



A Colorado Economy that Works for Everyone

Every election cycle we hear from politicians promising to "strengthen our economy" but often all they offer are vague plans and platitudes. I am running for Governor of Colorado for the opportunity to turn ideas into real results. I know Colorado can lead the way in building an economy that works for everybody, not just those at the top and I have a plan to do it.

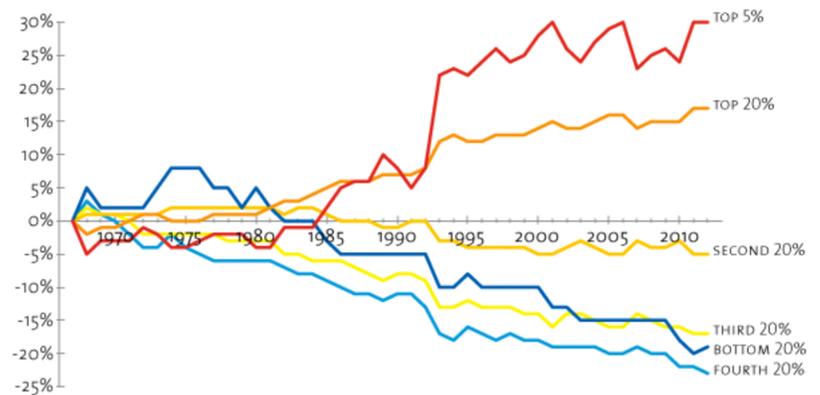
As a progressive, of course I support raising the minimum wage, family medical leave and ensuring that employers follow our laws; but we need fresh ideas to do more to address the rising income disparity and ensure that workers share in the value that they help create.

It's time for real action to increase wages and benefits for hard working Coloradans in the middle who are getting by in our current economy, but aren't thriving or able to save much if anything for retirement. My goal as Governor is to make Colorado first in the nation for companies that share their profits and success with their workers, just as I did with the companies I started.

Colorado's vibrant economy can work for everybody, and profit sharing will help us get there.

Change in Share of Total Income, 1967-2012

relative to 1967, by percentile



SOURCE: CENSUS BUREAU

Mother Jones

The Challenge:

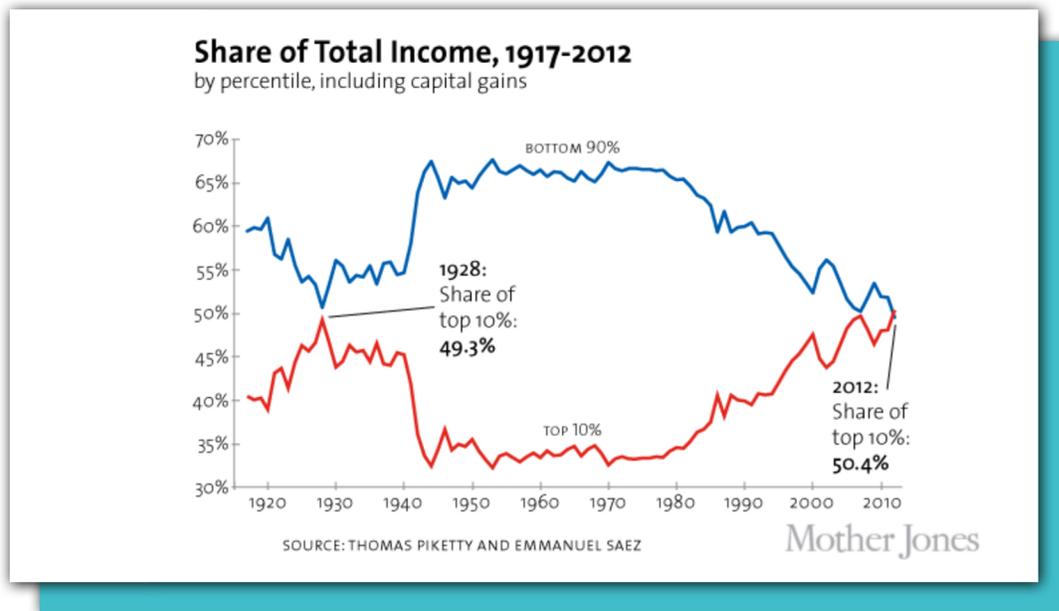
Colorado and our nation are facing a big challenge with current income disparities that are worse than the "gilded age" and the income and capital gains from the top 10% of the population is now greater than the entire remaining 90%! We need to reverse this trend and ensure that everyone shares in a growing economy, not just the few.

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While statistics show that our overall economy has done well, and shareholders and executives have done well, by and large workers haven't participated in our economic growth.



My Solution:

By encouraging companies to share the value that they create with workers, we can better align incentives, enhance competitiveness, and address income and wealth disparities. The three major successful companies I started, American Information Systems, Bluemountain.com, and proflowers.com all had stock option plans for every employee. Employee ownership in the craft brewery sector has become the norm, and the startup and technology sector almost universally deploy free stock options for employees at all levels. There are great examples of Colorado employee-owned companies in many sectors including Leever's Supermarkets and Namaste Solar.

Colorado also has a proud farming and ranching heritage, and employee-owned models and community co-operatives help keep small and family farms independent. I will work to support and help expand marketing and producer cooperatives and see them as important tools in helping our eastern plains and western slope farmers get their products to markets on the front-range, nationally, and internationally.

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There are several ways that companies can share in their success with employees:

- Option grants
- Outright equity grants
- Employee Stock Ownership Plans (ESOPs)
- Worker Cooperative- Worker cooperatives combine employee ownership and employee governance.
- Formalized profit-sharing programs
- Perpetual Trust- Perpetual trusts are relatively new in the US, based on the UK's John Lewis Partnership.

While different forms of employee ownership work for different companies, they all allow for significant and broad-based employee participation in success.

These efforts to align the incentives of workers and owners look different depending on the company and where it is in its growth. Including workers in a formalized profit sharing program for instance, might make the most sense for a mature, profitable company that is unlikely to be sold and whose other shareholders want steady profits over time. For a money-losing startup that has raised capital, free stock options might be the best option. That's why we need to support all forms of employee participation: To ensure that everyone in Colorado benefits from a growing economy, not just the few. My goal is, within eight years, for Colorado to be first in the nation in growing an economy that works for everyone, through encouraging employee stock ownership. As I travel the state, I'm excited to hear your ideas to help us reach this goal. We need great ideas from everyone.

As Governor, I will enact policies that will help get us there:

State-support for an Employee Ownership Business Center to provide technical support to companies looking to share profits and ownership with their employees.

Currently Vermont has one of the highest percentages of employee owned business per capita in the nation; they also have one of the oldest state supported Employee Ownership Business Centers. We can look to the success that other states have had with creating and supporting Employee

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Ownership Business Centers. This smart investment in supporting the replication and growth of employee ownership models will help Colorado lead the nation in profit sharing.

In Congress I introduced the Work Act with Senator Bernie Sanders to provide funding to states who are willing to invest in Employee Ownership Business Centers, as Governor I can do even more to replicate these successful tactics.

Establishing employee-owned companies as a priority for state contracting. All other things being equal, the state should work with companies that are structured to reward hard work.

Statewide branding campaign with support the of the Governor's Office. Employee owned businesses can display their status with pride, as part of efforts of building an inclusive economy for all Coloradans.

In 1999, Colorado launched an innovative brand campaign "Colorado Proud" to promote Colorado's agricultural products. We can support Employee Owned Business and encourage businesses to pursue profit sharing by launching a marketing program designed to help consumers identify and support employee owned businesses.

Make Colorado the national center for formation of employee owned cooperative businesses by highlighting our extraordinarily low business filing and registration fees, the absence of Secretary of State excise taxes, and further improving the flexible and robust nature of Colorado's cooperative law. Colorado is an ideal place to incorporate a cooperative or employee-owned business, and just as over 50% of all publicly-traded companies and 64% of Fortune 500 companies select Delaware as their legal home, I will help make Colorado the leading state for formation of employee owned cooperatives.

Explore opportunities for the state to play a role in facilitating less costly financing for firms transitioning to employee ownership.

Establish objective metrics for comparison with the goal of Colorado being the number 1 state in employee-ownership percentage within 8 years.

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<https://www.rd.usda.gov/files/USDA-RDRuralCoopMagMay-June2017.pdf>
<https://www.certifiedeo.com/eo/about>
<https://www.forbes.com/sites/darrendahl/2016/08/28/why-do-some-states-have-more-employee-owned-companies-than-others/#22bbfd145c48>
<https://www.colorado.gov/pacific/agmarkets/colorado-proud>

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