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Parsing the Fed: How the September Statement Changed from July

By SARAH PORTLOCK

Sep 21, 2016 2:02 pm ET

The **Federal Reserve** releases a statement at the conclusion of each of its policy-setting meetings, outlining the central bank's economic outlook and the actions it plans to take. Much of the statement remains the same from meeting to meeting. Fed watchers closely parse changes between statements to see how the Fed's views are evolving.

The following tool compares the latest statement with its immediate predecessor and highlights where policy makers have updated their language. This is the September statement compared with July.

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Information received since the Federal Open Market Committee met in June indicates that the labor market has continued to strengthen and that growth of economic activity has been expanding at a moderate rate. Job gains were strong in June following weak growth in May. On balance, payrolls and other labor market indicators point to some picked up from the modest pace seen in the first half of this year. Although the unemployment rate is little changed in recent months, labor utilization in recent months, job gains have been solid, on average. Household spending has been growing strongly but business fixed investment has remained soft. Inflation has continued to run below the Committee's 2 percent longer-run objective, partly reflecting earlier declines in energy prices and in prices of non-energy imports. Market-based measures of inflation compensation remain low; most survey-based measures of longer-term inflation expectations are little changed, on balance, in recent months.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee currently expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will strengthen somewhat further. Inflation is expected to remain low in the near term, in part because of

