



OPINION > FINANCE

Best way to tackle inflation: Confirm Biden's Fed nominations

BY BETSEY STEVENSON, PH.D., OPINION CONTRIBUTOR - 03/16/22 8:00 AM ET

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Republicans must end their partisan obstruction and allow a vote on President Biden's extremely qualified slate of Federal Reserve nominees without delay.

As a former member of President Obama's Council of Economic Advisers and chief economist of the U.S. Department of Labor during the Great Recession, I witnessed firsthand the critical role the Federal Reserve plays in helping our economy recover from a crisis. Today, we are at a similar inflection point and need a fully staffed Federal Reserve that can meet this moment.

Prices are rising at the fastest rate since 1982, according to the most recent Consumer Price Index (CPI) Report. The rising cost for gas, rent, and food is causing economic hardship for millions of American families today. And yet these inflationary pressures must be tackled without ending the fragile economic recovery. We still have 3.5 million missing jobs compared to pre-pandemic projections and the labor force participation rate remains below pre-pandemic levels for both men and women. COVID-related supply chain disruptions are ongoing and may get worse due to the Russian invasion of Ukraine and recent lockdowns in Shenzhen and other parts of China.

The Federal Reserve must balance their two goals of maximum employment and price stability. Their task is incredibly difficult because of the imprecision of data and the difficulty of forecasting the future. Good monetary policy decisions rely on the input of many informed and dedicated people who bring their unique perspectives to the table when determining the best course of action. The need for everyone's input is more important than ever as we face these unprecedented challenges. Yet, the Federal Reserve Board of Governors, responsible for leading these efforts, currently only has four of its seven seats confirmed.

Biden nominated to keep Chairman Jerome Powell and Lael Brainard, Ph.D., as

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In their current roles at the Federal Reserve, Powell and Brainard have helped steer the U.S. economy through the COVID-19 pandemic, and [their renominations](#) will ensure continuity and confidence in Federal Reserve leadership. Jefferson is a world-renowned monetary economist and has studied domestic economic issues for decades. Cook brings a wealth of bipartisan experience, serving in the Treasury Department under President Clinton and George W. Bush and on the Council of Economic Advisers under President Obama.

Together these nominees have decades of proven real-world experience and academic excellence, significant contributions to economic growth and hard-earned resiliency, demonstrating they understand how to make the economy work for working Americans — especially during challenging moments like these. Moreover, Biden’s nominees have broad bipartisan support and the trust of leading economists from across the nation. In a [Feb. 8 letter](#) to Senate Leadership and the Senate Banking Committee, I joined 180 of the top economic policymakers and scholars in the country to urge a swift approval of these nominees.

Unfortunately, Senate Republicans on the Banking Committee are not having rigorous debate on the merits of the candidates, or providing valuable oversight to the process. They are playing politics, refusing to show up to work and freezing the confirmation process in its tracks, throwing uncertainty into the markets, and putting the financial wellbeing of hardworking American families at risk. Those chosen to serve in the United States Senate have the constitutional duty to advise and consent on presidential nominees. Regardless of how lawmakers decide to vote on individual appointments, the American people sent them there to vote — not sit on the sidelines. Perhaps more importantly, research shows that countries that give their central banks more independence have lower inflation

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Federal Reserve Board makes these choices by bringing a wide range of data and perspectives to the discussion to assess these risks. These are not political decisions. The goals are clear: steer the economy toward maximum employment and stable prices. The problem is that the Federal Reserve has been left without the team of people who lead these discussions and vote on the decision. If we are going to effectively reduce inflation while preventing a recession, we must move forward with a vote on Biden's extremely qualified slate of Federal Reserve nominees without delay.

Betsey Stevenson, Ph.D., is currently a professor of public policy and economics at the University of Michigan and the author of a widely used "Principles of Economics" textbook. Previously, she served as a member of the Council of Economic Advisers from 2013 to 2015 and as the chief economist of the U.S. Department of Labor from 2010 to 2011.

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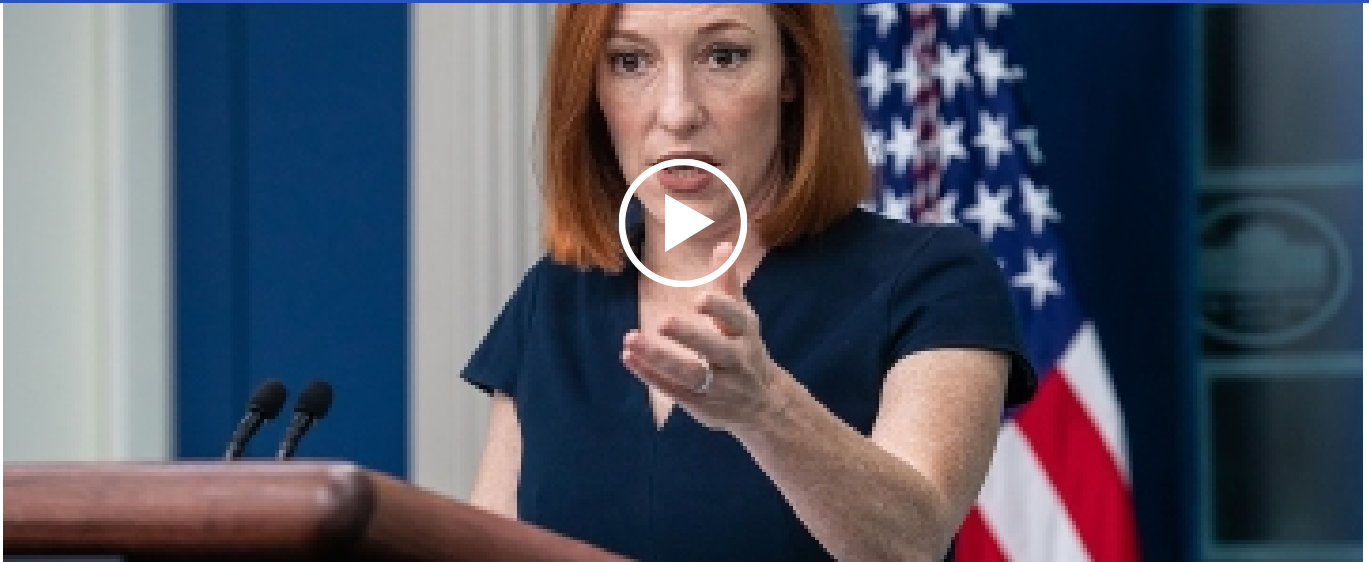


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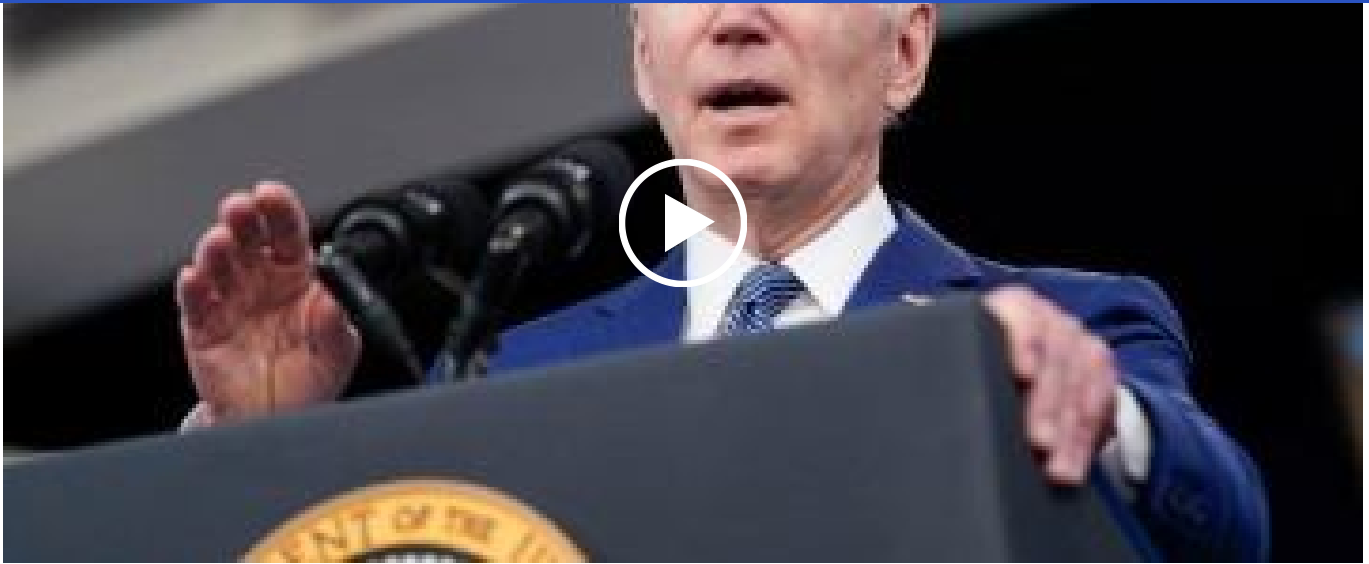


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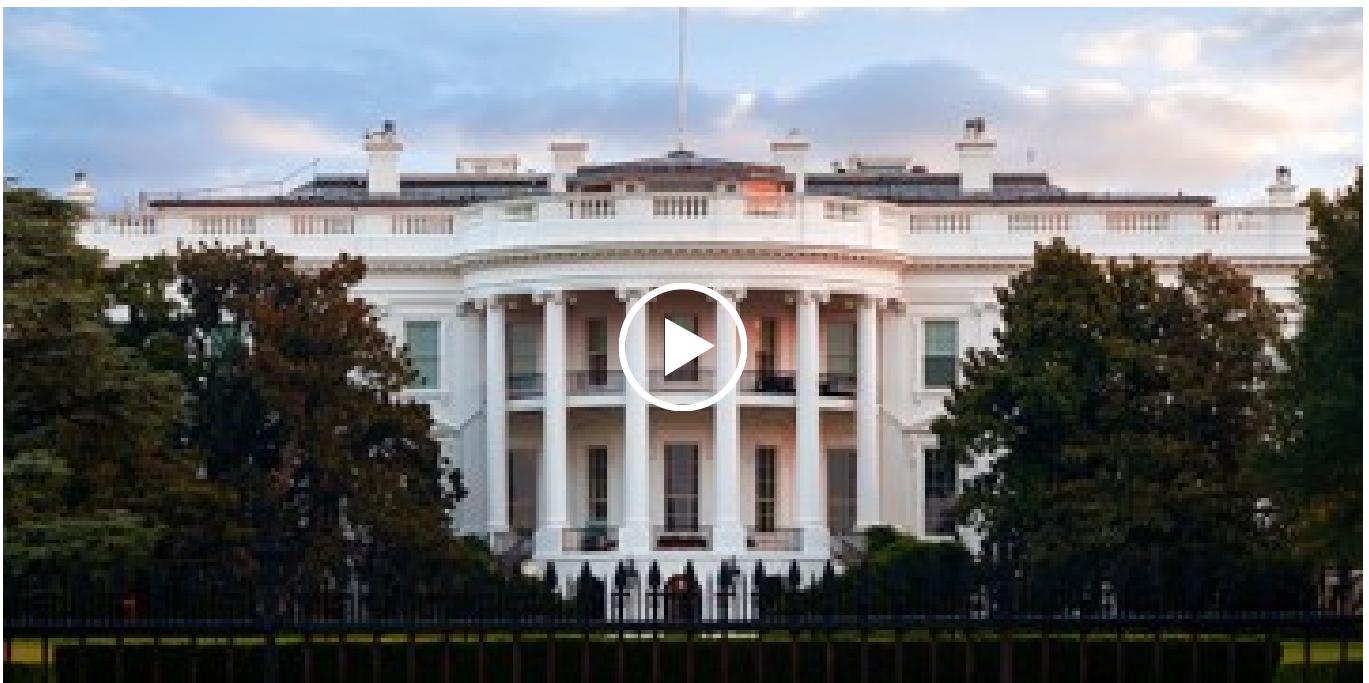
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