

Opening Statement
JEC Hearing on “The Economic Outlook”
Wednesday, November 13, 2019, 11:00am
216 Hart Senate Office Building

Good morning and welcome all to the Joint Economic Committee’s annual hearing with the Chair of the Federal Reserve’s Board of Governors. I would like to extend a warm welcome to Chairman Jerome Powell, and I look forward to our discussion on monetary policy and the state of the economy.

Our economy has finally recovered from the financial crisis of 2008. Unemployment reached a 50-year low of 3.5 percent in September and most recently stood at 3.6 percent. The share of working-age adults with a job has returned to pre-crisis levels.

However, despite this welcome return to normalcy in employment measures, many aspects of the economy remain unusual—and particularly so for central bankers. Inflation remains persistently low; in four of the past five

quarters, inflation has been below the Federal Reserve's two percent target.

Treasury yields also remain low, with a ten-year borrowing rate of just 1.9 percent. Interest rates that once were considered extraordinarily low have become a long-run expectation.

These phenomena of low inflation and low long-term interest rates are not unique to the United States, but rather, echoed in most developed markets around the world today.

This moment brings with it some challenges, such as building a framework for fighting recessions in a low-interest-rate environment. However, it also brings opportunities: with inflation still in check, we may yet have room to expand employment even further.

As ever, it will be important for the Federal Reserve Board to communicate how it addresses these challenges and opportunities. In this regard, the greater transparency

demonstrated by the Federal Reserve during the Chairman's tenure is to be commended. In particular, it has conducted a number of *Fed Listens* events around the country, including an historic conference held in June, to hear feedback on current policy conduct as well as to better understand the effects of monetary policy at the local level. Not only will these initiatives promote trust in Federal Reserve decision-making, they will provide important information relevant to monetary policy from Americans who do not always get a seat at the table.

We hope to discuss these topics and more with Chairman Powell.

Before I introduce our esteemed witness, I will now yield to Vice Chair Maloney for her opening remarks. Thank you.