

This report outlines data on ESOP employer contributions and plan income per year relative to industry pay averages, with comparisons to other defined contribution (DC) plans where employers make contributions (primarily 401k's).

This study uses the U.S. Department of Labor's Form 5500 research files with data on all pension plans over the 2010-2018 period, matched to yearly industry average pay data from 482 industries in the U.S. Bureau of Labor Statistics Current Employment Statistics database.

The study answers the question: How does the average employee come out when the employer contributions of ESOPs are compared to the employer contributions of other DC plans? The study looks at the experience of individual workers when the company takes responsibility for their retirement savings.

Key Findings:

1. Looking at all Federal records for 2010-2018, the dollar value of ESOP contributions plus plan income per employee is substantially higher for ESOP employees than for all other DC plan employees on average and at the median. See Table 1 and Figure 1.
2. This is also true as a percent of industry base pay on average and at the median. See Table 1 and Figure 1.
3. ESOP employees have higher industry average base pay compared to the employees of all other DC plans. See Table 1 and Figure 1.
4. Analyzing the data by year across the 2010-2018 period, the dollar value of ESOP contributions plus plan income per employee is higher for ESOP employees compared to the employees in other DC plans in every year, on average and at the median. See Table 2 and Figure 2.
5. Analyzing the data by industry, the dollar value of ESOP contributions plus plan income per employee is higher for ESOP employees than for the employees of other DC plans in every industry, on average and at the median. The combined industry base pay, employer contributions, and plan income are higher for ESOP participants than for other DC participants in each industry except retail and information. See Table 3 and Figure 3. (Note: Agriculture and mining are not included where ESOPs are not common and the sample size is too small.)
6. Analyzing the data by whether and what type of other pension plans are in the company, the dollar value of contributions plus plan income per employee is higher for ESOP employees where there is no other plan (i.e., standalone ESOPs) than for other DC employees where there is no other plan (i.e., standalone other DC plans), on average and at the median. This is also true as a percent of industry base pay on average and at the median. See Table 4 and Figure 4.

7. When an ESOP is combined with other DC plans and defined benefit plans, the dollar value of ESOP contributions plus plan income per employee always increases in cases where it is combined with other DC plans. See Table 4 and Figure 4.
8. The dollar value of ESOP contributions plus plan income per employee is always higher than that value in other DC plans in every possible combination of ESOPs and DC plans. See Table 4 and Figure 4.
9. The total assets per participating employee in ESOPs is always higher than the total assets per participating employee in other DC plans across all years and in each individual year, on average and at the median, and as a percent of base pay. See Table 5 and Figure 5.
10. The annual rate of return on assets within ESOPs (counting just investment returns and excluding contributions and distributions) has a slightly higher mean and median among ESOPs than among other DC plans across the 2010-2018 period. See Table 5. The comparison, however, varies by year. As shown in Figure 6, the average annual rate of return among all ESOPs is less variable across years than among other DC plans. The overall yearly pattern matches the pattern of stock market returns over this period ([Years of Stock Market Returns](https://www.thebalance.com/years-of-stock-market-returns) [thebalance.com](https://www.thebalance.com/)).

Table 1: Base Pay and Plan Compensation for ESOPs and Other DC Plans, 2010-2018

	Industry avg. base pay (2018 \$)	Employer contribution + plan income per participant				# of plan- year obs
		Dollar value (2018 \$)		Percent of base pay		
		Mean	Median	Mean	Median	
	(1)	(2)	(3)	(4)	(5)	(6)
ESOPs	\$61,112	\$14,072	\$8,371	23.0%	12.9%	45,909
Other DC	\$58,666	\$5,614	\$2,386	9.0%	4.4%	4,465,740

Based on U.S. Department of Labor's Form 5500 Research Files matched to U.S. Bureau of Labor Statistics Current Employment Statistics data.

Restricted to plans with any employer contributions over 2010-2018

All dollar values adjusted to 2018 values

Mean values have been winsorized at upper and lower 1%

All values weighted by number of active plan participants

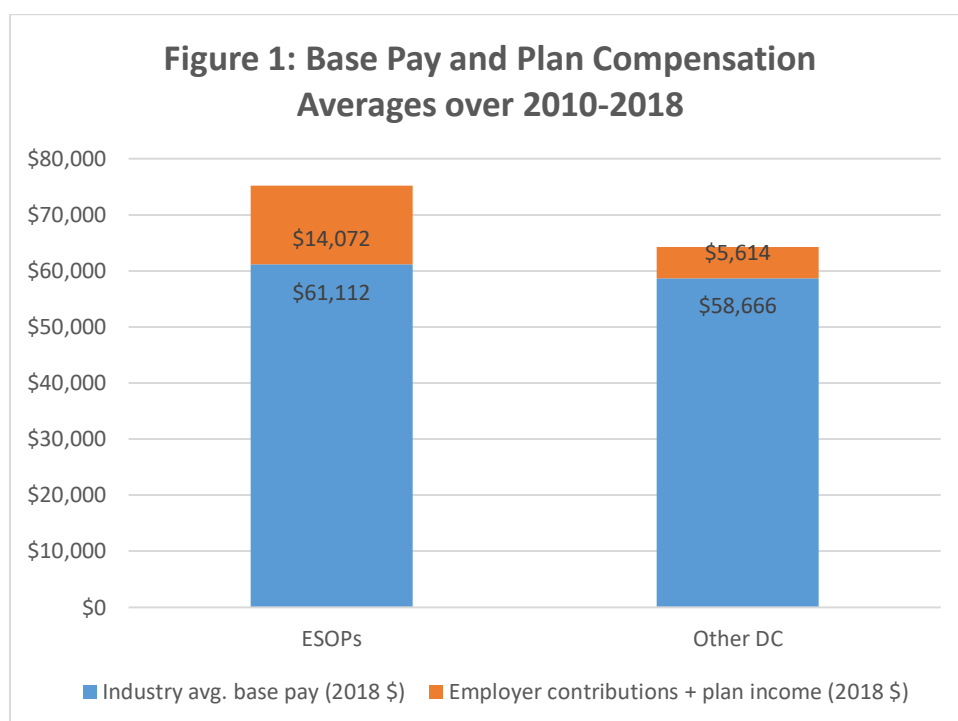


Table 2: Base Pay and Plan Compensation by Year

	Industry avg. base pay (2018 \$)	Employer contribution + plan income per participant				# of obs
		Dollar value (2018 \$)		Percent of base pay		
	(1)	Mean (2)	Median (3)	Mean (4)	Median (5)	(6)
ESOPs						
2010	\$60,990	\$16,001	\$9,839	25.7%	17.0%	4,947
2011	\$60,280	\$6,563	\$1,726	11.7%	4.4%	5,018
2012	\$59,728	\$15,047	\$12,853	24.9%	19.0%	5,073
2013	\$59,850	\$21,788	\$18,823	34.5%	25.6%	5,083
2014	\$60,412	\$14,625	\$10,835	24.7%	18.2%	5,123
2015	\$59,451	\$7,651	\$3,232	13.9%	4.8%	5,141
2016	\$61,661	\$16,111	\$12,337	25.5%	18.0%	5,156
2017	\$63,249	\$23,654	\$18,617	35.6%	28.0%	5,211
2018	\$64,269	\$5,508	-\$175	11.4%	-0.5%	5,157
Other DC						
2010	\$57,834	\$7,275	\$4,261	11.8%	7.6%	478,658
2011	\$57,207	\$1,729	\$544	2.8%	1.0%	482,872
2012	\$57,258	\$6,960	\$3,985	11.3%	7.2%	486,712
2013	\$58,177	\$10,589	\$6,070	17.1%	11.0%	490,283
2014	\$58,233	\$5,676	\$3,204	9.1%	5.7%	464,953
2015	\$59,176	\$1,939	\$885	3.1%	1.6%	504,676
2016	\$59,511	\$6,078	\$3,468	9.5%	6.0%	512,309
2017	\$60,017	\$11,493	\$6,636	17.9%	11.5%	519,771
2018	\$59,926	-\$796	-\$555	-1.2%	-1.1%	525,506

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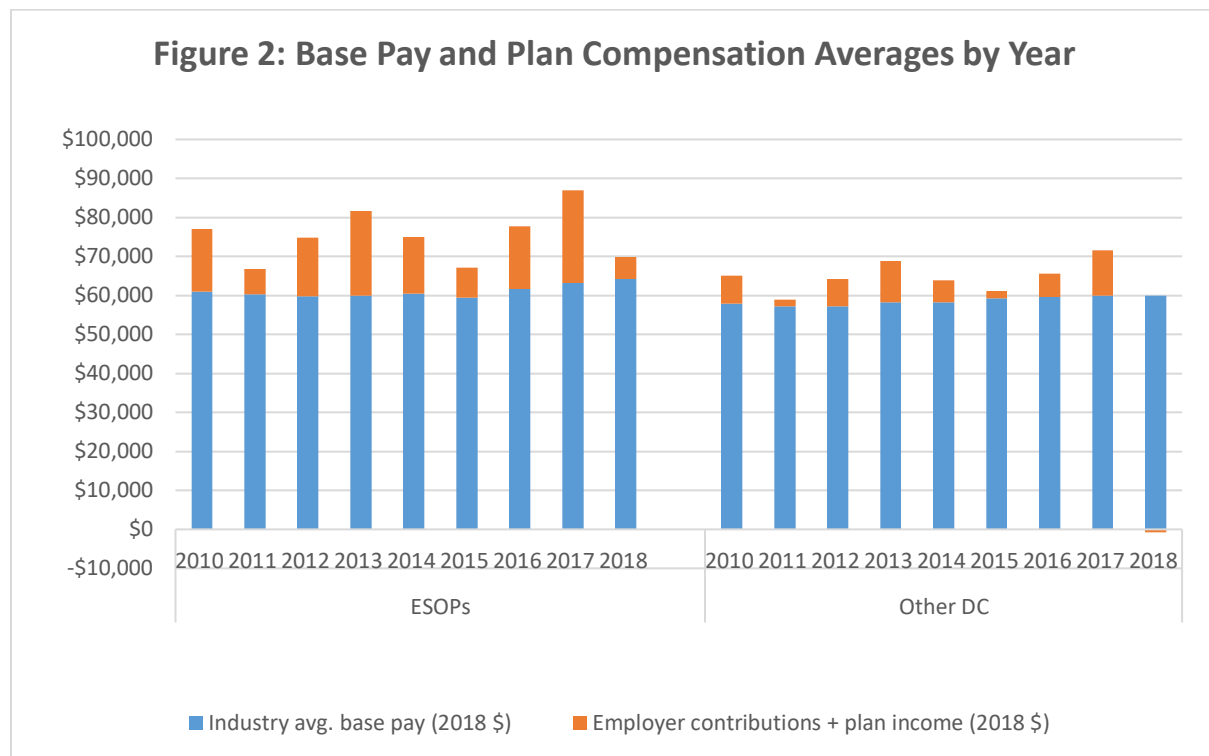


Table 3: Base Pay and Plan Compensation by Industry, 2010-2018

	Industry avg. base pay (2018 \$)	Employer contribution + plan income per participant				# of plan- year obs
		Dollar value (2018 \$)		Percent of base pay		
		Mean (2)	Median (3)	Mean (4)	Median (5)	
	(1)					(6)
Construction						
ESOPs	\$60,597	\$17,844	\$10,393	29.6%	17.3%	5,544
Other DC	\$59,980	\$6,101	\$3,518	10.1%	5.9%	368,174
Manufacturing						
ESOPs	\$58,413	\$21,662	\$13,709	36.6%	23.4%	9,658
Other DC	\$54,494	\$7,260	\$3,873	12.9%	7.4%	475,175
Wholesale						
ESOPs	\$57,849	\$22,731	\$11,999	38.6%	21.6%	4,372
Other DC	\$56,965	\$5,952	\$3,611	10.5%	6.4%	247,288
Retail						
ESOPs	\$32,096	\$5,653	\$1,726	18.1%	6.1%	2,657
Other DC	\$38,673	\$2,556	\$1,368	6.6%	3.7%	269,245
Transportation						
ESOPs	\$47,465	\$8,992	\$3,876	18.5%	8.7%	957
Other DC	\$48,904	\$3,359	\$1,296	6.5%	2.6%	87,408
Information						
ESOPs	\$68,370	\$7,884	\$8,104	11.5%	11.9%	769
Other DC	\$70,640	\$6,887	\$3,770	10.1%	5.4%	72,918
Finance						
ESOPs	\$71,119	\$13,920	\$11,129	19.9%	18.7%	7,458
Other DC	\$74,584	\$7,952	\$4,121	10.7%	5.9%	415,995
Prof./tech. svcs.						
ESOPs	\$81,020	\$14,249	\$9,920	17.5%	11.9%	9,145
Other DC	\$77,860	\$8,024	\$3,124	10.1%	4.1%	957,081
Other svcs.						
ESOPs	\$57,559	\$8,260	\$1,866	12.8%	3.9%	4,418
Other DC	\$54,082	\$4,051	\$1,535	6.6%	3.2%	1,481,051

Based on U.S. Department of Labor's Form 5500 Research Files matched to U.S. Bureau of Labor Statistics Current Employment Statistics data.

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Figure 3: Base Pay and Plan Compensation Averages by Industry over 2010-2018

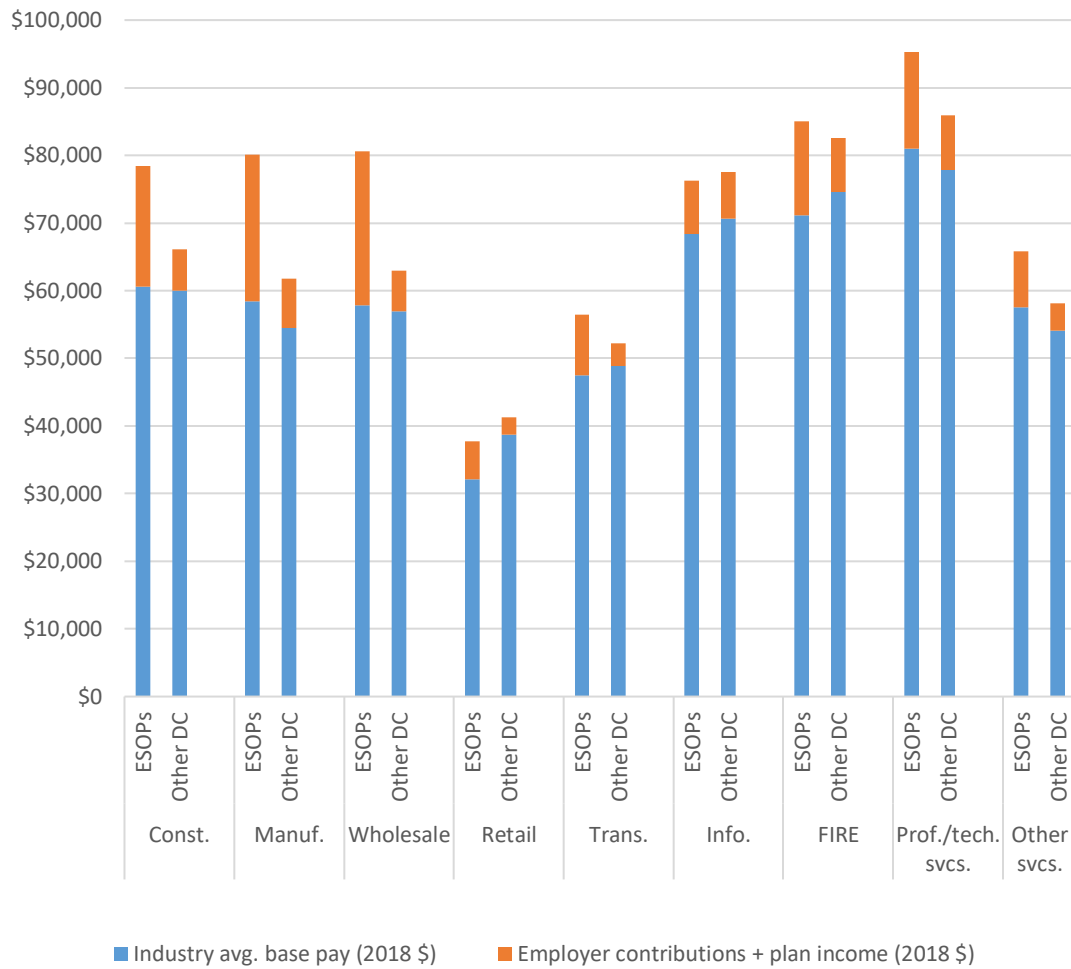


Table 4: Base Pay and Plan Compensation by Presence of Other Company Plans, 2010-2018

	Industry avg. base pay	Employer contribution + plan income per participant				# of plan- year obs
		Dollar value		Percent of base pay		
		Mean	Median	Mean	Median	
	(1)	(2)	(3)	(4)	(5)	(6)
ESOP values if:						
Standalone ESOP	\$56,959	\$11,333	\$6,046	19.9%	11.4%	20,625
Co. also has other DC	\$56,900	\$13,527	\$6,072	23.9%	11.0%	23,441
Co. also has DB	\$72,963	\$18,355	\$13,882	25.7%	19.0%	807
Co. also has other DC & DB	\$58,546	\$16,635	\$10,465	28.0%	15.9%	1,036
Other DC values if:						
Standalone other DC	\$57,443	\$4,970	\$2,029	8.1%	3.8%	4,211,288
Co. also has ESOP	\$55,306	\$4,627	\$2,225	7.8%	5.2%	23,774
Co. also has DB	\$63,347	\$8,018	\$4,196	12.3%	7.0%	229,447
Co. also has ESOP & DB	\$61,495	\$8,551	\$5,146	13.4%	7.7%	1,231

The first four rows describe values for ESOPs broken down by what other plans exist in the company. The last four rows describe values for other DC plans broken down by what other plans are in the company.

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Figure 4: Base Pay and Plan Compensation Means by Presence of Other Company Plans over 2010-2018

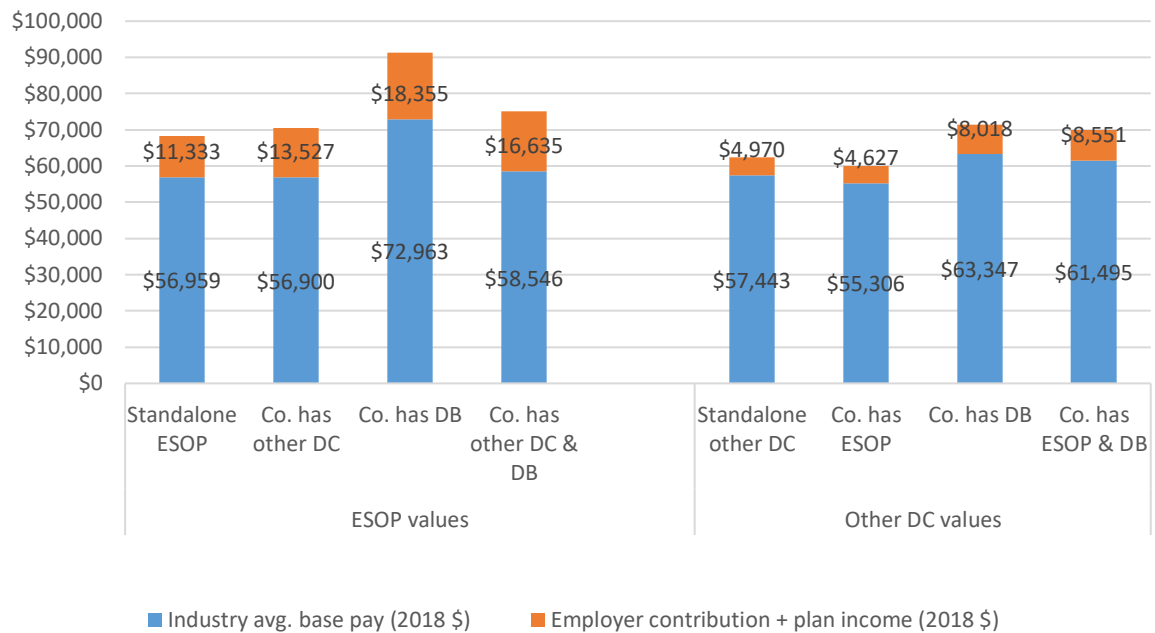


Table 5: Plan Assets and Rates of Return, 2010-2018

	Total assets per participant				Annual rate of return on plan assets	
	Dollar value		Percent of base pay		Mean	Median
	Mean (1)	Median (2)	Mean (3)	Median (4)		
ESOPs						
All years	\$135,095	\$100,474	217.8%	154.1%	8.3%	8.3%
2010	\$117,146	\$89,295	188.7%	154.9%	11.6%	10.9%
2011	\$115,118	\$82,677	191.2%	143.2%	2.6%	1.2%
2012	\$120,864	\$92,671	202.1%	149.3%	9.9%	11.4%
2013	\$134,941	\$107,819	222.1%	158.2%	14.1%	17.5%
2014	\$141,460	\$113,181	232.3%	174.9%	8.8%	7.2%
2015	\$131,760	\$104,112	214.7%	143.2%	3.5%	0.9%
2016	\$143,846	\$116,442	227.9%	163.2%	8.7%	8.3%
2017	\$155,735	\$123,209	241.0%	178.7%	14.1%	16.4%
2018	\$155,105	\$118,748	241.2%	186.6%	1.6%	-4.0%
Other DC						
All years	\$60,399	\$35,100	96.5%	62.2%	6.8%	7.1%
2010	\$52,611	\$31,289	85.4%	56.3%	11.7%	11.6%
2011	\$50,147	\$29,429	82.4%	54.0%	-0.5%	-1.3%
2012	\$53,708	\$31,776	87.9%	57.5%	10.6%	11.2%
2013	\$60,491	\$36,137	98.5%	64.6%	17.0%	17.5%
2014	\$63,254	\$36,953	102.1%	66.5%	6.2%	5.9%
2015	\$61,231	\$35,906	97.1%	62.8%	-0.4%	-0.5%
2016	\$63,587	\$37,085	99.9%	64.0%	6.9%	7.1%
2017	\$70,609	\$40,570	110.4%	70.9%	15.5%	15.9%
2018	\$64,363	\$36,798	100.4%	64.9%	-4.8%	-5.5%

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Figure 5: Mean Total Assets per Participant as Percent of Industry Base Pay

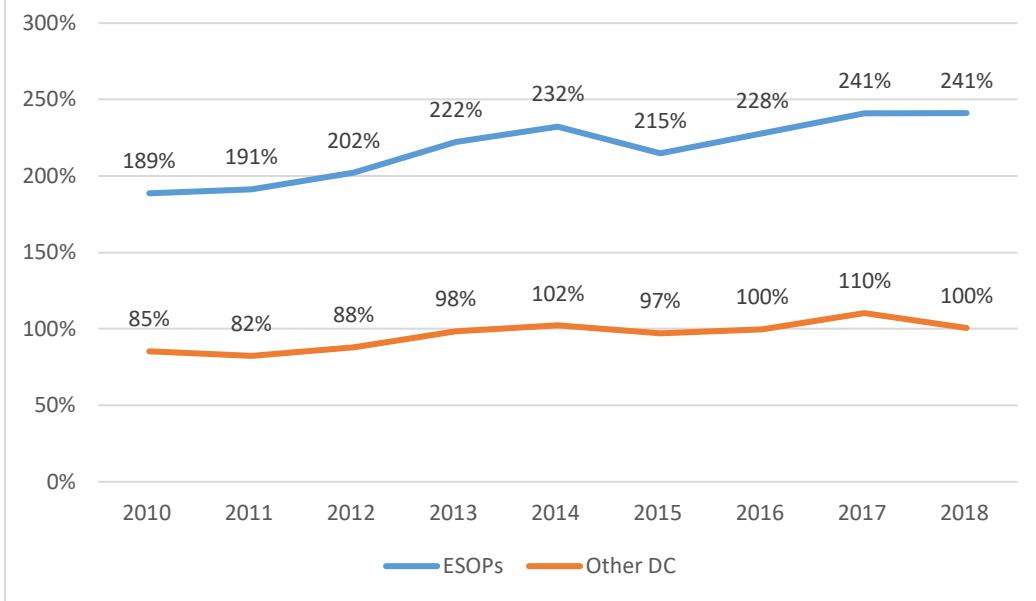


Figure 6: Average Annual Rate of Return on Plan Assets

