

Impact investing and employee ownership

Making employee-owned enterprises part of the income inequality solution

Mary Ann Beyster

The benefits of employee ownership as a strategy for achieving broad-based prosperity are well documented—but the growing field of impact investing has yet to fully recognize the key opportunity employee ownership presents for tackling economic inequality.

In this Fifty by Fifty research brief, Mary Ann Beyster, president and trustee of the Foundation for Enterprise Development (FED), explores the existing landscape of employee ownership opportunities for impact investors, and highlights emerging models and strategies for inclusive investment in ESOPs and worker cooperatives.

FIFTY BY FIFTY

DEMOCRACY COLLABORATIVE

Introduction

As the head of the Foundation for Enterprise Development (FED), which is committed to advancing employee ownership, I set out with my team in 2016 to answer the question: how could we invest our assets in employee ownership? Was this focus a part of the growing field of impact investing? The answer we found was mixed. Although the opportunities are limited—and employee ownership is largely missing as a screen or focus for impact investing—we did find that this concept is emerging in the impact investing field. In this report, we share our findings.

Overall, our most basic finding was that financing of employee-owned enterprises is not commonly viewed as part of impact investing, and this, we believe, is largely due to the lack of connection—perceived and sometimes real—with environmental, social, and governance (ESG) factors. Many of the positive impacts of employee ownership are not widely understood. Due to employee stock ownership plan (ESOP) legislation that provides tax incentives to business owners who convert privately held businesses to ESOPs, some believe that the sole motivation of retiring business owners is to sell their companies to the employees for those incentives. While these incentives can be part of the initial motivation for conversion, the actual impacts are consistently much broader, since millions of employees have ended up as new owners since 1974, and this has been especially meaningful when financial ownership is bundled with an ownership culture.

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There are many employee ownership forms other than ESOP, and we found these too are not widely understood or consid-

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ered as part of impact investing. Other key findings are that emerging investment options do exist across a range of asset classes, and that the main steps needed to advance these options are these: greater awareness-building for investors, and the creation of better investing infrastructure.

Employee ownership is largely missing from impact investing, though investment options are emerging across asset classes.

Why invest in employee ownership?

Our foundation's commitment to employee ownership stems from its founding 30 years ago by my father, J. Robert Beyster. He was the founder in 1969 of Science Applications International Corporation (SAIC), which grew into a Fortune 500® company, and was the largest employee-owned research and engineering company in the U.S with approximately $8 billion in revenue in 2006 when the company became publicly traded. My father believed and demonstrated that the success of SAIC was based on a core principle that "those who contribute to the success of their organization should share in the profits and ownership of the enterprise."

The FED is a private, nonprofit operating foundation motivated by a vision of a nation of enterprises where the rewards of innovation and entrepreneurship are shared equitably through broad-based capital ownership. Our experience has shown us that broad-based ownership can sustain the success of the enterprise and the well-being of employees, and contribute to growing the prosperity of all citizens.

The example of SAIC—and thousands of others across many industries—confirm that companies with meaningful ownership and participation by employees tend to be more competitive, more resilient during economic downturns, and less

likely to move out of their communities.[1] Significant experience and research has shown that benefits to employees range from a decreased chance of being laid-off, higher levels of engagement and motivation at work, and higher income from equity appreciation and non-wage/other pay substitution.[2] In his recent report, "Down Home Capital: How Converting Businesses into Employee-Owned Enterprises Can Save Jobs and Empower Communities," Patrick McHugh, economic analyst at North Carolina Justice Center, summarizes the situation well: "Given the increasing disconnect between base wages and productivity, there is a good reason to believe that expanding employee ownership would work to meaningfully reduce income inequality."

How we did our study

In undertaking our 2016 landscape study as part of a strategic planning initiative, the FED wanted to better understand the promise and potential of ensuring a financially diversified portfolio while including indirect investments that support broad-based employee ownership. Beyond our own investing and planning interests, we also wanted to better understand how the field of impact investing could support the advance of employee ownership.

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Impact investing is typically defined as investments in companies, organizations, and funds that generate a positive social and environmental impact, as well as a financial return for investors. In its recent trends report, US-SIF, the Forum for Sustainable and Responsible Investment, found that the market size for sustainable, responsible, and impact investing totaled $8.72 trillion in 2016, or one-fifth of all professional investment under management.[3] Yet that total is based on

a very broadly drawn definition, which includes the use of purely negative social screens (e.g., screening out tobacco and firearms), and the practice of shareholder resolutions on social issues. The Global Impact Investing Network (GIIN) defines impact investing more narrowly as investments aimed at positive social and environmental impact alongside a financial return. GIIN's ImpactBase, an online global directory of 403 impact investment funds and products, includes $31 billion in committed capital.[4] Returns on impact investments range across asset classes and the spectrum of gains, from below-market-rate, to being in line with an investor's strategic objectives, to market-competitive and market-beating returns.[5]

After taking a step back to familiarize ourselves with the impact investing landscape, we explored how the evolution of impact investing considers the well-being of workers. We looked at a variety of ways to measure this—in terms of good jobs and good incomes; and economic prosperity in terms of community development, resilience, and innovation.

In our analysis, we set out to learn from players in the impact investing field, such as current impact investors, peer and large foundations, and impact investment fund managers. We spoke with more than 25 subject matter experts, read reports issued by major foundations and impact investing thought leaders, and attended the 2016 Mission Impact Exchange. Once our draft findings were in hand, we co-sponsored a one-day symposium with The Democracy Collaborative at Rutgers University's School of Management and Labor Relations Employee Ownership Fellowship Program (a program that FED sponsors along with other foundations and individuals) in January 2017. In attendance were some 30 leaders from both the employee ownership investing and impact investing communities. This event was part of the Fifty by Fifty initiative, aimed at catalyzing employee ownership to go to scale.[6]

All this is to say, we learned a lot. Here's what we found.

Albeit limited, employee ownership is emerging in impact investing

Overall, we found that employee ownership is not widely embraced by impact investors. Yet it is an emerging consideration. One defined option for impact investors is investing in the worker-cooperative model—one of the many forms of broad-based employee ownership. This can be done via a variety of fixed income vehicles, such as direct investments in companies, investor notes, and investments through CDFIs. Out of roughly 800 CDFIs in the US, we identified six CDFIs that focus on worker cooperatives.

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These are Capital Impact Partners in Washington, DC; the Commonwealth Revolving Fund run by the Ohio Employee Ownership Center in Kent, OH; Cooperative Fund of New England, which lends to cooperatives of all kinds throughout New England states; Local Enterprise Assistance Fund (LEAF) in Brookline, MA; Shared Capital Cooperative (formerly Northcountry Cooperative Development Fund) in Minneapolis; and The Working World in New York City.

Another option for investment is ESOPs, which are important to consider because they are by far the most substantial part of the employee ownership landscape. There are many ESOPs in publicly traded companies, but every majority worker-owned ESOP in the US is in the closely held company sphere. ESOPs have already developed an extensive network of credit suppliers as a result of being well understood by commercial banks. The total credit made available for ESOP financing is conservatively estimated at about $8 billion per year. The

overall potential can also be appreciated from the total value of all assets in ESOP companies, which is $ 1.4 trillion, according to November 2016 statistics produced by the National Center for Employee Ownership (NCEO).[7]

We identified two private equity funds focused on a variety of mid-market employee stock ownership plan transactions—Mosaic Capital Partners in Charlotte, NC; and Long Point Capital, with offices in Royal Oak, MI, and New York City. In addition, there are public index vehicles that, while not specifically focused on employee ownership, incorporate broader themes of ownership, fairness, good jobs, and good incomes.

Among mutual funds, we found the Parnassus Endeavor Fund, which invests in 26 companies that have been identified in part by being designated great places to work; we discovered that all of the companies on that list have some form of broad-based employee ownership (ESOP, employee stock purchase plans, and/or stock options).

Although opportunities for impact investment in employee-owned businesses are currently limited, there is progress in this form of investing that holds great promise for the future. We believe this is true especially in light of rising concern for income inequality, which requires attention to high-road companies and job retention, quality, and creation. Foundations and other impact investors have started to focus in these areas via direct and indirect investing, as an extension of their interest in job creation and economic development.

Like many others, we believe that attention to employee ownership is on the rise. Particular opportunity is available because of the so-called "silver tsunami," the rising wave of company sales by baby boom entrepreneurs. The baby boom generation includes at least seven million owners of privately held businesses, many of whom will want to sell or liquidate

their businesses in the next two decades. According to one estimate, this wave could result in more than 210,000 businesses being sold or dissolved every year until 2030; thus creating a new opportunity for a massive increase in employee ownership.[8] If such an opportunity is to be realized, capital will have a large role to play.

Key findings of the January 2017 gathering at Rutgers were that further progress is especially needed in creation of greater public awareness, and in building the financial structure for employee ownership investing. The case has not been explicitly made to impact investors why they should consider employee ownership a key metric of responsible companies. Attendees at the gathering emphasized the need for stories of individuals, particularly those of low income, whose lives were changed by employee ownership. Also, thus far, the right investment vehicles, in appropriate numbers, are simply not there.

Further progress is especially needed in creation of greater public awareness, and in building the financial structure for employee ownership investing.

New private equity funds focused on employee ownership are now in formation, but these will remain out of reach for most investors, due to high minimum investments and lack of liquidity. In another example, could employee ownership be explicitly incorporated into a mainstream index or mutual fund investment in the ESG impact investing universe? How and why should employee ownership be part of either "S" or "G"—or both—for an impact investor? With the rising societal interest in income and wealth inequality, social investing metrics would be highly deficient if profit sharing and shared ownership were not incorporated.

Our research offers only a snapshot in time, and was admittedly done from our foundation's particular point of view. Addi-

tional research is needed. Among those preparing to undertake such research are Project Equity and The Democracy Collaborative.

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Employee ownership is a promising new frontier for impact investing. It should attract the brightest minds interested in finance that is not centered on extracting maximum returns, but rather on sharing returns in pursuit of a fair and sustainable economy.

Findings by asset class

Fixed Income

Two CDFIs—Common Wealth Revolving Loan Fund and The Working World—are exclusively focused on employee-owned companies or worker cooperatives. We identified four additional CDFIs that focus on cooperatives, which include worker cooperatives as a top priority. These are Capital Impact Partners, Cooperative Fund of New England, LEAF, and Shared Capital Cooperative.

All have invested in worker cooperatives, and several have more than $2 million currently invested in cooperatives. These CDFIs and associated intermediaries have the support of a strong network of organizations, such as the Beyster Institute at the Rady School of Management, University of California San Diego, which provide technical assistance for start-ups and conversions to employee-owned structures. While these CDFIs are few in number, we believe there is potential for this area of interest to grow.

As an investor, we see that one of the main concerns about CDFIs is their relatively low returns. For example, investors in Cooperative Fund of New England receive returns of

Fixed Income/CDFI					
Organization	**Geography**	**Assets under management**	**Job creation**	**Capital deployment method**	**Notes (Based on public sources)**
CAPITAL IMPACT PARTNERS capitalimpact.org	US	$6.6 million (2015)	Deployed over $2 billion in 30 years, creating 33,000 jobs, including 213 cooperatives	Loans including "The National Co-op Grocers Development Cooperative Loan Fund (NCG-DC)"	One of first to invest in worker cooperatives (CHCA in the Bronx); strategy to promote food, worker and housing co-ops; Co-op Innovation Award: Awards to Democracy at Work Institute and US Federation of Worker Cooperatives.
Common Wealth Revolving Loan Fund (CWRLF) oeockent.org	Ohio and contiguous states	~$1 million (2015)	Supported 1000's of job creation & retention in 30 years. Currently $1.5 mil. in EO loans	Direct loans	Founded in 1987 after Youngstown for job creation; lends money to employee owned companies & co-ops for expansion, capital expansion, working capital, employee buyouts, and conversions. Provides tech assistance.
LEAF Local Enterprise Assistance Fund leaffund.org	US	~$6 million (2016)	$106 mil. in 30 years, resulting in the creation or retention of 7,800+ jobs. Currently $10 mil. in loans; 100's more worker-owners in worker co-ops. $2 mil.+ in worker co-op loans	Direct loans	Originally provided loans to cooperative members, and expanded to provide financing and development assistance to cooperatives, including food, affordable housing, and worker-owned firms.
COOPERATIVE FUND of New England coopfund.coop	New England and Eastern NY	$17 million (2016)	$44 mil. in loans since 1975; loans have resulted in creation or retention of 9,900 jobs; 28 loans to worker cooperatives, $3.5 mil. in loan volume	Direct loans, from working capital to property acquisition	Founded in 1975; facilitates socially responsible investing in co-ops, community-oriented nonprofits and worker-owned businesses; launched Co-op Capital Fund in 2007 to support new and existing co-op and democratically owned and controlled enterprises with preference to those in low-income communities.
Shared Capital Cooperative BUILDING ECONOMIC DEMOCRACY sharedcapital.coop	US	~$8 million (2014)	$40 mil. in loans to coops since 1978; $11 mil. in assets, of which $3 mil. with worker cooperatives	Direct loans, from working capital to real estate acquisition and refinance	Provides financing for the expansion and startup of cooperatively owned businesses and housing; supports local communities starting and growing co-ops to create living-wage jobs, expand access to healthy foods, provide affordable housing, and develop democratic workplaces and community ownership.
THE WORKING WORLD theworkingworld.org	US and international	$5 million (2016)	More than 800 projects with over 200 businesses–lending more than $4 mil. and creating hundreds of jobs	Direct loans (secured and unsecured) and profit sharing with cooperatives using a floating rate return	Established in 2004; investing in US since 2012; granted CDFI status by US Treasury in 2016.

between 0 and 2 percent. Such funds do not include deposit insurance like that available from banks. However, default rates are commonly extremely low among CDFIs. And among fixed income vehicles today, rates up to 3 percent can actually be seen as competitive for the asset class, particularly when compared to certificates of deposit. As of the middle of 2016, CDFIs were providing returns comparable to or slightly better than US Treasuries. An additional challenge is that sometimes an intermediary investment fee is needed to access the CDFI. This is the case for donor advised funds we spoke with, and this fact makes it more challenging to access and justify these investments, if financial return is an important consideration.

Another challenge for CDFIs is their ability to efficiently scale—either through deal flow within a geographic area, or through deal syndication (deal sharing and co-investment) among CDFIs across geographic areas. There are some intermediaries, such as Opportunity Finance Network (a CDFI trade group), that are trying in different ways to create efficiencies among CDFIs. Project Equity, a nonprofit that supports businesses that are transitioning to employee ownership, released two papers in early 2017 that look at opportunities, including with CDFIs, as well as barriers, to increasing equity for worker cooperative conversions.

In our landscape scan, we also looked at the Investment Notes offered by the Calvert Foundation, a leading provider of investment notes in the impact investing space. Investors lend money to the foundation via these notes, and the foundation in turn lends to organizations that create affordable housing, promote education, protect the environment, and create jobs. The foundation's 2016 Impact Report showed a lending portfolio of $225 million, with loans to 91 borrowers throughout the US and in 100 countries.[9] Returns are 0 to 4 percent, at terms of one to 15 years. While the names of two of the notes, Ours to Own and Small Business/Job Creation,

had a promising ring to them, we found that the emphases were on job creation, home ownership, and urban development in specific communities. After searching by company name on the foundation platform, we did find direct Investment Notes used for loans to a handful of worker cooperatives. As the pipeline of investments in employee-owned enterprises grows, it could be beneficial for Calvert or some similar platform to code for the form of ownership and offer investors a highly efficient way to invest in these through Investment Notes.

In addition, other investing opportunities lie with the National Cooperative Bank, which has lent to worker cooperatives and ESOPs for decades. Investors can open a variety of accounts with this bank, with FDIC insurance; these include checking, savings, IRAs, and certificates of deposits.

Bonds are another potential investing vehicle for employee ownership. In the mid-80s and early-1990s, ESOP bonds were offered by some of the major Wall Street investment banks to mostly institutional investors and used to make capital available to major stock market companies. These are now largely defunct, due to the discontinuation of Section 133 of the Internal Revenue Code, which allowed the capital provider to deduct half of its interest income on the loan when it computed its corporate taxes. However, these bonds brought billions of dollars to employee ownership financing, and ranked as the largest creation of fixed income infrastructure for employee ownership in American history to date.[10]

Private Equity (P/E) Funds

P/E funds are evolving to support impact investing, and a few are focused on integrating employee ownership through ESOPs. We learned of two private equity firms, Mosaic Capital Partners and Long Point Capital, which create ESOP deals for lower-middle-market companies. Both of these

Private Equity				
Organization	**Geography**	**Assets under management**	**Capital deployment method**	**Notes (Based on public sources)**
LONG POINT CAPITAL longpointcapital.com	US	$550 million	Designs and provides capital to acquire companies through ESOP buyouts and support existing ESOP companies in acquisitions, growth, etc.	Since the mid-1990s, firm has invested in more than 30 companies, including seven transactions which have incorporated ESOPs. Targets are companies with $30 to $350 mil. in enterprise value.
MOSAIC CAPITAL PARTNERS mosaic-cp.com	Southeastern, Mid-Atlantic, & Midwestern sections of the US	$165 million	Private equity recapitalization, ESOP buyouts, management buyouts, ownership transition, growth capital.	Principals have executed more than 120 transactions. Targets are companies with $15 to $100 mil. in revenue.

firms operate in ways sensitive to the nuances of wealth transfer and ownership transition to employees, and are aware of the positive impact of domestic job creation and retention by these companies. These two firms are, in effect, impact oriented. For example, Steve Buchanan, managing partner for Mosaic Capital Partners, said at a January 2017 panel at a Rutgers University conference on employee ownership, "Private equity is generally after the highest price. By contrast, we believe an ESOP leveraged buyout can deliver the fairest price and fairest value, which will appeal to certain sellers. We are convinced there is a certain percent of sellers who value this."[11]

Mosaic Capital Partners closed its first fund in 2015 with $165 million in committed capital; Ian Mohler at a 2016 SoCap panel reported that targeted returns to investors are in between those at traditional mezzanine and private equity funds.[12] Long Point Capital has invested in a variety of S-Corp ESOP transactions through three funds, starting in 1999, with total committed capital more than $550 million.

Two private equity funds focus on employee ownership, and more are in formation.

An initiative led by American Working Capital (AWC), a group managed by six partners with a long history in both the

ESOP and the private equity space, invests its partners' capital alongside co-investments from family offices and institutional capital sources in broad-based employee ownership transactions. The firm has offices in Chicago, New York, Boston, and Atlanta. Its deals typically require $10 to $25 million of equity or equity-like capital. AWC has a stated goal of providing funding to both de novo and mature ESOP companies. The firm is also now pursuing the creation of a private equity fund focused on employee ownership.

There is the potential of creating funds that target B-certified organizations (B Corps) and benefit corporations, which are enterprises that have social mission embedded in chartering documents. The Global Impact Investing Rating System (GIIRS), the rating system for companies and funds that uses B certification methodology, explicitly includes worker ownership as a factor for receiving a higher rating. More than half of B Corp organizations have some form of broad-based profit- and equity-sharing program. In scanning a sample of funds that have received the GIIRS ratings, however, none describe employee ownership as an explicit criterion nor as an exit strategy for the fund.

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Public Equity Funds

These mutual funds holding publicly traded companies are the most plentiful in the impact investing field, and yet surprisingly little has been done by them to integrate broad-based employee ownership.

We did not find an index fund that explicitly uses employee ownership as a criterion. However, we did find one fund, Parnassus Endeavor Fund (ticker PARWX), which uses the "best places to work" list to guide its selection of 26 compa-

nies. As mentioned earlier, all companies in this mutual fund share ownership with employees. Parnassus founder Jerome Dodson created the Endeavor Fund in 2005 as a kind of experiment, to see if good places to work did better financially. As of February 4, 2017, the fund has assets totaling $3.3 billion invested in 26 companies, primarily medium- to large-size domestic publicly traded companies. The fund has returned 32.46 percent over the past year and 15.39 percent over the past three years. *US News and World Report* in 2016 named the Parnassus Endeavor Fund No. 2 among Large Growth stocks, in its annual ranking of mutual funds.[13]

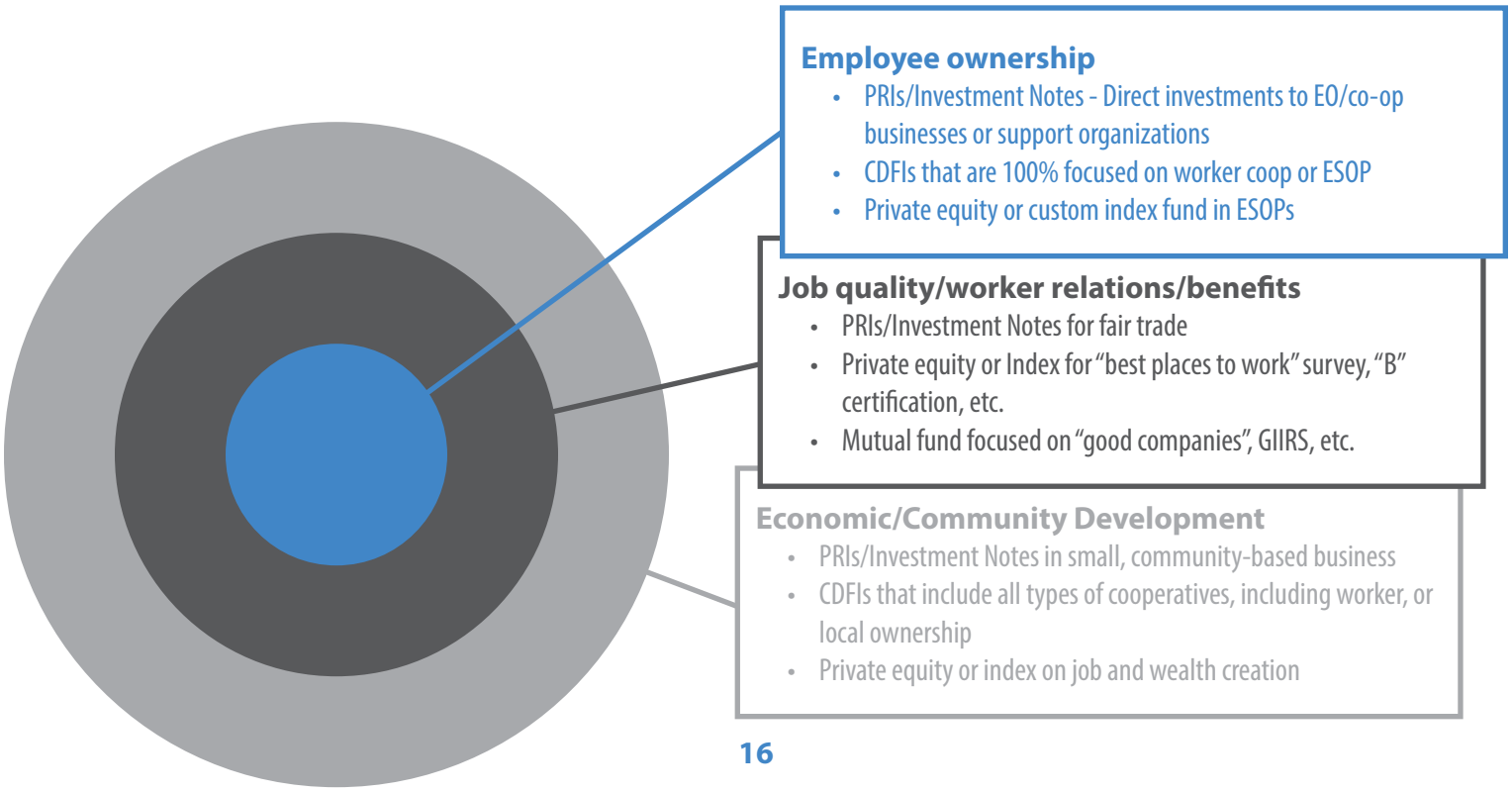
We have also learned of past research by the National Center for Employee Ownership and by the Rutgers University School of Management and Labor Relations to develop an index or mutual fund structure using a basket of firms with significant employee ownership and profit sharing. In 1992, Rutgers professor Joseph Blasi established the Employee Ownership Index based on their joint research. However, no mutual fund organization decided to use the index as a basis of a new mutual fund. In 1995, a group in the United Kingdom built on this idea and has continued to publish results based on their version of the index.[14] Recently, the Local Enterprise Development Fund began conducting analysis on creating an investable index for firms with employee ownership. Significant potential could exist for such an index or fund. For example, research by the NCEO shows that among all employees at publicly traded companies, more than half hold company stock.[15]

The US Community Investing Index (Bloomberg Ticker: CMTYIDX), which focuses on improving America's underserved communities, is an index that was launched by the Heron Foundation and licensed by State Street Global Advisors to create an investment vehicle available to institutional investors. While not focusing specifically on employee owner-

ship, the index includes securities (mostly common stock and preferred stock) of companies that are rated on human capital, which includes workforce development, low employee turnover, broad-based ownership and profit sharing. At this time, there is no public investment vehicle through which retail investors can invest in this index fund.[16]

Conclusion: Aligning impact investing with employee ownership

After our landscape survey, we are confident that employee ownership could be integrated into a portfolio approach that would satisfy needs for return, risk, and impact, while also transitioning ownership of businesses from few hands to many. Strategies need to be developed that address the large non-public market including closely held ESOPS and worker cooperatives, and the public stock and bond market.



To illustrate various approaches, we modified the bull's eye portfolio approach used by impact investors to combine an employee-ownership mission interest—ranging from employee ownership as the bull's eye, to community development as the outer ring. This multi-tiered combination would enable investors with employee ownership interest to use available vehicles along with specialized, custom investment vehicles to meet their goals. The options could be strengthened if the focus were broadened to include not just employee ownership but also impact in job creation and job quality.

Moving forward, there are challenges to overcome in building out a larger universe of employee ownership options in impact investing. These challenges include, but are not limited to, the ability to identify employee-owned enterprises or enterprises with broad-based employee ownership, to source qualified investments, and to develop sufficient financial data and infrastructure to support specific types of investment vehicles. A number of organizations are working on these areas.

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For example, Project Equity is evaluating whether some type of matching or aggregating of employee ownership investment opportunities, using standardized coding, could help source and incubate companies within the spectrum of employee ownership. Ownership Alliance is a newly formed public benefit corporation, led by Thomas Dudley, that is developing a certification program for employee-owned companies. As this program develops, it is possible it may lay a foundation for identifying firms once they become "certified employee owned."

Given the numerous employee ownership and cooperative-focused nonprofits in the US that conduct research, create

networks, provide technical assistance to existing employee-owned businesses, and convert businesses previously owned by retiring baby boomers to employee ownership, we encourage expanded roles in defining impact-investing vehicles and arranging for impact-investing capital.

This white paper shares some of our foundation's key findings and conclusions from our research over the past many months. As a result of our overall strategic planning, the FED will transition from an operating foundation to a purely granting fund, the Beyster Foundation for Enterprise Development (BFED). The new Beyster Foundation is a donor advised fund (DAF) that will support the previous FED's mission via grants, and we anticipate over time investing assets in the DAF to be aligned with employee ownership. For us, this research has helped us consider where to begin in light of our strategic direction. In the spirit of continuous improvement and collaboration, we welcome corrections, additions, and adoptions into future efforts. This journey is only beginning. 

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Disclaimer

While aiming to be comprehensive, this analysis is by no means exhaustive of the FED research nor of the entire universe of social impact investing or investing in employee ownership. All data and information provided is for informational purposes only. The FED makes no representations as to accuracy, completeness, suitability, or validity of any information. This document does not purport to show actual financial results. It is not, and should not be regarded as investment advice or as a recommendation regarding any particular security or course of action. You should consult your advisors with respect to any investments.

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Mary Ann Beyster is president and trustee of the Foundation for Enterprise Development (FED), a private, nonprofit operating foundation established in 1986 to advance entrepreneurship and science and technology innovation through broad-based ownership. The FED launched the Beyster Institute to advance understanding of employee ownership; established the Beyster Fellowship Program and the J. Robert Beyster Endowed Professorship in Employee Ownership at Rutgers University's School of Management and Labor Relations; and catalyzed numerous other programs. In June 2017, the FED transitioned to donor advised fund, the Beyster Foundation for Enterprise Development, to carry out its mission. Mary Ann Beyster is the producer of the award-winning film, "We the Owners," among other PBS-broadcast productions.

Rutgers' School of Management and Labor Relations (SMLR) is the leading source of expertise on the world of work, building effective and sustainable organizations, and the changing employment relationship.

The Beyster Institute at UC San Diego's Rady School of Management teaches and consults on the practice of employee ownership as an effective and responsible business model.

The **Fifty by Fifty** initiative is a network aimed at catalyzing employee ownership to go to scale, with a goal of 50 million employee owners by the year 2050. Fifty by Fifty is designed to facilitate the deep collaboration needed to make employee ownership—through structures like worker cooperatives, ESOPs, and other models—a major part of the US economy. It seeks to bend the curve of history toward an inclusive economy, where millions more families enjoy financial stability, increased income, and greater retirement security, and where more Americans can control their economic destiny. The Democracy Collaborative is the backbone organization for this initiative. Learn more at **FiftyByFifty.org**.

The Democracy Collaborative is a nonprofit founded in 2000 which, through a combination of theory and practice turns ideas of systemic design and community wealth building into visions, models, and pathways that demonstrate new principles of political economy. The mission of The Democracy Collaborative is to catalyze—in communities and in our nation—a fundamental transformation of the US political economy into a next system that is inclusive, just, and sustainable. Learn more at **democracycollaborative.org**.