



# FUERZA LABORAL

## POWER OF WORKERS

February 15, 2024

Dear Honorable Members of the House Committee on Finance:

On behalf of Fuerza Laboral, **we strongly support Article 7, *Relating to Economic Development***.

Fuerza Laboral is a nonprofit, community-based organization in Central Falls, RI, founded in 2006. Since 2018, our primary focus has been the development and support of worker-owned cooperatives, also known as employee-owned businesses. We have incubated, launched, strengthened, and supported more than 15 cooperatives in Rhode Island since that time across all industries, with twelve still in business today.

Both locally and nationwide, we are witnessing the “silver tsunami”--**the fact that more than half of business owners are nearing retirement age**. According to the *Ocean State Accelerates Report* released by RI Commerce in 2023, 56% of Rhode Island businesses are operated by owners aged fifty-five or older (p 23). However, many small businesses (according to the Boston Globe, as many as 4 out of 5) don’t have a succession plan in place. While large corporations have the resources to conduct national-level searches, small businesses don’t, and in Rhode Island, small businesses comprise approximately 96 percent of all businesses in the state (p 22, *ibid*).

Transitioning a traditional business to employee ownership is a creative, dynamic response to this issue, which is seeing tremendous success nationwide. Current employees know and understand the business, the customer, the market, and the product. They are invested in the company and have deep relationships with each other and the community. Many people who work in a small business consider their coworkers their second family, and when an in-family leadership transition is not an option, business owners transition their companies to employee ownership can feel pride in their legacy continuing in the hands of their second family, with people they know and trust.

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Cooperatives Director  
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