














10 BEST THINGS ABOUT ESOPS



The ESOP Association

Companies with Employee Stock Ownership Plans (ESOPs) help workers, communities, and the economy.

- 1 ESOPs improve job security**
 **6x** less likely to lay off employees
- 2 ESOPs fare better during economic downturns**
 During the COVID-19 pandemic, ESOPs were nearly **4x** more likely to retain jobs. During the Great Recession, employment grew by **1.9%** among ESOPs while it fell by nearly 3% overall.
- 3 ESOPs empower and invest in workers**
 **25%** more likely to be involved in company decisions
 **2x** more likely to receive training from their employer
- 4 ESOPs improve worker retention**
 **46%** longer tenure than non-employee owners
 **80%** of ESOP business leaders feel they do better than non-ESOP competitors recruiting and retaining workers
- 5 ESOPs improve company performance**

 - 2.3% Higher Sales
 - 4.4% More Productive
 - 10% Higher Profit Margins
- 6 ESOPs increase worker satisfaction**
 **10%** of employee owners report higher job satisfaction. Employee ownership **increases** workers' intention to stay at their firm.
- 7 ESOPs improve retirement security**
 **\$158,000** the average amount an employee owner has accumulated in wealth from their stake, requiring no contribution on their part.
 **75%** of ESOP companies also offer 401(k)s. 60-64 year old employee owners had, on average, **10x** greater wealth than their peers.

- 8 ESOPs promote greater worker engagement and motivation**
ESOPs increase alignment between employees' interests and companies' long-term outlook by allowing workers to share in the success of the company.

- 9 ESOPs reduce inequality**
Black ESOP employees have **3x** the wealth of Black households nationally. Female employee owners earn **17%** higher wages than their non-employee owner peers; this grows to **30%** for women of color.


Category	Black ESOP Workers vs. Black Non-ESOP Workers Household Wealth	Female ESOP Worker vs. Female Non-ESOP Worker Wages
Black ESOP Workers vs. Black Non-ESOP Workers Household Wealth	3x	
Female ESOP Worker vs. Female Non-ESOP Worker Wages		30%
- 10 ESOPs promote local economic prosperity**
 ESOPs allow local business owners to sell to their employees, keeping the business and its contributions to the community in town. Employee owners were **2x** as likely to report that their companies made an effort to provide opportunities in their communities.

LEARN MORE ABOUT TEA ADVOCACY AT
esopassociation.org/advocacy

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3. ESOPs empower and invest in workers

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4. ESOPs improve worker retention

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5. ESOPs improve job security

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6. ESOPs increase worker satisfaction

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7. ESOPs improve retirement security

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9. ESOPs reduce inequality

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10. ESOPs promote local economic prosperity

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