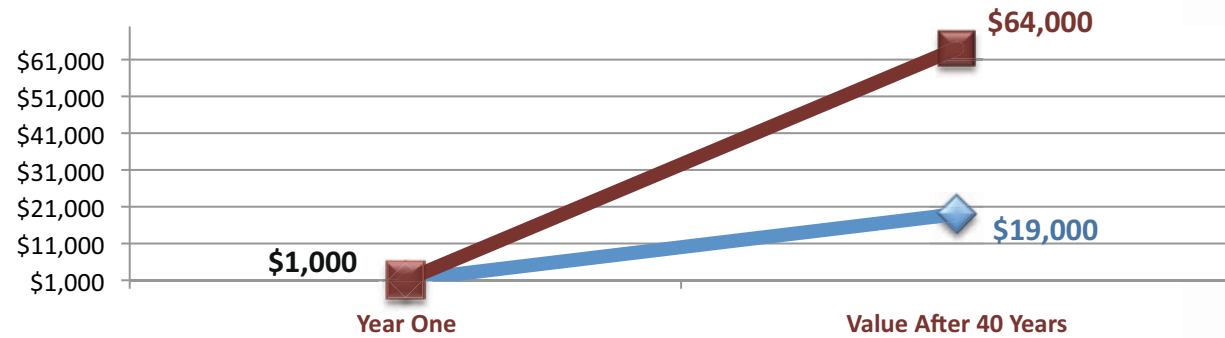


The Power of Employee Ownership

Research shows that companies which combine an Employee Stock Ownership Plan (ESOP) with a participatory culture have:

- Average wages that are **12% higher**
- Average retirement accounts that are **2.5 times greater**
- **4.5% increase** in employee productivity
- **An average yearly post-ESOP improvement in Return on Investment of +2.7%**

Over time, an extra 2.7% makes a difference...



◆ \$1000 Investment in Non-ESOP Company ROI 7.3% ■ \$1000 Investment in ESOP Company ROI 10%

Mission

The OEOC's mission is to broaden ownership of productive assets among working people through employee ownership and to deepen that ownership through greater employee participation to retain jobs locally and to increase living standards for working families and their communities.

References for the data included in this report are available on the OEOC website



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Ohio's
 Employee-Owned
 Network



Ohio Employee Ownership Center
 Kent State University

Now is the Time for

Averting Layoffs

Retaining Jobs

Anchoring Capital

Sharing Wealth

Increasing Productivity

Now is the Time for

Employee Ownership...



Strategy

The Ohio Employee Ownership Center supports the growth, retention, and creation of Ohio businesses in the following areas:

Business Retention and Layoff Aversion

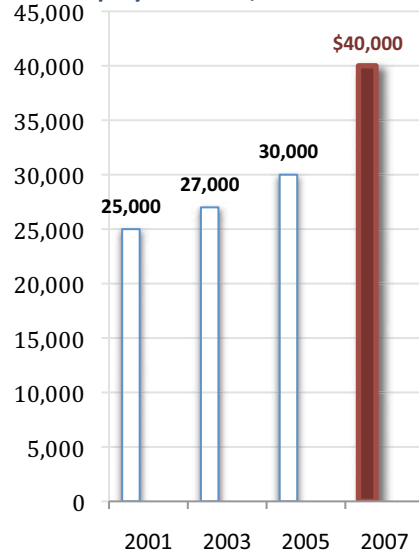
Business Succession Planning

Small business is the engine that drives Ohio's economy and is the source of most new job growth. Unfortunately, when the current generation of owners and leaders exit the business, many businesses do not survive the process. The OEOC's **Business Succession Planning Program at Kent State University** assists business owners and employees in designing an effective succession strategy with the goal of preserving the wealth they have created with the business, keeping the doors of the business open, and retaining jobs in our communities.

Business Shutdown Situations

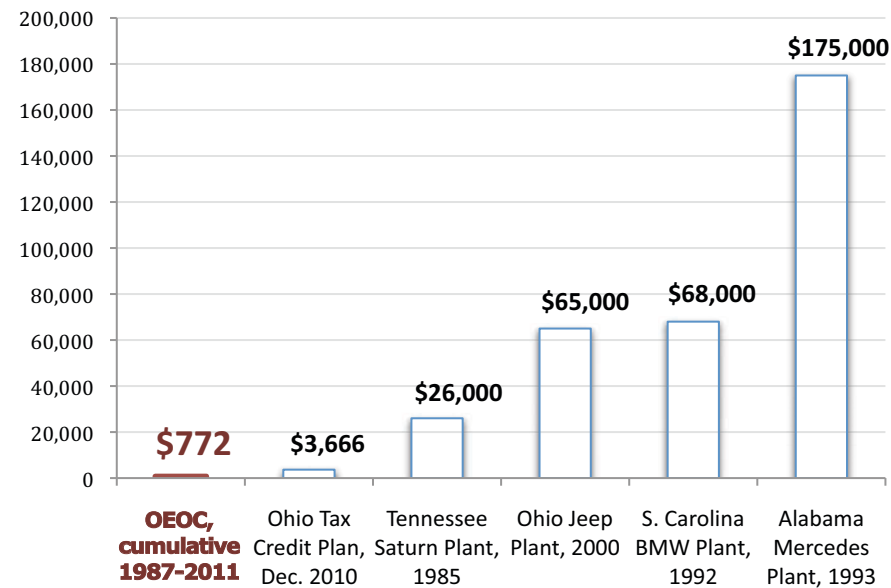
The OEOC assists management and employee groups faced with shutdown situations to explore other options to keep the business open. This is accomplished primarily through **Ohio's Prefeasibility Study Grant Program**, administered by the OEOC. The program provides financial and technical assistance for these groups to determine whether selling to management and/or employees will save the business from a shutdown and keep the employees in their jobs.

Average Net Assets in Ownership Account per Ohio Employee Owner, in dollars



- The OEOC Gets Results - Since 1987, the OEOC has:**
- Helped **694 companies** employing **139,814 people** explore whether employee ownership could save or retain jobs.
 - Assisted employees in buying all or part of **92 companies**, creating **15,000 employee owners** at a cost of **\$772 per job** created or retained.
 - As measured in 2008, total wealth for employee owners created by the companies the OEOC has assisted **exceeded \$344 million.**
 - As measured in 2010, wealth created for individual employee owners by companies the OEOC has assisted **averaged \$40,000...**

OEOC's Effective Use of Funds Cost per Job Saved/Created/Retained Compared to Other Publicly Funded Initiatives, in dollars



Layoff aversion and business retention is more cost effective than creating jobs and businesses from scratch.

Promotion of Employee Ownership

Employee ownership is a dynamic and proven tool for business and wealth creation/retention. Years of research have proven its effectiveness in greater profitability and productivity, and it anchors jobs and capital in our communities. Promotion of employee ownership is the core focus of the OEOC's mission. Consequently, the OEOC has a multi-pronged approach to encouraging the growth of the employee-owned business sector.

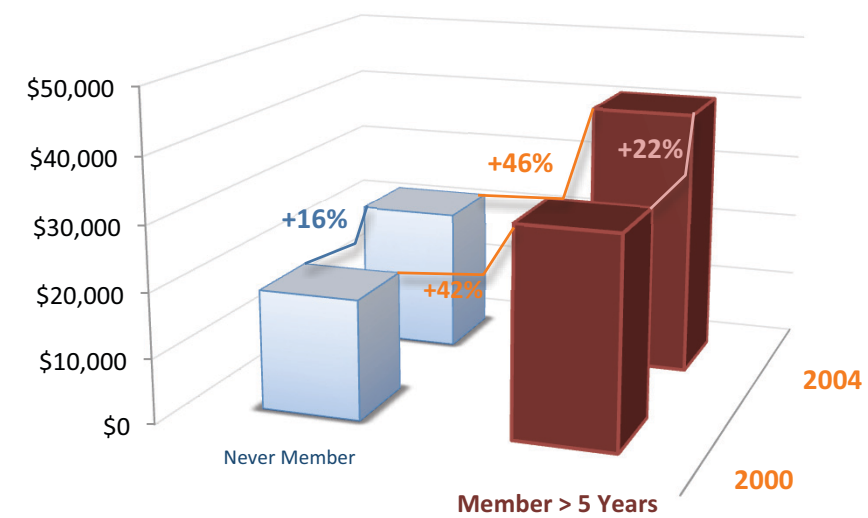
Outreach and Technical Assistance

The OEOC has a comprehensive outreach program, that includes: 1) seminars, workshops, and an annual employee ownership conference that, combined, attract hundreds of business leaders, employee owners, private practitioners, government and NGO groups, and economic development professionals every year; 2) a website (www.oockent.org) and semi-annual newsletter *Owners At Work* (circulation over 17,000) that provides resources and information on everything about employee ownership; and 3) dozens of speaking engagements and interviews with outside groups (both public and private) and media outlets.

Ohio's Employee-Owned Network

Years of research have proven that businesses that combine employee ownership with an employee ownership culture outperform their conventionally owned counterparts. **Ohio's Employee-Owned Network** exists to assist employee-owned companies unleash the possibilities. The Network accomplishes this primarily through workshops and seminars (as well as the annual conference) on ownership culture, technical issues, business literacy, group problem solving, and more.

Impact of Ohio's Employee-Owned Network: Improved Growth in ESOP Retirement Value per Participant



Membership in Ohio's Employee-Owned Network makes a difference that increases the longer one is a member.

Loans for Employee-Owned Businesses

The **Common Wealth Revolving Loan Fund**, managed by the OEOC, provides funds for existing Ohio employee-owned businesses, and for those looking to set up an ESOP or an employee-owned cooperative in Ohio. From humble beginnings, the fund has recently obtained Community Development Finance Institution (CDFI) status, and currently has nearly \$2 million in assets.

Research

As befits an organization located at a public research university, the OEOC has a long and proud history of supporting its grass roots economic development work with sound academic research. Though academic in rigor, the goal of the OEOC's research is decidedly practical in nature: the impact of employee ownership on state and national economies.

Replication of OEOC Initiatives

The OEOC has always been a collaborative organization focused on the spread and growth of employee ownership at local, national, and international levels. In the last year the OEOC has supported the development and growth of state employee ownership centers in New York and Vermont; assisted in setting up a national employee buyout center in Australia; received inquiries from economic development professionals from 14 cities (spanning 12 states and one province of Canada!) interested in replicating the Evergreen Cooperative Initiative; and coordinated two fact-finding and research visits to the Mondragon Cooperatives in the Basque region of Spain.

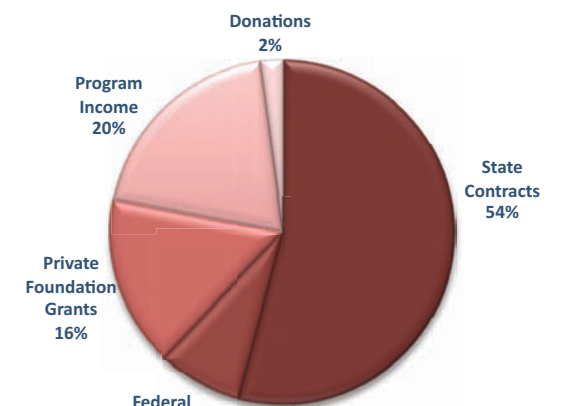
Development of Cooperative Enterprises

Cooperative enterprises are part of the fabric and history of American economic life. They also are providing an insight into the new frontier of employee ownership for smaller businesses. The OEOC's **Cooperative Development Center at Kent State University** assists in the creation of all types of cooperative enterprises, with a special focus on employee owned cooperatives. An exciting development in the creation of employee owned cooperatives is:

Evergreen Cooperative Initiative

The Evergreen Cooperative Initiative is an innovative model of economic development in the Greater University Circle area of Cleveland. Primary goals are: 1) create employee-owned businesses that employ residents of nearby moderate- to low-income neighborhoods whose; 2) products and services match the procurement needs of large nearby institutions; thereby 3) anchoring capital within neighborhoods, promoting wealth accumulation by employee owners and building viable economic enterprises.

Sources of Funding - FY 2010



...what if all 50 states had an employee ownership program similar to the OEOC?