Transcript of Chair Powell's Press Conference Opening Statement
November 7, 2024

CHAIR POWELL. Good afternoon. My colleagues and I remain squarely focused on achieving our dual mandate goals of maximum employment and stable prices for the benefit of the American people. The economy is strong overall and has made significant progress toward our goals over the past two years. The labor market has cooled from its formerly overheated state and remains solid. Inflation has eased substantially from a peak of 7 percent to 2.1 percent as of September. We are committed to maintaining our economy's strength by supporting maximum employment and returning inflation to our 2 percent goal.

Today, the FOMC decided to take another step in reducing the degree of policy restraint by lowering our policy interest rate by 1/4 percentage point. We continue to be confident that with an appropriate recalibration of our policy stance, strength in the economy and the labor market can be maintained, with inflation moving sustainably down to 2 percent. We also decided to continue to reduce our securities holdings. I will have more to say about monetary policy after briefly reviewing economic developments.

Recent indicators suggest that economic activity has continued to expand at a solid pace. GDP rose at an annual rate of 2.8 percent in the third quarter, about the same pace as in the second quarter. Growth of consumer spending has remained resilient, and investment in equipment and intangibles has strengthened. In contrast, activity in the housing sector has been weak. Overall, improving supply conditions have supported the strong performance of the U.S. economy over the past year.

In the labor market, conditions remain solid. Payroll job gains have slowed from earlier in the year, averaging 104 thousand per month over the past three months. This figure would have been somewhat higher were it not for the effects of labor strikes and hurricanes on employment in October. Regarding the hurricanes, let me extend our sympathies to all the families, businesses, and communities who have been harmed by these devastating storms. The unemployment rate is notably higher than it was a year ago, but has edged down over the past three months and remains low at 4.1 percent in October. Nominal wage growth has eased over the past year, and the jobs-to-workers gap has narrowed. Overall, a broad set of indicators suggests that conditions in the labor market are now less tight than just before the pandemic in 2019. The labor market is not a source of significant inflationary pressures.

Inflation has eased significantly over the past two years. Total PCE prices rose 2.1 percent over the 12 months ending in September; excluding the volatile food and energy categories, core PCE prices rose 2.7 percent. Overall, inflation has moved much closer to our 2 percent longer-run goal, but core inflation remains somewhat elevated. Longer-term inflation expectations appear to remain well anchored, as reflected in a broad range of surveys of households, businesses, and forecasters, as well as measures from financial markets.

Our monetary policy actions are guided by our dual mandate to promote maximum employment and stable prices for the American people. We see the risks to achieving our employment and inflation goals as being roughly in balance, and we are attentive to the risks to both sides of our mandate.

At today's meeting the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point, to 4-1/2 to 4-3/4 percent. This further recalibration of our policy stance will help maintain the strength of the economy and the labor market and will continue to enable further progress on inflation as we move toward a more neutral stance over time.

We know that reducing policy restraint too quickly could hinder progress on inflation. At the same time, reducing policy restraint too slowly could unduly weaken economic activity and employment. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. We are not on any preset course. We will continue to make our decisions meeting by meeting.

As the economy evolves, monetary policy will adjust in order to best promote our maximum employment and price stability goals. If the economy remains strong and inflation is not sustainably moving toward 2 percent, we can dial back policy restraint more slowly. If the labor market were to weaken unexpectedly or inflation were to fall more quickly than anticipated, we can move more quickly. Policy is well positioned to deal with the risks and uncertainties that we face in pursuing both sides of our dual mandate.

The Fed has been assigned two goals for monetary policy—maximum employment and stable prices. We remain committed to supporting maximum employment, bringing inflation sustainably to our 2 percent goal, and keeping longer-term inflation expectations well anchored. Our success in delivering on these goals matters to all Americans. We understand that our actions affect communities, families, and businesses across the country. Everything we do is in service to our public mission. We at the Fed will do everything we can to achieve our maximum employment and price stability goals. Thank you. I look forward to our discussion.