With The Federal Reserve Poised To Keep Increasing Interest Rates, More Top Economic Experts And Prominent Voices Warn Interest Rate Hikes Could Backfire

SUMMARY: The Federal Open Markets Committee (FOMC), the Federal Reserve body which determines interest rates, continued to raise rates in December 2022, despite warnings that doing so would cause a recession and add as many as 3.2 million people to unemployment lines by the end of 2023.

As previously reported by Accountable.US, a wide array of economic experts have continued to warn that hiking interest rates too quickly could make inflation worse and further hurt working-class Americans all while doing little to address inflation drivers like corporate profiteering and continued supply chain stress. With the latest increase in rates, more economic experts and influential figures have criticized the move and warned about the potential negative consequences. These figures include:

- **Harvard Economist and former Fed official Jeremy Stein** detailed how the Fed's interest rate hikes "will have a delayed cooling effect on the US economy," explaining that "'it's going to take some time [for lags] to show up," and that "'might be a reason to pause'" increasing rates.

- **Wharton Economist Jeremy Siegel** argued that there hasn't been any "'clear progress on slowing inflation'" but that "'workers are trying to catch up and they're not'" under the Fed's "'insane policy'" to "'crush wages.'"

- **Robert Reich, former Clinton Labor Secretary and University of California Berkeley professor** who has repeatedly cautioned that increased rates don't address corporate price increases, called out the Fed for "putting the onus on fighting inflation on workers and consumers," when "domestic inflation is being driven by profits, not wages."

- **Chief U.S. Economist At Oxford Economics Ryan Sweet** suspected the Fed might be "'overstating how strong inflation might be,'" and interpreted the fed's actions as that of "'we're going to break inflation or we're going to break the economy.'"

- **Senior Fellow At The American Enterprise Institute Desmond Lachman** warned that by "committing itself to continued interest rate hikes," the Fed is "inviting real trouble in the equity, housing, and credit markets."

- **Philip Cornell, Economist At The Ludwig Institute For Shared Economic Prosperity,** warned that the higher interest rates are causing consumers who can't make ends meet to "'dig themselves a deeper and deeper hole.'"

- **Dean Baker, A Senior Economist And Co-Founder Of The Center For Economic And Policy Research,** urged the Fed to "hold the rate hikes please."

- **Former Treasury Secretary Larry Summers** doesn't think "'it's a time to be committing to rate hikes,'" adding that the Fed should take into consideration that financial conditions have slowed.

- **Bill Gross—PIMCO Founder**—urged the Fed to "stop raising rates and wait to see if the punch bowl has been sufficiently drained," rather than overshooting it with continued hikes.

- **Sen. Elizabeth Warren (D-MA),** who previously signed onto a letter cautioning Powell against rate increases, warned that the latest interest rate increase was "still pushing the envelope 'too far, too fast,'" and that if the Fed continues to raise interest rates, it will push "'this country into a recession that costs millions of people their jobs."

- **Sen. John Hickenlooper (D-CO)** urged the Federal Reserve to pause raising interest rates, warning that continued interest rate hikes will "make it more expensive for small businesses" and put "a drag on consumer spending," all while "widespread concern of a recession continues."

In December 2022, After The Fed Raised Interest Rates Again To The Highest Level In 15 Years, Federal Reserve Chairman Jerome Powell Admitted That "'We May Have To Raise Rates Higher To Get Where We Want To Go.'"

In December 2022, The Federal Reserve Raised Interest Rates, With Chairman Jerome Powell Announcing "It Will Take Substantially More Evidence" That Inflation Is Dwindling And Admitting That "'We May Have To Raise Rates Higher To Get Where We Want To Go.'"

December 14, 2022: The Federal Reserve Raised The Benchmark Interest Rate By Half A Percentage Point, Making It "The Highest Rate In 15 Years." "The Federal Reserve on Wednesday raised its benchmark interest rate to the highest level in 15 years, indicating the fight against inflation is not over despite some promising signs lately. Keeping with expectations, the rate-setting Federal Open Market Committee voted to boost the overnight borrowing rate half a percentage point, taking it to a targeted range between 4.25% and 4.5%." [CNBC, 12/14/22]

During A News Conference, Federal Reserve Chairman Jerome Powell Announced "'It Will Take Substantially More Evidence To Have Confidence That Inflation Is On A Sustained Downward Path.'" "During a news conference, Chairman Jerome Powell said it was important to keep up the fight against inflation so that the expectation of higher prices does not become entrenched. 'Inflation data received so far for October and November show a welcome reduction in the monthly pace of price increases,' the chair said at his post-meeting news conference. 'But it will take substantially more evidence to have confidence that inflation is on a sustained downward path.'" [CNBC, 12/14/22]

Despite Slower Inflation According To The Consumer Price Index, Powell Insisted "'We'll Have To Stay At It'" When It Comes To Fighting Inflation, Adding That "'We May Have To Raise Rates Higher To Get Where We Want To Go.'" "However, all of those readings remain well above the Fed's 2% target. Officials have stressed the need to see consistent declines in inflation and have warned against relying too much on trends over just a few months. Powell said the recent news was welcome but he still sees services inflation as too high. 'There's an expectation really that the services inflation will not move down so quickly, so we'll have to stay at it,' he said. "We may have to raise rates higher to get where we want to go." [CNBC, 12/14/22]

- **The Labor Department Reported That The Consumer Price Index Rose Just 0.1% In November 2022.** "The Labor Department reported Tuesday that the consumer price index rose just 0.1% in November, a smaller increase than expected as the 12-month rate dropped to 7.1%. Excluding food and energy, the core CPI rate was at 6%. Both measures were the lowest since December 2021. A level the Fed puts more weight on, the core personal consumption expenditures price index, fell to a 5% annual rate in October." [CNBC, 12/14/22]

Federal Reserve Chairman Jerome Powell—Who Is A Member Of The Interest Rate-Setting Federal Open Markets Committee (FOMC)—Has Acknowledged That Trying To Stem Inflation Through Hiking Rates Will Bring "'Some Pain To Households And Businesses,'" With Unemployment Rolls Potentially Rising By Over 3 Million People By The End Of 2023.

Federal Reserve Chair Jerome Powell Has Acknowledged That Interest Rate Hikes Will Bring "'Some Pain To Households And Businesses,'" With Unemployment Potentially Increasing By 3.2 Million People By The End Of 2023.

September 2022: Federal Reserve Chair Jerome Powell Said The Central Bank Would Continue Raising Rates Even If It Causes A Recession. "In case the U.S. economy wasn't hurting enough already, the Federal Reserve has a message for Americans: It's about to get much more painful. Fed Chair Jerome Powell made that amply clear last week when the central bank projected its benchmark rate hitting 4.4% by the end of the year — even if it causes a recession. 'There will very likely be some softening of labor market conditions,' Powell said in his September 21 economic outlook. 'We will keep at it until we are confident the job is done.'" [CBS News, 09/30/22]

- **The Federal Reserve Hikes Interest Rates To Slow Consumption And To Make "Prices Stop Spiraling Higher."** "The Federal Reserve raises interest rates to slow down consumption across the economy: As the cost of borrowing rises, the hope is that people buy fewer things, and prices stop spiraling higher." [Vox, 10/26/22]

August 2022: Federal Reserve Chair Jerome Powell Acknowledged That Its Interest Rate Hikes Will Bring "'Some Pain To Households And Businesses.'" "The Fed is firmly resolved to bring down inflation and to 'keep at it until the job is done,' Powell said. But that plan — which involves a series of hefty interest rate hikes — will bring 'some pain to households and businesses,' he acknowledged." [CNN, 08/30/22]

Federal Reserve Chair Jerome Powell Said Of Increasing Unemployment To Lower Inflation "'I Wish There Was A Painless Way To Do That [...] 'There Isn't.'" "'I wish there was a painless way to do that,' Federal Reserve Chair Jay Powell had said. 'There isn't.'" [Vox, 10/26/22]

September 2022: Federal Reserve leaders Projected That They Would Continue To Raise Interest Rates, Causing Unemployment Rolls To Increase By A Projected 1.2 Million People By The End Of 2023. "Last month, leaders at the Federal Reserve predicted that, given their plans to continue raising rates, unemployment would rise from 3.7 percent (or 6 million people) to 4.4 percent by the end of 2023. In plain terms, this means an additional 1.2 million people would lose their jobs over the 15-month period." [Vox, 10/26/22]

A Bank Of America Projection Estimated That 3.2 Million More People Would Be Unemployed By The End Of 2023. "Other financial analysts projected even higher unemployment to result. Bank of America predicted unemployment would reach 5.6 percent by the end of 2023, translating to 3.2 million more people out of their jobs." [Vox, 10/26/22]

The Federal Open Market Committee (FOMC), Comprised Of The Federal Reserve's Board Of Governors And Other Federal Reserve Bank Presidents, Sets Interest Rates.

Jerome Powell Is A Member Of The Federal Open Markets Committee (FOMC), Which Determines Monetary Policy. [Federal Open Markets Committee, accessed 10/28/22]

- **The Federal Open Market Committee (FOMC) Is A Branch Of The Federal Reserve System That "Determines The Direction Of Monetary Policy" In The U.S.** "The term Federal Open Market Committee (FOMC) refers to the branch of the Federal Reserve System (FRS) that determines the direction of monetary policy in the United States by directing open market operations (OMOs)." [Investopedia, accessed 10/28/22]

The FOMC Is Comprised Of 12 Members, Including The Fed's Board Of Governors, The President Of The Federal Reserve Bank Of New York, And Four Other Reserve Bank Presidents, Who Serve On A Rotating Basis. "The committee is made up of 12 members, including seven members of the Board of Governors, the president of the Federal Reserve Bank of New York, and four of the remaining 11 Reserve Bank presidents, who serve on a rotating basis." [Investopedia, accessed 10/28/22]

The FOMC Meets Regularly To Determine Increases Or Decreases In Interest Rate Hikes. "The FOMC has eight regularly scheduled meetings each year, but they can meet more often if the need should arise. The meetings are not held in public and are therefore the subject of much speculation on Wall Street, as analysts attempt to predict whether the Fed will tighten or loosen the money supply with a resulting increase or decrease in interest rates." [Investopedia, accessed 10/28/22]

The FOMC Was Expected To Continue Raising Interest Rates In November And December 2022 And Was Expected To Keep Rates Elevated Through 2023, Despite Warnings That It Could Cause A Recession.

The FOMC Was Expected To Raise Interest Rates In Its November And December Meetings. "Most economists see the central bank delivering a 75 basis point rate hike at the Federal Open Market Committee meeting next Wednesday, following by a 50 basis point increase at the December FOMC meeting." [Insider, 10/28/22]

According To A JPMorgan Strategist, The Fed Was Expected To Keep Interest Rates Elevated The End Of 2023, Despite Warnings That The Fed May "Be Forced To Pivot In Order To Avoid Causing A Recession." "The Fed won't pivot from its path of interest rate hikes until the end of next year as inflation is persistent and the economy isn't slowing as expected, according to JPMorgan strategist Julia Wang. That's contrary to the outlook of many experts in the market, who have warned this year that the Fed may be forced to pivot in order to avoid causing a recession." [Insider, 10/28/22]

The JPMorgan Strategist Said A Pivot To Lower Interest Rates Was "Unlikely In The Near Term, Given The Underlying Resilience Of The Us Economy." "But a pivot is unlikely in the near term, given the underlying resilience of the US economy, Wang said in an interview with Bloomberg on Thursday. 'The weakness in the economy isn't really as big or coming as fast as people have expected. I think a lot of indicators on the consumer side actually are still pretty resilient,' she said, pointing to the recent upside in GDP numbers, which clocked in above expectations on Thursday." [Insider, 10/28/22]

Interest Rate Hikes Could Place A Higher Burden On Low-Income And Nonwhite Families, Who've Already Seen Disproportionate Harm From Inflation And The Pandemic—Notably, A Northwestern University Study Has Found That Lowering Interest Rates Helps Black Workers, Women, And Those Without A High School Diploma.

Interest Rate Hikes Could Continue Hurting Low-Income And Nonwhite Families, Who Were Disproportionately Hurt By The Inflation Of The Last Year—And Black And Hispanic Unemployment Rates Will Likely Continue To Be Much Higher Than White Jobless Rates Even Under Optimistic Projections.

Inflation Has "Disproportionately Hurt Low-Income And Nonwhite Families" Over The Past Year, And The Federal Reserve's Interest Rate Hikes Could Continue To Hurt Them "In Potentially Longer-Lasting Ways." "The last year of inflation has disproportionately hurt low-income and nonwhite families — those with the least flexibility in their monthly budgets to absorb higher prices. Now those same groups could be hurt by economic policymakers' plan to tackle inflation through interest rate hikes, and in potentially longer-lasting ways." [Vox, 10/26/22]

Economists Have Warned That Even If The Fed Could Keep Unemployment On The Low End Of Projections, That Black And Hispanic People Would Disproportionately Suffer, With The Black Unemployment Rate Double That Of The White One And The Hispanic Rate At 1.5 Times The White Rate. "While some policymakers are trying to figure out if they could reduce inflation while keeping unemployment around 4 or 5 percent, other economists are sounding the alarm on what even this optimistic aggregate figure obscures — the unemployment rate for Black people is generally double that of white people, and for Hispanic people it's typically 1.5 times the rate." [Vox, 10/26/22]

Wendy Edelberg, Director Of The Brookings Institution's Hamilton Project, Noted That "'It's Just A Truism That When Bad Things Happen In An Economy, It's The Marginalized People, The People With Less Power, Who Are Hurt Fastest And Most.'" "'It's just a truism that when bad things happen in an economy, it's the marginalized people, the people with less power, who are hurt fastest and most,' said Wendy Edelberg, the director of the Hamilton Project, an economics division within the Brookings Institution. 'That should be fiscal policymakers' laser focus, at all times but particularly in a downturn.'" [Vox, 10/26/22]

- **The Hamilton Project Is "An Economic Policy Initiative At The Brookings Institution."** "Launched in 2006 as an economic policy initiative at the Brookings Institution, The Hamilton Project is guided by an Advisory Council of academics, business leaders, and former public policy makers." [The Hamilton Project, accessed 10/28/22]

A Wide Array Of Economic Experts Have Urged The Fed To Pause Interest Rate Hikes, Citing An Array Of Concerns Over The Fed "'Putting The Onus On Fighting Inflation On Workers And Consumers,'" The Rates Having A "Delayed Cooling Effect On The US Economy," And The Fed "Inviting Real Trouble In The Equity, Housing, And Credit Markets."

In Late November 2022, Harvard Economist And Former Fed Official Jeremy Stein Detailed How The Fed's Interest Rate Hikes "Will Have A Delayed Cooling Effect On The US Economy," Explaining That "'It's Going To Take Some Time [For Lags] To Show Up,'" And That "'Might Be A Reason To Pause'" Increasing Rates.

November 28, 2022: Harvard Economist And Former Fed Official Jeremy Stein Detailed How The Fed's Interest Rate Hikes "Will Have A Delayed Cooling Effect On The US Economy." "The Fed's interest-rate hikes will have a delayed cooling effect on the US economy, Jeremy Stein said. [...] Don't assume the central bank will save the day if markets and companies get in trouble, he warned. [...] The Harvard economist and former Fed official underlined how vital it is to crush inflation." [Yahoo Finance, 11/28/22]

Stein Cautioned That There Are "'Lags In The Process,'" Explaining That "'There's A Lot Of Tightening Already'" In The Economic Pipeline Which Will "'Take Some Time To Show Up'" And That "'Might Be A Reason To Pause'" Increasing Rates. "'If you were going to make an argument for stopping or slowing down, the more compelling one is lags in the process. There's a lot of tightening already, potentially, in the pipeline. We don't know how much. But we know it's going to take some time to show up. At some point that might be a reason to pause.'" [Yahoo Finance, 11/28/22]

Stein Said, "The Environment Will Undoubtedly Become Much Tougher And More Fraught When This Tightening— And More In The Pipeline—Actually Starts To Bite." "With unemployment still low, not a drop of blood has yet been spilled. The environment will undoubtedly become much tougher and more fraught when this tightening— and more in the pipeline—actually starts to bite. - Jeremy Stein" [Goldman Sachs, 11/11/22]

Stein Added, "We Know That If You Put A Lot Of Pressure In The Pipe, Something Is More Likely To Crack." "Jeremy Stein: [...] That said, I don't necessarily draw reassurance from the orderly behavior of markets up to this point. These moves don't tend to happen in a linear fashion, and I worry we'll see another leg to them. And it's difficult to pinpoint precisely what to worry about. We know that if you put a lot of pressure in the pipe, something is more likely to crack, but it's often not what you expect or what cracked the last time." [Goldman Sachs, 11/11/22]

In December 2022, Jeremy Siegel, An Economist And Wharton Professor, Argued That There Hasn't Been Any "'Clear Progress On Slowing Inflation'" But That "'Workers Are Trying To Catch Up And They're Not'" Under The Fed's "'Insane Policy'" Of "'Crush[ing] Wages.'"

December 5, 2022: In An Interview With CNBC, Jeremy Siegel Exclaimed That He Doesn't "'Know What Planet [Powell] Lives On,'" Saying That There Hasn't Been Any "'Clear Progress On Slowing Inflation.'" "'One thing [Powell] said was: 'despite the tighter policy and slower growth over the past year, we have not seen clear progress on slowing inflation," Siegel said to CNBC's Scott Wapner. 'You know, very honestly Scott I don't know what planet he lives on!'" [Yahoo Finance, 12/05/22]

- **Jeremey Siegel Is An Economist And Professor At The Wharton School Of Business At The University Of Pennsylvania.** [Wharton, accessed 01/11/23]

Siegel Pointed Out That "'Workers Are Trying To Catch Up And They're Not,'" Adding The Fed's Policy Of "'Crush[ing] Wages So They Go Back Down To 2%'" Is "'An Insane Policy.'" "Additionally, Siegel noted that while wages are growing at about 5% year-over-year, that's still well below the year-over-year inflation rate of 8%. 'Workers are trying to catch up and they're not. They're still falling well behind. It just disturbs me to think that the Fed policy is to crush wages so they go back down to 2%, basically saying to the worker 'you're not going to catch up to inflation, and we're going to prevent you from catching up to inflation.' That's an insane policy,' Siegel said." [Yahoo Finance, 12/05/22]

In December 2022, Former Clinton Labor Secretary And University Of California Berkeley Professor Robert Reich Called Out The Fed For "Putting The Onus Of Fighting Inflation On Workers And Consumers," When "Domestic Inflation Is Being Driven By Profits, Not Wages."

December 12, 2022: In An Op-Ed Published In *The Guardian*, Robert Reich Argued That "Domestic Inflation Is Being Driven By Profits, Not Wages," Yet It Is Workers And Consumers Who Are Taking The Hit. "But it's also because domestic inflation is being driven by profits, not wages. And interest rate hikes don't reduce profit-driven inflation – at least not directly. Instead, workers and consumers take the hit. The labor department reported that labor costs increased 5.3% over the past year. But prices rose 7.1%. This means the real purchasing power of American workers continues to drop." [The Guardian, 12/12/22]

- **Opinion Headline: The Fed Needs To Stop Raising Interest Rates.** [The Guardian, 12/12/22]

- **Robert B. Reich Previously Served As Secretary Of Labor Under President Bill Clinton, Co-Founded Economic Policy Institute, And Is A Professor Of Public Policy At The University Of California, Berkeley.** [Berkeley School of Public Policy, accessed 01/11/23]

Reich Cautioned That The "Fed Could Raise Interest Rates So High That The Cost Of Borrowing Makes It Impossible For Consumers" To Afford Items, Resulting In Many Losing "Economic Ground" And Jobs. "Eventually, the Fed could raise interest rates so high that the cost of borrowing makes it impossible for consumers – whose wages, remember, are already dropping, adjusted for inflation – to afford what I'm selling, thereby forcing me to stop raising my prices. But by this time, people will be hurting. Many will have lost economic ground. Some will have become impoverished. A large number of jobs will have been lost." [The Guardian, 12/12/22]

Reich Argued That The Fed "Is Putting The Onus Of Fighting Inflation On Workers And Consumers," Which Is "Wrong," "Bad Economics," And "Profoundly Unfair." "Seven Fed rate hikes in just nine months have not dented corporate power to raise prices and profit margins. Which is why the Fed is putting the onus of fighting inflation on workers and consumers rather than on the corporations responsible for it. This is wrong. It's bad economics. It's insane politics. And it's profoundly unfair." [The Guardian, 12/12/22]

In December 2022, Ryan Sweet, The Chief U.S. Economist At Oxford Economics, Suspected The Fed Might Be "'Overstating How Strong Inflation Might Be,'" And Interpreted The Fed's Actions As That Of "'We're Going To Break Inflation Or We're Going To Break The Economy.'"

December 16, 2022: Chief U.S. Economist At Oxford Economics Ryan Sweet Interpreted The Message That The Fed Was Sending Was That Of "'We're Going To Break Inflation Or We're Going To Break The Economy.'" "The message the Fed was sending, said Ryan Sweet, chief U.S. economist at Oxford Economics, was blunt: 'We're going to break something. We're going to break inflation or we're going to break the economy.'" [Fortune, 12/16/22]

Sweet Suspected That The Fed Is "'Overstating How Strong Inflation Might Be.'" "The Fed is especially worried that a worker shortage in the labor-intensive services sector — everything from restaurants and hotels to airlines and entertainment venues — could keep pay growth high and make inflation more intractable. Sweet of Oxford Economics said he suspects that 'the Fed is overstating how strong inflation might be.'" [Fortune, 12/16/22]

December 18, 2022: In An Op-Ed, Desmond Lachman—A Senior Fellow At The American Enterprise Institute—Warned That By "Committing Itself To Continued Interest Rate Hikes," The Fed Is "Inviting Real Trouble In The Equity, Housing, And Credit Markets."

December 18, 2022: In An Op-Ed In The *NY Post*, Desmond Lachman Stated That By "Committing Itself To Continued Interest Rate Hikes," The Fed Is "Inviting Real Trouble In The Equity, Housing, And Credit Markets." "The stock market's thumbs down to last week's Federal Reserve policy meeting should serve as a stark reminder to the Fed of the serious financial-market risks it's running by clinging to its hawkish monetary-policy stance. By committing itself to continued interest rate hikes even as the economy is moving toward recession, the Fed is inviting real trouble in the equity, housing and credit markets." [NY Post 12/18/22]

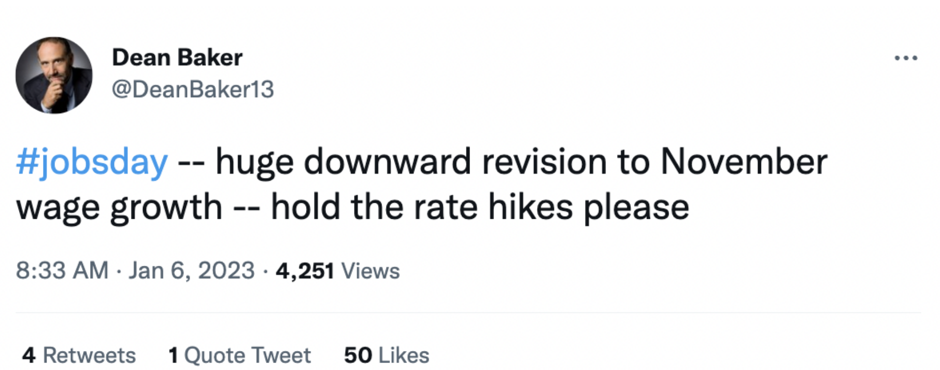
- **Opinion Headline: The Fed Is Playing With Fire With Its Continued Interest-Rate Hikes.** [NY Post 12/18/22]
- **Demond Lachman Is A Senior Fellow At The American Enterprise Institute.** [American Enterprise Institute, accessed 01/11/23]

In December 2022, Philip Cornell, An Economist At The Ludwig Institute For Shared Economic Prosperity, Warned That Higher Interest Rates Are Causing Consumers Who Can't Make Ends Meet To "'Dig Themselves A Deeper And Deeper Hole.'"

December 19, 2022: Phillip Cornell, Economist At The Ludwig Institute For Shared Economic Prosperity, Warned That Higher Interest Rates Are Causing Consumers Who Can't Make Ends Meet To "'Dig Themselves A Deeper And Deeper Hole.'" "'Consumers who weren't able to make ends meet are just digging themselves a deeper and deeper hole with the higher interest rates,' said Philip Cornell, economist at the Ludwig Institute for Shared Economic Prosperity, which focuses on research about middle- and lower-income families." [Bloomberg, 12/19/22]

In January 2023, Dean Baker, A Senior Economist And Co-Founder Of The Center For Economic And Policy Research, Urged To "Hold The Rate Hikes Please."

January 6, 2023: Dean Baker Pointed To A "Huge Downward Revision To November Wage Growth" As He Urged, "Hold The Rate Hikes Please."



[Twitter, 01/06/23]

- **Dean Baker Is A Senior Economist And Co-Founder Of The Center For Economic And Policy Research.** [Center for Economic And Policy Research, accessed 01/11/23]

January 2023: Former Treasury Secretary Larry Summers Said He Doesn't Think "It's A Time To Be Committing To Rate Hikes," Adding That The Fed Should Take Into Consideration That Financial Conditions Have Slowed.

January 2023: Former Treasury Secretary Larry Summers Said That "'Given The Indications Of Softness That We Have Seen From A Number Of Quarters,'" He Doesn't Think "'It's A Time To Be Committing To Rate Hikes.'" "Former Treasury Secretary Lawrence Summers urged the Federal Reserve to refrain from signaling its next move after an expected interest-rate hike next week because of the economy's highly uncertain outlook. 'I don't think it's a time to be committing to rate hikes, given the indications of softness that we have seen from a number of quarters,' Summers told Bloomberg Television's 'Wall Street Week' with David Westin." [Bloomberg, 01/27/23]

Summers Added That As The Fed Sets Policy, It Should Take Into Consider That Financial Conditions "'Have Moved Substantially Towards Easing In The Last Several Months.'" "One cause for concern for Chair Jerome Powell and his colleagues ought to be the optimism that's reverberated across financial markets in recent months, Summers said. 'The monetary impulse that's coming into the economy' is much less contractionary than indicated just by the Fed's cumulative rate hikes, he said. Financial conditions 'have moved substantially towards easing in the last several months,' and 'that is something that I think needs to concern the Fed as it sets policy.'" [Bloomberg, 01/27/23]

Other Influential Figures—Including Investment Managers And Politicians—Have Also Shared Concern Over The Fed's Continued Interest Rate Hikes, Warning That The Fed Will Push "This Country Into A Recession That Costs Millions Of People Their Jobs."

In December 2022, PIMCO Founder Bill Gross Urged The Fed To "Stop Raising Rates And Wait To See If The Punch Bowl Has Been Sufficiently Drained," Rather Than Overshooting It With Continued Hikes.

December 18, 2022: In An Op-Ed In *The Financial Times*, Bill Gross Urged The Fed To "Stop Raising Rates And Wait To See If The Punch Bowl Has Been Sufficiently Drained," Rather Than Overshooting It With Continued Hikes. "The danger of overshooting and the need to have a forward-looking monetary policy argue strongly for this. The Fed should now stop raising rates and wait to see if the punch bowl has been sufficiently drained." [The Financial Times, 12/18/22]

- **Opinion Headline: The Fed Needs To Stop Raising Rates.** [The Financial Times, 12/18/22]

- **Bill Gross Founded PIMCO, An Investment Management Firm, In 1971 Where He Served As Chief Investment Officer Until 2014.** [Forbes, accessed 01/11/23]

In December 2022, U.S. Senator Elizabeth Warren (D-MA) Warned That The Latest Interest Rate Increase Was "Still Pushing The Envelope 'Too Far, Too Fast,'" And That If The Fed Continues To Raise Interest Rates, It Will Push "'This Country Into A Recession That Costs Millions Of People Their Jobs.'"

December 19, 2022: In An Interview With State HouseNews Service, U.S. Senator Elizabeth Warren Warned That The Latest Interest Rate Increase Was "Still Pushing The Envelope 'Too Far, Too Fast,'" Adding That They Are Coming At A Time "'When The Cause Of High Prices Is Linked To Events Like Supply Chain Kinks And Corporate Price-Gouging.'" "After weeks of sounding the alarm about the downsides of interest rate hikes, U.S. Sen. Elizabeth Warren thinks the more modest approach the Federal Reserve took with its latest increase is still pushing the envelope 'too far, too fast.' [...] 'Rate hikes imposed by the Fed have been extreme,' Warren said in an interview with the News Service. 'They're high and they're fast, and they come at a time when the cause of high prices is linked to events like supply chain kinks and corporate price-gouging that are not within the control of the Fed or affected by higher interest rates." [The Lowell Sun, 12/19/22]

- **Elizabeth Warren Serves As A U.S. Senator Representing The State Of Massachusetts.** [U.S. Senator Elizabeth Warren, accessed 01/11/23]

Warren Warned That If Powell Keeps Raising Interest Rates, It Will Push "'This Country Into A Recession That Costs Millions Of People Their Jobs.'" "Referencing Powell's past comments about 'pain,' Warren said, 'It means people will lose their jobs, people will get laid off from business cutbacks.' 'The Fed has a dual mandate: inflation and jobs,' she said. 'I'm pressing him to say more about what it means if he keeps raising interest rates and pushes this country into a recession that costs millions of people their jobs. I'm waving the warning flag here.'" [The Lowell Sun, 12/19/22]

In January 2023, U.S. Senator John Hickenlooper (D-CO) Urged The Federal Reserve To Pause Raising Interest Rates, Warning That Continued Interest Rate Hikes Will "Make It More Expensive For Small Businesses" And Put "A Drag On Consumer Spending," All While "Widespread Concern Of A Recession Continues."

January 30, 2023: Senator John Hickenlooper Wrote A Letter To Fed Chair Jerome Powell "Urg[ing] The Federal Reserve To Closely Consider Its Impact On The Nation's Economy And Workers," Recommending That The Fed Should Pause Raising Interest Rates. "I write to again urge the Federal Reserve to closely consider its impact on the nation's economy and workers. In my October 27, 2022 letter to you, I warned that aggressive rate increases could endanger the jobs market and cause an economic recession. Recent data saw those predictions come true. Accordingly, the Fed should pause before taking any additional action that would throttle an already fragile economy." [United States Senator John Hickenlooper, 01/30/23]

- **John Hickenlooper Serves As A U.S. Senator Representing The State Of Colorado.** [U.S. Senator John Hickenloop, accessed 01/30/23]

Hickenlooper Warned That Further Interest Rate Hikes Will "Make It More Expensive For Small Businesses To Fund Their Operations" And Put "A Drag On Consumer Spending," All While "Widespread Concern Of A Recession Continues." "Further interest rate hikes will only make it more expensive for small businesses to fund their operations. It will also put a drag on consumer spending, which accounts for two-thirds of the economy. At the same time, widespread concern of a recession continues to weigh on the economy because 20% expect to layoff employees." [United States Senator John Hickenlooper, 01/30/23]