

Patricia Hetter Kelso Who Advocated Worker-Capitalism with Louis O. Kelso, Is Dead at 98

By Jens Lowitzsch, director of the Kelso Institute Europe, July 8, 2025

Patricia Hetter Kelso, a pioneering thinker in economic empowerment and worker-owned businesses, who launched “universal capitalism” along with her late husband Louis O. Kelso, died on Friday at her home. She was 98 years old and lived in San Francisco.

For 60 years Mrs. Kelso propounded Louis O. Kelso’s theory of universal capitalism, which proposed that tens of millions of everyday Americans would become capital owners in the economy and its leading businesses, giving them a stake in the economy that they had never before known. The best known example of one of the Kelso’s proposals was the Employee Stock Ownership Plan (ESOP), which today is used by some [6,300 businesses](#) to financially empower [14.9 million worker-owners](#) who collectively receive more than \$150 billion annually.

Universal Capitalism

Together with her late husband Mrs. Kelso co-authored significant works such as *Two-Factor Theory: The Economics of Reality* (1967) and *Democracy and Economic Power: Extending the ESOP Revolution Through Binary Economics* (1986). Their work together helped shape modern ideas around economic democracy, employee stock ownership, and equal opportunity.

"The employee stock ownership plan, known as ESOP, was invented to democratize access to capital credit," Mrs. Kelso wrote with Louis O. Kelso, in 1989 in an oped published by The New York Times. *"The practical implication of Kelso’s insights,"* Patricia Kelso explained after her husband’s death, *"is that we cannot efficiently produce goods and services through two factors while distributing income through just one."*

Therefore, Mrs. Kelso and her late husband advocated for other financial tools such as the General Stock Ownership Plan (GSOP) like the [Alaska Permanent Fund](#) or the Consumer Stock Ownership Plan (CSOP), which allowed almost 5,000 farmers in California’s Central Valley to become owners of their own fertilizer plant and break the monopoly of giant fertilizer corporations. CSOPs are now an important method used to broaden consumer co-ownership in renewable energies.

Mrs. Kelso retired in 1992 as vice president of Kelso & Company, a merchant banking firm headquartered in New York City which she and her late husband founded to pioneer Mr. Kelso's financing techniques to broaden capital ownership. She also held other leadership roles, serving as president of the Kelso Institute for the Study of Economic Systems in San Francisco and founding member of the advisory board of the Kelso Institute Europe. After retirement, she remained intellectually active publishing on topics including paradigm change, digitalization, sustainability, and global poverty until shortly before her death.

Born on May 21, 1927, in Anderson, Indiana, to Ralph Bertsche Jr. and his wife, Patricia Bertsche entered the world as Charles Lindbergh crossed the Atlantic-an apt metaphor for her future life of bold exploration. At the time, that region of Indiana was a frontier of small towns and pioneers. Raised during the Great Depression, her early schooling took place in Anderson and

Pontiac, Michigan. In 1938, her family moved to Detroit when her father accepted a role as an engineer at General Motors and her mother continued her career as a pianist.

After high school, Patricia worked as a journalist in San Antonio establishing ties to the civil rights movement. In 1949, when most women still did not enter careers, she enrolled at the University of Texas at Austin, earning dual master's degrees in political science/government and philosophy by 1953. In that year she married her first husband Frederick Hetter whom she divorced in 1955. Her first important article "The Aesthetics of the Fiesta de los Toros" appeared in 1954 in the Journal of Aesthetics and Art Criticism.

Living in Sweden from 1955-1962 she made a career in advertising and started to travel widely throughout both Western Europe and the Soviet Union during historic events such as the launch of Sputnik, the Cuban Revolution, and the Berlin Crisis. In 1963, she returned to the U.S. and settled in San Francisco, where she met her future second husband, lawyer and investment banker Louis O. Kelso. She became a key collaborator with him for the next 30 years, and the Kelso's were married in 1980. The couple continued advancing their vision for universal capitalism, both in the United States and during frequent travel to western and eastern Europe, the Soviet Union and Asia, until Louis Kelso's death in 1991 (which was written about in the New York Times, see "Louis O. Kelso, Who Advocated Worker-Capitalism, Is Dead at 77," at <https://www.nytimes.com/1991/02/21/obituaries/louis-o-kelso-who-advocated-worker-capitalism-is-dead-at-77.html>).

Mrs. Kelso was a pioneering lady of extraordinary penwomanship, blazing her own career path at a time when most women still had few career options, and making a significant impact along with her husband Louis on our understanding of economic empowerment and worker-owned capitalism. She is survived by her two stepdaughters, Katie Balestreri and Marty Brookman and three step-grandchildren, Julie Brookman, Trevor von Stein, and Christina von Stein.

Kelso PH (2005) What Louis Kelso Knew. In: The Kelso Institute.
<https://kelsoinstitute.org/louiskelso/kelso-paradigm/what-louis-kelso-knew/>. Accessed 5 July 2025

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