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Task Force on Monetary Policy, Treasury Market Resilience, and Economic Prosperity
"Less Mandates. More Independence."
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Chairman Lucas, Ranking Member Vargas, and distinguished Members of the Task Force:

Thank you for the opportunity to testify today. My name is Skanda Amarnath. I am the Executive Director at Employ America, a macroeconomic research and advocacy organization that advances policies for the full employment of America's workers, resources, and capabilities. I have served the public during my time in the Capital Markets Function of the New York Fed's Research Group, and worked as a private sector economist and fixed income strategist covering central banks with a range of institutional designs, including the US, Canada, Australia, New Zealand, and the Euro Area.

The moment couldn't be more critical for a robust discussion of how Congress sets the Fed's objectives, holds the Fed accountable, and ensures the independent operation of monetary policy. We are holding this hearing at a moment when the judicial system was called upon to determine who could attend and vote at this most recent Federal Open Market Committee meeting. For the first time, the Chair of the President's Council of Economic Advisers is simultaneously serving as a Fed governor and a permanent voting member on the FOMC. One would hope that if the circumstances were reversed, concerns with eroding central bank independence would still be expressed, no matter one's political or partisan affiliation.

I will make a few key points. (1) The multiple objectives in Section 2A of the Federal Reserve Act support credible and independent monetary policy, precisely because they make tradeoffs involved in monetary transmission more transparent. (2) The Fed's maximum employment mandate has allowed it to outperform single-mandate central bank peers at critical moments when supply-driven inflation collides with slow labor market activity and nominal spending. (3) Any credible case for interest rate cuts today relies on some sensitivity towards maximum employment at the expense of near-term inflation outcomes; if democratically elected officials would like the Fed to act on such sensitivities, they should be transparently reflected in statute. (4) A Congressionally accountable, operationally independent Fed is critical to ensuring stable long-term interest rates alongside stable inflation outcomes. (5) Congress designed the current structure of monetary policymaking in 1935 with operational independence top of mind, and it will require a vigilant Congress to ensure that a far-from-perfect Fed remains accountable to that arrangement.

Section 2A of the Federal Reserve Act: The Dual Mandate Avoids Tradeoff Denialism

Americans deserve a central bank that makes nonpartisan, apolitical decisions that are reasoned from economic data, financial system developments, and transparent assessments of risks and tradeoffs. Section 2A of the Federal Reserve Act, which includes what is known as the “dual mandate” serves that very purpose.

> “The Board of Governors of the Federal Reserve System and the Federal Open Market Committee shall maintain long run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.”[1]

General discussions of the “dual mandate” refer to the tradeoff between “maximum employment” and “stable prices,” with the presumption that “moderate long-term interest rates” are achieved when both sides of the tradeoff are balanced effectively.[2]

If transparent and reasoned decisionmaking supports independent monetary policy, the emphasis on “less mandates” in Section 2A is a red herring. The Federal Reserve Act lays out multiple objectives for the central bank to balance and help achieve over the longer run, but it does so in a manner that promotes making the tradeoffs of monetary policy more transparent.

Reductively simplifying the central bank’s professed objective–as many foreign central banks have done–risks making monetary policy more opaque, less credible, and less democratically legitimate. At its worst, it yields a denialism of tradeoffs. Foreign central banks, like the Bank of Canada and the European Central Bank, are officially institutions that operate off a single mandate to target inflation. In practice, they inevitably and often belatedly inject discretionary concern for labor, output, and financial market outcomes.[3][4] These discretionary concerns are inevitable because the process by which the Fed achieves stable inflation outcomes typically involves some adverse effect on financial and real economic outcomes, at least in the short run. A central bank cannot simply use mind tricks to cause lower inflation; there must be other coincidental economic consequences to raising interest rates.[5]

Macroeconomic tradeoffs and transmission mechanisms are a reality that warrant transparency with the public. A single mandate does no good if it merely encourages central bankers to navigate tradeoffs more opaquely and confusingly.

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[1] 12 USC 225a. As added by act of November 16, 1977 (91 Stat. 1387) and amended by acts of October 27, 1978 (92 Stat. 1897); Aug. 23, 1988 (102 Stat. 1375); and Dec. 27, 2000 (114 Stat. 3028).
[2] Federal Reserve Board of Governors. “FAQs: What economic goals does the Federal Reserve seek to achieve through its monetary policy?” https://www.federalreserve.gov/faqs/what-economic-goals-does-federal-reserve-seek-to-achieve-through-monetary-policy.htm
[3] Bank of Canada. “Understanding the output gap.” Dec 24 2021. https://www.bankofcanada.ca/2021/12/understanding-output-gap/
[4] European Central Bank. “Why was our analytical framework part of our strategy review?” https://www.ecb.europa.eu/mopo/strategy/strategy-review/html/analytical-framework.en.html
[5] Skanda Amarnath & Alex Williams. Employ America. “What Are You Expecting? How The Fed Slows Down Inflation Through The Labor Market.” Feb 9 2022. https://www.employamerica.org/monetary-policy/how-the-fed-affects-inflation/

Tradeoff Environments Where "Maximum Employment" Proved Helpful

In the middle of 2008, Consumer Price Index (CPI) inflation in the United States was already 5.5%[6] and the Fed's Personal Consumption Expenditures (PCE) inflation gauge was through 4%.[7] Oil and a variety of commodity prices were making new highs that year, after a series of new highs in prior years. At the same time, the unemployment rate was also snowballing upward and Americans were seeing slowing incomes and proportionally slowing spending. The dual mandate objectives of "stable prices" and "maximum employment" were in direct conflict.

For central banks seeking to take a reductive stance on inflation, especially as singular inflation-targeting central banks, every unwanted rise in inflation reflects a single failing and solution: interest rates need to be higher. The single-mandate European Central Bank did precisely that in the summer of 2008. At a time when the global economic trajectory and the financial system were both sinking, the European Central Bank was growing more sensitive to the upside risks to inflation from commodity prices and raised interest rates.[8] The Fed failed in many ways throughout this same period, but at least when graded on a curve, the Fed seemed to understand that interest rate increases amidst a financial crisis, rising unemployment, and a crashing housing market was a risky proposition. Later in 2008, the European Central Bank had to reverse course and cut interest rates, alongside every other major central bank. Had all central banks understood that the surge in commodity price inflation in 2008 was not sustainable amidst cratering nominal income and spending growth, they may have moved faster to ward off what became a lost decade of employment and output outcomes despite inflationary constraints failing to bind.[9]

The 2008 challenges resurfaced yet again in 2011, when rising and recovering commodity prices caused a pickup in headline inflation, even as the underlying growth rate in nominal consumer spending and labor incomes remained sluggish. Like 2008, the European Central Bank responded in 2011 with an increase in interest rates,[10] even as the Fed kept interest rates low and steady. And just like 2008, the European Central Bank was mugged by a financial crisis that forced them to ultimately and belatedly reverse course on monetary policy.[11]

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[6] Headline CPI inflation reached 5.5% on a year-over-year basis in July 2008. U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CPIAUCSL, September 15, 2025.
[7] Headline PCE inflation reached 4.1% on a year-over-year basis in July 2008. U.S. Bureau of Economic Analysis, Personal Consumption Expenditures: Chain-type Price Index [PCEPI], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCEPI, September 15, 2025.
[8] European Central Bank. "Monetary Policy Decisions: 3 July 2008." July 3 2008. https://www.ecb.europa.eu/press/pr/date/2008/html/pr080703.en.html
[9] Carolynn Look. Bloomberg. "ECB's 2008 Rate Hike Revisited: The Crisis It Didn't See Coming." Jul 3 2018. https://www.bloomberg.com/news/articles/2018-07-03/ecb-s-2008-rate-hike-revisited-the-crisis-it-didn-t-see-coming
[10] European Central Bank. "Monetary Policy Decisions: 7 July 2011." Jul 7 2011. https://www.ecb.europa.eu/press/pr/date/2011/html/pr110407.en.html
[11] European Central Bank. "Monetary Policy Decisions: 3 November 2011." Nov 3 2011. https://www.ecb.europa.eu/press/pr/date/2011/html/pr111103.en.html

The European Central Bank appears to have learned some lessons, and now pays more diligent attention to developments within labor, output, and financial markets. Nevertheless, the approach it now takes leads to a different problem: opaque and confusing decisionmaking. There are always facts that can be raised to make the case for why currently-high inflation may not persist, but unless those facts are anchored to a statutory objective, they are hard to weigh with any transparency or consistency. In the absence of transparency, central bank decisions grow more discretionary and risk falling into the traps of political convenience.

Even if inflation readings are high in the short-run, the question of how much the Fed should extrapolate and respond to those readings requires weighing other data, costs, and benefits simultaneously. Collapsing all of this analysis into a singular focus on inflation risks missing the full costs associated with raising interest rates. Just like inflation, monetary policy works with its own long and variable lags. It is also important to note that high inflation is not always worth "looking through" and down-weighting relative to other economic data. The 1970s demonstrates clearly that rising unemployment rates can coincide with rising inflation and elevated rates of spending and income growth.

The dual mandate objectives can fundamentally conflict because supply shocks do happen. Sometimes they happen alongside strong demand, and others coincide with weak demand. Knowing the difference between the two isn't just a task for the Fed but for Congress to address. If Congress wants to ensure credible, independent monetary policy, it can do more to push the Fed to apply a consistent framework for managing the tensions and tradeoffs associated with the dual mandate. Conservative, libertarian, and liberal-affiliated thinkers have at various points highlighted the strengths of targeting the growth rate in current-dollar spending and income, relative to targeting consumer prices alone.[12][13] Such a framework, which targets nominal spending and income aggregates, gives equal weight to real economic growth and consumer price inflation. Targeting growth in nominal spending or income would have fared relatively well not just in the 1970s,[14] but also in the oil price shocks of 1990, 2008, 2011,[15] and the most recent surge of inflation.[16] The Fed has historically navigated these tradeoffs poorly and belatedly. If Congress wants a more credible

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[12] David Beckworth and Ramesh Ponnuru. Mercatus Center. "Ramesh Ponnuru on the Politics of Monetary Policy." May 16 2016. https://www.mercatus.org/macro-musings/ramesh-ponnuru-politics-monetary-policy
[13] Clive Crook and Christina Romer. The Atlantic. "Christina Romer Calls For A New Fed Target." Oct 31, 2011. https://www.theatlantic.com/business/archive/2011/10/christina-romer-calls-for-a-new-fed-target/247649/
[14] Scott Sumner & Ethan Roberts. Mercatus Center: Monetary Policy Research Papers. "The Promise of Nominal GDP Targeting." Mar 19, 2018. https://www.mercatus.org/students/research/research-papers/promise-nominal-gdp-targeting
[15] Skanda Amarnath. Employ America. "By Doubling Down On Inflation Targeting, The Fed Is At Risk of Forgetting Lessons From 2008 and 2011." Aug 27 2020. https://www.employamerica.org/monetary-policy/by-doubling-down-on-inflation-targeting-the-fed-is-at-risk-of-forgetting-lessons-from-2008-2011/
[16] David Beckworth. Mercatus Center: Monetary Policy - Policy Briefs. "The Fed's 2024–25 Framework Review: Optimizing the Dual Mandate Through Nominal GDP Level Targeting." Nov 26 2024. https://www.mercatus.org/research/policy-briefs/feds-2024-25-framework-review-optimizing-dual-mandate-through-nominal-gdp

and independent Fed, it should enact legislation and conduct regular oversight hearings to push the Fed towards a more consistent and credible monetary policy framework and strategy.

The Case For Cuts Now Depends On "Maximum Employment"

The Fed's 2% inflation target is its interpretation of the "stable prices" mandate, and it is defined in terms of the PCE price indices.[17] The current estimates as of August place "Headline PCE" inflation, which covers all goods and services consumed, at 2.66% on an annual basis.[18] Excluding food and energy price inflation because of their reverting volatility over time, "Core PCE" inflation is running at 2.85% on an annual basis.[19] Under standard policy rule specifications, interest rates should be 1%-1.3%[20] above the neutral interest rate, which most major market participants estimate to be a little over 3%.[21] The Federal Funds Rate at 4.33% is perfectly consistent with what standard policy rules imply when inflation is this far above the 2% target, and the neutral interest rate is just above 3%. If there is a good reason to lower interest rates right now, "stable prices" alone does not provide one.

The Fed appears willing to lower interest rates further despite elevated inflation readings precisely because of the maximum employment mandate. We appear to be facing a slowdown and material downside risks in the labor market. Employment rates, even after adjusting for age, are now declining on a year-over-year basis.[22] Even after accounting for the scope for revisions, reported readings of short-run nonfarm payroll growth are historically soft and proximate to what gets reported before or during recessions.[23] We have not seen jobs reports look this weak outside of a recession in quite some time. This time may be different for the labor market, given the scope for immigration shifts to drive slower job growth. Nevertheless, the Fed appears to be sensitive to the costs of allowing the labor market to deteriorate further. To account for those costs implies that the

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[17] Federal Open Market Committee. "Statement on Longer-Run Goals and Monetary Policy Strategy: Adopted effective January 24, 2012; as amended effective August 22, 2025." Aug 22 2025. https://www.federalreserve.gov/monetarypolicy/files/FOMC_LongerRunGoals.pdf

[18] Author's calculations. Also see: Skanda Amarnath. Employ America. "August 2025 Core-Cast Post-CPI." Sep 11 2025.

[19] See footnote 18.

[20] The original Taylor rule applies a coefficient of 1.5 to the gap between the inflation rate and the inflation target. For a 0.66-0.85% inflation gap, that would imply setting interest rates 0.99%-1.28% increase in interest rates relative to the neutral rate. See original Taylor Rule paper here: J.B. Taylor. (1993). "Discretion Versus Policy Rules In Practice." Carnegie-Rochester Conference Series on Public Policy, 39, 195–214.

[21] The median surveyed market participant expects that the longer run federal funds rate is above 3.13%. Markets Group, Federal Reserve Bank of New York. "Responses To The Survey of Market Expectations: July 2025, Distributed: 07/16/2025 – Received by: 07/21/2025." July 2025. https://www.newyorkfed.org/medialibrary/media/markets/survey/2025/jul-2025-sme-results.pdf

[22] U.S. Bureau of Labor Statistics, Employment-Population Ratio - 25-54 Yrs. [LNS12300060], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/LNS12300060, September 16, 2025.

[23] Reported 1-Quarter Nonfarm Payroll Growth averages just 37,000 additional jobs per month. For more, see here: Skanda Amarnath. Employ America "Tracking "Reported Quarterly Growth" - Standardizing Data Translation To Avoid Revision Whiplash." Aug 5 2025. https://www.employamerica.org/labor-market-analysis/tracking-reported-quarterly-growth-standardizing-data-translation-to-avoid-revision-whiplash/

Fed will think beyond a singular mandate to keep inflation at 2% and be forced to engage in some kind of cost-benefit analysis.

The Fed is also taking a charitable view of inflation, determining that inflation would otherwise be close to their 2% target if not for the raft of trade policy measures that raise uncertainty and costs. Outside of energy goods, which have not been subject to tariffs, almost all other goods have seen above-trend price increases over the past 6-12 months as firms began anticipating increased costs and policy risks.[24] Economists, both on the left and the right, recognize that some price increases, including tariff-induced price increases, can surge temporarily for reasons that forward-looking central bankers should not necessarily react to.

In the absence of the central bank recognizing a temporary inflationary effect from tariffs alongside costs to maximum employment, the current constellation of data offers a more worrying interpretation: that inflation is stuck nearly a percentage point above the 2% target. If that was the case, interest rate cuts would be a costly option, and interest rate hikes would at least need to be discussed as an option for avoiding a de-anchoring of long-term inflation expectations.

Flexible responses to elevated inflation readings and downside risks to the labor market are far more legitimate when transparently reflected in Congress' mandated objectives for the Fed. If the Fed were required to respond to elevated inflation readings no matter their cause, and ignore labor market downside risks, the economic costs may prove steep and, in some cases, prove to be more difficult to reverse than price stability, as we saw following the financial crisis of 2008.

The Benefits of Monetary Policy Independence & Credibility

When monetary policy is conducted with credibility, it benefits everyone, but often in subtle ways that are not easy to identify immediately. The erosion of central bank independence need not cause immediate market turmoil to still impose material economic costs. Perceptions of credibility and independence range across a spectrum. If market participants and the public do not believe in the impartiality and care of Fed decisions, changes in overnight interest rates will have a more diminished effect on inflation-adjusted long-term interest rates and asset prices generally. The adverse effects of politically instrumentalized monetary policy may show up through alternative channels, including steeper yield curves that reflect higher long-term inflation and real interest rate risk premiums, a weaker exchange rate, and higher levels of asset and consumer prices.

Long-term interest rates have fallen far less meaningfully, and less than what might otherwise have been predicted given anticipated interest rate cuts. The Fed has signaled interest rate reductions given recent economic data, and financial markets have gone further in pricing nearly 150 basis points of cuts to a 2.85% federal funds rate by February 2027.[25] Despite so many cuts, the yield on

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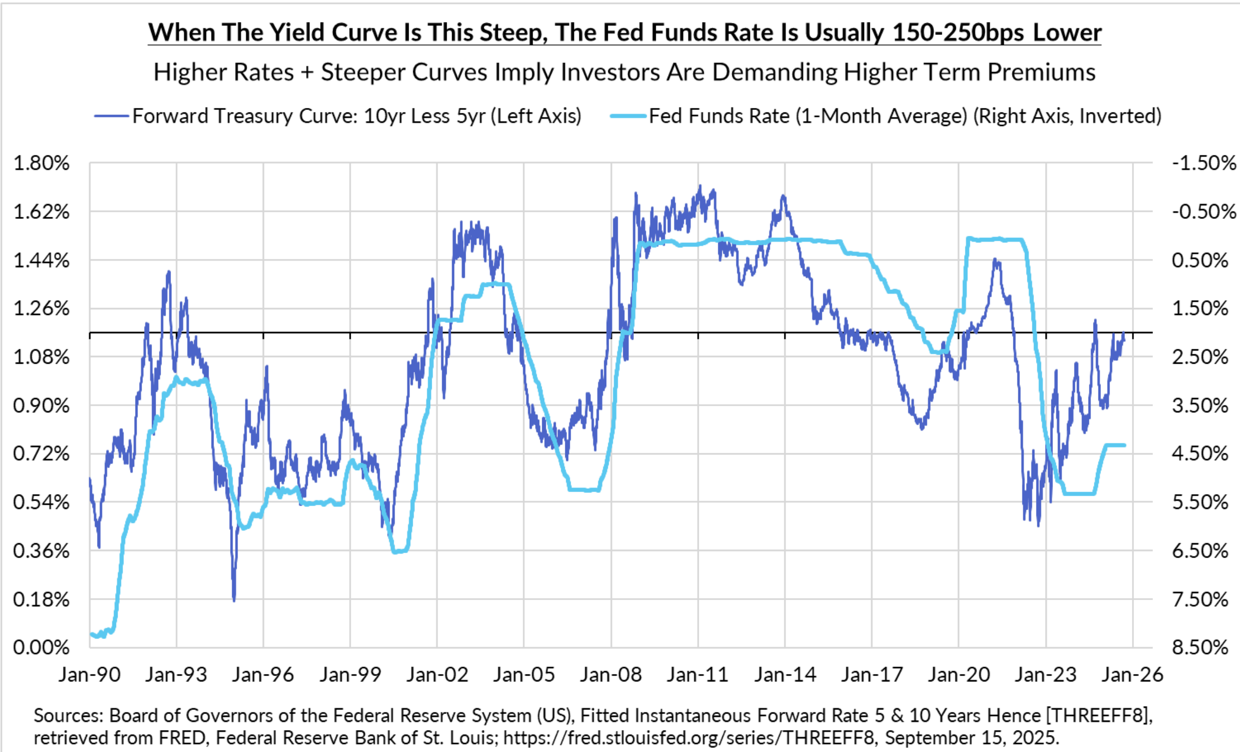
[24] Skanda Amarnath. Employ America. "July 2025 Core-Cast Post-PCE: Inflation Is Higher Than It Was When The Fed Began Cutting." Sep 3 2025.
https://www.employamerica.org/core-cast/july-2025-core-cast-post-pce/

[25] As of September 16, 2025, federal funds futures imply 148 basis points of rate cuts from the current 4.33% federal funds rate by February 2027.

the 10-year Treasury note has fallen less impressively and remains above 4%, comparable to levels that transpired a year ago when the federal funds rate was 100 basis points higher. Aside from counterfactually higher long-term borrowing costs for the federal government, households and businesses are also subject to higher costs when monetary policy is treated with less credibility.



The Treasury yield curve typically steepens when markets anticipate a series of interest rate cuts, but given that basic fact, the scale of steepening we have witnessed is more anomalous. Yield curves are typically only this steep when the Fed is cutting aggressively in response to a recession, and the Fed Funds Rate is closer to 2% than 4%. Market participants are demanding significantly more compensation for long-term interest rate risk, thereby highlighting two risks tied to the erosion of Fed independence. The first is that a Fed more infected with partisan polarization will deliver less stable short-term interest rates. Long-term interest rates would need to price in greater scope for policy reversals tied to the political cycle. Interest rate cuts intended to serve one set of Presidential preferences could motivate hikes under a different president. The second is that the Fed will no longer keep long-term inflation expectations as credibly anchored. In that world, investors need greater compensation for long-term inflation risk. Some of that compensation may show up through higher long-term nominal and real interest rates.

Fears of long-term inflation risk may also show up through a weaker dollar, as foreign investors are less willing to be exposed to currency risk. Contrary to the previous strength and appreciation in the U.S. dollar, it has more recently depreciated versus a trade-weighted basket of currencies and is now

7.6% weaker relative to its local peak in mid-January.[26] Currencies do weaken from time to time in a floating exchange rate system, but Congress, the Treasury, and the Fed have to stay vigilant against the wrong kind of depreciation that coincides with institutional erosion.

In discussions of the "dual mandate," the third mandate–"moderate long-term interest rates"–typically goes less mentioned, but deserves greater appreciation. This third mandated objective is indeed a logical outgrowth of credibly managing the tradeoff between "maximum employment" and "stable prices." Moderate long-term interest rates also require independent and credible stewardship of monetary policy. Grafting monetary policy onto the political and presidential cycle is more likely to breed interest rate volatility and leave investors and the public in the dark regarding the future path of short- and long-term interest rates.

If Congress is to safeguard an operationally independent Fed, it should not depend on waiting for a crashing equity market as a forcing mechanism. In countries like Turkey and Argentina, the evaporation of central bank independence episodically coincided with both more inflationary outcomes and nominal equity market appreciation when denominated in their local currencies. The US may be far from that state of the world today, but Congress will need to be attentive to more than just the stock market when judging the credibility, independence, and efficacy of Fed actions.

The Fed Is Ultimately A Creature of Congress, Not The Executive Branch

Any democratically legitimate notion of Fed independence has to be nested in a robust vision for Congressional accountability. Some tasks involve the kind of long-term cross-partisan interests that may extend beyond the incentive structure of a Presidential term. While Congressional Democrats and Republicans may disagree on much, the common professed interest in independent monetary policy is a noble one. No one should want to see short-term interest rates wielded in a manner that unduly imperils the long-term stability of interest rates and prices. Congress enacted the Federal Reserve Act and has revised it many times already. The power over monetary policy is constitutionally vested with Congress, and Congress reserves the right to recalibrate the institutional arrangement.

Congress has already made a series of decisions that reflect a strong legislated intent to keep the Federal Reserve System and the conduct of monetary policy substantively independent from the rest of the executive branch. At the same time that Congress first authorized Senate-confirmed appointees with 14-year staggered terms to vote directly on matters of monetary policy,[27] it also re-introduced a clear "for cause" limitation on Presidential removal for these same appointees.[28]

[26] Board of Governors of the Federal Reserve System (US), Nominal Broad U.S. Dollar Index [DTWEXBGS], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/DTWEXBGS, September 15, 2025.
[27] Banking Act of 1935, August 23, 1935. https://fraser.stlouisfed.org/title/983, accessed on September 12, 2025.
[28] Aditya Bamzai & Aaron L. Nielson, Article II and the Federal Reserve, 109 Cornell Law Review, 843, 885 (2024). https://www.law.virginia.edu/node/2187891

The long staggered terms for voting on monetary policy make little sense if Congress did not intend for there to be meaningful limitations against Presidential removal.

The current structure of the FOMC, the chief body responsible for monetary policy, only took hold with the Banking Act of 1935, two years after the FOMC was first created in the Banking Act of 1933.[29] Prior to the Banking Act of 1933, decentralized regional Federal Reserve Banks coordinated informally on critical matters of monetary policy, with the Federal Reserve Board only playing a regulatory oversight role. When Congress enabled the existence of the FOMC in 1933, Senate-confirmed members of the Federal Reserve Board still had no voting power. The leaders of the twelve regional Federal Reserve Banks, subject to concurrent five year terms that do not go not through Presidential nomination and Senate confirmation, held all of the voting power on the FOMC. Members of the Federal Reserve Board merely had veto power over the FOMC's decisions, but "policy, however, still remained primarily the purview of the Reserve Banks."[30] Most importantly, whether by accident or otherwise, the Banking Act of 1933 had dropped a previous "for cause" limitation against Presidential removal of Board members.

The significance of the simultaneous revisions to the Federal Reserve Act in 1935–revisions that remain with us today–offer substantial guidance on what "for cause" means. Members of the Federal Reserve Board, who were to serve staggered 14-year terms, were simultaneously granted full voting power on the FOMC, alongside a reintroduction of the for-cause removal limitation for Board members. Why bother granting Senate-confirmed appointees long staggered terms that span multiple Presidential terms if the President can so easily reset the slate of Board members? Whatever ambiguity is associated with "for cause" removal standards, the simultaneous revisions to the Federal Reserve Act evince a strong intent that those standards were not to be satisfied cheaply.

The President's attempted removal of Governor Lisa Cook reeks of desperation and attacks any conventional notion of Fed independence. Credible reporting suggests sufficient reasons to question the factual basis behind the allegation that motivates the attempted dismissal of Governor Cook.[31][32] If mere allegation is sufficient cause for removal, it would make a mockery of the intentional Congressional choices reflected in the Federal Reserve Act. The unique, staggered 14-year term structure for Governors would also be rendered meaningless. We would instead be headed for

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[29] Emergency Banking Relief Act, March 9, 1933. https://fraser.stlouisfed.org/title/1098, accessed on September 14, 2025.
[30] Tim Todd. Federal Reserve Bank of Kansas City: TEN Magazine. "Looking Back: The Federal Open Market Committee and its voting rotation." Jul 15 2025.
https://www.kansascityfed.org/ten/looking-back-the-federal-open-market-committee-and-its-voting-rotation
[31] Marisa Taylor and Chris Prentice. Reuters. "Exclusive: No evidence of primary residence violation by Fed Gov Lisa Cook, Says Michigan official." Sep 15 2025.
https://www.reuters.com/world/us/no-evidence-primary-residence-violation-by-fed-gov-lisa-cook-says-michigan-2025-09-16/
[32] Chris Prentice and Marisa Taylor. Reuters. "Exclusive: Fed Governor Cook declared her Atlanta property as "vacation home," documents show. Sep 13 2025.
https://www.reuters.com/world/us/fed-governor-cook-declared-her-atlanta-property-vacation-home-documents-show-2025-09-13/

heavier turnover of the Federal Reserve Board of Governors with each newly elected President, and in the process create an increasingly unstable path for interest rates and prices.

Conclusion

Congress originally created and revised the Federal Reserve System, and it has the power to shape its future destiny. Independence between the Federal Reserve and the executive branch serves Americans well and reflects the apparent intent of Congress. Such independence is not an escape hatch from democratic accountability, but a mechanism for ensuring that decisions are made in a transparent and credible manner, with limited discretion for naked political considerations to intervene. Monetary policy and macroeconomics involve difficult tradeoffs from time to time, and especially so when supply shocks emerge. The "maximum employment" mandate plays a critical role in transparent navigation of those tradeoffs, but that should not imply the Fed is not in need of greater accountability. There is still much that Congress can and should do to clarify the Fed's objectives and framework. In doing so, critical macroeconomic tradeoffs can be navigated effectively and transparently. I applaud this Task Force shining a spotlight on the objectives and independence of the Fed, and would be glad to answer any of your questions.