

NCEO



NATIONAL CENTER FOR
EMPLOYEE OWNERSHIP

ANNUAL REPORT

2020

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.

Report to Our Members

These opening words of this annual report should celebrate that 2020 is the NCEO's 40th year, but, like all communities in the world, the Covid pandemic was the defining event for the NCEO and for the employee ownership community in 2020.

Also like all communities, Covid did not equally afflict the members of the employee ownership community. Some employee-owned companies are in health care. They found themselves on the frontlines. Others support vaccines or medical equipment and struggled to manage explosive growth, while others saw their revenues crash by 90%.

The NCEO itself had a harrowing year, but as you will see in the rest of this annual report, thanks to an incredible investment of hard work, wise decisions by staff, support from our members, and a healthy dose of good luck, the NCEO is leaving the year on solid ground.

For society as a whole, however, the year ended on a bleaker note. The pandemic accelerated already-disturbing and unsustainable long-term trends in income and wealth inequality, and the virus was not the only issue our society faced in 2020. The death of George Floyd focused the nation's attention on racial justice more intently than any time since the 1960s. The November 3 election and its aftermath not only revealed but exacerbated intense divisions.

We all hope that 2021 will be a better year than 2020. If our well-being as a society does improve, then of course no single solution will deserve the full credit. Very few ideas, however, address as many social and policy objectives as employee ownership. Very few have its proven impact, its spectrum-spanning appeal, its no-nonsense ability to improve the performance of companies and the lives of individuals.

I have difficulty imagining a governable future for the United States and much of the rest of the world unless we collectively engage in clear thinking about practical solutions to foundational economic conditions that address not only current income but a just and sustainable allocation of productive assets.

I believe that employee ownership is the clearest way for countries with free markets to achieve John F. Kennedy's ideal of a rising tide that does, in fact, lift all boats. Or, as President Reagan said, employee ownership "is a path that befits a free people."

May the struggles of 2020 yield to just growth and shared prosperity. In 2021, our 41st year, the NCEO will help that future emerge through our commitment to our mission and to you, our community.

A handwritten signature in black ink, reading "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 21, 2021

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A Message From the Board

We, the senior leaders of the NCEO's board of directors, had a chance to see the heroic efforts and boundless creativity that employee-owned companies drew on in their efforts to manage the turbulence of 2020. Like them, to navigate last year, the NCEO itself drew on the talents of its staff, but it also relied on the wisdom and openness of its members. On behalf of the board: thank you travelling through this difficult year with us.

You may already know some of the highlights in this annual report, such as the NCEO's five-week sprint to adapt an in-person conference to a virtual platform, or the Fall Forum, which shifted to a virtual format, had its largest attendance ever, and welcomed participants from all six habitable continents. You have also likely already seen the re-engineered webinar series, which offers more interaction and takes better advantage of the strengths of online meetings.

Another pillar of the NCEO's operations, its publication library, was disrupted by the pandemic when NCEO staff could not come in to the office to ship books. In summer, the NCEO began shipping again, having permanently shifted its entire shipping system to a durable new system. Despite the disruption, the NCEO issued 20 new or revised titles during 2020.

The pace of the NCEO's research accelerated in 2020. We completed work on a longitudinal database of ESOP companies allowing for a systematic tracking of companies over time. We also for the first time took on data clean-up that had formerly been conducted by the Department of Labor, and supplemented the data by visiting the websites of every ESOP company in the federal data. We introduced our Topics Surveys, starting with data on the conditions of ESOP companies, their use of PPP, their employment, and more.

The NCEO also experimented with new programs, such as the communications committee crash course, a combination of virtual training and peer-networking for members of ESOP communications committee.

The mission of the NCEO is to make employee ownership thrive, and in 2020 it took a community. Thank you for being part of that community with us.



—Mary Boettcher
Chair



—Victor Aspengren
Vice Chair



—Judy Kornfeld
Immediate Past Chair

Membership

Our members—over 2,500 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.

Membership Resources

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. In 2020, a branding and content refresh was executed for a successful January 2021 launch.
- **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. This year, we added documents to the Document Library, updated all 50 state fact sheets, and released reports from our newest company practice surveys.
- **THE EMPLOYEE OWNERSHIP REPORT**, our newsletter for members keeps our members up-to-date on ideas and developments in employee ownership. In 2021, we shifted it from six to twelve issues per year and from print-and-digital to entirely digital.
- **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 EVENTS** 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.
- **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 and analysis.
- **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.

Type	2020 share of membership	2020 count of membership	Notes
1. Company	59%	1,541	Companies that sponsor an ownership plan or are considering adopting a plan
2. Individual Service Provider	16%	405	Individuals who primarily provide service to companies with stock plans
3. Service provider Directory	16%	428	Service Providers that provide services to companies with stock plans with a listing in our publicly available Service Provider Directory
4. Academic	0.7%	17	Full-time students and teachers with no business interest in employee ownership
5. Nonprofit or Government	0.3%	11	Individuals at government agencies or nonprofit organizations
6. Individual	5%	130	Individuals who are not service providers
7. Friend of NCEO (Complimentary)	3%	78	Permanent complimentary memberships
Total	100%	2,610	

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. Members receive discounts on all training except for the CEP Prep 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.

- CAPTIVE INSURANCE FOR ESOP MEMBERS: The NCEO's captive insurance, currently in formation, will allow members to better manage insurance coverage and reduce costs.

- MEMBER BADGES are available to all NCEO members to show their NCEO member pride in digital and print materials.

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 2020, we had 414 new members.

“Setting up, administering, and maintaining an ESOP can be daunting. The extensive resources available with NCEO membership have helped Metcalf for more than a decade to identify potential pitfalls in plan design and administration and, just as importantly, have helped us to see where we got things right.”

— Patrick O’Brien

*ESOP Administrative Committee and former internal trustee
Metcalf Archaeological Consultants, Inc.*

2020 Annual Conference

On March 12, 2020, the NCEO staff decided to make the annual conference virtual, giving us 39 days to find, test, and build out a platform, to coordinate the changes with speakers, and to develop the supporting materials. This was an all-staff coordination that was pulled off in the most extraordinary of circumstances.

Before the switch, our registration was on track to be our largest ever, with attendance over 2,000. We did not meet that goal, but especially for a first-time virtual event, the conference was very well attended with close to 1,500 attendees. Perhaps more importantly, this was second year in a row, in which literally 100% of people completing the conference general evaluation said they would recommend the annual conference to a peer.

This profound and abrupt change was only possible because conference speakers and sponsors that were able to adapt to a very quickly changing environment. They were able to provide timely content which was extremely useful to our attendees and members, such as “What’s Your Plan B? Contingency Planning to Survive & Thrive in Tough Times” and “The New Federal Economic Stimulus Bill and ESOP Companies.” We were touched and honored by the number of people who told us that the conference helped them sustain hope, and that meeting their peers online gave them confidence in the stability of the ESOP community in one of the most challenging times of our lifetime.

The lessons learned from our first-ever virtual conference gave us the confidence to help others in our community plan their virtual events and further the mission of the NCEO and help employee ownership thrive.

Quotes from attendees of the 2020 Annual Employee Ownership Conference

“This virtual conference was great in that it allowed us to present many ESOP topics to a number of our front-line workers that would not normally get a chance to attend an in person conference due to travel.”

“Really amazing how you put this together so quickly. Loved it. Looking forward to seeing the sessions I had to miss. Thank you!”

“Even though we may go back to in-person meetings sometime this year, I really like the convenience of this virtual conference. To the extent it is cost-effective for NCEO, NCEO should consider hosting another virtual conference.”

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%
2020	Virtual	1,493	-24%

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 since 2018 we have published 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.

Until 2020, for some years a large part of our publication sales activity had consisted of shipping large numbers of print books to CEPI students from the NCEO office. That became impossible as of mid-March 2020 when events caught up with us and we quickly realized we had to close our office, which has remained closed since that time. Fortunately, the need to ship all those books had vanished as of 2020 because in late 2019, we negotiated an agreement with the CEPI under which we licensed to it the right to distribute digital versions of the NCEO books they use to their students and certification holders. This was a very fortuitous coincidence.

Not being sure whether and when we might reopen our office, we switched to digital-only sales for the time being except for very limited exceptions. In August, we ended our decades-long practice of filling orders ourselves and started using a warehousing and shipping service run by our book printer in the Midwest.

Now that we aren't shipping out of an office that we work in, we reduced the number of publications that we sell in hard-copy format and reduced the amount of inventory we maintain for small booklets. We also switched to selling print books on Amazon through the Kindle print-on-demand program. Instead of sending books to Amazon, we set up a file for each book, and when someone buys that book in print, Amazon prints out a copy and sends it within a few days.

During 2020, we sold about 7,800 publications directly. This is about half of what we sold in 2019, which might seem like a drastic collapse in sales, but is mostly explained by conversion of the CEPI books to digital, the trend to authors requesting digital reprints, and a quirk in our order system.

On the substantive front, 2020 was a busy year, with almost 20 new or revised publications. We had new editions of the six equity compensation books used by the CEPI as well as *An Introduction to ESOPs*, 19th ed., *The Inside ESOP Fiduciary Handbook*, 4th ed., *Executive and Director Compensation in ESOP Companies*, 6th ed., *Selling to an ESOP*, 11th ed., *ESOP and 401(k) Plan Employer Stock Litigation Review 1990–2020*, *ESOP Regulatory Rulings 1990–2020*, and *Leveraged ESOPs and Employee Buyouts*, 7th ed.

The new titles released in 2020 were *Beyond Engagement* (a very successful book by our founder Corey Rosen), *Accounting for Leveraged ESOP Transactions* (a booklet updating a previously published piece), *The Fiduciary's Guide to ESOP Valuation*, *Dealing with the Economic Crisis: A Guide for ESOP Companies*, *Journal of Employee Ownership Summer 2020*, and *Building a Resilient ESOP Company*.

The *Journal* mentioned above is not a relaunching of our old regularly published journal but rather a special-purpose publication that can be released whenever, as in summer 2020, we have something that doesn't fit in our newsletter or regular books. As discussed above, since we moved our stock to a warehouse in the Midwest for shipping most of our titles are digital-only, and the *Journal* and all the other new titles except *Beyond Engagement* are digital-only. The reasons range from very small markets (likely lifetime sales of less than 30 or so) to extensive use of color in the text to the need to release the book without any delay, combined with a short lifetime for the publication.

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 and the various events of 2020, sponsorship continued to grow, doubling 2019 sponsorship revenue. We were satisfied with webinar attendance all things considered.

	2014	2015	2016	2017	2018	2019	2020
Average attendance	40	34	43	35	44	44	38

Seminars

Our flagship ESOP feasibility meetings, *Is an ESOP Right for You?* took place in Scottsdale just before nationwide COVID related shutdowns. The event boasted 46 attendees. *Who Should Own Your Business After You?*, formerly known as *ESOP Nuts & Bolts*, our small-group, first introduction to ESOPs series, was canceled due to COVID related shutdowns. These seminars are vital touchpoints with the business owner community. We look forward to transitioning them to virtual events in 2021.

In its fourth year, the Fall ESOP Forum went virtual due to continued COVID-19 restrictions. Despite being our second virtual conference of the year, the Forum experienced strong growth, ending up with 635 attendees, the most who have ever attended. We were able to incorporate virtual networking opportunities and test out the “Workshop” format we referenced in our 2019 report to success. We look forward to continuing to develop this meeting’s identity.

Total attendance for all events continued an upward trend increasing from 626 in 2019 to 681 despite cancelling four events and transitioning our largest to a virtual event.

SEMINARS: SEVEN-YEAR SUMMARY

	2014	2015	2016	2017	2018	2019	2020
Total attendance	583	425	492	520	579	626	681

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 2020 we advanced these goals on several fronts.

We completed the first stage of our project to create a longitudinal over-time data set of ESOPs. We have now completed links from 2014 to 2018. This involved identifying publicly traded ESOPs consistently over time. This data set allows for tracking individual plan characteristics and outcomes over time in unprecedented detail. This will also allow us to create important trend data distinguishing the growth over time in privately-held versus publicly traded ESOPs. We have interest already from academics and will market broadly.

We fielded and published a new ESOP Executive Compensation Survey, with data from 424 ESOP companies—the largest sample in the survey’s 15-year history. This year’s survey also included a section on the impact of COVID-19 on ESOP businesses. We will continue to market the survey report in 2021.

We fielded our first ESOP Topics Survey, covering the early impacts of COVID-19 in March and April.

We published results on our website to keep the ESOP community informed about PPP loans, layoffs and furloughs and other timely issues.

We stepped in to fill a gap in ESOP data from the DOL, which has not updated its Private Pension Plan files—the primary source of comprehensive retirement plan data from the Form 5500—since 2016. We invested significant effort in using raw 2017 and 2018 filing data to create comparable data, which we used to update and expand our “Employee Ownership by the Numbers” web page and for our other projects that require up-to-date Form 5500 data.

We published a significantly expanded and updated ESOP database which integrates our ambitious project to visit the website of every ESOP, documenting whether there is a mention of employee ownership and reporting the percent ownership where explicitly referenced. To our knowledge this is the first comprehensive ESOP database containing a percent ownership indicator.

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 in January a study of how company retirement contributions change after establishing an ESOP, finding that total contributions increase substantially on average.

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 130 employee ownership companies around the country.

In 2020, our team expanded the offerings we provide to members beyond surveys and normal consulting. In September, the NCEO rolled out its first ever training series for ESOP companies’ communications committees

title the “Communication Committee Crash Course.” The training program offered communications committees from companies of all shapes and sizes a way to learn, engage, and network with others in the employee ownership community. Six separate training sessions covered topics such as learning to develop an effective communications strategy, discuss common challenges and mistakes, create alignment with company leadership, and improve employee engagement strategies for the long term.

In 2021, the NCEO will be focused on continuing several rounds of the Communications Committee Crash Course throughout the year while also expanding the ways in which we enable member companies to network and engage with one another in a virtual environment. In the Spring, we will provide a new offer to companies that want to form working groups and networking cohorts focused on employee surveys. The groups will be able to engage in the Ownership Culture surveys while periodically meeting with each other to discuss their results, their strategies for improving employee engagement, and creating action plans with one another to ensure effective responsiveness to employee feedback.

Employee Surveys	2016	2017	2018	2019	2020
Number of employee-owners surveyed	5,471	8,333	2,611	3,240	430
Total number of surveys conducted	14	17	22	9	4

Consulting

Corey Rosen, Loren Rodgers, and Dallan Guzinski do speaking and limited consulting with companies, and in 2020 that work transitioned abruptly to an exclusively virtual format. 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 eight 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

After a calm first two months of 2020, which saw us continue to develop the website’s capacity and content, our outreach plans shifted drastically with the onset of the global pandemic. Thankfully, we were ready.

Our first response was to immediately repurpose the NCEO’s homepage for the purpose of compiling up-to-the-minute COVID-19 information. This included: legislation, be it potential, pending, or actualized; CDC recommendations for businesses; current public safety mandates; PPP loan resources; and other organizations that they may be able to turn to for help. This effort required a lot of input from both internal and external parties, including several board members and NCEO champions who were able to provide quick feedback on interpretations. For first few months, we were able to maintain a continually updated COVID-19 FAQ which was organized by common ESOP topics.

Alongside the suite of web resources, we launched a series of webinars on ESOPs and the coronavirus. These webinars went from ideas to finished events in under two weeks, with the initial planning for it the week of March 16th and all three presentations taking place the week of March 30th. The webinars dealt with:

- Economic Outlook
- Plan Design
- Culture and Communication

We were able to put these webinars on thanks to the quick thinking and participation of NCEO board members and champions, as well as NCEO staff. Since these topics were in the interest of the public good in a time of crisis, they were free and open to the public, with the first and largest webinar (Plan Design) drawing over 700 attendees, and many others viewing it via Zoom on-demand afterward.

As the pandemic became another sadly mundane fact of life in 2020, the updates and news stories were housed primarily in our blog, which grew in 2020. A feature of our website redesign, the blog was updated frequently on a wide range of topics with contributions from over half of staff. We were able to open it up to guest bloggers from allied external organizations—something we hope to do more of in the future.

We also were able to take advantage of the amount of external events that were now taking place online. The NCEO was able to present to several different audiences throughout the world, including to interested employee-ownership organizations in Canada and the Netherlands, as well as at the national conference of the Nation’s Small Business Development Centers.

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.

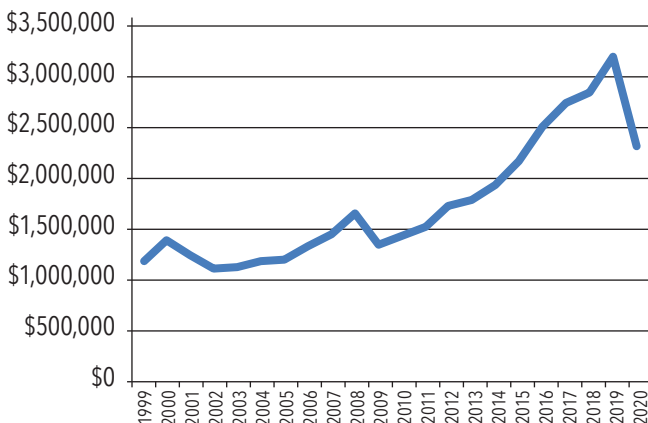
Our ordinary income is a good proxy for our impact, because every book sale and every conference attendance support employee ownership. Prior to 2020, our ordinary income has consistently increased each year (except for a dip following the 2008 financial crisis), with 10% average growth in ordinary income from 2015 to 2019. Ordinary income is our revenue from our activities and does not include “other income,” such as donations, grants, or investment income.

Our 2020 ordinary income decreased dramatically – roughly by a quarter, although our 2020 financial records have not yet been audited, taking us back roughly to our 2015 ordinary income. The decline in ordinary income provoked a crisis response as we scrambled to find ways to reduce expenses and move our activities to online formats, and included receiving a PPP loan. We largely succeeded. Although our year was not as strong as projected in our budget, we did not need to make use of our reserves.

The long-term 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. Our success with online meetings is a reason for the long-term sustainability 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 below shows our ordinary income from 1999 to 2014 on a cash basis, and 2015 and later years are on an accrual basis. 2015 to 2019 are audited numbers, but our 2020 audit has not been completed.

ORDINARY INCOME 1999–2020



NCEO Staff



Loren Rodgers
Executive Director
At NCEO since 2005

Email: LRodgers@nceo.org

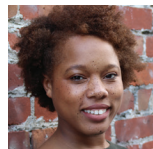
Loren Rodgers joined the NCEO in 2005 as its research director and became its executive director in 2010. He writes extensively on employee ownership in professional and academic publications and has spoken at events around the world. Since he entered the field in 1995 as a consultant, he has worked 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 PhD 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 Director
At NCEO since 2017

Email: JBoone@nceo.org

Jordan Boone is the associate events director at the NCEO. Jordan works with event sponsors, develops event communications, and works to ensure the overall success and growth of NCEO events. 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 waterfront park, planned weddings, and non-profit galas, and continues to work as a freelance florist. She spends her free time flower arranging, reading, and writing.



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
Communications Director
At NCEO since 2014

Email: TGarbinsky@nceo.org

As the communications director 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 transfers 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
Senior Research and Data Analyst
At NCEO since 2016

Email: NNicholson@nceo.org

As part of the NCEO's research team, Nathan leads projects to provide the employee ownership community with actionable data and to make the case

for employee ownership as good public policy. Nathan has a professional background in public policy analysis, nonprofit administration, and legal research. Raised in upstate New York, he received his BA from Cornell University in 2012. In his free time he is an enthusiastic musician, traveler, reader, and cook.



Jaymie Oviedo
Conference coordinator
At NCEO since 2020

Email: JOviedo@nceo.org

As the conference coordinator for the NCEO, Jaymie Oviedo supports meetings and events that encourage thriving employee ownership. Jaymie is an experienced event operation and marketing professional serving across a multitude of industries. You'll see her volunteering and modeling service to her family and friends. She was born in the Pacific Northwest but has lived in San Diego, Phoenix, and Denver, and recently moved to the East Coast with her husband, two young children, and a family rescue dog. She is an avid Ironman triathlete, runner, hiker, and golfer.



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 JD 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 BA in political science and a minor in Russian. She earned an MA and PhD 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.

As of the end of 2020, one of the NCEO's long-time staff members was no longer part of the NCEO. We bid a fond farewell and send good wishes to Eimear Burke-Elzy. This annual report is the first time in 27 years that Eimear is not part of the NCEO.

We have three 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. Janis De Lucia is our accounting advisor and temporarily served as our controller.

NCEO Board of Directors

The NCEO's board of directors, as of the end of 2020

EXECUTIVE COMMITTEE

Chair: Mary Boettcher, Realityworks, Inc.

Vice Chair: Victor Aspengren, Keltek, Inc.
(term starting Feb 4, 2021)

Secretary: Matt Keene, Chartwell

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

At-Large: Alison Wright, Hanson Bridgett LLP

Ex Officio: Corey Rosen, NCEO

MEMBERS

Richard Armstrong, *The Great Game of Business*

Theodore M. Becker, *McDermott Will & Emery LLP*

Bill Carris, *Carris Reels (retired)*

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

Amanda DeVito, *Butler/Till*

Achaessa James

Kevin Long, *Employee Benefits Law Group*

Suzanne McDowell, *King Arthur Baking*

Scott Miller, *Enterprise Opportunities, LLC*

Hugh Reynolds, *Crowe LLP*

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, 2021, Suzanne McDowell, David Solomon, Brian Sweeney, and Cecil Ursprung 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, 2021, four new directors will join the NCEO's board. We welcome:

Todd Leverette, *Democracy at Work Institute, Apis and Heritage*

Linshuang Lu, *Praxis Consulting Group*

Mike Mallaro, *VGM Group*

Amanda Wolkowitz, *Alpine Testing Solutions*

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.