

~~The Federal Reserve is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals.~~

~~With progress on vaccinations and strong policy support,~~ Indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have improved in recent months but ~~continue to be~~ being affected by the recent sharp rise in COVID-19 cases. Job gains have been solid in recent months, and the unemployment rate has declined substantially. Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy continues to depend on the course of the virus. Progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation. Risks to the economic outlook remain, including from new variants of the virus.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent. With inflation having exceeded well above 2 percent ~~for some time and a strong labor market~~, the Committee expects it will soon be appropriate to ~~maintain this~~ raise the target range ~~until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment. In light of inflation developments and for~~ the further improvement in the labor market, the federal funds rate. The Committee decided to continue to reduce the monthly pace of its net asset purchases ~~by \$20~~

~~billion for Treasury securities and \$10 billion for agency mortgage-backed securities., bringing them to an end in early March.~~

Beginning in ~~January~~February, the Committee will increase its holdings of Treasury securities by at least \$~~40~~20 billion per month and of agency mortgage-backed securities by at least \$~~20~~10 billion per month. ~~The Committee judges that similar reductions in the pace of net asset purchases will likely be appropriate each month, but it is prepared to adjust the pace of purchases if warranted by changes in the economic outlook.~~ The Federal Reserve's ongoing purchases and holdings of securities will continue to foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; ~~Thomas I. Barkin; Raphael W. Bostic;~~ Michelle W. Bowman; Lael Brainard; ~~Richard H. Clarida; Mary C. Daly; Charles~~James Bullard; Esther L. Evans; Randal K. Quarles~~George; Patrick Harker; Loretta J. Mester;~~ and Christopher J. Waller. Patrick Harker voted as an alternate member at this meeting.

~~Implementation Note issued December 15, 2021~~

Implementation Note issued January 26, 2022