

NCEO Spring 2020 ESOP Topics Survey

Thank you for participating in the Spring 2020 ESOP Topics Survey. This survey will focus on the impact of the coronavirus crisis as well as some other issues facing ESOPs at this time.

Your progress will be automatically saved if you close your browser while completing the questionnaire. You may stop and resume taking the survey whenever you wish without losing your progress.

In appreciation of your time, all respondents will receive a full report of the survey findings. **The survey will close on May 26.**

Contact Research Director Nancy Wiefek (nwiefek@nceo.org or 510--208--1312) with any questions.

Before we begin, does your company have an ESOP in place?

Yes

No

Is your company's stock publicly traded?

Yes

No

When did your company establish its ESOP? (Please answer with a 4-digit year)

What percentage of the company's shares are owned by the ESOP?

Is your company an S or C corporation?

S corporation

C corporation

What is the approximate dollar value of assets held by the ESOP in...

- Allocated shares _____
- Unallocated shares _____
- Assets other than company shares _____

What percentage of eligible payroll do you typically contribute annually to the ESOP? Calculate as your typical annual contribution divided by the total eligible payroll within the ESOP. Exclude interest payments and distributions on ESOP shares.

- Percentage between 0 and 100 _____

If you pay S distributions on ESOP shares, approximately how large is that amount as a percentage of eligible payroll, in a typical year?

What is the approximate median W-2 compensation for employees at your company?

COVID-19

Did you apply for a PPP (Paycheck Protection Program) loan?

Yes

No

Were you approved for a PPP loan?

Yes

No

Were you approved for the full requested loan amount?

Yes

No (explain briefly) _____

How confident are you that your PPP loan will qualify for forgiveness?

Confident that the entire loan amount will be forgiven

Confident that at least 80% will be forgiven

Expecting that less than 80% will be forgiven

We cannot yet tell with any confidence how much will be forgiven

What steps has your company taken, or is planning to take, to handle the impact of the coronavirus outbreak and shutdown? Select all that apply.

| | Have already done this | Planning to do this |
|--|------------------------|-----------------------|
| Using emergency cash reserves | <input type="radio"/> | <input type="radio"/> |
| Receiving short-term financing other than a PPP loan | <input type="radio"/> | <input type="radio"/> |
| Reducing executive base pay | <input type="radio"/> | <input type="radio"/> |
| Reducing executive deferred pay | <input type="radio"/> | <input type="radio"/> |
| Saving cash by switching to employer stock for retirement plan contributions | <input type="radio"/> | <input type="radio"/> |
| Saving cash by reducing contributions to benefit plans | <input type="radio"/> | <input type="radio"/> |
| Performing an interim ESOP valuation | <input type="radio"/> | <input type="radio"/> |
| Freezes on pay increases across the board | <input type="radio"/> | <input type="radio"/> |
| Layoffs (if yes, enter approximate percentage of workforce laid off) | <input type="radio"/> | <input type="radio"/> |
| Furloughs (if yes, enter approximate percentage of workforce furloughed) | <input type="radio"/> | <input type="radio"/> |
| Modifying bonus targets to make them easier to achieve (if yes, please describe) | <input type="radio"/> | <input type="radio"/> |

Are there other steps your company is taking to control expenses and/or increase revenue during the COVID-19 crisis that you would like to share with other companies in the ESOP community?

How has being employee-owned affected your company's ability to respond to the coronavirus crisis, if at all?

- Very positive effect
- Somewhat positive effect
- Neutral or no effect
- Somewhat negative effect
- Very negative effect

Please explain briefly.

Thinking more generally about ESOP transitions: We are collecting case studies of the benefits ESOP transitions can have on local communities, especially in comparison to other possible buyers. Can you suggest any examples of companies that might have been good candidates for an ESOP but instead sold to a different buyer?

YOUR EMPLOYEES

Are ESOP participants eligible for a qualified retirement plan in addition to the ESOP?

401(k) plan, no company matching

401(k) plan, with company matching

Other

What is your average monthly cost per employee for health insurance?

Approximately how much of an increase is this from the prior year? (Enter a percentage.)

Are there strategies that have helped with these health insurance costs you would like to share?

Excluding retirement, what was your 2019 voluntary quit rate? Calculate as the 2019 quit total divided by total 2019 employment. Estimates are fine.

Percentage between 0 and 100

Excluding retirement, what was your 2019 involuntary separation rate? Calculate as the 2019 involuntary separation total divided by total 2019 employment. Estimates are fine.

Percentage between 0 and 100

Demographics

Which of the below best describes your industry?

- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Finance, insurance, real estate
- Engineering or Architecture
- All other professional, scientific and technical services
- Health care and social assistance
- Information, technology (computers, biotechnology, software)
- Other (please specify) _____

Where is your company's headquarters?

State _____

How many employees were at your company as of February 15, 2020?

What was the company's average **annual** change in stock price over the past five years? (If your company has had an ESOP for fewer than five years, answer for the number of years the plan has been in place.)

- Negative (we had a decrease)
- 0--10%
- 11--20%
- 21% or higher

Which of the following best describes your pre-tax profits as a percent of revenue in the most recently completed fiscal year?

- Negative (we had a loss)
- 0--10%
- 11--20%
- 21% or higher

Please choose a category below for the dollar value of your company's revenues in the most recently completed fiscal year.

- Less than \$10 million
- \$10 million to \$50 million
- \$51 million to \$100 million
- \$101 million to \$200 million
- \$201 million to \$500 million
- \$501 million or more

Based on what you know today, how do you expect your 2020 revenue to compare to 2019?

- Flat or increasing
- Down by up to 10%
- Down 10% to 25%
- Down 25% to 50%
- Down more than 50%

Thank you for your participation !If you have any final comments, additions or clarifications, please enter them here.

Contact

Company _____

Email address _____

Name _____