



The Minnesota Center for Employee Ownership launched in January of 2020.

Some might say it was bad timing. But for small Minnesota businesses, it was perfect timing.

COVID-19 only deepened our mission to fortify local economies through employee ownership.

So in 2020, we hit the ground running.

Throughout 2019, The Employee Ownership Expansion Network (EOX) had been growing nationally by establishing state centers across the country. Minnesota was an ideal candidate for a new state center, with our robust history of co-ops and ESOPs. Our North Star State had already embraced employee ownership in many ways.

EOX assembled a small founding Board of Directors composed of Minnesotan employee

ownership experts, and provided \$25,000 in seed money to formally launch the Minnesota Center for Employee Ownership in January of 2020. You can call us MNCEO for short.

That's how Minnesota proudly became the newest member of a national movement to normalize employee ownership.

Because now is a crucial moment in the history of business.



MNCEO Board Members Pictured L to R: Chair John Moeller, Secretary Sheryl Neuman, EOX Steve Storkan, Executive Director Sue Crockett, and Treasurer John McCormick

**A study we commissioned with Project Equity found that there are 52,334 business owners in Minnesota who are aged 55+, and most of them don't have an exit plan.<sup>1</sup>**

**Their wave of retirement will become a “Silver Tsunami” over the next few years, and the future of their businesses is uncertain.**

**That puts roughly 600,000 jobs and \$124,000,000,000 in revenue at immediate risk of leaving Minnesota.<sup>2</sup>**

We must offset the tide of this “Silver Tsunami” of retirees, or watch decades of growth wash away in a few short years.

**Roughly 60% of Minnesota's retirement-age business owners plan to sell. Among those would-be sellers, half of them will struggle to find a buyer, and only 1/3 of them will succeed in finding one.<sup>3</sup>**

Those numbers point to a scary downward trend. Local Minnesota businesses are dying. The lucky ones sell before their owner retires. Some will permanently shutter their doors.

You don't need us to remind you that the COVID pandemic accelerated Minnesota's already dire business closure rates.

Communities suffer economically and socially as these businesses divest, one by one. It's already happening in many small Minnesota towns.

After a lifetime of work, many owners come to rely on their businesses to fund their retirement. What happens if they can't sell?

What happens to the jobs they create, the wealth they generate?

**Employee ownership can reverse the economic damage of retirement by anchoring wealth locally and creating equality for workers of all races, creeds, orientations, and abilities.<sup>4</sup>**

To counteract this oncoming “Silver Tsunami” of retirement by spurring employee ownership across the state, that is MNCEO's founding purpose.

As owners retire, we aim to put the work back into workers' hands.

A successful business can transition to an employee-owned model without compromising its core ideals or financial stability.

**Many business owners simply don't realize that employee ownership is a viable succession plan.**

Selling a business to employees solves the problem of finding a buyer.

---

1-4 <https://www.mnceo.org/the-silver-tsunami>

It can be structured so that it's affordable for the working-class and business owners can receive a fair price. The two are not mutually exclusive.

In fact, most businesses become more resilient, increase their wages, and improve their retention after a switch to employee ownership.

And that's the legacy any proud retiree deserves. The legacy MNCEO is fighting for.

**This looming retirement crisis is an opportunity to invest in working-class Minnesotans and retain community wealth.**



So, despite the challenges of 2020, we worked hard to:

**Advise businesses curious about employee-ownership on “making the switch”**

**Build our network of professional employee-ownership advisors across the state**

**Solidify our online presence with a website, an email list, and social media campaigns**

**Expand our Board of Directors with passionate and experienced experts**

**Give virtual presentations at business events and panels**

**Find enthusiastic supporters and donors**

All in all, not a bad first year, considering the once-in-a-lifetime challenges 2020 presented.

Many business owners don't realize that switching to employee ownership is a smart exit plan.

After all, it involves selling a business to the people who are most invested in it; the hard-working staff.

It's a smart way to leave a significant legacy. Employee owned businesses tend to be more resilient and have higher wages than their privately-held competitors.<sup>1</sup>

Considering a transition to an ESOP, an EOT, or a worker-cooperative is the ultimate show of respect to employees who deserve more equity in the workplace.

But it isn't easy. Selling a business never is.

That's why MNCEO is here to answer questions.

We never charge a dime to talk about employee ownership.

**In 2020, we advised and presented to more than 150 businesses free of charge. It costs nothing for business owners to [schedule a call with MNCEO](#) if they're even remotely considering "making the switch."**

Our in-house experts can demystify the complexity of employee ownership. We can get any business started on the path to transition, and support them along the way.

We'll also connect business owners with the correct experts from our network of professional advisors, depending on where they are in the journey to employee ownership.

Because "making the switch" is easier with professional help.

---

5 <https://www.mnceo.org/the-silver-tsunami>





Employee ownership can be a daunting process, especially if business owners or workers don't know anything about it. Connecting with the right advisor at the right time can make all the difference in a successful business transition.

Learning from those with hands-on experience can smoothly guide a business toward employee-ownership.

But these experts are hard to find.

That is, until MNCEO gathered them together in one place.

Our Executive Director Sue Crockett spent 2020 building something Minnesota has never seen before: **A broad network of employee ownership experts from across the state,**

which we call our [Professional Advisors Directory](#).

After a lot of research and even more phone calls, Sue found the experienced people who form the foundation of our Professional Advisors Directory.

MNCEO can connect businesses with the right employee ownership experts, whether they need an accountant, a lawyer, an appraiser, an admin, or anyone in between.

Now, curious Minnesota business owners can skip the tedious research and jump directly to finding the support they need to become employee owned.

One call to MNCEO is all it takes to begin.



In the year 2020...

...You're not "real" unless you have [a website](#).

...You won't be considered an expert unless you [post useful content and resources](#).

...You can't connect with people unless you [send them emails](#).

...You aren't educating anyone unless you make [some informative videos](#).

...You're invisible unless you make [some noise on social media](#) and [present at virtual events](#).

**So in 2020, MNCEO did all those things.**

Since everyone moved online in 2020, we met them there.

Through these various channels, we directly reached 100's of professionals and business owners in 2020.

And now we have the digital foundation to continue building the central hub of employee ownership resources for Minnesota.





MNCEO launched in 2020 with a small yet mighty founding Board of Directors, consisting of Sue Crockett, Steve Storkan, Sheryl Neuman, David Moeller and John McCormick. Their deep knowledge of ESOPs created an effective leadership team that spearheaded the accomplishments outlined in this report.

Sue excelled in her Executive Director role, and **submitted Roger Ryberg as a candidate to join the Board in April 2020**. Roger was enthusiastically voted to join the Board, thanks to his experience owning [Windings, Inc.](#) and transitioning that business to 100% employee ownership in 2008.

You can read about Windings tremendous employee-owned success [here](#). Or read about how employee ownership helped them survive the pandemic [here](#).

Now heavy with ESOP experience, Sue also sought to expand the MNCEO Board with a candidate who had practical experience with worker cooperatives. She **recruited and nominated [Thomas Crouse](#)**, who played a crucial role in transforming [Happy Earth Cleaning](#) into an employee-owned cooperative. He was approved in July 2020, and immediately began writing content and presenting at virtual events on behalf of MNCEO.

## Giving Virtual Presentations

In 2020, the COVID pandemic made large, in-person meetings impossible.

But MNCEO didn't miss a beat.

**We gave eight virtual presentations throughout 2020**, relying on our Board Members to advocate for ESOPs, EOTs, and worker coops at business events across Minnesota and nationwide.

If you missed our informative and entertaining talks, don't worry, because you can find an [archive of replays right here](#).

On that same page, you can see our current calendar of events and invite us to join yours. We're always happy to share our knowledge about employee ownership (and we never charge a speaker fee).

## Finding Supporters and Donors

As a non-profit organization, we rely on supporters to accomplish our work. MNCEO's achievements in 2020 wouldn't have been possible without the generous support of our donors, our active volunteers, and the nationwide network of EOX. The fact that we were able to launch and grow during a "pandemic year"

reflects their strength, and our shared desire to create a more equitable workforce for every Minnesotan.

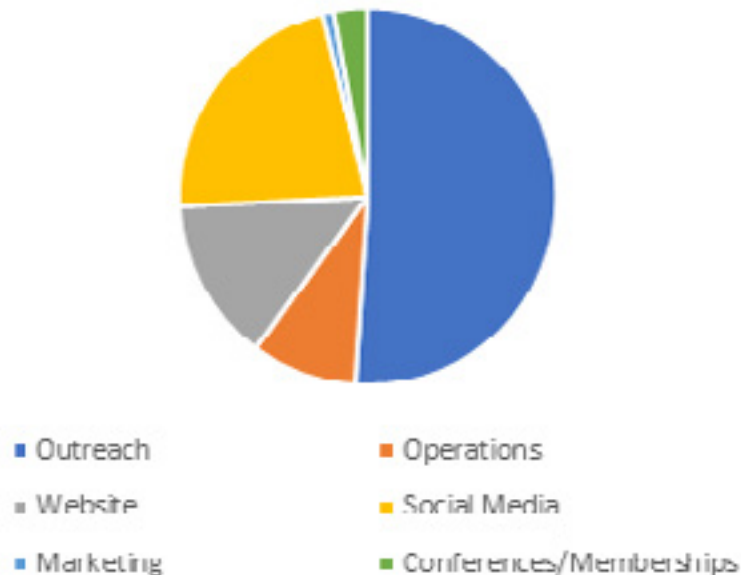
## 2020 Donations



### Breakdown of MNCEO's 2020 Donations

By keeping our operations nimble, focused on online outreach led by our hard-working management, we were able to achieve our mission goals without going over-budget:

## 2020 Expenses



### Breakdown of MNCEO's 2020 Expenses

More important than finishing 2020 in the black, we made serious headway on our mission to transform the North Star State into the Land of 10,000 Worker-owners.



## Because we make it easy for anyone to join our employee ownership movement.

**Even if you're not a business owner, there are many easy ways to advance MNCEO's mission in your neighborhood.** Here are a few simple ideas for anyone who's ready to join our fight for workplace equity:

- **Educate yourself about the dangers the “[Silver Tsunami](#)” presents** to Minnesota's economy and workforce, and what you can do about it.
- **Ask the owner(s) of your favorite local businesses to [contact MNCEO](#).** Let them know you appreciate them, and that you'd like to see them consider employee ownership as a succession plan. We'll advise them for free.
- **If you know someone with employee ownership experience, send them our way.** Maybe they'd be willing to help us spread the word about employee ownership. They might even qualify to join our [Professional Advisors Directory](#).
- **Of course, you can always [donate to MNCEO](#)** to keep our many projects alive.

**We're on a mission to transform Minnesota into a place where every worker can become an employee-owner.**

**It's only together that we can change MN's business landscape to work for everyone.**