

Brian Deese's Policy Record Hurt The Most Vulnerable

From 2008 - 2016, Brian Deese rose from a law student to a Presidential advisor on fiscal policy, climate change, and trade. Deese's personal geniality and intelligence drove this rise — but a review of his policy positions reveals a history of backing wildly incorrect conventional wisdom convivial to the powers that be.

We agree with the [Action Center on Race and the Economy](#) that Brian Deese should not be appointed to lead the National Economic Council, or indeed any other economic or regulatory policy position. He has a demonstrated track record of furthering dangerously concentrated private financial power, supporting anti-factual austerity policies, tolerating and abetting climate change, and generally refusing to stand up to powerful interests when the situation demands it.

FINANCIAL STABILITY

Deese is currently a public spokesman for BlackRock, the world's largest asset manager which has at least a 5 percent stake in more than 97.5 percent of the global S&P 500. Deese is especially involved with BlackRock's efforts to "greenwash" its status as the world's largest investor in fossil fuels — Deese claims these criticisms are unfair since "we [BlackRock] own the market across the spectrum," including in green energy.

This supposed defense of the firm points to the fact that BlackRock is, in fact, "the new money trust" in the words of the American Economic Liberties Project: a titanic financial monopoly that is too big to fail, too big to manage, and too big to exist. The Dodd-Frank Act, which regulated Too Big To Fail institutions through a new Financial Stability Oversight Council, was one of the Obama administration's signature achievements. BlackRock CEO Larry Fink is well aware of the danger his firm's existence poses to global economic stability, and that a functioning FSOC and Dodd-Frank regime would heavily target BlackRock.

For that reason, since at least as far back as 2015 he has hired a shadow cabinet of well-liked Democratic operatives who could populate a Hillary Clinton or Joe Biden Treasury and prevent BlackRock from being designated "systemically important." Hiring Deese to a public-facing executive role is part and parcel of this strategy. Deese's willingness to participate in it undermines his commitment to the Obama financial reform agenda and leaves him unable to independently assess crucial issues of global economic security.

AUSTERITY

Today, economists agree that measures to cut public spending in the middle of the Great Recession greatly lengthened the recovery, and disproportionately harmed Black Americans whose incomes have still not recovered to pre-2008 levels. The case for austerity has been debunked in theory and practice for well over a decade.

Brian Deese both consistently advocated for austerity measures since 2007, and played an active role in enacting an austerian agenda as deputy director of the Office of Management and Budget. In his confirmation hearing for that job, Deese voiced support for so-called “entitlement reform” and even means-testing Medicare. Today, Deese gives paid speeches to trade groups on “how the budget process can actually be used to reform entitlements and the tax code.”

CLIMATE CHANGE

Deese is perhaps best known for helping broker the Paris Climate Accords, but don’t think this means he will stand up to fossil fuel interests. He is a veteran of the “all of the above” energy policy — the belief that the United States should pursue drilling, burning, and exporting oil and gas even as it transitions to green energy.

Deese defended fracking on public lands, applauded the U.S.’s growing production of fossil fuels in 2015, and incredibly claimed that the Trans-Pacific Partnership was “a once-in-a-generation chance to protect our oceans, wildlife, and the environment.” This despite the fact that the TPP would have explicitly forced automatic approval of all American LNG exports, allowed ISDS cases to override any member-state’s environmental laws, and shifted ever-more American manufacturing to other, high-carbon countries. Deese had never held an environmental policy job before taking on the issue in 2015.

Choosing to work for BlackRock is inconsistent with demonstrating advancement in any of these areas.

Brian Deese At BlackRock: A Pawn In A Game Of Corruption

Brian Deese Joined BlackRock In October 2017. “Global Head of Sustainable Investing, Blackrock, October 2017 - Present.” [Brian Deese LinkedIn Page, accessed [11/25/20](#)]

- **Brian Deese Has No Prior Experience In Finance Or Investing.** [Brian Deese LinkedIn Page, accessed [11/25/20](#)]

A Year And A Half Before Deese Joined BlackRock, The Intercept Reported That CEO Larry Fink Was Hiring Democratic Operatives In A “Shadow Government.” “Larry Fink, BlackRock’s CEO, has assembled a veritable shadow government full of former Treasury Department officials at his company. Fink has made clear his [desire to become treasury secretary](#) someday. The Obama administration had him on the [short list](#) to replace Timothy Geithner. When that didn’t materialize, he pulled several members of prior Treasury Departments into high-level positions at the firm, which may improve the prospects of [realizing his dream](#) in a future Clinton administration.” [The Intercept, [3/2/16](#)]

BlackRock Began Hiring Obama Administration Alumni Shortly Before The 2020 Presidential Campaign Began In Earnest. “And now that Biden is polling well for 2020, BlackRock is hiring a fresh batch of influential, well-liked Obama-Biden alumni. For instance, former Obama National Security Adviser Thomas Donilon [is now Chairman](#) of the BlackRock Investment Institute—and beyond having worked closely with Biden in government, Donilon is long-time Biden adviser [Mike Donilon’s brother](#). Similarly, well-regarded former senior Obama staffers [Brian Deese](#) and [Wally Adeyemo](#) have also joined the BlackRock team, which feels suspiciously like another government in waiting.” [Daily Beast, [2/11/19](#)]

BlackRock Has A Lot To Gain From Maintaining Light-Touch Regulation Of Asset Managers. “[Asset managers] are embedded in the broader financial system as voracious buyers of securities. For example, BlackRock holds major share amounts in nearly every mega-bank, takes funds from scores of Wall Street investors, and manages a majority of the [federal government’s bailout programs](#). They may not create the risk, but they own a lot of it. Fink, who co-created the mortgage-backed security while a trader at First Boston in the 1980s, is a longtime respected figure on Wall Street; Geithner [reportedly used him](#) as a conduit between Treasury and the financial industry.” [The Intercept, [3/2/16](#)]

BLACKROCK IS A “TOO BIG TO FAIL” MONOPOLY, WHICH DEESE’S OWN DEFENSE OF THE FIRM REINFORCES

Deese Has Defended BlackRock’s Fossil Fuel Investments By Pointing Out That BlackRock “Own[s] The Market Across The Spectrum.” Asked about BlackRock’s holding in fossil fuels by the Weather Channel: “Because the vast majority of our equity holdings are in index funds, we end up being one of the top owners of every industry. So we’re also the top owner of renewables. We’re also the top owner of wind companies. ... But then the question goes to ‘how do we operate and what’s the role that we can play in the overall context that we own the market across the spectrum?’” [The Weather Channel, Climate Corner Office Interview, [10/16/19](#)]

Leading Antitrust And Financial Stability Experts Say BlackRock Is Dangerous To Economic Stability And Competition. “Consider the example of BlackRock, the largest asset manager, and its current entanglements in our economy and our government: It currently holds a 5% or greater stake in more than 97.5% of the S&P 500 companies; It operates a technology platform that contains trade and ownership information for about 10% of global stocks and bonds; Its investments are driving some of the key social and economic challenges of our time; for example, it manages over \$87 billion worth of shares in fossil fuel companies and has opposed, or abstained from, over 80% of climate-related shareholder motions at fossil fuel companies between 2015 and 2019.” [The New Money Trust: How Large Money Managers Control Our Economy And What We Can Do About It, [11/23/20](#)] [The New Money Trust: How Large Money Managers Control Our Economy And What We Can Do About It, [11/23/20](#)]

Brian Deese on Austerity: A Timeline Of Wrongheaded, Harmful Thinking

2007: As Hillary Clinton’s Economic Adviser, Deese Supported “Pay-As-You-Go” Policy Proposals, Focusing On Decreasing The Deficit. “What Sen. Clinton has said throughout the campaign is that she will pay for every single proposal without increasing the deficit,’ said Brian Deese, a policy analyst with the Clinton campaign. ‘Focusing on a commitment to pay-as-you-go would be a dramatic change from the Bush administration.’ [Miami Herald, [11/27/07](#)]

2008: Deese Worked With Larry Summers And Private Equity Executive Joshua Steiner On The Bailout. “Former Treasury Secretary Lawrence H. Summers, who will head Mr. Obama’s National Economic Council, has been Mr. Obama’s touchstone on the economic aspects of the bailout. Also involved are Joshua L. Steiner, a former Treasury official who is a partner in a private-equity firm, and Brian Deese, a policy adviser on the Obama campaign.” [New York Times, [12/13/08](#)]

- **Summers Caused The Bailout To Be Smaller Than Economists Ever Calculated It Ought To Be.** “When Romer showed Summers her \$1.7-to-\$1.8 trillion figure late the week before the memo was due, he dismissed it as impractical. [...] Summers worried that urging more than [\$800 billion] would stamp him and Romer as oblivious in [Congress] eyes. “\$1.2 trillion is nonplanetary,” he told Romer, invoking a Summers-ism for ‘ludicrous.’” [New Republic, [2/22/12](#)]

2013: At Confirmation Hearing For OMB Deputy Director, Deese Advocated For “Entitlement Reform” And Means-Testing Medicare. “I think that the areas we need to focus on are entitlement reform and tax reform, and -- I think as you mentioned in your opening statement -- entitlement reform that is designed to strengthen the core programs that our seniors and vulnerable Americans rely on but that look for ways to address in particular the rising cost of healthcare [...] I think it is appropriate to look at means testing Medicare. I think the president's put a proposal out that I think makes some sense because as part of these overall reforms, I think we have to ask the questions about whether those who are the most fortunate should be paying a little bit more.” [Confirmation Hearing, Brian Deese, [5/13/13](#)](VIDEO)

2020: Deese Gives Paid Speeches To Business Associations And Wealthy Individuals, Offering Advice On Topics Including “How The Budget Process Can [...] Be Used To Reform Entitlements.” “Deese can offer a practical guide to understanding the near-term policy landscape: how the budget process can actually be used to reform entitlements and the tax code, what a major infrastructure push could actually look like, how ACA can and can’t actually be repealed, and what all this will mean for businesses and organizations large and small.” [APB Speakers, Brian Deese, Saved Via Internet Archive Since [4/23/17](#), Accessed [9/17/20](#)]

NONE OF THESE POLICIES ARE SUPPORTED BY THE EVIDENCE.

The Federal Government Has Always Run Deficits. With one brief exception, the federal government has been in debt every year since 1776. In January 1835, for the first and only time in U.S. history, the public debt was retired, and a budget surplus was maintained for the next two years in order to accumulate what Treasury Secretary Levi Woodbury called ‘a fund to meet future deficits.’ [...] I do not know any household that has been able to run budget deficits for approximately 190 out of the past 230-odd years, and to accumulate debt virtually nonstop since 1837.” [HuffPost, [5/25/11](#)]

Doomsday Forecasts About The National Debt Have Never Come True. “Even former Goldman Sachs CEO Lloyd Blankfein—nobody’s model of a Modern Monetary Theorist—[remarked on Twitter](#) that “despite the trillions the U.S. is adding to our budget deficit and national debt, investors (many foreign) will lend the US a virtually limitless supply of [dollars] for .6 pct for 10 years.” That’s a fancy way of saying that U.S. dollars are so widely seen as a rock solid financial asset that the entire world is fleeing to safety amid this pandemic by storing its money in U.S. Treasury bonds, which in turn makes the cost of deficit-financed federal spending incredibly cheap. As it happens, these costs have been declining for decades.” [New Republic, [5/13/20](#)]

Brian Deese On Climate Change: Dangerously Misinformed

2015: Deese Had Never Held A Job In Environmental Policy Before Taking Over As Obama's Top Climate Adviser. "Mr. Deese, who has a stuffed snowy owl on a shelf in his office and a sparse beard that gives him the look of a Vermont hipster, is in some ways an unlikely person to lead the effort. He has never held a job in environmental policy, has never participated in an international negotiations and has nothing approaching the years of knowledge of John D. Podesta, who ran the president's climate change agenda until he stepped down in January as counselor to Mr. Obama." [NYT, [4/10/15](#)]

2015: Deese Applauded The Increase In Production Of Traditional Fossil Fuels. DEESE: "We've known that to be historically true, but we're seeing that in the last several years as well. It's a striking thing that we're going through an energy transformation in our country where, for the first time, we're actually reducing greenhouse gas emissions at the same time that we're seeing historic increases in the production of energy, both renewable and traditional, fossil fuel. The opportunity embedded in those two things happening at the same time, I think, creates real excitement that we need to harness, and it's about setting the right incentives, investing in places where the federal government is uniquely capable of doing, and also being aggressive about providing a regulatory structure whereby people will have the incentive to invest years into the future." [ARPA-E, Fireside Chat with Brian Deese, [3/18/15](#)]

2015: Deese Defended Continued Fracking On U.S. Land. "The Obama administration says fracking can be done safely, and the new rules represent an initial foray into regulation. Interior's rules only apply to federal lands, but they could serve as a road map for states where fracking is just beginning. 'We believe that in order to have a durable industry in the future you need to strike an appropriate balance between protecting public health and safety, and allowing for responsible production,' Brian Deese, a senior White House advisor, said at a Monitor-hosted breakfast Friday." [Christian Science Monitor, [3/20/15](#)]

2015: Deese Claimed That The TPP Would Protect The Environment, Despite Broad Opposition From Environmental Experts. "The Trans-Pacific Partnership (TPP) offers a substantial opportunity to advance American interests and values, including a once-in-a-generation chance to protect our oceans, wildlife, and the environment." [White House Blog, Brian Deese & Christy Goldfuss, [3/31/15](#)]

- **The TPP Would Grant Giant Corporations The Ability To Bypass Clean Energy Laws By Suing the U.S. In International Tribunals.** "The controversial Trans-Pacific Partnership (TPP) would grant multinational corporations extraordinary new powers to attack the laws we rely on for a clean environment, essential services, and healthy communities. Corporations would be empowered to bypass domestic courts and directly 'sue' the U.S. and other TPP governments before tribunals of three corporate lawyers that sit outside of any domestic legal system." [Public Citizen, TPP Investment Map: New Privileges for 29,000 Companies, Accessed [10/27/20](#)]
- **The TPP Would Have Required The Department Of Energy To Automatically Approve All Exports Of Liquefied Natural Gas To TPP Countries.** "The TPP would require the U.S. Department of Energy to automatically approve all exports of liquefied natural gas (LNG), a fossil fuel with high life-cycle greenhouse gas emissions, to all TPP countries including Japan, the world's largest LNG importer." [Sierra Club, A Dirty Deal: How the Trans-Pacific Partnership Threatens our Climate, [December 2015](#)]
- **The TPP Would Have Increased Fossil Fuel Emissions By Shifting U.S. Manufacturing To Low-Wage Countries That Have More Carbon Intensive Production.** "The TPP would force U.S. manufacturers to compete directly with firms in low-wage countries, like Vietnam and Malaysia. The resulting offshoring of U.S. manufacturing would spur not only U.S. job loss, but also increased climate-disrupting emissions, as production in Vietnam is more than four times as carbon-intensive, and production in Malaysia is twice as carbon-intensive, as U.S. Production." [Sierra Club, A Dirty Deal: How the Trans-Pacific Partnership Threatens our Climate, [December 2015](#)]

Brian Deese At BlackRock: Cashing In On Climate Collapse

Deese Is The Global Head Of Sustainable Investing At Blackrock. “Brian Deese, Managing Director, is Global Head of Sustainable Investing at BlackRock. The Sustainable Investing team is focused on identifying drivers of long-term return associated with environmental, social and governance issues, integrating them throughout Blackrock's investment processes, and creating solutions for our clients to achieve sustainable investment return.” [BlackRock.com, Brian Deese, Accessed [9/17/20](#)]

- **This Means That Deese Finds Ways For BlackRock To Profit Off Of Climate Change, Not That He Makes BlackRock Fight Against It.** “Managing the investment risk of climate change, in short, does not mean fighting climate change. It means making sure that your investment portfolio earns the highest returns *despite* climate change or even *from* climate change. That’s why, from an investment point of view, there’s no necessary contradiction in divesting from coal mines while investing in coal-fired power plants or in financing wind turbines and oil exploration.” [New Republic, [2/12/20](#)]

Deese Refused To Recognize Blackrock’s Responsibility For The Actions Of Companies It Holds Through Index Funds, Including Siemens Investment In The Adani Mine, Which Scientists Believe Will Destroy What Is Left Of The Great Barrier Reef. Asked by Christiane Amanpour about the role of Siemens (which BlackRock holds major stakes in via index funds) in the Adani mine in Australia, which Greenpeace and scientific leaders believe will destroy what’s left of the Great Barrier Reef: “Yes. So, a couple of things. So, first, we’re not a majority shareholder. We own a stake in that company through the investments in passive index funds. Second, you -- as you pointed out, we -- as we committed to earlier this year, we have been more transparent and clear about our engagement with that company and specifically, our concerns about how that company has handled the decisions around its engagement with the Carmichael mine, and we were quite public about that in ways that I would argue you are not seeing necessarily other asset managers to.” [CNN, Interview with Christiane Amanpour, [2/13/20](#)]

Deese Said That Blackrock Thought About Climate Issues In The Context Of “What Will Generate The Best Long-term Financial Outcomes For Our Clients.” CNN’s Christiane Amanpour asked Deese “Would you say that BlackRock is also susceptible and sensitive to what people want, what the public is now saying?” Deese’s answer: “From our perspective, we think about all these issues in the context of ‘What will affect long-term return?’ And ‘What will generate the best long-term financial outcomes for our clients?’” [CNN, Interview with Christiane Amanpour, [2/13/20](#)]

BlackRock Still Had Over \$17 Billion Invested In 86 Coal Plant Developers, According To The Latest Data From 2019. “This explains why it had \$17.566,87 million invested in 86 coal plant developers, according to the latest data from September 2019. BlackRock must urgently cover the coal power sector in its policy, apply it to all its assets including passive investments, exclude all coal developers, and require other companies to adopt a plan to exit coal at the latest by 2030 in the EU and the OECD and 2040 worldwide, or face exclusion. Almost everything remains to be done.” [CoalPolicyTool.org, Accessed [9/17/20](#)]

Blackrock Remained The Largest Investor In Both New Coal Plant Development And Existing Coal Reserves World Wide. “BlackRock is still the largest investor in both new coal plant development and existing coal reserves worldwide. Coal is the biggest global cause of climate pollution.” [BlackRock’s Big Problem, Accessed [11/10/20](#)]

Blackrock Is One Of The Biggest Investors In Nearly Every Oil Company Operating In The Amazon. “[BlackRock] is also one of the biggest investors in the nearly every oil company operating in the western Amazon, from big names like Exxon to smaller ones like ENI.” [BlackRock’s Big Problem, Accessed [11/10/20](#)]