

- Does a bad rep hurt Goldman Sachs?



Goldman Sachs building at 85 Broad Street

Congress' investigation into how Goldman Sachs earned such high profits shortly after its government bailout is causing more public relations woes for the investment bank. But does the bad press matter to such a powerful firm? **Amy Scott reports.**

TEXT OF RADIO STORY

KAI RYSSDAL: Another day, another piece of bad news for the Wall Street bank everybody loves to hate. That'd be Goldman Sachs. Congress is looking into how the firm managed to make so much money while the rest of us were stuck in a recession. The inquiry comes at a challenging time for the bank's public relations staff. You may have heard about a recent article in Rolling Stone calling Goldman a vampire squid wrapped around the face of humanity. Goldman doesn't exactly cater to small investors, so we wondered if it really cares about the bad press. Marketplace's Amy Scott reports.

AMY SCOTT: Goldman Sachs made almost \$3.5 billion last quarter. So who cares if some reporter calls it a vampire squid.

NOMI PRINS: It truly couldn't care less what we think of it, because it doesn't impact its bottom line. Nomi Prins wrote the book "It Takes a Pillage" about the financial bailout. She's also a former managing director at Goldman Sachs. She says Goldman's clients are mostly institutions and very wealthy people. As long as the bank is making them money, she says its reputation with the masses doesn't really matter.

NOMI PRINS: It had a record profit. It's going to give either record or near record bonuses, and as long as the public doesn't really own or dump its stock, which hasn't been the case, there's no impact to its bottom line whatsoever at all.

AMY SCOTT: That could change if the public outcry causes lawmakers and regulators to interfere. A Goldman Sachs spokesman told me the firm does care about what the public thinks. He says the bank has been more "proactive" lately in addressing what it considers misperceptions about the business. Goldman's reputation on Wall Street is another matter. **Gustavo Dolfino runs the financial recruiting firm White Rock Group. He says all the scrutiny could make it more difficult for Goldman to attract top talent.**

GUSTAVO DOLFINO: They just were a part of the excess that went on. And I think it's going to take some time to get back the Street's respect.

Dolfino says besides, it's likely in the future the pay packages at Goldman Sachs won't be what they used to be. He says the players want to strike out on their own, or work for hedge funds or private equity firms, where the real money can be made.

In New York, I'm Amy Scott for Marketplace.