Federal Funds Rate and Inflation Targets

Calculated federal funds rate is based on Taylor’s rule.

Components of Taylor’s Rule

Actual and Potential Real GDP
Billions of chain-weighted 2009 dollars

See notes section for further explanation.

Monetary Base Growth and Inflation Targets

Calculated base growth is based on McCallum’s rule. Actual base growth is percent change from the previous quarter. Stars represent actual values for 2008:Q4, 2009:Q1, 2009:Q4, 2011:Q1, 2011:Q2, 2013:Q2 and 2013:Q3 are 188.33%, 60.16%, 56.53%, 45.93%, 58.75%, 30.24%, 36.03% and 33.88%, respectively.

Components of McCallum’s Rule