INCLUSIVE OWNERSHIP FUNDS make sure workers have a stake in the success of the economy.

Here’s how they work:

1. Every year, big corporations have to issue a small amount of new stock, no more than 1 or 2 percent of their total shares, and give these new shares to an Inclusive Ownership Fund (IOF).

2. These funds are held collectively by the workers of the corporation and can’t be sold off.

3. The IOF helps the workers have a say in how their workplace is governed, by electing a board which votes its shares just like any other stockholder.

4. The total percentage of a corporations’ shares that can be held by its IOF is capped at 10 percent. As 82 prominent economists—including Thomas Piketty and Mariana Mazzucato—noted in the Financial Times, an IOF “neither reduces the book value of corporate entities, nor requires them to pay cash out.”

5. For exceptionally profitable corporations, a portion of the IOF’s share of dividends beyond what workers’ receive is returned to society as a whole, to make sure everyone has a stake in and a fair share of the economy’s success.

When the company is profitable and issues dividends, the IOF receives one just like any other investor, and this money is passed along to the workers, so that they share in the company’s success.