

Fed Noms Opening 6.21.2023

The Committee meets today to consider three nominations to the Board of Governors of the Federal Reserve System:

The Honorable Philip Jefferson to be Vice Chairman;

The Honorable Lisa Cook to be a Member; and

The Honorable Adriana Kugler to be a Member.

We thank the nominees for appearing here today and for their willingness to serve in these important roles.

The economy is in a different place from where it was at this time last year.

Back then, Russia's brutal invasion of Ukraine devastated global energy markets—driving up the cost of gas at the pump. The national average price of gas topped \$5 a gallon.

Global supply chain disruptions resulted in shortages of key goods—increasing costs on American families.

And inflation hit a peak rate of 9.1 percent.

Today, inflation is at 4 percent—short of the Fed's target rate of 2 percent, but a steady improvement from the 9 percent rate last year.

Global supply chains have begun to stabilize. Product shortages have eased. Ports are less congested.

The price of gas at the pump has fallen and domestic energy production has increased.

The unemployment rate is under 4 percent.

This is the strongest labor market for American workers in decades. The country added 339,000 jobs in May—bringing the total number of jobs created since January 2021 to 13 million.

In April, the Black unemployment rate hit 4.7 percent—the lowest in more than 50 years. In May, the unemployment rate for Latinos decreased.

The economy is trending in the right direction. We must build on that success, and work to solve the persistent problems that have held back American workers for decades, regardless of the economic trends.

At this important time in our economic recovery, we need all seven Federal Reserve governors working to grow an economy with low prices and plentiful job opportunities.

To uphold the Fed's dual mandate of promoting stable prices and maximum employment.

We are fortunate to have three exceptionally-qualified nominees before the Committee today.

Dr. Philip Jefferson is the President's nominee to be Vice Chair of the Federal Reserve. If confirmed, Dr. Jefferson would be only the second Black man to serve in this role. In 2022, the Senate confirmed Dr. Jefferson in a 91-7 vote to a 14-year term as a Member of the Federal Reserve.

Dr. Jefferson is a recognized expert on the economics of poverty and opportunity. Before joining the Fed, Dr. Jefferson served as Vice President for Academic Affairs, Dean of Faculty, and Paul B. Freeland Professor of Economics at Davidson College. He began his career as a Fed economist, and served as chair of the Economics Department at Swarthmore College.

Welcome, Dr. Jefferson. Glad to have you here today.

The President has re-nominated Dr. Lisa Cook to a 14-year term on the Board of Governors of the Federal Reserve. Despite a toxic campaign by the far-right to discredit her nomination, the Senate confirmed Dr. Cook's nomination to the Board of Governors in May of last year. Like Dr. Jefferson, Dr. Cook is a respected economist with decades of monetary policy experience.

Prior to joining the Fed, Dr. Cook served as professor of economics and international relations at Michigan State University—becoming one of the country's leading researchers on international economic growth and innovation economics.

Before that, Dr. Cook served as a Senior Economist at the White House, Senior Adviser at the Department of Treasury, and Adjunct Professor at the Harvard Kennedy School of Government.

Welcome, Dr. Cook. Good to see you again.

It took over a century to have a Black woman governor on the Federal Reserve. Dr. Cook shattered that glass ceiling last year.

Today, this Committee will consider another historic nomination. Dr. Adriana Kugler would be the first Hispanic American to serve on the Federal Reserve.

Before yielding the balance of my time to Senator Menendez, who will introduce Dr. Kugler, I want to recognize Senator Menendez for his many years of championing Hispanic representation in our financial system and at the highest levels of government.