Making the case for broad-based ownership

Equity compensation to help foster employee engagement

BANK OF AMERICA

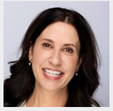
INFINITE EQUITY

RUTGERS–NEW BRUNSWICK
School of Management
and Labor Relations

Contents

This is a collaborative report by Bank of America Workplace Benefits™, Infinite Equity and the Rutgers Institute for the Study of Employee Ownership and Profit Sharing.

Authors



Robyn Shutak, FGE, CEP
Partner
Infinite Equity
robyn@infiniteequity.com

About Infinite Equity

Founded in 2019 by several self-proclaimed "industry addicts," Infinite Equity was born to provide companies the guidance they need to create equity compensation programs that drive performance, fuel innovation and foster a culture of ownership.

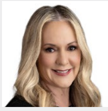
As recognized industry leaders, our team has worked with some of the biggest Fortune 500 public companies in the world to emerging and growing private companies and startups.

No matter your size, scale or goals, our mission is always the same: to provide the professional prowess you need to chart your path and corporate culture forward.

Bill Castellano, Ph.D.
Professor, Human Resource Management Department, Rutgers University
Associate Director, Rutgers Institute for the Study of Employee Ownership and Profit Sharing
castellano@smlr.rutgers.edu

About the Rutgers Institute for the Study of Employee Ownership and Profit Sharing

The mission of the Institute for the Study of Employee Ownership and Profit Sharing is to study the various models that have emerged and will emerge of employee ownership shares and profit shares in the corporation and society of the U.S. and around the world. The Institute will study approaches that broaden financial participation and inclusion in the economy and business organizations and allow employees to be fully engaged and share the rewards of their work.



Danyle Anderson, FGE, CEP
Director, Consultant & Industry Relations Workplace Benefits
Bank of America
danyle.anderson@bofa.com

About Bank of America Workplace Benefits

Bank of America Workplace Benefits™ — a new name for a long-standing commitment — is a leading provider of benefit solutions and services to more than 6 million participants from many of the world's top companies. With over half a century of experience in workplace benefits, we deliver a seamless, integrated benefits experience for every employee and a holistic approach to benefits services, driven by the full power of Bank of America.

As an integrated benefits provider of 401(k)* and stock plan services,* health savings accounts,† pension plans,* employee banking† and investing solutions,* and financial wellness programs, our mission is to help ensure your employees meet the future confidently. Our guidance supports your employees through each step of their financial journey, making it easy for them to conveniently manage their full financial lives, even beyond retirement, in one place through a personalized digital experience.

* Capability offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated.
† Capability offered by Bank of America, N.A., and its bank affiliates.

Introduction

As professionals involved in hiring, compensating and incentivizing employees prepare for 2025 and beyond, the impact of the changes in the workplace over the past several years is undoubtedly top of mind. Shifting employee priorities related to company expectations as well as employees' concerns about their financial future, career growth and work-life balance top the list. When coupled with greater awareness and the scrutiny corporations are under regarding how they do business, these trends have driven leaders to rethink their mission, their workforce makeup, and their approach to motivating employees and rewarding performance.

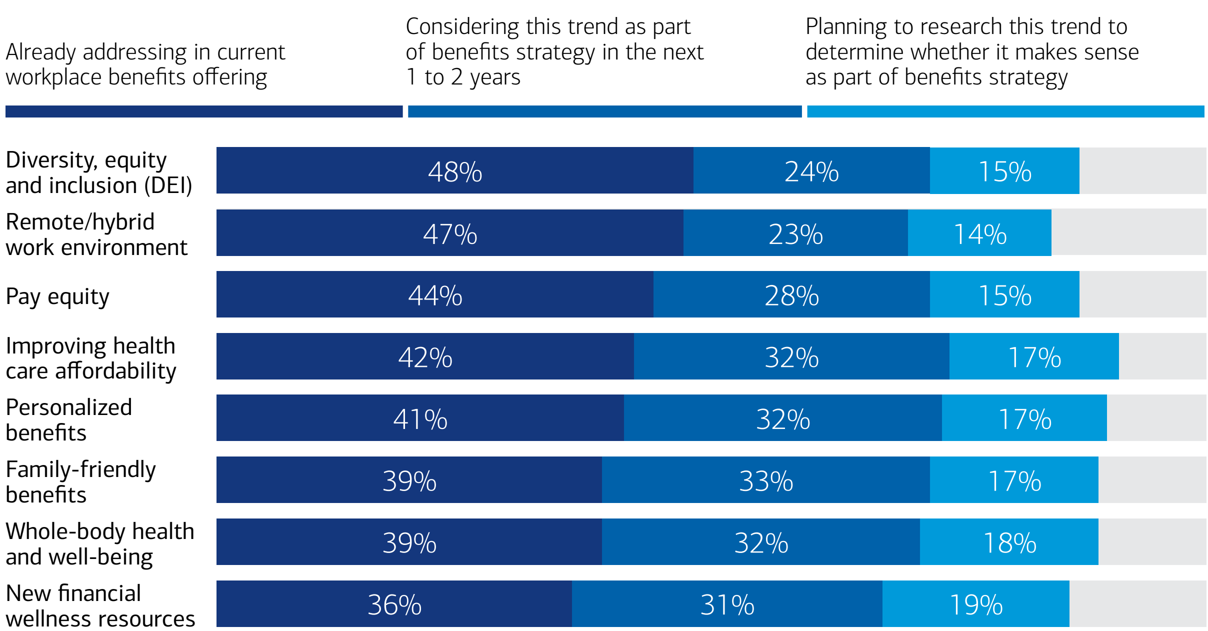
As a result, we've seen companies around the world dramatically shift their strategy and perspective on driving organizational resilience and widening their organization's responsibilities to embrace individual and societal well-being as priorities. This includes redefining company success beyond shareholder return to consider financial inclusion and the financial wellness of employees in a broader context. However, as companies navigate the challenges that these dramatic changes pose, how should they best position themselves to take advantage of the opportunities that the new work landscape will provide? And, more importantly, how will they incentivize employees to focus on these new objectives?

Workplace trends

There's no question that today's workers are more than ever in pursuit of more than just a job and are increasingly seeking value, purpose, support and flexibility from the workplace. Accompanying this migration of employee expectations is unprecedented change in how we work. Emerging technologies, such as artificial intelligence, big data analytics and blockchain, among others, have amplified the pace of workplace transformation. When paired with the tumultuous economy, inflation concerns and an unpredictable labor market, employees and employers are facing change like never before.

Building a company culture that nurtures, motivates and incentivizes your current workforce is arguably the best way to attract and retain top talent. While competitive wages are an essential prong in the strategy, the current climate has shown that employees want and expect their employers to focus on individualizing the employment experience with a broad selection of nonmonetary benefits, such as remote and flexible working, work-life balance, holistic wellness programs, financial education, child and elder care benefits, and a variety of short- and long-term incentives. And companies are taking action — according to Bank of America's *2024 Workplace Benefits Report*, nearly two-thirds of the companies surveyed say they've already addressed or are planning to address many of these challenges in the near future.

Companies' workplace benefit trend considerations



Why equity?

Employers have a myriad of options at their fingertips to creatively attract, retain and incentivize employees in today's workforce. With this in mind, the question of which types and combinations of incentives are most effective is a valid one, and even more important is the question of why today's employers would elect to use equity as a compensation tool over others.

To respond, one must first ask: How can it be that, in America, half of families collectively own only 3% of the wealth? A large part of the answer has to do with the fact that the lower half of households owns very little corporate stock, either directly or through pensions. The results of the *Survey of Consumer Finances* (2022)[1] tell the story:

- The top 10% by wealth owns 88.5% of corporate equities and mutual fund shares either directly or through pensions, and the top 1% alone owns over half.
- The bottom 50% owns only 0.7% of stock. For the bottom 50%, 87% of all assets are in illiquid form (real estate, consumer durables including automotive, pensions and private businesses).
- Half of U.S. households have virtually no liquid safety net.

With the U.S. stock market long considered a source for some of the highest returns for investors over the past century, one can conclude that the expansion of equity ownership might be a viable solution for addressing these staggering inequalities and helping individuals build wealth for their long-term financial needs.

Research conducted by the Rutgers Share Laboratory substantiates just how much of an impact equity ownership can have. In this 2024 study, employee share owners reported having levels of individual wealth that are nearly two times as large as workers without share ownership and are more likely to perceive the fixed wages they receive as higher than the market rate for workers with similar experience and job descriptions.[2]

Other research highlights

62% of Americans are living paycheck to paycheck[3]

26% of retirees have higher expenses than expected[5]

$134,000 is the median net balance for retirement for people between the ages of 55 and 64[4]

43% of people are worried about outliving their retirement savings[6]

Equity compensation is preferred by all

Preferred by employees

72% would rather work for an employee-owned (vs. investor-owned or state-owned) company

61% would take a job with employee ownership if choosing between two similar jobs

Preferred by employers

Turnover can be 3 times lower

38% of customers are more likely to buy from employee-owned businesses

Source: General Social Survey, 2018 and 2022, by Douglas L. Kruse and Joseph R. Blasi, Institute for the Study of Employee-Ownership and Profit Sharing, Rutgers University School of Management and Labor Relations.

Broad-based LTIPs versus ESPPs: Which is right for your company?

Companies considering broad-based equity ownership have the opportunity to utilize a broad-based long-term incentive plan (LTIP) or an employee stock purchase plan (ESPP), or both. These plan designs offer benefits unique to their structure as well as some drawbacks, making the choice between them crucial depending on the company's goals and the workforce's needs. Here we outline considerations of both plans to help determine which might be the best fit for your organization.

Understanding broad-based LTIPs

Broad-based LTIPs are designed to offer equity compensation to a wide range of employees, not just executives or key personnel. These plans can include various types of equity awards, such as stock options, restricted stock units (RSUs) and performance shares. The primary aim is to align the interests of employees with those of shareholders by giving all employees a stake in the company's success.

There are numerous benefits of broad-based LTIPs for both employers and employees, including the following:

- **Alignment with organizational goals.** LTIPs can align the interests of employees with the company's strategic objectives and long-term success. By tying rewards to performance metrics that reflect corporate goals, employees are motivated to contribute to the company's growth and profitability.
- **Retention of talent.** LTIPs are effective tools for retaining key talent. They provide a broad selection of employees with a vested interest in the company's future performance, encouraging them to remain with the organization to realize the full benefits of their incentives.
- **Focus on long-term performance.** Unlike short-term incentives, LTIPs emphasize and can reward sustained performance and growth. This focus can help mitigate short-sighted decisions that prioritize immediate gains over long-term sustainability.

- **Employee engagement.** Participation in LTIPs can increase employee engagement by fostering a sense of ownership and accountability. When employees feel they have a stake in the company's success, they're more likely to go above and beyond in their roles.
- **Competitive advantage in talent acquisition.** Offering LTIPs can enhance a company's attractiveness to prospective employees. In competitive talent markets, candidates often prioritize organizations that provide opportunities for long-term financial growth and career advancement.
- **Tax efficiency.** LTIPs can be structured to provide tax advantages for both the company and employees.

While LTIPs offer many advantages, they also come with certain drawbacks and challenges that organizations should consider:

- **Complexity and administration.** LTIPs can be complex to design, administer and communicate to employees. Managing vesting schedules, performance metrics and accounting for equity-based awards requires dedicated resources and expertise.
- **Costs and financial impact.** Implementing LTIPs can be costly, particularly for stock options that may dilute existing shareholders' equity more than other instruments. There are also expenses associated with accounting, legal compliance and tax implications.
- **Potential for misalignment.** If not carefully structured, LTIPs may fail to align with the company's strategic goals or individual employee performance. Poorly designed incentives could lead to unintended behaviors or short-term focus at the expense of long-term value creation.
- **Performance measurement challenges.** Setting meaningful performance metrics that accurately reflect company performance and individual contributions, as well as ensuring they're understood, can be challenging.
- **Market volatility and risk.** Equity-based LTIPs are susceptible to market fluctuations, which can affect the value of awards granted to employees. Economic downturns or adverse industry conditions may diminish the perceived value of incentives.
- **Employee expectations and communication.** Managing employee expectations and effectively communicating the purpose, benefits and eligibility criteria of LTIPs are critical. Poor communication can lead to confusion, dissatisfaction or lack of engagement.

LTIP advantages

- Alignment with organizational goals
- Retention of talent
- Focus on long-term performance
- Employee engagement
- Competitive advantage in talent acquisition
- Tax efficiency

LTIP disadvantages

- Complexity and administration
- Costs and financial impact
- Potential for misalignment
- Performance measurement challenges
- Market volatility and risk
- Employee expectations and communication

Exploring ESPPs

ESPPs allow employees to purchase company stock at a discounted price, often through regular payroll deductions. Coined by some as the new broad-based equity tool, the purchase plan structure entices employees to engage with their firm by requiring some form of investment on their behalf, giving them the proverbial "skin in the game."

ESPPs can take the form of qualified plans, offering tax advantages, or nonqualified plans, providing more flexibility in terms of design. Over the past few years, growth in the latter form has been notable, primarily as the nonqualified plans permit flexibility and thus lend themselves to more creative structures, such as the inclusion of matching funds, supplemental kickers for lower-paid employees and charitable components. Other notable creative designs include plans that focus on conveying the rights of shareholders to all employees to encourage participation at annual meetings and voting on critical corporate decisions. Companies are encouraged to be thoughtful regarding what motivates their employees and creatively structure their incentives accordingly.

ESPPs have recently experienced a resurgence of popularity, largely due to their significant advantages for both employees and employers, including:

- **Employee ownership.** ESPPs foster a sense of ownership and alignment with company goals. Employees become shareholders, which can lead to increased motivation, engagement and loyalty.
- **Financial benefits.** ESPPs typically allow employees to purchase company stock at a discounted price, often up to 15% below the market value and, in some instances, are designed to deliver shares free of charge to employees. This provides an immediate financial benefit and potential for wealth appreciation.
- **Tax advantages.** Depending on the structure of the ESPP, employees may benefit from favorable tax treatment. In some cases, contributions to the plan are made on a pre-tax basis, and capital gains tax may apply at a lower rate if shares are held for a specified period.
- **Affordability and accessibility.** ESPPs are often designed to be affordable for employees, with contributions deducted from payroll over time. This makes them accessible even to employees who may not have large sums of capital for investment.
- **Retention, motivation and engagement.** Offering an ESPP can enhance employee retention and engagement by providing a valuable benefit that encourages employees to stay with the company for the long term and delivers a strong incentive to employees to regularly engage with the company.
- **Employee financial education.** ESPPs promote financial literacy and education among employees as they learn about investing in company stock, market fluctuations and long-term wealth-accumulation strategies. For some employees their company's ESPP is the first introduction to the stock market and investing. When paired with comprehensive education, these plans can deliver important financial literacy.
- **Low risk.** ESPPs are generally considered low-risk investments compared with other forms of equity compensation. Depending on plan design, employees can have the flexibility to sell their shares immediately or hold them for potential further gains.
- **Competitive advantage in recruitment.** Offering an ESPP can enhance a company's attractiveness to prospective employees, particularly in competitive job markets where total compensation and benefits packages are crucial factors.

While ESPPs can be very effective tools for aligning employee interests with company performance and providing financial benefits, organizations should consider these potential drawbacks and implement strategies to ensure the program's effectiveness and fairness.

- **Market risk.** ESPPs expose employees to market volatility. The value of company stock can fluctuate significantly, potentially leading to losses if employees sell their shares at a lower price than what they paid.
- **Lack of diversification.** ESPPs can lead to overconcentration of wealth in company stock. Employees may have a significant portion of their investment portfolio tied to their employer's performance, which increases risk if the company experiences financial difficulties.
- **Limited participation.** Not all employees may benefit equally from ESPPs, especially if participation is restricted to certain levels of the organization or if employees cannot afford to contribute due to financial constraints.
- **Complex tax implications.** ESPPs can have complex tax implications, particularly if employees sell shares shortly after purchasing them or if they hold onto shares that appreciate significantly.
- **Employee understanding.** ESPPs may be misunderstood or underutilized by employees who don't fully grasp the benefits, risks or mechanics of participating in the plan. Effective communication and education are crucial to maximizing employee engagement and participation.

ESPP advantages

- Employee ownership
- Financial benefits
- Tax advantages
- Affordability and accessibility
- Retention, motivation and engagement
- Employee financial education
- Low risk
- Competitive advantage in recruitment

ESPP disadvantages

- Market risk
- Lack of diversification
- Limited participation
- Complex tax implications
- Employee understanding

Which plan is right for your company?

Choosing between a broad-based LTIP and an ESPP depends largely on your company's strategic objectives and the profile of your workforce. Broad-based LTIPs are excellent for fostering long-term engagement and aligning interests with shareholders, while ESPPs provide an immediate and tangible benefit that encourages investment in the company. Some companies may even find that a combination of both plans best meets their needs, balancing immediate rewards with long-term incentives. By carefully evaluating the pros and cons of each, your company can implement an equity compensation strategy that effectively motivates and retains your valued employees.

Either way you choose, offering equity to employees is an increasingly important benefit to help them achieve their long-term financial planning goals.

Plan option	Best for	Goals
Broad-based long-term incentive plan (LTIP)	• Companies aiming to offer a comprehensive equity compensation package to a wide range of employees, fostering a strong sense of ownership and aligning long-term interests	• Long-term retention • Competitive hiring • Broad employee ownership
Employee stock purchase plan (ESPP)	• Companies seeking to encourage employee ownership and investment with a relatively simple and tax-advantaged plan	• Promoting short- to mid-term employee investment • Offering an immediate financial benefit

Is broad-based equity really better?

There's a wide body of research that demonstrates the benefits of broad-based employee equity ownership. Research has shown that firms with higher levels of employee ownership have higher:[7]

- Employee outcomes — employee commitment, lower turnover, discretionary efforts, co-monitoring and more suggestions
- Strategic outcomes — productivity and innovation
- Financial outcomes — revenues and return on equity

Over 100 studies across many countries indicate that employee ownership is generally linked to better productivity, pay, job stability and firm survival. Free-riding, a common problem associated with team- or organization-based compensation, also often appears to be overcome by worker co-monitoring and reciprocity, activities largely driven by the presence of employee ownership programs.

Key findings[8]

- Employee ownership is linked to better company performance on average, as it creates a closer tie between employee performance and rewards.
- Employee ownership companies have more stability, higher survival rates and fewer layoffs in recessions, potentially leading to lower unemployment in the overall economy.
- The broader sharing of economic rewards may help reduce economic inequality.

Many supporters of equity compensation believe effectively designed and deployed broad-based programs also have a direct effect on a company's bottom line. As highlighted in the *Global Equity Insights Survey 2024* (GEIS) produced by the Global Equity Organization, 12 years of data has consistently pointed to the fact that successful companies tend to apply more equity-based compensation and to a wider extent.

The GEIS results show that when analyzing key performance indicators for study respondents, such as return on assets, return on invested capital and total shareholder return, companies in the top quartile of each indicator allocate more budget toward their LTIPs and utilize employee stock purchase or free share programs more often than their lower-performing counterparts. Additionally, the data show that organizations continue to make larger portions of their population eligible to participate in these important programs. In fact, 2024 GEIS results show a surprising 36% of North American companies responding to the survey make at least 91% of their workforce eligible for awards. When coupled with results that show organizations are increasing the portion of LTI in their employees' pay mix as well as the overall award value per employee, the expanding use of these powerful programs becomes clear.[9]

Strategies for maximizing the impact of broad-based equity programs

Across many of these studies, there appear to be a subset of firms offering broad-based equity programs that have higher employee, strategic and financial outcomes. It seems these firms design their equity programs to help employees accumulate wealth and manage financial risk for their long-term financial needs rather than looking at equity as part of their short-term total compensation.

The design of these equity compensation programs has four common features:

1 No wage substitution

Ensure that fixed pay is at or above the market. Equity compensation won't enhance worker incomes or reduce inequality if it substitutes for standard employee pay or benefits. Substituting employees' wages and benefits for equity will diminish participation in these plans and overall ownership,[10] whereas equity that's provided to employees as a grant significantly reduces employees' perceptions of risk equity and will likely be viewed as a long-term investment. Furthermore, providing employees the opportunity to purchase company equity under favorable conditions, for example, through meaningfully discounted purchases in an employee stock purchase plan (ESPP) also has the benefit of reducing their risk equity.

2 Offer both long-term equity and short-term profit-/gain-sharing programs

Viewing equity as part of compensation can lead to short-term financial decisions whereby employees cash out of their vested equity holdings to finance their short-term expenses. This in turn can lead to underfunding their long-term retirement objectives. It also results in fewer "employee shareowners" who accumulate equity in their companies.
A better strategy to encourage employees to have a longer-term view of equity rewards is to offer both short-term and long-term benefit programs.[11] Providing a short-term profit- or gain-sharing program with a longer-term equity program can encourage employees to accumulate equity for their long-term savings needs. Accumulating equity over an extended period of time can also help align employees and organizational interest.

3 Have a separate and diversified retirement program

With the rapid decline of defined-benefit pension plans, the retirement future of the working middle class is bleak. Just as it's important for employers not to substitute wages for equity participation, it's equally important not to substitute retirement benefits for equity rewards. Drawing from portfolio theory, having a separate and diversified retirement program also mitigates the risk of equity ownership. Such a strategy can increase the share of employee wealth that can be prudently held in employers' stock while accumulating savings for their future.

Research has shown that excessive risk can reverse many of the positive workplace benefits of employee ownership, including lower levels of motivation, job satisfaction, and company attachment and loyalty.[12]

4 Offer financial wellness and risk education programs

Educating employees about the importance of financial planning and providing them with the tools for accumulating and managing wealth are essential components of an ownership culture that can increase employee equity participation and ownership. An effective financial wellness program should educate employees about the two biggest risks of equity ownership.

First is the risk of not participating in their company's equity programs. As discussed earlier, research has shown that equity is a significant driver of wealth creation for individuals' long-term savings needs. Educating employees about the importance of participating in employer equity programs and amassing a well-diversified financial portfolio for their retirement is an integral component of an effective financial wellness program.

Second is to educate employees about the risks inherent in all equity investments. Employers must ensure that employees are aware of and know how to manage their financial risks. Educating employees on having a well-diversified portfolio that's not overly weighted with one stock is important. Equally important is helping employees obtain professional financial advice for managing their investments.

Creating a high-performance ownership culture

Most interesting among those firms that help employees accumulate wealth and manage financial risk for their long-term financial needs is yet another subset of firms that have the highest employee, strategic and financial outcomes. Looking at what may be driving these higher outcomes, it seems these firms view their equity program as one part of a system of complementary HR practices.[13]

Collectively, these practices create what's commonly called a high-performance ownership culture. One possible explanation for the higher outcomes is that, in such a culture, employees seem to be more intrinsically motivated and engaged and are more likely to think and act like owners. Indeed, in a study of multiple generational cohorts, a high-performance ownership culture was shown to increase employee engagement across all generations.[14]

In addition to the practices for accumulating wealth, five complementary practices have been identified that can help create a high-performance ownership culture:[15]

1 Enhancing employee information sharing

Widely sharing information with employees about the firm's strategic, financial and day-to-day business decisions is an important first step in creating an ownership culture. Employees who own employer equity want to know how the company is performing. Sharing such information leads to employees who are "business literate," which in turn can provide a basis for enhancing employee performance guided by their knowledge of their impact on firm outcomes. Sharing financial information with workers can also signal that their employer both trusts them and is trustworthy, enhancing worker attachment to the firm.[16]

2 Empowering employees to be more accountable

Organizations that seek to create a culture of ownership empower employees by giving them greater authority and responsibility in how their work is to be performed. The opportunity for empowerment encourages employees to solve customer problems and offer more suggestions that enhance company innovation. This further enhances employees' sense of psychological ownership, which creates a feeling on the part of employees that they have a responsibility to make decisions that are in the long-term interest of the company. Employees who feel like owners, who are given greater authority and accountability, are more likely to increase their equity stake and share in the success of their employers.

3 Involving employees in decision-making

Employee share owners who have access to company information, who are empowered and accountable, want to be involved in decision-making that impacts organizational outcomes. The options range from employee involvement teams to problem-solving groups to self-directed work teams to open-book management. Research has shown that such inclusive ownership programs have increased employees' long-term wealth accumulation as well as their pay and benefits.[17] Such programs have also benefited their companies by increasing productivity, lowering turnover rates and increasing company survival rates, which benefit investors by improving overall financial performance.[18]

4 Offering more training and development programs

It makes strategic sense to provide employee-owners with the means to improve performance through increased skills acquisition so that they can effectively take action in response to the financial incentives. Offering significantly more training is one of the high-performance work practices that's a central element to the kind of high-performance work system that works best with equity participation to improve both employee behaviors and firm performance.[19] Research has also shown that investments in employee-owners' skills can enhance firm survival and employment stability,[20] which can further motivate employees to participate in equity programs.

5 Creating a participatory management philosophy

Managers play a crucial role in the implementation of these high-performance practices critical for creating a culture of ownership. Such managers embrace a participatory management philosophy that encourages employees to think and act like owners, willingly share information, empower employees to be more accountable and involve employees in decision-making.

A participatory management work environment provides employees with the opportunity to develop personal mastery of work-related skills and a sense of competence. Recognition of employees' work-related accomplishments also provides social reinforcement of the organization's goals and makes employees more aware of how they affect organizational performance. Our research found that employees excel and their trust in management increases when they're not closely supervised. Such a participatory management work environment also promotes anti-shirking behavior and a strong sense of ownership.[21]

Real-world results

Companies today are increasingly recognizing the strategic value of introducing equity compensation for the first time. This expansion aims to engage a broader range of employees and foster a culture of ownership and alignment with corporate goals. As companies roll out these initiatives, they're designing innovative plans to suit diverse workforce needs and maximize participation.

By extending equity beyond traditional executive ranks, companies empower a wider spectrum of employees to share in the company's success and growth trajectory. This move not only enhances employee morale and commitment but also strengthens retention efforts by offering compelling long-term incentives.

Innovative plan design is crucial in this evolution, ensuring that equity programs are accessible and meaningful across various job roles and organizational levels. Companies are more frequently customizing plans to fit specific business strategies, and these tailored approaches not only incentivize desired behaviors but also reinforce a culture of meritocracy and accountability.

The introduction and expansion of equity compensation among companies today signify a strategic commitment to fostering employee engagement, aligning incentives with long-term success and innovation in compensation practices. By embracing these changes thoughtfully and creatively, organizations can position themselves as employers of choice while fueling growth and achieving strategic objectives in dynamic market environments.

Resources

For more information on the creative application of broad-based equity strategies, please visit the following organizations online:

- Bank of America for an in-depth look at the Bank of America Sharing in Success Program
- Infinite Equity for case study information on the application of broad-based programs
- The Rutgers Institute for the Study of Employee Ownership and Profit Sharing for studies on the incidence, functioning, benefits and costs of a wide variety of models of employee share ownership and profit sharing

[1] *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*, Board of Governors of the Federal Reserve System, October 2023.

[2] Michael Palmieri, Joo Hun Han, Douglas L. Kruse, William Castellano, Felice B. Klein, Adria Scharf and Joseph R. Blasi, *Job Quality of Employee Share Owners in the United States*, Rutgers University Shares Lab Quarterly Report, January 1, 2024.

[3] Gloria Guzman and Melissa Kollar, *Income in the United States: 2022*, Current Population Reports, U.S. Census Bureau, September 2023.

[4] *Economic Well-Being of U.S. Households in 2023*, The Federal Reserve, May 2024.

[5] Employee Benefit Research Institute and Greenwald Research, *2023 Retirement Confidence Survey*, EBRI Chartbook, April 2023.

[6] See note 4, above.

[7] Joseph R. Blasi, Richard B. Freeman and Douglas L. Kruse, "Do broad-based employee ownership, profit sharing, and stock options help the best firms do even better?" *British Journal of Industrial Relations*, 54:1, 55–82, 2016; and T*he Citizen's Share: Reducing Inequality in the 21st Century*, New Haven: Yale University Press, 2014.

[8] Douglas L. Kruse, *Does employee ownership improve performance?* IZA World of Labor, 2022.

[9] *Global Equity Insights Survey 2024*, Global Equity Organization, 2024.

[10] Joseph R. Blasi, Richard B. Freeman and Douglas L. Kruse, *Shared Capitalism at Work: Employee Ownership, Profit and Gain Sharing, and Broad-based Stock Options*, University of Chicago Press, April 2010.

[11] See note 10, above.

[12] See note 10, above.

[13] Joseph R. Blasi, Richard B. Freeman and Douglas L. Kruse, *The Citizen's Share: Reducing Inequality in the 21st Century*, New Haven: Yale University Press, 2014.

[14] William G. Castellano and Joo Hun Han, *Five Demographic Trends to Enhance and Evolve Your Equity Plan Now*, Morgan Stanley Smith Barney LLC, 2021.

[15] Joseph R. Blasi, Richard B. Freeman and Douglas L. Kruse, "Do broad-based employee ownership, profit sharing, and stock options help the best firms do even better?" *British Journal of Industrial Relations*, 54:1, 55–82, 2016.

[16] C. J. Ferrante and D. M. Rousseau, "Bringing open book management into the academic line of sight: Sharing the firm's financial information with workers," in C. L. Cooper and D. M. Rousseau (Eds.) *Trends in Organizational Behavior*, vol. 8: 97–116, Chichester, UK, Wiley, 2001.

[17] Joseph R. Blasi, Douglas L. Kruse and Dan Weltmann, "Firm survival and performance in privately held ESOP companies," in *Sharing Ownership, Profits, and Decision-Making in the 21st Century*, Douglas L. Kruse (Ed.), Bingley, U.K., Emerald Group Publishing, 2013.

[18] See note 15, above.

[19] See note 13, above.

[20] Fidan Ana Kurtulus and Douglas L. Kruse, *How Did Employee Ownership Firms Weather the Last Two Recessions? Employee Ownership, Employment Stability, and Firm Survival: 1999 – 2011*, W. E. Upjohn Institute, 2017.

[21] See note 10, above.

BANK OF AMERICA

INFINITE EQUITY

RUTGERS–NEW BRUNSWICK School of Management and Labor Relations