
Monetary Policy and the Crosswinds of Change

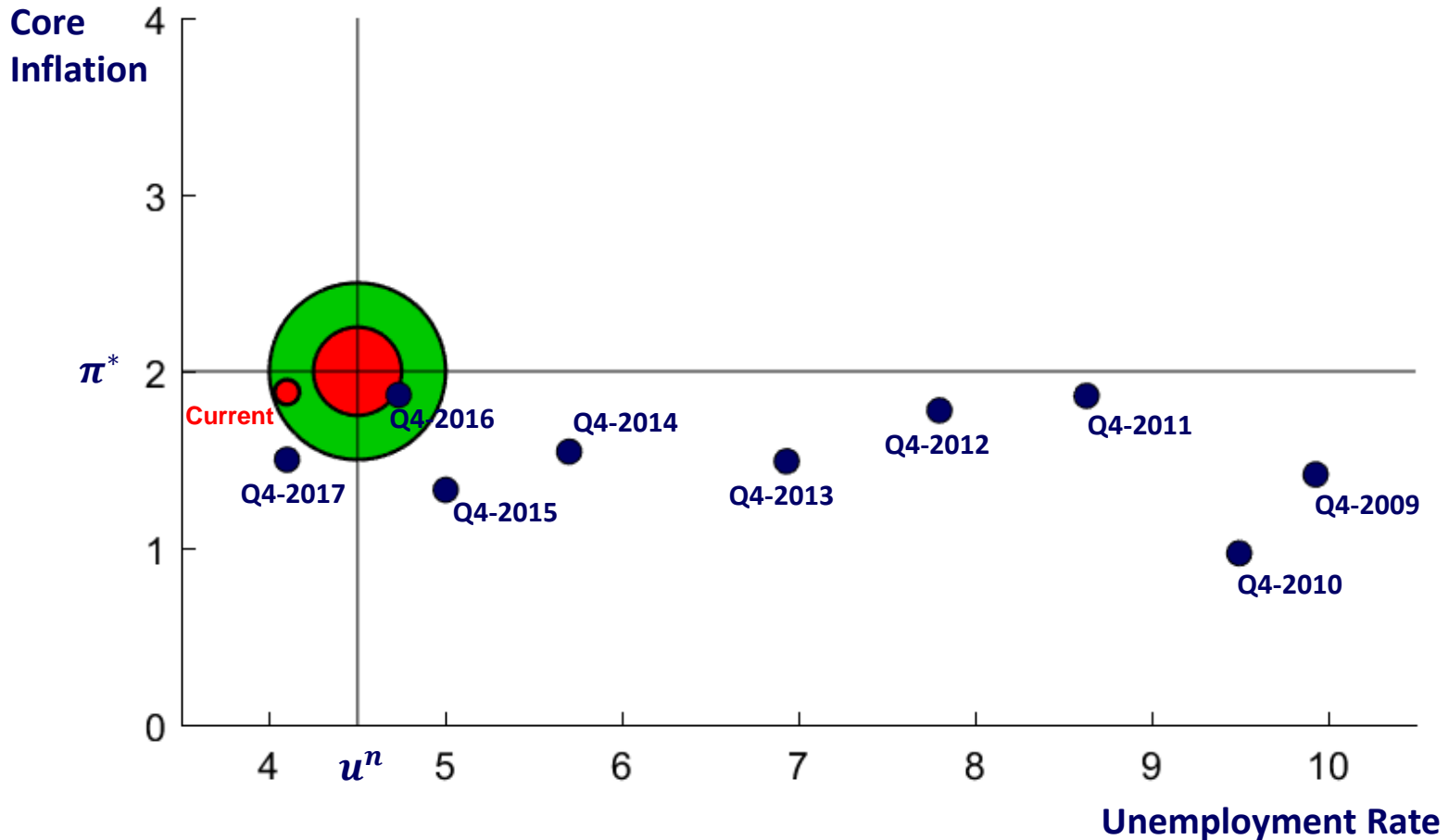
*Remarks at Learning About an ML-Driven Economy
Federal Reserve Bank of Atlanta
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The views I express here are my own and do not necessarily reflect the views of the Federal Open Market Committee (FOMC) or within the Federal Reserve System.

The Fed's Dual Mandate

Loss Function: $L = (\pi - \pi^*)^2 + (u - u^n)^2$
(percentage deviation from target)



Natural rate of unemployment taken from the median of the long-run Projections in the FOMC Summary of Economic Projections, currently equal to 4.5%. Inflation target of 2% was first announced in January 2012.

Source: Federal Open Market Committee, Bureau of Economic Analysis and Bureau of Labor Statistics from Haver Analytics