

# A Chorus Of Economic Experts Urge The Federal Reserve To Rethink Resuming Job-Killing Interest Rate Hikes

**Summary:** On June 14, 2023, the Federal Reserve [announced](#) it would pause raising interest rates after 10 consecutive hikes over 15 months. However, [minutes from the Fed](#) showed several officials saw future hikes necessary due to a continued tight labor market. All signs [currently point](#) to the Fed resuming rate hikes in July 2023, despite think tanks such as the [Center For American Progress](#) and economists from [Fannie Mae](#) warning the economy could tip into a recession if rate hikes continue.

An Accountable.US review of lawmakers, academics, and economists shows experts continue to push for the Federal Reserve to stop these '[job-killing](#)' rate hikes. Among them are:

- June 2023: During a House Financial Services Committee hearing with Fed Chairman Jerome Powell, **Ranking Member Maxine Waters (D-CA)** said "[the Federal Reserve made the right decision to pause interest rate hikes](#)," after she long "[cautioned against any approach to monetary policy that ignores the fed's maximum employment mandate and results in a recession with millions of people losing their homes and jobs](#)."
- June 2023: **Rep. Steven Horsford (D-NV)** said during a hearing with Chair Powell he was "pleased" the Fed decided to pause rate hikes, adding "[we need to be reminded that there are real people behind the economic data](#)" and actions from the Fed and Congress "[have real consequences for everyday Americans](#)."
- July 2023: House Budget Committee Ranking Member **Brendan F. Boyle (D-PA)** said that the Fed pausing rate hikes in June was "[firmly in keeping the Fed's dual mandate](#)" of also [promoting maximum employment alongside price stability](#).
- July 2023: Moody's Analytics [chief economist](#) **Mark Zandi** urged the Federal Reserve to "[rethink the need for more rate hikes](#)," after inflation data showed it was "[definitely throttling back](#)."
- July 2023: Brookings Institution [senior fellow](#) **Wendy Edelberg**, said the June CPI data showed "[evidence of a slowing market \[and\] a decline in goods prices for food and energy](#)" adding this is "[an excellent case](#)" for pausing rates.
- June 2023: **David Rosenberg**, a [former chief economist at Merrill Lynch](#), [criticized](#) the Fed for deciding to pause rates if it was debating going forward with future hikes, adding in July 2023 that CPI data showed "[we have moved from inflation to disinflation](#)."
- July 2023: BOK Financial chief investment strategist **Steve Wyett** said the June CPI data "[should provide the Fed with an indication they might not have to do much more](#)" regarding future rate hikes.
- July 2023: TradeStation's Vice President of Market Intelligence **David Russell** said the June inflation report "[suggest\[ed\] that inflation \[was\] easing](#)" and "[the tsunami of inflation is receding](#)."
- July 2023: **Robert Reich**—who served as [Labor Secretary](#) under President Bill Clinton—urged the Fed not to risk "[driv\[ing\] unemployment through more interest rate increases](#)."
- June 2023: **Nigel Green**, [CEO and founder](#) of the deVere Group, urged the Fed to stop rate hikes saying "[the battle against inflation is being won](#)."

## **In June 2023, As Experts Warn Future Hikes Would "Increase The Risk Of A Recession," The Federal Reserve Announced It Would Pause Interest Rates Hikes After 10 Consecutive Increases Over 15 Months,**

### **Despite Pausing Interest Rates In June 2023 After 10 Consecutive Hikes Over 15 Months, Federal Reserve Officials Are Expected To Resume Hikes In July Due To A Continued Tight Labor Market.**

**June 2023: The Federal Reserve Announced It Would Pause Raising Interest Rates After 10 Consecutive Rate Hikes Over 15 Months.** "The Federal Reserve is pausing on raising rates, marking the first break after 15 months of consecutive increases, a change that could offer a hint of relief for consumers who are grappling with pricier mortgages, credit cards and other loans after 10 consecutive rate hikes. The difference in borrowing costs from March 2022, when the Fed began hiking rates in an effort to quash inflation, are stark." [CBS, [06/14/23](#)]

**Despite Pausing Interest Rate Hikes, Fed Minutes For June's Federal Open Market Committee (FOMC) Meeting Unveiled Many Fed Officials Saw Additional Future Hikes As Necessary Due To A Tight Labor Market.** "Federal Reserve officials signaled they intend to resume interest rate increases amid a growing consensus that more tightening is needed to stamp out high inflation in the world's largest economy. According to minutes from June's meeting of the Federal Open Market Committee, 'almost all' officials who participated said 'additional increase' in the Fed's benchmark interest rate would be 'appropriate'. They added the 'tight' labour market and 'upside risks' to inflation were still 'key factors' shaping the outlook nearly a year and a half after the US central bank embarked on an aggressive cycle of interest rate rises to tame price pressures." [Financial Times, [07/05/23](#)]

**July 2023: Bloomberg Reported The Federal Reserve Was Widely Expected To Increase Interest Rates By 25 Basis Points During Its July FOMC Meeting.** "The world's major central banks meet in the coming week to set monetary policy amid continued signs that the worst inflation crisis in decades is easing. While the Federal Reserve and European Central Bank are each expected to raise interest rates by 25 basis points, the greater focus will be on signaling from policy makers on whether more hikes are likely — or if they plan an extended pause." [Bloomberg, [07/22/23](#)]

### **Meanwhile, Academics And Economists Have Warned That Future Rate Hikes Could "Increase The Risk Of A Recession," Which Could Spur As Early As The End Of 2023.**

**June 2023: The Center For American Progress Warned That The Federal Reserve's Actions To Raise Rates Could "Increase the Risk Of A Recession."** "At the same time, the administration has rightly respected the Federal Reserve's independence to take action to combat inflation, which the Fed has done by raising its key short-term interest rate. While the Federal Reserve's actions could ultimately slow inflation by lowering demand, there is a real danger that by too aggressively targeting inflation, it could increase the risk of a recession." [The Center for American Progress, [06/13/23](#)]

**June 2023: A Fannie Mae Report Warned "The Nation Could Soon Slip Into A Recession" Due To Continued Rate Hikes.** "As the Federal Reserve considers future interest rate hikes to reduce inflation and consumer spending remains high, the nation could soon slip into a recession, according to the Fannie Mae Economic & Strategic Research (ESR) Group's latest economic and housing outlook report." [Fox Business, [07/03/23](#)]

- **Fannie Mae Said, "Continued Tightening Of Credit Condition" And "Downward Turn In Business Investment And Hiring" Could Cause Consumers To Pull Back On Spending.** "We expect the

continued tightening of credit conditions, slowing bank lending and shrinking money supply will eventually lead to a downward turn in business investment and hiring, eventually leading consumers to pull back on spending, coinciding with a recession,' the ESR Group said in its report." [Fox Business, [07/03/23](#)]

## **As Inflation Has Shown Signs Of Easing, Members Of Congress, Academics And Economists Have Urged The Federal Reserve To Continue Its Interest Rate Pause.**

### **On June 21, 2023, Ranking Member Of The House Financial Services Committee (HFSC) Maxine Waters (D-CA) Told Jerome Powell During A Hearing "The Federal Reserve Made The Right Decision To Pause Interest Rate Hikes," After She Long Cautioned Against Any Approach To Monetary Policy That Deviates From The Fed's Maximum Employment Mandate.**

**June 21, 2023: In Her Opening Remarks During A House Financial Services Hearing With Federal Reserve Chair Powell, Ranking Member Maxine Waters (D-CA) Said The "Federal Reserve Made The Right Decision To Pause Interest Rate Hikes" After She Had Long "Cautioned Against Any Approach To Monetary Policy That Ignores The Fed's Maximum Employment Mandate And Results In A Recession With Millions Of People Losing Their Homes And Jobs."** "First, I'd like to start by acknowledging that the Federal Reserve made the right decision to pause interest rate hikes. As you know, since last November, I've cautioned against any approach to monetary policy that ignores the Fed's maximum employment mandate and results in a recession with millions of people losing their homes and jobs. While we have had strong job growth thus far, experts contend that this trend will not persist with more rate hikes, especially in light of new challenges. For example, the recent bank failures have resulted in the banking industry further restricting credit, making it even more important for the Fed to move with caution." [House Financial Services Committee Democrats, [06/21/23](#)]

### **On June 21, 2023, HFSC Member Steven Horsford (D-NV) Said He Was "Pleased That Last Week The Federal Reserve Decided To Pause [...] Interest Rate Hikes," Adding "We Need To Be Reminded There Are Real People Behind The Economic Data."**

**June 21, 2023: During A House Financial Services Hearing With Federal Reserve Chair Powell, Rep. Steven Horsford (D-NV) Said He Was "Pleased That Last Week The Federal Reserve Decided To Pause [...] Interest Rate Hikes And Take Stock Of The Overall Economic Picture," Adding That "We Need To Be Reminded That There Are Real People Behind The Economic Data And That The Actions Taken By Both Congress And The Fed Have Real Consequences For Everyday Americans."** "Sometimes we need to be reminded that there are real people behind the economic data and that the actions taken by both Congress and the Fed have real consequences for everyday Americans. Everyday Americans who want to know that myself and my colleagues are dedicated to creating an economy that actually works for them. Which is why I was pleased that last week the Federal Reserve decided to pause your interest rate hikes and take stock of the overall economic picture." [House Financial Services Committee via YouTube, [06/21/23 \(1:26:12\)](#)]

### **After The Fed Announced Its June Interest Rate Hike Pause, Ranking House Budget Committee Member Brendan F. Boyle (D-PA) Welcomed The Decision Saying, "Pausing Rate Hikes Is Firmly In Keeping With The Fed's Dual Mandate," To Promote Maximum Employment.**

**June 2023: Ranking Member Of The House Budget Committee Brendan F. Boyle (D-PA) Welcomed The Fed Pausing Interest Rate Hikes Saying, "Pausing Rate Hikes Is Firmly In Keeping With The Fed's Dual Mandate" To Promote Maximum Employment.** "Today's decision is a win for working families, a win for small businesses, and a win for our economy. With inflation on the decline and more than 13 million jobs created since President Biden took office, pausing rate hikes is firmly in keeping with the Fed's dual mandate." [Rep. Brendan F. Boyle, [06/14/23](#)]

### **On July 12, 2023, Moody's Analytics Chief Economist Mark Zandi Urged The Fed To "Rethink the Need For More Rate Hikes" Adding "Inflation [Was] Definitely Throttling Back."**

**July 12, 2023: Moody's Analytics Chief Economist Mark Zandi Urged The Federal Reserve To "Rethink The Need For More Rate Hikes" After The Consumer Price Index Showed "Inflation [Was] Definitely Throttling Back":**



[Twitter, [07/12/23](#)]

- "Mark M. Zandi Is Chief Economist Of Moody's Analytics, Where He Directs Economic Research." [Moody's Analytics, accessed [04/27/23](#)]

### **In July 2023, Academic Wendy Edelberg Told CNN The June CPI Report Gave The Federal Reserve "Evidence Of A Slowing Labor Market [And] A Decline In Goods Prices Excluding Food And Energy," Adding That "An Excellent Case Can Be Made" For Pausing Rates.**

**July 2023: Wendy Edelberg, Director Of The Brookings Institution's Hamilton Project, Told CNN That The Latest June CPI Report Gave The Federal Reserve "Evidence Of A Slowing Labor Market [And] A Decline In Goods Prices Excluding Food And Energy," Adding That "An Excellent Case Can Be Made For Again Standing Pat [On Interest Rates] At The Next [Federal Open Market Committee] Meeting."** "They now have in hand evidence of a slowing labor market, a decline in goods prices excluding food and energy, roughly unchanged prices in an important category of services, and strong evidence of declining shelter inflation on the horizon," said Wendy Edelberg, director of the Hamilton Project at the Brookings Institution. "I think an excellent case can be made for again standing pat at the next meeting," she told CNN." [CNN, [07/12/23](#)]

- **Prior To Joining The Brookings Institution As A Senior Fellow In Economic Studies, Edelberg Served As Chief Economist For The Congressional Budget Office.** "Wendy Edelberg is the director of The Hamilton Project and a senior fellow in Economic Studies at the Brookings Institution. [...] Most

recently, she was Chief Economist at the Congressional Budget Office." [The Brookings Institution, accessed [07/19/23](#)]

## **In June 2023, David Rosenberg—Founder Of Rosenberg Research And A Former Chief Economist At Merrill Lynch—Criticized The Fed For Pausing Rates If They Planned To Raise Rates In The Future, Later Saying In July 2023 That CPI Data Shows "We Have Moved From Inflation To Disinflation."**

**June 2023: In Reaction To The Federal Reserve's June Interest Rate Hike Pause, David Rosenberg, Founder And President Of Rosenberg Research, Criticized The Federal Reserve For Pausing Rates If They Think Further Rate Hikes Will Be Needed, Adding That Further Tightening Amid Recession Risks Is "Playing With Fire."** "Why bother pausing? Good grief. If the Fed really thinks it will need to hike rates two more times, then why didn't it tighten policy today? Especially after the terrific internals in the May consumer and producer price report. Tightening further as the Fed talks about policy lags and into its own projection of a growth recession is playing with fire." – David Rosenberg, founder and president of Rosenberg Research" [Kiplinger, [06/15/23](#)]

- **Prior To Founding Rosenberg Research, Rosenberg Was The Chief Economist For Gluskin Sheff + Associates, As Well As The Chief North American Economist At Merrill Lynch.** "Prior to Rosenberg Research, David was Chief Economist & Strategist at Gluskin Sheff + Associates Inc. from 2009 to 2019. From 2002 to 2009, he was Chief North American Economist at Merrill Lynch in New York. During this time, he was consistently ranked in the Institutional Investor All-Star analyst rankings. Prior thereto, he was Chief Economist and Strategist for Merrill Lynch Canada, based out of Toronto, where he and his team placed first in the Brendan Wood survey of Canadian economists for ten years in a row." [Rosenberg Research, accessed [07/19/23](#)]

**July 2023: Following The June CPI Release Showing Inflation Continued To Decrease, Rosenberg Stated That "We Have Moved From Inflation To Disinflation" And That "Deflation Will Emerge As The Primary Theme" Over The Next Year.** "All in, nothing here for the Fed to be worried about. While the decision to go in July appears to have been locked-in prior to the report, the data pour cold water on the 'higher for longer' narrative that has returned to the spotlight following last week's FOMC minutes (pricing for a second hike post-July is being removed from the market). We have moved from inflation to disinflation and we still believe that, in the next year, deflation will emerge as the primary theme." – David Rosenberg, founder and president of Rosenberg Research" [Kiplinger, [07/12/23](#)]

## **In July 2023, BOK Financial Chief Investment Strategist Steve Wyett Said June's CPI Data "Should Provide The Fed With An Indication They Might Not Have To Do Much More" In Regard To Further Hiking Interest Rates.**

**July 2023: Steve Wyett, Chief Investment Strategist At BOK Financial, Said The June CPI Data "Should Provide The Fed With An Indication They Might Not Have To Do Much More" In Regard To Further Interest Rate Hikes To Address Inflation.** "The Fed cannot say 'job done' but a declining trend in core inflation alleviates some pressure on the Fed to feel like they need to do a lot more. Today's number keeps alive the hope that we can see inflation trend back towards the Fed's 2% target without seeing unemployment rise and the economy contract. The risks to the economy remain in place, but today's data should provide the Fed with an indication they might not have to do much more." – Steve Wyett, chief investment strategist at BOK Financial" [Kiplinger, [07/12/23](#)]

## **In July 2023, TradeStation Vice President Of Market Intelligence David Russell Said June's CPI Report "Suggest[ed] That Inflation Is Easing" And "The Tsunami Of Inflation Is Receding."**

**July 2023: Following The June CPI Release, David Russell, Vice President Of Market Intelligence At TradeStation, Said The Report "Suggest[ed] That Inflation Is Easing As The Optimists Hoped," Adding That "Slowly But Surely The Tsunami Of Inflation Is Receding."** "This report suggests that inflation is easing as the optimists hoped, with shelter costs following the bulls' script. It's now easier to anticipate further improvements because of its lagging nature. Other categories like transportation and used-car prices bolster arguments for the Fed pausing soon. This is no longer just a commodity-driven story. Slowly but surely the tsunami of inflation is receding. With the Fed's target rate now more than 200 basis points above headline CPI, investors might think yields have indeed peaked." – David Russell, vice president of market intelligence at TradeStation" [Kiplinger, [07/12/23](#)]

## **In July 2023, Former Labor Secretary Robert Reich Said, "Inflation Is Slowing" And "Job Growth Is Still Positive" Urging The Fed Not To Do Future Rate Hikes.**

**July 2023: Former Labor Secretary Robert Reich Said, "Inflation Is Slowing" And "Job Growth Is Positive" Warning The Fed To Not "Drive Unemployment Through More Interest Rate Increases":**



Robert Reich  
@RBReich

...

Remember when we were told that millions had to lose their jobs in order to slow inflation?

Well that wasn't the case after all, was it?

Inflation is slowing. Job growth is still positive.

There's no reason to drive unemployment through more interest rate increases.

[Robert Reich via Twitter, [07/12/23](#)]

- **Robert Reich Is Currently A Professor At Goldman School Of Public Policy And Former Labor Secretary Under President Bill Clinton.** "Robert B. Reich is currently the Carmel P. Friesen Professor of Public Policy at the Goldman School of Public Policy at the University of California, Berkeley, and a senior fellow at the Blum Center for Developing Economies. He has served in three national administrations, including as secretary of labor under President Bill Clinton." [Berkeley School of Public Policy, accessed [07/20/23](#)]

## **In June 2023, CEO And Founder Of The deVere Group Nigel Green Said, "The Battle Against Inflation Is Being Won," And "This Is Now The Time For The Fed To Stop" Rate Hikes.**

**June 2023: Nigel Green Of The deVere Group Said, "The Battle Against Inflation Is Being Won" And "This Is Now The Time For The Fed To Stop" Rate Hikes.** "The battle against inflation is being won. This is now the time for the Fed to stop — not pause — interest rate hikes," said Nigel Green of deVere Group, a group of financial advisors, in an email. "The time lag for monetary policies is notoriously long." [CBS News, [06/14/23](#)]

- **According To Its Website, The deVere Group Is "One Of The World's Largest Independent International Financial Consultancies."** "As one of the world's largest independent international financial consultancies, deVere has one unswerving clear purpose: to help our clients plan and achieve their medium and long-term financial goals." [The deVere Group, accessed [07/25/23](#)]

- **Nigel Green Is The CEO And Founder Of The deVere Group:**

————— LEAD WITH PASSION

# Nigel Green CEO and Founder

[The deVere Group, accessed [07/20/23](#)]