

# ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

## ESOP adds to your long-term savings

Most of us find it hard to save for the future. For people in the beginning of their work lives, it can be especially difficult.

- 62% of Americans have less than \$1,000 in savings according to a 2015 Google Consumer Survey.
- Somewhere between 1/3 and 2/3 of all Americans are at risk of falling short of their retirement savings needs according to a report by the U. S. General Accountability Office (GAO).



### *Perhaps you are doing somewhat better than the typical American?*

Your Employee Stock Ownership Plan (ESOP) gives you a distinct advantage because your employer makes a contribution to your ESOP account. You earn the right to the ESOP value over time. Your account is available to you when you are eligible to receive a distribution.

Younger ESOP participants may find in a few years that those in the same age category who are now working at a typical company will be struggling to catch up in savings. Participants in the middle and the end of their work career with an ESOP have an added component to include in their long-term planning.

The ESOP is retirement plan that is funded by your company. It is an attractive complement to your own savings, another plan or an individual retirement account. National research finds that ESOP participants, on average, are likely to have about 2.2 times as much in company-paid retirement compared to employees working for companies without ESOPs. The value you will ultimately enjoy from your ESOP depends on the both the contributions to your ESOP and the performance of your company over time.