

# Goldman Sachs

19:27 03 Oct 2018

## Bernie Sanders introduces bill in Congress to break up six largest US banks that are 'too big to fail'

US Senator Bernie Sanders (I-VT) proposed a bill in the Senate on Wednesday to break up the nation's biggest banks because their sheer size makes them a threat to the US economy if they ever fail in another economic crisis like the one in 2008.

The bill would break up the six largest banks in the country: JPMorgan Chase (NYSE:JPM), Bank of America (NYSE:BAC), Citigroup (NYSE:C), Wells Fargo (NYSE:WFC), Goldman Sachs (NYSE:GS) and Morgan Stanley (NYSE:MS), also referred to by many on Wall Street as "the money centers."

"No financial institution should be so large that its failure would cause catastrophic risk to millions of Americans or to our nation's economic well being," Sanders said in a statement on his website.

"We must end, once and for all, the scheme that is nothing more than a free insurance policy for Wall Street: the policy of 'too big to fail,'" said Sanders, who narrowly lost becoming the presidential nominee of the Democratic Party in 2016 and who may run again in 2020.

The 4 largest banks in this country (JP Morgan Chase, Citigroup, Bank of America, and Wells Fargo) are on average 80% larger today than they were before we bailed them out.

If these banks were too big to fail 10 years ago, what would happen if any of them were to fail today?

— Bernie Sanders (@SenSanders) October 3, 2018

US Congressman Brad Sherman of California will introduce a similar bill in the US House of Representatives.

"Too big to fail should be too big to exist," said Sherman. "Never again should a financial institution be able to demand a federal bailout. Today they can claim: 'if we go down, the economy is going down with us.' By breaking up these institutions long before they face a crisis, we ensure a healthy financial system where medium-sized institutions can compete in the free market."

Aside from the banks, other financial service companies such as Prudential Financial Inc (NYSE:PRU), MetLife Inc (NYSE:MET), and American International Group Inc (NYSE:AIG) will also be covered by the proposed legislation, the Sanders statement said.

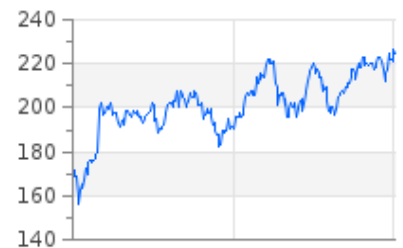
If a bank is too big to fail, it is too big to exist.

Join me live as we introduce our bill to break up the largest banks in America: <https://t.co/yOrqVMtUtk>  
[pic.twitter.com/d39yfia22m](https://pic.twitter.com/d39yfia22m)

**Price:** 225

**Market Cap:** \$79.67 billion

### 1 Year Share Price Graph



December 2018 June 2019 December 2019

### Share Information

**Code:** GS

**Listing:** NYSE

**52 week High Low**  
 227.99 151.7

**Sector:** Financial Services

**Website:** [www2.goldmansachs.com](http://www2.goldmansachs.com)

### Company Synopsis:

The Goldman Sachs Group, Inc. is a bank holding and a global investment banking, securities and investment management company. The Company provides a range of financial services to customers, including corporations, financial institutions, governments and high-net-worth individuals.

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

— Bernie Sanders (@SenSanders) October 3, 2018

The Senate office of Sanders said in a statement that in the 10 years since Wall Street caused the financial crisis and was bailed out by taxpayers, the five largest banks have raked in more than \$583 billion in profits. The six biggest banks have a combined total exposure of over \$13 trillion which exceeds 68% of the nation's GDP.

Under the bill, entities that exceed the 3% cap would be given two years to restructure until they are no longer "too big to fail."

#### FORMER IMF CHIEF ECONOMIST ENDORSES BILL

"The largest banks and other highly leveraged financial institutions are simply too big — and pose a real danger to our continued economic recovery. Make them break up into smaller pieces, bringing more competition, better service and lower risks for the American economy," said Simon Johnson, former chief economist at the International Monetary Fund and currently professor at the Massachusetts Institute of Technology. He supports the bill.

The "too big to exist" institutions would no longer be eligible for a taxpayer bailout from the Federal Reserve and could not use customers' bank deposits to speculate on derivatives or other risky financial activities.

As a result, JPMorgan Chase and Bank of America would be forced to shrink to where the banks were in 1998.

Wells Fargo would go down in size to where it was in 2005. And Citigroup would shrink to where it was during the second term of Bill Clinton's administration.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

#### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.