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Baccalaureate Remarks

Remarks by

Jerome H. Powell

Chair

Board of Governors of the Federal Reserve System

at

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Thank you, President Eisgruber, for the opportunity to speak here today.

Congratulations to the Princeton University class of 2025 on the tremendous achievement of earning your degree, and to the parents, family members, friends, and mentors whose support and encouragement made this day possible.

Fifty years ago, almost to the day, I was sitting where you are now, listening to...a speaker...deliver a speech...neither of which I can recall. What I plan to do today is to share some things with you that I believe would have been useful for me to hear back then.

For those of you who are fundamentally unsure about your path, I was you. Rather than studying, I had spent my freshman year with fellow campus musicians playing my Martin D-35 acoustic guitar. It was a high school graduation present, one that my parents surely regretted.

While I still play that guitar, my freshman grades said clearly that I needed to get my act together academically, and by senior year I had done so. But I had no real plan for life after Princeton. I grew up in Washington, D.C., and majored in politics. As you know, Princeton graduates have a long and distinguished record of service to the nation and to humanity. That left me with a single thought, which was that I wanted to have a private sector career and also serve periodically in government. I was thinking of people like Princeton's George Shultz, a giant of that era. There are countless other examples across the political spectrum, including presidents, senators, members of Congress, governors, and judges. Of course, most of those who serve are not public figures. I could just as well point to classmates who devoted their working lives to teaching high school kids—there is no higher calling.

Many of my classmates and friends went straight into prestigious graduate schools, politics, or Wall Street. Others went on to global capitals, the military, or the Peace Corps. I had brushed off my parents' one academic suggestion, which was to major in economics, which struck me as boring and useless. After 13 years at the Fed, I admit I was wrong about that!

After graduation, I had no plan and no job, and wound up putting labels on shelves in a warehouse for six months. I didn't feel great about that. One of my closest friends was getting a master's at Stanford, and I could only think—"Nice going, Jay. You really nailed it." In hindsight, that time in the warehouse was a blessing, and exactly what I needed. The next fall I entered law school, and for the first time I was highly resolved to make the most of the opportunity.

You know what? We all move at our own pace, and that's ok. Fifty years later I can tell you something I did not know then: The vast majority of what you need to know about work, about relationships, about yourself, about life, you have yet to learn. And that itself is a tremendous gift. Over the remainder of your life, you can—you must—continue to educate yourself and to grow as a person, becoming more focused on what really matters, more widely knowledgeable, better read, more disciplined, and more strategic. But also wiser, kinder, more empathetic, more generous, more loving, more forgiving of others and of yourself. Each of us is a work in progress. The possibilities for self-improvement are limitless.

Another thing I have realized is that while hard work, determination, and creativity matter a great deal to success in life, luck plays a big role too. All of us here

are tremendously lucky. I know that, at a handful of critical times in my life, I got really lucky—beginning at birth.

My parents were well educated. They gave the six Powell kids a safe, loving home, and placed a high value on learning. They gave us everything we needed to thrive. That bit of luck led to the good luck I share with all of you, the chance to earn a degree from America's finest university.

Another thing I have learned along the way is that, as you strive in coming years to reach your full potential, you will need to take risks and make mistakes.

Everyone makes mistakes. Take it from an expert! But the bigger mistake is to avoid taking risks.

If you aren't failing from time to time, you aren't asking enough of yourself. Sooner than you think, many of you will be asked to assume leadership roles. It is very common to feel, as I once did, that you are not ready. Just know that almost no one is truly ready. All I can say is go for it! Throw yourself into the deep end of the pool. Believe in yourself. Take risks. When you fall down, get up! Repeat cycle. And as you do assume higher responsibility, understand that a big part of your job is to bring along the people behind you. Be the leader that people can learn from, the one that people want to work for.

My next point is closely related. A little bit of initiative, at the right time, can make all the difference. Initiative is the rocket fuel of life. I am no entrepreneur. I did not start a major tech company. But as I look back, many of the most important developments in my life trace back to a few occasions where I showed some initiative.

One example out of many—when I was a very junior associate, the man who ran my firm—Nicholas F. Brady—was a former U.S. senator whose career had spanned the private sector and public service. I wanted to meet him but realized that it was up to me to make that happen. One day I forced myself to walk up the stairs to his corner office. I asked for an audience and was ushered in. I was very nervous; the meeting was very brief; and I walked down those stairs thinking “at least I tried.” To my surprise, two months later Nick Brady asked me to work on a project with him. A year or so after that he became the Secretary of the United States Treasury, and in time he asked me to serve under him as an Assistant Secretary of the Treasury. That enormously challenging role whet my appetite for further public service and ultimately proved to be a gateway for my appointment to the Federal Reserve Board. If I had not forced myself to take that risky and potentially awkward step, I would not be here today.

I can think of long-term friendships and one marriage, my own, that turned on a moment’s initiative. On occasions like that we risk failure, awkwardness, embarrassment, and rejection. But that’s how we create the career opportunities, the great friendships, and the loves that make life worth living.

The combination of luck, the courage to make mistakes, and a little initiative can lead to much success. But know this: the world needs more from you than personal achievements and individual success. I strongly urge you to find time in your careers for public service.

Since the founding of this great democracy 250 years ago, generation upon generation have assumed the burden and the honor of moving us closer to the ideal that all are created equal. Now, it’s your turn. I ask you to take a minute and realize how the

quest for these values has led us to this point in our history. We lead the world in so many ways, including in scientific innovation and economic dynamism. Our great universities are the envy of the world and a crucial national asset. Look around you. I urge you to take none of this for granted. When you look back in 50 years, you will want to know that you have done whatever it takes to preserve and strengthen our democracy, and bring us ever closer to the Founders' timeless ideals.

Those of you who are not entering the military or other public service may wonder, what is so great about public service? I'll give you a recent example. In my years at the Fed, the global economy has experienced a fair amount of turbulence, and one outright crisis—the acute phase of the COVID-19 pandemic. With little warning, economies around the world came to a hard stop. Critical financial markets were near collapse. The possibility of a long, severe, global depression was staring us in the face. Everyone turned to the government, and to the Federal Reserve in particular as a key first responder. Career civil servants at the Fed who are veterans of previous crises stepped forward and said, “We got this.” We took a range of aggressive measures to supply credit to the economy—many of them unprecedented—while the financial sector recovered. Others in government and the private sector did their part too. Through the joint efforts of many, we avoided the worst outcomes. It is hard to imagine the pressure people face at a time like that. Their collective efforts saved our economy, and the career civil servants involved deserve our respect and gratitude; it is my great honor to serve alongside them. That's what public service is like.

With that luck that I mentioned comes great responsibility. You may recognize this from the Gospel of Luke: “From everyone who has been given much, much will be demanded.”

As you navigate the world of bright possibilities that awaits you, I urge you to take on the challenge and the opportunity to serve your fellow citizens. You will never regret that choice.

A very last, and critical point. Your life matters—to the people you love and to the broader world. Fifty years from now, you will want to be able to look in the mirror and know that you did what you thought was right, in every part of your life. At the end of the day, your integrity is all you have. Guard it carefully.

Thank you for your time. Congratulations to the Princeton class of 2025.