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COOK COUNTY COMMISSION ON SOCIAL INNOVATION

June 21, 2018, 4 P.M.

**69 W. Washington, 22nd Floor Conf. Rm. A and B
MINUTES**

1. Call to Order

The Cook County Commission on Social Innovation convened via an in-person meeting to discuss committee updates and hear from a guest speaker. The meeting was chaired by Chairman García. The meeting was open to the public and took place from 4:06 p.m. to 5:25 p.m.

Commission Members Present:

1. Commissioner García
2. Wendy Raymer
3. Maria Kim
4. Marc Lane
5. Matt Erickson
6. John Yonan
7. Harold Rice
8. David Doig
9. Xochitl Espinoza
10. Ana Guajardo
11. Marc Loveless
12. Mark McHugh
13. Christyn Henson

Commission Staff Present:

1. Lilian Jimenez
2. Victoria Moreno

Public Speakers:

1. Mark Armstrong

Meeting Notes and Decisions Made:

1. Committee Updates

- No committee updates

2. Guest Speaker: Richard C. “Dick” May, American Working Capital

- Looking at Employee Stock Ownership Plans (ESOP) as tool for economic development which is anchored to keep wealth in the county.
- ESOP’s are a retirement plan from 1974 focused on work empowerment and social responsibility.

- It is one of few social policies with agreement on both sides of the aisle. There is also no federal tax applied to it since it is entirely employee owned.
- No federal tax applied to it - entirely employee owned
- Top 1% owned 63% of business equity and Top 10% own 94% of business equity
- Ownership in ESOP vs. worker in non-ESOP company is that the retirement cohort has 5-7x longer than non ESOP
- 2 major approaches to employee ownership which are ESOP and worker co-ops.
- Benefits of an ESOP include employee owners being 4x less likely to be laid off during recession, higher retirement assets, 3.5% more jobs per year.
- There are several major ESOP companies in Illinois including S&C Electric which is the largest ESOP in Cook County.
- ESOPs are privately owned, and usually family owned as well
- Actionable ideas of promoting inclusive capitalism include promoting local ownership and control.

Post Presentation Discussion

- Comm. Raymer asked about the difference between an ESOP and co-op: ESOP can attract equity capital and is like a mortgage. With a co-op, there is no equity stake in worker cooperative so it is hard to grow and hard to gain critical mass.
- Comm. Guajardo mentioned the importance of worker co-ops → lack of support for low-wage workers. Members serve 1000 hours and vote on different issues under the law. ESOP is a creation of the state and is a corporation with a Board of Directors and corporate identity. Shareholders meet once a year to vote on composition of the board. Employee ownership is indistinguishable from worker co-op.
- Comm. Espinosa: With worker co-ops, people have control over co-op. Easier to get capital for ESOPs. The difference is that you get more votes the longer you work at the company. ESOP secures retirement for workers. Having a corporate firm and ESOP ownership establishes wealth in the community.

3. Approval of Minutes

- Comm. McHugh moved to approve the Commission's minutes from April 19, 2018. Comm. Erickson seconded the motion and the motion passed unanimously by a voice vote.

4. Celebration of passage of Good Food Purchasing Policy (with refreshments)

- Certificate of appreciation presented to Good Food Policy Action Council
- Remarks by partner organizations were made
- Good Food Policy Action Council will continue to have regular meetings with the Cook County Public Health Department and other stakeholders. Social Innovation Commissioners are welcome to participate.

5. Adjourn

- Comm. Rice moved to adjourn the meeting. Comm. Doig seconded the motion. Meeting was adjourned at 5:25pm.