**Fed vice chair Richard H. Clarida on US economic outlook and monetary policy:**

* Looking at the GDP, we see the country is moving from recovery to expansion in the 2H
  + No one expected the GDP to be this robust in past years
* The march recession was the deepest since the Great Depression
  + Also, the briefest as starting in March 2020 and called over in April 2021
* By the end of 2021, the economy will have entirely closed the output gap opened by the recession
* The recovery in employment has always come after the recovery in GDP and this year is no different
  + Employment is still in recovery while the economy is in an expansion period
* GDP growth is projected to be 7% on a Q4 over a Q4 basis, making it the fastest GDP growth since the 80s
  + GDP will step down next year by 3.3% and 2.4% in 2023
* Inflation surges to 3% this year, then back down to 2.1%
* The labor market will reach maxim employment in 2022 if the unemployment rate declines to 3.8%
* Treasury and MBS purchases are staying at 80 and 40 billion, respectively, over the coming months
* Delaying liftoff until they reach 2% average inflation and maximum employment
* Increase in labor supply this Fall
* Maximum employment is the maximum sustainable level of employment that allows the feds' goal of 2% inflation
* Moderation in purchase if the economy can meet the feds goals in the coming months
* There is an output gap right now, unemployment is not where it needs to be