

Welcome Chair Gensler.

Five months ago today, the Senate confirmed you as Chair of the Securities and Exchange Commission. I know you have already gotten to work for the American people, and you had your work cut out for you.

Over the past year and a half, the disconnect between the stock market and most Americans' lives has never been more painfully clear.

Most of the country has been devastated by COVID-19. Hundreds of thousands have lost loved ones. People lost jobs and family businesses. Mothers were forced to leave their paid jobs in droves. Still today, millions are at risk of eviction from their homes.

But you would never know any of that by looking at the stock market. It hits new records month after month – 53 records since the beginning of the year. Eye-popping gains in the stock market and crypto assets attracted millions to start investing.

And like during past times of upheaval, the COVID crisis opened the door for bad actors looking to seize upon people's fears and insecurity. Pandemic related fraud – from Ponzi schemes to offers to invest in COVID-related medical care – skyrocketed last year.

The SEC stepped up to educate investors and punish bad actors. The dedicated public servants at the Commission have continued to fight for all the Americans whose pensions and 401(k)s and college savings are at risk.

Many have been enticed by dramatic jumps in the value of new digital assets. They've dreamed of riding the coattails of professional investors and celebrities in a new wave of public offerings of more speculative investments known as "special purpose acquisition companies," or SPACs.

Some professional investors and celebrities make earning millions look easy. But, as we are reminded time and again, it's never that simple – and too often, someone's quick profit comes at the expense of workers and entire communities.

Chair Gensler, it's your job to make sure that efficient markets are balanced with strong enforcement that protects Americans from the worst Wall Street greed and careless risk – even if that means challenging practices or shady investment products that previous chairs ignored.

It also means working to increase transparency that the last Administration didn't take seriously. For example, the SEC approved new human capital disclosure last year without requiring companies to provide even basic details or data.

And let's remember – "human capital" is business school-speak for the tens of millions of Americans who work for these companies.

Despite the new standard and investor demand for essential information used to judge how companies treat and manage these workers, most companies are barely providing any additional information.

My colleagues have been working to improve transparency.

Senator Warner of Virginia introduced the Workforce Investment Disclosure Act to get companies to provide important information on how they pay, train, and invest in their workers.

His bill will finally shed some sunlight on how companies outsource and subcontract their workers, something he and I have jointly written to the GAO about.

Today's tech companies like to say they're more "efficient" than companies of the past, when in reality they hire the same number of workers – half of them are just invisible to us under today's disclosure requirements.

Senator Warren of Massachusetts introduced the Climate Risk Disclosure Act, which calls for significant new public disclosures from public companies regarding the risks climate change poses to their operations and financial results.

These bills are good policy, and the largest investors have been calling for more of this kind of information. It's why I'm a cosponsor of both bills.

Of course this would be just a start. Transparency is only a first step to getting corporations and the biggest investors to behave better.

And there's much you already have the authority to do to make markets work better for the real economy, outside of investment firm and hedge fund board rooms.

For too long, the financial system has catered to the big guys, and left everyone else on their own.

There are far too many stories of how insiders game the system.

Big banks abuse customers while they make record profits. Brokers who have taken advantage of customers use the system to cover up and erase their misconduct. Private equity firms buy up companies and treat workers as a cost to be minimized. Or they buy up houses, raise rents, and evict families, even during a pandemic.

And of course no matter what happens to the workers at the companies they've raided for parts, or to the families in the mobile home complex where they've jacked up the rents, or to the larger economy, the big guys – the hedge funds, the SPAC sponsors, the big banks, the brokers – the big guys seem to do just fine.

That system isn't sustainable.

Increasing people's trust and faith in the market and the financial system will lead to more saving and broader participation. Yet some of my colleagues say we should let the market sort it out. They want to tie the SEC's and other watchdogs' hands.

We know that's counterproductive. It's the same thinking that led to a market collapse in 2008, and that has led to decades of more and more investment flowing to a smaller and smaller share of the country.

The last Administration subscribed to that same Wall Street-first view, and left this country worse off than they found it. The damage is too vast to measure. Our economy and markets were no exception.

Investors have fewer tools to hold management accountable; savers – and that means retirees, widows, families – have fewer protections. And corruption runs rampant – existing, serious conflicts of interest have been ignored.

The Biden Administration is taking a different view – that the economy and the markets should work for everyone, not just the well-connected. And they should reflect the economy we all want – with broadly shared prosperity, and a growing middle class that all workers can join.

When that happens, people will have confidence the markets will actually work for them, not just Wall Street. And we'll see more Americans save and invest for the future.

Chair Gensler, I look forward to hearing about the progress you're making toward those goals.