

Company Profile: BlackRock

Name of Company: BlackRock

Name of CEO: Larry Fink

Names of Board Members¹

- Laurence D. Fink, Chairman and CEO, BlackRock, Inc.
- Abdlatif Y. Al-Hamad, Director General and Chairman of the Board of Directors, Arab Fund for Economic and Social Development
- Mathis Cabiallavetta, former Chairman of the Board of Swiss RE
- Pamela Daley, former VP of Corporate Business Development at General Electric Company
- William S. Demchak, President and CEO of PNC Financial Services Group, Inc.
- Jessica Einhorn, former Dean, Paul H. Nitze School of Advanced International Studies at Johns Hopkins University
- Fabrizio Freda, President and CEO, The Estée Lauder Companies Inc.
- Murry S. Gerber, former Chair and CEO, EQT Corp
- James Grosfeld, former Chair and CEO, Pulte Homes, Inc.
- Robert Kapito, President, BlackRock, Inc.
- David H. Komansky, former Chair and CEO, Merrill Lynch & Co, Inc.
- Sir Deryck Maughan, former Senior Advisor, Kohlberg Kravis Roberts
- Cheryl Mills, CEO, Blackivy Group
- Gordon M. Nixon, former President and CEO, RBC
- Thomas H. O'Brien, former Chair and CEO, The PNC Financial Services Group, Inc.
- Ivan G. Seidenberg, former Chair of the Board and CEO, Verizon Communications
- Marco Antonio Slim Domit, Chair of Board of Directors, Grupo Financiero Inbursa
- John Varley, former Chief Executive, Barclays PLC
- Susan L. Wagner, former Vice Chair, BlackRock, Inc.

Overall Toplines

- BlackRock is one of the largest shareholders of private prison and immigrant detention companies CoreCivic and GEO Group, with an 11% stake in CoreCivic and a 12% stake in GEO Group spread across the firm's various subsidiaries. Together those shares are worth \$728 million.²

Connections to Trump

- BlackRock CEO Larry Fink and Managing Director Craig Phillips have both acted as advisors to the President. Fink sat on the Strategic and Policy Forum ("Business Council") and Phillips on the team in charge of the transition at the Treasury Department.³

¹ "Corporate Governance, Board of directors," BlackRock, <http://ir.blackrock.com/board-of-directors>; (last visited April 19, 2017).

² "BlackRock, Inc. (BLK) Institutional Ownership," Institutional Ownership & Holdings - NASDAQ.com, <http://www.nasdaq.com/symbol/cxw/institutional-holdings>; (last visited April 19, 2017); "GEO Group Inc (The) Institutional Ownership," Institutional Ownership & Holdings - NASDAQ.com, <http://www.nasdaq.com/symbol/geo/institutional-holdings>; (last visited April 19, 2017).

³ "Trump Administration Transition Team," Steptoe & Johnson LLP, December 2016, <http://www.steptoel.com/resources-detail-11703.html>; "Craig Phillips," BlackRock,

How BlackRock stands to profit off Trump's policies

- In the months after Trump's election, shares in CoreCivic and GEO Group jumped more than 100% in value in anticipation of Trump's plans to reverse the Obama administration's policies on scaling back private prison contracting.⁴ As the Trump administration implements policies aimed at adding to the tens of thousands of immigrants already in detention centers and reversing the twenty year trend of reduced incarceration, BlackRock's holdings will likely grow dramatically in value.⁵
- CEO Fink has advocated for Republicans' plans for tax reform and deregulation, saying "If we don't have the tax reform that we're expecting, if we don't see true deregulation, I think the markets would have some setbacks..."⁶
- Deregulation of the financial industry allows banks and financial services firms to return to the practices that launched the 2008 financial crisis and resulting recession. Those practices cost American households at least \$16 trillion⁷ and led to a punishing recession with unemployment peaking at 10%.⁸ The current unemployment rate at financial firms is now below pre-crisis levels.⁹ While real median household income remained flat¹⁰ for most of the last nine years since the crisis, commercial bank profits reached pre-crisis levels within 5 years and are now at record

<https://www.blackrock.com/investing/biographies/craig-phillips>; (last visited April 19, 2017).

⁴ "Under Mr. Trump, Private Prisons Thrive Again," *The New York Times*, February 24, 2017, https://www.nytimes.com/2017/02/24/opinion/under-mr-trump-private-prisons-thrive-again.html?_r=0.

⁵ Seth Freed Wessler, "Donald Trump's Looming Mass Criminalization," *The Nation*, November 28, 2016, <https://www.thenation.com/article/donald-trumps-looming-mass-criminalization>; Matt Zapotosky, "Justice Department will Again Use Private Prisons," *Washington Post*, February 23, 2017, https://www.washingtonpost.com/world/national-security/justice-department-will-again-use-private-prisons/2017/02/23/da395d02-fa0e-11e6-be05-1a3817ac21a5_story.html?utm_term=.d3e50d9383f1; Sari Horwitz, "How Jeff Sessions Wants to Bring Back the War on Drugs," *Washington Post*, April 8, 2017, https://www.washingtonpost.com/world/national-security/how-jeff-sessions-wants-to-bring-back-the-war-on-drugs/2017/04/08/414ce6be-132b-11e7-ada0-1489b735b3a3_story.html?utm_term=.71afe6a9daa6; Jenny Jarvie, "This Industry Stands to Benefit from Trump's Crackdown on the Border," *Los Angeles Times*, February 14, 2017, <http://www.latimes.com/nation/la-na-immigrant-detention-20170214-story.html>.

⁶ Matthew J. Belvedere, "Stocks may see more turbulence if tax reform and deregulation stalls, BlackRock's Larry Fink warns," CNBC, April 6, 2017, <http://www.cnbc.com/2017/04/06/stocks-may-see-more-turbulence-if-tax-reform-and-deregulation-stalls-blackrocks-larry-fink-warns.html>.

⁷ Tyler Atkinson, David Luttrell and Harvey Rosenblum, "How Bad was It? The Costs and Consequences of the 2007-2009 Financial Crisis," Dallas Federal Reserve, No. 20, July 2013, <https://www.dallasfed.org/assets/documents/research/staff/staff1301.pdf>, 10; Bureau of Labor Statistics, Current Population Survey (Unadjusted).

⁸ Bureau of Labor Statistics, Current Population Survey (Unadjusted); See also "The Recession of 2007-2009", U.S. Bureau of Labor Statistics, https://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf.

⁹ Bureau of Labor Statistics, Current Population Survey (Unadjusted), See also "Unemployment Rate: Financial Activities Industry, Private wage salary workers," Federal Reserve Bank of St. Louis website, <https://fred.stlouisfed.org/graph/fredgraph.png?g=dtaw> (last visited Apr. 24, 2017).

¹⁰ Federal Reserve Economic Data, Real Median Household Income in the United States, 2015 CPI-U-RS Adjusted Dollars, Annual, Not Seasonally Adjusted, Economic Research Division, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/MEHOINUSA672N>; author's analysis: https://docs.google.com/a/nyccej.org/spreadsheets/d/1zhrccggq6ZMjHgS3V-VvyqLNFoSyPSyuT_E00chVPTs/edit?usp=sharing.

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high.¹¹ In other words, the financial industry gambled with the global economy, taxpayers paid off its losses, and now that industry profits are higher than ever before, it is seeking the freedom to return to the same dangerous practices.

- With the election of Donald Trump, a staunch opponent of financial regulation, the financial industry anticipates a return to the recklessness of the pre-crisis system, once again putting the global economy at risk. Within two months of Trump's victory, executives at Wall Street banks were already reaping their reward as the value of shares in those banks soared.¹²

Influence and Lobbying:

- After the passage of Dodd-Frank in 2010, BlackRock's PAC or PACs, their individual members or employees or owners, and those individuals' immediate families, increased average annual political contributions by nearly 600%.¹³ In total, since Dodd-Frank was passed, BlackRock, its PAC or PACs, their individual members or employees or owners, and those individuals' immediate families spent over \$18 million in political contributions and lobbying expenditures.¹⁴

¹¹ Federal Deposit Insurance Corporation, Quarterly Banking Profile, Annual Income, Commercial Banks; Renae Merlae, "Embattled Bankers Embrace Trump's Call for Deregulation: 'Profit is not a four-letter word,'" *Washington Post*, March 24, 2017,

https://www.washingtonpost.com/business/economy/once-humbled-by-the-financial-crisis-bankers-are-suddenly-feeling-emboldened/2017/03/24/30318a86-0fd1-11e7-ab07-07d9f521f6b5_story.html?utm_term=.d5f5d975c5dc.

¹² Geoffrey Smith, "Wall Street Bosses Have Cashed in Bigly Since Donald Trump's Victory," *Fortune Magazine*, January 24, 2017, <http://fortune.com/2017/01/24/bank-stock-sales-trump-rally/>.

¹³ "BlackRock Inc," Open Secrets, Center for Responsive Politics, <https://www.opensecrets.org/orgs/summary.php?id=D000021872&cycle=2016>; (last visited April 23, 2017); Based on author calculations detailed here:

https://docs.google.com/spreadsheets/d/1zhrcggq6ZMjHgS3V-VvyqLNFoSyPSyuT_E00chVPTs/edit?usp=sharing.

¹⁴ "BlackRock Inc," Open Secrets, Center for Responsive Politics, <https://www.opensecrets.org/orgs/summary.php?id=D000021872&cycle=2016>; (last visited April 23, 2017); Based on author calculations detailed here:

https://docs.google.com/spreadsheets/d/1zhrcggq6ZMjHgS3V-VvyqLNFoSyPSyuT_E00chVPTs/edit?usp=sharing.