



# EO is a Powerful Tool for Small Business

## SURVEY METHODOLOGY

- Conducted online June 16-July 12, 2021
- N=400 American small business owners
- Margin of error is 5% at 95% confidence level

*Citation: Employee Ownership Study, Employee Ownership Equals, 2021*

## Small Businesses are **Business Owners First**

### Small business owners value the business benefits of an EO transition.

In considering a transition to EO, small business owners say increasing profit, motivating employees, and giving their business capital to grow are as—or more—important as getting a fair value when they retire.

#### Increasing profitability



#### Motivating employee to do their best work



#### Helping receive a fair value when they retire



#### Giving their business the capital to grow



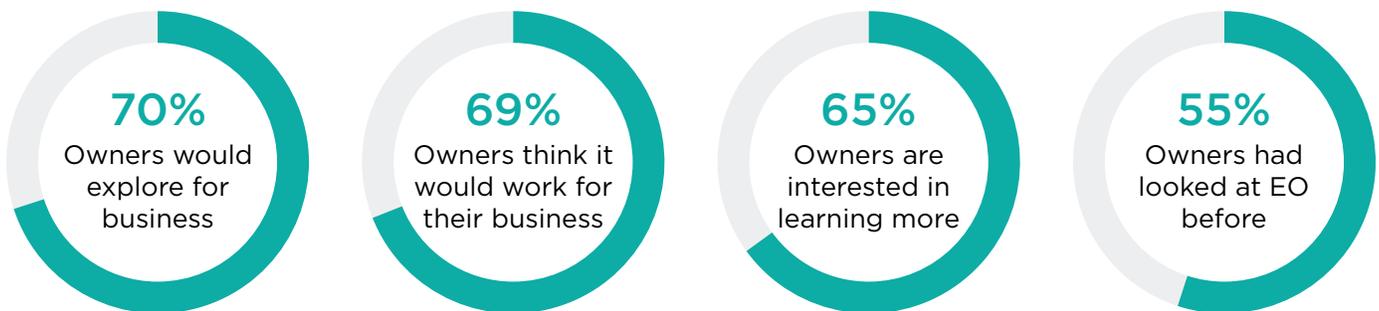
■ Somewhat or Extremely    ■ Most Important

**Framing EO in terms business owners understand inspires interest. After seeing our definition of EO, owners were much more likely to say that they would explore EO for their business.**

#### DEFINITION OF EO

*Employee ownership is an arrangement in which employees participate in the ownership of a company, either in full or through shares in the stocks of the business.*

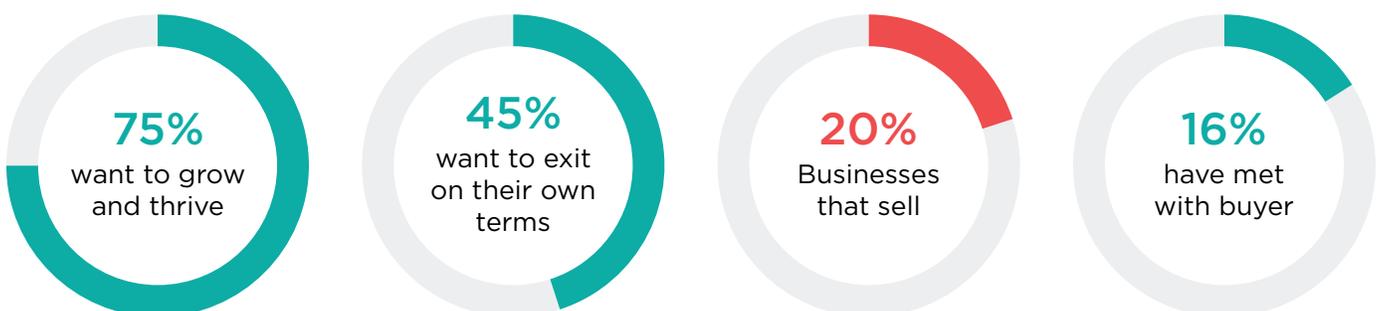
*Employee ownership can be a way for an owner to sell their business at market rate while helping employees build wealth through an ownership stake. Additional benefits from employee ownership can include reduced staff turnover and increased financial stability for the business.*



## **Business Owners Want to Leave a Legacy, But Many May Not Succeed in Doing So.**

**Most small business owners want their business to continue after they leave, and want to exit on their own terms.**

But very few have met with a prospective buyer, and only a small percentage of businesses sell.



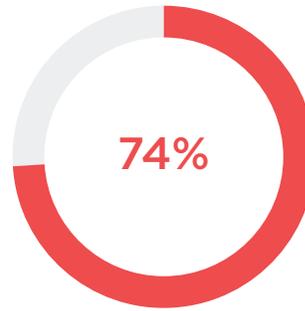
Exit Planning Institute  
State of Owner  
Readiness Survey 2013

# Small Business Owners See Their Business as Their Retirement Plan

**Most small business owners are relying on their business to fund their retirement security, and may have overly optimistic beliefs about their current value.**

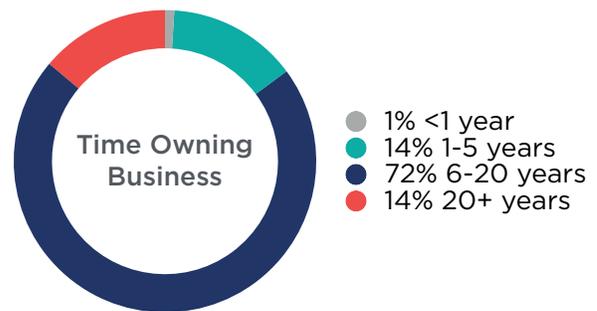
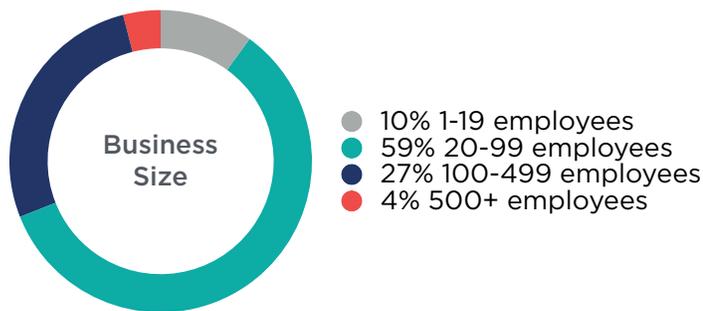
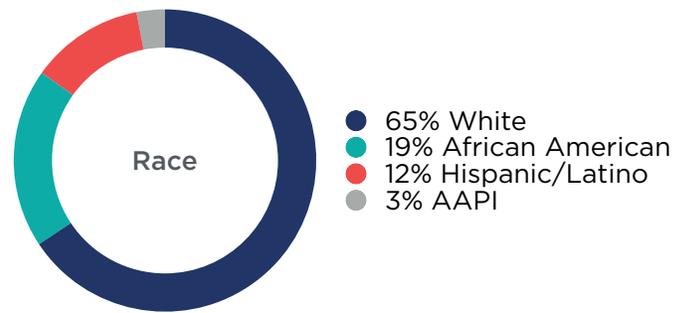
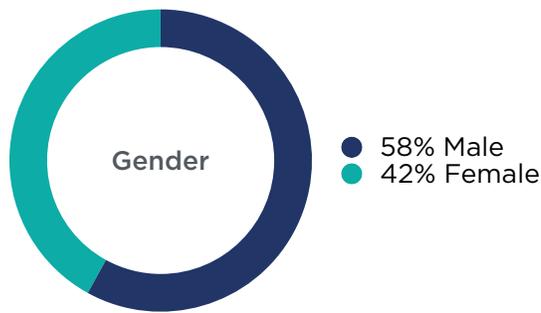
EO is a realistic solution that can help them realize their retirement goals. There is an EO model for almost every business, while only 20% of businesses ever sell.

Say that they are “very” or “somewhat” confident that their business’s current value will allow them to retire comfortably.



Say that more than half of their retirement is tied up in the value of their business

# Survey Demographics



## Sectors

