

The Economy in Perspective

The Rates They Are A-changin'

(with apologies to Bob Dylan)

Come gather 'round people wherever you roam
Recognize that inflation around you has grown
And accept there's a chance it could rise through its zone
Price stability is worth preservin'
So less stimulus from the Fed don't bemoan
For the rates they are a-changin'.

Come writers and critics who prophesize with your pens
Who are so confident in your opinions
But don't speak too soon for the data still spins
And there's no tellin' where it is goin'
The theories out now could later be in
For the rates they are a-changin'.

Come savers, investors, please heed the call
The signs are well-posted and the writin's on the wall
Inflation dynamics no longer are stalled
For markets are equilibratin'.
And many have said that the funds rate's too small
For the rates they are a-changin'.

Thank goodness most people throughout the land
No longer criticize for they quite understand
Reputation requires that you protect your brand
When patience so plainly is wanin'
So stay with the program while the Fed plays its hand
For the rates they are a-changin'.

The line it is drawn, the course nearly cast
The risks we face now appeared small in the past
But with measured steps the expansion will last
Futures markets are anticipatin'
A considerable time will be comin' to pass
For the rates they are a-changin'.

Disclaimer: These lyrics are a Dylanesque take on the current situation; they are not an official statement about the likely course of monetary policy.