

## NO, BIDEN CAN'T JUST "APPOINT A STRONG VICE CHAIR OF SUPERVISION"

Many have argued that Biden should ignore Fed Chair Jerome Powell's deregulatory record as he weighs Powell's reappointment, because the President can achieve his financial regulatory goals by appointing a strong vice chair of supervision. **This does not add up.**

### The Numbers:

The current Vice Chair of Supervision, Randal Quarles, has indicated that he may stay on as a board member after his term as Vice Chair expires this October. **If he does and Powell is reappointed,**

Jerome H. Powell	Chair
Randal Quarles	Member
Michelle Bowman	Member
Christopher Waller	Member
Vice Chair	Vice Chair
Vice Chair of Supervision	Member
Lael Brainard	Member

(Board composition if Quarles stays and Powell is reappointed)

but, as the head of the institution and the staff, they control the agenda. That means Powell owns every deregulatory step the Fed has taken in the last three years. It also means that **Biden's Vice Chair of Supervision will not be able to restore regulatory safeguards or develop new ones without Powell's approval.** There is little reason to believe that Powell, who continues to defend every one of the Fed's deregulatory actions, will repudiate his record of the last three years and support its reversal.

**Trump appointees will maintain a majority on the board for Biden's term** (provided that no Governor steps down).

**There is no reason to believe that a Trump-appointed majority, fresh from having voted to deregulate, will re-regulate simply because Biden's Vice Chair of Supervision tells them to.**

While many pundits don't seem to understand this basic math, Quarles almost certainly does. **Choosing to reappoint Powell could encourage Quarles to stay to defend his deregulatory legacy.** He will likely be eager to defend the rollbacks he shepherded as vice chair of supervision. By reappointing Powell, Biden will give Quarles that opportunity. **Biden's decision on Fed chair is a decision on the overall composition of the Fed Board.**

### The Institution:

**Even if Quarles does not remain on the board, deregulators will still have the upper hand so long as Powell is Fed Chair.** The Chair may only be one vote among seven on regulatory matters