

Fed Chair Warsh signals rate hikes may be needed with inflation still elevated

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Updated 10:01 AM EDT, August 28, 2026

JACKSON HOLE, Wyoming (AP) — Federal Reserve Chair Kevin Warsh said Friday that [inflation](#) is still too high and suggested the central bank may have to raise interest rates in the coming months to bring it down, a clearer signal than he had sent previously about his economic outlook.

In his first high-profile speech at the Fed's annual conference at Jackson Hole, Wyoming, Warsh acknowledged in prepared remarks that recent inflation reports [show it has cooled a bit](#), but "they do not tell me that underlying trends have meaningfully improved."

"We must be confident that underlying inflation is moving to our objective, clearly and at sufficient speed," Warsh said. "Otherwise, we have work to do."

The Fed chair, who replaced his predecessor, Jerome Powell, May 22, is facing high stakes with his speech as questions have swirled around Wall Street about his focus on fighting inflation.