Ownership design for a sustainable economy

Research findings

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Sarah Stranahan
and Marjorie Kelly

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FIFTY BY FIFTY

Executive summary

We began this research with the recognition that the multiplying crises we face today are entwined at their root with the particular form of ownership that dominates our world: the publicly traded corporation.

The revenue of the 1,000 largest corporations represents roughly 80 percent of global industrial output. The publicly traded company has an overriding interest in creating profits for shareholders, which is a goal that tends to displace all other aims. These giant corporations and this ownership structure now hinder our ability to adapt to a new era of finite resources.

The reason is found in their core ownership design: the owners—i.e., shareholders—are large in number, geographically remote, disengaged from companies, and lacking in commitment and responsibility. These owners, focused on profits and share price, are not positioned to be the stewards guiding companies into a new era of deep ecological sustainability.

True sustainability is fundamentally a moral aim. The question then becomes what ownership design allows owners, and hence executives, to act as "moral agents," which is a "precondition for decisions supportive of the economy-in-Planet," as sustainability expert Carina Millstone explains so eloquently. What is needed is companies with different kinds of shareholders—fewer in number, close to the firm, engaged, committed to a common social or environmental mission.

Mission-led employee-owned companies significantly outperformed their peers in terms of social and environmental impact.

In our research, we identified the mission-led, employee-owned company as the current design most suited to an "economy-in-Planet." Using both quantitative and qualitative research methods, we explored the nexus of employee ownership, social equity, and environmental sustainability, and found that mission-led, employee-owned companies significantly outperformed their peers in terms of social and environmental impact. These companies have important lessons to teach about the kinds of corporate ownership designs needed for a sustainable economy.

More than 50 mission-led, employee-owned companies are already operating in the US. They represent a viable design for "next-generation enterprises," more suited than publicly traded companies to meet the challenges of the 21st century. These companies number among the nation's 450 worker cooperatives as well as the 2,000 employee stock ownership plan companies that have at least 30 percent employee ownership.

We found that mission-led, employee-owned firms are not confined to the margins of our economy. They include such well-known brands as Eileen Fisher, King Arthur Flour, Clif Bar, Dansko, and Gardener's Supply. They include Recology, a $1.2 billion waste management and recycling firm that is committed to "a world without waste," where garbage truck drivers can earn $100,000 per year. Also included are nearly a dozen solar installation companies, growing numbers of craft breweries, and high-tech firms such as Chroma Technology, a maker of optical filters in rural Vermont, where workers with high school educations can earn six-figure salaries.

Additionally, there are traditional manufacturing companies like Mission Bell Manufacturing of Morgan Hill, California; NewAge Industries of South Hampton, Pennsylvania; and Woodfold of Forest Grove, Oregon. There are also investment management companies such as Zevin Asset Management and Trillium Asset Management, both of Boston; environmental consulting firms such as EA Engineering of Maryland; and firms such as Cooperative Home Care Associates in the Bronx, which employs more than 2,000 of women of color often excluded from the traditional labor market.

The stories of environmental impact driven by these firms are impressive.

- **Gardener's Supply,** with 250 employees in Vermont, restored the Intervale, a 700-acre floodplain next to its headquarters, which had been a dumping ground and today is the crown jewel of locavores, visited by people from around the world. This restored land now produces more than 500,000 pounds of food a year. The area also features the Intervale Conservation Nursery, growing native trees and shrubs used by watershed groups and landowners in protecting Vermont's watersheds.

Gardener's Supply president Cindy Turcot.

- **Eileen Fisher,** designer and marketer of women's clothing with 1,100 employees and revenues of $400 million, sees business as a force for good. It is the first US fashion house to pursue safe chemical certification for its textiles, is on track to a goal of 100 percent organic cotton by 2020, and is collaboratively developing transparency in textile supply chains for its entire industry.

- **Namaste Solar,** Colorado's largest locally owned solar installer, has made more than 7,400 solar installations. This worker-owned cooperative—democratically governed by its employees and a certified B Corporation—has a mission of transforming energy and transforming business. Cofounder Blake Jones helped found Amicus Solar, a purchasing cooperative of solar companies with more than 50 members, collaborating for purchasing and operational efficiencies than enable them to compete with large companies. Jones also helped found the Clean Energy Credit Union, which provides consumer loans to reduce the cost of clean-energy products and services.

Next-generation enterprise—the mission-led, employee-owned firm—is a bottom-up solution that is quietly spreading. Visionary entrepreneurs are showing the world it is possible to build and preserve businesses that operate with strong social and environmental values, and that these values can continue to be realized long after the founder is gone. The emerging model of the mission-led, employee-owned firm offers a hopeful glimpse of how business might operate in an economy that truly works for people and the planet.

Research methodology

To analyze the environmental and social impact of different ownership designs, Fifty by Fifty conducted quantitative research, using publicly available data measuring the social and environmental impact of B Corporations. Having this data available was valuable, because the companies under study are private firms, which generally do not release financial or social impact data.

Using data collected by the nonprofit B Lab, we compared worker impact scores, environmental impact scores, and overall B scores of 20 employee-owned B Corps to 20 B Corps without employee ownership. We then compared these companies to similar samples of employee-owned companies that were not mission-driven, and to conventional "benchmark" companies, neither employee-owned nor mission-driven (many firms choose to take the B Lab assessment even though they are not B Corps).

Our quantitative findings demonstrate that mission-led, employee-owned firms outperform their peers,

Our research found that it is in transferring ownership to employees that a founder's vision and values—generally the source of a firm's commitment to people and the planet—can continue to be realized long after the founder is gone.

with average B scores nearly 21 percent higher than similar non-employee-owned firms. The employee-owned firms had average worker impact scores nearly twice those of non-employee-owned firms, and average environmental impact scores on par with their peers (see Table 1, page 13).

We concluded that employee ownership, in and of itself, does not guarantee sustainable practices. It is the combination of strong mission with employee ownership that is essential to long-term sustainability. It allows founder-led firms with strong values to preserve and enhance these values into the next generation of ownership. These findings were confirmed when our analysis showed that of the 47 employee-owned B Corporations we identified, 37, or nearly 80 percent, had been named Best for the World by B Lab in either 2017 or 2018.

This quantitative research was enriched by our 13 profiles of mission-led, employee-owned firms. Employees steeped in a mission-driven, ecologically sensitive company culture were in a good position, when given ownership, to keep this rich culture and mission alive.

- We saw this with Cindy Turcot at Gardener's Supply, who began with the firm 35 years ago in customer service and data entry, and today is president. She is also a national leader in employee ownership.

- We saw it at Heritage Aviation, where founder

Dave Stiller implemented open-book management and over two years transitioned to employee ownership. "As a result, we've made huge strides," he said. "The business and the employees have really flourished." Employee-owners aided the company's adoption of a deeper environmental commitment, including reducing its carbon footprint, operating a LEED-certified Gold building, and installing a wind turbine and solar panels. In the context of its dual commitment to employees and the environment, the company became a benefit corporation in state law. "The Benefit Corporation law requires that we consider more factors than just the sale price in exercising our board duties," Stiller said, insulating the company from a requirement to sell to the highest bidder.

- We saw this at South Mountain Company, a 100 percent employee-owned green design-build firm on Martha's Vineyard that was one of only two companies rated "Best for Employees" and "Best for the Environment" by B Lab. It builds "22nd-century" buildings that are low impact and energy efficient. "It's hard to imagine that future employee owners wouldn't care about the environmental impact in our community," founder John Abrams told us, "because people who work here, live here, raise their families here, and are deeply connected to the island."

Our research found that it is in transferring ownership to employees that a founder's vision and values—generally the source of a firm's commitment to people and the planet—can continue to be realized long after the founder is gone. This is a very different trajectory than sale to private equity or a large corporate competitor, which tends to have a very different outcome: a squeezing out of social and ecological mission, and a narrowing of focus to short-term profit maximization.

This was seen in two longitudinal studies we conducted, comparing Josey Bass versus Berrett-Koehler Publishers and Donna Karan International versus Eileen Fisher. Here we examined what happens to firms after the founder leaves—in one case when the firm is sold to employees, or, in the other, when it is sold to capital ownership.

We saw that companies sold to outside investors often found themselves sold again and again, in the process jettisoning the values of founding entrepreneurs who sought to create businesses that accomplished multiple goals: earning a profit but also providing good jobs, supporting their communities, and building a sustainable future. The employee-owned, mission-driven firms, by contrast, not only survived but thrived. Their missions remained intact and robust, and the companies succeeded financially.

A few concluding observations

Fifty by Fifty's research examines a small group of employee-owned firms and, thus, its conclusions are intended as much to raise questions as to answer them. Below are a few of the questions that warrant further research and exploration.

How predominant is ecological mission among employee-owned firms?

Our research finds that employee-owned firms do not necessarily demonstrate above-average environmental performance. We find environmental commitment primarily among firms driven by social and ecological mission overall. We found over 70 firms with employee ownership that demonstrated concern for environmental mission. But we did not examine all of the nation's 7,000 firms with employee ownership.

One question we did not answer in our research is whether environmental mission might be stronger among employee-owned firms that pass a certain threshold of ownership. Experts generally consider 30 percent ownership by employees essential for developing an "ownership culture," which might drive stronger environmental values and practices. Among the nation's 7,000 firms with employee ownership, about two-thirds of employees with ownership shares are at publicly traded corporations, where ownership is limited to less than 5 percent; clearly a 1 percent to 5 percent stake is not likely sufficient to change corporate behavior. What threshold matters? This is something future research might examine more carefully.

When EO firms care about environmental impact, why do they?

Our research points to the founder as the key driver of environmental commitment, followed by other top executives. It is human leadership that brings moral vision to a firm. It is corporate culture that sustains it. Ownership structure protects moral culture and leadership—or militates against it. In financially controlled firms, the algorithms of financial return take over and sqeeze out moral vision; leaders who fail to deliver ever-increasing returns are forced out.

Are there structural changes to business that would allow sustainable, equitable behavior by moral agents?

This is the final question—the real question for our civilization at this perilous crossroads. The mission-led, employee-owned firm at this point in history is a voluntary model. It shows how ethical company leaders can mold a company to deliver positive social and environmental outcomes—past the era of the founder—to sustain mission over time, while also succeeding as a business. Ultimately, ownership and governance of existing major corporations must be redesigned toward the same ends. Voluntary change alone will not be enough.

In fact, no single design element alone—not employee ownership, not benefit corporation status—will deliver the outcomes we desire. We need a set of checks and balances. We need democratized ownership. Society long ago democratized government. But we have never democratized the economy.

The mission-led, employee-owned firm is a beacon showing the potential path ahead. How could the lessons of this model be scaled up and institutionalized at more corporations—and ultimately at all corporations?

Billy Dillon works at South Mountain Company, a worker-owned cooperative and certified B Corporation that does architecture, engineering, building, and renewable energy.

The research

The climate crisis is upon us—evidenced in brutal hurricanes, wildfires, and daily flooding on the streets of major cities—yet the global community has failed to come together to promote transformative solutions. Our oceans are filling with plastic, as petroleum companies build new plants to generate more of the same. We are stuck in the paradigms of the past, seeking to save our dying planet with "sustainability programs" inside megacorporations whose very design leads to social inequity and environmental degradation. In other words, the multiplying crises we face today are entwined at their root with the particular form of ownership that dominates our world: the publicly traded, finance-controlled corporation.

The publicly traded company has an overriding interest in creating profits for shareholders. This goal tends to displace all other aims, because distant shareholders in publicly traded companies are disengaged, lacking in commitment to, or responsibility for, the firm's actions. Their reason for becoming "owners" is to reap monetary benefit—which they are doing at an unprecedented scale. The revenue of the 1,000 largest corporations represents roughly 80 percent of global industrial output.

These giant corporations and this ownership structure now hinder our ability to adapt to a new era of finite resources. This crisis is propelling new thinking around how to create a sustainable global economy—one that supports equitable distribution of resources and functions within planetary limits.

The multiplying crises we face today are entwined at their root with the particular form of ownership that dominates our world: the publicly traded corporation.

Over the last two years, Fifty by Fifty has sought to build on this conversation by deepening our understanding of ownership design and structure, and its impact on sustainability. If capital ownership, laser-focused on short-term, maximum financial gains for shareholders, crowds out other purposes, we wanted to know: Are there ownership structures that encourage and enable broader corporate purpose, in which environmental and social sustainability become not only possible but are built in as part of the fundamental aim of corporate behavior?

In this report, we share the findings of quantitative and qualitative research, exploring the nexus of ownership design, social equity, and sustainability. Our initial inquiry was to explore the relationship between employee ownership and environmental sustainability. We discovered, along the way, that these two tended to go together when a third element was in the mix: ecological and social mission.

We found that employee ownership, in and of itself, does not strongly correlate with good environmental performance. An unexpected but major finding of our research was something else: the existence of dozens of mission-driven employee-owned firms—more than 50 in the US alone—that do exhibit dramatically superior ecological and social outcomes. We call these firms "next-generation" enterprises.

Through quantitative analysis we found these next-generation firms outperform other firms in terms of social and environmental impact: they are the best of the best. Of 47 B Corporations that we identified, 37—or roughly 80 percent—were named "Best for the World" by B Lab in either 2017 or 2018.

Our qualitative research provided a more nuanced picture of the evolution of these firms, showing how founders face a fork in the road—one road leading to financialized ownership and an attendant narrowing of social/ecological mission, the other road leading to a sale to employees who serve as stewards of the culture and mission they have long been steeped in.

Research methods

- ☐ Quantitative study that compared employee-owned B Corps to similar B Corps that were not employee-owned, and to employee-owned companies that were not mission-driven.
- ☐ Thirteen case studies based on interviews of leaders of mission-driven, employee-owned firms.
- ☐ Two paired studies contrasting outcomes of similar firms when ownership transferred from founders to employees, on the one hand, or to capital ownership, on the other.

A paradigm shift

Our research builds on the work of multiple scholars who have produced groundbreaking theories regarding sustainable economic practices. From their work, we took five basic premises that formed the foundation of our own hypotheses.

Premise One: True sustainability requires operating within planetary boundaries, not simply doing less harm. Kate Raworth and Carina Millstone—authors, respectively, of *Donut Economics* (Chelsea Green, 2017) and *Frugal Value: Designing Business for a Crowded Planet* (Routledge, 2017) —are among those who argue that true sustainability requires businesses, collectively and individually, to operate within planetary boundaries.

To attain this goal, argues Jeffrey Hollender, founder of Seventh Generation, we need to raise the bar on corporate responsibility beyond "reducing harmful environmental impacts" to creating "net positive" impacts. We do that, he says, by addressing social needs, reducing inequality and inequity, and regenerating natural resources.[1]

Premise Two: The business case for sustainability, while important, will not get us to true sustainability. A 2010 report from Trucost estimated that 3,000 corporations were responsible for one third of all global environmental damage.[2] When sustainability advocates try to encourage sustainable behavior at these companies, they speak of "the business case," urging companies to consider reputational risk management, brand positioning, license to operate, or cost savings. Millstone cites an eight-year study by Massachusetts Institute of Technology and Boston Consulting Group, finding that only 37 percent of firms had discovered how to reap financial rewards for sustainability steps. In the other cases—close to two-thirds of the time—"a business case does not ex-

An unexpected but major finding of this research is the existence of dozens of mission-driven employee-owned firms—more than 50 in the US alone—that do exhibit dramatically superior ecological and social outcomes.

ist after all." She argues that true sustainability cannot be achieved as a strictly profit-making aim. Sustainability is fundamentally a moral aim.[3]

Premise Three: Inequality and environmental degradation are inextricably linked. James K. Boyce, an economist at the Political Economy Research Institute at the University of Massachusetts at Amherst, and Sue Holmberg, a fellow at the Roosevelt Institute, have analyzed the macroeconomic links between climate and inequality, citing data showing a direct relationship between economic and political inequality and environmental harm, at national, state and local levels.[4]

Holmberg argues that this correlation also holds at the enterprise level. "Corporate short-termism, by its very definition, is bad for the environment because the same shareholder incentives that skew companies away from investing in workers, innovation, and capital discourage them from investing in, for example, green retrofitting of existing buildings, sustainable production practices, and even compliance with existing environmental regulations."[5]

Premise Four: Ownership structure is a critical yet largely unexplored new frontier in sustainability thinking. As Marjorie Kelly has written, "Ownership is the gravitational field that holds our economy in its orbit, locking us all into behaviors that lead to financial excess and ecological overshoot."[6] Capital-centric ownership design drives the behavior of corporations, and corporations have an outsized impact on our environment. In the most immediate example, we are unable to rein in climate change because of the deliberate confusion sown by fossil fuel companies and their capture of policy; these companies' pursuit of maximum quarterly earnings for investors comes before the health of the planet. This is just one illustration of how we are destroying our planet because we are locked into outdated ownership designs that few people question.

Premise Five: Today's dominant ownership design cannot create sustainable and equitable enterprises. Today's dominant company ownership model—shareholder ownership of publicly traded companies—is profoundly at odds with true sustainability. This model is short-term in its orientation, requires constant growth, measures success by profit and share price, and externalizes environmental and social costs. As Jeffrey Hollender argues,

> *What is currently required of business to ensure that the future provides the planet and its inhabitants with equity, justice, health, and well-being is totally misaligned with the purpose and objectives of the vast majority of the world's companies. This misalignment is built into the rules that govern business, and has been designed into the very laws, tax codes, and regulations that govern how the game of business is played. These rules often permit and even encourage the destruction of our planet and jeopardize the future of humanity.*[7]

Recognizing the failure of the publicly traded corporation to protect the environment 25 years ago, Paul Booth steered us toward an alternative: worker ownership (which he terms a "producer cooperative"). He wrote:

> *Even though the conventional capitalist corporation is the globally dominant form of business organization, it may not be the most environmentally friendly. Given the need for a sustainable steady-state economic system, some other form of business organization will likely be required that uses natural resources more ef-*

EA Engineering staffers participate in an environmental cleanup project in Syracuse, N.Y.

> *ficiently and is less growth oriented than the typical corporation. An attractive alternative is the producer cooperative where employment is accompanied by a right to democratic participation in organizational governance and a share of surplus earnings.*[8]

Premise Six: Ownership design for the 21st century must solve for multiple challenges in order to deliver real sustainability. While several exciting innovations have emerged along the single dimension of ownership design—such as benefit corporations, purpose trusts, and employee ownership—the challenge is to design corporate structures that are fit for a new era of equity and sustainability. No social architecture can be complete by using a single design element. The Constitution relies upon far more than voting. A house cannot be built using only a roof. Next-generation enterprise needs broad-based ownership, as well as an embedded purpose of serving the public good. These two design elements together begin to point to the kind of enterprise design needed for a new era. Enterprise structure in itself is not wholly sufficient to creating a new kind of economy. But it is essential.

The question

A fundamental question that arises from various thought leaders is: How do we design businesses as a force for good? How can the deep design of companies allow and encourage moral agents to make decisions that result in the goals Hollender articulates: equity, justice, health, and well-being?

Following Booth's lead, we began our inquiry with a focus on employee ownership, asking the question, *Does employee ownership of enterprises correlate with above average environmental practices and outcomes?*

Framing the hypothesis

Like Booth, we believed that *ownership by workers would offer distinct advantages for a sustainable economy* for multiple reasons:

- Employee ownership creates companies rooted in place, helping to build resilient local communities.
- Companies anchored in place are less likely to engage in poor environmental practices, because the local environment is where employees live and work.
- Worker-owned firms can operate at an optimal scale, because growth is not a yardstick as it is for publicly traded companies.
- Employee ownership lessens inequities through quality jobs and profit sharing as well as increased wealth held in local communities.

All these characteristics indicate these companies could be well suited to contribute to the steadiness of resource use in a sustainable economy.

When employees become shareholders, they have the opposite characteristics of the distant investor. Employee shareholders are few in number, close to the firm, engaged, and potentially committed to a common mission. These employee-owners can act, in concert with good leaders, as "moral agents," working to balance sustainability and profit rather than focusing on maximum financial extraction. Yet despite these positive conditions for sustainability, we did not expect to find a direct relationship in which employee ownership always resulted in above-average environmental performance. We were well aware of examples of employee-owned companies that did not prioritize sustainability.

Recognizing that there is not a linear relationship between employee ownership and superior environmental performance, we used systems theory's insight that living systems evolve through mutual causation. We hypothesized that employee ownership and superior environmental performance mutually co-arise when there is a third element present: a clear environmental and social mission.

> **Among 47 employee-owned B Corps that we identified, nearly 80 percent earned the "Best for the World" rating from B Lab.**

In many of the best mission-driven businesses, a firm's bylaws or articles of incorporation embed social or environmental mission in the legal DNA of the company. These firms include B Corporations and benefit corporations, the community interest corporation in the United Kingdom, and purpose trusts. (B Corporations are certified by a nonprofit, while benefit corporations use state incorporation statutes; both are methods by which companies declare and embed a purpose of creating public benefit.) These legal forms are key steps toward aligning investors, owners, and employees around a common social and environmental mission.

But when new ownership comes in—such as through a sale of the firm to a hedge fund or a multinational corporation—social, ecological mission tends to be squeezed out in favor of profit maximization. It is through ownership transition to employees, who are already committed to the firm's mission, that broad mission can be preserved. Thus, we hypothesized both elements—employee ownership and strong mission—would be necessary to long-term sustainable outcomes.

The strategy

To explore this theory, we undertook both quantitative and qualitative research. We used B Corporations—firms that have committed to delivering and measuring positive social and environmental impact alongside financial performance—as a proxy for mission-driven firms.

Employee-owned B Corps score significantly higher on worker impact and overall impact than non-employee-owned firms.

Drawing on publicly available data collected by the nonprofit B Lab (see details below), our quantitative study compared B Corporations (i.e., mission-driven firms) that were employee owned to those that were not employee-owned. In addition, we compared our sample of employee-owned B Corps to a group of similar employee-owned firms that were not mission-driven.

Our qualitative research included 13 in-depth case studies, in which we interviewed leaders of mission-driven employee-owned firms to explore the interplay of ownership design and sustainability practices. In addition, we undertook a longitudinal study, using two comparative case studies to explore the trajectory of similar firms, one of which went from founder to capital ownership, the other of which passed from founder to employee ownership. We were particularly interested in how mission thrived or shrank in each ownership pathway.

Overall, our findings show that mission-driven employee-owned firms outperform others in terms of combined social and environmental impact. Our sample of mission-driven employee-owned firms scored nearly double on worker impact and 20 points higher on their overall "B" scores than similar B Corps that were not employee owned. The overall B scores of mission-driven employee-owned firms were more than double that of "ordinary" firms. Most striking: Among 47 employee-owned B Corps that we identified, nearly 80 percent earned the "Best for the World" rating from B Lab in 2017 or 2018. These are exceptional firms.

But we also found that employee ownership, in and of itself, does not improve environmental performance. Mission-driven firms without employee ownership had similar environmental impact scores to those that were employee-owned. A key reason for this is that B Corporations without employee ownership are almost invariably founder-controlled; thus, these owners can instill and guarantee a social mission. The challenge comes when these firms are sold to financial ownership—when mission is no longer central to purpose, capital-focused firms prioritize profit over environmental sustainability, as shown in our longitudinal case studies.

Quantitative analysis

Part I: Comparing mission-driven employee-owned firms to mission-driven firms without employee ownership.

In the first part of the quantitative study, we compared sustainability outcomes of mission-driven employee-owned companies to those that were not employee owned.

Developing a sample

To test our hypothesis, we began by identifying employee-owned firms among US B Corporations. No list of mission-driven employee-owned firms exists, so to create our sample we began by cross referencing B Corporations with a list of ESOP firms (from National Center for Employee Ownership) and a list of worker cooperatives (from the US Federation of Worker Cooperatives).

We chose to use B Corps because these companies voluntarily survey a wide array of environmental, worker, community, consumer, and governance practices using analytic tools created by B Lab. B Lab collects this data and condenses it into publicly available scores. These scores provided us with the metrics we needed to compare employee-owned and non-employee-owned firms in terms of environmental and social impact.

Among the 1,184 US B Corps, we identified 47 that were employee owned. (See Appendix A for a full list of mission-driven, employee-owned companies.) After eliminating companies with fewer than 15 employees, we selected our first sample of 20 firms with an eye toward balancing our sample across industries. So, for example, we included only two of the seven solar companies that are employee-owned B Corps, and three of six business or environmental consulting service firms. Only one of four financial services firms made it into our final sample. In the end we were able to include businesses from 11 different industry groups, ranging in size from 4,400 employees to 16 employees. (For further information about our sample and data anomalies, see Appendix B.)

We matched this sample of 20 employee-owned B Corps with two additional samples of 20 companies each that were similar in size and business activity. One sample set included B Corps that were not employee-owned, and the other "ordinary" businesses that were neither mission-driven nor employee-owned.[9]

Analyzing the sample

We first compared the overall "B" scores, worker impact scores, and environmental impact scores of the 20 employee-owned B Corps with 20 B Corps that were not employee-owned. We hypothesized that the environmental impact scores would be similar across the two samples, while employee-owned firms would outperform the non-employee-owned firms in the worker impact category.

Finally, we compared both of these B Corps samples with our sample of ordinary businesses, which were neither mission-driven nor employee-owned. We hypothesized that both of our sample groups would score higher on all measures than these ordinary businesses.

Findings

The results of our empirical research support our hypotheses. We found mission-driven firms, regardless of ownership structure, had similar environmental impact scores. But employee-owned B Corps score significantly higher on worker impact and overall impact than firms that are not employee-owned.

Environmental Impact Scores: The average environmental impact score for the sample of employee-owned B Corps was 23.06, compared to an average score of 22.45 for the non-employee-owned sample (see Table 1). This difference is statistically insignificant. This supports Fifty by Fifty's hypothesis that mission-driven companies—whether founder-, family- or employee-owned—are likely to have similar environmental performance. It is when companies are sold to financial owners that priorities change.

Worker Impact Scores: The average worker impact score of the employee-owned B Corps was 43.27, as compared to an average score of 21.93 for the non-employee-owned B Corps, a difference of 97.3 percent. While we hypothesized that the employee-owned companies would outperform on this measure,

Table 1: Comparative impact scores

Sample groups (20 firms each)	Average environmental impact score	Average worker impact score	Average B score
Employee-Owned B Corps	23.06	43.27	112.87
Non-Employee-Owned B Corps	22.45	21.93	93.35
Benchmark Businesses	7	19	55

we were surprised to see that their scores were almost double the scores of their non-employee-owned counterparts. This suggests that employee ownership correlates with other worker benefits incorporated into the overall worker impact score—e.g., living wages, family benefits, training and development, and flex time. (The B Lab scores did not give particularly high points to employee ownership itself.)

Overall B Scores: The average B score of our sample employee-owned B Corps was 112.87, as compared to 93.35 for the non-employee-owned sample. Thus the employee-owned businesses scored 21 percent higher than their non-employee-owned counterparts. This supports our hypothesis that when mission is combined with employee ownership, overall social impact is greater. Companies that are committed to ecological mission also tend to be committed to broad social benefit, including employee benefit. They are companies that have a broader purpose than maximum extraction of financial wealth.

Comparison to Ordinary Businesses: As hypothesized, both employee-owned and non-employee-owned B Corps scored far above the benchmark for ordinary businesses. The average overall B score of employee-owned B Corps was twice that of ordinary businesses. All B Corps scored dramatically better in terms of environmental impact. However, the worker scores of non-employee-owned B Corps were only a few points higher than the worker scores of ordinary businesses, suggesting that mission-driven businesses can achieve some measure of environmental improvement without significantly increasing the well-being of their employees.

Part II: Comparing mission-driven firms to employee-owned firms without strong mission

In the second part of our quantitative study, we examined whether employee ownership, absent strong mission, impacted a firm's environmental performance.

Developing a sample

To test our hypothesis that employee ownership does not in and of itself generate superior environmental performance, we compared both groups of B Corps with a group of 20 employee-owned companies, in industries engaging in similar business activities and similarly sized, that were not overtly mission-driven.

Analyzing the sample

Because we were now looking at employee-owned firms that have no B scores, we devised our own method of approximating environmental mission for private companies. We took our sample of 60 companies and, using readily available public information, we gave them points for specific environmental practices. Each company received one point for:

- Having a public environmental mission statement on their website,
- Publicizing environmental certifications (such as organic, LEED or regional and local green business certifications),
- Offsetting their carbon footprint, and
- Incorporating as a B or benefit corporation.

Findings

Using this rough measure, the 20 employee-owned B Corps had a total score of 51, or an average score of 2.6. The 20 non-employee-owned B Corps had a total

Table 2: Comparison of mission-driven firms to employee-owned firms without strong mission

Type of firm	Total scores	Average scores per firm
Mission-Driven Firms, Employee-Owned	51	2.6
Mission-Driven Firms, Not Employee-Owned	45	2.25
Employee-Owned Firms, Not Mission-Driven	9	.45

score of 45, or an average of 2.25. The 20 employee-owned firms that were not mission driven scored a total of 9 points, or less than one point each. In this third group of companies, 15, or 75 percent, scored 0, reflecting that they made no public reference to their environmental practices. This supports our hypothesis that employee ownership alone does not correlate with above average environmental stewardship. However, we also see in this data that the combination of employee ownership with embedded mission strengthens overall environmental performance. (See Table 2, Comparison of mission-driven firms to employee-owned firms without strong mission.)

Qualitative studies: profiling next-generation enterprises

Part I: Case studies

In order to deepen our understanding of mission-driven employee-owned enterprises we conducted in-depth interviews with 13 leaders of firms we had identified in the quantitative research as outperforming their peers in environmental and social impact. These companies included well-known corporate innovators such as Eileen Fisher, and King Arthur Flour, but also smaller or less celebrated firms such as Technicians for Sustainability, EA Engineering, Heritage Aviation, Butler/Till Media, and Berrett-Koehler Publishers. (See Appendix C for links to all of the published profiles.)

These interviews allowed us to unpack "enterprise design lessons," as we heard from business leaders about why their firms chose employee ownership and how that choice impacted their financial, social, and environmental performance. Some entrepreneurs feel they can best protect their legacy upon retirement by entrusting the business to employees. Others integrate employee ownership long before retirement to create deeper engagement and increase productivity.

Though employee ownership doesn't necessarily drive

Eileen Fisher wanted her clothing company to be owned by "the people who put their blood, sweat and tears into it."

sustainability practices, we found that employee ownership and sustainability often co-arise because of an entrepreneur's values. This was illustrated by EA Engineering, an environmental consulting firm that at one time traded on NASDAQ. This virtually destroyed the firm and its mission, as the company cycled through three presidents, saw staff morale plummet, and found itself in trouble with the Securities and Exchange Commission. Founder Loren Jensen bought the firm back, and new president Ian MacFarlane transitioned it to 100 percent employee ownership and incorporation as a benefit corporation.

"We returned immediately to the task of understanding environmental problems and knowing what to do about them," Jensen told us. As MacFarlane put it, the company's ecological mission "couldn't be cooked into quarterly earnings." He emphasized that ecosystems are multistakeholder and long term, and enterprise design must be the same.

In another example, Eileen Fisher has built a business that is a "force for good," with strong environmental commitment and practices. At one time Fisher considered selling to a large corporate buyer. When Fisher met the CEO of Liz Claiborne and asked why she wanted to buy the company, that CEO said, "We can't meet our mandated target of 10 percent annual growth without buying other companies."

Fisher decided instead to sell 40 percent of the company to an ESOP, ensuring that when Fisher retires, the company will be owned by "the people who put their blood, sweat, and tears into it, the people who love it and care about it and think about it every day," as she put it. These are the owners who will continue Fisher's pathbreaking work to create sustainable supply chains and reduce exploitation of garment workers around the world.

Democratic governance and shared equity build stronger communities, improve performance, and often result in innovative approaches to protecting the environment.

The interviews confirmed several of our key assumptions about employee ownership and its compatibility with a sustainable economy. For example, the commitment to place often drove a commitment to sustainability. As John Abrams, CEO of South Mountain Company, an ecological build-design firm on Martha's Vineyard, explained, "It's hard to imagine that future employee owners wouldn't care about the environmental impact on our community, because people who work here, live here, raise their families here, and are deeply connected to the island."

The same was true for King Arthur Flour, which chose employee ownership to protect the company's local roots in Norwich, Vermont. Committed to its community, the good jobs it can provide, and a sustainable future, the firm saw employee ownership and benefit corporation status as the means to hold aggressive capital, and its short-term profit-driven model, at bay. The company takes the long view, says Co-CEO Suzanne McDowell: "King Arthur Flour's corporate culture has always been about long-term value and never about the next quarter's profits."

Employee-owned companies tend to be worker-centric, providing better quality jobs than their competitors. Democratic governance and shared equity build stronger communities, improve performance, and often result in innovative approaches to protecting the environment.

Employee-owned Recology, for example, is a $1.2 billion waste management, recycling, and composting company in the Bay Area, innovating its way to a goal of zero waste. Mike Sangiacomo, president of Recology, said, "We are a thorn in the side of big players in our industry. They want to collect as cheaply as possible and dispose as cheaply as possible, mostly in landfills and incinerators. We reuse, recycle, and compost."

Recology differs from other waste management firms in that it is building a resource ecosystem—including recycling and composting—to protect the environment and sustain local communities. How does employee ownership help that mission? Recology explains in a "missions and values" statement on its website:

> *"We have a strong culture of teamwork and accountability, and our incentive for improvement comes from the inside, as we're not bound to external shareholders. As a 100 percent employee-owned company, Recology understands that employees' individual and collective hard work and dedication will lead directly to the success of the company in the long term."*

Part II: Longitudinal paired studies

Each of the above stories provided lessons learned regarding the relationship between employee ownership and sustainability. Additionally, we sought to compare the long-term social and environmental impact of mission-driven employee ownership with that of capital ownership.

Hypothesis

Based on anecdotal evidence, we posited that employee-owned B Corps are more likely than publicly traded firms to create beneficial social and environmental outcomes over the long run. Many prominent examples—e.g., Ben and Jerry's, Silk, Odwalla—illustrate that when founders sell their companies to outside investors, they lose the ability to fully protect their missions. After founder Greg Steltenpohl sold Odwalla to Coca-Cola, he commented ruefully, "I used to be in the business of making great juice. Now I'm in the business of making money."[10]

Starting a mission-driven firm requires vision and moral leadership, but protecting that mission over the long run requires ownership and governance structures that are designed to protect that mission. Capital ownership tends to militate against deep moral mission.

The evidence also suggests that neither employee ownership nor embedded social mission alone is sufficient to guarantee long-term sustainable outcomes. In 2015, the employees of Full Sail Brewing Co, who owned 58 percent of the company, voted to sell to Encore Consumer Capital, a San Francisco private equity firm. Etsy became a B Corporation in 2012, but as a new CEO transformed it into a more profit-driven company, it jettisoned B Corporation status in 2017.[11]

Our observations led us to conclude that it is the combination of purpose and ownership that creates

Many prominent examples illustrate that when founders sell their companies to outside investors, they lose the ability to fully protect their missions.

multiple design elements working for mission protection. This is especially true when a firm implements a culture of employee participation in management. Employees who have good livelihoods, nurturing workplaces, and the benefits of ownership are unlikely to sell the source of their livelihood to an outside investor and risk restructuring, relocating, and losing their jobs. Corporate boards that are empowered to uphold multi-stakeholder interests are less likely to shift away from public-facing environmental and community values and practices. And founders who choose to sell their firms to employees are more likely to value the preservation of their legacy than maximizing their financial rewards.

The paired studies

We tested this hypothesis with paired sets of companies in similar industries—Eileen Fisher/Donna Karan International and Berrett-Koehler/Jossey-Bass. (See Appendix C for links to the full text of the case studies.) All four companies began with similar humane missions and values. One company in each pair was converted to an employee-owned B Corporation; the other was sold to an outside owner or taken public. Our goal was to examine how each path impacted the founder's vision and legacy. Was mission preserved or jettisoned? How was company growth and performance affected? What were outcomes for employees and environmental impact?

Findings

We found that companies sold to outside investors jettisoned the values of founding entrepreneurs who sought to create businesses that accomplished multi-

Employee-owned Zevin Asset Management is active in campaigns for environmental sustainability.

ple goals: earning a profit but also providing good jobs, supporting their communities, building a sustainable future. The founding mission of Donna Karan International and Jossey-Bass Publishing did not survive the transition of these firms to capital ownership. These firms were sold multiple times, ending up in the hands of players indifferent to social values.

The employee-owned, mission-driven firms, by contrast, not only survived but thrived. Berrett-Koehler Publishers—a company owned by 250 stakeholders, including employees—is one of the few independent publishers to have survived industry consolidation over the last 25 years. It says its mission is creating "a world that works for all." The company has encouraged and supported its suppliers in becoming more environmentally responsible; one of its principal printers, for example, created a zero-waste policy and offset 100 percent of its carbon footprint.

Likewise, Eileen Fisher, a $400 million company, is leading the way in building a non-extractive clothing industry. Non-extractive ownership was what enabled the achievement of positive social and environmental outcomes in these firms.

Discussion

Fifty by Fifty's research examines a small group of employee-owned firms, and thus, its conclusions are intended not so much to posit answers but to raise questions that likely deserve further research and discussion.

How pervasive is ecological mission among employee-owned firms?

We found environmental commitment primarily present among firms driven by social and ecological mission overall. Employee ownership in and of itself did not necessarily impact environmental performance.

Notably, among the nation's 6,600 ESOPs and 450 worker cooperatives, firms with embedded, designed-in social mission seem to be relatively few in number.

Employee-owned firms overall employ more than 14 million people, about 10 percent of the US workforce. But we found just over 50 employee-owned firms that are B Corporations or benefit corporations. We presume the total could be double or triple that with additional research among benefit corporations. But 50 or 150 is a small number among over 7,000 employee-owned firms. By contrast, there are nearly 1,200 B Corporations in the US, and an estimated 5,400 benefit corporations (no full tally exists). Many of these are still controlled by their founders and would make rich targets for conversion to employee ownership, as a way to grow next-generation enterprise, and a way for founders to preserve mission.

One question we cannot answer from our research is whether environmental mission might be stronger among employee-owned firms that pass a certain threshold of ownership. Experts generally consider 30 percent ownership by employees essential for developing an "ownership culture," which might drive stronger environmental values and practices. This is something future research should examine more carefully.

When employee-owned firms care about environmental impact, why do they?

Our research points to the founder as the critical variable here—and after the founder, other top executives. It is human leadership that brings moral vision to a firm. It is corporate culture that sustains it. Ownership structure protects moral culture and leadership—or militates against it. The issue is that in financially controlled firms, the algorithms of financial return take over and moral vision is squeezed out; leaders who fail to deliver ever-increasing financial returns are forced out. When environmental concern is found along with profit maximization at these firms, it is in circumstances where sustainability practices can deliver maximum financial gain.

What voluntary ownership designs can teach us is what the truly responsible company might look like: built around deep, designed-in, authentic social/environmental mission, with ownership held broadly in the hands of people who are part of a community and led by moral executives; this is an ownership structure that can protect and encourage moral leaders. It is, in short, democratic, with the public good at its core and broad economic citizenship also integral.

Authentic company choices that preserve our planet come down to human choices and human leadership. Financial algorithms will not deliver a sustainable world. What are the human processes that can put good leaders in place? What are the governance protections that can limit the damage potentially wrought by bad leaders (e.g., limits to CEO pay)? These are the kinds of questions the founding fathers of America wrestled with in the political realm. We need to wrestle with them anew in the economic realm.

No single design element alone—not employee ownership, not benefit corporation status—will deliver the outcomes we desire. We need a set of checks and balances. We need democratized ownership. Society long ago democratized government. But we have never democratized the economy. The mission-led, employee-owned firm is a beacon showing the potential path ahead. What lessons do these firms hold for corporations overall? What policies are needed to make such firms the new norm?

Are there structural changes to business that would allow sustainable, equitable behavior by moral agents?

This is the final question—the real question for our civilization at this perilous crossroads. The mission-led, employee-owned firm at this point in history is a voluntary model. It shows how ethical company leaders can mold a company to deliver positive social and environmental outcomes—past the era of the founder—to sustain mission over time, while also succeeding as a business. Ultimately, ownership and governance of existing major corporations must be redesigned toward the same ends. Voluntary change alone will not be enough.

Conclusions

Our research into mission-driven employee-owned companies made it clear to us how truly exceptional these companies are. Our conclusions were confirmed when we discovered that B Lab had named nearly 80 percent of these firms "Best for the World."

Not only were these companies profitable, but they were experimenting with multiple design elements to create businesses that were good for employees, good for the environment, grounded in community, governed by mission, and protected from global capital markets. These firms are truly the best of the best.

We termed these firms "next-generation enterprises" because they point to how enterprise structure is the foundational route to solving persistent problems resulting from our dominant corporate design, the publicly traded company: inequality, environmental harm, lack of community accountability, globalization. Many of these next-generation firms are also innovating around problems of multistakeholder governance, participatory management, corporate legal identity, leadership transition, and purpose design.

Next-generation designs are viable in today's economy. They are being spread and scaled through structures like the Amicus Solar purchasing co-op, which supports more than 50 solar local companies, half of which are B Corps and a dozen of which are becoming employee-owned. Resistant to being bought and sold, their local rooting potentially makes these enterprises key to municipal and regional economic development strategies, like those in Cleveland, Ohio, and in Preston, England, where cities are building resilient local economies that are inoculated against the extractive aggression of global capital markets.

Next-generation enterprise design is not, by itself, wholly sufficient to create a sustainable economy; other larger governance designs are also needed, such as international agreements on climate emissions and transition initiatives like the Green New Deal. But appropriate legal structures and ownership design give firms the characteristics necessary to adopt truly sustainable activities, to contribute to community resilience, and to be viable at a steady scale. Advancing next-generation enterprises is integral to achieving true sustainability.

Endnotes

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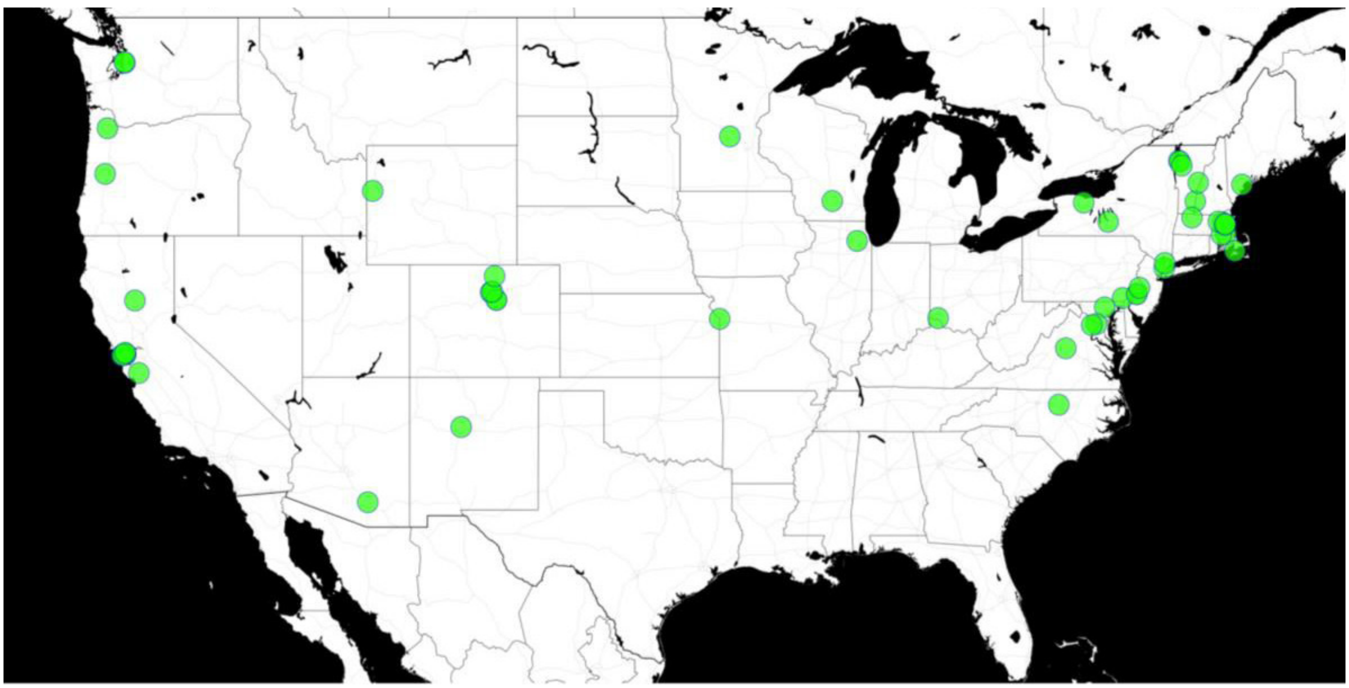
Members of the Floyd|Snider environmental consulting firm, a B Corp based in Seattle, participate in a cleanup project.

Appendix A
Mission-driven, employee-owned companies



The list below includes employee-owned B Corporations as well as other employee-owned companies we identified in the course of our research that incorporated strong mission into their corporate purpose.

- A & R Solar, Co-op, Social Purpose Corp, B Corp, Seattle, WA
- Abacus Wealth Partners, EO-LLC, B Corp, Philadelphia, PA
- Amicus Solar Cooperative, Purchasing Co-op, B Corp, Boulder, CO
- Berrett-Koehler Publishers, ESOP, B Corp, Benefit Corp, Oakland, CA
- Blue Dot Advocates, LLC-Co-op, B Corp, Benefit Corp, Denver, CO
- Boston Common Asset Management, EO-LLC, B Corp, Boston, MA
- Breckinridge Capital Advisors, EO-LLC, B Corp, Boston, MA
- Butler/Till, ESOP, B Corp, Rochester, NY
- Cooperative Home Care Associates, Worker Co-op, B Corp, Bronx, NY

- Chroma Technology, EO Hybrid, B Corp, Bellows Falls, VT
- Clif Bar, ESOP, Benefit Corp, Emeryville, CA
- CoLab Cooperative, Worker Co-op, B Corp, Ithaca, NY
- Dansko, ESOP, Mission-driven, West Grove, PA
- DOJO4, Worker Co-op, B Corp, Boulder, CO
- EA Engineering, ESOP, Benefit Corp, Hunt Valley, MD
- Eastern Carolina Organics, EO-LLC, B Corp, Durham, NC
- Eileen Fisher, ESOP, B Corp, Benefit Corp, Irvington, NY
- Equal Exchange, Worker Co-op, Mission-driven, West Bridgewater, MA
- Floyd|Snider, ESOP, B Corp, Social Purpose Corp, Seattle, WA
- Future State, ESOP, B Corp, Oakland, CA
- Gardener's Supply Company, ESOP, B Corp, Burlington, VT
- Global Prairie Marketing, EO-LLC, B Corp, Benefit Corp, Kansas City, MO
- Greenline Community Ventures, EO-LLC, B Corp, Denver, CO
- Hallam-ICS, ESOP, B Corp, Mansfield, MA
- Heritage Aviation, ESOP, B Corp, Benefit Corp, South Burlington, VT
- Home Care Associates, Worker Co-op, B Corp, Philadelphia, PA
- Ingage Partners, ESOP, B Corp, Cincinnati, OH
- Just Coffee Cooperative, Worker Co-op, B Corp, Madison, WI
- KeHE, ESOP, B Corp, Naperville, IL
- King Arthur Flour, ESOP, B Corp, Benefit Corp, Norwich, VT
- Klean Kanteen, ESOP, B Corp, Chico, CA
- LIFT Economy, Worker Co-op, B Corp, San Francisco
- Mal Warwick Donordigital, ESOP, B Corp, Washington, DC
- Malco Products, ESOP, Benefit Corp, Amandale, MN
- Mazzetti and GBA, ESOP, Benefit Corp, San Francisco, CA
- Mission Bell Manufacturing, ESOP, Benefit Corp, Morgan Hill, CA
- Namaste Solar, Worker Co-op, B Corp, Boulder, CO
- NewAge Industries, ESOP, becoming B Corp, Southampton, PA
- Organically Grown Company, Purpose Trust (includes EO, Mission-driven), Eugene, OR
- Positive Energy Solar, ESOP, B Corp, Albuquerque, NM
- Praxis Consulting, EO, B Corp, PA Benefit Corp, Philadelphia, PA
- PV Squared, Worker Co-op, B Corp, Greenfield, MA
- Recology, ESOP, Mission-driven, San Francisco, CA
- Revision Energy, ESOP, B Corp, Portland, ME
- Roadhouse Brewery, ESOP, B Corp, Jackson Hole, WY
- Savvy Rest, ESOP, B Corp, Charlottesville, VA
- South Mountain Company, Worker Co-op, B Corp, Benefit Corp, Vineyard Haven, MA
- Sun Light and Power, ESOPerative, Benefit Corp, Berkeley, CA
- Sunbug Solar, EO Hybrid, B Corp, Arlington, MA
- Technicians for Sustainability, Worker Co-op, B Corp, Tucson, AZ
- The Green Engineer, EO Hybrid, B Corp, Benefit Corp, Concord, MA
- Trillium Asset Management, EO-LLC, B Corp, Boston, MA
- Vermont Smoke and Cure, ESOP, B Corp, Benefit Corp, Hinesburg, VT
- Woodfold, ESOP, Mission-driven, Forest Grove, OR
- Xensha, Worker Co-op, B Corp, Alexandria, VA
- Zevin Asset Management, ESOP, B Corp, Boston, MA

Appendix B
Data anomalies

The datasets we relied on do not align perfectly with the national distribution of businesses across industries. Though we don't believe these differences undermine our findings, below we explain some of those anomalies.

B Corps and ESOP data skews

Notably, our analysis is impacted by the fact that the distribution of ESOPs and B Corps does not match the national distribution of employment across all industries. A rigorous comparison is complicated by the fact that neither ESOPs nor B Corps use the NAICS industry coding, so categories differ slightly within each data set.* Despite these anomalies, it is easy to identify a few pronounced differences between the groups we researched and the national distribution of businesses across industries.

Both the universe of 6,624 ESOPs and the universe of 1,184 US B Corps are overrepresented in finance and insurance: 16.6 percent of ESOPs and 10.9 percent of B Corps fall into this category, as opposed to the 5.3 percent of businesses nationally. ESOPs are also vastly overrepresented in manufacturing (22.4 percent vs. 3.7 percent).

Of B Corps, 33.8 percent are classified under business products and services, as compared to 12.9 percent of national businesses in the similar professional, scientific and technical services category. Among B Corps, 5.2 percent are classified as energy and environmental services compared to less than one percent of all businesses in the utilities sector nationally.

Both ESOPs and B Corps are underrepresented in retail trade, which includes 1.6 percent of B Corps and 5.8 percent of ESOPs compared to 10.4 percent of all businesses. B Corps are also underrepresented in health and human services: only 2.3 percent of B Corps fall into this category compared to 9.3 percent of enterprises nationally identified in health care and social assistance.

There were also smaller NAICS categories that were completely missing from both of our databases: mining, management of companies and enterprises, and also a larger and somewhat opaque category, administration, support, waste management and mitigation.

* For example, ESOPS do not have a Health and Human Services Category or a Professional, Scientific and Technical Services category; instead they capture all of these activities under the broad category, Services. B Corps also have their own system of classification, introducing a category they call Consumer Products and Services, which appears to encompass both the NAICS categories of Manufacturing and Wholesale Trade. They also include a category called Energy and Environmental Services, which I am comparing to the NAICS category Utilities.

Though our samples did not perfectly reflect the national business landscape, it by no means invalidates our conclusions. These differences most likely reflect the reality that certain types of enterprises are more likely than others to become an ESOP or a B Corp.

Sample skew

The specific subset of employee-owned B Corps we studied diverges even more dramatically from the national business landscape: 10 percent of the firms in our sample are in agriculture, as opposed to 2.4 percent of firms nationally; 10 percent are in utilities (or energy services, in B Lab's terminology) as opposed to 0.2 percent nationally; 20 percent of our sample is in manufacturing, compared to 3.4 percent of businesses nationally. At the same time, of the employee-owned B Corps, 5 percent were in construction and 5 percent were in health care, as opposed to 10.4 percent and 9.3 percent, respectively, of firms nationwide.

The skew in the universe of mission-driven employee-owned firms deserves further research. Business innovation has clearly spread through certain niche industries, such as organic food and solar installation that presumably attracted entrepreneurs who already had strong environmental and social values. The specific path that adoption has taken would be worth examining to see if we could learn how ownership and governance innovations "spread" across industries.

Employee-owners of Cooperative Health Care Associates, headquartered in the Bronx, New York City.

Appendix C
Case studies of mission-driven, employee-owned firms

Case studies of employee-owned companies with ecological-sustainability mission

- Amicus Solar
- Berrett-Koehler Publishers
- Butler/Till Media
- EA Engineering
- Eileen Fisher
- Gardener's Supply
- King Arthur Flour
- New Belgium Brewing
- Organically Grown
- South Mountain Company
- Technicians for Sustainability

Comparative case studies

- How Ownership Structure Shapes Purpose and Impact
- Two Publishers Illustrate Why Ownership Matters

A worker on a construction project for South Mountain Company, a worker cooperative and B Corporation in Massachusetts.

FIFTY BY FIFTY

An initiative of The Democracy Collaborative, **Fifty by Fifty** is aimed at creating a more inclusive, democratic economy through employee ownership. Our goal is to help catalyze a movement with the knowledge, resources, and skills to grow the number of employee owners in the US from 14 million to 50 million Americans by 2050. Learn more at **FiftyByFifty.org**.

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