

# ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

## How does your ESOP stack up to the average retirement benefit?

*ESOPs are a great way to build long-term wealth. Your ESOP provides a retirement benefit that most employees in the United States do not enjoy.*



### **Many companies don't offer any type of retirement**

Less than 60% of companies offer company-paid retirement. In most of those companies, employees must contribute their own money to receive any employer additions. With an ESOP, you generally build savings for your future without the requirement to set aside any of your pay. ESOPs are in addition to your savings.

### **Companies with a 401(k) alone may not add much savings**

In companies that have only a 401(k), about half are not making any company-paid contributions. For the other half that do, the average match is capped and often under 4% of pay. Your ESOP is likely to add more than that to your savings — particularly in an ESOP that's been around for many years. And, you contribute nothing to your ESOP account.

### **Your ESOP account makes a difference**

Your ESOP account gives you a leg up in saving for the future. Employees at ESOP companies tend to have 2.2 times as much in retirement savings as employees at non-ESOP companies. And, the longer you stay at an ESOP company, the higher the value of your ESOP account can be. Over time, you earn more shares and your shares have more time to grow in value. While there are no guarantees, shares in an ESOP tend to grow faster than traditional retirement savings funds.

***An ESOP benefit tends to add more over time!***