

Bullard Discusses the Pandemic, Monetary Policy, U.S. Economy during Virtual Event | St. Louis Fed

April 8, 2021

St. Louis Fed President James Bullard addressed questions about the Federal Reserve, policy responses to the COVID-19 crisis and his outlook for the U.S. economy. The Paul Simon Public Policy Institute at Southern Illinois University hosted the virtual conversation.

Bullard discussed the history behind the Fed's regional structure as well as some of the different responsibilities of Federal Reserve banks and the Board of Governors. He also talked about ways the St. Louis Fed keeps in touch with businesses and communities throughout the Eighth Federal Reserve District.

In discussing the Fed's actions during the pandemic, he said that the "13(3)" backstop lending programs eliminated the incipient financial crisis that could have occurred on top of the pandemic. Section 13(3) of the Federal Reserve Act allows for such emergency lending by the Fed with the consent of the U.S. Treasury Secretary. Bullard also said that the fiscal policy response has been exceptionally effective for this shock.

Regarding current monetary policy, Bullard said the Federal Open Market Committee has a great policy in place for right now. He said he anticipates the pandemic will come to a close through the vaccine strategy, but it hasn't happened yet. "And so, I think keep the policies in place until you get farther along here, and then as the dust settles, we can open up a conversation about what to do next," he said.

He said he expects to see a very strong U.S. economy and a strong labor market once the pandemic ends, and expects inflation to be 2.5% at the end of this year.

Bullard also highlighted several St. Louis Fed resources during the event, including the new [Institute for Economic Equity](#), his research on monetary policy and inequality, the [FRED](#) economic database and the [On the Economy blog](#).

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