Dear Senator,

We are writing to express our support for the 21st Century Glass-Steagall Act of 2013 (S. 1282), introduced by Senators Warren, Cantwell, McCain, and King and to ask you to co-sponsor this important legislation.

The proposal would narrow the scope of activities that banks are permitted to engage in, and refocus them on their traditional core functions of lending to businesses and individuals. This change would improve the safety of the banking system by simplifying banks’ structure and activities so that they are easier for directors to manage, for regulators to supervise and for investors to evaluate.

The original Glass-Steagall law, also known as The Banking Act of 1933, was a key part of the response to the Crash of 1929. The 1933 law separated commercial banking, which consists of deposit taking and lending to individuals and business, from investment banking, which involves underwriting and trading assets on financial markets. That division served our nation’s economy well for roughly fifty years. Beginning in the 1980s, however, the divisions between investment and commercial banking were gradually dismantled through financial deregulation, culminating in the formal repeal of Glass-Steagall through passage of the Gramm-Leach-Bliley Act of 1999.

The decade following repeal saw steady growth in the size and complexity of the major banks at the center of the U.S. financial system. During the 2008 financial crisis, as the largest, most complex financial institutions were failing, the government reacted by bailing out those institutions and sponsoring a flurry of further mergers and acquisitions. Today, the six biggest banks by assets are roughly 37 percent larger than they were before the crisis.

The 21st Century Glass-Steagall Act would reverse that growth in size and complexity by forbidding commercial banks, which take deposits and are eligible for Federal Deposit Insurance Corporation (FDIC) insurance, from engaging in activities such as speculative trading, market-making, and exotic financial engineering. Investment banks that participate in trading markets would not be allowed to take publicly-insured deposits. Their risks would not be supported by a public guarantee and would have to be funded by their own investors’ capital. Separating commercial from investment banking would limit the public subsidy to speculative activity, and make financial institutions simpler and smaller.

By requiring banks to focus on lending to the real economy, the 21st Century Glass-Steagall Act would also help create a banking system that better serves consumers, small businesses and the overall economy. Insured lenders would have to make money by successfully lending to non-financial businesses, rather than by using their funds to engage in speculative trades that benefit only the banks themselves and their most highly paid traders and executives. Traditional banking is
based on a long-term customer relationship where the interests of the bank and the customer are aligned. Both the bank and the borrower benefit when sustainable loans are made and repaid. This contrasts with trading markets, which involve short-term, zero-sum interactions with counterparties. When banking and trading activities are intermingled, banks face incentives to sacrifice the well-being of their customers to short term benefits to themselves.

The 21st Century Glass-Steagall Act is an important step in addressing the problems in our financial system. We urge you to support and cosponsor this legislation.

Sincerely,

National Signatories

AFL-CIO
Alliance for a Just Society
American Federation of State, County and Municipal Employees (AFSCME)
Americans for Financial Reform
Center for Effective Government
Center for Popular Democracy
Communication Workers of America
Consumer Action
Consumers Union
Demos
Gray Panthers
Green America
Institute for Agriculture and Trade Policy
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
International Association of Machinists and Aerospace Workers
International Brotherhood of Teamsters
Jobs with Justice
Main Street Alliance
Missionary Oblates of Mary Immaculate, US Province
National Association of Consumer Advocates
National Community Reinvestment Coalition
National Housing Law Project
National People’s Action
New England Fuel Institute
PICO National Network
Public Citizen
SAFER--Committee of Economists for Safe and Efficient Financial Reform
Service Employees International Union (SEIU)
The Leadership Conference on Civil & Human Rights
U.S. PIRG
United Church of Christ Justice and Witness Ministries
United for a Fair Economy
USAction
State and Local Signatories

**Alabama**
Adams Law Group
Phillips Law Group, LLCV

**Arkansas**
Arkansas Community Organizations
Arnold, Batson, Turner & Turner

**Arizona**
Arizona PIRG
Choi & Fabian, LLP
Heaney Law, PLC
Mengadoth Law, PLLC

**California**
Alliance of Californians for Community Empowerment (ACCE)
As You Sow
Bramson Plutzik Mahler & Birkhaeuser, LLP
California Reinvestment Coalition
CALPIRG
CourageCampaign.org
The Dzivi Law Firm, PC
Housing and Economic Rights Advocates (HERA)
Jenkins Mulligan & Gabriel, LLP
People Organized for West Side Renewal (POWER)

**Colorado**
Colorado Progressive Coalition
CoPIRG

**Connecticut**
Community Capital Fund/Bridgeport
Connecticut Citizen Action Group (CCAG)
ConnPIRG
Consumer Law Group
The Law Firm of Jijon-Caamano and Young, LLC
Law Offices of Joshua Cohen

**Delaware**
Delaware Alliance for Community Advancement

**Florida**
Florida Consumer Action Network
Florida PIRG
Law Office of Robert Murphy
Organize Now
Progress Florida
Varnell & Warwick, PA
Georgia
Addleton Ltd. Co.
Georgia PIRG
Georgia Rural Urban Summit
Law Offices of A. Thomas Stubbs, LLC

Idaho
Idaho Civic Engagement Project
Idaho Community Action Network
National Association of Social Workers, Idaho Chapter
United Action for Idaho

Illinois
Chicago Consumer Coalition
Citizen Action/Illinois
Edelman, Combs, Latturner & Goodwin, LLC
Illinois PIRG
IIRON - Illinois Indiana Regional Organizing Network
Law Office of David S. Morris
Philipps & Philipps, Ltd.
Woodstock Institute

Indiana
IIRON - Illinois Indiana Regional Organizing Network

Iowa
Iowa Citizen Action Network
Iowa Citizens for Community Improvement
Iowa PIRG

Kansas
Kansas Appleseed
Sunflower Community Action

Maine
State Representative Andrea Boland
Maine People's Alliance
Maine Small Business Coalition

Maryland
Maryland Consumer Rights Coalition
Maryland PIRG
Progressive Maryland

Massachusetts
MASSPIRG

Michigan
State Representative Jeff Irwin
State Representative Rashida Tlaib
State Representative Sarah Roberts
Michigan Citizen Action
**Minnesota**
Institute for Agriculture and Trade Policy
Lyons Law Firm, PA

**Missouri**
GrassRoots Organizing
Healey Law
Missouri Citizen Education Fund
Missouri Progressive Vote Coalition (Missouri ProVote)
MoPIRG

**Montana**
Montana Organizing Project
Montana Small Business Alliance (Main Street Alliance)

**Nevada**
Legal Aid Center of Southern Nevada

**New Hampshire**
NHPIRG

**New Jersey**
New Jersey Citizen Action
NJPIRG

**New Mexico**
NMPIRG

**New York**
Citizen Action of New York
Cooper Square Committee
Fishman & Mallon, LLP
New Economy Project
New York City AIDS Housing Network
Voices of Community Activists & Leaders (VOCAL-NY)

**North Carolina**
NCPIRG
Reinvestment Partners (Community Reinvestment Association of North Carolina)

**Ohio**
Empowering and Strengthening Ohio’s People
Miami Valley Fair Housing Center, Inc.
Ohio Organizing Collaborative
Ohio PIRG
Progress Ohio

**Oregon**
The Main Street Alliance of Oregon
Oregon Action
OSPIRG
National Association of Social Workers, Oregon Chapter

**Pennsylvania**
State Representative Bryan Cutler
State Representative RoseMarie Swanger
Donovan Axler, LLC
Keystone Progress
PennPIRG

**Rhode Island**
RIPIRG

**South Carolina**
South Carolina Appleseed Legal Justice Center
SC Small Business Chamber of Commerce

**Tennessee**
Appalachian Consumer Law Center
Caney Fork Headwaters Association
Cornucopia Network/NJ/TN Chapter
Cumberland Countians for Ecojustice
Law Office of Steven A. Taterka
Network for Environmental & Economic Responsibility of United Church of Christ
Tennessee Citizen Action

**Texas**
Center for Economic Justice
Texans Together
TexPIRG

**Virginia**
State Senator Richard H. Black
State Senator John S. Edwards
Len Bennet Law Firm
Virginia Organizing

**Washington**
CELP
Leslie Christian Financial, LLC
Washington Community Action Network
WashPIRG

**West Virginia**
West Virginia Center on Budget and Policy
West Virginia Citizen Action Group

**Wisconsin**
Citizen Action of Wisconsin
Consumer Justice Law Center, Big Bend
Law Offices of Rollie Hanson
WISPIRG