



JOHN C. WILLIAMS

PRESIDENT OF THE FEDERAL RESERVE BANK OF NEW YORK

NationalJournal

Life in Brief

Born: June 12, 1962

Hometown: Sacramento, CA

Current Residence: New York, NY

Education:

- PhD, Economics, Stanford University, 1994
- MS, Economics, London School of Economics, 1989
- AB, University of California at Berkeley, 1984

Family:

- Wife, Audrey Lyndon, Assistant Dean for Clinical Research at NYU's nursing school
- Two sons

Work History

- President, Federal Reserve Bank of New York, 2018-Present
- Vice Chair, Federal Open Market Committee, 2018-Present
- Federal Reserve Bank of San Francisco
 - President and CEO, 2011-2018
 - Executive Vice President and Director of Research, 2009-2011
 - Senior Vice President, 2004-2008
 - Senior Research Advisor 2003-2004
 - Research Advisor, 2002-2003
- Economist, Federal Reserve Board of Governors, 1994-2002
- Senior Economist, White House Council of Economic Advisors, 1999-2000
- General Manager, Blondies Pizza, 1984-1988

Professional Affiliations

- International Journal of Central Banking
- Centre for Applied Macroeconomic Analysis
- American Economic Review
- Journal of Economic Dynamics and Control
- Bay Area Council

Quick Summary

A longtime Federal Reserve economist with extensive research on economic uncertainty

- Has spent most of his career in the Federal Reserve system, replacing Janet Yellen as President of the San Francisco Fed when she became chair
- Promoted to President of the New York Fed and Vice Chair of the FOMC due to his innovation-centered approach and experience governing the largest and most populous district during the recession recovery
- Brings extensive research on the natural rate of interest under uncertainty, preparing him greatly for the recent ineffectiveness of historic monetary tools on inflation; Williams is viewed as a complement to Jerome Powell, adding extensive economic education and research to the leadership
- Advocates for the use of quantitative easing and forward guidance as monetary tools that can supplement the new impotency of interest rate setting
- Believes the Federal Reserve should take an active role in economic stimulus, but also advocates for fiscal policy as a primary driver

Approach and Motivations

Innovative economist who analyzes new trends and is quick to adapt to a changing environment

- Approaches modern economics as having two different eras, pre- and post-great recession, noting that the recession made many of the Federal Reserve's economic tools obsolete
- Worries about the Fed approaching 0% interest rates and researches alternative tools like quantitative easing to avoid the zero bound
- As President of the New York Fed, Williams maintains a close relationship with Wall Street's economic predictors, incorporating market confidence into his own opinions
- Close to both Yellen and Powell, Williams builds his priorities into the verdict prior to FOMC votes
- A proactive policy maker, advocating for preparation even during prosperity to ensure the FOMC can react quickly to a downturn

Policy Positions and Areas of Focus

Well-researched economist focused on the changes in the modern macroeconomic system

Interest Rates: *A monetary centrist adapting his policy to changing economic conditions*

- Asserts low interest rates are “real and here to stay” in line with his research on the lowering of the neutral interest rates
- Always votes in step with the majority consensus on rates, never casting a dissent

Fiscal Policy: *Believes recession recovery will be slower and will require more robust protections*

- Cites the “self-fulfilling prophecy” of inflation expectations, causing low expectations to perpetuate low rates, as a major driver in the ineffectiveness of interest rates
- Advocates for bolstered fiscal action to combat recessions, particularly centered around increasing automatic stabilizers that would increase spending and cut taxes during recessions without legislation being passed
- During recessions, advocates for fiscal spending on infrastructure, education, and research and development to boost investment
- Asserts that the higher tariffs due to the trade war have resulted in higher prices and lagged growth, as well as generated uncertainty that is slowing investment and expansion decisions

Economic Changes: *Researches extensively the post-recession barriers to economic growth*

- Cites the lowering population growth rates as contributing to economic growth, and notes need for more aggressive policies to stabilize inflation and combat increased savings
- Notes that GDP growth will be weighed down by lower productivity growth
- Because of these changes, believes R-star, the neutral rate, is shrinking in advanced economies, resulting in lower rates in the future and limiting the Federal Reserve’s ability to stimulate the economy through rate cuts
- Advocates for central bank innovation, like the use of quantitative easing and tightening

Core Communities

After three decades in the Federal Reserve system, Williams is surrounded by prominent economists

Economic Bureaucrats: *Close with federal economic leaders*

- Jerome Powell, who has served with Williams since his own appointment to the board, views Williams as a mentor and endorsed him as President of the New York Fed
- Janet Yellen, former chair of the Federal Reserve and Williams’ predecessor at the San Francisco Fed, served as a mentor to Williams
- Thomas Laubach and Rochelle M. Edge, directors at the Federal Reserve Board of Governors, are frequent research partners
- Worked with Chair Martin Baily on the White House Council of Economic Advisors; Bailey is now an economist at the Brookings Institution

Academics: *Mentored by fellow academics; heavily involved in academic research and publishing*

- London School of Economics professors Richard Layard, Chris Pissarides, George Evans, and Tony Atkinson inspired Williams’ career in economics
- Frequently publishes with several high-profile academics at major economics programs, including Eric T. Swanson (UC Irvine), Athanasios Orphanides (MIT), and Andrew Levin (Dartmouth) focusing on r-star and inflation
- John Taylor, inventor of the Taylor Rule and prominent Stanford Economist, publishes papers with Williams on monetary rules

Relevant Financial Information

Financial disclosures revealed limited personal wealth and no conflicts of interest; no known campaign contributions

Publications, Media, and Speaking

A lighthearted, knowledgeable speaker who is unafraid of admitting uncertainty

Publications: *Has published over 100 academic papers on macroeconomics over his long career*

- Favorite Subjects: Covers most facets of macroeconomics, but specializes in working with uncertain conditions and imperfect information
- Publishes through a broad spectrum of economic journals

Media: *Engages with the public through economic media, discussing Federal Reserve tactics*

- Preferred Outlets: CNBC and other national economic forums
- Favorite Subjects: Fed predictions and state of the economy, relationship between markets and interest rates
- Social Media Habits: Tweets using the @NewYorkFed twitter

Speaking: *Brings economics to both academic and political audiences*

- Favorite Subjects: R-star, sustainable growth, the “new normal” of economics
- Preferred Audience: Economics conventions, internationally focused policy groups, universities, global central banks

Family and Personal Background

Lives outside of the public eye

- Is often lighthearted and humorous in speeches
- Advocates strongly for diversity, inclusion, and ethics in his organizations and in the professional world, specifically when it is relevant to the LGBTQ+ community
- Looks fondly upon his time at Blondies Pizza while studying, saying “alas, this institution is no more” in his LinkedIn Profile
- In his free time, serves as an editor for economic publications

Criticisms and Controversies

Williams has been an uncontroversial choice for his positions and has no apparent controversies

COVID-19 Response

Focused on providing resources to promote economic recovery

Relevant Positions

- President of the New York Federal Reserve, which is responsible for covering the Fed's 2nd district, containing New York City and northern New Jersey

Actions: *Focusing the New York Fed on the economic effects and producing resources to help the community*

- Conducting extensive research on the economic effects of the virus and monetary solutions
- Voted in favor of the FOMC's early rate cut and subsequent action to maintain economic expansion
- Expanded credit opportunities for local banks and businesses as a safeguard from closure
- Created a comprehensive resource hub for the virus, organizing all of the New York Fed's support services so that businesses, federal agencies, and nonprofits can obtain necessary information and assistance
- Aggressively publishing economic and demographic analysis of the region through social media and the resource hub

Statements: *Discusses economic recovery and resources for struggling organizations*

- Public statements are brief and infrequent, often taking an analytical approach to the economic consequences and leading people to economic recovery resources
- Asserts that the FOMC's actions are providing meaningful support
- Has signaled that the FOMC may become even more aggressive beyond cutting interest rates, by using quantitative easing