

March 29, 2026

To: Honorable Representative Arthur Corvese, Chair, House Labor Committee
82 Smith St, Providence RI 02903
From: Rhode Island Worker Cooperative Alliance
Re: Support of House Bill 7964, the Rhode Island Opportunity for Employee Ownership Act

To Chair Arthur Corvese and members of the House Labor Committee,

The RI Worker Cooperative Alliance is proud to express our wholehearted support for House Bill 7964, the Rhode Island Opportunity for Employee Ownership Act. This legislation creates opportunities for small business owners to sell their businesses to their employees. The Rhode Island Worker Cooperative Alliance represents worker cooperative businesses and support organizations throughout the state. We're dedicated to facilitating the creation, growth, and viability of worker cooperatives in and around Rhode Island.

If passed, the Opportunity for Employee Ownership Act 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.

House Bill 7964 would require certain qualified small businesses to give employees a 30 day notice of intention to sell the business before it is publicly listed for sale, and would give employees an opportunity to initiate a process to potentially purchase the business as a worker cooperative. Any sale to employees would move forward only if that option is amenable to both parties. Of note— we worked with the sponsor to incorporate feedback from concerns we heard in the 2025 legislative session, so there are some significant differences in this version, including no preferential treatment toward who ultimately buys the business (employees or other). This Act is more focused on being an educational and notification tool.

House Bill 7964 represents a prudent investment for the Rhode Island economy 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. When worker cooperatives form a significant portion of a region's economy, the results can be transformative. Rhode Island is ripe for policy interventions that could increase the number of worker-owned businesses in the state, all while giving traditional business owners an option to amicably sell and see their business legacies live on. House Bill 7964 is an important step toward strengthening our local small business economy, and we hope Rhode Island will be a leader in implementing such a practical and impactful policy.

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

Sincerely,

RI Worker Cooperative Alliance