

## **ESOP MEMBER FIRMS GIVE PROGRAM BIG THUMBS UP**

**By Fred Schneyer**

*Editor, PLANSPONSOR.com*

### **EXECUTIVES AT COMPANIES WITH AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP) ARE NEARLY ALL JUMPING FOR JOY THAT THEIR EMPLOYER MADE THE MOVE TO CREATE SUCH A PROGRAM.**

A 2008 survey by the Employee Ownership Foundation found that 92.4% of respondents reported that kicking off an ESOP was "a good business decision that has helped the company" — the highest percentage ever reported in the 17 years the survey has been conducted.

In addition, a news release said, 70.5% of respondents indicated the ESOP positively affected the overall productivity of the employees; another record number where the average has been 63%. Some 66% of companies reported that profitability increased over the prior year, and 71% stated that revenue increased.

"I find these numbers to be even more impressive in a year when many companies have been hurt by the slow economy," said J. Michael Keeling, President of the Employee Ownership Foundation, in the news release.

The survey asked companies to indicate their performance in 2007 relative to 2006:

- 66% indicated a better performance; 21% indicated a worse performance; 13% indicated a nearly identical performance as previous year;
- 71% indicated that revenue increased; 29% indicated that revenue did not;
- 66% indicated profitability increased; 34% indicated it did not.

Over half (51%) of companies that responded indicated they have created an employee participation program since establishing the ESOP.

The 2008 Economic Performance Survey was distributed to The ESOP Association's approximately 1,400 members in June 2008. The results are based on 421 responses.

Printed with permission from PLANSPONSOR.com

*ESOP Member Firms Give Program Big Thumbs Up.* By Fred Schneyer. September 2, 2008.

The information contained in this website is intended to provide general information on matters of interest in the area of employee benefit plans and is provided with the understanding that our company is not engaged in rendering legal or tax advice. Legal or tax questions should always be referred to a qualified tax advisor such as an attorney or CPA. Insurance products are offered through BB&T Insurance Services, Inc.