

VAWC Supports OTO
Here's Why



The “Silver Tsunami” – a broad-based exit of business ownership – is threatening business and tax base in Massachusetts

S.305 supports worker buyouts and forming worker cooperatives. OTO exempts sellers from up to \$1 million in capital gains tax with a qualified worker buyout. Here's all you need to know.

Why Are Businesses Closing in MA

Challenges in Massachusetts:

MA unemployment compared to US⁷

+11%

MA businesses owned by individuals aged 65+¹

20%

MA businesses owned by individuals aged 50+¹

50%

MA businesses with decline or flat employment in 2024⁷

78%

Businesses in the Northeast with no succession plan²

80%

MA small businesses (<\$1m) that don't sell at all²

82%

Why Worker Co-ops Are The Solution

Worker co-ops have:

Higher productivity³

5%

Higher survival rate to 10th year⁴

7%

Less employee turnover³

15%

Higher growth since 2020 nationally⁸

34%

Higher ownership among people of color^{8,9,10}

38%

Higher ownership among women^{8,9,10}

41%

With trusted support, workers are cooperatively buying businesses.
Business in Massachusetts is shrinking.

1 - [Fed Small Business](https://www.fedsmba.com/search?q=massachusetts) - <https://www.fedsmba.com/search?q=massachusetts>

2 - [Northeast Transition Initiative](https://ownershiptransition.org/planning-for-the-future-of-your-business/) - <https://ownershiptransition.org/planning-for-the-future-of-your-business/>

3 - [Abell, Hilary. "Worker Cooperatives: Pathways to Scale"](https://project-equity.org/wp-content/uploads/2023/06/Worker-Cooperatives-Pathways-to-Scale.pdf) - <https://project-equity.org/wp-content/uploads/2023/06/Worker-Cooperatives-Pathways-to-Scale.pdf>

4 - [Democracy At Work Institute, 2019 State of the Sector](https://democracy.institute.coop/2019-worker-cooperative-state-sector-report) - <https://democracy.institute.coop/2019-worker-cooperative-state-sector-report>

5 - [Murray, Anthony. "Co-Operatives Make for a Happy Place to Work."](https://www.thenews.coop/co-operatives-make-happy-place-work/) Co-Op News, 2013- <https://www.thenews.coop/co-operatives-make-happy-place-work/>

6 - [Aspen Institute](https://www.aspeninstitute.org/wp-content/uploads/2023/05/Race-and-Gender-Wealth-Equity-and-the-Role-of-Employee-Share-Ownership.pdf) - <https://www.aspeninstitute.org/wp-content/uploads/2023/05/Race-and-Gender-Wealth-Equity-and-the-Role-of-Employee-Share-Ownership.pdf>

7 - [Fed Small Business](https://www.fedsmba.com) - 2025 Chartbook on Massachusetts Employer Firms

8 - [U.S. Federation of Worker Cooperatives](https://democracy.institute.coop) and Democracy At Work Institute - 2025 State of The Sector

9 - [U.S. Census Bureau](https://www.census.gov) - Employer Business Data

10 - [Small Business Administration](https://www.sba.gov) - Massachusetts Small Business Profile

The Valley Alliance of Worker Co-operatives (VAWC) is a co-op of worker co-operatives who gather together to support, educate and develop worker co-ops in Vermont and Massachusetts. VAWC has supported ten conversions to worker co-ops and is currently working with two start-ups. VAWC's activities include marketing, legislation, cross sector cooperative collaboration and education, including the Certificate in Applied Research in Co-operative Enterprise at the University of Massachusetts, Amherst.

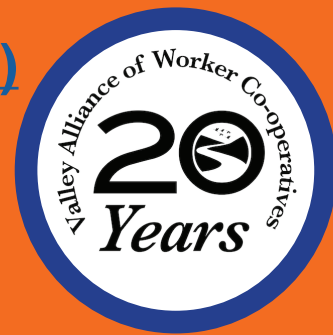
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We Support Opportunity to Own (H.503/S.305)

An Act Promoting Entrepreneurship Through Employee Ownership

VAWC has supported ten conversions from traditional businesses to worker co-ops since 2008 without legislative support. Imagine all we can do with it.



Opportunity to Own provides a pathway for business owners to cement their legacy, for workers to keep their jobs, and for communities to retain tax base and infrastructure.

Why Convert to a Worker Co-op

A Built-In Pathway for Business Retention

OTO will support both business owners and workers by providing informed buyout offers. With this bill, we are targeting ten conversions in the next five years.

Sellers Receive Financial & Social Capital

Sellers to worker buyouts will save on capital gains tax and will be revered as preserving jobs and community services.

OTO Works with Common Timeframes

Businesses in the Northeast sat on the market for an average of 200 days. OTO asks for 30 days to accept a worker buyout, then 180 days to acquire financing.

View Business as Source of Equity & Innovation

Innovation, partnerships, and growth need to relate to those within any company. Worker co-ops leverage this connection and incentivize workers to improve and innovate their business and how it is run.

A Majority of Workers Prefer Worker-Owned

Almost three-quarters (72%) of all workers across political the spectrum prefer to work for employee-owned companies, compared with 19% who prefer a company owned by investors and 9% who prefer a company owned by the state⁶.



"We couldn't have done it if we weren't worker-owned."

- Matt Grillo, a worker member at Collective Copies, about thriving in printing for 40 years



"As a worker member, I build an equitable workplace and leadership skills."

- Larisa Demos, founding member of Flat Iron Coffeehouse

Want to know more about worker co-ops or VAWC?
Contact us today: Adam Trott • adam@valleyworker.coop •
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We are part of the Coalition for Worker Ownership and Power
Learn more about them at cooperativema.org

