

## Rough 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.

QUESTION: Appreciate the kind words about the press. Often doesn't come from the podium in different places but appreciate that. Can you talk about what has gone into your decision to remain on the Board? What kind of criteria are you weighing and how long might you stay?

POWELL: 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. I want to note this has nothing whatever to do by verbal criticism by elected officials. I've never suggested that is a problem. But these legal actions by the administration are unprecedented in the 113th history and there are I don't know going threats of additional such actions. I worry these attacks are battering the institution and putting at risk the thing that 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, the people that we serve 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. Kunt Ritz, it is extremely important not for the people who work at the Fed but for the people that we serve that the Fed be able to conduct monetary policy in a way that doesn't get pulled into politics trying to help or hurt any politician or political party. It's critical for the people that we serve. In terms of when I will leave. I will leave when I think it's appropriate to do so. Was that all your questions?

QUESTION: I just have a follow-up. What would you say to the criticism that by remaining on the Board you actually are taking a political act in denying

President Trump the majority of the Board which as President he would have if you left?

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 of 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. 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 nineteen strong minded people, you work with the Chair. 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 is the attitude that people generally take and that's the attitude that I'll take.

QUESTION: 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 immediate period beginning with prospects that tariffs price on the timeline you outlined in March before getting to the energy shock that is now on top?

POWELL: So, you know, I would look at it this way. For a long time we've been working on the hypothesis really that tariffs would lead to a one-time price increase and that would go away over time. In other words, there would be no further change. To 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're watching carefully to see what we thought all along would happen. That's the 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 text book you would look through it and oil shock because they tend to be short live and tend to revert. And monetary policy works with long variable lags. So you wouldn't necessarily react right away. I think that is all the more true given 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. But the question about looking through energy really is not in front of us right now. It hasn't even peaked yet. I

think we want to see the back side of that and progress on tariffs before we even thought about reducing rates.

QUESTION: 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 using 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?

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 have issue and the guidance and is it still appropriate and that kind of thing. Ing I would say the number of people on the Committee who either could support that language change, changing to a more neutral stance so that a hike is likely as a cut, that number has increased over the intermeeting period. It's easy to see why. It is a good question right. You see inflation has moved up over the interim a bit. Core inflation is 3.2 now. Moving albeit just a little bit in the wrong direction. And we know that there will be, you know, that there's 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 people would look at that and we'd have a vigorous discussion about that. You saw that three people de sented over the language. I think all of those people agreed with the rate 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 this meeting. It really was just a question of why do we need to do that now. We have so much to learn. 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 thirty, sixty days, even by the next meeting could really change the picture around that language. So, you know, it was -- it is a close, a much closer thing on the Committee than it was in March. That makes all the sense in the world seems to me.

QUESTION: Just going back to this issue, the easing bias. We've now got oil approaching \$120 a barely when it comes to the benchmark for crude. If it stays around those levels, six weeks from now what would be your best guess as to whether the easing bias will still be in the statement?

POWELL: I wouldn't want to guess. You know, 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. You know, it's gotten to be a better question in the interim period. We had this discussion, a majority are still on the page of not feeling the need to move to that level. And 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.

QUESTION: Thank you. Just a follow up. The new leadership also seem rather lukewarm on Press Conferences and on the dot plats. What would your advice to him be on communication tools?

POWELL: I'm not going to give him any advice through you here today. But, you know, I think communication's generally I think every incoming Chair takes a look at communication the and it is a very healthy thing. Communications is very complex. And, you know, you can always be looking at new things. And if that happens, feels like it's going to happen, that's completely appropriate thing.

QUESTION: Can you tell us if you have been intouch with incoming chairman Worsch. To what extent is this a normal transition process versus all the things swirling and what we can expect when he takes the podium.

POWELL: I haven't seen him since -- I've seen him at a dinner in began. I congrat late him. I don't know what a normal process is. The last process was with Janet Yellen who I had worked with for six years. I think this is and will be a very normal standard kind of transition process. So that's what I expect. I have every reason to think it will be.

QUESTION: Is the Supreme Court ruling on governor Cook a factor as when you might leave as a governor.

POWELL: Not really. I'm thinking more of the other things I mentioned.

QUESTION: Thanks for taking our questions. I wanted to ask the question about your tenure and Chris at associated press. During your tenure as Chair you often spoke about how disadvantaged America vrn as benefits from extended periods of low unemployment. The new framework the Fed adopted in 2020 some economies say elevated the Fed's employment mandate. Are you worried the pandemic inspection spike that followed will make future Chairs more reluctant to pursue a hot jobs market and should they be?

POWELL: I don't know the answer to that. 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. A lot of benefits were floating to people at the bottom of the system. Including companies were setting up in, you know, people who were confined and training them before they got out. 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. It had to do with closing, reopening, stimulus and all that. You could look at a gaff graph of ten big economies on the page and not know which was the U.S., 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 be strong on both of our dual mandates. And we -- for example, now we don't feel that the labor market is 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. 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.

QUESTION: 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 are waiting for? Or what else?

POWELL: I'm waiting 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.

QUESTION: I'd like to ask you to explain or characterize the sdgs discussion about the two sided view and interest rates. Because there were some members of the open market committee who have 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 set up to sort of warn people that you are worried about the war impacts?

POWELL: So nobody -- the three dissenters and others who could have supported that and others who were, you know, voters and -- nonvoters who preferred it, they all supported the rate decision right. So people are not saying

we need to hike now. It's more of a question of, you know, don't we kind of feel that we should be neutral and what are markets doing. People argue this is consistent with what markets are doing. Again, it is a very fair question. But, you know, these changes, you know, it is 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. The other side of the argument is good too as I mentioned. It's perfectly good argument to be having, a good discussion to be having. And it came out the way it came out.

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

POWELL: Not driving my thinking. I mean monetary policy is going to get made by, you know, nineteen people. There is a lot of stability there. I mean if you think about it, every new Fed Chair has the same situation which is you've got eighteen colleagues on the FOMC. Eleven vote during any year. And your job is to create consensus. It's 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 is actually quite well. He has the capabilities, skills to be very good at that I would think. So I'm a not so worried about that process. You know, I think that will work itself out.

QUESTION: Howard Schneider with Reuters. You mentioned that staying on as the Governor you intend to keep a low profile. Wondering if you can give us more detail on what that looks like and how you can walk down the steps. What that looks like and particularly around the policy discussion and how you are able to have your intervention and not be a shadow Chair, not have kind of an outsized influence over the process?

POWELL: That's something I would never do. The shadow Chair thing. 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 was a governor for six years and I know what that like. And I had a pretty front row seat with particularly with Chair

Yellen who whom I was close when 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. I had real sympathy for how hard it is to get that group to consensus. And I always felt like, you know, I don't want to add to that unnecessarily. That means try to support the Chairs or the direction the Chair wants to go. And if you can. If you can't, you can't. That's the way it's always worked there. The Chair only has one vote plus the ability to develop consensus. If people won't be, you know, if they're not flexible at all how do you ever do that. So that's why the Chair has the authority of has really is to develop relationships with people and work with them and put something forward that has consensus. And I propose to be a very constructive participant in that process really out of respect for the office of the Chair.

QUESTION: And in your view as a soon to be Governor, how do you see the risks of oil prices bleeding in the core inflation in coming weeks? Because that was it seems like the commentary that was coming from some of the reserve bank presidents. There were elevated concerns about the bleed in t decor and here we are with three dissents.

POWELL: Those prospects are real. Remember though our, and the real thing is we're going to have to wait and see pl we're going to need to see. The good news is we think our policy stance is in a very good place for us to wait and see. 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. So maybe a little bit of restriction or the high end of neutral is the right place to be. So we can wait here and see how things work out before we act. And we'll see how much that, you know, how much does come through in the core. You see it already in airfares but you may see it in many other places. You know, we just don't know yet. And it's so unknown. Because how long will the strait be closed? You can develop any number of scenarios that you want but we really won't know until we know. Fortunately we're in a good place to wait and let things develop.

QUESTION: You started holding post-meeting Press Conferences for every meeting as opposed to the ones with just SEPs. Can you talk about why you see that as a net positive?

POWELL: We always said when we were doing quarterly Press Conferences we said we can move at any meeting but we only moved at the quarterly SEP meetings where we had the Press Conference. If you think about it, you know,

during the pandemic we were moving like a lot at every meeting and sometimes between meetings. And doing that with our Press Conference I think would have been quite challenging. It's become the industry norm. It is the standard. I don't know whether that has to remain that way. I don't know. I mean it's just something people have become used to. I do think it's quite helpful to, you know, I mean I try to deliver a message on behalf of the Committee rather than eighteen people going out and delivering their message and it's going to be all over the place. Because we do thankfully have widely disparate views.

QUESTION: 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 those changes.

POWELL: I'm not going to go into the real small specifics but what we found very quickly was that 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 broad support on the Committee and so we just moved on. 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 beat something with nothing. And we've looked at a bunch of things. And, you know, it's something -- 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 nineteen person committee and you try to do that at the Board that's hard, at the Committee that is hard. It's hard if you do it at the staff. So, 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.

QUESTION: If I could follow up on Mike's question about hikes. Are we right to assume the hawkish outcome for the Fed is still one in which the Committee just extends the pause and 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's 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?

POWELL: We really think our policy rate is in a good place. If we need to hike, we will certainly signal that and we will certainly do it. If we need to cut then if

it's appropriate to cut we'll signal the opposite. I think 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 evolve. You know, that's really where it is. As I mentioned, you know, much closer question this cycle on changing the byed. But ultimately we didn't.

QUESTION: 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 conflicting drags on?

POWELL: You know, you just have to find that out imperially. Given the fact that we're big exporter of energy and our economy is far less energy intensive, oil intensive than it was during the seventies, you know, the effects on the United States are really substantially less than those of Western Europe or Asia who are feeling much greater effects from these things. The effects we're feeling, 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. And those hikes may continue to happen. And other things are going to start to reflect. Airline fares I mentioned and other products and services that are dependent upon petroleum and derivatives of petroleum, people are going to start to feel that.

QUESTION: I'll just asking you directly. The markets don't see a rate cut at all this year is what they're predicting. Do you think we're at the neutral rate and why or why not?

POWELL: e, yeah. I always had it between three and four percent. We're little north of three-and-a-half. So that's well in the range of what I consider reasonable. But at the higher end of the range what I would consider reasonable neutral rate. You know, I think 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 policy looking, you know, meaningfully restrictive. Maybe mildly or neutral I would say.

QUESTION: I am going to follow up on questions about your future. The first time we've seen four dissents since October of 1992. Are you handing off a divided Fed?

POWELL: You know, the thing to remember is we have always had vigorous debates. And they're excellent debates. I have to say they've been really good. And we're in an unusually difficult situation. So we've really had four supply

shocks. You can say more than four. But at a minimum we had the pandemic. We had the invasion of Ukraine. We had tariffs. Now we have Iran and the oil, you know, the oil spike. So every supply shock has the capability of driving inflation up and unemployment up. And what do you do? You know, it's -- the central bank has a hard time knowing what to do. The right thing is to try to balance the achievement of those two goals. 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 got to think how restrictive or not is policy. So it's only natural that you have a range of views on the Committee. People are going to see it different ways. They're going to have different risk tolerances and that kind of thing. If everybody agreed that would be surprising. And I think it's only, it's partly a function of extraordinarily challenging set of supply shocks that we've been dealing with now for five, six years.

QUESTION: Are you confident that Kevin Warsh will stand up to political pressure from President?

POWELL: He testified very strongly to that affect in his hearing and I'll take him at his word.

QUESTION: And when it comes to gas right now it's over four dollars 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? Secondly, by staying on as Fed Governor, what message do you think you are sending to the president?

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 co quickly it can reopen 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 question whether spending, you know, goes down to offset the inflationary effects. So it's not -- the answer isn't obvious ex-anti whether you should move the rate because of that. We'll have to see how it evolves. I'll stand on what I said earlier.

QUESTION: During your tenure Fed independence has come under pressure in a hot lot of different ways. I was just wondering practically speaking, where do you see Fed independence as coming from? Is it the law? Is it support from Congress? Is it the actions of the Fed? What stakes Fed independence?

POWELL: You know, it's to a significant state 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. There's a set of customs. There's a boundary line between the Fed and the administration, between the Fed and the Treasury Department. We need to 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 is. Some is legal. In fact it's all legal at the end of the day but it's more than just monetary policy. 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 it would be good to re-purpose those to serve other purposes. But that is dragging us into politics and fiscal policy so we've resist I did that.

QUESTION: Another way of asking it do you think that Fed independence is as strong as when you became Chair? And if so, why?

POWELL: I think it's at risk. I think these, you know, legal assaults if you will, as I mentioned, you know, the institution is being battered over these things. We're having to resort to the courts to enforce our legal, you know -- 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 to far but that's not over. None of that is concluded. 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. You know, there's a bright line between central banks who do one and do the other and successful countries have uniform mally, successful advanced economy countries have a strong set of protections around their Central Bank just for what reason. That's what it's all about. I think I am confident as I said in my remarks that the Fed will continue to make it's decision based on analysis, rigorous analysis and not political considerations. But we've had to fight for it. I'd like to think that, you know, 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. You know, we're not -- it is the an institution full of human beings who work super hard to get things right for the benefit of public. We're all human. Don't expect perfection. But do expect us to make decisions without political considerations and the very best analysis we can bring.

QUESTION: How would 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 talked to you about?

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

QUESTION: Then I just also wanted to ask about Governor Waller's speech on the reserve banks. Do you have any thoughts on centralizing some of those functions in the way he described? And then, you know, are you concerned that something like that could potentially be a slippery slope 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?

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. So are the reserve, so are the presidents. It is a question of how do you accomplish it. We of course and Chris said this in his speech, you know, we want twelve strong, independent Central Bank abouts with their own staffs and own monetary policy views and all that. But, you know, there are things that are done in all twelve which could well be done at one much more efficiently with cost savings. So there's a back and forth on that. But everybody is on the same page . The other thing he touched on was the idea of removing reserve bank presidents from office over different views on monetary policy. 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 are just another cabinet agency at that point. That's some not something I would support. Chris said the same thing.

QUESTION: 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?

POWELL: I'm just going to say that's for someone else to say. I'll give you a Mulligan on that.

QUESTION: You talked about those four big shocks, supply shocks over the past five years and inflation is 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?

POWELL: You know, we're committed to bringing inflation back down to two percent. And sustainably. That's our goal. And we will 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 tried to get there over time in a way that does the least damage possible. And our commitment to that is never ending and unshakeable.

QUESTION: How would with you describe the economy outside of the misbehaving inflation? I mean it's still awfully resilient given all of the blows.

POWELL: I don't know that you can be awfully resilient. It's actually quite resilient. Because it is a positive thing if I can have that amendment. 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. Some of it is just 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 continues. So you've got an economy that is growing at two percent or better. PDI which is private domestic private purchases which is really a better signal of a momentum in the economy is higher than that. So that's a positive thing. If you look at the unemployment rate it's 4.3 percent. 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 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 that is effectively no new net job creation. So that's, you know, in a sense the labor market is in balance but it's an unusual and uncomfortable balance where people don't have jobs will have a hard time breaking in unless somebody quits their job. So that's pretty good. Inflation is a thing we need to work on. And it's partly tariffs which we think that that inflation should subside over the course of this year because it's kind of a one-time increase that shouldn't be repeated. 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 in is good place for us to hold and wait developments.

QUESTION: At the risk of beating the dead horse here clearly three members objected to keeping that easing bias in the statement. You said that the majority still didn't need to move to new language at this point. 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?

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 signalling going on when you change guidance like that. And so we just -- I guess the majority, a majority of us didn't feel like we needed to send a signal on that right now. But maybe it will 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 is 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 hike in bias if we want a hike. And we'll move to a neutral bias before that. There was a difference over whether to do it at this meeting. At a meeting at which all but one of us agree that the rate decision was correct which was not the move.

QUESTION: You just said moments ago 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?

POWELL: I will stay until I feel it's appropriate for me to leave. Yes that is really what's driving this. 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 I'm hoping to see.

QUESTION: 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 are particularly proud of? And are there any with the benefit of hindsight you would take a Mulligan on?

POWELL: Yeah that's hard. I wouldn't want to single out individual things at this point. I'll just say, you know, all of us together have consistently tried to do what we think is best for the American people based on our tools and objectives that Congress has given us. It's been very challenging because we've been in a situation of supply shock, or supply shocks really for six years. And that's 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, 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. By the way, central banks that have an inflation mandate have to do exactly the same thing because they're balance is economic opportunity. So that's challenging. 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 colleagues and I have done during these years.

QUESTION: 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? 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?

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. 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 forty 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 back to target and now is being buffeted by the energy shock and the tariff shock as well. 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. This isn't bipartisan, this is nonpartisan. 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 is a good idea or because there's an election coming up and I want to speed up or slow down the economy. I mean think about that. If that's what we were doing, we'd have no credibility, the markets would lose faith in us and our ability to control inflation and have any respect would be gone. And let me say, whatever people say, the markets believe that we will produce two percent inflation. If you look at longer run expectations,

the markets believe that there's no sense in which our credibility in the markets has weakened. It's not the case. People do get it. This is our commitment and we will achieve it and it's priced in. If you disagree with that you can go ahead and bet against the markets. But the markets are pricing in Fed credibility.

QUESTION: We 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. So I wonder, are you seeing that weigh down consumer consumer spending in other parts of the economy and if so how worried are you that will be a drag on growth?

POWELL: You don't see it in spending yet then the economy has been resilient. Really has. Not just this time but it's been remarkably resilient for some years now. The U. S. economy has powered through shock after shock and consumers are still spending. That's what the banks will tell you, credit card companies will tell you. The retail sales numbers we got kree recently. People are still spending. How long can that go on in a world where if gas prices were to go up a bunch more that's taking spendable money out of people's pockets. Right now we don't see much slow down yet. And certainly none from this. But you think you will because people have a certain amount of money they spend. If they're spending twenty five percent more on gas or something like that that's going to come out of other spending. But we don't see it yet.

QUESTION: Is one last thing. You mentioned those economies in Southeast Asia that are particularly dependent on petroleum. They make a lot of the stuff that Americans buy. 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?

POWELL: So all of those things are in the models that we use to calculate inflation. So they're just parts -- you can ask about anything like that and 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 huge economy. The import sector is only ten percent of the economy. So we're not like a European country where fifty percent of the external GDP is in the external sector. We're also as I mentioned we're an oil exporter so we're not feeling the same kind of pain and not likely to feel the same kind of pain that the economies in Western Europe and certainly in Asia are feeling. Anyway thank you very much everyone.