

Communications meeting,  
EBO Group



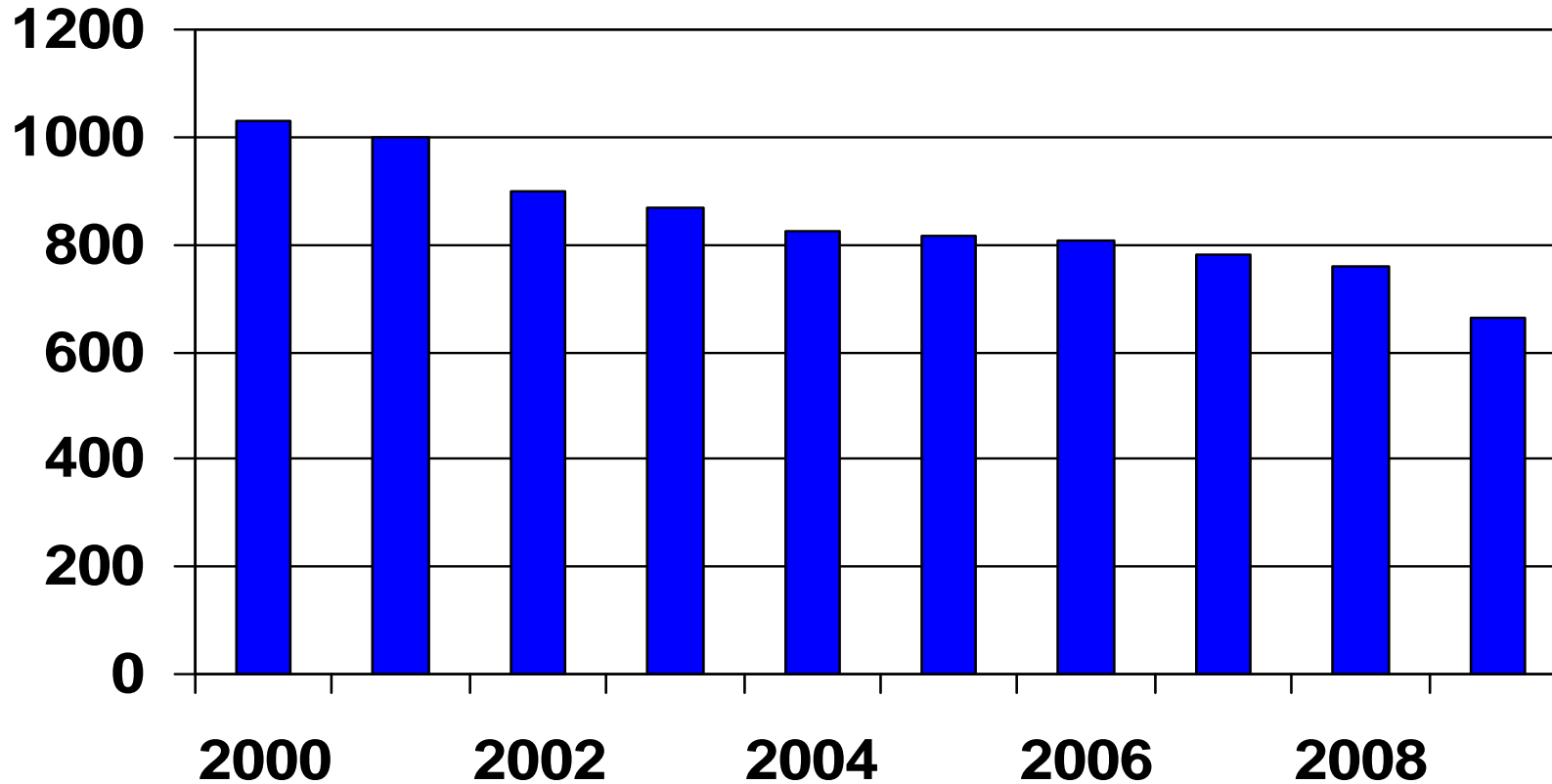
# Why we need more employee ownership in Ohio



Original Fastener  
employee owners  
celebrate the 25th  
anniversary of the  
ESOP & 100th  
anniversary of  
company in 2005

**John Logue, 23rd Ohio Employee Ownership  
Conference, April 17, 2009**

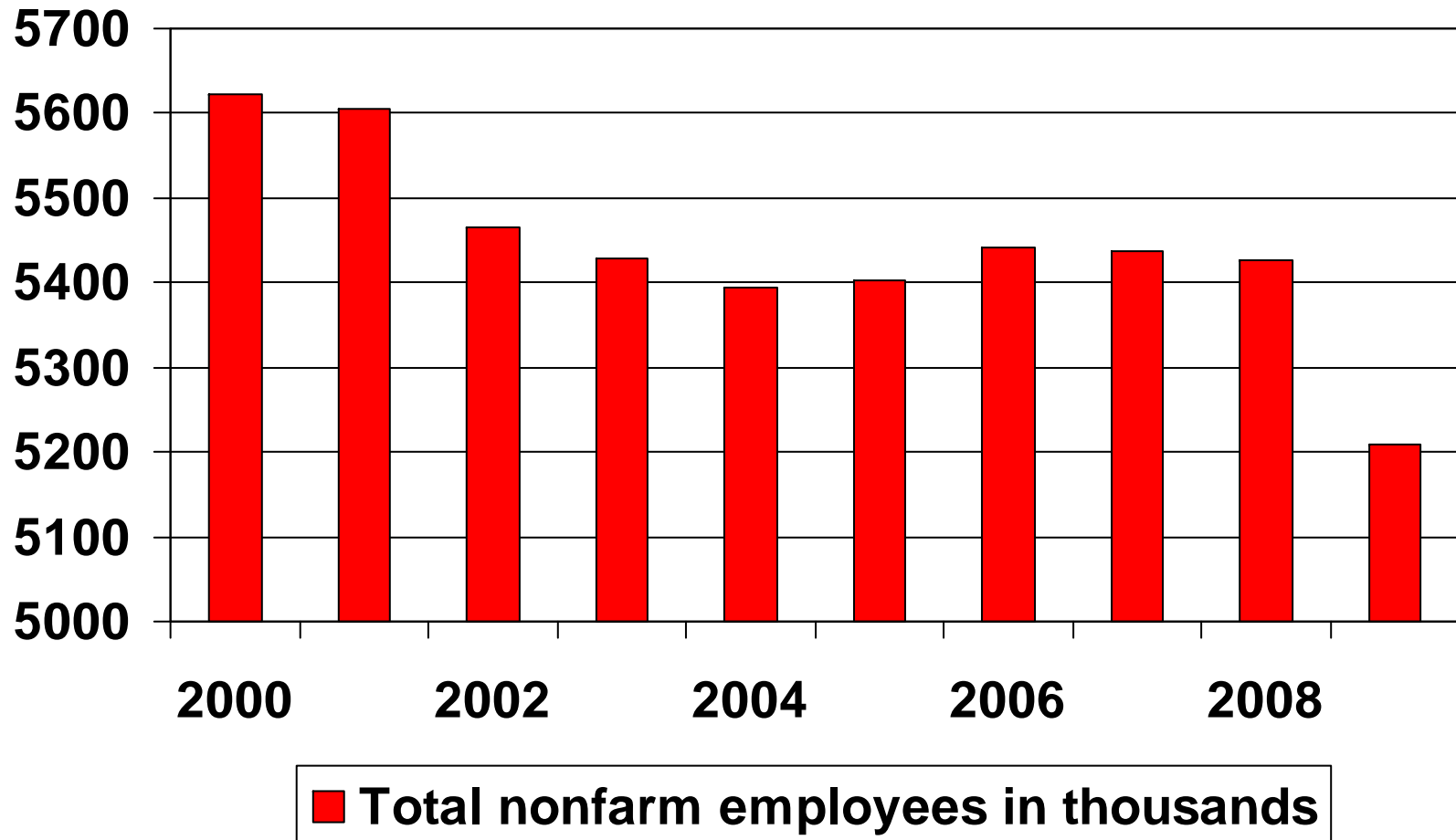
# Change in Ohio manufacturing employment, Jan. 2000 – Jan. 2009



■ Total manufacturing employees in thousands

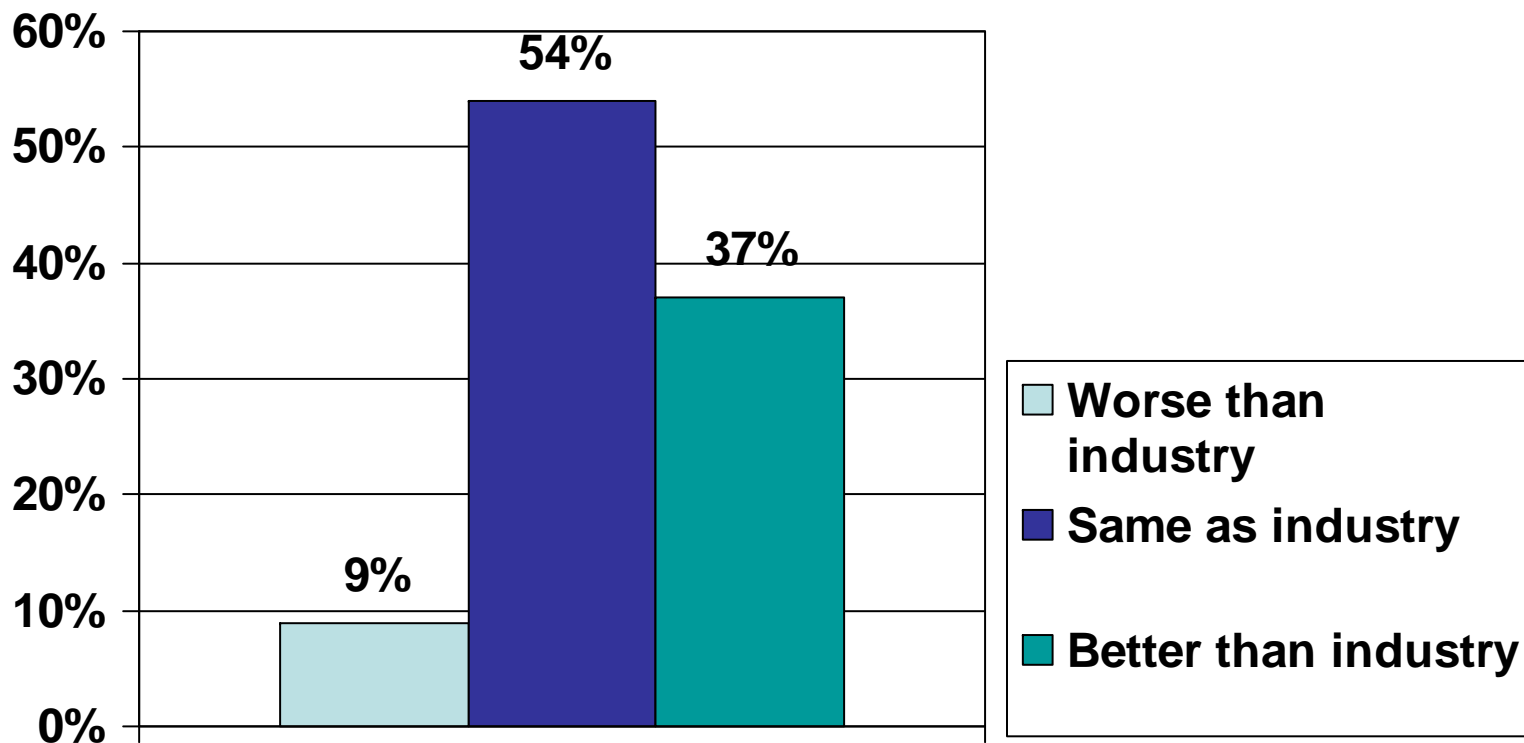
Source: US Dept of Labor, Bureau of Labor Statistics

# Change in total Ohio jobs, Jan. 2000 – Jan. 2009



Source: US Dept of Labor, Bureau of Labor Statistics

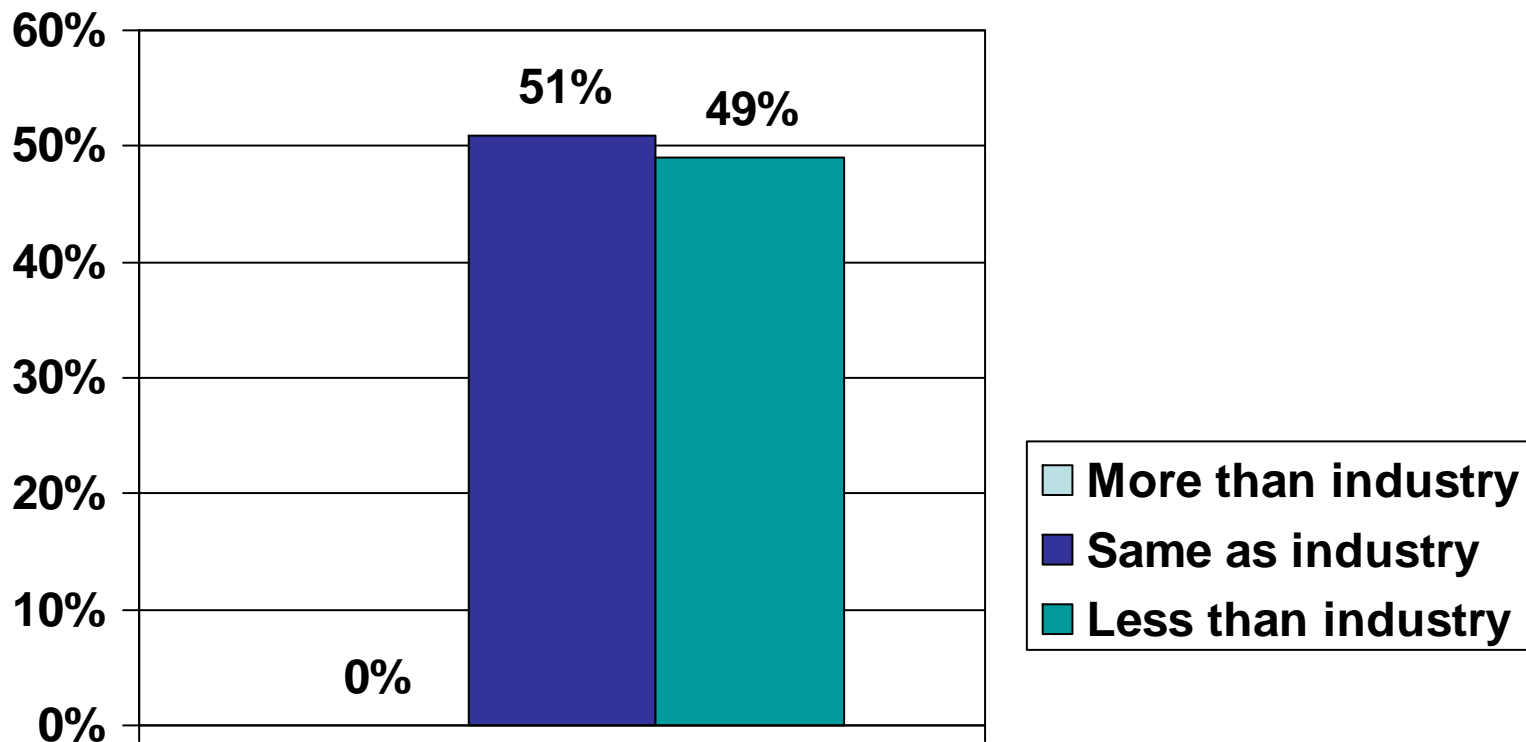
# Change in employment in Ohio ESOP companies compared to their industries



Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Why? Less outsourcing and Off-Shoring

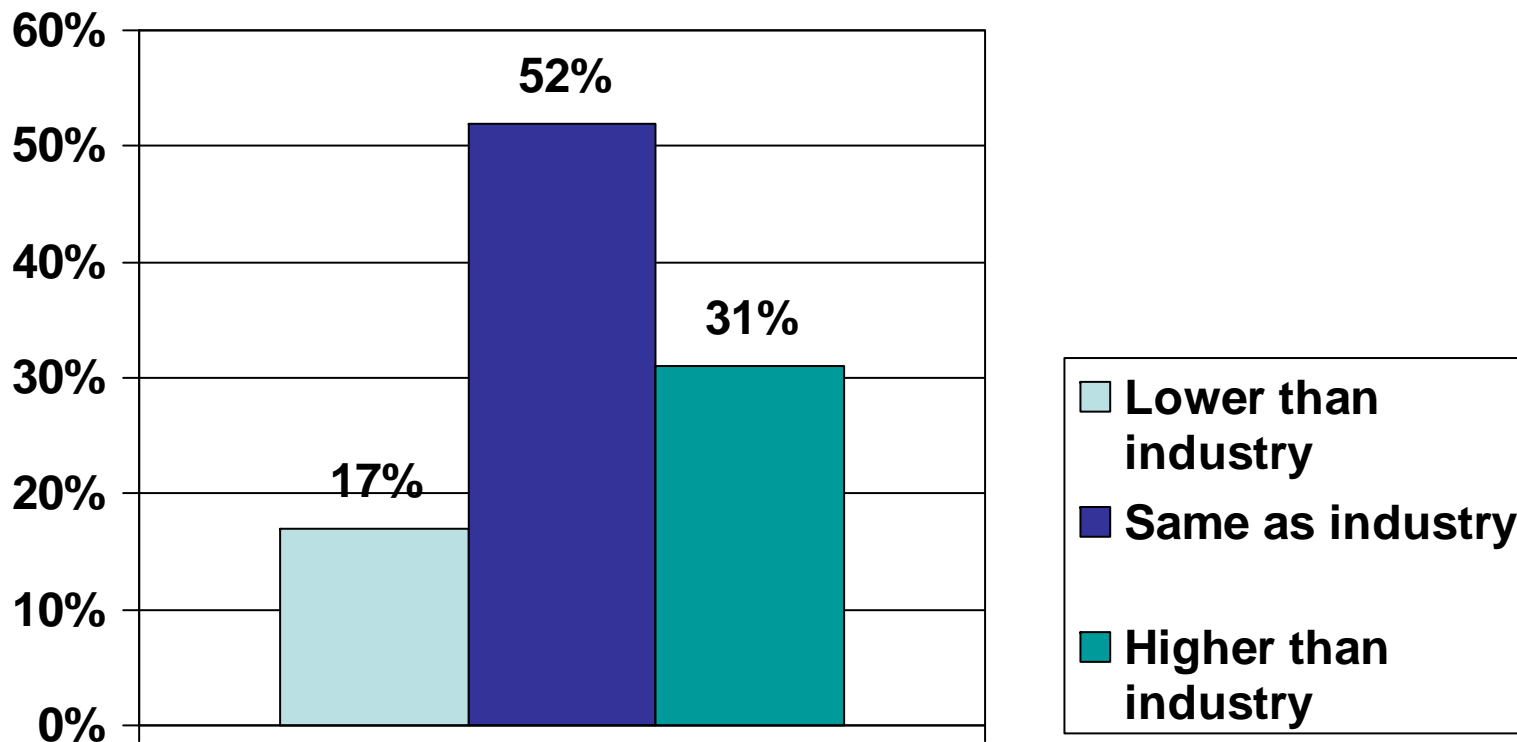
Outsourcing & off-shoring in Ohio ESOP companies compared to their industries



Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Why? Higher capital reinvestment

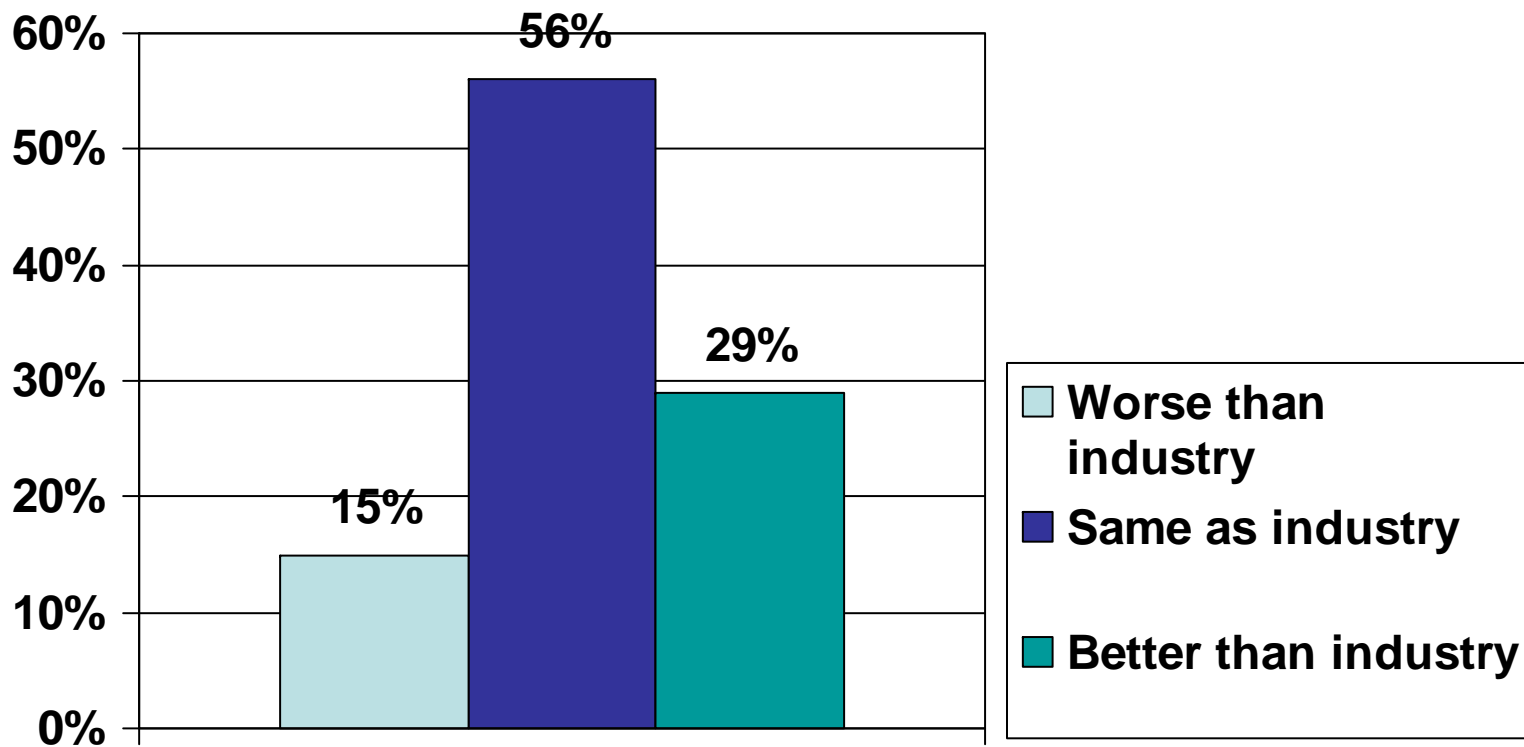
Rate of capital investment in Ohio ESOP companies compared to their industries



Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Yet higher profitability

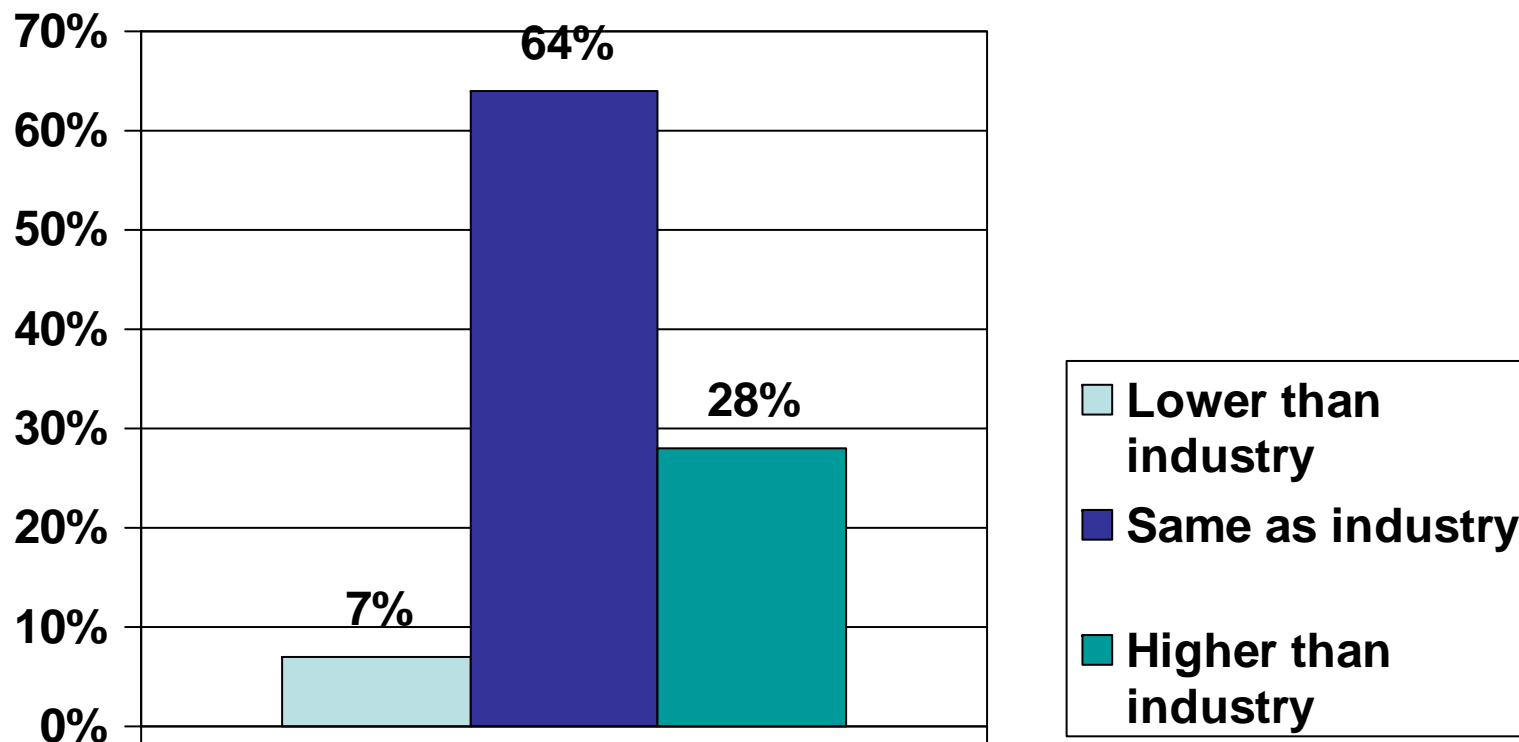
Change in profitability in Ohio ESOP companies compared to their industries



Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Profits aren't bought by lower wages...

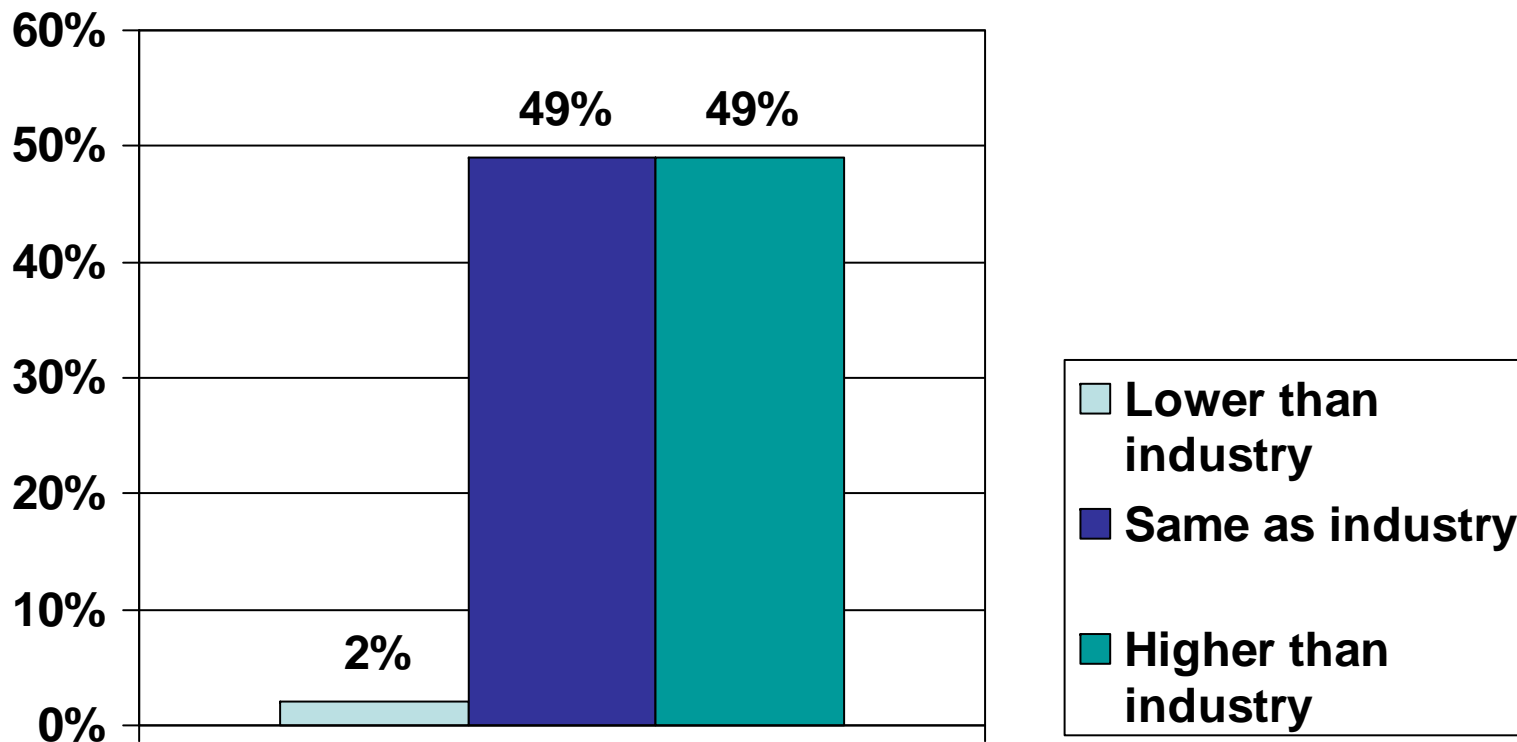
Non-managerial wages in Ohio ESOP companies compared to their industries



Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Or Benefits...

Benefit package in Ohio ESOP companies compared to their industries



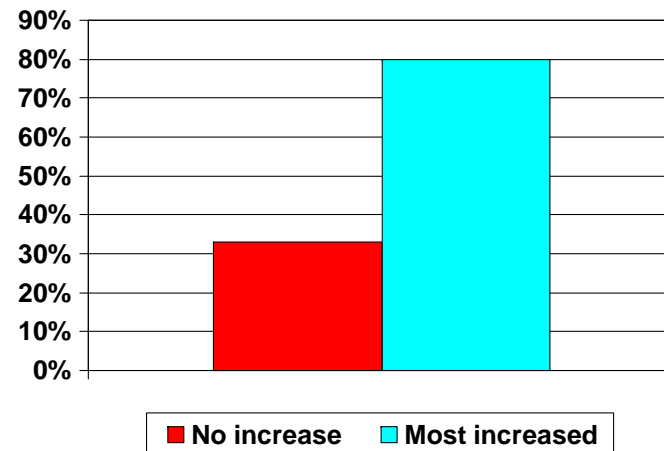
Source: Ohio Employee Ownership Survey, 2003-2006, n=118

# Impact of employee participation

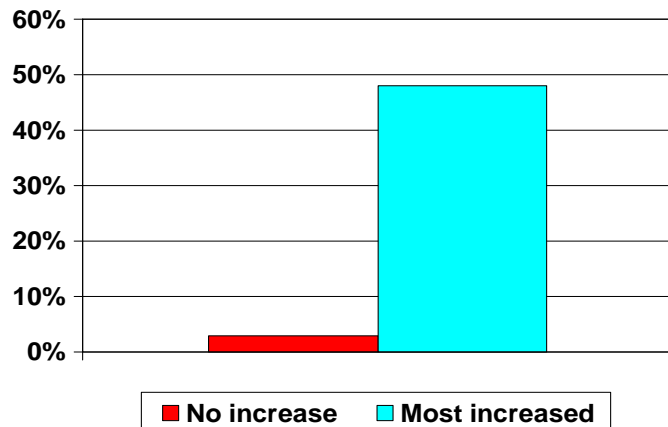
Impact on internal company performance

- no increase in participation (just ownership) : 33% improved
- most increase in participation: 80% improved

Participation Impact on Performance



Participation Impact on Profits



Impact on profits

- no increase in participation: 3% beat industry
- most increase: 48% beat industry

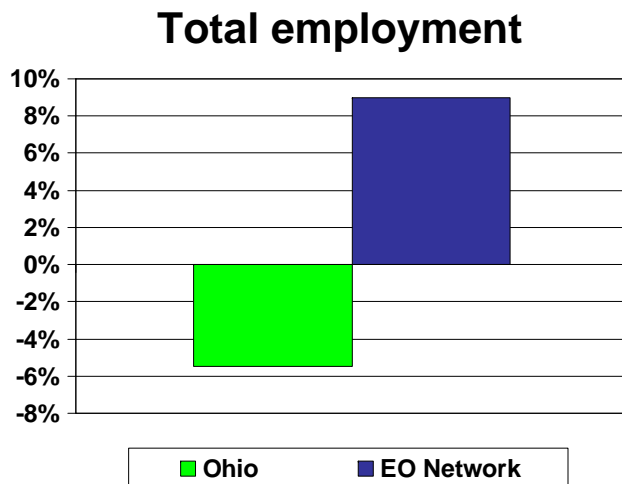
## Other positive factors improving performance of employee-owned companies

- Open communication about the business inside the firm
- Provide financial information to employees
- Training for employees to understand financial info and use participation system

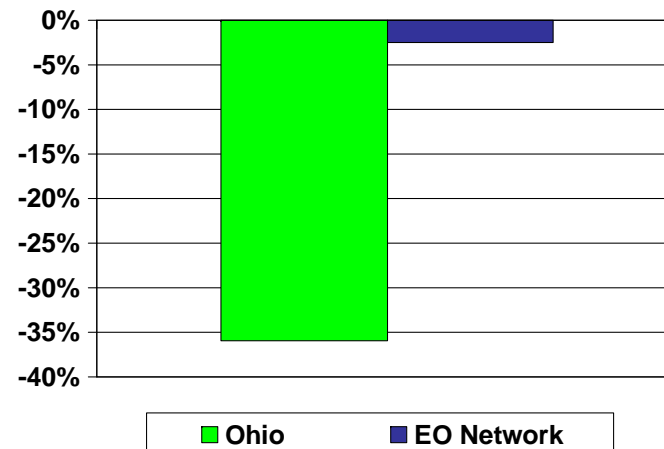


# Employment performance of Ohio Network companies vs. Ohio economy – 2000-2008

- Network manufacturing companies' employment dropped 2½%, not 36% like manufacturing (n=23)



## Manufacturing employment



- Network total employment **Overall Network companies' employment was up 9%, not down 5½%.** (N=36)