



For Immediate Release

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VEOC Testifies before Vermont House Committee on Commerce and Economic Development

Burlington, Vermont (January 14, 2010) — Jon Crystal and Don Jamison of the Vermont Employee Ownership Center (VEOC) testified today before the House Committee on Commerce and Economic Development at the Vermont State House in Montpelier.

Their testimony presented information about how employee ownership can contribute to job retention and growth in the state of Vermont. According to a national study of the performance of employee-owned companies, the introduction of an ESOP (the most common form of employee ownership) resulted in an average of a 2.3% increase in job creation per year and 2.4% faster annual growth. The experience of Vermont companies seems to confirm these national figures.

Although the decision to become employee-owned typically takes several years to make, more and more businesses seem to be taking this path. In addition, many continue to increase the percentage of ownership held by employees. Three Vermont companies became 100% employee-owned in 2009: Pizzagalli Construction, Resource Systems Group, and Gardener's Supply Company.

Today's testimony also included comments from several Vermont business leaders about how employee ownership has impacted the success of their companies. According to Will Raap, founder of Gardener's Supply Company, "By becoming a 100% employee-owned business, Gardener's Supply has helped to assure our national business will keep jobs in Vermont. For 25 years we've cultivated an employee-engaged business culture that helped grow jobs because our employees could contribute their talents to enterprise initiatives that strengthened a business they owned a part of and that were embedded in the Vermont economy."

Tom Adler, President of Resource Systems Group, wrote: "We just recently completed our transition to 100% employee ownership. This means, among other things, that the 60+ high-paying jobs that we have created in Vermont will stay in Vermont and that we will continue to grow here."

And Steve Voigt, President and CEO of King Arthur Flour Company, added: "Our growth both in sales and profitability has been remarkable since we became employee-owned. We have created over 170 jobs in Vermont and we continue to grow and expand here. All of this was achieved because of the commitment and empowerment of King Arthur Flour's employee-owners."

Crystal and Jamison also provided committee members with a list of ways that the legislature could encourage more businesses to share ownership with employees, which in turn can positively impact job creation and retention in Vermont. The list includes branding Vermont as “employee-ownership friendly” in order to attract entrepreneurs to the state; providing state credit support through guarantees; and supporting the proposed “for-benefit” corporate structure to help sustain employee-owned companies over time.

For more information on the benefits of employee ownership, contact the VEOC at 802-861-6611 or visit www.veoc.org.

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