

December 18, 2020

Dear President-elect Biden:

You have outlined an ambitious agenda to restore our badly damaged economy and to do so in a way that benefits all Americans. Building an economy that treats workers fairly, narrows the racial wealth divide and advances racial justice, and addresses the looming threat posed by climate change is an agenda we strongly support. Accomplishing it will require an economic team that is not only deeply committed to these goals, but that knows how to use the levers of government to achieve them.

The Securities and Exchange Commission (SEC) sets crucial rules for how markets – and the whole economy – work, so whom you select to lead this agency is crucial. The Chair of the SEC must be a capable regulator with a commitment to developing and enforcing rules to inform and protect the American families who rely on the markets for retirement security, the businesses that rely on the markets to fund their business growth, and the public that depends on securities laws to hold corporations and their executives accountable.

Sustainable capitalism depends upon informed investors and the public making smart decisions about how to best allocate resources to drive our economy forward. Depriving investors and the public of essential information and rights is not only a recipe for fraud, but it is also leading to a massive misallocation of resources. Unfortunately, however, thanks to a decades-long series of decisions by Democrats and Republicans alike to expand private, unregulated markets, our public markets have deteriorated. That trend has accelerated in the current administration.

In order to reverse that decline and restore the levers for accountability to investors and society that come with healthy public markets, we urge you to nominate an SEC Chair who is committed to restoring corporate accountability and rebuilding robust, transparent public markets. Our country needs an SEC that will challenge powerful interests on Wall Street to better promote inclusive economic growth, while also protecting main street investors, pension plan participants, workers, and the communities in which we live.

The individual who steps in as SEC Chair will inherit an agency that is not only headed in the wrong direction, but that also has been deeply damaged by current leadership, which has badly abused the regulatory process to achieve its deregulatory goals. Improving our capital markets must begin with improving the SEC itself. It will take an individual with a deep knowledge of both the securities laws and the workings of independent agencies to repair that damage.

In short, the SEC Chair must have the right values and a desire to achieve the administration's economic goals. But this is not enough. It is also not enough that the Chair be prepared to vigorously enforce the rules in place now. If the administration is to achieve its laudable economic policy goals, we need a Chair who is prepared to pursue an aggressive regulatory agenda for change and has the regulatory mastery necessary to do so successfully.

We therefore urge you to nominate an individual as SEC Chair who is a deep policy expert, who is an experienced and capable regulator, and who has the vision and courage to insist on corporate accountability and transparency. Our economy, and our country, need such an individual.

Americans for Financial Reform  
Center for Economic and Policy Research (CEPR)  
Change to Win  
Communication Workers of America (CWA)  
Consumer Action  
Consumer Federation of America  
Demand Progress Education Fund  
EarthRights International  
Fund Democracy  
Harrington Investments  
Ilmi Granoff, ClimateWorks Foundation  
Institute for Agriculture and Trade Policy  
Interfaith Center on Corporate Responsibility (ICCR)  
International Brotherhood of Teamsters  
Investor Advocates for Social Justice  
Oxfam America  
Public Citizen  
Publish What you Pay-US  
Revolving Door Project  
U.S. PIRG  
US SIF: The Forum for Sustainable and Responsible Investment  
Zevin Asset Management