



### About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

## What should boomer bosses do with their businesses?

By Matthew Crider, JD | Family Wealth Protection Attorney

In the next decade, millions of baby boomers who own their own businesses will have to decide what to do with them as they retire. If they have no heirs to take the businesses over, they will probably sell them if they can to large corporations. But that could put many of their faithful employees out of work.

There may be another option.

In an article in the [New York Times](#), it is suggested that boomer bosses may be better off selling to their employees. It may be a better choice morally and economically.

The article cites the case of the New Belgium Brewing Company in Colorado which was sold last year by its owner to its 400 employees through what is known as an employee stock ownership plan.

The way it works is that a company sets up a trust on behalf of the employees, into which it directs a portion of its profits. The trust uses that money to buy a portion of the owner's shares, all at once or over time. To ease the burden of such a large purchase, the employees, through the trust, can buy the company by borrowing against future earnings, with no upfront costs.

If the owner sells more than 30 percent of the company to the employees, all capital gains taxes are deferred.

The idea can work well, but there can be pitfalls too. And it can be harder to do than to sell to another company. But for some boomer bosses, it just may be the right thing to do.