



Trump's Election Puts Federal Reserve On Hot Seat

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Now that a billionaire is in the White House, what can we expect with the Federal Reserve?

President-elect Trump openly criticized the Fed during his campaign for keeping interest rates at record low levels. Experts say he can either keep the Central Bank as is, or start replacing board members with his own nominees.

“He's unlikely to leave the two unfilled posts vacant, so he'll probably influence the Fed's governance at least to that extent, and it's quite likely Chairwoman Janet Yellen will not be renewed when her term comes up,” says Dr. George Selgin, a senior fellow and director of the Center for Monetary and Financial Alternatives at the Cato Institute.

Selgin is hoping Trump will, at the very least, roll back some of the Obama administration's regulatory actions.

“Get the regulators off the backs of small banks and reverse those aspects of the Obama-era financial regulation that have hurt the smaller banks and helped the larger banks,” he says. “It should be a no brainer, let's hope he cottons on to that and does something about it.”

However, Selgin says Trump could want to keep Yellen on board if the economy is flourishing when her term ends in 2018. That's because the change up could cause havoc on stocks just ahead of the mid-term elections.