

Field Hearing Entitled: “Examining the Structure of the Federal Reserve System”
Task Force on Monetary Policy, Treasury Market Resilience, and Economic Prosperity
United States House Committee on Financial Services

Written Testimony of Benjamin D. Keen

Associate Professor of Economics, University of Oklahoma

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Chairman Lucas, Ranking Member Vargas, and Members of the Task Force, thank you for the opportunity to testify today regarding the structure of the Federal Reserve System.

My name is Benjamin D. Keen. I serve as an Associate Professor of Economics at the University of Oklahoma and received my Ph.D. in Economics from the University of Virginia. I appear today in my individual capacity as an economist. The views I express are my own and do not necessarily represent those of the University of Oklahoma, the Federal Reserve System, or any institution with which I have been affiliated.

One of the most consequential benefits of the Federal Reserve’s regional structure is proximity. The regional Federal Reserve Banks draw scholars, students, universities, and local communities into the intellectual work of the nation’s central bank. That proximity matters. A central bank housed solely in Washington, D.C. would concentrate access to central-bank research, policy discussion, and institutional knowledge in the nation’s capital, leaving economists, universities, and the public with far less access. The regional Reserve Banks counteract that tendency by distributing access more broadly.

I have benefited directly from that structure. Early in my career, I worked as a research assistant at the Federal Reserve Bank of Cleveland. I later served as a visiting scholar and consultant with the research departments at the Federal Reserve Banks of St. Louis and Dallas. Those positions gave me direct exposure to central-bank research, real-time policy questions, and the practical challenges of interpreting economic data and current conditions. The work shaped me as an academic economist in ways that classroom training alone could not have accomplished.

The regional structure does not merely scatter offices across the country. It distributes participation in the intellectual work of central banking. Regional Federal Reserve Banks organize seminars, host visiting scholars and Ph.D. interns, compile and construct economic data, and open pathways

for economists outside Washington to engage with policy-relevant questions. Those interactions connect national monetary-policy debates with academic institutions and communities throughout the country, rather than concentrating that conversation in a single city.

The relationship between the regional Federal Reserve Banks and academic economists is mutually beneficial. Academic economists gain exposure to central-bank research, data, policy questions, and professional networks. The Federal Reserve, in turn, draws on scholars who bring fresh research methods, new ideas, specialized expertise, and perspectives from universities across the country. That exchange widens the range of voices and viewpoints in policy discussions and links the Federal Reserve's internal work to the broader academic literature.

In my experience, Federal Reserve policy questions have repeatedly become the foundation for scholarly research. Economists at Federal Reserve Banks encounter problems involving inflation, interest rates, monetary aggregates, financial conditions, labor markets, and regional economic developments. Those practical policy issues can evolve into research questions that scholars examine, test, and refine over time. In that way, the regional Reserve Banks help transform real policy problems into broader economic knowledge.

The benefits reach into the classroom as well. At the University of Oklahoma, I teach undergraduate and graduate courses in macroeconomics and money and banking. My Federal Reserve experience enables me to bring institutional knowledge and real-world policy context into those courses. Students in Oklahoma—many of whom will never interact directly with Washington-based policy institutions—learn not only the theory of monetary policy but also how practitioners analyze it. That grounding matters for both populations: undergraduates who see how abstract concepts apply to actual decisions about inflation, interest rates, banking conditions, and financial stability; and graduate students who encounter the research questions and modeling challenges that arise inside genuine policy institutions.

The same reasoning extends to public outreach. My Federal Reserve experience sharpened my ability to explain complex economic issues to diverse audiences. Federal Reserve economists regularly communicate with academics, policymakers, business leaders, bankers, and community members—each group calling for a different level of technical depth and framing. That experience has advanced both my scholarship and my ability to communicate macroeconomic conditions to the public.

Through public lectures, media interviews, community events, and conversations with students and community members, academic economists can help translate complex policy issues into terms that their audiences can understand. That kind of outreach matters because monetary policy

touches every household, business, bank, and community in the country. This outreach, in my view, is one of the underappreciated strengths of the Federal Reserve's regional structure. It builds a national network of research, education, and public engagement, allowing ideas to travel outward from the central bank to universities and communities, while regional perspectives and academic insights flow back in.

A single central bank located only in Washington would likely operate at lower administrative cost, but it would risk concentrating access, expertise, and perspective in a single location. The regional structure guards against that concentration. It draws more economists into central-bank research and policy discussions, deepens the connection between policy institutions and universities, enriches the education of students outside Washington, and supports broader public understanding of monetary policy. For those reasons, I believe the regional Federal Reserve structure provides substantial value well beyond its formal governance role.

Thank you again for the opportunity to testify. I welcome your questions.