Federal Open Market Committee

About the FOMC

The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Federal Reserve Act of 1913 gave the Federal Reserve responsibility for setting monetary policy.

The Federal Reserve controls the three tools of monetary policy--open market operations, the discount rate, and reserve requirements. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. Using the three tools, the Federal Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve Banks and in this way alters the federal funds rate. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

Changes in the federal funds rate trigger a chain of events that affect other short-term interest rates, foreign exchange rates, long-term interest rates, the amount of money and credit, and, ultimately, a range of economic variables, including employment, output, and prices of goods and services.

Structure of the FOMC

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis. The rotating seats are filled from the following four groups of Banks, one Bank president from each group: Boston, Philadelphia, and Richmond; Cleveland and Chicago; Atlanta, St. Louis, and Dallas; and Minneapolis, Kansas City, and San Francisco. Nonvoting Reserve Bank presidents attend the meetings of the Committee, participate in the discussions, and contribute to the Committee's assessment of the economy and policy options.

The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

For more detail on the FOMC and monetary policy, see section 2 of the brochure on the structure of the Federal Reserve System and chapter 2 of Purposes & Functions of the Federal Reserve System. FOMC Rules and Authorizations are also available online.

2014 Members of the FOMC

- **Members**

  Janet L. Yellen, Board of Governors, Chair
  William C. Dudley, New York, Vice Chairman
  Richard W. Fisher, Dallas
  Narayana Kocherlakota, Minneapolis
  Sandra Pianalto, Cleveland
  Charles I. Plosser, Philadelphia
  Jerome H. Powell, Board of Governors
  Jeremy C. Stein, Board of Governors
  Daniel K. Tarullo, Board of Governors

- **Alternate Members**

    Charles L. Evans, Chicago
    Jeffrey M. Lacker, Richmond
    Dennis P. Lockhart, Atlanta
    John C. Williams, San Francisco
    Christine M. Cumming, First Vice President, New York

Federal Reserve Bank Rotation on the FOMC

Committee membership changes at the first regularly scheduled meeting of the year.

	2015	2016	2017
Members	New York Chicago Richmond Atlanta San Francisco	New York Cleveland Boston St. Louis Kansas City	New York Chicago Philadelphia Dallas Minneapolis
Alternate Members	New York† Cleveland Boston St. Louis Kansas City	New York† Chicago Philadelphia Dallas Minneapolis	New York† Cleveland Richmond Atlanta San Francisco

†For the Federal Reserve Bank of New York, the First Vice President is the alternate for the President.

Source: http://www.federalreserve.gov/monetarypolicy/fomc.htm
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