

Mar 13 2025

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Town Clerk

Employee Ownership Advocacy Roadmap 1.0

The purpose of this roadmap is to document both the work which has been embarked upon in expanding employee ownership in Rhode Island in addition to what needs to be done moving forward. This is an iterative document which may change as time goes on to reflect what has been learned along the way.

Information about Rhode Island Small Businesses and Employee Ownership

- Rhode Island is home to nearly 110,000 small businesses (defined as an [independent business with fewer than 500 employees](#)), making up close to 99% of all businesses in the state, employing over 211,000 people, [according to the Small Business Administration](#).
 - In 2024, roughly 6,100 new small businesses were registered in Rhode Island. However, over 4,500 businesses also shut their doors in the same year.
- Project Equity compiled data from the American Business Survey and found that [56% of small business owners in the state of Rhode Island are over the age of 55](#).
 - In addition, the [Small Business Administration found that a growing number of employers close their business because they want to retire](#), as opposed to low sales or to start another business.
 - In 2007, 12.6% of owners surveyed closed their firms to retire, compared to 21.9% in 2015.
 - While Rhode Island is not unique among states in terms of the number of senior small business owners, Rhode Island ranks near the bottom for small business owners under 40.
 - A Simply Business analysis of U.S. Census Bureau data found that [only 27.5% of all business owners in the state are aged 40 or under](#), the 15th lowest nationwide.
- [The Harvard Business Review](#) found that "Businesses with 30% or more employee ownership are more productive, grow faster, and are less likely to go out of business than their counterparts."

The Work So Far:

- The Office of Lt. Governor has attended numerous networking and other community events to speak with business owners about succession planning and employee ownership, including events with the Northern, Central, Southern, Greater Providence, and East Bay Chambers of Commerce; the Small Business Development Center; and the Small Business Advocacy Council.
- To magnify the efforts of the office to increase employee ownership in the state, the office also met with stakeholders in the formation of a Business Enterprise Succession Taskforce (BEST), which will lead the employee ownership movement in Rhode Island.
 - An initial kick-off meeting was held at the end of February. This meeting brought the group together for the first time, reaffirmed some of our broad goals and objectives, and generated action items in advance of a more public launch of the Taskforce.
 - We will be launching this Taskforce publicly at the end of March.