



Worker ownership: Creating commitment and community

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Over this past year, as part of the Department's new Employee Ownership Initiative, I've had the opportunity to visit worker-owned businesses across the country and meet with so many members of the employee ownership community at conferences and other convenings. At each stop and with each conversation, I saw and heard the impact that worker ownership can have on America's workers.

I visited a construction company outside of Atlanta, an insulation and solar company in Cincinnati, a truck parts manufacturer in Kansas City, a construction firm in Dallas, an engineering and architectural firm in Kansas City and an aerospace parts distributor in Connecticut—among others. Businesses of

different sizes, in different industries, in various parts of the country. Companies that were new to worker ownership and companies that have been employee-owned for decades. Businesses where workers were represented by unions as well as being owners. And what I saw were diverse companies doing what works for their employees. No matter what path these businesses took to land at an employee ownership arrangement, there was one thing that I repeatedly witnessed: workers with a personal sense of ownership and commitment to each other and their communities. I've learned so much about worker ownership, and I've appreciated the welcoming of the community in sharing their experience and stories.

Worker ownership refers to business structures that give employees a financial stake in the companies where they work. This can take different forms, including:

- **Worker cooperatives:** A democratic model where workers own the business and elect and serve on the Board of Directors.
- **Employee ownership trusts:** A model where a trust owns all or part of the business and ensures that it operates for the benefit of workers.
- **Employee stock ownership plans (ESOPs):** Federally regulated retirement plans that own all or part of a company. These plans are controlled by plan fiduciaries who must administer them with prudence and undivided loyalty to the plan, its participants (the workers) and beneficiaries.

These structures all share a defining feature: ownership is open to all employees (not just senior managers), if they meet basic requirements, such as having been with the company for a year or two. At its best, employee ownership creates and sustains quality jobs, helps workers build wealth and fosters engagement in the workplace and the broader community.

The Employee Benefits Security Administration (EBSA) is committed to helping create and promote business ownership by America’s workers. Our new Division of Employee Ownership will implement the provisions of the WORK Act and the SECURE 2.0 Act and take steps to educate workers and employers about worker ownership. Our agency is tasked with protecting America’s workers, but we can go beyond that. We can increase opportunities for workers, support the amplification of worker voice, help employers and employees be successful together and build a better workforce.

The businesses I visited have anywhere from eight employee-owners to over 14,000. And they all had different stories about how they decided to become an ESOP or cooperative, how it has worked for them and how they structure it for their own company. We know it won’t look the same for everyone, so EBSA is here to help workers and employers figure out their next chapter.

But our work on this is just beginning. As we celebrate Employee Ownership Month this October, we want you to get involved in helping us enable workers to share in the profits that their labor makes possible and helping us best understand how we can support and serve workers in providing information about worker ownership.

Share your ideas and input on the Employee Ownership Initiative to ownership@dol.gov. We particularly want to know:

- What type of resources do you want us to offer?
- What techniques have you seen that effectively encourage worker voice and employee engagement?
- If you are a workforce or economic development professional who is interested in promoting employee ownership, how do you think the government, at the State and Federal level, can help?

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