

James Bullard Discusses U.S. Economy and Monetary Policy during UBS Panel | St. Louis Fed

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St. Louis Fed President Jim Bullard shared his views on various aspects of the U.S. economy and monetary policy during a panel discussion at the UBS European Conference 2021.

Bullard said he thinks that U.S. real GDP growth coming in softer than expected in the third quarter is “a temporary phenomenon,” with growth being pushed out to the fourth quarter and through next year. He expects real GDP growth to be higher than 4% for all of 2022.

In discussing the very tight labor market in the U.S., Bullard cited the unemployment-to-vacancies ratio, the unemployment rate and a labor market conditions index.

Regarding inflation, Bullard noted that core PCE inflation measured from a year ago is 3.6%, the highest it has been in 30 years. He said that there is a risk of continued inflation pressure in the U.S. in 2022.

Bullard discussed the FOMC’s recent decision to begin tapering the Fed’s asset purchases, with current estimates of finishing the purchases in June 2022. “We have some conditionality on that where we’re keeping the option open to move even faster on the taper, if necessary, to contain inflationary pressures,” he said.