

ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

ESOPs in the U.S.A.

As we wade through the middle of this presidential election year, it is easy to see ourselves as a nation of political rancor and division.

ESOPs, however, tell a very different story about who we are as a nation and our shared ideals. They enjoy widespread support in the U.S. Even people who don't have one at their employer still like the idea of employee ownership. ESOPs represent the best of what makes us Americans: equal opportunity, self-sufficiency, strong community focus and financial stability that comes from teamwork and initiative.



ESOPs are supported across the political spectrum.

U.S. politicians across the spectrum are in enthusiastic agreement about ESOPs. Initiatives that promote the establishment of new ESOPs like the “Main Street Employee Ownership Act” enacted in 2018 enjoy the support of elected officials from the right, the left and the middle of our American political spectrum.

Support for broad ownership be traced back to the very roots of our nation.

Many of our nation's founding fathers — like John Adams, Thomas Jefferson and James Madison — advocated broad ownership of property to create a strong nation and help our democracy work better. Over the last two centuries prominent business leaders, community activists and economists have promoted the idea that more people participating in business ownership is good for individuals, our local economies and the health of our larger economic system.

The evidence is in: ESOPs contribute positively to our overall economy.

ESOP companies employ about 14 million Americans. Businesses that have an ESOP tend to grow faster in sales and employment than others in the same industry. Employees in companies with an ESOP are likely to have more than twice as much retirement savings as Americans who work in non-ESOP firms. Recent research suggests that ESOP-owned businesses tend to be more resilient in a recession leading to slower rates of layoffs in an economic downturn than conventionally owned businesses.