

ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

How do ESOP-owned businesses perform?

You work for a company that shares ownership with its employees through an Employee Stock Ownership Plan (ESOP.) What does that mean for you and your company's future? What does it mean for your company's survival in tough times?

Of course each ESOP company's performance depends on the unique characteristics of that particular business. However, when you look employee-owned businesses as a group, they have an impressive track record. Here are just a few facts about this unique group of U.S. companies that share ownership with employees.

ESOP companies created new jobs during the last recession.

ESOP-owned companies outperformed non-ESOP companies during the 2008 recession in job creation, revenue growth and adding to retirement savings according to a Georgetown University study.

Employee-owned firms are listed as great workplaces.

While employee-owned companies represent 1% of all businesses in the U.S. they regularly account for 50% or more of the companies recognized as great places to work in Fortune Magazine's "100 Best Companies to Work For."

Companies tend to grow faster with an ESOP.

ESOP companies tend to grow 2.3 - 2.4% faster than others in their industry after setting up an ESOP according to research completed at Rutgers University.

