

Employee Ownership Report

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2013 ESOP Estimates

The NCEO has estimated the number of ESOPs since our founding. In past years, our estimate for the number of ESOPs combined ESOP and ESOP-like plans. “ESOP-like plans” include profit-sharing and stock bonus plans that closely resemble ESOPs, but do not report themselves as ESOPs to the Department of Labor.

This year, we continue to report a combined total comparable to our prior year estimates. With complete or nearly complete data on 2011 and partial data on 2012, we estimate that the number of ESOPs and ESOP-like plans increased to 11,550 in 2011. That increase, although faster than we predicted, is mostly the result of an increase in ESOP-like plans. The number of literal ESOPs actually declined somewhat from 2010 to 2011, though we expect an increase in 2012.

Definitions

Literal ESOPs include two categories of plans: (1) those designated with an ESOP-plan-type code in the sponsor’s Form 5500 filing, and (2) plans with employee stock ownership plan or ESOP in the name.

The **ESOP-like plans** are ERISA-qualified profit-sharing plans and stock bonus plans that substantially invest in employer securities. Some of these plans are indistinguishable from literal ESOPs and include companies that are well known for referring to themselves as ESOPs. Non-ESOP plans investing substantially in company stock have fewer tax benefits, most notably capital gains deferrals for sellers to qualifying ESOPs, dividend deductibility, and the S corporation tax shield. They also cannot borrow money or own shares in an S corporation without paying unrelated business income tax on

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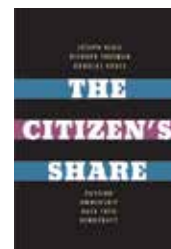
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The Citizen’s Share: A New Book on Employee Ownership



A new book on employee ownership in the United States has been reviewed or excerpted by *Time* magazine, PBS, and the *Economist*. *The Citizen’s Share*, a Yale University Press book by Joseph R. Blasi, Richard B. Freeman, and Douglas L. Kruse covers decades of social science research, digs into the deep roots of shared capitalism among America’s founding fathers, and present concrete policy tools to stimulate employee ownership. The publisher, Yale University Press, describes the book as showing that “an ownership stake in a corporation inspires and increases worker loyalty, productivity, and innovation.

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Atlanta, GA, April 8–10 / Preconference, April 7

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