PRIVATE EQUITY STAKEHOLDER PROJECT IMPACT REPORT

SUMMER 2025





Private equity and other private funds have grown substantially in recent years and now control over \$22 trillion in assets – that's more than the GDPs of all but the world's wealthiest country, the U.S. Today, there is not a single area of life that is not directly impacted by private equity. Every day tens of millions of people are personally affected by private equity buyouts - from patients in hospitals and nursing homes, to renters and homebuyers, to customers and employees in restaurants, retail, and a wide range of other industries.

The private equity business model is built on pooling money from investors like public pensions to take over companies and quickly restructure them, often in ways that are harmful to workers, patients, customers, residents, and ultimately regional and local economies. The focus is on turning a quick profit for investors regardless of the risks and consequences for communities across the country.

Who We Are

The Private Equity Stakeholder Project (PESP) is a nonprofit watchdog organization focused on the growing private equity and broader private funds industry.

PESP was founded in 2017 to address the growing impacts of private equity and private funds managers on people and the planet, and to serve as a resource to communities, individuals, and organizations grappling with such impacts. Our mission is to bring transparency and accountability to the private equity industry and help empower impacted communities. We envision a world where private investments benefit people and the planet rather than driving inequality, and the private equity industry's market control and political power are effectively regulated.

PESP focuses on five key areas affected by private equity: climate and energy, workers and jobs, housing, healthcare, and detention and surveillance.

FROM OUR EXECUTIVE DIRECTOR

Dear friends and supporters,

As we launch the inaugural impact report for the Private Equity Stakeholder Project, it is important to acknowledge the moment we are facing – a moment that demands PESP's critical work.

Private equity and other private funds have grown into a <u>\$22 trillion industry</u> that now employs tens of millions of workers and buys up large and growing parts of the housing market, healthcare, retail, food service, and energy industries. With little transparency or accountability, they have extreme influence on the wellbeing and livelihoods of billions of people.

Even before the second Trump administration took office, private equity was projected to grow dramatically in the coming years, triggering even more negative impacts on workers' and tenants' rights, climate change, and protections for patients and consumers. In today's political environment, we know oversight of private equity will erode even further. Already, the Trump administration has immobilized agencies charged with protecting workers, taken away protections for patients of healthcare facilities, rolled back climate regulations, and encouraged fossil fuel production over renewable energy. This is just the tip of the iceberg.

private asset managers on people and the planet.

Since 2017, we have provided timely, fact-based research, analysis, and support to shine a light on private equity and fuel the front-line efforts of on-the-ground groups, including labor unions, worker centers, tenant unions, community organizations, environmental justice groups, consumer advocates, civil rights groups, and others. PESP is a trusted resource for regulators, policymakers, investors, journalists, treasurers, and others looking to understand and respond to the growing impacts of private equity.

At a time when we cannot count on our government to protect people and our planet, or for private equity to act in our interests, PESP seeks to deepen and expand our essential work: shedding light on private equity players, where and what they are investing in, what's at stake, and equipping state-level and communitybased organizations across the country to protect the rights of millions affected by private equity.

Thank you,

Jim Baker

That is why we at the **Private Equity Stakeholder Project (PESP)** must sustain – and expand – our work. We are the only watchdog group exclusively focused on the impacts of private equity firms and other

We appreciate your support in this important work.

Executive Director

OUR ALLIES

PESP works with a variety of organizations across a wide geography. From supporting union campaigns at private equity-owned companies to working with tenant organizers and climate activists, collaboration is an essential part of our work.

350 Chicago 350 Montgomery County Maryland 350 Washington Action Center on Race & The Economy (ACRE) Action North Carolina AFSCME 3299 AFT Alliance of Californians for Community Empowerment (ACCE) American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Americans for Financial Reform As You Sow Bargaining for the Common Good Carbon Tracker Carrizo Commecrudo Tribe Center for International Corporate Tax Accountability & Research (CICTAR) Center for Popular Democracy (CPD) Climate Finance Action (CFA) Climate Nexus Climate Organizing Hub Community Catalyst CURE MN **Divest Oregon Divest Washington** Earthworks **Finance Watch** Food & Water Watch For The Long Term Fossil Free California Fossil Free Finance Campaign Friends of the Earth Global Energy Monitor (GEM) Grand Lodge International Association of Machinists & Aerospace Workers Green America

Green Workers Alliance Greenpeace Healthy Gulf Housing Rights Committee San Francisco Institute for Energy Economics and Financial Analysis (IEEFA) Interfaith Center on Corporate Responsibility (ICCR) International Association of Machinists and Aerospace International Brotherhood of Electrical Workers (IBEW) **Investors for Paris Compliance** Just Economics Laborers' International Union (LIUNA) Landlord Mapping and Research Collaborative LittleSis Local Progress Los Angeles Tenants Union Massachusetts Nurses Association MH Action Miami Workers Center Minnesota Divestment Coalition National Disability Rights Network (NDRN) Natural Resources Defense Council (NRDC) **NC** Tenants Union North America's Building Trades Unions (NABTU) Office and Professional Employees International Union (OPEIU) Oil Change International Partner Organization People's Action Philly Black Worker Project Public Citizen **Rainforest Action Network Reclaim Finance**

Regional Tenant Organizing Network (RTO) **Resilience Force** Revolving Door Project Right to the City Service Employees International Union (SEIU) Shareholder Association for Research and Education (SHARE) Sheet Metal, Air, Rail and **Transportation Workers** (SMART) Sierra Club Solutions For Our Climate South Texas Environmental Justice Network Stand.Earth State Innovation Exchange (SiX) Stop the Money Pipeline Strategic Organizing Center Investment Group (SOC) Strong Economy For All Tenant Union Federation(TUF) Texas Climate Jobs Project The Sunrise Project **UNITE HERE 11** United Auto Workers (UAW) United Electrical, Radio and Machine Workers of America (UE) United Farm Workers (UFW) United For Respect (UFR) University of Texas Tenants Union Urgewald Veritias Tenants Association Western for Environmental Law Center Worker-driven Social Responsibility Network Workers Rights Consortium Worth Rises Youth Alliance for Housing

VICTORIES & BIGGEST WINS

PESP research featured in groundbreaking Senate report on private equity's impact in U.S. healthcare

On January 7, the US Senate Budget Committee released an extensive bipartisan report on the findings of a year-long investigation of private equity ownership of hospitals. *Profits Over Patients: The Harmful Effects of Private Equity on the U.S. Health Care System* documents a harrowing pattern of private equity firms prioritizing profits at the expense of patient care and calls for greater oversight to address those harms. Case studies examine two private equity-owned hospital companies: Prospect Medical Holdings, which was owned by Leonard Green & Partners between 2010-2021, and Lifepoint Health, which has been owned by Apollo Global Management since 2018.¹

PESP research was featured heavily in the report, including research reports on Prospect and Lifepoint as well as our Private Equity Hospital Tracker, which the Senate report cites as one of the only publicly available sources tracking private equity hospital ownership.²

SOCIETE

GENERALF

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Pension Fund

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Chicago Teachers' Pension Fund passes on KKR investment

PESP scored a major victory when the Chicago Teachers' Pension Fund Trustees voted down a proposal to invest an additional \$10 million in KKR's Ascendant Fund. This decision marked the first time in recent history that the Fund voted against the interests of private equity, despite heavy investments in the industry. The Trustees used PESP's Private Equity Climate Risks Scorecard and Labor Scorecard research to guide their decision, which highlighted KKR's damaging track record in sectors like energy and retail. KKR's pitch for high returns was met with skepticism, as its history of exploiting and gutting businesses raised significant concerns among the trustees.³



New York City Comptroller pledges to exclude PE-funded fossil fuel infrastructure from public pension investments

Last year, NYC Comptroller Brad Lander committed to halt future pension fund investments in private equity-backed midstream and downstream fossil fuel infrastructure. With \$285 billion in assets, New York City's pension funds are now the first large U.S. funds to take this step, setting a precedent for others to follow.

We applaud this leadership. Private equity firms are locking communities' retirement funds into risky fossil fuel investments while keeping much of their activity hidden. Investors must act to protect pensions from financial, legal, and climate risks. New York City's decision moves us closer to a future where capital is directed toward sustainable energy instead of climate destruction.⁴





Pension funds push for better private equity standards

Private equity firms are implicated in some of the biggest social and economic issues of our time: low wages and job insecurity for workers, increasingly expensive and inaccessible housing, poor patient care, and climate disasters.

The landscape for private markets investment opportunity has evolved, and private equity firms are facing disappointing returns, more competition, high interest rates and challenges exiting portfolio companies. Investors are seeking better alignment around long-term objectives and sustainable economic growth.

For years PESP has advocated for investors to use their power to shape industry standards and investors are making important progress. New York City funds adopted a Responsible Property Management Standards Policy⁵ to enhance tenant protections and a Net Zero Implementation Plan⁶ to mitigate climate risk, including standards for private markets managers. CalPERS, New York State Common Retirement Fund, Illinois SBI, and Maryland SRPS also adopted robust labor standards for private equity investments.^{7,8}

PESP presents to standing room-only crowd at LaborNotes 2024

PESP staffers presented to a packed room at the 2024 LaborNotes conference on a panel centered on tactics for labor advocacy at private equity-owned companies. Panelists from WGA-East, OPEIU, and UE joined the presentation to share their experiences as workers at private equity-owned companies.

During the panel, the organizers shared how the private equity owners of their companies took great pains to resist workers' efforts to unionize, how the relentless drive for profits resulted in worsened working conditions, and the tactics that worked best as their unions fought for a fair contract. For Leah Derr of OPEIU Local 40, mobilizing community support was key to ensuring workers in her service unit were given adequate PPE during the height of the COVID-19 pandemic. Caitlin Cruz of WGA-East noted that when she and fellow journalists were fighting for a third contract, public campaigns were particularly useful. Taking their story to business media outlets and directly calling out the private equity executives involved in negotiations helped WGA-East win their fight.⁹





Progress Residential sells homes to non-profits

The private equity firm Pretium Partners, which owns single family rental landlord Progress Residential, sold 345 single-family homes in Minneapolis-St. Paul to two nonprofits that have committed to either maintain them as rental properties for the current tenants or sell them to the current renters, if possible, after renovation.¹⁰

This was the latest victory for Progress Residential tenants in North Minneapolis who have been organizing for several years with Inquilinxs Unidxs por Justicia (IX)/United Renters for Justice for safe and dignified housing, after going without necessary repairs for issues related to lead paint, black mold, pest infestations, flooding, and electrical hazards.

The Private Equity Stakeholder Project has worked closely to support IX's campaign. In 2023, PESP and IX released a report which calculated that Pretium had extracted more than \$40 million in wealth through purchasing more than 220 single family homes in the historically Black neighborhood of North Minneapolis.¹¹ Pretium removed opportunities for working families by buying up starter homes, forcing tenants to pay rent rather than building equity. Furthermore, when the homes double in value Pretium benefitted rather than community members.

IMPACT
STORIESBekah Hinojosa:
Resisting dangerous private
equity-owned fossil fuel proj equity-owned fossil fuel projects

I was born and raised in the Rio Grande Valley of South Texas. We're primarily a Brown and Indigenous community, and our region is surrounded by border militarization and checkpoints. We're facing a massive fossil-fuel buildout of LNG terminals and oil industry that's threatening to sacrifice the Gulf Coast with pollution. We're experiencing climate disasters like hurricanes, droughts, and flooding, which is making worse our crumbling infrastructure like bad drinking water and unreliable electricity.

My community has been resisting the proposed Rio Grande LNG, Texas LNG, and Rio Bravo Pipeline project, doing everything we can to stop them from being built. We've made it clear that we don't want these projects, including by passing multiple anti-LNG resolutions and lawsuits trying to keep these dangerous fossil fuel projects out. But the company, Rio Grande LNG, which is owned by a private equity firm, has kept pushing to build it despite our opposition.

We believe that if built, the Rio Grande LNG would be the biggest polluter in the region. We've compared their own pollution estimates to the EPA's and found that it would lead to a spike in particulate matter which is damaging to respiratory health and volatile compounds (which are cancer causing emissions), as well as a tremendous amount of greenhouse gasses which are terrible for the climate.

On top of that, Rio Grande LNG has already been bulldozing wetlands, mudflats, and pristine habitats in its construction, which are sacred lands of Carrizo Comecrudo Tribe of Texas. The LNG site is also right next to a shipping channel where the shrimp boats dock and the shrimp population lay their eggs, which is important to our shrimping & fishing economy.

Rio Grande LNG recently got approved for a tax abatement from the Cameron County commission. If the project is built, they'd get over \$300 million over ten years in tax abatements from our impoverished community.

It will add insult to injury that they'll avoid paying their fair share of taxes. There are many people in our community who are low income and struggling to pay their bills, and they don't get any tax abatements. But they'll still be forced to breathe in LNG air pollution. One of the company's talking points for getting the tax break is that they'd bring jobs, but we deserve jobs that don't put our health and lives at risk. We want jobs in ecotourism and education - jobs that strengthen our community, not destroy it.

OUR RESEARCH | TRACKERS

Throughout 2024, PESP released and updated a number of private equity trackers to highlight the industry's reach across sectors and the specific risks posed to workers, patients, tenants, and consumers.



Hospital Tracker (READ)

In 2024, PESP updated its groundbreaking Private Equity Hospital Tracker for the first time. Private equity ownership of hospitals has drawn scrutiny in recent years as some private equity hospital acquisitions have produced troubling impacts for patients and workers across the country. Private equity's hospital profiteering has resulted in dangerous conditions, closures and reduced access to services, declining quality, and fraud. Since the Tracker was first released, it has provided an accurate, up-to-date, and accessible tool to unveil the extent of private equity hospital ownership for tens of thousands of patients, medical workers, and researchers.

Private Equity Healthcare Bankruptcies Tracker (READ)

As interest rates remained high through 2023 and 2024, many debt-laden companies with private equity ownership struggled to remain afloat. Some sectors, especially healthcare, were particularly affected. In 2024, PESP began tracking the rising

number of healthcare bankruptcies linked to private equity. Bankruptcies in healthcare are more than just legal or financial events – they can lead to closures, disruption or cessation of critical healthcare services, and layoffs. Such outcomes have ripple effects on the broader healthcare infrastructure, such as overburdening healthcare providers that need to fill the gaps left by closures.

Manufactured Housing Tracker (READ)

Last year, PESP and Manufactured Housing Action (MHAction) released the Private Equity Manufactured Housing Tracker, a first-of-itskind tool monitoring private equity and hedge fund ownership of manufactured housing communities in the U.S. Manufactured housing is a vital source of affordable housing for the over 21 million Americans who live in them, many of whom are on fixed incomes. Since the early 2000s, institutional investors such



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as private equity firms have increased their presence in the manufactured housing market. In 2020 and 2021, they accounted for 23% of all manufactured home purchases, up from 13% between 2017 and 2019.

Private Equity Climate Scorecard (READ)

With over a trillion dollars in energy investments that generate high greenhouse gas emissions, private equity firms have an outsized role in accelerating the climate crisis. The Private Equity Climate Risks Scorecard analyzes 21 private equity firms including large-scale buyout firms, infrastructure firms, and energy specialists. The research analyzes firms' energy holdings, identifies upstream, LNG terminals, and coal-fired power plants and their respective emissions, as well as the firms' actions to meet the climate demands based on analysis of publicly available information in addition to any information provided by the firms directly.

Private Equity Employer Tracker (READ)

PESP's Private Equity Employer Tracker documents the private equity-owned companies employing the most workers around the world. Most recent estimates suggest private equity firms directly employ over 13 million people in the United States alone, and millions more around the world. The largest number of workers employed by private equity-owned companies are concentrated in low-wage industries such as food service, retail, home healthcare, and security. While focusing on growing cash flows at the companies they buy, private equity firms often take a low road approach and seek to reduce wages, benefits, and staffing at companies they acquire - with devastating consequences to millions of workers, their families and entire communities.

SINCE 2024:

PESP has published

original reports

108stories covering **PESP** original research

Over views of PESP research

OUR RESEARCH | REPORTS

Some of the reports PESP has produced recently include:

The Pillaging of Steward Health Care [READ]

[June 2024] The report explains the corporate pillaging that led Steward Health Care to declare bankruptcy in May 2024. It details how private equity firm Cerberus Capital Management, aided by hospital landlord Medical Properties Trust (MPT), extracted significant profits from a struggling health system even as the system financially struggled. Steward was formed In November 2010 when Cerberus Capital Management acquired six Massachusetts hospitals. In 2021, Cerberus completed its exit from the health system having nearly quadrupled its original investment. Despite the health system's worsening financial condition, Cerberus reportedly made \$800 million in the decade it owned Steward.

Steward Health Care operated within a regulatory framework that allowed private equity investors, hospital landlords, and healthcare executives to engage in extractive practices like dividend payouts and sale-leaseback arrangements. While these practices may have been legal, they jeopardized the financial stability of the entire healthcare system and now patients, workers, and communities are paying the price. As Steward teetered towards bankruptcy, regulators and politicians attempted to intervene, but their efforts came too late.¹²

Lost in Interpretation: Private Equity's

Capture of a Vital Sign Language Translation Tool (READ) [August 2024] Private Equity Stakeholder Project (PESP) released a report detailing the private equity duopoly that dominates the FCC-funded LOST IN ERPRETATION: Video Relay Service (VRS), a critical translation tool for Deaf and hard-ofhearing individuals provided by the federal government, used for facilitating communication with family, medical providers, emergency services, and others. *Lost in Interpretation: Private Equity's Capture of a Vital Sign Language* <u>Translation Tool</u> examines the risks created by private equity ownership of two of the three total VRS companies in the United States - Sorenson Communications, owned by Ariel Alternatives and The Blackstone Group, and ZP Better Together, formerly owned by Kinderhook Industries and backed by The Carlyle Group.

ASL interpreters working with VRS companies have reported difficult working conditions: workers experience high levels of muscular strain, distress, and burnout,



leading to high turnover, interpreter shortages and job dissatisfaction. While the FCC increased its reimbursement rates to VRS companies for interpreters to "revitalize" the industry in October 2023, workers at Sorenson and ZP Better Together reported that they had not seen that reflected in wages at the time of the report's publication.¹³



[August 2024] The Private Equity Stakeholder Project (PESP) and the Alliance of Californians for Community Empowerment (ACCE) published an analysis of private equity giant Blackstone's profit-seeking practices in California as residents suffer amidst one of the nation's worst housing crises. Helter Shelter: How Blackstone Contributes to and Profits from California's Broken Housing System examines how Blackstone has profited from rent hikes and ramped up evictions, and even depends on

the continuation of the affordable housing crisis for sustained profits. According to the report, Blackstone touted to investors multiple times how the firm's real estate investments benefit from declining new supply of housing, a key driver of the affordable housing crisis.

In 2021, Blackstone acquired 5,800 rental units in the San Diego area. Since then, the report shows, Blackstone has increased the rent at these properties 38% almost double the 20% average rent increase for all apartments in the San Diego market during this period. The increase at some Blackstone-owned buildings has been especially high – up to 79%.¹⁴

Revenue over Refuge: Private Equity in Immigrant Detention (READ)

[December 2024] The report examines how a handful of private equity firms are playing an outsized role in the deportation and surveillance of millions of immigrants in the United States. Revenue over Refuge: Private Equity in Immigrant Detention reveals that billions of dollars of taxpayer money are being funneled to private equity-owned companies operating in the immigrant detention and surveillance industry. As President Donald Trump promises to increase deportations, these companies stand to profit even more.

Drawing on capital from pension funds, foundations, endowments, insurance companies, and other institutional investors, private equity firms including HIG Capital and American Securities have invested heavily in companies servicing immigrant detention facilities and migrant shelters around the U.S. Across the detention and surveillance economy, private equity owned-companies provide services including facility management, healthcare, biometrics, and food service.

Despite the fact that detention alternatives cost taxpayers less, private equity firms are massively profiting from immigrant detention. According to the report, 63 percent of federally-designated U.S. Immigration and Customs Enforcement (ICE) facilities contract with private equity-owned companies for a range of services.

2024 Private Equity Climate Risks Scorecard & Report [READ]

[October 2024] A little-examined part of the economy continues to invest vast sums of workers' retirement savings in fossil fuels, causing more global warming pollution annually than all the airplanes in the world, according to a scorecard released in October 2024.

Visit **PEC**

The 2024 Private Equity Climate Risks *Scorecard* studied 21 private equity firms that manage \$6 trillion worth of companies, and found that two-thirds of the energy companies in their portfolios are invested in fossil fuels, using hundreds of millions of dollars from pension funds.

The Scorecard found that these fossil fuel assets are responsible for 1.17 billion metric tons CO₂ equivalent of emissions a year in upstream oil and gas, liquefied natural gas (LNG) terminals, and coal-fired power plants. That gigaton level of emissions is over three times as much as from the energy used to power all the homes in America. It exceeds the global aviation industry.

Researchers for the Americans for Financial Reform Education Fund, Global Energy Monitor, and the Private Equity Stakeholder Project prepared the Scorecard.

REVENUE OVER REFUGE:

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PRIVATE EQUITY CLIMATE RISKS SCORECARD

PRIVATE EQUITY FIRMS			
Apollo Global Managemen t	% CLIMATE DEMANDS ME	% FF COMPAN IN PORTFOL	NIES EMISSIONS
ArcLight Capital Partners	B 0.39 15%	60%	3,645,692
Ares Management	D 0.62 2%	81%	54,929,022
BlackRock Private Equity Partners	0.55 9%	78%	26,233,964
Blackstone Inc.	6 .22 15%	24%	104,907,070
Brookfield/Oaktree Capital Management	9%	85%	34,363,652
The Carlyle Group/NGP Energy Capital	0.74	50%	211,782,710
EIG Global Energy Partners	0.78 11%	77%	215,533,474
Encap	0.84 15%	82%	271,825,532
Energy Capital Partners	D 2%	87%	92,513,557
EQT	0.43 20%	64%	8,204,822
Global Infrastructure Partners	B 0.27 13%	17%	0
I Squared Capital	0.51 2%	59%	20,457,638
IFM Investors	C 0.55 2%	79%	34,944
Kayne Anderson Capital Advisors	0.46 26%	80%	13,165,674
KKR	D.61 9%	88%	64,373,463
MacQuarie Asset Management	0.59 11%	66%	64,877,619
Quantum Capital Craw	B 31%	64%	6,917,800
Stonepeak Infrastructure P	9%	95%	152,223,163
TPG Inc.	7%	71%	6,943,572
Warburg Pincus	and a second second	38%	0
0.5	11%	93%	25,127,105
sit PEClimateRisks.org to view the full scorecard repor	t and to sign up for more	info	



PRIVATE EQUITY RISK INDEX

The private equity industry has grown from less than \$1 trillion in assets to over \$22 trillion today. Private equity firms control companies with more than 13 million workers across the US. Private equity firms are now some of the largest landlords in the world, owning millions of homes. Private equity firms have increasingly bought up healthcare infrastructure, impacting millions of patients. Meanwhile, many pension funds have increased how much they have invested in private equity.

All forms of ownership and investment carry risk. However, key features of the private equity business model bring particular risk to the employees in purchased companies and to the customers, patients, and homeowners and renters who they serve. The high amounts of debt and fees that must be paid by the purchased company, and the short time horizon and high expectations for returns for the investment partners, tend to drain the company of value. And unlike many other investments, the profit incentive for the private equity fund manager is divorced from the actual value of the company. Using a variety of indicators, the Risk Index compares how the risks of private equity accumulate geographically state by state, so policymakers can assess the vulnerability of their health systems, housing markets, public pension funds, and state economies and consider policy action to protect their states from the threats of private equity.

PESP's Private Equity State Risk Index seeks to assess how private equity firms are impacting each state and the relative risks that states face from private equity buyouts by looking at 16 indicators in four key areas: 1) Workers and Jobs, 2) Healthcare, 3) Housing, and 4) Pensions.

Theo Gantos: IMPACT STORIES

My wife and I have lived in North Morris Estates, a manufactured housing community in Genesee County, MI, for 15 years. I love my home. I love my community. But since Homes of America, an affiliate of Alden Global Capital, bought our park, it feels like my community doesn't love me back.

We, like most residents, can't move our home. The choices are fight back or give up. Anyone who knows us knows we aren't giving up.

When Homes of America took over, they increased our rent by \$100 a month over two years. We had proof our rent was always timely and our checks cashed, but they tried to evict us for unpaid rent and 19 late charges going back two years. We quickly learned to send our rent via certified mail and demand receipts.

They left dozens of homes empty and rotting, creating dangerous conditions and blight. When we, like others, requested repairs to make our community safer, we were either told to pay for the work ourselves or faced retaliation. After we reported Homes of America's unpermitted construction, they bulldozed our beloved Monarch Waystation (a refuge for migrating Monarch butterflies) and left a pile of dirt and uprooted flowers. They ignored requests for basic infrastructure repairs, and our community pool and clubhouse have been closed since 2022 due to lack of maintenance.

They often shut off water without notice, leaving us unable to finish a shower, wash dishes, or clean. We've resorted to keeping a full bucket in the tub to flush during shutoffs. Even when it's on, it's not uncommon for brown, putrid water to come out of our taps.

For too long folks living in manufactured-housing parks have been subject to the profit-driven whims of predatory, absentee corporate landlords like Homes of America and Alden Global Capital. Private equity firms must be held accountable for their mistreatment of tenants like us ---because no one should feel like a prisoner in their own home.



Life in Alden Global Capital-owned housing

MEDIA MENTIONS

PESP's work and research into the private equity industry generates significant media coverage in a variety of outlets. In 2024 alone, PESP expertise was featured in outlets such as *The New York Times*, *NBC News, Bloomberg*, and *The Wall Street Journal*.

Jim Baker of the Private **Equity Stakeholder** Project, a nonprofit that advocates for communities and workers affected by private equity ownership, said employees of private equity-owned companies were more likely to end up in bankruptcy than with an equity payday. He thinks Ownership Works is in part an effort to polish the industry's image, noting that KKR had talked up the nonprofit on an earnings call, and Mr. Stavros was promoted to global cohead of private equity last year. "Ownership Works' public relations value for KKR, in general, and Pete Stavros, in particular, outpaces its value for workers," Mr. Baker said.

New York Times, "Private
Equity Is Starting to Share
With Workers, Without
Taking a Financial Hit"
1/28/24

THE WALL STREET JOURNAL.

SUSTAINABLE BUSINESS

A New York City Pension Makes Renters' Rights an Investment Priority

The city's other pensions are considering the rules requiring real-estate investors to honor tenant protections

By the numbers:

191

stories featuring PESP's original research, campaigns, and expertise

> PESP issue area experts gave

70

media interviews

PESP appeared in 98 media outlets

132

132 press citations

of PESP research

🐠 NBC NEWS

Private equity landlords' screening process discriminated against renters, lawsuits contend Inaccurate tenant histories can add to the many woes renters face finding homes.

The Intercept_

GUESS WHO PROFITS FROM TRUMP'S DEPORTATION PLAN? PRIVATE EQUITY FIRMS.

Private equity firms play a key role in America's prison system. If Trump carries out his plans for mass deportations, they stand to benefit.

Guardian

Private equity firms ploughing billions into fossil fuels, analysis reveals

US public sector workers' retirement savings invested in projects that pump out a billion tonnes of emissions a year

"The private-equity firms rely very heavily on investments from public employee pension funds. And those funds are often not looking at the impact of their investments," said Jordan Ash, housing director at the Private Equity Stakeholder Project, a nonprofit organization that has tracked rent prices on the heels of investor acquisitions.

> - Wall Street Journal, "A New York City Pension Makes Renters' Rights an Investment Priority" 7/17/24

Tampa Bay Times

Tenants battle vermin, sewage in investor-owned mobile home parks

An investment firm known for its controversial tactics bought more than 60 Florida communities.

THE AMERICAN PROSPECT

Private Equity Is Taking Your Calls

Two firms control the market for telecommunications assistance for deaf people. They have extracted higher rates for this government-funded service, while denying workers a union.

16

Lots of for-profit models are a bad fit for health care, but of all of them, private equity is perhaps the worst, says Eileen O'Grady, director of programs at the Private Equity Stakeholder Project, a nonprofit watchdog group: "It basically takes the for-profit model and makes it so much more extractive and so much more harmful and risky."... Private equity can only do what it does because so many other parts of American health care are so dysfunctional. "Just to be really clear, private equity is not the main harm of health care in the US," says O'Grady. "I think it's a symptom of a much bigger problem.

- *Vox*, "How private equity chewed through America's emergency rooms" 10/3/24

"That highly extractive model being used for services for vulnerable people is just really inappropriate," Creeks said.

- The Lever, "Wall Street Is Banking On Trump's Immigration Crackdown" 12/4/24

IMPACT
STORIESMeg Huseman:
Working as an ASL interpreter for
a private equity-owned company

I work in the Video Relay Service (VRS) industry, which supports communication for the Deaf and hard of hearing. In my 15 years working as a VRS interpreter I have spent 10 years at Sorenson, which is now owned by Ariel Alternatives. I've recently joined the ASL Interpreters Union with hopes for a better VRS system that retains qualified interpreters and provides a better service to ASL users like my daughter.

In the last several years, Sorenson has abandoned the Deaf community and their employees with their profit-over-people approach. Layoffs and numerous changes at Sorenson hurt Deaf employees and impacted our ability to do the job for the long term. The work can be traumatic and we have little support; my first call might be to a doctor's office, then I might get a call for a parent-teacher conference, after that I might get a call from a mechanic shop talking about a car, then I hear the all-too-familiar ding of a 911 call. I might be witnessing an accident where the Deaf person is calling from their cell phone and I can see they are bleeding, in shock or panicking (911 calls are very distressing).

I know the company gets federal reimbursements through the FCC to meet specific service standards, but I can see that private-equity ownership has turned the VRS industry into a vehicle for extracting profits at the expense of both service quality and worker well-being. Sorensen should of course be able to make a profit, but they are making a killing at our expense.

For too long, we've faced atrocious working conditions and underwhelming compensation. I support a union because without one Sorenson will continue to harm the Deaf community and my family. Our union has requested to meet with Sorenson's private equity owners, but so far, they have refused.



OUR POLICY WORK

PESP's research and expertise has proven essential to policymakers as they seek to rein in the worst abuses of the private equity industry. From city hall to the halls of Congress, PESP has played a major role in providing data to create evidence-based policy to protect workers, tenants, patients, and working class Americans.

Our research has demonstrated that private equity investment in sectors like healthcare and housing have had negative impacts on communities, and many state and federal policymakers have been scrambling to find solutions. From contributing to housing unaffordability, disrupting health systems and laying off workers, private equity presents a unique challenge to social and economic stability.

PESP's policy efforts focus on curbing the risks and harms of private equity at both state and federal levels. We engage in public testimony—most recently at Senate HELP Committee hearings on private equity in healthcare—and submit regulatory comments to agencies like HHS. Our work includes briefing policymakers, consulting on legislation such as Sen. Warren's Corporate Crimes Against Healthcare Act, and releasing reports that highlight key policy priorities, such as the <u>Private Equity Risk Index</u> and the <u>Tools for Tackling Corporate Landlords report series</u>.

So far in 2025, we have provided testimony on dozens of state bills and we continue to expand our engagement—including an informational testimony for Pennsylvania senators. To support our growing work, we've scaled our legislative tracking. However, as demand from policymakers increases, we are seeking to scale up our policy engagement capacity to meet the moment.

Our policy department oversees federal and state legislative relationships, regulatory engagement, and policy strategy while managing testimony submissions and consultations. As we navigate the evolving landscape, PESP remains committed to advancing policies that safeguard workers, patients, and communities from the unchecked influence of private equity.

Policy drawing from PESP work

Stop Wall Street Looting Act (2024) Humans Over Private Equity (HOPE) for Homeowners Act (2025) Corporate Crimes Against Health Care Act (2024) Senate Budget Committee Report on Private Equity and Hospitals (2025) Feb. 17, 2025 Letter from Sen. Elizabeth Warren to Stephen Feinberg Ahead Confirmation Hearing Joint Economic Committee Democrats Report on Predatory Private Equity Practices in Healthcare (2024)

<u>Washington Senate Bill 5580</u> (Concerning the registration of certain corporations and trusts that own single-family homes and condominium units); 2025-2026 legislative session

INVESTOR ENGAGEMENT

Private equity's capital comes from institutional investors – such as public and private pension funds, university endowments, or insurance companies. Pension funds have entrusted billions to private equity firms, but are increasingly concerned about the societal and financial risks of these investments.

Furthermore, beneficiaries of pension funds have a stake in their retirements and also in their own communities: the risks of destabilizing housing, patient deaths, and child labor are borne by both communities and investors.

PESP engages with investors globally to support investment practices that build a strong and stable economy with prosperity for all, including protections against the abuses and risky business practices of private funds.

Investors use their power to prevent private equity risks

In a signal of growing momentum and opportunity, several major investors with large private equity portfolios have adopted policies to address risks from private equity to workers, housing, and the climate.

New York State's pension system, with around \$273 billion in assets under management, announced in 2024 "no new private market investments in funds focused on the extraction or production of oil, gas and coal." New York City's Comptroller, who oversees \$279 billion, announced housing standards that seek to ensure fair practices for tenants and reduce housing instability in July 2024.

New York City's pensions are also leading on climate policy, with a <u>Net Zero Implementation Plan</u> that introduced goals specific to private market investments to "exclude investments in the production, exploration, or extraction of fossil fuels." In October 2024, the NYC Comptroller <u>pledged to introduce</u> an expansion of the policy that would exclude midstream and downstream fossil fuels from future private markets investments.

Investors with a combined \$870+ billion have adopted labor principles to ensure fair and safe working conditions for employees at private equity-owned companies, including CalPERS, New York State Common Retirement Fund, Maryland SRPS and Illinois SBI.

PESP has directly engaged with pension funds managing

s2.4T in assets on behalf of 8.7 million beneficiaries PESP had

meetings in 2024 with decision makers at large institutional investors

Meet the Team

Jim Baker, Executive Director

- **K Agbebiyi**, Senior Campaign Coordinator, Housing
- Jordan Ash, Director of Housing
- Madeline Bankson, Senior Research & Campaign Coordinator, Housing
- Juliana Boswell, Senior Operations & Development Coordinator
- Mary Bugbee, Director of Healthcare
- Azani Creeks, Senior Research & Campaign Coordinator, Labor-Jobs
- Valentina Dabos, Senior Research & Campaign Coordinator, Labor-Jobs
- Michael Fenne, Senior Research & Campaign Coordinator, Healthcare
- Justin Flores, Director of Labor-Jobs
- Sam Garin, Senior Communications Coordinator
- Alyssa Giachino, Director of Investor Engagement
- Aliya Glenn, Director of Operations
- Nichole Heil, Senior Research & Campaign Coordinator, Climate
- **Ryan Leitner**, Senior Research & Campaign Coordinator, Climate
- Amanda Mendoza, Senior Research & Campaign Coordinator, Healthcare
- Chris Noble, Director of Policy
- Eileen O'Grady, Director of Programs
- Matt Parr, Director of Communications
- Alissa Jean Schafer, Director of Climate



Board Members

- Jim Baker, Executive Director, Private Equity Stakeholder Project
- Bianca Agustin, Co-Executive Director, United for Respect
- Michael Mettler, Co-Founder, Canopy Climate

Aditi Vaidya, President, Mertz-Gilmore Foundation

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Brendan Ballou, Attorney, former Special Counsel at DOJ

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Laura Campos, Nathan Cummings Foundation

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Tamar Katz, Attorney, Fairmark Partners LLP, former FTC staff

Monique King-Viehland, Consultant, former ED of the LA County Development Authority

Yashaswini Singh, Brown University

Samir Sonti, CUNY School of Labor and Urban Studies

Michelle Sternthal, Community Catalyst



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