

U.S. Sen. Baldwin: Introduces Legislation to Support Wisconsin Workers

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The Worker Owned Wealth Act would boost employee ownership, giving workers a seat at the table

WASHINGTON, D.C. – U.S. Senator Tammy Baldwin today introduced the *Worker Owned Wealth Act* to help Wisconsin workers get ahead by providing employees with tools and resources to become co-owners of the businesses where they work. Senator Baldwin announced the new legislation at Sentry Equipment, an employee-owned *Made in Wisconsin* manufacturer in Oconomowoc.

“We must do more to reward hard work and raise incomes for working families,” **said Senator Baldwin**. “Wisconsin has a rich history of employee-owned businesses that fosters innovation and increases productivity, and I’m proud to be encouraging more workers to establish and expand the employee-owned stakes in their companies. My *Worker Owned Wealth Act* will support Wisconsin workers by helping employees access the capital needed to purchase a stake in their company. As shareholders, workers have a greater say in the decision-making process, higher wages and greater job and retirement security.”

“Employee ownership is a win-win-win for workers, businesses, and local economies alike: Sentry Equipment has been an employee-owned company for 30 years, and we have seen unparalleled gains in productivity, innovation, and workplace satisfaction,” said **Sherri McDermott, Vice President of Human Resources at Sentry Equipment in Oconomowoc**. “Expanding the employee ownership model

to more companies will not only foster this collaborative energy in other industries but also give a much-needed boost to the economy here in Wisconsin and across the country.”

Senator Baldwin’s *Worker Owned Wealth Act* would encourage employee ownership business models like Employee Stock Ownership Plans (ESOPs) or worker cooperatives that give workers a seat at the table and help employee-owners build wealth. These plans allow workers to become shareholders who have a greater say in a company’s decision-making, like who sits on the board of directors, wages, executive pay and decisions to expand or downsize, or keep the company in the community instead of relocating out of town or out of the country. Employee ownership is also good for business. Companies that are employee-owned are more likely to increase productivity and become more resilient to market downturns.

Specifically, the *Worker Owned Wealth Act* would:

- **Improve access to capital** by creating an Employee Ownership Revolving Loan Fund within the Department of Treasury that would provide low-interest loans to employees seeking to purchase or grow a stake of their company.
- **Incentivize private lending to employee ownership trusts** by providing a tax deduction on the profits earned by financial institutions on these loans.
- **Raise awareness about employee ownership** by creating an Office of Employee Ownership and Worker Empowerment in the White House’s National Economic Council.
- **Close the CEO-pay tax loophole** for public companies that are not at least five percent employee owned.

Senator Baldwin’s *Worker Owned Wealth Act* has garnered support from companies in Wisconsin and advocates across the country.

“With nearly 50 percent of privately-held companies owned by baby boomers, business owners have the opportunity to maintain their company’s legacy and strong community presence by selling ownership to employees. As an employee-owned company, small businesses can continue to provide good-paying jobs and help our local economies grow. Senator Baldwin’s legislation proposes changes to bring employee ownership to the forefront of economic policy and helps make a

viable succession plan for retiring business owners more accessible,”
said **economic sociologist Distinguished Professor Joseph Blasi of the Rutgers University School of Management and Labor Relations**, who provided advice on the legislation.

[See what more supporters are saying here.](#)

Text of the Worker Owned Wealth Act is [available here.](#)

An online version of this release is [available here.](#)

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