

## Responses to Fed Language Change Very Mixed

This week's [Sentiment Survey](#) special question asked AAI members what they thought about the Federal Open Market Committee removing the "patient" language from its recent meeting statement. Responses were very mixed. The largest group of respondents, 25%, agreed with or otherwise approved of the message. Several thought the Fed was purposely trying to avoid surprising market participants or was being conscious of the impact that an unexpected change in monetary policy would have on the markets. Slightly less than 24% of all respondents said the change in wording was not significant. About 10% disapproved of the meeting statement and/or current monetary policy. Roughly 9% thought interest rates should be raised. An additional 9% said a rate hike is forthcoming, while 6% said they were expecting the wording change in last week's meeting statement.

Here is a sampling of the responses:

- "All of this parsing of words tells me that [the Fed] is doing a good job and not trying to stampede the crowd in either direction."
- "I think it is about time that they raise interest rates. The economy has been doing well enough to have interest rates raised."
- "Big mistake. The so-called recovery is very fragile."
- "Gobbledygook. Fed speak is right up there with doublespeak."
- "Simply one step closer to raising the interest rate."