Fed's Interest Rate Policy May Alter Financial Futures of Americans Says MoneyRates Analyst

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The decision to loosen the reins on inflation could have deep impact on finances and retirement

Foster City, CA – Sept 11, 2020 – Next week's Federal Reserve meeting should provide clarity on a significant change to its interest rate policy. According to MoneyRates.com, a recent revision to a longstanding policy could impact the savings, retirement accounts, credit cards and personal loans of the average person in America.

In its preview of the Federal Open Market Committee (FOMC) meeting, the trusted personal finance resource explores how rate policy decisions will likely be implemented. Richard Barrington, MoneyRates' senior financial analyst, then explains how the Fed's more tolerant approach to inflation would be felt by consumers.

The preview discusses the new fed interest rate policy and that…

- …recent FOMC revisions allow more wiggle room to let inflation rise periodically.
- …Fed rate hikes are less likely given that inflation sat below 2% for about a dozen years and that the Fed's new policy will allow inflation to run above 2% to make up for it.
- …tolerating higher inflation rates may be a back-door way to implement a controversial policy: negative interest rates.
- …borrowing will be favored at the expense of saving.
- ...the average savings account rate could lose more ground to inflation.
- …lower interest rates could mean lower returns on investments, making a challenging environment for retirees. (Investors may need more money to retire.)
- …if the new Fed policy encourages more speculation, the stock market may become an even scarier place.

See the full article here: Fed Meeting Preview: Loosening the Reins on Inflation.

Barrington is available for interviews and can comment on how outcomes from the upcoming Fed meeting could impact savers and investors.

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