

A Case for the COMMUNITY WEALTH BUILDING GRANT PROGRAM

Shared ownership models, including employee ownership, cooperatives and commercial land trusts, are proven methods for economic recovery and growth. They retain and grow businesses and jobs, revitalize distressed areas, prevent displacement, and expand ownership opportunities for BIPOC and other underrepresented groups.

Shared Ownership Models



WORKER COOPERATIVES
& OTHER FORMS OF
EMPLOYEE OWNERSHIP



REAL ESTATE INVESTMENT,
SHARED SERVICES, OTHER
COOPERATIVE STRUCTURES



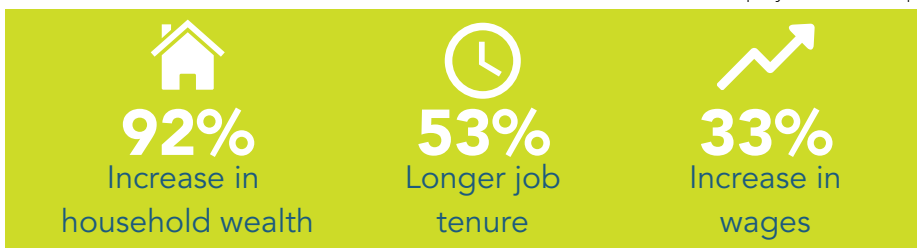
COMMERCIAL
LAND TRUSTS

Employee Ownership

In an employee-owned company, the workers—not outside shareholders—own all or at least a significant percentage of their workplace.

National Center for Employee Ownership

Why



DID YOU KNOW?

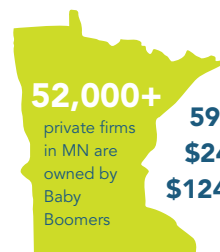
2021 study: if 30% of US business were owned by its workers, median wealth of Black households would increase from \$24,000 to \$106,000.

Average wealth of the bottom 20% would quadruple.

“Employee Ownership and Wealth Inequality, A Path to Reducing Wealth Concentration” Thomas Dudley, Etan Rouen Sept 2021

Baby Boomer Opportunity

Baby boomer-owned businesses in 2012 employed 24.7 million people, generating \$5.14 trillion in sales.



599,000 employees
\$24 billion in payroll
\$124 million in revenue

Opportunity

6 in 10 of these
businesses will be
listed for sale



This is an opportunity to transfer wealth/ownership to BIPOC, women, low wealth and other underrepresented groups through a transition to employee ownership.



Only 2 in 10 listed
business will
actually sell

85% of owners have no succession plan.

Only 15% of businesses will pass to family members.

Data above developed by Project Equity using US Census and SBA data

HF 3733 | SF 4114



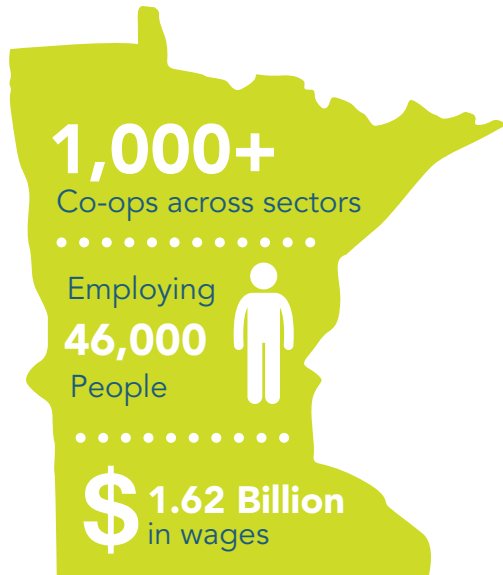
Metropolitan Consortium
of Community Developers

Cooperative

A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs through a jointly-owned and democratically controlled enterprise.”—International Cooperative Alliance

Minnesota has a strong history of cooperative models across the state. We can do more to increase wealth though, through a state specific program to provide access to capital and technical assistance.

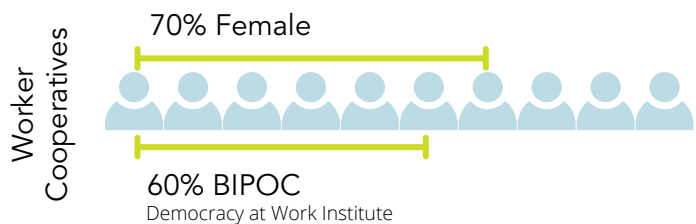
Local Glance



U of Wisconsin Center for Cooperatives

Between 2011-2019, Minnesota was among the top 10 states for new cooperative start-up in both rural and urban communities.

Collective Action in Rural Communities, UW Center for Cooperatives, Esther West and Courtney Berner, August 2021



Commercial Land Trust

Similar to a housing land trust, a Commercial Land Trust (CLT) is a community-based initiative that works to provide permanently affordable commercial ownership opportunities by acquiring land and holding it “in trust” indefinitely for the benefit of the community, ensuring that the properties will always remain affordable for local business owners.

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In a survey of businesses conducted in November 2020, about a fifth of Black and Latinx business owners said they expected to close by mid-2020

[bloomberg.com/news/articles/2021-05-19/small-businesses-are-victims-of-gentrification-too](https://www.bloomberg.com/news/articles/2021-05-19/small-businesses-are-victims-of-gentrification-too), Willow Lung-Amam

Opportunity

Affordable real estate could help to prevent the wave of BIPOC owned business closures.

