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## **91% of Companies State ESOPs are Good Business** *Survey Reveals Overwhelmingly Positive Results*

**Washington, DC (August 16, 2006)** – Recently released results from the Employee Ownership Foundation’s 15<sup>th</sup> Annual ESOP Economic Performance Survey prove that the decision to become employee-owned means better company performance and greater wealth creation for employee owners.

In 2006, 91% of respondents declared that creating employee ownership through an ESOP (employee stock ownership plan) was “a good business decision that has helped the company.” This is the highest response in the 15 years the survey has been conducted. In addition, 72% of companies that responded to the survey also indicated they outperformed three major stock indices including the Dow Jones Industrial Average, the NASDAQ Composite, and the S&P 500. Approximately 10% stated they outperformed at least one index, and 9% said they performed worse than all three indices.

“It’s hard to argue with these results,” said J. Michael Keeling, President of the Employee Ownership Foundation. “These numbers prove what we in the ESOP community have been saying for more than 15 years – employee ownership creates better companies. It’s time for our national leaders to start promoting policies to encourage more companies to become employee owned through an ESOP. It is time to have policies to create a fair and equitable society.”

In addition, the survey asked companies to indicate their performance in 2005 relative to 2004:

- 78% indicated a better performance in 2005
- 9% indicated a nearly identical performance
- 13% indicated a worse performance
- 85% indicated that revenue increased; 15% indicated that revenue did not increase
- 77% indicated that profitability did increase; 23% indicated that profitability did not increase
- 68% of survey respondents indicated that the ESOP improved the overall productivity of the company’s employees

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- 54% of companies responded yes when asked if their company had created an employee participation program since establishing the ESOP

The 2006 Economic Performance Survey was distributed to The ESOP Association's approximately 1,400 members in June 2006. The results are based on 426 responses. The over 30% response rate validates the survey results for these 1,400 companies.

For additional information about the survey, please visit the Employee Ownership Foundation website at [www.employeeownershipfoundation.org](http://www.employeeownershipfoundation.org) or The ESOP Association's website at [www.esopassociation.org](http://www.esopassociation.org).

The Employee Ownership Foundation is The ESOP Association's affiliated 501 (c)(3) organization dedicated to promoting employee ownership.

Founded in 1978, The ESOP Association 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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