MNCEO
MINNESOTA CENTER FOR EMPLOYEE OWNERSHIP

MEDIA KIT

INDEX:

HISTORY OF MNCEO

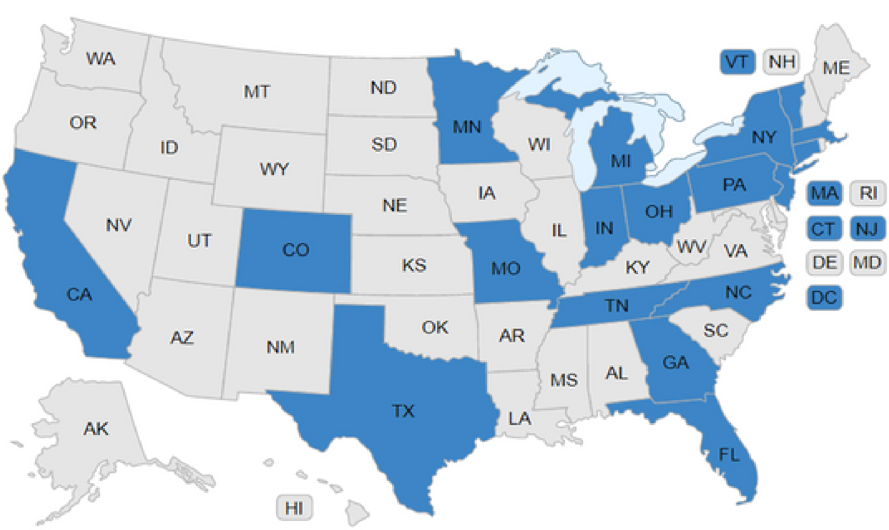
MNCEO MEDIA KIT

The Minnesota Center for Employee Ownership is a free and unbiased hub for information and resources on employee ownership. The 501c3 nonprofit organization provides business owners and their advisors with articles, case studies and a list of service providers who can assist them with all facets of their employee-ownership journey.

Founded in 2020, MNCEO is part of a national network of state centers for employee ownership created by the Employee Expansion Network (EOX). MNCEO was the second state center created, but it is now part of a family of 18 affiliates around the country, which shows the employee-ownership movement is strong and growing.

The key to the EOX strategy is their "boots on the ground" approach. There has never been an organization created with the sole purpose of providing free and unbiased information and resources for business owners on how to prepare for exiting their businesses and what their options are for a successful transition.

MNCEO was initially funded by its board of directors, professionals in the field, employee-owned companies, and EOX. Today, grants from the McKnight Foundation, the Otto Bremer Trust, and other community-based partners have allowed the organization to grow and expand the message of employee ownership throughout Minnesota.



KIRSTEN KENNEDY
EXECUTIVE DIRECTOR BIO

Kirsten Kennedy is the executive director of the Minnesota Center for Employee Ownership, a free and unbiased hub for information and resources on all forms of employee ownership, including employee stock ownership plans, employee ownership trusts, and worker-owned cooperatives.

As executive director, Kirsten is responsible for leading MNCEO's networking, fundraising, and programming initiatives to educate business owners, their employees and financial advisors, and elected officials across Minnesota on the prospect of and long-term benefits of employee ownership.

Prior to joining MNCEO, Kirsten served as the mayor of North Branch, a city in Central Minnesota with more than 10,500 residents. During Kirsten's tenure as mayor, her public policy initiatives were focused on economic development, affordable housing, infrastructure repair and development, and supporting housing for people with chronic mental health challenges and homelessness.

An ardent advocate for grassroots community building and social justice, Kirsten was recently selected from a pool of 946 candidates to complete a prestigious Bush Fellowship focused on improving community health. During this time, she served as a statewide health improvement partnership administrator in Chisago County, where she was responsible for supporting the implementation of policy, systems, and environmental changes focused on healthy living.

Kirsten holds a bachelor's degree in Psychology and a master's degree in Political Advocacy and Leadership from the University of Minnesota. She also holds certificates in Continuous Improvement Management and as a Six Sigma Lean Black Belt in Healthcare from the Management and Strategy Institute.

Active in local and statewide business and community organizations, Kirsten is the board chair of the Women's Environmental Institute, as well as a founding board member of the Chisago AgeWell Coalition. She has also served on the boards of the East Central Regional Development Commission and the Chisago County Housing and Redevelopment Authority-Economic Development Authority. Kirsten is also an active member of the Minnesota Chamber of Commerce and the Minnesota Economic Development Association.

Born in Norway and raised in East Central Minnesota and Southern California, Kirsten is engaged to the love of her life, Mark, and the mother of five adult children. When Kirsten is not busy helping business owners navigate their employee ownership journeys, she enjoys reading, theater, travel, and spending quality time with her loved ones.

MNCEO FAQS
FREQUENTLY ASKED QUESTIONS

1.What is the Minnesota Center for Employee Ownership?
Founded in 2020, MNCEO is a free and unbiased hub for information and resources on employee ownership. As one of 11 state centers created by the Employee Ownership Expansion Network, MNCEO provides business owners and their advisors throughout Minnesota with articles, case studies, and a list of service providers who can assist them with all facets of their employee ownership transitions.

2. How many employee-owned businesses are there in Minnesota and nationwide?
According to recently published data by the U.S. Department of Labor, there are approximately 225 employee-owned businesses in Minnesota and 6,500 nationwide.

3. How does MNCEO help companies of all sizes transition to employee-owned businesses?
As a free and unbiased source of information and resources, MNCEO helps companies connect with experienced professionals in the employee-ownership arena to guide them throughout their business transition journey.

4.What are the three most common types of employee-ownership?
The three most common or popular types of employee-ownership are Employee Stock Ownership Plans (ESOPs); Worker-Owned Cooperatives (WOCs); and Employee Ownership Trusts (EOTs).

5.What are the key benefits of employee ownership for workers?
Employee engagement increases when workers have a stake in a company, because they take a personal interest in the success of the business. In addition, that stake in the company allows employees to create wealth equity for the future, which many workers would otherwise not have the opportunity to do.

6.What is the biggest impediment or roadblock for employee-owned businesses in Minnesota?
Lack of awareness of the various forms of employee ownership and the value they bring to owners, employees, and the community.

7. How can local, state and federal government help pave the way for more successful employee-owned businesses in Minnesota?

All levels of government can support the education of business owners, their advisors, and community leaders on the various forms of employee ownership and the benefits of each through nonprofit organizations like MNCEO. In addition, state governments can create and support tax policy favorable to business owners and lenders involved in the sale of a company via an employee ownership model. Finally, the creation of state funded grants for the technical assistance needed to complete employee-ownership transitions will also encourage the creation of more employee owners.

8. What role do you anticipate the Silver Tsunami will play in the growth of employee-owned businesses in Minnesota?

In Minnesota, there are currently 52,000 business owners over the age of 55 who will most likely exit their respective businesses in the next three to five years. As a result, it is imperative that they consider all their selling options so that jobs are not lost, which would have a negative impact on workers and the local economy.

9. How can employee ownership contribute to closing the glaring wealth gap for all employees in Minnesota?

Employee ownership offers workers at all levels of an organization a piece of the pie, which creates a strong financial future for all.

10. How are MNCEO's free, unbiased education and resources for business owners, their advisors and employees funded?

Founded in 2020, MNCEO's initial funding came from its board of directors, professionals in the field, employee-owned companies, and the Employee Ownership Expansion Network. Today, grants from the McKnight Foundation and Otto Bremer Trust have also allowed MNCEO to grow and expand the message of employee ownership throughout Minnesota.

11. How can local, state and federal government help pave the way for more successful employee-owned businesses in Minnesota?
All levels of government can support the education of business owners, their advisors, and community leaders on the various forms of employee ownership and the benefits of each through nonprofit organizations like MNCEO. In addition, state governments can create and support tax policy favorable to business owners and lenders involved in the sale of a company via an employee ownership model. Finally, the creation of state funded grants for the technical assistance needed to complete employee-ownership transitions will also encourage the creation of more employee owners.

12. What role do you anticipate the Silver Tsunami will play in the growth of employee-owned businesses in Minnesota?
In Minnesota, there are currently 52,000 business owners over the age of 55 who will most likely exit their respective businesses in the next three to five years. As a result, it is imperative that they consider all their selling options so that jobs are not lost, which would have a negative impact on workers and the local economy.

13. How can employee ownership contribute to closing the glaring wealth gap for all employees in Minnesota?
Employee ownership offers workers at all levels of an organization a piece of the pie, which creates a strong financial future for all.

14. How are MNCEO's free, unbiased education and resources for business owners, their advisors and employees funded?
Founded in 2020, MNCEO's initial funding came from its board of directors, professionals in the field, employee-owned companies, and the Employee Ownership Expansion Network. Today, grants from the McKnight Foundation and Otto Bremer Trust have also allowed MNCEO to grow and expand the message of employee ownership throughout Minnesota.

EMPLOYEE STOCK OWNERSHIP PLAN

FREQUENTLY ASKED QUESTIONS

1. What is an Employee Stock Ownership Plan?

ESOPs are retirement plans, somewhat like 401(k)s, except the invested dollars all go into the company where employees work. More importantly, like a 401(k), an ESOP is tax-advantaged. Whatever portion of the company is owned by the ESOP pays no federal or state corporate income tax. Because of this tax credit, when a business forms an ESOP it sets off a virtuous cycle. The selling owner or owners make a competitive profit on the sale. The bank loan provides them with liquidity if needed, and the interest + principal on that loan can be paid off safely due to the tax-advantages of the ESOP. The tax advantages can also help pay for the other service providers (i.e. lawyers, valuators, fiduciaries, etc.) needed to perform the transaction and ensure the ESOP meets all of its legal requirements in the years to come.

2. How do ESOPs work?

Today, there are more than 6,500 active ESOPs nationwide, representing over 14 million employee-owners. ESOPs work in the following manner:

- Companies set up trusts that hold shares of stock on behalf of employees.
- Companies contribute money to the trust, or else the trust borrows money from a bank, the seller, or both.
- Using that money, the trust buys some or all of the company’s shares from the owner(s). The price of the shares is determined by an independent appraiser.
- The trust allocates shares to the retirement accounts of employees.
- The employees’ accounts now have stock, and they are the owners without having made any cash outlay.
- When employees leave the company, they are cashed out.

3. What type of businesses are best suited for an ESOP?

Any type of business can become an ESOP. There are ESOPs of nearly every size in very diverse industries across the country. A feasibility study can help business owners decide if an ESOP will work for them. In fact, numerous studies have shown that ESOPs often become more competitive in the marketplace due to changes in tax structure; improves employee recruitment and retention; and bolsters changes in workplace culture. ESOPs also offer owners a liquidity solution that does not require them to sell all of their company, which allows them to take some "chips off the table" while still working in the business.

4. How many companies in Minnesota have ESOPs?
According to recently published data by the U.S. Department of Labor, there are approximately 225 employee-owned businesses in Minnesota and 6,500 nationwide.

5. When was the first ESOP company created in Minnesota?
Established in 1975, St. Cloud Industrial Products in St. Cloud, Minn., is one of the oldest employee-owned companies in the state. In addition, the first ESOP came into being in 1956. During the 50-plus years since then, ESOPs have become a popular alternative to a sale or merger as a tool of business succession. There are now more employee owners—approximately 10 million of them—than union members in the private sector.

6. Why are ESOPs the most popular employee-ownership model?
An ESOP is a retirement plan and the employee pays nothing for the shares that are allocated to them. This allows employees to create wealth equity over the years and provide a nice nest egg for retirement for many who would otherwise never have a chance to build a financial future for retirement. ESOPs also allow owners to stay in the business if they so choose and still sell the company for market value. This ensures that a legacy is created, employees are rewarded, and jobs stay in local communities.

7. How does MNCEO help companies transition to an employee-owned business?
MNCEO is a 501c3 and provides education and resources about all forms of employee ownership. If an owner is looking for information on how to transition, we listen, advise and, direct them to the professional services they need to take the first step.

8. After an ESOP is put in place, do employee owners control the business and have access to financial statements or other information?
The roles and responsibilities within a company do not change after transitioning to an ESOP. Employee owners also do not have the right to review financial information at their leisure. However, many companies share some financial data with their employee owners as part of the ESOP-educational process.

9. Do ESOPs require employee-owners to put all of their retirement eggs in one basket?

ESOPs do not require employees to use their own retirement savings or any of their earnings to participate. ESOPs are essentially designed to supplement normal retirement savings, potentially creating more retirement savings than may be available to employees otherwise. A recent study completed by the National Center for Employee Ownership also shows that 95% of companies with ESOPs also offer a 401(k) plan to workers as well.

10. What happens to an employee owner’s investment when they leave an ESOP-based company?

The employee sells their shares back to the ESOP and cash out.

11. How can ESOPs help close the glaring wealth equity gap in Minnesota?

ESOPs offers workers at all levels of an organization a piece of the pie, which creates a strong financial future for all.

12. Why are ESOPs becoming increasingly popular among business owners and workers in Minnesota and around the country?

A good majority of business owners have put their sweat equity into building a business and most want to leave a legacy, reward the employees that helped them grow their business, and keep jobs in the community where they are located.

1. What is an Employee Ownership Trust

An EOT is a trust that is created to own the shares of a company. The main purpose of an EOT is to run a company on behalf of the organization's employees. Lastly, an EOT also owns the company's shares perpetually and cannot be sold.

2. How do EOTs work?

- A company or its shareholder creates an EOT, which is a perpetual trust with the express purpose of operating the business for the employees' benefit.
- Owners sell most of their shares of company stock to the business in a redemption transaction, as well as gift one share to the EOT. The EOT will then own 100% of the business. It may be possible to sell shares in installments, but typically the sale is made in one transaction. Financing is also flexible, but typically the selling shareholder finances much of the debt on the sale by taking a promissory note from the company.
- Companies can allocate a portion of the profits to employees in the form of a taxable bonus and/or set up a generous qualified 401(k) profit-sharing plan. The terms of the company's profit-sharing plan can be set up in the trust provisions, company's bylaws, or an operating agreement adopted by the board of directors.
- The EOT typically is not terminated unless the company becomes insolvent. If the company is liquidated, then the beneficiaries designated in the trust are paid out.

3. Can business owners include beneficiaries other than employees in an EOT?

Yes. However, the purpose of an EOT is to create a legacy company that is perpetual. Therefore, beneficiaries, if there are any, will not benefit from distributions from the trust because it will never make any payments to beneficiaries. In this case, the company is only sold if it is dissolved because the business has failed.

4.Do EOTs have to be perpetual?

EOTs are perpetual and are only liquidated if a company becomes insolvent. However, some EOTs provide a mechanism for the sale of the business and liquidation of the trust in extraordinary circumstances. Sale proceeds are then distributed as provided in the trust document. As a rule of thumb, EOTs must specify the precise conditions under which a sale would be permitted.

5. What type of businesses are best suited for an EOT?
An EOT is best suited for a well-managed, established company that is looking for a less expensive and less cumbersome way to sell the business for the benefit of employees. The company should also be taxed as a C-corporation to avoid taxation at the trust level. Lastly, EOTs are also best suited for businesses that want to remain independent and only be sold based on set criteria.

6.Are there any tax benefits for EOTs?
No, a company pays income tax like any other business and there is no federal tax benefit to selling a firm to an EOT. However, there are bills pending in the Wisconsin and Maryland legislatures that would provide a state capital gains exemption on the sale to an EOT, but it would only be applicable to state tax law.

7.What are the financial benefits of an EOT for employees?
The primary advantage is that the company will not be sold and will be operated in the interests of employees. Generally, an EOT-owned company shares a portion of its profits with employees. These profits are paid out at the corporate level as compensation and are therefore tax deductible. Profits can be paid out as cash or as a contribution to a 401(k) plan.

8. Are EOT's subject to Employee Retirement Income Security Act of 1974 regulations?
An EOT is not a retirement plan and is therefore not regulated under ERISA. EOTs are regulated under state trust law, which generally respects the wishes of the trustor. However, the IRS charges income tax on any portion of the sale price that exceeds fair market value. An EOT costs much less than an ESOP to install and maintain.

9. How many EOT-based companies are there in Minnesota?
We are currently not aware of any EOTs in Minnesota, but there has been lots of interest.

10. How does MNCEO help companies transition to an EOT?
Initially, MNCEO talks with business owners about the structure and benefits of the most common employee-ownership models. If an EOT seems like a good fit, MNCEO refers the prospective business to a professional that can help them navigate the process. MNCEO also provides contact information to other companies that have set up an EOT so potential EOT decision makers can learn more about the employee-ownership model from businesses that have adopted the concept.

11. After an EOT is put in place, do employee owners control the business and have access to financial statements or other information?
Workers are not employee owners. The EOT owns the company and its board of directors run the business, including determining policy regarding employee benefits and participation. The board of directors also decide on the level of employee input regarding governance of the business and access to financial information. It will depend on the Company's culture.

12. Do EOTs require employee-owners to put all of their retirement eggs in one basket?
An EOT is not a retirement plan. A company can or may be required to adopt a retirement plan, but the employees are generally responsible for their own retirement benefits. A company may be required to set up a minimum retirement plan according to the terms of the trust, corporate agreements or policies adopted by the board of directors, but there is no obligation to do so if there are not requirements in the trust or policies.

13. What happens to an employee owner's investment when they leave an EOT-based company?
The employees are not owners. As a result, employees do not have an investment in the company. An EOT only benefits employees by creating a perpetually owned business that provides workers with superior pay and benefits.

14. Why are EOTs becoming increasingly popular among business owners and workers in Minnesota and around the country?
There is a lot of interest in EOTs. It appears that the primary interest is in the lower cost and absence of regulation by the federal government. ESOPs are popular too, but ESOPs can be very expensive to set up and maintain. Additionally, ESOPs are heavily regulated and are frequently audited by the IRS and the Department of Labor and many require annual audits by a company's CPA firm. While an EOT should not be set up for cost-saving reasons only, it is driving a lot of interest.

15. How can EOT's help close the glaring wealth equity gap in Minnesota?
An EOT is designed to permit employees to share in the success of a company. A well run EOT pays employees enhanced taxable compensation and other benefits such as additional retirement contributions. Employees also benefit more than a traditional company because the shareholder (i.e. the trust) does not benefit from the appreciation of the stock or the profits of the business. In other words, the profits of the business are shared with the employees rather than the shareholder.

WORKER-OWNED COOPERATIVE
FREQUENTLY ASKED QUESTIONS

1. What is a worker-owned cooperative (WOC)?
A worker cooperative is a values-driven business that puts worker and community benefit at the core of its purpose. The two central characteristics of worker cooperatives are:
Workers are welcome to purchase an ownership share and participate in the coop's financial success, usually based on their labor contribution
Workers have representation on and vote for the board of directors, adhering to the principle of one worker, one vote
In addition to their economic and governance participation, worker-owners often manage the day-to-day operations of a WOC through various management structures. Profits not retained for growth are distributed evenly among employee-owners.

2. What is the difference between a community-owned cooperative and an employee - owned cooperative?
People are often confused by the term "cooperative". There is a plethora of cooperatives that are owned by the community (i.e. farmers, grocery stores, utilities, etc.) A member of the community buys a share in the cooperative and they share in the profits. An employee-owned cooperative is just that, only an employee can buy a share in the company and benefit financially based on how well the business does while they are working there.

3. Who can participate in a WOC?
Ownership in a worker cooperative is only available to its employees, not customers, outside investors, or the general public. Employees are also not required to become owners. Participation in a WOC is voluntary and not a condition of employment.

4. How do employee-owned cooperatives work?
Employee members of a cooperative take on voting privileges and other top-level operational decisions of the business. Members elect a board of directors to oversee strategy, budgeting, policy, and management. Member-owners, board of directors, and management also work together to run the co-op. For that reason, it's best to outline a decision matrix that specifically outlines which business decisions fall upon the member-owners, which ones fall to the board, and which ones fall to management.

When transitioning an existing business to a WOC, some owner-sellers choose to stay at the cooperative as one of the employee-owners. Others completely sell the business to the cooperative. The co-op transition process is flexible in terms of timeline and conditions. The transition can also happen quickly, especially with professional help and a motivated employee/consumer group. Or it can happen gradually (months to years) as the cooperative is establish before the owner-seller steps back.

5. What type of businesses are best suited for a WOC?
Any business with three or more motivated employees can become an employee-owned cooperative.

6. **Are there tax advantages for companies that convert to cooperatives?**
Yes, the Mainstream Employee Ownership Act allows for deferred capital gains for qualified investments when more than 30% of a business is sold to its employees.

7. **What are the financial benefits of a WOC for employees?**
At a worker cooperative, profits do not go to distant investors, but instead go directly to the workers and long-term growth. As a result, the money stays grounded in the local economy, building community wealth. Workers also have a meaningful role in the business, as they contribute to and benefit from the success of a company they co-own.

8. **How many WOC-based companies are there in Minnesota?**
There are currently 14 employee-owned cooperatives in Minnesota. The state also has the most co-op businesses (1,023) and co-op members (over 3.4 million) in the five-state region.

9. **How does MNCEO help companies transition to a WOC?**
MNCEO is a 501c3 providing free education and resources about all forms of employee ownership in Minnesota. If a business owner is looking for information on how to transition, we listen, advise, and direct them to the professional services they need to take the first step.

10. **Are WOCs still competitive in the marketplace?**
Absolutely. In most cases, cooperatives have extra benefits that actually increase its competitiveness, including:

- Profit sharing and ownership increases employee engagement
- Adaptability from more diversity at the ownership level
- More operational business knowledge across the organization
- Higher retention since more employees are “bought-in”
- Massive increase in community goodwill (Minnesotans love their co-ops!)

11. After a WOC is put in place, do employee owners control the business and have access to financial statements or other information?
Yes. The entire employee-ownership group makes large decisions together, like taking out a business loan. Employee owners also vote on who serves on the co-op's board of directors. To make informed decisions about these matters, employee owners should always be presented with relevant financial statements and encouraged to ask questions. Open Book Management is best practice at a WOC.

It should be noted that the co-op still has a day-to-day management team and staff, just like any other business. As an example, let's break down how a WOC might draft an annual budget:

- General manager drafts budget based on current business needs
- Board of directors reviews and provisionally approves it, or rejects it with feedback
- Once board-approved, the budget moves on to the entire member-ownership group for a vote

In general, management handles day-to-day decisions, the board handles large business decisions and long-term planning, and the full body of member-owners only assemble to vote on the biggest decisions.

12. **How are profits from a WOC shared with member owners?**
Beyond what's retained by the co-op for growth and security, member owners share the profits of their cooperative through patronage dividends. Often paid on an annual basis, patronage is generally based on hours worked by each member, but can be any equitable formula that calculates a member's contribution to the co-op as outlined in the organization's bylaws.

13. **Do WOCs require employee-owners to put all of their retirement eggs in one basket?**
WOCs do not require employees to use their own retirement savings or any of their earnings to become owners. Employees buy-in once and share profits for as long as they work at the cooperative. In the long-run, the initial buy-in investment will pay for itself many times over, especially if the co-op is a successful business. WOCs are just like any other business: extra profits go to the owner(s). What employee-owners choose to do with their payouts is up to them. Lastly, a recent study completed by the National Center for Employee Ownership showed that 95% of WOCs offer a 401(k) plan to workers. As a result, retirement is generally more achievable and financially diverse for employee owners of a WOC.

14. What happens to an employee owner's investment when they leave a WOC-based company?
Member owners of a cooperative are free to leave at any time according to International Cooperative Principle #1 "Open and Voluntary Membership." Upon departure, the member owner's share(s) are sold back to the cooperative, and their retained earnings are paid out by the cooperative under terms outlined in the bylaws. The exiting member receives the current fair market value of their ownership share(s) and their retained earnings as a payout when they depart. It's worth noting that member owners are also free to exit the cooperative (sell their share and collect retained earnings) without leaving their job.

15. **Why are WOCs becoming increasingly popular among business owners and workers in Minnesota and around the country?**
A majority of business owners have put their sweat equity into building a business and want to keep those jobs in their community, reward the employees that helped them grow their business, and leave an important legacy.

16. **How can WOCs help close the glaring wealth equity gap in Minnesota?**
WOCs offer workers at all levels of an organization a share of the profits, which creates a strong financial future for every worker owner. A lack of wealth opportunity is what keeps Minnesota's most disenfranchised communities on the wrong side of the equity gap. Creating ownership opportunities for all employees naturally closes the gap between white- and blue-collar workers by distributing profits based on actual hours worked, instead of skewed metrics of labor value. In addition, wealth doesn't concentrate in the hands of a few when a business is run by many. Every employee's input contributes to the success of the business, and every employee has the chance to profit from that success.

2021 REPORT TO THE COMMUNITY

2021 was a milestone year for the Minnesota Center for Employee Ownership.

We forged new alliances, created new resources, published ground-breaking analysis, and educated hundreds of business professionals about employee ownership.

After two exciting years, **MNCEO** has become the central hub of employee ownership in Minnesota.

We couldn't do it without the support of our community. They helped us achieve everything in this report. It's all thanks to them.

“Silver Tsunami” Study

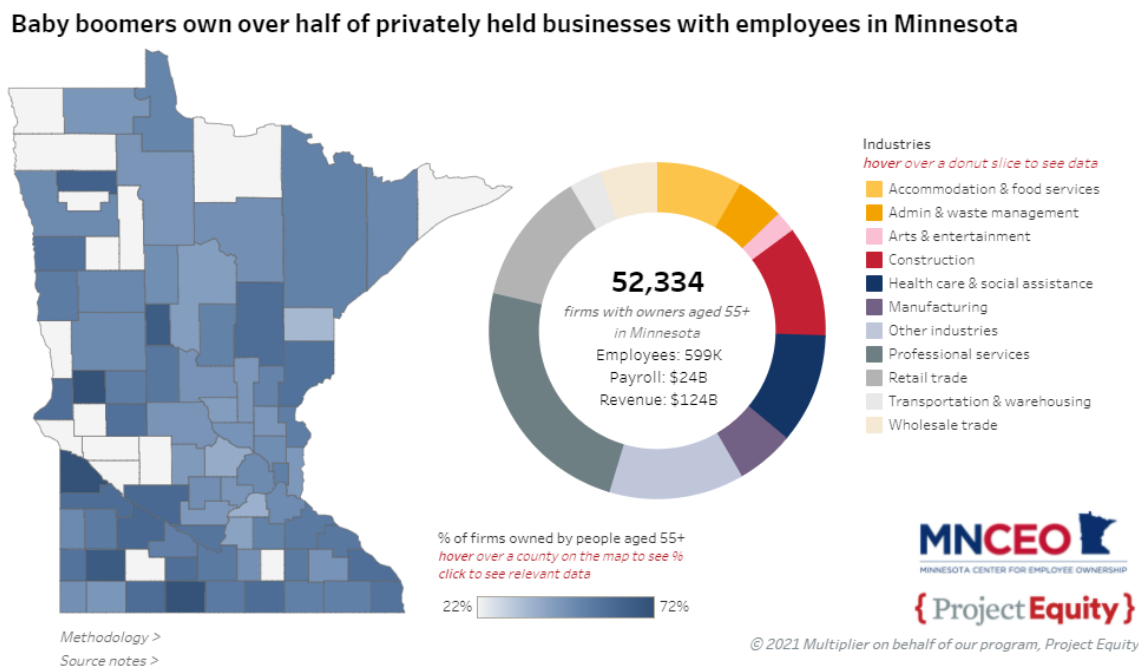
In February of 2021, we partnered with Project Equity to publish a comprehensive survey of Minnesota’s business landscape. Our stunning results concerning retirement rates have earned the title “**The Silver Tsunami**.” It’s an eye-opening piece fueled by ground-breaking analysis.

This data study gives a name to a previously invisible threat. **The wave of retirees that are slamming against Minnesota companies puts approximately $124,000,000,000 in annual revenue at risk of divesting from our local communities.**

The state-wide data set behind “The Silver Tsunami” study validates our mission to promote employee ownership as a succession plan option for retiring business owners. The dire numbers visualize our objective and underscore the urgency of MNCEO’s work.

Our results have established both Project Equity and MNCEO as reputable authorities in the employee ownership space, generating more interest in our advocacy for ESOPs, EOTs, and worker co-ops.

We must turn the tide of “The Silver Tsunami” by keeping $124B in the pockets of all working-class Minnesotans.



Outreach Growth

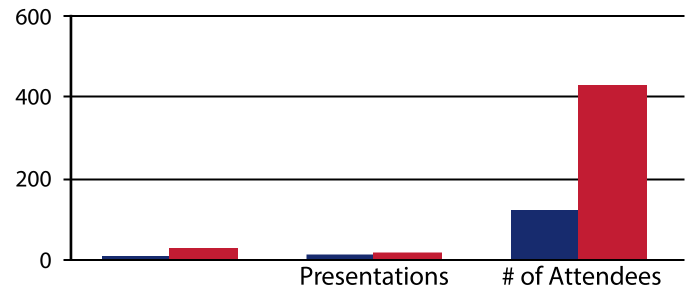
Outreach and education play a massive role in encouraging more businesses to consider employee ownership.

That's why MNCEO gave 15 presentations to business groups across the state, educating a targeted audience of 426 Minnesota business owners and advisors with our talks. These presentations encouraged local business owners to contact our Executive Director Sue Crockett to learn more about employee ownership (details in the "Advising Minnesota's Businesses" section).

An outreach specialist helped us develop a plan to ensure we're being inclusive in our work. We aim to promote employee ownership as a vehicle of economic equality for Minnesotans of all races, genders, creeds, and orientations. Making company wealth accessible to all workers will help build the kind of equity that Minnesota's most disenfranchised communities deserve.

Overall, our 2021 outreach numbers grew over 2020, thanks in part to our programming and content.

Outreach Growth



Year	Leads	Presentations	# of Attendees
2020	6	8	120
	Leads	Presentations	# of Attendees
2021	26	15	426

Social Media / Mailing List Outreach

Social Media / Mailing List	2020	2021
LinkedIn	229	910
Facebook	141	156
Instagram Dropped Mid 2021	86	
Twitter Initiated in Mid 2021		65
Mailing List	130	213

Programming & Content

MNCEO's programming and content in 2021 were crucial to grabbing and keeping the attention of individuals who shape Minnesota's business terrain.

In addition to the "Silver Tsunami" study, we aim to produce and deliver useful information when business owners need it most.

That's why we joined Business Strategy Transitions (BST), a group from the U of M Extension, St. Thomas Family Business Center, DEED, MN Chamber of Commerce and SBDC.

We're now a voice for employee ownership among Minnesota's premier exit strategy consultants. It helps us educate about employee ownership at the crucial moment when business owners are mapping their retirement.

We also partnered with the Minnesota Society of CPAs to publish monthly articles and provide them with information that brings employee ownership wisdom to the accounting level.

Since Accountants are essential business advisors, we're hoping to increase their employee ownership awareness and create more "Accountant Advocates."

And who could forget our first-annual MNCEO Golf Fundraiser?

On September 9th, 2021, 72 golfers showed up on a beautiful autumn day to play a few rounds at Bunker Hills Golf Club in Coon Rapids, Minnesota. Then we stuck around for some pizza, drinks, and prizes after the dust settled and the scores were tallied. It was a pleasant day raising awareness (and funds) for employee ownership.

Advising Minnesota Businesses

The heart of our efforts are the direct consultations we have with Minnesota business owners. These 1-on-1 meetings are when we make our case for employee ownership, aiming to change minds from "curious" to "committed."

We provide straight-forward answers and connect business owners with our vetted network of experts, then we encourage them to take one step toward employee ownership. Then another. And we do it all for free.

A new calendar tool in 2021 allowed 26 new leads to sign themselves up for a meeting with our Executive DIrector, Sue Crockett. Many of them are now in various stages of exploring employee ownership for their business. We hope to foster our first employee ownership success story in 2022.

Funding MNCEO's Urgent Mission

Both the **McKnight Foundation** and the **Otto Bremer Trust** saw the value in MNCEO's mission, and trusted us with generous grants to continue our advocacy in 2021.

Community support, donations from our advisors, our golf fundraiser, and those two grants funded our 2021 activities, in addition to helping us maintain our website and other administrative expenses.

Just wait until you see what we have in store for 2022. Things are gearing up at MNCEO, but we can't turn the tide of the "Silver Tsunami" without your support.

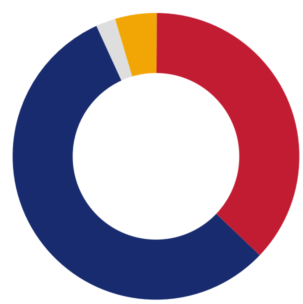
Helping out is simple:

- Educate yourself about the "**Silver Tsunami**" (this article makes it easy)
- Tell your favorite local business about **MNCEO**, and ask them to explore employee ownership
- Support our efforts directly by **donating**

Together, we can turn Minnesota into a state that works for all.

2020 DONATIONS

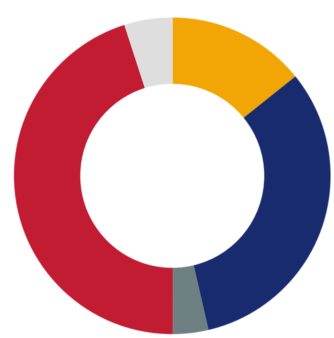
EOX	$35,000
Professional Advisors	$52,735
Employee Owned Co.	$2,100
Individuals	$4,436



EOX · Professional Advisors · Individuals · Employee Owned Co.

2021 DONATIONS

EOX	$25,000
Professional Advisors	$57,301
Individuals	$6,208
Grants	$80,000
Golf Tournament	$8,800



Grants · Professional Advisors · EOX · Golf Tournament · Individuals

Advising MN Businesses

2020 Expenses

Outreach	$20,883
Operations	$3,718
Website	$5,725
Social Media	$8,973
Programs	$389
Conferences/Memberships	$1,193

2021 Expenses

Outreach	$30,000
Operations	$7,500
Website	$3,600
Social Media	$11,964
Programs	$20,000
Conferences/Memberships	$2,000

Media Coverage

StarTribune
BUSINESS

BUSINESS

Eight years after employees took ownership, Long Haul Trucking is in high gear

AUGUST 15, 2021 — 2:00PM

✓ Front page, Star Tribune Business Section

✓ #1 story of the day, Google "ESOP" search

FINANCE & COMMERCE

Why Employee Ownership is an Increasingly Popular Perk

Sue Crockett, Executive Director at The Minnesota Center for Employee Ownership (MNCEO)

Employee ownership is a growing trend as organizations across industries realize the advantages it offers business owners and their employees. The model helps to address many of the challenges facing modern businesses, including productivity, worker shortages and employee retention, and it provides a lucrative exit plan for owners while protecting their employees and helping them create wealth...

> *"Employee ownership offers a valuable succession tool by enabling owners to sell their businesses—on their own timeline—to their employees while preserving the integrity of the business and keeping it rooted in its community.*

Organizations like the Employee Ownership Expansion Network (EOX) www.eoxnetwork.org, the national partner to MNCEO, can help you understand employee ownership opportunities and whether they are right for your business.

Employee Owner Highlights

MINNESOTA CENTER FOR EMPLOYEE OWNERSHIP

Turning Minnesota into a state that works for all.

Sue Crockett, Executive Director – **scrockett@mnceo.org**

www.mnceo.org