History of Employee Ownership Month

Back in 1982, the National Center for Employee Ownership was in its second year. Our staff consisted of three people: Karen Young, myself, and an intern, Mike Yoffee. We thought it would be a good idea to have an employee ownership week.

There are all kinds of "days," "weeks," and "months." Just to start your year, you can celebrate National Hangover Day on January 1, and then, having recovered, enjoy National Buffet Day on January 2, and top it off with National Chocolate Covered Cherry Day on January 3 (I am not making this up). Of course, many are more serious, like National Human Trafficking Awareness Day, Martin Luther King Jr. Day, and International Holocaust Remembrance Day. Some are designated by Congress, including lots of days or weeks designated for various products, like National Oatmeal Month.

Declaring an employee ownership week seemed like a good idea to encourage companies to celebrate being employee-owned and, hopefully, use the opportunity to get attention from the local press, congressional representatives, and local leaders. We didn't want to try to get a congressional designation—it was too much of a stretch for a young organization like ours. So we just said, "this is Employee Ownership Week."

We only had a few hundred members then—and almost no money. There was no such thing as the internet, and personal computers were still a couple of years off. So things were a lot more basic. Mike had the bright idea to send a party card inviting all our members to celebrate Employee Ownership Week. To get across the message that this was supposed to be a celebration, Mike bought a lot of glitter to stuff in each card. We hand-typed labels, licked stamps and envelopes, and sent out a list of ideas with the card.

In a few days, we got a call (we did have telephones back then). Actually, a few calls. People opened up the card, and the glitter promptly fell to the floor or their desk, making a hard-to-clean mess. Well, it seemed like a good idea at the time.

Aside from the glitter, the concept proved to be a good one. A couple of years later, we started a poster contest. The ESOP Association embraced the idea. It became Employee Ownership Month, and companies around the country were holding picnics, playing games, giving out prizes, holding special communications events, inviting members of Congress to meet their employees, getting resolutions from mayors and governors, sending out press releases, and more. It is now an event most employee ownership companies seem to recognize in some way.

— Corey Rosen, NCEO Founder

"So celebrate this month. Just skip the glitter."

Why Employee Ownership Month Matters Today

Really, the entire country should be celebrating Employee Ownership Month. Employee ownership is not a partisan issue. Right, left, and middle agree that too many Americans have too little wealth. Just over 20% of all Americans have no wealth at all. Forty percent of Americans cannot cover a financial emergency with available cash, forcing them to borrow money, put it on a credit card, raid their retirement accounts (if they have one), or other less than optimal choices. Only about half the working age population has retirement savings of any kind; the median retirement account balance is zero. Demographic disparities are even starker.

This lack of access to wealth is economically, socially, and psychologically devastating. Wealth means options; wealth means security; wealth means we can plan for the future. With wealth, we can send our kids to college, take a chance on a new job or starting a business, handle an emergency, and much more.

About 14 million Americans are in ESOPs, which hold about $1.4 trillion in equity. Because of the way ESOPs are structured, they inherently allocate resources more evenly than almost any other government incentives for wealth-building, such as 401(k) plans, federal housing loans and tax incentives for home ownership, small business loans, tax incentives for corporations, and many, many more that disproportionately benefit wealthier white people.

ESOPs are for the most part add-ons to other retirement plans. Participants in these plans accumulate 2.2 times the retirement assets of employees in other retirement plans and infinitely more than the roughly half the non-government working population that has no retirement plan at all.

In 2017, Nancy Wiefek of the NCEO, using data on millennials from the National Longitudinal Surveys of the Bureau of Labor Statistics, released groundbreaking research showing that the median household net wealth among respondents in employee ownership plans was 92% higher for employee-owners than for non-employee-owners; employee-owners of color have 79% greater net household wealth. The employee-owners also had higher wages and greater job stability.

The employees get more because the companies make more. ESOP companies are more successful with an ESOP than they would be without one. They grow faster, they are more innovative, and they make more money. Everyone wins, including the communities and customers.