Transcript of Chairman Warsh's Press Conference
July 29, 2026

CHAIRMAN WARSH. Good day. My second FOMC Committee meeting as Chairman has come quickly. It's probably too early to call it a streak, but our discussions again were collegial and constructive. I am truly lucky to work with colleagues so capable and mission-focused, and so determined, like I am, to sharpen the performance of the Federal Reserve.

Today, as you know, our Committee decided to vote by a 9 to 3 vote to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. The Committee is continuing its policy of making ample reserves in the banking system. The economy is showing impressive resilience. Even with recent shocks, the trends are positive and reveal solid growth. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal. The Committee remains resolute. You've heard this before, but we will deliver price stability.

As before, the policy statement conveys just the facts. It's steering clear of forecasting, a choice we consider especially prudent at these uncertain times. Uncertainty, however, does not mean a lack of clarity. For some households, businesses, and market professionals, five years of high inflation have left a mistaken impression that is hard to shake: that the Fed's implicit inflation target was somehow above 2 percent. Let me reiterate: There is no soft inflation target, there is no soft implicit target —not on this Committee's watch. There is only a target, and it is 2 percent. Not one of my FOMC colleagues is under any illusion. We have begun a new chapter, and we understand that the five-plus years of inflation above target cannot be cured in nine weeks—or by a single month of modest price decreases.

This Fed will not waver. Our credibility rests on performing our duties, and delivering on our responsibilities. Americans are right to expect that, because our nation's prosperity depends on it. To the regulars here in the press room, today's assessment might sound familiar. Yet there was nothing inertial about our discussions, our policy, or our strategy.

Two economic developments are worth highlighting. The first is a very notable change since our last meeting 42 days ago: nominal and real yields are materially higher across the Treasury curve. In fact, some of the increases in market interest rates between FOMC meetings are among the most significant in the last two decades, ranking around the top decile or so.

But if the Committee didn't change its policy rate, what happened? In the inter-meeting period, market attention centered on real data and real economic developments. Prices reacted in real time to incoming information, and the reduction in forward guidance may have been a factor. Market participants are learning to play the ball, not the referee—and market prices will continue to respond in the direction and magnitude they see fit. This is, in my view, a change for the better—and we are just getting started. After all, the central bank need not always and everywhere be the center of attention. I understand the desire for rolling forecasts and commentary from this Committee. But for our part, we need to observe market reaction to developments, direct and unfiltered. I want to stress, of course, that decisions by this Committee matter a great deal. And where necessary and appropriate, we will not hesitate to act.

A second economic development is one that I noted at the congressional oversight hearings this month, but it's worth repeating. The most striking feature of the economy is the strong growth of business investment. The surge in high-tech capex has been remarkable. But that does not necessarily make the Fed's role any easier. In the A.I.-related category of high-tech equipment and software, the most recent data shows four-quarter growth rates of nearly 20 percent. This is helping to sustain the healthy momentum of manufacturing output. More generally, capex is preparing the ground for future growth. Nonetheless, the precise timing and magnitude of effects on the supply side remain hard to predict.

FOMC meetings produce policy decisions. But just as important is candid discussion of the big things that matter most. That too is a priority in this new chapter at the Fed. In our meeting, vigorous discussion centered on four questions, which I will enumerate.

First, we talked a lot about the implications of the past five years of high inflation on the current policy conjuncture. To echo an old phrase, has the past really passed?

Second, my colleagues and I considered the economic shocks of recent years. Strained supply chains arising from the pandemic, military conflicts, energy-supply disruptions, substantial increases in tariff rates, and yes, the surge in A.I.-related investment. These differ in their sources—do they also differ in their effects on output and employment?

Third, we took up the related question of price increases arising from shocks. The business capex boom, for example, is driving up prices of memory and logic chips and associated A.I. infrastructure. Do those changes indicate a broader inflationary dynamic, or do we just focus on them just because they are under the bright streetlight?

Finally, we discussed monetary policy tools and strategies for achieving stable prices. If, as the Fed has long held, interest rate policy should be its primary monetary policy instrument, how much accommodation are we getting from the balance sheet?

In all of this, our work is advancing at the Fed. We are asking the right questions. And in this consequential time, we know how very much depends on getting the right answers.

Of course, you've all arrived with questions of your own, so let's turn to them now.

MICHELLE SMITH. Let's start with Steve.

STEVE LIESMAN. Thank you for taking our questions, Mr. Chairman. You've had a couple months now, or nine weeks, or whatever number it is, to see the markets behave in the absence of forward guidance. I'm wondering if you could tell me, what message are you getting from the markets as to where policy ought to be right now?

CHAIRMAN WARSH. Yeah, so I think officially it's eight weeks and four days. But, I'm not counting. The message from markets is the message from markets. What I've really been trying to do, Steve, as I think you appreciate, and your colleagues appreciate, is getting an unfiltered message from markets. Getting a direct message. Letting buyers and sellers meet at prices for Treasuries, for the foreign exchange value of the dollar, and then trying to judge for ourselves, what does that mean about our remit? How are we doing on inflation? How are we doing on employment? We're trying not to interfere with that market signal. That's part of the reason why we've been somewhat spare on our words, when we pulled back from forward guidance. So they're reacting to events, I would say, much more directly over the 42 days since we last met. This is a good thing. As I mentioned in the prepared remarks, we've seen a material tightening, not just in nominal rates, but in real rates too, and we're observing it, we're trying to stay out of that because, you know, many of you might be interested in our reaction function, we're interested in the reaction of financial markets.

STEVE LIESMAN. I -- I get that, Mr. Chairman. And I guess the follow-up question is, if the markets are talking to you, what do you hear them saying? And if it's real rates are higher, it would suggest that that's where the funds rate ought to go.

CHAIRMAN WARSH. Yeah, so -- And -- sorry -- I'm sorry, it's your question. So, interpreting markets is an imperfect business, we central bankers like market pros can think these things are over determined. But let me offer some speculation. First, as we said in the FOMC statement that you got at two o'clock, the economy output is solid. Capex and productivity are strong. Labor markets, solid, steady. The bond market, the Treasury market, it seems to be saying that as well. If I were to try to break down, just aggregate the Treasury market signals, I wouldn't be able to do it perfectly, but the bond market's saying many of those same things, and that's why we're seeing a tightening both in nominals and in reals, even while at some level, we haven't done much in 42 days. The markets have done quite a bit.

MICHELLE SMITH. Claire.

CLAIRE JONES. Claire Jones, Financial Times. Thank you. You seem to have got the family fight you were after at this meeting, we saw three -- we saw three dissents. Could you characterize the arguments that those dissenters put forward, please, and tell us a little bit why you weren't persuaded by them at this stage? Thank you.

CHAIRMAN WARSH. So, I guess I shouldn't give you their best arguments. I'll give you some others. So you're right, I asked for a good family fight, and I got one. That's the purpose, that's the design feature. I come into this meeting, even this press conference, heartened by what I've experienced the last two days. Most of our discussion were on the big questions that matter to the conduct of monetary policy. We -- we didn't sort of hide from them, we weren't scared of them. There was a lot more interaction between and among my colleagues, it was a real family fight. My view, which you've long heard, is that's the better way to get policy right. That's our North Star. So, there was a lot of agreement that I heard, that we have the powers, the tools, also the authority to deliver stable prices. No walking back from our responsibilities. There was a large majority support for the decision that we made in the room, but I also want to leave you, Claire, with one other impression. There was nothing inertial about that discussion. It was an active, robust discussion, about what's in the full range of what we can do, and might want to do, in the period ahead. You characterized accurately, there was a disagreement about a decision today, I would say that doesn't sort of capture the full essence of the discussion. The path to central bank heaven requires delivering on our remit. These days that means delivering on price stability. I wouldn't measure that path in 42 days, or any one particular meeting. And I came out of that meeting even more confident that this is the right team to win the battle against high inflation.

CLAIRE JONES. How much do you think not going in July was down to the cool CPI print for June?

CHAIRMAN WARSH. So, in two words, not much. Not much. I'd like to believe that the Committee shares my views, which is the historic problem with data dependence is the data and the dependence. We are not relying on any one individual piece of data as cover or as an excuse, or as validation. What I care about, and what I think the Committee cares about, is trends on the data. Sure, we got some encouraging inflation data, I think at the meeting 42 days ago I said something like 63 months of inflation above target. I didn't say 64, though the final calculation might be a close one. So we'll be -- we'll be watching inflation data over the period ahead, but I also don't want you to leave the misimpression that we're sort of breathlessly waiting that. I've called for a task force to revisit both the private and public data we use to make our decision making. That task force is out doing their work, I'll be checking back in with them the next couple of weeks, but I wouldn't say we overly relied on -- on any one piece of data, including that data which surprised some a couple of weeks ago.

MICHELLE SMITH. Neil.

NEIL IRWIN. Hi, Chairman Warsh, thanks. Neil Irwin with Axios, thank you for taking our questions. So the Fed funds rate is now about 75 basis points below the two-year yield, suggests markets think you'll have to tighten eventually, about 100 basis points below most Taylor Rule estimates. You're hitting your employment mandate, inflation stays high. Why should rates not be higher today?

CHAIRMAN WARSH. There's a lot in there, Neil. So, rates are higher today than they were 42 days ago. Markets have made decisions because we stepped back in part from trying to influence those. Market judgments have moved up on what nominal rates are, across the Treasury curve. That doesn't mean we take them as -- by dictation, but we're observing them. So I think it's a mischaracterization to say that markets haven't reacted because we didn't move today. Markets are reacting in real time. In the period ahead, we've got important decisions to make about the policy rate. Markets in the intervening period, I think, have quite a bit of decisions to make. I'll see if I can put it this way, monetary policy matters not just by what we say, or even what we do, monetary policy matters by how it affects the real economy. And these prices that we see in financial markets is one of the many ways in which it affects the real economy. We'll be continuing to watch that market information, see how it responds to incoming events, and that can help inform our decision making when we meet in seven or eight weeks.

NEIL IRWIN. How would you characterize, in the family fight the last couple days, of you and the other eight members who wanted to hold, was that a strong conviction, or was that a hair trigger close call on holding versus tightening?

CHAIRMAN WARSH. Well, I think, you know, the vote was 9-3. The broader discussion to my ear over the course of the last days showed a lot of agreement on the hard questions. The four questions I raised at the outset about what's really happening in the economy with the shocks and absent the shocks. What are our tools and our capabilities? What's the effect on prices on output? I heard a lot of commonality on the questions. Were there different leans on the answers? You bet there was. So, could people come to different conclusions? Absolutely. But my own judgment is this is a period of watchful thinking, not watchful waiting. And I think the score on that vote was unanimous.

MICHELLE SMITH. Colby.

COLBY SMITH. Thank you, Colby Smith with the New York Times. You've mentioned that looking at the Fed's policy tools as one element of a three-pronged strategy to address the inflation problem. So I'm curious how you view the effectiveness of those tools. If inflation is too high and not coming down, is the best remedy to raise interest rates?

CHAIRMAN WARSH. So, that's -- that was the discussion the last two days. Is that the dominant remedy? If inflation continues to be elevated through the forecast period, interest rates could well be part of that solution. But I wouldn't say it's in isolation. I tried to describe in my remarks today the point that I made to the oversight committees a couple of weeks ago. I think there was a misimpression by some in financial markets, by some households and businesses, that central bankers like me, we set a 2 percent inflation target, but maybe we were more tolerable of a somewhat higher inflation target. In economics we'd call that the "revealed preference". And so might it have been rational for people to think, well, their inflation target is somewhat higher. The -- what I heard in the last two days, what I've heard in eight and a half weeks, is no. We will deliver the 2 percent inflation target. That is the Committee's definition of price stability. So one way, absent the tools that you reference, to ensure that we get there is ensure that expectations are centered around the right number. And I think we've made some progress on that. I am not suggesting we're done on that. It's worth reiterating. And ultimately, the business we're in, Colby, is performance. We are going to be judged by how we perform. And that's what we intend to do with the inflation target, making clear expectations is one part of it.

Making sure we demonstrate we're responsible for it, we're not blaming is another. And our policy tools, like you referenced, is the third and equally consequential part.

COLBY SMITH. How are you factoring the fact that a large portion of the inflation overshoot is being caused by supply shocks as it's mentioned again in the statement, does that blunt the effectiveness of rate hikes in your view?

CHAIRMAN WARSH. First on the premise of your question, it was almost as if you were listening to our discussion in the last day and a half. A lot of our focus was on trying to understand and identify underlying inflation dynamics amid shocks. We take these shocks seriously. There have been a series of them that have been hitting this economy, we're not looking through them and saying, oh, they don't matter. But we're trying to understand is to what extent are these shocks broadening in their effect, broadening in their impact on prices that are quite far removed from it? Our goal is to have growth that is broadening, and inflation that is becoming more limited, more circumscribed. I'll be the first to admit the shocks make this job and this policy conjuncture a little tougher. But that's among the chief questions we've asked ourselves, and around the room people have different views on it. I tend to think in the coming months, we're going to refine that view and have a better judgment and we're going to market prices trying to help inform it too.

MICHELLE SMITH. Edward.

EDWARD LAWRENCE. Thank you Mr. Chairman. Edward Lawrence from FOX Business. I guess I want to drill down maybe a little bit, what specifically in your mind would be the argument then for a pause today?

CHAIRMAN WARSH. So I wouldn't characterize what we did as anything like a pause. I would characterize what we did as a rigorous review of the economic situation. I would characterize what we did as a review of the big, hard questions. And I'd characterize it as a view of what our own homework is to try to resolve those questions in the period ahead. If you were to try to force a description that this was a pause, I would say, financial market prices would take the other side of that. Financial market prices in this intermeeting period, they didn't pause, they reacted to the inflation data in one direction, strong economic growth in the other direction. And nominal and real rates went up. Did the Fed take an explicit change in its policy rate today? No. But I think that's the beginning of the story, not the end of the story.

EDWARD LAWRENCE. And if I could, I did want to ask, not forward guidance, but looking forward, traditionally a Federal Reserve Chairman uses the Jackson Hole summit as -- as sort of a reset of monetary policy. How do you look at the speech that you're going to make in August?

CHAIRMAN WARSH. I look at it like a blank piece of paper right now. I -- I have not begun consideration with the incredible team here, what would go into that document. I think you characterized it correctly, historically, at least for my first tour of duty at the Fed, the more recent periods, it would be sort of a setting up speech more often than not, of what was going to be happening in the fall. I haven't made any judgments on that. But those are judgments we'll have to come to. If I could, in the high mountain air in Jackson, Wyoming, I'd like to also frame the big questions. There is a tendency, especially with the proliferation of meetings and press conferences, to get caught up in the myopic. Did you do this by a quarter? Or do that. Ultimately, whether we deliver on price stability matters some, the decisions we make in six or seven or eight-week periods, but they matter more, what are the big questions? What's really happening with productivity? What's really happening with demographics? What's really happening to the global economy amid the shocks? Haven't made a decision whether it's going to be a big picture speech, or whether it's going to be a more traditional set up for all the action we're going to have between September and December. I will tell you one other thing that I am doing between now and Jackson Hole, is I'm checking with those task forces. My first principle of establishing a task force is find the best subject matter experts anywhere in the world and put them together. Especially put them together with other people who might disagree with them. In the next couple weeks, I'm going to be doing a check back in, giving them time to sort of think hard about their agenda, their debate, their schedule, and when they might be ready for prime time. I'll be doing a little bit of that checking and that may or may not inform anything I have to say in Jackson.

MICHELLE SMITH. Nick.

NICK TIMIRAOS. Nick Timiraos, The Wall Street Journal. Chairman Warsh, I want to follow-up up on Colby's question about policy transmission. You've said there's no cruel choice between stable prices and full employment. Rates bring inflation down by cooling demand, it's generally thought that can show up in the labor market. If that's not the channel you're relying on, what is?

CHAIRMAN WARSH. Yeah, so, let me go back to first principles, Nick. I don't believe that either part of our mandate is generally at war with the other part. I do not believe that price stability and full employment is an either/or proposition. There have been policy makers over the last several generations who have thought that there is a strict tradeoff there. That isn't my judgment. In fact, my judgment is if and when we deliver on our remit, we're going to be satisfying both prongs. We're going to have price stability and full employment, and in fact, if you want to do the most harm to the labor markets, you would run a period of high inflation that's variable such that employers, businesses, wouldn't really know what's going on. So I think the two parts of our mandate are equally important. We have no legislative orphans here. I've been talking mostly about price stability, because we're doing pretty well, collectively, as a country, as policy makers on the full employment side. But we're doing considerably less well on prices, that's why we describe them as elevated, and that's what's taken most of our discussion. In terms of transmission mechanisms of monetary policy, I think different tools work through different transmission mechanisms. The interest rates work through lending channels, and credit channels, maybe confidence channels and foreign exchange. The balance sheet probably works through some other channels, like signaling and portfolio balance. We're keeping full abreast of all these tools and making policy. But if the suggestion is somehow we're going to be fine-tuning aggregate demand so it catches supply, that's not my mental model. I don't think we're great in the fine-tuning business. We're trying to get supply and demand in broad order, but really what we're doing as we sit here today at this press conference, is I think we've got a reasonable sense of what aggregate demand looks like in this economy. We're inferring aggregate supply. We're making a judgment about what productivity is. And in some sense, there's a race between supply and demand. And the surge in business capex in and around AI is making that calculation a little harder to judge, but in the period ahead, we're going to be trying to judge just that.

NICK TIMIRAOS. And if I could ask, where exactly was the disagreement today? Was it about the inflation forecast, or was it something more around the risks, the tactics?

CHAIRMAN WARSH. Yeah, so I'm going to let the -- I'll let the dissenters speak for themselves. The way I heard it over the last two days was overwhelming agreement on objectives and authority, and commitment. I didn't hear anybody walking away from it. The judgment as to how best to achieve the price stability that was probably the question that we were trying to answer. What's the best move? What's the best strategy? What's the best way to achieve it? And a second question that was asked is, when do we need to make those harder calls? When do we need to make those decisions? And like I said to one of your colleagues, I was comforted that markets in the intermeeting period weren't reacting to us, they weren't reacting to dots, or to speeches, they appeared more than ever to be reacting to real-time events. So, they're gauging themselves how restrictive the Treasury curve should be. And that I think has been a useful development. We don't endorse any particular market move, but it also suggests we observe them with keen interest.

MICHELLE SMITH. Jonnelle.

JONNELLE MARTE. Jonnelle Marte with Bloomberg. Following up on that, there was more uncertainty in the markets about what the Fed would do at this meeting. To some extent you might think that's what you want to see, but my question is about, is there a point at which you would not want to surprise the markets if they were pricing in something with higher certainty that was opposite of what you were intending to do? What are the risks that you see associated with that?

CHAIRMAN WARSH. Yeah, so it's a good question. Surprise is not the objective function. Surprise is not what we're solving for. We have a clear North Star. What we're solving for is how to make the best decisions. Almost everything else should be in service to that goal. By not spoon-feeding markets, by not previewing our decisions, by not sort of giving nudges and leans, my colleagues and I have found in the intermeeting period what we're getting is the views from a very accomplished economist. That's the internals of financial markets. Instead of just repeating or echoing what we're saying back to us, they're giving us somewhat, not perfect, their own judgment. So, surprises are not the objective. But at the same time, I would say, we didn't come into this meeting feeling constrained by the full range of alternatives we had in front of us.

JONNELLE MARTE. So, some of your peers have continued to discuss how they think about policy decisions, and if you don't offer your reaction function, or your way of thinking about it, how concerned are you that you're ceding control of the narrative?

CHAIRMAN WARSH. So, not very concerned. That's a short answer to the question. When some people that follow the Fed say, well we don't want your forecast. We don't want your -- we just want your reaction function. Part of me hears the -- what we really want is your forecast. What we really want is your dot. In terms of reaction function, let me sort of disabuse people of a question that may or may not be real and be out there. Any central bank, especially a central banker where the labor markets are more or less at equilibrium. Any central banker, when he or she sees underlying inflation moving higher, he or she is more inclined to tighten policy. Again, when you've achieved the other side of your mandate, and you see underlying inflation falling, he's more inclined to loosen policy. That's my reaction function, and I don't suspect it will cause people to not continue to pry for more, because the truth is, for a very long time, in a lot of countries, coming out of the 2008 crisis, where in crisis mode we were purposely providing a lot of information. Trying to provide a lot of assurance, trying to tell people exactly what we're going to do, offering forward guidance with clarity, as if we're tying our own hands behind our back. Well, in crisis mode, that strikes me as a very prudent policy. But in more benign conditions, it strikes me as worth revisiting. But markets and market participants, and reporters, have learned to devour all that information so I take seriously that the pullback of forward guidance requires some transition. Reform isn't easy, but our general judgment is going to help us make better decisions and in so doing, satisfy our remit.

MICHELLE SMITH. Paul Wiseman.

PAUL WISEMAN. Thank you. When you talk about the 2 percent inflation target, what measure are you relying on?

CHAIRMAN WARSH. Yeah, so, I'll give two answers. First let me give the proper standard answer, the Federal Reserve every January outlines a statement of purposes and strategy, and in that strategy document, which I believe was dated January of this year, it describes a measure of PCE inflation as the -- as the objective function there. I have enough of my -- so that's our number, we're sticking with it. Who knows come after next January what we might say about strategy. I suspect the task forces might have something to add. But I'll say this, some version of the Lucas critique, some version of Goodhart's Law in economics, should remind us that when we talk about measures of inflation or something else, and we describe those measures as being consistent with our objectives, we might make them such that they're not very good measures or very good objectives. Broadly, if you said to me standing in front of you, I abide fully by the strategy document, we're going to deliver 2 percent inflation, and not a whisper more, but to achieve that, I'm looking at a broader set of inflation data than PCE. So, without sort of fully revealing my cards, I'm trying to understand like my colleagues, what's the underlying generalized change in prices that are happening in the economy. It is not a perfect science. I might have said 42 days ago, I've got a task force for that. But we have a data project that's trying to look and see whether we can't separate the noise from the signal. And so if you would hear a message from me, yes, I care about what the PCE prints are, I care about what the contributions are from CPI and everything else, but my -- my lens is broader than that. Even though the remit is quite narrow.

MICHELLE SMITH. Mike McKee.

MICHAEL MCKEE. Michael McKee from Bloomberg Radio and Television. I'm struggling a little bit with some of what you've said today, and maybe you can help clarify this. You've said over and over again that your job is to bring down prices, to get prices stable, to hit your target, and that you will hit your target. The market says you're not there yet, because they've raised rates. But all you've talked about today is talking about it, and it's not like members of the Committee weren't there before you talking about it. So I guess what the American people might be asking is, what are you waiting for?

CHAIRMAN WARSH. Yeah. So, believe it or not, this press conference is not all I've done today. We have spent an inordinate amount of time in the last two -- two days, two weeks, looking at our monetary policy strategy. Evaluating our tools. Thinking hard about the sources of data that we have at our disposal, and we wish we had. We've also thought hard about the period ahead. What among these questions will be answered with more clarity, certainly not certainty. So, the decision we made today, the discussion we had in that room, was the farthest thing from inertia I can imagine. As a point estimate at this very moment, in a choice between two alternatives, you heard the results of it, but I would tell you that this discussion was far more robust and our thinking about how best to achieve that target is advanced, and over the coming months I expect it to be advanced much more significantly. If you were to sort of -- if I were to steal a follow-up question, I won't let you -- you won't be giving it up -- if I were to steal a follow-up question, well what's -- what's -- what's the world think about what you've done? I would again reiterate, what we do isn't just about what we say, it's not just about what we do, we're in the performance business. And so -- so, if I look at the Treasury curve, if I look at the dollar, if I look at a lot of things that are internals inside of financial markets, I think what they're broadly saying is that this Committee does own it, has the credibility to deliver it, and they believe, like I do, that we will. But I don't want to leave you with a misimpression, we've got no magic wand. This isn't something that we're going to be able to carry out in days or weeks. But we're going to deliver on the responsibility that Congress gave us, and today's meeting, and the preparation for today's meeting, was an important step towards that destination.

MICHAEL MCKEE. I'd like to follow-up on the task forces as well, and ask, what vetting did you do of the people that you appointed to the task forces. In particular, given Marc Andreessen's substantial political spending, $25 million in just the past year to back candidates who oppose stricter AI regulation, how can the public be confident that a committee he co-chairs will provide an independent assessment of AI's economic effects, rather than one aligned with the interests of the AI industry?

CHAIRMAN WARSH. Yeah, so I selected 15 incredible subject market -- subject matter experts to tackle five of the most important questions that if we get the answers right, we're going to do a far better job in delivering. And if we get the answers wrong, we have a problem. The comfort that I can give you and your listeners is, we're the decision makers. The Chairman of the Board of the Federal Reserve and the members of the Board and the FOMC, we will be the consumers of the outputs from five different committees. The judgments we're making will be informed by, but not at all determined by these outside groups. My theory of the case in establishing the task forces were to pick people with extraordinary talent, depth of expertise and a divergence of views inside every committee. So they too can have a family fight. This is not outsourcing to people that aren't known and haven't been vetted. This is seeing whether new ideas can catalyze a broader, better, more informed discussion inside the room. And I'm very confident that we're going to be able to do that. I am impressed by the credentials of these 15 people. And full disclosure, I've known almost all of them for a very long time, and I think they're going to give their best views on the subject, but ultimately, these are decisions we're going to make and we're accountable to our oversight committees and to the remit Congress gave us to deliver.

MICHELLE SMITH. Ann.

ANN SAPHIR. Hi, Ann Saphir with Reuters. Nice to see you again. So I need a little help here too. You've -- you've said repeatedly, you have no tolerance for inflation. And yet, we are seeing above target inflation, repeatedly, for five years. And through your term so far. And sure, you have no magic wand, but you have not taken action. You just gave us a little peek at your reaction function as well. You said that if underlying inflation is rising, that you would tend to think that you might need to tighten. And, with the exception of the most recent inflation print, that is what we've been seeing. So, could you explain what you mean by no tolerance for inflation, and what you plan to do about it?

CHAIRMAN WARSH. Sure, so Ann, I hear from you what I hear more broadly from households and businesses, impatience. Deliver it already. This is not a -- this is not an excuse, this is a fact, this FOMC, this Board has been in business for eight and a half weeks. This -- the -- the patience, the impatience that households and businesses feel have been going on for 63 months. We are on the job, we will deliver, we are focused like a laser on making sure we can do it. But, the suggestion that we're going to be able to do it with our magic wand is one I want to disabuse you and everyone else of. But the discussion last two days give me more confidence even than i had eight and a half weeks ago, this team that we have at the FOMC, the support that we have from Board staff, and the new hard questions we're asking, we need to resolve those, and as we resolve those questions, get smarter on those, we're going to deliver on the remit. You don't have to take my word for it. If you look broadly at market prices, they are certainly not saying all clear, but they are working in concert to keep us on our toes, and they have tightened financial conditions in this intermeeting period, and -- and that has given us a -- that has provided us some -- some comfort that -- that we've got the ability and capability to deliver.

ANN SAPHIR. And is your read, or your I guess, faith in markets' ability to sort of make a judgment and then you to take signal from that judgment, is that -- how does that affect you when you come up on the September meeting and markets are seeing a near 100 percent chance of a rate hike, as they see now, how does that feed into your decision making and your thinking?

CHAIRMAN WARSH. So, we're not going to be constrained by market prices. We're not going to be constrained or take verbatim from what the market's doing. But I think it's useful, Ann, to understand that markets can be a very good source of information, not a determinative source, not a perfect source, but if we're trying to land the plane and deliver 2 percent inflation, and we take a very useful source of information and we get it all fogged up by giving it our own forecast, by providing rolling commentary, I can assure you that we're going to have less information, less ability to land the plane successfully, and deliver price stability. We're just trying to make sure that that source of information is as direct and unfiltered as possible. It isn't to the exclusion of data sources and opinions and other surveys, but if you're hearing from me, we wanted to make sure we're getting a better source of information, I think in a relatively short time, we are.

MICHELLE SMITH. We'll go to Brian Cheung for the last question.

BRIAN CHEUNG. Hi, Chairman Warsh, Brian Cheung with NBC News. So, you said you'd be open to having press conferences when there's news to make. So today, no change to rates, no forward guidance. For the average household I guess, what was the news today?

CHAIRMAN WARSH. So, apparently it was news that I had a press conference. Let me just see if I can offer some clarity on that. Between now and year end, my predecessors and the Federal Reserve committed to press conferences this year, I'm committing to press conferences this year. That might be news to the people in this room, and of no particular interest to your viewers and your -- and -- and your readers back at home. What I can offer as assurance, is that the Fed's on the case. That this Fed Chairman feels better about this Board and this Committee's ability to deliver than I did when I showed up here on the first day. And I showed up pretty confident. I've been heartened by the reception that I received. No doubt in some of your commentaries today you'll talk about a divided Federal Reserve, but that's not the feeling I felt the last couple of days, and the couple days before it. What I felt was a group of professionals, all the different perspectives, different views, different judgments, but eager to roll up their sleeves and have a family fight, and eager to reform the way in which the Fed does policy. A keenness and open-mindedness and curiosity about that. So we have a far better chance to deliver on the remit that Congress gave us, and so I want to leave you with the optimism of a new central banker that we're committed as ever to deliver and to offer an assurance we will. Thank you all very much.