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Employee Ownership – A “Good” Business Decision

Washington, DC (August 31, 2005) – Recently released results from the Employee Ownership Foundation’s 14th Annual ESOP Economic Performance Survey prove that the decision to become employee-owned means better company performance and greater wealth creation for employee owners.

As has been the case in all 13 prior surveys, a very high percentage of companies, 87.5%, declared that creating employee ownership through an ESOP (employee stock ownership plan) was “a good business decision that has helped the company.”

“These results consistently demonstrate that employee ownership through an ESOP is good business,” said J. Michael Keeling, President of the Employee Ownership Foundation. “As we’ve stated time and time again, more ownership through employee stock ownership should be part of an ownership society in this nation.”

In addition, the survey asked companies to indicate their performance in 2004 relative to 2003:

- 74% indicated a better performance in 2004
- 9% indicated a nearly identical performance
- 17% indicated a worse performance
- 84% indicated that revenue increased; 16% indicated that revenue did not increase
- 74% indicated that profitability did increase; 26% indicated that profitability did not increase
- 51% of companies responded yes when asked if their company had created an employee participation program since establishing the ESOP
- 60.6% of survey respondents indicated that the ESOP improved the overall productivity of the company’s employees

The 2005 Economic Performance Survey was distributed to The ESOP Association’s approximately 1,400 members in June 2005. The results are based on 400 responses.

The Employee Ownership Foundation (www.employeeownershipfoundation.org) is The ESOP Association’s affiliated 501 (c)(3) organization dedicated to promoting employee ownership. Founded in 1978, The ESOP Association (www.esopassociation.org) is the national trade association for companies with employee stock ownership plans and the leading voice for employee ownership in America.

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