

Special Edition: Economic Insight

Federal Reserve March Meeting Recap and Update on Member Composition

April 2026



STIFEL

---

## Executive Summary

Even before the Iranian crisis, conditions were expected to prove challenging for the Federal Open Market Committee (FOMC) to justify any further accommodation in monetary policy, unless unemployment meaningfully deteriorated or inflation meaningfully decelerated. Although, an incoming more dovish-leaning chairman may have the will to force through at least one additional rate cut this year, be that as a concession to the administration or not.

Federal Reserve Chairman nominee Kevin Warsh is well known to many investors, having served five years on the Federal Reserve's Board of Governors (2006-2011) and acting as the primary liaison between Wall Street and Washington during the Great Financial Crisis. However, previously known as an inflation hawk, Warsh has more recently aligned himself with the Trump administration, calling for a *"regime change"* at the Fed and lower rates.

The confirmation process, meanwhile, was set to experience some political challenges as Republican Senator Thom Tillis of North Carolina vowed to block any Fed nominee until the Justice Department ended its criminal investigation into Fed Chairman Jerome Powell, while Powell himself had vowed to remain on the Fed in an acting capacity until a replacement is confirmed and on the board until the investigation is *"well and truly over with transparency and finality."*

On Friday, the Department of Justice (DOJ) announced it would be dropping the investigation, although the White House indicated an intention to investigate Powell through different avenues. Thus, it remains to be seen if shifting the current investigation from the DOJ to an alternative entity would satisfy Tillis enough to remove his blockage of Warsh and/or Powell to prompt a departure from the board.

### March 17-18 FOMC Meeting Takeaways

**Rates** As expected, the Federal Reserve Open Market Committee (FOMC)\* held interest rates steady in a range of 3.50-3.75% for the second consecutive meeting.

**Growth** The FOMC repeated its assessment of economic activity, noting growth has been *“expanding at a solid pace.”*

**Labor Market** The FOMC again recognized that job gains have *“remained low,”* with the unemployment rate *“little changed in recent months.”*

**Inflation** The FOMC continued to acknowledge that *“inflation remains somewhat elevated.”*

**Outlook** The FOMC noted uncertainty about the economic outlook *“remains elevated,”* and that the impact of the *“developments in the Middle East for the U.S. economy are uncertain.”* As a result, the Committee will continue to monitor the risks to both sides of its dual mandate.

**Dissents** Governor Stephen Miran dissented at the March meeting, favoring instead a 25-basis point (bp) reduction in rates to a range of 3.25-3.50%. Miran joined the Fed in September 2025 and has since dissented at every meeting in favor of a sizable reduction in policy.

\*The Federal Open Market Committee (FOMC) is composed of 12 members. These include the seven members of the Federal Reserve Board of Governors, the President of the Federal Reserve Bank of New York, and four of the remaining eleven Reserve Bank presidents who serve one-year rotating terms.

## Federal Reserve 2026

### Board of Governors

### District Presidents



Jerome Powell  
Chairman

#### Permanent Voter

#### Voting



Michael Barr    Stephen Miran    Christopher Waller    Lisa Cook    Philip Jefferson    Michelle Bowman  
 Vice Chair    Vice Chair of Bank Supervision



John Williams (New York)    Elizabeth Hammack (Cleveland)    Anna Paulson (Philadelphia)    Lorie Logan (Dallas)    Neel Kashkari (Minneapolis)

#### Non-Voting



Jeffrey Schmid (Kansas City)    Susan Collins (Boston)    Mary Daly (San Francisco)    Thomas Barkin (Richmond)    Alberto Musalem (St. Louis)    Austan Goolsbee (Chicago)    Cheryl Venable (Atlanta)

- Federal Reserve Chair Jerome Powell's term as chair expires on May 15, 2026, with President Trump nominating Kevin Warsh as his replacement. Chair Powell confirmed he will serve as Chair "pro tempore" should Warsh not be confirmed in time.
- Former Council of Economic Advisers Chair Stephen Miran is currently filling the vacant Federal Reserve Board seat left by Adriana Kugler. Although his term expired on January 31, Miran continues to hold the position until a successor is confirmed.
- Cheryl Venable was named interim president of the Atlanta Federal Reserve following Raphael Bostic's resignation on Feb 28, 2026.

## President Trump Nominates Kevin Warsh to be the Next Chair of the Federal Reserve

---



Kevin Warsh

### Background:

Studied public policy with an emphasis on economics and statistics at Stanford University, where he received a bachelors degree. He later attended Harvard Law School, focusing his studies on the intersection between law, economics, and regulatory policy.

After his studies, Warsh worked with the mergers and acquisitions department at Morgan Stanley & Co. in New York.

He left Morgan Stanley to work in the National Economic Council under President George W. Bush.

President Bush then nominated Warsh to the Federal Reserve Board of Governors in 2006 where he served until 2011.

In 2017, he interviewed for the Fed chair position to replace then Chair Janet Yellen.

### Rates Outlook:

Warsh favored higher rates while a fed governor, but has since called for lower rates, along with a “*regime change*” at the Fed.

## Senate Holds Confirmation Hearing

---

*“The president nominated me for the position, and I’ll be an independent actor if confirmed as chairman of the Federal Reserve.”*

*“The president never asked me to predetermine, commit, fix, decide on any interest rate decision, in any of our discussions, nor would I ever agree to do so.”*

*“Congress tasked the Fed with the mission to ensure price stability ... Inflation is a choice, and the Fed must take responsibility for it.”*

*“Unlike many of my colleagues past and present, I don’t believe in forward guidance ... I don’t believe that I should be previewing for you what a future decision might be.”*



*“While it’s true that inflation is less problematic, meaning the rate of change in prices is less severe than it was some years ago, hard working Americans are no doubt feeling it ... I think that means a regime change in the conduct of policy. I think that means a different, new inflation framework.”*

- Fed Chair Nominee Kevin Warsh,  
April 21, 2026

## Powell's Term as Chair Ends in May, but Warsh Still has Not Yet Received Confirmation

Only four times in history has a Fed Chair not been confirmed by the Senate, requiring the sitting Chair to serve in a *"pro tempore"* capacity until a successor was confirmed. Two of them were reconfirmations. Chair Powell has said he will serve *"pro tempore"* until Warsh is confirmed.



Marriner Eccles

Term ended on February 3, 1948, but stayed on as Chair for 72 days until April 15, 1948, as Thomas McCabe was awaiting confirmation.



Arthur Burns

Term ended on January 31, 1978, but stayed on as Chair for 35 days until March 8, 1978, as G. William Miller was awaiting confirmation.



Alan Greenspan

Term ended on March 3, 1996, but stayed on as Chair for 110 days until June 20, 1996, as he was awaiting reconfirmation for a third term.



Jerome Powell

Term ended on February 5, 2022, but stayed on as Chair for 107 days until May 22, 2022, as he was awaiting reconfirmation for a second term.

## Vice Chair Cannot Automatically Assume Role of Federal Reserve Chair

Earlier this month, the Trump administration noted that if a successor is not confirmed by May 15, then Chair Powell should not continue serving as Chair. Meanwhile, Treasury Secretary Scott Bessent indicated that several people, including Vice Chair Philip Jefferson, could serve as an interim leader.

Vice Chair Philip Jefferson took office as the Vice Chair of the Board of Governors of the Federal Reserve System in September 2023 to serve out a four-year term. While his term as Vice Chair ends in 2027, his term on the Board of Governors extends through January 31, 2036.

He can preside over meetings of the Board of Governors if the chair is **absent**. However, legal interpretation suggests the vice chair does not automatically assume the role of Federal Reserve Chair if the position becomes **vacant** and a successor is not yet confirmed.

### Rates Outlook:

Jefferson is generally considered a moderate on the Federal Reserve Board of Governors, most recently noting that policy is currently *“well positioned.”*



Vice Chair Philip Jefferson

## Once Warsh is Confirmed, Powell May Still Stay on as a Governor

### Obama and Biden appointees

Jerome Powell<sup>1</sup>



Philip Jefferson<sup>2</sup>



Michael Barr



Lisa Cook



### Trump appointees

Christopher Waller



Michelle Bowman<sup>3</sup>



Stephen Miran<sup>4</sup>



- While Jerome Powell's term as Fed Chair concludes on May 15, he is eligible to remain on the Board of Governors until January 31, 2028. Powell has vowed to remain on the Fed in an acting capacity until Warsh is confirmed and on the board until the investigation is *"well and truly over with transparency and finality."* Meanwhile, when asked if he would stay on the board once the investigation concludes, Powell said, *"I have not made that decision yet."*
- Three of the seven current governors were appointed by President Trump and if Powell were to leave, Trump could name a majority of the Fed board. Besides Powell, there are not any other scheduled vacancies on the board during the remainder of President Trump's term.
- Marriner Eccles was the last Fed Chair to remain on the Board of Governors after his term as chair ended. Eccles, who served as Chair from 1934 to 1948, continued to serve as a governor until 1951.

#### Notes:

<sup>1</sup> Powell's term as Chair ends on May 15, 2026, however, his term on the Board of Governors extends through January 31, 2028.

<sup>2</sup> Jefferson's term as Vice Chair expires in 2027, however, his term on the Board of Governors extends through January 31, 2036.

<sup>3</sup> Bowman's term as Vice Chair for Supervision expires in 2029, however, her term on the Board of Governors extends through January 31, 2034.

<sup>4</sup> Miran was appointed to serve out the remainder of a vacant seat left by Adriana Kulger.

# Wide Range of Outlooks

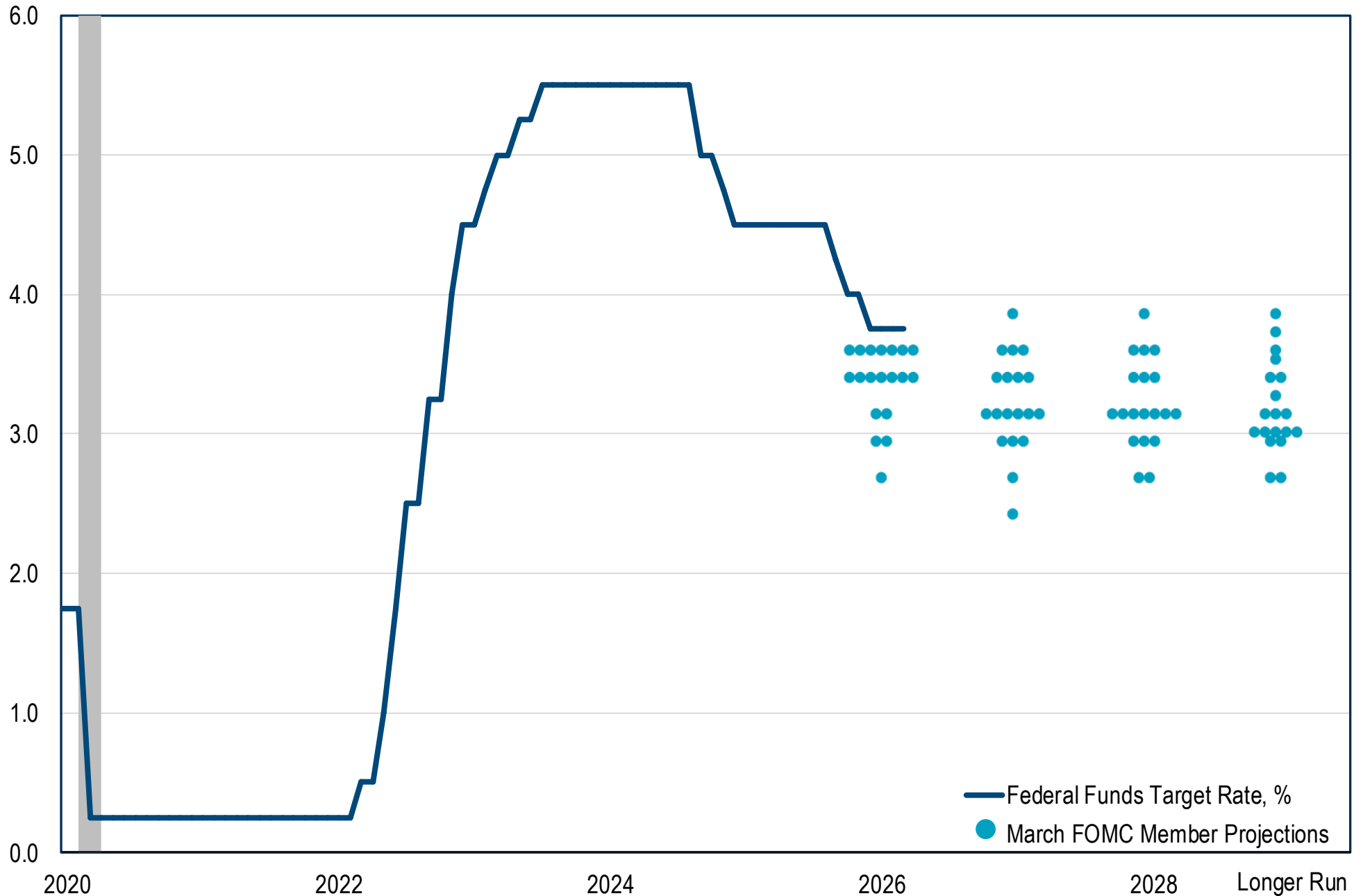
*Voting members are in bold*

**Upcoming Term Expirations:**

- Chair: May 15, 2026



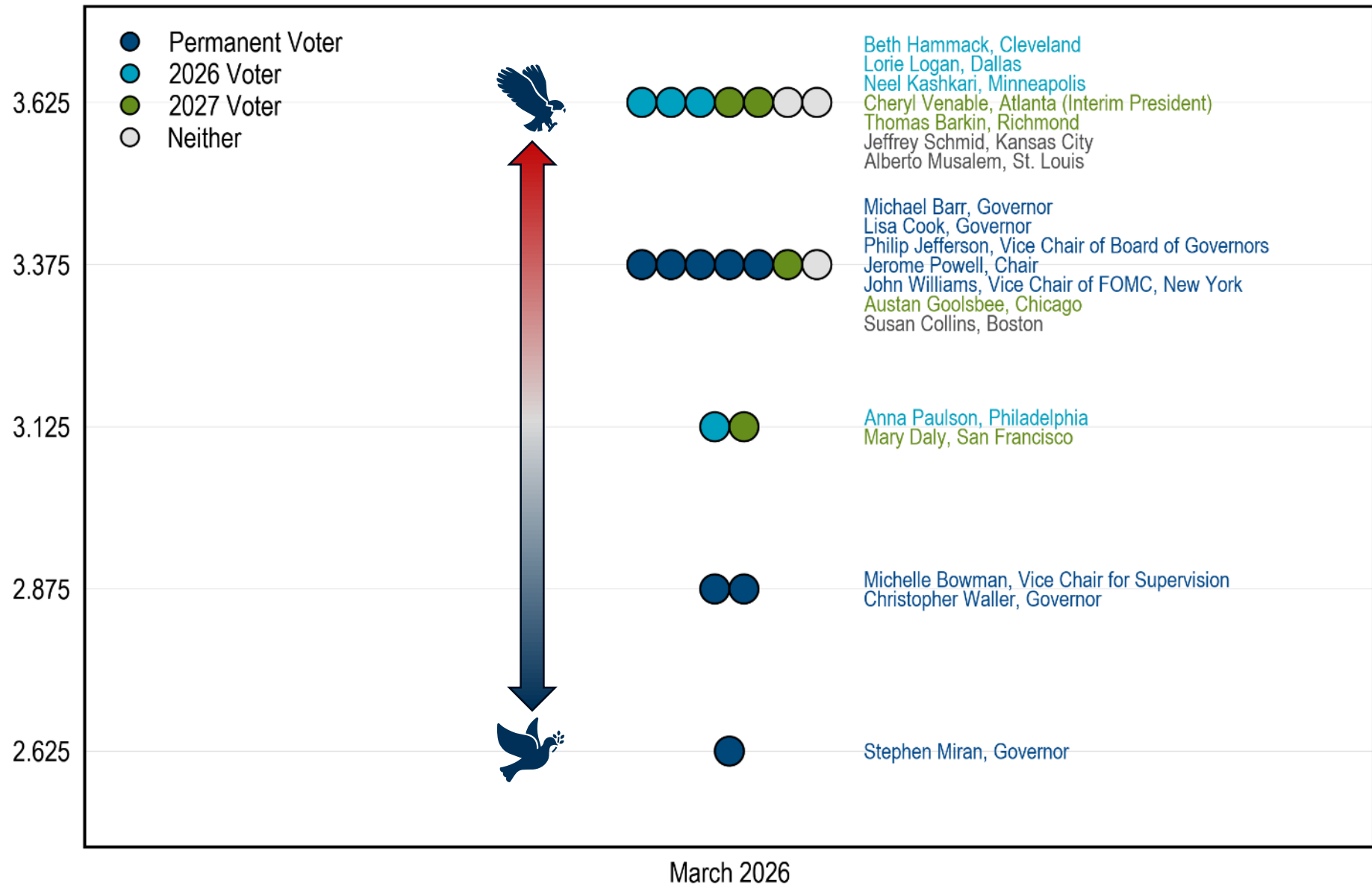
# Majority of Committee Members Forecast One Rate Cut this Year and Next Year



Source: Federal Reserve/Bloomberg

# Hawkish Composition of 2026 Fed

2026 Federal Funds Rate Year-End Midpoint, %



Source: Bloomberg/Stifel

## Fed Speak Indicates Officials Still Remain Divided on Rate Pathway

Hawkish



*"My baseline is that we're going to remain on hold for a good while, but I do think that there's two-sided risk to rates ... I think there's risk that we might need to be more accommodative, or more restrictive, depending on how the data comes out."*

Cleveland Fed President Beth Hammack speaking to CNBC  
April 15, 2026



*"I was on the more optimistic side that we could have the tariff impact on inflation. Be one and done. We'll get back on the path to 2%. We could have multiple rate cuts in 2026 ... Now with this [conflict], the longer this goes, the more it pushes that off."*

Chicago Fed President Austan Goolsbee at the Semafor World Economy conference  
April 14, 2026



*"Policy is in a good place, and I think it's probably going to be appropriate to maintain policy at this level for some time ... We need to see all components of inflation come down in a balanced way."*

St. Louis Fed President Alberto Musalem speaking to Reuters  
April 15, 2026



*"The conflict could also result in a large supply shock with pronounced effects that simultaneously raises inflation — through a surge in intermediate costs and commodity prices — and dampens economic activity ... The **current stance of monetary policy is well positioned** to balance the risks."*

New York Fed President John Williams speaking at an event in New York  
April 16, 2026

## Fed Speak Indicates Officials Still Remain Divided on Rate Pathway



*"I see the underlying fundamentals of the economy as really in a good place, the question is, what's going to happen with the war, how long will prices of oil and gas stay elevated, and what will be the — we call it the knock-on effects — of other goods and services?"*

San Francisco Fed President Mary Daly Speaking at an event in Utah  
April 8, 2026



*"It doesn't mean that I'm going to stay put for the rest of the year. I **just want to wait and see where this goes**, and if things go reasonably well and the labor market continues to be weak, I would start advocating again for cutting the policy rate later this year."*

Fed Governor Christopher Waller  
March 20, 2026



*"I'm still concerned about the job market; I want to see a little bit of recovery there. But, of course, I've written three cuts in for before the end of 2026 to hopefully support the labor market."*

Fed Governor Michelle Bowman speaking to Fox Business  
March 20, 2026



*"I still don't see a very convincing reason for waiting ... I don't have a reason for thinking that the energy events, the war, has changed the modal outlook for inflation 12 to 18 months from now relative to where it was before the war."*

Fed Governor Stephen Miran speaking at an event in Washington  
April 16, 2026

Dovish

# Disclosures

---

The Fixed Income Capital Markets trading area of Stifel, Nicolaus & Company, Incorporated may own debt securities of the borrower or borrowers mentioned in this report and may make a market in the aforementioned securities as of the date of issuance of this research report. Please visit the Research Page at [Stifel.com](https://www.stifel.com) for the current research disclosures applicable to the companies mentioned in this publication that are within Stifel's coverage universe.

The information contained herein has been prepared from sources believed reliable but is not guaranteed by Stifel and is not a complete summary or statement of all available data, nor is it to be construed as an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of investors. Employees of Stifel or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed within. No investments or services mentioned are available to "private customers" in the European Economic Area or to anyone in Canada other than a "Designated Institution." The employees involved in the preparation or the issuance of this communication may have positions in the securities or options of the issuer/s discussed or recommended herein.

Stifel is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent in private transactions. Moreover, Stifel and its affiliates and their respective shareholders, directors, officers and/or employees, may from time to time have long or short positions in such securities or in options or other derivative instruments based thereon.

Stifel Fixed Income Capital Markets research and strategy analysts ("FICM Analysts") are not compensated directly or indirectly based on specific investment banking services transactions with the borrower or borrowers mentioned in this report or on FICM Analyst specific recommendations or views (whether or not contained in this or any other Stifel report), nor are FICM Analysts supervised by Stifel investment banking personnel; FICM Analysts receive compensation, however, based on the profitability of both Stifel (which includes investment banking) and Stifel FICM. The views, if any, expressed by FICM Analysts herein accurately reflect their personal professional views about subject securities and borrowers. For additional information on investment risks (including, but not limited to, market risks, credit ratings and specific securities provisions), contact your Stifel financial advisor or salesperson.

Our investment rating system is three-tiered, defined as follows:

Outperform - For credit specific recommendations we expect the identified credit to outperform its sector specific peers over the next six months.

Market perform - For credit specific recommendations we expect the identified credit to perform approximately in line with its sector specific peers over the next six months.

Underperform - For credit specific recommendations we expect the identified credit to underperform its sector specific peers over the next six months.

Additional Information Is Available Upon Request

I, Lindsey Piegza, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

© 2026 Stifel, Nicolaus & Company, Incorporated, One South Street, Baltimore, Maryland 21202. All rights reserved.

0426.8896381.1

**STIFEL** | Fixed Income  
Capital Markets

Stifel, Nicolaus & Company, Incorporated | Member SIPC & NYSE | [Stifel.com](https://www.stifel.com)