

3/25/2026

Representative Mary Ann Shallcross Smith
Chair, House Committee on Small Business
82 Smith Street
Providence, RI 02903

RE: Letter of Support for HB7570

Dear Representative Shallcross Smith:

The RI Worker Cooperative Alliance is proud to express our wholehearted support for HB7570: An Act Relating to State Affairs and Government -- The Rhode Island Center For Employee Ownership. This bill would establish the Rhode Island Center for Employee Ownership to facilitate businesses transitioning to an employee-owned business model.

The Rhode Island Worker Cooperative Alliance represents 11 worker cooperatives and 9 support organizations throughout the state. We're dedicated to building a democratic local economy by facilitating the creation, growth, and viability of worker cooperatives in and around RI.

This legislation comes at a time when over half of business owners in the state are approaching retirement age. Retirement is the fastest growing reason for small business closures nationwide according to the Small Business Administration. Employee ownership represents an exciting opportunity to not only save these legacy small businesses, but to also extend the wealth-building opportunities of small business ownership to many who, on their own, might not be able to afford to buy a business. Over 20 other states already have Centers for Employee Ownership, and this bill builds off of the work done across the country to expand access to succession planning resources.

Research shows that support for worker-owned businesses 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.

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, as well as nine additional worker-run and/or co-op supporting organizations. Rhode Island is ripe for policy interventions that could quickly increase the number of worker-owners in the state. House Bill 7570 is an important first step.

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