



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

STEPHEN I. MIRAN  
MEMBER OF THE BOARD

May 14, 2026

Dear Mr. President,

I hereby tender my resignation from my seat on the Board of Governors of the Federal Reserve System, effective upon or shortly before the swearing in of Kevin Warsh. Serving on the Board, together with previously serving as the Chairman of your Council of Economic Advisers, has been the highest honor of my life.

During my time on the Board, I have argued that the Federal Reserve needs to do a better job accounting for nonmonetary forces and their implications for monetary policy. Among these powerful forces are the consequences of lower population growth as a result of reduced immigration, which history teaches is disinflationary and leads to lower interest rates; and the effects of deregulation on the supply side, which is also powerfully disinflationary. I've emphasized that given monetary policy lags, policymaking needs to be forward-looking and begin to incorporate these effects now.

I have also stressed the importance of thinking critically about the inflation data, as inflation, or the change in the general price level, is not observed but constructed, and numerous biases are inevitable when constructing it. I have highlighted portfolio management fees, and composition and quality adjustment issues in software, as particularly salient biases now, as AI drives the stock market higher and creates powerful new technologies. While there's always measurement error in inflation, a severe problem arises when those errors grow over time; the expansion of noise due to these errors has implied an effective *reduction* in the Federal Reserve's inflation target. If the Federal Reserve doesn't adjust for these errors, it will run unemployment higher than it has to, fighting fake rather than real inflation. I have argued forcefully against this dynamic.

On the regulatory front, I have been able to support Vice Chairwoman Michelle Bowman's correction of the accumulated excess regulation in the banking sector, making the system more efficient through better tailoring of regulations. Through actions to adjust bank regulations, we've released over \$100 billion of capital back into the banking system and reduced leverage constraints. These changes will allow banks to extend credit to American households and businesses that need it and to hold safe assets like U.S. Treasuries without being penalized for it. I was also proud to support the removal of reputational risk as a functional channel by which regulators and examiners could impose their own political preferences—on firearms, climate or any other matter—upon banks' customers.

Going forward, I am excited about changes Chairman-designate Kevin Warsh and the Federal Reserve may make in areas such as communications policy, balance sheet policy, and keeping the Federal Reserve to its narrow mandate and out of hot-button political and cultural issues. Laying out paths by which the balance sheet can be reduced, thereby shrinking the Federal Reserve's role in the financial system, was a major workstream for me this spring.

I am deeply grateful to you for the opportunity to serve my country for the last year and a half.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S. I. Miran". The signature is fluid and cursive, with a large initial "S" and a distinct "M" at the end.

Stephen I. Miran