



# Press Release

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For immediate release

The Federal Open Market Committee at its meeting today decided to maintain the existing stance of monetary policy, keeping its target for the federal funds rate at 6-1/2 percent.

Recent data have indicated that the expansion of aggregate demand has moderated to a pace closer to the enhanced rate of growth of the economy's potential to produce. The more rapid advances in productivity also continue to help contain costs and hold down underlying price pressures.

However, the utilization of the pool of available workers remains at an unusually high level. Moreover, the increase in energy prices, though having limited effect on core measures of prices to date, poses a risk of raising inflation expectations. The subdued behavior of those expectations so far has contributed importantly to maintaining an environment conducive to maximum sustainable growth.

Against the background of its long-term goals of price stability and sustainable economic growth and of the information currently available, the Committee believes the risks continue to be weighted mainly toward conditions that may generate heightened inflation pressures in the future.

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