



July 28, 2025

Senator Maggie Hassan
324 Hart Senate Office Building
Washington, DC 20510

Senator Steve Daines
320 Hart Senate Office Building
Washington, DC 20510

Dear Senators Hassan and Daines,

The ESOP Association is proud to endorse the *Advocate for Employee Ownership Act* (S. 2474), legislation that would authorize the Secretary of Labor to appoint an Advocate for Employee Ownership within the existing Employee Ownership Initiative at the U.S. Department of Labor. The ESOP Association was the primary supporter of the bipartisan creation of the Employee Ownership Initiative at the Department, and this expansion will help further the initial goals of that Initiative, which includes the promotion of employee ownership.

The Employee Ownership Initiative at the Department of Labor was created by the SECURE 2.0 Act of 2022 (division T of the Consolidated Appropriations Act, 2023 (P.L. 117-328)). The Employee Ownership Initiative's core function is promoting employee ownership, including employee stock ownership plans (ESOPs). Part of the responsibilities of the new Advocate for Employee Ownership this bill creates is to coordinate with other Federal agencies on ESOP matters, specifically the Small Business Administration, Departments of Treasury and Commerce, State and local governments and others. This coordination of public policy will support the growth of employee ownership and ESOPs in the U.S., which has been a bipartisan policy goal for Congress since the creation of ESOPs in 1974.

The Advocate for Employee Ownership will help provide public education and assistance related to the expansion of employee ownership and help resolve disputes between the Department of Labor and ESOP plan sponsors, fiduciaries, or participants. The Advocate for Employee Ownership will also issue a public report to relevant congressional committees on employee ownership and its related efforts, promoting regular communication between Executive branch agencies, Congress, and the public on employee ownership.

Significant to the overall success and advancement of S. 2474 is its improved scope, as the language now includes all ESOPs regardless of their business structure (e.g., S corporation, C corporation, etc.) This change is vitally important, as 2022 Department of Labor data shows

The International Employee Ownership Center

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nearly 40% of ESOPs nationwide (2,438 of 6,257 total), are C corporations. The ESOP Association appreciates the bill's sponsors working to correct this language in S. 2474. Representation for ESOPs matters at the Department of Labor and has long been a priority of The ESOP Association, and so an inclusive approach appropriately broadens the bill's scope.

Research consistently shows employee-owned companies exhibit higher productivity and stronger resilience during economic downturns. Employees at these companies enjoy enhanced financial security, with substantially higher retirement savings compared to their peers at non-employee-owned companies. Furthermore, employee-owned companies anchor jobs within local communities, preventing job losses from closures or foreign acquisitions and preserving the legacy of family-owned businesses. This legislation would help promote the formation of new ESOPs and, through its recommendations and coordination of efforts, help make operating current ESOPs less cumbersome. These changes will help more employees become owners of the places they work, building wealth and strengthening retirement security.

For these reasons, The ESOP Association endorses the *Advocate for Employee Ownership Act* (S. 2474). We applaud Senators Hassan and Daines for their bipartisan effort in championing this legislation. If you have any questions, please contact Greg Facchiano, Vice President of Government Relations and Public Affairs, at (202) 293-2971 or gfacchiano@esopassociation.org.

Thank you for your leadership and continued support for ESOPs and employee ownership.

Sincerely,

A handwritten signature in dark ink, appearing to read "James J. Bonham", with a long horizontal flourish extending to the right.

James J. Bonham
President & CEO
The ESOP Association

About The ESOP Association

The ESOP Association is the largest organization in the world supporting employee-owned companies, the nearly 11 million U.S. employee owners who participate in ESOPs, and the professionals who serve them. We conduct and fund academic research, provide education and technical assistance, and represent the ESOP community before federal and state lawmakers.