

Employee Ownership & Economic Well-Being

Household Wealth, Job Stability,
and Employment Quality among
Employee-Owners Age 28 to 34

Media Packet

Updated May 22, 2017

The path-breaking research in this packet makes a strong and socially relevant case for employee ownership as a news story. The only thing missing is a local angle: combined with a human story from your company, this story should be hard to resist for reporters.

This document is designed to make it as easy for NCEO members to pitch a story to their hometown media, to their trade journals, or to other outlets they may have contact with.

Instructions

It does not take much work to try to place an article the media, and we've tried to do some of the work for you.

Press release

A sample press release follows. Use the press release if you like, or feel free to write your own story. The purpose of the press release is to provide enough information to interest reporters and to make it easy for them to take next steps to learn more.

Resources

You can visit the research project's website: www.ownershipeconomy.org

The full report is here:

http://www.nceo.org/assets/pdf/Employee_Ownership_and_Economic_WellBeing_2017.pdf

The NCEO's press center is here: <http://www.nceo.org/press-center/id/41/>

Add in your story

The press release has spots where you can add some background on your company and also a place for you to tell the stories of people who work at your company. The ideal stories will illustrate the themes in the research: more income, wealth, and job stability for younger workers from all different demographic groups.

You can tie the story directly back to the data in the full report: look through the detailed tables on pages 11 to 17 to see various measures of economic well-being broken down by demographic group.

Contact media

Once you've written a press release, contact media outlets to determine who the most appropriate journalist is. You might send it by email and follow up with a phone call. Many people avoid opening attachments, so include the text of the press release in the body of your email. You could consider contacting your local newspapers, radio stations, and television stations. If you have trade association

publications, they may be interested as well. Trade associations have an interest in helping member companies manage ownership transitions, so that may be the best approach for them.

Let us help

We are happy to help adapt the content, to co-author articles with you, and to review and comment on your drafts. We can help find supporting information, data on ESOPs in general, or other companies you might want to partner with.

Press Release

New Study Shows Dramatic Impact of Employee Ownership on Economic Well-Being

Ayanna Banks works for the waste management company Recology, and she has an answer to what makes a good job: “Recology is a 100% employee-owned company. That means a lot, because we can look forward to a great retirement, and they have outstanding benefits for employee-owners and their families.” Ayanna’s story is part of a striking pattern highlighted in a new research report: employee-owners are more likely than other workers to rise toward the middle class. [Note: this paragraph can be replaced with a story from your own company.]

The research, conducted by Nancy Wiefek, Ph.D., of the nonprofit National Center for Employee Ownership, uses data on workers ages 28 to 34 from the US Bureau of Labor Statistics. It found that employee-owners had 92% greater median household net worth than non-employee-owners. They also had 33% higher income from wages, more job security (53% longer tenure at their current jobs), and strikingly better employee benefits.

The pattern of greater economic well-being among employee-owners extends across demographic groups: parents of young children, workers of color, various education levels, and more. Lower income employees have 17% higher net worth and 22% higher wages; workers of color 79% higher net worth and 31% higher wages. The full report is at www.ownershipconomy.org.

If you have not heard much about employee ownership, you’re not alone. It’s a large part of the U.S. economy: more than 14 million workers at over 6,700 American companies own part or all of their employers through an employee stock ownership plan, or ESOP. But it rarely shows up in the business section of the newspaper or in public policy discussions about how to address economic opportunity.

Although millions of employees have an equity stake in their company through stock options, restricted stock and similar awards, ESOPs are the primary form of employee ownership in the United States. Congress designed ESOPs in the 1970s to encourage owners of private companies to transfer ownership to employees without requiring employees to come up with the money. Instead, the shares are bought by the ESOP itself, which borrows the money if necessary and repays the loan from company earnings.

ESOP companies are a cross-section of the U.S. economy. They are in manufacturing, professional services, construction, retail, and wholesale. They are in every state in the country, and they employ anywhere from a few dozen people to more than 100,000. Past research has shown that employee-owned companies grow about 2.5% per year faster than similar conventionally owned businesses, are more productive, and have one-third to one-fifth as many layoffs. ESOPs also provide employees with about 2.2 times the retirement assets of employees not in ESOPs.

[Add 2 paragraphs about your company and its history with employee ownership]

The new data paint a compelling picture about the quality of life of for the employees who own these companies. For example, stable jobs and family-friendly benefits can make a big difference to families with young children. The NCEO's study found that employee-owners with a child age 8 or younger are better off than non-employee-owners in the study on a number of measures: the employee-owners have \$10,000 more in median income from wages, almost a year of increased job stability, and were almost four times as likely to have childcare benefits from their employers.

[Add a paragraph about an employee at your company with a compatible story]

If you are interested in learning more about this research in particular or employee ownership in general, you can contact the staff at the NCEO.

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For more information on this study, visit www.ownershipconomy.org

For more information about employee ownership, visit www.nceo.org