

Jay Shambaugh
Nominee to be the Under Secretary for International Affairs, U.S. Department of the Treasury
Nominations Hearing before the Senate Finance Committee
July 12, 2022

Chairman Wyden, Ranking Member Crapo, and distinguished members of the Committee, I am honored to appear before the committee today as you consider my nomination to be Treasury Under Secretary for International Affairs. I am thankful to have the support of President Biden, Vice President Harris, and Secretary Yellen. If confirmed, it would be a privilege to work with the distinguished public servants in International Affairs at Treasury. I look forward to working closely with this Committee and your colleagues in Congress to pursue international economic policies that further the interests of the American people.

I want to thank my family for their support: my wife, Lisa, who is here with me today, my children, Tyler and Jack, my sister, and my parents, Curt and Nancy Shambaugh.

My mother was a teacher; she volunteered at the local hospital and in schools; and she eventually became the president of the school board for the local public school system I attended. My father worked in finance and also served as a trustee for our church. I learned from my parents that public service and making a positive contribution in the world is an important responsibility.

I've tried to carry this lesson with me, serving as a Deacon in two churches and coaching youth sports. I have also dedicated much of my professional life to making a positive contribution in the world through public service and engaging in public policy.

For the last 25 years, my career has been focused on economic policy. My core research area has been empirical international macroeconomics – the study of exchange rates, capital flows, and spillovers across economies. I have published articles in top journals as well as a book on these questions. I am a Research Associate at the National Bureau of Economic Research in International Finance and Macroeconomics. I also have presented at major conferences and central banks around the world, spent time as a visitor at the IMF, and have taught international economics for over twenty years. My experience creates a strong foundation to address many of the policy questions faced by Treasury's Office of International Affairs.

At the same time, my experience is not just theoretical. During my time at the White House Council of Economic Advisers, I attended many strategic and economic dialogue meetings with Chinese officials and met with officials from a number of countries. I also represented the U.S. Government at the OECD in discussions related to economic issues. These experiences have prepared me well to serve in the role of Undersecretary where international economic diplomacy is one of the many responsibilities. I also had the opportunity to work on a wide range of international economic issues, ranging from trade and development economics to international finance and climate, preparing me for the broad range of subjects covered by Treasury International Affairs.

I also have significant experience working on U.S. economic policy issues, ranging from economic and wage growth, to energy and climate issues, to regional disparities and the impact of trade shocks. Studying these issues has prepared me to carefully consider how U.S. global leadership on a range of economic issues affects the American economy, American households, and American workers.

The last two decades have emphasized more than ever the importance of our global economic policies and how those policies effect the U.S. economy, our national security, and American families. Shifting trade patterns and rising trade and competition with China has directly impacted many U.S. communities. The global economic crisis after 2008 accentuated the importance of global growth to the health of our economy. Dealing with the disruption of the flow of goods and parts during the pandemic has highlighted the interconnectedness of our economy. Most recently, U.S. global economic tools are being used to respond to the illegal invasion of Ukraine by Russia, which further underscores the importance of our economic diplomacy to protect national security.

Interconnectedness, financial crises, shocks from trade, complicated supply chains, unequal global outcomes, the links between foreign and economic policies, these are the challenges of our time. If confirmed, I look forward to working on these issues and consulting closely with the members of this Committee and Congress.

Thank you, Chairman Wyden, Ranking Member Crapo. I welcome your questions.