

**February 11, 2022**

[Presentation \(pdf\)](#)

Presented at the University of Texas at Austin, Austin, Texas.

- **September 29, 2022.** [Remarks](#). Given at the HSBC Global Emerging Markets Forum.

### **Bullard Discusses Policy Rate Increases and U.S. Inflation**

September 29, 2022

St. Louis Fed President Jim Bullard discussed the pace of increases in the Fed's policy rate and the impact on inflation. He made the comments during a virtual discussion at an HSBC Global Emerging Markets Forum.

Bullard said the U.S. inflation rate was way above the Federal Open Market Committee's 2% target, which is why the FOMC has moved aggressively to raise its policy rate. He also pointed to forecasts made by FOMC members in September's Summary of Economic Projections that suggest additional moves in the policy rate this year.

"We're hopeful that by acting sooner and with transparency and with clear communication that we'll be able to get inflation down now, as opposed to the 1970s where inflation at these levels lingered for 15 years or so," he said.

Markets and policymakers are coming around to the view that inflation will take a while to go back to 2%, Bullard said, adding that inflation probably won't fall in a straight line. These factors seem to indicate higher policy rates for longer than markets might have thought even a year ago, he said. Since labor markets remain strong, this is a good time to try to get inflation under control, he noted.

Bullard was asked whether the Fed's 2% inflation target should be adjusted higher. The notion of changing the target when the Fed is challenged by high inflation sounds like a replay of the 1970s, he said, adding that "this is just a totally bad idea."

“I know people are talking about that, but we'll maintain credibility of the inflation target, we will push inflation to 2%, and we'll do it in a reasonably compact time frame,” he said.

Bullard noted the steady reduction in the Fed's balance sheet, which started in the second quarter, is hitting full stride in September. He said his preference is to wait and see on the balance sheet runoff to determine how things were developing.

Bullard emphasized that other central banks around the world are reducing their balance sheets as well and that he'll be keeping an eye on how this global quantitative tightening affects global financial conditions.

In addition, Bullard said he believes that the rise in interest rates alone isn't enough to cause a recession in the U.S., and that a recession instead would be caused by a shock. “I think we're at higher recession risk, but I don't think that's the base case at this point,” he said.

- **September 28, 2022.** [Introductory Remarks](#). Given at the 2022 Community Banking Research Conference (Hybrid), Federal Reserve System, Conference of State Bank Supervisors (CSBS) and Federal Deposit Insurance Corp. (FDIC).  
[Remarks \(pdf\) \(bullard-remarks-community-banking-28-sep-2022pdfsc\\_langenhashf72ac5130fffa4cc14d352747489297e\)](#).

### **Introductory Remarks: 2022 Community Banking Research Conference**

September 28, 2022

Remarks:[Full text (below)](<https://www.stlouisfed.org#text>)

St. Louis Fed President Jim Bullard welcomed community bankers, researchers, policymakers and bank regulators to the 10th annual Community Banking Research Conference. Held in-person and virtually this year, the conference is sponsored by the Federal Reserve System, the Conference of State Bank Supervisors (CSBS) and the Federal Deposit

Insurance Corp.

Bullard discussed some of the challenges and opportunities that community banks have faced since the event's inception. He recognized several conference features added in the past decade, while acknowledging the passing earlier this year of John Ryan, CSBS president and CEO and a founder of the conference. Bullard also introduced a pre-recorded special video conference message delivered by Federal Reserve Chair Jerome Powell.

*Prepared Introductory Remarks*

James Bullard President and CEO, Federal Reserve Bank of St. Louis  
Community Banking Research Conference (Hybrid) Federal Reserve System,  
Conference of State Bank Supervisors (CSBS) and Federal Deposit Insurance  
Corp. (FDIC) Sept. 28, 2022

Any opinions expressed here are my own and do not necessarily reflect those of the Federal Open Market Committee.

Good morning and welcome to St. Louis for the 2022 Community Banking Research Conference. I'm pleased to welcome you back into our building after presenting the conference virtually for the past two years. The pandemic gave us an opportunity to learn how to operate in a virtual environment and ensure that all our participants can be fully engaged in these proceedings—whether you're here in person or joining us on Zoom.

On behalf of the Conference of State Bank Supervisors, the Federal Deposit Insurance Corporation and the Federal Reserve System, I welcome you all.

This year's conference is particularly special, as it marks the 10th year of these proceedings. It began somewhat humbly, but with ambition. The goal of the conference, as outlined then by Governor Jerome Powell, now chair of the Board of Governors, was to "inform discussions among policymakers, to collect unique and innovative practices of successful community banks and to serve as a reference point for future research conferences."

I think this conference has achieved that goal.

In my remarks at the 2014 conference, I noted a significant increase in the number of paper submissions relative to the inaugural year and predicted continued expansion. While I am reluctant to make predictions—as St. Louis native Yogi Berra once said, “It’s tough to make predictions, especially about the future”—on this one I was right. We’ve seen a steady increase in submissions each year of the conference.

The conference grew in other ways as well.

The organizers added several other important features over the past decade. To name a few:

1. Community bankers were added to each of the research panels to provide a practitioner’s perspective on the research presented.
2. An Emerging Scholars program was created to support Ph.D. students interested in community banking-related topics.
3. CSBS developed an undergraduate case study competition to motivate interest in banking and banking research among students.
4. Expert panels were assembled to address highly topical issues and offer ideas for future research—and starting last year, the FDIC started rebroadcasting these conference discussions through its popular “FDIC Podcast.”

Additionally, in the second year of the conference, CSBS developed a National Survey of Community Banks. The survey is administered by the state banking commissioners and has given us current information on the state of community banking.

Miki Bowman, who is here with us today and is a longtime supporter of the conference, previously as Kansas state bank commissioner and now as a member of the Board of Governors, described the survey as “a window into what community bankers are experiencing.” I agree. It serves as a backdrop for the research presented and is valuable in its own right—findings have been cited over the years in policy discussions conducted by, among others, the U.S. Government Accountability Office and the Economic Report of the President.

The challenges and opportunities faced by community bankers have also changed over the 10 years of the conference. Initially, bankers were concerned about lingering impacts of the financial crisis and new regulations responding to it under the Dodd-Frank Act. Later came the COVID crisis, which community banks confronted as prominent providers of lifelines to small businesses through the Paycheck Protection Program. And now, banks face high inflation and an uncertain economic outlook.

But other challenges and opportunities have persisted. The community banking industry continues to consolidate. Bankers are finding that regulatory costs, particularly those incurred by smaller banks, remain burdensome. Bankers face now, as they did a decade ago, technological advances and competition from nonbank providers of financial services.

At the inaugural conference in 2013, John Ryan called for “robust, honest, disciplined research and a willingness to challenge our assumptions.” John was president and CEO of the Conference of State Bank Supervisors until his untimely passing earlier this year. I believe this conference has met his challenge, and I think he would be pleased with the agenda again this year.

Throughout this year’s proceedings, we will hear from leaders in community banking, banking supervision and academic research and from the conference sponsors, who will share their views on the importance and significance of this year’s event. Before we play a special conference message sent to us by Federal Reserve Chair Jerome Powell, I’d like to offer my own congratulations, to the conference organizers, to everyone on this year’s program and to all of you—here in St. Louis and virtually—for sustaining this important conference for the past decade.

I look forward to seeing what the next decade will bring.

- **September 27, 2022.** Remarks and Panel Discussion. [Bullard Speaks about the Fed Funds Rate and Inflation](#), Barclays-CEPR International Monetary Policy Forum. [Video](#).

**Bullard Speaks about the Fed Funds Rate and Inflation**