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### **Study Finds 100% Employee-Owned Contractors Outperform and Outlast All Other Firms**

**Washington, D.C.** – A new report from Dr. James Hasik highlights the value of federal government contractors organized as private subchapter S corporations wholly owned through an employee stock ownership plan (ESOP). The study confirms that 100% ESOP federal contractors receive higher Contractor Performance Assessment Rating System (CPARS) scores than all other firms. The study further highlights that 100% ESOP federal contractors are more resilient to acquisition, which helps avoid consolidation of the defense industrial base.

“CPARS data is an underutilized resource for analyzing federal contractor performance,” said Dr. James Hasik. “The analysis in this report provides key data to federal procurement officials on how to improve its procurement outcomes.”

Employee ownership is linked to increased workplace effort, lower turnover, higher loyalty, and longer-term employment at 100% ESOP firms, often leading to greater investment in firm-specific skills and enhanced performance in work-related tasks. As Dr. Hasik’s study notes, employee-owned contractors are more resilient to acquisition and earn higher marks from their federal customers.

“The secret is out, 100% ESOPs perform better across all categories when compared to non-ESOP federal contractors,” declared Erik Olson of the Employee-Owned Contractors Roundtable. “100% ESOP federal contractors deliver on time, are cost competitive and have excellent quality scores. Federal contracting officials should feel confident when doing business with 100% ESOPs.”

Key findings from the study include:

- Firms wholly owned by ESOPs achieve higher ratings from federal officials than all other firms.
- Across all performance categories, 100% ESOP contractors achieved higher percentages of CPARS grades of Excellent and Very Good.



- Between 2017 and 2023, 100% ESOP contractors were more likely to receive a grade of “Very Good “or “Exceptional” as opposed to their non-ESOP counterparts, who were more likely to receive a grade of Satisfactory.

Click [here](#) to review the report.

### **About ECR**

The Employee-Owned Contractors Roundtable (ECR) is a coalition of federal government contractors organized as private subchapter S corporations wholly-owned through an employee stock ownership plan (ESOP). ECR member companies provide products and services for the U.S. Government, from manufacturing engines and timing belts to developing some of the most advanced combat simulators and sonar detection technologies. ECR members can be located across the entire United States, playing critical roles in several sectors of the American economy. Visit [www.ecrcoalition.com](http://www.ecrcoalition.com) for more information.

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