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Opening Statement by Kevin Warsh | Nomination to be Chairman of the Board of Governors of the Federal Reserve System | Committee on Banking, Housing, and Urban Affairs, United States Senate | April 21, 2026

Good morning, Mr. Chairman, and thank you. It's an honor to be with you, Ranking Member Warren, and the entire committee. I appreciate your time and consideration today, and your many courtesies, before and since my nomination.

I am deeply grateful to President Trump for asking me to take on this public trust. He believes that US economic growth and real take-home pay will accelerate. I share the President's confidence in our country and its people. America's economic growth potential is rising.

With me today are a few of my dearest and oldest friends. I'm especially happy that my wife, Jane, is here as well. And at important moments in life, I think of my late Mom and Dad. I'm proud of them and I hope they would be proud of me today.

We start today on a note of broad agreement: this is a time of great consequence for the nation's economy, perhaps the most significant hinge point in a couple of generations. If policymakers across our government meet this signal moment with wisdom and clarity, then the American economy will thrive.

As a former Fed governor—and friend or colleague of the last five Fed chiefs—I am particularly alert to the challenges and opportunities confronting the institution I cherish, the Federal Reserve.

To the President, Congress, and the nation, I owe my best judgment and most faithful efforts in serving the mission Congress assigned to the Fed, including price stability and full employment. The American people are counting on the Fed to deliver on its commitments.

Members of the committee might be familiar with my formal education and work history. The real highpoints, however, are more personal. They include the individuals with whom I worked and from whom I learned.

I graduated from high school in upstate New York. I had some exceptional teachers there, and many brilliant classmates I remember well. We're lucky in life if we start out with good influences in learning and in character. A public-school education gave me those, and I'm grateful.

I made my way to Stanford University, and as a student and researcher found myself in the company of some highly accomplished economists and policymakers. Many of my teachers served in and around government during the prior hinge point in American history, the malaise of the 1970s and the comeback years of the 1980s and 1990s. George Shultz, the former secretary of state and treasury, was among the great patriots at the Hoover Institution who I came to know as mentor and friend.

I could not have imagined a better formative experience: a chance to observe disciplined thinking . . . to learn rigorous statistical and economic methods . . . to appreciate geopolitical and economic history . . . to exercise independence of mind . . . to resist fads and groupthink . . . to witness humility among the most expert . . . and, perhaps most important, to be around people completely devoted to the ideas and ideals of our country.

Silicon Valley in the early 1990s was a fitting backdrop to all of this. The United States was entering a new era of technological leadership, and a new cadre of business builders was emerging. Many of them were classmates, and they would become life-long friends.

I don't know whether to chalk any of it up to serendipity. Whatever the source, I was in the right place at the right time. Those early influences set a standard I have always tried to meet, in public service and private enterprise.

That goes for colleagues and mentors later in life, too. In the last 15 years, I've gained deep, hands-on experience in macroeconomics and financial markets, most notably working with Stan Druckenmiller, one of the most successful investors of our time.

Stan never held a position in government but is no less a patriot. He never got a Ph.D., but I know of no better, nor a more open-minded economic thinker. He has never flaunted his philanthropy but has helped many thousands of young Americans to get a first-rate education and a real chance to rise.

Like Secretary Shultz, Stan never once sat me down to give a lecture. Instead, he offered me something better: a seat at the table by his side.

Without their guidance—and that of a few other great mentors including my current boss and close friend at the Hoover Institution, former secretary of state Condoleezza Rice—I doubt I would be sitting before you today as the President's Fed chairman-nominee. But I am certain of one thing: I would not be as prepared for the urgent, mission-critical task at hand.

In between these book-end experiences, I served for more than a decade in government, first on the White House economic staff, and then as a member of the Fed's board of

governors. In fact, it was twenty years ago, almost to the day, when I sat before this committee as a Fed governor-nominee.

Little did any of us—myself included—know that it would be a time like no other.

During the great financial crisis—when shocks hit our economy, unemployment spiked, our economic system faced collapse, and America’s standing in the world was scrutinized—our central bank played an indispensable role. My colleagues and I leveraged the tools and powers that the Fed, and only the Fed, had to deploy. We benefitted enormously from the credibility that our predecessors had built up and passed down to us.

In unusual and exigent circumstances, I saw the Fed and its people at their best. I served with scores of first-rate, dedicated professionals in Washington and at the reserve banks who rallied around a common mission and a wise and resolute Fed chairman, Ben Bernanke. We worked closely with the Treasury Department, the Administration, and Congress to mitigate the risks of systemic failure—no sure thing at the time.

In the period after the crisis, I also witnessed an institution that was tempted to play a larger role in the economy and society . . . to extend its reach and stretch its hard-earned credibility, often with the best intentions, to the very edge of, if not beyond, the Fed’s statutory responsibilities.

The question of a central bank’s role and responsibility in our republic dates to America’s founding. There is an equally long history of fierce debates about the central bank’s independence.

So let me be clear: monetary policy independence is essential. Monetary policymakers must act in the nation’s interest . . . their decisions the product of analytic rigor, meaningful deliberation, and unclouded decision-making.

I do not believe the operational independence of monetary policy is particularly threatened when elected officials—presidents, senators, or members of the House—state their views on interest rates. Central bankers must be strong enough to listen to a diversity of views from all corners . . . humble enough to be open-minded to new ideas and new economic developments . . . wise enough to translate imperfect data into meaningful insight . . . and dedicated enough to make judgments faithfully and wisely.

Simply stated, Fed independence is largely up to the Fed. That has three important implications worth highlighting.

First, Congress tasked the Fed with the mission to ensure price stability, without excuse or equivocation, argument or anguish. Inflation is a choice, and the Fed must take responsibility for it.

Low inflation is the Fed's plot armor, its vital protection against slings and arrows. So, when inflation surges—as it has done in recent years—grievous harm is done to our citizens, especially to the least well-off. They lose purchasing power. Their standard of living falls.

They may also lose faith in our system of economic governance, raising doubts whether monetary policy independence is all it's cracked up to be.

Second, Fed independence is at its peak in the operational conduct of monetary policy. That degree of independence does not extend to the full range of its congressionally mandated functions. Fed officials are not entitled to the same special deference in their stewardship of public monies . . . or in bank regulatory and supervisory policy . . . or in areas affecting international finance, among other matters.

And third, the Fed must stay in its lane. Fed independence is placed at greatest risk when it strays into fiscal and social policies where it has neither authority nor expertise. The Fed should not act as some general-purpose agency of the US government or as an appellate court for matters that are rightly debated and decided elsewhere.

No doubt there are times when a Fed chief might wish that he or she had the last word, but our republic doesn't work that way. I favor a clearer, cleaner match between the Fed's powers and responsibilities.

During my prior tour of duty at the Fed, I said: "Central bankers must demonstrate that we are worthy of this moment and will be steadfast protectors of our institutions' credibility. That means respecting our important but circumscribed role in the conduct of policy and performing our mission with competence and consistency."¹

That's still true today.

In sum, I believe that monetary policy independence is earned—and better policy decisions crafted—by steering clear of distractions. I am committed to ensuring that the conduct of monetary policy remains strictly independent. I am equally committed to working with the Administration and Congress on non-monetary matters that are part of the Fed's remit. And I commit to accountability in all the Fed's functions.

In my student days, Milton Friedman had a phrase that's always stayed with me: "the tyranny of the status quo." Anyone who has worked at large, complex institutions knows what that means—the pull of inertia . . . the tacit acceptance of old ways of working . . . the unwillingness to revisit long-held assumptions . . . the use of old models that are no longer fit for purpose . . . the tendency to kick the can down the road.

Status quo practices and policies are especially harmful when the world is changing fast.

If confirmed as chairman, I will seek to bring the experience of a one-time insider and the questioning spirit of an outsider. I will keep the Fed mindful of its limits, focused on its mission, and delivering on its mandate. I will be faithful to the Constitution, to the Federal Reserve Act, and to the best of the Fed's traditions.

I know the terrain, and I would be proud to serve again on the Board of Governors. In a time that will rank among the most consequential in our nation's history, I believe a reform-oriented Federal Reserve can make a real difference to the American people. The stakes could scarcely be higher.

In and out of government, I've always tried to look for common objectives, and to pursue them cordially and cooperatively with my colleagues. If confirmed, I will seek to create an environment in which the best people can do their life's best work.

Candor and goodwill can go a long way in pursuing objectives that we all share, and I suspect this hearing will put us to the test. It's a real privilege to be here before this committee. My thanks to each of you, and I welcome your questions.