Learn How an ESOP Works and How It Can Benefit You


Scott Rodrick

An employee stock ownership plan (ESOP) is a tax-favored employee benefit plan through which employees can become owners in their companies at no cost to themselves, at the same time that the company and its owners receive major tax benefits. In the right situation and with proper structuring, it can provide advantages for everyone involved.

Thousands of U.S. companies have an ESOP and millions of employees participate in them, but many people are still unfamiliar with them. Even those who are familiar with ESOPs often have misconceptions about them. This book is designed to educate anyone who is interested or involved in ESOPs about what they are, what their history is, how they work, and what their benefits are for selling owners, the company, and employees.

The 21st edition has been heavily revised and expanded for 2025, including dozens of updates and additions to the text, a new infographic, and a new chapter on ESOP sustainability. It includes a detailed table of contents and an index.

ABOUT THE AUTHOR

Scott Rodrick is the director of publishing and information technology at the National Center for Employee Ownership (NCEO), a private, nonprofit membership, information, and research organization. He is an attorney and served at the U.S. Department of Labor as an attorney-advisor before coming to the NCEO. He designed and created the NCEO's present line of publications. Aside from authoring this book, he has coauthored several books, such as *Understanding ESOPs* and *The Decision-Maker's Guide to Equity Compensation*. Rodrick is also a web developer. He created the NCEO's first website in 1994 and has been involved with it since then.

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21ST EDITION

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