THE POLICY PROBLEM:

THE SILVER TSUNAMI IS HERE

Massachusetts residents deserve a resilient economy built on locally-rooted businesses, stable jobs, and equitable workplaces. Massachusetts small businesses are the backbone of the Commonwealth's economy — and a generational wave of owner retirements threatens to close thousands of them for good, not because they failed, but because no one was ready to take over.

WHY SMALL BUSINESSES ARE THE BACKBONE OF OUR ECONOMY

99%
small businesses share of all MA businesses

44.7%
of all Massachusetts workers are employed by small businesses

38.2%
of all private-sector payroll in the Commonwealth comes from a small business

THE SILVER TSUNAMI, BY THE NUMBERS

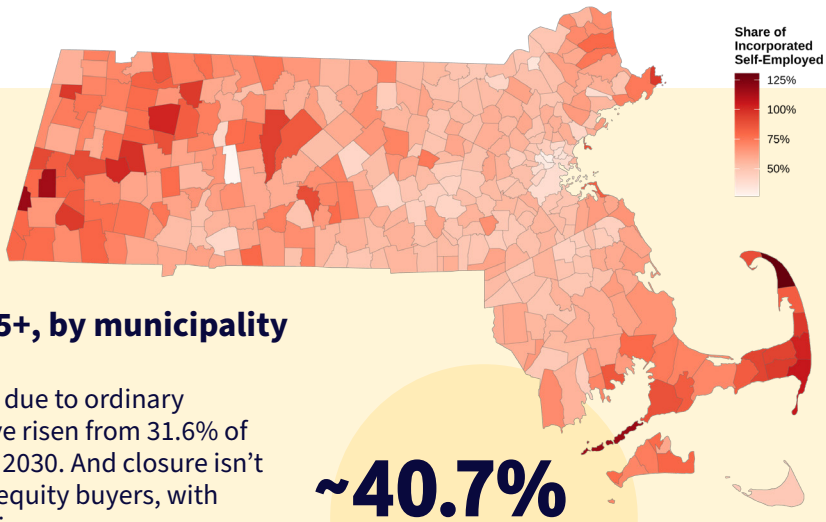
41%
of privately held small businesses nationally are owned by Baby Boomers

10,000
Boomers nationally reach retirement age every day

2030
the full Boomer generation reaches age 65

3 IN 4
small businesses listed for sale never find a buyer

MASSACHUSETTS IS FEELING IT FIRST



Silver Tsunami Risk Rate— Share of incorporated self-employed owners aged 55+, by municipality

Not every closure reflects the Silver Tsunami — some are due to ordinary market forces. But mature businesses (11+ years old) have risen from 31.6% of Massachusetts closures in 2010 to a projected ~40.7% by 2030. And closure isn't the only risk: many owners sell to out-of-state or private equity buyers, with Massachusetts 2nd nationally for private equity ownership.

~40.7%
Projected mature-firm share, 2030

THE POLICY SOLUTION

OTO gives retiring business owners a viable, low-cost succession option — selling to their own employees — while preserving jobs, wages, and community wealth.



OPPORTUNITY TO OWN
PROTECT JOBS & OUR LOCAL ECONOMY

For more info, contact:
Alex Papali
alex@economicdemocracy.us
(857) 719-8914

WHAT OTO DOES

☑ **Capital gains tax exemption** on the first $1,000,000 of gains, for owners who sell to a worker cooperative.

☑ **7-day notice of sale** to employees, 30-day window to form a Qualified Employee Group, and up to 180 days to finalize a deal if employees can match outside offers

☑ **MassCEO designated as the implementation and technical assistance hub** — no new agency required

☑ WHY IT WORKS: A STRONG RETURN FOR THE COMMONWEALTH

587–1,527	**jobs preserved across the Commonwealth over 10 years**
$16M–$71M	**total fiscal return to the state over 10 years**
$3.70–$8.30	**returned per $1 of foregone tax revenue**

HOW EMPLOYEE-OWNED BUSINESSES DELIVER BETTER OUTCOMES

92%	**higher household net worth for employee-owners**
33%	**higher wages for employee-owners**
25.6% vs 18.7%	**worker cooperatives aged 6–10 years survive at a higher rate than comparable U.S. small businesses (DAWI/ USFWC, 2019)**