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ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

Employee ownership misperceptions

When you tell friends and family that you work for an employee-owned company, what's the reaction you get?

The most common response is vaguely positive with that blank stare telling you they have never heard of this kind of ownership. And you may get peppered with questions. Below are some responses to the common misconceptions you may encounter.

"Does this form of ownership make your employer less stable?" Absolutely not! Companies with an ESOP tend to thrive. National studies find that these firms tend to survive and hold on to employees longer than companies that don't have an ESOP — even in tough times.

"Do employees have to pay for stock in your company?"
No, employees don't pay anything for shared ownership. The shares are earned in our retirement accounts in addition to our regular pay.

"Are you risking your house or personal assets?" No, employees do not risk their personal assets in an employee-owned company like ours.

"Does the ESOP mean employees run the company?" No. Like any corporation, we have a structure that is designed to operate the business in the most effective manner. We have a board of directors and a professional management team that are responsible for implementing a big picture strategy to grow shareholder value. Managers still manage and each person's job — no matter where we are in the company— contributes to our success. We all enjoy the financial benefits of our success.

"Do employees really get value or is it just for executive leaders?"
ESOPs are designed to benefit all employees and cannot benefit only the highest paid. U.S. workers who have one of these plans are likely to have 2.2 times as much retirement as someone in a company without an ESOP.