

Employee Ownership Report

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ESOP Participants and Assets: New Data

ESOEs vary dramatically from company to company. For example, although 9% of the roughly 7,000 ESOPs in the United States are in public companies, those plans cover 78% of the 10.6 million active ESOP participants. For stand-alone ESOPs, company stock makes up 90% of plan assets, while for hybrid “KSOPs,” company stock is 15% of plan assets.

New analysis by the NCEO integrates public company status from Compustat into data collected by the Department of Labor. The results show the importance of factors such as S versus C corporation status and the age of the plan. Older plans, for example, have greater assets per participants and a higher proportion of plan assets outside of company stock.

The five tables on pages 4 and 5 break out these different categories to show the number of plans, participants, average assets per participant, and employer stock as a percent of total plan assets. The tables separate out public and privately held companies, large and small companies, and further disaggregate by several characteristics.

Following DOL standard practice, large is defined as 100 or more total participants and small plans have fewer than 100 participants. KSOPs are plans that are identified by the sponsor as having both an ESOP and a 401(k) feature. KSOPs tend to have more assets per active participants, although there are often substantial employee contributions in contrast to stand-alone ESOPs, in which there are virtually no employee contributions.

See “The Current State of ESOPs” on page 4

U.S. Secretary of Labor Thomas Perez Explores Employee Ownership



On March 18, U.S. Secretary of Labor Thomas Perez hosted a group of 16 experts on employee ownership for a discussion titled “Not Just the Bottom Line: New Strategies for Inclusive Prosperity.” The group included people with a wide variety of perspectives on employee ownership, ESOPs, and other forms of stock plans, including representatives of ESOP and other companies and critical voices from academia, the plaintiff’s bar, and elsewhere. Loren Rodgers participated on behalf of the NCEO.

See page 2 for reflections on the meeting

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Thank you to everyone who made the **2015 Employee Ownership Conference** a great **(and sold-out)** success! We look forward to seeing you next year, when the conference will be in **MINNEAPOLIS, APRIL 11-14, 2016.**

