

**Statement of Philip N. Jefferson,
Nominee to be a Member of the Board of Governors of the Federal Reserve System
Before the Committee on Banking, Housing, and Urban Affairs of the
United States Senate
February 3, 2022**

Chairman Brown, Ranking Member Toomey, and members of the Committee, thank you for the opportunity to appear before you today. I am honored to have been nominated by President Biden to serve as a member of the Board of Governors of the Federal Reserve System. If confirmed, I would draw upon my background and skillset to contribute positively to the well-being of the American people by helping the Federal Reserve to adhere to the dual mandate set for it by Congress: promotion of maximum employment and stable prices.

As some of you may know, I was born and raised here in Washington, D.C., in the Northeast section, just blocks away from Robert F. Kennedy stadium. The neighborhood is called Kingman Park, and in my youth, it was a place where the line between a future of success or struggle was thin. The Capitol is a mere 25 blocks from the row house where I grew up.

My first job after graduation from college was here in Washington as a research assistant for the Board of Governors. Since that time, I have been fortunate to pursue a career that spanned a valuable combination of experiences both within and outside academia. I have served as a professor of economics, department chair, college dean, college vice president, president and director of various professional organizations focused on economics, a college trustee, a borough council member, and have held additional professional roles within the Federal Reserve System. In the leadership positions I have held, the essential qualities for success have included a spirit of collaboration, the capacity to compromise, and the ability to achieve consensus. Further, I am a Ph.D. economist with an unusual combination of specializations: macroeconomics and monetary economics, poverty and economic inequality, and applied econometrics. If confirmed, these

specializations would enable me to analyze from multiple perspectives the complex issues that come before the Board.

Today, the economy is facing two major challenges: the COVID-19 pandemic and inflation. The pandemic has disrupted the supply side of the economy and changed the composition of aggregate demand. The spike in inflation we are seeing today threatens to heighten expectations of future inflation. The Federal Reserve must remain attentive to this risk and ensure that inflation declines to levels consistent with its goals.

The mandates set by Congress for the Federal Reserve have served the American people well. As we know from experience, the pursuit of maximum employment and stable prices fosters an economic environment characterized by a dynamic labor market, entrepreneurship, private saving and investment, and sustainable growth in consumption and production over the longer run. Importantly, the dual mandate provides a critical foundation for monetary policy amid our current challenges and those that lie ahead. The tools of monetary policy can be deployed with clear goals in mind. Adherence to these goals will ground inflation expectations appropriately so that policy itself does not encumber private economic decisionmaking. Further, long-run inclusive prosperity requires that the Federal Reserve pay careful attention to the safety and soundness of banks and the stability of the financial system.

Before closing, I wish to acknowledge the love and support of friends and family, especially my sons Nathan and Miles. Also, I wish to mention my late parents, Wade Jefferson, and Joan and Walter Coates, who worked so hard and gave so much, so that this improbable day could even be possible. Regardless of the outcome, they would have been so very proud of these proceedings.

Thank you for the opportunity to appear before you today. It is a real honor. I look forward to and welcome your questions.