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The Minnesota Center for Employee Ownership Launches *New Resource to Help Baby Boomer-owned Businesses With Succession Planning*

Minneapolis, MN — As an entire generation of Baby Boomer business owners look towards retirement, a valuable new organization has launched; the Minnesota Center for Employee Ownership ([MNCEO](#)). The mission of the MNCEO is to become a hub for unbiased education and practical resources centered around how employee stock ownership plans (ESOPs), worker cooperatives, and employee ownership trusts (EOTs) can be strong exit options for retiring business owners that also preserve jobs and strengthen communities. Dedicated to increasing community wealth and creating a more vibrant, inclusive economy, the MNCEO also aims to partner with the work being done by other great organizations in MN in preserving minority owned businesses through employee ownership such as [Nexus Community Partners](#).

According to [Project Equity](#) there are approximately 2.3 million businesses in the United States owned by individuals age fifty-five or older. Approximately 45,000 of these businesses are located in Minnesota with sixty percent of these business owners planning on retiring in the next ten years. However according to a 2017 study by the [Twin Cities Metro Chapter of the Exit Planning Institute](#), 65% of the Twin Cities baby boomer business owners surveyed had not completed any transition planning training and 79% had no written transition plan in place.

“This is a key moment in history with so many private business owners retiring,” says MNCEO Executive Director Sue Crockett. “The failure to plan for retirement by business owners has the capability of creating significant job losses in cities across the state of MN as businesses simply shutdown upon the owner’s retirement. Exiting their business via conversion to an employee ownership model can preserve local jobs and the owner’s legacy while at the same time offering the owner and their business excellent tax benefits and incredible profit sharing or retirement benefits for the employee owners.”

One such owner, Tom Hagen of Pro-Tec Design Inc. in Minnetonka, MN shares his experience in selling to an ESOP... *As I began planning for retirement, I looked for an answer to the question: what is my long-term vision for the company? Pro-Tec Design was admired as a great company that provided well for its employees, customers and community. What clarified in my mind was to find a way to continue this company and its culture into the future in a way that protects it and positions it for success at the next level. This quest led to the formation of an ESOP for the company which provided well financially for my family and our employees. We avoided the disruption, loss of identity, continuity, jobs and customers that can happen when a company is sold. Opportunity was created for our employee-owners to see growth in their shares of the company as the company grows in value over the years to come. The creation of the MN Center for Employee Ownership as a means for more business owners to be made aware of employee ownership as an option in succession planning is long overdue.*

The MNCEO is the third state center for employee ownership opened by the [Employee Ownership Expansion Network](#) (EOX), a national nonprofit focused on increasing the number of employee-owned enterprises across the U.S. by seeding and supporting a network of state centers. “Currently, the option to transfer ownership of a business to its employees is known by less than 10% of all baby boomer business owners,” says Steve Storkan, EOX Executive Director and MNCEO Board member. “The time has come for business owners and their advisors to stop accidentally stumbling upon the power of employee

ownership. The education and outreach being done by the MNCEO and other state centers is a powerful tool to increase this number and make the discussion of employee ownership part of the mainstream media." And there are additional benefits to employee ownership, Storkan adds. "By educating businesses about employee ownership, we are offering a solution to the wealth inequality problem without needing to rely on any new legislation or government action."

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Left to right: MNCEO Board Members – David Moeller, Sheryl Neuman, Steve Storkan (EOX), Sue Crockett, John McCormick