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Trump gets zero as Fed employees bestow more money on Democrats

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Donald Trump and his main rivals for the Republican presidential nomination all have expressed dissatisfaction with the Federal Reserve. Campaign donation records indicate the feeling is mutual.

Trump, who accused Fed Chair Janet Yellen in October of keeping interest rates low as a favor to President Barack Obama, hasn't collected a single donation from Fed employees, according to a review of Federal Election Commission data. Sen. Ted Cruz has received \$2,000, while Sen. Marco Rubio has taken in \$750. Hillary Clinton, the leading Democratic candidate, has received \$18,239 this election season.

Twelve years of data show more than \$435,000 in donations from Fed staffers, which skewed heavily to Democrats well before this election cycle, have shifted even more firmly in that direction in the 2016 campaign. While the amount of money from Fed employees is down compared with the same point in the 2012 race, contributions to Republicans have dropped to \$6,500 from \$23,151.

Since the 2004 presidential election, when Republican George W. Bush was reelected, individuals listing the Fed as their employer have made legally capped donations totaling \$436,555 to federal candidates, parties and partisan political action committees. Of that, \$343,916, or 79 percent, went to Democrats.

The partisan preference has grown stronger since the 2012 presidential election. Through January, Fed employees in this cycle have contributed \$54,235, with 88 percent going to Democrats.

Fed spokesman David Skidmore declined to comment.

The falling Republican support comes at a time when the central bank is trying to protect its independence from critics in Congress and the top Republican candidates are calling for more scrutiny of the institution. Trump, Rubio and Cruz have all backed legislation that would subject

monetary-policy decisions to increased congressional scrutiny. Fed officials have said that would politicize deliberations that should focus purely on economics.

"I always felt that sustaining the institution against the political arena was the important thing," said Robert Smith, who retired in 2011 after working for 43 years at the Dallas Fed. He contributed more than \$20,000 to Republicans since November 2004.

But recent attacks on the Fed don't explain the tilt of donations toward Democrats that pre-dates this election cycle.

Richard Anderson, who donated \$15,000 to Republican candidates while serving as chief operating officer at the Federal Reserve Board from April 2011 to November 2012, said he wasn't surprised by the data favoring Democrats.

"I don't think it's just the Fed. Public-service employees are more likely to be Democratic than not, in my experience," he said.

He said that political bias didn't influence how people at the Fed did their jobs.

"The focus, on the day-to-day level, is much more on good public policy than Republican or Democratic policy," he said.

Another former Fed employee mostly agreed, but added that political outlook can sway economic research.

"If a person leans to being on the liberal side of the political spectrum they're more likely to favor intervention," said Daniel Thornton, a former economist at the St. Louis Fed and now an adjunct scholar at the conservative Cato Institute. "You'd like to say it's all based on facts, but when you talk about macro-economics, the facts are pretty fungible."

Indeed, a 2015 Columbia Business School research paper by Zubin Jelveh and two co-authors concluded that political ideology influences the results of economic research. They identified a "robust correlation between patterns of academic writing and political behavior" that shouldn't appear if politics were irrelevant to theoretical work.

The FEC data include donations from people who worked throughout the Federal Reserve system, including the 12 regional reserve banks. The records don't capture donations of less than \$200, and donors who give less than that amount may not disclose their employer.

Trump, a billionaire, frequently states that he is mostly self-financing his campaign, though his organization does accept donations. Through January, Trump had raised \$7.5 million from individual contributions, mostly from small donations and merchandise sales, according to the Center for Responsive Politics. Trump has kicked in \$17.8 million of his own money, according to the center.

Clinton has raised \$122 million in individual contributions, mostly from donors giving \$200 or more. Cruz has gathered \$54 million and Rubio has brought in \$33.5 million from individual donors, while Democratic nominee Bernie Sanders has collected \$95 million, and his campaign has relied on donations of less than \$200.

The Fed employed 21,489 people in 2014, according to the central bank's most recent annual report. Since the 2004 election, 328 Fed employees made 815 donations at the federal level from Nov. 3, 2004, through Jan. 31, 2016, according to Bloomberg's review of FEC data.

The 1939 Hatch Act limits the political activities of government employees but does not bar campaign contributions.

The most prominent Fed donor in the period examined was Governor Lael Brainard, who gave \$750 in three contributions to Clinton's campaign between November 2015 and January this year. Brainard was a White House adviser in the Bill Clinton administration.

The only other sitting member of the Federal Open Market Committee to make a donation in the period was Dennis Lockhart, president of the Atlanta Fed. He gave \$2,000 in 2014 to the campaign of Georgia Democrat Michelle Nunn, who ran unsuccessfully for the Senate.

Atlanta Fed spokeswoman Jean Tate said Lockhart declined to comment.

When he was running, Obama was the biggest beneficiary of donors in the period searched. His campaigns took in \$173,618, or 40 percent of total contributions from Fed employees. Clinton was next with \$28,600, followed by the Democratic National Committee with \$26,296. Sanders has drawn \$1,601.

Mitt Romney, the 2012 Republican nominee, received \$21,000 from Fed employees, and John McCain got \$14,950, almost all of that during the 2008 race, the FEC data showed.