



The ESOP Association Congratulates Iowa Governor Reynolds on Economic Security Proposal

Des Moines Iowa, February 2, 2022 – Iowa Governor Kim Reynolds today visited Library Binding Services (LBS Inc.), a 100% employee-owned business, to promote a plan that would eliminate state taxes for retirement plans, including ESOPs, and would encourage more Iowa business owners to sell their businesses to their employees as a retirement succession plan.

“Iowa is facing a massive problem with the looming retirement of baby boomer business owners and Governor Reynolds is leading the way with a solution that smartly focuses on ESOPs and retirement security,” said James Bonham, President of The ESOP Association. “More than 28,000 Iowa businesses are owned by a baby boomer. This represents more than 311,000 Iowa jobs and \$75 billion in business revenues. Governor Reynolds is putting Iowa far ahead of most states by finding a way to keep these jobs local and families secure by aggressively promoting employee ownership.”

In 2021, [The ESOP Association released a nationwide breakdown](#) of businesses owned by baby boomers expected to retire in the next ten years. Known as the “Silver Tsunami”, more than 2.5 million businesses nationwide must transition to new owners over the next ten years. This represents the largest transfer of wealth producing assets in history. More than 65% of these businesses currently have no succession plan.

“When it comes time to retire, most business owners think there are only three options: pass the business on to a family member, sell it, or close down. If they sell, the business often gets broken into parts, moved away, or the value is stripped away and the jobs ultimately lost anyway,” Bonham said. “Forming an ESOP and selling the business to the employees is a fourth option that is gaining a lot of interest but needs leaders like Governor Reynolds to back that attention with sound policy.”

ESOPs in Iowa

According to the most recent US Department of Labor data, there are now 172 companies in Iowa owned partially or fully by an Employee Stock Ownership Plan (ESOP). In 2018, Iowa ESOPs distributed \$606,748,460 to employees who had retired or otherwise left the firm. These distributions help local communities, workers, and businesses thrive.

About the ESOP Association

The ESOP Association is the largest organization in the world supporting employee-owned companies, the more than 10 million U.S. employees who participate in an ESOP, and the professionals who provide services to them. Headquartered at the International Employee Ownership Center in Washington, DC and operating as a 501(c)6 organization with the affiliated Employee Ownership Foundation, The ESOP Association conducts and funds academic research, provides more than 160 annual conferences and events attended by nearly 15,000 individuals, and advocates on behalf of employee owners and their businesses to federal and state lawmakers.

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