

# United States Senate

WASHINGTON, DC 20510

June 9, 2015

The President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. President:

Two vacancies at the Securities and Exchange Commission (SEC) will need to be filled in the coming months as Commissioners Luis Aguilar and Daniel Gallagher leave their posts. As you consider choosing their successors, I write to encourage you to nominate men or women who recognize the threat that short-termism poses to middle-class wages; support the consumer protections and financial regulations enshrined in Dodd-Frank; and, have experience representing the interests of American middle-class families who are falling increasingly behind in the 21<sup>st</sup> century economy.

As you may know, last year S&P 500 companies spent 95 percent of their profits on stock buybacks and dividends, up from 30 percent in the 1980s. I recently wrote to the SEC to ask the agency to comment on the effect this phenomenon is having on our economy. Stock buybacks allocate revenue to the wealthiest Americans instead of toward pay increases for employees, investment in infrastructure, or spending on research and development that support long-term economic growth. I encourage you to nominate individuals who are willing to ensure SEC rules place the long-term public interest above short-term gains.

The SEC plays a critical role in implementing Dodd-Frank. Yet, many SEC rulemakings have been delayed and watered-down, if undertaken at all. Fierce industry opposition is often to blame. The threat of regulatory capture grows with each Wall Street employment contract that includes a bonus for government service. Americans will be best served by Commissioners who have a track record advocating for the public interest and implementing Dodd-Frank regulations that can crack down on Wall Street excess and prevent us from repeating the mistakes of the past.

In closing, I again ask you to nominate to the SEC individuals who are dedicated to representing the interests of American middle-class families.

Sincerely,



Tammy Baldwin