

DEMOCRATIC EMPLOYEE OWNERSHIP FUNDS

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—2 percent of their total shares—and give these new shares to what the Sanders' proposal calls a Democratic Employee Ownership Fund (DEOF).

The total percentage of a corporations' shares that can be held by its DEOF is capped at 20 percent in the Sanders' proposal. 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.”

2

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



The DEOF 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.

3

4



When the company is profitable and issues dividends, the DEOF 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. New regulations make sure that workers that currently would be categorized as contractors are recognized as employees.

5

While not mentioned in the Sanders' plan, a useful tweak for exceptionally profitable corporations would be to return a portion of the DEOF's share of dividends beyond what workers' receive to society as a whole, to make sure everyone has a stake in and a fair share of the economy's success.

