

**Sen. Brown's Remarks at the National Press Club – As Prepared for Delivery  
Wednesday, July 31, 2019**

American workers are working longer and harder than ever before, but they have little to show for it.

Productivity is up, stock prices have soared, executive compensation has exploded – but wages are largely flat.

This isn't a coincidence – it's not an accident of the market. It's not an inevitable result of capitalism.

Wall Street's obsession with accumulating wealth for the people who already have it is by their explicit design – and it comes at the direct expense of American workers.

We need to reorient our economy from Wall Street greed to the dignity of work.

Today I'm rolling out a plan to put workers back into the equation, and make clear to corporate executives: if you want to line your own pockets, you better make sure your workers are sharing in the profits they created for you.

We take pride in hard work in this country, and we believe that work has value – no matter who you are or what kind of work you do. But we know that for far too many people, hard work isn't paying off.

And instead of fighting for workers, Donald Trump stokes fear and places blame.

He points the finger at immigrants, mothers and fathers who just want the same things we all do – the opportunity to work hard and build a better life for our kids. He attacks African American leaders, and tries to pit American communities against each other by insulting predominantly African American cities like Baltimore.

He seeks to divide Americans with his border wall and his racist attacks to distract from the fact that his cronies on Wall Street are rigging the system to take all the profits for themselves, and his tax bill is helping them do it.

We know most people in this country work hard and pay their fair share. The fact is, it's corporations who aren't paying theirs.

America is one of the richest countries on earth. Our corporations are prospering. Wall Street is doing just fine. There is no reason other than corporate greed that workers can't share in that wealth they're creating.

Corporate greed is fundamental to the Wall Street business model – we know that. Workers aren't going to get their fair share until we change it – we know that too.

Wall Street's and Main Street's interests no longer match up. Companies used to consider themselves as having multiple stakeholders – workers, customers, shareholders, the surrounding community.

But in the 1980s, all that changed. Greed was good, and a new school of economists pushed the idea that corporate executives had only one job – increasing share prices, which coincidentally enough, also meant lining their own pockets.

Folks in the corporate boardroom have not been forced to consider what's in the long-term interests of ordinary workers, small-time investors, or the American economy.

For them, workers are nothing more than a line item in a budget – a cost to be minimized.

When companies raise wages, Wall Street punishes them. When companies lay off workers, Wall Street rewards them.

Think about that for a second. Something is very wrong.

Corporate executives focus on short-term performance in the stock market – even if that comes at the expense of the long-term success of the company, its workers, and our economy.

Their main goal is to increase stock prices quarter-to-quarter. That's how CEOs' performances are evaluated, and they are compensated in large part with company shares.

And increasingly, corporations juice those stock prices by re-purchasing their own stock – what we call a stock buyback.

Depending on the size of the company, stocks can account for half of an executive's compensation package – in some cases even more.

And of course executives' personal interests influence their decision-making. One study of more than 2,500 companies found that the greater the percentage of stock options in executive compensation packages, the more likely a company was to do stock buybacks.

So we shouldn't be surprised that when President Trump and Mitch McConnell handed them a windfall with the 2017 tax law, those executives turned around and plowed that money right back into stock buybacks...and into their own pockets.

And I promise, Mitch McConnell and Trump weren't surprised either. They knew exactly what they were doing.

Remember the promises President Trump made, that his tax law would mean raises for workers?

He said it over and over, promising that somehow these massive corporate tax cuts would end up in workers' pockets.

He told workers last year, the month after he signed the law, "You're going to start seeing a lot more money in your paycheck."<sup>1</sup>

---

<sup>1</sup> <https://www.politico.com/story/2018/01/10/tax-reform-paychecks-irs-332183>

That was a lie.

Last year, following that Trump tax cut, companies spent \$1.5 million every minute of every hour of every day on buybacks.

We've seen companies spend as much as 100 percent of their profits, or close to it, on their own stocks, instead of capital investments or workers' wages.

The Atlantic called it "*the Stock-Buyback Swindle.*"

We have to stop this never-ending cycle of corporate greed, and make sure that workers are sharing in the profits they create.

I'm introducing a plan that would ensure workers share in the wealth they create, and limit stock buybacks significantly.

Some have suggested we ban buybacks. Okay – but we all know that corporations will find other ways to enrich their shareholders. And just banning buybacks won't do anything to put more money in the pockets of workers.

Ultimately the goal of any stock buyback proposal should be to help American workers get their fair share. That's why I'm proposing a worker dividend.

My proposal is simple: if corporations want to transfer wealth to Wall Street, workers have to get a proportionate share of the pie.

For every \$1 million passed on to shareholders in the form of stock buybacks or increased dividends, corporations will have to pass on \$1 to every worker.

I'm calling it a Worker Dividend, and all public corporations would be required to pay it.

If you work at a big American company, you can go online right now to [brown.senate.gov](http://brown.senate.gov) and calculate how much money your employer would owe you under my plan.

Big banks have been some of the worst stock buyback offenders, so let's look at the example of JPMorgan Chase – they bought back approximately \$20 billion of their own stock last year.

We have a spreadsheet where you can look up the top 20 companies, and you enter into the calculator the total dollar amount your employer spent on stock buybacks last year.

You hit "calculate."

And you find out that if you're a bank teller at a local branch of JP Morgan Chase, they would owe you a worker dividend of \$20,000.

That worker dividend would be long overdue for the bank's tellers and other workers, who are vital to the bank's success.

The entry level wage of a JP Morgan Chase teller is about \$35,000. You can't support a family on that.

Compare that to the \$31 million the bank paid its CEO last year. That pay gap is just wrong.

Now I know what the C-Suite crowd is going to say – companies like Walmart have more than 2 million employees, it can't afford to pay a worker dividend to all of its workers, they'll lay people off, prices will go up.

Funny...or not so funny, I didn't hear anyone complaining that prices might go up, when Walmart spent \$8 billion on stock buybacks that line executives' pockets.

And you expect Americans to believe that asking corporations to share just \$1 with workers for every \$1 million they spent on themselves is too much?

If they want to avoid paying the Worker Dividend, the solution is pretty simple – don't do \$8 billion in stock buybacks. Instead, invest that money in raising workers' wages, establishing on-the-job training programs, or making capital investments.

But if you do choose stock buybacks, pay workers their fair share. Again, all we're asking for is \$1 for every \$1 million.

This really comes back to the dignity of work.

Wall Street doesn't recognize that all work has dignity, and the workers at JP Morgan or Walmart are every bit as responsible for their success as the executives.

Wall Street considers shareholders' equity in a company to be all that matters, but workers have equity in a company, too – it's called sweat equity, and it's time workers are rewarded for it.

I'll stop there, and take some questions.

###