# Federal Reserve Chairman Warns of Persistent Inflation, Signals Prolonged High Interest Rates



Federal Reserve Chairman Jerome Powell stated on Tuesday that inflation has been more persistent than anticipated, signaling that interest rates might remain elevated for an extended period, even amid an election year. Powell's comments came during an event hosted by the Foreign Bankers' Association in Amsterdam.

He noted that combating inflation has been challenging, and the Federal Reserve will need to be patient with its restrictive monetary policy. This stance follows inflation peaking at 9.1% in June 2022, with the federal funds rate currently between 5.25% and 5.5%, a 23-year high. Recent data showed the Consumer Price Index (CPI) was up 3.5% year-over-year in March, driven by rising housing and gas prices.

President Joe Biden also made headlines on Tuesday, repeating a false claim during an interview with Yahoo Finance that inflation was at 9% when he took office. The actual inflation rate at the beginning of his presidency in January 2021 was 1.4%. Biden has emphasized strides in reducing inflation but acknowledged continued efforts are necessary.

The latest CPI data for April is set to be released on May 15, with economists forecasting a 3.4% year-over-year increase. The Producer Price Index (PPI) for April also exceeded economists' expectations, underscoring ongoing inflationary pressures.