

March 18, 2025

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,

I, Sloan Burke, am proud to express my 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.

As a Baker in the state of Rhode Island for 15 years, I've been employed at many small businesses that have ended up closing for one reason or another. Employee's of our state's small businesses deserve the right to have first shot at purchasing the business to help keep our economy local. We do not need or want more big corporate companies coming in to our state destroying all of our history. Myself and the rest of Milk Thistle Kitchen Cooperative, are members 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.

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.

As such, I strongly urge the committee to move this bill forward. Should you have any questions, please do not hesitate to contact me directly at sloanburke893@gmail.com.

Sincerely,

Sloan Burke
Baker, Member Milk Thistle Kitchen Cooperative