

For release at
4:30 p.m. EDT
June 20, 2023

Statement by

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Member

Board of Governors of the Federal Reserve System

before the

Committee on Banking, Housing, and Urban Affairs

U.S. Senate

June 21, 2023

Chairman Brown, Ranking Member Scott, and members of the Committee, thank you for the opportunity to appear before you today. I am honored by President Biden's nomination to serve as Vice Chair of the Board of Governors of the Federal Reserve System. If confirmed, I will continue to use my experience and expertise in pursuit of the goals that Congress assigned to the Federal Reserve on behalf of all Americans: maximum employment and price stability.

When I spoke to this committee over 16 months ago, I was a Ph.D. economist with an eclectic research background: macroeconomics and monetary economics, poverty and economic inequality, and applied econometrics. I posited then that these varied specializations would provide unique perspectives on the complex issues facing the Fed. One year of service as a Fed Governor has tested this hypothesis, and I can confirm its accuracy. I have equally learned from and enjoyed the broad range of views around the Federal Open Market Committee table.

As a Governor, I have focused on the design, implementation, and transmission of monetary policy; served on key committees on monetary affairs, supervision and regulation, and community banks; and chair the committee on Board affairs.

The Fed's decisions affect all Americans. We consult data, empirical evidence, and research. But fully understanding the U.S. economy means understanding the experiences of those who live and work in it. Since arriving at the Federal Reserve, I have made two-way communication with the public a priority, from meeting with business and community leaders, workers, students, and retirees to public speeches.

Experience shows that achieving our dual mandate fosters an environment characterized by a dynamic labor market, thriving entrepreneurship, sustainable growth, and secure and stable savings and investment. It also provides a critical foundation for monetary policy in challenging times. Our commitment to these goals will ground inflation expectations appropriately so that

policy does not encumber private economic decisionmaking. Long-run inclusive prosperity also requires paying careful attention to the financial system's safety and soundness.

The economy faces multiple challenges, including inflation, banking-sector stress, and geopolitical instability. The Federal Reserve must remain attentive to them all. Inflation has started to abate, and I remain focused on returning it to our 2 percent target. Despite recent stress, the U.S. banking system is sound and resilient, and I remain attuned to any threats to its stability.

Before closing, I wish to acknowledge the love and support of friends and family, especially my sons Nathan and Miles. Again, thank you for the opportunity and for your consideration of my nomination.

If confirmed as Vice Chair, I look forward to working with each of you and with this Committee. I welcome your questions.