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92.4% of Companies State ESOPs are Good Business

Survey Reveals Positive Results for ESOP Companies

September 2, 2008 (Washington, DC) – Results from the Employee Ownership Foundation's 17th Annual ESOP Economic Performance Survey prove the decision to become employee-owned means enhanced company performance and greater wealth creation for employee owners.

In 2008, 92.4% 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 the 17 years this survey has been conducted, this is the highest figure ever reported with the average over the last nine years at approximately 88%. In addition, 70.5% indicated the ESOP positively affected the overall productivity of the employees; another record number reported in this category where the average has been 63%. In terms of profitability, 66% of companies responding reported that profitability increased over the prior year and 71% stated that revenue increased.

"I find these numbers to be even more impressive in a year when many companies have been hurt by the slow economy," said J. Michael Keeling, President of the Employee Ownership Foundation. "For over 30 years, we in the ESOP community have been saying that employee owned companies are higher performing, have high employee retention rates, and have employees that are more motivated and productive. It's time for our national leaders to start promoting policies to encourage more companies to become employee owned through an ESOP to create a more fair and equitable society."

In addition, the survey asked companies to indicate their performance in 2007 relative to 2006:

- 66% indicated a better performance; 21% indicated a worse performance; 13% indicated a nearly identical performance as previous year
- 71% indicated that revenue increased; 29% indicated that revenue did not increase
- 66% indicated profitability did increase; 34% indicated that profitability did not increase
- 70.5% of survey respondents indicated the ESOP improved the overall productivity of the company's employees
- 51% of companies that responded indicated they have created an employee participation program since establishing the ESOP

The 2008 Economic Performance Survey was distributed to The ESOP Association's approximately 1,400 members in June 2008. The results are based on 421 responses.

For additional information about the survey, please visit the Employee Ownership Foundation's 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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