

Majority of Investors Currently in Favor of Interest Rate Hikes

This week's **Sentiment Survey** special question asked AAI members for their opinion on the Federal Reserve's ongoing course of raising interest rates. Nearly three-quarters of respondents (73%) think the Fed is doing the right thing by raising rates. The overwhelming majority of these respondents favor gradual rate hikes. Others in this group of respondents believe that the Fed needs to keep raising rates to keep inflation in check or otherwise view the hikes as being overdue.

Almost 20% of all respondents expressed concern about the ongoing rate hikes. Some of these respondents believe the Fed is being too aggressive, while others expressed concern about the hikes causing a correction.

Here is a sampling of the responses:

- "They have to raise from zero so that they have a tool against a recession, inflation, etc. As long as the raises are small and gradual, I see no harm."
- "I think it's good; interest rates need to be above the inflation rate and high enough for reduction when the economy weakens."
- "Let it be stable for a few quarters. I don't want it to stunt growth."
- "I'm concerned about raising rates too quickly. They need to keep a very close watch on the economy and adjust their policy as needed."
- "It is about time. I am happy to see the improved interest in cash accounts."

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