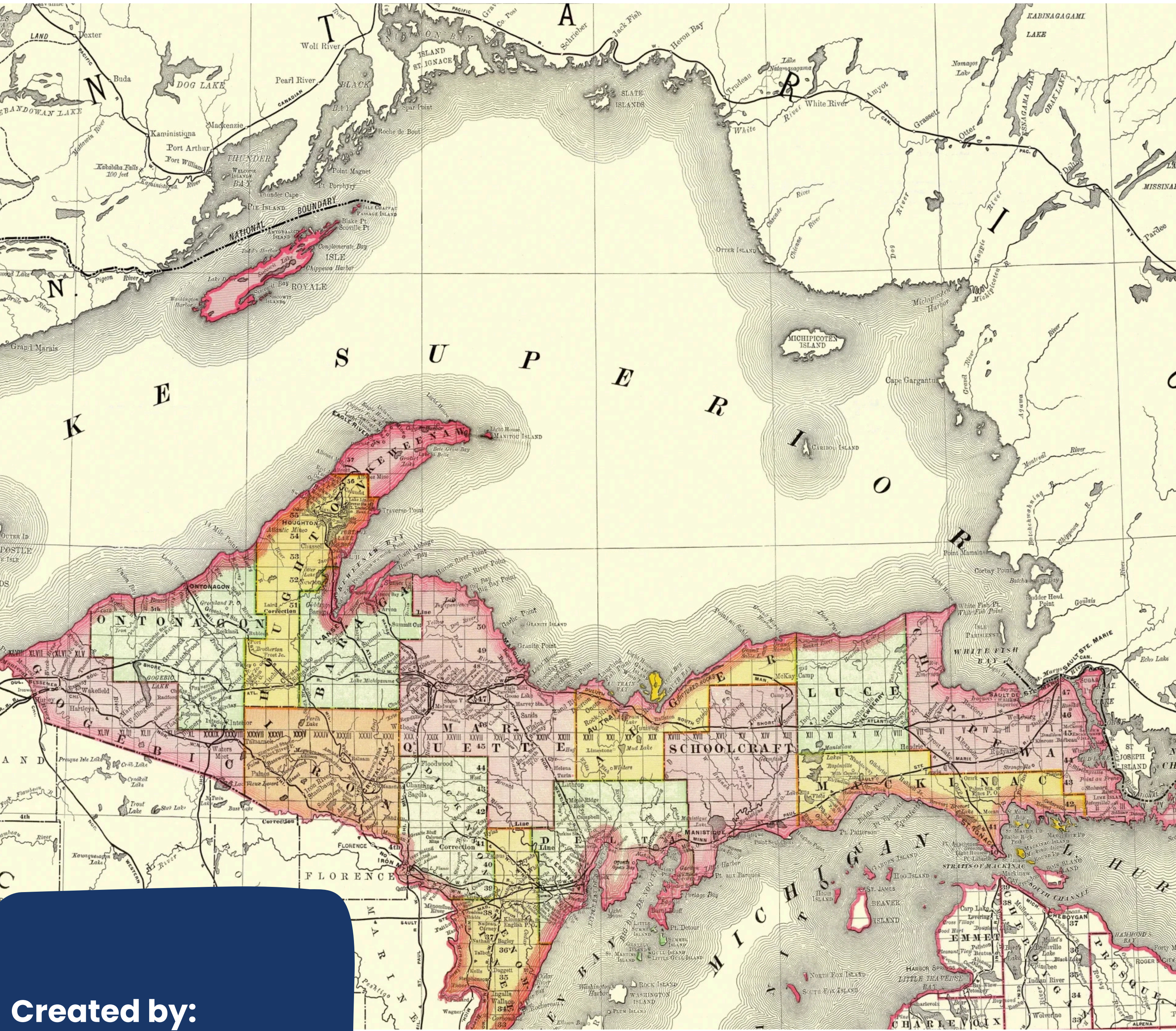
Michigan Center for Employee Ownership

KEEPING WEALTH, BUSINESSES, AND OPPORTUNITY IN MICHIGAN'S UPPER PENINSULA.



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JULY 7th, *2026.*

www.miceo.org

USDA United States Department of Agriculture Rural Development

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Executive Summary

With support from the USDA Rural Business Development Grant, this publication examines how ownership influences long-term economic resilience across Michigan's Upper Peninsula. As rural communities face an unprecedented wave of business owner retirements, the report explores business succession as both an economic challenge and an opportunity to preserve locally owned businesses, retain jobs, and strengthen community wealth.

Drawing on demographic trends, economic research, and real-world case studies, this publication examines the role of employee ownership alongside other locally rooted ownership models as strategies for business retention and rural prosperity. From long-standing consumer cooperatives to modern Employee Stock Ownership Plans (ESOPs) and Employee Ownership Trusts (EOTs), these ownership structures demonstrate how businesses can remain rooted in the communities they serve while creating long-term value for employees and local economies.

The Upper Peninsula presents a compelling case for examining the connection between ownership and economic development. With an aging population, workforce shortages, geographic isolation, and thousands of privately owned businesses expected to transition over the coming decade, the region reflects many of the challenges facing rural America. This publication explores how ownership structures can shape business continuity, local investment, and the long-term resilience of Michigan's rural communities.

Chapter 1 → The Upper Peninsula's economy and the coming succession challenge

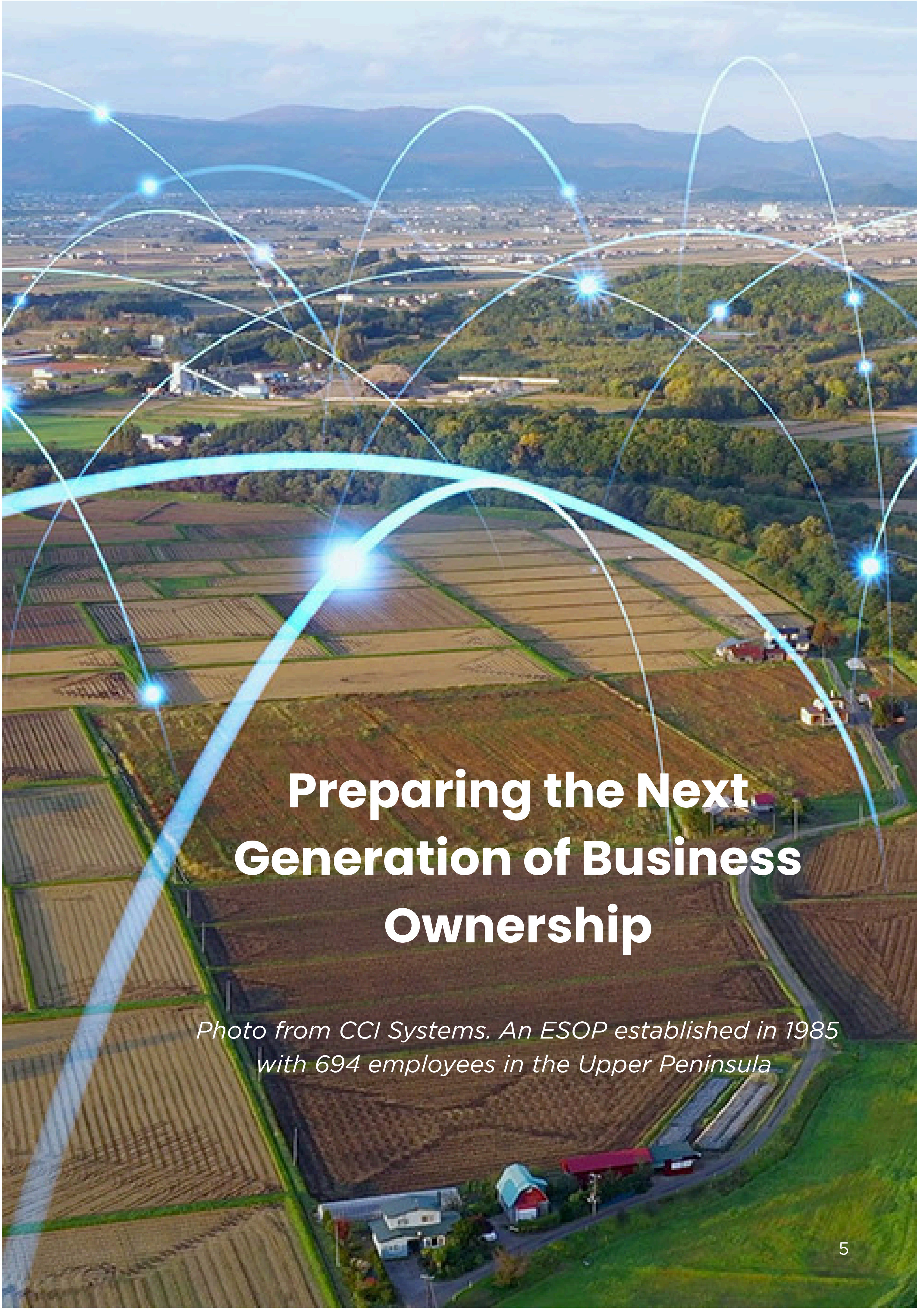
Crossing the Mackinac Bridge into Michigan's Upper Peninsula feels like entering a different pace of life. Dense forests stretch for miles, Great Lakes shorelines define the landscape, and small towns serve as the economic and social centers of communities separated by hundreds of miles. Businesses are more than places of employment—they are gathering places, sponsors of local events, supporters of schools, and often the backbone of entire local economies.

Spanning more than 16,000 square miles yet home to just over 300,000 residents, the Upper Peninsula is one of the most rural regions in the United States. Fifteen counties comprise the region, each with distinct economic strengths but many sharing similar challenges: an aging population, workforce shortages, geographic isolation, and the need to sustain essential businesses in communities where replacement employers are not always readily available.

Across the Upper Peninsula, nearly 3,000 businesses are owned by individuals age 55 or older, representing almost 24,000 jobs and $3.6 billion in annual business revenue. As these owners approach retirement, communities face a pivotal question: *Who will own the next generation of businesses?*

This publication examines how ownership structures influence long-term economic resilience in the Upper Peninsula and explores business succession as a critical rural development strategy. Through demographic analysis, economic research, and regional case studies, it highlights how locally rooted ownership models including: employee ownership, cooperatives, and other community-based approaches that can help preserve businesses, retain jobs, and build lasting community wealth.

As Michigan's Upper Peninsula prepares for a historic wave of business transitions, strengthening ownership succession will be essential to ensuring that locally owned businesses continue serving their communities for generations to come.



Preparing the Next Generation of Business Ownership

Photo from CCI Systems. An ESOP established in 1985 with 694 employees in the Upper Peninsula

Chapter 2 → The Silver Tsunami.

Michigan's Upper Peninsula is one of the nation's most distinctive rural regions, where manufacturing, forestry, mining, healthcare, tourism, agriculture, and locally owned businesses form the foundation of the regional economy. In many communities, a single business provides more than employment—it supports local suppliers, contributes to the tax base, and helps sustain schools, nonprofits, and community organizations.

Like many rural regions, the Upper Peninsula faces significant demographic and economic challenges. Population decline, workforce shortages, geographic isolation, and an aging population continue to shape the region's future. At the same time, the region is approaching a historic business succession challenge. Across the Upper Peninsula, 2,916 businesses are owned by individuals age 55 and older, representing nearly 24,000 employees, more than $678 million in annual payroll, and approximately $3.58 billion in annual business revenue. While business ownership data was unavailable for Keweenaw, Luce, and Ontonagon counties, the available data illustrates the scale of the region's succession challenge. More than half of all businesses are owned by individuals age 55 and older in several counties, **including Iron County (77%), Gogebic County (65%), Baraga County (61%), and Chippewa, Delta, and Schoolcraft counties (60%)—underscoring how widespread the coming wave of ownership transitions will be across the region.**

As communities invest in workforce development, infrastructure, and downtown revitalization, preserving existing businesses will be just as important as attracting new ones. The decisions made by today's business owners will influence whether jobs, wealth, and local leadership remain in the Upper Peninsula for generations to come. The following chapter explores why ownership succession has become one of the region's most important—and often overlooked—economic development challenges. Our next page compiles this data from Project Equity and U.S. Census Bureau, Annual Business Survey (ABS) and U.S. Census Bureau, County Business Patterns (CBP)

UPPER PENINSULA COUNTY SNAPSHOT
KEY BUSINESS & COMMUNITY INDICATORS

County	55+ Owned	% of Businesses	Employees	Payroll	Revenue	Poverty Rate	Unemployment Rate
Alger	51	38%	407	$13M	$143M	12.9%	11.2%
Baraga	95	61%	637	$23M	$118M	15.6%	8.7%
Chippewa	403	60%	3,000	$78M	$356M	13.6%	8.3%
Delta	496	60%	5,000	$115M	$562M	14.1%	7.5%
Dickinson	309	51%	2,000	$77M	$404M	11.8%	5.7%
Gogebic	140	65%	2,000	$35M	$213M	17.3%	6.3%
Houghton	301	53%	2,000	$57M	$273M	17.1%	5.2%
Iron	210	77%	937	$32M	$147M	17.9%	7.8%
Keweenaw	—	—	—	—	—	12.0%	7.0%
Luce	—	—	—	—	—	20.2%	8.4%
Mackinac	191	55%	787	$46M	$204M	13.6%	17.9%
Marquette	451	43%	4,000	$123M	$686M	14.3%	5.5%
Menominee	184	57%	2,000	$57M	$336M	14.8%	5.4%
Ontonagon	—	—	—	—	—	13.0%	8.4%
Schoolcraft	85	60%	900	$22M	$140M	14.5%	9.3%

% OF BUSINESSES (55+ OWNERS)
- Less than 50%
- 50% – 59%
- 60% – 69%
- 70% and above

POVERTY RATE
- Less than 13%
- 13% – 15%
- 15% – 17%
- Greater than 17%

UNEMPLOYMENT RATE
- Less than 6%
- 6% – 8%
- 8% – 12%
- Greater than 12%

Note: Business ownership data for Keweenaw, Luce, and Ontonagon counties is not available.
Source: U.S. Census Bureau, Small Business Administration (SBA), and Michigan Bureau of Labor Market Information (2023)

Chapter 3 → Why ownership matters.

The retirement of the Baby Boomer generation is creating one of the largest ownership transitions in American history. Often referred to as the Silver Tsunami, this demographic shift reflects the growing number of business owners reaching retirement age over the next decade. Nationally, nearly two-thirds of privately held businesses are owned by Baby Boomers, and many owners are expected to exit their companies within the next 10 to 15 years. While some have established succession plans, many have not identified who will own or lead their businesses when they retire.

For rural communities, the stakes are particularly high. Small and locally owned businesses are often among the largest employers in town, supporting local supply chains, sponsoring community organizations, and generating tax revenue that helps fund essential public services. When an owner retires without a succession strategy, businesses may close, relocate, or be acquired by buyers outside the community. In many cases, the business itself remains viable—the challenge is finding a successor who will continue its legacy.

Michigan's Upper Peninsula reflects this national trend while facing additional demographic pressures of its own. An aging population, workforce shortages, and geographic isolation make business continuity especially important for rural economic resilience. As thousands of business owners across the region approach retirement, succession planning is becoming more than a private business decision—it is an economic development priority that will influence whether jobs, investment, and locally generated wealth remain in Upper Peninsula communities for generations to come.

MICEO partnered with Project Equity to integrate these Silver Tsunami data for each county. This can be viewed in the QR code or in the references.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Ownership Shapes Where Wealth Goes
When businesses are locally owned, economic value stays in the community and drives future growth.
WHEN OWNERSHIP STAYS LOCAL
BUSINESS PROFITS
LOCAL PAYROLL
Jobs for our neighbors and families
LOCAL SUPPLIERS
Support for local businesses and entrepreneurs
LOCAL TAXES
Revenue for schools, roads and services
COMMUNITY INVESTMENT
In nonprofits, youth, infrastructure and community priorities
STRONGER LOCAL ECONOMY
Jobs. Opportunity. Resilience. A stronger place to live and work.
WHEN OWNERSHIP LEAVES
BUSINESS SOLD OUTSIDE THE COMMUNITY
PROFITS LEAVE THE COMMUNITY
Wealth is moved out, not reinvested locally
DECISIONS MADE ELSEWHERE
Less local control and community voice
LESS LOCAL INVESTMENT
Fewer resources for businesses, people and placemaking
REDUCED ECONOMIC ACTIVITY
Jobs at risk. Weaker local economy. Harder to rebuild what is lost.
Ownership is more than a business transaction.
It's an investment in our people, our communities, and our future.
When ownership stays local, communities thrive.

Chapter 4 → A Statewide Priority

Across Michigan, policymakers, economic development organizations, and community leaders increasingly recognize that business succession is more than a private business decision—it is an issue that affects jobs, local investment, and long-term economic resilience. As thousands of business owners approach retirement, communities across the state are exploring strategies that help preserve locally owned businesses, support working families, and maintain economic opportunity for future generations.

Recognizing these challenges, Michigan has taken meaningful steps to expand awareness of business succession planning and employee ownership. State investments, public-private partnerships, and technical assistance initiatives are helping business owners better understand the options available to them before they reach retirement. These efforts reflect a growing understanding that preserving successful businesses is often just as important as creating new ones.

"Michigan is on the move and open for business, and as we grow our economy we're committed to helping more Michiganders succeed. ***Employee ownership*** *gives employees a stake in the businesses they help build, forging stronger companies, better opportunities, and local communities. Let's keep working together to help more small businesses and working families 'make it' in Michigan."*

— Governor Gretchen Whitmer

This statewide commitment reinforces a broader goal shared by communities across Michigan's Upper Peninsula: helping locally owned businesses remain strong, protecting jobs, and ensuring that the wealth and opportunity created by these businesses continue benefiting the communities they call home. While every business transition is unique, increasing awareness of succession planning and ownership strategies gives owners more opportunities to choose a path that aligns with their financial goals, their employees, and their legacy.

Chapter 5 → Employee Ownership in Action

Employee ownership is an increasingly recognized business succession strategy that allows owners to transition their companies while preserving jobs, strengthening employee engagement, and maintaining local leadership. Through models such as Employee Stock Ownership Plans (ESOPs), Employee Ownership Trusts (EOTs), and worker cooperatives, ownership can be transferred to the employees who help build the business.

One example is North Arrow ABA, a northern Michigan behavioral health provider with locations across the region, including Michigan's Upper Peninsula. Through its transition to employee ownership, North Arrow created an opportunity for employees to share in the company's future while preserving the mission, culture, and local commitment that have defined the organization. North Arrow ABA, was MICEO's first awardee of the Dept. of Labor and Economic Opportunity employee ownership pilot grant.

As more Michigan business owners begin planning for retirement, North Arrow demonstrates how employee ownership can provide a succession pathway that supports employees, protects business continuity, and helps keep locally rooted companies serving the communities they call home. North Arrow celebrates including 160 employee owners in their transition to an ESOP.

NORTH ARROW ABA

AN EMPLOYEE-OWNED COMPANY

Chapter 5 → Employee Ownership in Action

For more than 25 years, Mackinac Environmental Technology (MET) has provided environmental consulting and contracting services across Michigan, growing from a one-person operation into a trusted environmental services company. As the owners began planning for the future, they partnered with the Michigan Center for Employee Ownership (MICEO) to explore succession options that would preserve the business and its legacy.

Working alongside MICEO, MET successfully transitioned to a worker cooperative, giving employees the opportunity to become owners of the company they helped build. Today, the cooperative stands as an example of how employee ownership can protect local businesses, retain skilled jobs, and ensure long-term success for Michigan communities.

MET's transition demonstrates that employee ownership is not limited to one type of business, it is a flexible succession solution for companies across industries. From environmental services to manufacturing, healthcare, and professional services, employee ownership helps keep businesses locally rooted, protects quality jobs, and strengthens the economic future of communities throughout Michigan's Upper Peninsula.

Mackinac Environmental Technology Co-op, Inc.

Chapter 6→ A Tale of Two Utilities

How ownership structure can shape governance, investment, and community outcomes.

Ownership influences more than who controls an organization—it shapes governance, investment decisions, and long-term relationships with the communities it serves. Michigan's Upper Peninsula provides a compelling example through two electric utilities with different ownership models.

Cloverland Electric Cooperative, headquartered in Dafter, is a member-owned cooperative that has remained locally governed since its founding. Upper Peninsula Power Company (UPPCO), headquartered in Ishpeming, is an investor-owned utility that has changed ownership multiple times over the past three decades. While both provide the same essential service, their differing ownership structures illustrate how governance and organizational priorities can evolve over time.

This comparison is not intended to suggest that one ownership model is universally superior to another. Rather, it highlights how ownership can influence organizational stability, accountability, and long-term investment—important considerations for rural communities planning for the future.

Over the past three decades, UPPCO has experienced several ownership transitions, most recently being acquired by Basalt Infrastructure Partners in 2022. During that time, customers have also experienced periodic electric rate increases approved by the Michigan Public Service Commission. While utility rates are influenced by many factors—including infrastructure investments, fuel costs, regulatory requirements, and inflation—the combination of changing ownership and rising costs has fueled ongoing conversations across the Upper Peninsula about local accountability and long-term community investment.

In contrast, Cloverland Electric Cooperative has remained member-owned since 1938, with a locally elected board guiding decisions and financial margins reinvested into the electric system or returned to members through capital credits. Together, these two utilities demonstrate how ownership structures can shape not only governance, but also the long-term relationship between an organization and the communities it serves.

CHAPTER 6

OWNERSHIP IN ACTION

A TALE OF TWO UTILITIES

Different ownership. Different priorities. Different outcomes for our communities.

BY THE NUMBERS: COMPARING TWO UTILITIES

CATEGORY	CLOVERLAND ELECTRIC COOPERATIVE Dafter, Michigan	UPPER PENINSULA POWER COMPANY (UPPCO) Ishpeming, Michigan
FOUNDED	1938	1916
HEADQUARTERS	Dafter, Michigan	Ishpeming, Michigan
SERVICE AREA	Members in portions of Chippewa, Luce, Mackinac & Schoolcraft Counties	Customers in portions of Baraga, Dickinson, Gogebic, Houghton, Marquette & Ontonagon Counties
CUSTOMERS / MEMBERS	30,000+ Members	70,000+ Customers
EMPLOYEES	70+	300+
MILES OF LINE	5,400+ Miles of Line	8,000+ Miles of Line
OWNERSHIP STRUCTURE	Member-Owned Cooperative	Investor-Owned Utility
GOVERNANCE	Locally Elected Board of Directors (Accountable to the members)	Corporate Board of Directors (Accountable to shareholders)
FINANCIAL PRIORITY	Margins reinvested in the system or returned to members as capital credits	Returns generated for shareholders while investing in infrastructure and operations

UPPCO OWNERSHIP HISTORY

1990s	2014	2015	2016	2022
Wisconsin Energy Corporation	Integrys Energy Group	TECO Energy	Emera Inc.	Basalt Infrastructure Partners

Multiple ownership changes over the past three decades.

Chapter 7 → Building a Business Succession Ecosystem

Business succession is not a single transaction—it is a long-term process that requires education, planning, trusted advisors, and strong community partnerships. While every ownership transition is unique, successful outcomes are often supported by a network of organizations working together to help business owners understand their options well before retirement becomes urgent.

For rural communities, this preparation is especially important. A single business may employ dozens of residents, support local suppliers, contribute to the local tax base, and serve as an anchor for the community. Building a strong business succession ecosystem helps ensure these businesses have access to the resources and expertise needed to remain viable for future generations.

Across Michigan, organizations including USDA Rural Development, the Michigan Department of Labor and Economic Opportunity (LEO), the Michigan Economic Development Corporation (MEDC), economic development organizations, chambers of commerce, universities, workforce partners, lenders, attorneys, CPAs, and business valuation professionals each play a unique role in helping owners prepare for ownership transitions. Together, they provide education, technical assistance, financing, legal guidance, and professional expertise throughout the succession journey.

Within this statewide network, the Michigan Center for Employee Ownership (MICEO) serves as an education and resource hub focused on business succession and employee ownership. Through outreach, research, educational programming, and connections to trusted advisors, MICEO works alongside public and private partners to strengthen Michigan's business succession ecosystem.
As illustrated in the following framework, successful ownership transitions rely on collaboration. By investing in education, partnerships, and technical assistance before businesses reach a transition point, Michigan is helping preserve locally owned businesses, retain jobs, and strengthen the long-term resilience of communities across the state.

Chapter 8→ Building a Business Succession Ecosystem

Across Michigan's Upper Peninsula, thousands of business owners will make decisions in the coming years that will shape the future of their communities. For many, those decisions will determine whether businesses continue serving the communities where they were built, whether jobs remain local, and whether decades of knowledge and investment are passed on to the next generation.

While the challenges are significant, they also present an opportunity. By increasing awareness of business succession planning, strengthening partnerships, and expanding access to trusted technical assistance, Michigan is creating a stronger foundation for long-term economic resilience. Communities that prepare for ownership transitions today will be better positioned to preserve locally owned businesses, retain skilled workers, and sustain economic opportunity for years to come.

As demonstrated throughout this publication, successful ownership transitions do not happen by chance. They are the result of proactive planning, collaboration, and investments in the people and organizations that support business owners throughout the succession process. From local economic development organizations and chambers of commerce to trusted advisors, nonprofit partners, and state and federal agencies, each plays an important role in helping businesses navigate change.

The Michigan Center for Employee Ownership is proud to contribute to this statewide effort by expanding education, fostering partnerships, and connecting business owners with the resources they need to explore succession options. Working alongside public and private partners, MICEO is helping build a stronger business succession ecosystem that supports Michigan businesses, employees, and communities.

As Michigan prepares for the next generation of business ownership, the work begins long before a transition occurs. By investing in education, collaboration, and long-term planning, communities can preserve the businesses that define their local economies and ensure they continue creating opportunity for generations to come.

The question is: How can we better support Michigan's business owners as they prepare for the next generation of ownership?

Chapter 8→ Building a Business Succession Ecosystem

Business succession is often viewed as a single event—the sale or transfer of a business from one owner to another. In reality, successful ownership transitions begin years before a transaction takes place. They require education, thoughtful planning, trusted professional guidance, and collaboration among organizations that help business owners navigate one of the most important decisions of their careers.

For rural communities, this preparation is especially important. A single business may employ dozens of residents, support local suppliers, contribute to municipal tax revenues, sponsor community organizations, and provide essential goods and services. When a business owner retires without a succession plan, the effects can extend far beyond the business itself. Planning early helps ensure that successful businesses remain viable while preserving the economic and community benefits they provide.

No single organization can provide every service a business owner may need throughout this journey. Instead, successful transitions are supported by a business succession ecosystem: **a coordinated network of public agencies, nonprofit organizations, economic development professionals, financial institutions, legal and accounting experts, workforce partners, and technical assistance providers working toward a common goal: helping businesses remain strong while preserving jobs, local ownership, and economic opportunity.**

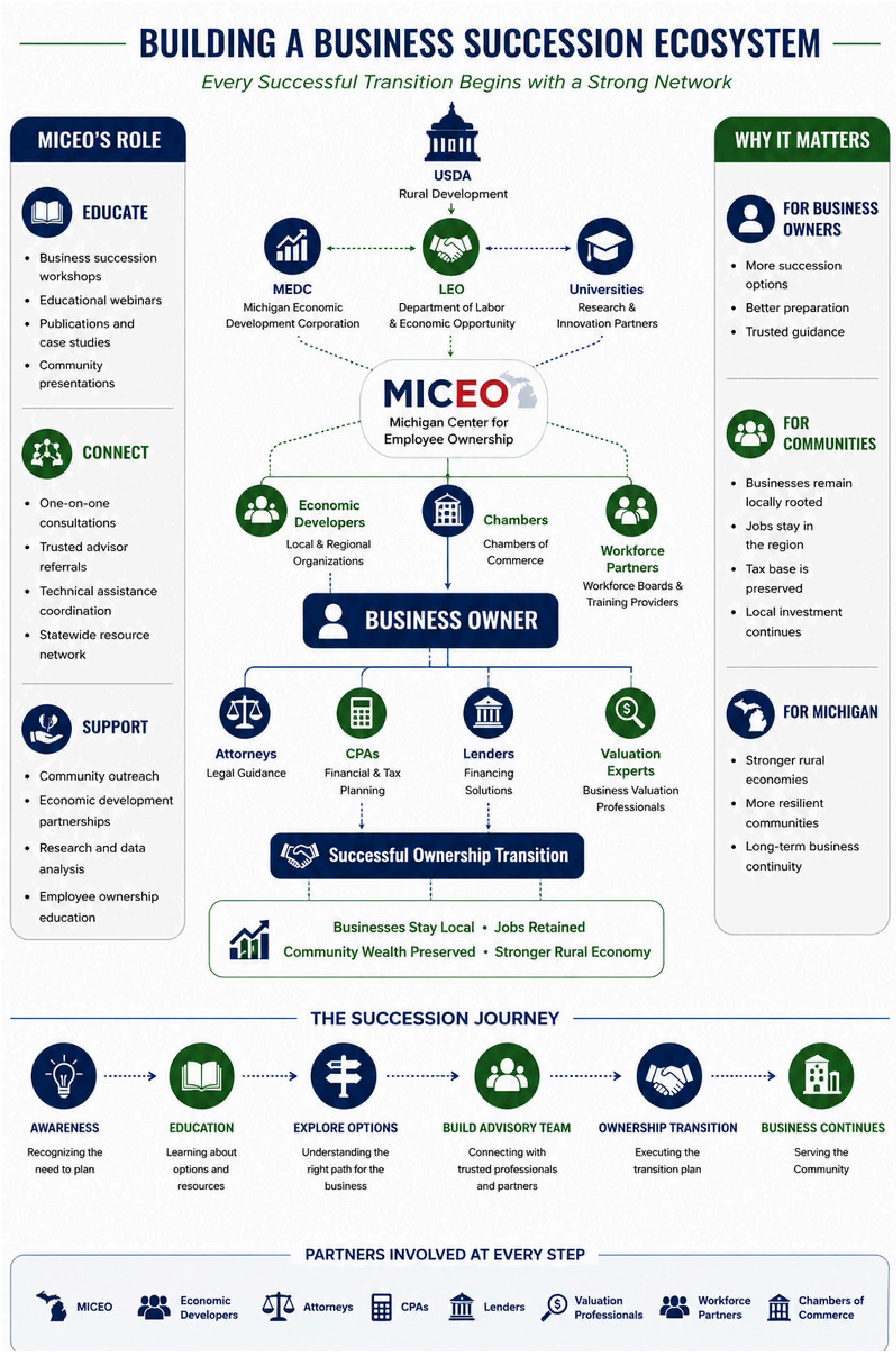
With a growing wave of business owner retirements on the horizon, the need for data-driven decision-making and supportive public policy has never been greater. By identifying succession risks early and investing in coordinated solutions, communities can better preserve locally owned businesses, retain quality jobs, and strengthen rural economies. Together, data, policy, and regional partnerships can help ensure the next generation of business ownership remains local and resilient.

Chapter 8→ Building a Business Succession Ecosystem

Across Michigan, this ecosystem continues to grow through collaboration among organizations that each contribute unique expertise. USDA Rural Development supports rural economic development through strategic investments that strengthen local communities. The Michigan Department of Labor and Economic Opportunity (LEO) and the Michigan Economic Development Corporation (MEDC) help advance statewide business retention, workforce development, and succession planning initiatives. Universities and research institutions contribute education, research, and innovation that help communities better understand the economic impacts of business ownership and succession.

At the regional level, economic development organizations, chambers of commerce, and workforce partners serve as trusted local resources, helping business owners connect with educational programs, financing opportunities, technical assistance, and workforce solutions. These organizations often serve as the first point of contact for business owners beginning to think about retirement, creating opportunities to start succession conversations long before they become urgent.

Economic development organizations, chambers of commerce, Small Business Development Centers (SBDCs), tribal economic development organizations, community foundations, and nonprofit partners all play an important role in strengthening the employee ownership ecosystem. As trusted advisors within their communities, these organizations are often the first to engage business owners about growth, workforce challenges, or succession planning. By working together to identify businesses early, share educational resources, and connect owners with technical assistance providers, they can help preserve locally owned companies, retain quality jobs, and build more resilient local economies across the Upper Peninsula. *By working together, we can help these businesses stay rooted in their local communities.*


BUILDING A BUSINESS SUCCESSION ECOSYSTEM
Every Successful Transition Begins with a Strong Network
MICEO'S ROLE
EDUCATE
Business succession workshops
Educational webinars
Publications and case studies
Community presentations
CONNECT
One-on-one consultations
Trusted advisor referrals
Technical assistance coordination
Statewide resource network
SUPPORT
Community outreach
Economic development partnerships
Research and data analysis
Employee ownership education
USDA
Rural Development
MEDC
Michigan Economic Development Corporation
LEO
Department of Labor & Economic Opportunity
Universities
Research & Innovation Partners
MICEO
Michigan Center for Employee Ownership
Economic Developers
Local & Regional Organizations
Chambers
Chambers of Commerce
Workforce Partners
Workforce Boards & Training Providers
BUSINESS OWNER
Attorneys
Legal Guidance
CPAs
Financial & Tax Planning
Lenders
Financing Solutions
Valuation Experts
Business Valuation Professionals
Successful Ownership Transition
Businesses Stay Local • Jobs Retained
Community Wealth Preserved • Stronger Rural Economy
WHY IT MATTERS
FOR BUSINESS OWNERS
More succession options
Better preparation
Trusted guidance
FOR COMMUNITIES
Businesses remain locally rooted
Jobs stay in the region
Tax base is preserved
Local investment continues
FOR MICHIGAN
Stronger rural economies
More resilient communities
Long-term business continuity
THE SUCCESSION JOURNEY
AWARENESS
Recognizing the need to plan
EDUCATION
Learning about options and resources
EXPLORE OPTIONS
Understanding the right path for the business
BUILD ADVISORY TEAM
Connecting with trusted professionals and partners
OWNERSHIP TRANSITION
Executing the transition plan
BUSINESS CONTINUES
Serving the Community
PARTNERS INVOLVED AT EVERY STEP
MICEO
Economic Developers
Attorneys
CPAs
Lenders
Valuation Professionals
Workforce Partners
Chambers of Commerce

Chapter 8→ Building a Business Succession Ecosystem

As owners move closer to a transition, a team of attorneys, certified public accountants (CPAs), lenders, business valuation professionals, and other trusted advisors provide the specialized expertise needed to evaluate options, prepare businesses for sale or transfer, structure transactions, and develop long-term succession strategies. Each professional brings a different perspective, helping business owners make informed decisions that align with their financial goals, their employees, and the future of their business.

Within this statewide network, the Michigan Center for Employee Ownership (MICEO) serves as an education and resource hub focused on business succession and employee ownership. Rather than facilitating business transactions directly, MICEO provides educational programming, conducts research, develops publications and tools, connects business owners with trusted advisors, and works alongside public and private partners to expand awareness of succession planning opportunities across Michigan.

The business owner remains at the center of every successful ownership transition. As illustrated in the framework on the following page, each stage of the succession journey—from raising awareness and learning about available options to assembling an advisory team and completing a successful transition—depends on partnerships that provide specialized expertise and coordinated support. When organizations collaborate, business owners gain access to trusted guidance, communities retain valuable employers, and local economies become stronger and more resilient.

Ultimately, business succession is more than a private business decision—it is a long-term economic development strategy. The strength of a business succession ecosystem is measured not only by successful ownership transitions, but by the outcomes those transitions create: businesses that remain locally rooted, jobs that stay in the community, community wealth that is preserved, and rural economies that continue to thrive. By investing in education, partnerships, and technical assistance today, Michigan is creating a stronger foundation for the next generation of business ownership while helping ensure that the communities of the Upper Peninsula continue to prosper for generations to come.

As communities across the Upper Peninsula prepare for an unprecedented wave of business ownership transitions, building this succession ecosystem will become increasingly important. Investments in education, partnerships, and technical assistance help ensure that business owners have access to trusted resources before critical decisions are made, supporting stronger local economies and more resilient rural communities.

"Investing in employee ownership is an investment in the long-term success of Michigan's businesses, workers and economy. The early results from the Employee Ownership Pilot show that small investments have big returns. By removing financial barriers to exploring employee ownership, businesses are seeing the value of this option and are acting on it. North Arrow ABA's successful transition demonstrates the impact this model can have for employees, employers and local economies."
— **Susan Corbin, Director, Michigan Department of Labor and Economic Opportunity (LEO)**

Throughout this publication, one message has remained consistent: the future of Michigan's rural communities depends not only on creating new businesses, but on ensuring that successful businesses continue to serve the communities where they were built. From the growing succession challenges facing the Upper Peninsula to the real-world examples of businesses and organizations navigating ownership transitions, these stories demonstrate that ownership decisions have lasting impacts on employees, local economies, and community resilience.

By strengthening education, expanding partnerships, and investing in technical assistance, Michigan is building a statewide framework that gives business owners the knowledge, resources, and support they need to make informed succession decisions. Together, these efforts are helping preserve locally rooted businesses, protect jobs, and strengthen the long-term economic vitality of communities across the state.

Michigan's investment in employee ownership reflects a broader national movement to strengthen business succession planning through public-private partnerships. As more business owners approach retirement, states across the country are expanding technical assistance, educational resources, and transition support to help preserve locally owned businesses and retain jobs. Michigan's Employee Ownership Pilot Program represents an important step in this evolution, demonstrating how targeted investments in succession planning can strengthen local economies while providing business owners with additional ownership transition options.

As these efforts continue to evolve, Michigan has an opportunity to serve as a national model for how states can proactively address the challenges of business succession. By bringing together public agencies, nonprofit organizations, economic development partners, and private-sector advisors, the state is building a coordinated approach that helps business owners plan for the future while strengthening the long-term resilience of local communities.

The decisions made by business owners over the next decade will shape the future of communities across Michigan. By investing in business succession planning today, the state is helping ensure those decisions are supported by trusted resources, strong partnerships, and informed guidance. Together, these efforts are creating a stronger foundation for resilient businesses, thriving rural communities, and the next generation of Michigan's economy.

This publication was prepared by the Michigan Center for Employee Ownership (MICEO) under a grant from the U.S. Department of Agriculture (USDA) Rural Development to support business succession planning and rural economic development in Michigan.

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Methodology

This publication combines publicly available federal and state datasets, economic development research, business ownership data, organizational case studies, and publicly available company information to examine the relationship between ownership structures, business succession, and rural economic resilience across Michigan's Upper Peninsula. Unless otherwise noted, statistics reflect the most recent data available at the time of publication.

Michigan Center for Employee Ownership

KEEPING WEALTH, BUSINESSES, AND OPPORTUNITY IN MICHIGAN'S UPPER PENINSULA.

Photo of Ryba Marine, an Employee Owned Business since 2017 serving 60 employees in the Upper Peninsula.

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