

## John C Williams: Why Are You (Y\* R\* U\*)

Remarks by Mr John C Williams, President and Chief Executive Officer of the Federal Reserve Bank of New York, at Hofstra University's Graduate Commencement, Hofstra University, Hempstead, New York, 18 May 2025.

\* \* \*

*As prepared for delivery*

President Poser, Chair Schaeffer and members of the Board of Trustees, deans, faculty and staff, family and friends, Kate and Willie Pride, and of course, the graduating class of 2025 . . . good evening and congratulations!

It's been over 30 years since I received my doctorate. I am deeply honored and humbled to be donning commencement regalia to receive a second one. Thank you to the entire Hofstra community.

When you first heard that John Williams was speaking here today, perhaps you were expecting the *other* John Williams. You know, the one who wrote the music for Star Wars and dozens of other movies.

I may not have written music for Star Wars, but I have written quite a bit about something called "r-star."

What is r-star?

R-star is the natural, or "normal," rate of interest. It's the eventual destination for interest rates. The problem is that you can't look it up in a book or find it in a statistical table. Like many things in life, you must learn about it through experience and evidence (although I am sure if you ask ChatGPT, it will give you an answer). It's the kind of thing that we economists say is "unobservable," but then spend our careers obsessing over how to observe it. Well, at least I do.

You've already studied for your hard-earned degrees and may not be ready to pursue another one in economics . . . *yet*. So, I'll explain just one quick detail about r-star and then get to the point.

R-star is part of a group of macroeconomic "star" estimates-a family, so to speak. Really, they're just a form of shorthand. R-star's often referenced cousins are y-star and u-star, which stand for real GDP and unemployment, respectively.

So, we've got "y", "r", and "u."

Coincidentally, "why are you?" is the beginning of a set of questions that I have asked myself at many points throughout my career. My passion for studying r-star has taken me on a three-decade journey as a researcher, policymaker, and leader of a century-old institution in Lower Manhattan. And I think it's helpful framing for graduates like you as you take the next steps in your careers.

As you continue on beyond the walls and halls of this beautiful Hofstra campus and venture into offices, hospitals, schools, and businesses, ask yourself:

Why are you here?

Why are you going to be successful?

Why *you*?

For many people, the first motivation to earn a graduate degree is to secure a job or to advance in your particular field. That is important, and you will find it valuable every day. But there's even more to it. When you think more broadly about the "whys," your career, and the role that it plays in your life, can be far more expansive than you could have imagined.

So, the first lesson that I'll share can help answer the question, "why are you here?" And the answer is to remind yourself about what you've set out to achieve with your graduate studies. And that is, to be both a generalist and a subject matter expert.

Yes, I know I am sounding like a two-handed economist.

But think about it. On the one hand, the world needs people who have knowledge and skills that are narrow-and on the other, we need knowledge and skills to be broad. Each of you has a strong foundation and comprehensive education, but also deep subject matter expertise.

Graduate education may close some doors, but it opens up many new ones, too. You've earned an advanced degree at an esteemed institution, and you've invested a tremendous amount of time and money into learning everything that you could in your chosen area. And with this expertise you are well positioned to build and exercise strengths that you have yet to develop or that may not come naturally to you.

Combine all your experiences from life, from college, from work, and from the studies that landed you here today. Piece them together and use them as building blocks to find your footing. With the mindset of operating as *both* a subject matter expert *and* a generalist, you can discover opportunities and prospects you may not have previously considered.

On to the second question: "Why are you going to be successful?"

To this I answer, "by finding a mentor."

A good mentor, the *right* mentor, is not the one who will say, "just follow in my footsteps and do exactly what I did." Instead, it's the one who will say "knock on this door," or point out the doors that you don't even know exist. It's one who believes in you and is willing to tell you important things, even some you may not want to hear.

My mentor, Janet Yellen, did this for me. In fact, she was the one who helped me understand the first lesson I just spoke about. Back in the 2000s, I worked for her as a research economist. The work I was doing was exactly what I set out to do, and what I

loved. But at a certain point, Janet—who at that time was the President of the San Francisco Federal Reserve—advised me to broaden my perspective and experiences. She recommended that I learn about the activities and people in our organization outside my area of expertise. This meant spending time away from my main responsibilities, where I was very comfortable, and moving into areas where I knew nothing—and it showed!

I needed to be encouraged to think more broadly, outside of charts and graphs and footnotes. I did my best to follow her guidance, and I am glad I did. Let me emphasize this part: it's not enough to have a mentor or mentors—you have to be open to their guidance and take action.

The experience of learning new things, seeing situations from a new perspective, and making mistakes along the way is what truly made a difference not only to me, but also to the people around me and to the organizations I was in. And this led to many of the accomplishments I am most proud of in my career.

Without Janet Yellen's mentorship, I would not be who I am and where I am today.

And now to answer the final question: "Why *you*?"

You have the skills. You have the experience. You have the drive.

But in the pursuit of career success, don't forget why you love what you do and why you stand out.

I often say that as an economist, I know just two words: supply and demand.

While it's true that economics plays a major role in my life, I have also made sure to stay close to other two-word phrases that are near and dear to me. Like video games. Classic rock. Star Trek. The names of my two sons, Kenneth and Nicholas. Pizza. Sorry, that's one word. *Eat* Pizza.

Continue to develop your hobbies, passions, and interests. They will keep you energized when sometimes work does not.

And they will keep you human. Keep you relatable. Keep you sane.

Whatever title you hold, wherever your office is, or whichever board seat you occupy, always remember "you."

You have earned the right to be a leader in your field, so embrace leadership in all its forms. We need leaders from all kinds of backgrounds and disciplines. We need strong communicators. And we need those who can inspire teams, take ownership, and drive progress. Especially at times of great uncertainty, people crave effective leadership.

That's why this is a good time in your career to play two roles.

You can *have* a mentor and *be* a mentor at the same time. Pay it back and pay it forward.

And while you're busy making incredible contributions to your organizations and to the world, don't forget yourself. Don't forget what makes you great. And don't forget to eat pizza.

Congratulations, and best of luck in everything you do. May the stars be with you.