

Today we will hear testimony from the Secretary of the Treasury on the Financial Stability Oversight Council's Annual Report for the first time in four years.

This is the first time Secretary Yellen has been before this committee since Vladimir Putin's invasion of Ukraine. I want to commend you for Treasury's work helping implement our massive, historic multilateral sanctions and export control effort against Russia – punishing them economically and isolating them politically and diplomatically.

Putin has been shocked by two things – he was shocked by the courage of the Ukrainian people and the tenacity of their resistance.

And he was shocked by how effectively President Biden and you and this Administration put together this broad international coalition.

This past weekend's announcements by the G7 to further limit dependence on Russian energy will bite even harder.

In the weeks and months to come we must sustain and expand our efforts to help Ukraine – including intensified sanctions, export controls, and other means of ratcheting up the economic pressure on Russia.

Financial stability allows Americans to trust their money is safe in the bank. It means they can get an affordable mortgage without fear that they will lose their home. It means they can count on their retirement savings, knowing their investments won't be gambled away by reckless speculators.

And it means taxpayers are not forced to shell out billions to bail out the biggest banks that gambled with our whole economy.

That's why Congress created the Financial Stability Oversight Council in the Dodd Frank Wall Street Reform and Consumer Protection Act.

Americans are still living with the consequences from the last time Wall Street took too many risks. Families who lost their homes after 2008 still haven't recovered all the wealth the crisis took from them.

Whenever big banks or hedge funds come up with some new scheme that goes wrong, they're never the ones that pay the price. It's ordinary Americans whose homes, retirement savings, and livelihoods are at risk.

And it's taxpayers. People in this town act like they've forgotten the bailouts. In too many cases, they probably have.

Americans have not forgotten. When families who are already struggling with lost jobs, lost homes, lost savings are then forced to use their tax money to bail out some of the richest elites in the country – that stays with most people.

We created this watchdog to make sure it never happens again.

Under the Biden-Harris Administration and with Secretary Yellen's leadership, we once again have an FSOC that is looking out for those risks to our financial system.

They've turned the page on the prior Administration's Wall Street-first mentality.

The last White House – always looking out for its corporate allies – did everything in **its** power to stop this agency from doing its job.

They ignored shadow banks that grew in size and created risks to the system.

They gutted the agency from the inside out, diminishing career public servants dedicated to protecting our economy.

They abandoned their responsibilities. They did nothing to identify and address risks to financial stability.

So when the global coronavirus pandemic froze our financial markets, big and small companies weren't prepared to withstand the shock, and our government had to step in to prevent a market meltdown and stabilize the economy.

What we've seen over the past two years is that risks to the economy can come at any time, in any form.

Today, FSOC is keeping watch on all the potential risks to our economy, so working families don't have to.

These public servants are looking at ways to improve financial system resilience in the face of climate-related financial risks.

Their job is also to make sure our financial markets are efficient and fair. We've seen market frenzies like GameStop and hedge fund blowups like Archegos. These have the potential to cause dangerous volatility. And FSOC is watching out for asset bubbles, so that risky bets that go bad don't hurt the real economy.

This watchdog is also working with financial institutions to shore up cyber defenses and protect our financial system from cyberattacks.

And they're tackling risks posed by cryptocurrency and digital assets. So many Americans are searching for an alternative to the Wall Street system that has burned them time and again, but we can't allow them to be left holding the bag when an inevitable crash or hack comes.

FSOC also monitors international risk. And today they are clear-eyed about the threats to the U.S. and global economy – a pandemic, a broken global supply chain, Putin’s invasion of Ukraine.

Finally, the agency is doing its job again, working to prevent corporate greed, overleveraged deals, and risky bets on Wall Street from crashing our financial system as interest rates rise.

For the first time in decades, workers are seeing real wage gains and more bargaining power.

Over the past year, median wages for the lowest-income workers increased an average of 6%. The unemployment rate is 3.6% – the lowest in five decades.

But for many Americans, those gains don’t go as far when you’re paying more at the gas pump and grocery store.

Corporations blame workers and claim they just have to raise prices to keep up with costs.

Of course they don’t have to raise prices to keep making a profit. They could cut their own executive bonuses or do fewer stock buybacks – and still enjoy healthy profits. But instead they’d rather price gouge working families.

Don’t take it from me – listen to the CEOs who brag about their enormous pricing power every quarter on investor calls.

And when big corporations have concentrated power and no competition, the usual rules of capitalism can’t rein them in.

This Wall Street business model incentivizes anything that juices stock prices, including excessive risk-taking, at the expense of long-term stability and broad economic growth.

We need to build and maintain a resilient financial system with strong safeguards in place at the biggest Wall Street firms, so that they can withstand economic shocks without wrecking the real economy.

That is FSOC’s job – to serve as the Wall Street watchdog looking out for working Americans on Main Street. At this critical moment in our economic recovery, FSOC’s job is more important than ever.

Secretary Yellen, I look forward to hearing how FSOC is carrying out that mission.