ESOP | Report

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The Retire Through Ownership Act: A Victory for ESOPs—Advocates Made It Possible



ESOP Report

The Voice of The ESOP Association

The *ESOP Report* is published on a monthly basis by The ESOP Association, the national nonprofit association of employee-owned companies and ESOP practitioners, located at:

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Inside this issue:

There's Never Been a More Consequential Time: What's Waiting for You at EO26	3
President's Column: What Are Your ESOP Shares Worth?	6
New Jersey Enacts Pro-ESOP Legislation	8
The Retire Through Ownership Act: A Victory for ESOPs—Advocates Made It Possible	9
Chapters Bring the Fun to ESOPATHON	11
Registration Opens Soon for 2027 Leading in an Ownership Setting Cohorts	13
From Onboarding to Leadership: EOU's Growing Curriculum	14
Professional Marketplace: A Free Resource for the Entire ESOP Community	16
Celebrate Employee Ownership Month: Ideas and Webinars All October Long	17
2027 Membership Renewal Campaign Begins Oct 1	18
TEA Chapter & Regional Events	20
Wright Service Corp. Wins 2026 Employee Ownership Month Poster Contest	22
What's New on Season Two of The Ownership Effect?	23
ESOP Employee Accelerator Spotlight: HdL Companies	24
ESOP Research in the Kansas City Metro Area	26
Professional Development: Tips for Creating your ESOP Communications Committee	27
Professional Development: Why AI Initiatives Fail Before They Ever Scale	29
Employee Ownership Foundation Names 2026 Edmunson Scholarship Recipients	31







EMPLOYEE OWNED 26
Your Pathway to Success

There's Never Been a More Consequential Time: What's Waiting for You at EO26

There has never been a more consequential time for employee ownership. Congress just delivered proof: the **House passed the Retire Through Ownership Act** by a 401-14 vote on September 16, sending long-sought valuation standards for ESOP stock to the President's desk. At the same time, artificial intelligence and economic change are transforming how businesses operate and how people work. **Employee Owned 2026, running November 1-4 at ARIA in Las Vegas, brings this year's theme, *Your Pathway to Success*, roaring to life for employee owners, professionals, and business leaders ready to get ahead of it all.**

A Mainstage Built for the Moment

This year's mainstage lineup is stacked, covering ownership culture, AI, leadership, and the ESOP regulatory shifts already reshaping the field. **Boris Levin**, who helped create nearly 300 employee millionaires as **CEO of Mott Corporation**, opens the conference Monday morning with a firsthand account of what ownership culture can achieve at scale. **Kate Manning brings a people-first lens to deploying AI** without sacrificing trust and culture, a question every ESOP leader is wrestling with right now. And **Jim Bonham, President and CEO of The ESOP Association, closes EO26 the day after the midterm elections with a breakdown of the emerging political landscape for ESOPs,** with the Retire Through Ownership Act as fresh evidence of where that landscape is heading.



Monday, November 2nd

OWNERSHIP IS FUEL. WHERE'S YOUR ENGINE? THIRTEEN YEARS OF LESSONS FROM SCALING A 100% EMPLOYEE-OWNED COMPANY TO $1B

Boris Levin
Founder of All Hands Partners



Tuesday, November 3rd

EMPATHY MEETS EFFICIENCY: DEPLOYING AI IN THE EMPLOYEE-OWNED WORKPLACE

Katharine Manning
Nationally Recognized Author, Speaker, Corporate Coach, and Trainer



Wednesday, November 4th

POST-ELECTION OUTLOOK: DECODING MIDTERM RESULTS AND THE ROAD AHEAD FOR ESOPS

Jim Bonham
President & CEO, The ESOP Association

MAINSTAGE SPEAKERS SPONSORED BY

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Lunch & Leadership: Women in ESOPs

Seats are almost gone for the Women in ESOPs Luncheon. *"Lunch & Leadership: Perspectives from Women Leaders in the ESOP Community"* returns, and this year's lineup is one to see. **Becky Streff of Holden Industries, Inc., moderates a panel featuring Barbara Clough of Blue Ridge Associates, Hillary Hughes of Prairie Capital Advisors, Inc., Christel Jimenez of Principal, and Cara Benningfield of Forvis Mazars.** Together, they'll dig into how ESOPs have shaped their careers, guiding companies through pivotal moments and navigating the advisory landscape. GreatBanc Trust Company proudly sponsors the luncheon. Seats are limited, so please RSVP for the luncheon when you register for EO26.

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Moderator
Becky Streff
Vice President of People Operations, Holden Industries, Inc.



Barbara Clough
Vice President – ESOP Administration, Blue Ridge Associates



Hillary Hughes
Managing Director, Prairie Capital Advisors, Inc.



Christel Jimenez
VP – ESOP Consulting, Principal



Cara Benningfield
Partner / ESOP Consulting, Forvis Mazars



The Most Comprehensive Agenda Yet

EO26 features 139+ keynotes, educational opportunities, and topical sessions built around this year's theme, *Your Pathway to Success*, TEA's most comprehensive agenda yet. Several workshops are already nearing capacity, so register soon to guarantee a seat to those most in-demand.

Important Deadlines

Registration prices increase October 2. The group rate room block at the ARIA closes October 9, after which rooms may no longer be available at the group rate.

Register and reserve your room now. Learn more and secure your place at eo26.esopassociation.org.

Register Today

What Are Your ESOP Shares Worth?

By James Bonham, *President & CEO, The ESOP Association*



What is a business worth? It is one of the most basic questions an owner can ask. For employee owners, the answer matters a lot more than you think, from the first day a business becomes an ESOP to the day an employee retires or leaves the company.

A trustworthy valuation, and the process for determining that valuation, is a foundational issue for ESOPs and employee owners. If an ESOP overpays in the initial transaction, employees' retirement savings bear the consequences. If shares are valued too low when employees exit the company, they won't receive what they are truly owed. And as a company grows, whether organically or through mergers and acquisitions, the annual valuation requirement for ESOPs means that a sound valuation process remains vital long after the original transaction.

When Congress established the modern ESOP framework through ERISA in 1974, it required ESOP transactions to meet a standard called "adequate consideration," in essence a good faith process to establish a fair market value for the company's stock. Yet the Department of Labor never finalized a regulation explaining how to meet that standard. Instead, companies, fiduciaries and professional advisers were left to navigate an opaque web of unofficial guidance, court decisions and process agreements. This effectively allowed the DOL to follow a regulation by litigation policy, where the definition of adequate consideration was whatever the DOL said it was in each individual case. It also opened ESOPs to countless baseless lawsuits brought by plaintiffs' attorneys whose sole purpose was to force companies to settle or face years of costly litigation.

The ESOP Association has long argued that this regulatory uncertainty raises costs for existing ESOPs and discourages business owners who might otherwise sell to their employees. More fundamentally, employee owners deserve a valuation process they can understand and trust.

The Association worked for years advocating for a fair process that protects employees and establishes a clear standard all ESOPs must follow. Congress took a positive step in 2022 with legislation that directed the Department of Labor to issue a formal rule defining this process. In 2024, The ESOP Association released its own model regulation, developed with input from the top expert professionals across the ESOP community. The outgoing Biden Administration then released proposed guidance in January 2025, but thankfully the incoming Trump Administration froze all pending regulations on January 20, as The ESOP Association had raised substantial objections to that proposal.

Then came a major shift at the DOL itself. During his confirmation hearing, Daniel Aronowitz pledged to "end the war on ESOPs," while in January 2026, the Department ended its decades-long special enforcement project that targeted ESOPs for increased scrutiny.

But the most consequential signal that the tide is turning in favor of ESOPs has come from Congress. The Senate passed the Retire Through Ownership Act by unanimous consent in late 2025. The House voted in September and passed the bill with an overwhelmingly bipartisan vote of 401–14: 209 Democrats, 191 Republicans and one independent voted for it. For good measure, the Retire Through Ownership Act also passed the relevant committees in the House and Senate unanimously. The ESOP Association was proud to lead a sustained advocacy effort for this legislation with lawmakers and leaders on both sides of the aisle.

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The bill, which now awaits the President's signature, would make clear that an ESOP trustee may rely in good faith on an independent professional valuation based on longstanding IRS principles for valuing private companies. In the simplest terms, the bill removes ambiguity from what has been a huge gray area for decades. Trustees must still act prudently and in employees' interests, but the legislation gives everyone involved a clearer, more consistent framework for determining a fair price for ESOP shares.

For business owners weighing succession options, advisers working with them and employees whose savings depend on sound valuations, the significance of the Retire Through Ownership Act is hard to overstate. For employee owners, the importance goes far beyond the initial purchase of shares when an ESOP is formed. Your company's valuation affects the value of your individual ESOP account and what you ultimately receive when you leave or retire. Eliminating this uncertainty about how your stock should be valued is a major turning point in the history of ESOPs.

The congressional vote also tells a broader story. Democrats and Republicans may approach economic policy from different directions, but they came together in overwhelming numbers on this issue. It also tells us that our other key issues, like retirement security, business succession and the chance for employees to share in the value they help create all have support that cuts across party lines. That is particularly striking at a time when bipartisan agreement is increasingly more difficult to find.

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That breadth of support could carry the employee ownership conversation beyond this Congress, perhaps even into the 2028 presidential race. For now, the clearest signal that ESOPs have reached a tipping point is the vote itself: after decades of uncertainty over a question at the heart of every ESOP, lawmakers in both parties agreed that employee owners deserve better, and did something about it.



New Jersey Enacts Pro-ESOP Legislation

New Jersey is the latest state to pass pro-ESOP legislation, with Governor Mikie Sherrill signing S4218/A5016 into law on September 4. **The law codifies and expands the "Employee Stock Ownership Plan Assistance Program" that offers grants to cover the costs of feasibility studies for businesses considering transitioning to employee ownership.**

The law also **creates the Employee Ownership Transition Program which will provide employee ownership education and outreach to businesses as well as affordable financing through the Employee Ownership Revolving Loan Fund.** The revolving loan funds would allow New Jersey to provide low-interest loans to companies to support majority employee ownership transitions and cover transaction costs. The bill did not include initial funding for the fund.

New Jersey's action is the latest development in growing interest in state legislation supporting existing ESOPs and promoting the creation of new ones.



New Jersey's action is the latest development in growing interest in state legislation supporting existing ESOPs and promoting the creation of new ones. **As policymakers look for ways to retain local businesses and protect jobs, ESOPs are a practical tool that benefits workers and addresses the growing crisis of baby boomer business owners retiring without succession plans.** The ESOP Association will continue working with state legislatures to advocate for legislation that expands the benefits of ESOPs to workers throughout the country while providing a reliable succession plan for retiring business owners.



The Retire Through Ownership Act: A Victory for ESOPs—Advocates Made It Possible



The U.S. House of Representatives passed the Retire Through Ownership Act (S. 2403) on September 16 by an overwhelming bipartisan vote of 401–14, sending the legislation to the president for his signature. The vote followed the Senate's unanimous passage of the bill in October 2025. This monumental accomplishment would not be possible without years of relentless advocacy from The ESOP Association members.

The importance of this legislation becomes clear in the context of an ESOP transaction and its key stakeholders. When a business owner decides to sell their business to their employees through an ESOP, a fiduciary represents the interests of all ESOP participants in the transaction. **A crucial part of an ESOP transaction is the process of determining the value of company stock so that the business owner receives a fair price and the employees do not overpay for the company.** This process is known as "adequate consideration." Because ESOPs are a Qualified Retirement Plan under ERISA, the Department of Labor (DOL) has oversight of the transaction. The common practice for ESOP fiduciaries to determine adequate consideration is to rely on independent professional appraisers using longstanding valuation principles to determine the value of company stock.

This monumental accomplishment would not be possible without years of relentless advocacy from The ESOP Association members.

The Retire Through Ownership Act codifies this practice, ensuring stakeholders in an ESOP transaction and the DOL use the same process when establishing an ESOP and in subsequent valuations. This gives employee owners confidence in the process used to determine the value of their retirement savings, and business owners confidence in the process used when selling their business to an ESOP.

The need for this legislation came from decades of uncertainty due to the absence of clear regulations from the DOL defining adequate consideration. Even when fiduciaries retained qualified, independent valuation professionals and followed prudent processes, they still faced decades of debilitating, targeted investigations and litigation. The ensuing costs hurt employee owners and existing ESOPs, discouraged the creation of new ones, and limited opportunities for more American workers to build wealth through ESOPs.

The Retire Through Ownership Act addresses that uncertainty by codifying a clear and well-known valuation process without weakening the protections provided to employee owners under federal law. That clarity will strengthen existing ESOPs while removing a significant obstacle for business owners

considering an ESOP transition. As more owners view ESOPs as a viable succession option, more workers will have opportunities to build retirement security and share in the value they help create.

The 401–14 vote demonstrates the remarkable bipartisan support employee ownership has earned. The bill was introduced by Senators Roger Marshall (R-KS) and Tim Kaine (D-VA), while Representative Rick Allen (R-GA) introduced the House companion that advanced with strong bipartisan support in committee. Democrats and Republicans came together around a practical policy that protects workers, strengthens retirement security and expands economic opportunity.

But the final vote should not be mistaken for evidence that passage was easy.

This result was possible because **thousands of members of The ESOP Association (TEA) advocated for this bill for more than a year.** Over 250 TEA members traveled to Washington in May of 2025 and 2026 for hundreds of meetings to educate their members of Congress about the legislation. Hundreds more called and emailed their elected officials to urge them to support it. Chapter officers walked the halls of Congress with information on this issue, delivering TEA's Public Policy Council policy statement and sharing our members' experiences hundreds of times with elected officials and their staff. Those members of Congress, in turn, went to congressional leaders and advocated for the bill to receive a vote on the House and Senate floors.

Passing any legislation requires persistent work by many kinds of advocates—from company CEOs to employee owners—and engagement at every level of government, from the West Wing to the newest legislative assistant on Capitol Hill. TEA members demonstrated that they have the commitment and influence necessary to sustain that effort.

TEA thanks every member who made a call, sent an email, attended a meeting, or shared their ESOP story. This victory belongs to you.

Now, TEA will continue using the power TEA members have built to improve the lives of ESOP employee owners and continue to spread the benefits of ESOPs nationwide.

EMPLOYEE OWNERSHIP ACTION NETWORK

Your Voice, Your ESOP, Your Future.

EOAN makes it easy for you to contact your elected officials to encourage them to support pro-ESOP policies.

Join Today

Go to esopassociation.org/eoan

Why it matters

- Lawmakers want to hear from you so they can make informed decisions about ESOPs and your livelihood.
- EOAN provides a unified voice for our community to educate and influence elected officials when it matters most. As an EOAN member, you have the information and tools you need to be an active participant on the state and federal levels.

How it works

1. Sign Up: Provide your email and home address so we can automatically connect you with your representatives.
2. Get Informed: When the government is deliberating something that will affect ESOPs, you will receive an email with all the info you need on the issue.
3. Take Action: Send the pre-written message to your representatives informing them of the issue and requesting that they support ESOPs.

ADVISE. ADVOCATE. ADVANCE.

Chapters Bring the Fun to ESOPATHON

ESOPATHON
EMPLOYEE OWNERSHIP FOUNDATION



Pictures from MACC's Fall Conference featuring a successful ESOPATHON fundraising event, The Wall of Fortune.

With ESOPATHON in full swing, chapters across the country are finding creative ways to build energy and community around fundraising for the Employee Ownership Foundation (EOF). Three highlights this month show just how much momentum is going into this year's campaign.

Cornhole for a Cause

Back by popular demand, the Cornhole Tournament returns as the Indiana, Michigan, and Ohio/Kentucky Chapters team up for the Great Lakes Regional Conference, September 29 through October 1. All proceeds benefit EOF, giving attendees a chance to toss, score, and support employee ownership education at the same time. Space is limited, so anyone attending the conference should register early to secure a spot.

The Wall of Fortune

The Mid-Atlantic & Carolinas Chapter Council (MACC) introduced the Wall of Fortune at its Fall Conference in Raleigh, September 15–16. Chapter officers asked member companies to donate gift cards worth $20 to $100, which enabled the chapter to stage the fundraiser at very little cost. Attendees donated $20 to the EOF, selected a numbered envelope at the registration desk, and claimed the gift card inside. The chapter prominently recognized donor companies on the wall and directed every dollar raised to the Foundation and ESOPATHON. MACC and EOF thank the generous supporters who volunteered and donated gift cards to the event. **"Together, attendees raised $1,300 for the Foundation—proof that every contribution, big or small, moves ESOPATHON closer to its $600,000 goal," said Steve Earle of Mid South Building Supply, Inc., Vice Chair TEA Board of Directors, and MACC Vice President - Fundraising/ Sponsorships.**

Scholars' Stories

Behind every ESOPATHON donation is a real impact. **ESOPATHON dollars support important educational programs, and this year's Trustee Scholars are bringing that impact to life by sharing their own stories.** 2026 EOF Trustee Scholar Ailia Westgate talks about what her scholarship meant to her in a video testimony, part of an ongoing series spotlighting this year's class. Fellow scholar Allison Grooms tells her own story in a separate video, another reminder of what a single donation can turn into.

Still a Long Way to Go

Creative fundraisers like these have helped ESOPATHON raise $108,242 toward this year's $600,000 goal, with plenty of runway left before October 31. Every gift, whether it's a cornhole entry fee, a Wall of Fortune envelope, or a direct donation, funds the Foundation's work:

Trustee Scholarships, the Edmunson Scholarship for non-management employee owners, *Leading in an Ownership Setting™*, the ESOP Employee Accelerator, and independent research through the Louis O. Kelso Fellowships at Rutgers.

Ready to jump in? Grab the ESOPATHON Participation Guide and other resources to build your own fundraiser, big or small, and see how far your chapter or company can push the total. Learn more and sign up at esopathon.org.

The Employee Ownership Foundation is a 501(c)(3) nonprofit dedicated to promoting the employee ownership model of business. EOF raises public awareness of employee ownership and catalyzes independent, academic research into the issues these businesses face. Its work helps spark and sustain action among business owners, leaders, policymakers, employees, and the media, all in pursuit of a simple goal: more employees with an ownership stake, and a market that rewards it.



Top-shelf support for employee ownership! The Rocky Mountain Chapter's Wine & Whiskey Pull at its Fall Conference raised money for ESOPATHON.

2026 Fundraising Goal

$108,242 Raised

$600,000 Goal

Donate Today

Amount as of 9/30/2026

The ESOP Association

Did You Know?

Professional Members

can refer any client or prospective client, that is not already a member of The ESOP Association, and they will receive a **15% discount** on their first year's membership.

Learn more by contacting Jennifer Edwards at jedwards@esopassociation.org or call 202-293-2971





Registration Opens Soon for 2027 *Leading in an Ownership Setting*™ Cohorts

Fresh off a Gold Brandon Hall Group Human Capital Management Excellence Award®, *Leading in an Ownership Setting*™ will soon open registration for its 2027 cohorts, giving ESOP executives a proven, independently recognized, path to sharper leadership. Enrollment is limited.

Leading in an Ownership Setting™

The Employee Ownership Foundation in partnership with the University of Virginia Darden Executive Education and Lifelong Learning

The two-week intensive uses Darden's **signature case-method approach to focus on the realities of leading an employee-owned company:** valuation, finance, M&A, growth and innovation, disruption, succession planning, governance, legal considerations, and AI and data analysis. **Presidents, CEOs, CFOs, senior finance leaders, and their designated successors work through curriculum built specifically around the challenges of leading at the top of an ESOP company,** at a moment when those challenges are only getting more complex, as AI and economic change reshape how businesses operate and ESOPs move further into the spotlight with policymakers in Washington.

The curriculum is only half the value. **Participants leave with a network of fellow executives who understand the specific pressures of leading an employee-owned company, connecting not just with classmates but with alumni from prior and future cohorts. That network becomes a lasting resource for discussion, brainstorming, and idea sharing long after the two weeks end.**

Two separate, stand-alone 2027 cohorts will open for registration, each complete on its own: a President/CEO cohort, running June 20-24 and December 5-9, and a CFO cohort, running July 25-29 and October 17-21. Registration is opening soon.

Learn more at esopleadership.org.

"The caliber of professors is really top notch. I've never been a part of any sort of learning that's had this level of innovation and also timely challenging subjects, and I think the combination of that and catering towards the employee-owned companies has made this a really unique subject."

Matt Elhadad, President & CEO
Nelson-Rudie & Associates, Inc.

From Onboarding to Leadership: EOU's Growing Curriculum

Every employee owner starts somewhere, and where they end up depends a lot on the education they get along the way. **The ESOP Association (TEA) built Employee Ownership University (EOU) as an ongoing curriculum for employee owners at every stage of their ownership journey,** and it's already at work: **employee owners are enrolling, completing coursework, and graduating with TEA's EOU certificates.** Four distinct offerings make up that curriculum so far, each solving a specific gap TEA heard about directly from member companies.

EOU is a big reason EO26 has its most comprehensive program yet, with Facilitator Certification Program (FCP) graduates leading sessions and facilitating discussions throughout this November's agenda. EO26 will also offer EOU coursework on-site, giving registered attendees the chance to add EOU sessions to their EO26 schedule. Reserve your EO26 place now **to advance your employee ownership education, and lock in current pricing before rates increase on October 2nd.**

The Welcome to Employee Ownership Pathway solves a problem many HR teams know well: onboarding a new employee owner often depends on whoever happens to be training them that week, with no consistent way to make sure everyone gets the same grounding in what ownership means, whether they're new hires or longer-tenured employees who never got a formal introduction. It gives HR teams a ready-made, structured curriculum they can implement without building materials from scratch, at a value-oriented price and scale that works whether they're onboarding five employees or five hundred. It's a plug-and-play tool that reinforces ownership culture from day one, freeing up HR staff while still delivering rigorous, consistent education to everyone who needs it. It is also a low-stakes way to strengthen the knowledge base of long-time employee owners who may struggle to understand some key concepts.

Employee owners are enrolling, completing coursework, and graduating with TEA's EOU certificates.

Facilitator Certification Program (FCP) welcomes participants who already know the material and strengthens their ability to teach it, focusing on active learning, audience engagement, effective content delivery, sense making, and how to turn a session into action, whether at a conference or inside their own company. Graduates earn the FCP



Certified designation and join a growing cadre of trained ESOP educators who lead EOU coursework and facilitate discussions at TEA events

Ownership Committee Member Certificate (OCM) is a skills-focused learning course designed for employee owners who want to play an active and effective role as members of Communications and Culture Committees. Through a blend of self-paced online learning, live virtual sessions, and in-person experiences, participants develop the skills needed to strengthen ownership culture and engagement throughout their organization. Graduates will help shape and strengthen ownership culture for their companies as they turn committee participation into real impact.

Ownership Culture Committee Leader Certificate (OCL) picks up where OCM leaves off, preparing employee owners to lead Communications and Culture Committees with greater purpose, confidence, and impact. Effective committees can shape how employee ownership is understood and experienced across an organization. The OCL moves beyond individual participation to focus on committee leadership, ownership communication, and strategic planning. Participants learn to transform ownership culture from a series of activities into a strategic

driver of engagement and alignment, design and sustain meaningful ownership initiatives, guide the work of a committee, and connect a stronger ownership culture to long-term company value.

As EOU's course list grows, so does the case for treating ownership education as an ongoing investment, one that pays off in employee owners who understand the business, and eventually, in the people who lead it.

All four EOU tracks are open for enrollment now.

Learn more about EOU at esopassociation.org/employee-ownership-university.



THE ESOP ASSOCIATION
EMPLOYEE OWNERSHIP UNIVERSITY

Upcoming Program Dates

Scan the QR to register for an upcoming event or visit esopassociation.org/eou

Facilitator Certification Program
October 7, 2026
Northeast Regional Conference
Mystic Marriott Hotel & Spa | Groton, CT

Facilitator Certification Program and Ownership Culture Committee Certification Sessions
November 1, 2026
Employee Owned Conference
ARIA Resort & Casino | Las Vegas, NV

Facilitator Certification Program
February 2027
Professionals' Forum
Austin Marriott Downtown | Austin, TX

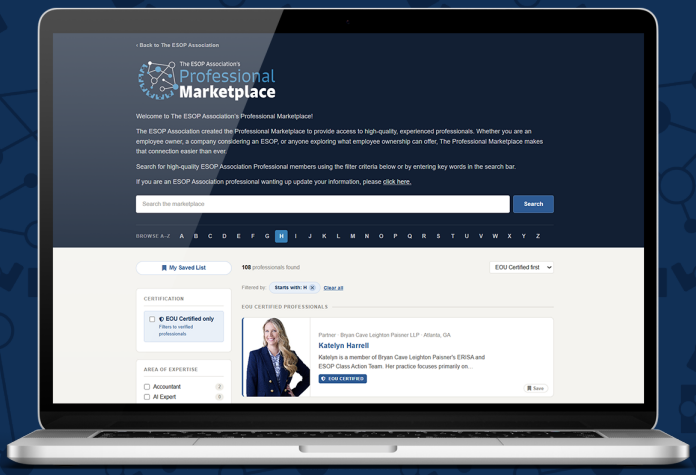
Facilitator Certification Program
May 2027
TEA National Conference
International Employee Ownership Center | Washington, DC

ESOP | The ESOP Association

The ESOP Association's

Professional Marketplace

A New Free Resource for the Entire ESOP Community



The ESOP Association is making it easier than ever to find high-quality ESOP professionals.

Finding the right professional to help navigate the world of employee ownership can make all the difference. Whether you're considering an ESOP, already have an ESOP in place, or are simply learning more about employee ownership, access to experienced, knowledgeable professionals is essential.

The ESOP Association is making that connection easier.

Introducing the TEA Professional Marketplace

Launching October 1st, the new Professional Marketplace will be a completely free resource for the entire employee ownership community—and it is available exclusively through The ESOP Association.

The Professional Marketplace will provide an easy way to discover high-quality TEA Professional members based on area of expertise, company focus, and location.

And because the Marketplace is designed to serve the entire ESOP community, you don't have to be a TEA member to use it.

Free. Open to Everyone. No Login Required.

The Professional Marketplace is designed to make finding ESOP expertise simple and accessible:

- **Search with confidence** — Find experienced ESOP professionals based on their expertise, focus, and location.
- **Completely free** — There is no cost to search or use the Marketplace.
- **No login required** — Anyone can access and browse the Marketplace. No TEA membership or account is required.
- **Support at every stage** — Whether you're just beginning to explore an ESOP, considering a transaction, or managing an existing plan, the Marketplace can help you identify professionals who can meet your needs.

A Resource Only TEA Can Provide

The Professional Marketplace reflects The ESOP Association's unique role in the employee ownership community. **TEA is the only comprehensive membership organization for ESOPs and the professionals who service ESOPs.**

By making this resource free and accessible to everyone, TEA is helping make high-quality ESOP expertise easier to find—whether you're a current employee owner, a company considering an ESOP, or someone simply looking to learn more.

The TEA Professional Marketplace launches October 1st.

When it goes live, visit the TEA website and search by expertise, company focus, or location to find the professionals who may be right for you.

One more way The ESOP Association is strengthening and supporting the employee ownership community.

Celebrate Employee Ownership Month: Ideas and Webinars All October Long



Employee Ownership Month (EOM) gives ESOP companies a full month to celebrate the people who make ownership work, recognize employee owners, strengthen ownership culture, and raise awareness of the benefits of employee ownership in their workplaces and communities. The ESOP Association is offering **four free 30-minute webinars throughout October to help ESOP companies find new ways to celebrate and promote employee ownership, drawing on ideas and examples from ESOP companies across the network.** Chapter volunteers will take part in each session, bringing local voices into the conversation and sharing actionable ideas, successful approaches, and lessons from their own chapters.

Companies looking for inspiration have plenty to draw from. Favorite EOM activities range from employee-owner appreciation events, ESOP trivia, and ownership story spotlights to education sessions, volunteer projects, and idea challenges. Companies also love themed spirit days, company history displays, ownership scavenger hunts, lunch-and-learns, leadership Q&As, team competitions, photo contests, and customer thank-you campaigns, along with recognizing ESOP milestones and the employees who model an ownership mindset. Mixing several of these throughout October keeps the celebration engaging, informative, and meaningful for employee owners.

TEA's webinar series carries that energy through the month, session by session. Each begins at 2:00 p.m. Eastern.

EOM Webinars:

Every Tuesday at 2:00 PM ET in October

Register Today

October 6: (E) Education

Maximizing ESOP Education

Employee owners have more education opportunities available than many realize. This session catches members up on what's out there to support their ownership journey.

Speakers: *David Lehman, Corporate Training Coordinator, MGC Contractors, Inc. & Joe Elbow, Senior Director of Leadership Development, Bridges ESOP, Inc.*

October 13: (S) Service

Spreading the Word on Employee Ownership

Raising the profile of employee ownership starts with raising your own. TEA shares opportunities to promote ESOPs during EOM and beyond.

Speakers: *Stacie Roberts, Accountant, Sentry Equipment & Dave Elliott, Director, Corporate Projects, QPS Employment Group, Inc.*

October 20: (O) Ownership

Engaging Owners

Culture doesn't build itself. This session covers activities that help engage employee owners and strengthen the ownership mindset across a company.

Speakers: *Daniele Barajas, Director, Corporate HR and Americas, Proponent & Emilie Poulakos, Director of Human Resources, OwnersEdge, Inc.*

October 27: (P) Participation

With Purpose

TEA closes out the series with ideas for building participation, giving companies a strong finish to their Employee Ownership Month celebration.

Speakers: *Jessica Ogiba, Sr. Manager Internal Communications, Sundt Construction, Inc. & Sarah McFadden, Business Systems Administrator III, Wright Service Corp.*

All four webinars are free for TEA members. Register and select the sessions that fit your team's plans, a digital invite will be e-mailed 24 hours before each event.

2027 Membership Renewal Campaign Begins Oct 1

Your 2027 TEA membership renewal invoice is coming in October. Renew early and keep the benefits of membership working for you all year long.

As we look ahead to 2027, The ESOP Association is preparing to launch our **annual membership renewal campaign.** Invoices for the **2027 membership year (January–December 2027)** will begin arriving in mailboxes in October.

When yours arrives, we encourage you to **respond quickly and renew your membership.** Your continued membership ensures you have access to the people, education, resources, connections, and advocacy that make TEA the only comprehensive membership serving the ESOP community.

More Reasons Than Ever to Renew

Your TEA membership is much more than an annual meeting or a single event. It provides access to a **year-round community dedicated to helping you succeed in employee ownership.**

And TEA continues to add new resources and opportunities designed to deliver even more value to members.

Here are just a few of the ways TEA is working for you:

NEW! Employee Ownership University (EOU)

TEA's new **Employee Ownership University** is the comprehensive learning platform delivering high-quality, research-driven education for employee owners and ESOP organizations. From foundational ESOP education to specialized learning opportunities and certificates, EOU expands the ways TEA helps educate and engage employee owners.

NEW! Professional Marketplace

The new **Professional Marketplace** makes it easier to connect with high-quality ESOP professionals by expertise, company focus, and location. It's a valuable resource for finding the expertise you need—and another example of TEA creating connections across the employee ownership community.



2026 Midwest Regional Conference

Education All Year Long

From the National Conference and Employee Owned Conference to the CEO Summit, CFO Summit, 125+ Chapter events, specialized programs, and other educational opportunities, TEA provides **education for everyone in your ESOP, at every level, throughout the employee ownership journey.**

Networking & Peer Connections

Some of the most valuable benefits of TEA membership come from the people you meet. Connect with fellow CEOs, CFOs, HR leaders, employee owners, ESOP professionals, and other members of the community through events, Chapters, Professional Advisory Committees, and The Hub online community.

Advocacy for Employee Ownership

TEA is the ONLY membership association providing a voice in Washington for ALL ESOPs, regardless of their tax structure and TEA works to advance policies that support employee ownership. Your membership helps strengthen that collective voice and supports TEA's ongoing advocacy efforts on behalf of ESOPs.

Professional & Leadership Opportunities

Members can build their professional visibility and leadership skills through Professional Advisory Committees, speaking opportunities, volunteer leadership, networking, and other opportunities to become more deeply involved in the ESOP community.

Your Membership Builds the Employee Ownership Community

Every TEA member plays a role in strengthening the employee ownership movement.

When you renew, you're not simply paying annual dues. **You're investing in your company, your employees, your professional development, and the future of employee ownership.**

Watch Your Mailbox in October

Your 2027 membership renewal invoice will arrive in October.

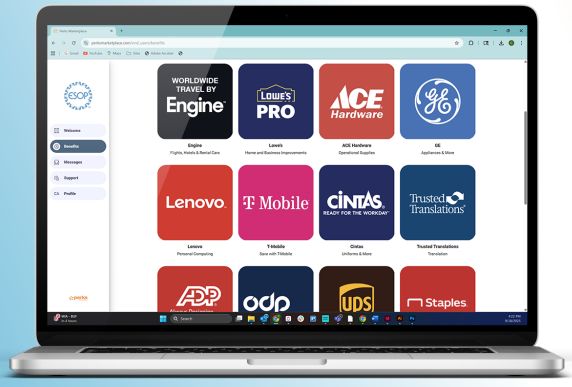
When it arrives, don't put it aside. Renew promptly and start your 2027 membership year ready to take advantage of everything TEA has to offer.

We're building an even stronger year of education, connection, leadership, advocacy, and resources for the ESOP community—and we want you to be part of it.

Renew your TEA membership for 2027 and keep your membership working for you all year long.



Northwest Chapter: Let's Talk ESOPs Event



ESOP REWARDS
By The ESOP Association

As part of our comprehensive membership benefits, The ESOP Association offers ESOP Rewards—a program providing ESOP companies, employee owners, and professionals discounts on important products and services.

WORLDWIDE TRAVEL BY Engine™

With ESOP Rewards helps TEA members save up to 26% on hotels, flights, and car rentals worldwide through Engine—making it easier to plan and manage every trip in one place.

To sign up for ESOP Rewards, scan the QR code or visit esopassociation.org/esop-rewards, click "Unwrap your Rewards" and register!

TEA Chapter & Regional Events

Looking to connect with fellow members? Our chapters have a variety of events planned to help you exchange ideas, share experiences, and stay informed. We hope you'll join us.

CALIFORNIA/ NEVADA

California & Nevada

Annual Conference
September 15-17, 2027
Hyatt Regency Orange County
Anaheim, CA

Western Regional Conference
March 11-12, 2027
Hyatt Regency Denver Tech Center
Denver, CO

FLORIDA

Florida

ESOP Employee Accelerator
December 1, 2026
Vermeer Southeast
Orlando, FL

Winter Conference
February 16-17, 2027
St. Petersburg, FL

HAWAII

Hawaii

Annual Conference
October 6, 2026
Japanese Cultural Center of Hawaii
Honolulu, HI

HEART OF AMERICA

Kansas & Missouri

Roundtables
November 17, 2026
Husch Blackwell
St. Louis, MO

ILLINOIS

Illinois

WALKATHON
October 15, 2026
Oak Brook, IL

INDIANA

Indiana

Spring Conference
March 10, 2027
Carmel, IN

IOWA/NEBRASKA

Iowa & Nebraska

Central Iowa Women in ESOPs
November 18, 2026
Baker Group
Ankeny, IA

Biscuits with the Bosses
November 19, 2026
ESCO Group
Marion, IA

MICHIGAN

Michigan

Events Coming Soon!

MID-ATLANTIC & CAROLINAS

Maryland, North Carolina, South Carolina, Virginia, Washington, DC & West Virginia

Let's Talk ESOPs
December 2, 2026
Duke Mansion
Charlotte, NC

ESOP Employee Accelerator
December 11, 2026
Mid South Building Supply
Springfield, VA

Spring Conference
March 30-31, 2027
Richmond, VA

MINNESOTA/ DAKOTAS

Minnesota, North Dakota, & South Dakota

ESOP Exchange & On-Site
October 7, 2026
Midwestern Mechanical
Sioux Falls, SD

NEW ENGLAND

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, & Vermont

Virtual Roundtable
December 8, 2026

CEO Conference
April 1-2, 2027
The Vanderbilt
Newport, RI

NEW YORK/ NEW JERSEY

New York & New Jersey

Virtual Roundtable
December 8, 2026

NORTHWEST

Alaska, Idaho, Montana, Oregon, & Washington

Fall Conference
October 7-8, 2026
Embassy Suites Portland Downtown
Portland, OR

Let's Talk ESOPs - Billings
November 17, 2026

Western Regional Conference
March 11-12, 2027
Hyatt Regency Denver Tech Center
Denver, CO

OHIO/KENTUCKY

Ohio & Kentucky

Spring Conference & Advocacy Day
March 2-3, 2027
Westerville, OH

PENNSYLVANIA/ DELAWARE

Pennsylvania & Delaware

Virtual Roundtable
December 8

ROCKY MOUNTAIN

Arizona, Colorado, New Mexico, Utah, & Wyoming

Let's Talk ESOPs - Denver
October 21
Lerch Bates
Highlands Ranch, CO

Western Regional Conference
March 11-12, 2027
Hyatt Regency Denver Tech Center
Denver, CO

SOUTHEAST

Alabama, Arkansas, Georgia, Louisiana, Mississippi, & Tennessee

Board of Directors Conference
September 30
The Chattanoogan Hotel
Chattanooga, TN

Fall Conference
September 30 - October 1
The Chattanoogan Hotel
Chattanooga, TN

ESOP Employee Accelerator
December 9, 2026
nou Systems, Inc.
Huntsville, AL

TEXAS/ OKLAHOMA

Texas & Oklahoma

Fall Conference
September 30-October 1
Renaissance Dallas North Hotel
Dallas, TX

Western Regional Conference
March 11-12, 2027
Hyatt Regency Denver Tech Center
Denver, CO

WISCONSIN

Wisconsin

Events Coming Soon!

NORTHEAST Regional Conference

New England | New York & New Jersey | Pennsylvania & Delaware

NORTHEAST REGIONAL CONFERENCE

Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, & Vermont

October 7-9
Mystic Marriott Hotel & Spa
Groton, CT

Watch TEA's Chapter Event Site, esopassociation.org/events/chapters for more info.

Wright Service Corp. Wins 2026 Employee Ownership Month Poster Contest

Congratulations to Wright Service Corp. of West Des Moines, Iowa, winner of The ESOP Association's 2026 Employee Ownership Month Poster Contest!

With more than 30 submissions received, this year's competition showed the creativity, pride, and spirit of employee ownership across the ESOP community. Wright Service Corp.'s winning design stood out to the judges with its powerful image of a young tree seedling and its inspiring message:

"Rooted in our Work. Invested in our Future."

The judges felt the design beautifully captured the spirit of employee ownership. The connection between the growing seedling, Wright Service Corp.'s work, and the idea of investing in the future through participation in an ESOP made the submission especially meaningful and memorable.

The image also serves as a wonderful reminder of what employee ownership represents: **every employee owner has a role in helping their company grow and building its future.**

Celebrating Employee Ownership

As Employee Ownership Month 2026 approaches, we are pleased to share Wright Service Corp.'s winning poster with the TEA community. We hope it inspires employee owners across the country to celebrate the pride they have in their companies—and to recognize the important role each of them plays in their company's continued success.

As Employee Ownership Month 2026 approaches, we are pleased to share Wright Service Corp.'s winning poster with the TEA community.

Thank you to everyone who participated in this year's contest and helped make Employee Ownership Month a celebration of employee ownership nationwide.



Get Ready for 2027!

Think your company has a creative way to capture the spirit of employee ownership?

The 2027 Employee Ownership Month Poster Contest will open alongside The ESOP Association's AACE Awards competition in February 2027. We look forward to seeing the creativity, enthusiasm, and employee ownership spirit represented in next year's submissions.

Congratulations again to Wright Service Corp. on this year's winning design!

For more information about the poster competition and The ESOP Association's awards programs, visit The ESOP Association Awards.

PODCAST

What's New on Season Two of *The Ownership Effect*?

What makes an ESOP an ESOP—and why does the distinction matter?

In the latest episode of *The Ownership Effect*, Jim Bonham sits down with Ben Holder of Plastic Products Company, Derrick Vick of Freedom Industries, and Peter Ney of EA Engineering, Science, and Technology, Inc., PBC, three experienced ESOP leaders, to unpack the core principles that make ESOPs unique.

They explore how ESOPs create long-term wealth and retirement security for employees, the fiduciary protections and transparency built into the model, and why ESOP ownership is fundamentally different from other forms of employee ownership.

The conversation also turns to emerging proposals aimed at expanding employee ownership through private equity and other models. The group discusses why The ESOP Association supports new approaches to employee ownership while drawing a clear line around what should—and should not—be called an ESOP.



It's a candid conversation about what has made ESOPs successful for more than 50 years, what's at stake as new ideas emerge, and why definitions matter when public policy and employee owners are involved.

You can watch the latest episode on YouTube, listen on Apple Podcasts or on Spotify, and all major podcast players.





EMPLOYEE OWNED 26

Your Pathway to Success

November 1-4, 2026

No matter your role or where your company is on its ESOP journey, Employee Owned 2026 delivers connection and learning designed specifically for ESOPs. Explore 139+ sessions across 34 topic areas, connect with industry experts and peers and leave with ideas you can implement right away.

Register Today

eo26.esopassociation.org

ESOP Employee Accelerator Spotlight: HdL Companies

This installment of the ESOP Employee Accelerator Spotlight series features HdL Companies, a 100% ESOP-owned pioneer and leader of auditing, operations and revenue solutions for public agencies, headquartered in Brea, CA. Integral to HdL's ownership culture is the idea that their work creates value not only for the company but also for one another and the communities they serve. The educational and communications programming that they foster motivates employee owners to look at the big picture, take pride in their work, and approach it with a greater sense of purpose.

How would you describe the ownership culture at your company?

At HdL Companies, employee ownership is more than a benefit—it is part of who we are.

Our journey began in 2007 when HdL's founders were looking toward the future and considering an exit strategy. Rather than selling the company to an outside organization, they chose to sell it back to the employees who had helped build it. Through an Employee Stock Ownership Plan (ESOP), employees became owners of the company they helped make successful.

In 2007, the ESOP acquired 33% of HdL. Five years later, in 2012, HdL became 100% employee-owned. That transition changed more than the ownership structure, it began to transform our culture. As employees became employee owners, they began to see their work through a different lens. **The decisions we make, the service we provide, and the success we create all have a direct connection to the future of our company and to our own financial futures. Nearly 20 years later, that sense of ownership continues to shape HdL.**

Our growth reflects that culture. In 2012, HdL had approximately 40 employee owners working from one office. Today, we have more than 300 employee owners across the country. And our ownership culture starts on day one, actually even before. Our commitment to employee ownership is introduced during the hiring process and reinforced throughout an employee owner's experience at HdL.

> *We couldn't be prouder to be employee-owned, and hosting an ESOP Employee Accelerator gives us an opportunity to share our story and learn alongside other employee-owned companies.*

In addition to ongoing ESOP communications, new hires participate in a quarterly onboarding session within their first three months that is dedicated specifically to employee ownership. Our ESOP committee also plays an important role throughout the year by helping plan educational programs, culture-building activities, and community service events throughout the year for all employees.

What advantages does this culture create for employee owners and for the business?

Employee ownership creates a true win-win situation. We understand that the value we create through our work benefits not only HdL, but also the communities we serve and, ultimately, each of us as employee owners.

That connection encourages us to think beyond



Class picture from the ESOP Employee Accelerator class that HdL hosted in June 2026.



HdL's team in Brea, CA gathered to celebrate receiving our plaque for granting a wish from the Make-A-Wish Foundation.

the task immediately in front of us. It motivates us to look at the bigger picture, take pride in our work, find ways to improve, and go the extra mile for our clients and our fellow employee owners.

When employees understand that their contributions can influence the success of the company and their own financial future, work takes on a greater sense of purpose.

Who or what reinforces ownership thinking on a day-to-day basis?

Ownership thinking is contagious! When employee owners are engaged and excited about the ESOP, that enthusiasm spreads across the organization. At HdL, **we work intentionally to create opportunities for employee owners to connect with each other, share information, and stay engaged with our ownership culture.**

Our active ESOP communications committee helps make that possible. We have committee members supporting individual locations, along with representation dedicated to our remote workforce. This allows us to reach employee owners wherever they work and ensure that everyone has an opportunity to participate.

Most importantly, **we want every employee owner at HdL to feel valued and understand that they play an important role in our company's success.** Employee ownership is consistently woven into our communications, events, and conversation, not as a once-a-year message, but as an ongoing part of our culture.

How does education—formal or informal—connect to ownership at your company?

Education is fundamental to a successful ownership culture. We believe employee owners need to understand not only that they own a piece of the company, but also what that ownership means and how their individual actions contribute to the organization's success.

We use a variety of approaches to make ESOP education engaging and accessible. Handouts, interactive games, webinars, presentations, and other activities help bring ownership concepts to life throughout the year.

We also encourage our employee owners to participate in local chapter and national ESOP events. HdL brings the knowledge and ideas we gain from those experiences back to our organization and shares them with our employee owners.

Our goal is to make employee ownership understandable, meaningful, and relevant to everyone.

How does hosting ESOP Employee Accelerator sessions reflect your values as an employee-owned company?

We couldn't be prouder to be employee-owned, and hosting an ESOP Employee Accelerator gives us an opportunity to share our story and learn alongside other employee-owned companies. The Accelerator is a powerful way to strengthen ESOP education and help attendees better understand what it means to be an employee owner. It also creates an opportunity for companies to exchange ideas, share experiences, and learn from one another.

For HdL, hosting an Accelerator is a natural extension of our ownership culture. We have benefited tremendously from the ESOP community, and we value the opportunity to give back by opening our doors, sharing what we've learned, and supporting other companies on their employee ownership journey.

After nearly two decades as an employee-owned company, we know that ownership is not simply about owning shares. It's about creating a culture where people understand their value, take responsibility for the success of the organization, and recognize that what they do every day matters. That's what employee ownership means at HdL, and it's a culture we are proud to continue building together.



HdL Staff in North Carolina support their local Ronald McDonald House.

EMPLOYEE OWNERSHIP FOUNDATION

ESOP Research in the Kansas City Metro Area

We are excited to announce an upcoming research project on ESOP companies in the Kansas City metropolitan area exploring an important question: *How can employee ownership support greater financial well-being for working people and the community?*

Led by researchers from Rutgers University, with support from Erik Olsen, a professor at the University of Missouri–Kansas City, the study will examine how ESOPs may contribute to employees' economic mobility.

The project will include a Zoom interview with a company leader, a short online employee survey, and, where feasible, an interview with one or more employees.

As leaders of ESOP companies in the Kansas City area, your participation would make an important contribution to this research. There is no cost involved for companies that participate, and employee respondents will have an opportunity to enter a drawing for gift cards.

Kansas City is an especially important place to conduct this research because of its unusually high concentration of ESOP companies. By learning directly from companies and employees across the region, we hope to bring greater national visibility to the Kansas City ESOP community and better understand the ways employee ownership can support workers' economic mobility.

If you are a greater Kansas City metro area ESOP who is interested in participating, or would like more information regarding this project, please contact our Research Project Manager, Glenda Gracia-Rivera, directly at 848-932-0054, or ggrivera@rutgers.edu. Further information will be available in the coming weeks.

TEA note: The ESOP Association encourages eligible ESOP companies in the greater Kansas City metropolitan area to participate in this research.

MEMBERSHIP

Is Your ESOP Association Membership Information Up to Date?

The ESOP Association's membership team kindly reminds our valued members to please take a moment to review your ESOP's information on file with us and ensure it is up to date. Keeping your information current ensures you and your employee owners receive timely communications, personalized updates, and full access to The ESOP Association's comprehensive membership benefits.

To review your information, please log in to your membership portal and verify:

- **Company details**
- **Who** should receive your membership renewal
- **Membership roster:** Please be sure you have your C-Suite employee owners, your ESOP Committee members, and anyone else you would like to receive membership benefits including discounted meetings, access to chapter notifications, and access to the Hub, etc. To add individuals, click "Add". If you need to remove any individuals, send a list of names to membership@esopassociation.org

Thank you for your help. If you have any questions, please email membership@esopassociation.org or call 202-293-2971.

Tips for Creating your ESOP Communications Committee

By: Todd Young, *Partner, Hinshaw & Culbertson, LLP*

You're an ESOP company. Hurrah! The best way to solidify your status as a successful employee-owned company and to take maximum advantage of the benefits of employee ownership is to have a robust and effective Communications Committee. If you don't have one, here are a few suggestions to help get started. And if you already have one, maybe these tips will help you nurture and empower it.

1. Talk with your ESOP Administrative Committee and Senior Management (including HR)

There is some overlap between the tasks that can be handled by the ESOP Administrative Committee, your HR department, and the ESOP Communications Committee. It's helpful to gather representatives from all three to sort out what tasks will be handled by which group. All three groups should also discuss what the makeup of the Communications Committee will be.

The ESOP Administrative Committee and the HR team have a number of tasks that will require some special familiarity with ERISA and the ESOP plan terms. On the other hand, the Communications Committee can often be used as an avenue to bring a broad array of employees into an active role with the ESOP. This discussion can include review of which groups and divisions within the company might benefit from direct representation on the Communications Committee. The main tasks of the Communications Committee are just that: communicating to employees the important benefits of working for an ESOP-owned company, and making sure employees understand how vital it is for them to adopt an ownership mentality in their work. The Communications Committee can also serve as an information resource for employees.

> ***The best way to solidify your status as a successful employee-owned company and to take maximum advantage of the benefits of employee ownership is to have a robust and effective Communications Committee.***

The ESOP Administrative Committee, HR and the Communications Committee should also discuss calendar coordination. All three will likely have some activities tied to the annual valuation and share price announcement. Confirming the timing of that annual process would be very helpful.



2. Pick the Committee

There is no legal requirement for size or make-up of the Communications Committee. Avoid making it so big that no one feels a need to take an active role and avoid making it so small that you burn everyone out. Depending on the size of your employee base and how geographically diverse that is, your Communications Committee could have anywhere from three to 12 members.

In addition to setting the size, decide whether to have a management sponsor (vs. having a management member on the actual committee). Some feel that it is best to keep management off the actual committee to avoid a risk of having the management member assume an outsized role (either because everyone defers to them or because they are used to being an arbiter and decider in other company activities).

Decide what terms of office and term limits will apply for membership on the Communications Committee. And decide how future committee slots will be filled. One option is to have the ESOP Administrative Committee and management pick the initial set of members and over time let the process evolve to empower the current committee to self-select its successors.

The key skills for serving on the Communications Committee include a basic knowledge of ESOPs (or an ability and willingness to learn), an outgoing personality,

and a certain comfort level handling hard questions and communications with employees at all levels within the company.

3. New Hires

Talk to HR and coordinate your outreach to new hires and your onboarding processes, as they touch on the ESOP. Make sure you sync up your events with HR. If HR is doing an in-house session on planning for retirement or financial literacy, the Communications Committee could be in the room and/or provide resources.

4. Educate the Communications Committee on their Jobs as Committee Members

Although the Communications Committee does not need the in-depth training that your HR team or your ESOP Administrative Committee needs, you do want to make sure they are able to handle the job.

A. Create and share a Committee Charter.
Discuss your purpose and goals. And invite input from Committee members.

B. Cheer School.
Emphasize the importance of keeping an enthusiastic ownership spirit alive in the company. Talk about how the Committee can tout successes and explain dips in the road.

C. Advocacy.
Your Communications Committee can be a booster for ESOP ownership, both in an inward-facing way to your employees and in an outward-facing way, when interacting with the community and local/national politicians who represent the company.

D. Team Building.
Consider having a regular team-building exercise to keep the group cohesive and enthused.

E. ESOP 101.
Make sure they know the basics and answer all their ESOP questions. Empower them to carry that information into the workplace and to report back with any questions they couldn't answer on their own.

F. Association Conferences.
Consider setting a calendar for when and where your committee members will attend ESOP conferences. They don't need to go to everyone, and they can start with smaller, local ones to get their feet wet. Those are a convenient way to meet other Communications Committee members from other companies, trade war stories and build a network.



Why AI Initiatives Fail Before They Ever Scale

By: Meagan Burke, *Senior Marketing Content Strategist, CFS Staffing*

AI continues to dominate business conversations, and for good reason. It has the potential to improve efficiency, enhance decision-making, and unlock new levels of productivity. But despite widespread investment and enthusiasm, many AI initiatives never make it past the early stages.

Not because the technology falls short, but because execution breaks down long before scale is achieved. For many organizations, especially small to mid-sized businesses, the challenge isn't access to AI tools. It is what happens after implementation begins.



The Reality: AI Failure Rarely Starts with Technology

Most AI initiatives do not fail because of the platform, the model, or the vendor. They fail because of foundational gaps in how work is structured and executed.

Common breakdowns include:

- Unclear ownership of AI initiatives
- Lack of a defined strategy or roadmap
- Inconsistent or poor-quality data
- Limited internal expertise to operationalize insights
- No clear success metrics tied to business outcomes

In other words, the issue is not AI capability. It is execution readiness.

The Execution Gap Is the Real Barrier to Success

Many organizations assume AI adoption is a technology rollout. In practice, it is an operating model shift.

Without clear accountability, AI efforts often become fragmented across departments. Finance may experiment with forecasting tools, Operations may test automation solutions, and HR may explore analytics platforms. Without alignment, these efforts rarely come together as a cohesive strategy.

Many organizations assume AI adoption is a technology rollout. In practice, it is an operating model shift.

This is where the execution gap emerges.

AI initiatives stall between intention and implementation because no one is fully responsible for translating capability into outcomes.

Data Challenges Compound the Problem

Even when a strategy is in place, data often becomes the next barrier.

Organizations frequently face:

- Inconsistent or incomplete data sets
- Systems that do not integrate or communicate with each other
- Lack of governance around data quality
- Overreliance on manual reporting processes

AI is only as effective as the data behind it. When data is fragmented, outputs become less reliable and trust in the system quickly erodes.

At that point, adoption slows or stops entirely.

AI Requires Structure, Not Just Tools

A common misconception is that AI success comes from selecting the right platform or software. In reality, tools are only one part of the equation.

What is often missing is structure:

- Who owns the initiative
- How success is defined
- How data is managed and maintained
- How insights are translated into decisions

Without this foundation, even the most advanced AI tools struggle to deliver meaningful value.

Why This Challenge Is Amplified for Small to Mid-Sized Businesses

Larger enterprises often have dedicated data teams, AI centers of excellence, and established governance models. Small to mid-sized businesses typically do not.

Instead, they are expected to adopt AI quickly, operate with lean teams, deliver immediate ROI, and compete with organizations that have significantly greater resources.

This creates pressure to move fast without the internal structure needed to support execution. As a result, many initiatives start strong but lose momentum when operational complexity sets in.

The Talent Factor Behind Successful AI Execution

This is where execution success often comes down to one critical element: people.

AI initiatives require more than technical knowledge.

They require professionals who can:

- Translate business needs into structured use cases
- Clean, organize, and interpret data effectively
- Bridge finance, operations, and analytics functions
- Define and measure outcomes tied to business performance
- Ensure adoption across teams, not just implementation within tools

These are not purely technical roles. They are hybrid roles that combine business fluency, analytical capability, and operational execution.

The Bottom Line: Execution Is What Turns AI Into Value

Successful AI adoption is not defined by how many tools are implemented. It is defined by how effectively those tools are applied to real business problems.

That requires clear ownership, structured strategy, reliable data foundations, and experienced professionals who can connect it all. When those elements are in place, AI shifts from isolated initiatives to part of how the business operates.

What is ESOP PAC?

ESOP PAC is the voluntary, non-partisan Political Action Committee (PAC) of the ESOP Association. ESOP PAC is the oldest political entity specifically charged with supporting pro-employee ownership elected officials.

Formed in 1988, ESOP PAC allows our members and the larger employee ownership community to pool small personal contributions from thousands of donors into larger donations. These donations help elect and re-elect federal candidates to Congress who promote the employee ownership agenda.

For more information, please contact:

Patrick Russo, Director of Public Policy
prusso@esopassociation.org

Employee Ownership Foundation Names 2026 Edmunson Scholarship Recipients

The Employee Ownership Foundation selected 18 non-managerial employee owners from 10 ESOP companies as its 2026 Edmunson Scholarship recipients. The recipients can use the funds to participate in advanced ESOP education and bring back new ideas, best practices and innovative engagement strategies that benefit employee owners.

The scholarship has two tracks.

The Ownership Thinking Development Scholarship recognizes nominated individuals whose companies are beginning the journey toward an ESOP culture or working to restart, reboot or refresh an existing ownership culture. These companies and individuals are seeking support to build the skills, knowledge and practices needed to create a strong ownership culture. This year's recipients are *Bobby Tekulve and Jordan Taylor of Electric Plus Inc.; Cleia Guardado and Ronan Lancaster of LB Construction, Inc.; David Pacheco and Justin Martineau of Thermal Tech, Inc.; and Adam Orsini of VHV Company.*

The Recognition of Achievement Scholarship celebrates employee owners who play a significant role in developing and enhancing their company's successful ownership culture. Nominees typically work at mature ESOP companies with established ownership-culture and ownership-behavior initiatives. The 2026 recipients are *Emily Leyva and Shawn Beitler of Pavement Recycling Systems; Sarah Costagliola and Jordan Buslewicz of BL Companies; Riesa Okano of Bowers + Kubota Consulting; Kaiya Antrup and Krystal Brady of Crystal Flash; Louis Lenz and Liz Brock-Loftis of Engineered Seal Products; and Susan Igo and Samantha Johnson of Freedom Industries Inc.*

The Edmunson Scholarship reflects the Foundation's commitment to the people who make employee ownership work: the employee owners themselves. Each recipient gains access to sessions most non-management employees rarely have the chance to attend, deepening their understanding of the ownership stake they hold. Recipients are selected based on two qualities: their company's commitment to employee education and their own interest in expanding their knowledge of employee ownership. Nominees also explain how they will use what they learn to benefit both their company and their personal development.

The announcement comes as ESOPATHON, the Foundation's single largest fundraising push, runs through October 31. **Every dollar raised extends opportunities like the Edmunson Scholarship to more employee owners and their families.** Readers can donate through the Foundation's ESOPATHON page and learn more about the scholarship from the Employee Ownership Foundation.



The ESOP Association National Events

To learn more and register for The ESOP Association's events, visit esopassociation.org/events.



EMPLOYEE OWNED 2026

November 1-4, 2026 | Las Vegas, NV

Employee owners, executives, trustees, and advisors converge on The ARIA in Las Vegas for four days of expanded education, distinguished speakers, and the connections that move employee ownership forward.



THE PROFESSIONALS' FORUM 2027

February 3-5, 2027 | Austin, TX

Join others who provide professional services to ESOP companies—including valuation, legal, and tax advice—at this special, interactive event. Compare notes on best practices and the latest legal and regulatory happenings.



NATIONAL CONFERENCE 2027

May 12-14, 2027 | Washington, DC

The leading event for ESOP culture, communications and advocacy! Learn from award-winning keynote speakers and the best communicators in the ESOP community, network with your peers and meet your elected officials.



CFO SUMMIT 2027

June 14-16, 2027 | Annapolis, MD

The ESOP Association is proudly convening the annual CFO Summit, bringing together ESOP finance leaders to explore the latest trends and tackle the biggest challenges that are shaping the current business landscape.



CEO SUMMIT 2027

August 2027

Join us for what has become a must-attend event for ESOP CEOs and presidents. We designed the Summit with the needs of today's ESOP CEO/president in mind to strengthen your leadership toolkit.

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ESOP | Report

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