



Retirement News Highlights

Wednesday, February 1, 2023

Fed OKs 25-basis-point rate hike as inflation slows

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The Federal Reserve on Wednesday, with inflation cooling, once more slowed the pace of its interest rate hikes, this time greenlighting a 25-basis-point increase.

The Federal Open Market Committee raised the federal funds rate to a range of 4.5% to 4.75% following its two-day meeting that concluded Wednesday. The 25-basis-point hike follows a 50-basis-point increase at the committee's last meeting in December, and four 75-basis-point hikes in each of its previous four meetings.

Since the committee's last meeting, data from the Bureau of Labor Statistics released Jan. 12 showed further progress on inflation. The consumer price index rose 6.5% in December from a year earlier, down from 7.1% year-over-year in November. The annualized CPI figure has dropped steadily since June, when it was at 9.1%, a 40-year high.

Moreover, the unemployment rate dropped to 3.5% in December.

The committee's next meeting is March 21-22.

More information to come.

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