

Chart of the Day



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Limited Opportunity to Reshape the Fed

In his first term, President-elect Trump was able to fill five vacancies on the seven-person Fed Board of Governors within his first year in office. Currently, there are no vacancies and very few term expiries over the next four years. While Powell’s Fed Chair term expires in 2026, his term on Fed Board of Governors theoretically continues through 2028. Michael Barr’s term as Vice Chair for Supervision expires in July 2026.

Highlighted rows indicate specific roles expiring in next four years.

Fed Official	Current term ends
 Adriana Kugler	As Governor - January 2026
 Jerome Powell	As Chair - May 2026
	As Governor - January 2028
 Michael Barr	As Vice Chair for Supervision - July 2026
	As Governor - January 2032
 Philip Jefferson	As Vice Chair - September 2027
	As Governor - January 2036

Could Trump Terminate Chair Powell Before May 2026?

President-elect Trump has repeatedly expressed dissatisfaction with Chair Powell, and that he should have a “voice” in Fed rate policy. Chair Powell has publicly stated that the law precludes his replacement before term expiry in 2026. To the extent that the law may be ambiguous, we would expect institutional pushback from the Fed, US Senate and markets to be significant on any substantive challenges to the precedent of Fed independence (beyond combative rhetoric).

 Legal resistance Law unclear - Legally ambiguous - Fed Governors can be fired with “cause” only (“dereliction of duty”) - Law not explicit on Fed Chair - Litigation likely to be lengthy (beyond Powell’s term)	 Fed resistance To undue influence, dovish pressure - Significant institutional pushback on challenges to Fed independence - The FOMC votes on the Chair at its first meeting each year - Fed Governors unlikely to cooperate on rate policy	 Senate resistance To approving new Chair 80 US Senators reconfirmed Powell’s second term in 2022 - US Senate (including GOP) values Fed independence - Pushback on Fed nominations could follow	 Market resistance Adverse reaction likely “Crisis of confidence” risk in markets if Fed independence challenged - Rate sell-off possible (opposite of Trump objective)
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Source: (1) Federal Reserve. Bloomberg, “Trump’s Victory Casts a Shadow Over the Federal Reserve” (November 6, 2024). (2) Oxford Economics, “Can politics and the Fed mix or is it oil and water?”. *Term as Fed Chair **Filling unexpired term, therefore can be reappointed *** Term as Fed Governor

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“Macro stability isn’t everything, but without it, you have nothing.”