Federal Reserve Bank, FOMC

Essential Question: How important is the independence of the Federal Reserve Bank to the stability of the U.S. economy?

Scenarios and Decisions for You!

1. **The possible forced removal of Fed Governor Lisa Cook by the Executive Branch:**

"The U.S. Justice Department has launched a criminal mortgage fraud probe into Federal Reserve Governor Lisa Cook and has issued grand jury subpoenas out of both Georgia and Michigan, according to documents seen by Reuters and a source familiar with the matter. The investigation, which followed a criminal referral from Federal Housing Finance Agency Director Bill Pulte, is being conducted by Ed Martin..

Mortgages obtained for primary residences and second homes can come with cheaper financing than those for investment properties, which have a higher default rate and are typically subject to tighter underwriting by lenders.

The rates that Cook obtained on her mortgages were higher than the prevailing national averages at the time. While it is not known when Cook locked in her mortgages, borrowers typically fix their rate a month or two before the purchase."

Reuters (9/4/2025)

"Federal Reserve governor Lisa Cook declared in financial forms that her Atlanta property would be used as a "vacation home" and not her primary residence, according to documents obtained by NBC News that appear to undercut the Trump administration's allegations of mortgage fraud.

A loan summary from the Bank-Fund Staff Federal Credit Union in May 2021 reads: "Property Use: Vacation Home." Additionally, public records in Fulton County, Georgia, reviewed by NBC News show that no tax exemptions available for a primary residence were sought by Cook.

A second document obtained by NBC News, Cook's "questionnaire for national security positions," which was submitted to the Biden administration in late 2021 and later the Senate, contains a question that reads: "Please list all of your interests in real property, including additional homes, vacation homes, rental properties, and interests in trusts that may hold property." NBC News (9/12/2025)

Cook responded by writing "2nd home" followed by the address of the Atlanta property.

A Federal Reserve Bank Governor has tenure for 14 years but may be removed for reasons of misconduct.

Presidents of the 12 regional Fed banks are up for reappointment every five years. The Fed Board of Governors in Washington could replace any of them, though it hasn't ever done so. A **2019 opinion** by the Justice Department's Office of Legal Counsel—never tested in court—said that the Fed Board of Governors can remove a Fed bank president "at will." The law is unclear. **The Federal Reserve Act, 12 U.S.C. § 248(f),** says, "**To suspend or remove any officer or director of any Federal reserve bank, the cause of such removal to be forthwith communicated in writing by the Board of Governors of the Federal Reserve System to the removed officer or director and to said bank."** The use of the word "cause" suggests there has to be one. **A different section, 12 U.S.C. § 341 (Fifth), however, says that the board of directors of a regional Fed bank can dismiss any officer "at pleasure."**

Decisions for you:

1. If there is evidence of misrepresentation on her mortgage application and if the amount of money is either more or less than $100 a month, she should be asked to resign or be removed by the President of the United States.

2. If the evidence is equivocal, she should temporarily recuse herself from voting in FOMC meetings until after a trial.

3. Regardless of innocence or guilt, she should resign if the President of the United States does not have confidence in her abilities.

4. Her innocence or guilt should not be questioned since her mortgage information about owning two homes was reviewed in her nomination process.

5. Fed Governor, Stephen Miran, was appointed in September, 2025 to fill a position following the resignation of Governor Adriana Kugler. Stephen Miran was Chairman of the Council of Economic Advisers at the White House and his confirmation by the Senate (48-47) gives President Trump a direct line to the Federal Reserve Bank. His term expires in January 2026. Is the independence of the Federal Reserve Bank compromised if the President appoints a family member or close advisor to the Federal reserve Bank as a governor or bank president?

The FOMC voted on October 29 10-2 to reduce its short-term fed funds rate by a quarter point, to a range of 3-3/4 to 4 percent. The two dissenting votes were cast by Governor Stephen Miran, who called for the same half-point cut he called for at the FOMC's previous meeting, and by Kansas City Reserve Bank president Jeffrey Schmid, who preferred the target rate to remain unchanged. The next meeting of the FOMC is on December 9-10, 2025.

1. Read the historical background (below) about the Federal Reserve Bank.

2. Review the current economic data on the Bureau of Labor Statistics website on the unemployment rate, monthly job losses, GDP, and the CPI and PCE measures of inflation to determine if the economy is slowing or if prices remain too high because of inflation. An interest rate cut lowers rates on credit cards, home equity loans, car loans, student loans, new mortgage rates, and increases spending. However, this may take 12-18 months to become effective. An interest rate increase increases rates on credit cards, loans, and mortgage rates. President Trump has been vocal on the need to cut interest rates.

3. Meet in groups to discuss the five scenarios above. In your discussions, consider the importance of the independence of the Federal Reserve Bank, especially when it disagrees with the goals of the current administration. Report your decision (and any recommendations) to your class.

2. Replacement of Fed President Jerome Powell

Statement

Jerome H. Powell was nominated by President Trump and confirmed by the Senate and has been the Chairman of the Federal Reserve Bank since February 5, 2018. The term of office for the Chairman is four years and he was reappointed by President Biden on May 23, 2022. He is also serving a 14-year term as a governor of the Federal Reserve Bank through January 31, 2028. He has served during the Covid pandemic, a period of global inflation approaching 5% in the United States and 10% in some countries, and during the current period of higher tariffs. He is a graduate of Princeton University (1975) and Georgetown University Law School in 1979.

President Trump has been vocal in calling for Mr. Powell to resign as Chairman and governor. The Federal Reserve Bank had been continuing with a Federal Funds Rate of 4.5% since 2022 and only began to announce rate cuts to 4% since September 2025. The current administration of President Trump favors lower interest rates to encourage spending and employment while the position of the Federal Open Markets Committee (FOMC) has been to keep rates at the current level until inflation comes down to their preferred level of 2%. It is currently 2.7%. New job openings are flat at 22,000 a month.

Decisions for you:

1. Jerome Powell should step down now as President Trump has asked. His term of office ends on May 23, 2026. It is not unusual for a new Chairman to be nominated several months before the current term expires.

2. Jerome Powell should also resign as a governor of the Federal Reserve Bank allowing President Trump to nominate someone with policy views similar to those of his administration. (lower interest rates). This would place four people on the FOMC (there are 12 voting members) (Michelle Bowman, Stephen Miran, new Chairman, replacement governor for Mr. Powell). Mr. Trump has also asked Fed Governor Lisa Cook to resign.

3. The U.S. Senate should block any nominations for Chairman from the current administration of President Trump or his family.

4. The next governor nominated by President Trump should **NOT** have a professional background in economics/banking but represent the experiences of working Americans whose incomes are representative of the lower or middle class or minorities.

5. At what point, would you consider the independence of the Federal Reserve Bank and the FOMC to be compromised?

3. Analysis of Fed Funds Rate Decision

Statement

One of the responsibilities of the Federal Reserve Bank is to monitor the economy and set a range for interest rates. Local banks borrow from designated banks in the Federal Reserve System at a rate which is approximately three percentage points less than what banks charge for mortgages, home equity loans, and automobile loans. Credit cards have a much higher rate, currently around 29.9%.

If the Federal Funds Rate is in a trading range of 3.75-4.0%, the cost of loans for the public would be around 6.75 to 7%. The Federal Reserve Bank buys and sells securities (government bonds) from its resources to maintain stability in the market. At times when the stock market is falling, a pandemic, an international crisis, a natural disaster, the collapse of a country's currency, the Federal Reserve Bank sells bonds to put money into the economy and lower interest rates to avoid a panic.

When there is too much money in the economy and people have extra money to spend on homes, cars and other expensive items, prices rise and this causes inflation. Inflation hurts people on fixed incomes such as retired persons, people with multi-year contracts, and workers paid by the hour. In this situation, the Fed buys securities from the public. For example, higher interest rates (CD Rates) encourage people to spend less and to put their money in long-term savings products for more than one-year. This should bring the inflation rate down.

The Fed has two major responsibilities. 1)to promote economic growth through lower unemployment rates, higher wages for workers as companies have additional revenue from selling their products, and to encourage an environment for new jobs and spending. Historically, full employment is around 5%. 2)to maintain a rate of inflation around 2%. An economy needs some inflation which encourages economic growth and profits through higher prices. When money is scarce and people are unemployed, the spend less and businesses need to cut their prices by advertising sales and coupons.

The effects of the decisions of the FOMC take between 12-18 months to create more jobs or reduce inflation. This is why the timing of the increase or decrease in interest rates is important. It is difficult to predict the future one or two years from now. The Federal Reserve Bank traditionally makes decisions with caution in small steps of ¼ point (0.25%) changes.

Inflation Video

Federal Funds Rate Video

Inflation-CPI Data **3.0%** (September, 2025)

Inflation-PCE Data **2.7%** (September, 2025)

Unemployment Rate **(Household Survey) 4.3%** (September, 2025)

Payroll Survey **(Establishment) +22,000 Jobs** (August, 2025)

Job Openings (JOLTS) **7.2 million** (September, 2025)

GDP **3.8%** (Q2, June 2025) (Depending on the inflation indicator, 'real' GDP growth in the economy is less than the rate of inflation. Using the PCE measure, the rate of growth is 1.1% (3.8% less 2.7%) Using the CPI measure, the rate of growth is 0.8%. (3.8% less 3.0%)

Fed Funds Rate **3.75-4.0% (**October, 2025)

Decisions for you:

1. Use graphs and evidence to argue for lower interest rates to support economic growth with more money in the economy. (from 3.75-4.0%) to (3.50 to 3.75%)

2. Use graphs and evidence to argue for higher interest rates to contain inflation and bring it closer to the target rate of 2%. (from 3.75-4.0%) to (4.0-4.25%)

3. Maintain a neutral position and argue with evidence that the current rate of 3.75-4.0% will accomplish both of the Federal Reserve Bank's two goals.

Historical Background:

President Washington's administration chartered (established) the first Bank of the United States for a period of 20 years. (1791-1811). The Bank of the United States was a place where our government deposited its revenue from tariffs and excise taxes. As a result, our government paid off its foreign debt to countries that loaned us money during the Revolutionary War. A period of 5 years lapsed because of the War of 1812 and Congress chartered the second Bank of the United States for a period of 20 years. (1816-1836) The United States does not have a central banking system and as a result independent (private) banks handled the finances of ordinary citizens within the states. In New Jersey, an example of a state bank was the **Trenton Banking Company**, established in 1804.

In the 19th century the United States experienced several private bank failures as a result of "panics". Today, we call a 'panic' a recession or a depression. The economy grows because of demand and when people have money to spend they take out loans to buy land, build houses, expand their local business, etc. Prices often rise when people are spending money. For example, the prices of homes in the United States are high today because the supply of homes for sale is less than the demand for them. When people are no longer willing to borrow money to pay for the increasing prices of homes, or when they lose their job or source of money, the prices begin to fall. Sometimes, they fall very quickly causing people to panic about their livelihood and future.

Students study the effects of these 'panics' in their U.S. History classes and are familiar with the Panic of 1819, 1837, 1857, 1873, 1893, 1907, and 1929. We can almost see a pattern of "panics" every 20 years. There are different causes for each "panic" and bankers and economists define this 20-year pattern as the 'business cycle.'

The Panic of 1907 triggered the U.S. Congress to establish the Federal Banking System in 1913. In recent years, it has been the decision-making body for the currency crises in Asia (1997-98) and Argentina (1998-2002), collapse of the technology bubble in 1999, the housing crisis of 2008, and the Covid-19 crisis in 2020. While some contribute the decisions of an independent Federal Reserve Bank as critical to the stability of the economy of the United states and the world during these global events, others have been critical.

The Federal Reserve System is the central bank of the United States. It performs five general functions to promote the effective operation of the U.S. economy and, more generally, the public interest. The Federal Reserve

- conducts the nation's monetary policy to promote maximum employment, stable prices, and moderate long-term interest rates in the U.S. economy;
- promotes the stability of the financial system and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad;
- promotes the safety and soundness of individual financial institutions and monitors their impact on the financial system as a whole;
- fosters payment and settlement system safety and efficiency through services to the banking industry and the U.S. government that facilitate U.S.-dollar transactions and payments; and
- promotes consumer protection and community development through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and the administration of consumer laws and regulations.

The Federal Open Markets Committee (FOMC) is the main decision-making group of the monetary policy for the United States.

The term "monetary policy" refers to the actions undertaken by the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Federal Reserve Act of 1913 gave the Federal Reserve responsibility for setting monetary policy.

The Federal Reserve controls the three tools of monetary policy--open market operations, the discount rate, and reserve requirements. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. Using the three tools, the Federal Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve Banks and in this way alters the federal funds rate. The **federal funds rate** is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions on a daily basis.

Changes in the federal funds rate trigger a chain of events that affect other short-term interest rates, foreign exchange rates, long-term interest rates, the amount of money and credit, and, ultimately, a range of economic variables, including employment, output, and prices of goods and services (inflation).

Structure of the FOMC

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis. The rotating seats are filled from the following four groups of Banks, one Bank president from each group: Boston, Philadelphia, and Richmond; Cleveland and Chicago; Atlanta, St. Louis, and Dallas; and Minneapolis, Kansas City, and San Francisco. Nonvoting Reserve Bank presidents attend the meetings of the Committee, participate in the discussions, and contribute to the Committee's assessment of the economy and policy options.

The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

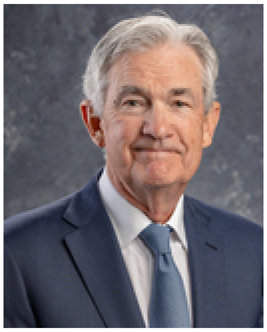
2026 Committee Members (Governors serve for 14 years. Members of the 5 regional banks serve a one-year term.)

Jerome H. Powell, Board of Governors, Chair 2026 (Term ends), **2028** (Term ends as Governor)
John C. Williams, New York, Vice Chair (The president of the NY Fed has a permanent seat because of the scale of financial operations in the NY region)
Philip N. Jefferson, Vice Chair, Board of Governors **2036**
Michelle W. Bowman, Vice Chair for Supervision, Board of Governors 2029 (Term ends as Vice-Chair of Supervision), **2034** (Term ends as Governor) Nominated by President Trump.
Michael S. Barr, Board of Governors **2032**
Lisa D. Cook, Board of Governors **2038**
Stephen I. Miran, Board of Governors, **2026** Nominated by President Trump
Christopher J. Waller, Board of Governors **2030**

Susan M. Collins, Boston, 2025
Austan D. Goolsbee, Chicago, 2025
Alberto G. Musalem, St. Louis, 2025
Jeffrey R. Schmid, Kansas City, 2025
Beth Hammack, Cleveland, 2026
Anna Paulson, Philadelphia, 2026
Lorie Logan, Dallas, 2026
Neel Kashkari, Minneapolis, 2026

	2026	2027	2028
Members	New York Cleveland Philadelphia Dallas Minneapolis	New York Chicago Richmond Atlanta San Francisco	New York Cleveland Boston St. Louis Kansas City
Alternate Members	New York‡ Chicago Richmond Atlanta San Francisco	New York‡ Cleveland Boston St. Louis Kansas City	New York‡ Chicago Philadelphia Dallas Minneapolis

Jerome H. Powell, Chair



Jerome H. Powell first took office as Chair of the Board of Governors of the Federal Reserve System on February 5, 2018, for a four-year term. He was reappointed to the office and sworn in for a second four-year term on May 23, 2022. Mr. Powell also serves as Chairman of the Federal Open Market Committee, the System's principal monetary policymaking body. Mr. Powell has served as a member of the Board of Governors since taking office on May 25, 2012, to fill an unexpired term. He was reappointed to the Board and sworn in on June 16, 2014, **for a term ending January 31, 2028**.

Prior to his appointment to the Board, Mr. Powell was a visiting scholar at the Bipartisan Policy Center in Washington, D.C., where he focused on federal and state fiscal issues. From 1997 through 2005, Mr. Powell was a partner at The Carlyle Group.

Mr. Powell served as an Assistant Secretary and as Under Secretary of the U.S. Department of the Treasury under President George H.W. Bush, with responsibility for policy on financial institutions, the Treasury debt market, and related areas. Prior to joining the Bush administration, Mr. Powell worked as a lawyer and investment banker in New York City.

In addition to service on corporate boards, he has served on the boards of charitable and educational institutions, including the Bendheim Center for Finance at Princeton University and the Nature Conservancy of Washington, D.C., and Maryland.

Mr. Powell was born in February 1953 in Washington, D.C. He received an AB in politics from Princeton University in 1975 and earned a law degree from Georgetown University in 1979. While at Georgetown, he was editor-in-chief of the *Georgetown Law Journal*.

Mr. Powell is married with three children.

John C. Williams
President. Federal Reserve Bank of New York

John C. Williams took office on June 18, 2018, as the 11th president and chief executive officer of the Second District, Federal Reserve Bank of New York. In that capacity, he serves as the vice chairman and a permanent member of the Federal Open Market Committee, the group responsible for formulating the nation's monetary policy.

Mr. Williams was previously the president and chief executive officer of the 12th District, Federal Reserve Bank of San Francisco. Prior to that, he was the executive vice president and director of research for the Federal Reserve Bank of San Francisco, which he joined in 2002.

Mr. Williams began his career as an economist in 1994, when he joined the Board of Governors of the Federal Reserve System, following the completion of his PhD in economics at Stanford University. He became senior economist at the Board in 1998 and served on loan from 1999 to 2000 as senior economist at the White House Council of Economic Advisers. He subsequently returned to the Board, where he remained until he joined the Federal Reserve Bank of San Francisco.

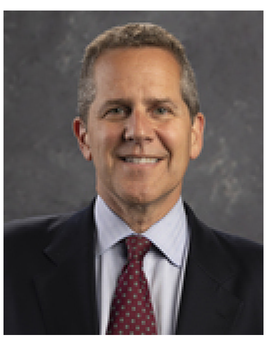
Mr. Williams's research focuses on topics, including monetary policy under uncertainty and imperfect information, macroeconomics, learning, research and development, innovation, productivity, and business cycles. He has collaborated with economists from throughout the country and across the globe to examine economic and policy issues from different perspectives and has published numerous articles in leading research journals.

Mr. Williams has been a research associate for the Centre for Applied Macroeconomic Analysis since 2008. He was the managing editor of the *International Journal of Central Banking* and previously served as associate editor of the *American Economic Review* and the *Journal of Economic Dynamics and Control*. Additionally, he has been a lecturer at Stanford University's Graduate School of Business.

Prior to completing his doctorate at Stanford, Mr. Williams earned a masters of science with distinction in economics from the London School of Economics in 1989 and an AB with high distinction from the University of California at Berkeley in 1984.

He is married and has two teenage sons.

Michael S. Barr



Michael S. Barr took office as a member of the Board of Governors of the Federal Reserve System on July 19, 2022, **for an unexpired term ending January 31, 2032**. Mr. Barr served as the Vice Chair for Supervision of the Board of Governors of the Federal Reserve System from July 19, 2022, to February 28, 2025.

Prior to his appointment to the Board, Mr. Barr was the Joan and Sanford Weill Dean of the Gerald R. Ford School of Public Policy, the Frank Murphy Collegiate Professor of Public Policy, the Roy F. and Jean Humphrey Proffitt Professor of Law at the University of Michigan Law School, and the founder and faculty director of the University of Michigan's Center on Finance, Law & Policy. At the University of Michigan Law School, Mr. Barr taught financial regulation and international finance and co-founded the International Transactions Clinic and the Detroit Neighborhood Entrepreneurs Project.

Mr. Barr served as the U.S. Department of the Treasury's assistant secretary for financial institutions, 2009-2010. Under President William J. Clinton, he served as the Treasury Secretary's special assistant, as deputy assistant secretary of the

Treasury, as special adviser to the President, and as a special adviser and counselor on the policy planning staff at the U.S. Department of State.

Additionally, Mr. Barr served as a law clerk to U.S. Supreme Court Justice David H. Souter during October Term 1993, and previously to the Honorable Pierre N. Leval, then of the Southern District of New York.

Mr. Barr received a BA in history from Yale University, an MPhil in international relations from Oxford University, and a JD from Yale Law School.

Michelle W. Bowman, Vice Chair for Supervision

Michelle W. Bowman took office as the Vice Chair for Supervision of the Board of Governors of the Federal Reserve System on June 9, 2025, for a four-year term. Ms. Bowman has served as a member of the Board of Governors of the Federal Reserve System since taking office on November 26, 2018, to fill an unexpired term ending January 31, 2020. She was reappointed to the Board on January 23, 2020, and sworn in on January 30, 2020, **for a term ending January 31, 2034.**

Prior to her appointment to the Board, Ms. Bowman served as the state bank commissioner of Kansas from January 2017 to November 2018. She also served as vice president of Farmers & Drovers Bank in Kansas from 2010 to 2017.

In addition to her experience in the banking industry, Ms. Bowman worked in Washington, D.C. for Senator Bob Dole of Kansas from 1995 to 1996 and served as a counsel to the U.S. House Committee on Transportation and Infrastructure and the Committee on Government Reform and Oversight between 1997 and 2002. In 2002, Ms. Bowman became director of congressional and intergovernmental affairs at the Federal Emergency Management Agency. From 2003 to 2004, she served as Deputy Assistant Secretary and policy advisor to Homeland Security Secretary Tom Ridge.

Following her time in Washington, D.C., Ms. Bowman led a government and public affairs consultancy based in London before returning to Kansas in 2010.

Ms. Bowman received a BS in advertising and journalism from the University of Kansas and a JD from the Washburn University School of Law. She is a member of the New York Bar.

Ms. Bowman is married with two children.

Lisa D. Cook

Lisa D. Cook took office as a member of the Board of Governors of the Federal Reserve System on May 23, 2022, to fill an unexpired term ending January 31, 2024. She was reappointed to the Board on September 8, 2023, and sworn in on September 13, 2023, **for a term ending January 31, 2038.**

Prior to her appointment to the Board, Dr. Cook was a professor of economics and international relations at Michigan State University. From 2018 to 2021, she was director of the American Economic Association Summer Training Program. She was also a research associate at the National Bureau of Economic Research.

Previously, Dr. Cook was on the faculty of Harvard University's Kennedy School of Government. During her time at Harvard, Dr. Cook also served as deputy director for Africa Research at the Center for International Development. Before then, she was a National Fellow at Stanford University.

From 2011 to 2012, Dr. Cook served as a senior economist on the Council of Economic Advisers under President Barack Obama. From 2000 to 2001, she served as a senior adviser on finance and development in the U.S. Department of Treasury's Office of International Affairs.

Dr. Cook received a BA in philosophy from Spelman College. As a Marshall Scholar, she received a second BA in philosophy, politics, and economics from Oxford University. She earned a PhD in economics from the University of California, Berkeley.

Philip N. Jefferson, Vice Chair

Philip N. Jefferson took office as the Vice Chair of the Board of Governors of the Federal Reserve System on September 13, 2023, for a four-year term. Dr. Jefferson has served as a member of the Board of Governors of the Federal Reserve System since taking office on May 23, 2022, **to fill an unexpired term ending January 31, 2036.**

Most recently, Dr. Jefferson was vice president for academic affairs and dean of faculty and the Paul B. Freeland Professor of Economics at Davidson College.

Before then, Dr. Jefferson served as chair of the Department of Economics at Swarthmore College, where he was the Centennial Professor of Economics.

Prior to this position, Dr. Jefferson was an economist at the Board of Governors of the Federal Reserve System.

Dr. Jefferson’s other past roles include being president of the National Economic Association. He also served on the Vassar College Board of Trustees and the Board of Advisors of the Opportunity and Inclusive Growth Institute at the Federal Reserve Bank of Minneapolis.

Dr. Jefferson received a BA in economics from Vassar College and an MA and a PhD in economics from the University of Virginia.

Christopher J. Waller

Christopher J. Waller took office as a member of the Board of Governors of the Federal Reserve System on December 18, 2020, **to fill an unexpired term ending January 31, 2030.**

Prior to his appointment at the Board, Dr. Waller served as executive vice president and director of research at the Federal Reserve Bank of St. Louis since 2009.

In addition to his experience in the Federal Reserve System, Dr. Waller served as a professor and the Gilbert F. Schaefer Chair of Economics at the University of Notre Dame. He was also a research fellow with Notre Dame's Kellogg Institute for International Studies. From 1998 to 2003, Dr. Waller was a professor and the Carol Martin Gatton Chair of Macroeconomics and Monetary Economics at the University of Kentucky. During that time, he was also a research fellow at the Center for European Integration Studies at the University of Bonn. From 1992 to 1994, he served as the director of graduate studies at Indiana University's Department of Economics, where he also served as associate professor and an assistant professor.

Dr. Waller received a BS in economics from Bemidji State University and an MA and PhD from Washington State University.

Stephen I. Miran

Stephen I. Miran took office as a member of the Board of Governors of the Federal Reserve System on September 16, 2025, to fill an unexpired term ending January 31, 2026.

Prior to his appointment to the Board, Dr. Miran served as chairman of the Council of Economic Advisers under President Donald J. Trump. He previously worked as a senior strategist at Hudson Bay Capital Management and a senior fellow at the Manhattan Institute for Policy Research.

From 2020 to 2021, Dr. Miran served as senior adviser for economic policy at the U.S. Department of the Treasury. He worked in financial markets for a decade before joining the Treasury.

Dr. Miran received a BA in economics, philosophy, and mathematics from Boston University. He earned a PhD in economics from Harvard University.

Federal Reserve Bank Presidents 2026

Federal Reserve Bank of Cleveland

Beth M. Hammack
President and Chief Executive Officer Federal Reserve Bank of Cleveland

Beth M. Hammack took office on August 21, 2024, as the 12th president and chief executive officer of the Fourth District, Federal Reserve Bank of Cleveland.

Prior to her appointment as president and chief executive officer, Ms. Hammack was cohead of the global financing group at Goldman Sachs Group, Inc. and a member of the management committee. Ms. Hammack was previously named partner in 2010 and managing director in 2003.

Ms. Hammack is the current chair of the board of the nonprofit Math for America and a member of the City Harvest board of trustees. She served as chair of the Treasury Borrowing Advisory Committee. Ms. Hammack also previously served as a member of the Financial Research Advisory Committee and the Treasury Market Practices Group, the latter of which is sponsored by the Federal Reserve Bank of New York.

Ms. Hammack received a BA in quantitative economics and history from Stanford University.

Federal Reserve Bank of Philadelphia

Anna L. Paulson
President Federal Reserve Bank of Philadelphia

Anna L. Paulson took office on July 1, 2025, as the 12th president and chief executive officer of the Third District, Federal Reserve Bank of Philadelphia.

Previously, Dr. Paulson served as executive vice president and director of research at the Federal Reserve Bank of Chicago. In that role, she led the Bank's research and policy analysis work and oversaw the department that provides analytic support for monetary policymaking and conducts research on banking and financial markets, macroeconomics, microeconomics, and the regional economy. Dr. Paulson also advised the Bank's president and chief executive officer on monetary policy and participated in Federal Open Market Committee discussions.

She joined the Federal Reserve Bank of Chicago in 2001 as an economist after completing a postdoctoral fellowship at Princeton University and serving as an assistant professor of finance at Northwestern University's Kellogg School of Management.

Dr. Paulson's work has been published in leading academic journals such as the *Journal of Political Economy*, *Review of Economics and Statistics*, and *Review of Financial Studies*. She has served on the board of the Western Economic Association International and the Committee on the Status of Women in the Economics Profession.

Dr. Paulson received a BA from Carleton College and a PhD in economics from the University of Chicago.

President and CEO Federal Reserve Bank of Dallas

Lorie K. Logan
President Federal Reserve Bank of Dallas

She took office on August 22, 2022. She leads a workforce of nearly 1,400 people in the fast-growing Eleventh Federal Reserve District, which covers Texas, northern Louisiana and southern New Mexico, with branch offices in El Paso, Houston and San Antonio.

She represents the district on the Federal Open Market Committee (FOMC), which sets monetary policy for the U.S., and will be a voting member in 2026.

She oversees all Bank functions, including economic research, banking supervision, financial stability efforts, community engagement, economic development activities and a wide range of payments and financial initiatives.

President Logan champions an integrated approach to developing monetary policy and serving the public, drawing on learnings from cross-functional teams and regular interactions with a wide range of stakeholders in the communities she serves in the Eleventh District.

Under President Logan's leadership, the Bank launched its Global Institute, which conducts multidisciplinary, policy-driven economic research and outreach with a special emphasis on the U.S.-Mexico relationship. She also spearheaded the relaunch of the Global Perspectives speaker series of engaging conversations with business leaders and policy experts.

As part of her regular 360 Listening Tour, President Logan travels throughout the district to hear directly from business and community leaders. The insights she gleans are integrated with the Bank's economic data and surveys to help shape her views on monetary policy.

Prior to leading the Bank, President Logan spent more than two decades working in the Markets Group at the Federal Reserve Bank of New York. She was previously manager of the System Open Market Account for the FOMC and an executive vice president at the Federal Reserve Bank of New York. In that role, she managed the Federal Reserve's securities portfolio and led the implementation of monetary policy as directed by the FOMC.

She is one of the nation's leading experts on the Federal Reserve's balance sheet and played a crucial role in developing and implementing Federal Reserve actions to mitigate systemic risks to the financial system amid the COVID-19 pandemic and the Global Financial Crisis.

President Logan serves on the United Way of Metropolitan Dallas CEO Advisory Council and Southern Methodist University's Cox School of Business Executive Board. She holds a bachelor's degree in political science from Davidson College and a master's in public administration from Columbia University. She is a native of Versailles, Kentucky.

Federal Reserve Bank of Minneapolis

Neel Kashkari
President, Federal Reserve Bank of Minneapolis

Neel Kashkari took office January 1, 2016, as the 13th president and chief executive officer of the Ninth District, Federal Reserve Bank of Minneapolis.

Before taking office at the Federal Reserve Bank of Minneapolis, Mr. Kashkari was managing director and member of the executive office at PIMCO. In January 2013, he resigned from the firm to explore a run for public office. In 2014, he was a candidate for governor of California.

Prior to joining PIMCO in 2009, Mr. Kashkari served in the U.S. Department of the Treasury from 2006 to 2009, first as senior adviser to Secretary Henry Paulson and then as assistant secretary of the Treasury. In the latter role, he established and led the Office of Financial Stability and oversaw the Troubled Assets Relief Program for both Presidents George W. Bush and Barack Obama.

Before joining the Treasury Department, Mr. Kashkari was a vice president at Goldman Sachs in San Francisco. Previously, he was an aerospace engineer at TRW Corp.

Mr. Kashkari was born on July 30, 1973, in Akron, Ohio. He has a bachelor's and a master's degrees in mechanical engineering, both from the University of Illinois at Urbana-Champaign, and an MBA from the Wharton School at the University of Pennsylvania.

About the FOMC

FOMC calendar

- FOMC Longer-Run Goals and Monetary Policy Strategy (PDF)
- Addendum to FOMC Policy Normalization Principles and Plans
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Recent FOMC press conference

July 30, 2025

FOMC Press Conference July 30, 2025

Press Conference Materials
Opening Statement Transcript (PDF)

FOMC Transcripts and other historical materials

Historical Materials from 1936-2019

Guide to the Summary of Economic Projections

The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Federal Reserve Act of 1913 gave the Federal Reserve responsibility for setting monetary policy.

The Federal Reserve controls the three tools of monetary policy--open market operations, the discount rate, and reserve requirements. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. Using the three tools, the Federal Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve Banks and in this way alters the federal funds rate. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

Changes in the federal funds rate trigger a chain of events that affect other short-term interest rates, foreign exchange rates, long-term interest rates, the amount of money and credit, and, ultimately, a range of economic variables, including employment, output, and prices of goods and services.

Structure of the FOMC

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis. The rotating seats are filled from the following four groups of Banks, one Bank president from each group: Boston, Philadelphia, and Richmond; Cleveland and Chicago; Atlanta, St. Louis, and Dallas; and Minneapolis, Kansas City, and San Francisco. Nonvoting Reserve Bank presidents attend the meetings of the Committee, participate in the discussions, and contribute to the Committee's assessment of the economy and policy options.

The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

December 9-10 (2025)	April 28-29	September 15-16*
January 27-28 (2026)	June16-17*	October 27-28
March17-18*	July 28-29	December 8-9*

* Meeting associated with a Summary of Economic Projections.

Statement on Longer-Run Goals and Monetary Policy Strategy

Adopted effective January 24, 2012; as amended effective August 22, 2025

The Federal Open Market Committee (FOMC) is firmly committed to fulfilling its statutory mandate from Congress of promoting maximum employment, stable prices, and moderate long-term interest rates. The Committee seeks to explain its monetary policy decisions to the public as clearly as possible. Such clarity facilitates well-informed decision making by households and businesses, reduces economic and financial uncertainty, increases the effectiveness of monetary policy, and enhances transparency and accountability, which are essential in a democratic society.

The Committee's monetary policy strategy is designed to promote maximum employment and stable prices across a broad range of economic conditions. Employment, inflation, and long-term interest rates fluctuate over time in response to economic and financial disturbances. Monetary policy plays an important role in stabilizing the economy in response to these disturbances. **The Committee's primary means of adjusting the stance of monetary policy is through changes in the target range for the federal funds rate. The Committee is prepared to use its full range of tools to achieve its maximum employment and price stability goals, particularly if the federal funds rate is constrained by its effective lower bound.**

Durably achieving maximum employment fosters broad-based economic opportunities and benefits for all Americans. The Committee views maximum employment as the highest level of employment that can be achieved on a sustained basis in a context of price stability. The maximum level of employment is not directly measurable and changes over time owing largely to non-monetary factors that affect the structure and dynamics of the labor market. Consequently, it would not be appropriate to specify a fixed goal for employment; rather, the Committee's policy decisions must be informed by assessments of the maximum level of employment, recognizing that such assessments are necessarily uncertain and subject to revision. The Committee considers a wide range of indicators in making these assessments.

Price stability is essential for a sound and stable economy and supports the well-being of all Americans. The inflation rate over the longer run is primarily determined by monetary policy, and hence the Committee can specify a longer-run goal for inflation. The Committee reaffirms its judgment that inflation at the rate of 2 percent, as measured by the annual change in the price index for personal consumption expenditures, is most consistent over the longer run with the Federal Reserve's statutory maximum employment and price stability mandates. The Committee judges that longer-term Statement on Longer Run Goals and Monetary Policy

Strategy 2 inflation expectations that are well anchored at 2 percent foster price stability and moderate long-term interest rates and enhance the Committee's ability to promote maximum employment in the face of significant economic disturbances. The Committee is prepared to act forcefully to ensure that longer term inflation expectations remain well anchored.

Monetary policy actions tend to influence economic activity, employment, and prices with a lag. Moreover, sustainably achieving maximum employment and price stability depends on a stable financial system. Therefore, the Committee's policy decisions reflect its longer-run goals, its medium term outlook, and its assessments of the balance of risks, including risks to the financial system that could impede the attainment of the Committee's goals.

The Committee's employment and inflation objectives are generally complementary. However, if the Committee judges that the objectives are not complementary, it follows a balanced approach in promoting them, taking into account the extent of departures from its goals and the potentially different time horizons over which employment and inflation are projected to return to levels judged consistent with its mandate. **The Committee recognizes that employment may at times run above real-time assessments of maximum employment without necessarily creating risks to price stability.**

The Committee intends to review these principles and to make adjustments as appropriate at its annual organizational meeting each January, and to undertake roughly every 5 years a thorough public review of its monetary policy strategy, tools, and communication practices.