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## Fed Chair Powell Ignores Strong Growth Signals, Keeps Interest Rates Frozen

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Despite compelling signs of economic momentum, Federal Reserve Chairman Jerome Powell declined to adjust interest rates during Wednesday's meeting of the Federal Open Market Committee (FOMC), maintaining the target federal funds rate between 4.25% and 4.5%. The decision comes as the economy posted robust second-quarter growth, raising questions about the Fed's continued resistance to monetary easing, even in the face of improved economic performance.

Earlier Wednesday, the U.S. Department of Commerce reported that the Gross Domestic Product (GDP) grew at a healthy 3% annualized rate for Q2, far exceeding analyst projections. Former President Donald Trump, who has consistently criticized Powell for stifling growth with high rates, renewed his calls for a rate cut that could further strengthen the pro-growth policies associated with his administration.

Support for a rate reduction is no longer limited to political figures. Two members of the Fed's own Board of Governors, Christopher Waller and Michelle Bowman, broke ranks with Powell, voting in favor of a modest 0.25% rate cut. Their dissent highlights growing internal concerns that the Fed's overly cautious stance could hinder economic acceleration just as the data turns favorable.

"GDP growth this strong should signal the Fed to step back and allow the market to breathe," said Stephen Moore, a senior economist with the Committee to Unleash Prosperity. "Instead, Powell appears locked into a defensive monetary posture that belongs to last year's inflation fight."

Indeed, the inflation rate has cooled significantly since its Biden-era peak, when it soared past 9% in mid-2022. In contrast, current figures reflect a dramatic reversal thanks to improved consumer confidence, expanding labor markets, and a revival in manufacturing. These gains are largely viewed as a return to the business-friendly climate fostered under Trump, where tax reform, energy independence, and trade renegotiations laid the groundwork for resilience.

Compounding Powell's troubles is a mounting controversy over the Federal Reserve's ongoing headquarters renovation. Initially projected to cost \$1.8 billion, the price tag has since ballooned to \$3.1 billion, drawing sharp criticism from fiscal conservatives wary of bureaucratic bloat and taxpayer waste.

There have even been renewed calls for Powell's resignation, with some allies of President Trump suggesting the Fed chair no longer commands the confidence needed to lead the central bank through the next phase of economic recovery. Others have floated the possibility of removing him outright should Trump return to the White House in 2025.

As it stands, Powell's unwillingness to adjust course may become a central issue heading into the next election cycle, particularly as economic performance becomes increasingly difficult to ignore. While markets remain stable for now, the broader concern is that

sustained high rates could choke off growth just as the U.S. economy is regaining its footing. In an environment where strong leadership and data-driven policy are critical, the Federal Reserve's inaction is drawing sharper scrutiny by the day.