9-5-25

FEDERAL RESERVE BOARD

Nominee: He'd keep his White House job

Stephen Miran, chairman of the Council of Economic Advisors, was nominated to fill a gubernatorial term on the Federal Reserve Board that is set to expire in January ALEX BRANDON — ASSOCIATED PRESS FILE

BY JOSH BOAK

THE ASSOCIATED PRESS

WASHINGTON>> Stephen Miran, President Donald Trump's pick to join the Federal Reserve Board, said Thursday that he would remain a White House employee even if the Senate confirms him to fill an unexpired term at the central bank.

Miran, who was nominated to fill a gubernatorial term set to expire in January, made the disclosure at a hearing before the Senate Banking, Housing and Urban Affairs Committee.

He said that on the advice of his lawyers he would take an "unpaid leave of absence" as chair of the White House Council of Economic Advisers. Miran later said he would only resign from the Republican administration if he were nominated for a longer term at the Fed.

His answer instantly triggered alarm bells about the Fed's independence, suggesting that the central bank could ultimately become subservient to Trump's whims instead of its congressional mandates to keep prices stable and maximize employment.

Political control of the Fed could erode the faith that the American population and investors worldwide place in the U.S. economy, which could threaten global markets and national prosperity.

Democrats blasted Miran's plan to keep his day job at the White House.

"Your independence has already been seriously compromised," Sen. Jack Reed, D-R.I., said. "You are going to be technically an employee of the president of the United States but an independent member of the board of the Federal Reserve. That's ridiculous."

Miran's hearing reflected the broader battle over Trump's efforts to gain control of the Fed. Because of the possible negative impacts on the economy, the Fed has tried to act based on the economic data rather than electoral considerations.

Trump, however, has engaged in a prolonged campaign of pressuring and mocking Fed Chair Jerome Powell for not cutting the benchmark interest rate to Trump's liking, a move that could end up pumping more money into the economy and creating greater inflationary risks. The Fed has yet to reach its 2% inflation target and has held its rates steady in part because of the uncertainties created by Trump's import taxes.

The president has also sought to apply pressure on the Fed over its renovation of its headquarters and other buildings and has tried to fire Lisa Cook as a Fed governor over allegations that she committed mortgage fraud. Cook has said she will not resign and has sued to overturn Trump's move, but on Thursday the Justice Department had started examining the allegations against her.

Miran, in his answers to senators, played down the controversy over Trump's desire to control the Fed. Miran said that if he were confirmed to fill the rest of Adriana Kugler's term, he would act based on his own judgments about inflation and employment.

"Look, the president nominated me because I have policy views, that, I suppose that he liked," he said told the committee chairman, Sen. Tim Scott, R-S.C. "If I'm confirmed to this role, I will act independently, as the Federal Reserve always does, based on my own personal analysis of economic data."

Even Republicans saw the risks to the loss of Fed independence. Sen. John Kennedy, R-La., asked Miran to commit to "ignore all the rhetoric from all politicians" and make his own choices.

But Miran arrives with the baggage of having worked for a president who has expressed disdain for the Fed's tradition of independence. Trump has argued that he knows more about monetary policy as he has called for the Fed's benchmark rate to be cut by a full 3 percentage points.

In June, a Fed forecast of future rates showed emerging divisions among the policymakers. Seven projected no rate cuts at all this year, two indicated one cut and 10 forecast at least two reductions.

"This is a crisis moment for the Federal Reserve, for the financial system and for the economic stability of families all across this country," Sen. Elizabeth Warren, D-Mass., told reporters before the start of the hearing.

Warren added that the Fed board's "independence and their efforts to make decisions based on what's really happening in the economy — not what the politics are — is something that benefits every single American. Donald Trump wants to burn that to the ground."

Under questioning by Warren, Miran declined to say whether Trump lost the 2020 presidential election to Democrat Joe Biden, saying only that Congress certified Biden as president. Miran declined under questioning to contradict Trump's unfounded claim that the Bureau of Labor Statistics had faked jobs numbers for political reasons.

Trump fired the bureau's head after severe revisions to the July employment report showed the economy was potentially weaker than Trump's claims of a "golden age."

There are also questions about how Miran interprets the Fed's independence. He said that the president is entitled to express his opinion on monetary policy and that consideration of climate change as an economic force by Fed officials would be a politicization of the central bank.

In a 2024 paper he co-wrote for the Manhattan Institute, Miran argued that the Fed was already politicized by “highly political, personnel who move freely between the White House” and the central bank’s headquarters.

In that same paper, Miran wanted to heighten presidential control, saying that having Fed board members serve at the will of the president would confer “greater democratic legitimacy” on the Fed.

By indicating that he could return to the White House, Miran seemed to undermine one of his own recommendations in his paper.

“To further insulate board members from the day-to-day political process, they should be prohibited from serving in the executive branch for four years following the end of their term,” the paper said.