

Do Federal Reserve Bank Presidents have “for cause” employment protection?

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May 8, 2026

Employment provisions in the Federal Reserve Act

1. The power of the President of the United States to remove a member of the Federal Reserve Board

Section 10(2): “... each member [of the Federal Reserve Board] shall hold office for a term of fourteen years from the expiration of the term of his predecessor, **unless sooner removed for cause** by the President.”

2. The power of the Federal Reserve Board to remove an officer or director of a Federal Reserve Bank

Section 11(f): “The Board of Governors of the Federal Reserve System shall be authorized and empowered... [t]o suspend or remove any officer or director of any Federal reserve bank, **the cause of such removal** to be forthwith communicated in writing by the Board of Governors of the Federal Reserve System to the removed officer or director and to said bank.”

3. The power of the Federal Reserve Board to approve the appointment of Reserve Bank presidents to five-year terms

Section 4(4) Fifth: “The president [of each Reserve Bank] shall be the chief executive officer of the bank and shall be appointed by the Class B and Class C directors of the bank, **with the approval of the Board of Governors of the Federal Reserve System**, for a term of 5 years.”