



View from the Beltway

Democratic Scorecard

BY OWEN ULLMANN

If Biden wins, who'll be his brain trust?

As the contest for the Democratic presidential nomination moves to a conclusion, party strategists and consultants are busy putting together lists of candidates who are likely to fill the top Cabinet and White House spots should former Vice President Joe Biden, the all-but-certain nominee, defeat President Donald Trump this fall.

Biden's choices for senior economic jobs will be mostly familiar names from recent Democratic administrations. That should please the Washington establishment, which had feared Senator Bernie Sanders of Vermont would ride his populist movement to the nomination and victory over Trump in November.

A President Sanders surely would have assembled the most unconventional brain trust in modern times to underscore his upset victory as a revolution against the Washington establishment, which pulled together to rescue Biden from the edge of defeat. The Sanders team included a

group of accomplished and thoughtful but iconoclastic outsiders, some of whom would have struggled to win

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confirmation by the Senate—even a Democratic-controlled one.

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A President Biden is most likely to turn to a strong bench of officials from the Obama and Clinton administrations. His list for chairman of the Council of Economic Advisers or National Economic Council director surely would include Jared Bernstein, who served as chief economist to Biden when Biden was vice president. Bernstein's successor, Benjamin Harris, also could be a contender.

Jason Furman, who was President Barack Obama's CEA chairman, is mentioned frequently by strategists as a candidate for NEC director, head of the Office of Management and Budget, or a senior position at the Treasury Department. “Furman is trying to be available for any campaign except Sanders' and has contacts with all” the former candidates, said one strategist. “He would be a natural candidate for NEC chair or possibly Treasury.”

Gene Sperling, who held top economic jobs in the Clinton and

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The Short List for Top Jobs



Jared Bernstein
*CEA chair or
NEC director*



Benjamin Harris
*CEA chair or
NEC director*



Jason Furman
*CEA chair,
OMB head, or
Treasury post*



Gene Sperling
*Top economic
job*



Austan Goolsbee
*Top economic
job*



Pete Buttigieg
*Key White House
or Cabinet post*



**Elizabeth
Warren**
*Top post such as
Treasury*



**Michael
Bloomberg**
*Treasury,
Commerce, or
Fed chair?*



Jamie Dimon
Treasury



Fred Hochberg
Commerce



Lily Batchelder
*Senior
Administration
post*



Peter Henry
*Top economic or
financial post*



**Betsey
Stevenson**
*Top economic or
financial post*



**Heidi Crebo-
Rediker**
*Top economic or
financial post*



Lael Brainard
*Top candidate
for Fed Chair
or Treasury
Secretary*



Michael Froman
*Top economic or
financial post*



Diana Farrell
*Top economic or
financial post*



**Jerome "Jay"
Powell**
*Second term as
Fed Chair?*



Janet Yellen
*Return as Fed
Chair?*



Christina Romer
Fed Chair



Larry Summers
Fed Chair



Roger Ferguson
Fed Chair

Obama administrations, is reportedly in play for a top job should Biden win. Another possibility is former Obama CEA Chair Austan Goolsbee, who had openly advised former South Bend Mayor Pete

On Fed Chair Jay Powell, there is a divergence of opinion.

Buttigieg. Goolsbee could be recruited by Biden now that Buttigieg has folded his campaign and provided a timely endorsement that helped propel Biden to a surprising sweep of ten primaries on “Super Tuesday,” March 3. Biden and Buttigieg share many of the same left-of-center positions, so Goolsbee “probably would be in play if Biden gets the nomination,” the strategist said. And Biden noted that Buttigieg could wind up with a senior post if Biden moves into the Oval Office—possibly a key White House staff job or a Cabinet post such as secretary of Housing and Urban Development or a new position to prepare for the next pandemic in the wake of the coronavirus crisis.

Former New York Mayor Mike Bloomberg, who dropped out of the Democratic race after a dismal Super Tuesday performance (his \$200 million of ad spending in the fourteen contests produced a victory only in American Samoa) also could end up with a top job in a Biden administration now that he has endorsed the former vice president and vowed to spend whatever it takes to defeat Trump. Treasury secretary is a natural fit, assuming Bloomberg can accept not being the ultimate boss and Biden promises him a lot of independence. Bloomberg also could wind up as an ambassador to China, U.S. Trade Representative, Commerce Secretary, or president of the World Bank.

Two candidates whom party insiders say Biden could tap as Treasury secretary are Massachusetts Senator Elizabeth Warren, who dropped out of the presidential race on March 5, and JPMorgan Chase CEO Jamie Dimon.

Warren’s selection would help bring the progressive wing of the party behind Biden, but her anti-corporate views could produce an ugly reaction in the markets and fraught relations with business leaders. Dimon would have the opposite problem: His appointment would be cheered by Wall Street but alienate the Sanders and Warren populist wings of the party. At the same time, a new administration faced with mopping up the economic damage caused by the pandemic would find a traditional banker like Dimon more appealing than Warren.

Biden also is likely to offer at least one Republican a Cabinet post, most likely Defense or Treasury. If he wanted to send a strong signal of bipartisanship in the wake of a disruptive and polarizing Trump presidency, he could ask Utah Senator

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Mitt Romney—the only Senate Republican to vote for Trump’s removal from office—to take Treasury, given Romney’s business background. In an equally symbolic move, he could urge General Jim Mattis, who resigned from Trump’s Cabinet over major policy differences, to return to that job. Biden also might ask two old friends, Republicans Chuck Hagel and Bob

Gates, who served as Defense secretaries in the Obama administration, to come back.

Fred Hochberg, president of the Export-Import Bank throughout Obama’s presidency and a Democratic fundraiser, is a natural fit for Commerce Secretary, according to some strategists.

Lily Batchelder, deputy director of the NEC under Obama and now an NYU law professor, is frequently mentioned as someone who might win a promotion to a bigger job under a President Biden or Bloomberg.

In addition, strategists are keeping an eye on economist Peter Henry, an African American and former adviser to Obama who recently stepped down as dean of NYU’s school of business. He would be eligible for any number of top economic or financial posts. Likewise, Betsey Stevenson, an Obama administration economist at the Labor Department and CEA, is a possible candidate for a return appointment.

Another candidate in line for a promotion is Heidi Crebo-Rediker, who was appointed as the State Department’s first chief economist by then-Secretary of State Hillary Clinton. Crebo-Rediker previously served as a top adviser to the Senate Finance Committee on international finance and economic issues. “Heidi is in big with Biden and is in play for undersecretary of international affairs at Treasury or another top sub-cabinet job,” said one strategist.

One name mentioned most frequently as a highly regarded official in line for a big job is Lael Brainard, currently a governor on the Federal Reserve Board. She served as Obama’s under secretary of the Treasury for international affairs, and is widely considered qualified for any number of senior posts because of her background, including the prospect of becoming

the nation's first female secretary of the Treasury.

"Lael Brainard would be a top candidate for Fed Chair or Treasury Secretary," predicted a senior Washington consultant. "She might have to suffer through a year as Deputy Treasury Secretary before getting the job. An outside possibility is she could get pushed to USTR."

"Brainard is definitely someone to keep an eye on," added another

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senior consultant. "Others include former U.S. Trade Representative Michael Froman, Heidi Crebo-Rediker, Jason Furman, and Diana Farrell," who was Obama's first deputy NEC director and now serves as CEO of the think tank JPMorgan Chase Institute."

"Lael Brainard would be highly regarded for any top position," a third consultant noted. "She's offended nobody. I would be surprised if she didn't get some top position. She is a non-controversial choice for Fed chair."

A former senior official at the Fed praised Brainard in her current position for showing "courage and distinguishing herself in refusing to go along with overzealous banking deregulation efforts pushed by the Comptroller of the Currency and FDIC."

Choosing a candidate to fill the top Fed post would be one of the most important decisions the next president would have to make. Current Chair Jerome "Jay" Powell's four-year term ends in early 2022, and if Trump is re-elected, he almost certainly will refuse to re-nominate him. After all, Trump

has been withering in his public attacks on the Fed chief for failing to slash interest rates faster and more sharply, particularly after the virus outbreak. Trump has lamented that Powell is one of his worst selections.

The question is whether a Democratic president would stick with Powell, a Republican who has won high praise from just about everyone except Trump for doing an excellent job guiding the economy in the midst of a trade war and now a burgeoning crisis over the coronavirus. Or will a President Biden opt to put his own person in the critical economic post?

On that issue, there is a divergence of opinion. Many strategists say a Democratic president should choose their own person when Powell's term expires in February 2022, absent a full-blown crisis that would require continuity at the Fed. They note there are plenty of top-notch candidates: Brainard; Janet Yellen, who served as chair for four years before being passed over by Trump in 2018; former CEA Chair Christina Romer; former Treasury Secretary Larry Summers, who has long coveted the job, and former Fed Vice Chair Roger Ferguson, who is now CEO of the giant teacher's retirement fund TIAA-CREF, and would be the first African-American to hold the central bank's top job. Bloomberg also is a possible candidate for Fed chair.

Replacing Powell is unpopular with several former senior officials at the Fed who served during both Democratic and Republican administrations. They argued that a Democratic president should re-appoint Powell to underscore the non-partisan nature of the job.

"I'd love to see Powell reappointed, as occurred when Alan Greenspan and Ben Bernanke were nominated by Republican presidents and re-appointed by Democrats,"

said one former official. "I could see that happening if Biden, Bloomberg, or Klobuchar is elected. Warren and Sanders are unlikely to re-appoint him. They will want someone who is a dove on monetary policy but will ramp up bank regulation."

Powell "has done a good job and withstood tremendous pressure from Trump," said another former Fed official. "It would be good symbolism for a Democratic president to re-appoint him, underscoring that the Fed chair is not a partisan position."

If Sanders moved into 1600 Pennsylvania Avenue, "all bets are off" on who would have filled his sensitive economic jobs, said a senior economic consultant.

Most likely, Sanders would have turned to proponents of Modern Monetary Theory, which contends that the government can finance unlimited government programs by printing money. "Bernie found economists who argue that Medicare for all would be so cost-effective it would increase the economic growth rate and pay down the national debt," the consultant said.

Among the economists in Sanders' orbit who might have won

Sanders would have turned to the left-leaning Economic Policy Institute.

appointments to the Fed or Cabinet is Stephanie Kelton, a former aide to the senator who is now at Stony Brook University. She is the author of *The Deficit Myth: Modern Monetary Theory and the Birth of the People's Economy* (2020).

"*The Deficit Myth* empowers readers to break free of the broken thinking and fictitious constraints that have been holding our nation back," she says on her website.

“Deficits can help us fight a myriad of problems that plague our economy—inequality, poverty and unemployment, climate change, housing, health care, and more. But we can’t use deficits to solve prob-

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lems if we continue to think of the deficit itself as a problem.”

Sanders also would have turned to some familiar economists who share his views, many of them associated with the left-leaning Economic Policy Institute founded in 1986 by Lester Thurow, Robert Reich, Ray Marshall, Robert Kuttner, Barry Bluestone, and Jeff Faux to find ways to improve economic opportunities for low- and middle-income workers.

Reich, who now teaches at the University of California-Berkeley, served as President Clinton’s secretary of Labor and served on President-Elect Obama’s transition advisory board. He could get a big job under Sanders.

In addition to Reich, well-known and top-notch left-leaning economists Sanders might have tapped are Nobel laureate Joseph Stiglitz, a professor at Columbia University who served as chair of the CEA under Clinton, and Jeff Sachs, also at Columbia, where he specializes in sustainable policies.

Sachs likely would have been enlisted to help implement Sanders’

sweeping Green New Deal plan. Another expert in the field is Carol Zabin of the University of California-Berkeley, where she directs a green economy program.

Other economists identified with Sanders include Darrick Hamilton, a jobs policy specialist who is executive director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University, and Sarah Anderson, program director for the Institute for Policy Studies. The institute describes itself as “a progressive think tank dedicated to building a more equitable, ecologically sustainable, and peaceful society.”

A group of economic advisers assembled by Warren would have gravitated to a President Sanders rather than to Biden, since both candidates support a controversial “wealth tax” on the richest Americans (Sanders’ tax starts on a net worth over \$32 million). The economists include two professors at Berkeley who have tracked income inequality around the world: Emmanuel Saez, who is a French American, and Gabriel Zucman, who is French.

Warren also relied on MIT economist Simon Johnson, a British American, who would appeal to Sanders. He served as chief economist at the International Monetary Fund in 2007–08 and is affiliated with the Institute for New Economic Thinking, which says its purpose is to challenge “conventional thinking and advance ideas to better serve society.”

Another MIT economist, Jonathan Gruber, was enlisted by Warren to advise her on health policy issues. He was a key architect of “Obamacare”—the Affordable Care Act, and the Massachusetts health care plan on which ACA was modeled. He would have played a role in helping a President Sanders draft his Medicare-for-All plan.

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To be sure, there is a long way to go before we have a President-elect, and fortunes of wannabe Cabinet members will rise and fall before the new chief executive has to start making picks. Until then, rumors will keep flying—such as one that Facebook COO Sheryl Sandberg may wind up with a top job in a Democratic administration, despite Facebook’s chronic controversies.

Then there are the prospects that presidential also-rans will wind up in the Cabinet of their one-time rival for the party’s nomination: Remember Obama’s surprise choice of Secretary of State Hillary Clinton? Would the policy-savvy Warren be better suited to run Health and Human Services rather than Treasury for President Biden? Perhaps former presiden-

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tial candidate Andrew Yang, who endorsed Biden on March 10, becomes Education Secretary or White House tech czar. And Senators Amy Klobuchar (MN) and Kamala Harris (CA), who endorsed Biden, might be chosen as Biden’s vice presidential running mate or attorney general. Remember, Biden promised to choose a woman as his running-mate and a proven campaigner makes the most sense.

Stay tuned. ◆