



For Immediate Release

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New Partnership Launched to Advance Employee Ownership

Project Equity and The ESOP Association communicate the retirement-driven small business crisis to Congress

(June 21, 2021—Washington, DC)— Today, [Project Equity](#) and [The ESOP Association \(TEA\)](#) announced a new partnership designed to amplify employee ownership as a way to preserve businesses, strengthen jobs and build a more resilient post-pandemic economy. This partnership will use new, nationwide state-by-state data to demonstrate for lawmakers the impact of ESOPs (Employee Stock Ownership Plans) and worker cooperatives, particularly in relation to the massive generational shift in business ownership facing the nation, known as the “Silver Tsunami.” Project Equity used its data analysis to create 50 state-specific infographics which will be released as part of The ESOP Association’s 47th National Conference in Washington, DC this week. TEA has scheduled more than 220 individual meetings with Members of Congress and their staff to share the data as well as other legislative and regulatory priorities for the employee ownership community.

Project Equity and The ESOP Association are both motivated to provide a deeper understanding of employee ownership and its potential role in addressing the pending retirement of millions of baby boomer business owners. Their partnership will increase awareness of employee ownership and provide helpful tools to policymakers, business owners, and community leaders who are concerned about keeping good jobs in local communities.

“We [already knew](#) that over the last 12 years, ESOP companies were 235% better at keeping jobs rooted in our local economies when compared to conventionally owned companies. This new data project brings into high detail the exposure our nation faces with the Silver Tsunami, and the solution that exists in employee ownership,” said Jim Bonham, President and CEO of The ESOP Association. “We envision an America where employee ownership is widely recognized as a catalyst for economic prosperity and creates a fair pathway for private business owners to help their employees share in the business they helped to build.”

“We are delighted to partner with The ESOP Association at this time of immense opportunity for employee ownership,” said Hilary Abell, co-founder of Project Equity. “At Project Equity, we have a strong ethos of collaboration, because we recognize that the significant needs of businesses require organizations in the employee ownership space to work together. Raising awareness is especially important, so that economic development professionals, business owners and their advisors can consider employee ownership.”

The United States is facing a wave of retirements by baby boomers, who own more than half of all privately-held businesses with employees. The risk is that these businesses will not be retained locally — either because they quietly close down, are sold to out of area buyers and parceled, or simply do not have a succession plan as the owner transitions into retirement. In such situations, an employee ownership succession plan provides a fair sale price and a flexible exit timeline for business owners and taps the energy of the next generation to preserve and grow legacy businesses.

In addition to job retention, multiple benefits of employee ownership, such as greater employee engagement, higher job quality, and better business performance, have [been documented](#) in hundreds of studies. During these uncertain times when businesses must respond quickly to change, there is increasing interest in proven strategies like employee ownership.

Project Equity’s data illustrates how many businesses in each state across the country, and in which industries, are in danger of closing. When held in combination with The ESOP Association’s extensive body of research demonstrating the benefits of employee ownership, it paints a potent picture of how employee ownership could help solve the problem. Today, there are myriad opportunities for the federal government to advance employee ownership, including more equitable tax treatment of different business forms when creating an ESOP, rationalized small business lending through the SBA for ESOP and worker cooperative formation, education and public awareness initiatives, and the State Small Business Credit Initiative.

This partnership is coming together at an opportune time to highlight employee ownership as a solution to retain and create jobs, increase wealth for workers and keep businesses rooted in their communities.

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The ESOP Association is the largest organization in the world supporting employee-owned companies, the more than 10 million U.S. employees who participate in an ESOP, and the professionals who provide services to them. Headquartered at the International Employee Ownership Center in Washington, DC and operating as a 501c6 organization with the affiliated Employee Ownership Foundation, The ESOP Association conducts and funds academic research, provides more than 160 annual conferences and events attended by nearly 15,000 individuals, and advocates on behalf of employee owners and their businesses to federal and state lawmakers. You can learn more at www.esopassociation.org.

[Project Equity](#) is a national leader in the movement to harness employee ownership to maintain thriving local business communities and address income and wealth inequality. Project Equity works with partners around the country to raise awareness about employee ownership as an exit strategy for business owners, and as an important approach for increasing employee engagement and wellbeing. We also provide hands-on consulting and support to companies that want to transition to employee ownership through ESOPs, worker cooperatives or employee ownership trusts, as well as to new employee-owners to ensure that they, and their businesses, thrive after the transition. Read more at www.project-equity.org.