

Statement of Judy Shelton
Nominee to be a Member of the Board of Governors of the Federal Reserve System
Before the Committee on Banking, Housing, and Urban Affairs
United States Senate
February 13, 2020

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 I am grateful to this Committee for considering me for the position.

I am also deeply grateful for the support of my husband of 42 years, Gil, who is here today along with our son, Gibb. And I want to give special thanks to my mother, Janette Potter, and the healthy contingent of family members seated behind me: John and Sharman, Jim and Kristy, Rick and Suzi. They all flew out from California yesterday to be here with me today. It means a lot.

For nearly four decades, going back to my years as a doctoral student at the University of Utah, I have focused on the impact of monetary policy on economic performance. My studies encompass current financial and economic conditions as well as historical antecedents tracing back to our Constitution. One thing is very clear: The power to regulate the value of U.S. money is granted to Congress.

Congress created the Federal Reserve as an independent agency and through the Federal Reserve Reform Act of 1977 charged it with the mandate to promote maximum employment, stable prices, and moderate long-term interest rates. Our central bank has been entrusted with considerable power to carry out its responsibilities. Along with the political independence and operational autonomy granted to the Federal Reserve comes an obligation to be wholly accountable both to Congress and to the public.

If confirmed, my priority will be to support monetary policy that facilitates productive economic growth while also ensuring the soundness and stability of the U.S. financial system. In exercising the Federal Reserve's regulatory oversight, I will support policies that are effective, efficient, and appropriately tailored to financial institutions—allowing them to better serve their customers and communities in ways consistent with maintaining a safe financial system.

I am well-prepared to conscientiously fulfill the duties of the position for which I have been nominated based on my background and experience. The first university course I ever taught was: "Money and Banking". As a research scholar at the Hoover Institution at Stanford University, I analyzed the relationship between monetary policy

and economic sustainability in the context of geo-political competition. My first book accurately predicted the collapse of the Soviet Union; my second book examined the impact of currency movements on trade.

I have testified numerous times as an expert witness before congressional committees in both the House and Senate. As U.S. Executive Director of the European Bank for Reconstruction and Development, I demonstrated strong leadership to achieve high-priority objectives in accordance with U.S. strategic interests. Combining academic perspective with real-world insights, I hope to contribute intellectual diversity as a Governor and would work collegially to promote sound money and sound finances.

In closing, I wish to emphasize my commitment to honor the constitutional authority of Congress to regulate the value of U.S. money. By fulfilling the statutory mandate Congress has assigned to the Federal Reserve, we ensure that America's money remains the world's most respected currency and its most trusted standard of value.

Thank you again for the privilege of appearing before you today. I look forward to your questions.