

Administration of Joseph R. Biden, Jr., 2021

Remarks on the Nomination of Jerome H. Powell To Be Chair and Lael Brainard To Be Vice Chair of the Federal Reserve System Board of Governors

November 22, 2021

The President. Good afternoon. Please—please sit down.

Vehicular Crash Into a Christmas Parade in Waukesha, Wisconsin

Before I begin, I want to comment on the tragedy that occurred last night during the holiday parade in Wisconsin.

While we don't have all the facts and details yet, we know, this morning, that five families in Waukesha are facing fresh grief of a life without a loved one; at least 40 Americans are suffering from injuries, some of them in critical condition; and an entire community is struggling—struggling—to cope with a horrific act of violence.

Last night the people of Waukesha were gathered to celebrate the start of a season of hope and togetherness and thanksgiving. This morning Jill and I and the entire Biden family—and, I'm sure, all of us—pray that that same spirit is going to embrace and lift up all the victims of this tragedy, bringing comfort to those recovering from their injuries and wrapping the families of those who died in the support of their community.

We're all grateful for the extraordinary work of the first responders—from law enforcement to the emergency room doctors—who are working around the clock to deal with the terrible consequences of what happened last night. My administration is monitoring the situation very closely.

Nomination of Jerome H. Powell To Be Chair and Lael Brainard To Be Vice Chair of the Federal Reserve System Board of Governors

But now, let me turn to today's announcement. Twenty months ago, the COVID-19 pandemic exploded in America, creating the worst economic crisis we've faced since the Great Depression, wreaking havoc not only on our economy but the economies across the world. In just 2 months, over 20 million Americans lost their jobs and the unemployment rate shot up to 14.8 percent, the highest ever recorded in America.

And all of you remember those scenes: Major cities and small towns, main streets that looked like ghost towns. Boarded-up businesses. Empty roads, empty highways, empty airports, and empty train stations. Offices were closed, schools were closed, and hospitals were taken to the breaking point.

When you remember the depths of the crisis we faced, it's all the more amazing the progress that we've made since then. We've gone from an economy that was shut down to an economy that's leading the world in economic growth. We've gone from small businesses being shuttered to a record number of new small businesses starting up. And we've gone from devastating job destruction to record new job creation.

Don't get me wrong: We still have a long way to go to fully recover from all the pain and destruction caused by the pandemic. And we're still dealing with the difficult challenges and complications caused by COVID-19 that are driving up costs for American families.

I know, for a lot of Americans, things are still very hard—very hard. But if you look at the facts—all the facts—you can only come to one conclusion: We have made enormous progress in this country.

First and foremost, our economy is creating jobs, lots of jobs. In fact, we've seen a record new job growth in America this year: 5.6 million jobs just since I was sworn in on January the 20th, more jobs created at this point in a new Presidency than ever before in American history.

We have seen a dramatic drop in the unemployment rate, from a high of 14.8 percent in April 2020, to 4.6 percent today. Earlier this year, independent experts were predicting it would take until the end of 2023 to see unemployment that low.

Our economy is creating new businesses, lots of new businesses. In fact, Americans are starting small businesses at a record rate, up 30 percent compared to before the pandemic. Economists will tell you that an increase in new businesses is one of the best signs of an economy, an economy that is becoming more innovative and more dynamic.

And that's because small businesses aren't just the heart and soul of America, they're not just the bedrock of so many communities across the country, America's small businesses are the primary job creators, innovators, and drivers that power our economic progress.

That's why it's a powerful statement about—of the faith about—that we have in our country, where our country and our economy is heading that small-business creation is surging—surging in America today. Which is why I'm proud to say: If you look at my Presidency so far, it's a jobs Presidency, and it's a small-business Presidency.

So, if you look at the facts, here's what the record shows: record job creation, record economic growth, record new small-business creation. That's a story that should give us confidence about the economy that we're building, confidence in ourselves, confidence in the future.

Now, after years of wages being flat or falling behind, we're also seeing something else: Things are getting better for American workers: higher wages, better benefits, more flexible schedules. Balance sheets for American families are better as well. Savings are up. Home equity is up. Credit card balances are down.

And if you continue and combine the wage increases we've seen with the direct relief my administration has provided to middle class families, the typical middle class family's disposable income has actually gone up 2 percent this year, even after accounting for higher prices.

That's the kind of recovery, just 1 year after a crippling worldwide economic crisis, that's unprecedented. And it takes us—you know, it makes us stand out from the rest of the world.

America is the only major economy, the only one in the world, where the economy is bigger today and families have more money in their pockets today than before the pandemic hit. That's even after accounting for inflation. None of our competitors internationally can say that. None.

It's a testament to the hard work and perseverance of the American people. It's a testament to the effectiveness of the vaccines and our vaccination effort. And it's a testament to the economic policies we fought so hard to pass and put in place, especially the American Rescue Plan. And it's a testament to the Federal Reserve.

But for all the progress we've made, we know we still are—face challenges, serious challenges. We know there is a lot of fear and uncertainty in the country. We know—we know—it's tough for families to keep up with the rising costs of gasoline, food, housing, and other essentials.

It's not just an American problem; it's a worldwide problem. It doesn't make it any easier for Americans, but it's a worldwide problem. Every country is dealing with the same problems emerging from the pandemic: supply chain bottlenecks, disruption caused by spikes in COVID-19, elevated prices. They're all taking a bite out of our family budgets.

Perhaps no entity plays [plays]* a more important role in navigating these challenges than the Federal Reserve because it's the Fed's job to balance two key goals. The first is to achieve maximum employment—to get as many American worker—Americans working—working as possible.

And the second is to keep inflation low and stable. To meet these goals is going to require patience, skill, and independence. That's why today I'm nominating Jerome Powell for a second term as Chair of the Federal Reserve and I'm nominating Lael Brainard to take the position as Vice Chair of the Federal Reserve.

When our country was hemorrhaging jobs last year and there was panic in our financial markets, Jay's steady and decisive leadership helped to stabilize markets and put our economy on track to a robust recovery.

Jay is a believer in the benefits of what economists call "maximum employment." That's an economy where companies have to compete to attract workers instead of workers competing with each other for jobs, where American workers get steady wage increases after decades of stagnation, and where the benefits of economic growth are broadly shared by everyone in the country, not just concentrated for those at the top.

Jay said it well last month, and I'm going to quote him. He said, and I quote: "An economy is healthier and stronger when as many people as possible are able to work. If entrenched inequities prevent some Americans from participating fully in our labor markets, not only will they be held back from opportunities, but the economy overall will not realize its potential. And those who have historically been left behind stand the best chance of prospering in a strong economy with plentiful job opportunities." End of quote.

As Chair, Jay undertook a landmark review to reinforce the Federal Reserve's mission towards delivering full employment. We're making strong progress toward that goal now. And I believe Jay is the right person to see us through and finish that effort while also addressing the threat of inflation that it imposes to our families and to our economy.

Jay and I have had a chance to discuss his views on priorities for the Federal Reserve in the years ahead. He's made clear to me a top priority will be to accelerate the Fed's effort to address and mitigate the risks—the risk that climate change poses to our financial system and our economy.

And extreme weather has cost our economy over \$600 billion over the last 10 years. We have to make sure our financial system could withstand climate change and is prepared to transition to clean energy. The Fed must be a leader among central banks globally in addressing climate-related financial risks.

He's also underscored the importance of the Fed taking a more proactive role in the months and years ahead in making sure that our financial regulations are staying ahead of emerging risks, be they from innovations in cryptocurrency or the practice of less regulated nonbank financial institutions.

Having served as Vice President during the depths of the 2009 financial crisis and having worked with President Obama to put in place stronger financial rules of the road, I understand the stakes of our regulations falling asleep at the switch—regulators falling asleep at the switch.

Jay, along with the other members of the Fed Board that I will nominate, must ensure that we never again expose our economy and American families to those kinds of risks.

* White House correction.

I respect Jay's independence, and I also trust that he will follow through on his commitment to prioritize these issues with the skill that he has shown in his service to date.

Now, some will, no doubt, question why I am renominating Jay when he was the choice of a Republican predecessor. Why am I not picking a Democrat? Why am I not picking fresh blood or taking the Fed in a different direction?

Put directly, at this moment both of—of both enormous potential and enormous uncertainty for our economy, we need stability and independence at the Federal Reserve. Jay has proven the independence that I value in the Federal Chair—in the Fed Chair.

In the last administration, he stood up to unprecedented political interference and, in doing so, successfully maintained the integrity and credibility of this—his institution. It's just one of the many reasons why Jay has support from across the political spectrum.

In 2018, he was confirmed with 84 votes in the United States Senate. His approach as Fed Chair has earned the respect and support of groups from the AFL–CIO to the Business Roundtable. Which brings me to one more reason I have chosen to renominate Jay: I believe having Fed leadership with a broad, bipartisan support is important, especially now in such a politically divided nation.

I believe we need to do everything we can to take the bitter partisanship of today's politics out of something as important as the independence and credibility of the Federal Reserve. This is vital to maintaining public trust in an independent institution like the Federal Reserve.

And that is why I am so proud as well to be nominate Dr. Lael Brainard, you know, to serve as Vice Chair of the Federal Reserve. You know, by promoting Lael today to Vice Chair, I am elevating one of the country's most qualified and dedicated public servants. She is one of the Nation's leading macroeconomists. She spent years at the Treasury Department, representing America in capitals around the world on international economic issues.

And she has spent nearly the last decade as a member of the Fed, most recently working side by side with Jay as the Fed navigated historic economic and financial crisis and reaffirmed its commitment to a full employment economy.

Throughout her time at the Fed, Lael has also been a steadfast voice for tough rules that protect the pensions and savings of the American people. She's led the Fed's efforts to make sure our banking system serves everyone in the communities they serve so that regardless of where you live or your background, every American have access—can have access to credit they need to start a business, buy a home, and just have a fair chance in life.

She's done pioneering work on how the Fed should account for the emerging risk of climate change to our financial system. And like Jay, her expertise and leadership have earned her the respect and support of Republicans and Democrats alike. I'm proud to nominate her to the vital role of Vice Chair of the Federal Reserve.

Beyond Jay and Lael, I look forward in the coming weeks to nominating additional members of the Federal Reserve Board of Governors, including a new Vice Chair for Supervision. These individuals will help safeguard our financial system and, alongside Jay and Lael's leadership, help to support and continue this historic economic recovery.

While Jay and Lael bring continuity and stability to the Fed, my additions will bring new perspectives and new voices. I also pledge that my additions will bring new diversity to the Fed, which is much needed and long overdue, in my view.

Last year, the pandemic shut down much of the global economy. Now there is a worldwide reawakening, and it's creating both an incredible opportunities and tough challenges. As economies all across the world come back from its—this pandemic, America is leading the way.

Like every country in the world, we have to deal with these issues of rising costs. But we should remember: We have the skills and the tools to get it under control. While other countries are stumbling out of this pandemic, we're racing ahead. Because so much of the rest of our economy is doing well, because we have created so many new jobs as fast as we have, we're in a position to attack inflation from a position of strength, not weakness.

In times like these, we need steady, tested, principled leadership at the Fed. We need people with sound judgment and proven courage to preserve the independence of the Fed. And we need people of character and integrity who can be trusted to keep their focus on the right long-term goals of our country—for our country.

And I'm confident Jay and Lael are those people. Now I'd like to give both Jay and Lael an opportunity to say a few words. And we're going to start with Jay, and then I'm going to turn it to Lael.

Jay, the floor is yours. You're over on this side.

Federal Reserve Chair Jerome H. Powell. Mr. President, thank you for this extraordinary opportunity to continue to serve the American people.

If confirmed by the Senate, I pledge to do everything within my power to meet the responsibilities that Congress has entrusted to the Federal Reserve.

I'm joined today my—by my wife Elissa Leonard and our three adult children: Susie, Lucy, and Sam; and Sam's wife Elyssa. Their love and support underpin and make possible all that I do.

[At this point, Chair Powell continued his remarks, concluding as follows.]

Inside the Federal Reserve, we understand that our decisions matter for American families and communities. I strongly share that sense of mission, and I'm committed to making those decisions with objectivity and with integrity based on the best available evidence in the longstanding tradition of monetary policy independence.

Mr. President, thank you again.

The President. Thank you. Now I'd like to give the floor to Dr. Brainard.

Federal Reserve Vice Chair-designate Lael Brainard. Mr. President, thank you. I'm deeply honored that you're entrusting me with this responsibility at a critical time.

I'm committed to putting working Americans at the center of my work at the Federal Reserve. This means getting inflation down at a time when people are focused on their jobs and how far their paychecks will go.

[Vice Chair-designate Brainard continued her remarks, concluding as follows.]

I'm confident that by working together, we will see a strong recovery for all Americans. Thank you.

The President. Thank you.

Well, folks, that's it. I hope you have a happy Thanksgiving.

And I thank the families of the two nominees for being willing to support their work and what they have to do. It's going to be a—long hours, as you already know, and long efforts, and I thank the families.

Thank you all.

Q. Mr. President, was your decision——

Q. Mr. President, what do you say to——

Q. Was your decision influence by inflation, Mr. President?

Q. Will you tap the petroleum reserve?

NOTE: The President spoke at 1:19 p.m. in the South Court Auditorium at the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Virginia Sorenson, Leanna Owen, Tamara Durand, Jane Kulich, and Wilhelm Hospel, who were killed in the vehicular crash into a Christmas parade in Waukesha, WI, on November 21.

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