

**HYPNOTIZED BY WALL STREET'S  
LOBBYING & CAMPAIGN CONTRIBUTIONS**



**Corporate Interests Are Keeping Congress From Holding  
a Fair Hearing on a Proposal to Tax Wall Street Trades**

## ACKNOWLEDGMENTS

This report was written by Congress Watch Intern Beth Markman. Susan Harley, Managing Director of Public Citizen's Congress Watch Division, and Congress Watch Research Director Taylor Lincoln edited the report.

## ABOUT PUBLIC CITIZEN

Public Citizen is a national non-profit organization with more than 500,000 members and supporters. We represent consumer interests through lobbying, litigation, administrative advocacy, research, and public education on a broad range of issues including consumer rights in the marketplace, product safety, financial regulation, worker safety, safe and affordable health care, campaign finance reform and government ethics, fair trade, climate change, and corporate and government accountability.

Contact Public Citizen

Main Office

1600 20th Street NW

Washington, D.C. 20009

Phone: 202-588-1000

Capitol Hill

215 Pennsylvania Avenue SE, #3

Washington, D.C. 20003

Phone: 202-546-4996

Texas Office

309 E 11th Street, Suite 2

Austin, Texas 78701

Phone: 512 477-1155

For more information, please visit [www.citizen.org](http://www.citizen.org).

© 2021 Public Citizen

## CONTENTS

<b>KEY FINDINGS</b> .....	<b>3</b>
<b>INTRODUCTION</b> .....	<b>4</b>
<b>METHODOLOGY</b> .....	<b>5</b>
<b>I. THE 10 ORGANIZATIONS DEPLOYING THE MOST LOBBYISTS ON THE FTT</b> .....	<b>6</b>
<b>II. A CLOSER LOOK AT THE 10 ORGANIZATIONS DEPLOYING THE MOST LOBBYISTS ON THE FTT</b> .....	<b>7</b>
U.S. CHAMBER OF COMMERCE .....	7
SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA).....	7
INVESTMENT COMPANY INSTITUTE (ICI) .....	8
AMERICAN RETIREMENT ASSOCIATION (ARA) .....	8
MANAGED FUNDS ASSOCIATION (MFA).....	9
CME GROUP.....	9
AARP .....	10
NASDAQ.....	10
VANGUARD GROUP.....	11
NATIONWIDE MUTUAL INSURANCE COMPANY .....	11
<b>III. LOBBYING GROUPS EXERT THEIR INFLUENCE WITH CAMPAIGN CONTRIBUTIONS</b> .....	<b>12</b>
<b>IV. CAMPAIGN CONTRIBUTIONS TARGETED AT KEY CONGRESSIONAL COMMITTEES</b> .....	<b>13</b>
CAMPAIGN CONTRIBUTIONS TO THE HOUSE COMMITTEE ON WAYS AND MEANS.....	14
CAMPAIGN CONTRIBUTIONS TO THE HOUSE COMMITTEE ON FINANCIAL SERVICES.....	15
<b>V. CAMPAIGN CONTRIBUTIONS TO REPUBLICAN AND DEMOCRATIC PARTY COMMITTEES</b> .....	<b>16</b>
<b>CONCLUSION</b> .....	<b>17</b>
<b>APPENDIX</b> .....	<b>18</b>

## Key Findings

A small tax on Wall Street trades would raise substantial revenue and reduce high-speed trading, and it would do so in a very progressive manner. However, lobbying giants have been fighting proposed financial transaction taxes because of the impact they would have on the financial services industry, and especially on those who profit from high-speed trading. We conclude that the inside-Washington battle over the FTT is an unfair fight, with money and influence drowning out debate on the merits of the proposals.

- Nine out of the ten organizations that have the most lobbyists working on FTT issues strongly oppose the tax.
- The three organizations with the most lobbyists fighting the FTT are all lobbying giants: the U.S. Chamber of Commerce, the Securities Industry and Financial Markets Association and the Investment Company Institute.
- Groups that lobby on the FTT, many of which are enormous financial services entities, donated more than \$32 million to members of Congress and national party committees in the 2018 election cycle and more than \$41 million in 2020. The largest campaign contributor of the FTT lobbyists in the 2018 and 2020 cycles combined was Charles Schwab, which gave \$13.9 million.
- Key members of the U.S. House Committee on Ways and Means and House Committee on Financial Services have received significant donations from anti-FTT lobbying entities. For example, Rep. Patrick McHenry (R-N.C.), Ranking Member of the House Financial Services Committee, is arguably the most vocal opponent of the FTT in Congress and received the second highest amount of money from FTT lobbying groups out of any member of the House. McHenry received \$703,930 from them in the 2018 and 2020 election cycles.
- Republican Party committees received nearly twice as much money from entities lobbying on the FTT as Democratic Party committees in the past two election cycles.

## Introduction

Proposals to institute a small tax on trades of securities have been gaining support in Congress, but many huge lobbying entities are fighting them.<sup>1</sup>

Various proposals have been put forth to implement a modest tax on trades of most stocks, bonds, and derivatives that would generate significant revenue. The Wall Street Tax Act of 2021 was introduced by Rep. Peter DeFazio (D-Ore.) and Sen. Brian Schatz (D-Hawaii). This bill would put a 0.1% tax on most Wall Street trades.<sup>2</sup> The Tax on Wall Street Speculation Act – a bill that would tax stocks at 0.5%, bonds at 0.1% and the underlying value of derivatives at 0.005% – was introduced in the 117th Congress by Rep. Barbara Lee (D-Calif.) and Sen. Bernie Sanders (I-Vt.).<sup>3</sup>

Investors would experience minimal costs from an FTT. The tax would predominantly affect high-frequency traders and hedge funds that use algorithmic trading processes, as well as day traders.<sup>4</sup> The tax would cost half of Americans absolutely nothing because half of American families do not own retirement accounts or other investments. And, it is quite possible that ordinary families would experience net savings after an FTT is implemented because their savings from reduced fees associated with trading activity by their funds would exceed the costs that families experience from an FTT. Ignoring that, if families that do have investments, a 2019 Public Citizen report estimated that an average middle-income family with assets in a typical mutual fund would only pay \$13 a year from a 0.1% tax.<sup>5</sup>

Large financial service corporations are pouring money into lobbying efforts to block the FTT. Despite clear evidence that the tax would be progressive, huge investment companies such as Vanguard are misleading the public with false claims that the tax would hurt average retirement investors. These claims have been based on demonstrably false assumptions about the level of turnover in the average investor's portfolio.<sup>6</sup>

---

<sup>1</sup> A minuscule fee on transactions is paid by brokerages to the Securities and Exchange Commission. Brokerages often charge their customers this fee, which is typically less than 10 cents per trade, to cover their costs. See, *Fee Rate Advisory #2 for Fiscal Year 2021*, SECURITIES AND EXCHANGE COMMISSION (Jan. 15, 2021), <https://www.sec.gov/news/press-release/2021-8>.

<sup>2</sup> Wall Street Act of 2021, H.R. 328, 117th Cong. (2021).

<sup>3</sup> Press release, *Rep. Barbara Lee, Rep. Lee and Sen. Sanders Introduce Tax on Wall Street Speculation Act to Curb Greed* (April 21, 2021), <https://bit.ly/3eKofzM>.

<sup>4</sup> John Rekenhaller, *Considering a Financial Transaction Tax*, MORNINGSTAR (July 9, 2020), <https://bit.ly/31vXdoo>.

<sup>5</sup> Taylor Lincoln, *A Progressive Tax With Beneficial Effects*, PUBLIC CITIZEN (September 16, 2019), <https://bit.ly/3u43SIV>.

<sup>6</sup> Michael Edesess, *Opinion: How Fund Giant Vanguard is Misleading Investors About a Tax on Stock Trades*, MARKETWATCH (January 18, 2020), <https://on.mktw.net/3cy6d2N>.

Groups on both sides of this issue are lobbying, but those opposing the FTT have put forth significantly more lobbyists and more campaign finance money, causing an unfair fight that leaves average Americans' voices underrepresented.

This report provides insight into which lobbying organizations are exerting the most influence on the FTT bills and how these organizations are strategically targeting certain lawmakers with campaign donations.

## Methodology

The lobbying information in this report was drawn from the U.S. Senate database of Lobbying Disclosure Act reports. We used quarterly reports from 2019 and 2020 and counted all of the individuals who were listed as lobbying on issue areas relating to the FTT. The search terms used were financial transaction tax; financial transaction; FTT; Wall Street tax; Inclusive Prosperity Act; and the bill numbers from the 116th Congress: H.R. 1516, S. 647, H.R. 2923, and S. 1587.

Campaign contributions for the 2018 and 2020 election cycles were provided by the Center for Responsive Politics ([www.opensecrets.org](http://www.opensecrets.org)) and are used in this report. The campaign contributions include donations from both PACs and employees of the entities that lobbied on the FTT. All contributions given to members of Congress, their leadership PACs, and to Democratic and Republican national party committees are included. Contributions to the presidential campaign committees of members of Congress are not included.

While this report includes all entities that explicitly lobbied on the FTT according to their firms' quarterly reports, there are some organizations that have likely lobbied on the FTT but are not included because of the lack of specificity in their reporting language. For example, Citadel opposes the tax and previously joined a coalition aimed at stopping FTTs at the state level.<sup>7</sup> However, its LDA report lists its lobbying issue as "tax treatment of investment partnerships and financial products." This language may allude to FTT, but because it is vague and did not appear within our search terms, we did not include it.

Most organizations do not indicate if they support or oppose the FTT in their LDA reports, so their stance was determined from publicly available statements of support or opposition that were found with internet searches.

---

<sup>7</sup> Declan Harty, *House Republicans introduce bill to block state financial transaction taxes*, S&P GLOBAL (March 3, 2021), <https://bit.ly/3y3Ow3R>.

## I. The 10 Organizations Deploying the Most Lobbyists on the FTT

There are 43 organizations that listed the FTT as a specific issue that they lobbied on in the 116th Congress, which culminated at the end of 2020. [Appendix] The forces opposing the FTT are much greater. There are many advocacy groups that are championing the FTT, including a coalition of 68 groups that signed a letter to Congress in favor of the Wall Street Tax of 2021.<sup>8</sup> However, many of these organizations engage in public education and grassroots organizing instead of lobbying. The huge sums of lobbying dollars, and in turn the direct influence, are in the hands of huge corporations and trade associations that hire large numbers of lobbyists.

Organizations that are fighting the FTT include enormous financial service corporations and trade organizations that are pushing a false narrative that an FTT would harm average investors. Of the 10 organizations that have the most lobbyists working on the FTT, nine have released public statements of opposition against the tax. [Table I]

**Table I: Top 10 Groups Lobbying on the FTT by Number of Lobbyists Working on This Issue Area (2019-2020)**

Lobbying Client	# of Lobbyists Working on the FTT	Stance on FTT
U.S. Chamber of Commerce	40	Oppose
Securities Industry and Financial Markets Association	27	Oppose
Investment Company Institute	25	Oppose
American Retirement Association	17	Oppose
Managed Funds Association	17	Oppose
CME Group, Inc.	13	Oppose
AARP	8	No Public Statement
Nasdaq, Inc	8	Oppose
Vanguard Group	6	Oppose
Nationwide Mutual Insurance Company	6	Oppose

Source: Public Citizen's analysis of data from lobbying disclosures published by the Senate Office of Public Records (<https://lda.senate.gov/filings/public/filing/search/>)

<sup>8</sup> Letter from 68 Groups who Endorse the Wall Street Tax Act, United States Senators and Representatives (March 5, 2021), <https://bit.ly/2O4flmd>.

## II. A Closer Look at the 10 Organizations Deploying the Most Lobbyists on the FTT

### U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the largest lobbying group in the U.S., spending tens of millions of dollars each year in support of its pro-corporate agenda.<sup>9</sup>

The U.S. Chamber claims to represent “companies of all sizes across every sector of the economy,” but unlike local chambers of commerce that support small businesses and economic growth for Main Street, the U.S. Chamber engages in lobbying and electioneering to advance the political agendas of large corporations.<sup>10</sup> The FTT would have little, if any, effect on Main Street.

The U.S. Chamber is a nonprofit trade association, meaning it can accept unlimited donations without revealing its donors. Due to disclosure from other sources, we know that the Chamber receives many donations from large corporations.<sup>11</sup>

The Chamber’s refusal to reveal its donors combined with its extensive electioneering and lobbying activities make it one of the biggest spenders of dark money in Washington. Dark money contributions are used by the U.S. Chamber to promote big-business policies that limit consumers’ rights, oppose workplace safety reform, weaken financial reform, favor fossil fuels, and restrict access to health care. The Chamber also spends millions on elections, supporting candidates with pro-business agendas that do not reflect the needs of average Americans.<sup>12</sup>

### Securities Industry and Financial Markets Association (SIFMA)

SIFMA is a trade association for investment banks, broker-dealers, and asset managers. SIFMA’s members represent 75% of the U.S. broker-dealer sector and 50% of the asset management sector.

SIFMA lobbies on a variety of issues ranging from infrastructure to privacy, but primarily focuses on policies related to domestic and global financial markets. The financial transaction tax is one of 27 lobbying issue areas listed on its website.<sup>13</sup> The trade group consistently spends the most money on federal lobbying of any firm in the financial

---

<sup>9</sup> Press Release, U.S. CHAMBER OF COMMERCE, *U.S. Chamber Releases Report on the Negative Impacts a Financial Transaction Tax Would Have on Investors, Taxpayers, and Consumers* (September 16, 2019), <https://bit.ly/3w90nMR>.

<sup>10</sup> *About the U.S. Chamber of Commerce*, U.S. CHAMBER OF COMMERCE (viewed on March 29, 2021), <https://bit.ly/31uuxfz>.

<sup>11</sup> Michael Sozan, *Ending Foreign-Influenced Corporate Spending in U.S. Elections*, CENTER FOR AMERICAN PROGRESS (December 6, 2019), <https://bit.ly/3dgcBVd>.

<sup>12</sup> *Not Your Hometown Chamber*, CHAMBER WATCH (viewed on March 29, 2021), <https://bit.ly/3rCPDTA>.

<sup>13</sup> *Financial Transaction Tax*, SIFMA (viewed on March 29, 2021), <https://bit.ly/2QGMXYg>.



markets industry, surpassing large financial service firms including Goldman Sachs and the Vanguard Group.<sup>14</sup> SIFMA's political action committee also contributes hundreds of thousands of dollars to candidates each election cycle.<sup>15</sup>

### Investment Company Institute (ICI)

ICI is a trade association for regulated fund companies. Membership is open to any investment company registered with the Securities and Exchange Commission, including mutual funds, closed-end funds, exchange-traded funds, and unit investment trusts. ICI Global manages similar funds worldwide. According to its website, ICI's members manage \$25.8 trillion in assets in the United States and an additional \$8.3 trillion in assets internationally.<sup>16</sup>

The main policy areas that ICI lobbies for are fund regulation, retirement security, trading and markets, fund management, and taxes. ICI donates to candidates through ICI PAC. A majority of these donations go to Republican candidates. ICI has been lobbying against financial transaction taxes for more than 10 years and maintains a "Financial Transaction Tax Resource Center" on its website.<sup>17</sup>

### American Retirement Association (ARA)

The ARA is a national organization for retirement plan professionals. It is made up of five retirement industry organizations: the American Society of Pension Professionals & Actuaries (ASPPA), the American Society of Enrolled Actuaries (ASEA), the National Association of Plan Advisors (NAPA), the National Tax-deferred Savings Association (NTSA), and the Plan Sponsor Council of America (PSCA).<sup>18</sup>

The ARA primarily advocates for the private employer-sponsored retirement plan system, lobbying on bills related to that topic. The ARA claims it opposes the FTT because it would hurt ordinary investors.<sup>19</sup> In reality, retirement savers might come out ahead under an FTT because they would be incentivized to invest in index funds or other products with low portfolio turnover. Switching to such funds would result in investors paying less in transaction costs and lower fees to financial advisors that are part of the ARA.<sup>20</sup> These savings could exceed the costs of an FTT because the fees relating to

---

<sup>14</sup> See, for example, *Industry Profile: Securities & Investment*, CENTER FOR RESPONSIVE POLITICS (viewed on May 6, 2021), <https://bit.ly/3utm9cZ>.

<sup>15</sup> *Financial Transaction Tax*, SIFMA (viewed on March 29, 2021), <https://bit.ly/2QGMXYg>.

<sup>16</sup> *About ICI*, INVESTMENT COMPANY INSTITUTE (viewed on March 29, 2020), <https://bit.ly/3m3AOA9>.

<sup>17</sup> *Financial Transaction Tax Resource Center*, INVESTMENT COMPANY INSTITUTE (March 29, 2021), <https://bit.ly/3cusnCV>.

<sup>18</sup> *Who We Are*, AMERICAN RETIREMENT ASSOCIATION (viewed on a March 29, 2021), <https://bit.ly/3czVHYA>.

<sup>19</sup> Nevin Adams, *Financial Transaction Tax Attacks Retirement Savings*, ASPPA (March 6, 2019), <https://bit.ly/3fqurho>.

<sup>20</sup> Taylor Lincoln, *A Progressive Tax With Beneficial Effects*, PUBLIC CITIZEN (September 16, 2019), <https://bit.ly/3u43SIV>.

transactions and fund management far exceed the costs that would result from proposed FTTs.<sup>21</sup>

In addition to creating incentives to invest in low turnover funds, an FTT would benefit retirement investors in other ways. For instance, an FTT would disincentivize high-speed trading practices that cause large retirement funds to receive less favorable prices on their purchases and sales of securities. High-speed traders obtain better prices by using unfair practices to jump to the front of the line by fractions of a second.<sup>22</sup>

### Managed Funds Association (MFA)

MFA is a trade association for the hedge and managed futures fund industries. Its members include prominent hedge fund managers like D.E. Shaw and Renaissance Technologies. MFA supports the growth of the hedge fund industry internationally and is politically active in the United States, United Kingdom, Belgium, and multiple Asian countries.<sup>23</sup>

MFA is considered one of the most powerful trade associations in Washington. Because most investors in hedge funds are large corporations and high net worth individuals, MFA's agenda is to shield its ultra-wealthy clients from progressive taxes such as the FTT. MFA is leveraging its lobbying heft to fight FTTs by publishing biased information about the effects of an FTT on retirement savers, as well as writing letters and testifying against state level FTTs.<sup>24</sup> In addition to fighting the FTT, MFA's U.S. policy priorities are in the areas of regulatory coordination, market data, tax exemptions, position limits, short selling, uncleared margin rules, swaps trading framework, SEC advertising rules and cybersecurity.<sup>25</sup>

### CME Group

CME Group is the world's largest financial derivatives marketplace. CME Group has four exchanges: CME, CBOT, NYMEX and COMEX. CME offers financial products including futures contracts and options for interest rates, energy, agricultural products, metals, equity indexes, and foreign exchange. CME also runs CME Globex, an electronic trading platform, CME Clearing, which is a clearinghouse and settlement service for exchange-

---

<sup>21</sup> *Id.*

<sup>22</sup> Matteo Aquilina, Eric Budish & Peter O'Neill. *Quantifying the High-Frequency Trading "Arms Race": A Simple New Methodology and Estimates*, FINANCIAL CONDUCT AUTHORITY (January 2020), <https://bit.ly/3un4yU0>.

<sup>23</sup> *About MFA*, MANAGED FUNDS ASSOCIATION (viewed on March 29, 2021), <https://bit.ly/3w8oF9Z>.

<sup>24</sup> *Educate Policymakers About the Negative Consequences of a Financial Transaction Tax for Investors, Jobs, and the Economy*, MANAGED FUNDS ASSOCIATION (viewed on March 29, 2021), <https://bit.ly/3m2rIkM>.

<sup>25</sup> *About MFA*, *supra* note 24.

traded and over-the-counter derivatives.<sup>26</sup> CME Group was described by *The Economist* as “the biggest financial exchange you have never heard of.”<sup>27</sup>

CME Group lobbies on a variety of policies that benefit its stakeholders, in particular lobbying for a tax code that favors big business. CME Group strongly opposes any financial transaction taxes, but many of its claims are biased. For example, CME lists a neutral report by the Tax Policy Center first on a web page of “studies highlighting the damaging impacts of a financial transaction tax” even though this report also highlights many benefits of the tax. CME selectively quotes parts of the report favorable to its case.<sup>28</sup> The CME group also donates to many candidates through its political action committee.

### AARP

AARP is an interest group focusing on issues facing Americans over age fifty. AARP has 38 million members who receive benefits related to finances, insurance, health, technology and shopping. AARP spends tens of millions on lobbying but does not contribute to candidates or parties.<sup>29</sup>

AARP started lobbying on the FTT at the end of 2020, indicating in its lobbying report that it “discussed federal tax on financial transactions.” AARP has not released an official statement about its stance on the FTT. However, in its 2021-2022 Policy Book, AARP stated that “reforming business taxes, such as the corporate tax or a tax on the financial industry, should be considered in any effort to raise additional revenue.”<sup>30</sup>

### Nasdaq

Nasdaq, Inc. is a financial services corporation that owns the Nasdaq stock market in New York as well as the Nasdaq Nordic. The Nasdaq stock market is the second largest equities exchange in the world by market capitalization of shares traded. Nasdaq Nordic includes OMX Exchanges, which owns eight European stock exchanges, and includes OMX Technology, which creates market systems for financial transactions that are used by many stock exchanges.<sup>31</sup>

Nasdaq lobbies for issues that affect its stock exchange, listing capital formation, stock option accounting, Sarbanes-Oxley, immigration reform, legal reform, and taxes among its policy priorities.<sup>32</sup> Nasdaq’s agenda prioritizes policies that benefit large publicly traded corporations. These goals do not speak to the interests of average Americans, whose wealth is largely disconnected from the stock market. The wealthiest 10% of

---

<sup>26</sup> *Our Story*, CME GROUP (viewed on March 29, 2021), <https://bit.ly/2PDqHyb>.

<sup>27</sup> *CME Group: The Futures of Capitalism*, THE ECONOMIST (May 11, 2013), <https://econ.st/3fm5gMR>.

<sup>28</sup> *Studies Highlighting the Damaging Impacts of a Financial Transaction Tax*, CME GROUP (viewed on March 29, 2021), <https://bit.ly/3dgzRbN>.

<sup>29</sup> Home, AARP (March 29, 2021), <https://bit.ly/3rAmQyS>.

<sup>30</sup> *AARP Policy Book 2021-2022: Income Tax Reform*, AARP (viewed on May 17, 2021), <https://bit.ly/3tZAWLO>.

<sup>31</sup> About, NASDAQ (viewed on March 29, 2021), <https://bit.ly/3cvDziL>.

<sup>32</sup> *Public Policy Advocacy*, NASDAQ (viewed on March 29, 2021), <https://bit.ly/2PAB6um>.

Americans own more than 80% of the capital in the U.S. stock market.<sup>33</sup> While Nasdaq claims that it is “Econ 101” to be against the FTT, Nasdaq likely bases that view on its own economic prospects.<sup>34</sup>

### Vanguard Group

Vanguard Group is one of the largest investment companies in the world. With about \$6.2 trillion in global assets, Vanguard is the largest provider of mutual funds and the second largest provider of exchange-traded funds. In addition, Vanguard offers a variety of other investment services including financial planning, asset management, variable and fixed annuities, and brokerage services. Vanguard is owned by the funds that it manages, meaning that it is owned by its own clients.<sup>35</sup>

Vanguard maintains a PAC that is funded by Vanguard officers. Vanguard lobbies on a large variety of issue areas, claiming to “promote policies that uphold the best interests of our shareholders.”<sup>36</sup>

However, when it comes to Vanguard’s lobbying against the FTT, Vanguard misleads the public with biased reports that severely overestimate the effect of the tax on regular investors.<sup>37</sup> For example, Vanguard issued a paper in 2019 that claimed a 0.1% FTT would impose onerous costs on retirement savers. The conclusion relied on an assumption that retirement savers’ money would be invested in actively managed funds, which have very high turnover and are relatively obscure compared to Vanguard’s signature products. The vast majority of Vanguard’s customers invest in index funds that have very low turnover. The company later admitted that the costs of the same FTT to investors in index funds would be only one-twentieth as much as it estimated in its 2019 paper.<sup>38</sup>

### Nationwide Mutual Insurance Company

Nationwide Mutual Insurance Company is an insurance and financial services company. It has dozens of affiliated companies that focus on domestic property and casualty insurance, life insurance, retirement savings, asset management, and strategic investments. In addition to these areas of focus, Nationwide provides a wide variety of services related to insurance, investing, banking, and life planning.

---

<sup>33</sup> Annie Nova, *Who Benefits When the Stock Market Goes Up? Probably Not You*, CNBC (June 12, 2020), <https://cnb.cx/3wdioto>.

<sup>34</sup> Phil Mackintosh, *Econ 101 and the Damage of Financial Transaction Taxes*, NASDAQ (September 18, 2020), <https://bit.ly/3sEDmzm>.

<sup>35</sup> *About Vanguard*, VANGUARD (viewed on March 29, 2021), <https://vgi.vg/3rDk2RI>.

<sup>36</sup> *Vanguard Policy Spending Policy*, VANGUARD (May 1, 2016), <https://vgi.vg/3rAJmro>.

<sup>37</sup> Michael Edesess, *Opinion: Vanguard Opposes a Tax on Wall Street its Founder John Bogle Favored- and the reason may surprise you*, MARKETWATCH (September 3, 2020), <https://on.mktw.net/3rDVNmh>.

<sup>38</sup> Michael Edesess, *Opinion: How fund giant Vanguard is misleading investors about a tax on stock trades*, MARKETWATCH (Jan. 18, 2020), <https://bit.ly/3xxFZ8X>.

This corporation lobbies on a variety of issues related to the insurance and financial services that it provides. Nationwide Mutual Insurance Company PAC also contributes to candidates, a majority of whom are Republicans.<sup>39</sup>

### III. Lobbying Groups Exert Their Influence with Campaign Contributions

Many of the organizations that lobby on the FTT also exert their influence by contributing to congressional campaigns. The 43 groups that lobby on the FTT gave \$32.2 million in 2018 and \$41.8 million in 2020 to members of Congress and party committees. This represents an enormous amount of corporate influence wielded with members of Congress.

Of the 20 FTT-lobbying groups that contributed the most in political contributions in the past two election cycles, 15 oppose the FTT. [Table II]

**Table II: The 20 Organizations Lobbying on the FTT That Gave the Most in Campaign Contributions in the 2018 and 2020 Election Cycles**

Donor Organization	2018 and 2020 Election Cycle Contributions	Stance on FTT
Charles Schwab	\$13,854,019	Oppose
American Federation of Teachers	\$5,338,250	Support
American Federation of State, County, and Municipal Employees	\$4,951,400	Support
UBS Americas	\$4,483,500	Oppose
United Auto Workers	\$4,047,000	Support
Teamsters Union	\$3,864,438	Support
Investment Company Institute	\$3,301,240	Oppose
Communications Workers of America	\$3,177,008	Support
TD Ameritrade	\$2,325,242	Oppose
Fierce Government Relations <sup>40</sup>	\$2,108,000	Oppose
Subject Matter <sup>41</sup>	\$2,008,630	Oppose
CME Group	\$1,909,800	Oppose
Nationwide	\$1,774,750	Oppose
CGCN Group <sup>42</sup>	\$1,441,272	Oppose
Ogilvy Government Relations / WPP Group <sup>43</sup>	\$1,304,564	Oppose

<sup>39</sup> *About Us*, NATIONWIDE (viewed on March 29, 2021), <https://bit.ly/3sAmqtO>.

<sup>40</sup> Fierce Government Relations is on behalf of Managed Funds Association.

<sup>41</sup> Subject Matter is on behalf of Securities Industry and Financial Markets Association.

<sup>42</sup> CGCN Group is on behalf of Investment Company Institute.

<sup>43</sup> Ogilvy Government Relations and WPP Group lobbied on behalf of CME Group.

Donor Organization	2018 and 2020 Election Cycle Contributions	Stance on FTT
Capitol Counsel <sup>44</sup>	\$1,100,128	Oppose
Vanguard Group	\$1,092,400	Oppose
Securities Industry and Financial Markets Association	\$1,079,699	Oppose
Nasdaq	\$1,001,120	Oppose
U.S. Chamber of Commerce	\$971,148	Oppose

Source: Public Citizen's analysis of data from the Center for Responsive Politics ([www.opensecrets.org](http://www.opensecrets.org)).

Many of these groups gave more in the 2020 cycle than in the 2018 cycle. This may represent their concern over the increasingly popular FTT proposals. Looking only at the top 20 campaign contributors, six groups increased their donations by more than 50%. The group that increased its contribution by the greatest percentage was the Chamber of Commerce, which gave \$268,798 in 2018 and \$702,350 in 2020. Charles Schwab, the largest overall donor, increased its contribution from \$4.7 million in 2018 to \$9.1 million in 2020.

## IV. Campaign Contributions Targeted at Key Congressional Committees

Many of the FTT lobbying entities' political contributions are targeted at specific members of Congress who are central to the passage of an FTT and investment-related bills, specifically members of the U.S. House Committee on Ways and Means and House Committee on Financial Services.

Out of the 10 U.S. House members who received the most contributions from groups that lobby on the FTT, seven are on the House Financial Services Committee or the Ways and Means Committee. Only two of the ten are Democrats. One of those two is Ways and Means Committee Chair Richard Neal (D-Mass.). [Table III]

**Table III: Members of the U.S. House that Received the Most Campaign Contributions from Groups that Lobby on the FTT (2018 and 2020 Election Cycles)**

Name	Amount Received	Party	On the House Financial Services Committee?	On the House Ways and Means Committee?
Kevin McCarthy	\$795,100	R		
Patrick McHenry	\$703,930	R	Yes	
Steny Hoyer	\$556,800	D		
Ann Wagner	\$484,611	R	Yes	
Richard Neal	\$479,600	D		Yes
Blaine Luetkemeyer	\$408,400	R	Yes	

<sup>44</sup> Capital Counsel is on behalf of American Retirement Association.

Name	Amount Received	Party	On the House Financial Services Committee?	On the House Ways and Means Committee?
Steve Scalise	\$396,350	R		
Bill Huizenga	\$361,000	R	Yes	
French Hill	\$352,300	R	Yes	
Andy Barr	\$350,300	R	Yes	

Source: Public Citizen's analysis of data from the Center for Responsive Politics (opensecrets.org).

### Campaign Contributions to the House Committee on Ways and Means

The Wall Street Tax Act was introduced and referred to the House Committee on Ways and Means in 2019 and again in 2021 by Rep. Peter DeFazio (D-Ore.). Both Democrats and Republicans on this Committee receive significant contributions from organizations that lobby on the FTT. In the 2018 and 2020 cycles combined, members of the House Ways and Means Committee received \$5.9 million from groups that lobby on the FTT.

Current Ways and Means Committee Chair Neal received \$479,600. He received \$184,000 in the 2018 cycle and \$295,600 in the 2020 cycle. The increase from 2018 to 2020 was due in part to Subject Matter – a lobbying firm that represents SIFMA – increasing its contributions from \$4,000 in 2018 to \$41,000 in 2020. Republican Ranking Member Kevin Brady (R-Texas) received \$282,300 in the 2018 and 2020 cycles combined, his top donors being ICI and UBS Americas.

Out of the top 20 contributing organizations highlighted in Table II, above, many donate to a majority of the members of this committee. Ten of the 20 gave to more than half of the members of the House Ways and Means committee, and five organizations gave to more than two-thirds of the committee's members. All but one of these five organizations opposes the FTT. [Table IV]

**Table IV: Entities Lobbying on the FTT That Contributed to More Than Two-Thirds of House Ways and Means Committee Members (2018 and 2020 Election Cycles)**<sup>45</sup>

Donor Organization	Percentage of the Members of the House Ways and Means Committee the Group Contributed To	Stance on FTT
Communications Workers of America	95%	Support
Investment Company Institute	88%	Oppose
UBS Americas	88%	Oppose
Nationwide	67%	Oppose
Vanguard Group	67%	Oppose

Source: Public Citizen's analysis of data from the Center for Responsive Politics (opensecrets.org).

<sup>45</sup> Table IV includes only lobbying groups that are in the top 20 contributors list in Table II.

### Campaign Contributions to the House Committee on Financial Services

Rep. Patrick McHenry (R-N.C.), who was chair of the House Committee on Financial Services in the 115th Congress, has been trying very hard to block the FTT from his post as Ranking Member in the 116th and 117th Congresses, including by putting forth a resolution that condemns the FTT.<sup>46</sup> By offering an amendment to the Committee's Budget Views and Estimates for Fiscal Year 2021, McHenry attempted to force Committee members to go on record saying that recent financial transaction tax proposals are harmful.<sup>47</sup> Additionally, in October 2020, McHenry sponsored the Protecting Retirement Savers and Everyday Investors Act, which would prevent any state or locality from imposing an FTT on certain entities in the securities industry.<sup>48</sup> McHenry's campaign contributions might offer a clue as to why he is so determined to block any financial transaction tax.

In the 2018 and 2020 election cycles combined, McHenry received \$703,930 from groups that lobby on FTT issues. This is by far the most of any member of the House Financial Services Committee, and it is the second highest amount received by any member of the House. The largest donor to McHenry was the Investment Company Institute, which gave him \$41,000.

McHenry is not the only member of the House Financial Services Committee to receive huge donations from anti-FTT lobbying groups. FTT lobbying groups gave a total of \$8.4 million in 2018 and 2020 to members of the House Financial Services Committee.

Bill Huizenga (R-Mich.), who introduced the Protecting Retirement Savers and Everyday Investors Act with McHenry, received \$361,000 in the 2018 and 2020 cycles combined from FTT lobbying entities.

While many Democrats support the tax, Gregory Meeks (D-N.Y.) has made critical comments about the policy in the press.<sup>49</sup> Meeks received \$257,400 in the 2018 and 2020 cycles, combined, from organizations that lobbied on the FTT. Importantly, Meeks received just \$4,000 from Nasdaq in the 2018 cycle but \$34,900 in the 2020 cycle when the FTT was gaining more support. This represents a huge jump in the amount of influence that the financial services industry has over Meeks, an important player in the FTT battle because he represents New York.

---

<sup>46</sup> Press Release, FINANCIAL SERVICES COMMITTEE REPUBLICANS, *All Republican Financial Services Members Sign Resolutions Detailing Devastating Impacts of Democrats' Proposed Federal Financial Transaction Tax* (March 17, 2021), <https://bit.ly/3tjc1Cf>.

<sup>47</sup> Patrick McHenry, Amendment to the Views and Estimates of the Committee on Financial Services Offered on Matters to be Set Forth in the Concurrent Resolution on the Budget for Fiscal Year 2021, 117<sup>th</sup> Cong. (2021), <https://bit.ly/3nY4b05>.

<sup>48</sup> Protecting Retirement Savers and Everyday Investors Act, H.R. 8695, 116<sup>th</sup> Cong. (2020).

<sup>49</sup> Zachary Warmbrodt, *House Democrats Reject Transaction Tax That Hits Close to Home*, POLITICO (March 8, 2019), <https://politi.co/2Rcj82E>.



Furthermore, nine of the top 20 contributors in Table II gave to more than half of the members of the House Financial Services Committee, and seven organizations gave to more than two-thirds of the committee members. All seven of these organizations oppose the FTT. [Table V]

**Table V: Entities Lobbying on the FTT That Contributed to More Than Two-Thirds of House Financial Services Committee Members (2018 and 2020 Election Cycles)**<sup>50</sup>

Donor Organization	Percentage of the Members of the Financial Services Committee the Group Contributed To	Stance on FTT
Investment Company Institute	81%	Oppose
Charles Schwab Corp	76%	Oppose
CME Group	74%	Oppose
UBS Americas	74%	Oppose
Nasdaq, Inc	67%	Oppose
Vanguard Group	67%	Oppose
Securities Industry and Financial Markets Association	67%	Oppose

Source: Public Citizen's analysis of data from the Center for Responsive Politics ([www.opensecrets.org](http://www.opensecrets.org)).

## V. Campaign Contributions to Republican and Democratic Party Committees

In addition to campaign contributions to specific candidates, the groups that lobbied on the FTT also donated large sums to the Republican and Democratic party committees, giving significantly more to Republicans than to Democrats. In 2018 and 2020, Republican Party committees received nearly twice as much money as the Democratic Party committees. [Table VI]

**Table VI: Contributions to Republican and Democratic Committees in 2018 and 2020 Election Cycles by Entities That Lobbied on the FTT**

Republican Committees	Amount Received	Democratic Committees	Amount Received
RNC	\$5,073,030	DNC	\$3,144,664
NRSC	\$5,263,550	DSCC	\$2,492,304
NRCC	\$4,684,892	DCCC	\$2,285,530
Total	\$15,021,472	Total	\$7,922,498

Source: Public Citizen's analysis of data from the Center for Responsive Politics ([www.opensecrets.org](http://www.opensecrets.org)).

<sup>50</sup> Table V includes only lobbying groups that are in the top 20 contributors list in Table II.

## Conclusion

While many groups, including unions and nonprofits, strongly support the FTT, many corporate insiders with deep pockets are fighting to keep this policy from being implemented. Organizations such as the U.S. Chamber of Commerce use dark money to advance a corporate agenda that does not prioritize the needs of average Americans.

The FTT has not even received a dedicated hearing in Congress in recent years despite growing support as shown by endorsements from multiple presidential candidates during the 2020 race, including then-candidates Joe Biden and Kamala Harris.<sup>51</sup> The lack of movement of this tax through Congress is likely in part because of opposition from key members of Congress who receive enormous donations from anti-FTT organizations.

While this report includes all of the organizations that explicitly included the FTT in their lobbying disclosure reports, this report has clear shortcomings due to the lack of specificity called for in the law. Our inability to include organizations that use vague language in their LDA reports prevents us from painting a clear picture of all of the key players seeking to influence this debate. We recommend reform that would require organizations to use more specific terms in their lobbying disclosure reports.

We also recommend that organizations be required to state their position on the issues they lobby on. While many organizations have issued statements of support or opposition, very few indicate their stance in their lobbying disclosure reports. A requirement that they do so would allow the public and advocates on both sides to obtain a clearer picture of what lobbying dollars are being used for.

It is our hope that by revealing the most powerful FTT lobbying players, members of Congress will feel pressure to give the FTT a fair hearing in full public view.

---

<sup>51</sup> John Harwood, *Biden: We Should Have a Financial Transaction Tax*, CNBC (December 6, 2019), <https://cnb.cx/2PFymMe> *What Kamala Harris Means for Wall Street and Silicon Valley*, The New York Times (Aug. 20, 2020), <https://nyti.ms/2Rbycxt>.

## Appendix

Lobbying Client Organization	# of Lobbyists Working on the FTT	Stance on FTT
AARP	8	No Public Statement
American Benefits Council	5	Oppose
American Federation of State, County and Municipal Employees	4	Support
American Federation of Teachers	4	Support
American Retirement Association	17	Oppose
Americans for Financial Reform	4	Support
Americans for Tax Reform	5	Oppose
Ameriprise Financial, Inc.	2	Oppose
BBVA USA	1	Oppose
CBOE Global Markets, Inc.	3	Oppose
Chamber of Commerce Of The U.S.A.	40	Oppose
CME Group, Inc.	13	Oppose
Coalition on Human Needs	1	Support
Communications Workers of America	4	Support
Conference of Provincials of North America	1	Support
Credit Suisse Securities	3	Oppose
Financial Services Forum	4	Oppose
Financial Services Institute	3	Oppose
Food & Water Watch	2	Support
Friends of the Earth	1	Support
Insured Retirement Institute	2	Oppose
International Brotherhood of Teamsters	1	Support
International Swaps and Derivatives Association	5	Oppose
Investment Adviser Association	1	Oppose
Investment Company Institute	25	Oppose
Lightning Renewable Energy LLC	1	No Public Statement
Managed Funds Association	17	Oppose
Modern Markets Initiative	1	Oppose
Nasdaq	8	Oppose
National Council on Teacher Retirement	1	No Public Statement
National Nurses United	1	Support
Nationwide Mutual Insurance Company	6	Oppose
Natixis Investment Managers, L.P.	2	Oppose
Nomura Holding America Inc.	2	Oppose
Public Citizen	4	Support
School Employees Retirement System of Ohio	1	No Public Statement
Securities Industry and Financial Markets Association	27	Oppose
TD Ameritrade	4	Oppose

Lobbying Client Organization	# of Lobbyists Working on the FTT	Stance on FTT
The Charles Schwab Corporation	4	Oppose
The Options Clearing Corporation	4	Oppose
UBS Americas Inc.	2	Oppose
United Automobile, Aerospace & Agricultural Implement Workers	2	Support
Vanguard Group	6	Oppose

Source: Public Citizen's analysis of data from lobbying disclosures published by the Senate Office of Public Records (<https://lda.senate.gov/system/public/>).