With The Federal Reserve Poised To Keep Increasing Interest Rates, Top Economic Experts And Prominent Voices Continue To Urge Pausing Interest Rate Hikes

Summary: In March 2023, the Federal Reserve instituted its ninth consecutive interest rate hike in the past year and is expected to continue another increase in May. Meanwhile, while the Fed raised rates, regional banks experienced closures and liquidity issues due to "rapidly rising interest rates," resulting in "concerns about the state of the industry."

As previously highlighted by Accountable.US, a wide array of economic experts have continued to warn that hiking interest rates too high, 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 have criticized the move and warned about the potential negative consequences. These experts include:

- **Groundwork Collaborative Executive Director Lindsay Owens PH.D.** criticized the Federal Reserve for "protect[ing] wealthy venture capitalists from the fallout of its aggressive interest rate hikes" while "pushing hardworking Americans out on the street to meet its inflation goals."

- **Rakeen Mabud, the Chief Economist at the Groundwork Collaborative,** urged the Fed to "not touch rate hikes with a ten-foot-pole," warning that another hike would send "our economy into a painful—and completely avoidable—recession."

- **Yeva Nersisyan, an associate professor of Economics at Franklin & Marshall College, and L. Randall Wray, a professor of economics at Bard College,** urged the Fed to pivot to a "policy of stable interest rates with the goal of maintaining financial stability," warning that the current approach is "counterproductive and unnecessary."

- **New York Times columnist Jeff Sommer** argued the Fed's interest rate hikes hurt its "very own balance sheet," warning it will unlikely be able to send its "**customary $100 billion in annual profits to the Treasury**" while hurting Americans with money in the stock or bond markets.

- **Robert Reich, former Clinton Labor Secretary and University of California Berkeley professor** called out the Fed for "playing with fire" by raising interest rates, warning that "higher rates could imperil more banks" and advising that "the sensible thing would be for the Fed to pause rate hikes long enough to let the financial system calm down."

- **Mark Zandi, chief economist of Moody's Analytics,** slammed the Fed for risking "raising rates too high too fast," calling the hikes "unnecessary."

- **Larry Summers, former U.S. Secretary of the Treasury,** warned "'recession probabilities are going up at this point,'" urging the Fed "'to do some very fundamental reflection'" ahead of their next meeting.

- **Claudia Sahm, a senior fellow at the Jain Family Institute,** called for the Fed to pause its rate hikes, arguing "the Fed has already done a lot and should let the effects of its rate hikes work through the economy."

- **Dean Baker, a senior economist and co-founder of the Center For Economic and Policy Research,** criticized Fed Chair Powell for going "farther and faster" than economists felt was "warranted" for rate hikes, urging Powell to remember "the Fed's twin mandate for full employment, as well as price stability" as he did when lowering rates in 2019.

In addition to economic experts, several influential and prominent figures have also cautioned against raising rates:

- **U.S. Senator Elizabeth Warren (D-MA),** criticized Federal Reserve Chair Jerome Powell as a "'dangerous man'" for risking "sending the economy into a recession" with continuous interest rate hikes.

- **Brendan Boyle (D-PA), Ranking Member of the House Budget Committee,** warned that "raising rates too high and too fast" could "jeopardize the record recovery" in America.

- **Barry Sternlicht, Chairman and CEO of hedge fund Starwood Capital Group,** called Chairman Powell's interest rate plan "flawed" and warned that "'the economy will have a hard landing.'"

In March 2023, Despite Concerns About Liquidity Crunches At Regional Banks "Due To The Rapidly Rising Interest Rates," The Federal Reserve Instituted Its Ninth Consecutive Interest Rate Hike And Is Expected To Deliver Another Increase In May As Reserve Chairman Jerome Powell Admitted "'Rate Cuts Are Not In Our Base Case' For The Reminder Of 2023.'"

In March 2023, Silicon Valley Bank And Signature Bank's Closure, Along With Capital Issues At Credit Suisse And First Republic, "Raised Concerns About The State Of The Industry" As Smaller Institutions "Faced Liquidity Crunches Due To The Rapidly Rising Interest Rates."

March 2023: Silicon Valley Bank And Signature Bank Both Closed, Resulting In The Largest And Second-Largest Bank Failure Since The 2008 Financial Crisis. "Silicon Valley Bank's closure last Friday was the largest bank failure since the 2008 financial crisis. When New York's Signature Bank was shuttered on Sunday, it became the second-largest failure in that period. The bank closures caused investor anxiety, and mid-sized banks slid significantly amid concerns that depositors would withdraw from regional institutions to put their funds into bigger banks." [The Hill, 03/15/23]

These Closures, Along With Capital Issues At Credit Suisse And First Republic, "Raised Concerns About The State Of The Industry" As Smaller Institutions "Faced Liquidity Crunches Due To The Rapidly Rising Interest Rates." "But the banking issues have complicated the decision-making calculus as the Fed's pace of tightening has contributed to liquidity problems. Closures of Silicon Valley Bank and Signature Bank, and capital issues at Credit Suisse and First Republic, have raised concerns about the state of the industry. While big banks are considered well capitalized, smaller institutions have faced liquidity crunches due to the rapidly rising interest rates that have made otherwise safe long-term investments lose value. Silicon Valley, for instance, had to sell bonds at a loss, triggering a crisis of confidence." [CNBC, 03/22/23]

As Federal Reserve Chairman Jerome Powell Admitted "'Rate Cuts Are Not In Our Base Case' For The Reminder Of 2023,'" The Federal Reserve Instituted Its Ninth Consecutive Interest Rate Hike And Is Expected To Deliver Another Increase In May.

March 22, 2023: The Federal Reserve Instituted Its Ninth Consecutive Interest Rate Hike Since March 2022, Enacting A Quarter Percentage Point Increase. "The Federal Reserve on Wednesday enacted a quarter percentage point interest rate increase, expressing caution about the recent banking crisis and indicating that hikes are nearing an end. Along with its ninth hike since March 2022, the rate-setting Federal Open Market Committee noted that future increases are not assured and will depend largely on incoming data." [CNBC, 03/22/23]

Federal Reserve Chairman Jerome Powell Admitted That Despite Recent Bank Failures, "'Rate Cuts Are Not In Our Base Case' For The Reminder Of 2023." "'The process of getting inflation back down to 2% has a long way to go and is likely to be bumpy,' the central bank leader said. Also, Powell acknowledged that the recent events in the banking system were likely to result in tighter credit conditions, and that was likely why the central bank's tone had softened. Still, he said that despite market pricing to the contrary, 'rate cuts are not in our base case' for the remainder of 2023." [CNBC, 03/22/23]

According To A Reuters Poll Of Economists, The U.S. Federal Reserve Is Expected To Deliver Another 25-Basis-Point Interest Rate Increase In May. "The U.S. Federal Reserve will deliver a final 25-basis-point interest rate increase in May and then hold rates steady for the rest of 2023, according to economists in a Reuters poll, which also showed a short and shallow recession this year was likely. Worries about an economic downturn, which were also highlighted by the Fed at its March 21-22 policy meeting, and concerns about banking sector stress have encouraged markets to price in at least a 25-basis-point cut by the end of 2023." [Reuters, 04/20/23]

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]

Economists Have Criticized The Fed For "Playing With Fire," By Pushing Further Rate Hikes, Warning The Fed's Actions Could "Imperil More Banks" And "Pus[h] Hardworking Americans Out On The Street," Urging Fed Chair Powell To Return To His 2019 Position Supporting Lower Interest Rates To Promote "Full Employment" And "Price Stability."

In March 2023, The Groundwork Collaborative's Executive Director Lindsay Owens Criticized The Federal Reserve For "Protect[ing] Wealthy Venture Capitalists From The Fallout Of Its Aggressive Interest Rate Hikes" While "Pushing Hardworking Americans Out On The Street To Meet Its Inflation Goals."

March 13, 2023: Lindsay Owens, Executive Director Of The Groundwork Collaborative, Criticized The Federal Reserve For "Protect[ing] Wealthy Venture Capitalists From The Fallout Of Its Aggressive Interest Rate Hikes" While "Pushing Hardworking Americans Out On The Street To Meet Its Inflation Goals." "This weekend, the Federal Reserve moved mountains to protect wealthy venture capitalists from the fallout of its aggressive interest rate hikes. Today, the Fed will return to its core work of pushing hardworking Americans out on the street to meet its inflation goals. The Federal Reserve is irreparably broken and can no longer be trusted to go it alone on monetary policy. As Congress works to re-regulate mid-size banks after the misguided 2018 rollbacks that set this weekend's crisis in motion, they should also address the rot at the Fed." [The Groundwork Collaborative, 03/13/23]

- **Lindsay Owens, Ph.D., Is The Executive Director Of The Groundwork Collaborative.** [The Groundwork Collaborative, accessed 04/27/23]

In March 2023, Groundwork Collaborative Chief Economist Rakeen Mabud Urged The Fed To "Not Touch Rate Hikes With A Ten-Foot Pole," Warning That Another Hike Will Send "Our Economy Into A Painful – And Completely Avoidable – Recession."

March 21, 2023: Rakeem Mabud, Chief Economist And Managing Director Of Policy And Research At The Groundwork Collaborative, Slammed The Federal Reserve For Showing "Little Concern For The Millions Of People Who Could Lose Their Jobs As A Result Of Its Aggressive Rate Hikes," And Urged The Fed To "Not Touch Rate Hikes With A Ten-Foot Pole," Warning That Another Hike Will Send "Our Economy Into A Painful – And Completely Avoidable – Recession." "While the Federal Reserve wasted no time protecting wealthy venture capitalists and startup CEOs last weekend, it has shown little concern for the millions of people who could lose their jobs as a result of its aggressive rate hikes. After the SVB fiasco, Chair Powell should not touch rate hikes with a ten-foot pole. Another rate hike will be the straw that breaks the camel's back, sending our economy into a painful – and completely avoidable – recession." [The Groundwork Collaborative, 03/21/23]

- **Rakeen Mabud is the Chief Economist and Managing Director of Policy and Research at the Groundwork Collaborative.** [The Groundwork Collaborative, accessed 04/27/23]

In March 2023, Yeva Nersisyan, An Associate Professor Of Economics At Franklin & Marshall College, And L. Randall Wray, A Professor Of Economics at Bard College, Urged The Fed To "Abandon Misguided Economic Theories" And Instead Pivot To "Policy Of Stable Interest Rates With The Goal Of Maintaining Financial Stability," Warning That The Current Approach Is "Counterproductive And Unnecessary.

March 17, 2023: In An Op-Ed For *The Hill*, Yeva Nersisyan And L. Randall Wray Urged The Fed To "Abandon Misguided Economic Theories" And Instead Pivot To A "Policy Of Stable Interest Rates With The Goal Of Maintaining Financial Stability," Warning That The Current Approach Is "Counterproductive And Unnecessary." "What the Fed needs to do is abandon misguided economic theories that have subverted its primary goal of financial stability to inflation targeting. Rather than change interest rates to control inflation it should pivot to a policy of stable interest rates with the goal of maintaining financial stability. The current experience is yet another stark example that unstable interest rates are inconsistent with financial stability. This approach is counterproductive and unnecessary since we have more effective tools for macroeconomic stabilization, such as fiscal policy." [The Hill, 03/17/23]

- **"Yeva Nersisyan Is Associate Professor Of Economics At Franklin & Marshall College And L. Randall Wray Is Professor Of Economics And Senior Scholar At The Levy Economics Institute Of Bard College."** [The Hill, 03/17/23]

- **Op-Ed: The collapse of SVB shows why monetary policy is the wrong tool to fight inflation.** [The Hill, 03/17/23]

In March 2023, New York Times Columnist Jeff Sommer Wrote That The Fed's Interest Rate Hikes Hurt The "Fed's Very Own Balance Sheet," Warning It Will Unlikely Be Able To Send Its "Customary $100 Billion In Annual Profits To The Treasury," And Hurt Americans With Money In The Stock Or Bond Markets.

March 2023: New York Times Columnist Jeff Sommer Wrote Hiking Interest Rates "Caused The Value Of The Bonds On The Fed's Very Own Balance Sheet To Lose Value," And Could Impact The Fed's Ability To Send Its "Customary $100 Billion In Annual Internal Profits To The Treasury. " "Rising interest rates have also caused the value of the bonds on the Fed's very own balance sheet to lose value, while increasing its expenses. This makes it exceedingly unlikely that the Fed this year will send the U.S. Treasury its customary $100 billion in annual internal profits. That could become a political flashpoint as the federal debt ceiling approaches." [The New York Times, 03/17/23]

Sommer Also Wrote: Fed Rate Hikes Hurt People With "Money In The Stock Or Bond Markets." "If you have money in the stock or bond markets, directly or through funds, you have been hurt, too. Quantitative tightening — along with the conventional Fed rate increases — helped set off big price drops over the last year, causing major losses in most portfolios." [The New York Times, 03/17/23]

- **Jeff Sommer Is A Columnist For The New York Times Writing About "Markets, Finance, And The Economy."** "Jeff Sommer is the author of Strategies, a weekly column on markets, finance and the economy." [The New York Times, accessed 04/28/23]

In March 2023, Former Clinton Labor Secretary And University Of California Berkeley Professor Robert Reich Called Out The Fed For "Playing With Fire" By Raising Interest Rates, Warning That "Higher Rates Could Imperil More Banks" And Advising That "The Sensible Thing Would Be For The Fed To Pause Rate Hikes Long Enough To Let The Financial System Calm Down."

March 21, 2023: In An Op-Ed For *The Guardian*, Robert Reich Warned That "Higher Rates Could Imperil More Banks," Meaning That "Raising Interest Rates Could Cause More Runs On More Banks." "Higher rates could imperil more banks, especially those that used depositors' money to purchase long-term bonds when interest rates were lower, as did Silicon Valley Bank. That means that raising interest rates could cause more runs on more banks. The financial system is already shaky." [The Guardian, 03/21/23]

- **Robert B. Reich Previously Served As Secretary Of Labor Under President Bill Clinton, Co-Founded The 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]

- **Op-Ed: To prevent more bank runs, the Fed should pause rate hikes.** [The Guardian, 03/21/23]

Reich Cautioned That "The Sensible Thing Would Be For The Fed To Pause Rate Hikes Long Enough To Let The Financial System Calm Down." "The two objectives – fighting inflation by raising rates, and avoiding a bank run – are in direct conflict. As the old song goes: 'Something's got to give.' What will it be? The sensible thing would be for the Fed to pause rate hikes long enough to let the financial system calm down. Besides, inflation is receding, albeit slowly. So there's no reason to risk more financial tumult." [The Guardian, 03/21/23]

March 22, 2023: In A Tweet, Reich Called Out The Fed For "Playing With Fire" By Raising Interest Rates, Which "Fall Hardest On Low-Wage Workers And The Poor" And "Could Imperil More Banks":


Robert Reich
@RBReich

Once again, interest rate hikes are going to fall hardest on low-wage workers and the poor — the same people who have already been hurt the most by rising prices.

Higher rates could also imperil more banks, and risk even more financial chaos.

The Fed is playing with fire.

2:24 PM · Mar 22, 2023 · **107.3K** Views

[Twitter, 03/22/23]

In March 2023, Chief Economist Of Moody's Analytics Mark Zandi Slammed The Fed For Risking "Raising Rates Too High Too Fast," Calling The Move "Unnecessary."

March 22, 2023: In A Series Of Tweets, Mark Zandi Slammed The Fed For Risking "Raising Rates Too High Too Fast," Calling The Move "Unnecessary."

[Twitter, 03/22/23]

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

April 2023: Former U.S. Treasury Secretary Larry Summers Warned That "'Recession Probabilities Are Going Up At This Point'" Due To Rate Hikes And Urged The Fed "'To Do Some Very Fundamental Reflection On What Kind Of Financial System They Want To See Us Move Into'" Ahead Of Their Next Meeting.

April 4, 2023: Larry Summers Admitted The Federal Reserve's Interest Rate Hikes Have Led To A "'Substantial Amount Of Constriction In Credit,'' Warning That "'Recession Probabilities Are Going Up At This Point.'" "'We're getting a sense that there is some substantial amount of constriction in credit,' said Summers, a Harvard University professor and paid contributor to Bloomberg Television. 'Recession probabilities are going up at this point. And I think the Fed's got very, very difficult decisions ahead of it — with very much two-sided risk.'" [Bloomberg, 04/07/23]

- **Lawrence "Larry" Summers Is Currently A Professor At Harvard University And Has Served As Vice President Of Development Economics And Chief Economist Of The World Bank, Undersecretary Of The Treasury For International Affairs, Director Of The National Economic Council, And Secretary Of The Treasury Of The United States.** "Lawrence H. Summers is President Emeritus of Harvard University. During the past two decades he has served in a series of senior policy positions, including Vice President of development economics and chief economist of the World Bank, Undersecretary of the Treasury for International Affairs, Director of the National Economic Council for the Obama Administration from 2009 to 2011, and Secretary of the Treasury of the United States, from 1999 to 2001. [...] He is currently the Charles W. Eliot University Professor at Harvard University. He and his wife Elisa New, a professor of English at Harvard, reside in Brookline with their six children." [Harvard University, accessed 04/28/23]

Summer Continued That The "'Fed Needs To Do Some Very Fundamental Reflection On What Kind Of Financial System They Want To See Us Move Into'" Ahead Of Their Next Meeting. "'We've had a financial system that has been based on the willingness of large numbers of households to earn almost nothing on their money — and I'm not sure that's going to persist,' Summers said. 'The Fed needs to do some very fundamental reflection on what kind of financial system they want to see us move into.'" [Bloomberg, 04/07/23]

In April 2023, Claudia Sahm—Who Previously Served As The Director Of Macroeconomic Policy At The Washington Center For Equitable Growth And Section Chief Of The Federal Reserve's Division Of Consumer And Community Affairs —Called For A Pause On Interest Rate Hikes, Arguing "The Fed Has Already Done A Lot And Should Let The Effects Of Its Rate Hikes Work Through The Economy."

April 6, 2023: In a Substack Post, Claudia Sahm Called For A Pause On Interest Rate Hikes, Arguing "The Fed Has Already Done A Lot And Should Let The Effects Of Its Rate Hikes Work Through The Economy." "The crux of the argument for a pause is that the Fed has already done a lot and should let the effects of its rate hikes work through the economy. Inflation is one of the last places the Fed's efforts show up. Using inflation as the guide for setting rates now is risky, especially since we already see signs of the higher rates having an effect on demand, and we know more is coming due to the lags." [Stay At Home Macro, 04/06/23]

- **Claudia Sahm Is A Senior Fellow At The Jain Family Institute And Previously Was The Director Of Macroeconomic Policy At The Washington Center For Equitable Growth And Section Chief In The Division Of Consumer And Community Affairs At The Federal Reserve Board.** "Claudia Sahm is a senior fellow at the Jain Family Institute. Previously, she was the director of macroeconomic policy at the Washington Center for Equitable Growth. [...] Sahm was also a section chief in the Division of Consumer and Community Affairs at the Federal Reserve Board, where she oversaw the Survey of Household Economics and Decisionmaking." [Equitable Growth, accessed 04/28/23]

In April 2023, Senior Economist For The Center For Economic And Policy Research, Dean Baker, Wrote "Powell Went Further And Faster" Than Economists Felt Was Warranted For Fighting Inflation, Urging Powell To Return To His 2019 Position When He Recognized The Fed's "Twin Mandate For Full Employment, As Well As Price Stability."

April 2023: Dean Baker, Senior Economist At The Center For Economic And Policy Research, Wrote That "Powell Went Farther And Faster Than Any Of Us Felt Was Warranted" Regarding Interest Rate Hikes That Could Have Contributed To The Collapse Of Silicon Valley And Signature Bank. "Powell went farther and faster than many of us felt was warranted. It will take time to see the full effect of past rate hikes on the economy. The rapid rise in rates did create stresses in the banking system, although the failures of the Silicon Valley Bank (SVB) and Signature Bank seem to be largely due to incredibly inept management, coupled with major regulatory failures at the Fed." [Center For Economic And Policy Research, 04/13/23]

- **Dean Baker Ph.D. Is The Senior Economist At The Center For Economic And Policy Research**. [Center For Economic And Policy Research, accessed 04/28/23]

Baker Also Said, "Powell Was Quite Vocal In Recognizing The Fed's Twin Mandate For Full Employment, As Well As Price Stability, When He Lowered Rates In 2019." "Powell was quite vocal in recognizing the Fed's twin mandate for full employment, as well as price stability, when he lowered rates in 2019. There is no virtue in going overboard in the effort to fight inflation." [Center For Economic And Policy Research, 04/13/23]

Baker Concluded, "There Is No Virtue In Going Overboard In The Effort To Fight Inflation," Calling For Powell To End Hikes If Data Shows "The Prospect Of A Weakening Economy With Higher Unemployment." "There is no virtue in going overboard in the effort to fight inflation. If the data show that the war on inflation has been won, and we see the prospect of a weakening economy with higher unemployment, it needs to shift course." [Center For Economic And Policy Research, 04/13/23]

Other Influential Figures—Including Investment Managers And Politicians—Have Also Shared Concern Over The Fed's Continued Interest Rate Hikes, Warning that "Raising Rates Too High And Too Fast" Could "Send The Economy Into A Recession."

March 2023, U.S. Senator Elizabeth Warren (D-MA) Criticized Federal Reserve Chairman Jerome Powell For Risking "Sending The Economy Into A Recession" With Continuous Interest Rate Hikes.

March 22, 2023: U.S. Senator Elizabeth Warren (D-MA) Criticized Federal Reserve Chairman Jerome Powell For Doing A "'Terrible Job'" In His Position And For Risking "Sending The Economy Into A Recession" With Continuous Interest Rate Hikes. "Sen. Elizabeth Warren (D-Mass.) stepped up her criticism of Federal Reserve Chairman Jerome Powell following the Fed's most recent interest rate hike Wednesday, saying that he is a 'dangerous man' to serve in his role. Warren told CNN's Jake Tapper in an interview that Powell is doing a 'terrible job' in his position and is risking sending the economy into a recession with the Fed's continuous interest rate increases. 'I think he's a dangerous man to have in this job,' she said." [The Hill, 03/22/23]

In March 2023, Ranking Member Of The House Budget Committee Brendan Boyle (D-PA) Warned That "Raising Rates Too High And Too Fast" Could "Jeopardize The Record Recovery" In America.

March 22, 2023: House Budget Committee Ranking Member Brendan Boyle (D-PA) Shared His "Concer[n]" Over "The Federal Reserve's Decision To Hike Interest Rates By 25 Basis Points Today," Warning That "Raising Rates Too High And Too Fast" Could "Jeopardize The Record Recovery" In America. "Given the precarious state of our financial system and market volatility over the past days and weeks, I am concerned by the Federal Reserve's decision to hike interest rates by 25 basis points today. Raising rates too high and too fast — especially in this moment — could jeopardize the record recovery Americans have enjoyed under President Biden. The Fed must not forget its dual mandate." [U.S. House Committee On the Budget, 03/22/23]

- **Brendan F. Boyle Is Ranking Member of the House Budget Committee.** [U.S. House Committee On the Budget, 03/22/23]

In March 2023, Barry Sternlicht, Chairman And CEO Of Hedge Fund Starwood Capital Group, Called Federal Reserve Chairman Jerome Powell's Argument For Raising Interest Rates "Flawed" and Warned That "'The Economy Will Have A Hard Landing.'"

March 23, 2023: Barry Sternlicht Slammed Federal Reserve Chair Jerome Powell For Raising Interest Rates, Calling Powell's Argument That The Economy Will Not Slow Down Due To The Current Banking Crisis "Flawed." "'Obviously he [Fed Chair Jerome Powell] didn't need to do what he did,' he told CNBC's *Squawk Box* on Thursday about the latest interest rate increase this week, the ninth since 2022. Sternlicht, whose hedge fund manages over $100 billion, said that Powell's argument that the economy will not slow down due to the current banking crisis was flawed. 'He [Powell] is using a steamroller to get the price of milk down two cents, to kill a small fly,' Sternlicht said about Fed's fight against inflation (the fly) while ignoring its impact on banks." [Fortune, 03/24/23]

- **Barry Sternlicht Is Chairman & CEO Of Starwood Capital Group.** [Starwood Capital Group, accessed 04/27/23]

Sternlicht Warned That "'The Economy Will Have A Hard Landing'" "Referring To The Economy Falling Into Recession Due To The Fed's Interest Rate Hikes." "'The economy will have a hard landing,' he added, referring to the economy falling into recession due to the Fed's interest rate hikes. 'There's good inflation and bad inflation. Good inflation is wage inflation—we should be having parties,' Sternlicht said. 'He [Powell] is limiting inflation to 2%…that is not what we should want." [Fortune, 03/24/23]