10 BEST THINGS ABOUT ESOPS

The ESOP Association

Companies with Employee Stock Ownership Plans (ESOPs) help workers, communities, and the economy.

1 ESOPs improve job security

6x less likely to lay off employees

2 ESOPs fare better during economic downturns

During the COVID-19 pandemic, ESOPs were nearly **4x** more likely to retain jobs. During the Great Recession, employment grew by **1.9%** among ESOPs while it fell by nearly 3% overall.

3 ESOPs empower and invest in workers

41% more likely to be involved in company decisions

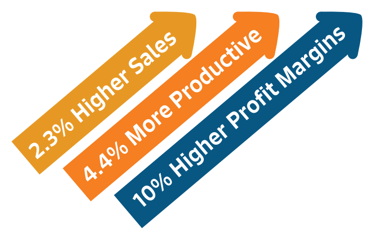
2x more likely to receive training from their employer

4 ESOPs improve worker retention

46% longer tenure than non-employee owners

80% of ESOP business leaders feel they do better than non-ESOP competitors recruiting and retaining workers

5 ESOPs improve company performance



6 ESOPs increase worker satisfaction

10% higher job satisfaction reported among employee owners. Employee ownership **increases** workers' intention to stay at their firm.

7 ESOPs improve retirement security

$164,000 the average amount an employee owner has accumulated in wealth from their stake, requiring no contribution on their part.

75% of ESOP companies also offer 401(k)s. 60-64 year old employee owners had, on average, **10x** greater wealth than their peers.

8 ESOPs promote greater worker engagement and motivation

ESOPs increase alignment between employees' interests and companies' long-term outlook by allowing workers to share in the success of the company.

9 ESOPs reduce inequality

Black ESOP employees have **3x** the wealth of Black households nationally. Female employee owners earn **17%** higher wages than their non-employee owner peers; this grows to **30%** for women of color.

Black ESOP Workers vs. Black Non-ESOP Workers Household Wealth

Female ESOP Worker vs. Female Non-ESOP Worker Wages

10 ESOPs promote local economic prosperity

ESOPs allow local business owners to sell to their employees, keeping the business and its contributions to the community in town. Employee owners were **2x** as likely to report that their companies made an effort to provide opportunities in their communities.

LEARN MORE ABOUT TEA ADVOCACY AT
esopassociation.org/advocacy

POINT OF CONTACT
Greg Facchiano
Vice President of Government Relations and Public Affairs
gfacchiano@esopassociation.org
202-293-6268

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8. ESOPs promote greater worker engagement and motivation

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9. ESOPs reduce inequality

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