



For Immediate Release

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New Partnership Launched to Amplify the Awareness of Employee Ownership as a Cost-Effective Recovery Strategy for Small Businesses

-Employee Ownership Expansion Network and Project Equity help new state centers communicate the twin small business crises and educate about the employee ownership solution-

(December 2, 2020—Oakland, CA) — Today, the Employee Ownership Expansion Network (EOX) and Project Equity announced their new partnership designed to amplify employee ownership models as ways to preserve small businesses, strengthen jobs and communities and address the acute need for local economic resiliency. This powerful partnership will help to accelerate the impact of new State Centers for Employee Ownership by providing proven and ready-to-utilize awareness, marketing and PR tools and resources. The urgency of supporting small businesses is paramount, given the “twin small business crises” of COVID and the [Silver Tsunami](#) of baby boomer business owner retirements.

America is facing a wave of retirements by baby boomers, who own nearly half of all privately-held businesses. The risk is that these businesses will not be retained locally — either because they quietly close-down, are sold to out of area buyers, or simply do not have a succession plan as the owner transitions into retirement. In addition, the sting of the global COVID-19 crisis has frozen demand and stalled cash flow for many small businesses.

Amid the ongoing uncertainty, city and state officials are scrambling to figure out how to craft effective and equitable small business recovery plans. The response should aim first to preserve existing business assets and the value they have built, helping them survive this downturn – and prepare to re-open at full capacity when the time comes.

Employee ownership [increases engagement](#), dedication and ingenuity, which are key to business success, especially during this uncertain time when businesses must respond quickly to change. For those businesses with retirement-age owners—nearly one out of every two job-creating small businesses nationwide, an employee ownership succession plan provides a fair sale price, preserves the business’ legacy and offers timeline flexibility in an owner’s exit plan. Employee ownership taps the energy of the next generation to help retirement age owners avoid deciding just to close up shop.

“We look forward to a long-term partnership with Project Equity,” said Steve Storkan, Executive Director, EOX. “One of our core beliefs at EOX is that collaboration among organizations in the employee ownership space is key to our ability to bring all forms of employee ownership to the forefront of public knowledge around succession planning and to address the significant needs of small businesses right now. Our small businesses need high employee engagement to help navigate the unknowns in today’s economy, and a huge number of them need succession planning. While the ‘boots on the ground strategy’ of state centers for employee ownership has [proven to be effective](#), we cannot do it alone. Simply put, we are better together.”

A key component of EOX and Project Equity’s partnership is for Project Equity to provide statewide data presentations to State Centers for Employee Ownership that illuminate and quantify the “twin small business crises,” making it clear that decisive action is needed to support small businesses, and educating about the highly underutilized, highly impactful and cost-effective employee ownership solution.

“Our data analysis and presentation work is modeled after Project Equity’s successful partnerships with cities, counties and regions focused on business retention through employee ownership as an economic development strategy,” said Alison Lingane, co-founder, Project Equity. “Designing solutions starts with understanding the issues: which industries and which counties have businesses that can most be helped by integrating employee ownership. Now, more than ever, solutions are needed that create economic resiliency for small businesses, workers and local economies. Employee ownership can keep many of these businesses locally-owned for the long term and will deepen their positive impact on our local economy.”

This partnership brings together complementary competencies to further the organizations’ shared understanding that encouraging the broader use of employee ownership is a highly cost-effective way to retain and create jobs, increase wealth for a broad sector of workers and keep businesses rooted in their communities.

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The Employee Ownership Expansion Network is a 501(c)(3) non-profit organization organized on July 4, 2018 in Philadelphia, PA whose mission is to significantly expand employee ownership in the United States through establishing and supporting a network of independent non-profit Centers for Employee Ownership. Since officially launching in 2019, EOX has provided funding and technical assistance in the opening of six state centers for employee ownership with one more to be opened before the end of 2020. The ultimate goal of EOX is to have 70% of the US population living in a state with a center for employee ownership in hopes of creating 1 million new employee owners. Read more at www.eoxnetwork.org

Project Equity is a national leader in the movement to harness employee ownership to maintain thriving local business communities, honor selling owners’ legacies, 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. Through hands-on consulting and support to companies that want to transition to employee ownership, as well as to the new employee-owners, Project Equity helps them, and their businesses, thrive after the transition. Read more at www.project-equity.org.