

To: **Candidates for US President**  
From: **The Fed Up Campaign**  
Re: **Your Evaluation of the Federal Reserve**  
Date: **April 11, 2016**



The American economy has improved in recent years, but it is still far from healthy. According to [the National Journal Heartland Monitor poll](#), “just 21 percent of those surveyed described the economy as excellent or good, while 78 percent called it fair or poor.” People across the country are struggling with a lack of good jobs, stagnant wages, and the challenges of finding steady, full-time work with possibilities for career advancement. Economic insecurity is particularly acute for African American and Latino families and for women: the unemployment rate for Black workers is currently more than twice that for White workers (9.0 percent compared to 4.3 percent; the unemployment rate for Hispanics is 5.6 percent) and the racial and gender wage gaps remain very large.

In December, the Federal Reserve began raising interest rates. It did this with the explicit and unambiguous intention of slowing the economy down. Although Fed leaders do not use this language when describing their policy choices, it is important not to mince words: Raising interest rates makes debt more expensive, taking dollars out of consumers’ pockets and reducing aggregate demand. The intent and the result of interest rate hikes is to slow the pace of job creation, reduce workers’ bargaining power, and put downward pressure on wages. Economists from [former Treasury Secretary Larry Summers](#) to [Nobel Prize winners Joe Stiglitz](#) and [Paul Krugman](#) argue that the Fed made a mistake.

In addition, there is increasing attention to the Federal Reserve’s failure to properly represent the American people. As explained in [a report that we released in February](#), the governance of the Federal Reserve’s 12 regional branches is dominated by banking and corporate interests (83 percent of board seats), leaving very little room for voices from the community, consumer, faith, academic, or labor sectors (11 percent). Racial, ethnic, and gender diversity is severely lacking (83 percent are White; 72 percent are men). In addition, the three most recent leadership openings at the Fed have all gone to veterans of Goldman Sachs (two of whom were involved in their own selection). And, [as documented by the Wall Street Journal](#), the process for deciding whether to reappoint or replace the 12 regional selections is happening entirely behind closed doors. This week, Professor Andrew Levin of Dartmouth, former special advisor to Janet Yellen and Ben Bernanke, released a proposal for reforming the Fed so that it better serves and represents the American public, not Wall Street

**So, here are our questions to you:**

1. Do you think the Federal Reserve should be intentionally slowing down the economy in 2016 by raising interest rates? Or do you think the Fed should be trying to increase job creation so that workers can get the wages and hours that they need to thrive?
2. Do you believe that the Fed should make it a priority to achieve genuine full employment so that all workers have more bargaining power and employers cannot discriminate on the basis of race and gender? Or do you think that the current racial and gender disparities in employment and wages – which exist across education and skill levels – are acceptable?
3. Do you think that the Federal Reserve’s regional branches are sufficiently representative of the public? Or do you think that the Federal Reserve needs to dramatically increase the number of women, people of color, and community, labor, consumer, and academic voices within its governance structure?
4. Do you believe that it was appropriate for the Fed to appoint former Goldman Sachs veterans to all three of the open Fed presidencies in 2015? Do you think that the Fed’s Board of Governors should have vetoed the appointments of the presidents in Dallas and Philadelphia, who played a role in their own selection?
5. Do you believe that Wall Street and commercial banks should be shareholders in the Federal Reserve and should get to elect and oversee the regional Fed presidents who set America’s monetary policy? Or do you believe that the Federal Reserve should be fully accountable to the American public and its elected officials, and that private banks should have no role in its governance?