August 2009	September 2009	Comments
Information received since the Federal Open Market Committee met in June suggests that economic activity is leveling out.	Information received since the Federal Open Market Committee met in August suggests that economic activity has picked up following its severe downturn.	The FOMC thinks that the economy is growing.
Conditions in financial markets have improved further in recent weeks.	Conditions in financial markets have improved further, and activity in the housing sector has increased.	The FOMC thinks the residential housing market is improving. The bond and stock markets are definitely better.
Household spending has continued to show signs of stabilizing but remains constrained by ongoing job losses, sluggish income growth, lower housing wealth, and tight credit.	Household spending seems to be stabilizing, but remains constrained by ongoing job losses, sluggish income growth, lower housing wealth, and tight credit.	Slightly more certainty that spending is stabilizing.
Businesses are still cutting back on fixed investment and staffing but are making progress in bringing inventory stocks into better alignment with sales.	Businesses are still cutting back on fixed investment and staffing, though at a slower pace; they continue to make progress in bringing inventory stocks into better alignment with sales.	Labor employment and capacity utilization are still falling, but less rapidly. Inventory correction is still underway.
Although economic activity is likely to remain weak for a time, the Committee continues to anticipate that policy actions to stabilize financial markets and institutions, fiscal and monetary stimulus, and market forces will contribute to a gradual resumption of sustainable economic growth in a context of price stability.	Although economic activity is likely to remain weak for a time, the Committee anticipates that policy actions to stabilize financial markets and institutions, fiscal and monetary stimulus, and market forces will support a strengthening of economic growth and a gradual return to higher levels of resource utilization in a context of price stability.	The FOMC believes that current policy will strengthen an existing trend toward growth.
The prices of energy and other commodities have risen of late. However, substantial resource slack is likely to dampen cost pressures, and the Committee expects that	With substantial resource slack likely to continue to dampen cost pressures and with longer-term inflation expectations stable, the Committee expects that	Labor employment and capacity utilization are still falling, and the FOMC believes that that will contain inflation. They also believe that expectations of inflation

inflation will remain subdued for some time.	inflation will remain subdued for some time.	have stabilized.
In these circumstances, the Federal Reserve will employ all available tools to promote economic recovery and to preserve price stability.	In these circumstances, the Federal Reserve will continue to employ a wide range of tools to promote economic recovery and to preserve price stability.	They will no long use "all available tools," but instead "a wide range of tools." They are looking at scaling back the range of quantitative easing.
The Committee will maintain the target range for the federal funds rate at 0 to 1/4 percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period.	The Committee will maintain the target range for the federal funds rate at 0 to 1/4 percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period.	No change.
As previously announced, to provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt by the end of the year.	To provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of $1.25 trillion of agency mortgage-backed securities and up to $200 billion of agency debt. The Committee will gradually slow the pace of these purchases in order to promote a smooth transition in markets and anticipates that they will be executed by the end of the first quarter of 2010.	No significant change. This draws out the timing by one quarter – perhaps they want flexibility to scale back if necessary.
In addition, the Federal Reserve is in the process of buying $300 billion of Treasury securities. To promote a smooth transition in markets as these purchases of Treasury securities are completed, the Committee has decided to gradually slow the pace of these transactions and anticipates that the full amount will be purchased by	As previously announced, the Federal Reserve's purchases of $300 billion of Treasury securities will be completed by the end of October 2009.	No big change.

the end of October.		
The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets.	The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets.	No change.
The Federal Reserve is monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted.	The Federal Reserve is monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted.	No change.
Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; William C. Dudley, Vice Chairman; Elizabeth A. Duke; Charles L. Evans; Donald L. Kohn; Jeffrey M. Lacker; Dennis P. Lockhart; Daniel K. Tarullo; Kevin M. Warsh; and Janet L. Yellen.	Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; William C. Dudley, Vice Chairman; Elizabeth A. Duke; Charles L. Evans; Donald L. Kohn; Jeffrey M. Lacker; Dennis P. Lockhart; Daniel K. Tarullo; Kevin M. Warsh; and Janet L. Yellen.	No change.