

**Transcript of Chair Powell's Press Conference Opening Statement
March 18, 2026**

CHAIR POWELL. Good afternoon. My colleagues and I remain squarely focused on achieving our dual mandate goals of maximum employment and stable prices for the benefit of the American people. The U.S. economy has been expanding at a solid pace. While job gains have remained low, the unemployment rate has been little changed in recent months, and inflation remains somewhat elevated.

Today the FOMC decided to leave our policy rate unchanged. We see the current stance of monetary policy as appropriate to promote progress toward our maximum employment and 2 percent inflation goals. The implications of developments in the Middle East for the U.S. economy are uncertain. We will remain attentive to risks to both sides of our dual mandate. I will have more to say about monetary policy after briefly reviewing economic developments.

Available indicators suggest that economic activity has been expanding at a solid pace. Consumer spending has been resilient, and business fixed investment has continued to expand. In contrast, activity in the housing sector has remained weak. In our Summary of Economic Projections, the median participant projects that real GDP will rise 2.4 percent this year and 2.3 percent next year, somewhat stronger than projected in December.

In the labor market, the unemployment rate was 4.4 percent in February and has changed little since late last summer. Job gains have remained low. A good part of the slowing in the pace of job growth over the past year reflects a decline in the growth of the labor force, due to lower immigration and labor force participation, though labor demand has clearly softened as well. Other indicators, including job openings, layoffs, hiring, and nominal wage growth, generally show little change in recent months. In our SEP, the median projection of the unemployment rate is 4.4 percent at the end of this year and edges down thereafter.

Inflation has eased significantly from its highs in mid-2022 but remains somewhat elevated relative to our 2 percent longer-run goal. Estimates based on the Consumer Price Index and other data indicate that total PCE prices rose 2.8 percent over the 12 months ending in February and that, excluding the volatile food and energy categories, core PCE prices rose 3.0 percent. These elevated readings largely reflect inflation in the goods sector, which has been boosted by the effects of tariffs. Near-term measures of inflation expectations have risen in recent weeks, likely reflecting the substantial rise in oil prices caused by supply disruptions in the Middle East. Most measures of longer-term expectations remain consistent with our 2 percent inflation goal. The median projection in the SEP for total PCE inflation this year is 2.7 percent and 2.2 percent next year, a bit higher than projected in December.

Our monetary policy actions are guided by our dual mandate to promote maximum employment and stable prices for the American people. At today's meeting, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent.

From last September through December, we lowered our policy rate 3/4 percentage point, bringing it within a range of plausible estimates of neutral. This normalization of our policy stance should continue to help stabilize the labor market while allowing inflation to resume its downward trend toward 2 percent.

But the implications of events in the Middle East for the U.S. economy are uncertain. In the near term, higher energy prices will push up overall inflation, but it is too soon to know the scope and duration of the potential effects on the economy. We will continue to monitor the risks to both sides of our mandate. We are well positioned to determine the extent and timing of additional adjustments to our policy rate based on the incoming data, the evolving outlook, and the balance of risks.

In our SEP, FOMC participants wrote down their individual assessments of an appropriate path of the federal funds rate, under what each participant judges to be the most likely scenario for the economy. The median participant projects that the appropriate level of the federal funds rate will be 3.4 percent at the end of this year and 3.1 percent at the end of next year, unchanged from December. As is always the case, these individual forecasts are subject to uncertainty, and they are not a Committee plan or decision. Monetary policy is not on a preset course, and we will make our decisions on a meeting-by-meeting basis.

To conclude, the Fed has been assigned two goals for monetary policy—maximum employment and stable prices. We remain committed to supporting maximum employment, bringing inflation sustainably to our 2 percent goal, and keeping longer-term inflation expectations well anchored. Our success in delivering on these goals matters to all Americans. We at the Fed will continue to do our jobs with objectivity, integrity, and a deep commitment to serve the American people. Thank you. I look forward to your questions.