

Special Update

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Potential Federal Reserve Chair Nominees Under President Trump: A Detailed Analysis

Executive Summary

Jerome Powell's term as Chair of the Federal Reserve Board expires in May 2026, providing President Donald Trump with an opportunity to nominate a successor who aligns with his economic priorities, including lower interest rates and a more accommodative monetary policy. Trump's criticisms of Powell for being "too late" in cutting rates have set the stage for a potential shift in Fed leadership. Based on recent reports and public statements, the search has narrowed to a shortlist of four primary candidates: Kevin Hassett, Kevin Warsh, Christopher Waller, and Rick Rieder. This report examines each candidate's background, policy views, and likelihood of nomination, while also addressing potential Senate confirmation challenges amid ongoing controversies, such as the Department of Justice's investigation into Powell.

Background

President Trump has expressed a desire for the Federal Reserve to reduce interest rates significantly, potentially to 1% or lower, to support economic growth and reduce national debt servicing costs. Powell, appointed by Trump in 2018 but later criticized for high rates during inflationary periods, faces scrutiny over a \$2.5 billion Fed headquarters renovation project, which has led to a DOJ criminal investigation and grand jury subpoenas. This has prompted some Republican senators, including Thom Tillis and Lisa Murkowski, to vow to block any Trump Fed nominees until the matter is resolved, potentially complicating confirmations (Reuters, 2026). (BBC, 2026).

Treasury Secretary Scott Bessent, leading the search, has indicated a decision could come as early as next week, following interviews with finalists (Bessent, as cited in Yahoo Finance, 2026). Earlier lists included up to 11 candidates, but the field has tightened amid market speculation and prediction markets like Kalshi showing shifting odds (Bloomberg, 2026).

Key Candidates

The following profiles detail the leading contenders, their qualifications, and alignment with Trump's agenda.

Kevin Hassett

Kevin Hassett, currently Director of the National Economic Council and a longtime Trump economic adviser, is a prominent conservative economist with experience from Trump's first term. He has advocated pro-growth policies, including tax cuts, and supports using AI and productivity gains to combat inflation without aggressive rate hikes. Hassett was initially seen as the frontrunner, with Kalshi odds peaking at around 54%, but Trump has expressed reluctance to lose him from the White House, potentially shifting dynamics (CBS News, 2023). (YouTube, 2025). His loyalty to Trump and emphasis on lower rates make him a strong ideological fit, though his lack of central banking experience could draw criticism during Senate hearings (Investors.com, 2026). Recent X posts highlight his status as a "loyalist" and top contender (DeItaone, 2025).

Kevin Warsh

Kevin Warsh, a former Fed Governor (2006-2011) under President George W. Bush, is a vocal critic of recent Fed policies and has re-emerged as a favorite. He advocates for a rules-based monetary approach, emphasizing inflation control as a "moral failure," and supports innovative balance sheet management. Warsh's Wall Street background (formerly at Morgan Stanley) and hawkish stance on inflation align with Trump's desire for decisive action, though he has pushed for lower rates in line with the administration's goals.

Prediction markets give him around 38-58% odds, surging after Trump's comments on keeping Hassett in his current role (Fortune, 2025). (New York Times, 2026). Warsh is viewed as an "insider critic" who could navigate Senate confirmation more easily due to his prior Fed experience (MarioNawfal, 2025).

Christopher Waller

Christopher Waller, a current Fed Governor appointed by Trump in 2020, represents an internal candidate with deep monetary policy expertise. As a former executive vice president at the St. Louis Fed, Waller has adopted a dovish stance recently, supporting rate cuts to stimulate the economy. His recent interview with Trump boosted his odds to about 16% on Kalshi. Waller's insider status could ensure continuity while allowing Trump to influence policy direction, though he has emphasized Fed independence, which might clash with the administration's push for alignment (BBC, 2026). (geminitrading, 2026). He is seen as a "steady hand" less likely to face partisan backlash (DeItaone, 2026).

Rick Rieder

Rick Rieder, BlackRock's Chief Investment Officer for Global Fixed Income, has gained momentum as a dark horse candidate. With extensive Wall Street experience managing trillions in assets, Rieder supports innovative Fed tools and has called for rates around 3% while being crypto- and gold-friendly. His emphasis on Fed independence combined with market-savvy makes him appealing for confirmation, potentially facing less Senate resistance than White House insiders. Rieder interviewed with Trump on January 15, 2026, and is viewed as the "easiest to confirm" among finalists (Reuters, 2026). (DeItaone, 2026). His outsider perspective could bring fresh ideas to the Board (JadedOrganizer, 2026).

Other Potential or Previously Considered Candidates

Earlier in the process, the list expanded to 11 names, including:

- Michelle Bowman, current Fed Vice Chair of Supervision, known for community banking focus and MAGA-aligned instincts (YouTube, 2025).
- James Bullard, former St. Louis Fed President.
- Larry Lindsey, former NEC Director under Bush.
- David Zervos, Jefferies economist. These were narrowed after interviews, with Bessent presenting 3-4 finalists to Trump (MarioNawfal, 2025). (shanaka86, 2025).

Challenges and Considerations

Senate confirmation poses a significant hurdle. Senators Tillis and Murkowski have pledged to block nominees amid the DOJ's probe into Powell, viewing it as an attack on Fed independence (TheWarMonitor, 2026). (Wayne DuPree, 2026). This could delay or derail picks, especially if seen as overly loyal to Trump. Markets anticipate a dovish shift, with Treasury yields reacting to news (WealVex, 2026). Bessent's dual role in Treasury and potentially NEC raises concerns about concentrated power (shanaka86, 2025).

Conclusion

Trump's nomination for Fed Chair will likely prioritize candidates who support aggressive rate cuts and economic stimulus, with Hassett and Warsh as early favorites, though Rieder's market expertise and Waller's insider knowledge provide viable alternatives. The decision, expected imminently, could reshape U.S. monetary policy amid economic uncertainty. Senate dynamics and the Powell investigation add layers of complexity, potentially leading to a protracted confirmation process.

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