



**Rep. Lucy McBath Introduces the *Protecting America's Retirement Security Act***  
Includes Employee Ownership and Participation Initiative at US Department of Labor

**Washington, DC, April 1, 2022** – Today Representative Lucy McBath (GA-6) introduced the [\*Protecting America's Retirement Security Act \(HR 7310\)\*](#), which includes significant employee ownership provisions aimed at funding outreach about employee ownership and business succession. The ESOP Association applauds the inclusion of employee ownership provisions in this legislation and appreciates the support for employee ownership from several involved Members of Congress.

Section 6 of this bill creates the Employee Ownership and Participation Initiative within the U.S. Department of Labor to award grants for employee ownership programs nationwide. These grants would fund outreach about employee ownership and business succession, technical assistance to those seeking to start new employee-owned businesses, and other training to support employee ownership. A total of \$50 million is authorized over a five-year period for these grants. This program is a recognition of the benefits of employee ownership to workers, their families, businesses, local communities, and the economy in general.

The bill as introduced has five cosponsors from the House Education and Labor Committee, including Rep. Joe Courtney of Connecticut, whose Work Opportunity, Readiness and Knowledge Act (HR 6024, sponsored with Rep. Pocan of Wisconsin) was the basis for the section promoting employee ownership. Importantly, House Education and Labor Committee Chairman Bobby Scott of Virginia is a cosponsor of the bill. Further committee action, or markup, is scheduled for Tuesday, April 5<sup>th</sup>.

“We appreciate Representative McBath’s efforts and support, and also Rep. Courtney for his work advancing employee ownership through HR 6024” said James Bonham, President and CEO of The ESOP Association. “Of course, Chairman Scott deserves special appreciation for his support for including this employee ownership provision into this bill.”

Bonham continued, “Employee ownership increases employment satisfaction, productivity, and wages in the United States, making it good public policy for our nation, communities, and workers. We’re grateful these Members of Congress are working hard to address the economic issues facing our country.”

“Further, employee ownership provides an important foundation for local job retention and economic stability as the 2.9 million baby boomer business owners begin to retire from the workforce. These businesses represent over 32 million jobs, and more than \$6.5 trillion in revenue. Yet over 85% of these current businesses lack adequate succession plans. This effort by the Department of Labor would help address this looming crisis and ensure the benefits of employee ownership reach more American workers.”

HR 7310 includes other retirement-related provisions related to fee disclosure for 401(k) plans, financial literacy, automatic reenrollment for 401(k) plans, increased spousal protections for retirement funds, and provisions that promote emergency savings. Full text of the bill can be [viewed here](#).

While ESOPs promote retirement security and employee ownership helps keep jobs in our local communities, research has shown other benefits as well. Employee-owned companies proudly performed better in several ways than conventionally owned businesses during the pandemic, and ESOPs and employee ownership counter wealth inequality and help retain employees.

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