

Fed lets rates stay put for now

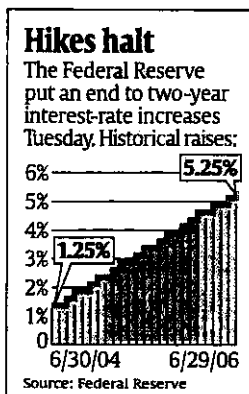
Future increases are still possible

By Sue Kirchhoff
USA TODAY

WASHINGTON — The Federal Reserve left short-term interest rates unchanged at 5.25% Tuesday after two years of steady increases, pointing to the slowing economy. The Fed didn't rule out future rate rises, however, if needed to contain "inflation risks."

The central bank's policymaking Federal Open Market Committee was not united. Jeffrey Lacker, president of the Richmond, Va., Fed, voted "no," wanting a quarter-point rise. That's the first dissent under Fed Chairman Ben Bernanke, who took over in February, and just the fifth in four years.

"Readings on core inflation have been elevated in recent months," the Fed said in a statement, adding that high energy and commodity prices and tight labor markets could "sustain inflation pressures."



By Frank Pompa, USA TODAY

← 2 years of interest rate increases