

Running Through Potential Treasury Secretaries

By Michael Magnani

Come January 20th, personnel from a new presidential administration will move into the West Wing and the other various department headquarters scattered around Washington DC. One of the most important of these departments, the Treasury Department, has had quite a bit of buzz around it in recent days. Who President-Elect Joe Biden picks to lead one of America's oldest Cabinet Departments will shape the Biden administration's economic policy and play a major role in helping push America out of the recession it is currently in. There are quite a few contenders for this role, with some being more realistic than others. As we get closer and closer to Mr. Biden's [announcement](#) of his intended pick, I will take a look at some of the contenders, their backgrounds, and give my take on who my pick would be.

Lael Brainard

Lael Brainard is arguably the favorite to be named to the position. She has been mentioned for a few months now and is currently a Governor for the Federal Reserve Board. Ms. Brainard also packs quite the impressive CV. In her current role for the Fed, she serves as the Chair for numerous committees such as the Committee on Financial Stability and the Committee on Federal Reserve Bank Affairs, amongst others. Also of note is that when Ms. Brainard was appointed to the Fed's Board of Governors in 2014 by President Obama, she was confirmed by the Senate 61-31. Having bipartisan support in these politically charged times is important, especially considering Mr. Biden will be dealing with a Senate that is likely to have a slim Republican majority. Ms. Brainard has prior experience in both the Treasury Department and the White House, as well. During the Obama administration, she served as the department's Under Secretary for International Affairs (where she was also confirmed by the Senate in bipartisan fashion). It was in this role where she led the United States' response to the European Debt Crisis, as well as having a front row role in dealing with the ever-expanding Chinese economy. She also served in the White House during the Clinton administration, where as a Deputy Director on the National Economic Council, she led and crafted the Clinton administration's response to the 1997 Asian Financial Crisis as well as dealing with China's

ascension to the WTO. Outside of government, Ms. Brainard has worked for McKinsey & Company (where she advised clients that ran small businesses in West Africa) as well as an associate Professor of Applied Economics at MIT's Sloan School of Management. Lastly, she served as a Senior Fellow at the Brookings Institution, a think-tank, in between her roles in the Clinton and Obama administrations. There she focused on the global economy and development.

At the Fed, she has been a voice opposing many of the deregulation measures the Trump administration is taking. However, Chairman Powell has had nothing but great [words](#) about her. But she has received some blowback from the progressive wing of the Democratic Party as her name continues to floated around as a potential candidate for the role. They paint her as being too 'centrist' and not progressive enough on topics such as climate change. They also paint her as a classic Washington insider who floats between the private and public sector, an establishment name if you will. With progressives looking to have both an outsized role and voice in the Biden administration, they may look to try and get Mr. Biden to nominate someone else for the roll.

Janet Yellen

Janet Yellen's name has only recently started to become heard in circles as a potential pick for Treasury secretary. Ms. Yellen, as many know, was most recently the Chair of the Federal Reserve from 2014 to 2018. She also was a Vice Chair of the Fed from 2010 to 2014. She was the first woman to hold the position of Chair of the Federal Reserve. While at the Fed, Ms. Yellen has been known for her dovish monetary policy. She has advocated for using the powers of the Fed to counter unemployment, even if it meant the risk of higher inflation. Ms. Yellen also has repeatedly claimed she would protect regulation such as Dodd-Frank during her tenure at the Fed. These are quite mainstream views in many Democratic circles now adays, and can paint a possible figure of how Ms. Yellen would administer the Treasury Department. Before her roles as Chair and Vice Chair, Ms. Yellen was the CEO and President of the San

Francisco branch of the Fed from 2004-2010. It was here that she first became a voting member of the Federal Open Market Committee, which is the committee that sets interest rates. She also was the Chair of President Clinton's Council of Economic Advisors from 1997-1999, where she led a momentous study on the gender pay gap. This study proved that there were no productivity differences between men and women, and the reason for the difference in pay was simply gender discrimination. Throughout her life, Ms. Yellen also had held various other roles at the Fed, along with holding academic positions at schools such as UC Berkeley's Haas School of Business and The London School of Economics and Political Science. Since not being renominated by President Trump for another term as Chair of the Fed in 2018, she has held a role with the Brookings Institution.

As mentioned earlier, Ms. Yellen's name has only recently been thrown into the mix as a contender for the position. She is also the de facto choice for the progressive wing of the party, even though her views on the economy are quite mainstream, as her strong comments about combatting climate change and advocacy for implementing a carbon tax make her the realistic choice amongst the main contenders for them. Ms. Yellen could be seen as a compromise candidate between the more moderate elements of the Biden administration and the progressives that occupy a small yet vocal sect in the Democratic Party.

To Conclude

There are some other names that have been floated around as potential contenders for this role as well. Former Fed Vice Chair Roger Ferguson, and current Atlanta Fed President Raphael Bostic have been mentioned as possible candidates as well. Both men would be the first African-American Treasury Secretaries, and Mr. Bostic would be the first openly gay one. Other potential candidates that had been previously mentioned but have seemingly recently fallen out of contention are Sarah Bloom Raskin (a former Governor on the Fed Board and Deputy Treasury Secretary under President Obama), Ruth Porat (CFO of Alphabet), Mellody Hobson (President and co-CEO of Ariel Investments) and Elizabeth Warren (Senator from

Massachusetts and a favorite of progressives for the role). All of these candidates have one thing in common, and that is each would trailblazers for the role. It is about time we are considering not only women, but also African-Americans and people from the LGBTQ community for this role. On that alone, each of these candidates are impressive.

If I was Mr. Biden, my pick would be Ms. Brainard. She has the relevant experience and expertise in many areas. Whether it's understanding the ins and outs of Congress and the Treasury Department, or dealing with countries abroad as we continue to see the ever-connected nature of the global economy grow, Ms. Brainard brings the necessary tools to the table. As we continue to endure this pandemic and the accompanying recession, the United States needs a strong and capable leader who is willing to work to get this economy back on track. This is not to say Ms. Yellen, or any other potential candidates, wouldn't be capable of doing this. I do hope many of them get roles in the Biden administration in one way or another, in order to get as many respected opinions and voices in the room during this time of crisis. But the role of Treasury Secretary should be given to Ms. Brainard, and Republicans in Congress ought to not obstruct her nomination, as it would have nothing to do with her qualifications but instead be based on politics and grandstanding. We will see on [Tuesday](#) which route Mr. Biden and his team choose to take.