

Key Inter-Meeting Fed Speak – Jan 2026

By Tim Cooper
January 22, 2026

Core of FOMC Sees Policy Near Neutral, No Urgency To Cut Again: Several FOMC members have emphasized since the December meeting (see below) that after three consecutive cuts, the policy stance is close to neutral and the bar for additional easing is now higher.

This has been especially notable in the case of core FOMC leadership. NY Fed President Williams said “I don’t personally have a sense of urgency to need to act further...because I think the cuts we’ve made have positioned us really well.” Vice Chair Jefferson said just before the blackout period that current policy “leaves us well positioned to determine the extent and timing of additional adjustments” based on incoming data. Additionally, data-dependence has meant that the poor quality and delayed nature of recent releases meant there is both a need and a flexibility to wait for further evidence before making the next cutting decision. We think that’s an opinion shared by the majority of the Board, including Chair Powell

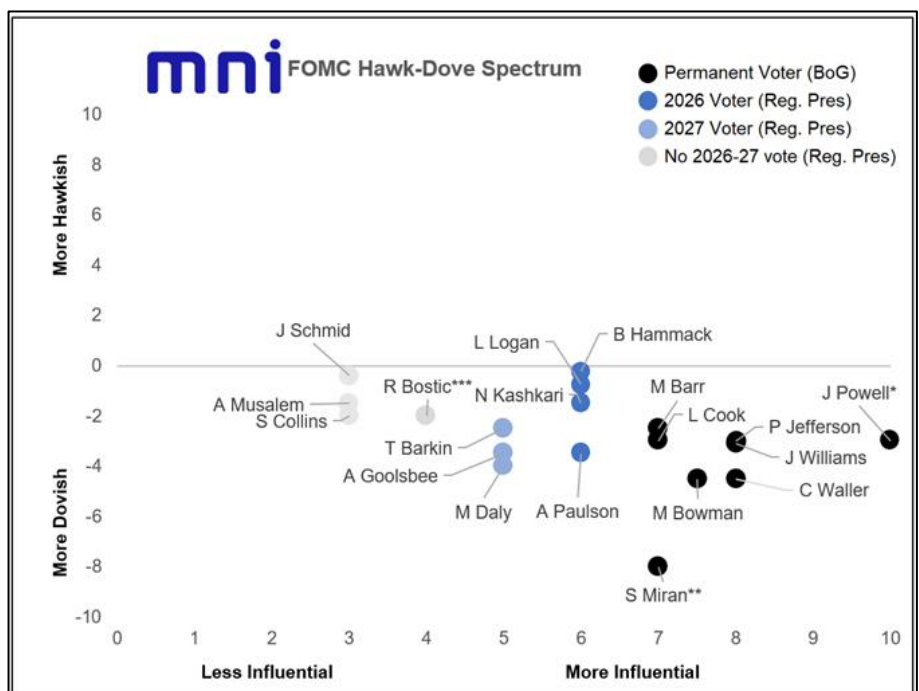
Indeed the latest major data releases don’t seem to have swayed opinions one way or another, with commentary suggesting that FOMC participants are discounting the seemingly-soft CPI and unemployment readings as distorted by technical factors, with the dip in December’s unemployment rate further complicating matters. This appeared to leave the bar set extremely high for a cut at the January meeting, judging from FOMC commentary.

3 Dovish Governors: As for the permanent members of the FOMC, three of them are the driving force behind signaling further cuts.

This includes **Gov Waller** (whose 2026 rate dot submission was below the FOMC median (of 3.4%) at “about three”, saying “maybe we’re 50 to 100 basis points off of neutral”) and **Gov Bowman** who argues policy should be adjusted toward neutral absent evidence of improvement in the labor market; she too sees underlying inflation already close to 2%. It also of course includes **Gov Miran** who argues current policy is “materially too tight” and has damaged the labor market, so he supports 150bp of cuts in 2026 and with underlying inflation already near target.

Introducing The 2026 FOMC Voters: We’d characterize the four 2026 Fed presidential voting slate as slightly more hawkish than the outgoing 2025 rotation, contrasting with a relatively dovish Board.

- **Philadelphia's Paulson** is the most dovish of the 2026 regional Fed voters, saying that “I am still a little more concerned about labor market weakness than about upside risks to inflation...I continue to see monetary policy as somewhat restrictive”. Paulson heavily implied she would have backed the December rate cut and that she currently envisages more easing in 2026.



Hawkish/Dovish: Scores indicate MNI’s subjective assessment of each member’s stance on monetary policy. -10 implies member believes aggressive easing warranted; +10 is most hawkish, implies member believes aggressive tightening warranted. Scores around -2 to +2 considered relatively neutral.
Influence: The x-axis runs from 0 (‘least influential’) to 10 (‘most influential’). Voters in the current year receive a minimum score of 6; the Chair receives a 10 and Board of Governors members receive at least 7. Those who are not voters in the current year are limited to a score of 5; among them, those due to vote next year receive higher influence scores (rising towards end of current year), and vice-versa. **Updated Dec 29, 2025**
 * Powell’s term as Chair expires on May 15 2026 but his term on the Board expires in Jan 2028
 ** Miran’s term on the Board expires on Jan 31 2026
 *** Bostic is retiring at the end of his term on Feb 28 2026 - his successor will vote in 2027

- Also becoming voters in 2026 are **Cleveland's Hammack** and **Dallas's Logan** who are among the biggest 3 hawks on the Committee; they are comparable to **KC's Schmid** who dissented against the last two rate cuts. Hammack said "we've got policy that's in that range of neutral...I would prefer to be on a slightly more restrictive stance".
- The fourth is **Minneapolis's Kashkari** who sees the economy as "surprisingly resilient," with policy currently "pretty close to neutral," while implying that the next move could even be a hike depending on inflation persistence.

2026 Dot Plot Assumptions See Fine Split On Multiple Cut Prospects

Taking into account comments from several FOMC participants since the December Dot Plot projections were released, MNI's compilation of end-2026 funds rates by member is below. As usual there is a lot of educated guesswork involved in placing the 19 dots though we do have a couple of members at both ends of the table who have been pretty specific on their views. 2026 voters' names are in green, and the key theme here is that the bulk of the current voters (9/12) see at least 1 cut this year though there is a fine split (6/6) between those who see 2 or more cuts and those who see 1 or fewer. We go into more detail on the reasoning behind individual members' Dots [here](#) and [here](#).

MNI Assumption Of December 2025 Dot Submission For End-2026

	end-2026
Hammack, Schmid, Bostic	3.875 3
	3.750
Collins, Kashkari, Logan, Musalem	3.625 4
	3.500
Barkin, Barr, Cook, Paulson	3.375 4
	3.250
Jefferson, Powell, Daly, Williams	3.125 4
	3.000
Goolsbee, Waller	2.875 2
	2.750
Bowman	2.625 1
	2.500
	2.375
	2.25
Miran	2.125 1
MEDIAN	3.4

Green = 2026 FOMC voter. Table: Median bolded. Source: Federal Reserve, MNI

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
J Powell	BOG, Chair	X	X	- No commentary on current monetary policy since last FOMC meeting
J Williams	NY Fed, VChair	X	X	NY Fed President Williams told CNBC in an interview on Dec 19 that latest soft CPI print as well as the tickup in the unemployment rate were distorted by technical factors. As such he says that the latest data don't change his view of the outlook: "I don't personally have a sense of urgency to need to act further on monetary policy right now because I think the cuts we've made have positioned us really well." - We would interpret the lack of "sense of urgency" to "act further...right now" as Williams pushing back against prospects of an end-January FOMC rate cut, at least unless there is some significantly dovish development in the data between now and then. - He says that "technical factors" associated with the BLS's post-shutdown estimates may have pushed down CPI by around 0.1pp (unclear whether he's referring to the 2.74% Y/Y November headline CPI reading or the 0.2% 2-month rise), with the unemployment rate unduly boosted by 0.1pp (came in at 4.56% in November, so implying it would have been largely unchanged from the 4.44% printed in September).

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
				<ul style="list-style-type: none"> - So as Chair Powell warned at the December meeting, Williams (and likely the rest of the FOMC) will require more data to get a more accurate read on the current state of the dual mandate variables before making a decision to ease further. - On the well-known technical issues with the messy November CPI report, Williams told CNBC "There were some special factors of practical factors that really are related to the fact that they weren't able to collect date in October and not in the first half of November. And because of that, I think the data were distorted in some of the categories, and that pushed down the CPI reading, probably by a tenth or so...it's hard to know, we'll get some when we'll get to December date, I think we'll get a better reading of how much that distortion, how big the effect was, but I do think that that was pushed down a bit by these technical factors." <p>In a Dec 15 speech called "Resilience", NY Fed President Williams - a dovish-leaning, permanent FOMC voter - says that after the Fed's latest cuts, "monetary policy is well positioned as we head into 2026." LINK</p> <ul style="list-style-type: none"> - Williams of course reignited December rate cut pricing in a speech he gave in November signalling unusually clearly that he saw room for a further cut in the "near term". Here he reverts to his usual communications approach, not revealing much about his rate preferences and in any case not signaling support for a follow-up cut in January. - His economic forecasts are basically in line with the FOMC medians, particularly for inflation and unemployment, suggesting that he's probably in line or if anything slightly below the overall December FOMC median projections for rates (which were 3.4% end-2026, 3.1% end-2027, so one cut in each year). That, combined with his "well-positioned" comment and the title of his speech, suggests that he sees a slower pace of cuts ahead after 3 consecutive reductions. - While the economy has "shown considerable resilience and looks poised to pick up steam next year", "the labor market has continued to cool, with labor demand softening more than supply" albeit "I should emphasize that this has been an ongoing, gradual process, without signs of a sharp rise in layoffs or other indications of rapid deterioration." - He forecasts GDP growth of 2.25% in 2026 (1.5% for 2025; FOMC December medians were 2.3% and 1.7% respectively), with the unemployment rate rising to "around" 4.5% for end-2025 (in line with the FOMC median) which he says partly reflects government shutdown effects. And then alongside above-potential growth, Williams expects unemployment "to gradually come down over the next few years", again in line with the FOMC medians. - On inflation, "the effects of trade policies have boosted inflation this year, but these effects have been more muted and drawn out than I originally anticipated...I do not see any signs of tariffs contributing to second-round or other spillover effects on inflation...inflation expectations remain well anchored." - He pencils in "just under" 2.5% PCE inflation in 2026, reaching the 2% target in 2027 (basically exactly in line with the latest FOMC medians: 2.4%, 2.1% 2027).
P Jefferson	BOG, VChair	X	X	<p>Federal Reserve Governor Jefferson hinted strongly in a speech on Jan 16 that he will support the overwhelmingly expected hold at the January meeting (speech text here).</p> <ul style="list-style-type: none"> - With the cuts so far bringing Fed funds into "a range consistent with the neutral rate — a rate that neither stimulates nor restricts economic activity. I look forward to our upcoming policy meeting, which will be held in less than two weeks. While I do not want to prejudge the decision that will take place there, in my view, the current policy stance leaves us well positioned to determine the extent and timing of additional adjustments to our policy rate based on the incoming data, the evolving outlook, and the balance of risks." - We regard Jefferson as pretty close to the center of the Committee, and his views are probably not far removed from Chair Powell's, so all in all this leads us to expect Powell will take a similarly "cautiously optimistic point of view" at the January meeting. Indeed we would expect some of Jefferson's commentary on the labor market and inflation to be repeated almost verbatim by Powell. - Jefferson: "I am starting 2026 with a cautiously optimistic point of view. Conditions in the labor market appear to be stabilizing, and I see the economy as well positioned to continue to grow while inflation returns to a pathway toward our 2 percent objective....the labor market is not deteriorating rapidly, as layoffs remain low; however, hiring remains low as well... In this less dynamic and somewhat softer labor market, the downside risks to employment appear to have risen. My baseline, however, is for the unemployment rate to hold steady throughout this year." - On inflation, "progress slowed over the past year or so, and inflation remains at a level that is above readings consistent with our inflation target" but "shelter inflation, shown by the black dot-dashed line, has continued to decline, and core services inflation excluding shelter, the red dashed line, has also been on a downward trend, albeit on a somewhat bumpier path. Those readings are consistent with overall inflation moving back toward our target....While some upside risks remain, moving forward I expect to see inflation return to a sustainable path back to our 2 percent target."
M Bowman	BOG, VChair	X	X	<p>Speaking publicly on monetary policy for the first time in three months on Jan 16, Fed VC Supervision Bowman gave an unsurprisingly dovish speech (link). We have previously considered her to be the second most dovish member of the FOMC, and assume her 2026 dot at the Dec SEP to have looked for 125bp of cuts in 2026.</p>

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
				<ul style="list-style-type: none"> - "Absent a clear and sustained improvement in labor market conditions, we should remain ready to adjust policy to bring it closer to neutral. We should also avoid signaling that we will pause without identifying that conditions have changed. Doing so will indicate that we are not attentive or responsive to the recent and expected path of the labor market." - "Although the labor market is still near full employment, it has become increasingly more fragile and could continue to deteriorate in the coming months," - "On inflation, we have seen considerable progress in lowering the underlying trend, considering that still-elevated inflation mostly reflects tariff effects that I expect will fade this year. When those effects are taken into account, core PCE inflation appears to be much closer to 2%."
L Cook	BOG	X	X	- No commentary on current monetary policy since last FOMC meeting
C Waller	BOG	X	X	<p>Gov Waller unsurprisingly remains concerned about the labor market following the latest nonfarms release in a Q&A at the Yale CEO Summit in New York on Dec 17, referring also to Chair Powell's estimate that NFPs are overstated by about 60k/month in making the case for further cuts:</p> <ul style="list-style-type: none"> - "The jobs numbers are around 50 to 60,000 the last couple months on average - we know that that's too high, and those are most more likely to get revised down when we get the Unemployment Insurance administrative data later. It'll take a while before we get that, but Board staff is estimating, take off another 50 or 60,000 jobs. So we're close to zero job growth now that's that's not a healthy labor market." - "My focus as a governor has just been to focus on the labor market. Inflation I'm not particularly worried about - I know it's above target, but I believe it'll start coming down the next few, three to four months...There's no forces that are suggesting that inflation is going to take off again in 2026." - Waller says he's below the FOMC 2026 rate dot median (of 3.4%) at "about three", saying "maybe we're 50 to 100 basis points off of neutral. We still got some room." But "We're not seeing a dramatic decline of labor market going off a cliff...I don't think we have to do anything dramatic. If you have to do something dramatic, it's too late." There were 8 (of 19 total) dots below the median in the December projections, with 4 at 3.1% and 2 at 2.9%. - Waller indicates that he's forecasting GDP growth of 1.6% this year and 2.5% in 2026 (vs FOMC medians 1.7% / 2.3%), and that supply-side improvements mean that stronger growth will not translate into stronger inflation (an argument advanced by the Trump administration as well as some of Waller's FOMC colleagues such as Gov Miran). As such, rates can come down further in his core view, though he emphasizes that there is "no rush" to ease: - "I think inflation is still going to start coming down the first half and year towards our target, and we can continue to cut rates. Just on that alone. There's no reason we have to cut keep rates high just because there's positive growth in the economy. That doesn't cause inflation, per se. But because inflation is still up, we can take our time. There's no rush to get down. And so that's my view, is we just can steadily, kind of bring the policy rate down towards neutral. Keep an eye on inflation, and I'm not too worried about, you know, if growth is two and a half percent [next] year, which is above our kind of long run estimate, I don't view that as being overly stimulative to inflation."
S Miran	BOG	X	X	<p>Governor Miran told MNI on Jan 5 the FOMC needs to cut interest rates substantially this year because underlying inflation is near target and a hesitancy to lower borrowing costs has already unduly damaged the labor market. Recent weakness in the labor market, which saw the jobless rate increase to a four-year high of 4.6% in November, could have been prevented by more consistent monetary support from the central bank, Miran said.</p> <ul style="list-style-type: none"> - "I would say the labor market has been on a trajectory of gradual weakening, in large part because of Federal Reserve policy...and with the unemployment rate having crept higher and with various survey measures showing a job market that increasingly favors employers, it seems clear where the trajectory is and, given the inflation outlook, it seems inappropriate for us to try to maintain that trajectory and push it even farther." - Miran said he penciled in 150 basis points of rate cuts for this year in the December SEP, up from 100 basis points in his September forecast. "My previous dot was preconditioned upon the Fed pursuing the right policy, and as long as we keep policy at what I think of as materially too tight, we're reducing my growth expectations in the future," he said. "That requires looser policy now to offset that." <p>Gov Miran said on Dec 22 he hasn't decided on whether to push for a 25bp or 50bp cut at the January meeting - he "could see voting for" 25 given that with rates having come down 75bp at the last 3 meetings "the need for me to dissent for 50 becomes less", but "I do think it's important we continue steadily reducing the policy rate". Of course, that could be Miran's last meeting if he is replaced after his term ends at the end of January.</p> <p>He followed up his third consecutive dissent in favor of a 50bp cut (vs the 25bp decided) at the December meeting with a speech detailing his views on inflation (link). There are no surprises from the current-biggest dove on the FOMC on his rate outlook: he advocates "a quicker pace of easing policy". He argues that underlying inflation pressures are moderating, and a preferred measure of core inflation that cuts out various components that he considers distorted - market-based core ex-shelter PCE - is running close to the 2% target already. No word in the speech on whether he was the participant who submitted the lowest Fed funds rate dot for end-2026 (2.1%, 150bp of cuts from current levels) in the December projections but it is likely.</p> <ul style="list-style-type: none"> - The main thrust of his argument is that shelter inflation is both a badly-lagging indicator of price pressures from the pandemic period, and measures of it are due to come down substantially in the coming quarters.

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		'26	'27	
				<p>And since wages "are the primary driver of service inflation" recent labor market looseness have "tilt[ed] nominal wage growth risks toward the downside".</p> <ul style="list-style-type: none"> - He acknowledges "The lack of a clear downward forecast for core goods prices might suggest keeping interest rates elevated." But "the shelter outlook appears relatively clear—because market rents lead measured inflation—and powerful enough to overwhelm even the possibility of sustained higher goods inflation. Underlying inflation is near, and further approaching, our target...Shelter inflation is indicative of a supply–demand imbalance that occurred as much as two to four years ago, not today. Given monetary policy lags, we need to make policy for 2027, not 2022...Keeping policy unnecessarily tight because of an imbalance from 2022, or because of artifacts of the statistical measurement process, will lead to job losses". - But he says "a better measure of underlying inflation would account for distortions from shelter and imputed prices. Removing imputed phantom inflation like portfolio management, market-based core inflation is running below 2.6 percent. If we further remove housing and look at market-based core ex shelter, underlying inflation is running below 2.3 percent, within noise of our target. Once shelter inflation has normalized from the anomalous post-pandemic experience, ordinary market-based core may be more appropriate." - The above provides impetus to cut, in addition to potential labor market risks (and, he notes warily, "Recessions are an inevitable part of the business cycle, and at some point, we will suffer one. We should strive to ensure that point is as far in the future and as shallow as possible by appropriately calibrating monetary policy.") <p>Miran said on Dec 22 on Bloomberg TV that the incoming data have "come out in accordance with my view of the world", referring in particular to last week's CPI and Employment Situation reports. His view of course includes further rate cuts in 2026.</p> <ul style="list-style-type: none"> - Inflation "has steadily come in cooler than expectations", with the unemployment rate having "poked up potentially above where people thought it was going to go", so overall "we have had data that should push people into a dovish direction." - He acknowledges that the softer-than-expected CPI print included "a couple of anomalies" that suppressed the figures to the downside but "the consequences are not huge", with an impact of "in the neighborhood of 2/10 of a point" for PCE split between shelter data quirks and 2nd half-November collection date effects.
M Barr	BOG	X	X	- No commentary on current monetary policy since last FOMC meeting
B Hammack	Clev. Fed	X		<p>Cleveland Fed President Hammack in a Q&A on Dec 12 sounded typically hawkish on inflation - our presumption is that she penciled in no cut in December and no further changes through 2026 in her latest Dot Plot. Indeed, she implies that she could potentially even be supportive of a hike in 2026 if inflation fails to abate.</p> <ul style="list-style-type: none"> - Asked if she supported the December rate cut, Hammack implies that she did not, as the new level of rates is not restrictive enough for her liking: "This was a complicated decision. We'd reduced interest rates by 50 basis points already. We're in this challenging time where we've got pressure on both sides of our mandate... we've got policy that's in that range of neutral...being close to neutral is probably the right place to be. I would prefer to be on a slightly more restrictive stance... my perspective is that right now, after the 75 basis points of reductions that the Committee has taken over the last quarter of this year, we're right around a neutral policy, and I want to be watching carefully as we get this data over the next several months to see: are we seeing inflation start coming down towards our objective? Are we seeing the employment levels stabilize? Those will be key signals to me that we're moving into a place where this can be a policy rate that we can maintain..." - "If [inflation is] sticking around and if it's at these higher levels for a bit longer, then that's going to say to me, maybe we need to look at where we are from a policy perspective. Maybe we're not restrictive enough assuming the labor market holds up. If the labor market weakens further, then it just gets to be back in this, this challenging time." - "Inflation has been too high and it's been pretty stable. It ticked up a little bit, but it's been really kind of stuck closer to three than two. It is our job and our responsibility to get it down towards 2%. And I'm committed to doing that. It is challenging right now for monetary policy because we're being challenged on both sides of the mandate. Inflation has been too high and it's been holding there at those levels for some time. But we are seeing some softening on the labor side of the economy...we are looking closely at the labor market to understand how much of this is secular.. and how much of this is cyclical." - She says in response to a question about the next Fed chair and a higher inflation target that "I have every confidence that a new [Fed] Chair coming in will also be focused on a 2% inflation objective."
N Kashkari	Minn. Fed	X		<p>Minneapolis Fed President Kashkari, a 2026 FOMC voter, sounded patient on the prospect of future rate cuts in comments made Jan 9 on CNBC. Overall based on his first remarks since the December FOMC meeting, we would continue to characterize his stance as just the 3rd most hawkish of this year's 4 rotating presidential voters (less hawkish than Cleveland's Hammack and Dallas's Logan, more hawkish than Philly's Paulson). Back in November he said that he wouldn't have supported the October rate cut, and we assume this meant he didn't support December's cut either.</p>

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
				<ul style="list-style-type: none"> - It sounds like if early-2026 inflation tariff passthrough from businesses does not prove to be too alarming, then he could plausibly support further cuts because there is a risk that unemployment could "pop" higher going forward. - But he's also in no hurry to ease because the labor market looks relatively steady amid a consistently more resilient economy than had been expected, inflation remains too high, and he sees policy as around neutral already. Indeed he implies that the scope for cuts is limited and that he wouldn't rule out support for the next move being a hike depending on how the data unfolds. - "The economy has proven to be far more resilient than I had expected...that tells me monetary policy must not be putting that much downward pressure on the economy. My guess is we're pretty close to neutral right now." On balancing the Fed's dual mandate risks, Kashkari says that the FOMC needs to see more data before determining which of the inflation or the labor market mandates is at bigger risk of being missed, and then "move from a neutral stance whatever direction is necessary" (note the "direction" appears to be a matter of debate for him). - He says "I think the inflation risk is one of persistence, that these tariff effects take multiple years to work their way all the way through the system, whereas I do think there's a risk that the unemployment rate could pop from here...We have two sides of our mandate... inflation is slowly trending down. The unemployment rate has gone from 3.6% to 4.6% so we're moving in the wrong direction on the labor market." - Kashkari's outlook on the economy appears to consist of more-of-the-same on growth and the labor market. But he also echoes comments from other FOMC members in scrutinizing whether businesses will pass through tariffs to clients via price resets at the start of the year. He characterizes the main inflation debate on the FOMC as whether tariff-related price increases are persistent or a one-off. - On inflation, "I've got a lot of confidence that housing services inflation... should continue to come down. Non housing services should be tied to wages, and wage growth is slowly trending down, so it's going to be slow... the tariff induced goods inflation - are we going to see a repricing in January of this year? A lot of businesses have said, there could be a repricing this year as they reset prices, that's something that we're going to need to watch." - On growth, Kashkari reiterates that it keeps "surprising me how resilient growth is, and my expectation is the economy will probably continue doing what it's been doing, which is pretty resilient, pretty decent growth." On the labor market: "My expectation has continued low hiring but low firing."
L Logan	Dall. Fed	X		- No commentary on current monetary policy since last FOMC meeting
A Paulson	Phil Fed	X		<p>Philadelphia Fed President Paulson (2026 voter) largely repeats previous comments on her monetary policy outlook for the year in a speech on Jan 14. She's the most dovish of the 4 regional voting presidents this year. We would think she's a little below the median participant in the Dot Plot (ie looking for at least 2 cuts) though her outlook suggests that she's not looking for a cut early in the year and certainly not at her first meeting as an FOMC voter at end-January.</p> <ul style="list-style-type: none"> - She says "I view the current level of the federal funds rate as still a little restrictive" and her cautiously optimistic appraisal of the inflation outlook combined with "a slowing labor market" "argue against tighter monetary policy". Overall "some modest further adjustments to the funds rate would likely be appropriate later in the year" if her outlook pans out. - "I see a decent chance that we will end the year with inflation that is close to 2 percent on a run-rate basis; that is, 12-month inflation may still be a little elevated, but three-month inflation will be 2 percent by the end of the year. Yesterday's [December] CPI inflation release for December doesn't change my assessment. - Paulson says her cautious optimism is based on multiple factors, including having "already seen a lot of the price adjustments" in goods as a result of tariffs. However Paulson repeats her previous caution in noting that "producers may still have some more price changes to make. The data for January will be especially useful for gauging this because the beginning of the year is a natural time for firms to change prices." - She doesn't see any evidence that "tariff-induced price pressures are leading to broader inflation." While supercore inflation is "still elevated", "it is moving in the right direction". And on housing inflation, "here the news is unambiguously good" with both recent data and forward looking indicators pointing to continued progress. - On the labor market: "While the labor market is clearly bending, it is not breaking...still, labor market risks have risen and that has been an important factor in my support for the 75 basis points of cuts that the FOMC did last year. I will be monitoring labor market developments closely." - And her she notes as part of a long passage on the divergence between strong GDP growth and a softer labor market that "typically, when GDP and labor market signals are in conflict, the labor market signal turns out to be more accurate". And on labor market risks, "my baseline outlook is pretty benign and does not take strong signal from Q3 growth".
T Barkin	Rich. Fed		X	Richmond Fed President Barkin told reporters including MNI on Jan 9 that the December payrolls report was "encouraging", with the unemployment rate down to 4.4% in the month coming as a welcome development in a labor market environment characterized by modest and balanced supply and demand.

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
				<ul style="list-style-type: none"> - "This fine balance between a modest job growth environment with a modest labor supply environment seems to be continuing and that was encouraging, Some of it is uncertainty, a lot of it is productivity. But it's hard to find businesses outside of the AI ecosystem or health care that are talking about hiring, and that's very consistent with what I saw today." - Speaking on the intersection of today's jobs numbers and the strong recent productivity data shown in this week's report: "businesses are going to have to make a call as to whether they can sustain the productivity, and they're going to need to hire to meet demand. That's the upside case. The downside is they're convinced that demand will falter, in which case you reduce jobs equivalently." - We pencil in Barkin as being in line with the FOMC 2026 median implying 1 rate cut this year though clearly given his comments in the last week, he's not in any rush to ease. <p>Barkin's speech on the economic outlook on Jan 6 was typically guarded on the expected path of policy rates.</p> <ul style="list-style-type: none"> - Barkin takes a measured approach in his speech, noting that after some "insurance" cuts, policy is close to neutral, with the dual mandate variables finely balanced. - Barkin says "As the labor market has softened in the past year, the FOMC cut rates further in the fall and to a level now within the range of its estimates of neutral. Think of it as taking out a bit of insurance. But going forward, policy will require finely tuned judgments balancing progress on each side of our mandate. Unfortunately, for the last three months, we've been operating without data or with low-quality data that are hard to put much weight upon. That makes our task a bit more challenging. So, I'm looking forward to digging in and learning as clean data start to come in over the coming weeks." - "Both sides of our mandate bear watching. Unemployment remains low on a historic basis but has ticked up. Inflation has come down but remains above target. With the hiring rate low, no one wants the labor market to deteriorate much further; with inflation above target now for almost five years, no one wants higher inflation expectations to get embedded. It's a delicate balance." - He doesn't see much of an impact from tariffs on consumer prices, largely because "consumers, exhausted by higher prices, have pushed back". He also seems concerned that demand and job growth are "narrow" (AI spending/wealthy consumption, and private sector job growth dominated by healthcare/social assistance). Overall though he seems to take the view that the economy is resilient until proven otherwise, especially as fiscal stimulus is on its way and "uncertainty is bound to diminish" vs a "foggy" 2025.. "resilience has been enabled by strong underlying dynamics. Consumers have jobs. Real wages are increasing. Asset values keep growing. Corporate earnings and earnings outlooks remain strong. In those circumstances, it's hard to imagine consumers and businesses moving to the sidelines."
R Bostic	Atl. Fed		X	<p>Atlanta Fed President Bostic won't vote again on the FOMC, and is retiring in February, but told reporters including MNI on Dec 16 that he "would have preferred to hold rates" in December, implying he was one of the six FOMC members who pencilled in no change in end-2025 rates in the Dot Plot. Additionally he said that for 2026 "I didn't pencil in any cuts, because I think the economy is going to be a bit stronger." Note that just 3 (of 19) participants saw rates unchanged vs pre-December cut at 3.9% at the end of next year.</p> <ul style="list-style-type: none"> - Additionally, the latest employment data "haven't changed my perspective on things that much". - He writes in an essay (link) that "after wrestling with all the considerations, today I continue to view price stability as the clearer and more pressing risk despite shifts in the labor market...as I write in mid-December, signals from the labor market remain too ambiguous to warrant an aggressive monetary policy response when weighed against the more definitive risks of ongoing inflationary pressures." - Notably he's concerned about whether the Fed will maintain its credibility on inflation: "credibility is a cornerstone of effective monetary policy. I am mindful of just how precious and hard-won our credibility is, and how difficult it would be to regain that credibility should it slip away."
M Daly	S.F. Fed		X	<p>SF Fed's Daly ('27 voter) posted a thread on X on Jan 15 (link) noting that incoming data looks promising but with the Fed needing to be deliberate as it calibrates policy to achieve its full mandate.</p> <ul style="list-style-type: none"> - "The Federal Reserve's job is to serve the American people. In monetary policy that means achieving our dual mandate goals of price stability and full employment. - Last year the FOMC reduced the policy rate by 75 basis points, responding to significant slowing in the labor market and milder than expected inflationary pressures. - As we start the year, inflation and the labor market remain front and center. The incoming data look promising. - Projections for growth are solid, the labor market is stabilizing, and inflation is expected to improve over the course of the year. - Of course, there is still a lot of uncertainty, with risks to both sides of our mandated goals. - So, we will need to be deliberate as we calibrate policy to achieve both price stability and full employment. Fortunately, policy is in a good place to respond to however the economy evolves. - As we determine our next steps, we will need to focus beyond any data print, looking further ahead and prioritizing listening—to businesses, households, and communities—to fully understand the economy."

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
A Goolsbee	Chic. Fed		X	<p>Chicago Fed President Goolsbee said of his somewhat surprising dissent in favor of a rate hold at the December meeting (link): "While I voted to lower rates at the September and October meetings, I believe we should have waited to get more data, especially about inflation, before lowering rates further... Given that inflation has been above our target for four and a half years, further progress on it has been stalled for several months, and almost all the businesspeople and consumers we have spoken to in the district lately identify prices as a main concern, I felt the more prudent course would have been to wait for more information."</p> <ul style="list-style-type: none"> - However we wouldn't categorize his views as hawkish given that he still appears to see multiple rate cuts in 2026, a view he's had throughout the tariff episode: "I remain optimistic that interest rates can come down a significant amount over the next year. My unease is about too heavily front-loading rate cuts and just assuming that inflation will be transitory. Given the last several years, getting more evidence first feels like the wiser choice." - With only moderate cooling the labor market and "little to suggest a deterioration of the labor market so rapid that we could not have waited for the data to come in the early months of next year before deciding to act", the key criterion for him in resuming cuts is inflation: "elevated inflation may have come mainly from tariffs and may quickly prove transitory. The danger, of course, is either the tariff inflation proves more long-lasting than we currently forecast or that inflation in more persistent categories like non-housing services remains too high or gets worse." <p>Goolsbee told CNBC on Dec 12: "I am not hawkish on rates for next year. I think that we make progress [on inflation] and that by the end of next year, if you look at the dot plot, I'm one of the most optimistic folks about how rates can go down in the coming year, I'm just uncomfortable with front loading the rate cuts assuming all of the inflation that we've seen be transitory....the dots are anonymous for reason, but I'm more than the median for the end of '26". That being the case, he's one of the 8 most dovish dots (of 19) which are below the median of 3.375% for end-next year.</p> <p>Goolsbee told NPR radio on Jan 14 that the stand out in December's inflation data was that it didn't get worse but that it's an important challenger over the next couple months to make sure that the path is back towards the 2% target. That's not surprising, having dissented at the Dec meeting as he wanted more clarity on post-shutdown developments, but sees rates going down a fair amount if inflation is on track.</p> <p>Speaking on Dec 18, he saw a lot to like in the November CPI report.</p>
S Collins	Bos. Fed			<p>Boston Fed's Collins wrote on LinkedIn on Dec 15 that she needs more evidence that inflation is cooling before supporting another interest rate cut.</p> <ul style="list-style-type: none"> - "Given a policy stance that is at the lower end of a range I view as mildly restrictive, I would want greater clarity about the inflation picture before adjusting policy further, to ensure a timely return of inflation to the Committee's 2% objective". - Last week's 25 bp cut was a "close call," Collins said, adding she was swayed by evidence "the balance of risks had shifted a bit." The risk of inflation rising further "seem somewhat less likely" while some recent data and anecdotal evidence suggest "pockets of fragility" in the labor market, especially among smaller businesses. - "Still, with nearly five years of elevated inflation, I remain concerned about potential inflation persistence," she said.
A Musalem	St. Louis Fed			<p>St Louis Fed President Musalem (non-2026 FOMC voter) appears encouraged by recent inflation developments but is nonetheless hesitant about making further rate cuts in the near-term.</p> <ul style="list-style-type: none"> - He said at an MNI event on Jan 13 that he expects inflation to resume its convergence to the 2% target over the course of this year, and the December inflation data "was encouraging that respect" with the 3-month rate of inflation trending lower. - He says that his "sense" is that "policy is right around neutral" and "well positioned right now, balancing both the expected path of the economy and the risk on both sides". - Musalem says he sees "little reason for near-term further easing of policy". - That said, "If the labor market risks were to rise more than I currently expect, or if the risk that expected inflation begins to undershoot 2% on a persistent basis increases, of course, at that point, it might be appropriate to reduce the policy rate further, but I would have to see those risks materialize." - He says that the latest nonfarm payrolls report for December and other data suggest a "resilient" labor market that he expects to "stabilize around current levels". - "What I see is a labor market that has been cooling in an orderly way over the past nine months or so, I see demand and supply factors that have been at play...what I took away from it is, the unemployment rate's right around the neutral rate of unemployment. I took that payrolls are growing right in the middle of the range that we estimate [St Louis Fed] to be the new break even rate, which we say somewhere between 30,000 to 80,000 persons per month. And in terms of compensation growth, it is robust compensation growth, but consistent with a very high labor productivity that we've had in the last few quarters... if you look at the employment components of a lot of the business surveys, they've been robust. If you look at unemployment claims, they've been stable or coming down as new claims. And if you look at layoff announcements, they have come back out again, at least in the last read. So all in all, I see labor market that has been resilient. I expect it to stabilize around current levels. And the last labor report in my read was, was a good one."

Member	Role	Voter		Monetary Policy Commentary Since December FOMC
		'26	'27	
				<p>- He eyes solid growth in 2026: "I expect the economy to grow and operate at or above potential in the coming year, there are some very robust tailwinds. We have a positive fiscal impulse, we have the cumulative lag effects of the 175 basis points of monetary policy easing working through the economy, we have accommodative financial conditions. And so all these, I think, will lead to a robust economy this year. The economy was very robust last year, very resilient to a number of shocks, and so that tells me the labor market will be stabilizing, will be supported by those dynamics."</p>
J Schmid	K.C. Fed			<p>Kansas City Fed President Schmid emerged with a hawkish speech on Jan 15, unsurprising given that he dissented against the FOMC's most recent two cuts when he was a voter in 2025. It remains clear that he does not envisage rate cuts this year in his base case scenario, though he is not a voter in either 2026 or 2027: "my preference would be to keep monetary policy modestly restrictive. And I will judge the restrictiveness of monetary policy by how the economy evolves."</p> <ul style="list-style-type: none"> - He writes in repeating his dissent explanation from the December meeting that "One way to interpret the recent rate cuts is that the Committee had become a little more worried about the employment side of its mandate and a little less worried about the inflation side. My preference at both meetings, as reflected in my vote, was to leave the policy rate unchanged. My reasoning was based on three factors. First, inflation remains too high. Second, I believe that cutting rates could disproportionately harm the inflation side of our mandate without providing much benefit to the employment side. And third, I don't think that monetary policy is currently very restrictive." Indeed he takes a different view of the balance of risks than most of the FOMC: "I believe that there is a risk that lowering rates could do more harm to the inflation side of our mandate than benefit on the employment side." - His take on the latest shutdown-distorted data is that "the effect of the shutdown on the quality of the data will likely persist through the first part of this year. That said, what data we do have, including this week's CPI release for December, is consistent with an inflation rate that remains close to 3 percent", with concerns over future inflation stemming from conversations with private sector contacts and surveys that suggest potential for input price passthrough to come. He acknowledges moderation in housing costs and "While I am hopeful that price pressures will ease, I am reluctant to step back until I see more convincing signs that overall inflation is headed in the right direction", pointing to both non-energy goods and non-housing services inflation as troublesome. - He says also that while "The labor market has clearly cooled in recent months" he points to the KC Fed's Labor Market Conditions Indicator which "remains a touch above its historical average. Overall, the data suggest a low-fire/low-hire labor market". - "With inflation too high, prices are sending us a signal that demand growth is outpacing supply growth". He goes on to say that "the data suggest to me that the neutral interest rate in the economy has moved up and that the current stance of policy, which well could have been restrictive before the pandemic, is no longer very restrictive now."

January Beige Book: Improvement In Economic Activity, With Positive Outlook

The Federal Reserve's Beige Book for January portrayed a slightly stronger take on economic activity in the mid November-December period compared with the prior release (November). In this regard it's only going to reinforce conviction on the FOMC that there is no hurry to cut rates.

- This is one of the strongest Beige Books in this respect in the last several cycles, in terms of breadth at least: 8 of 12 districts (the exceptions being NY, Chicago, Minneapolis, Dallas) saw activity rise at a slight/modest pace, compared with just 4 in the previous report. (See table below - MNI categorizes the results using the verbatim commentary in individual regional Federal Reserve banks' reports).
- Labor market conditions were slightly improved in the January Beige Book vs November, though the overall theme remained very much "low hiring, low firing" across most of the 12 districts. The lack of further deterioration vs November's report (when half of the districts reported decreases in employment) will also reinforce the notion that the rate cuts already implemented will suffice as sufficient "insurance" against labor market weakness for now.
- Reported inflationary pressures remained fairly steady across Fed districts in the January Beige Book vs November's edition, though this time no districts reported a downtick in prices (New York did in November).

District-By-District Descriptions of Current Conditions - Jan 2026 Beige Book

	Econ Act	Previous Report	Employment	Previous Report	Inflation (Selling Prices)	Previous Report
Boston	Edged Up Further	Expanded slightly	Unchanged	Edged lower	Rose modestly further	Modest increases
NY	Continued to decline modestly	Declined modestly	Continued to decline slightly	Declined slightly	Picked up further but remained moderate	Eased slightly
Phil	Slight pace of growth	Modest declines	Increased modestly	Declined slightly	Rose at a moderate pace	Rose moderately
Cle	Increased slightly	Increased slightly	Flat	Flat	Rose moderately	Rose moderately
Richmond	Grew at a modest rate	Grew modestly	Unchanged	Unchanged	Grew moderately	Moderate
Atl	Grew slightly	Unchanged	Flat to slightly down	Levels remained flat	Rose slightly	Increased modestly
Chicago	Little changed	Rose slightly	Flat	Increased slightly	Rose moderately	Rose moderately
Stl	Modestly increased	Unchanged	Unchanged	Unchanged	Increased moderately	Increased moderately
Minn	Flat	Flat	Down slightly	Declined slightly	Increased slightly	Increased moderately
KC	Increased slightly	Slowed slightly	Improved slightly	Declined slightly	Gone up modestly	Increased modestly
Dallas	Held steady	Weakened slightly	Largely held steady	Continued to fall	Remained moderate	Increased moderately
San Fran	Expanded modestly	Mixed	Stable on net	Largely held steady	Rose moderately	Rose modestly

Source: Federal Reserve, MNI. MNI's characterization is derived from the individual Fed reports, not the overall summary

December Minutes Show A Solid (But Narrow) Majority Eyes Further Cuts

The key paragraph from the December FOMC meeting minutes ([link here](#)) indicates (as did the meeting Dot Plot) a sizeable minority of members seeing no further easing through end-2026, but a base case among a solid if narrow majority that further limited cuts would ensue if the data cooperate.

- It was: "Most participants judged that further downward adjustments to the target range for the federal funds rate would likely be appropriate if inflation declined over time as expected. With respect to the extent and timing of additional adjustments to the target range for the federal funds rate, some participants suggested that, under their economic outlooks, it would likely be appropriate to keep the target range unchanged for some time after a lowering of the range at this meeting." But "all participants agreed that monetary policy was not on a preset course".
- The 25bp cut itself was a finely-poised decision. While "most" of the 19 FOMC members backed a cut, "some" (which in Fed-speak is less than "Many" but more than "Several") members preferred to keep the target range unchanged.
- Keeping in mind that that 6 members pencilled in no cut in their Dot Plot, an additional "few" who could have supported a hold implies that the Committee was evenly split on a rate cut vs a hold coming into the meeting: "A few of those who supported lowering the policy rate at this meeting indicated that the decision was finely balanced or that they could have supported keeping the target range unchanged."
- Indeed the "some" who saw rates on hold for "some time" after this meeting is consistent with the 7 members who pencilled in rates at or above the current 3.6% Fed funds midpoint by end-2026.
- Putting a finer point on it, "Those who favored lowering the target range for the federal funds rate generally judged that such a decision was appropriate because downside risks to employment had increased in recent months and upside risks to inflation had diminished since earlier in 2025 or were little changed." But "Those who preferred to keep the target range for the federal funds rate unchanged at this meeting expressed concern that progress toward the Committee's 2 percent inflation objective had stalled in 2025 or indicated that they needed to have more confidence that inflation was being brought down sustainably to the Committee's objective."
- Indeed the bar to a January cut remains high - the holdouts even appeared to suggest that they were concerned that a December cut would be shown as unwarranted in retrospect: "Some participants who favored or could have supported keeping the target range unchanged suggested that the arrival of a considerable amount of labor market and inflation data over the coming intermeeting period would be helpful in making judgments on whether a rate reduction was warranted."