

FEDERAL RESERVE press release

~~June 15~~ July 27, 2022

~~Overall economic activity appears to have picked up after edging down in the first quarter. Job~~Recent indicators of spending and production have softened. Nonetheless, job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures.

~~The invasion of~~Russia's war against Ukraine ~~by Russia~~ is causing tremendous human and economic hardship. The invasion war and related events are creating additional upward pressure on inflation and are weighing on global 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 Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to ~~2-1-1/2/4~~ to 2-1-3/4/2 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Lael Brainard; James Bullard; Susan M. Collins; Lisa D. Cook; ~~Patrick Harker~~Esther L. George; Philip N. Jefferson; Loretta J. Mester; and Christopher J. Waller. ~~Voting against this action was Esther L. George, who preferred at this meeting to raise the target range for the federal funds rate by 0.5 percentage point to 1 1/4 percent to 1 1/2 percent. Patrick Harker voted as an alternate member at this meeting.~~