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**

- Somewhat or Extremely: 78%
- Most Important: 19%

**Motivating employee to do their best work**

- Somewhat or Extremely: 75%
- Most Important: 21%

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

- Somewhat or Extremely: 75%
- Most Important: 13%

**Giving their business the capital to grow**

- Somewhat or Extremely: 71%
- Most Important: 8%
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.*

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**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.

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70% Owners would explore for business

69% Owners think it would work for their business

65% Owners are interested in learning more

55% Owners had looked at EO before

75% want to grow and thrive

45% want to exit on their own terms

20% Businesses that sell

16% have met with buyer

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. 96%

Say that more than half of their retirement is tied up in the value of their business. 74%
Survey Demographics

**Gender**
- 58% Male
- 42% Female

**Race**
- 65% White
- 19% African American
- 12% Hispanic/Latino
- 3% AAPI

**Business Size**
- 10% 1-19 employees
- 59% 20-99 employees
- 27% 100-499 employees
- 4% 500+ employees

**Time Owning Business**
- 1% <1 year
- 14% 1-5 years
- 72% 6-20 years
- 14% 20+ years

**Sectors**
- Professional, scientific, and technical services: 17%
- Retail: 16%
- Manufacturing: 13%
- Accommodation and food services: 9%
- Wholesale trade: 9%
- Construction: 8%
- Healthcare and social assistance: 7%
- Transportation and warehousing: 7%
- Hotel and hospitality services: 4%
- Arts & entertainment: 3%
- Administrative, support, and waste management: 2%