





























**Exhibit 5 [Final Exhibit]**

<b>Table 1: Alternative Language for the September FOMC Announcement</b>				
	<b>August FOMC</b>	<b>Alternative A</b>	<b>Alternative B</b>	<b>Alternative C</b>
<b>Policy Decision</b>	1. The Federal Open Market Committee decided today to keep its target for the federal funds rate at 5¼ percent.	The Federal Open Market Committee decided today to keep its target for the federal funds rate at 5¼ percent.	The Federal Open Market Committee decided today to keep its target for the federal funds rate at 5¼ percent.	The Federal Open Market Committee decided today to raise its target for the federal funds rate by 25 basis points to 5½ percent.
<b>Rationale</b>	2. Economic growth has moderated from its quite strong pace earlier this year, partly reflecting a gradual cooling of the housing market and the lagged effects of increases in interest rates and energy prices.	The moderation in economic growth appears to be continuing, partly reflecting a cooling of the housing market.	The moderation in economic growth appears to be continuing, partly reflecting a cooling of the housing market.	Economic growth has moderated from its quite strong pace earlier this year, partly reflecting a cooling of the housing market.
	3. Readings on core inflation have been elevated in recent months, and the high levels of resource utilization and of the prices of energy and other commodities have the potential to sustain inflation pressures. However, inflation pressures seem likely to moderate over time, reflecting contained inflation expectations and the cumulative effects of monetary policy actions and other factors restraining aggregate demand.	Although core inflation remains elevated, recent readings have been slightly more favorable. While some inflation pressures persist, they seem likely to moderate over time, reflecting reduced impetus from energy prices, contained inflation expectations, and the cumulative effects of monetary policy actions and other factors restraining aggregate demand.	Readings on core inflation have been elevated on balance, and the high levels of resource utilization and of the prices of energy and other commodities have the potential to sustain inflation pressures. However, inflation pressures seem likely to moderate over time, reflecting reduced impetus from energy prices, contained inflation expectations, and the cumulative effects of monetary policy actions and other factors restraining aggregate demand.	Readings on core inflation have been elevated on balance, and the high levels of resource utilization and of the prices of energy and other commodities have the potential to sustain inflation pressures. In these circumstances, the Committee believed that an additional firming of policy was appropriate to foster a decline in inflation.
<b>Assessment of Risk</b>	4. Nonetheless, the Committee judges that some inflation risks remain. The extent and timing of any additional firming that may be needed to address these risks will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information.	In recent weeks, the upside risks to inflation appear to have diminished somewhat and downside risks to growth have become more significant. In these circumstances, future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information.	[Unchanged]	[Unchanged]