

ISSUE HIGHLIGHTS

- The NCEO Annual Conference is April 9 to 11. Highlights and the agenda are in the [insert](#).
- The latest data shows some growth reported in a number of new private company ESOPs. [See pages 1 and 6-7.](#)
- The SBA is now in the game of promoting employee ownership. [See page 2.](#)
- The forecast is the basis for your ESOP valuation. [See page 3](#) for ways to be sure to build better forecasts.
- NCEO board chair Matthew Keene reports on the state of the NCEO. [See page 4.](#)
- What board compensation committees do. [See page 5.](#)
- The Promotion and Expansion of Private Employee Ownership Act reintroduced. [See page 8.](#)
- Sen. Gillibrand promotes employee ownership in presidential campaign announcement video. [See page 8.](#)
- Sixth Circuit enlarges basis for pleas under *Dudenhoeffer* standard. [See page 9.](#)
- For Barb Fox, working at Windings was like working with family. [See page 10.](#)
- Are your employees bystanders? [See page 11.](#)
- How the NMR Group uses its ESOP to generate new ideas. [See page 12.](#)
- Where did all those ESOP rules come from? [See page 15.](#)

EMPLOYEE OWNERSHIP REPORT

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FROM THE DOL

New Data on Number of ESOPs and Participants

According to the latest data available from the Department of Labor, there were 6,660 ESOPs sponsored by 6,365 companies as of the end of 2016. These plans cover 14.3 million participants and hold close to \$1.4 trillion in plan assets. A total of 10.7 million participants are active employees.

There were 241 newly established ESOPs in 2016, the largest number of new plans since 2012. These new plans cover a total of 63,000 participants. See Figure 1 ([page 7](#)) for a map showing the geographic breakdown of these new plans.

Among the 6,660 ESOPs, 83% are standalone ESOPs and 17% are KSOPs, or ESOPs that also have 401(k) features. Most ESOPs (92%) are in privately held companies, and 54% are in private companies with less than 100 total plan participants. See Table 1 ([page 6](#)) for more detail.

Standalone ESOPs hold a total of \$278 billion in employer securities, of which \$105 billion is held by standalone ESOPs in private companies.

Plans in public companies structured as KSOPs account for the vast majority of participants and assets. Excluding those plans, ESOPs cover 3.2 million participants and hold \$290 billion in assets (\$151 billion in employer stock). Standalone ESOPs cover 1.8 million participants and hold \$140 billion in assets (\$125 billion in employer stock). See Table 2 ([page 6](#)) for more detail.

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OWNERSHIP
CONFERENCE

2019

SEE CONFERENCE
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TUESDAY-THURSDAY, APRIL 9-11 • PITTSBURGH, PA
Preconference on Monday, April 8

Early rates apply until March 11 • Register at www.nceo.org/register

THE NCEO is a self-sustaining nonprofit membership organization that provides practical resources and objective, reliable information on employee stock ownership plans (ESOPs), equity compensation plans, and ownership culture. Our publications, meetings, webinars, and research are designed with you in mind.

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