



NATIONWIDE SURVEY OF LIKELY VOTERS ON ESOPs AND TAX REFORM LEGISLATIVE EFFORTS

I. METHODOLOGY

1. Employee-Owned S Corporations of America (ESCA) commissioned John Zogby Strategies (JZS) to conduct a nationwide, online survey of 800 likely voters. JZS conducted this online survey from September 6 – 7, 2017. The survey has margin of sampling error of +/- 3.5%. Error margins are higher for subgroups. Slight weights were applied for some demographics to ensure that the sample was representative of likely voters in the most recent national election. The sample included 36% each of likely democratic and republican voters, as well as 28% of those who identified themselves as independent or unaffiliated with any party.

II. EXECUTIVE ANALYSIS

- The major takeaway from the poll is that after knowing how ESOPs can favorably impact Americans, 53% of respondents would like to work for an ESOP. The ESOP facts presented to respondents included: 1) employees of ESOP companies are significantly more likely to feel better about their current financial situation; and 2) employees of ESOP companies have much less or no anxiety about saving for retirement. Americans want policies that can impact them favorably. They are tired of rhetoric and gridlock and the numbers show that promoting ESOPs is something that can get them excited. **(See slides 12 – 14 of Powerpoint for further numbers and analysis).**
- Over 3 in 5 (62%) would like their own Congressional representatives (even before hearing the ESOP facts) to vote for a bill before both houses that would make it easier for owners of S Corps to transfer ownership in their companies to employees. This idea has broad appeal not only because it suggests tax savings but also because it is conceptually favored by both conservatives who identify with the “ownership society” and liberal/progressives who believe in opportunities for employee empowerment. There is real potential for bridge building. After hearing the ESOP facts presented, nearly 7 in 10 respondents (69%) say they more likely overall to support the reform measure. Support already starts from high ground and yet still climbs quite a bit in light of the ESOP information presented to respondents.
- Americans are fearful about not having enough money for retirement with overall levels at 75%. **(See Q5 in cross-tabulation tables).** Those in the 30-64 age group are particularly concerned reaching 8 in 10 (80%). Understandably, Americans under the age of 30 tend to defer their concerns for later in life (63% overall among this group) and those over 65 have figured out a way to manage such concerns (64% overall among this group). Among the 30 – 64 age group, the concern becomes more acute as people begin to realize they have not set aside enough income/savings for their retirement. **It is noteworthy that we found less anxiety toward retirement among ESOP employees in our April 2017 survey.**
- At this stage, any help appears to be greatly welcomed by the middle class. Incomes have certainly not risen for most middle class Americans; and, it is clear many are losing hope and feeling



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increasingly enraged about income inequality. Even \$1,000 or \$2,000 in tax reductions could go a long way. Greater than 6 in 10 respondents overall (62%) attach importance to Congress's immediately enacting tax reform legislation.