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ABOUT

Christopher M. Russo is the Republican chief economist for the U.S. Senate Banking Committee. His work spans the full range of the Committee's jurisdiction. He briefs members on economic conditions; advises on economic policy and legislation; and supports oversight of the Treasury Department, Federal Reserve, SEC, and other agencies.

Mr. Russo is also a doctoral student in economics at George Mason University, where his research focuses on monetary economics and economic history. Previously, he was a postgraduate research fellow with the Mercatus Center, an economics research center at George Mason. Before Mercatus, he advised top policymakers at the New York Fed and Chicago Fed on monetary policy and financial markets.

Russo has been published by prominent outlets including *National Review*, *The Hill*, *Barron's*, and *Reason*. His views have been quoted by Dow Jones *The Wall Street Journal*, CNBC, Reuters, S&P Global, and other leading news organizations. Russo has also regularly appeared in live broadcast media, such as C-SPAN *Washington Journal*. He has testified before the U.S. House Financial Services Committee about his expert views on the Federal Reserve's emergency lending programs.

Russo earned a master's degree in financial mathematics from the University of Chicago. He completed his bachelor's degree in mathematics and economics at Rutgers University, New Brunswick.

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INFLATION COMMENTARY

What matters in setting inflation long-term is really people's expectations. There's almost a Peter Pan aspect, where if you believe you can fly, you can fly. **– Quoted by *Sinclair Broadcast Group***

The inflation we're seeing today gets us back on track to price stability by offsetting the deflation and disinflation of the last 10 years. This is painful for families… The question is what's worse: a small decrease in your inflation-adjusted salary, or longer and larger layoffs during recessions? The Fed is betting that a bit of inflation today saves jobs tomorrow. **– "Good Monetary Policy Is About More Than Inflation"**

Policymakers should stay the course and prove the credibility of their 2 percent target. Banish the deflationary specter haunting Europe and Japan from our shores. But continue to act in a data-dependent way. With the national debt again above 100 percent of GDP, plan for the possibility that inflation continues to soar, even while the labor market remains somewhat slack. **– "Inflation Marches, But Don't Tighten - Yet"**

It's not plausible that cooked books hide double-digit inflation… The Bureau of Economic Analysis measures that dollar GDP grew by about 2.3% from March 2020 to March 2021. Over the same period, the money supply grew by 24%. If the price level is also up by 24%, then real GDP must be down by about 18%. That's absurd and clearly not true: We'd need Depression-era soup kitchens to feed all the unemployed. **– "The Government Isn't Cooking the Books on Inflation"**

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DEBT LIMIT COMMENTARY

Our nation risks another self-inflicted wound when the debt limit suspension expires on July 31. Allowing expiration exposes the nation to emergencies, harms our public credit and financial stability, and does not solve the federal government's long-term budget problems. Congress and the president should marry a permanent suspension of the debt limit with real economic reforms. Time is running out.
– "Permanently Suspend the Debt Limit"

Even if the debt limit is eventually increased after the deadline, it is difficult for investment banks and securities traders to handle a sudden flood of newly issued debt. As with the debt limit episode in 2019, we might again see Treasury markets dry up and yields spike, lowering the value of bank capital and collateral for derivatives. Last time, the Federal Reserve fixed these markets with enormous Treasury purchases and repo operations. **– Quoted by *Discourse Magazine***

As things stand today, all options are on the table, and the stakes have never been higher. My message to Washington is simple: Do not make the Fed use any of them. Yes, despite the serious institutional risks recognized by all, the Fed will attempt to mitigate the "grave threat" of a dollar default. But with each unprecedented intervention, they weaken their credibility and strengthen moral hazard. One day, they won't be able to ride to your rescue.
– "Inside the Fed's Playbook for a Dollar Default"

Talk of a mere "technical default," in which the Treasury misses a debt payment because of the debt limit, is just political euphemism.
– "Permanently Suspend the Debt Limit"

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GAMESTOP CORP. COMMENTARY

The rise and fall of GameStop's stock price was not a speculative bubble. Rather, short sellers of GameStop were overleveraged. Like a game of musical chairs, when the music stops, short sellers must scramble to cover their shorts. When the music did stop, investors were paid handsomely. It is not irrational exuberance; it is supply and demand. **– Quoted by *Al Jazeera***

Billionaire hedge fund manager Leon Cooperman accused GameStop investors of "sitting at home, getting their checks from the government." … When hedge funds behave this way, they simply call it "arbitrage." Reality check: Hedge funds offered up a free lunch, and the public ate it. **– "Congress and SEC: Let the People Trade"**

Retail investors must not be prosecuted simply because they were on the winning side of a trade and used colorful language on the internet… And as SEC officials regularly point out in their indictments, professional traders also use colorful language in their chats. So, let's be fair. Absent an underlying crime, when hedge funds leave a free lunch on the table, don't punish retail traders for eating it.
– "The GameStop Short Squeeze"

Somebody making money in the market and somebody losing money in the market is not a threat to the economy, and it's not a threat to your 401(k). What really matters for our retirement accounts and our general economic well-being as the public is the ability to have stable financial markets—stable in a broad sense of not worrying about any particular asset price—and the long-run growth of the economy.
– "The GameStop Saga" podcast