

NCEO



NATIONAL CENTER FOR
EMPLOYEE OWNERSHIP

ANNUAL REPORT

2018

The NCEO is a self-sustaining nonprofit membership organization that provides practical resources and objective, reliable information about employee ownership to businesses, employees, and the public.

National Center for Employee Ownership / 1629 Telegraph Ave., Suite 200 / Oakland, CA 94612

510-208-1300 www.nceo.org

Thank you

for reading our 2018 Annual Report!

The NCEO is here to help keep employee ownership thriving.

We work hard to make it grow by distributing the right information in the right form to business owners and their advisors. We're convinced that if they get an accurate understanding of what employee ownership can mean, then many more of them will decide it is the right choice for them and their companies.

We also work hard to make employee ownership better by helping the leaders of current employee-owned companies capture the greatest benefit possible from employee ownership. That means providing tools, peer-to-peer wisdom, data, and thought-provoking ideas to help them increase employee engagement, resulting in companies where everyone thinks and acts like owners. It also means helping people make wise decisions about how to design, administer, finance, and govern their plans according to best practices and the highest legal standards.

Please take a few minutes to look through our annual report. I think you'll find projects that you will want to know more about and resources you will want to take advantage of.

I'm sure that this report will already be out of date by the time you read it. One of the greatest pleasures of my professional life is working with my creative, dedicated, mission-driven colleagues on the staff of the NCEO, and I know that many of them are actively working on new ideas to keep better serving the employee ownership community: look out in 2019 for some great new developments.

A handwritten signature in black ink that reads "Loren Rodgers". The signature is fluid and cursive, with the first name "Loren" written in a larger, more prominent script than the last name "Rodgers".

Loren Rodgers
NCEO Executive Director

February 26, 2019

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A Message From the Board

As the chair and vice-chair of the NCEO's board of directors, our role is to be sure that the NCEO and its staff are being good stewards of the organization and the membership dues you invest in it. This annual report shows the ways in which the NCEO helped make employee ownership thrive in 2018, and it previews some of what's coming in 2019.

The organization is on a growth curve. Attendance at the annual conference increased for the ninth year in a row, and the Fall ESOP Forum had over 400 participants. The NCEO provided 48,000 person-hours of education in 2018, increased average webinar attendance to 44 people, performed ownership culture surveys at 22 companies, increased its membership count, and released new publications.

Some of the highlights of 2018 are the NCEO's involvement in the Main Street Employee Ownership Act, passed by Congress and signed by the president, the release of a new publication (*Who Should Own Your Business After You?*), and a flurry of dramatic new research results (see page 6).

Early last year, the board requested that the NCEO draft a two-year strategic plan, and the NCEO identified several opportunities to make employee ownership "bigger and better," i.e., creating more employee ownership, and helping companies make thoughtful decisions about getting the most from employee ownership. The NCEO has begun making targeted investments, from a new website to the painstaking creation of new data on ESOP companies to market research. Many of those investments will start bearing fruit in 2019.

One implication of the strategic planning and its investments is that the NCEO will change its membership structure in 2019, resulting in a price increase for most members. The NCEO will use the membership dues to invest in more research, more efficient infrastructure, a continuously improving website, more member resources, and a ramped-up outreach program.

Throughout 2019 you will see more about the strategic plan and the NCEO's progress toward its goals. If you would like to work with us in reaching for this goal, we welcome you: contact us or the NCEO staff, and together we will make employee ownership thrive.



—Judy Kornfeld
Chair



—Mary Boettcher
Vice Chair

Membership

Our members—over 3,000 organizations and individuals—are the heart of the employee ownership community. They provide the knowledge, questions, data, ideas, and creative solutions that power both employee ownership and the NCEO.

The majority of our members are companies with some form of employee ownership plan, followed by service providers to such companies, academics, nonprofit organizations, policy makers, and individuals.

Members join and remain with the NCEO to be part of the employee ownership community and for the benefits and resources we provide:

- **WEBINARS** are online presentations on ESOP legal, governance, culture, communications, and financial issues, plus equity compensation topics. All live webinars are free for members, and anyone covered by a membership can attend. Recorded webinars are now available to members as well.
- **THE MEMBERS AREA** of our website has research reports, a searchable archive of newsletters, over 100 case studies, a discussion forum, an ESOP lender directory, the Document Library, and more. In 2017, we added the ESOP Q&A to the members area, a database of over 700 commonly asked ESOP questions and answers.
- **THE EMPLOYEE OWNERSHIP REPORT**, our newsletter for members, comes out in print and digital forms every two months, keeping our members up-to-date on ideas and developments in employee ownership.
- **CALL OR EMAIL** our staff to discuss any employee ownership or ownership culture issues.
- **OUR SEMINARS AND ANNUAL CONFERENCE** are available to members at discounted rates. Our events not only bring attendees face-to-face with expert speakers but also provide opportunities to ask questions and network with others, learning from both presenters and peers. Members get access to exclusive networking opportunities.
- **PUBLICATIONS** are available to members at a discount. Our more than 70 books and issue briefs provide detailed yet understandable guidance for company owners, managers, and advisors alike. Most publications are available in both print and PDF format.
- **THE OWNERSHIP CULTURE SURVEY** is an employee survey instrument designed exclusively for use by employee ownership companies. It measures the extent to which employees think and act like owners of their company and helps the company assess the strengths and weaknesses in its ownership culture.
- **DATA ON ALL ASPECTS OF EMPLOYEE OWNERSHIP** is available in multiple formats for members, including our summaries of research by others and our original research. Members receive access to downloadable research reports on these and other topics, and discounts on purchasing the full results.
- **SPEAKING AND CONSULTING:** The NCEO often speaks at company events on topics such as the current state of employee ownership, what it means to be an employee-owner, and ownership culture. On a limited basis, expert NCEO staff can provide paid consulting on plan design and ownership culture issues, typically on site or by phone. Because we do not seek long-term contracts, we provide objective advice on how to proceed.
- **TRAINING** features our prep course for the industry-standard Certified Equity Professional certification exam, an online course on ESOP basics, customized training webinars for ESOP boards and ESOP fiduciaries, and an online ESOP Fundamentals course.
- **CONTINUING EDUCATION CREDIT** is available for our live webinars, seminars, and annual conference and is important for members who need to recertify their HR, IRS, CPE, legal, or other credentials.

Type	2016	2017	2018	2018 share of membership	Notes
1. Company (not service provider)	1,987	1,999	2,017	60%	Companies that sponsor an ownership plan or are considering adopting a plan
2. Service provider (no directory)	659	651	666	20%	Individuals who primarily provide service to companies with stock plans
3. Service provider (in directory)	347	373	379	11%	Offices that provide services to companies with stock plans
4. Academic	117	123	123	3.7%	Full-time students and teachers with no business interest in employee ownership
5. Nonprofit or Government	15	11	10	0.3%	
6. Individual	51	87	94	3%	Individuals who are not service providers
7. Friend of NCEO (Complimentary)	67	57	66	2%	Permanent complimentary memberships
Total	3,243	3,301	3,355	100%	

New Members

Many of our new paid memberships come through our website, where we want to ensure that the sign-up process is as simple as possible. Accordingly, we offer only three types of new memberships online:

- *Introductory Memberships* are \$90. Introductory memberships account for the great majority of our new paying members.
- *Academic memberships* are for full-time students or teachers who are not employed in the business sector and do not have a personal business interest in the subject. They cost \$40.
- *Service provider directory memberships* are for service providers. Directory membership covers all individuals at a single office location. The NCEO reviews applications for the directory, and then includes them in an online search tool, including a searchable map. The NCEO uses the directory as the first source of answers to our questions as well, and reaches out to the service providers for support in research and other projects. These memberships cost \$400 to initiate and to renew.

In 2018, we had the most new paid members since our historically successful 2017 numbers.

NEW PAID INTRODUCTORY MEMBERSHIPS

	Count	% change
2008	706	-13%
2009	518	-27%
2010	612	18%
2011	663	8%
2012	597	-10%
2013	663	17%
2014	702	6%
2015	656	-7%
2016	680	4%
2017	721	6%
2018	750	4%

Membership Renewals

The cost of renewal for companies depends on how many employees they have.

- 1-50 employees: \$115
- 51-100 employees: \$200
- 101-500 employees: \$375
- 501-plus employees: \$530

Firms that provide services to employee-owned companies, even if they sponsor their own plans, are not considered company members. Members of such firms may either renew as individuals (\$115) or as members of the service provider directory (\$400).

** Employee-owned companies that also provide services to employee-owned companies may choose to be in our database as a company member, but in that case they will not receive notices of speaking opportunities or other notices intended for service providers.*

2018 Annual Conference

In 2018, The NCEO's Annual Conference grew to over 1,800 attendees, selling out once again. In the past 20 years, this is a growth of over 200% (see table at right). This conference is recognized nationally and worldwide as a place that connects people from all walks of life. From frontline employees to CEOs, this conference offered a place to network, learn and connect with others from the ESOP Community.

The NCEO annual conference provided a valuable resource for employee-owners with over 138 breakout sessions led by carefully selected experts in their fields. In addition to the many diverse breakout sessions, the conference offered numerous opportunities to network via the lounge, an off-site event to the Atlanta movie sets, and social activities built into the conference.

An additional resource that the annual conference has provided in recent years is the addition of a full-day preconference. This is an opportunity for newcomers to learn about topics that will be discussed in more detail at the conference and ensure a more successful experience. In 2018, the preconference had over 434 registrations.

In 2018, we had 114 sponsors. Only one more than the previous year but with a much larger revenue of \$327k over \$295K in 2017. We were very happy with the diverse mix of service providers, academic organizations and employee-owned companies. Our hope is that in the coming year we get even more employee-owned companies to participate.

Preconference attendance has continued to grow and in 2018, we had 452 attendees broken out in the following sessions: Compensation with 101 attendees, Communication Tips and Tools with 89 attendees, Governance with 85 attendees, Is an ESOP Right for You with 40 attendees, and Engaging Employees to Get the Most exceeded 2017 with over 119 attendees.

The Atlanta hotel although very nice did seem to prove that we have now outgrown the hotel market and need to be in convention centers to accommodate our growth. The exhibit space was tight with all the sponsors and created a not so great flow. Additionally, the lighting seemed dark and would have preferred a setting with more natural light. That being said, it was very convenient to have the hotel and venue in the same location.

The overall survey results had some really great feedback about having a larger space for exhibitors and making sure we tell speakers to stand up to be heard during sessions, both of which we will be incorporating into 2018. The consensus was that the NCEO Annual Conference provided a great resource both through curriculum and networking opportunities.

ANNUAL CONFERENCE ATTENDANCE 1994–2018

Year	City	Attendance	% Change	% Local	% Companies
1994	Cleveland	381			
1995	Chicago	548	44%		
1996	San Francisco	504	-8%		
1997	Chicago	534	6%		
1998	Minneapolis	580	9%		
1999	San Francisco	583	1%	13%	
2000	Chicago	670	15%	30%	
2001	Seattle	601	-10%	14%	
2002	Chicago	650	8%	28%	
2003	San Francisco	608	-6%	21%	
2004	Chicago	755	24%	27%	
2005	San Francisco	671	-11%	20%	58%
2006	Minneapolis	770	15%	25%	59%
2007	San Diego	741	-4%	10%	61%
2008	Chicago	840	13%	20%	65%
2009	Portland	684	-19%	14%	61%
2010	Minneapolis	814	19%	23%	66%
2011	Denver	891	9%	13%	63%
2012	Minneapolis	1,046	17%	22%	65%
2013	Seattle	1,069	2%	15%	62%
2014	Atlanta	1,208	13%	20%	65%
2015	Denver	1,403	16%	10%	70%
2016	Minneapolis	1,681	20%	28%	63%
2017	Denver	1,702	1%	8%	64%
2018	Atlanta	1,817	7%	21%	58%

Publications

We sell more than 70 publications, and these have always been at least mostly books that we originate and publish. Formerly, we sold a series of GPS (Guidance-Procedures-Systems) books published by the Certified Equity Professional Institute (CEPI) at Santa Clara University, which runs the industry-standard credentialing program for equity compensation professionals. Most of the required reading in the CEPI program consists of our own books, and this accounts for a large part of our publication revenue. Starting in 2018, we also became the print publisher of the GPS books assigned to CEPI students, now combined in the single *GPS 2018 4-in-1* book. The only non-NCEO books we sell nowadays are a few copies (less than \$100 in 2018) of GPS books that the CEPI does not require in its program.

As always, almost all of our 2018 publication revenue came from direct sales; the rest came from Amazon and other outside vendors (mostly from print books sold through Amazon). In addition to the *GPS 2018 4-in-1* volume mentioned above, in 2018 we released *Great Ideas from the NCEO's 2018 Annual Conference* plus new editions of *The ESOP Repurchase Obligation Handbook* (highlighting our latest survey and adding chapters on leveraging), *The ESOP Communications Sourcebook* (the first new edition since 2009, featuring new content from Director of Culture and Engagement Dallon Guzinski as well as our founder Corey Rosen), and several other books.

During 2018, we sold more than 17,000 copies of publications, just about the same as in 2017. The number of publications sold includes bulk sales such as publication reprints and orders for large quantities of *An Introduction to ESOPs*, so the 17,000 figure reflects a large number of people being reached but does not necessarily imply the same level of profits as before. In 2018 there were no new editions of the NCEO's books required in the CEPI program, meaning that students who bought them in 2017 could reuse the books in 2018 instead of buying new ones. This contributed to a somewhat lower dollar volume for the year; however, as this report goes to press, we are about to publish 2019 editions of all the books assigned by the CEPI, such as *The Stock Options Book*.

It continues to be exceptionally difficult to get authors to commit to, let alone complete, new material. We hope to finish a new book on ESOP distributions and diversification in 2019, for example, but we are dependent on the non-NCEO authors involved.

Webinars

Our live webinars are one of the core benefits of NCEO membership. An unlimited number of participants from a member company can participate. NCEO offered webinars most Tuesdays in 2018 in four tracks: introductory ESOP topics, ongoing ESOP issues, ownership culture, and equity compensation issues. Webinars are free for our members, and live webinars offer continuing education credit. Following a dip in 2017, attendance per webinar was up in 2018 to an average of 44 viewers per webinar. That is our highest participation rate ever, and up from the five-year average of 38 (2013 to 2017).

	2012	2013	2014	2015	2016	2017	2018
Average attendance	28	40	40	34	43	35	44

Evaluations of webinars have always been, and remain, very high overall—most of our presenters were rated “excellent,” and the majority of the remaining presenters were rated either “very good” or “good.”

Webinar sponsorships have become more difficult to find, mainly because more service providers are offering their own webinar series.

Seminars

The Fall ESOP Forum built on the success of its initial offering in 2017 with increase attendance at both the preconference session and main Forum in 2018. Registration for the preconference was up slightly by 17 over 2018 despite an increase in registration fee from \$0 to \$100. Registration for the Forum was also up by slightly by 9.

In addition to the Forum, our two feasibility seminars (*Is an ESOP Right for You?*) did very well in 2018 with an average attendance of 45 people per seminar. These seminars cover the full range of topics, from legal to financial to cultural, that someone considering establishing an ESOP needs to understand and consider. Scottsdale continues to be a popular location for this meeting in February. Evaluations of this meeting continue to be high.

The average attendance and total number of attendees is on an upward trend, and the total number of people attending NCEO seminars increased from 520 in 2017 to 579 in 2018, an 11% increase. That increase is primarily from the large attendance at the Fall ESOP Forum, including the 165 people who attended its preconference session. In the table below, we differentiate between “attendees” and “attendee-days” starting in 2015. That is the first year in these meetings where a single registration covered more than one day.

	2012	2013	2014	2015	2016	2017	2018
Total attendance	395	464	583	425	492	520	579

Research

The goals of the NCEO's research program are to speak effectively to current policy debates, inform the employee ownership world about current practices, and provide high-quality information and statistics about employee ownership. In 2018 we advanced these goals through a number of major new projects alongside our ongoing research work.

We received grant support from the Employee-Owned S Corporations of America (ESCA) to complete a new study on ESOPs and retirement security. The research gathered detailed results from 39 ESOP-sponsoring S corporations with over 60,000 total employees across wage and age groups. This allows for shedding light on ESOPs' impact within companies and comparing to the same categories of workers in the US workforce as a whole.

We received and analyzed a remarkable trove of data from the Department of Labor's Employee Benefits Security Administration (EBSA) on EBSA's enforcement activities related to ESOPs. Our draft report is currently under review by EBSA staff and awaiting additional comment from ESOP stakeholders. We plan to publish our analysis in spring 2019. This work will provide the ESOP community with radical new insight into EBSA's ESOP enforcement methods and practices.

We expanded our major project on the connection between employee ownership and positive outcomes at the level of individual workers. We completed the first round of this study, with funding from the W.K. Kellogg Foundation, in 2017; it is now an ongoing project.

This project uses data from the National Longitudinal Surveys of Youth, which follows the same sample of young workers over time. The data allow us to directly track differences in economic outcomes between workers covered by an employee stock ownership plan and all other workers. In 2018 we analyzed the most recent round of interview data from the respondents, who are now ages 30 to 36; we explored how these workers are faring

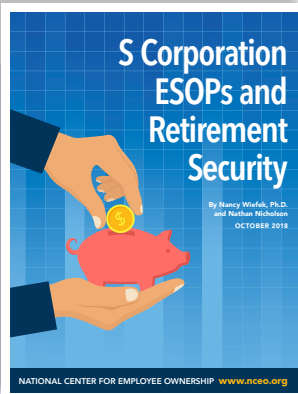
as they get older, whether they are still at the same job, have been laid off in the interim, have attended classes, have received wage increases, and more. Our website www.ownershipeconomy.org presents the most recent findings, and Nancy Wiefek presented the latest results at the Beyster Symposium in June.

We created a new free resource for our members: a set of state-by-state ESOP slides that can be easily inserted into existing presentations. Each set of slides (viewable in the www.nceo.org members' area) presents a summary of key statistics on ESOPs in the state, including the number of privately held ESOP companies headquartered there, a map of ESOP company locations, number of participants covered, plan assets, and more.

We began major improvements to our ESOP database with the goal of building a more comprehensive picture of the ESOP universe, including information on percentage ownership (which no data source has ever tracked systematically, to our knowledge) and plan lifecycles.

We continued to provide rapid response to Congressional staff, journalists, members, and other organizations seeking data on employee ownership. As one example, we conducted new research on employee ownership in public companies for the F.B. Heron Foundation, which the foundation used to build their U.S. Community Investing Index—an index of publicly traded companies designed to identify those that contribute positively to the communities in which they source, operate, and sell.

Research highlights are a regular feature in each of the NCEO's newsletters, and we continue to use Form 5500 data and other datasets in new ways, such as a study on ESOPs in economically distressed communities (in our January-February 2019 newsletter). We have also helped ESOP companies with industry-specific research for their newsletters and other communications. We continue to gather input and feedback on how to report the Form 5500 data to best serve the ESOP community.



www.nceo.org/r/s-corps-retirement

ESOP participants represented in this survey have more than twice the average total retirement balance of Americans nationally: \$170,326 versus \$80,339. **ESOP employees making less than \$25,000 a year also have on average more than double the retirement savings** compared to similar workers nationally. ESOP participants nearing retirement have 200% greater assets compared to workers in this age group in the national workforce.

Employee Surveys

Research shows that the existence of employee ownership is not sufficient on its own for companies to attain the competitive and performance advantages associated with ownership. Companies must also build an ownership culture—a workplace where employees think and act like owners. The NCEO’s employee-owner surveys are designed exclusively for employee ownership companies as a tool to measure the effectiveness and quality of their cultures according to employees. The surveys measure how employees feel about various aspects of their company’s culture and practices, which allows leadership teams and communications committees to assess ways that the company can more effectively capture the benefits of employee ownership. The NCEO’s survey resources include data from more than 28,000 employee-owners at more 120 employee ownership companies around the country.

In 2017, the NCEO surveyed a total of 2,611 employee-owners at a wide range of ESOP companies throughout the country, most of which are middle-sized businesses with an average of 75 to 125 employees. The companies represent several different industries, such as brewing, manufacturing, engineering, and public services.

In 2018, the focus of the NCEO’s director of culture and engagement, Dallan Guzinski, was to continue to improve the use of results in consultation with member companies as well as explore the need to update and clean up the NCEO survey database. Updating the database in order to streamline our reporting and analysis of results will likely be a core priority for these projects in the coming year.

In 2019, the NCEO will focus its efforts on what is needed to completely restructure our survey database in order to enable our team to do more extensive research and analysis with the data we have collected over the years. We hope dramatically change the way we use our employee survey data overall so that we may gain greater insights on employee attitudes and what drives improvements to company culture.

Employee Surveys	2014	2015	2016	2017	2018
Number of employee-owners surveyed	2,929	2,501	5,471	8,333	2,611
Total number of surveys conducted	13	9	14	17	22

Consulting

Corey Rosen, Loren Rodgers, and Dallan Guzinski do speaking and limited consulting with companies. Generally, the NCEO does no more than the equivalent of one day of consulting for any given company. Some of this work provides guidance to companies on issues including the suitability of an ESOP or equity plan, development of a communications committee, the broad structure of an LLC, or culture change. The NCEO may also speak at events, such as employee meetings. Consulting also includes fees for serving on boards and related governance bodies. Consulting does not include the countless short conversations we had with hundreds of our members. Corey Rosen is on five ESOP company boards. Loren Rodgers is on one company board and one company board advisory committee.

Training

The biggest training project by far is our exam preparation course for candidates for the Certified Equity Professional Institute (CEPI) exam for stock plan administrators.

Achaessa James, the long-time manager of the CEPI course, has maintained and built on the dramatic improvements to the course since 2013, and the result has been high student satisfaction scores and impressive pass rates.

2018 is the last year that Achaessa will manage the course, and we wish her well in her new position. We feel lucky to have Ben Needham taking over the direction of the course, and we think the students will be delighted with his leadership.

The remainder of our training is our online ESOP Fundamentals class, although disappointingly few companies make use of it.

Outreach

2018 saw the expansion and improvement of the ways in which we talked about employee ownership and ESOPs. Building on the story collection of prior years, we conducted more interviews which were put to use in a variety of formats, from presentations to media pitches to speaking proposals to our newsletter.

This acceleration in our story usage coincided with an improvement in the presentation of materials. Using the booklet we co-authored with John Case in late 2017 as our model, we put out a short booklet titled *Who Should Own Your Business After You?* Where the previous booklet is intended for anybody with a initial interest in employee ownership and ESOPs, the newest booklet is aimed at our primary outreach audience—business owners who are looking for succession options.

The booklet, which had a soft release in November, was very well received by the business owners and service providers who reviewed it. It does three things that the ESOP community has lacked:

1. It communicates ESOPs primarily via real-world stories of the owners who have sold to their employees, framing it as a personal issue, not merely a tax vehicle.
2. It is accessible, aesthetically pleasing, and easy to follow.
3. It draws on our market research to focus on a bare minimum of threshold technical questions to avoid overwhelming people with transaction details.

The early success and feedback of the booklet has situated us to do three things, the preparation for which began late in 2018.

1. We will, through mailings and our network of business owners and service providers, target this booklet at the various outlets business owners rely on for information, such as peer groups (e.g., Vistage) and trade associations;
2. We will produce more materials in the same style and tone; and
3. We will use it to channel people to our forthcoming ESOP feasibility kit, a curated set of materials designed for people considering an ESOP.

In 2015 we began tracking some measures of our success in reaching new audiences. 2018's results are summarized in this table.

METRIC	2016 Total	2017 Total	2018 Total
Brand New Customers	1,558	2,109	2,251
New Complimentary Members	103	184	139
NCEO Site Hits	664,447	598,079	584,965
New Social Media Followers	745	580	392

The definitions used in this table are:

Brand New Customers: First-time customers without a membership

New Complimentary Members: Unpaid memberships given to companies and other stakeholders

NCEO Site Hits: Number of online sessions on our website measured by Google Analytics

New Social Media Followers: Includes LinkedIn, Twitter, and Facebook

Financial Position

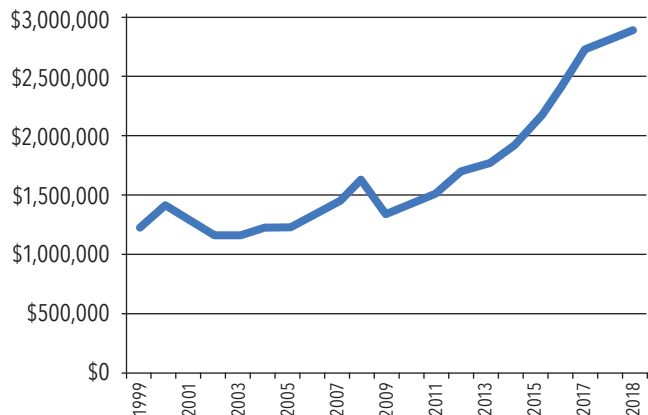
The NCEO’s organizational structure is intentionally designed to keep our members at the center of all we do. The core principle is to make sure that our customers and members decide which of our activities to support, whether that means attending our conference, buying a digital book, using the Ownership Culture Survey, inviting us to speak, or commissioning research.

Our ordinary income has generally increased over the past years, with the climb especially pronounced since the economy recovered following the 2008 financial crisis. Since that year, our ordinary income has more than doubled, from \$1,350,830 in 2009 to \$2,821,954 in 2018 (unaudited). Ordinary income is our revenue from our activities and does not include “other income,” such as donations, grants, or investment income. ”

This increase is driven almost entirely by more people using more NCEO services: more conference registrations and sponsorships, more employee surveys, more research reports, etc.

Starting with 2015, we have had independent audits of our financial records. As part of those audits we changed from cash-basis to accrual-basis accounting. The graph at right shows our ordinary income from 1999 to 2014 on a cash basis, and 2015 and later years are on an accrual basis. 2015 to 2017 are audited numbers, but our 2018 audit has not been completed.

ORDINARY INCOME 1999–2016



NCEO Staff

NCEO staff work from our office in downtown Oakland, California. We are proud of our city, and if you are in the area, we welcome you to come by and say hello. For those of you who cannot make it to visit in person, here is an introduction to each of us.



Loren Rodgers

Executive Director

At NCEO since 2005

Email: LRodgers@nceo.org

Loren Rodgers joined the NCEO in 2005 as its research director and became its executive director in 2010. He writes extensively on employee ownership in professional and academic publications and has spoken at events around the world. Since he entered the field in 1995 as a consultant, he has worked with hundreds of companies and presented to thousands of people. His expertise includes ESOPs, equity compensation, best practices for employee ownership companies, research, effective communications, employee motivation, corporate governance, ESOP transactions and operations, and business literacy. Loren has a master's degree in public policy from the University of Michigan, where he studied employee ownership and international development with a focus on Slavic Europe.



Corey Rosen

Founder

Cofounded NCEO in 1981

Email: CRosen@nceo.org

Corey Rosen, Ph.D., is the cofounder and senior staff member of the NCEO. He co-authored, along with John Case and Martin Staubus, *Equity: Why Employee Ownership Is Good for Business* (Harvard Business School Press, May 2005). Over the years, he has written, edited, or contributed to dozens of books, articles and research papers on employee ownership. He is generally regarded as the leading expert on employee ownership in the world. Corey received his Ph.D. in political science from Cornell University in 1973, after which he taught politics at Ripon College in Wisconsin before being named an American Political Science Association Congressional Fellow in 1975. He worked on Capitol Hill for the next five years, where he helped initiate and draft legislation on ESOPs and employee ownership. In 1981, he formed the NCEO.



Jordan Boone

Events Coordinator

At NCEO since 2017

Email: JBoone@nceo.org

Jordan Boone supports the NCEO as an events and administration assistant by working with the conference and seminar team coordinating sponsor relations, registrations, memberships, and other event details. Jordan graduated from the University of North Carolina at Chapel Hill with a BA in Environmental Studies in 2012 and brings a diverse set of experiences to the

NCEO. She has planned events for a social service agency, managed the membership program for a park, and continues to work as a freelance florist. Originally from Newark, New Jersey, she spends her free time getting to know her new home, flower arranging, reading, and writing in Oakland.



Eimear Burke-Elzy

Managing Director

At NCEO since 1993

Email: EElzy@nceo.org

Managing Director Eimear Burke-Elzy is

the NCEO's most senior staff member, having served since 1993. She handles all of the NCEO's financial matters and oversees all administrative operations. Originally from Ireland, Eimear lived and studied in Spain and France, where she met her husband before coming to the U.S. She has four terrific kids she has raised while working here and is an active community volunteer and busy soccer mom.



Timothy Garbinsky

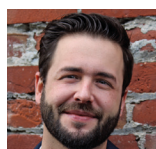
Outreach Coordinator

At NCEO since 2014

Email: TGarbinsky@nceo.org

As the outreach coordinator for the

NCEO, Timothy Garbinsky works with volunteers, allied organizations, and the press to creatively and effectively disseminate information about employee ownership and advance the NCEO's mission. He earned his BA in English from Duke University in 2009 and has since worked as a content creator and an educator, skills which he will transfer to the NCEO. Originally from the D.C. metropolitan area, Tim has lived, worked, and studied in three continents over the past decade, cultivating a passion for other cultures and all peoples. He likes to read and write, listen to and create music, and stay active whenever possible.



Dallan Guzinski

Director of Culture and Engagement

At NCEO since 2013

DGuzinski@nceo.org

Dallan Guzinski is the director of culture

and engagement at the NCEO. He was born and raised in the Bay Area and received his master's degree in political science from Pennsylvania State University. At the NCEO, Dallan works closely with employee-owned companies to develop and administer custom employee surveys that are used to help gauge the quality of their ownership cultures and take full advantage of employee ownership. He is also a contributor to NCEO publications and Webinars. In his free time, Dallan enjoys traveling, hiking and exploring California's abundant natural beauty, meeting new people, and discovering both new and old music. He also boldly claims to be one of the most devoted European football (soccer) fans you will likely ever meet here in the States.



Achaessa James, CEP
Product Manager
 At NCEO from 2010 to 2018

Achaessa James, CEP, is a product manager at the NCEO, where she works on broad-based equity compensation projects, writes on current regulatory and administrative issues, and advises NCEO members on equity compensation planning. Achaessa has designed and delivered equity administration and corporate governance education programs to attorneys, paralegals, and accounting staff. As part of her staff functions at the NCEO, she can work with companies on a preliminary basis to review legal, accounting, tax, and other issues relating to all forms of equity compensation, as well as matters concerning plan design, administrative setup, and training programs. She also maintains an active consulting practice outside the NCEO to provide longer-term administrative, audit, and corporate transaction support for private companies. Achaessa is a Certified Equity Professional through the CEP Institute at Santa Clara University's Leavey School of Business. She has worked in the venture capital and start-up community since 1999, supporting private stock placement transactions, IPO registrations, and administering non-public and micro-cap company equity compensation plans for companies such as Shop.com, Classmates.com, Jones Soda, and Telegent Systems.



Deborah Krant, CMP
Conference Director
 At NCEO from 1997 to 2018

Deborah has more than 38 years of experience in event and meeting planning. Her job includes creating and handling budgets and timelines, obtaining sponsorships, organizing speaker selection, finding locations and negotiating hotel contracts, dealing with menus and on-site logistics, creating marketing campaigns and working with other staffers to develop conference and meeting structures including evaluating. She spent 20 years producing arts events, and the last 18 years as the NCEO's conference director. She received her CMP (Certified Meeting Professional) in 2000. An active member of MPI (Meeting Professionals International) she is a past member of the board of directors of Litquake, a San Francisco literary festival, and currently volunteers to produce various festival events each fall. Since the fall of 2010, she has taught classes at the San Francisco State University College of Extended Learning in the certificate program in event planning; she currently teaches the core class "Fundamentals of Event Planning." Additionally, she sometimes acts as author tour agent for her writer husband. She has a B.A. in theatre from University of Michigan and a certificate in meeting planning from San Francisco State. She retired at the end of 2018.



Andrea Johnson
Events Coordinator
 At NCEO since 2017

Email: AJohnson@nceo.org
 Andrea Johnson is an events and administration assistant at the NCEO, where she joined the team in December 2017. She has worked in the events industry since the late 1990s and occasionally produces freelance social and philanthropic events as the owner of Laughing Bubble Events. Andrea has a B.S. degree in Media and Communication from Missouri State University. In her free time, she likes to travel, go dancing, and spending time in her kitchen whipping up interesting dishes and working on her spaghetti sauce empire.



Nathan Nicholson
Research Associate
 At NCEO since 2016

Email: NNicholson@nceo.org
 As research associate, Nathan Nicholson assists in managing the NCEO's research and survey projects, as well as its internal company and member data. A recent Bay Area transplant from upstate New York by way of D.C., Nathan has a professional background in public policy analysis, nonprofit administration, and legal research. Before joining the NCEO, he worked at FairVote, a D.C.-area nonprofit dedicated to election policy reform. He received his BA in Linguistics from Cornell University in 2012.



Colleen Kearney
Seminar/Webinar Director
 At NCEO since 2000

Email: CKearney@nceo.org
 Colleen Kearney's original position as seminar director has evolved along with technology into the world of Internet-based meetings. Now, as the NCEO's seminar/Webinar director, she organizes several in-person seminars and about 45 Webinars each year. Colleen's previous experience includes planning medical conferences for surgeons as well as many types of fundraising events for the Arthritis Foundation, such as managing a marathon training team. She was also the vice-chair of a local Half Marathon/10K event that is a major fundraiser for a K-12 school system in California. Colleen is a volunteer leader for Sierra Club National Outings-Hawaii Subcommittee.



Scott Rodrick
Director of Publishing and Information Technology
 At NCEO since 1994

Email: SRodrick@nceo.org
 As the NCEO's director of publishing and information technology, Scott is in charge of all publications except the newsletter for members (the *Employee Ownership Report*). He designed and created the NCEO's present line of books and is the author or coauthor of several books himself, including the best-selling *An Introduction to ESOPs* (16th ed. 2016) and *Understanding ESOPs* (2008). He is an attorney and served at the U.S. Department of Labor as an attorney-advisor from 1991 to 1993 before coming to the NCEO. After obtaining bachelor's and master's degrees in music from UC Davis and UCLA respectively, he earned his J.D. from California Western School of Law, where he graduated magna cum laude.

Scott created the NCEO's first website in 1994 and has maintained the NCEO's presence on the Internet since then. Twice a month, he prepares the NCEO's email bulletin and sends it to over 12,000 subscribers. As the NCEO's director of publishing, Scott does everything from gathering the material to laying it out and getting it printed.



Ramona Rodriguez-Brooks
Outreach and Membership Coordinator
At NCEO since 2013

Email: RRodriguezBrooks@nceo.org
As Outreach and Membership

Coordinator, Ramona focuses on spreading the word about the benefits of employee ownership to companies, community groups, business leaders, and the public. She also works to ensure that the NCEO's membership is supported and growing. She brings to her job diverse professional experiences from managing education and outreach programs at a small theater company, to line cooking at a large film studio, to running all technical aspects of live performances. Ramona has a BA in Sociology with an emphasis in social inequality and a BA in Theatre from the University of California, San Diego and can often be found having detailed conversations comparing and contrasting Mexican culinary styles in Northern and Southern California.



Ivette Torres
Conference Director
At NCEO since 2018

Email: ITorres@nceo.org

Ivette, the newest member of the NCEO team, has extensive experience working in events and nonprofit organizations. She brings with her a diverse background of successful events from large-scale conferences to intimate lunch-and-learns. She specializes in contract negotiations, sponsorship relations, and website management. In 2006, Ivette graduated from University of California, Berkeley after studying mass communication with a focus on journalism. In 2011, Ivette earned her MBA in Sustainable Enterprise from Dominican University of California. In her free time, she loves hiking with her two rescue dogs and exploring new restaurants in the Bay Area.



Suzanne Vinson
Customer Service
At NCEO since 2018

Email: SVinson@nceo.org

Suzanne joined the NCEO in February 2018 and strives to provide the best service to customers and coworkers alike. She has spent the majority of her years in California and never tires of traveling and discovering new places. She has a diverse background, including culinary teaching, UX design, quality control and compliance, investments, fundraising and event management, website editing, and animal care and training. An avid advocate for volunteering, fundraising and community building, and almost anything outdoors, you will either find Suzanne at a Dragon Boat practice, volunteer event, or gallivanting outside.



Nancy Wiefek
Research Director
At NCEO since 2014

Email: NWiefek@nceo.org

As a research director at the NCEO,

Nancy Wiefek manages ongoing research projects and explores new ways to make the research relevant to our members. She brings experience studying broad trends in politics and the economy and brings that to bear in placing the research in context. Nancy graduated summa cum laude from Temple University with a B.A. in political science and a minor in Russian. She earned an M.A. and Ph.D. at Penn State University in political science with a focus on survey methods. Her book *The Impact of Economic Anxiety in Postindustrial America*, published in 2003 by Greenwood Publishing, used original survey data to examine the impact of emotions and economic anxiety on political beliefs and opinions. In her free time, she loves to be around animals and the ocean, and catch up on the latest scientific findings on the role of emotions in human and animals.

We have two other regular contractors. Laura Myers does graphic design and layout for most of our handouts, our newsletter, conference materials, and much more. Deborah Willoughby is a copy editor.

Photos (except Acheassa James) by Pamela Arriera and Lia Sutton

NCEO Board of Directors

The NCEO's board of directors, as of the end of 2018

EXECUTIVE COMMITTEE

Chair: Judy Kornfeld, *ESOP Economics, Inc.*, an Ascensus company

Vice Chair: Mary Boettcher, *Realityworks, Inc.*

Secretary: Matt Keene, *Chartwell*

Immediate Past Chair: Mark Lewis, *Woodfold Manufacturing*

At-Large: Alison Wright, *Hanson Bridgett LLP*

Ex Officio: Corey Rosen, *NCEO*

MEMBERS

Richard Armstrong, *The Great Game of Business*

John Brown, *Business Enterprise Institute, Inc.*

Neil Brozen, *Ventura ESOP Fiduciary Services*

Jeffrey Buettner, *ButcherJoseph & Co.*

John Case

Barbara M. Clough, *Newport Group, Inc.*

Amanda DeVito, *Butler/Till*

Cecilia Loftus

Kevin Long, *Employee Benefits Law Group*

Suzanne McDowell, *King Arthur Flour*

Veronica Ortiz, *Web Industries, Inc.*

Bill Roark, *Torch Technologies*

Sandra L. Reid, *The Davey Tree Expert Company*

Glenn Ripley, *Mission Bell Manufacturing*

Scott Rodrick, *NCEO*

David Solomon, *Levenfeld Pearlstein, LLC*

Joanne Swerdlin, *Swerdlin and Company*

Brian Sweeney, *Redpath and Company*

Cecil Ursprung

On March 31, 2019, Neil Brozen and Veronica Ortiz will rotate off the board. We warmly thank them for all they did for the NCEO while board members, and we look forward to continuing to collaborate with all of them.

On April 1, 2018, one new member joined the NCEO board. We welcome Donald Romine of Web Industries.

Brief History

In 1979, Corey Rosen was working as a professional staff member in the U.S. Senate, where he had been involved in drafting some of the legislation on employee stock ownership plans (ESOPs). At that time, there were very few plans (they had only been given statutory blessing in 1974) and even less general information about employee ownership. Few company owners or managers understood what an ESOP was and how it might work for them. Among people engaged in employee ownership, there was no reliable research on what made some plans work well and others poorly. Rosen was convinced that if more people knew about the idea, more people would find it attractive, and that if there were more research on what made plans effective, more companies would use them for the benefit of their employees and their other shareholders.

Rosen decided that to create this broader awareness, an organization needed to be devoted to that purpose. In 1980, he incorporated the “National Center for Employee Ownership.” His initial thought was that foundations would provide funding, and during the last half of 1980, while still working full time in the Senate, he prepared grant applications. In November 1980, after leaving his Senate job, he was able to get a part-time consulting job to bring in some income, and began to generate materials on employee ownership.

Karen Young, who had worked on the same committee in the Senate, joined him to cofound the NCEO, and also worked on an unpaid basis. Her addition was critical, as she brought the ability to create an organizational structure to complement the substantive work Rosen had done. She also developed considerable subject matter expertise.

The grant applications yielded no results. Foundations were not impressed with an organization with no paid staff, a few manuscripts in process, an office in an 8 x 10 room, and an idea almost no one had ever heard of. Undaunted, Rosen and Young pursued the other track they had been planning for long-term viability, namely to seek members, sell publications, and, eventually, to hold seminars and conferences. They wrote and had printed a first issue of a newsletter and put together a resource guide on employee ownership. The newsletter and a membership appeal was mailed to prospective members, culled from lists of people other people shared with the NCEO. By the end of 1981, the NCEO had about 200 members. It also had two publications—a resource guide and a general publication called *The Employee Ownership Reader*. Work with the media had yielded a number of favorable stories, which generated inquiries. Some of these people joined or bought the book. At year’s end, revenues were about \$27,000.

Over the ensuing years, membership grew gradually, the list of publications expanded, media coverage increased, and the NCEO received a grant to do a research project. By 1983, the NCEO was self-sustaining; by the mid-1980s, it had grown to five staff people and about 1,000 members.

In 2011, Loren Rodgers became the executive director of the NCEO, and Corey Rosen took the new title of founder. Since then, the staff of the NCEO has increased from 10 to 14, with the increased staff power focused on outreach, research, and supporting the growing annual conference and webinar program.

Impact

As an organization, we have been successful by conventional measures. Revenues and membership have grown, staff has increased, more services are provided, etc. The real question for us, however, is how well we are meeting our organization's mission. While it is difficult to engage in a self-assessment, here are what we see as our major accomplishments.

First, we have increased awareness of employee ownership substantially. We have generated a tremendous amount of prominent media coverage that would not have happened otherwise. That helps people be more aware, but it also moves employee ownership forward. If people believe something is a trend because they see it in the media a lot, it becomes one. We have also had considerable success in becoming the "go-to" source for the media on employee ownership, often reshaping major stories. The biggest contributor, however, is our website, which has a huge number of visitors and consistently comes up first or second on Google searches no matter what aspect of this you are looking for. Our membership continues to increase, from 2,920 at the end of 2011 to 3,243 at the end of 2016, but this membership represents less than half of all employee-owned companies and a much smaller percentage of companies that would be good candidate for employee ownership.

Second, we have created a better understanding of the dynamics of employee ownership. Our work on ownership cultures has, we believe, been a large part of why employee ownership companies have been so far out in front of the business world in developing innovative employee participation practices. There is probably nothing we have done, in fact, where our impact has been easier to define. Back in the 1980s, when we first came out with this research, it was controversial and viewed as difficult to implement. Today, our views on what makes employee ownership work have not only been thoroughly verified by independent academics but have become the conventional wisdom (if not always practice) in the employee ownership community.

Third, we have increased understanding of technical issues and provided a forum for debate on them. As a recent example, our issue brief on the fiduciary process agreement is the definitive text on the subject, and our study on ESOP transactions is the first of its kind.

Finally, our work has increased the credibility of employee ownership politically and academically. Our research has set the tone for other investigations and clarified that employee ownership really can work.

In the field of equity compensation, our books are widely considered the definitive sources and are required material for the certification course of the Certified Equity Professional Institute (CEPI) at Santa Clara University.