The Next Fed Head

Alan Greenspan’s planned retirement means the U.S. will see a new Federal Reserve chairman for the first time in 19 years. Review some leading candidates.

Ben S. Bernanke

Date of Birth: 12/13/53
Currently the chairman of the president's Council of Economic Advisers, a position that has been a precursor to a Fed appointment in the past. (Alan Greenspan served in the same capacity under President Ford.) From 2002 to 2005, Mr. Bernanke was a member of the Federal Reserve Board. He was an economics professor at Princeton University from 1985 to 2002, eventually becoming chairman of the department. He has generally been considered a proponent of specific inflation-rate targets, saying at a Fed conference in 2003 that such a move toward targets "might help the Fed communicate better and perhaps improve policy decisions as well," because the public's "expectations and beliefs" about the Fed become more important in periods of price stability, where the country is currently operating.

Sources: WSJ, Federal Reserve, White House, NBER, Columbia Business School, Lindsey Group

AP/Wide World Photo

Martin Feldstein

Date of Birth: 11/25/39
Currently the president of the National Bureau of Economic Research, a leading nonprofit economic research firm, which is probably most well known for being the arbiter of when economic cycles begin and end. He was chairman of the Council of Economic Advisers under President Reagan from 1982 to 1984 and is an economics professor at Harvard University. He has written several commentaries for The Wall Street Journal, including one advocating President Bush's proposal for private Social Security accounts, and also served as an adviser to Bush's 2000 campaign. In October 2003, he said there was "no such thing" as a jobless recovery, in contrast to Mr. Bernanke, who said the economy was experiencing one in a Fed speech less than a month later. He also argued in 2001 that Bush should delay his tax cuts because the Fed had provided significant stimulus already. He isn't considered a supporter of an explicit inflation target for the purposes of monetary policy.

NBER

R. Glenn Hubbard

Date of Birth: 9/4/58
Dean of Columbia University's business school and chairman of the university's economics department, where he has been on the faculty since 1994. Mr. Hubbard served as chairman of the Council of Economic Advisers under President Bush from 2001 to 2003 and was a deputy assistant secretary at the Treasury from 1991 to 1993. He is credited with helping shape the 2003 tax cuts, putting him at times at odds with Greenspan, who was less enthusiastic about the 2003 tax cuts after supporting the 2001 cuts. He has also been a proponent of Bush's ideas for lifetime savings and retirement accounts. Like Bernanke, he supports the notion of an explicit rate target, saying in a 2003 Wall Street Journal commentary that "the Fed's objectives would be better served by identifying an acceptable range of inflation and setting a floor beneath it, which would trigger corrective expansion."
Donald L. Kohn
Date of Birth: 11/7/42
Mr. Kohn has been a governor on the Federal Reserve Board since 2002. He began
his career at the Federal Reserve Bank of Kansas City in 1970, and has been with the
Fed in Washington since 1975. He is reportedly a foe of explicit inflation-rate targets
but would possibly embrace a range, rather than a target. He has also stressed the
importance of the independence of the central bank, saying in 2003 that "the Federal
Reserve is in a more complex position within the government relative to the central
banks of many other countries, and this position both complicates any consultative
process and elevates its importance." He is considered a longshot for the
chairmanship.

Lawrence Lindsey
Date of Birth: 7/18/54
Heads his own consulting firm, which he began after leaving government, where he
most recently served as director of the White House's National Economic Council. He
was President Bush's chief economic adviser during the 2000 campaign and was a
Federal Reserve governor from 1991 to 1997. Lindsey was ousted from the White
House job in late 2002 at the same time Treasury Secretary Paul O'Neill was pushed
aside. Some say Mr. Lindsey's ouster was due to his estimate -- now prescient -- that
the war in Iraq would cost at least $100 billion and as much as $200 billion. Bush
administration officials said that estimate was too high. He is considered a strong
advocate of lower taxes. "The president is likely to seek someone who can master the
balancing act that preserves the Fed's independence," he wrote in a 2004 Wall Street
Journal commentary.