

FOMC Raises Target a Quarter-Point, Believes There's More Work to be Done

As was almost universally expected, the FOMC raised the fed funds target by 25 basis points to a range of 4.50% to 4.75%. The vote was unanimous. There were a few minor changes to the official statement as the FOMC acknowledged, "Inflation has eased somewhat but remains elevated." One key change came to the following sentence from December's statement: "In determining the *pace* of future increases in the target range..." with today's statement now reading, "In determining the *extent* of future increases in the target range..." This suggests any debates over how fast to raise rates have now been replaced by a debate about how far to raise rates, which will eventually be supplanted by debate over how long to keep rates at their peak. That tells us the pace of hikes going forward will be 25 basis points, and it also tells us the Fed expects to keep hiking.

Scott McIntyre

[Read the full article](#)

[Read more Economic Commentary](#)