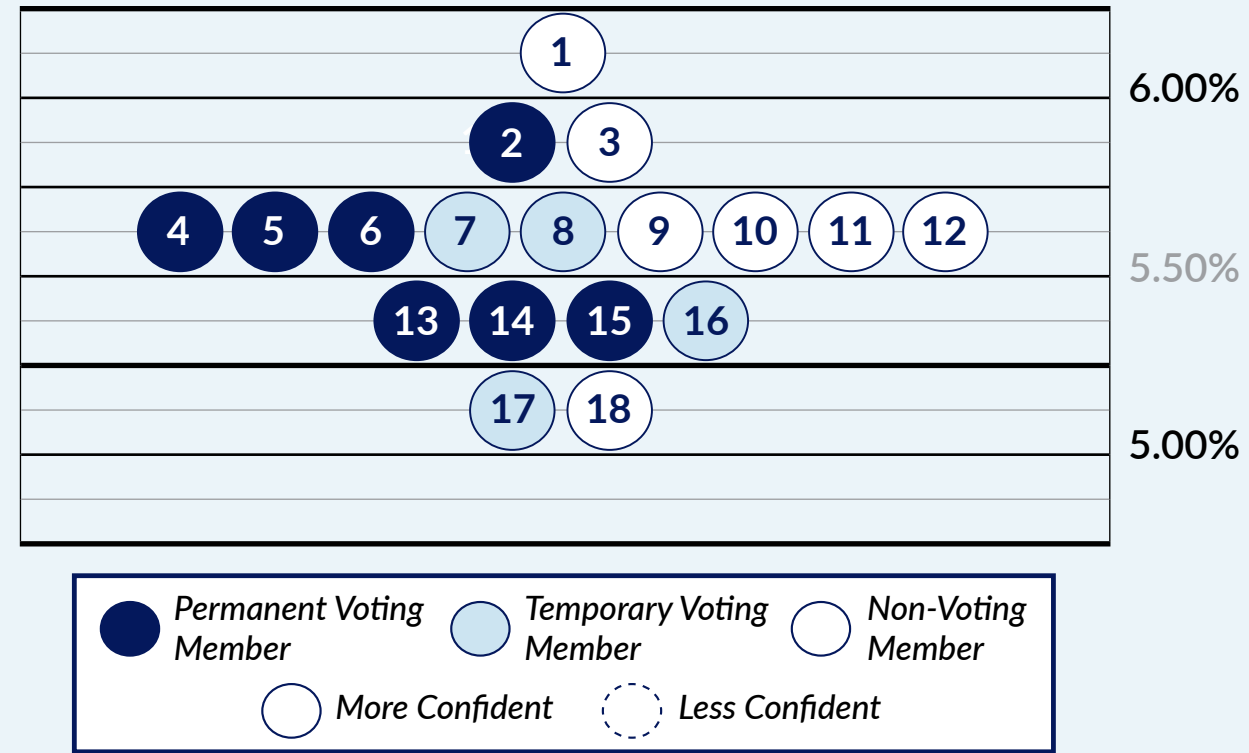
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8 Susan Collins (Boston), *President* 5.125-5.625%

"I do believe that we will need to do some additional rate increases and exactly what that right amount is really needs to be dependent on a holistic review of the information that we receive...And then I do believe that it will be important to hold there for some time because it takes a while for the effects of tighter financial conditions to work through the economy."

(March 2, 2023)

"Inflation remains too high, and recent indicators reinforce my view that there is more work to do, to bring inflation down to the 2% target associated with price stability," The Boston Fed chief, who doesn't vote on monetary policy decisions this year, said she views quarter-point increases as the "appropriate" pace needed as officials bring rates to a level that is sufficiently restrictive to tame inflation. In answering questions after her prepared remarks, Collins reiterated her view that the Fed can successfully lower inflation without triggering a recession. However, she said some rise in unemployment will be necessary to achieve that. She also said it's too soon to determine what action will be appropriate when the Fed next meets in May. "The banking system is strong and resilient, with well-capitalized institutions and ample liquidity."

(March 30, 2023)

"We still do have more work to do and more to see to know that inflation is really on a sustained downward path," Collins said in an interview Friday on Bloomberg Television with Michael McKee. While there is some slower economic data, "at the same time, early days yet in terms of assessing whether we really have gone as far as we need to go."

(March 31, 2023)

8 Lorie Logan (Dallas), *2023 Voting President* 5.625%

"financial conditions can sometimes deteriorate nonlinearly, doing damage to the broader economy, but the risk of a nonlinear reaction can be mitigated by raising interest rates in smaller, less frequent steps..." "The data in coming weeks could yet show that it is appropriate to skip a meeting," she told the Texas Bankers Association in San Antonio. "As of today, though, we aren't there yet."

(May 18, 2023)

"I remain very concerned about whether inflation will return to target in a sustainable and timely way...I think more-restrictive monetary policy will be needed to achieve the Federal Open Market Committee's goals of stable prices and maximum employment...My hope was that the overall package of communications coming out of the June meeting would deliver a strong signal to financial markets and meaningfully tighten financial conditions"

(July 6, 2023)

9 Tom Barkin, (Richmond), *2024 Voting President* 5.625%

Federal Reserve Bank of Richmond President Thomas Barkin said that he would support interest rate cuts once "there is conviction" that inflation is coming down, and that he would also be in favor of further hikes if inflation stays high. He said inflation is currently still a "good way away" from the 2% target, with elevated demand compared to the pre-pandemic trend pushing prices up.

(June 22, 2023)

"Inflation is too high. If you back off too soon, inflation comes back strong, which then requires the Fed to do even more."

(July 12, 2023)

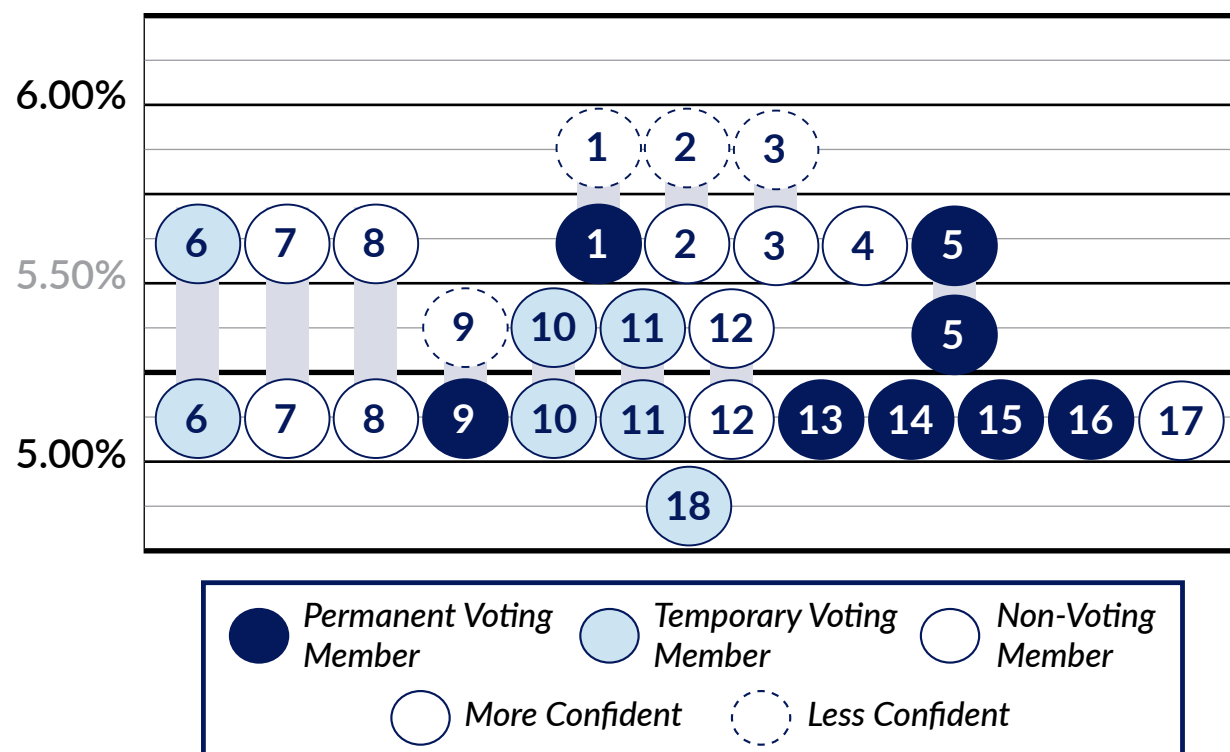
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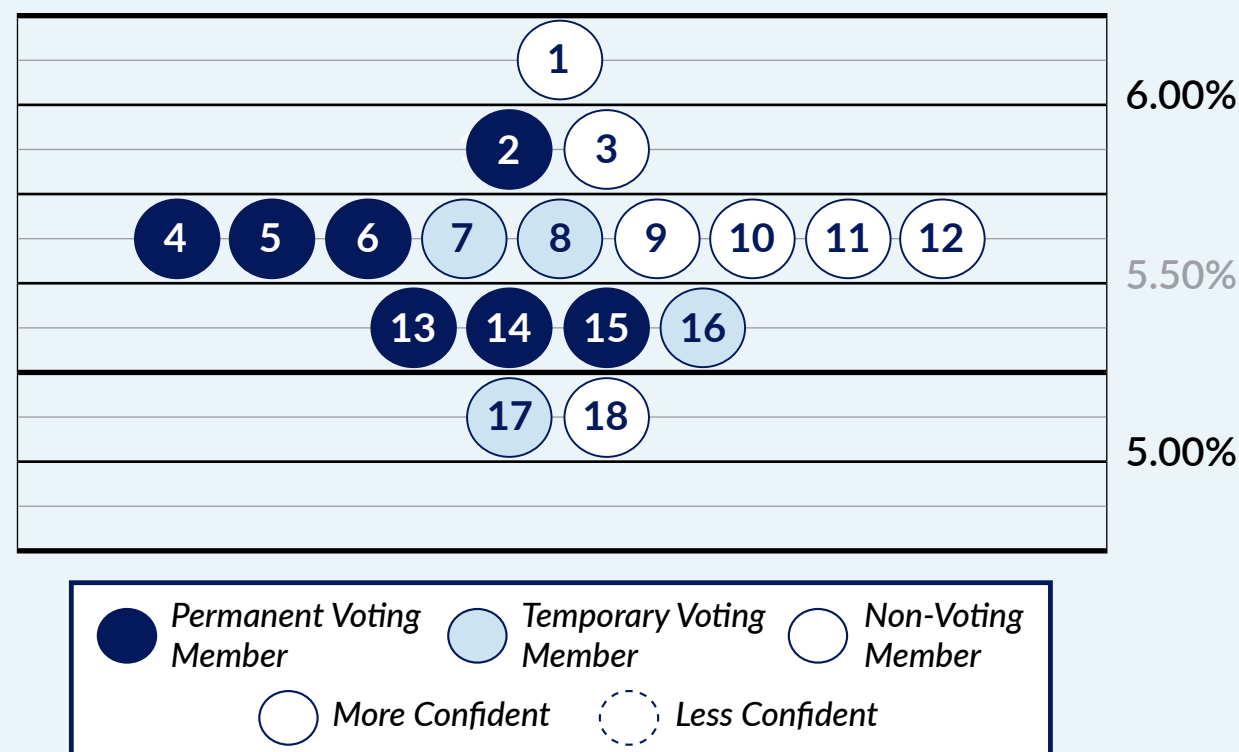
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9 **John Williams, New York Fed** 5.125-5.375%

A year-end federal funds rate of between 5.00% and 5.50% appears reasonable.
 (February 8, 2023)

In responses to reporters post-speech “The large majority of people had rates ending this year at either 5% or 5.25%, or 5.25% to 5.5%, so somewhere in that 5% to 5.5% range...I think this kind of range.. would make sense. But I do think that there’s some signs the economy is clearly staying stronger than many thought and there is some risk inflation stays higher this year” [vs forecast].
 (March 21, 2023)

10 **Mary Daly (San Francisco), 2024 Voting President** 5.625%

“More tightening may be required to get the economy sustainably back into balance. But do I know that? No...we are going to have to find the terminal rate by looking at the data...[Two more hikes this year is] a very reasonable projection at this point, but no decision, for me, has been made...If I knew that we needed to raise, and I was really confident in that, then I would of course have proposed something different, have supported something different. But I’ve been a strong proponent of standing pat and dialing back the pace, and that’s because as we near the destination we become less certain, without more data, about what needs to be done.”
 (June 26, 2023)

“We’re likely to need a couple more rate hikes over the course of this year to really bring inflation back into a path that’s along a sustainable 2% path...Inflation is our No. 1 problem.”
 (July 10, 2023)

“It’s too early to say we have declared victory on inflation”
 (July 13, 2023)

10 **Patrick Harker (Philadelphia), 2023 Voting President** 5.125-5.375%

Just at the last meeting, I voted for a hike of 25 basis points – what some would call slow but actually is closer to cruising speed when it comes to tightening. In my view, we are not done yet ... but we are likely close.
 (February 14, 2023)

“If we see inflation not budging, then I think we’ll have to take more action,” he said. “But at this point, I don’t see why we would just continue to go up, up, up and then go, whoops! And then go down, down, down very quickly. Let’s sit there.”
 (April 11, 2023)

11 **Jim Bullard (St. Louis), President** 5.625%

“I think we’re going to have to grind higher with the policy rate in order to put enough downward pressure on inflation and to return inflation to target in a timely manner...I’m thinking two more moves this year – exactly where those would be this year I don’t know – but I’ve often advocated sooner rather than later,”
 (May 22, 2023)

Monetary policy is in much better shape today with the policy rate at a more appropriate level than it was a year ago, according to this analysis. But where within the sufficiently restrictive zone should the policy rate be? And are there other factors to consider (e.g., financial stability)? Such assessments could be reflected in judgments by the FOMC going forward.
 (June 1, 2023)

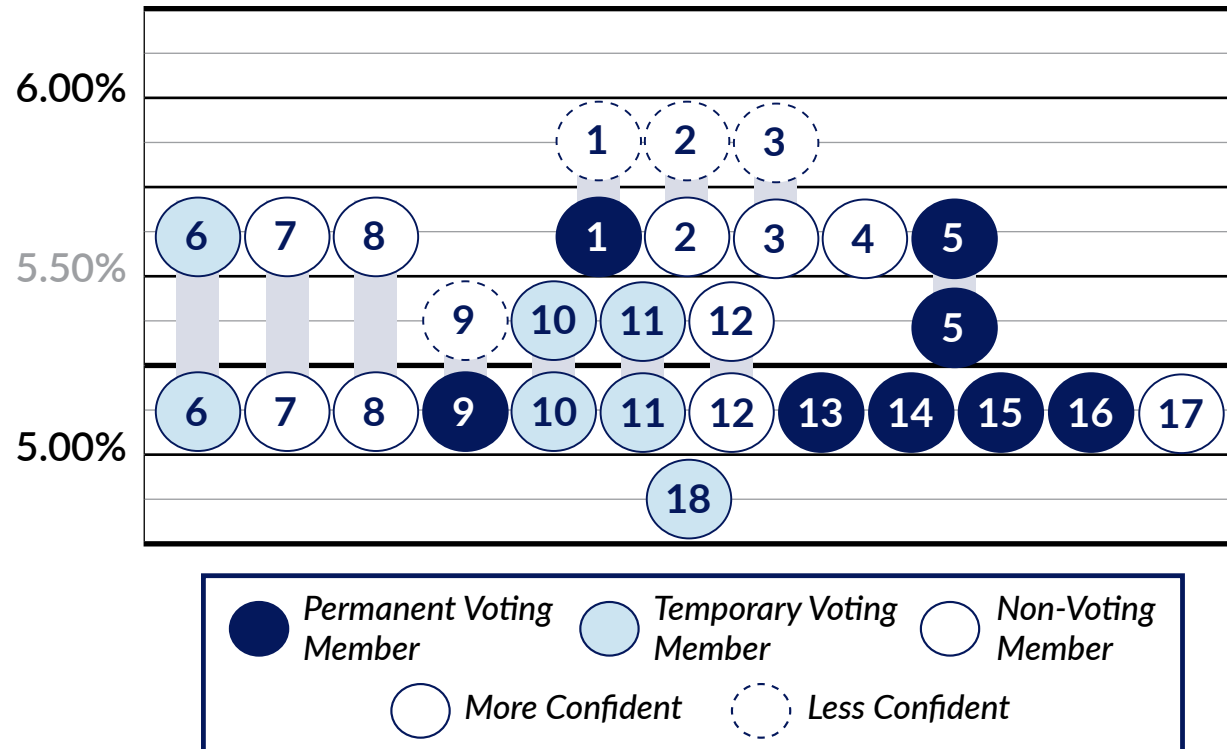
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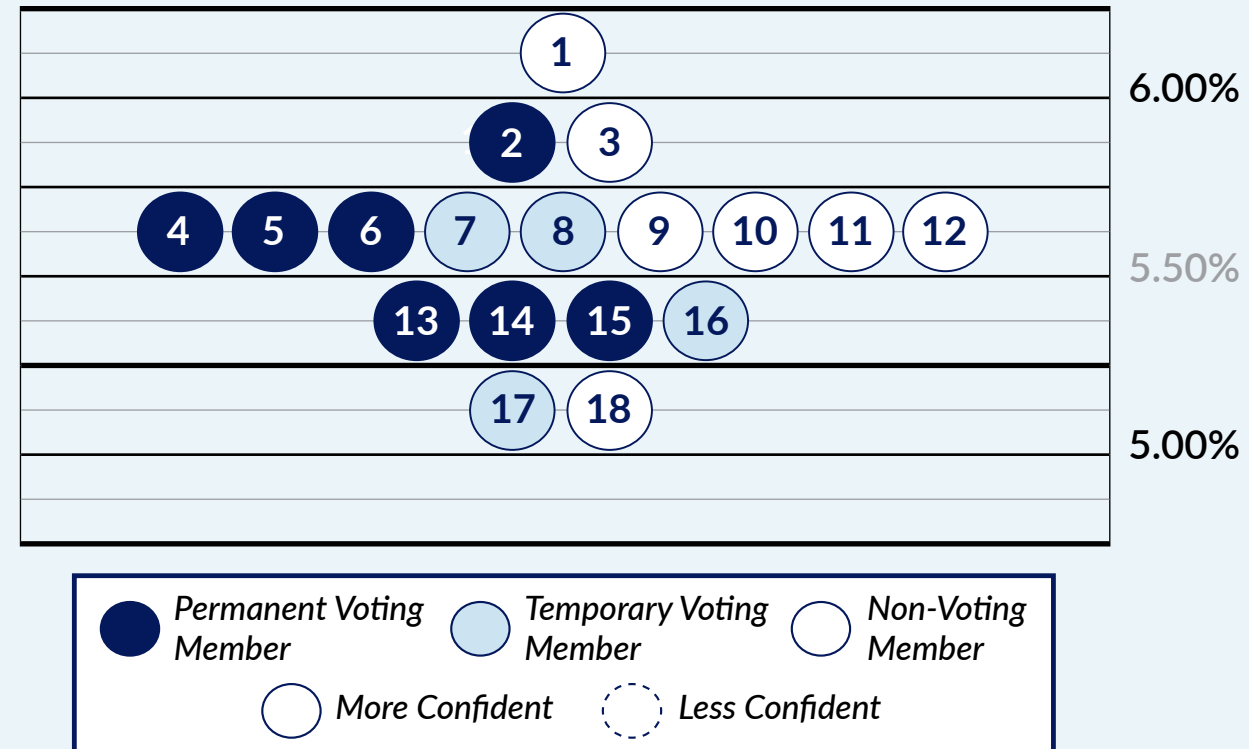
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11 **Neel Kashkari** (Minneapolis), 2023 Voting President 5.125-5.375%

"I'm open-minded, at this point, about whether it's 25 or 50 basis points...To me, much more important than whether it's 25 or 50 is what we signal in what's called the dot plot"
 (March 1, 2023)

"Well, it definitely brings us closer [to a recession] right now, what's unclear for us is how much of these banking stresses are leading to a widespread credit crunch. And then that credit crunch, you're right, just as you said, would then slow down the economy. This is something we are monitoring very, very closely. Now, on one hand, such strains could then bring down inflation. So we have to do less work with the federal funds rate to bring the economy into balance. But right now, it's unclear how much of an imprint these banking stresses are going to have on the economy. But it's something to watch very carefully. And that's what we're focused on."
 (March 26, 2023) similar comments on (March 30, 2023)

12 **Susan Collins** (Boston), President 5.625%

Boston Federal Reserve President Susan Collins said on Thursday that the Fed "may be at or near" the time to pause interest rate increases, as reported by Reuters. "While inflation is still too high, there are some promising signs of moderation," Collins further elaborated. "I also believe it is important to make each policy decision based on a holistic assessment of information available at the time - and the next policy meeting will be in mid-June,"
 (May 25, 2023)

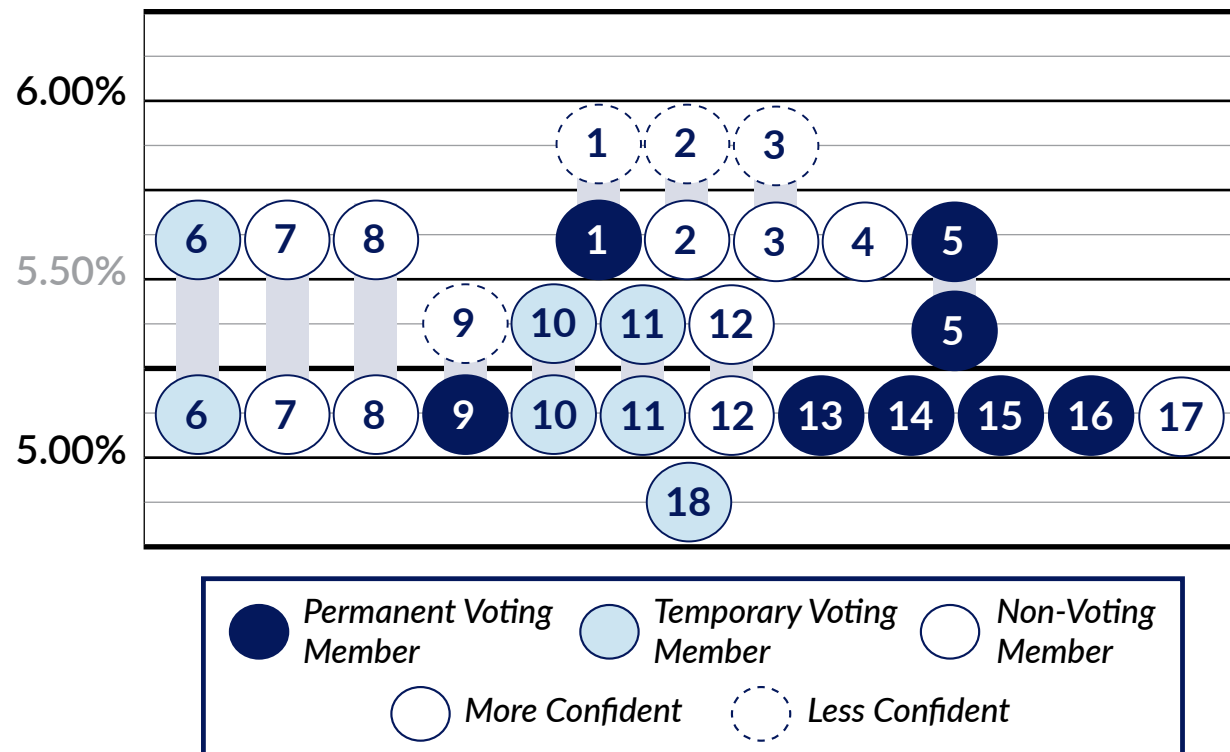
13 **Lisa Cook**, Governor 5.375%

"Much of the decline [in inflation] so far has been driven by the moderation in energy prices, and there is evidence that the path back to our low and stable inflation goal could be long and is likely to be uneven and bumpy...If tighter financing conditions are a significant headwind on the economy, the appropriate path of the federal funds rate may be lower than it would be in their absence...But if data show continued strength in the economy and slower disinflation, we may have more work to do."
 (April 21, 2023)

"The American economy is at a critical juncture, and it will be essential for the FOMC to act as needed to bring inflation back to our 2% inflation target"
 (June 20, 2023)

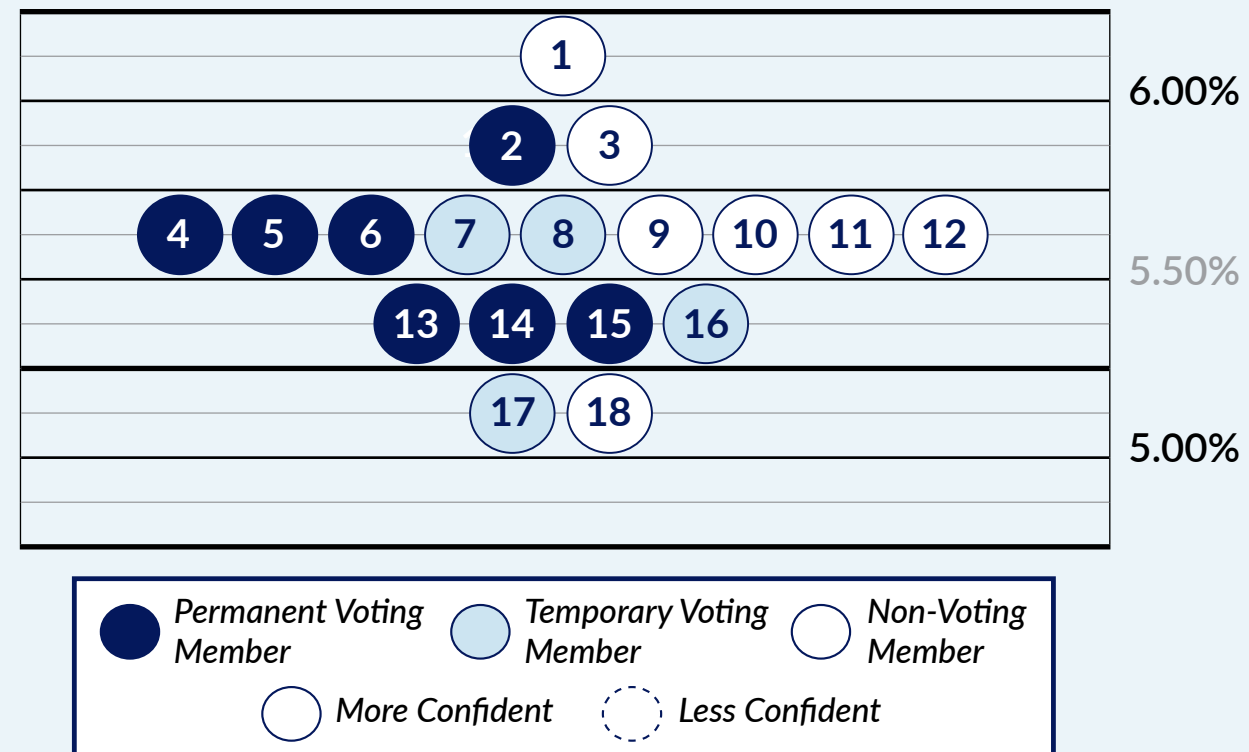
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12 Tom Barkin, (Richmond), 2024 Voting President 5.125-5.375%

On Jobs Report: "It didn't give much of a signal of demand deceleration, but it did give a stronger signal on the supply normalisation." He reiterated that he "like[s] the fact that we're on a more deliberate path here than we were last year", referring to the more measured pace of recent rate rises, saying such cautiousness gives the Fed time to understand how its actions are impacting the economy.

(March 10, 2023)

"Inflation is high. Demand hadn't seemed to come down. And so, the case for raising was pretty clear," Barkin said future Fed moves will be based on what happens to demand and thus inflation over the next several months. He left open the possibility that the Fed may have more work to do if the banking turmoil fades. "If inflation is to stay elevated, then we'll have to do more," he said. "If inflation doesn't, either because of the lagged impact of rate moves to date, or because of the ebbing of the pandemic era's excess spending or because of potentially stresses in the environment, then you'd do less."

(March 24, 2023)

While he considered a range of options prior to that meeting, he told reporters, the collapse of Credit Suisse Group AG took a 50 basis-point hike off the table... "If inflation persists, we can react by raising rates further," he said in prepared remarks. "It was only a few weeks ago that some were calling for a 50 basis-point increase."... Barkin said deposit flows appear relatively stable.

(March 30, 2023)

14 Philip Jefferson, Governor 5.375%

"Skipping a rate hike at a coming meeting would allow the (Federal Open Market) Committee to see more data before making decisions about the extent of additional policy firming,...a decision to hold our policy rate constant at a coming meeting should not be interpreted to mean that we have reached the peak rate for this cycle."

(May 31, 2023)

"Inflation has started to abate, and I remain focused on returning it to our 2% target"

(June 20, 2023)

15 John Williams, New York Fed 5.375%

"restoring price stability is of paramount importance because it is the foundation of sustained economic and financial stability. Price stability is not an either/or, it's a must have."

(June 26, 2023)

"We still have more work to do"

(July 5, 2023)

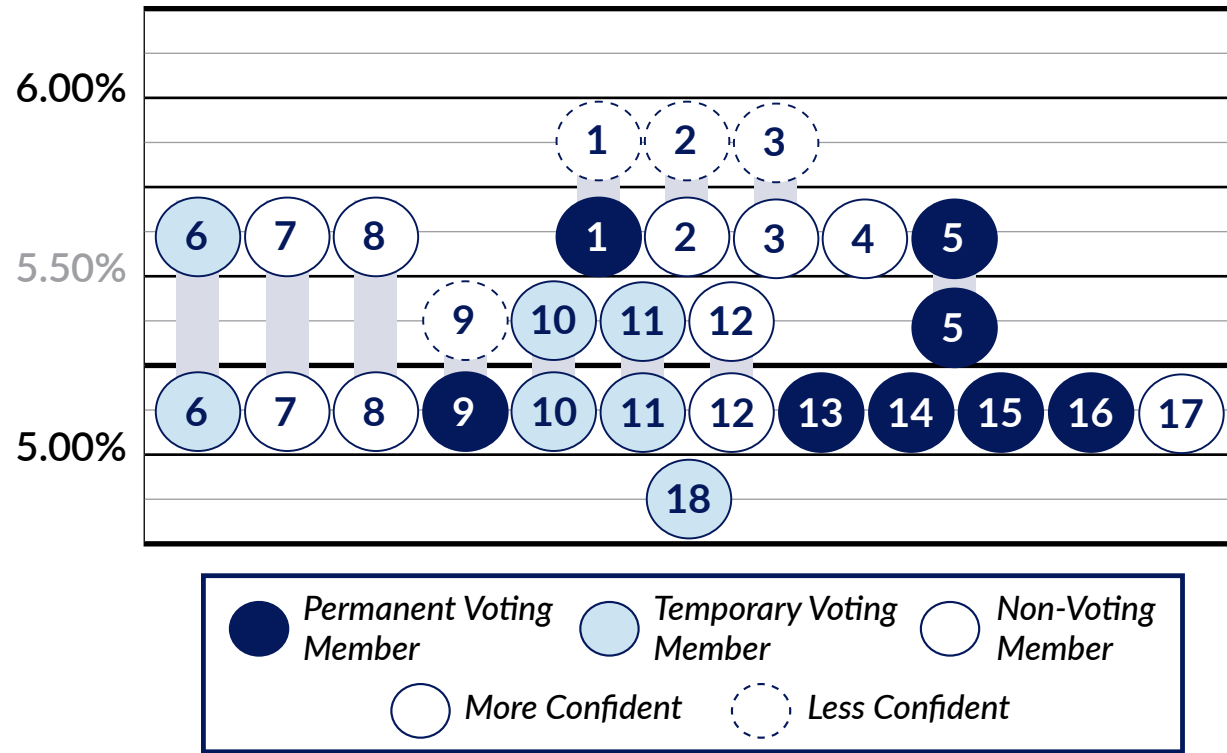
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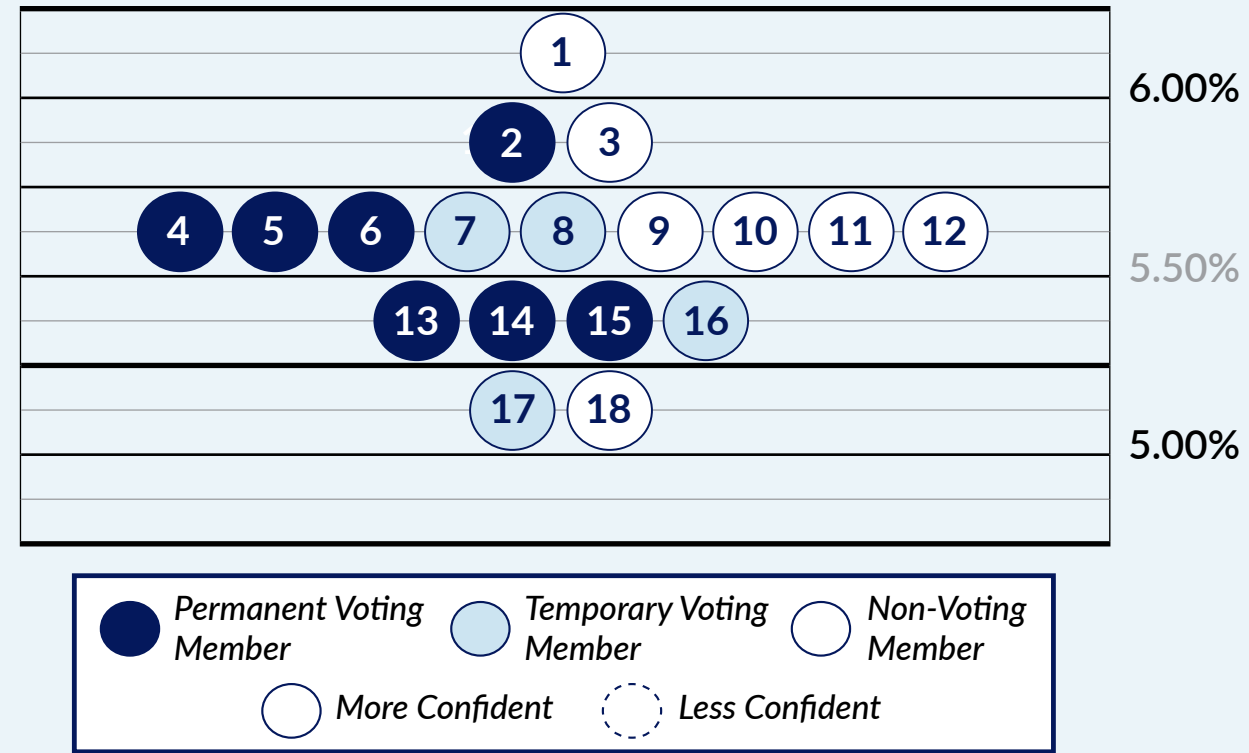
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13 **Jerome Powell, Fed Chair** 5.125%
 We no longer state that we anticipate that on- going rate increases will be appropriate to quell inflation; instead, we now anticipate that some additional policy firming may be appropriate.
 (March 22, 2023)

16 **Austan Goolsbee (Chicago), 2023 Voting President** 5.375%
 "I feel like the Fed's framework is, 'wait and see...If you don't see progress, that is an answer, if you do see progress, that is also an answer....We're in this weird foggy environment where it's hard to figure out where the road is, and I felt like a reconnaissance mission is a perfectly appropriate thing to do" after 10 straight interest-rate increases, Goolsbee said. "You know that it takes some time for that to work its way through the economy, and just trying to figure out whether we've done enough, how much more needs to be done."
 (June 21, 2023)

"I haven't seen anything that says that's wrong - that is on the golden path...[bringing inflation down to 2% without causing a recession], that would be a Fed triumph and that can involve a couple of rate increases over this year."
 (July 7, 2023)

14 **Lisa Cook, Governor** 5.125%
 "We shifted from anticipating "ongoing increases" to saying that "some additional policy firming may be appropriate." I think this communication is appropriate as we seek to calibrate monetary policy to be sufficiently restrictive amid uncertainty about the economic outlook.
 (March 31, 2023)

17 **Patrick Harker (Philadelphia), 2023 Voting President** 5.125%
 "We know that credit conditions, like the ones we're seeing now, in the past have been correlated with recessions, credit crunches -- kind of done the tightening work of monetary policy....We've got to be data-dependent"
 (May 5, 2023)

"I am in the camp increasingly coming into this meeting thinking that we really should skip," Harker said at an event on financial stability. That said, data due on Friday about the U.S. job market "may change my mind."
 (May 31, 2023)

15 **Michael Barr, Governor** 5.125%
 It is a mistake to believe that changes in the pace of rate hikes indicate a shift in the Fed's commitment to a 2% inflation target.
 (December 1, 2022)

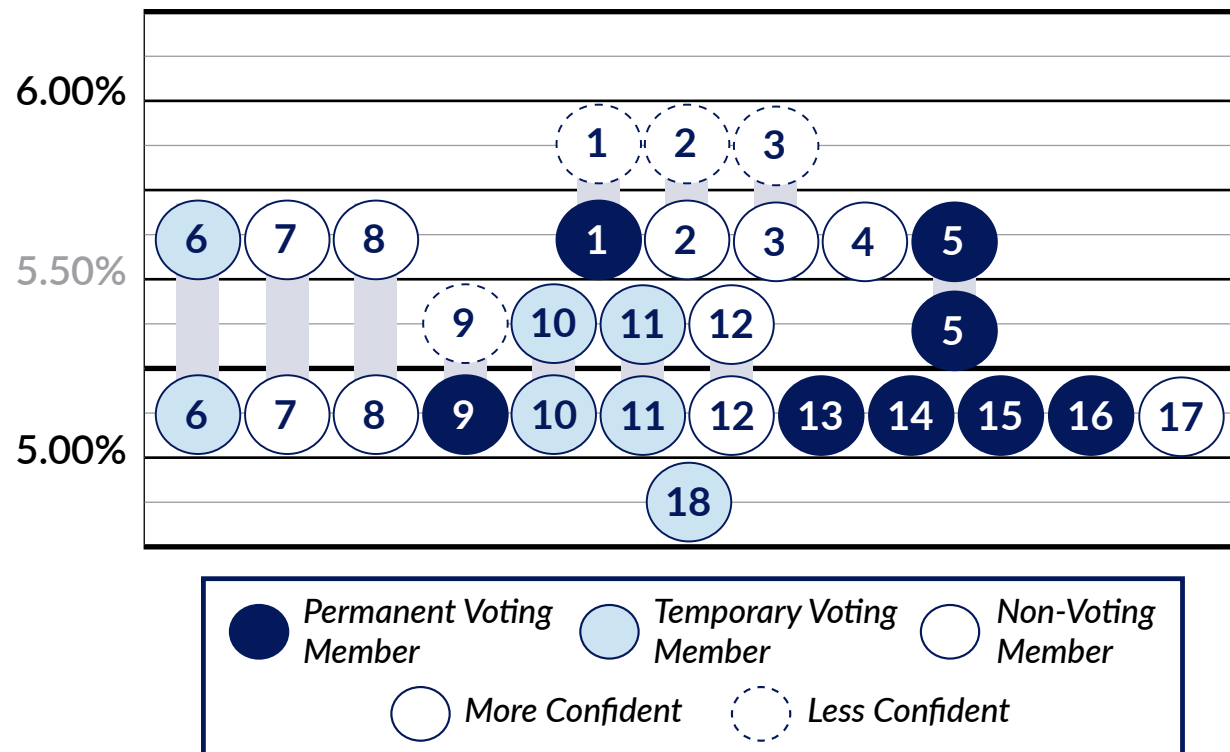
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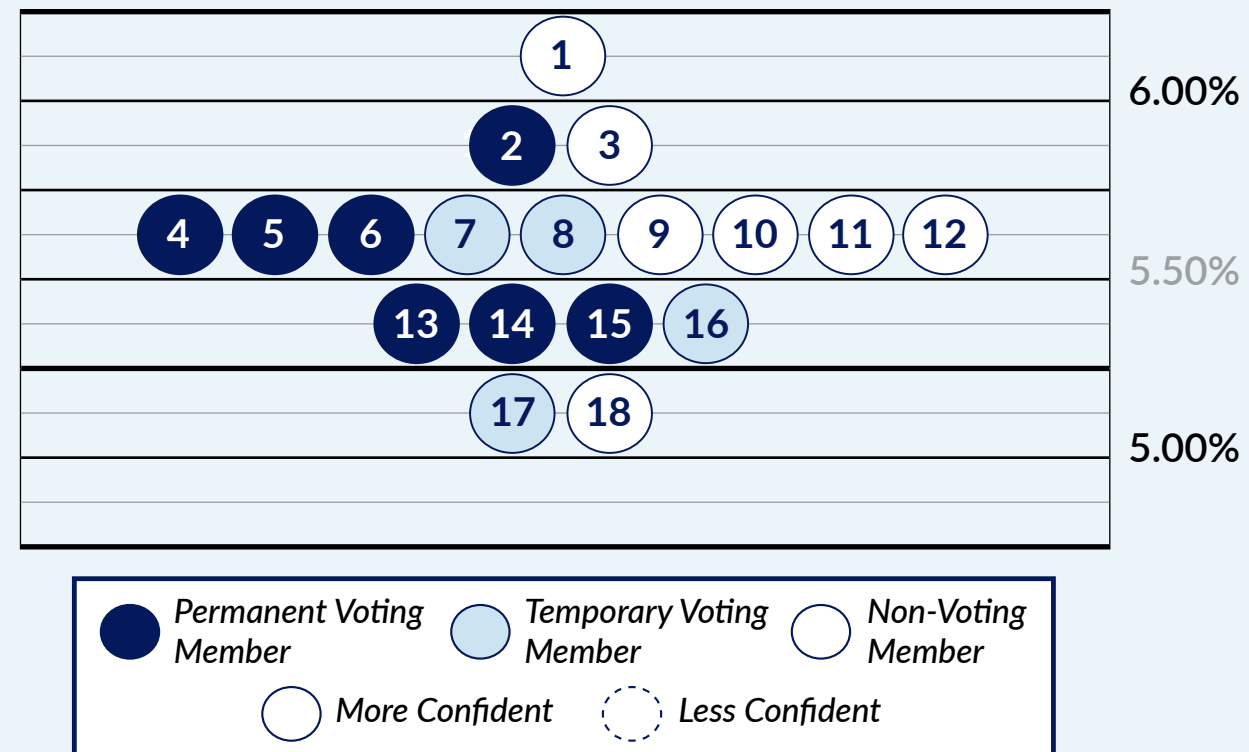
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16 Philip Jefferson, Governor 5.125%

“So I would like to say that inflation will return to 2% soon, but we have to do it in a way that does not damage the economy any more than is necessary,” he said. “That’s what we are trying to do.” ... “Monetary policy affects the economy and inflation with long, variable, and highly uncertain lags, and we are still learning about the full effect of our tightening thus far,” he said.

(March 27, 2023)

18 Raphael Bostic (Atlanta), 2024 Voting President 5.125%

“I don’t see as much urgency to move as stated by others, including my chair...I do recognise that if inflation moves away from target or seems to significantly stall out, then we’ll probably have to do more or if inflation expectations start to move in a difficult way, we might have to do more....We’re not seeing either of those right now and as a consequence, I’m comfortable waiting ... If I see signs that it is moving away, I’ll be right in the front of the line to say we need to move rates higher, we need to be aggressive.”

(June 29, 2023)

“I have the view that we can be patient – our policy right now is clearly in the restrictive territory...We continue to see signs that the economy is slowing down, which tells me the restrictiveness is working.”

“We have got that momentum going...You could see inflation getting back to 2% without having to do more.”

(July 10, 2023)

17 Raphael Bostic (Atlanta), 2024 Voting President 5.125%

“Well, you know, the banking difficulty happened 10 days, just 10 days, before the meeting. And so there’s a lot of uncertainty about how banks are going to respond. And really, there’s uncertainty still about the extent to which the things that we’ve done are going to completely protect the U.S. economy and the banking system. So some were willing to say, look, this uncertainty is really big, and we should wait. But I think - and, you know, I’m very comfortable with the idea - that we didn’t see over the weekend before that meeting things getting worse. And that made me comfortable that we could manage through this.”

(March 24, 2023)

“I think we will need to raise the federal funds rate to between 5 and 5.25 percent and leave it there until well into 2024...This will allow tighter policy to filter through the economy and ultimately bring aggregate supply and aggregate demand into better balance and thus lower inflation”

(March 1, 2023)

19 Adriana Kugler, Governor --%

“If confirmed, I am deeply committed to setting monetary policy to reduce inflation and promote maximum employment, and to foster the resilience of the financial sector to support job creation and economic growth”

(June 20, 2023)

18 Austan Goolsbee (Chicago), 2023 Voting President 4.875%

“We should gather further data and be careful about raising rates too aggressively until we see how much work the headwinds are doing for us in getting down inflation.”

(April 11, 2023)