



FEDERAL RESERVE BANK OF SAN FRANCISCO

Normalizing Monetary Policy: Back to the Future

August 15, 2014

Meet the Experts:

Teaching Monetary Policy

John Williams

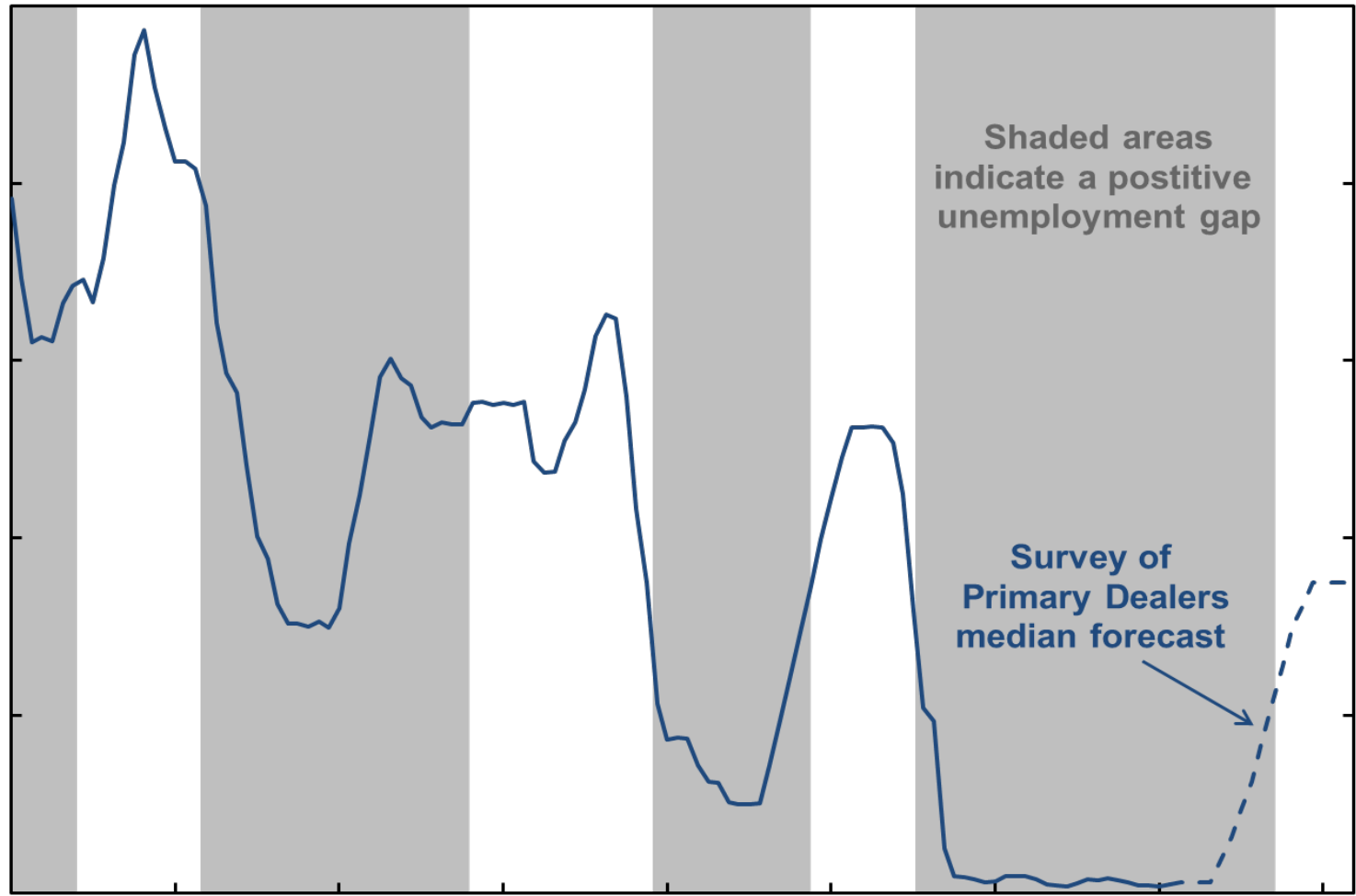
President and Chief Executive Officer

Federal Reserve Bank of San Francisco

Federal Funds Rate

Effective Federal Funds Rate

Percent
10



1986 1990 1994 1998 2002 2006 2010 2014 2018

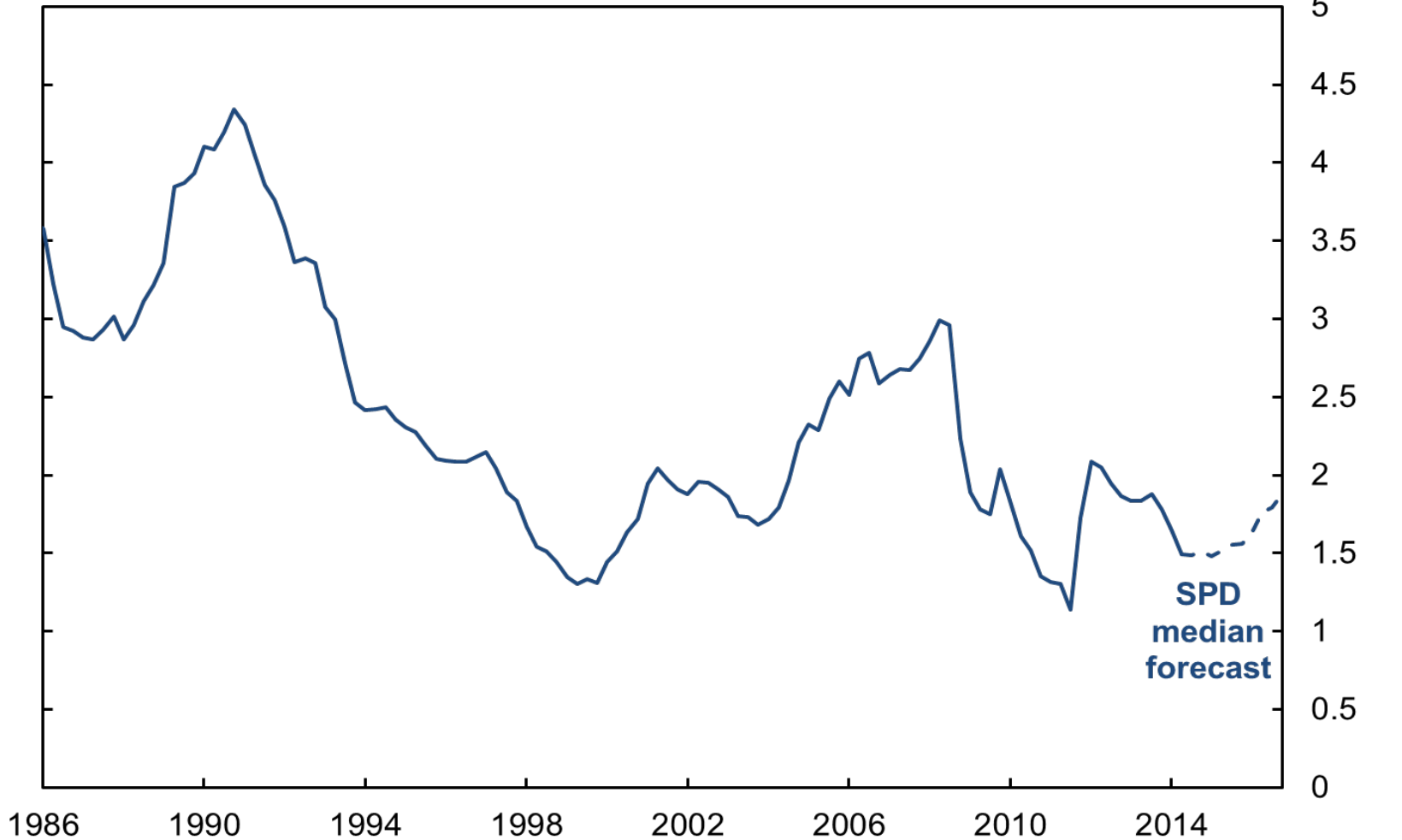
Source: Forecast data is from the June Survey of Primary Dealers

Inflation

PCE Price Inflation

12 quarter moving average of PCEPI at an annual rate

Percent



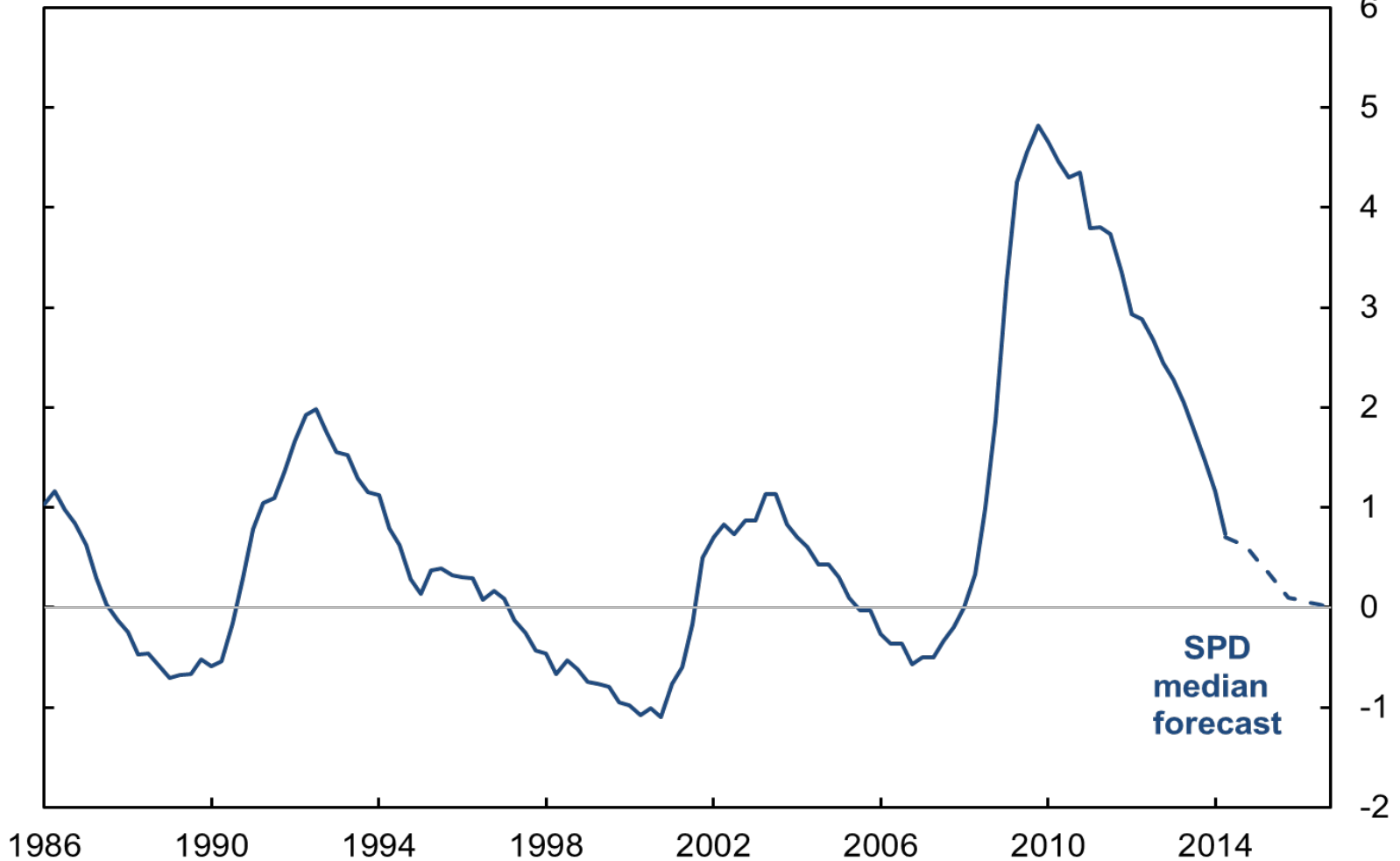
Source: Bureau of Economic Analysis and June Survey of Primary Dealers

Unemployment Gap

Unemployment Gap

Unemployment minus CBO long-term NAIRU

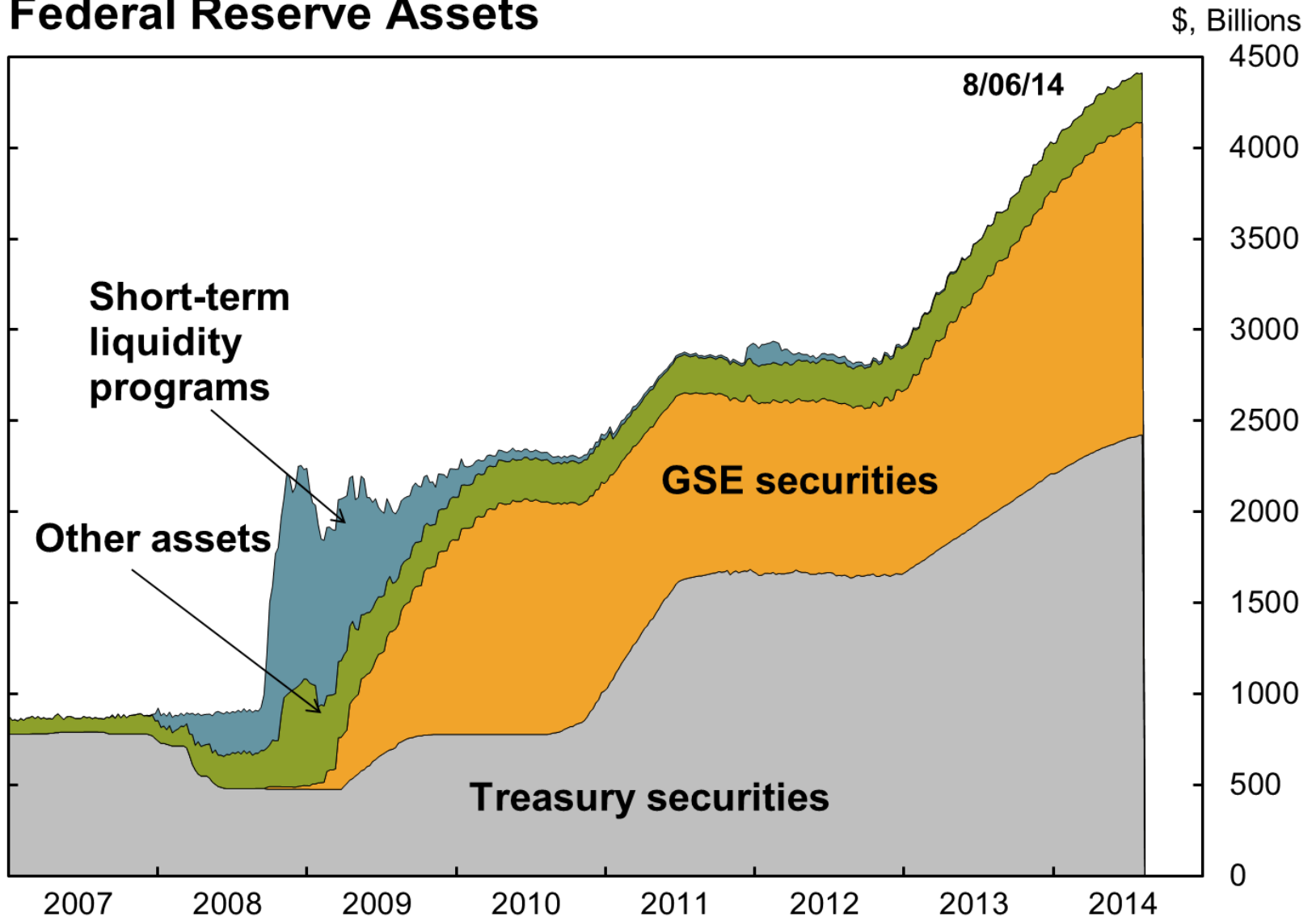
Percentage
Points



Source: CBO and June Survey of Primary Dealers

Federal Reserve Balance Sheet - Assets

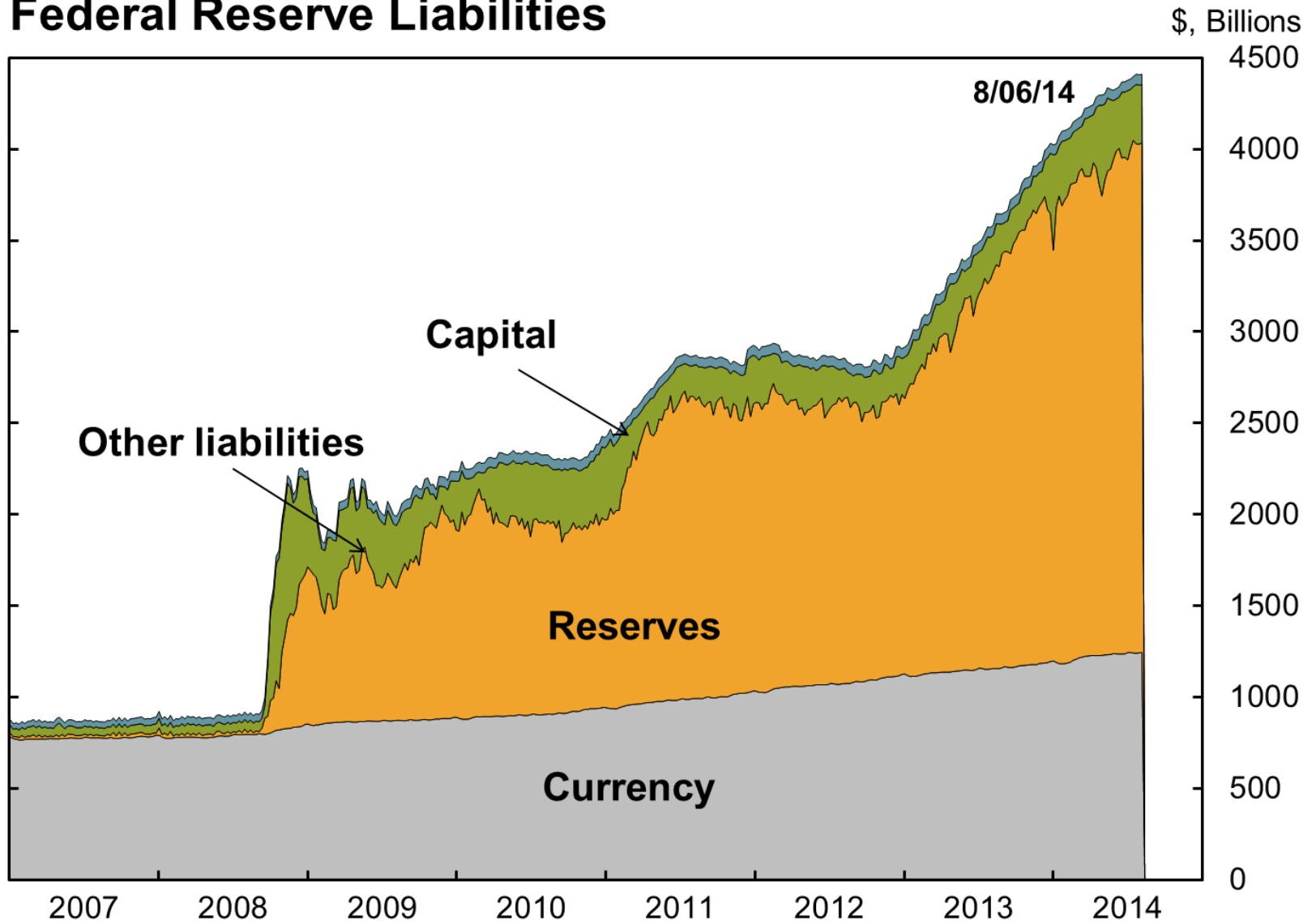
Federal Reserve Assets



Source: Federal Reserve Board

Federal Reserve Balance Sheet - Liabilities

Federal Reserve Liabilities



Source: Federal Reserve Board