

Presented at Heterogeneous Agents or Heterogeneous Information: Which Route for Monetary Policy?, Banque de France and CEPR, Paris, France.

October 24, 2019

Presented at the South African Reserve Bank Biennial Conference, Pretoria, South Africa.

July 8, 2019

Presented at Modelling the Macroeconomy in Risky Times, National Institute of Economic and Social Research, St. Louis, Mo. (This presentation is titled “Classic Policy Benchmarks for Heterogeneous-Agent Economies.”)

June 22, 2019

Presented at Expectations in Dynamic Macroeconomic Models 2019, Barcelona GSE and MOVE (Markets, Organizations and Votes in Economics), Barcelona, Spain. (This presentation is titled “Classic Policy Benchmarks for Heterogeneous-Agent Economies.”)

May 22, 2019

Presented at Monetary Policy and Heterogeneity Conference, Hong Kong Monetary Authority and Federal Reserve Bank of New York, Hong Kong, China. (This presentation is titled “Classic Policy Benchmarks for Heterogeneous Agent Economies.”)

- **November 26, 2019.** Article. "[President's Message: A Year in Review](#)," Federal Reserve Bank of St. Louis *Regional Economist*, Fourth Quarter 2019. This article also appeared in the [St. Louis Fed On the Economy blog](#).

President's Message: A Year in Review

St. Louis Fed President James Bullard has been a participant in Federal Open Market Committee (FOMC) deliberations since April 2008. Bullard actively engages with many audiences—including academics, policymakers,

business and community organizations, and the media—to discuss monetary policy and the U.S. economy and to help further the regional Reserve bank’s role as the voice of Main Street.

Some of his key policy presentations during 2019 and some of his remarks related to longer-run issues for monetary policy are summarized below. To see more of Bullard’s public remarks, please visit [\[stlouisfed.org/from-the-president\]](https://stlouisfed.org/from-the-president)(<https://stlouisfed.org/from-the-president>).

Some Key Policy Presentations

[Perspectives on 2019 Monetary Policy] (<https://www.stlouisfed.org/from-the-president/speeches-and-presentations/2019/perspectives-on-2019-monetary-policy>)

Jan. 10, 2019: In Little Rock, Ark., Bullard noted that U.S. monetary policymakers reacted to the upside surprise in macroeconomic performance during 2017 and 2018 by taking the opportunity to normalize U.S. short-term interest rates. “Market-based signals such as low market-based inflation expectations and a threatening yield curve inversion suggest that this window of opportunity has now closed,” he said. He added that the FOMC should heed these signals to keep the U.S. expansion on track for the next several years.

[A Successful Normalization, With Challenges Ahead] (<https://www.stlouisfed.org/from-the-president/speeches-and-presentations/2019/successful-normalization-challenges-ahead>)

April 11, 2019: In Tupelo, Miss., Bullard discussed the end of U.S. monetary policy normalization. He said, “The campaign has been largely successful: Nominal short-term interest rates have been raised from near-zero levels, and the size of the Fed’s balance sheet has been reduced as the economic expansion has continued.” He also discussed the macroeconomic challenges the FOMC faces in 2019.

[Remarks on the Current Stance of U.S. Monetary Policy](<https://www.stlouisfed.org/from-the-president/speeches-and-presentations/2019/remarks-on-current-stance-of-monetary-policy>)

June 3, 2019: In Chicago, Bullard noted that the U.S. economy is expected to grow more slowly going forward, with some risk that the slowdown could be sharper than expected due to ongoing global trade policy uncertainty. He also noted that inflation and inflation expectations remain below the Fed's 2% target and that signals from the Treasury yield curve seem to suggest the policy rate setting is inappropriately high. "A downward policy rate adjustment may be warranted soon to help re-center inflation and inflation expectations at target and also to provide some insurance in case of a sharper-than-expected slowdown," he said.

(Note: While the FOMC left the target range for the federal funds rate unchanged at its [June 2019 meeting, Bullard cast a dissenting vote](<https://www.stlouisfed.org/on-the-economy/2019/june/bullard-explains-recent-fomc-dissent>) in favor of a 0.25 percentage point reduction at that time. The FOMC did reduce the policy rate by 0.25 percentage points in July and again in September. At the [September meeting, Bullard cast a dissenting vote](<https://www.stlouisfed.org/on-the-economy/2019/september/bullard-explains-recent-fomc-dissent>) in favor of a 0.5 percentage point reduction instead.)

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Insurance against Downside Risk for the U.S. Economy

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Oct. 15, 2019: In London, Bullard noted that the U.S. economy continues to face downside risk due to weakness in the global economy and trade policy uncertainty. This risk may cause a sharper-than-expected slowdown, which may make it more difficult for the FOMC to achieve its 2% inflation target. He pointed out that the FOMC has tried to help insure against this downside risk by dramatically altering the path of monetary policy. "The FOMC has taken actions that have changed the outlook for shorter-term U.S. interest rates considerably over the last 11 months, ultimately providing more accommodation to the economy," he said.

(Note: In late October, the FOMC reduced the policy rate by 0.25 percentage points.)

Remarks on Longer-Run Issues for Monetary Policy

[James Bullard Discusses Nominal GDP Targeting]

(<https://www.stlouisfed.org/timely-topics/bullard-discusses-nominal-gdp-targeting>)

April 19, 2019: Bullard noted that inflation targeting has been successful in keeping inflation low and stable. The question now is whether a different approach might be even better. In this podcast, he discussed some advantages and disadvantages of using nominal GDP (NGDP) targeting. “The biggest advantage is this idea that you would really cement inflation expectations around the target,” he said.

[Nominal GDP Targeting as “Optimal Monetary Policy for the Masses”]

(<https://www.stlouisfed.org/from-the-president/speeches-and-presentations/2019/nominal-gdp-targeting-as-optimal-monetary-policy>)

May 3, 2019: During a policy panel at a conference hosted by the Hoover Institution at Stanford University, Bullard discussed his working paper (co-authored with Riccardo DiCecio). The paper examines whether monetary policy can be conducted in a way that benefits all households even in a world with substantial income, financial wealth and consumption inequality. In the paper, NGDP targeting constitutes “optimal monetary policy for the masses.”

“I am hopeful that the results reported here will stimulate more research and that ideas related to price-level targeting and NGDP targeting will continue to gain influence in actual monetary policy deliberations,” he said.

[Bullard Discusses the Fed’s Monetary Policy Framework

Review](<https://www.stlouisfed.org/timely-topics/bullard-discusses-monetary-policy-framework-review>)

Aug. 14, 2019: The Federal Reserve is reviewing its monetary policy

strategies, tools and communications in 2019. In this podcast, Bullard explained that it is best practice among central banks to review their policymaking framework on a regular basis. He noted this provides an opportunity to think about changes that might be made outside of the normal policy cycle. “I think it’s very useful to try to do as much as you can in good times so that when bad times come again, you’ve at least got some basis to go ahead and make decisions,” he said.

The Regional Economist offers insights on regional, national and international issues. Views expressed are not necessarily those of the St. Louis Fed or Federal Reserve System.

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Bullard: A Year in Review

The text below first appeared as the [President’s Message](<https://www.stlouisfed.org/publications/regional-economist/fourth-quarter-2019/bullard-year-review>) in the fourth quarter 2019 issue of Regional Economist .

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