

RESEARCH BRIEF

Federal Data/Datasets on Employee Share Ownership

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- DATASET: The General Social Survey **surveys individual adult workers** every 2 years about their economic, social, & political behaviors and attitudes. Employee ownership random sample data are collected every 4 years with foundation grants underwriting the questions. **It is the only regular nationally representative survey of adult workers on employee ownership and profit sharing from 2002 to 2022.** Data collected by the National Opinion Research Center (NORC) at the University of Chicago. Based on recent 2022 data and 2014-2018 data for ESOPs.

RECENT FACTS:

- 17.5% of adults or 24.5 million workers own company stock
- 7.7% of adults or 10.8 million workers hold firm stock options
- Average ESOP wealth is \$320k above 55years old/with 10 years of tenure
- 0.4% of employee-owners laid off in last year versus 7.5% of non-owners
- 71% of ESOP workers have profit sharing vs 34% of non-ESOP workers
- 70% of ESOP workers had training vs 47% of non-ESOP workers

NOTES: Google.org supported the employee ownership questions in 2022 and the Employee Ownership Foundation supported the questions in 2014 and 2018. Analysis by the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing, Profs. Douglas Kruse and Joseph Blasi.

U.S. Department of Labor, Employee Benefits Security Administration (EBSA)

- DATASET: DOL Form 5500 requires annual report **surveys all ESOP companies** with financial information on ESOP companies and all ERISA plans. Based on 2021 DOL Research Date File. **It is the only annual data on the entire population of all ESOP companies in the U.S.** Based on the most recent 2021 data.

RECENT FACTS:

-6,247 ESOPs, 10.7 million employees, \$2.09 trillion ESOP assets, with average assets per employee of \$165,000

-5,823 closely-held ESOPs, 2.3 million employees, \$539 billion ESOP assets, with average assets per employee of \$186,000

-424 publicly-traded ESOPs, 8.3 million employees, \$1.6 trillion ESOP assets, with average assets per employee of \$159,000

-The General Social Survey data for ESOPs in 2014/2018/2022 shows average ESOP assets of \$312,000 for employees who are over 55 years of age and \$320,000 for employees who have been with the firm for more ten years or more.

NOTES: The Form 5500 was developed jointly by DOL's Employee Benefits Security Administration, Treasury's Internal Revenue Service, and DOL's Pension Benefits Guarantee Corporation (PBGC). Analysis by the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing, Profs. Douglas Kruse and Joseph Blasi.

U.S. Federal Reserve Board

- DATASET: The Survey of Consumer Finances surveys a random sample of American families every three years on family balance sheets, pensions, & incomes. **It is the most detailed dataset on the finances of American families** Based on 2022 data for all employee-owner families in the private sector.

RECENT FACTS:

- **13% of families, 10.3 million families, have some employee stock ownership**
- **7.9% of all families, 6.3 million families, own the stock through a pension plan**
- **6.5% of all families, 5.1 million families, own the stock directly**
- **Average employee ownership per family is \$119,628**
- **Median employee ownership per family is \$5,000**
- **Dollar value by percentiles: 10th--\$140.; 25th--\$750.; 75th-- \$40,000.; 90th--\$161,500.**

Notes: Analysis by the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing, Profs. Douglas Kruse and Joseph Blasi.

U.S. Social Security Administration (SSA) & The National Institute on Aging (NIA), NIH

- DATASET: The Health and Retirement Study (HRS) of SSA and NIA of the National Institute of Health (NIH), carried out by the University of Michigan Institute for Social Research, is an ongoing panel survey of about 20,000 individual retirees over 50 years old that includes ESOPs. **It is the largest and most comprehensive dataset on the well-being of older Americans.** Based on six waves of 2008-2028 data.

RECENT FACTS:

- **These are the first-ever estimates of the impact of ESOPs on wealth in old age.**
- **ESOP participants have about double the retirement wealth of otherwise similar non-ESOP individuals, even after taking into account pre-retirement earnings and demographic characteristics.**
- **ESOP individuals have greater wealth in every decile of the distribution, and that wealth is somewhat more equally distributed among ESOP versus non-ESOP participants.**

Notes: Analysis by Dr. Matthew Mazewski, Research Associate and Economist at the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing with support of the Employee Ownership Foundation.

U.S. Bureau of Labor Statistics, Department of Labor

- DATASET: The National Longitudinal Survey of Youth follows the same sample of 5,504 young women and men, including an oversample of African Americans and Latinos, over time, first interviewed in 1997, then re-interviewed 2013 when they were 28 to 34 years old, then interviewed most recently in 2013, and then interviewed in 2017 when they were deeper in their thirties. **This is the only longitudinal panel study of younger people in ESOPs available.**

RECENT FACTS:

-Young people from 28-34 years old who had an ESOP as a benefit at their company had higher median wages of \$40,000 versus \$30,000 than for non-ESOP youth in 2017 controlling for gender, race, and education, with the two groups starting out at similar modest wages. This was also true on average for single mothers and single parents.

-Young people from 28-34 years old who had an ESOP as a benefit at their company had 92% higher median household wealth of \$28,500 versus \$14,831 for non-ESOP youth, with the exception of single mothers. This was also true for single mothers and single parents on average.

-Young people from 28-34 years old who had an ESOP as a benefit at their company had a much greater incidence of other benefits at work than non-ESOP youth, such as flexible work schedules, medical insurance, dental benefits, life insurance, maternity/paternity leave, company subsidized child care, tuition reimbursement, and a retirement plan other than the ESOP and Social Security ranging from a third to 400% higher. This was also true for ESOP workers with wages below \$30k at the time.

-Young people from 28-34 years old who had an ESOP as a benefit at their company had much greater job security of 5.2 years tenure versus 3.4 years of tenure at non-ESOP companies at that age. This was also true for single mothers.

-Young people overall in ESOPs had lower poverty rates than non-ESOP youth, and single mothers with an ESOP as a benefit had lower poverty rates which went down over the period versus single mothers with worse poverty rates in non-ESOP firms. But the rates for all types of ESOP single mothers were not as low as for ESOP youth overall.

-Youth workers of color, women of color, and families of color in ESOPs did better on average than in non-ESOP companies in terms of wages, household wealth, tenure, and poverty rates. Youth in families with at least one child in the household did better in ESOPs regarding company benefits.

-These ESOP/non-ESOP youth differences were also observable in 2017 when the youth workers were deeper in their thirties.

NOTES: Analysis by Dr. Nancy Wiefek, Research Director of the National Center for Employee Ownership, with funding from the W.K. Kellogg Foundation. Available at www.ownershipconomy.org

Occupational Health and Safety Administration, U.S. Department of Labor

- DATASET: The Occupational Health and Safety Administration's (OSHA) Injury Tracking Application involves an annual reporting requirement for 250,000 business establishments across the U.S. These records are matched to U.S. DOL's ESOP database. **This is the most comprehensive measure of workplace injury in the U.S.** For the years 2016-2019 comparing 40,889 ESOP establishment report to 212,004 non-ESOP establishment reports.

RECENT FACTS:

- ESOP establishments have a statistically significant 9-13% decrease in workplace safety incidents which averages 4.86 incidents per establishment per year. This controls for industry, firm size, weekly hours worked per worker, average number of employees, publicly-held/closely-held ownership, union status.
- If all firms had ESOPs this would amount to a decrease of 315,000 to 455,000 workplace safety incidents.
- Looking at the workplace safety incidents before and after adopting an ESOP, there was a reduction after adopting an ESOP although the sample was small.

Notes: The analysis is by Austin Palis, Research Assistant at the Federal Reserve Board of Governors and Douglas Kruse of the Rutgers Institute for the Study of Employee Ownership and Profit Sharing. Only the researchers alone are responsible for their results and no institutional approval is implied.

U.S. Department of Labor. Employee Benefits Security Administration (EBSA)

- DATASET: The DOL Form 5500 requires annual report for **all ERISA benefit plans including all ESOPs and 401k plans**. Based on the DOL Research Date File. **This is the only annual data on the entire population of all companies with ESOPs and 401k plans in the same dataset in the U.S.** Based on the most recent data covering 2010-2020.
- ESOPs tend to have additional 401k plan benefits. For every year from 2010-2020, between 72.7% and 75.8% of all ESOPs also have 401k plan benefits.
- For closely-held ESOPs, this ranges from 71.3% to 74.6% of all ESOPs over the eleven years.
- For publicly-traded ESOPs, this ranges from 91.3% to 93% of all ESOPs over the eleven years.
- The number of ESOP employees without 401k benefits numbers from 160,000-235,000 in any year from 2010 to 2020 out of 10.1 million to 10.6 million ESOP employees in any of those years.
- Some ESOPs are integrated with 401k plans where the company stock is used as a match to employee contributions to the 401k plan and they are called KSOPs (for 401k ESOP combination), often through a leveraged ESOP.
- ESOP companies with any 401k plan excluding KSOPs range from 58.7% to 64.3% of all closely-held ESOPs and from 29.5% to 40.6% of all publicly-traded ESOPs from 2010 to 2010 in any year. Thus, most publicly-traded ESOPs are through KSOPs.
- Comparing ESOPs and non-ESOPs where there are only employer contributions, from 2010-2018, the dollar value of ESOP contributions plus plan income is substantially higher for ESOP employees than for all other defined contribution plan employees on average and at the median, in every year and in every industry, and in every combination of ESOPs and other defined contribution or defined benefit plans.
- NOTES: The Form 5500 was developed jointly by DOL's Employee Benefits Security Administration, Treasury's Internal Revenue Service, and DOL's Pension Benefits Guarantee Corporation (PBGC). Analysis by the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing, Profs. Douglas Kruse and Joseph Blasi based two separate studies which are available from the authors.

U.S. Securities and Exchange Commission

- SEC filings with population data on publicly-traded corporations. The beneficial ownership parts of the Annual Proxy and the stock compensation part of the Annual Report address information on employee share ownership. When completed, this will provide the most extensive picture of employee equity compensation in publicly-traded corporations.

FACTS:

-Researchers are seeking some minor amendments to the reporting in the Annual Proxy and the Annual Report to allow better national data on the percent of total employees in publicly-traded companies included in various employee share ownership plans, and the percent of company stock in ESOPs and ERISA plans, Employee Stock Purchase Plans, Restricted Stock Unit Plans, and reserved for employee Stock Option Plans.

Notes: A team at the Rutgers University Institute for the Study of Employee Ownership is now working on this study and in touch with the SEC.

U.S. Census

- Management Operations Practices Survey (MOPs) of the U.S. Census that measures different management practices in the Annual Survey of Manufacturers matched to the U.S. DOL's ESOPs Form 500 database. **This will be the most extensive study to date of the economic performance of ESOP companies.**

FACTS:

-This study is now underway comparing ESOP and non-ESOP manufacturing companies in terms of their economic performance and their employment stabilization for the years 2010 and 2015.

Notes: This study being carried out by an inter-university team at the Rutgers University Institute for the Study of Employee Ownership and Profit Sharing supported by the Russell Sage Foundation.

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