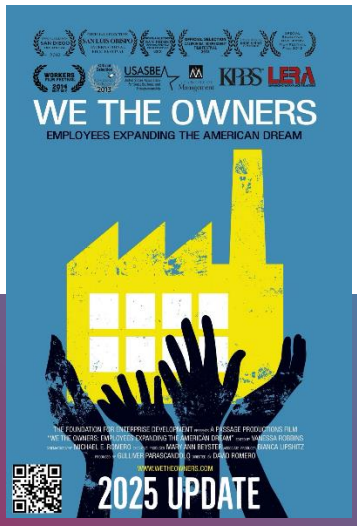
WE THE OWNERS

EMPLOYEES EXPANDING THE AMERICAN DREAM



We the Owners Case Study –

New Belgium Brewing

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Abstract: *We the Owners: Employees Expanding the American Dream*, is a 2012 documentary film about three American businesses that have embraced various forms of employee ownership. This case study offers a closer look at New Belgium Brewing, one of the three featured companies, and was published in January 2025 by the Rutgers Institute for the Study of Employee Ownership and Profit Sharing with support from the Beyster Foundation for Enterprise Development, to coincide with the release of an updated second edition of the film.

New Belgium Brewing is an American craft brewery based in Fort Collins, Colorado that was founded in 1991 by the then husband-and-wife team of Kim Jordan and Jeff Lebesch. The company first established an Employee Stock Ownership Plan (ESOP) in 2000 and was 100% employee-owned from 2012 to 2019. In this case study, the author explores developments at New Belgium since the original release of *We the Owners* in 2012, most notably its sale to an outside buyer and the end of the brewery's era of employee ownership.

Discussion questions about New Belgium that can be used in classroom or other group settings are included in the separate "*We the Owners* Discussion Guide," also available through Rutgers' Curriculum Library for Employee Ownership (CLEO).

Topics: Human Resource Management; Management; Organizational Behavior; Benefits and Compensation; Business Models; Culture of Ownership; Employee Engagement; Employee Stock Ownership Plans (ESOPs); Human Resource Management; Management; Mission / Vision / Values; Organizational Design and Change; Restructuring; Food, Beverage, and Tobacco Manufacturing; Cases; North America; United States of America; New Belgium Brewing

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This is a working paper case study. Additional versions of this case study may appear in print.

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New Belgium Brewing is an American craft brewery based in Fort Collins, Colorado. It grew from humble beginnings more than three decades ago to become, for a time, one of the most prominent employee-owned companies in the United States. Inspired by the exotic beers they encountered on a bicycle trek across Belgium in the late 1980s, the then husband-and-wife team of Kim Jordan and Jeff Lebesch launched the business from their basement in 1991 after several years of homebrewing experiments.[1] Their first product, Fat Tire Ale – named as an homage to the expedition that started it all – is still manufactured by New Belgium as part of its diverse lineup of regular and seasonal beers, which also includes popular offerings like Voodoo Ranger IPA and La Folie Sour Brown Ale.[2,3]

From the time that Jordan and Lebesch began hiring their first employees, they were committed to the idea of building a workplace with a participatory culture in which everyone would feel that they shared in both the risks and the rewards of the business. In keeping with that vision, the company would eventually be sold to an Employee Stock Ownership Plan (ESOP), a type of qualified defined contribution retirement plan that allows individuals to own equity shares in their own employer. According to data from the federal Department of Labor, a total of more than ten million U.S. workers are currently covered by such plans, making ESOPs by far the most common form of employee ownership in America today.[4]

An ESOP consists of a special trust into which a company contributes either newly-issued stock or cash that can be used to acquire equity from existing shareholders. Employees are granted shares through this trust that vest over time, and upon retirement or voluntary separation can cash out vested shares by selling them back to the company at fair market value. Traditionally, ESOPs are structured so that workers do not pay for this benefit; for instance, the trust may take out a loan to purchase shares on employees' behalf and repay it out of the future earnings of the company.[5]

[1] Laxe, Jacob. *The Coloradoan* (16 July 2018). "New Belgium founder Jeff Lebesch shares insights on life after beer." Available at https://www.coloradoan.com/story/life/food/beer/2018/07/16/new-belgium-creates-exclusive-red-rocks-amphitheatre-beer/790313002/. Accessed 20 December 2024.

[2] New Belgium Brewing. "Classic Ale – Fat Tire." Available at https://www.newbelgium.com/beer/fat-tire/. Accessed 20 December 2024.

[3] New Belgium Brewing. "All Beer." Available at https://www.newbelgium.com/beer. Accessed 20 December 2024.

[4] National Center for Employee Ownership (2023). "Employee Ownership by the Numbers." Available at https://www.nceo.org/articles/employee-ownership-by-the-numbers. Accessed 20 December 2024.

[5] National Center for Employee Ownership (2020). "How an Employee Stock Ownership Plan (ESOP) Works," February 2023. Available at https://www.nceo.org/articles/esop-employee-stock-ownership-plan. Accessed 20 December 2024.

As of 2025, New Belgium is no longer ESOP-owned. Instead, it operates as a subsidiary of Little World Beverages, the global craft beverage division of Australian conglomerate Lion (itself controlled by the Japanese holding company Kirin).[6] The brewery's sale to Little World in 2019, which marked the end of its time as an employee-owned company, underscores the challenge of sustaining employee ownership – even in firms with a deeply-rooted egalitarian ethos – when commercial success brings with it attractive acquisition offers from outside buyers.

> *At the time that New Belgium achieved 100% ESOP ownership, it employed 457 workers and was the third-largest craft brewery in the U.S. by sales volume.*

Culture of Ownership and Participation

While New Belgium was not founded as an employee-owned company, the decision to adopt an ESOP was in many ways a natural outgrowth of the founders' interest in treating their employees as co-partners in the business. Jordan has stated that she and Lebesch started sharing equity with workers in 1995, and a 2014 profile by the Democracy at Work Institute reported that they began to explore a formal transition to employee ownership the following year. A primary motivation for considering such a move was the fact that the two were interested in finding ways to access a portion of the firm's value without the need to sell stock to third-party investors who might not share their corporate philosophy.[7]

In 2000, New Belgium formally established an ESOP and transferred a minority ownership stake to the plan trust, leaving Jordan and Lebesch still with a controlling interest. (Lebesch departed the company in 2009 after the couple divorced.[8]) In looking ahead to a future turnover in leadership, however, Jordan was concerned about the prospect of one day having to turn the brewery over to an outside buyer like a private equity firm. To safeguard against this possibility, she and her family decided to take the step of selling their remaining shares to the ESOP in 2012, thereby bringing the workers' stake in New Belgium from 41.5% all the way to 100%.[9]

A statement announcing the sale declared that full employee ownership would put the company " on a path to control [its] destiny into the foreseeable future," and quoted Jordan as saying that the transition

[6] Furnari, Chris. *Forbes* (19 November 2019). "New Belgium Brewing Announces Sale To Kirin Subsidiary As Craft Beer M&A Heats Up." Available at https://www.forbes.com/sites/chrisfurnari/2019/11/19/new-belgium-brewing-announces-sale-to-kirin-subsidiary-as-craft-beer-ma-heats-up/. Accessed 20 December 2024.

[7] Kerr, Camille and Joe Reinhart. Democracy at Work Institute (2014). *Becoming Employee-Owned*. Available at https://institute.coop/resources/becoming-employee-owned. Accessed 20 December 2024.

[8] "New Belgium founder Jeff Lebesch shares insights on life after beer."

[9] New Belgium Brewing. "Our Story." Available at https://www.newbelgium.com/company/story/. Accessed 20 December 2024.

would "provide an elegant succession framework that keeps the executive team intact… [and ensures] our vision stays true going forward." Despite being bought out by the ESOP, however, Jordan would remain on as Chief Executive Officer until 2015.[10] In an interview with financial news website *TheStreet*, she discussed how this chapter in New Belgium's evolution was characterized by both change and continuity:

> On one hand nothing changed: I'm still the CEO and the management team is still the management team. We are not running in anarchy or management by 470-person committee on every decision. Having said that, I feel that there's this palpable sense that now that we collectively own the whole thing, we're more enthusiastic about the challenges… and own those challenges more than we used to.[11]

At the time that New Belgium achieved 100% ESOP ownership, it employed a total of 457 workers[12] and was the third-largest craft brewery in the U.S. by sales volume, according to the nonprofit trade group The Brewers Association.[13]

> *"In the film forklift driver Doug Miller described how his experience with open-book practices gave him the financial literacy to handle buying and selling a home."*

New Belgium's embrace of the ESOP model was in many respects a natural outgrowth of its founders' commitment to fostering a "high-involvement culture" among their employees. In the same interview with *TheStreet*, Jordan described some of the concrete steps that were taken early on to give workers a meaningful sense of co-responsibility:

> We started… practicing open-book management in 1995… so not only do my coworkers look at the financial statements, but [they've] also been involved in the strategic planning process for a very long time. We've held a retreat every year since we've been in business and we've evolved it over the years to have it be the place where we start our strategy thinking, and that starts with the coworkers.[14]

[10] Dukakis, Andrea. *Colorado Public Radio* (14 October 2015). Available at https://www.cpr.org/show-segment/trailblazing-craft-beer-maker-kim-jordan-steps-down-at-new-belgium/. Accessed 20 December 2024.

[11] Notte, Jason. *TheStreet* (6 March 2013). "New Belgium Brewing's Kim Jordan Heads East." Available at https://www.thestreet.com/personal-finance/new-belgium-brewings-kim-jordan-heads-east-11860869. Accessed 20 December 2024.

[12] "Our Story."

[13] The Brewers Association (8 April 2013). "Brewers Association Releases Top 50 Breweries of 2012." Available at https://www.brewersassociation.org/press-releases/brewers-association-releases-top-50-breweries-of-2012/. Accessed 20 December 2024.

[14] "New Belgium Brewing's Kim Jordan Heads East."

The transformative impact of "open-book management," whereby employees are afforded access to financial statements and information about corporate performance, is highlighted by the conversations with New Belgium employees that are featured in the 2012 film *We the Owners*, which profiles three American firms with various types of employee ownership arrangements. Doug Miller, a forklift driver for the company, described how his experience with open-book practices gave him the financial literacy he needed to handle buying and selling a home:

> If you've ever bought a house, you know the mountain of paperwork. There's me on one side of the table, and seven people on the other side – the lawyers and the real estate agents and everything. And I'm sitting here dealing with a half a million dollars worth of stuff. I never graduated college… but through the open-book management I was able to do that myself… I remember thinking as I'm doing all this and they're signing the papers [that] they're looking at me like, "who is this guy?" [It's] because I'm an owner in New Belgium and there's open-book management that I'm able to do this… half a million dollar transaction. A forklift driver is doing *this*![15]

One of the most widely discussed events came when management announced that the company had reached an agreement to be acquired by Lion Little World Beverages.

Acquisition and Termination of ESOP

One of the most widely discussed events in the history of New Belgium Brewing came in 2019, when management announced that the company had reached an agreement to be acquired by Lion Little World Beverages for an undisclosed sum. After the deal was approved by New Belgium's workers in December of that year, the ESOP was terminated and the company ceased to be employee-owned. (Federal regulations stipulate that employees at ESOP companies must be afforded the right to direct the ESOP trustee, an individual who acts as the legal owner of the company stock held in the plan, on how to vote their shares in the case of a major corporate transaction like a merger or acquisition.[16])

When news of this development became public, Jordan insisted that the choice to sell to an outside entity had been motivated by a number of "competing priorities." These included the need to navigate unprecedented competition from a proliferation of other craft breweries and to guarantee that the company

[15] Romero, David (Director) (2024). *We the Owners: Employees Expanding the American Dream* [film]. Passage Productions. At 28:00.

[16] National Center for Employee Ownership. "The Rights of ESOP Participants." Available at https://www.nceo.org/articles/rights-esop-participants. Accessed 20 December 2024.

would have sufficient cash to meet its ESOP *repurchase liabilities*, or obligations to buy back the shares held on behalf of retiring or departing worker-owners.[17]

While the precise terms of the deal remain confidential, Jordan announced in an open letter that more than 300 employees had received at least $100,000 as a result, and that the total amount distributed through the ESOP over the course of its lifetime exceeded $190 million. She acknowledged that some might lament the fact that New Belgium would no longer be employee-owned, but nevertheless argued that "we will have helped a significant number of people realize the upside of having equity in something… [and] being a part of the American Dream." Moreover, she promised that "Little World is committed to strategies to broadly share the wealth going forward, like profit sharing, best-in-class healthcare and a generous family leave policy."[18,19]

> *The company illustrates formidable headwinds that face the movement to turn more workers into owners.*

The sale occasioned a spirited debate within the employee ownership community. Some maintained that it should be viewed as a success story, insofar as rank-and-file employees were able to enjoy the upside of a lucrative transaction that typically only redounds to the benefit of a handful of exiting owners. Others, meanwhile, saw it as a disappointing loss that cast doubt on the long-term viability of employee ownership models under the prevailing economic system, and pointed out that New Belgium might face particularly serious challenges with preserving other distinctive aspects of its corporate culture once under the control of a large-scale multinational.[20]

Brewing Sustainable Beer

Beyond their passion for creating a business with a strong culture of engagement and participation, New Belgium's co-founders also professed a commitment to responsible environmental stewardship from the very start. They were eager to demonstrate that it would be possible to brew beer that not only tasted great, but that would be good for the environment too.

[17] American Craft Beer (19 November 2019). "Kirin Subsidiary Acquires New Belgium Brewing." Available at https://www.americancraftbeer.com/kirin-subsidiary-acquires-new-belgium-brewing/. Accessed 20 December 2024.

[18] "Kirin Subsidiary Acquires New Belgium Brewing."

[19] Kendall, Justin. *BrewBound* (19 November 2019). "New Belgium to be Acquired by Kirin-Owned Lion Little World Beverages." Available at https://www.brewbound.com/news/new-belgium-to-be-acquired-by-kirin-owned-lion-little-world-beverages. Accessed 20 December 2024.

[20] Fifty by Fifty (10 December 2019). "Last call: A forum on the end of employee ownership at New Belgium." Available at https://www.fiftybyfifty.org/2019/12/last-call-a-forum-on-the-end-of-employee-ownership-at-new-belgium/. Accessed 20 December 2024.

Led by an in-house sustainability department, New Belgium undertook efforts to install solar panels at its Fort Collins brewing facility that would provide a reliable source of clean energy for its operations.[21] By 2009, it had constructed what was then the largest private solar array in the State of Colorado, a 200 kW system capable of meeting roughly one-sixth of its peak electrical needs. Notably, it contracted for the project with another Colorado-based firm, Namaste Solar, that is one of the other two companies featured in *We the Owners*.[22] In addition, the brewery struck up a partnership with Colorado State University to collaborate on environmental research at its production plant, which included studies to measure carbon emissions and demonstrate how recycled wastewater could be used to cultivate algae for biodiesel manufacturing.[23]

> *ESOP firms may become "too successful" to remain ESOP firms, as a record of strong performance can make them appealing targets for acquisition.*

In 2008, New Belgium joined 1% for the Planet, a coalition of businesses formed by Patagonia founder Yvon Chouinard whose members pledge to contribute 1% of their annual sales revenue to vetted environmental organizations.[24] And in 2013, it became a Certified B Corp, a designation conferred by the nonprofit organization B Lab on businesses that meet certain rigorous standards of corporate transparency, environmental sustainability, and social responsibility. (B Corp status does not, however, have any legal significance, and unlike terms such as "C Corp" or "S Corp" does not refer to how a company is incorporated.) In its 2022 assessment, B Labs awarded New Belgium an overall "impact score" of 111.2, where a score of 80 is the minimum required for certification and 50.9 the median for a sample of non-certified businesses.[25]

[21] "Our Story."

[22] *BeerPulse* (14 January 2010). "New Belgium Brewing turns on Colorado's largest private solar array." Available at https://beerpulse.com/2010/01/new-belgium-brewing-turns-on-colorados-largest-on-site-solar-array/comment-page-1/. Accessed 20 December 2024.

[23] Higgins, Kevin T. Food *Engineering* (1 September 2010). "Sustainable Plant of the Year: New Belgium Brewing Co. Hits the Spot." Available at https://www.foodengineeringmag.com/articles/88202-sustainable-plant-of-the-year-new-belgium-brewing-co-hits-the-spot. Accessed 20 December 2024.

[24] New Belgium Brewing. "Giving Back." Available at https://www.newbelgium.com/company/mission/giving-back/. Accessed 20 December 2024.

[25] B Lab. "New Belgium Brewing Co, Inc." Available at https://www.bcorporation.net/en-us/find-a-b-corp/company/new-belgium-brewing-co-inc/. Accessed 20 December 2024.

In part because of its longstanding concerns about ecological impact, and a realization that the largest contributor to its greenhouse gas emissions came from transportation and distribution of products, New Belgium undertook a significant expansion in 2016 by opening a second brewing plant in Asheville, North Carolina. The new facility has allowed it to more efficiently get its beers into the hands of customers on the East Coast and, as of 2017, to achieve distribution to all 50 states.[26] It has also led to substantial growth in New Belgium's workforce, which now numbers over 1,300 per the company's website.[27]

Even after being taken over by Little World, it has continued to work toward a goal of reaching carbon neutrality by 2030 and invests in carbon offsets as a means to that end.[28] It has also tried to raise awareness about the threat of climate change in novel and creative ways, such as by releasing a "Torched Earth Ale" engineered to simulate how the taste of beer might be adversely affected if brewers are forced to modify their ingredient mix in response to environmental breakdown.[29] In short, the end of its employee-owned status has not necessarily forced New Belgium, at least in this regard, to compromise its long-held values.[30]

Conclusion

What the future still holds for New Belgium in its post-ESOP era of course remains to be seen. But while opinions may vary when it comes to how the brewery's sale to an outside buyer should be viewed by those who believe in the potential of employee ownership, it is undeniable that the company's experience illustrates some of the formidable headwinds that face the movement to turn more workers into owners. Indeed, it suggests that ESOP firms may tend to become, paradoxically, "too successful" to remain ESOP firms, insofar as a record of strong performance can make them appealing targets for acquisition. Policymakers and employee ownership advocates will need to think carefully about how to address these headwinds in the years and decades ahead.

[26] "New Belgium founder Jeff Lebesch shares insights on life after beer."

[27] New Belgium Brewing. "Do Right by People." Available at https://www.newbelgium.com/company/mission/do-right-by-people/. Accessed 20 December 2024.

[28] Frank, John. Axios (18 January 2023). Available at https://www.axios.com/2023/01/18/new-belgium-brewing-beer-fat-tire-climate-change. Accessed 20 December 2024.

[29] *BrewBound* (19 April 2021). "New Belgium Launches Fat Tire: Torched Earth Beer from a Climate-Ravaged Future – and It Tastes Awful." Available at https://www.brewbound.com/news/new-belgium-launches-fat-tire-torched-earth-beer-from-a-climate-ravaged-future-and-it-tastes-awful/. Accessed 20 December 2024.

[30] Pred, David. Business & Human Rights Resource Centre (19 January 2020). "New owner of New Belgium Brewing, Kirin's subsidiary Little Lion World Beverages criticised over partnership with Myanmar's military." Available at https://www.business-humanrights.org/en/latest-news/new-owner-of-new-belgium-brewing-kirins-subsidiary-little-lion-world-beverages-criticised-over-partnership-with-myanmars-military/. Accessed 20 December 2024.

This case study and accompanying discussion guide have been designed solely for educational purposes and should not be construed as providing management advice.