

**Transcript of Chair Powell's Press Conference  
April 29, 2026**

CHAIR POWELL. Good afternoon. My colleagues and I remain squarely focused on achieving our dual mandate goals of maximum employment and stable prices for the benefit of the American people. The U.S. economy has been expanding at a solid pace. While job gains have remained low, the unemployment rate has been little changed in recent months. Inflation has moved up and is elevated, in part reflecting the recent increase in global energy prices.

Today the FOMC decided to leave our policy rate unchanged. We see the current stance of monetary policy as appropriate to promote progress toward our maximum employment and 2 percent inflation goals. Developments in the Middle East are contributing to a high level of uncertainty about the economic outlook, and we will remain attentive to risks to both sides of our dual mandate. I will have more to say about monetary policy after briefly reviewing economic developments.

Recent indicators suggest that economic activity has been expanding at a solid pace. Consumer spending has been resilient, and business fixed investment has continued to expand at a brisk pace. In contrast, activity in the housing sector has remained weak.

In the labor market, the unemployment rate was 4.3 percent in March and has changed little in recent months. Job gains have remained low. A good part of the slowing in the pace of job growth over the past year reflects a decline in the growth of the labor force, due to lower immigration and labor force participation, though labor demand has clearly softened as well. Other indicators, including job openings, layoffs, hiring, and nominal wage growth, generally show little change in recent months.

Inflation has moved up recently and is elevated relative to our 2 percent longer-run goal. Estimates based on the Consumer Price Index and other data indicate that total PCE prices

rose 3.5 percent over the 12 months ending in March, boosted by the significant rise in global oil prices that has resulted from the conflict in the Middle East. Excluding the volatile food and energy categories, core PCE prices rose 3.2 percent over the 12 months ending in March. This relatively high rate largely reflects the effects of tariffs on prices in the goods sector. Near-term measures of inflation expectations have risen this year, likely because of the substantial rise in oil prices. Most measures of longer-term expectations remain consistent with our 2 percent inflation goal.

Our monetary policy actions are guided by our dual mandate to promote maximum employment and stable prices for the American people. At today's meeting, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. The economic outlook remains highly uncertain, and the conflict in the Middle East has added to this uncertainty. In the near term, higher energy prices will push up overall inflation. Beyond that, the scope and duration of potential effects on the economy remain unclear, as does the future course of the conflict itself. We will continue to monitor the risks to both sides of our dual mandate. We are well positioned to determine the extent and timing of additional adjustments to our policy rate based on the incoming data, the evolving outlook, and the balance of risks. Monetary policy is not on a preset course, and we will make our decisions on a meeting-by-meeting basis.

This is my last press conference as Chair, and I will close with a few thoughts.

First, I want to congratulate Kevin Warsh on his advancement out of the Senate Banking Committee this morning. This is an important step forward, and I wish him well as that process continues.

The Federal Reserve exists for one fundamental purpose: to foster the economic conditions in which American families and businesses can thrive – stable prices, a strong job market, and a financial system they can depend on. Every decision we make – whether about interest rates, or regulatory and supervisory matters, or other issues – is made in service of that purpose.

Our decisions reflect the collective judgment of the Board of Governors and the Federal Open Market Committee – colleagues who demonstrate analytical rigor, principled judgment, and a genuine commitment to the public interest. Our collaborative and deliberative process has long reflected a shared commitment to finding common ground in service to our mission.

This institution is resilient, capable, and staffed by professionals of extraordinary talent and exceptional dedication. It has been a privilege to serve alongside so many great public servants at the Board of Governors and around the Federal Reserve System.

The Fed's work is only as effective as the public's understanding of it and you, the press, are essential to keeping the public informed about what we do and why. The people we serve benefit from your careful reporting.

I welcomed the announcement last Friday by the U.S. Attorney for the District of Columbia that she had closed the criminal investigation. She also noted, however, that she would not hesitate to restart the investigation. Over the weekend, the Department of Justice provided assurances that they will not reopen the investigation unless there is a criminal referral from the Fed's Inspector General. And, absent that referral, if they do appeal the recent court decision, they would not seek as part of that appeal to restart the investigation or send new subpoenas.

I have said that I will not leave the Board until this investigation is well and truly over, with transparency and finality, and I stand by that.

I am encouraged by recent developments, and I am watching the remaining steps in this process carefully.

My decisions on these matters will continue to be guided entirely by what I believe is in the best interest of the institution and the people we serve.

After my term as Chair ends on May 15, I will continue to serve as a governor for a period of time, to be determined. I plan to keep a low profile as a governor. There is only ever one Chair of the Federal Reserve Board. When Kevin Warsh is confirmed and sworn, he will be that Chair. Once sworn in as Board Chair, his new colleagues will elect him to chair the FOMC as well.

As I regularly point out from this podium: Our success in delivering on our goals matters for all Americans.

I am confident that the Fed will continue to do its work with objectivity, integrity, and a deep commitment to serve the American people.

Thank you and I look forward to your questions.

STEVE LIESMAN. Thank you, Mr. Chair. Appreciate the kind words about the press. It often doesn't come from the podium in different places. But appreciate that. Can you talk about what is gone into your decision to remain on the Board, what kind of criteria are you weighing, and how long might you stay? Thank you.

CHAIR POWELL. Sure. So, you know, my concern is really about the series of legal attacks on the Fed which threaten our ability to conduct monetary policy without considering political factors. And I want to note here this has nothing whatever to do with verbal criticism by

elected officials. I've never suggested that such verbal criticism is a problem and neither has anyone else here. But these legal actions by the Administration are unprecedented in our 113-year history, and there are ongoing threats of additional such actions. I worry that these attacks are battering the institution and putting at risk the thing that really matters to the public, which is the ability to conduct monetary policy without taking into consideration political factors. It is so important for our economy, for the people that we serve, that they can depend over time on a central bank that operates that way, free of political influence. It's part of the absolute foundation of this amazing economy that we have. It's just one of the many reasons why the U.S. economy is the envy of the world. That piece of institutional architecture separates successful countries from unsuccessful countries. It is extremely important, not for the people who work at the Fed at any given time, but for the people that we serve, that the Fed remain able to conduct monetary policy in a way that doesn't get pulled into politics, trying to help or hurt any particular politician or political party. It's critical for the people that we serve. In terms of when I would leave, I will leave when I think it's appropriate to do so. Was that all your questions or was that?

STEVE LIESMAN. Well, I just have a follow-up, which is, "What would you say to the criticism that by remaining on the Board, you're actually taking a political act and denying President Trump the majority of the Board, which as president he would have if you left?"

CHAIR POWELL. I don't see that at all. As I mentioned, you know, I'm literally staying because of the actions that have been taken. I had long planned to be retiring. And, you know, the things that have happened really in the last three months have I think left me no choice but to stay until I see them through at least that long. You know, in addition, I don't see how this will interfere. My intention is not to interfere. You know, I was a governor for almost six years, and the tradition is, at the Fed, that governors who understand how difficult the role of Chair is, and

as a soon-to-be former Chair, I do understand how hard it is to get consensus with 19 strong-minded people, you work with the Chair, you try to -- you try to be heard, but also collaborate with the Chair and try to support the Chair when you can. When you can't, you can't. And I think that's the attitude that people generally take. And that's the attitude that I'll take.

MICHELLE SMITH. Nick.

NICK TIMIRAOS. Chair Powell, if I could ask about the inflation outlook. In March, you described the standard practice of looking through energy shocks as conditional on inflation expectations staying anchored. Since that meeting, there has been very little progress reopening key energy trade corridors. Can you help us understand how the inflation outlook has changed in the intermitting period beginning with the prospects for tariff pass-through resolving on the timeline that you had outlined in March before getting to the energy shock that is now on top?

CHAIR POWELL. So, you know, I would look at it this way. For a long time, we've been working on the hypothesis really that tariff -- tariffs would lead to a one-time price increase and that that would go away over time. In other words, that there would be no further change so measured inflation wouldn't reflect that higher level going up more and more. And it's time for that to happen. You know, we really do expect that to be happening in the next two quarters. So we'll be watching very carefully to see that what we've thought all along would happen. That's the kind of critical part of the forecast. We need to really see that. With energy, it's so hard to say. I mentioned, you know, in, you know, sort of the textbook, you would look through an oil shock because they tend to be short lived and they tend to revert. And monetary policy works with long and variable lags so, you know, you wouldn't necessarily react right away. I think that is all the more true given that we're several years above two percent inflation, and that we're already looking through the tariff shock. So, I think we're going to be very cautious about that. It's -- but

the -- you know, the question about looking through energy really is not in front of us right now. We -- it hasn't even peaked yet. And I think we'd want to see the backside of that and progress on tariffs before we even thought about reducing rates.

NICK TIMIRAOS. So, if I could follow up, the statement today preserves language that has taken on some meaning as it was socialized when the Committee was actively lowering rates. Why is that easing bias still ripe given how different the inflation outlook is now versus a meeting or two ago, and what more would have to happen for it to get evicted?

CHAIR POWELL. So that was -- as you will recall, we had a discussion about that at the last meeting, and we talked about it in the press conference after the March meeting. We had the same today. We had quite a vigorous discussion about that very issue and the guidance and is it still appropriate and that kind of thing. And I would say that the, you know, number of people on the Committee who either could support that language change changing to a more neutral stance so that the hike is as likely as a cut, that number has increased over the intermitting period. And it's easy to see why. I mean, it's a good question. Right? You see inflation has moved up over the interim a bit, core inflation's 3.2 now, moving albeit just a little bit in the wrong direction, and we know that there will be -- you know, that there is headline inflation coming out of the Gulf and we don't know how much that will be, we just -- we're going to need to see. So, it makes all the sense in the world that people would look at that and we'd have a vigorous discussion about that. You saw that three people dissented over the language. I think all of those people agreed with the right decision. So, the majority of the Committee did not want to do that. And I was -- I didn't think we needed to do it at this meeting. It really was just a question of what's -- why do we need to do that now? You know, we have so much to learn and there's so much uncertainty about the path ahead, there doesn't need to be any rush to make that decision now because, you know, what

happens in the next 30, 60 days, even by the next meeting, could really change the picture around that -- around that language. So, you know, it was a -- it's a close -- it's a much closer thing on the Committee than it was in March. And, you know, that makes all the sense in the world it seems to me.

MICHELLE SMITH. Claire.

CLAIRE JONES. Claire Jones, Financial Times. Just going back to this issue of the easing bias. We've now got oil approaching \$120 a barrel when it comes to the benchmark Brent crude. If it stays around those levels six weeks from now, what would be your guess -- best guess as to whether the easing bias will still be in the statement? Thank you.

CHAIR POWELL. I wouldn't want to guess. You know -- well, first of all, we're going to have new leadership, in all likelihood, by then. And new leadership is going to have a very important role to play in that. So, I won't be standing here at this podium to answer your question. So, I don't know. As I mentioned, that's all I can really say is that we had a great discussion about that today. It's a -- you know, it's got -- it's gotten to be a better question in the interim period. We had the discussion, a majority are still on the page of not feeling the need to move to that level. And I -- that's where I am. I get it, though. You know, at a certain point, you would move. And that conceivably could come as soon as the next meeting.

CLAIRE JONES. Thank you. Just a follow-up. The new leadership also seem rather lukewarm on press conferences and on the dot plots. What would your advice to him be on these communication tools?

CHAIR POWELL. So I'm not going to give him any advice through you today here. But I've -- you know, I think communications generally is -- I think every incoming Chair takes a look at communications and it's a very healthy thing. I mean, communications is -- it's very

complex and, you know, you can always be looking at new things. And, if that happens, it feels like it's going to happen, that's a completely appropriate thing.

MICHELLE SMITH. Neil.

NEIL IRWIN. Hi, Chair -- Chair Powell. Neil Irwin with Axios. Can you tell us if you've been in touch with incoming Chairman Warsh any -- to what extent is this a normal transition process versus all the things swirling around something unusual, and what can we expect when he takes -- takes that podium in a few weeks?

CHAIR POWELL. I haven't seen him since seeing him at a dinner in January where I congratulated him and had a nice chat with him. Haven't seen him. I don't know what a normal process is. You know, the last process was with Janet Yellen with whom I had worked for six years. And so it was -- you know, we were sitting down the hall from each other so it was a very different thing. I think this is and will be a very normal standard kind of a -- kind of a transition process. So that's what I expect. I have every reason to think it will be.

NEIL IRWIN. Quick follow-up. Is the Supreme Court ruling on Governor Cook a factor in when you may leave as a governor?

CHAIR POWELL. I wasn't thinking of it as such. But, no, not really. I mean, I'm thinking more of the other things I mentioned.

MICHELLE SMITH. Chris.

CHRIS RUGABER. Hi. Thanks for taking our question. I wanted to ask a question about your tenure. And Chris Rugaber at Associated Press. During your tenure as Chair, you often spoke about how disadvantaged Americans benefited from extended periods of low unemployment. In the new framework the Fed adopted in 2020, some economists say elevated

the Fed's employment mandate. Are you worried that pandemic inflation spike that followed will make future Fed chairs more reluctant to pursue a hot jobs market, and should they be?

CHAIR POWELL. I don't know the answer to that. I mean, what we -- so what we experienced in the teens -- the mid- teens was really low levels of unemployment for a long period of time, and no reaction from inflation. And we all took -- very much took notice of that. We also noticed that the biggest wage gains were going to people at the bottom end of the income spectrum. And we had many, many reports of -- I mean, it felt like a fairly stable equilibrium. And a lot of benefits were flowing to people at the bottom end of the income spectrum, including companies were, you know, setting up in -- in -- you know, people who were confined and like training them before they got out. And it was a -- it was a very healthy sort of set of societal dynamics. So, of course, I think anybody would love to get back to that. I don't think that anything that happened to create the global pandemic inflation was in any way related to overweighting the employment market. I mean, it was a global shock that happened essentially very, very similarly all over the world that had to do with closing and reopening, stimulus and all that. And, I mean, you could look at a graph of 10 big economies on the page and not know which was the U.S. and which was Germany, France, and things like that. So, I don't think that that insight was in any way responsible for the high inflation that we experienced. So, I mean, I think it's always been a balance. You've got to -- you've got to be strong on both of our dual mandates. And we just -- for example, now we don't feel that the labor market is at all a source of inflation, so we don't need to be worrying about that. It's been a long time since we have had to worry about that. Well, actually, during the pandemic recovery, the labor market was super overheated and tight, and that's when we had to worry about it. But not now.

CHRIS RUGABER. Just on the other issue, are you -- would you need -- do you need more assurance from the Justice Department before stepping down? Is that what you're waiting for or what else is going to affect --

CHAIR POWELL. I'm waiting, you know, for the investigation to be well and truly over with finality and transparency. And I'm waiting for that. And I will leave when I think it's appropriate to do so.

MICHELLE SMITH. Michael McKee.

MICHAEL MCKEE. Michael McKee from Bloomberg Television and Radio. I'd like to ask you, if you could, explain a little more or characterize a little more the discussion about the two-sided view and interest rates because there were some members of the Open Market Committee who've been suggesting that we may need to raise interest rates even absent the war because inflation was not coming down fast enough. Is there any sense that interest rates might have to go up, or was this just a setup to sort of warn people that you're worried about the war impacts?

CHAIR POWELL. So nobody -- the three dissenters, and others who could have supported that and others who were -- you know, who were voters and prefer -- non-voters who preferred it, they all supported the right decision. Right? So, people are not saying we need to hike now. It's more a question of, you know, don't we kind of feel that we should be neutral. And markets are -- markets -- what are markets doing? People argue that this is consistent with markets are doing. And, again, it's a very fair question. But, you know, these changes, there is -- you know, it's a form of forward guidance. And you want to make -- you don't want to make them -- you want to make them in a way that will be sustained and continue to make sense, and not something you need to take back, you know, fairly quickly. So, I think we just -- a group of

us, including me, didn't feel like we needed to be in a hurry on that, that markets are not confused about our reaction function. We don't have a problem to solve on that. But the other side of the argument is a good argument, too, as I mentioned. It's a perfectly good argument to be having, good discussion to be having, so. And it came out the way it came out.

MICHAEL MCKEE. Well, you've got three dissents in favor of a two-sided warning. You've got yourself staying on the Board. You've got the criticism that does come from elected officials. And you've got a lot of critics who have faulted the Fed for being too slow, 2021, with inflation. Are you worried about Fed credibility under all of this? Is that one reason that you want to stay on?

CHAIR POWELL. Not driving my thinking now. I mean, monetary policy is going to get made by, you know, 19 people. There's a lot of stability there. I mean, if you think about it, any -- every new fair -- Fed chair has the same situation which is you've got 18 colleagues on the FOMC, 11 of them vote during any year, and you have to -- your job is to create consensus, is to talk to them, understand them, you know, be inside their thinking, and be able to pull them together and get consensus and move. And that's what every Fed chair has to do. And I think Kevin Warsh is actually quite well. He has the capabilities, skills to be very good at that, I would think. So, I think -- I'm not so worried about that process. You know, I think that'll work itself out.

MICHELLE SMITH. Howard.

HOWARD SCHNEIDER. Thank you, Chair Powell. Howard Schneider with Reuters. You mentioned that, staying on as a governor, you intend to keep a low profile. I'm just wondering if you could give us a little more detail on what that looks like and how you can --  
[ Laughter ]

Touché. What that -- yeah, walk down the steps, what that looks like. And, particularly around the policy discussion, how you are able to have your intervention and not be a shadowed Chair and not have kind of an outsized influence over the process?

CHAIR POWELL. Yeah. You know, that's just something I would never do, you know, the shadow chair thing. No. You know, I -- it's -- I don't know what the exact specifics of it will be, but I'm going back to being a governor, I respect the role of Chair. I -- you know, I was a chair, I was a governor for six years, and I know what that's like. I know what -- and I had a, you know, pretty front row seat with -- particularly with Chair Yellen, to whom I was close when I -- I worked with Chairman Bernanke for two years. But, you know, I was brand new at that time. So I got a sense of what it was. And I had real sympathy for how hard it is to get that group to consensus. And I always felt like I -- you know, I don't want to add to that unnecessarily. And that means try to support the chairs where the Chair -- the direction the Chair wants to go, and if you can. If you can't, you can't. But -- and I think that's the way it's always worked there because the Chair only has one vote plus the ability to develop consensus. And, if people won't be, you know, they won't -- if they're not flexible at all, then how do you ever do that? And so that's why the Chair has the authority, the Chair has -- really is to develop relationships with people and work with them, and then -- and then put something forward that has consensus. And I -- you know, I propose to be a very constructive participant in that process, really out of respect for the office of the Chair.

HOWARD SCHNEIDER. And, in your view as a soon-to-be governor, how do you see the risks of oil prices bleeding into core inflation in coming weeks? Because that was -- it seems like the commentary that was coming from particularly some of the Reserve Bank presidents,

there were elevated concerns about the bleed into core and, you know, here we are with three dissents now. What do you see as the prospect of a core inflation problem?

CHAIR POWELL. You know, they are -- those prospects are real. Remember, though, our -- they're real. And the real thing is we're going to have to wait and see. We're going to need to see. And the good news is we think our policy stance is just -- is in a very good place for us to wait and see. We -- you know, we're right kind of at the high end of neutral or perhaps mildly restrictive. The labor market shows more and more signs of stability, whereas inflation is kind of misbehaving. And so maybe a little bit of restriction or the high end of neutral is just the right place to be. So, we can wait here and see -- and see how things work out before we act. And we'll see how much that -- you know, how much does come through into core. You can see it already in airfares, of course. But you may see it in many other places. You know, we just don't know yet. And it's so unknowable because how long will the strait be closed? You can develop any number of scenarios that you want, but we really won't know till we know. So, fortunately, we're in a good place to wait and let things develop.

HOWARD SCHNEIDER. Thank you.

MICHELLE SMITH. Andrew.

ANDREW ACKERMAN. Thanks, Mr. Chairman. You started holding post -- post-meeting press conferences for every meeting as opposed to the ones with just -- with SEPs. Can you talk about why you see that as a net positive?

CHAIR POWELL. So, we -- we always said -- when we were doing quarterly press conferences, we always said we can move at any meeting, but we only ever moved at the quarterly SEP meetings where we had the press conference. So, if you think about it, you know, we -- during the pandemic, we were moving like a lot at every meeting and sometimes between

meetings. And doing that without a press conference, I think, would have been quite challenging. It's become the industry norm. It's the standard. I don't know whether that has to remain that way. I don't know. I mean, I -- it's just something people have become used to. And I do think it's quite helpful to -- you know, to -- I mean, I try to deliver a message on behalf of the Committee rather than 18 people -- 18 other people going out and delivering their message. And it's -- you know, it's going to be all over the place because we do, thankfully, have widely disparate views.

ANDREW ACKERMAN. Okay, thanks. The other thing I wanted to ask about was the communications review from last year. Could you describe the debate last year, what changes were considered, what you wanted, and what prevented action -- any action on the -- on those changes?

CHAIR POWELL. So I'm not going to go into the real small specifics. But what we found very quickly was that making -- making changes -- making really large changes, for example, to the dot plot or the SEP, it didn't have -- we couldn't come up with anything that had really broad support on the Committee. And so we just moved on. We didn't -- we didn't really do as much on that as we might have. And, you know, I was never the world's biggest fan of the dot plot, but you can't -- you can't beat something with nothing. And, you know, there's a -- that we've looked at a bunch of things and, you know, it's something I -- like I said, I think every new Chair is going to look at our suite of communications and think about what would be changes. We are the only major central bank that doesn't publish a forecast. And that's because we have a 19-person committee and, you know, you try to do it -- you try to do that on the -- at the Board, that's hard -- or at the Committee that's hard. It's hard if you do it at the staff. So it's -- you know, it's been -- it works. I think our communications are fine, but looking at doing it in a different and better way is the most natural thing in the world.

MICHELLE SMITH. Colby.

COLBY SMITH. Thank you. Colby Smith with The New York Times. If I could follow up on Mike's question about hikes, are we right to assume that the hawkish outcome for the Fed is still one in which the Committee just extends the pause in rate cuts? And to what extent is there a growing sense within the Committee that monetary policy really isn't just restrictive at all right now? The economy is holding up relatively well despite this major energy shock, the unemployment rate has ticked lower. Inflation was moving sideways even before the war and is now moving higher. So where is the Committee at on that debate?

CHAIR POWELL. You know, where we're at is we think our -- really we think our policy rate is in a good place. If we need to hike, we will certainly signal that, and we will -- and we will certainly do it. And, if we need to cut, then, if it's appropriate to cut, then we'll signal the opposite. I think we -- because we feel like we're in a good place to move in either direction, nobody's calling for a hike right now. So, it really is going to depend on how things -- how things evolve. And, you know, that's really where it is. And, as I mentioned, close -- you know, much closer question this cycle on changing the guidance, but, ultimately, we didn't.

COLBY SMITH. And, as it relates to the war, at what point do you think the risk to growth will be larger than the risk to inflation as this conflict drags on?

CHAIR POWELL. You know, you just have to find that out empirically. You know, with -- given our -- the fact that we're, you know, a big exporter of energy and that our economy is far less energy intensive, oil intensive than it was during the '70s, you know, the effects on the United States are really substantially less than those of Western Europe or Asia. We're feeling much greater effects from these things, are the effects we're feeling in -- you know, in the current situation currently and in sort of what's priced in, which is, you know, a relatively quick

outcome. If this goes on for much longer and prices go much higher, then we'll feel that much more. And, of course, I'm talking about aggregate inflation numbers. We know -- we're very well aware that people are experiencing higher gas prices all over the country now. And that hurts that. That's -- and these are -- those hikes may continue to happen. And other things are going to start to reflect, airline fares I've mentioned and other products and services that are dependent upon petroleum and derivatives of petroleum, and people are going to start to feel that.

MICHELLE SMITH. Edward.

EDWARD LAWRENCE. Thank you -- thank you, Chair Powell. Edward Lawrence with Fox Business. So I guess I'll just ask you directly on this. The markets don't see a rate cut at all this year is what they're predicting. Do you think that we are at the neutral rate? Why or why not?

CHAIR POWELL. You know, the neutral rate is a -- we cannot know it with -- with certainty. I think pretty close to the neutral rate, yeah. I always had it, you know, between three and four percent. We're a little north of three and a half. So that's well in the range of what I would consider reasonable, but at the higher end of the range of what I would consider reasonable neutral rate. You know, I think you're -- the labor market is still probably cooling off just a little bit. And I don't think there's much of a case for -- any case really for the -- for policy looking, you know, meaningfully restrictive, maybe mildly restrictive, or neutral, I would say.

EDWARD LAWRENCE. And I want to follow up on some of the other questions about your future a little bit. The first time we have seen four dissents now since October of 1992, are you handing off a divided Fed?

CHAIR POWELL. You know, the thing to remember is we have always had vigorous debates, and they're excellent debates. I have to say, they're -- they've been really good. And

we're in an unusually difficult situation so we've really had four supply shocks. You can -- actually, you can say more than four, but, at a minimum, we've -- we had the pandemic, we had the invasion of Ukraine, we had tariffs, and now we have Iran and the oil -- you know, the oil spike. So those -- every -- every supply shock has the capability of, right, driving inflation up and unemployment up. And what do you do? You know, you're -- it's -- the central bank has a really hard time knowing what to do. So the right thing to do is to try to balance the achievement of those two goals. And that's what our framework calls for us to do. But these are really tough, difficult judgments. You've got to have a forecast for each variable. You've got to think how long it's going to take to get back to target. You've got to think how restrictive or not is policy. So it's only natural that you have a range of views on the Committee. You know, people are going to see it different ways, they're going to have different risk tolerances and that kind of thing. I mean, if everybody agreed, that would be -- that would be surprising. And I think it's only -- it's partly a function of the extraordinarily challenging set of supply shocks that we've been dealing with now for five, six years.

MICHELLE SMITH. Selina.

SELINA WANG. Thank you so much, Chair Powell. Selina Wang with ABC News. Are you confident that Kevin Warsh will stand up to political pressure from President Trump?

CHAIR POWELL. So he testified very strongly to that effect in his hearing. And I'll take him at his word.

SELINA WANG. And, when it comes to gas, right now, it's over \$4 a gallon. Inflation just hit a two-year high. Should Americans expect to be paying higher gas prices for the rest of this year? And, in your view, does that take a rate cut off of the table? And, secondly, by staying on as Fed governor, what message do you think you're sending to the president?

CHAIR POWELL. I don't know what gas prices are going to do for the rest of the year. And it will depend on how long the strait remains closed and how quickly it can be reopened and that kind of thing. But, remember, when gas prices go up, that's disposable income coming out of people's pockets so they're going to spend less on other things. So there will be a hit to GDP. So it's a -- you know, it's a question whether spending, you know, goes down to offset the inflationary effects. So it's not -- the answer isn't obvious ex ante whether you -- whether you should move your rate over because of that. We'll have to see how it evolves.

SELINA WANG. And the message it sends to President Trump by staying on?

CHAIR POWELL. I'll stand on what I said earlier.

MICHELLE SMITH. Victoria.

VICTORIA GUIDA. Hi. Victoria Guida with Politico. During your tenure, Fed independence has come under pressure in a lot of different ways. And I was just wondering, practically speaking, where do you see Fed independence as coming from? Is it the law? Is it political support from Congress? Is it the actions of the Fed? What sustains Fed independence?

CHAIR POWELL. Well, it's -- you know, it's -- to a significant extent, it is the law. And, you know, we've had to go to court to -- successfully so far, to defend it. But, you know, the law does create a setting in which the Fed can and is directed to make monetary policy without consideration of political factors. And so part of it is the law. But it goes beyond that, though. There's a set of customs. There's a boundary line between the Fed and the administration, between the Fed and the Treasury Department. And we need to respect those -- continue to respect those boundaries about what the Fed is responsible for and what the Treasury is responsible for, and what the rest of the administration's responsible. So some of it is legal. In fact, it's all legal at the end of the day. But there -- it's more than just monetary policy. We -- you

know, we don't -- we don't want to use our tools to -- we haven't wanted to use our tools to achieve goals that are really clearly outside our mandate. Every administration looks at our tools and thinks that would be good to repurpose those to serve other purposes, but that gets dragged -- that's dragging us into politics and into fiscal policy. So we've resisted that.

VICTORIA GUIDA. Well, and maybe another way of asking it, too, is, "Do you think that Fed independence is as strong now as when you became chair? And, if so, why?"

CHAIR POWELL. Look, I think it's at risk. I mean, I think these -- you know, these legal assaults, if you will, as I mentioned, you know, we're -- the institution is being battered over these things. We're having to resort to, you know, the courts to enforce our legal -- you know, and not -- I think it's not so much independence, it's really the ability to do monetary -- to make monetary policy without political considerations. That's what we're talking about. And we've had to do that and we've been successful so far, but that's not over. None of that is concluded yet. And it's -- you know, it's really important. It's not about -- it's not about people who work at the Fed or the institution, it's about the benefits of a central bank that makes decisions based on analysis and our best thinking rather than, you know, trying to help or hurt politicians. It's -- you know, that -- there's a bright line between central banks who do one and do the other. And successful countries have uniformly -- successful, advanced economy countries have a really strong set of protections around their central bank just for that reason. So that's what it's all about. I -- you know, I think -- I am confident, as I said in my remarks, that the Fed will continue to make its decision based on analysis -- rigorous analysis and not on political considerations. But we've had to fight for it. And I -- you know, I'd like to think that -- you know, I'd like to think we can get out of that era and go back to respecting, you know, what the law says and what custom has been, which is to, you know, let the Fed do our thing. We're -- you know, we're not -- we're -- it's a -- it's an institution

full of human beings who work super hard to get things right for the benefit of the public. We're all human. Don't expect for perfection. But do expect us to make, you know, decisions without political considerations and the very best analysis we can bring.

MICHELLE SMITH. Catarina.

CATARINA SARAIVA. Catarina Saraiva, Bloomberg News. How do you characterize what you've heard from your colleagues on your decision to stay? Do you have their support? And then have you heard concern from your colleagues about continued legal attacks from the executive branch? Is this something that others have, you know, talked to you about?

CHAIR POWELL. So I think that -- I don't want to report on what my colleagues think. They can -- they can speak for themselves. But, you know, yeah, there are -- there are widespread concerns that these things may continue. That's all -- that's all I'll say. And -- you know, and that would be a problem. And -- so.

CATARINA SARAIVA. And then I just also wanted to ask about Governor Waller's speech on the Reserve Banks. What -- you know, do you have any thoughts on centralizing some of those functions in the way he described? And then have -- you know, do -- are you concerned that something like that could potentially be a slippery slope to -- you know, to consolidate Reserve Bank functions even more in such a way where you -- you know, the central bank ultimately loses some of that important regional information?

CHAIR POWELL. So we try to be good stewards of the public's money, and efficient. And Chris, in particular -- Chris Waller is particularly passionate about that. Of course, so are the Reserve, so are the presidents. And, you know, it's a question of how do you accomplish it. We, of course -- and Chris said this in his speech, we -- you know, we want 12 strong independent central banks with their own staffs and their own monetary policy views and all that. But, you

know, there are things that are done in all 12 which could well be done at one much more efficiently and with cost savings. And so there's a back and forth going on on that. But everybody -- everybody's on the same page. The other thing he touched on was the idea of removing Reserve Bank presidents from office over different polit -- different views on monetary policy. And I would -- I would just agree with him so strongly that that would be the beginning of the end of the Fed's ability to make monetary policy independently. If every administration could come in and do that, you're just another cabinet agency at that point. So that's not something that I would support. Chris said the same thing.

MICHELLE SMITH. Christine.

CHRISTINE ROMANS. Thanks, Chair Powell. Christine Romans, NBC News. I want to ask about legacy. When the history books are written, how do you think your stewardship at the Fed will be remembered for the past eight years?

CHAIR POWELL. You know, I'm going to just say that that's for -- that's for someone else to say. I'll give you a mulligan on that. All right.

CHRISTINE ROMANS. I'm going to ask you about misbehaving inflation then. You talked about those four big shocks -- supply shocks over the past five years and inflation still misbehaving. What's your message to American families who feel like inflation has not been under control for them really since the COVID reopening?

CHAIR POWELL. You know, we're committed to bring inflation back down to two percent, and sustainably. That's our goal. And we will -- we'll stick at it until that happens. We keep getting -- these events keep happening which keep driving up costs. And, you know, the best thing we can do is to use our tools to guide inflation back down to two percent. I think trying to get there really quickly could be very costly in terms of job loss and things like that. But

we try to get there over time in a way that does the least damage possible. And, you know, our commitment to that is never ending and unshakable.

CHRISTINE ROMANS. How would you describe the economy outside of the misbehaving inflation? I mean, it's still awfully resilient given all of the blows.

CHAIR POWELL. I don't know that you can be awfully resilient. So it's actually quite resilient I would say because it's a positive thing, if I can -- if I can have that amendment. Yeah, the -- you know, growth is really solid across our economy. Some of that is that consumer spending is hanging in pretty well. The most recent data are good. And some of it is just the apparently insatiable demand for data centers all over the United States. So a lot of business investment going into building data centers, and every reason to think that that continues. So you've got an economy that's growing at two percent or better. PDPF, which is private domestic final purchases that -- which is really a better signal of -- of a momentum in the economy is actually higher than that. So that's -- you know, that's a positive thing. If you look at the unemployment rate, it's 4.3, so that's a low rate. That's pretty close to mainstream estimates of the natural rate. We've been there for a long time. So it's -- it doesn't feel like a good labor market to some who don't have jobs because quits are really low, hires are really low, and there's effectively no new net job creation. So that's a -- that's -- you know, in a sense, the labor market is in balance, but it's an unusual and uncomfortable kind of a balance where people who don't have jobs will have a hard time breaking in unless somebody quits their job. So that's pretty good. You know, inflation is the thing we need to work on. And it's partly tariffs, which we think -- we think that that inflation should subside over the course of this year because it's kind of a one-time increase, it shouldn't be repeated. And that should start happening pretty soon. The energy inflation that we're getting should go through fairly quickly. And we'll just have to see

how that works out. In the meantime, you know, we think our policy stance is in a good place for us to hold and wait developments.

MICHELLE SMITH. Jennifer.

JENNIFER SCHONBERGER. Thank you, Chair Powell. Jennifer Schonberger with Yahoo Finance. At the risk of beating the dead horse here, clearly, three members objected to keeping that easing bias in the statement. And you said that the majority still didn't need -- still didn't need to move to new language at this point. So does the majority of the Committee still have a bias towards cuts at this point? Or has the bias on the Committee shifted away from cuts towards holding or hikes, if that was needed?

CHAIR POWELL. So I think that, you know, the center is moving toward a more neutral place. And that's sort of what markets are saying, too. I just think, you know, there's a lot of signaling going on when you change guidance like that. And so we just -- I guess the major -- a majority of us didn't feel like we needed to send a signal on that right now. And -- but maybe it'll come to that. And the reason is because, you know, we're kind of waiting to see what happens with events in the Middle East and what are the implications of those events for the U.S. economy. So there was just a -- there's a group who feels like we don't need to be in a hurry to do that. We get it. And, of course, we will move to a hiking bias if we want to hike, and we'll move to a neutral bias before that. But there was a difference over whether to do it at this meeting -- at a meeting at which all but one of us agreed that the -- that the rate decision was correct, which was not to move.

JENNIFER SCHONBERGER. And you just said moments ago that you believe Fed independence is at risk. Is it safe to say that you want to stay on as a governor to serve as a check and balance on that?

CHAIR POWELL. I want to stay until I -- I will stay until it's -- I feel it's appropriate for me to leave. And, yes, that is -- that is really what is driving this. I'm not -- I'm not looking to be, you know, a high-profile dissident or anything like that. I'm more looking at the other aspects of this and wanting to see that things have calmed down, and returning to a traditional model of working with the people that you have and bringing them to consensus, and respecting that consensus. That's what -- that's what I'm hoping to see.

MICHELLE SMITH. Matt Egan.

MATT EGAN. Thanks, Chair Powell. Matt Egan with CNN. You've made many tough decisions in your time at the Fed. And, as your time as chair comes to a close, and you think about your tenure and perhaps your legacy, are there any decisions that stand out as ones that you're particularly proud of, and are there any that, with the benefit of hindsight, you would take a mulligan on?

CHAIR POWELL. Yeah, it's hard, I wouldn't want to single out individual things at this point. You know, I'll just say, you know, we -- all of us together have consistently tried to do what we think is best for the American people based on our tools and our objectives that Congress has given us. It's been very challenging because we've been in a situation of supply shock -- supply shocks really for six years. And that's just a very different situation than -- for a very long time what the Fed and other central banks were doing all the time was demand management. And, you know -- and there was always the inflation mandate, but inflation was low for 25 years. So this is a very different world and a much more challenging one where you have to balance the two objectives. And, by the way, central banks that have an inflation mandate have to do exactly the same thing because they're balancing economic activity. So that's been challenging. And we've -- you know, we've tried to do our very best through these really

challenging times. And I'm really proud of the work that I've done -- that my -- that my colleagues and I have done during these -- these years.

MATT EGAN. Now, to follow up on some of the discussion around Fed independence, can you explain to the public why this notion of Fed independence, which might sound kind of wonky to some, is so critical? I mean, what are the consequences if either the Supreme Court rules against Lisa Cook, or the Fed in the future decides to make decisions more around the political calendar instead of the economic data?

CHAIR POWELL. So every major advanced economy in the world has made the same decision the United States has made. And that is that they want to take the making of monetary policy, the setting of interest rates to support the economy, to achieve maximum employment and price stability, they want to take that out of the direct control of elected politicians. And the reason is elected politicians are always running for election and they'll always want low rates, and that will lead to inflation over time. So, after, you know, literally centuries of experience with that, the whole world moved to the different model. And it's worked great. I mean, this is the era in which inflation was under control for 40 years. Then we had the pandemic inflation everywhere in the world. And now we have inflation that had gone pretty much all the way back to target -- really close to all the way back to target and now is being buffeted by the energy shock in the U.S. buffeted by the -- by the tariff shock as well. So -- but what I would say to the general public is that's the backstory is that don't think about an institution being independent, think about it this way, that you want people to make monetary policy and set interest rates to benefit the general public and to try to achieve economic goals, which are maximum employment and price stability, and focus only on that and ignore political considerations, completely ignore them. It's -- this isn't bipartisan, this is nonpartisan. So we want to just -- we

just work directly for the American people doing these things. We don't think, "Oh, this -- I want to do this because the president says it's a good idea" or "because there's an election coming up and I want to -- I want to speed up or slow down the economy." I mean, that -- think about that. If that's -- if that -- if that's what we were doing, we'd have no credibility, markets would lose faith in us and our ability to control inflation, and have any respect would be -- you know, would be gone. And let me say whatever people say, the markets believe in that we will produce two percent inflation. If you look at longer run expectations, markets believe that they -- there's no sense in which our credibility in the markets has weakened. It's just not the case. It's -- people do get it that this is our commitment and that we will achieve it and it's priced in. If you disagree with that, then you can go ahead and bet against the markets. But the markets are pricing in Fed credibility.

MICHELLE SMITH. Okay, we'll go to Richard for the last one.

RICHARD ESCOBEDO. Thank you, Chair Powell. Richard Escobedo with CBS News. We've talked a lot about gasoline prices and even you mentioned airline ticket prices, both of which are up dramatically because of the war in Iran. And so I wonder, are you seeing that weigh down consumer spending in other parts of the economy? And, if so, how worried are you that that will be a drag on growth?

CHAIR POWELL. You don't see -- you don't see it in spending yet. You really don't. I mean, as one of your colleagues said, the economy has been resilient. It really has. Not just this time, but it's been remarkably resilient for some years now. The U.S. economy has just powered through shock after shock. And consumers are still spending. And that's what -- that's what the banks will tell you, credit card companies will tell you, the retail sales numbers that we got most recently. People are still spending. And, you know, how long can that go on in a world where, if

gas prices were to go up a bunch more, that's taking otherwise spendable money out of people's pockets? But, right now, we don't actually see much slowdown in -- yet from -- certainly, none from this. But you think logically you will because people have a certain amount of money they spend. If they're spending 25 percent more on gas or something like that, then, you know, that's going to come out of other spending. But we -- again, we don't see it yet.

RICHARD ESCOBEDO. One last thing. You mentioned those economies in Southeast Asia that are particularly dependent on petroleum. They make a lot of the stuff that American consumers buy. So was there any discussion today about whether or not those costs getting passed along to consumers is a real concern, and whether or not that might push up inflation?

CHAIR POWELL. So all of those things are in -- are in the models that we use to calculate inflation. So we -- you know, they're just parts. You can ask about anything like that and they are -- they have a place -- the staff has a place where they're looking at that and pricing in what will happen with higher prices and that kind of thing. So it's there. The effects are not that big yet. You know, we're a huge economy. The import sector is only 10 percent of the economy. So we're not like a European country where 50 percent of the external -- of GDP is in the external sector. We're also -- you know, as I mentioned, we're an oil exporter so we're not feeling the same kind of pain, and we're not likely to feel the same kind of pain that economies in Western Europe and, certainly, in Asia are feeling. Anyway, thank you very much, everyone. I won't see you next time.