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### **ESOP Companies Report Economic Upturn in 2011**

**September 6, 2012 (Washington, DC)** – Results from the Employee Ownership Foundation’s 21<sup>st</sup> Annual Economic Performance Survey of ESOP (employee stock ownership plan) companies that are members of The ESOP Association show that ESOPs saw an economic upturn over the past year. ESOP companies continue to have increased share value, better productivity, and overwhelming support among leaders of the companies, according to the results of this survey.

Since the annual survey began over 20 years ago, a very large majority, 93.3% of survey respondents, reported that creating employee ownership through an ESOP was “a good business decision that has helped the company.” It should be noted this figure has consistently been over 85% since 2000. In addition, 76% of respondents indicated the ESOP positively affected the overall productivity of the employees. In terms of profitability and revenue, both were up from previous years --- 70.5% of respondents reported profitability increased and 76.2% of respondents noted revenue increased. In terms of stock value, the majority of respondents, 80%, stated the company’s stock value increased as determined by outside independent valuations; 17.4% of the respondents reported a decline in share value, and 2.6% reported no change. Asked for the first time was the question --- in what year was your ESOP established? Among those responding to this survey, the average age of the ESOP was 16 years with the average year for establishment being 1996.

“In looking at past results, it’s interesting to see performance numbers in a significant reverse of what was reported a few years ago during the Great Recession,” said Employee Ownership Foundation President J. Michael Keeling. “Employees with employee stock ownership, including those with ESOPs, in general, have more sustainable employment. Hopefully our national leaders, including the current group of those running for President, of both parties, will take note and understand that we need national policies to encourage employee stock ownership among working Americans.”

The survey asked companies to indicate their performance in 2011 relative to 2010:

- 68.5% indicated a better performance; 17% indicated a worse performance; and 14.5% indicated a nearly identical performance to the previous year
- 76.2% indicated revenue increased; 23.8% indicated revenue decreased
- 70.5% indicated profitability increased; 29.5% indicated profitability decreased
- 63.8% of companies indicated they have created an ESOP education program or ESOP advisory committee since establishing the ESOP

The 2012 Economic Performance Survey was distributed to The ESOP Association’s over 1,400 members in June 2012. The results are based on 450 responses, a 32% response rate.

The Employee Ownership Foundation is The ESOP Association’s affiliated 501 (c)(3) organization dedicated to promoting employee ownership – [www.employeeownershipfoundation.org](http://www.employeeownershipfoundation.org). The ESOP Association is the national trade association for companies with employee stock ownership plans (ESOPs) and the leading voice in America for employee ownership. The core cause of The ESOP Association is the belief that employee ownership will improve American competitiveness, increase productivity through greater employee participation, and strengthen our free enterprise economy. More information: website - [www.esopassociation.org](http://www.esopassociation.org) and blog – [www.esopassociationblog.org](http://www.esopassociationblog.org).

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