



**The National Center for  
Employee Ownership**

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Welcome to employee ownership

On behalf of our three thousand member companies and hundreds of volunteers, we at the National Center for Employee Ownership extend our greetings. We have seen firsthand the stories and the data that show the power of employee ownership: when employees are also business owners, they work harder and smarter, their companies are more successful, and they build more assets.

Sharing ownership with employees is a growing trend worldwide. Here in the U.S., about 30% of the employees who work for companies that have stock are owners in their companies. Over 4,000 U.S. companies, employing over two million people, have a majority of their shares owned by a majority of their employees, including companies with thousands of employees. Leading companies such as Google and Starbucks give all employees stock awards soon after they join the firm. Employee ownership is encouraged by U.S. tax law, and plans can be found in all kinds and sizes of companies.

In the United Kingdom, leaders of all three parties have called for the creation of an employee ownership economy and legislation has been passed this year to encourage that. France has a long-standing program as well. Many Chinese companies are now employee owned. Other countries with employee ownership include South Africa, Australia, Canada, Cambodia, Spain, and many more.

Companies are sharing ownership not just with executives, but with most or all their work force. For many companies, employee ownership just makes good business sense. It helps attract and retain the best people. When combined with a culture of openness and high employee engagement in work-level decisions, it dramatically improves performance. In a time of growing concern about inequality of wealth and income, it is a way to use the free market to create an economy that is more fair.

Most of the evidence on employee ownership comes from the U.S. because the U.S. has the longest and broadest experience with these plans. Please visit our website for summaries of research showing that companies with employee ownership plans:

- Grow about 2.5% per year faster than would have been expected without these plans
- Lay people off at one-third to one-fourth the rate on non-employee ownership companies

- Provide two to three times the long-term retirement wealth for employees as non-employee ownership companies.

Although employee ownership has yet to become popular in Japan, we welcome the creation of the Japan Employee Ownership Association. Japan has long been a pioneer in finding ways for employees to share ideas and information about their work, and many of our member companies have benefited greatly from the lessons they learned from Japanese companies and thinkers. We humbly offer to share whatever might be useful from our experience with creating employee-owned companies.