

# ESOPs in the Manufacturing Industry

Douglas Kruse, April 2024

## Introduction

In this fact sheet, we provide some updated statistics regarding employee stock ownership plans (ESOPs) in manufacturing in total, and, separately, for ESOPs in publicly traded corporations and closely-held corporations. Manufacturing ESOPs represent 21% of all ESOP corporations, 23% of all active ESOP employees, 34% of all ESOP retired employees, and 42% of all ESOP assets in the US.

## Number of ESOP Companies and Employees in Manufacturing

The US has a total of 1,319 corporations in the manufacturing sector with an ESOP, including 168 in publicly traded companies and 1,151 in privately held companies.

Over 80% of the publicly traded companies have more than 1,000 employees compared to a little more than 5% of closely held companies.

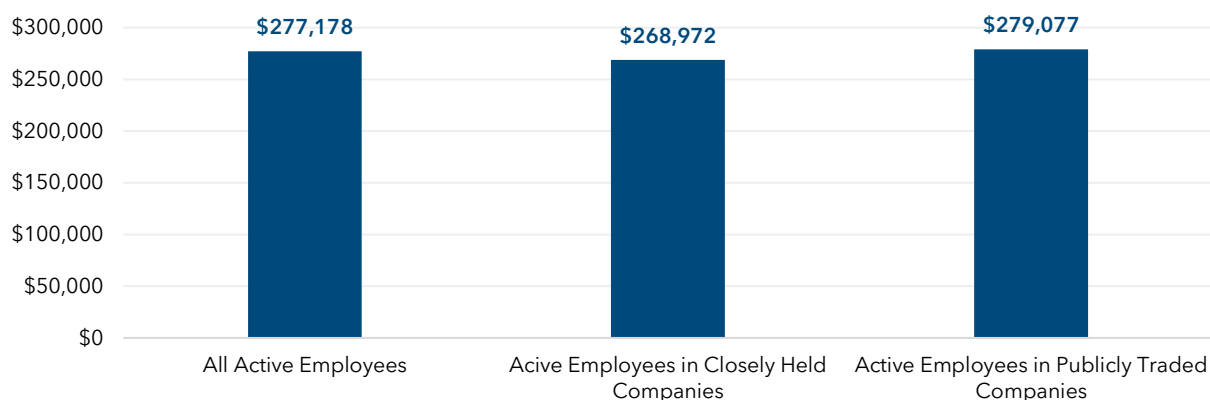
A remarkable 2,507,023 employees in the manufacturing sector are active participants in an ESOP with 81% employed at a publicly traded company.

Another 1,372,962 retired employees from manufacturing, including 1,132,950 from publicly traded companies, still receive ESOP benefits.<sup>1</sup>

## Value of ESOP Assets in the Manufacturing Industry

The total value of ESOP assets in manufacturing is \$885 billion including a \$723 billion value in publicly traded companies and \$161 billion in closely held companies.

## Wealth Accumulation of Active Employees in Manufacturing ESOPs



## About the Author

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Douglas Kruse is a Distinguished Professor at Rutgers' School of Management and Labor Relations, and he is the associate director of the Rutgers Institute for the Study of Employee Ownership and Profit Sharing. See: <https://smlr.rutgers.edu/EmployeeOwnershipInstitute>

## Learn More

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We are pleased to present this brief as part of the Employee Ownership Ideas Forum, a two-day convening bringing together leading policymakers, practitioners, experts, and the media for a robust discussion on how we can grow employee ownership for the shared benefit of American workers and businesses. The Forum is co-hosted by the Aspen Institute Economic Opportunities Program and the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University. Learn more at [as.institute/eoforum](https://as.institute/eoforum).



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## Sources

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The number of ESOPs is based on the Research File of the 2021 retirement plan filings of the US Department of Labor (Form 5500), with analysis by Douglas Kruse of the Institute for the Study of Employee Ownership and Profit Sharing of Rutgers University in March of 2024. The analysis of stock market companies was carried out by matching Standard and Poor's COMPUSTAT to the US Department of Labor's Form 5500 to identify stock market corporations. Most stock market ESOPs comprise 1-3% of total shares outstanding. Average assets per active participant is based on the assumption that average assets are twice as high among active participants as among retired participants, based on prior findings from individual-level ESOP participant data.

## Notes

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<sup>1</sup> A retiree still receiving ESOP benefits is a person who is not actively working at the company but who has an ESOP account. Often, this reflects a retired employee who has opted to keep their ESOP investment or whose ESOP account is being paid to them over several years.