The Washington Post

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Jersey Mike's is growing. Thank private equity.

Blackstone made the business stronger and then took it public.

July 30, 2026

Jersey Mike's CEO, Charlie Morrison, rings a ceremonial bell on Thursday as his company goes public at the New York Stock Exchange. (Yuki Iwamura/AP Photo/Yuki Iwamura)

Jersey Mike's, the country's second-largest sub chain after Subway, went public on Thursday. It's a major success story for one of America's most vilified industries: private equity.

The very words "private equity" are near curse words for many politicians and activists who complain about "vampire capitalism" a la Karl Marx. But what private equity actually does is a lot less sinister — and a lot more boring — than its critics suggest.

Investment firm Blackstone bought 80 percent of Jersey Mike's in 2024. Most customers probably didn't notice. The chain's existing sandwich offerings hardly changed.

What did change was the way the company was run. Peter Cancro, who built the chain from a single restaurant beginning in 1975, was still calling the shots before Blackstone came in. The skills involved in turning a small business into a large one are different from the skills involved in managing a large firm.

Founders can also develop personality cults that are bad for business. Blackstone decided not to acquire the company's $41 million private jet and stopped paying several of Cancro's family members.

Don't feel too bad for him: Cancro's net worth is estimated at $4.9 billion, and he still owns about 10 percent of the company.

Blackstone hired Charlie Morrison, who took Wingstop public in 2015, as the new CEO. It wasn't looking to sell Jersey Mike's for scrap. It added hundreds of new locations during its 18 months of ownership.

In June, Jersey Mike's was rated at the top of quick service restaurants in the American Customer Satisfaction Index, unseating Chick-fil-A.

The chain's next steps involve going international. It hardly has any locations outside the United States. The initial public offering raised $1 billion that will help toward that and other goals.

Blackstone will remain the largest shareholder and expects to make money in the long run as the chain continues to expand and stays profitable.

Blackstone left the good products alone, cut back on C-suite excesses, grew the chain and is thinking long-term. If that doesn't sound like private equity, maybe it's worth considering whether the populist caricature of it is fair.