



March 19, 2010

The United States Federation of Worker Cooperatives supports two pieces of legislation introduced by Bernard Sanders (I – VT) to support worker-ownership.

The first is S. 2909, the WORK Act, which would provide funding for statewide programs promoting employee ownership, and would create new such programs. Through provision of technical support for ESOPs (employee stock ownership plans) and worker cooperatives, employee ownership centers in Vermont and Ohio have made a tremendous impact in creating and saving jobs. Targeted, expert support like this is needed in every state, and the broad impact of employee-ownership centers more than justifies the modest funding required to establish them.

The second bill is S. 2914, the U.S. Employee Ownership Bank Act. It would create a national bank to facilitate employee ownership deals, through both loan guarantees and direct lending. The lack of access to capital is the single largest barrier to the creation and expansion of more employee-owned companies. An Employee-Ownership Bank would significantly lower that barrier and would spur job creation and asset-building in communities that need these tools the most.

As the national membership organization for worker cooperatives, we represent the concerns of employee-owned cooperatives in the United States. We hear over and over again from our members and cooperative developers that the current lack of capital and technical assistance quite clearly hinders growth at a time when businesses that anchor jobs and capital in communities are badly needed.

This important legislation provides an opportunity to show leadership and vision in responding to this need. With financing options and statewide support, you will see more companies selling to their employees instead of closing their doors. You will see the creation of good jobs in industries from home health care to grocery to manufacturing. You will see an acceleration of growth in what is already the fastest-growing cooperative sector: worker-owned cooperatives.

We believe that passage of this legislation is in the best interest of our membership and of working Americans, small business, and communities. We urge you to give it your support.

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