COMMUNITY WEALTH BUILDING PILOT 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

Why

92% Increase in household wealth

53% Longer job tenure

33% Increase in wages

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.

52,000+ private firms in MN are owned by Baby Boomers

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
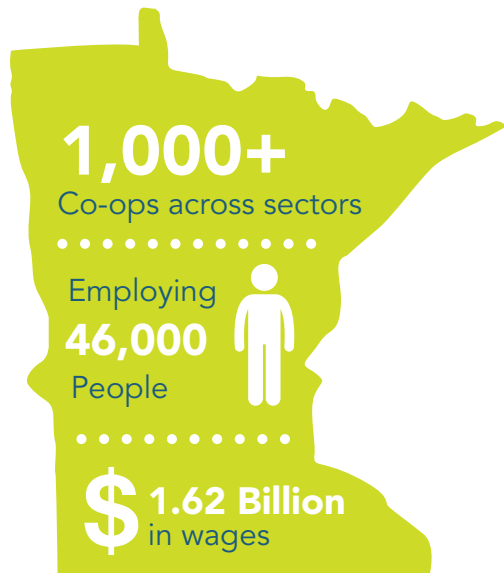
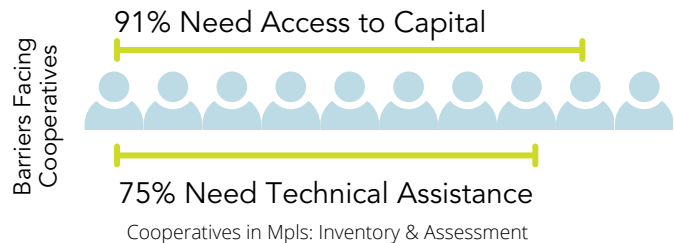**HF3846 | SF 4182**

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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

Local Glance

1,000+
Co-ops across sectors

Employing
46,000
People

$ 1.62 Billion
in wages

U of Wisconsin Center for Cooperatives

Minnesota has a strong history of cooperative models. But, a recent study showed the biggest barriers cooperatives face are start-up capital and technical assistance needs.

Barriers Facing Cooperatives

91% Need Access to Capital

75% Need Technical Assistance

Cooperatives in Mpls: Inventory & Assessment

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.

1 in 5

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, Willow Lung-Amam

Opportunity

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

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