Opening Statement of Richard B. Berner
Nominee for Director of the Office of Financial Research
United States Senate Committee on Banking, Housing and Urban Affairs
March 20, 2012

Chairman Johnson, Ranking Member Shelby, and distinguished Members of the Committee, thank you for the opportunity to be here today.

I am honored that President Obama and Secretary Geithner have asked me, if confirmed, to serve as Director of the Office of Financial Research at this critical moment for our nation's economy and financial system.

I am grateful to my wife, Bonnie, and to our children, Matt and Laura, for supporting and encouraging me to return to public service. Thank you for coming to this hearing today.

As you know, the Office of Financial Research (OFR) was established to serve the Financial Stability Oversight Council (Council), its member agencies, and the public by improving the quality, transparency, and accessibility of financial data and information, by conducting and sponsoring research related to financial stability, and by promoting best practices in risk management.

Those goals all represent challenges. I am fully committed to help build this institution to fulfill those goals, and I believe that my family background and my educational and professional training have equipped me with the dedication and skills to meet those challenges.

My mother, who is 97, was a town meeting member and taught me the ingredients of good government. My father, who passed away in 2005, taught me respect for the virtues of free markets and capitalism, as well as an understanding of their shortcomings. My parents had different political views, but they agreed on the importance of public service.

Summer jobs in high school, as a stock boy in a camera store and a lifeguard at a local pool, taught me about work and teamwork. I also learned the rewards of dedication and hard work as a competitive swimmer. These lessons carried through to my education and professional career.

In my education, I turned to economics and its power to make peoples' lives better. I received an AB from Harvard College and a PhD from the University of Pennsylvania. My training in college and graduate school gave me the tools to analyze the economy and financial markets, and to appraise economic and financial policies.

Most important, I believe my career has provided me with the skills in research, data, and markets necessary to serve as Director of the Office of Financial Research. My career helped me develop broad knowledge of the changing global economy, financial institutions, financial markets, and financial regulation. Through many market and economic cycles, I saw both the benefits of financial innovation and the costs of periods of severe market stress.

My professional experience has also equipped me to understand the needs of policymakers and risk managers. In my first job, I served as an economist at the Board of Governors of the Federal Reserve System. Subsequently, I directed the Policy Analysis Group at Wharton Econometrics. I served for 30 years at four major financial services firms, on the Senior Management Committee of one and on the Risk Management Committees of two; most recently, as Co-Head of Global Economics at Morgan Stanley. As Counselor in the Treasury, I currently advise Secretary Geithner on financial and regulatory issues.

My service on advisory boards has also kept me on the cutting edge of policymaking, research, and data. I have served on advisory boards for the Federal Reserve Bank of New York, the Congressional Budget Office, the National Bureau of Economic Research, and the Bureau of Economic Analysis. As an associate on the Counterparty Risk Management Policy Group II – a group of market participants assembled in 2005 to identify and resolve many of the problems in our financial system – I gained further insight into the complex plumbing of the financial system.

Finally, I believe I have the critical thinking skills to challenge conventional wisdom and a passion for a stronger, safer, and appropriately regulated financial system that guides my vision for how the Office should fulfill its mission.

We face many challenges to rebuild the financial system, one that helps our economy grow and restore lost jobs. I am humbled and honored by the opportunity to help meet those challenges and serve our nation. If confirmed, I would look forward to working with the members of this Committee and Congress. I will work hard to carry out my oath of office and to earn your trust and confidence.

Thank you. I look forward to answering your questions.