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89% of Companies State ESOPs are Good Business *Survey Reveals Positive Results for ESOP Companies*

August 22, 2007 (Washington, DC) – Recently released results from the Employee Ownership Foundation’s 16th 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 2007, 89% of survey respondents reported that creating employee ownership through an ESOP (employee stock ownership plan) was “a good business decision that has helped the company.” In addition, 72% of companies reported that performance increased over the prior year and 68% indicated that the ESOP affected the overall productivity of the employees.

“These numbers prove what we in the ESOP community have been saying for more than 30 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,” said J. Michael Keeling, President of the Employee Ownership Foundation. “It is time for the cynics who question the power of employee ownership to be quiet.”

In addition, the survey asked companies to indicate their performance in 2006 relative to 2005:

- 72% indicated a better performance; 19% indicated a worse performance; 9% indicated a nearly identical performance as previous year
- 82% indicated that revenue increased; 18% indicated that revenue did not increase
- 72% indicated profitability did increase; 28% indicated that profitability did not increase
- 68% of survey respondents indicated that the ESOP improved the overall productivity of the company’s employees
- 47% of companies that responded indicated that they have created an employee participation program since establishing the ESOP

The 2007 Economic Performance Survey was distributed to The ESOP Association’s approximately 1,400 members in June 2007. The results are based on 414 responses.

For additional information about the survey, please visit the Employee Ownership Foundation website at www.employeeownershipfoundation.org or The ESOP Association’s website at 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 represents over 1,400 ESOP companies who believe that employee ownership will improve American competitiveness, increase productivity through greater employee participation and strengthen our free enterprise economy.

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