

# AMERICAN BANKER.

## Warren as Veep? It Cuts Both Ways for Bankers

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WASHINGTON — At first blush, the image of Sen. Elizabeth Warren as Hillary Clinton's vice president might be enough to send bankers fleeing to the hills.

The Massachusetts Democrat has proven to be a powerful force in advancing Wall Street reform, including successfully creating the Consumer Financial Protection Bureau. If she were just one step from the White House, her power and prestige would presumably grow.

Or would it? Some argue that as vice president, Warren would have less influence than as a top member of the Senate Banking Committee. While she'd be more visible as vice president, she may also have to toe the line in a Clinton presidency.

"She might well be more constrained," said Mark Calabria, director of financial studies at the Cato Institute, a libertarian think tank. "You cannot just go your own way as VP."

To be sure, it's still unclear if Clinton would pick Warren as a running mate — or if Warren would accept an offer if it were made. Moreover, it's by no means clear whether a Clinton-Warren ticket would prevail against the presumptive GOP nominee Donald Trump.

Yet the pressure for Clinton to choose Warren is growing. Several progressive groups have argued that selecting the former Harvard law professor is a way to bolster support among progressives, many of whom backed Clinton's rival in the primaries, Sen. Bernie Sanders.

"The most strategic way for Hillary Clinton to unite Democrats and fend off Donald Trump's attempts to woo general election voters is to keep the volume high on big progressive ideas," Stephanie Taylor, co-founder of the Progressive Change Campaign Committee, said in a press release Friday. "These big ideas should be reflected in the vice presidential pick and the Democratic platform as well."

In the latest Bloomberg Politics national poll, more than a third of likely voters backing Clinton said she should pick Warren.

But the question remains if that happens — and Clinton were to win the presidency — would that be good or bad for bankers?

It ultimately comes down to how Clinton and Warren would choose to define the vice presidential role. Oftentimes, vice presidents are marginalized and relatively unimportant unless they are needed in an emergency. But in recent years — with Vice President Joe Biden and former Vice President Dick Cheney — the role has proven very influential.

Some progressives believe Warren would only accept the nomination in return for holding some power.

"Given Sen. Warren's record on financial reform I think that if she were asked to be the vice president, it would almost have to be an ask focused on having her lead fights for greater accountability for Wall Street and to ensure the financial system works for everyone and not just the big banks," said Neil Sroka, communications director for the Democratic political action committee Democracy for America.

A spokesperson for Warren declined to comment.

### **Nominations**

As vice president, Warren could also have an outsized role in helping to select personnel, including the heads of the federal regulators when their terms expire.

"Warren could attempt to manage the personnel vetting in a much, much deeper level than anything we have seen since Dick Cheney during the first term of the most recent Bush administration," said Brandon Barford, a partner at Beacon Policy Advisors.

Of course, Warren will have a role in a theoretical Clinton administration's personnel choices even if she isn't vice president. From her perch on the Banking Committee, Warren can rally other Democratic senators to oppose any administration appointee she sees as insufficiently committed to financial reform.

Warren took a lead role in opposing the nomination of Antonio Weiss to a spot in President Obama's Treasury because she viewed him as too close to Wall Street.

Still, as vice president, she could have even more of a say.

"Getting her way, in terms of getting the people who she thinks are 'the right people,' confirmed as regulators is enormously important," Barford said.

But others cast doubt on how influential Warren would be compared to others inside Clinton's inner circle.

"I would anticipate at this point in the cycle former Secretary of state Clinton has an idea of who she wants to slide where," said Ed Groshans, an analyst at Height Securities. "Warren can have some input into that process, but I would anticipate that Hillary Clinton's team already has a list of names for each significant role that they want to tap to fill those shoes."

## **Dodd-Frank**

At the same time, some observers argued that making changes to the Dodd-Frank Act would be easier if Warren were no longer in the Senate.

"There are enough senators on the Democrat and Republican sides who are more moderate in enabling legislation to get through," Groshans said. "If Sen. Warren were to be vice president, I think we would see movement" on a reform bill.

But a Democratic financial services lobbyist who spoke on condition of anonymity said the battle lines have already been drawn on Dodd-Frank, with or without Warren in the Senate. Still, other items might be easier to move with her in a different role.

"It's a question of what is the next thing?" the lobbyist said. "Without her in the Senate I think there is a possibility where you could see senators work more cooperatively to address a problem that doesn't do any harm to Dodd-Frank."

And it's unclear if Warren would be able to better advance her own agenda as vice president.

"Elizabeth Warren would have more press coverage if she was running as the VP, but I look to the practical impact of powers of the vice presidency and they are limited," said Isaac Boltansky, a policy analyst at Compass Point Research & Trading.

## **The Clinton Question**

The larger issue hanging over all of this is whether Clinton even wants to pick Warren. It's notable that Warren did not endorse Clinton or Sanders during their primary battle — and is already working hard to defeat Trump. Warren and Trump have engaged in several fights over Twitter during the past few weeks.

Warren also hails from a state with a Republican governor. If she were to win as vice president, her temporary replacement would undoubtedly be a member of the GOP, something that could theoretically affect the balance of power in the Senate.

And many suggest Clinton isn't too keen on Warren.

"Does she want somebody who could potentially upstage her?" the lobbyist asked. "Do you really want your vice president to get a bigger applause than the president?"

Still, Clinton may look at the poll numbers versus Trump and decide she needs to shore up support among progressives.

"There is no person, including the Democratic nominee for president, who has more influence over Democratic voters and activists than Elizabeth Warren," the lobbyist said.