



Wall Street braces for Warren run

By [Kevin Cirilli](#)

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Big banks are unnerved by Sen. Elizabeth Warren's (D-Mass.) rise in Democratic circles, which is raising the prospect of her running for the White House.

Supporters who have launched campaigns to push her into the race as a rival to Hillary Clinton launched a protest in Warren's name outside Citigroup's Manhattan offices on Thursday, which only added to the industry's anxiety.

The demonstration came a week after Warren led a populist uprising against changes to the Wall Street reform bill that were included in the \$1.1 trillion government-spending bill.

JP Morgan CEO Jamie Dimon was among those who lobbied for the tweaks, which represented a significant lobbying win for Wall Street.

Despite support for the package from the White House and Republican leaders, Warren nearly took it down — sending a strong signal of her influence on Capitol Hill.

Banking lobbyists interpret her actions as a bid for influence in the Senate, and also believe it could be a sign she is re-thinking her repeated statements that she will not run for the White House in 2016.

“The prospect of a Warren presidential candidacy increases the 'headline risk' concerns of large financial institutions,” said one banking lobbyist.

Equally jarring to Wall Street is the possibility that Warren could force Clinton to the left to appease progressives. Income equality has emerged as the number one issue on the left, and it is seen as a touchstone issue for Warren.

“Her message could play well with voters and could force Hillary to follow suit,” a second banking lobbyist said.

Republican strategist Chip Saltsman dubbed Warren's rise as “a huge headache for Hillary.”

“This is going to move Hillary to the left,” said Saltsman, a former senior adviser to GOP presidential candidate Mike Huckabee. “Hillary is going to have to placate the Warren-wing of the party.”

Clinton, who also has not said if she will run for the White House, has already sent signals of concern about Warren.

On Thursday, a Clinton adviser reportedly [met](#) with officials from the Progressive Change Campaign Committee (PCCC), which organized the Citigroup protest and is backing Warren.

Citigroup has been a particular target of Warren’s.

In her Senate floor speech last week about the spending bill, she railed against the “many Wall Street institutions” that “have exerted extraordinary influence in Washington's corridors of power.”

“Citigroup has risen above the others,” said Warren. “It's grip over economic policymaking in the executive branch is unprecedented.”

Warren's office didn't respond to requests for comment for this story.

Citigroup was seen as instrumental in getting the changes to the Wall Street reform bill included in the government-funding package. The changes would allow banks overseen by the Federal Deposit Insurance Corporation to engage in derivatives trading, something Warren argues increases the chances of a financial storm and bailouts by taxpayers.

More broadly, the tweaks irritate Warren because they highlight the influence well-funded lobbyists for Wall Street have in Washington.

She's taken issue with the so-called “revolving door in which employees of Citigroup and other banks go back and forth between government and the private sector, blurring the relationship between the banking industry and regulators.

The industry fears that Warren will be able to use her increased presence within the party to push its issues further to the left. And despite Democrats being in the minority next Congress, she still has proven to be able to activate progressive grass roots groups.

MoveOn.org and Democracy For America are urging Warren to run for president in 2016. Earlier this month, MoveOn invested more than \$1 million in starting a “Run Warren Run” campaign. Democracy for America invested \$250,000 in the effort.

“The banking industry shouldn't be ‘unnerved’ by the prospect of a President Elizabeth Warren, they should be terrified by it and the Americans who would cheer her on as she ripped their moneyed fangs out of the political process,” said DFA spokesman T. Neil Sroka.

Should Warren decide to run for president, it's unclear how much her big bank bashing will resonate. During her 2012 senatorial campaign against then-Sen. Scott Brown (R-Mass.), she was criticized for saying that she helped contribute to the start of the Occupy Wall Street movement.

She also drew fire for a gaffe during a 2012 Senate campaign speech when she argued that businesses succeeded because of the government's help.

“There is nobody in this country who got rich on his own,” she said during the remarks.

It's that type of rhetoric Republicans say wouldn't translate with centrist voters.

“I don't think big banks are popular with anyone,” said Mark Calabria, a former senior GOP Senate Committee Banking aide who now heads up the Cato Institute's financial services team. “But she has more to lose with the, ‘You didn't build that,’ type of comments.”

GOP strategist Ford O'Connell said that Warren plays well to the Democratic base, but that's about it.

“If she can't cogently explain how her ideas are going to put Americans back to work - especially blue collar voters who feel the economy has passed them by - mainstream voters will discount her as just another socialist crackpot,” O'Connell said.