

Contact: Steve Storkan, Executive Director
sstorkan@eoxnetwork.org, 651-319-1874

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The Employee Ownership Expansion Network Receives W.K. Kellogg Foundation Grant to Increase Employee Ownership in Michigan

Grand Rapids, MI – The [Employee Ownership Expansion Network](#) (EOX) – a nonprofit organization dedicated to expanding employee ownership across the U.S. through the creation of state centers – has been awarded a \$300,000 grant from the [W.K. Kellogg Foundation](#) to expand the work of the [Michigan Center for Employee Ownership](#) (MICEO).

The three-year grant from Kellogg Foundation will focus on identifying businesses in the Grand Rapids/Kent County area with soon-to-be-retiring owners that employ a high level of BIPOC individuals, and educating them on the benefits of employee ownership as an exit planning option. Our goal is to increase the number of BIPOC employee owners under this project.

Time is of the essence for this work. A study completed for the MICEO by Project Equity (<https://miceo.org/the-silver-tsunami/>) found that approximately 50% of privately owned businesses in Kent County are owned by individuals who will retire in the next 10 to 15 years. These 5,619 businesses employ over 100,000 people, generate \$21 billion in revenue, and have annual payrolls of \$4 billion.

Roy Messing, Executive Director of the MICEO, notes that the dramatic increase in retirements is concerning because, “Only half of business owners typically have succession plans in place, and more often than not, the plan is to sell the business. When the time comes to sell, however, only one in three businesses finds a buyer, forcing some companies to close their doors. The potential loss of jobs will greatly impact communities in Michigan and working families,” Messing says.

“With Kellogg Foundation’s support, MICEO will encourage businesses owners to consider converting their businesses to an employee ownership model rather than selling the business to a third party or closing it,” said Steve Storkan, Executive Director of EOX. “Most business owners aren’t aware that this is an option.”

Numerous research studies show that workers who are part of an employee-owned company tend to have higher incomes and higher net worth than their conventionally employed counterparts. A study from the Rutgers Institute for the Study of Employee Ownership and Profit-Sharing shows that among lower-income workers, those at employee-owned firms are more financially secure than their peers.

“Selling a business to its employees keeps jobs in the community, and creates a legacy that owners can feel good about. It is also a strategy to address the issue of rising wealth and

income disparity in this country,” said Storkan. “We are eager to get started on the outreach and education to as many business owners as possible in Grand Rapids and Kent County and we are honored that the W.K. Kellogg Foundation has chosen to support the work that we are doing.”

About the Employee Ownership Expansion Network

The Employee Ownership Expansion Network is a 501(c)(3) non-profit organization founded in Philadelphia, PA in 2018 and headquartered in Arlington, VA. Its mission is to significantly expand employee ownership in the United States by establishing and supporting a network of independent, nonprofit Centers for Employee Ownership. To date, EOX has provided funding and technical assistance to support the opening of eleven State Centers. EOX’s goal is to create one million new employee owners by 2025. To learn more, visit www.eoxnetwork.org.

About the Michigan Center for Employee Ownership

The Michigan Center for Employee Ownership is a 501(c)(3) nonprofit organization founded in 2022 that serves as the central hub for information and resources around employee ownership in Michigan.

The MICEO’s mission is to educate business owners and their advisors (lawyers, bankers, accountants, wealth advisors) on the benefits of employee ownership via Employee Stock Ownership Plans (ESOPs), worker cooperatives, and Employee Ownership Trusts (EOTs). MICEO provides resources, case studies and articles, and a list of service providers who can assist with employee ownership transitions. MICEO serves the entire state of Michigan. To learn more, visit <https://miceo.org>.

About the W.K. Kellogg Foundation

The W.K. Kellogg Foundation (WKKF), founded in 1930 as an independent, private foundation by breakfast cereal innovator and entrepreneur Will Keith Kellogg, is among the largest philanthropic foundations in the United States. Guided by the belief that all children should have an equal opportunity to thrive, WKKF works with communities to create conditions for vulnerable children so they can realize their full potential in school, work and life.

The Kellogg Foundation is based in Battle Creek, Michigan, and works throughout the United States and internationally, as well as with sovereign tribes. Special attention is paid to priority places where there are high concentrations of poverty and where children face significant barriers to success. WKKF priority places in the U.S. are in Michigan, Mississippi, New Mexico and New Orleans; and internationally, are in Mexico and Haiti. For more information, visit www.wkkf.org.