

NCEO



NATIONAL CENTER FOR
EMPLOYEE OWNERSHIP

ANNUAL REPORT

2019

The National Center for employee Ownership (NCEO) is a nonprofit organization with a mission to make employee ownership thrive. We provide practical resources and reliable information about adopting employee ownership and ensuring it reaches its full potential.

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Report to Our Members

Most of what I write over the year is about employee ownership, but our annual report is a chance to focus on the NCEO. I am proud and humble to say that in 2019 the NCEO was productive, strong, and successful. We created new resources, spoke with dozens of journalists, reached thousands of business, and affected hundreds of thousands of people.

Last year also stands out because of the many things that changed. We launched our new website on July 31. Our events maintained their outstanding attendee evaluations while setting another record for total attendance. We maintained and updated our publication library. Our new research reports continue our tradition of providing the practical information business leaders need to make good decision while holding ourselves to rigorous analytical standards.

You will see more about the specific accomplishments of 2019 on the following pages, but for me the key to all of it is that work we did to set the stage for 2020 to be the most productive year we've ever had. In 2020, the NCEO is investing in new capacity and taking advantage of the new website and newly created materials. You'll see new faces on our team, both the staff and our board, and I can't wait to share with you some of the exciting projects that will be coming on line in 2020.

A handwritten signature in black ink that reads "Loren Rodgers". The signature is written in a cursive, flowing style.

Loren Rodgers
NCEO Executive Director

February 17, 2020

A Message From the Board

As the senior leaders of the NCEO's board of directors, we are proud of the direction the NCEO is heading and the progress it made in 2019.

Last year the NCEO made a strategic choice to change its membership structure and its fees. The increase in dependable funding will allow the NCEO to do new projects and provide new member benefits, from sample documents, to our monthly member memo to member-exclusive PowerPoint slides of research highlights. The membership renewal rate indicates that members appreciate the upgrade.

The NCEO's April 2019 conference in Pittsburgh had 1,964 attendees. That record-setting number is an increase of 8% over the prior year's record attendance, and brings the conference to more than double its size in 2011. The NCEO's other events saw growth as well, and over the course of the year, the NCEO provided almost 54,000 person-hours of education, more than 12% greater than 2018.

The NCEO has over 70 titles and distributed over 16,000 digital and print copies during 2019.

The NCEO's research team published the results of a long-term project on investigations of ESOPs by the Department of Labor as well as the 2019 version of our periodic survey of compensation practices for executives in ESOP companies, now including compensation for members of boards of directors.

NCEO staff were frequently cited in the press, from NPR to *The Economist*, to Reuters.

The mission of the NCEO is to make employee ownership thrive, and in 2019 it contributed to the robust energy driving the field forward.

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—Mary Boettcher
Chair



—Judy Kornfeld
Immediate Past 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 webinars are free for members, and anyone covered by a membership can attend. Recorded webinars are available 24/7 for members on our website. Live webinars are held almost every week.
- **EXCLUSIVE WEB CONTENT** like summary research reports, a searchable archive of newsletters, an ESOP lender directory, the ESOP Q&A database, the Document Library, state-by-state fact sheets, and more.
- **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 issue or ask to be connected to an employee-owned company with a shared characteristic.
- **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	2017	2018	2019	2019 share of membership	Notes
1. Company (not service provider)	1,999	2,017	1,829	47%	Companies that sponsor an ownership plan or are considering adopting a plan
2. Individual Service Provider	651	666	571	15%	Individuals who primarily provide service to companies with stock plans
3. Service provider Directory	373	379	1,141	29%	Offices that provide services to companies with stock plans
4. Academic	123	123	103	2.7%	Full-time students and teachers with no business interest in employee ownership
5. Nonprofit or Government	11	10	12	0.3%	Individuals at government agencies or nonprofit organizations
6. Individual	87	94	165	4%	Individuals who are not service providers
7. Friend of NCEO (Complimentary)	57	66	76	2%	Permanent complimentary memberships
Total	3,301	3,355	3,897	100%	

Policy and pricing changes

We changed our policies regarding membership coverage for Service Provider firms in Q2 of 2019. Previously, Service Provider Directory memberships covered the entire physical office location of the member, allowing multiple users of the membership. We changed this policy to be more consistent with our data and treatment of service provider professionals. Now, one Service Provider membership covers one person. To ease the transition or larger firms, we have incorporated a price benefit for those ordering more than two Service Provider memberships.

We changed our membership pricing with the launch of our new website in late July 2019. Our new membership pricing is below:

Company 1-100 employees	\$275
Company 101-500 employees	\$475
Company 501-1000 employees	\$650
Company 1001+ employees	\$850
Service Provider	\$600 first two, \$350 each additional
Individual	\$275
Academic	\$40
Community Partner	\$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: company, individual, and service provider.

In 2019, we had 907 new members.

Membership Renewals

The cost of renewal for companies depends on how many employees they have (see above).

Firms that provide services to employee-owned companies are not considered company members.

Members of such firms may either renew as individuals or as members of the service provider directory.

2019 Annual Conference

In 2019, the NCEO's Annual Employee Ownership Conference grew to be the largest ESOP conference in the US with over 1,900 attendees. This conference has seen tremendous growth over the years and continues expanding.

The employee ownership conference by the numbers:

Year	City	Main Conference Attendance	% change
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%
2000	Chicago	670	15%
2001	Seattle	601	-10%
2002	Chicago	650	8%
2003	San Francisco	608	-6%
2004	Chicago	755	24%
2005	San Francisco	671	-11%
2006	Minneapolis	770	15%
2007	San Diego	741	-4%
2008	Chicago	840	13%
2009	Portland	684	-19%
2010	Minneapolis	814	19%
2011	Denver	891	9%
2012	Minneapolis	1,046	17%
2013	Seattle	1,069	2%
2014	Atlanta	1,208	13%
2015	Denver	1,403	16%
2016	Minneapolis	1,681	20%
2017	Denver	1,702	1%
2018	Atlanta	1,817	7%
2019	Pittsburgh	1,964	8%

The preconference sessions continued to grow as well, with over 500 people attending in 2019.

Year	Preconference Attendance	% change
2018	434	
2019	529	22%

One of the reasons for its continued success is the variety of educational opportunities that the conference provides with more than 140 different breakout sessions. The breadth of topics ranges from creating ESOP committees to basic accounting and everything in between.

The conference also featured an offsite networking event, a beautiful ferry ride through the many rivers of Pittsburgh.

Highlights:

- Growth in attendance, sponsorship and revenue.
- A beautiful venue with a lot of open space and natural light offering the ability to enjoy the outdoors.
- The sponsors reported being very happy with the location and traffic of the exhibit space compared to 2018.
- The variety of food options was more diverse than previous years.

Selected comments from the 2019 attendee survey:

"Great way to for employee owners to see how they can effect change."

"Enjoyed the conference, met a lot of people going through the same as we are with our ESOP".

"Being a young 100% ESOP, any info I got on keeping it interesting, upbeat, and understandable for new employees was helpful".

"Everything you guys did was great, I left ready to rule the ESOP world!"

"This was very worthwhile conference and I had some great take aways."

"Loved the conference. Well worth the price of admission."

"The selection of guest presenters was very appropriate for a hugely diverse audience, and the NCEO deserves kudos for organizing an excellent event that anticipated and responded to the wide variety of current and future ESOP needs."

To summarize, 2019 was a transitional year as we saw the departure of our conference director Deborah Krant, who retired after 25 years. In her place, new hire Ivette Torres was able to build on the existing foundation and create opportunities for growth and an continuously improving attendee experience. We look forward to an even more successful 2020 conference with a larger space, new sponsorship opportunities, and an exciting keynote.

Publications

We sell more than 70 publications, and these have always been at least mostly books that we originate and publish. An important part of our publishing work has involved partnering with the Certified Equity Professional Institute (CEPI) at Santa Clara University, which runs the industry-standard credentialing program for equity compensation professionals. Most of the texts in the CEPI’s program are NCEO books. The CEPI created a series of GPS (Guidance-Procedures-Systems) books and assigned four to CEP students, and in 2018 we became the publisher of the *GPS 4-in-1 Volume*, which includes these four books and is the first major non-NCEO book that we have published, not just resold. We sold 941 copies of the GPS book in 2019, making it one of our top sellers both in quantity and in dollar terms. The strong demand for this and other CEPI texts in 2019 helped make it a banner year for NCEO publications. This was especially notable coming on the heels of 2018, a year in which CEPI-related sales lagged because only the GPS book was in a new edition. Even GPS book sales were one-third higher in 2019, though.

This was a very significant year for another reason: the CEPI and NCEO negotiated an agreement under which, starting in 2020, the CEPI will license the right to distribute the digital versions of the NCEO-published books they use to their students, staff, committee volunteers, and holders of credentials they have awarded (most notably the Certified Equity Professional designation). The CEPI is moving to an all-digital testing platform, and the digital books will complement this approach. CEPI students will be welcome to supplement the digital versions by buying the print versions from us; it remains to be seen what kind of a market we will find for that.

As always, almost all of our 2019 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 new editions of existing books, ranging from CEPI texts to a thorough overhaul of our book on LLCs to our yearly litigation and regulatory reviews, we released *A Guide to DOL Investigations*. This new publication combines the first comprehensive analysis of Department of Labor ESOP investigative data ever conducted (from the NCEO’s Nathan Nicholson) with practical advice and analysis from practitioners and NCEO founder Corey Rosen.

During 2019, we sold about 16,000 copies of publications, roughly similar to prior years. This includes bulk sales such as chapter reprints and orders for large quantities of *An Introduction to ESOPs*.

Our largest challenge as a publisher is finding authors for new material, or to revise existing material. As the years go by, increasingly we find that the original authors of book chapters are simply retiring as well. On the other hand, we have staff contributing content, we have a trickle of new authors such as those who have volunteered to add material to the CEPI texts, and we have a large body of existing publications to work with.

Webinars

NCEO webinars, one of our core member benefits, allow easy access to high-quality and relevant educational content throughout the ESOP community. We feature core content and topics that address current events ensuring they are relevant to everyone – from new owners to experienced service providers.

Our members use them to keep their accreditation current as we offer CEP, SHRM, Generic, IRS, and CEPI credit. Member companies use them to educate employees and onboard new ones. We’ve also seen members use them for specialized group learning for communication committees, HR staff, etc.

We are proud to report that, despite the crowded webinar market, sponsorship grew and attendance remained steady at an average of 44 viewers per webinar.

	2013	2014	2015	2016	2017	2018	2019
Average attendance	40	40	34	43	35	44	44

Seminars

The ESOP feasibility meetings, *Is an ESOP Right for You?* and *ESOP Nuts & Bolts*, continued to develop in 2019. *ESOP Nuts & Bolts*, designed to be a small group, first introduction to ESOPs, was hosted by three employee-owned companies in three cities with an average of 22 attendees per meeting. *Is an ESOP Right for You?* took place in Scottsdale and Omaha averaging 46 attendees per seminar. These seminars are vital touchpoints with the business owner community. As we look ahead to 2020, we plan to make even more connections with retiring business owners.

In its third year, the Fall ESOP Forum had its first sold-out attendance. The Forum serves as our “medium-sized” seminar and provides the topic diversity of our conference and the enhanced learning opportunities that a smaller meeting provides. We look forward to improving upon this meeting in the future by taking advantage of its size and implementing more workshop-style sessions.

Attendance continued an upward trend increasing from 579 in 2018 to 626 in 2019.

SEMINARS: SEVEN-YEAR SUMMARY

	2013	2014	2015	2016	2017	2018	2019
Total attendance	464	583	425	492	520	579	626

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 2019 we advanced these goals on several fronts.

We published a study with first-of-its-kind analysis of data from the Department of Labor's Employee Benefits Security Administration (EBSA) on EBSA's enforcement activities related to ESOPs. We worked carefully with EBSA staff and other ESOP stakeholders to interpret this data and its significance for the ESOP world. We published our analysis in the NCEO publication *A Guide to DOL ESOP Investigations*, and also presented findings from this project at the 2019 Employee Ownership Conference.

We published results of our 2019 ESOP Executive and Board Director Compensation Survey, which we conducted between October 2018 and April 2019. This project involved several steps to get the most responses possible, including postcards to members who didn't respond to the first wave of invitations; multiple direct reminders; and invitations at the annual conference. We will use the data we collected on what worked best to inform the next survey. Our efforts resulted in 419 responses from a diverse group of ESOP companies (mostly but not entirely existing members). Our marketing translated into 306 survey reports sold, including nearly 50% of respondents, who received a discount.

The research team invested a significant amount of time leading up to the website launch to streamline the research section of the website and make the member/customer experience more user-friendly and consistent.

We continued our work to build knowledge of the lifecycle of ESOPs. We have created a database that connects all filing years together. As of now we have five years of filings. A critical part of this project is to identify publicly traded ESOPs consistently over time. This year we will be able to sell this as a research report. We have interest already from academics and will market broadly. Second, this will allow us to create important trend data distinguishing the growth over time in privately-held versus publicly traded ESOPs.

In tandem, we compiled a dataset of all filings from 2014 to 2017 to determine how many and what kinds of ESOPs terminated their plans over that time period. The next step is to determine the exact reason (e.g., acquired, went out of business, transferred assets to a 401(k)) for all or a sample of all terminated plans.

In 2019, we finished laying the groundwork on our project to map the ESOP universe including a major upgrade to the ESOP database we publish. We expect the latest Form 5500 filings to be posted by the DOL in early 2020. We can then update the expanded database that will include percent ownership, where possible, along with other new features.

We continued to provide rapid response to Congressional staff, journalists, members, and other organizations seeking data on employee ownership. This year that included articles in the *St. Louis Business Journal, Inc.*, *The Economist*, and *Reuters*. We supplied the Colorado Governor's office with data and research findings and helped analysts at the U.S. Government Accountability Office learn about ESOPs for their report looking into the costs and benefits of Department of Defense conducting business with companies that have ESOPs.

We continued a fruitful relationship with the FB Heron Foundation as a research partner on the U.S. Community Investing Index, an index of publicly traded companies that contribute positively to their communities. We helped build this year's index by identifying companies in the S&P 500 that have forms of broad-based employee ownership.

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. As one example, we published a study in the November/December 2019 newsletter finding that the recent decline in the number of ESOPs is concentrated largely in publicly traded companies.

The 2017 interviews from the National Longitudinal Surveys of Youth were released on December 5, 2019. This will allow us to update our ongoing study *Employee Ownership and Economic Well-Being* with data from workers who are now 32 to 38 years old.

Ownership Culture and 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 mission around culture is to ensure that companies have the information they need to advance and improve the health of their ownership cultures. Additionally, 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 30,000 employee-owners at more 125 employee ownership companies around the country.

In 2020, our team will be focused on expanding the NCEO’s ownership culture offerings beyond the employee survey services that we provide. We will be expanding the resources we offer to ESOP committees that will enable employees to access practical tools in their ESOP rollout and ESOP education and communication efforts. The NCEO will also enter new territory by using new technology and media to engage more ESOP committees and their members in hands on training with the organization.

Employee Surveys	2015	2016	2017	2018	2019
Number of employee-owners surveyed	2,501	5,471	8,333	2,611	3,240
Total number of surveys conducted	9	14	17	22	9

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 six 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. In mid-2019, Joanne Burns took over as the course manager from Achaessa James, who had developed and managed the course since 2013. Joanne was able to create a smooth transition, and we are excited by our plans to expand the quality of the program and build on the high student satisfaction scores and impressive pass rates.

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

Outreach

Our year started off with what seemed at the time (and we are still hopeful will be) good news for employee ownership outreach programs everywhere. The Main Street Employee Ownership Act, having recently been passed by congress, was being implemented around the country. Part of the bill charges local Small Business Administration (SBA) offices, as well as Small Business Development Centers (SBDC) with educating audiences about employee ownership and ESOPs as a succession option for businesses. Activity started early in the year and we were able to make and sustain contact with several officers at the aforementioned agencies, which resulted in several local seminars being held, primarily in the Washington, DC, San Francisco, and Boston metropolitan regions. While the implementation of the legislation in other regions has been, at best, tepid, we're hopeful that with the lessons of the past year, some congressional oversight, and the whole of the field working together we can cause an even larger sustained groundswell.

With a generous donation of time, money, and expertise from member ESOP Torch Technologies, we produced more videos at our 2019 Annual Conference in Pittsburgh. These videos build on the success of our videos from our 2017 Denver conference, by again relying on NCEO member companies to tell the viewer the benefits of both ESOPs and the NCEO. The newer videos are more focused, with the majority of them being under one minute long, and there are frankly more of them—28 total (compared to the 2 from 2017). They cover everything from why a business owner should consider an ESOP, to why an ESOP should become an NCEO member, to why an NCEO member should come to our conference (or use our other resources). The shorter lengths combined

with the wider variety of specific topics give these videos a longer life span and greater applications, allowing them to be used in presentations, on the website, and in marketing and outreach emails. Instead of releasing them all at once in a single overwhelming media dump, we've opted to use them when appropriate, meaning they won't grow stale. A handful of them are already up on our website.

Speaking of our website, 2019 saw the launch of what is and will be our greatest outreach asset going forward: the refreshed NCEO.org. People new to ESOPs and employee ownership will be met with clear descriptions of us and our work, as well as what employee ownership is and how it benefits business owners, employees, companies, and communities. The new website makes it easier for all of staff to do a number of things that will, over time, increase the visibility of both employee ownership and the NCEO, not the least of which is improved integration of visual content.

Finally, we ended the year with the release of our newest NCEO product, ESOP Essentials. A sort of little sibling to membership, the ESOP Essentials are a 6-month subscription to a set of members-only resources, including webinars, articles, PowerPoint slides, and publications curated specifically to business owners considering an ESOP. Knowing as we do that many business owners suffer from a glut of information about ESOPs with no real guidance, we included enough information for owners to make an informed decision about whether or not to pursue an ESOP feasibility study. ESOP Essentials continues the dual promising trends of more introductory offerings for business owners (like our ESOP Nuts and Bolts meetings) and more intuitive presentation of said offerings (like our two booklets).

Financial Position

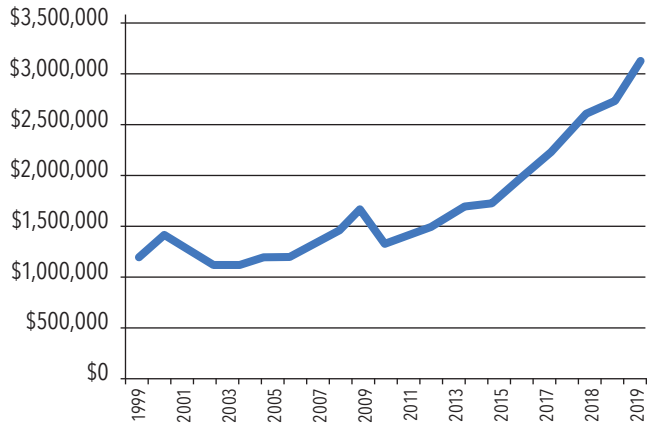
The NCEO’s organizational structure is intentionally designed to keep our members at the center of all we do. The core principle is to make sure that our customers and members decide which of our activities to support, whether that means attending our conference, buying a digital book, using the Ownership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

Our ordinary income is a good proxy for our impact, because every book sale and every conference attendance support employee ownership. Our ordinary income has increased over the years, with a dip following the 2008 financial crisis. Over the last five years, the NCEO has experienced an especially sharp upward curve, during which the average increase is 11% per year. Our 2019 ordinary income was \$3,147,656 (unaudited), up from \$2,764,344 in 2018 (audited). 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 a wide variety NCEO services: more conference registrations and sponsorships, more publications, more research services, and we are pleased that the growth is not concentrated in any one of our activities.

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 2018 are audited numbers, but our 2019 audit has not been completed.

ORDINARY INCOME 1999–2019



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,

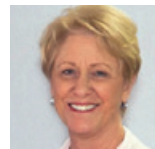
managed the membership program for a park, and continues to work as a freelance florist. Originally from Newark, New Jersey, she spends her free time getting to know her new home, flower arranging, reading, and writing in Oakland.



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.



Joanne Burns
CEPI Prep Course Manager
At NCEO since 2019

Email: JBurns@nceo.org

Joanne has spent more than 30 years in corporate equity compensation and plan management. In recent years, she has provided independent equity consulting services to both private and public companies throughout the U.S. Joanne has actively participated in equity compensation education efforts since the 1980s; spoken at many industry events; and promoted, designed and implemented internal equity training programs for many companies. Joanne is a strong supporter of the CEPI program and is excited about the prospect of helping the NCEO to deliver consistently excellent resources to its CEPI Exam Prep Course students. A San Francisco native who spent decades living in and watching Silicon Valley grow, Joanne recently left the traffic behind and relocated out to Tracy, CA. When she's not exploring her new surroundings, you'll find her reading, gardening, cooking, and spending as much time as possible with her two beautiful grand-girls!



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

Email: 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.



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.



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
Membership Director
 At NCEO since 2013

Email: RRodriguezBrooks@nceo.org

NCEO members are the heart of the employee ownership community. As Membership Director, Ramona supports the success of thousands of employee-owned companies and employee ownership experts. Ramona leads member communication, account management, and new member initiatives. She creates content and curates educational resources for members. Ramona also manages the NCEO's peer networking programs, including year-round peer matching and special gatherings at NCEO events. Ramona earned a BA in Sociology and a BA in Theatre from the University of California, San Diego.



Ivette Torres
Conference Director
 At NCEO since 2018

Email: ITorres@nceo.org

Ivette Torres is the NCEO's conference director. She brings with her a diverse background of successful events from large-scale conferences to intimate lunch-and-learns, and extensive experience working in nonprofit organizations. 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 by Pamela Arriera and Lia Sutton

NCEO Board of Directors

The NCEO's board of directors, as of the end of 2019

EXECUTIVE COMMITTEE

Chair: Mary Boettcher, *Realityworks, Inc.*

Secretary: Matt Keene, *Chartwell*

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

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.*

John Case

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

Amanda DeVito, *Butler/Till*

Kevin Long, *Employee Benefits Law Group*

Suzanne McDowell, *King Arthur Flour*

Veronica Ortiz, *Web Industries, Inc.*

Bill Roark, *Starfish Holdings / Torch Technologies*

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

Scott Rodrick, *NCEO*

Donald Romine, *Web Industries*

David Solomon, *Levenfeld Pearlstein, LLC*

Joanne Swerdlin, *Swerdlin and Company, an Ascensus
Company*

Brian Sweeney, *Redpath and Company*

Cecil Ursprung

On March 31, 2020, John Brown and John Case 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.

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.