

DRAFT LETTER OF SUPPORT FOR SB 1407 (Becker) - PUT ON YOUR LETTERHEAD, SIGN, AND UPLOAD TO THE CA LEGISLATIVE PORTAL

INSTRUCTIONS:

1. Put on your letterhead, edit and adapt as you like.
 2. Send your letter of support to Bernadette, the WORC coordinator: bkingfitzsimons@seiu-uhw.org. She will submit it to the Assembly Committee on Jobs, Economic Development, and the Economy on your behalf.
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Please send a support letter by Monday, June 13th – On your letterhead
Sample Support Letter – Senate Bill 1407 (Becker)

DATE

The Honorable Sabrina Cervantes
Chair, Assembly Committee on Jobs, Economic Development, and the Economy
1021 O St., Ste. 6120
Sacramento, CA 95814

RE: Support SB 1407 (Becker) – The CA Employee Ownership Act

Dear Assemblymember Cervantes,

[Name of Your Organization] writes in support of Senate Bill 1407 (Becker) that will preserve California small business, bolster California workers, and create an overall more equitable economy by increasing awareness of and pathways to employee ownership.

SB 1407 will establish a dedicated hub within the Governor’s Office of Business and Economic Development (Go-Biz) that will help educate stakeholders, assist business owners and workers in navigating available resources, provide funding for technical assistance, and streamline and reduce barriers to the existing business transition process. These measures are critical to both increasing awareness of worker ownership and decreasing barriers to the model. The bill also establishes the Employee Ownership Education and Outreach Grants Program to expand education on employee ownership, and the Employee Ownership Conversion Technical Assistance Grants Program to reduce barriers for businesses considering a conversion to employee ownership.

[Include a sentence about your organization’s connection to the issues in this bill.]

Employee ownership, in the forms of worker cooperatives (co-ops) and Employee Stock Ownership Plans (ESOPs), are proven to benefit businesses, workers, and local economies. Worker-owned firms see stronger overall business performance and resilience during economic downturns. Workers at these firms see greater wealth-building opportunities and increased job security compared to their counterparts at traditional businesses. Both evidence and experience suggest that employee ownership is a particularly powerful wealth-building opportunity for

workers and communities of color; providing additional pathways for workers of color to become employee owners is an essential component of any strategy to address the racial wealth gap.

Now is the time for California to harness the power of worker ownership. Prior to the pandemic, California small businesses faced mounting pressures from an impending wave of retirement amongst business owners. Baby boomers own approximately 359,000 businesses in California, which employ 3.9 million people.¹ A majority of business owners do not have a formal succession plan, and most owners who try to sell their businesses cannot find a buyer. These challenges have been compounded by the economic impacts of the COVID-19 pandemic, which has brought mass business closures. This dual crisis requires immediate and bold action.

As California continues to recover from the economic impact of the pandemic it has the opportunity to not only rebuild workplaces, but choose to invest in models that provide proven benefits to businesses, workers, and the community.

For these reasons, **[Name of Your Organization]** supports SB 1407 (Becker) and respectfully requests your “Aye” vote. If you have any questions regarding our position please contact: **[CONTACT INFO]**.

Sincerely,

Your Name
Title

¹ [California Worker Cooperatives. Project Equity \(2021\)](#)