



March 17, 2025

Oregon Legislative Assembly  
900 Court Street NE  
Salem, Oregon 97301

Members of the Oregon Legislative Assembly,

I am pleased to express The ESOP Association's strong support for HB 3646, legislation that advances Oregon's mission to support businesses that benefit society as a whole. By promoting employee ownership, this bill expands the numerous, proven societal advantages of broad-based ownership. On behalf of The ESOP Association and our members in Oregon, I urge you to pass this legislation.

The ESOP Association is the largest organization in the world supporting employee-owned companies, the more than 10 million U.S. employee owners who participate in an employee stock ownership plan (ESOP), and the professionals who provide services to them. The ESOP Association conducts and funds academic research, provides a comprehensive array of services to employee-owned businesses, and represents employee owners and their businesses to federal and state lawmakers. We have seen throughout the country how state policies fostering employee ownership led to greater economic security for workers, stronger businesses, and more resilient local economies. We are proud to endorse HB 3646 to help promote these benefits in Oregon.

Recently, Oregon recently passed legislation (HB 3572) to provide state procurement preferences to benefit corporations that provide "a material positive impact on society and the environment, taken as a whole, from the business and operations of the company." HB 3646 builds upon this foundation by extending procurement preferences to businesses in which employees own at least 50% of the company directly or through an Employee Stock Ownership Plan (ESOP).

The societal benefits of employee ownership are well-documented. ESOP companies empower and invest in workers by providing them more training and involving them in company decisions at much higher rates than businesses with traditional ownership structures.<sup>1</sup> ESOPs not only increase worker satisfaction; they reduce wage and wealth inequality as well. Black ESOP employees have three times the wealth of Black households nationally, while female employee owners earn 17% higher wages than their non-employee owner peers.<sup>1</sup>

There is also ample evidence for the economic benefits of ESOPs. Employee-owned businesses experience higher productivity, lower turnover, and greater long-term sustainability.<sup>1</sup> Studies show that ESOP-owned companies are more resilient in economic downturns and provide their employees with significantly higher retirement savings than their non-employee-owned counterparts.<sup>1</sup> Additionally, employee ownership helps keep businesses rooted in their communities, preventing job loss due to business closures or out-of-state acquisitions.

**The International Employee Ownership Center**

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ESOPs are also an essential tool in combating the rising “Silver Tsunami” crisis. According to recent statistics, baby boomers own approximately 43,400 businesses in Oregon, which employ approximately 426,000 people and generate more than \$77 billion in revenue.<sup>2</sup> Yet a majority of these business owners do not have a formal business succession plan. This bill provides a much-needed incentive for business owners to consider employee ownership, potentially saving thousands of jobs in local communities statewide.

Oregon has already embraced the power of supporting businesses that positively contribute to society. HB 3646 will strengthen and expand that power to benefit even more workers, businesses, and communities across the state.

For these reasons, The ESOP Association strongly supports HB 3646. Should you have any questions regarding our position, please feel free to contact Greg Facchiano at (202) 293-2971 or via email at [gfacchiano@esopassociation.org](mailto:gfacchiano@esopassociation.org).

Thank you for your leadership in promoting employee ownership in Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Bonham".

James J. Bonham President & CEO  
The ESOP Association

Sources:

1. [10 Best Things About ESOPs\\_ The ESOP Association.pdf](#)
2. [OregonESOPAssociation\\_ProjectEquity\\_June2021.pdf](#)