

Patrick Harker became one of the newest members of the Federal Reserve System when he was appointed President of the Philadelphia Fed last summer. He had served on the Philly Fed's board since 2012. Harker is not a voting member of the FOMC this year (alternate member), but will be in 2017.

Patrick Harker has extensive experience running large public sector organizations. Although, many have posed questioned about his banking background and the relevance of his prior experience. Harker served as Dean of the University of Pennsylvania Wharton's Business School from 2000-2007 and more recently as the President of the University of Delaware where he also taught engineering courses. Unlike many of the presidents of the regional Fed banks, Harker doesn't have a Ph.D. in economics. He has a Ph.D. in engineering and a master's in economics. The Wall Street Journal interviewed Harker just last month and questioned his academic background and qualifications. He responded with the following:

*"While I have degrees in engineering, I also have a degree in economics... I'm a quant. So, it's not as though I came to the job with no understanding of the economics that underlie what we do."*

Harker's views are still largely unknown due to his limited time in office. Last December he stated the fed should raise rates "sooner rather than later" as the economy was approaching "normalcy." It was originally thought to be highly unlikely Harker would be as hawkish as his predecessor, Charles Plosser, who was a consistent critic of the Fed's easy money policy and dissented in three of his last four votes on the committee. Although, during a speech in June Harker sounded a lot like his predecessor when he expressed his expectation of two, possibly even three rate hikes by year-end. When asked about this in an interview with the Wharton Business School he explained his position had since changed with the changing conditions in the economy.

*"We are at a point now where that jobs report [May] gave us some pause. But I still think that the economy continues to be quite strong. If you look at inflation ... we are heading toward our 2% target... it's not out of the question to still have one, possibly two [interest rate] increases this year."*

In the same WSJ interview he was asked if he would consider himself more hawkish than dovish because of his support of a rate hike in September. Harker stated the following about his personal hawk-vs-dove stance:

*"I would tend to be [hawkish]... I think it's important that we take some move now and have a gradual path of normalization, as opposed to wait, wait, wait, and then have to have a steeper rise. I just think that's prudent. And being a Philly guy, I'm more an Eagle."*

I think Harker's self-proclaimed "eagle" status makes the most sense until we find out more about his policy positions in the future. More recently Harker has come out with comments in favor of a hike in December. So, while he certainly appears to be a hawk I think the verdict is still out on Mr. Harker. This evening we will have a chance to find out more about the new Philadelphia Fed President as he is giving a speech on the purposes and functions of the Federal Reserve at 5:30 ET.

**Sources:**

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