

RESOLUTION 21

HOLDING WALL STREET ACCOUNTABLE

Wall Street elites have succeeded in rewriting the rules of our economy and our political system so they can keep getting wealthier and more powerful, while the rest of us fall further behind.

U.S. median household income hit an all-time high of \$59,039 in September. Nevertheless, standard measures of income inequality have gotten worse—income for people at the very top grew at nearly three times the rate of income growth for people at the very bottom.

Wall Street is driving runaway economic inequality. The 25 highest-paid hedge fund managers together made nearly \$11 billion last year. In 2015, the typical top-ranking private equity executive made \$139 million.

Gargantuan pay packages for Wall Street executives, however, are a symptom of much deeper problems related to how we regulate Wall Street and who wields power in our society.

Wall Street is driving a dangerous focus on short-term profits at the expense of long-term economic growth. Private equity and activist hedge funds spend billions to take control of companies so they can push them to take on more debt, cut investments in future growth and squeeze workers—all in the name of “maximizing shareholder value.”

Wall Street billionaires donate to political candidates and lobby policy makers, demanding that they change regulations and tax policy to maximize the billionaires’ ability to make money regardless of the impacts on society. It’s a vicious cycle—weak regulation allows Wall Street investors to use risky investment practices to drive up short-term profits; big profits mean big bonuses for Wall Street executives; and executives use that money to buy off politicians and hire lobbyists who fight to loosen regulations and lower their taxes.

The strategy has worked. Wall Street elites have succeeded in rewriting the rules of our economy to favor the wealthy few at the expense of everyone else.

We cannot allow this to continue. We have to fight back to protect our livelihoods and our democracy.

We will:

- Fight for sound regulations to rein in Wall Street excess, protect consumers from predatory loans and make Wall Street pay its fair share, including:
 - Protecting the Consumer Financial Protection Bureau, which protects consumers from tricks and traps in consumer financial products like mortgages and credit cards;
 - Closing the tax loophole for private equity and hedge fund managers that allows these millionaires and billionaires to pay rates lower than middle-class professionals;
 - Closing the CEO performance pay loophole that encourages lavish executive pay packages at taxpayer expense (performance bonuses are a tax-deductible business expense);
 - Levying a tiny tax on Wall Street trades to generate revenue for investments in jobs, education and infrastructure; and
 - Ending “too big to fail” banks by restoring a 21st century version of the Glass-Steagall division between commercial/consumer-oriented banks and investment banks, to guarantee that the federal government is not insuring banks involved in trading and speculative activities. Since megabanks combine both activities, restoring Glass-Steagall would force them to break apart, and make the remaining commercial banks less complex and risky.
- Take on Wall Street firms like private equity funds and big banks when they behave in ways that harm working people.

- Fight to expose corporate political spending and lobbying that undermines our democracy.

Wall Street's excessive wealth and power is corrupting our economy and our democracy. It is time for working people to fight back.