



July 22, 2025

The Honorable Bill Cassidy
United States Senate
455 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cassidy,

The ESOP Association is proud to endorse S.1728, the *Employee Ownership Representation Act of 2025*, legislation that would add two representatives of employee ownership organizations to the ERISA Advisory Council at the Department of Labor. This long-overdue addition will ensure that the voices of America's employee-owners are heard in the regulatory process governing retirement security. We commend your leadership in introducing this important legislation and continuing Congress's longstanding bipartisan support for expanding the benefits of ESOPs and employee ownership.

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 employee stock ownership plans (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.

Although ESOPs are regulated under the Employee Retirement Income Security Act (ERISA), ESOPs have never had dedicated representation on the ERISA Advisory Council. With more than 6,500 ESOPs across all 50 states affecting over 14 million people and representing nearly \$2 trillion in wealth, the absence of employee ownership voices on the Council has left a glaring gap in both perspective and regulatory action at the Department. In fact, in 65 ERISA Advisory Council reports issued since 2000, ESOPs were mentioned only six times, and overwhelmingly those mentions are passing and non-substantive. This lack of attention is despite reports from the Council on several subjects that affect ESOPs or could be addressed by employee ownership.

This lack of representation has real consequences. There has been no voice to speak up against the Employee Benefits Security Agency's history of overly aggressive and targeted investigations against ESOPs, no voice to share the desperate need for regulatory clarity for ESOPs which has been denied for 50 years, and no voice to express how contribution limits unintentionally affect employee owners' retirement savings. These are just some of the issues

The International Employee Ownership Center

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that have had a chilling effect on the formation of new ESOPs, potentially depriving millions of American workers of the opportunity to build wealth through employee ownership.

By adding two representatives from employee ownership organizations, the *Employee Ownership Representation Act* ensures that the Council includes experts with real-world experience in broad-based ownership and its benefits. These representatives can help shape fair policies aligned with the bipartisan Congressional intent to promote employee ownership as a tool for economic resilience and prosperity.

The benefits of employee ownership are clear. Research consistently shows employee-owned companies exhibit higher productivity and stronger resilience during economic downturns. Employee owners 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.

For these reasons, The ESOP Association strongly supports S.1728 and urges Congress to swiftly enact the *Employee Ownership Representation Act of 2025*. 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