

Employee Ownership Report

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Employee Ownership and the Cost of Unemployment

People who work for companies with employee ownership plans are vastly less likely to be laid off than those who do not. The impact of employee ownership on jobs is the focus of a recent analysis performed by the NCEO's Corey Rosen in cooperation with the Employee Ownership Foundation and reviewed by Douglas Kruse of Rutgers University. Rosen also estimates the net benefit to the federal government of preserving those jobs.

He concludes that if employee ownership did not exist, nearly 1,800,000 more workers could have lost their jobs in 2010. This would have increased the number of layoffs economy-wide by 15% and cost the federal government more than \$23 billion in unemployment insurance and in forgone taxes. The savings is biggest in recession years, but in 2002, 2006, and 2010 the average annual number of averted layoffs by employee ownership is 1.5 million, for a benefit to federal revenues of \$13.7 billion.

Jobs and Employee Ownership

Data from the General Social Survey (GSS), widely regarded as the best national survey data on social trends, shows that in 2010 12.1% of all working adults in the private sector report having been laid off in the last year, compared to just 2.6% among those respondents who say they own stock in their company through some kind of company-sponsored employee ownership plan.

Continued on page 4

Laws That Encourage Broad-Based Employee Ownership Outside the U.S.

Employee ownership is a global phenomenon that has received support in parliaments, congresses, and other legislative bodies throughout the world. There is no typical model; incentive structures differ greatly by country and serve a variety of legislative purposes. However, there are some commonalities. Outside of privatization plans, current employee ownership legislation generally focuses on two approaches: employee stock purchase plans (ESPPs) and free share plans. Recently, legislation has been proposed in a number of countries that may broaden the types of tax incentives offered to trusts and other pooled-ownership models.

Outside the U.S., Europe has the densest concentration of laws promoting broad-based employee ownership. The legal incentives are especially strong in the UK, Ireland, Germany, and France, and both

Continued on page 9

IN THIS ISSUE:

FEATURES

Employee Ownership and the Cost of Unemployment	1
Laws That Encourage Broad-Based Employee Ownership Outside the U.S.	1
Using Warrants in ESOP Transactions.....	3
Make the Most of your ESPP	6
Business Succession Planning at SRC Holdings	7
ESOP Case Study: Holden Industries.....	8

COLUMNS

Working Better	2
Employee Ownership Q&A	5
Cases & Rulings.....	10
Companies	11
Ownership News	12
Owners' Page.....	15

NCEO RESOURCES

NCEO Contact Information / Notes	2
NCEO Bookshelf	14
NCEO Events	16

Employee Ownership Conference 2013

The graphic features a circular word cloud with terms like 'culture', 'stock', 'feasibility', 'share', 'finance', 'market', 'ESOP', 'invest', 'strategy', 'obligation', 'valuation', 'equal', 'benefit', 'require', 'repurchase', 'compensation', 'share', 'innovate', 'survey', 'market', 'invest', 'strategy', 'obligation', 'valuation', 'equal', 'benefit', 'require', 'repurchase', 'compensation', 'share'. To the right is a stylized illustration of three people in colorful clothing.

Seattle, WA
April 24–26, 2012 } **Early Registration Ends April 2!**
 Preconference sessions: April 23

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