



# Who Benefits from an Employee Stock Ownership Plan (ESOP)?



ESOPs are less likely to move or close compared to when the company is sold to an outside third party

ESOPs are more likely to stay in business during a recession and other tough times.

ESOPs are more likely to retain their employees.

## Communities



May be able to delay or eliminate capital gains taxes when selling their stock to an ESOP.

Can exit the company on a schedule of their choosing; can stay employed by company after selling their shares.

Can maintain the culture of the company they founded or developed and their legacy

## Selling Shareholders



Get a retirement plan that usually requires no out-of-pocket contribution from them.

Share in the rewards when the company does well.

Enjoy Greater job security: 7.3 time less likely to be laid off than those working at conventionally owned companies.

## Employee Owners



Provide a benefit that aligns employees' interests with the company's long-term financial health.

May be able to avoid paying federal and state income taxes on the portion of the business owned by the ESOP.

Can enjoy business continuity with improved rates of employee and customer retention and a greater ability to withstand tough economic times.

## ESOP Companies