

Building Teamster Power in the Capital Markets through Wall Street Reform and Capital Strategies

WHEREAS, twelve years after the financial crisis wreaked havoc on the U.S. economy, Wall Street is once again earning huge profits while working families struggle to get by; and

WHEREAS, the Trump tax cuts were a windfall to private equity and hedge fund managers who did not reinvest their profits in expansion or fairer wages, but in a stock buyback binge that inflated corporate share prices which, in turn, benefits C-suite stock-based compensation schemes; and

WHEREAS, executive compensation has been skyrocketing for a decade and the CEOs of big companies now make, on average, 320 times as much as their typical worker, which is a symptom and important metric of income inequality; and

WHEREAS, the collective worth of America's billionaires increased by over a trillion dollars since the pandemic recession began even as millions of workers lost their jobs, proving that Wall Street's financialization of the economy has festered prominently among America's problems for too long; and

WHEREAS, excessive speculation in the financial markets continues to impede a broad-based prosperity that depends on long-term investment, not risky high-speed trading and the casino capitalism that has become too prevalent in our capital markets; and

WHEREAS, restructuring and downsizing the largest Wall Street financial institutions will benefit the middle class and help reverse the corporate agenda that has increased income inequality; and

WHEREAS, new revenues from progressive tax and finance reform will allow America to pay for the infrastructure investments that will translate into good jobs and higher wages.

NOW, THEREFORE, BE IT RESOLVED at this 30th International Convention that we call on Congress to close the carried interest loophole, whereby hedge fund and private equity managers are taxed at a lower rate on profits generated by investments, which they manage, of other peoples' money; and

BE IT FURTHER RESOLVED that we support a small tax on sales of stocks, bonds and complex financial instruments that will provide a new revenue stream for infrastructure projects or other labor priorities while discouraging the high-speed speculative trading that contributed to the financial crisis; and

BE IT FURTHER RESOLVED that we call on Congress to enact a new Glass-Steagall Act to reestablish the bankers' proper role in our economy and end our country's disastrous experiment with financial deregulation, which has resulted in historic income inequality and stagnant economic growth, and return to the historically more stable separation of commercial banking from riskier investment and trading business; and

FINALLY, BE IT RESOLVED at this 30th International Convention that the Teamsters Union supports the on-going work of the IBT's Capital Strategies Department and its efforts to:

- Reform corporate executive pay structures to better align CEO pay with the long-term interests of the company's stakeholders;
- Make corporate boards more accountable by reforming director elections, addressing board independence, diversity and conflicts of interest;
- Broaden the network of investor allies around the world to promote better human capital management including the protection of workers' rights and fair pay throughout companies' supply chains;
- Demand increased transparency and accountability for corporate political and lobbying expenditures from the companies in which we invest and that manage Teamster assets;
- Engage Wall Street analysts, investors and regulators to provide the Teamsters' front-line perspective on corporate transactions and strategies;
- Promote the benefits of project labor agreements and employing unionized building and construction workers with infrastructure investors;
- Investigate corporate welfare schemes to ensure that tax dollars are not being used to destroy good Teamster jobs and hard-fought standards;
- Provide ongoing education and support for Teamster trustees and member shareholders on key proxy fights, corporate transactions and contested director elections;
- Monitor and engage private equity owners and their limited partners about the management of portfolio companies; and
- Secure legislative and regulatory reforms that protect Teamster funds, investments and retirement security.