

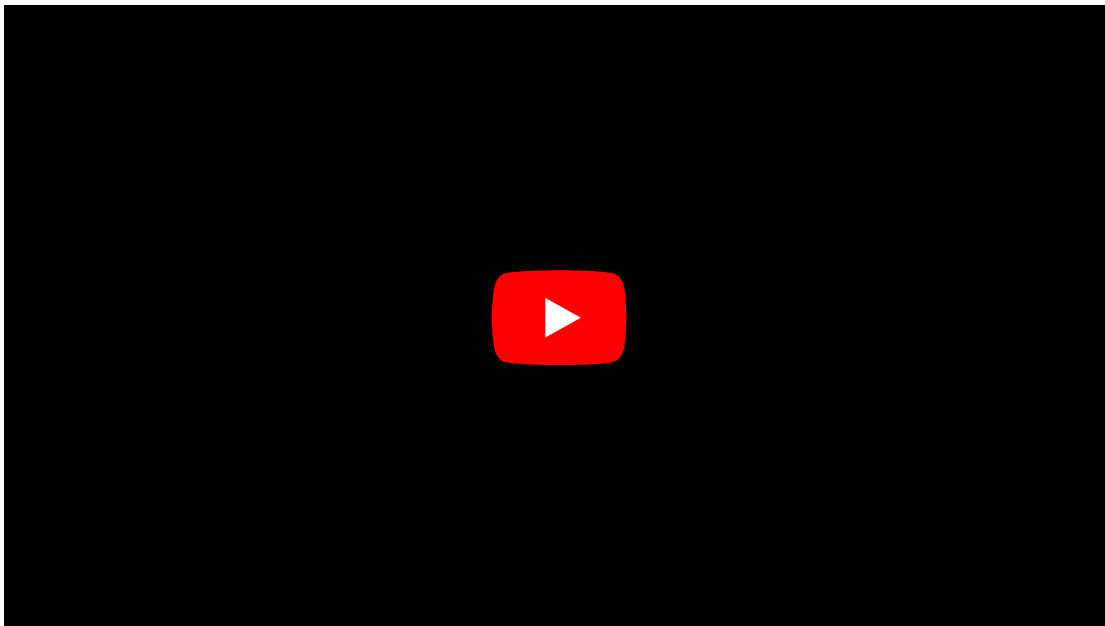
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From the President

Bullard Discusses Economic Outlook, Inflation during Virtual Conference

September 18, 2020



St. Louis Fed President James Bullard discussed his outlook for U.S. GDP growth and unemployment, the Fed's move to flexible average inflation targeting, and the possibility of seeing more inflation in the future than before the pandemic. He spoke at a virtual conference hosted by the Boeing Center for Supply Chain Innovation at Washington University in St. Louis.

Bullard noted that the unemployment rate declined dramatically from double-digit levels to 8.4% as of the last jobs report, which was for August. He said that he has penciled in an unemployment rate of 6.5% for the December jobs report. He also noted that real GDP growth in the third quarter looks like it'll be about 30% at an annual rate, which would be the biggest growth quarter of all time in the U.S.

Bullard also explained what flexible average inflation targeting means at a practical level. When inflation runs below target for a while, the central bank would make up for that by

allowing inflation to run above target for a while, thereby hitting the 2% inflation target on average, he noted. While inflation has mostly been below target since 2012, he said the U.S. may start to see some inflation in the future from several sources.

Bullard also discussed the increase in federal debt as a result of pandemic relief to households and businesses, Fed actions aimed at keeping the U.S. out of a financial crisis on top of the pandemic, and continued adjustments made by businesses to provide their products and services safely.

Having trouble with the video? [Watch it here.](#)