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Miran Makes His Case for Steeper Rate Reductions

BY MATT GROSSMAN

The newest Federal Reserve Board member, Stephen Miran, argued for aggressive interest-rate cuts in his first television interview since taking the job, signaling he is likely to stay closely aligned with President Trump's demands for lower rates while serving at the central bank.

Miran said Friday morning on CNBC he doesn't believe that tariffs are causing inflation and that other federal policy changes are likely to ease the pace of price increases. He added he expects economic growth to improve in the second half of the year.

The Senate confirmed Miran to the Fed board late on Monday, just hours before Fed officials gathered to consider their interest-rate decision. On Wednesday, Miran was the only official to break with the committee's decision to lower rates by a quarter point, dissenting in favor of a larger half-point cut. He also laid out a faster path for projected future rate cuts.

In an unusual arrangement, Miran is on unpaid leave from his job as chair of the White House Council of Economic Advisers while serving a truncated term at the Fed that ends in January. Miran would be able to stay at the Fed indefinitely, however, if Trump doesn't nominate a successor.

Democrats and some Fed watchers have criticized Miran's dual role at the White House and the central bank, arguing it is part of a larger assault on the Fed's traditional independence from presidential politics. Since returning to office, Trump has demanded sharp rate cuts and lambasted Fed Chair Jerome Powell for not cutting rates as quickly as Trump would like. On Friday, Miran defended his dual role. "I will do independent analysis based on my interpretation of the data and based on my interpretation of the economy," Miran said. He added that he didn't tell Trump in advance how he would vote at this past week's meeting.

Beyond his dissent on Wednesday, Miran also broke with other Fed officials by projecting a much sharper pace of cuts at the central bank's two remaining meetings this year. In the quarterly dot plot, Miran suggested rates should fall below 3% in 2025, penciling in three-quarters of a per--centage point more cutting than any of his colleagues.

Miran said Friday that his preference stems from his skepticism that tariffs are causing inflation. He argued that because elevated price increases are likely to fade on their own, the Fed should ease quickly— down to a so-called neutral level —to avoid unnecessary damage to the labor market.

"I don't see a reason for being so far from neutral at the moment," Miran said. "The longer you stay very restrictive, the greater the risks build up of significant misses to the employment mandate."