

**Statement of Richard Clarida
Nominee to be Member and Vice Chairman
of the Board of Governors of the Federal Reserve System
Before the Committee on Banking, Housing, and Urban Affairs
United States Senate
May 15, 2018**

Chairman Crapo, Ranking Member Brown, and members of the Committee, thank you for this opportunity to appear before you today. I am honored that the President has nominated me to serve as a member of the Board of Governors of the Federal Reserve System and as the Board's Vice Chairman, and I am grateful to have the privilege of the Committee's consideration for these positions. I am also very grateful to have the support of my family who is with me here today--my wife of 29 years, Polly Barry, and my two sons, Matthew and Russell.

The Federal Reserve has been charged by the Congress with a mandate to attain maximum employment and stable prices. I fully support both pillars of this dual mandate and pledge to the Committee that if I am confirmed by the Senate, I will support monetary policies that take a balanced approach to achieving these important objectives. The Federal Reserve also plays a central role in our government's efforts to ensure the safety and soundness and stability of the U.S. financial system as it provides credit between households and businesses. If I am confirmed, my priority will be to support policies that are effective, efficient, and appropriately tailored and that preserve the far greater resiliency and stability of the financial system that has been achieved as a result of the significant reforms that have been put in place since the financial crisis.

I believe I am well qualified to fulfill the responsibilities of the positions for which I have been nominated. In my published research, I have studied the formulation and communication of monetary policies and developed, along with others, a framework for monetary policy analysis that has been widely cited and used by monetary policymakers and their staffs around the

world. Although I have spent most of my career in academia, I have had two opportunities to serve in economic policy positions in the executive branch of the U.S. government--first, as a senior staff economist with Council of Economic Advisers from 1986 to 1987 and second, as assistant Treasury secretary for economic policy from 2002 to 2003. These experiences were invaluable in providing me a perspective that places a premium on doing economic analysis that is practical, robust, and relevant to better understanding how economic policy affects individual Americans and their communities. Over the years, I have also advised asset management firms on economics and strategy, with a particular focus on global monetary policy, and this experience has given me a deeper understanding of the interactions between macroeconomic developments and financial markets.

The Federal Reserve has an enormous responsibility to achieve the mandates given to it by the Congress, to communicate the rationale for its decisions, and to explain how its policies will enable it to meet these objectives. If I am confirmed, I pledge to work closely with Chairman Powell and my future colleagues to put in place policies that best fulfill its obligation to meet the mandates that the Congress has assigned to the Federal Reserve and to foster the transparent communication and accountability that is so vital to preserving the Federal Reserve's independent and nonpartisan status.

Thank you again for the privilege to appear before you today and I look forward to your questions.