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FOR IMMEDIATE RELEASE: December 2, 2020

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**MAYOR DE BLASIO LAUNCHES EMPLOYEE OWNERSHIP NYC, NATION'S
LARGEST MUNICIPAL INITIATIVE TO SUPPORT EMPLOYEE OWNERSHIP
CONVERSION**

NEW YORK—Mayor Bill de Blasio, in concert with the Taskforce on Racial Inclusion and Equity, the Department of Small Business Services (SBS), and the Mayor's Office of Minority and Women-Owned Businesses Enterprises (M/WBE), today announced the launch of Employee Ownership NYC, the nation's largest municipal initiative for education and technical assistance around employee ownership and conversion. Business owners taking full advantage of the program can access services worth \$10,000 or more in the private sector, all while building sustainable business models that offer true wealth-building opportunities for their workers.

"Enabling workers to buy their businesses is a proven model to address the wealth gap in this city – and it will be a transformative approach for businesses looking for creative ways to recover from the challenges posed by COVID-19," said **Mayor Bill de Blasio**. "This approach helps anchor small businesses in the communities they serve, and I'm excited to see workers take a greater leadership role in their companies."

"To promote small business ownership, we must do more than open doors of opportunity in New York City, especially in underserved communities," said **First Lady Chirlane McCray**. "This new program will address the key challenges of sustaining a small business with education, training and high level supports. Removing the obstacles to entrepreneurship for people of color will move the city forward in the recovery, while preserving the culture and personal connections small businesses nurture in our neighborhoods."

"Employee-ownership is a powerful and longstanding strategy for bolstering business resiliency, preserving jobs, generating wealth, and cultivating a sense of ownership amongst working people, especially employees of color, in their workplace and in this nation," said **Deputy Mayor for Strategic Policy Initiatives J. Philip Thompson**. "I'm excited the City will support owners to sell their businesses to their employees towards advancing an equitable recovery and closing the racial wealth gap."

Employee Ownership NYC offers businesses and workers support in adopting this compelling business model. The launch of a rapid response hotline, Owner to Owners, will ensure that more businesses access these services. The service is available at www.Owner2Owners.NYC or at 646-363-6592 and offered in ten languages: English, Spanish, Chinese-Mandarin, Russian, Haitian Creole, Korean, Vietnamese, Urdu, Bengali, and Arabic.

Employee owned firms are better for communities, employees, and businesses themselves. Research shows that since the onset of COVID-19, majority employee-owned firms have retained four times more jobs than their non-employee owned counterparts and are better equipped to manage uncertainties and risks associated with economic downturns. Selling all or part of the business to their employees can help business owners keep their doors open and increase financial security. Although 90 percent of business owners plan to use liquidity from their businesses to fund retirement, 85 percent of business owners do not have a succession plan and 70-80 percent of businesses put onto the market do not sell.

Employee owned companies provide more opportunities for workers to build wealth, particularly workers of color. Workers at employee owned companies are seven times less likely to be laid off than their counterparts. And workers of color at employee owned companies also have 79 percent higher median household net worth and 30 percent higher median income from wages than their counterparts.

“Innovation, collaboration, and adaptability are key when envisioning how small businesses will recover from the challenges posed by COVID-19. The launch of the Employee Ownership program is a powerful way to assist business owners in selling their business to their employees, giving workers a personal stake in helping the business succeed,” said **Jonnel Doris, Commissioner of the NYC Department Small Business Services**. “SBS is ready and here to help business owners transition to this model to ensure that they preserve their legacy and keep jobs in their community.”

“Ownership is a crucial component of addressing the racial wealth gap. With today’s announcement, the City is taking a bold step to support entrepreneurs looking to sell their business to convert to an employee-ownership model,” said **Sideya Sherman, Executive Director of the Taskforce on Racial Inclusion and Equity**. “Owner to Owners will ensure business continuity while saving jobs and offering employees a real opportunity to build assets and control their financial future.”

Four community-based organizations – the Democracy at Work Institute, The Working World, the ICA Group, and the Business Outreach Center Network – will offer expert support for business owners considering and implementing the transition to employee ownership. The program is expected to reach at least 20,000 businesses.

Specific services offered to interested businesses will include:

- Initial consultation and Eligibility Assessment
- Succession planning, including estimate of business value
- Business Readiness Assessment
- Access to capital, depending on eligibility
- Guidance through sale process
- Training and education for founders, managers, and staff to support successful ownership transition.

This builds-on the foundations laid by City Council through the [Worker Cooperative Business Development Initiative](#) (WCBDI), a program administered by Small Business Services (SBS).

"Employee ownership programs are a business strategy that helps to raise wages and boost wealth for New York City workers," said **Manhattan Borough President Gale A. Brewer**. "I encourage small businesses to take a look at the services and support that Employee Ownership NYC offers to them and see the significant benefits a transition to employee ownership can bring, from increasing opportunity to strengthening the local economy."

"It's great that Mayor de Blasio and the City have invested in Employee Ownership and Worker Cooperatives. For many years, The Worker Cooperative Business Development Initiative has paved the way for many great worker coop organizations to support conversions, doubling down on that work during the COVID crisis. This hotline is a great progression of the work and how worker cooperatives and the organizations that support them can rebuild New York's economy. Worker Cooperatives are genuinely committed to racial and gender equity and collaboration," said **Council Member Helen Rosenthal**.

"At this critical moment, alternative business structures and solutions for sustainability offer the real chance to support wealth-building for underserved New Yorkers and support community economies. Business Outreach Center Network and BOC Capital CDFI are committed to this collaborative effort that promises to advance inclusive business development in NYC," said **Nancy Carin, Executive Director of The Business Outreach Center (BOC) Network**.

"Being a worker owner means you're not held back by what other people think your limits are, and as a Latina woman, that has meant everything to me," said **Linda Diaz, worker owner and President of Brooklyn Stone and Tile**. "Employee ownership provides the opportunity for workers to become the best version of themselves that New York City needs and deserves. Brooklyn Stone and Tile is stronger because our workers take an owner's approach to growing the business and serving our customers."

"Employee ownership is an option worth exploring for any business owner looking to retire. My employees know the business best and are motivated to keep it running successfully," said **Eric Greenberg, President of Green Mountain Graphics**. "The support I received from the ICA Group helped me evaluate my options and find a solution that will meet both my financial needs on my timeline and allow for a transition that benefits me, my employees, and our customers."

"Employee ownership is a proven job preservation strategy and must be a central part of the economic response to the current crisis. We have already seen a disproportionate number of black and minority-owned businesses shut down and we must act now. Employee ownership addresses the challenges that distressed business owners face, and it preserves critical jobs and main street businesses," said **David Hammer, Executive Director of The ICA Group**.

"It makes so much sense that NYC is turning to employee ownership as the city plans for an effective, equitable recovery that preserves small businesses and the value they've created. Employee ownership is a powerful tool to build broad-based prosperity and a thriving small business sector. We know that firms owned by their employees tend to be more productive and

resilient. They create more stable jobs as well as wealth-building opportunities that grow alongside business growth. The Democracy at Work Institute co-founded Owner to Owners because helping existing businesses sell to their employees is a win all around: for business owners, workers, and communities,” said **Melissa Hoover, Executive Director of the Democracy at Work Institute.**

“The Working World is dedicated to the preservation and support of the small businesses that are New York's economic backbone. Providing the capital and assistance for owners to sell to their employees can keep thousands of businesses open and give their longtime owners a chance to get back some of the value they put in. The Business Hotline provides one of the fastest ways for any owner thinking about selling to get the support they need to do it well,” said **Brendan Martin, Executive Director of The Working World.**

"Since 2014, NYCNoWC and the 13 organizations of the Worker Cooperative Business Development Initiative have built community power by building cooperative businesses and saving good jobs,” said **Sadé Swift, Advocacy Council Coordinator of the NYC Network of Worker Cooperatives (NYCNoWC).** Our collective impact has laid the strong foundation that makes Owner to Owners possible at a critical moment for NYC small businesses. Our future looks bright when we put workers and community first!"

Service Providers Background:

- **The Business Outreach Center (BOC) Network** is a micro-enterprise/small business development organization focused on inclusive business development. BOC delivers customized business services to under-served entrepreneurs in the New York City metropolitan area as well as capacity-building services to organizations establishing and operating community and micro-enterprise development programs.
- **The ICA Group** is a leading expert on employee ownership and the oldest national organization dedicated to the development of worker cooperatives. ICA's [Keep the Doors Open Business Resilience Program](#) helps business owners preserve their retirement savings, legacy, and local jobs by determining whether selling all or part of the business to their employees is right for them. The ICA Group administers the Fund for Jobs Worth Owning, which provides investment capital and gap financing for businesses transitioning to employee ownership.
- **The Working World** a leading partner for business owners interested in [selling their company to their employees](#), with over 15 years of experience providing the technical assistance and financial capital needed to ensure a smooth transition to employee-ownership. As a certified Community Development Financial Institution, The Working World has invested millions of dollars in employee-owned businesses and conversions. The Working World is part of the [Mayor's Equitable Industrial Development \(EqID\) Initiative](#).
- **The Democracy at Work Institute** (DAWI) works to expand the worker cooperative model to reach communities most directly affected by social and economic inequality, specifically people of color, recent immigrants, and low-wage workforces. DAWI is a movement-based think-and-do tank supporting worker cooperatives to grow to a scale that creates meaningful change in the economy through research, innovation, and education.

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