

Transcript of Chairman Warsh's Press Conference Opening Statement**October 28, 2026**

CHAIRMAN WARSH. Good day.

This morning the FOMC decided to maintain the target rate for the federal funds rate at 3¾ to 4 percent, in support of the Federal Reserve's dual mandate.

Economic activity is expanding at a strong pace. While uncertainty remains—owing, in part, to geopolitical developments—domestic spending has been resilient. Productivity growth is strong, and capital investment robust. Job gains have kept pace with the workforce, and the unemployment rate has changed little.

But inflation remains elevated. The Committee believes that the accumulation of more information will help it determine the policy stance appropriate to ensure a timely return of inflation to the 2 percent goal. The Committee will deliver price stability.

At each policy meeting, my colleagues and I assess the economy by looking out the window—it's what we call "interrogating reality"—to gauge what's really going on. It is not a task that has grown easier.

So what exactly do we observe? Economic growth has strengthened. The GDP increase in the first half of this year was revised up from an earlier estimate of 1.8 percent up to 2.4 percent. And the third quarter appears to have brought an even more rapid advance, led by healthy consumer spending, likely running above 3 percent growth, and business investment, likely rising at about a double-digit pace.

Capital expenditures are at a historically high share of GDP. High-tech investment is leading the acceleration. But there's also been a broadening in other categories. And these trends bear watching.

What about the jobless rate? The jobless rate is lower than a year ago, and payroll growth is noticeably above last year's pace. The four-week moving average of unemployment insurance claims continues to run at the lowest level in generations. So on the employment side of the Fed's dual mandate, conditions are quite positive.

And yet Americans, of course, are still dealing with inflation that has been running above the Committee's objective for close to 6 years. It's our responsibility to get inflation down. That's the reason the FOMC's discussion over the last couple of days focused mainly on the price stability side of our remit.

Since our policy action in September, we have started to see some changes in financial and credit conditions. They have tightened for some businesses and households, much as we would expect. Market participants are becoming somewhat more discerning in their capital allocations. And while overall financial conditions are tighter, I'm unwilling and unable to call them tight. But broadly, these developments go in the direction of achieving a longer, more durable period of economic growth and price stability.

Over the last couple of days, the Committee had a good discussion of the changes in the economic and financial landscape that marked this inter-meeting period. We discussed geopolitical developments and fast-moving changes in technology. We observed—but were not surprised—that financial markets showed bouts of volatility and shifting correlations.

So as we widen the frame to survey the broad economic and financial picture, real activity is clearly pointing in the right direction. That's good news. But inflation is too high. Energy and related prices have moved higher again in recent weeks. And our job is to ensure that relative price changes in some sectors do not broaden out across the economy, and that inflation expectations remain as they are anchored.

While these uncertainties are real, there's no lack of clarity in our purpose at the Fed. Since becoming Chairman just five months ago, I've been honored to work with FOMC policymakers who are unambiguous in their commitment to stable prices. We've made clear our readiness to act as circumstances require, and we have shown our willingness to act.

The information we receive over the coming period will help us determine where we want policy to be. And at every turn, good or bad, our job is to get monetary policy right. And that's exactly what we're doing.

Now, with this objective in mind, we have decided on a change in our FOMC schedule, starting next fall. We believe eight meetings per year is the right number for the FOMC. But in 2027, one meeting will focus exclusively on broad monetary policy strategy, with neither a vote on the federal funds rate nor a policy statement anticipated. The rest will be regular FOMC policy-setting meetings. And I expect that in 2028, we'll have two meetings dedicated to discussions of strategy, and six for setting policy.

Now, what's the reasoning behind this change? To me, it's quite straightforward. Getting policy right involves assessing near-term developments at timely, regular, and information-rich intervals. But it's equally important we reserve time and space, as an intellectually diverse group, for strategic deliberations—for thinking anew about big questions, looking out over longer time horizons, focusing, as I say, on the left side of the decimal point.

I believe the setting of the meeting schedule and agenda is more than some administrative detail. It's an institutional choice, affecting the nature and the quality of our deliberations, and, ultimately, the wisdom of our decisions. It's yet another change to get the conduct of monetary policy on the right track.

I appreciate your attention this afternoon. Now my time is yours, and I welcome your questions.