

# BusinessWeek

## Warren Hits Banks, Expands Base to Solidify Senate Power

By Kathleen Hunter and Annie Linskey December 09, 2013

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Elizabeth Warren, in her first year as a U.S. senator, has captured headlines by pressuring such industry titans as Goldman Sachs Chairman Lloyd C. Blankfein for transparency, including a Dec. 4 call for Wall Street banks to disclose their contributions to policy groups that provide financial analysis to Congress.

With less fanfare, she's forging alliances with Republican Senate colleagues, expanding her political network in Massachusetts, and tapping her backers to help Democrats running for re-election in other states.

It's a strategy that sounds a lot like one adopted by another woman who entered the chamber with a national profile that made her a lightning-rod for praise and derision as she was dogged by questions about her presidential aspirations.

"I think she's followed a path not unlike that of Hillary Clinton, which is learn how to be a senator," said Ross Baker, a political science professor at Rutgers University in New Brunswick, New Jersey.

"Clearly, she has decided not to be a liberal Ted Cruz, to learn the ropes, particularly in the area that she cares most about, which is financial services," Baker said, contrasting Warren with the Texas Republican freshman senator whose push to defund the 2010 health-care law helped lead to the partial government shutdown in October.

### Future Contests

Warren, 64, is building relationships that could be helpful in future races, nationally or statewide. While she has said she won't run for president in 2016 and signed a letter encouraging Clinton to do so, she's also seizing on speculation about her future to advance her causes.

Asked by reporters on Dec. 4 if the presidential speculation hurts or helps her consumer-oriented legislative proposals, she said: "I'm glad to see any possible energy put behind those fights."

After rising to prominence as a critic of the housing and financial industries during the 2008 financial collapse, Warren became the architect for the Obama administration of the Consumer Financial Protection Bureau, created by the 2010 Wall Street Reform and Consumer Protection Act. After she failed to secure the top job at the bureau, Warren won her Senate seat by challenging Republican incumbent Scott Brown in 2012.

At her first appearance as a member of the Senate banking committee in February, she asserted that Wall Street firms had become "too big for trial" and, at a March hearing, she criticized regulators because no one went to jail after HSBC Holding Plc operations in the U.S. admitted to enabling Mexican and Caribbean drug cartels to launder billions of dollars.

## **Supporting Yellen**

Warren helped lead the campaign among Senate Democrats to persuade the administration to nominate Janet Yellen -- rather than former Treasury Secretary Larry Summers -- to replace Ben S. Bernanke as Federal Reserve chairman. She was among 20 Senate Democrats who signed a July letter to President Barack Obama advocating Yellen for the job. A Senate vote confirming her appointment could come as early as this week.

She's also taken on the administration over Obama's proposal to change the yardstick for calculating Social Security benefits, which the president included in his fiscal 2014 budget proposal to appeal to Republicans.

Warren's willingness to use her post to press for changes in the financial sector draws cheers from her Democratic supporters while giving Republicans an opening for criticism.

## **Show Horse**

"I think it's fair to say she's a bit of a show horse," said Mark Calabria, director of financial regulations studies at the Cato Institute, a Washington-based research group, and a former aide to Senator Richard Shelby of Alabama when he was the top Republican on the banking panel. "I'm not a big fan of Hillary Clinton, but she's a hard worker."

Warren's office counters by emphasizing her attendance record at banking committee hearings this year, which is more consistent than any other member. She's partnered with Republican Senator John McCain of Arizona to author revisions of the Glass-Steagall Act, the Depression-era measure that separated commercial and investment banking. She joined last month with Florida Republican and potential 2016 presidential aspirant

Senator Marco Rubio on a proposal aimed at protecting elderly veterans from financial scams.

Warren “understands that to get things done, you have to work in a bipartisan way” Representative Jim McGovern, a Massachusetts Democrat who has served in Congress since 1997, said last week in an interview at the Capitol.

## **Bipartisan Ties**

“She’s not an ideologue. She didn’t run and get elected just to issue press releases and make speeches,” McGovern said. “She wants to change policy, and sometimes you have to change it a little bit at a time. But to do anything around here, you need to work with the other side.”

While developing bipartisan relationships in Washington, Warren is lending her political clout to electing Democrats in Massachusetts and elsewhere.

The former Harvard Law School professor’s campaign operation sent a Nov. 22 e-mail to supporters asking them to donate to the 2014 re-election bids by Oregon Senator Jeff Merkley and New Mexico Senator Tom Udall to help Democrats retain the chamber’s majority.

Warren is proving to be a prolific fundraiser. She raised \$42.5 million for her 2012 race against Brown, with \$19 million, or 45 percent, from small individual contributions, according to the Center for Responsive Politics, a Washington group that tracks campaign spending. She spent \$42.2 million, compared with \$35.1 million for Brown, who took on \$2.1 million in debt to finance his effort to avoid ouster.

## **Kennedy, Kerry**

At home, Warren is attempting to fill a political vacuum in her party’s hierarchy left by the 2009 death of Senator Ted Kennedy and former Senator John Kerry’s appointment as Secretary of State. A June 2013 poll by Boston’s Suffolk University put her favorability at 53 percent, tied with Obama’s in the state.

Warren helped then-Representative Ed Markey win Kerry’s Senate seat in a June special election and has made endorsements in local elections.

In Lawrence, population 77,000, she backed Daniel Rivera, a candidate who worked on her 2012 campaign who was challenging incumbent Mayor William Lantigua, also a Democrat. Rivera won by 81 votes.

## **Mayoral Race**

In the Boston mayoral race, Warren vowed to remain neutral, then tipped her hand by showing up the Saturday before the election last month at a Dorchester campaign office for Marty Walsh, a union leader and an early Warren supporter.

Photos of Warren posing with volunteers in front of a red-and-white “Walsh for Mayor” sign were posted on Twitter just as the campaign was gearing up for its final push. Walsh won the race, 52 percent to 48 percent.

Warren also backed two women running for at-large City Council seats in Boston, Ayanna Pressley and political newcomer Michelle Wu, who was one of Warren’s law students and a campaign aide in 2012. They were the top two vote getters in the Nov. 5 election.

“In campaigns, no one, big thing matters,” said Michael Goldman, a Democratic consultant who worked on Walsh’s campaign. “A thousand small things win campaigns. Was the Warren thing another small piece? Yes.”

Warren’s denials about a 2016 presidential bid haven’t stopped her supporters from pressing the case -- even if it means taking on Clinton.

At New Hampshire’s Jefferson-Jackson dinner last month, a Democratic party fundraiser, Warren supporters passed out bumper stickers that read, “I am from the Elizabeth Warren wing of the Democratic Party.”

Asked about her ambitions at a joint news conference with Mayor-elect Walsh on Dec. 4, Warren was unequivocal.

“I am not running for president,” she said. “I’m working as hard as I can to be the best possible senator that I can be.”