



EMPLOYEE-OWNED S CORPORATIONS OF AMERICA

A Comparative Study On U.S. Retirees: ESOP Vs. Non-ESOP And Financial Security

March 2019

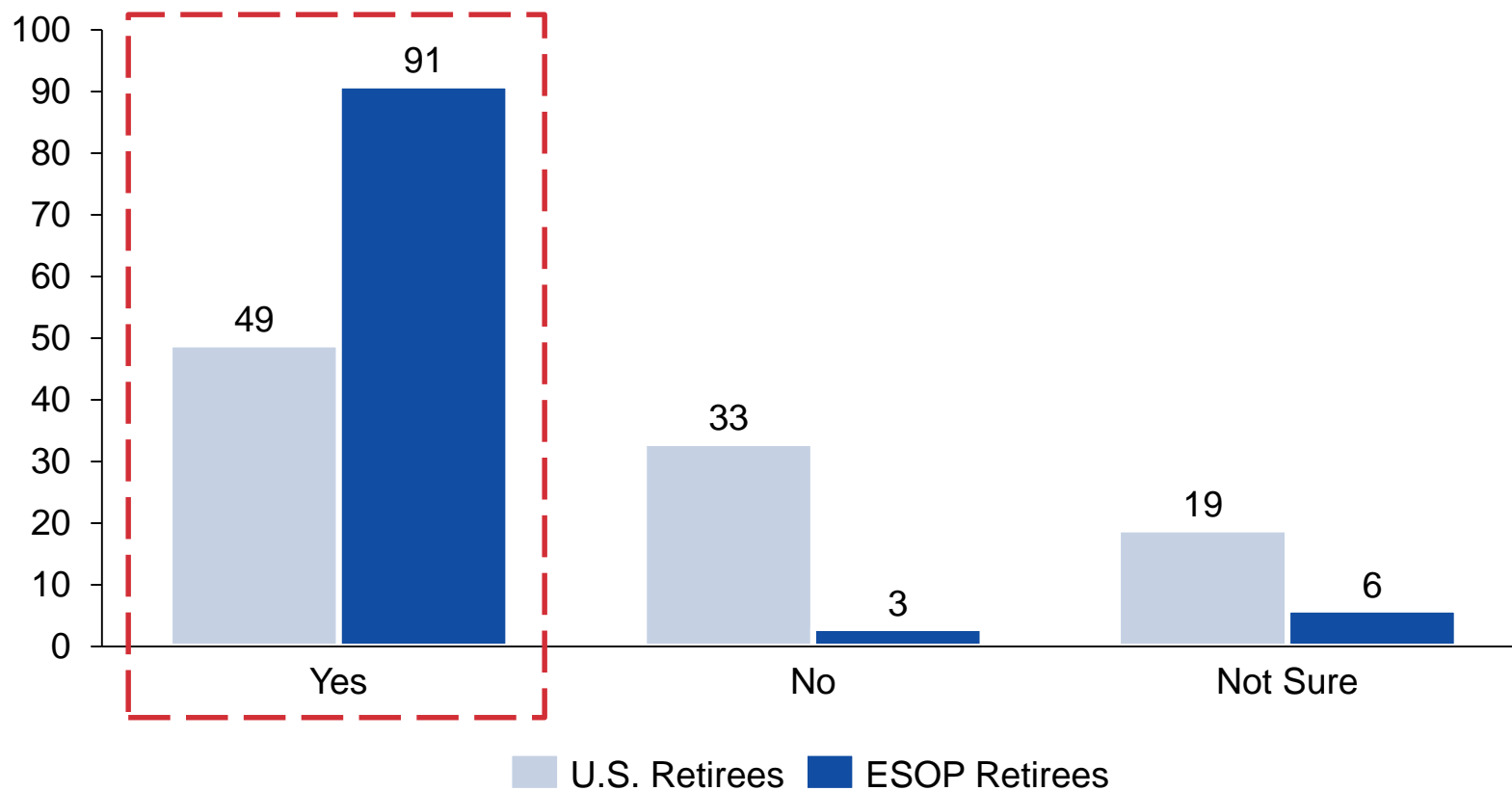
Executive Summary

When compared to retirees in the U.S. who do not participate in an employee stock ownership plan (ESOP), ESOP retirees are better prepared for retirement and are far more confident in their financial security.

- ESOP retirees are nearly twice as likely to feel they have enough money to live a comfortable lifestyle in retirement.
- Non-ESOP retirees are three times more likely than ESOP retirees to have major financial concerns.
- 93 percent of ESOP retirees had sufficient knowledge to prepare for retirement, compared to just 65 percent of non-ESOP retirees who said they had adequate information to retire.
- Almost all ESOP retirees (89 percent) say that their retirement savings are sufficient to meet their needs, while less than half of non-ESOP retirees (48 percent) say the same.

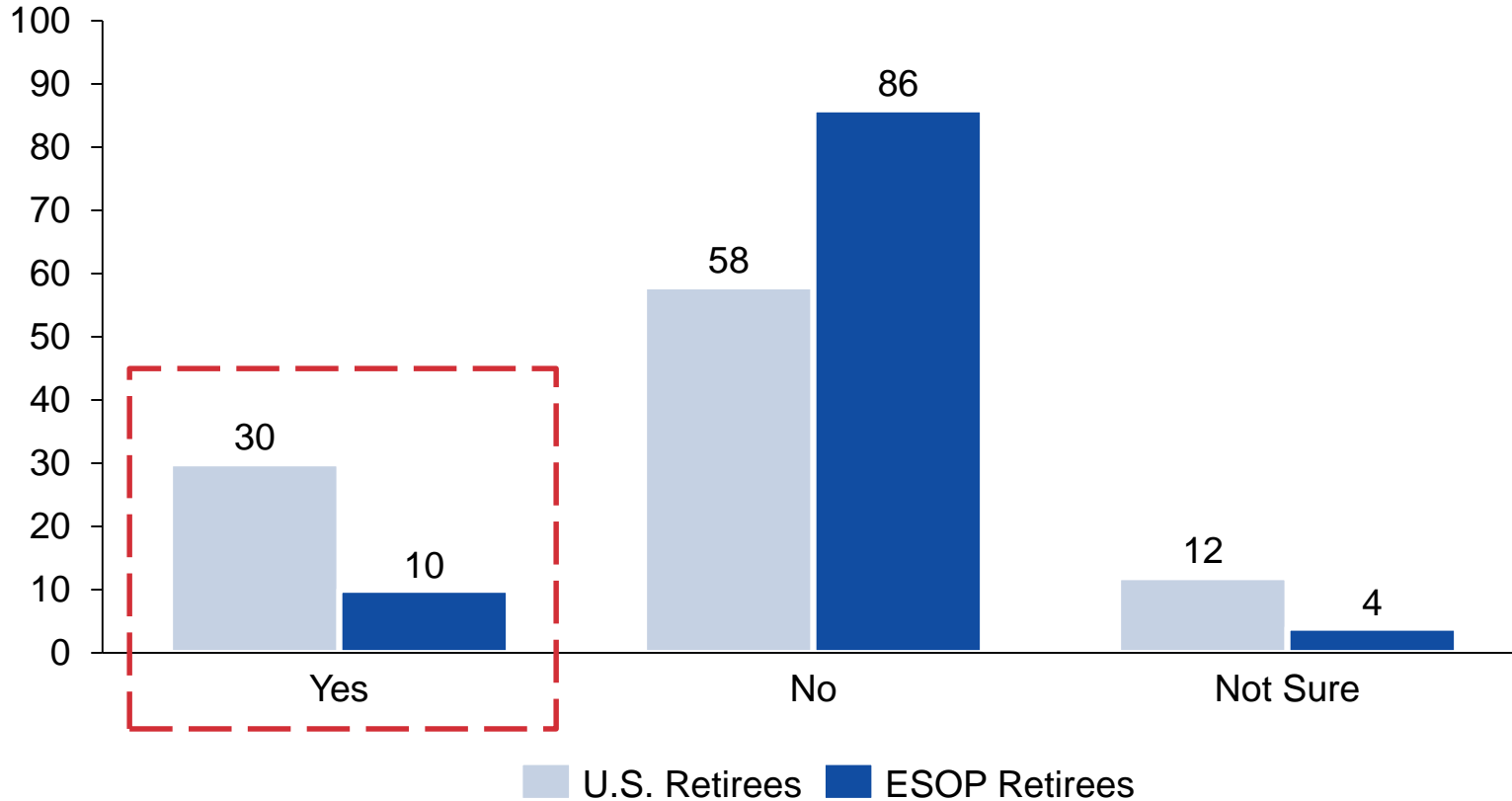
ESOP Retirees Are Better Able To Afford A Comfortable Lifestyle In Retirement

Share Of Retirees Who Feel They Have Enough Money To Live A Comfortable Lifestyle In Retirement



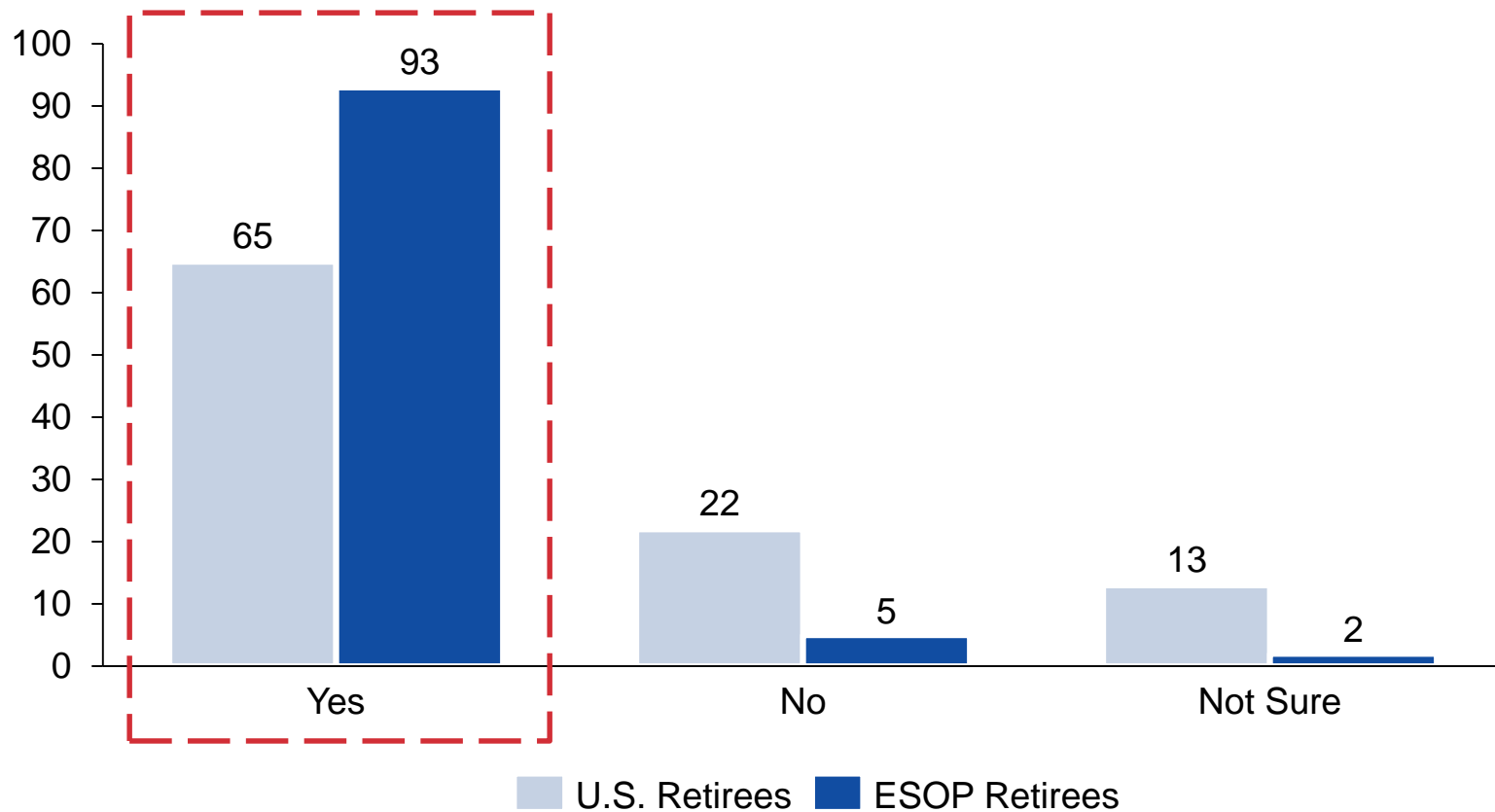
Non-ESOP Retirees Are Three Times More Likely To Have Major Financial Concerns

Share Of Retirees Who Have A Major Financial Concern About Retirement



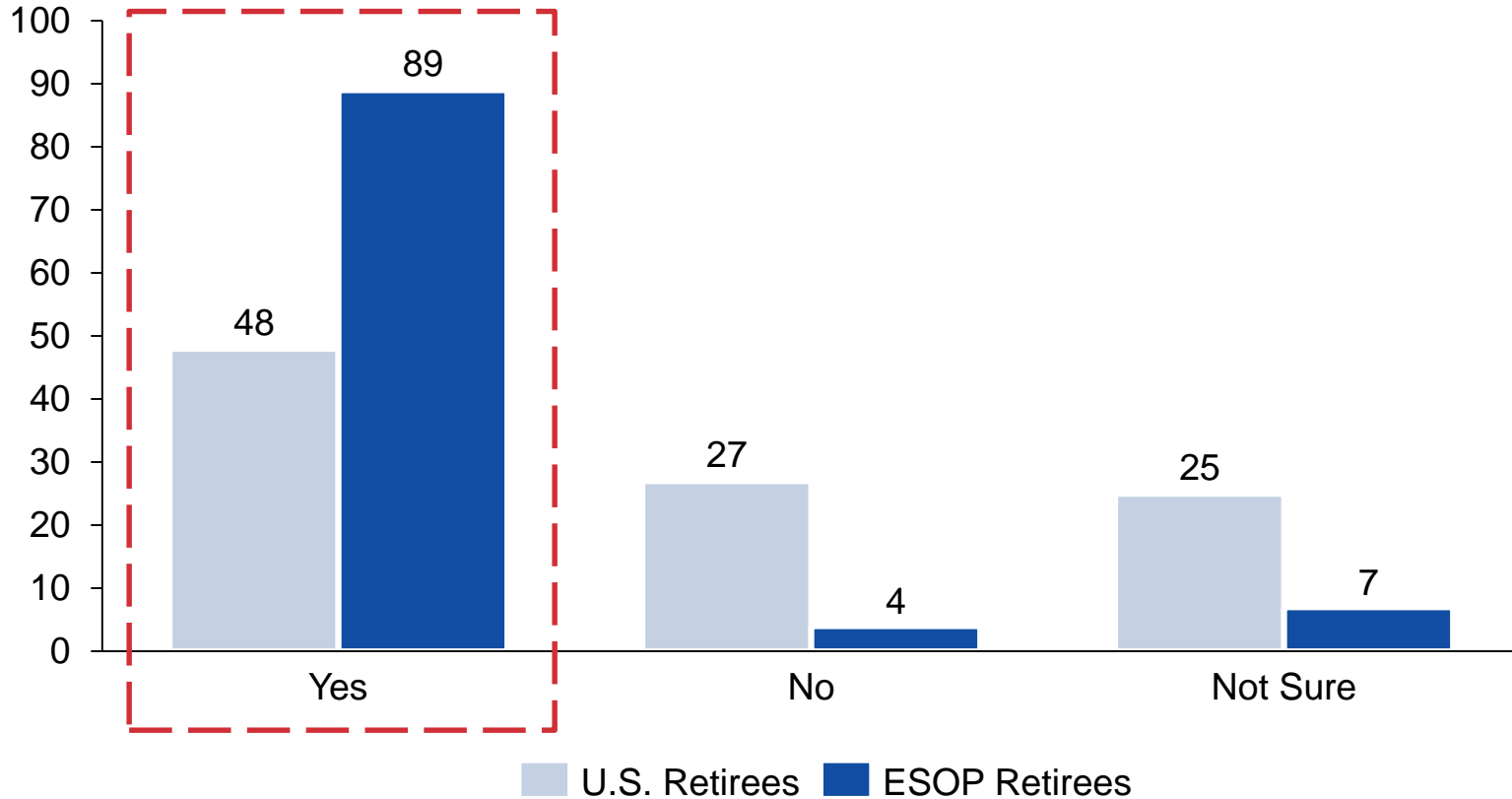
ESOP Retirees Have More Knowledge About Preparing For Retirement

Share Of Retirees Who Feel They Have Enough Information/Knowledge To Prepare For Retirement



Almost All ESOP Retirees Feel They Have Sufficient Savings For Retirement

Share Of Retirees Who Think Their Retirement Savings Are Sufficient To Meet Their Needs



Methodology

- ESCA commissioned John Zogby Strategies to conduct two surveys of retirees in the United States.
 - The first survey was a nationwide sample of 407 retirees and was conducted online on October 4, 2018.
 - The second survey was of 214 employee stock ownership plan (ESOP) retirees and was conducted online October 22 – November 16, 2018. The ESOP survey respondents came from client lists of retirees in a sampling of ESCA member companies.
- The margin of error for the sample of 407 U.S. retirees is +/- 5.0 percentage points.
- The margin of error for the sample of 214 ESOP retirees is +/- 6.8 percentage points.
- For the nationwide survey, each invitation was password-coded and secured. Doing so ensured that the IP addresses were not tracked and that respondents could not take the survey more than once. Subsets of the data have a larger margin of error than the whole data set. Therefore, very small subsets of data cannot be relied on for validity. For subsets smaller than 70 respondents, estimations can be made based on the data. In such cases, the data is more qualitative than quantitative.
- While additional factors can create error, such as question wording and question order, John Zogby Strategies took steps to reduce such error. Slight weights were applied to age, race, and educational achievement levels to more closely reflect the population of those aged 60 and above.