

Honorable Representative Arthur Corvese, Chair  
House Labor Committee  
82 Smith Street  
Providence, RI 02903

**Re: Support of H-5940, The Rhode Island Opportunity for Employee Ownership Act**

Dear Chair Corvese,

Heartleaf Books, Rhode Island's cooperative bookstore, is proud to express our wholehearted support for **H-5940**, the Rhode Island Opportunity for Employee Ownership Act. This legislation creates opportunities for small business owners to transfer ownership of businesses to their employees when the owner decides to sell. If passed, it could generate ownership and wealth-building opportunities for tens of thousands of Rhode Islanders while providing a strategy for Rhode Island to meet the challenges of thousands of small business owners retiring in coming years (a.k.a. 'Silver Tsunami'). According to data compiled by Project Equity, 56% of small business owners in Rhode Island are over the age of 55. As increasing numbers of our state's locally-owned small businesses approach points of transition, we see conversion to employee ownership as an ideal outcome to preserve community character, safeguard local ownership, and provide economic mobility opportunities to working Rhode Islanders.

Heartleaf Books is a member of the Rhode Island Worker Cooperative Alliance, an organization representing worker cooperatives and support organizations throughout the state dedicated to building a democratic local economy by facilitating the creation, growth, and viability of worker cooperatives in and around Rhode Island. As a democratic workplace and hybrid consumer/worker cooperative, Heartleaf is deeply invested in the success of worker cooperatives in Rhode Island.

House Bill 5940 represents a prudent investment for Rhode Island that would pay dividends for years to come. Research shows that support for worker cooperatives is an effective economic development strategy, building community resilience and creating sustainable, dignified jobs. According to a 2017 study from the National Center for Employee Ownership, wages are 33% higher, median job tenure is 53% longer, and net worth increases 92% when workers have an ownership interest in the organizations in which they work.

Despite these benefits, worker cooperatives represent a very small part of Rhode Island's economy. The RI Worker Cooperative Alliance (RIWCA) website lists only eleven companies incorporated as worker cooperatives in RI. Rhode Island is ripe for policy interventions that could quickly increase the number of worker owners in the state. House Bill 5940 is an important first step.

We are particularly disheartened by the news of beloved local restaurants being purchased by billionaires without notifying staff and providing an opportunity for employee ownership. This bill is necessary to keep small businesses in Rhode Island, strengthen our local economy, and fight the billionaire oligarchs seeking to destroy what makes Rhode Island so special: our people.

As such, we strongly urge the committee to move this bill forward. Should you have any questions, please do not hesitate to contact me directly at [hello@heartleafbooks.com](mailto:hello@heartleafbooks.com)

Sincerely,  
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