



THE FEDERAL RESERVE BANK *of* MINNEAPOLIS

Evaluating the Appropriateness of U.S. Monetary Policy

Istanbul Center for Economic Research

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Narayana Kocherlakota

President

Federal Reserve Bank
of Minneapolis



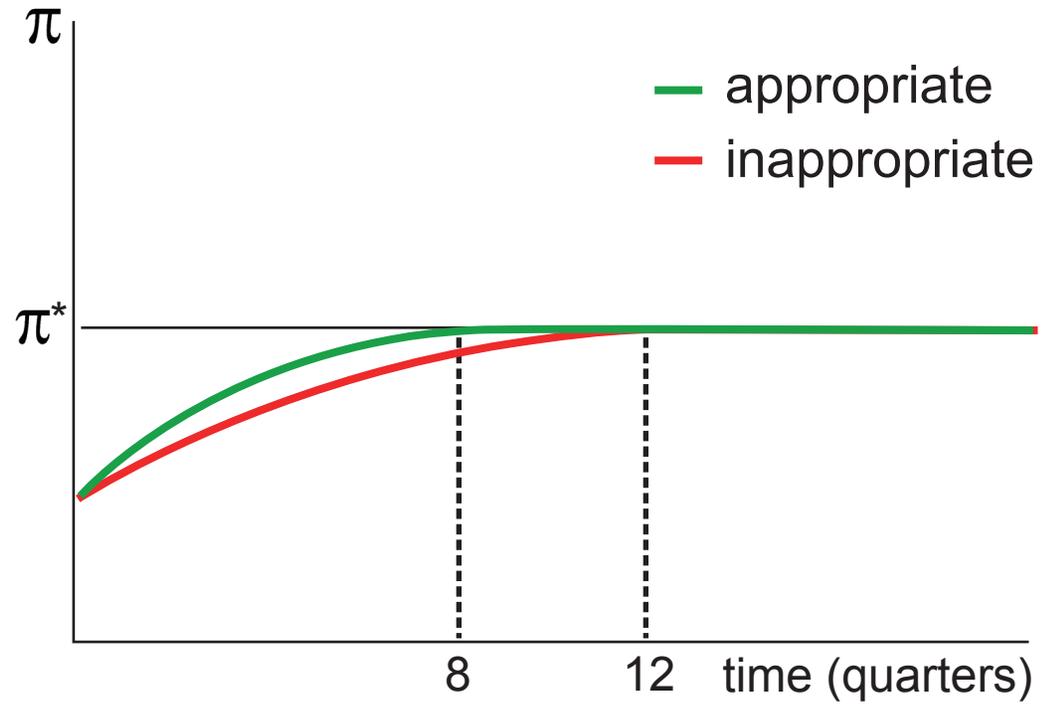
January 2012 Principles Statement

- Statement describes core Committee principles.
- Important: 2 percent inflation target.
- Reaffirmed in January 2013, with broad FOMC support.

Paragraph 5 of Principles Statement

The Committee seeks to **mitigate deviations of inflation from its longer-run goal** and deviations of employment from the Committee's assessments of its maximum level. These objectives are generally complementary. However, under circumstances in which the Committee judges that the objectives are not complementary, it follows a balanced approach in promoting them, taking into account the magnitude of the deviations and the potentially different time horizons over which employment and inflation are projected to return to levels judged consistent with its mandate.

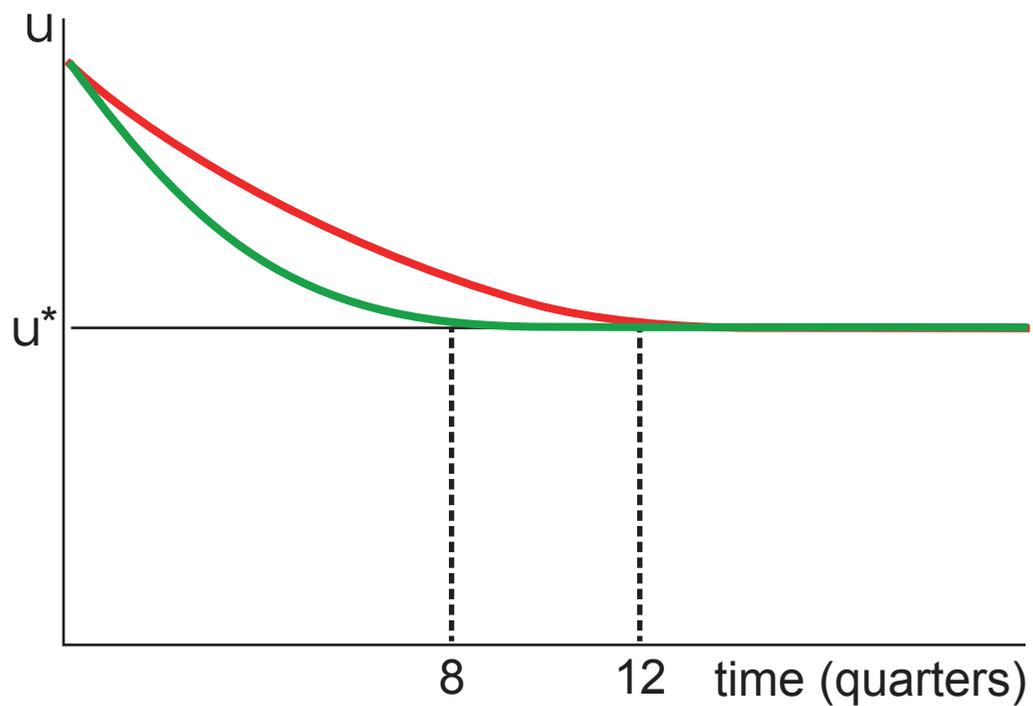
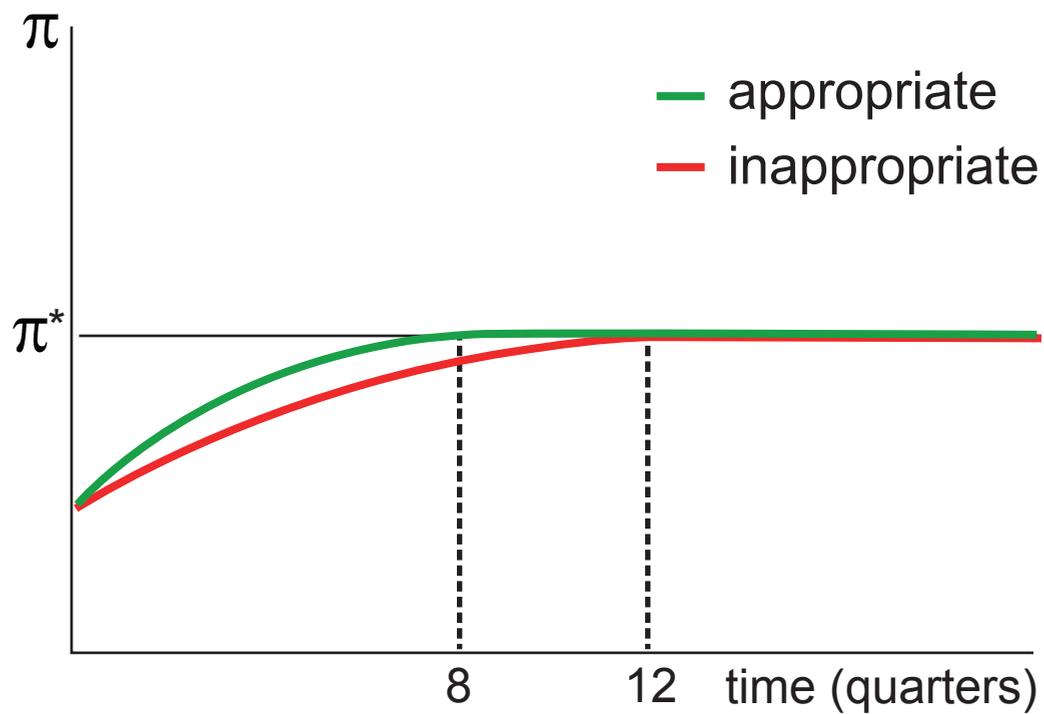
Single Mandate Outlook



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Dual Mandate Outlook: Complementary Objectives



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Dual Mandate Outlook: Noncomplementary Objectives

