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PRESS RELEASE

Employee Ownership Task Force Reaches Out to 30,000 Small Businesses in Pittsburgh

The initiative, backed by the city, state, universities, CEOs and nonprofits, is responsible for educating local business owners about the benefits of selling their business to their employees

PITTSBURGH, PA — Tens of thousands of small business owners in Pittsburgh may soon be thinking differently about succession planning, and one group believes that is going to mean great things for the city's workforce and economy.

The nation's first *Citywide Task Force on Employee Ownership* plans to contact as many as 30,000 local businesses who might be interested in employee ownership, educate the community, and provide a toolkit of resources to assist those who want to transition into becoming employee owned.

"We are thrilled to lead the charge in spreading awareness and knowledge about the incredible benefits of employee ownership. By educating and empowering local businesses, we can ensure a thriving workforce and a robust economy for Pittsburgh," said Kevin McPhillips, executive director of the Pennsylvania Center of Employee Ownership (PaCEO) and Co-Chair of the Task Force, (along with Pittsburgh City Council Member Erika Strassburger).

Baby boomers currently own nearly half of the privately-held businesses in America and while some will be passed down to family members, many are expected to wind up on the auction block where they will be sold to private equity groups that move the business out of the state or country to consolidate them into existing businesses. Employee ownership offers a solution to the auction block. The most common way is through employee stock ownership plans (ESOPs).

"The Employee Ownership Task Force is a groundbreaking initiative that will empower Pittsburgh's small businesses and drive economic growth. Let's seize this opportunity to

embrace employee ownership and secure a prosperous future for Pittsburgh.” Council member Strassburger said.

The Task Force kicked off in 2019 at Chatham University with the goal of leading the nation in employee ownership thinking, investing and problem solving at a city level.

Members include McPhillips, Strassburger, former State Rep. and County Executive candidate Sara Innamorato, State Rep. Valery Gaydos, Pittsburgh City Council Members Deborah Gross and Anthony Coghill, Deputy Mayor Jake Pawlak, Chatham University President Dr. David Finegold, Dr. Trevor Young-Hyman of the University of Pittsburgh, Allegheny Conference Executive and Television Business Host Bill Flanagan, Urban Redevelopment Authority Chief Strategy Officer Tom Link, Allegheny Commissioner Anita Pritzio, CEOs of numerous businesses, including KTA-Tator and TechMet, executive directors of numerous NGOs, the Pittsburgh Chamber of Cooperatives and the Steel Valley Authority, and employee owners from across the Pittsburgh area.

There are already dozens of companies operating in and around Pittsburgh that are either partially or fully employee owned. They include Voodoo Brewery, Sheetz, Thermo Twin Industries, Silver Star Meats, Tech Met, and KTA-Tator. There are over 300 employee owned companies across the state, and about 6,000 nationwide.

Dr. Trevor Young-Hyman of the University of Pittsburgh is leading the outreach effort and will analyze the results. If successful, similar programs will be launched in other parts of the state and in cities around the country.

“Through our outreach efforts and comprehensive analysis, we aim to shed light on the best way to educate a business community on the tangible benefits of embracing employee ownership. I am eager to see the results of this effort,” Dr. Young-Hyman said.

The initiative will launch with an email, direct mail and social media campaign to local business owners with an invitation to an in-person or virtual training session, hosted by nonprofit and community groups across the region.

“We are excited to embark on a transformative journey, spreading awareness and knowledge about the remarkable advantages of employee ownership. Don't miss our upcoming training session, where we will equip business owners with the tools and resources to embrace a brighter future through employee ownership,” said Kristopher

Olson, Greenfield Community Association Board Member, Chair of the Business Committee.

The campaign is funded by a \$120,000 grant from The Heinz Endowments and a match by the city.

“As our region and the nation work to figure out more equitable ways to build our economy, employee ownership has real potential to work well for the founding sellers, employee buyers and balance sheets of the enterprises,” said Rob Stephany, Senior Program Director, Community & Economic Development for The Heinz Endowments. “This may very well be an avenue to keep viable businesses open, operating and growing instead of seeing them close because there might not be a next generation family member to carry them forward.”

The initiative announcement follows an increase in interest about employee ownership in Pittsburgh. More than 1,900 people attended the Employee Ownership Conference hosted by the National Center for Employee Ownership in April at the David L. Lawrence Convention Center in 2019.

To learn more about this initiative, visit pghtaskforce.org and please select that you are a “Member of the Press.”

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ABOUT PaCEO

The Pennsylvania Center for Employee Ownership (PaCEO) promotes better understanding of the values of employee ownership among business leaders, public officials, employees, members of the media, students, teachers, nonprofit leaders, consumers, and other persons and organizations in Pennsylvania. The PaCEO is an affiliate of the National Center for Employee Ownership (NCEO), a 501(c)3 public benefit corporation, supported by volunteers from among Pennsylvania ESOP companies, service providers, educational institutions, and other interested parties. For more information, visit ownershippennsylvania.org.