

Understanding Support for ESOPs

Charts on Public Polling Data on Employee Ownership, 2018.

Based on the 2018 General Social Survey (GSS) conducted by the National Opinion Research Center (NORC) at the University of Chicago. Analysis by Joseph Blasi and Douglas Kruse, Institute for the Study of Employee Ownership and Profit Sharing, Rutgers University School of Management and Labor Relations on a volunteer basis. The GSS questions were sponsored and supported through a contract between the University of Chicago NORC and the Employee Ownership Foundation. Please credit the Employee Ownership Foundation when using these charts.



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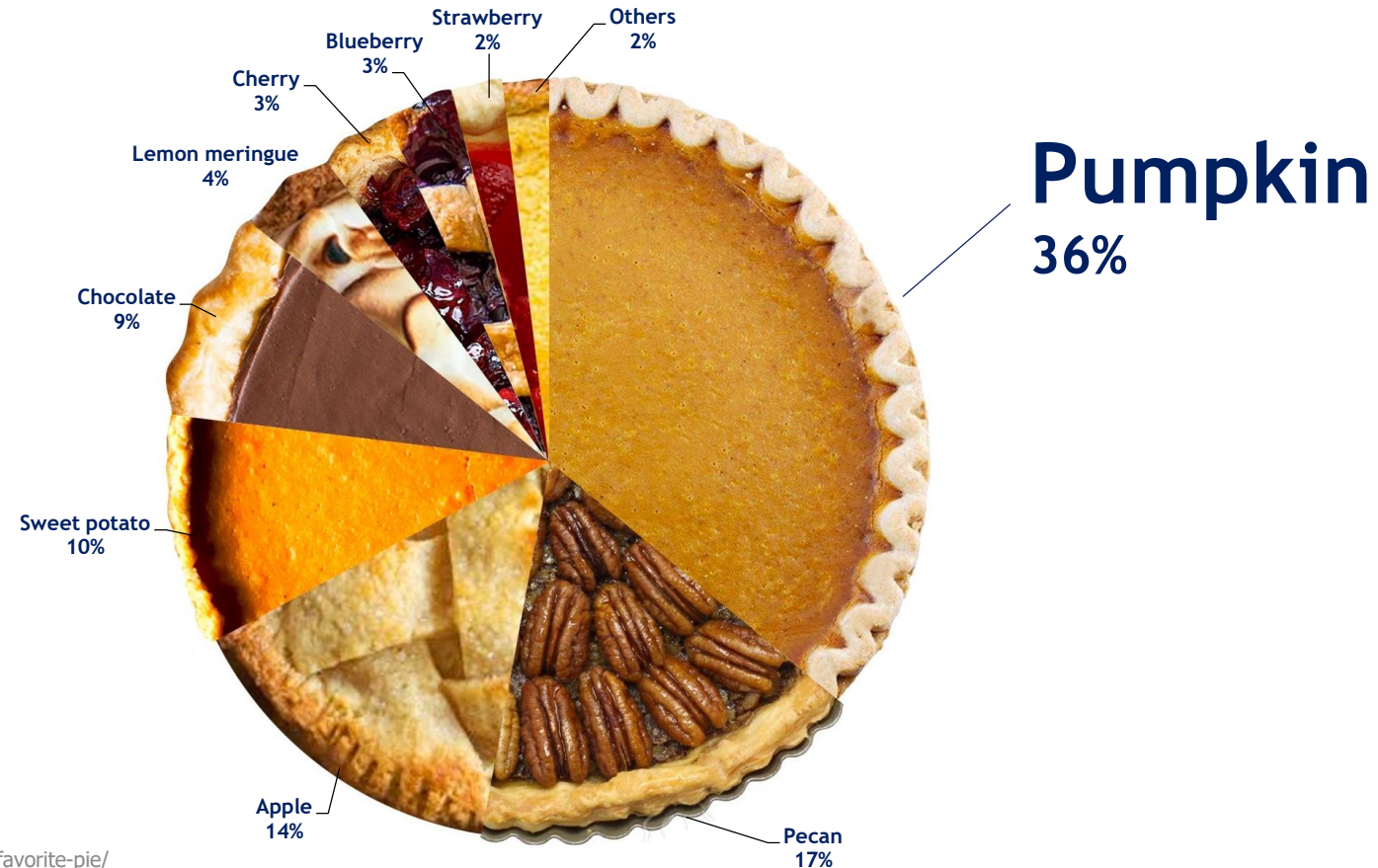
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AMERICANS DISAGREE ABOUT A LOT OF THINGS



Source: <https://parade.com/621697/ccopelan/this-is-americas-favorite-pie/>



OVERWHELMING AMERICAN SUPPORT FOR EMPLOYEE OWNERSHIP



ALMOST $\frac{3}{4}$ OF ALL WORKERS PREFER TO WORK FOR EMPLOYEE OWNED COMPANIES



EMPLOYEE OWNERSHIP IS A POLITICAL UNICORN

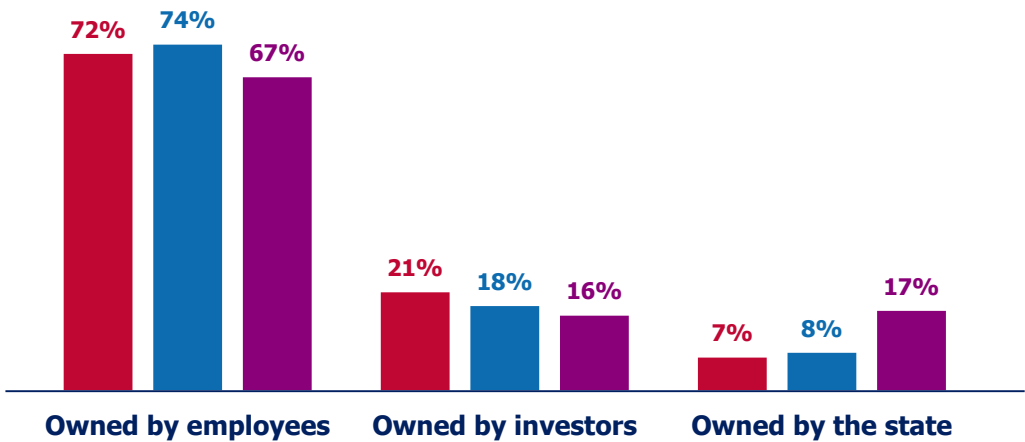
**IN TODAY'S ENVIRONMENT IT IS UNHEARD OF TO FIND SUCH A NATIONAL
CONSENSUS ON ANYTHING.**



POLITICS DON'T MATTER: NOT PARTY, NOT PRESIDENTIAL CANDIDATE, NOT IDEOLOGY

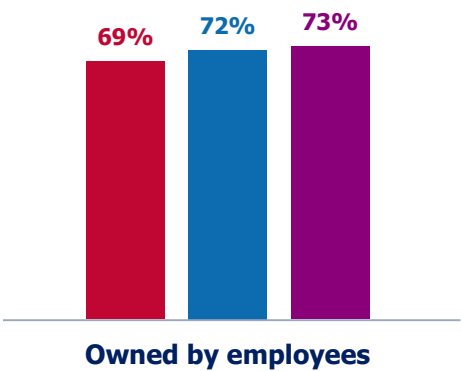
COMPANY CHOICE BY POLITICAL PARTY

■ REPUBLICAN
■ DEMOCRAT
■ INDEPENDENT



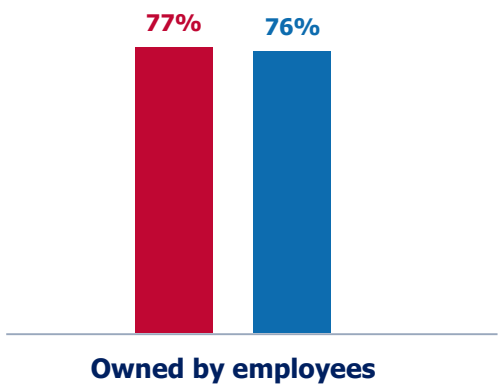
COMPANY CHOICE BY IDEOLOGICAL VIEWS

■ CONSERVATIVE
■ LIBERAL
■ MODERATE



COMPANY CHOICE BY VOTE IN 2016 ELECTION

■ VOTED TRUMP
■ VOTED CLINTON

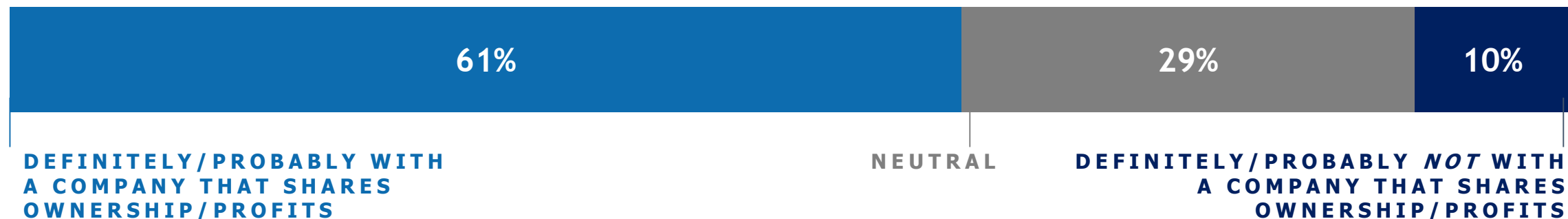


BEYOND MERE CONSENSUS: AMERICANS WANT EMPLOYEE OWNERSHIP



GIVEN A PERSONAL CHOICE BETWEEN TWO SIMILAR JOBS, PEOPLE CHOOSE EMPLOYEE OWNERSHIP AND PROFIT SHARING

IF YOU HAD A CHOICE BETWEEN TWO SIMILAR JOBS, WHICH ONE WOULD YOU TAKE?

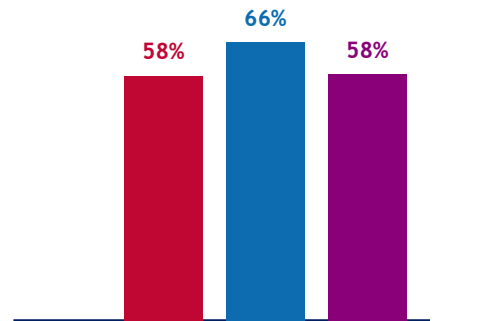


OVER 58% OF ALL WORKERS FROM DIFFERENT POLITICAL PARTIES, IDEOLOGICAL VIEWS, AND 2016 PRESIDENTIAL VOTES AGREE

ACCEPT THE EMPLOYEE-OWNED PROFIT SHARING JOB BY:

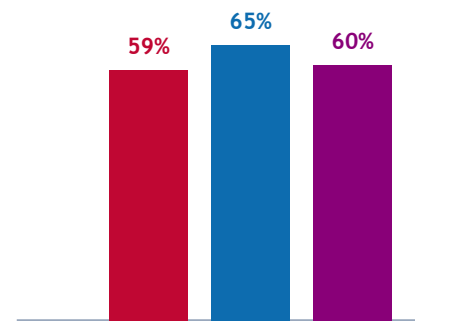
POLITICAL PARTY

■ REPUBLICAN
■ DEMOCRAT
■ INDEPENDENT



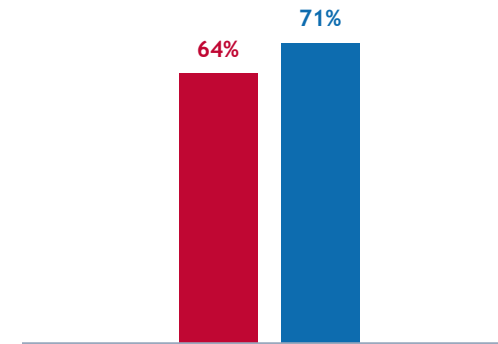
IDEOLOGICAL VIEWS

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VOTE IN 2016 ELECTION

■ VOTED TRUMP
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ABOUT 40% OF WORKERS SAY THEY ARE MORE LIKELY TO BUY FROM A COMPANY THAT SHARES OWNERSHIP WITH ITS EMPLOYEES

PREFER TO BUY FROM A COMPANY THAT SHARES OWNERSHIP



SO...

**IS THERE A SOFT SPOT IN
SUPPORT FOR EMPLOYEE
OWNERSHIP?**

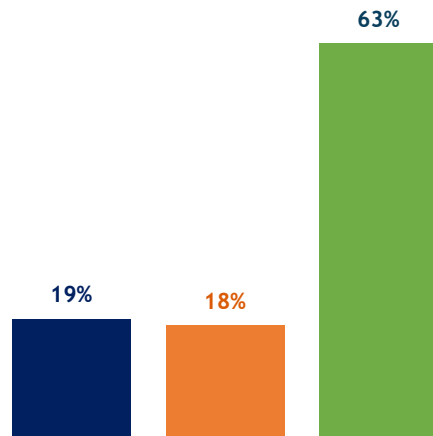


LOWEST SUPPORT IS AMONG LOW INCOME – BUT EVEN THEN, THE SUPPORT IS STILL STRONG.

WHAT COMPANY DO YOU WANT TO WORK FOR?

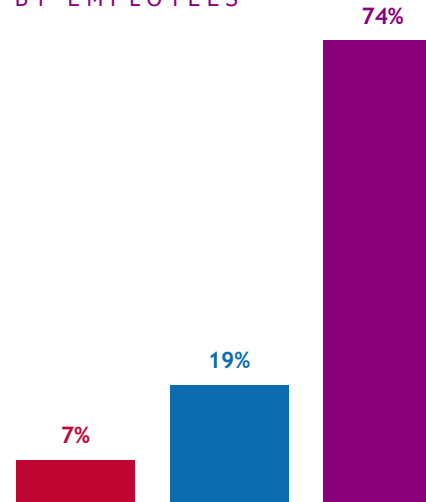
INCOME < \$15,000:

- OWNED BY THE STATE
- OWNED BY INVESTORS
- OWNED BY EMPLOYEES



INCOME > \$15,000:

- OWNED BY THE STATE
- OWNED BY INVESTORS
- OWNED BY EMPLOYEES



LOW INCOME WORKERS STILL LIKE EMPLOYEE OWNERSHIP A LOT...

WORKERS WITH AN INCOME BELOW \$15,000 WOULD...



**WHAT IS IT LIKE TO
WORK FOR COMPANIES
WITH
EMPLOYEE
OWNERSHIP...?**



WORKERS WITHOUT EMPLOYEE OWNERSHIP HAD LAYOFFS SIX TIMES MORE THAN THOSE WITH IT LAST YEAR.

PERCENT OF WORKERS LAID OFF LAST YEAR



ESOP EMPLOYEES REPORT BETTER JOB QUALITY



more traditional
pension plans



more performance-
based pay over 10%



more employee
involvement



more gain sharing and
profit sharing



second retirement plans
with diversification



more training

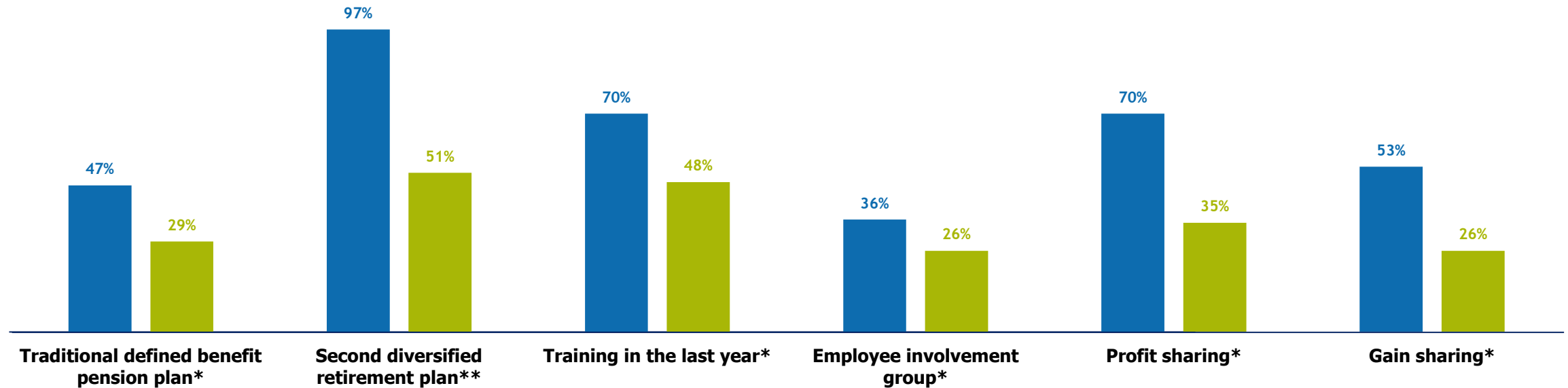


JOB BENEFITS FOR ESOP EMPLOYEES...

COMPARING BENEFITS FOR ESOP TO NON-ESOP EMPLOYEES

■ ESOP EMPLOYEE

■ NON ESOP EMPLOYEE

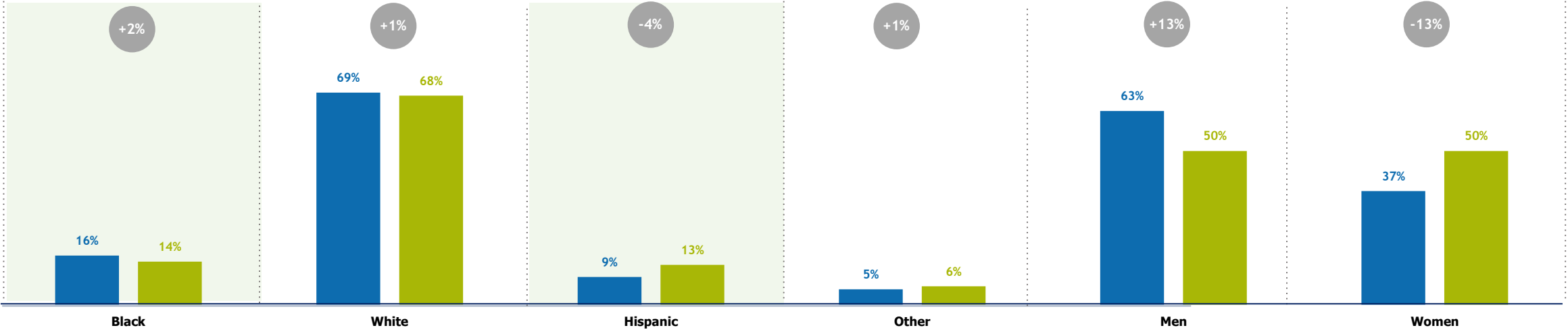


*Data combined for 2014 and 2018 | **National Center for Employee Ownership 2018 S Corp ESOP Study



REPRESENTATION OF DIFFERENT GROUPS IN ESOP EMPLOYEES...

■ PRECENT OF THE ESOP POPULATION
■ PERCENT IN THE NON-EO POPULATION
■ PERCENT OVER / UNDER REPRESENTED



There is a significant gender and racial and income wealth gap in the United States that we also observe in ESOPs.

Rutgers University and the W.K. Kellogg Foundation just released a three year study of mostly women and people of color who are low and modest income employees.

We found evidence that ESOPs have been able to narrow but not eliminate this gap.

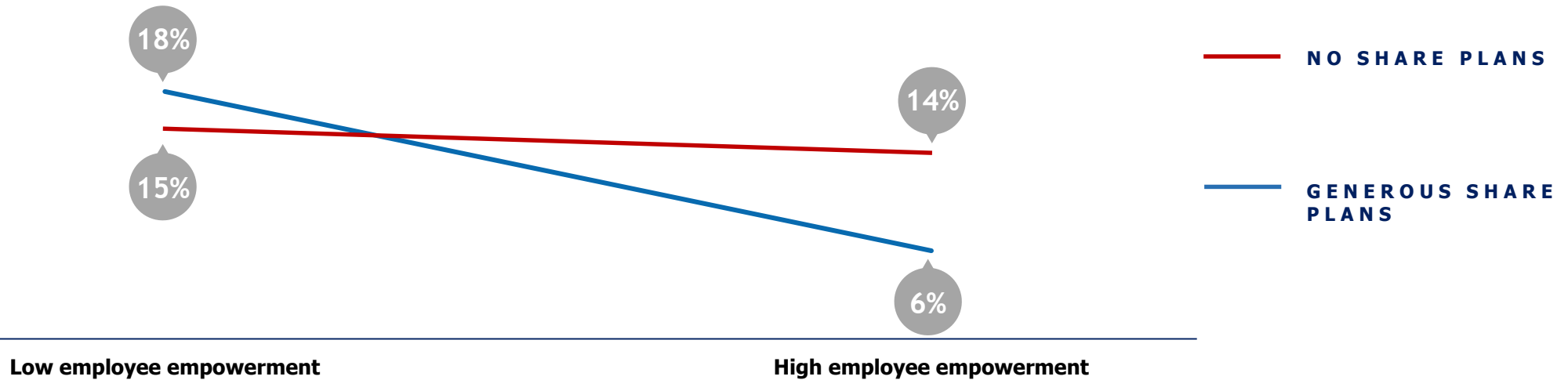


WHAT DO WE KNOW ABOUT THE HIGHEST PERFORMING EMPLOYEE OWNERSHIP...?



BUSINESSES CAN HAVE STUNNINGLY LOW TURNOVER WHEN THEY COMBINE EMPLOYEE OWNERSHIP WITH JUST THE RIGHT CORPORATE CULTURE

SHARE PLANS, EMPLOYEE EMPOWERMENT AND TURNOVER



Citation of the Charts

- Please use the following when citing and presenting the charts in any format:

These charts were made possible through a contract between the Employee Ownership Foundation and the National Opinion Research Center at the University of Chicago for questions on the General Social Survey. Analysis of the data was done on a volunteer basis by Professor Joseph Blasi and Professor Douglas Kruse of the Institute for the Study of Employee Ownership and Profit Sharing, Rutgers University School of Management and Labor Relations, 2019.

Note: The Rutgers/Kellogg Foundation study is available at:

smlr.rutgers.edu/rutgers-kellogg-report

THANK YOU

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