

# Information, Party Politics, and Public Support for Central Bank Independence

Matthew DiGiuseppe  
Leiden University\*

Carolina Garriga  
University of Essex

Andreas Kern  
Georgetown University

December 6, 2024

## Abstract

Threats to the independence of central banks (CBI) are emerging in many countries after central banks have hiked interest rates. While existing literature has extensively documented conflicts between elected politicians and independent central bankers, underscoring the importance of maintaining the political independence of central banks, we know surprisingly little about what (if anything) the public thinks about CBI. We hypothesize that support for CBI is influenced by citizens' limited understanding of central bank governance and their beliefs about who will gain control over monetary policy if independence is reduced. We expect that, when informed that the President would gain more influence, respondents' support for CBI will increase. Further, we argue that support for CBI hinges on which party holds the presidency. When a co-partisan (out-partisan) is President, respondents should favor reduced (increased) independence. Our expectations are confirmed by a preregistered survey experiment and a pre-post-election test. Informing respondents that the Presidency will gain influence if CBI is reduced and, in separate tests, altering expectations of co-partisan presidential election victory alter attitudes on CBI. Further, attitudes toward CBI shift post-election conditional on partisanship. From a policy perspective, our findings indicate that CBI has an important institutional function as a check-and-balance on government power, safeguarding price and macro-financial stability during intense political disagreement along partisanship lines.

---

\*Corresponding author: [m.r.di.giuseppe@fsw.leidenuniv.nl](mailto:m.r.di.giuseppe@fsw.leidenuniv.nl)

Central bank independence (CBI) is under threat. Although tensions and disputes between elected officials and politically independent central banks are not unprecedented, recent efforts to exert political influence over monetary policy have reached unparalleled levels. This is particularly salient in the United States, where President Trump has repeatedly attacked the leadership of the Federal Reserve (Fed) and expressed his desire to reign in the Fed’s independence (Anson, 2024; Bianchi et al., 2023; Binder and Skinner, 2023; Binder et al., 2024; Drechsel, 2024). In a tweet during his first presidency, he went even as far as to ask whether “*the Fed chair was a bigger enemy to the US than Chinese President Xi Jinping.*”<sup>1</sup> Similarly, several members of the United States Senate (primarily Republicans) have historically questioned the Fed’s political independence and proposed legislation, such as the ‘Audit the Fed’ Bill that would have automatically eliminated the Fed’s independence (Binder and Spindel, 2016; Blinder, 2022).<sup>2</sup> Although the Biden administration repeatedly underscored its commitment to uphold CBI,<sup>3</sup> high interest rates have led to substantial criticism of the Fed, even on the Democratic side of the aisle. For example, in a letter to Jerome Powell, Senator Elizabeth Warren openly criticized the Fed’s interest rate policy and demanded that interest rates be cut immediately.<sup>4</sup>

While these political attempts to change the course of monetary policy often reflect disagreement over interest rate policies and are of a performative nature, these dynamics can leave the realm of rhetorical acrobatics and pave the way to increasing political subordination of monetary policy. These political pressures can build the political momentum needed to reign in CBI (Binder, 2021a; Bodea and Garriga, 2023; Kern and Seddon, 2024). The

---

<sup>1</sup>“Donald Trump warns US Fed chair not to cut rates before the election,” *Financial Times*, July 17th, 2024.

<sup>2</sup>Historically, Democratic Presidents were not shy in criticizing the Federal Reserve when pushing for a shift in monetary policy. The incident between President Johnson and Chairman Burns illustrates that disagreement is baked into the institutional independence of monetary policy (Bernanke, 2022; Kern and Seddon, 2024).

<sup>3</sup>“The Importance of Central Bank Independence,” *The White House*, May 22nd, 2024.

<sup>4</sup>“Letter to Jerome Powell.” Elizabeth Warren, June 10th, 2024.

case of Turkey illustrates this point. Arguing that interest rates are the ‘mother and father of all evil,’ President Erdogan shocked investors by firing three consecutive central bank governors in less than two years because they refused to bend monetary policy to his unorthodox economic views (Kern and Seddon, 2024).<sup>5</sup> Similarly, shortly after being elected, Hungary’s President Orban asked provocatively: “Will no one rid me of this turbulent central banker?”<sup>6</sup> Following several similar statements, his administration instigated multiple political campaigns against Governor Simor in an attempt to force his resignation. Meanwhile, disgruntled with the policy position of the Magyar Nemzeti Bank (MNB), Orban packed the MNB’s board of governors with loyalists, effectively reversing CBI (Adolph, 2013; Ainsley, 2017). An implicit assumption in the literature on CBI reversals is that such a radical shift in monetary policy would enjoy popular support. However, there is relatively little research on the drivers of individual support for CBI (Anson, 2024; Blinder et al., 2024; Binder and Skinner, 2023; Crujisen et al., 2015; Moschella, 2024; Monnet, 2024) and, to the best of our knowledge, no research analyzes the question of whether the general public understands the concept of CBI and the political implications of reversing it.

Building on previous literature, we hypothesize that popular support for CBI is likely driven by two factors. First, citizens have a limited understanding of economic issues, particularly when these topics have low salience, such as monetary policy (Binder, 2017; Ciuk and Yost, 2016; Coibion and Gorodnichenko, 2012; Markus, 1988). In the case of CBI, it is often unclear which political actors would gain influence over monetary policy if independence is reduced. Second, we argue that when respondents are informed that a decrease in CBI would lead to the President gaining more influence, their support for CBI will be shaped by their partisan identification. Respondents will support the *curtailment* of CBI when co-partisans are likely to become President and will increase their support for CBI when opposing parties

---

<sup>5</sup>‘Turkey’s Erdogan calls interest rates ‘mother of all evil,’ Reuters, May 11th, 2018.

<sup>6</sup>‘Hungary’s Orban and his central banker’ Reuters, December 21<sup>st</sup>, 2011.

are projected to win the White House. In other words, we hypothesize voters identifying as Republicans to support CBI more when they anticipate the Democratic candidate to win the presidential elections and *vice versa*.

To test our hypotheses, we conducted a preregistered survey experiment using a non-probability representative sample from Prolific during the 2024 US Presidential Campaign, two weeks after Joe Biden announced he would not seek reelection. With Harris entering the race, a previously strong Trump advantage became more competitive, providing an ideal environment to measure and influence electoral expectations. The survey timing, amid uncertainty about the race, allowed us to credibly present narratives suggesting that either candidate could win, enhancing our ability to assess views on reducing the Fed’s independence. Our results confirm our expectations. We find that support for curtailing CBI decreases by 40% of a standard deviation when respondents learn that the President will gain power if independence is reduced. Second, we find that this information treatment is conditional on electoral expectations. The information treatment increases support for CBI most when respondents are treated to believe or hold prior beliefs that an out-partisan will win the election. While support for CBI decreases when respondents believe a co-partisan will win the White House. Lastly, we follow up with a portion of our original sample post-election. Consistent with our expectations, Democrats increase support for CBI while Republicans decrease support for CBI.

We make several contributions to the literature. First, our study complements a fast-evolving literature on the political economy of CBI (Aklin and Kern, 2021; Bodea and Hicks, 2015; Bodea and Garriga, 2023; Romelli, 2022; Moschella, 2024). Historically, most research on central bank governance stresses the benefits of independent central banks to solve time-inconsistency problems (Barro and Gordon, 1983; Rogoff, 1985) and bolster monetary policy credibility (Blinder, 2000; Cukierman, 1992; Persson and Tabellini, 2012). Political scientists have long explored the political mechanisms underlying CBI (Adolph, 2013; Fernández-

Albertos, 2015). Yet, the role of citizens' attitudes towards CBI is mostly unexplored - or assumed to be embedded in party-positions (Anson, 2024; Way, 2000). For instance, Anson (2024) finds a clear partisanship effect with respect to the independence of the Federal Reserve, whereby Republican voters appear to lean against CBI. Here, a key innovation of our work is to examine whether this effect is not solely a function of citizens' political partisanship but instead emerges because citizens anticipate a specific political party to lead the executive branch. Put differently, attitudes among voters towards CBI are a function of their partisanship *and* the party that gains the ability to change the course of monetary policy (or remove CBI). This finding closely aligns with the growing body of literature on affective polarization, which suggests a tendency to view opposing party members negatively while perceiving members of one's own party positively (Iyengar et al., 2019; Kingzette et al., 2021; McCartney et al., 2024). We verify in robustness checks that these findings hold, independent of citizens' material interest (e.g., preferences over interest rates), lending further support for the viability of deep partisanship divisions in US politics.

Second, our study adds to recent research stressing potential democratic deficits of independent central banks, highlighting the need to make decision-making processes more transparent and communications clearer (Blinder et al., 2024; Braun, 2020; Dietsch, 2020; Moschella, 2024). In particular, research increasingly focuses on the linkages between central bank transparency and monetary policy credibility (and legitimacy) (Anson, 2024; Binder and Skinner, 2023; Blinder et al., 2024; D'Acunto et al., 2024). A key finding of this research is that greater central bank transparency and communication are important for bolstering monetary policy credibility. While we do not challenge these findings, our research highlights important limitations to how central bank transparency and communication can shape public attitudes toward CBI once they are divided across partisanship lines. Our results highlight the need to deepen our understanding of how broader institutional and political factors influence citizens' views on central banks, which may, in turn, weaken the effectiveness of

increased transparency (Blinder et al., 2024; Heldt and Herzog, 2022).

Finally, and more generally, our research speaks to the legitimacy of delegation in democracies (Downey, 2021; Pond, 2021). Our results contribute to understanding the political conditions under which delegation enhances policy credibility (Keefer and Stasavage, 2003), potential threats to delegation (Bressman and Thompson, 2010; Selin, 2015), and the relationship between delegation and political polarization (Devins and Lewis, 2008; Goodhart and Lastra, 2018; Lee, 2015). Our findings support the notion that, in terms of monetary policy, CBI trumps alternative arrangements and may perform as one of the institutional checks and balances on the executive branch.

## Literature Review

Central bank independence denotes a structural separation between a nation’s central bank and its government (Cukierman, 1992; Bodea and Hicks, 2015; Garriga, 2016).<sup>7</sup> The key motivation for CBI is that politicians should not conduct monetary policy because they cannot credibly commit to sound monetary policymaking. Being subject to political pressures to curry favor with key constituents, woo voters around elections, and deliver on political promises such as affordable housing, investment, and employment, policymakers are tempted to (ab-)use monetary policy to achieve these goals (for a review, see Kern and Seddon (2024)). Despite its political appeal, subordinating monetary policy to achieve short-term political gain comes at a cost. Politically motivated financial meddling with central banks has been associated with higher inflation, undermining macroeconomic stability (Blinder, 1998; Gar-

---

<sup>7</sup>The literature on CBI conceives independence as a multi-dimensional concept. Generally, researchers differentiate between goal and instrument independence. While goal independence allows central bankers to choose their policy targets, instrument independence implies that monetary authorities can choose the instruments to achieve specific macroeconomic goals. Recent advances in measuring CBI have added important dimensions, including political interference in appointing and firing central bank leadership and financial autonomy of the central bank independence (Adrian et al., 2024; Cukierman, 1992; Garriga, 2016; Romelli, 2022).

riga and Rodriguez, 2020, 2023), and recent evidence suggests that it can have a lasting damaging effect on central banks' credibility, evaporate a country's international credit rating, and lead to prolonged episodes of economic turmoil (Adrian et al., 2024; Bodea and Hicks, 2018; Case-Ruchala, 2023). As a result, the key policy prescription in modern central banking has been to insulate monetary policy decisions from political interference by delegating the conduct of monetary policy to independent central banks (Barro and Gordon, 1983).<sup>8</sup>

A substantial literature analyzes the conditions under which governments give up control over central banks and increase CBI. This research, however, tends to focus on preferences over CBI for *countries, governments, or political parties*. The arguments regarding economic efficiency (Maxfield, 1998; Bodea and Hicks, 2015; Romelli, 2022), commitment across parties or regions (Lohmann, 1998; Hallerberg, 2002; Bernhard, 2009), informational asymmetries (Bernhard, 1998; Keefer and Stasavage, 2002; Bodea, 2010), diffusion of ideas among elites (McNamara, 1998; Polillo and Guillén, 2005; Johnson, 2016), or tying the hands of subsequent governments (Boylan, 2001; Dalla Pellegrina et al., 2011; Baerg et al., 2021) do not directly translate into potential drivers of citizens' support for CBI.

Regarding individual preferences to restrict CBI, it remains unclear whether public attacks against central banks for their conduct of monetary policy reflect citizens' opinions (Binder, 2021b; Bianchi et al., 2023; Anson, 2024).<sup>9</sup> For instance, an emerging strand within the CBI literature has pointed to a potential democratic deficit when monetary policy is conducted in political isolation (Hayo and Hefeker, 2002; Jones and Matthijs, 2019; Dietsch, 2020). Although these criticisms might reflect citizens' concerns over CBI, we know little

---

<sup>8</sup>This advice, promoted by international financial institutions (Kern et al., 2019) and rewarded by international financial markets (Maxfield, 1998; Bodea and Hicks, 2018; Kern and Seddon, 2024) has been widely adopted (Garriga, 2016; Romelli, 2024). However, the degree of independence varies across countries, and many countries have reduced their central banks' autonomy (Bodea and Garriga, 2023; Kern and Seddon, 2024).

<sup>9</sup>There exists substantial literature analyzing the role of central bank communication, which primarily has focused on households' and firms' inflation expectations (for a recent survey, see Blinder et al. (2024)).

about what the public thinks about *CBI* (Anson, 2024; Binder and Skinner, 2023; Blinder et al., 2024; Cruijisen et al., 2015; Monnet, 2024; Moschella, 2024).<sup>10</sup> A notable exception is Binder and Skinner (2023) who analyze citizens’ perceptions concerning the Federal Reserve’s legitimacy in an experimental setting.

Most of the research regarding individual attitudes towards central banks, however, focuses on trust in monetary institutions.<sup>11</sup> This research shows that financial literacy and general trust in institutions are associated with higher levels of trust in central banks (Kaltenthaler et al., 2010; Bursian and Fürth, 2015; Farvaque et al., 2017; Bodea and Kerner, 2022; Brouwer and de Haan, 2022; van der Cruijisen and Samarina, 2023; Hayo and Méon, 2024; McDowell and Steinberg, 2024).<sup>12</sup> Little attention has been devoted to directly analyzing what citizens know about central banks and how this may affect support for CBI (Binder and Skinner, 2023; Blinder et al., 2024). Examining support for CBI directly is important because citizens’ trust in monetary institutions may simply be capturing government trust more broadly, reflecting the public’s ignorance of specific institutional configurations concerning monetary policy. Probing support for specific institutional arrangements, like CBI, can give us a better understanding of the public’s willingness to support policy change that will impact the functioning of that institution without making assumptions about the consequences of distrust or disapproval.

In sum, despite recent advances in theoretical and empirical studies on citizens’ views and attitudes toward central banks, the role of citizens’ preferences for CBI remains largely unexplored or is often assumed to align with party positions (Anson, 2024; Way, 2000). To the best of our knowledge, there is no experimental evidence regarding the general public’s

---

<sup>10</sup>Notable exceptions are the study by Cruijisen et al. (2015) on citizens’ knowledge of the European Central Bank, Blinder et al. (2024)’s analysis of the Federal Reserve, and Hayo and Neumeier (2020)’s research on the Reserve Bank of New Zealand.

<sup>11</sup>For recent surveys, see D’Acunto et al. (2024) and Anson (2024).

<sup>12</sup>Other research shows similar results regarding satisfaction with central banks, see Blanchflower and MacCoille (2009); Garriga (2024)).



understanding of the concept of central bank independence (CBI) and the political implications of reversing it. Given an increasing number of political attacks on central banks, it is important to address the question as to whether reversals of central bank independence (CBI) would garner popular support and, if so, to understand the reasons why individuals would back such a "radical" shift in monetary policymaking. This aspect is especially salient for democracies, where governments, next to overcoming institutional checks and balances (Johnson, 2016; Bodea and Garriga, 2023; Moschella, 2024), would require the public's support for reforms aimed at reducing CBI.

## Argument and hypotheses

### Limited understanding of monetary institutions

The starting point of our theory about preferences over CBI is the assumption of a *shallow understanding of monetary policy*. Previous research documents the extent and effects of political ignorance (Carpini and Keeter, 1996; Gilens, 2001; Lupia, 2016), and there is evidence that people lack a good understanding of economic matters, especially when these issues have low salience (Markus, 1988; Coibion and Gorodnichenko, 2012; Ciuk and Yost, 2016; Binder, 2017). This is a key aspect for studies of individual attitudes over monetary governance: asking people about their satisfaction or trust in central banks or their preferences for CBI may produce meaningless results if respondents do not understand the questions.

Building on previous research,<sup>13</sup> we assume that citizens are likely unaware of the institutional alternatives to CBI – that is, who would decide monetary policy and replace the central bank if independence were reduced. In the context of the 2024 US presidential

---

<sup>13</sup>Recent evidence from surveys reveals that citizens do not necessarily have knowledge or an understanding of critical trade-offs for monetary policymaking (Garriga, 2024; Blinder et al., 2024). For instance, the public appears to lack a clear understanding of the vital importance of the unemployment-inflation trade-off for being a vital driving force in determining interest rates.

campaign, this seems a reasonable assumption. Even when both parties explicitly addressed the independence of the Federal Reserve, their calls were shallow, and thus, citizens were likely misinformed about who would fill the void if power was taken from the Fed. On the Democratic side of the aisle, whereas several legislators demanded lower interest rates,<sup>14</sup> the White House issued a note on the salience of central bank independence.<sup>15</sup> Neither of them addressed who would replace the Fed in deciding interest rates if independence was reduced. Similarly, Donald Trump repeatedly mocked the leadership of the Fed, stating, “Jay Powell has the easiest job in Washington.”<sup>16</sup> However, he did not reveal his team’s plans to restructure the Fed and demand presidential influence over the Fed’s interest rate decisions until the run-up to the election in late October. Although leaked documents on Trump’s plan to subordinate the Federal Reserve appeared in the Wall Street Journal,<sup>17</sup> these plans were not featured prominently in public debates.

We argue that limited knowledge on this last governance aspect is a key driver for support for CBI: People who are dissatisfied with the state of the economy – or are just following partisan cues criticizing the central bank – may want to reduce the Fed’s power and independence without reflecting on who would take charge of monetary policy decisions (instead of the Fed). Informing respondents of the proper counterfactual to CBI is key for our study. First, it will allow us to interpret the responses as support for the Fed being in charge of monetary policy independently from the President as opposed to giving the President control over monetary policy – that is, we can interpret these answers as support for *independence*. Without this informational treatment, it is not clear what respondents may be interpreting from the question. In this context, that is, after informing what CBI means and what reducing CBI in practice would entail, we can assess the motivation behind the respondents’

---

<sup>14</sup>“Letter to Jerome Powell.” Elizabeth Warren, June 10th, 2024.

<sup>15</sup>“The Importance of Central Bank Independence,” The White House, May 22nd, 2024.

<sup>16</sup>“Trump Touts Tariffs, Lashes at the Fed in Interview.” Bloomberg, October 15, 2024.

<sup>17</sup>“Trump Allies Draw Up Plans to Blunt Fed’s Independence.” The Wall Street Journal, April 24, 2024.

preferences over CBI. We expect that support for CBI will increase after receiving information about alternative institutions that could decide monetary policy for two reasons. First, trust in central banks, while low, is likely to be higher than in the executive branch (Wälti, 2012; Ehrmann et al., 2013; Bertsoy and Pastorella, 2017; Brouwer and de Haan, 2022). As such, respondents are likely to prefer checks on presidential power if monetary policy decisions were subject to presidential approval or influence. Second, respondents might agree with academics that political control of interest rates is undesirable but have yet to think through the logic of reducing independence. Once presented with the alternative between decisions made by politicians or technocrats, they may be likely to prefer the latter. This is supported by research showing that citizens seem to prefer experts over politicians in technical policy domains, especially in democracies (Bertsoy, 2022; Bertsoy and Caramani, 2022; Chiru and Enyedi, 2022; Panel et al., 2024).

In sum, we claim that ignorance over which political actors would have control over monetary policy if independence is decreased drives opposition to CBI. Therefore, we expect that informing people that the executive branch (i.e., the President) will make interest rate decisions if independence is reversed will increase public support for CBI. Therefore, our first hypothesis is:

**Hypothesis 1.** *Support for CBI will increase when respondents are provided information that the President will have greater influence over monetary policy.*

## **Affective polarization and support for CBI**

Once informed of the relationship between interest rates and economic outcomes, as well as the institutional alternatives to CBI, what factors drive support for CBI? The literature on political preferences suggests that individual preferences towards CBI could have two main sources. First, *material interests* arising from monetary policy decisions and subsequent as-

set price movements play a vital role in supporting CBI (Scheve, 2004; Ansell, 2014; Bearce and Tuxhorn, 2017; Bansak et al., 2020).<sup>18</sup> For instance, asset owners might be extremely inflation-averse with vested interests in an independent central bank (Posen, 1993). Ray Dalio’s recent statements on Trump’s intentions to weaken the Fed’s independence reflected concerns among investors that “*maybe most structurally important, is Fed independence.*”<sup>19</sup> Next to asset owners, households might have vested interests in eliminating central bank independence if it implies lowering interest rates, increasing employment, and a short-run economic boom, a sentiment reflected during the US election. Debates about the ongoing housing crisis in the U.S. have often linked its emergence to the Federal Reserve’s interest rate policies. Lawmakers from both parties have subsequently criticized the Fed’s rate decisions, blaming them for unaffordable mortgage rates and sparking discussions about the institution’s independence.<sup>20</sup> In contrast, households, and especially people on fixed salaries should be more concerned about inflation control and should support CBI – provided they link price stability to CBI.

Second, *ideological biases* may also inform preferences for CBI (for a related argument, see Anson (2024)). The literature suggests that right-leaning economic preferences include lower inflation, less market intervention, and more tolerance to unemployment than left-leaning ones (Baccini and Sattler, 2023; Hübscher et al., 2023; Scheve, 2004). More independent central banks tend to have more conservative preferences than the government – that is, they tend to give prevalence to inflation control even in the presence of dual mandates – and are associated with fiscal restraint (Bodea and Higashijima, 2017). Therefore, holding other things constant, right-leaning economic preferences should align with support for higher CBI. Paradoxically, given dramatic shifts in partisanship platforms in the US, recent survey

---

<sup>18</sup>Recent survey evidence supports the notion that voters assign a checkmark to policies aligned with their material interests (Bansak et al., 2020).

<sup>19</sup>“Bridgewater says Fed independence is a top concern in US election.” Reuters, October 23, 2024.

<sup>20</sup>“US housing crisis becomes a critical issue in the presidential election.” *The Financial Times*, August 17, 2024.

evidence from the US indicates that Republican voters appear to lean *against* CBI (Anson, 2024).

Both for the case of material and ideological interests, support for CBI would entail a preference for low inflation vis-à-vis other potential economic outcomes. Despite the viability of these theoretical insights, they do not account for affective polarization (i.e., the inclination to perceive members of the opposing party unfavorably and those of one’s party favorably), a key driver in political attitudes in the US (Iyengar et al., 2019; Westwood et al., 2019; Graham and Svolik, 2020; Kingzette et al., 2021). Recent evidence points out that individuals’ affective polarization drives their attitudes toward democratic norms, institutions, and policies. For instance, Graham and Svolik (2020) show that dedicated partisans often back their party’s candidates even when those candidates compromise principles like electoral fairness, institutional checks and balances, or civil liberties. Additionally, recent findings suggest that affective polarization impacts social interactions by eroding trust between groups with opposing political affiliations, shaping citizens’ political behavior (Dimant, 2024; Iyengar et al., 2019; Hernández-Lagos and Minor, 2020).

We argue that a similar mechanism translates into the realm of monetary policy. Specifically, we posit that affective polarization shapes citizens’ support for CBI through politicization and cue-taking (Kingzette et al., 2021). In particular, we argue that when people are aware of the importance of monetary policy and learn that a decrease in CBI would result in the executive branch gaining more influence, their support for CBI will be driven by *partisan identification* and the expectation on whether their party might lead the executive branch. Following this line of argument, we believe that people will support the *curtailment* of CBI when co-partisans are likely to become President and increase their support for CBI when opposing parties are projected to win elections. Conversely, a desire to remove control from members of the opposite party will lead people to increase support for CBI when they are primed to believe the other party will control the executive branch. In the case of US politics,

we expect voters identifying as Republicans to support CBI more when they anticipate the Democratic Candidate to win the presidential elections and *vice versa*. We synthesize these insights in our second hypothesis.

**Hypothesis 2.** *Support for CBI will decrease (increase) when respondents are provided information that the Presidency will have greater control and their party is likely to win (lose) the Presidency relative to those that are only provided information that the Presidency will have more control.*<sup>21</sup>

## Research Design

To test our hypotheses, we fielded a preregistered survey on a non-probability sample that targeted 1,500 respondents recruited on Prolific during the US Presidential Campaign of 2024, two weeks after Joe Biden’s decision not to run for re-election.<sup>22</sup> The sample reflects the national population in terms of age, sex, and partisanship.<sup>23</sup> The timing of the survey and uncertainty around the state of the race at this point were instrumental in testing the hypotheses in one important way. The introduction of Harris to the race turned what most thought was a strong Trump advantage against Joe Biden into a much more competitive race. This allowed us to provide more credible narratives stating that one candidate was likely to win over the other – and potentially benefit from any reduction in the Fed’s independence. As such, there was a greater opportunity to both collect data, with variance on electoral expectations and potentially nudge those opinions.

To test our central hypotheses, we adopted a pre-post design in which we asked about

---

<sup>21</sup>Note that this hypothesis slightly differs in syntax than the preregistered hypothesis. However, it aligns more closely with our pre-registered empirical specification. Further, we originally stated this hypothesis in two parts but condensed it here.

<sup>22</sup>The entire survey was fielded on August 6th, 2024. This sample size should produce a minimum detectable effect of 10% of standard deviation at 80% power for Hypothesis 1.

<sup>23</sup>Prolific also offers convenience samples. Our sample, in comparison, is based on quota sampling of respondents based on personal characteristics collected by Prolific before running the survey.

support for central bank independence directly before and after the informational treatment. This has two advantages. First, it allows us to examine the correlates of support for CBI before providing a treatment. Second, it increases the power of the experiment, although with a small risk of inducing consistency bias (Clifford et al., 2021). However, such bias should decrease the size of any effects.

Before the treatments and collection of the outcome variable(s), we provided a brief explanation of how interest rates are set and the Fed’s current independence to anchor respondents. It reads as follows:

You may have noticed that interest rates have also been unusually high for the past several years. When interest rates are higher, loans for things like buying a house or starting a business cost more because the interest you have to pay back is higher. For people or businesses already paying back loans, it can mean their payments go up if their loans and credit cards have variable or adjustable interest rates. On the flip side, when interest rates increase, saving money becomes more attractive. Banks offer higher interest on savings accounts or certificates of deposit, so the money you have saved grows faster.

Why do interest rates fall and rise? Interest rates change because of the decisions of the Federal Reserve, often called “the Fed”. One of the Fed’s major goals is to reduce inflation. To reduce inflation, the Fed has to increase interest rates. Increasing interest rates makes it more expensive to borrow and make investments. This has the effect of slowing down the economy and reducing inflation. Unfortunately, this usually means more unemployment and lower wages. This happens because businesses make fewer investments, and people buy fewer things. For example, with higher interest rates, it costs more to build and buy a house. This means fewer home builders will be hired. While unfortunate, this is usually necessary to bring down inflation.

The Federal Reserve functions as an independent entity within the framework of the U.S. government without the direct intervention of elected officials. This independence is achieved through a carefully structured appointment process for its members and its ability to generate its own funding. The Board of Governors of the Federal Reserve, which includes its Chairperson, is appointed by the President and must be confirmed by the Senate. These officials serve staggered terms that usually last longer than the tenure of any single President, ensuring a level of continuity and stability in monetary policy. Additionally, it is difficult to remove Fed officials before their terms expire, except in cases of ethical or legal misconduct. This arrangement grants them considerable independence to act without considering the political impact of unpopular decisions.

We then ask: *“People disagree about the independence of the Federal Reserve. Do you think this independence should be decreased or increased?”* Respondents answered on a 5-point scale from ‘decreased a lot’ to ‘increased a lot.’ The answer to this question serves as the primary dependent variable in the observational study and a covariate in our experimental study.

Following this question, we provide a very brief history of the Fed and differing perspectives of the Fed’s history so as not to ask the same question directly after each other in the pure-control group. Importantly, this passage is presented to all respondents.<sup>24</sup>

After the assignment of the treatment, we then ask respondents to again indicate their support for CBI: *“We will ask again, do you think this independence of the Federal Reserve should be decreased or increased?”* The answer to this question is our primary dependent variable. Figure 1 plots the distribution of both the pre-and post-treatment responses. At

---

<sup>24</sup>It reads as follows: *“The Federal Reserve, established in 1913 to provide a safer financial system, has been both praised and criticized throughout its history. While supporters argue it has helped stabilize the economy during crises, critics contend it has contributed to economic inequality and market bubbles through its monetary policies. The Fed’s actions, particularly its handling of interest rates and quantitative easing, have sparked debates about its long-term impact on the U.S. economy.”*



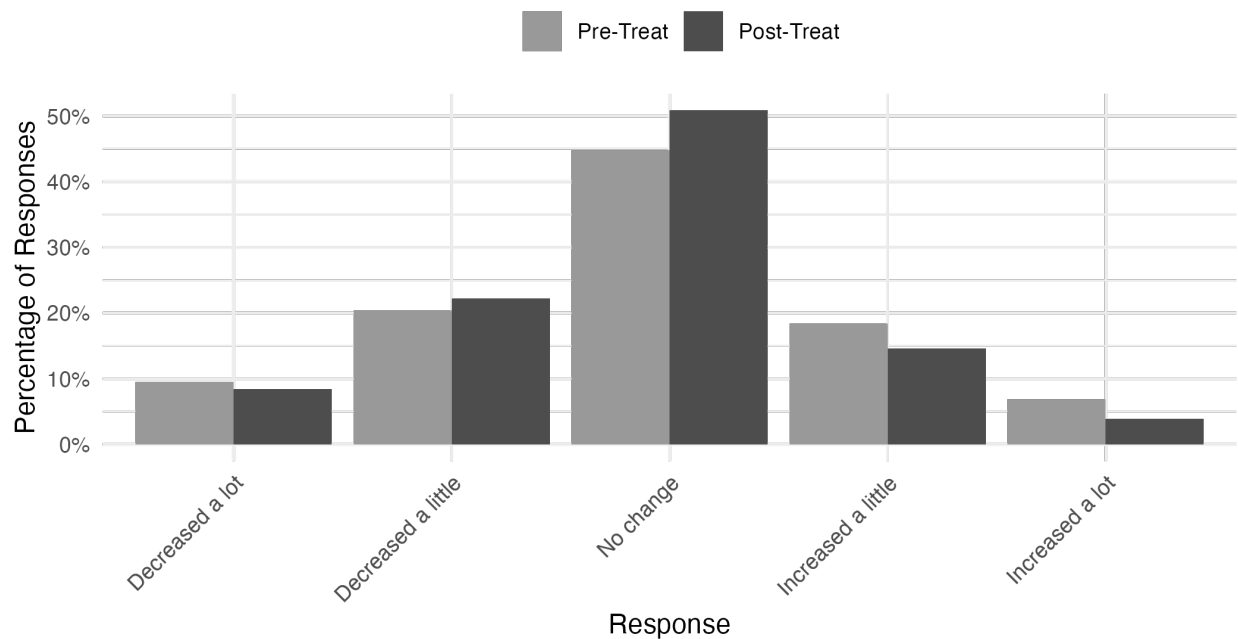


Figure 1: **Distributions of Responses on CBI Independence**

least in our sample, close to a majority of respondents prefer the status quo, and about 30% of respondents wish to see independence reduced, while less than 20% of respondents are interested in increasing independence.

## Treatment Arms

Our experiment assigns four treatment arms via block randomization based on party affiliation (Democrat: 0-2, Republican: 4-6, and Independent: 3 on the 7-point party identification scale), with equal probability within blocks. The control arm simply asks respondents to restate their answer to the question: “We will ask again, do you think this independence of the Federal Reserve should be decreased or increased?”

The treatment arms are designed to allow us to examine a) the effect of information about the consequences of CBI and then how changing expectations of electoral victory influence support for CBI - given the information, the President is likely to gain more control of

interest rates if CBI is reduced. The first treatment arm simply notifies respondents about the possibility that the President will likely gain more power over interest rates if CBI is decreased AND that the outcome of the election is very uncertain: “If The Federal Reserve (the Fed) had less independence, more power would likely be given to the President. Future Presidents could be given more power to overturn Fed policy and remove Fed officials, or in extreme cases; the executive branch would set interest rates themselves.” The third arm treats with the same information but adds that Republicans have an advantage in winning the Presidential race: “If you’ve looked at the polls recently, you’ll see that Former President Trump is ahead and has a strong chance of becoming president again. Betting markets give him a 65% probability of winning. While Harris has narrowed the gap in the popular vote, Trump still commands a sizeable lead in key swing states and is very likely to win in the electoral college and thus win the Presidency.”

The fourth arm also provides information about the President but instead attempts to increase the perception that Democrats are likely to win: “If you’ve looked at the polls recently, you’ll see that Democrats are doing very well with key swing state demographics after Kamala Harris took over as presumptive nominee. Many experts now think Democrats will retain the White House. Recent high-quality polls show Kamala Harris is leading Donald Trump by 2-points Nationally. Other polls show she has taken a lead in must-win swing states like Pennsylvania.” Our final two treatments differ because we wanted to connect the expectations of winning with realistic justifications. Each candidate, at the time, had specific paths to victory. Treating otherwise risked reducing the strength of the treatment.<sup>25</sup>

Table 1 presents the results of an attention check aimed to capture if respondents recall being told the President would gain more control in the event of reduced CBI. Over 75% of

---

<sup>25</sup>For those who received the final two treatments, we debriefed them with the following information: “Important: We may have made a claim earlier in the survey that stated either Trump or Harris were likely to win the election. While many polls are pointing in different directions, Political Scientists caution that it is very difficult to forecast an election outcome. This is especially true in August. The election outcome is still highly uncertain.”

	N	Congress	President	Treasury	Not Mentioned
Control	352	9.9	12.3	13.7	64.0
Pooled Treatment	1041	4.2	75.1	7.2	13.5

Table 1: **Attention Check:** This table indicates the percent of respondents that recalled information regarding which actor gained more influence if CBI was decreased in either the pooled treatment or control conditions. We asked all respondents the following question: “Above we told you who would take more responsibility for interest rates if the Fed’s independence was reduced. Who did we mention would have more control on interest rates?”. The options are listed in the table.

those assigned to one of the three treatments could recall the information later in the survey. 64% correctly noted that we did not mention a counterfactual.

## Covariates and Electoral Expectations

We collected several variables that corresponded with the expectations in the literature regarding the relationship between information, partisanship, and CBI. We use these covariates in our experimental models to increase the precision of our estimates. As we mentioned above, they also hold some inferential value in observational analysis predicting support for (pre-treatment) CBI. The covariates include party identification, age, income, college education, mortgage holding, individual inflation impact on welfare, a count of loans and assets, responsibility for household financial decisions and grocery shopping, financial literacy, knowledge of the Federal Reserve, and trust in various government branches and institutions (including the Fed). We provide more detail about these variables in the Supplementary Appendix.

One of our treatments attempts to manipulate electoral expectations. However, there is information to be gained in seeing how our treatment is conditioned by respondents’ existing electoral expectations.<sup>26</sup> As such, we ask an additional pretreatment question about who

---

<sup>26</sup>We do not present this hypothesis above. However, it is explicitly stated in our preregistration. The hypothesis reads as follows: *Information that the President will gain influence will have a negative effect*

respondents think will win the election: “Who do you think will win the US Presidential election? We are not asking who you want to win but who do you think will win.” The response to this question reflects partisan bias. 36% do not expect a co-partisan to win the election and 13% expect the out-party candidate to win. ‘Don’t knows’ and non-partisan make up the difference. We also asked about their confidence in the answer on a 0-10 scale. We use both of these questions to construct a weighted index of election expectations. We first code out-partisan as -1, co-partisan as 1 and multiply these answers by the confidence scale to give us a 21-point scale. We place don’t knows at “0” on the scale.

In general, these covariates are not strong predictors of baseline CBI attitudes. In several linear models estimating support for CBI, we find an  $R^2$  no larger than 0.10. Notably, party identification and income have no significant relationship with support for CBI. Instead, we find that those report to have suffered from inflation are more supportive of CBI. Consistent with our expectations, those who have more exposure to finance via financial decision-making at home or knowledge of finance are more supportive of CBI. Lastly, general trust in government has a positive association with CBI support. We present these results in more detail in the Supplementary Appendix.

Despite the weak relationship, these covariates may add precision to our estimate of the treatment effects. As such, we include them on the right-hand side of a linear model employed to estimate the effect of the treatment. This approach increases statistical power but does increase researcher degrees of freedom. Consequently, we select these variables agnostically with a LASSO selection model following the recommendation of [Bloniarz et al. \(2016\)](#). We include each continuous variable individually and each categorical variable as dummies in a model predicting the outcome. The LASSO model returns only variables with non-zero coefficients that are then included in our estimation of the treatment effects in addition to

---

*on CBI when respondents expect a co-partisan to win the election and will have a positive effect when they expect an out-partisan to win the election.*

the pre-treatment CBI measure.

## Results

Recall that our first pre-registered hypothesis suggests that information about the actor that gains power in the event of reducing CBI is the president. Figure 2 presents the ATE of each treatment arm and the pooled treatment arms. In each estimation of the ATE, we standardize the dependent variable (mean=0, SD=1) and present robust standard errors. The information treatment omitting electoral expectations increases support for CBI by 24% of a standard deviation and the pooled treatments.<sup>27</sup> For full transparency, the figure shows the ATE for the pooled information treatment and each of the treatment arms. Additionally, Figure 2 also shows the complier average causal effect (CACE). This estimate reflects the coefficient of a two-stage least squares estimation in which the treatment is an instrument for whether or not the respondent could recall the information later in the survey. As such, it presents the effect among those who internalized or could recall the information. Unsurprisingly, once we account for inattentive respondents, the effect size increases to 41% of a standard deviation increase in the CBI scale, albeit with a larger standard error. This provides strong support for the first hypothesis. Support for CBI increases when respondents are informed of the counterfactual that the President gains more power.

Next, we examine the effect of the electoral expectation treatments. Figure 3 presents two panels. Each plots the ATE for those who received a message that a co-partisan is likely to win the election and for those who received a message that an out-partisan will win. The estimates in each panel reflect different baselines - the control group on the left and the information treatment without expectations on the left. Importantly, we only include respondents who identify with a political party in this analysis, excluding ‘leaners’ and

---

<sup>27</sup>The substantive effect is similar even when omitting the pretreatment CBI response from the right-hand side.

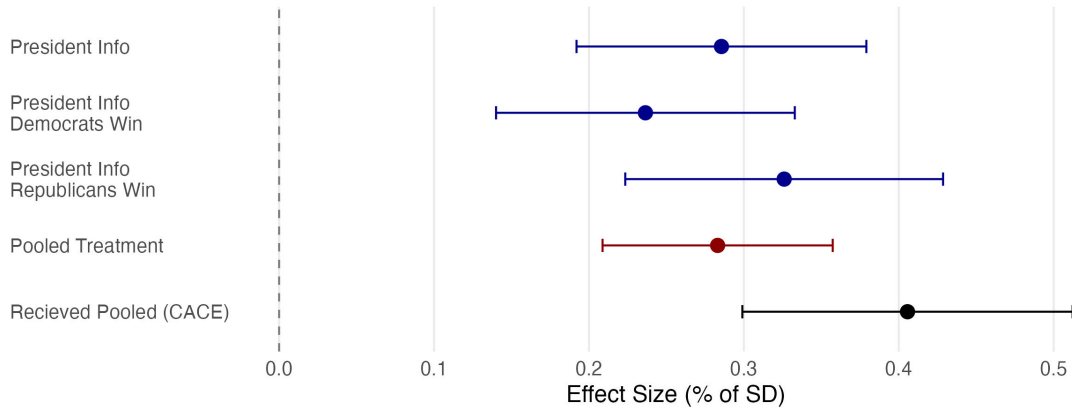


Figure 2: **Information Effects:** This figure shows the average treatment effect (ATE) and complier average causal effect (CACE) of informing respondents that reducing central bank independence likely means that the President will gain greater power. Two of the treatment arms also intend to treat expectations that either a Democrat or Republican will win the Presidency. The top 3 coefficients show the ATE of each individual arm (blue). The red dot shows the ATE of the pooled treatments (red) compared to the control condition. The final coefficient indicates the CACE of the pooled treatment. Each point estimate indicates a standardized coefficient and the bars indicate the 95% confidence intervals. N=1471

independents. We then recode the treatments to pool those who received a co-party victory treatment or those who received an out-party victory treatment.

The left panel is informative because it shows that regardless of how we framed the outcome of the election, the counterfactual increases support for CBI among partisans.<sup>28</sup> Yet, the effect is stronger among those who are informed that an out-party is likely to win the Presidential election. Those informed that the president will take control and an out-party is likely to win increase their support by over 41% of an S.D. compared to the control that did not receive information about the president or election.

The right panel of Figure 3, our preregistered comparison, shows that compared to the pure information treatment, those that are provided information that a co-party candidate will win decrease their support for CBI by 13% [-24%, -2% ] of a standard deviation. Conversely, those that received an out-party victory treatment are 14% [0.01% - 26.9%] of SD

<sup>28</sup>Note that we did not preregister this analysis in the left panel.

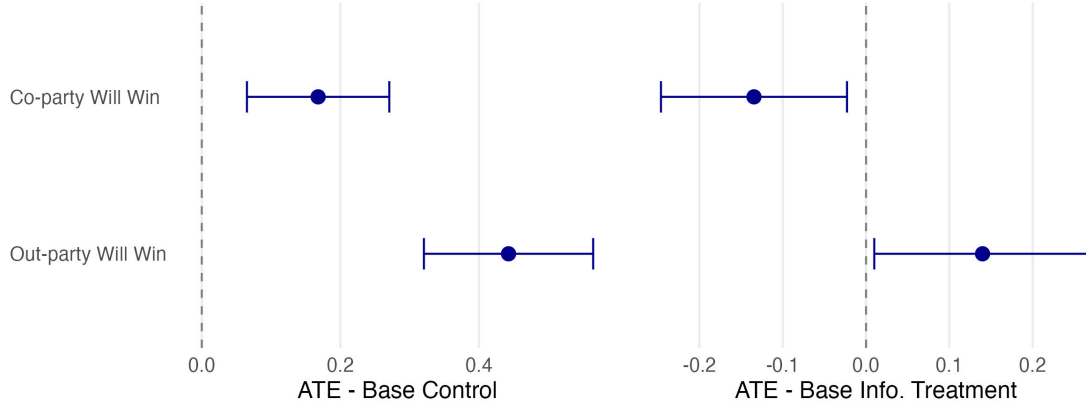


Figure 3: **ITT Election Expectations:** The two panels in this figure shows the Intention to Treat Effect (ITT) of informing respondents either a member of their party or a member of the opposing party is likely to win the presidential election. The left panel compares these treatments against the control group that received no information (N=815). The right panel compares these treatments against the information treatment group that did not receive electoral expectations (N=897). The latter is the preregistered expectation. Each point estimate indicates a standardized coefficient and the bars indicate the 95% confidence intervals.

more likely to support CBI. Both effects are significant at the pre-registered levels.

The small effect sizes are potentially a consequence of the difficulty of changing expectations of the state of the presidential race. At this time, the respondents we are polling are likely responding to many surveys about the presidential race and are also immersed in the broader information environment. This aligns with our efforts to record a manipulation check. We find that the treatment did not have a significant effect on expectations of victory. However, we imagine the treatment did prime the respondents to think about the possibility that an out-party candidate would win if not change their discrete expectations of victory.

We anticipated that it might be difficult to shape electoral expectations in a crowded information environment. Consequently, we also collected respondents' pre-treatment electoral expectations. This allows us to examine how information treatment is conditioned by the respondents' own expectations of electoral victory. We do so in two ways. First, with the 21-point scale of electoral expectations described above and second with a binary indicator

of who they expect to win given the distribution of extended measure is highly skewed. In a separate analysis, we interact the pooled treatment arms with these indicators to estimate the conditional average treatment effect (CATE).

Model 1 of Table 2 presents the results of the interaction between the counterfactual information treatment and the electoral expectations scale. Consistent with pre-registration, we find that the interaction term is negative and significant. The information treatment decreases with the expectation that a co-partisan will win the election. However, the electoral expectation index is highly biased towards a co-partisan victory.

To supplement the analysis, we simplify the model by omitting the confidence scale and just conditioning the discrete expectations of victory – taking into account the overconfidence of partisans in the electoral fortunes of co-partisans and its implication for statistical power (Voelkel et al., 2024).<sup>29</sup> We present this analysis in Models 2 and 3 in Table 2. Model 2 indicates that Presidential treatment has a 23% SD effect on those in the baseline condition (those who expect the co-party to win and those who don’t know). However, the effect increases a further 33% of a standard deviation when a respondent expects the out-party to win. In total, the CATE of the information treatment is 55% of an SD in this group. In Model 3, the baseline group is now ‘don’t know’ and those expecting the out-party to win. Consistent with Model 1, we see a large effect among those in the base condition and that the CATE is lower among those who expect their own party to win. This provides strong support for the notion that citizens’ attitudes toward CBI follow a partisan logic.

## Results by Party

The results above may be a product of either Democrats or Republicans having different expectations of co-partisan victory. As such, we might have lower confidence that the effects hold broadly and are rather just present among a specific party (Anson, 2024). With

---

<sup>29</sup>We did not pre-register this analysis.



	(1)	(2)	(3)
	Expectations Scale	Out-Party	Co-Party
Pres Treat	0.403*** (0.058)	0.258*** (0.047)	0.551*** (0.102)
Expetation Scale	0.009 (0.006)		
Out Party Win		-0.098 (0.085)	
Co-Party Win			0.112 (0.082)
Treat X Expetation Scale	-0.020* (0.008)		
Treat X OutParty Win		0.282* (0.116)	
Treat X Co-Party Win			-0.298** (0.113)
CBI Support (Pre Treat)	0.662*** (0.026)	0.645*** (0.028)	0.645*** (0.028)
Num.Obs.	1135	1135	1135
R2	0.447	0.451	0.451

+ p <0.1, \* p <0.05, \*\* p <0.01, \*\*\* p <0.001

**Table 2: CATE of Information Treatment Across Respondent Electoral Expectations:** This Table presents the normalized coefficients of the presidential treatment among partisans conditional on their own expectations of which party will win the election - their party or the opposing party. The moderating variable in the first model is expectations of co-party (positive) or out-party (negative) victory multiplied by confidence in the prediction. It results in a 21-point scale from -10 to 10. In the remaining models, the moderating variable is a binary indicator of electoral expectations. The baseline condition pools those with no expectations, and those with either their own party will win (model 2) or the out-party will win (model 3). A vector of LASSO-selected covariates for each model is not shown. The outcome variable is support for central bank independence.

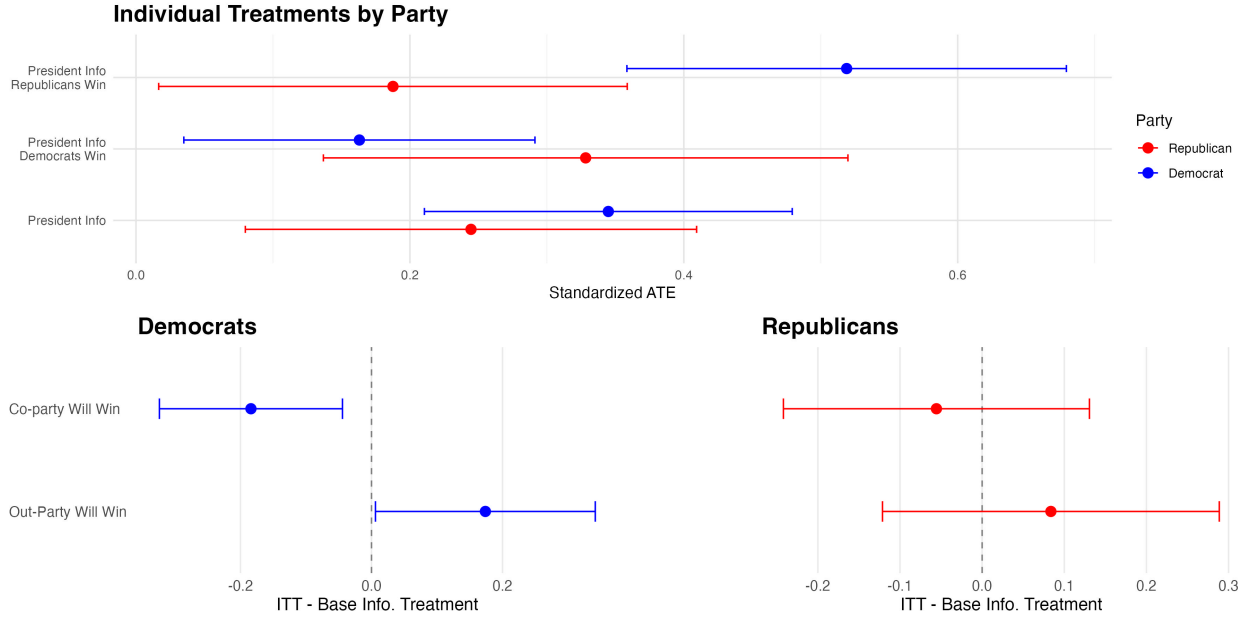


Figure 4: **Effects by Party:** The top panel shows the ATE for each treatment arm, compared to the control arm, on Democratic and Republican subsets of the main sample. The bottom two panels show the effect of the electoral expectations treatment arms compared to the information treatment arm for Democrats (left) and Republicans (right).

the caveat of lower statistical power, we also examine the partisan differences in the treatment effects to probe these differences. Figure 4 presents the CATE for those who identify as Republicans or Democrats. The information treatments are statistically significant for all treatment-sample pairs. This gives us greater confidence that information can play an important role in shaping attitudes across the political spectrum.

We find, however, that the electoral expectation treatment effects can be primarily attributed to Democratic respondents. Although, we can only speculate about the reasons for this difference, the most likely explanation is that it was more difficult to alter the beliefs about Republicans regarding the election outcome. Furthermore, this observation aligns with pessimistic views among Democratic voters on a potential Trump administration attempting to bend the boundaries of democratic governance (Voelkel et al., 2024).

## Material Interests or Polarization?

The evidence above suggests clear partisan differences. However, there is still little evidence to distinguish whether these differences are driven by preferences over monetary policy (low vs. high interest rates) or by affective polarization. A deeper look into our data suggests that partisan differences regarding CBI are not driven by material interests. First, we asked respondents, pretreatment, to indicate if they would personally benefit from high or low interest rates on a 3 point, 0-2, scale (high, indifferent, low).<sup>30</sup> In Figure 5, we plot the mean responses to this question across party identification. We see very little difference in the outcome. This finding is highly suggestive that previously observed differences in preferences over interest rate policy are not found in our individual-level data (Quinn and Shapiro, 1991; Mukherjee and Leblang, 2007; Clark and Arel-Bundock, 2013).

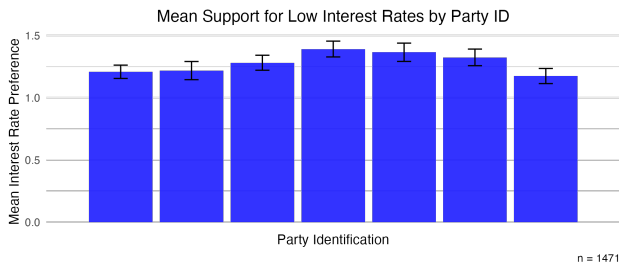


Figure 5: **Interest Rate Preferences by Party ID**

Next, we show that the effect of the treatment does not vary across preferences for interest rate policy (the way it does across co-party and out-party control of the presidency). If policy preferences were driving the conditionality of the treatment effect, we would expect that the treatment effect to be larger for those who prefer higher interest rates (at the lower end of the scale). As Figure 6 shows, there is no statistical difference across the scale, and the substantive difference is small.

<sup>30</sup>We asked: “Now, consider the role of interest rates (how expensive it is to borrow money on a credit card, for a car, or for a home AND how large a return you get on savings) in the economy. Which of the following situations is better for you, personally?” They could reply with ‘Interest rates go up (increasing the return on my savings), Interest rates go down (making credit card interest lower and loans cheaper), Interest rates stay the same, or I don’t know.”

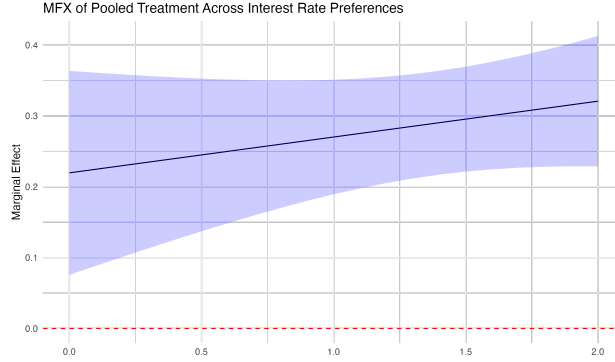


Figure 6: Marginal Effect of Pooled Treatment Across Party ID.

## Post-Election Validation

Following the election, we re-contacted our survey respondents on the Prolific platform to examine how the election itself changed CBI opinions. We were able to recontact 1,022 of the original 1500 respondents (68%).<sup>31</sup> This exercise serves as an important validation of our initial expectation that partisanship plays a key role in shaping attitudes toward CBI. We expect that given Republicans won the Presidency, Democrats would increase their support for CBI and Republicans would decrease their support for CBI.<sup>32</sup>

To recover the effect of the election, we estimate a linear model in which we include observations from both the first and second wave of our survey. The dependent variable is the post-treatment CBI measure for either the first or second wave of the survey. We then include an interaction between the 7-point party Identification measure and a post-election dummy variable in addition to respondent fixed-effects.

Figure 7 plots the marginal ‘effect’ of the election across partisanship. We see results that strongly align with our expectations. Democrats indicate stronger support for CBI. Republicans, who now have a co-partisan President, demonstrate lower support for CBI.

<sup>31</sup>In the Supplementary Appendix, we compare the basic demographics of those we did and did not recontact. We find no substantive difference in partisanship, age, gender, income, or education.

<sup>32</sup>We distributed two surveys. One was for the control group that again did not provide any information about the counterfactual of reduced CBI, and the other was a survey that included the information, excluding the electoral expectations text, of those who received one of the treatment arms in the first wave.

The effect of the election is not causally identified in a strict sense. Many things happened in the 3+ months between survey waves that could have changed attitudes about CBI. However, we are hard-pressed to think of any events that could explain a conditional change in attitudes toward CBI besides the election result.<sup>33</sup>

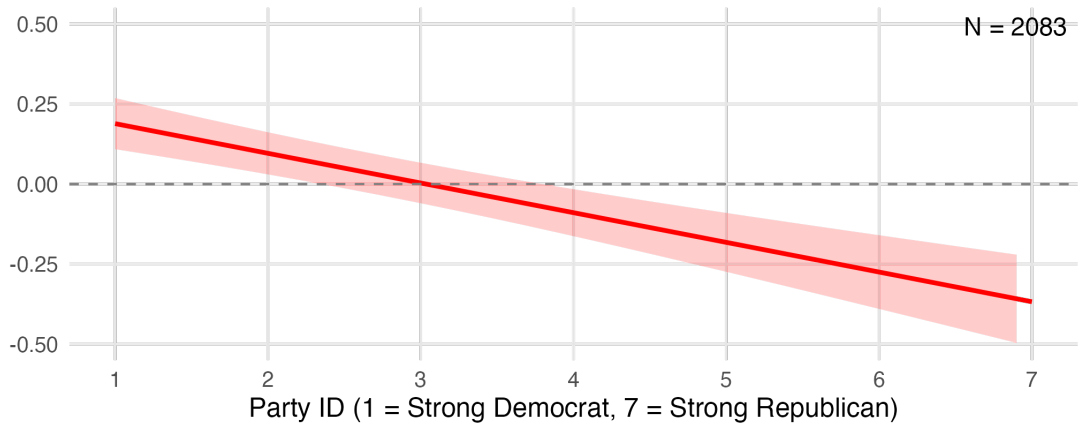


Figure 7: **Marginal Effect of the Election on CBI Support:** This plot shows the estimated effect of the election on attitudes toward CBI. The line indicates the estimate, and the shaded areas indicate the 95% confidence intervals.

## Conclusions

Central bank independence (CBI) has been the gold-standard institutional arrangement for central banking. Built on the premise that monetary policy should not be left to politicians, existing literature emphasizes the political and economic benefits of CBI (Romelli, 2024). However, CBI also creates an accountability imbalance and sets the stage for conflict between elected officials and independent central bankers (Braun, 2020; Bodea and Garriga, 2023; Martin, 2022). These conflicts tend to surface when elected officials, unable to use the money

<sup>33</sup>In subsequent analysis, we found that the election effect is not conditional on our own informational treatment. We suspect this is likely due to greater discussion of CBI in the popular press following the election. Among our recontacted respondents, 60% reported having heard about Trump’s position on the Fed.

printing press to curb political backlash in times of inflation or high interest rates, direct criticism at the central bank’s leadership. Though such political efforts often amount to mere virtue signaling, verbal attacks and pressure can still generate momentum to challenge central bank independence (Binder, 2021a; Bodea and Garriga, 2023; Kern and Seddon, 2024). However, whether the public would support such a political rollback of CBI remains unclear.

Given the current climate in the United States, where the Fed faces increasing political opposition, understanding public support for CBI is particularly urgent. Drawing on a growing literature on political polarization (Iyengar et al., 2019; Graham and Svovik, 2020; Kingzette et al., 2021), we argue that citizens’ support for CBI is influenced both by a shallow understanding of monetary policy and by partisan identification – especially when they learn that a reduction in CBI would increase the President’s influence. We predict that respondents will favor curtailing CBI when their preferred party is likely to hold the presidency and will support maintaining CBI if an opposing party is expected to take office. We hypothesize that Republican-leaning voters will be more supportive of CBI when they anticipate a Democratic presidential win and *vice versa*.

To test our theoretical predictions, we conducted a survey experiment during the 2024 U.S. Presidential campaign, shortly after Biden announced he would not seek re-election. The survey timing, amid an uncertain race, allowed us to credibly present scenarios suggesting that either party could win, helping us gauge public attitudes toward reducing Fed independence. Our results confirm our hypothesis: Republican-leaning voters showed stronger support for CBI when a Democratic candidate was expected to win, and the reverse held for Democratic-leaning respondents.

Our findings have several important implications. First, by analyzing support for CBI, we provide key insights into the public’s understanding of the critical linkages between public perception of monetary policy and central banks. Our results indicate that central bank

communication and greater transparency might have limited firepower to fend off political pressure to preserve CBI when political polarization is pronounced. Second, when Presidents enjoy widespread support, citizens aligned with the President’s party are more inclined to support curtailing CBI, even if it does not serve their long-term self-interest. This effect is independent of partisanship affiliation, indicating potential vulnerabilities for central banks without deep institutional anchoring. Finally, our results suggest that increasing democratic accountability for central banks in a polarized environment may have unintended consequences. While we recognize the value of central bank accountability, our findings indicate that—in an increasingly polarized world—monetary policy could be vulnerable to political interference, threatening a central bank’s political independence. Overall, our findings support the notion that CBI constitutes an institutional arrangement to provide robust checks and balances on the executive branch of government. As such, independent central banks constitute a vital pillar of democratic governance, balancing competing interests and safeguarding macro-financial stability—an especially critical role in times of deep political divisions.

## References

- Adolph, Christopher (2013). *Bankers, bureaucrats, and central bank politics: The myth of neutrality*. Cambridge University Press.
- Adrian, Tobias , Ashraf Khan, and Lev Menand (2024). A new measure of central bank independence. IMF Working Paper No. 24/35.
- Ainsley, Caitlin (2017). The politics of central bank appointments. *The Journal of Politics* 79(4), 1205–1219.
- Aklin, Michaël and Andreas Kern (2021). The side effects of central bank independence. *American Journal of Political Science* 65(4), 971–987.
- Ansell, Ben (2014). The political economy of ownership: Housing markets and the welfare state. *American political science review* 108(2), 383–402.
- Anson, Ian G (2024). Fed up: The determinants of public opposition to the us federal reserve. *Political Research Quarterly*, 10659129241265703.
- Baccini, Leonardo and Thomas Sattler (2023). Austerity, economic vulnerability, and populism. *American Journal of Political Science*.
- Baerg, Nicole Rae , Julia Gray, and Jakob Willis (2021). Opportunistic, not optimal delegation: The political origins of central bank independence. *Comparative Political Studies* 54(6), 956–988.
- Bansak, Kirk , Michael M. Bechtel, and Yotam Margalit (2020). Why austerity? the mass politics of a contested policy. *SSRN*.
- Barro, Robert J and David B Gordon (1983). Rules, discretion and reputation in a model of monetary policy. *Journal of monetary economics* 12(1), 101–121.
- Bearce, David H and Kim-Lee Tuxhorn (2017). When are monetary policy preferences egocentric? evidence from american surveys and an experiment. *American Journal of Political Science* 61(1), 178–193.
- Bernanke, Ben S (2022). *21st century monetary policy: The Federal Reserve from the great inflation to COVID-19*. WW Norton & Company.
- Bernhard, William (1998). A political explanation of variations in central bank independence. *American Political Science Review* 92(2), 311–327.
- Bernhard, William T (2009). *Banking on reform: Political parties and central bank independence in the industrial democracies*. University of Michigan Press.



- Bertsou, Eri (2022). Bring in the experts? citizen preferences for independent experts in political decision-making processes. *European Journal of Political Research* 61(1), 255–267.
- Bertsou, Eri and Daniele Caramani (2022). People haven't had enough of experts: Technocratic attitudes among citizens in nine european democracies. *American Journal of Political Science* 66(1), 5–23.
- Bertsou, Eri and Giulia Pastorella (2017). Technocratic attitudes: A citizens' perspective of expert decision-making. *West European Politics* 40(2), 430–458.
- Bianchi, Francesco , Roberto Gómez-Cram, Thilo Kind, and Howard Kung (2023). Threats to central bank independence: High-frequency identification with twitter. *Journal of Monetary Economics* 135, 37–54.
- Binder, Carola (2017). Fed speak on main street: Central bank communication and household expectations. *Journal of Macroeconomics* 52, 238–251.
- Binder, Carola C (2021a). Political pressure on central banks. *Journal of Money, Credit and Banking* 53(4), 715–744.
- Binder, Carola C (2021b). Presidential antagonism and central bank credibility. *Economics & Politics* 33(2), 244–263.
- Binder, Carola C and Christina P Skinner (2023). The legitimacy of the federal reserve. *Stan. JL Bus. & Fin.* 28, 1.
- Binder, Sarah , Jackson Gode, Christian Potter, and Mark Spindel (2024). Tweeter-in-chief: Dynamics of trump's populist campaign against the fed. *Presidential Studies Quarterly*.
- Binder, Sarah and Mark Spindel (2016). Congress and the federal reserve. In *Congress and Policy Making in the 21st Century*. Cambridge University Press.
- Blanchflower, David G and Conall MacCoille (2009). The formation of inflation expectations: an empirical analysis for the uk. Technical report, National Bureau of Economic Research.
- Blinder, Alan S. (1998). *Central Bank in Theory and Practice*. Cambridge, MA: MIT Press.
- Blinder, Alan S. (2000). Central-bank credibility: Why do we care? how do we build it? *American Economic Review* 90(5), 1421–1431.
- Blinder, Alan S (2022). *A Monetary and Fiscal History of the United States, 1961–2021*. Princeton University Press.
- Blinder, Alan S , Michael Ehrmann, Jakob De Haan, and David-Jan Jansen (2024). Central bank communication with the general public: Promise or false hope? *Journal of Economic Literature* 62(2), 425–457.

- Bloniarz, Adam , Hanzhong Liu, Cun-Hui Zhang, Jasjeet S Sekhon, and Bin Yu (2016). Lasso adjustments of treatment effect estimates in randomized experiments. *Proceedings of the National Academy of Sciences* 113(27), 7383–7390.
- Bodea, Cristina (2010). Exchange rate regimes and independent central banks: a correlated choice of imperfectly credible institutions. *International Organization* 64(3), 411–442.
- Bodea, Cristina and Ana Carolina Garriga (2023). Central bank independence in latin america: Politicization and de-delegation. *Governance* 36(1), 59–80.
- Bodea, Cristina and Raymond Hicks (2015). International finance and central bank independence: Institutional diffusion and the flow and cost of capital. *The Journal of Politics* 77(1), 268–284.
- Bodea, Cristina and Raymond Hicks (2018). Sovereign credit ratings and central banks: Why do analysts pay attention to institutions? *Economics & Politics* 30(3), 340–365.
- Bodea, Cristina and Masaaki Higashijima (2017). Central bank independence and fiscal policy: Can the central bank restrain deficit spending? *British Journal of Political Science* 47(1), 47–70.
- Bodea, Cristina and Andrew Kerner (2022). Gender bias and central bank communication: Do americans trust female policy makers? *Available at SSRN 4186248*.
- Boylan, Delia M (2001). *Defusing democracy: Central bank autonomy and the transition from authoritarian rule*. University of Michigan Press.
- Braun, Benjamin (2020). Central banking and the infrastructural power of finance: The case of ecb support for repo and securitization markets. *Socio-Economic Review* 18(2), 395–418.
- Bressman, Lisa Schultz and Robert B Thompson (2010). The future of agency independence. *Vand. L. Rev.* 63, 599.
- Brouwer, Nils and Jakob de Haan (2022). Trust in the ecb: Drivers and consequences. *European Journal of Political Economy* 74, 102262.
- Bursian, Dirk and Sven Fürth (2015). Trust me! i am a european central banker. *Journal of Money, Credit and Banking* 47(8), 1503–1530.
- Carpini, Michael X Delli and Scott Keeter (1996). *What Americans know about politics and why it matters*. Yale University Press.
- Case-Ruchala, Devin (2023). A paradox of openness: Democracies, financial integration & crisis. *The Review of International Organizations*, 1–26.

- Chiru, Mihail and Zsolt Enyedi (2022). Who wants technocrats? a comparative study of citizen attitudes in nine young and consolidated democracies. *The British Journal of Politics and International Relations* 24(1), 95–112.
- Ciuk, David J and Berwood A Yost (2016). The effects of issue salience, elite influence, and policy content on public opinion. *Political Communication* 33(2), 328–345.
- Clark, William Roberts and Vincent Arel-Bundock (2013). Independent but not indifferent: Partisan bias in monetary policy at the fed. *Economics & Politics* 25(1), 1–26.
- Clifford, Scott , Geoffrey Sheagley, and Spencer Piston (2021). Increasing precision without altering treatment effects: Repeated measures designs in survey experiments. *American Political Science Review* 115(3), 1048–1065.
- Coibion, Olivier and Yuriy Gorodnichenko (2012). What can survey forecasts tell us about information rigidities? *Journal of Political Economy* 120(1), 116–159.
- Crujisen, Carin , David-Jan Jansen, and Jakob de Haan (2015). How much does the public know about the ecb’s monetary policy? evidence from a survey of dutch households. *International Journal of Central Banking* 11(4), 169–218.
- Cukierman, Alex (1992). *Central Bank Strategy, Credibility, and Independence: Theory and Evidence*. MIT Press.
- Dalla Pellegrina, Lucia , Donato Masciandaro, and Rosaria Vega Pansini (2011). New advantages of tying one’s hands: Banking supervision, monetary policy and central bank independence. In *Handbook of Central Banking, Financial Regulation and Supervision*. Edward Elgar Publishing.
- Devins, Neal and David E Lewis (2008). Not-so independent agencies: Party polarization and the limits of institutional design. *BUL rev.* 88, 459.
- Dietsch, Peter (2020). Independent agencies, distribution, and legitimacy: The case of central banks. *American political science review* 114(2), 591–595.
- Dimant, Eugen (2024). Hate trumps love: The impact of political polarization on social preferences. *Management Science* 70(1), 1–31.
- Downey, Leah (2021). Delegation in democracy: A temporal analysis. *Journal of Political Philosophy* 29(3), 305–329.
- Drechsel, Thomas (2024). Estimating the effects of political pressure on the fed: a narrative approach with new data. NBER Working Paper No. 32461.
- D’Acunto, Francesco , Evangelos Charalambakis, Dimitris Georgarakos, Geoff Kenny, Justus Meyer, and Michael Weber (2024). Household inflation expectations: An overview of recent insights for monetary policy. NBER Working Paper No. 32488.

- Ehrmann, Michael , Michel Soudan, and Livio Stracca (2013). Explaining european union citizens' trust in the european central bank in normal and crisis times. *The Scandinavian Journal of Economics* 115(3), 781–807.
- Farvaque, Etienne , Muhammad Azmat Hayat, and Alexander Mihailov (2017). Who supports the ecb? evidence from eurobarometer survey data. *The World Economy* 40(4), 654–677.
- Fernández-Albertos, José (2015). The politics of central bank independence. *Annual Review of Political Science* 18, 217–237.
- Garriga, Ana Carolina (2016). Central bank independence in the world: A new data set. *International Interactions* 42(5), 849–868.
- Garriga, Ana Carolina (2024). Public confidence in the bank of england. *Available at SSRN 4804186*.
- Garriga, Ana Carolina and Cesar M Rodriguez (2020). More effective than we thought: Central bank independence and inflation in developing countries. *Economic Modelling* 85, 87–105.
- Garriga, Ana Carolina and Cesar M Rodriguez (2023). Central bank independence and inflation volatility in developing countries. *Economic Analysis and Policy* 78, 1320–1341.
- Gilens, Martin (2001). Political ignorance and collective policy preferences. *American Political Science Review* 95(2), 379–396.
- Goodhart, Charles and Rosa Lastra (2018). Populism and central bank independence. *Open Economies Review* 29, 49–68.
- Graham, Matthew H and Milan W Svobik (2020). Democracy in america? partisanship, polarization, and the robustness of support for democracy in the united states. *American Political Science Review* 114(2), 392–409.
- Hallerberg, Mark (2002). Veto players and the choice of monetary institutions. *International Organization* 56(4), 775–802.
- Hayo, Bernd and Carsten Hefeker (2002). Reconsidering central bank independence. *European Journal of Political Economy* 18(4), 653–674.
- Hayo, Bernd and Pierre-Guillaume Méon (2024). Preaching to the agnostic: Inflation reporting can increase trust in the central bank but only among people with weak priors. *Journal of International Money and Finance* 142, 103037.
- Hayo, Bernd and Florian Neumeier (2020). Public knowledge about and attitudes towards central bank independence in new zealand. *Journal of Banking & Finance* 113, 105737.

- Heldt, Eugénia C and Lisa Herzog (2022). The limits of transparency: Expert knowledge and meaningful accountability in central banking. *Government and Opposition* 57(2), 217–232.
- Hernández-Lagos, Pablo and Dylan Minor (2020). Political identity and trust. *Quarterly journal of political science* 15(3), 337–367.
- Hübscher, Evelyne , Thomas Sattler, and Markus Wagner (2023). Does austerity cause polarization? *British Journal of Political Science* 53(4), 1170–1188.
- Iyengar, Shanto , Yphtach Lelkes, Matthew Levendusky, Neil Malhotra, and Sean J Westwood (2019). The origins and consequences of affective polarization in the united states. *Annual review of political science* 22(1), 129–146.
- Johnson, Juliet (2016). *Priests of Prosperity: How Central Bankers Transformed the Post-communist World*. Ithaca: Cornell Univeristy Press.
- Jones, Erik and Matthias Matthijs (2019). Rethinking central-bank independence. *Journal of Democracy* 30(2), 127–141.
- Kaltenthaler, Karl , Christopher J Anderson, and William J Miller (2010). Accountability and independent central banks: Europeans and distrust of the european central bank. *JCMS: Journal of Common Market Studies* 48(5), 1261–1281.
- Keefer, Philip and David Stasavage (2002). Checks and balances, private information, and the credibility of monetary commitments. *International organization* 56(4), 751–774.
- Keefer, Philip and David Stasavage (2003). The limits of delegation: Veto players, central bank independence, and the credibility of monetary policy. *American political science review* 97(3), 407–423.
- Kern, Andreas , Bernhard Reinsberg, and Matthias Rau-Göhring (2019). Imf conditionality and central bank independence. *European Journal of Political Economy* 59, 212–229.
- Kern, Andreas and Jack Seddon (2024). The politics of reversing central bank independence. *Journal of Political Institutions and Political Economy* 5(3), 443–485.
- Kingzette, Jon , James N Druckman, Samara Klar, Yanna Krupnikov, Matthew Levendusky, and John Barry Ryan (2021). How affective polarization undermines support for democratic norms. *Public Opinion Quarterly* 85(2), 663–677.
- Lee, Frances E (2015). How party polarization affects governance. *Annual review of political science* 18(1), 261–282.
- Lohmann, Susanne (1998). Federalism and central bank independence: the politics of german monetary policy, 1957–92. *World Politics* 50(3), 401–446.

- Lupia, Arthur (2016). *Uninformed: Why people know so little about politics and what we can do about it*. Oxford University Press.
- Markus, Gregory B (1988). The impact of personal and national economic conditions on the presidential vote: A pooled cross-sectional analysis. *American Journal of Political Science*, 137–154.
- Martin, Jamie (2022). *The Meddlers: Sovereignty, Empire, and the Birth of Global Economic Governance*. Harvard University Press.
- Maxfield, Sylvia (1998). *Gatekeepers of growth: the international political economy of central banking in developing countries*. Princeton University Press.
- McCartney, W Ben , John Orellana-Li, and Calvin Zhang (2024). Political polarization affects households’ financial decisions: Evidence from home sales. *The Journal of Finance* 79(2), 795–841.
- McDowell, Daniel and David A Steinberg (2024). Black representation and the popular legitimacy of the federal reserve. *European Journal of Political Economy* 85, 102583.
- McNamara, Kathleen (1998). *The Currency of Ideas: Monetary Politics in the European Union*. Cornell University Press.
- Monnet, Éric (2024). *Balance of Power: Central Banks and the Fate of Democracies*. University of Chicago Press.
- Moschella, Manuela (2024). *Unexpected revolutionaries: How central banks made and unmade economic orthodoxy*. Cornell University Press.
- Mukherjee, Bumba and David Leblang (2007). Partisan politics, interest rates and the stock market: Evidence from american and british returns in the twentieth century. *Economics & Politics* 19(2), 135–167.
- Panel, S , Emilien Paulis, J-B Pilet, Sébastien Rojon, and Davide Vittori (2024). The lure of technocrats: A conjoint experiment on preferences for technocratic ministers in six european countries. *Political Behavior* 46(3), 1961–1984.
- Persson, Torsten and Guido Tabellini (2012). *Macroeconomic policy, credibility and politics*. Routledge.
- Polillo, Simone and Mauro F Guillén (2005). Globalization pressures and the state: The worldwide spread of central bank independence. *American journal of sociology* 110(6), 1764–1802.
- Pond, Amy (2021). Biased politicians and independent agencies. *Journal of Theoretical Politics* 33(3), 279–299.

- Posen, Adam S. (1993). Finance and the international economy: In memory of Robert Marjolin. In R. Marjolin and R. O'Brien (Eds.), *Why Central Bank Independence does not Cause Low Inflation: There is no Institutional Fix for Politics*, Chapter 6, pp. 40–65. Oxford University Press.
- Quinn, Dennis P and Robert Y Shapiro (1991). Economic growth strategies: The effects of ideological partisanship on interest rates and business taxation in the united states. *American Journal of Political Science*, 656–685.
- Rogoff, Kenneth (1985). The optimal degree of commitment to an intermediate monetary target. *The quarterly journal of economics* 100(4), 1169–1189.
- Romelli, Davide (2022). The political economy of reforms in central bank design: evidence from a new dataset. *Economic Policy* 37(112), 641–688.
- Romelli, Davide (2024). Trends in central bank independence: A de-jure perspective. BAFFI CAREFIN Centre Research Paper No. 217.
- Scheve, Kenneth (2004). Public inflation aversion and the political economy of macroeconomic policymaking. *International Organization* 58(1), 1–34.
- Selin, Jennifer L (2015). What makes an agency independent? *American Journal of Political Science* 59(4), 971–987.
- van der Cruysen, Carin and Anna Samarina (2023). Drivers of trust in the ecb during the pandemic. *Applied Economics* 55(13), 1454–1476.
- Voelkel, Jan G , Michael N Stagnaro, James Y Chu, Sophia L Pink, Joseph S Mernyk, Chrystal Redekopp, Isaias Ghezze, Matthew Cashman, Dhaval Adjodah, Levi G Allen, et al. (2024). Megastudy testing 25 treatments to reduce antidemocratic attitudes and partisan animosity. *Science* 386(6719), eadh4764.
- Wälti, Sébastien (2012). Trust no more? the impact of the crisis on citizens' trust in central banks. *Journal of International Money and Finance* 31(3), 593–605.
- Way, Christopher (2000). Central banks, partisan politics, and macroeconomic outcomes. *Comparative Political Studies* 33(2), 196–224.
- Westwood, Sean J , Erik Peterson, and Yphtach Lelkes (2019). Are there still limits on partisan prejudice? *Public Opinion Quarterly* 83(3), 584–597.

# 1 Appendix

## 1.1 Full Model Specifications-Experimental Results



Table 3: Full Models Specifications of Figure 2

	Ind. Treatments	Pooled	CACE
(Intercept)	-0.370*** (0.073)	-0.372*** (0.073)	-0.370*** (0.074)
received_Fed_pres	0.249*** (0.046)		
received_Fed_demswin	0.215*** (0.046)		
received_Fed_repswin	0.298*** (0.050)		
pooledprestreat		0.254*** (0.035)	
CACE.Treat			0.367*** (0.051)
CBLa	0.659*** (0.024)	0.659*** (0.024)	0.667*** (0.023)
education	0.007 (0.009)	0.007 (0.009)	0.004 (0.009)
trust_federal_reserve	0.067** (0.024)	0.067** (0.024)	0.064** (0.025)
trust_irs	-0.007 (0.023)	-0.007 (0.023)	-0.007 (0.023)
inflim pact	0.007 (0.025)	0.006 (0.025)	0.016 (0.025)
state_Maine	0.824* (0.414)	0.839* (0.425)	0.825* (0.406)
state_Minnesota	0.341 (0.227)	0.349 (0.223)	0.327 (0.217)
state_Ohio	0.191+ (0.100)	0.191+ (0.099)	0.174+ (0.097)
loancount_3	0.174+ (0.091)	0.175+ (0.092)	0.176+ (0.091)
loancount_5	0.545 (0.486)	0.538 (0.487)	0.508 (0.517)
assetcount_7	0.072 (0.061)	0.073 (0.061)	0.076 (0.063)
Num.Obs.	1535	1535	1535
R2	0.497	0.496	0.494
R2 Adj.	0.492	0.492	0.490
AIC	3291.0	3289.6	3294.7
BIC	3376.4	3364.3	3369.4
RMSE	0.70	0.70	0.70

+ p < 0.1, \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001

Table 4: Full Model Specification of Figure 3

	(1)
(Intercept)	-0.090 (0.100)
copartytreat	-0.120* (0.052)
negpartytreat	0.116+ (0.060)
CBI.a	0.639*** (0.032)
education	0.005 (0.013)
trust_federal_reserve	0.043+ (0.024)
inflimpact	-0.026 (0.030)
state_Colorado	0.346 (0.230)
state_Kentucky	0.257 (0.210)
state_Maine	0.895* (0.451)
state_Michigan	0.233 (0.180)
state_Minnesota	0.520+ (0.294)
state_Virginia	0.217 (0.140)
vote2020_Biden	0.045 (0.049)
vote2024_RobertFKennedyJr	0.167 (0.126)
loancount_3	0.179 (0.111)
assetcount_3	0.042 (0.067)
assetcount_7	0.062 (0.083)
mortgage_2	0.015 (0.049)
Fedknow2_1	0.058 (0.049)
Num.Obs.	1008
R2	0.450
R2 Adj.	0.439
AIC	2267.9
BIC	2371.1
RMSE	0.73

+ p <0.1, \* p <0.05, \*\* p <0.01, \*\*\* p <0.001

## 1.2 Observational Analysis

	mod1	mod2	mod3
(Intercept)	-0.787*	-0.666+	-0.825*
	(0.361)	(0.368)	(0.377)
party_id_7_point	-0.001	-0.001	-0.018
	(0.013)	(0.013)	(0.013)
age	-0.003	-0.003	-0.002
	(0.002)	(0.002)	(0.002)
college	0.087	0.084	0.105+
	(0.058)	(0.057)	(0.058)
income	0.000	-0.003	0.008
	(0.019)	(0.019)	(0.019)
inflexp	-0.077	-0.077	-0.088+
	(0.049)	(0.049)	(0.052)
mortgage	0.050	0.039	0.030
	(0.061)	(0.061)	(0.062)
inflimpact	0.107***	0.107***	0.175***
	(0.028)	(0.028)	(0.028)
loancount	-0.004	-0.006	0.003
	(0.045)	(0.045)	(0.045)
assetcount	0.016	0.009	-0.001
	(0.014)	(0.014)	(0.014)
fdecisions	0.317*	0.313*	0.370**
	(0.132)	(0.134)	(0.141)
gshopping	0.102	0.092	0.128+
	(0.069)	(0.068)	(0.070)
finlit	0.006	-0.015	-0.019
	(0.078)	(0.078)	(0.079)
fedknowsum	-0.017		
	(0.029)		
trust_government	0.224***	0.217***	
	(0.030)	(0.030)	
irate_knowledge		0.075**	0.099***
		(0.028)	(0.029)
Num.Obs.	1346	1346	1346
R2	0.103	0.108	0.070

+ p  $\leq$  0.1, \* p  $\leq$  0.05, \*\* p  $\leq$  0.01, \*\*\* p  $\leq$  0.001

## CATE - Interest Rate Preference

	(1)
Pooled Info. Treatment	0.220** (0.073)
Interest Rate Preference	-0.025 (0.038)
CBI (pre Treatment)	0.658*** (0.024)
Trust in Federal Reserve	0.070*** (0.019)
Treatment $\times$ Interest Rate Preference	0.051 (0.046)
Intercept	-0.303*** (0.073)
Num.Obs.	1471
R2	0.484

+ p < 0.1, \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001