

## How to Host a Member of Congress at Your ESOP Company



## THE CONGRESSIONAL COMPANY VISIT KIT: PRACTICAL STEPS FOR UNPARALLELED RESULTS

This document establishes why having a member of Congress visit an ESOP company – *your* ESOP company – is the most important government relations activity you can undertake. Later sections of the Company Visit Kit will lay out easy steps you can take to arrange a visit, describe what might occur during the visit, and suggest effective follow-up steps to get the most out of your efforts. With tax reform on Congress's agenda, taking action is more important now than ever.

The ESOP Association's members have advocated for ESOPs with members of Congress since 1980. There is one fact that has been consistent the entire time: The most effective activity in obtaining the support for ESOPs from a member of Congress is having that member of Congress visit an ESOP company. The company visit is more effective than a meeting in the lawmaker's office in Washington, D.C. or in their home office. Since 1982, no member who has visited an ESOP company in his or her state or congressional district has failed to take the pro-ESOP position. At worst, one member, who visited an ESOP company in 1985, took a neutral ESOP position after having taken a position against ESOPs in 1984. In fact, most members of Congress who have visited ESOP companies have become ESOP Champions. Why is this? We think it's because lawmakers can sense the "ESOP difference" when they interact with employee owners as they work at their jobs.

If you have any hesitation about asking your senator or representative to support "special interest" legislation to encourage the creation of ESOPs, remember this: The 2010 General Social Survey (GSS), the most prestigious survey of America next to the Census, provides overwhelming evidence that during the Great Recession of 2009, employees of employee-owned companies were four times less likely to be laid off than employees of conventionally owned companies, and thus saved Uncle Sam over \$7 billion. Your company's unique story is the number one advocacy tool you have; but the 2010 GSS provides macro evidence that promoting employee-owned companies is good for America!

***If you want to have your member of Congress support pro-ESOP positions, the most effective step you could take would be to arrange a visit by that member of Congress to your company.***

## First Steps

Step 1. Form a planning committee, pick a leader, and reach out to us!

Members of the Government Relations Committee of the Minnesota/Dakotas Chapter of the ESOP Association have made great strides in developing relationships with each member of Congress and the aides in their local and national offices. Before contacting your member of Congress, contact any member of the Government Relations Committee to get information regarding contacts already made with their local or national office. The list of members of the Government Relations Committee can be found at <http://www.mndak-esop.org/index.php?section=root&t=committees>.

Step 2. Extend an invitation!

The Government Relations Committee can help you identify the person to contact about scheduling the visit. In almost all cases, the company visit is arranged through an aide at an office in your state and not through the elected official's office on Capitol Hill. A senator has one main state office, and several regional offices as a rule. If her or his main state office is near you, you will ask to speak to the state Administrator, and if a satellite office, the Office Director. You want to talk to the District Administrator to set up an event with a member of the House if the Congressperson's main district office is in your area, or the Office Director if the Congressional office near you is a satellite office of the Congressperson's district office.

Each senator or representative organizes his or her staff in their own way, and they don't always use the titles we are using for their key staff members. And while some of the lawmakers' websites provide detailed information about the people staffing each of their local offices, some only reveal an address and phone number. The Government Relations Committee may be able to give you a name and contact information for the best person to call at a local office.

In seeking an appointment through the district or state office, the best tactic is to call first to determine who in that office might handle the member's schedule when he or she is home. *Attachment A* has a suggested telephone script. You might see an online form on the lawmaker's website for requesting a meeting, but we think you'll find that a person-to-person request works better for arranging an ESOP company visit.

### Finding Your Representative

A member elected to the House of Representatives from North or South Dakota represents the entire state. Minnesota is a different story because the state has been carved up into eight congressional districts. If you want to host a visit at a Minnesota location and you aren't sure which Congressperson represents that part of the state, go to <http://www.house.gov/representatives/find/> and enter the Zip Code. Once you identify the appropriate representative, you can click on their name and jump to their official website.

## Best Time for a Visit

While it might be a truism to say, “anytime,” or “better late than never,” the fact is that having a member of Congress visit your company is best when there is **NO** ESOP government relations crisis. Waiting to interact with a member of Congress when there is a crisis means that the ESOP issue will be one of many issues that might be before the member for decision. At this point, the ESOP issue might be low on the member’s list of priorities simply because he or she is less familiar with ESOPs. So the best time to arrange a visit with a member of Congress is when there are no crisis ESOP issues to be decided by Congress.

The best time for a Congressional visit would be during October at one of the company’s Employee Ownership Month events. However, in odd-numbered years, October is not compatible for most Congressional company visits since Congress tends to be meeting every weekday of the month, except for the long weekend of Columbus Day, or, sometimes during a Jewish Holiday, which of course varies year to year. In even-numbered years, which are election years, October is a good month to try to get a Congressional visit, since Congress more often than not, recesses for the entire month of October before the early November general elections.

But the fact is that many companies do not have special events during Employee Ownership Month, and often, if events are scheduled, they would not match the member of Congress’s schedule.

In the third and fourth quarter, here is when most members of Congress are home and thus available for company visits:

- August through September: Labor Day week, and any Jewish Holiday period in September.
- October: Columbus Day week, and any Jewish Holiday period in October.
- November: Veterans Day week, Thanksgiving week.
- December: Christmas week.

Special Events: Many companies have employee-owner events that are not during October. For example, many companies have an all-employee meeting when the new valuation is available and statements are passed out. Or the company may celebrate an anniversary of the founding of the company, grand openings of new locations, and other similar events. These are great times to invite a member of Congress to visit.

- Be flexible in suggesting a day and time for the visit. You will have better chances of getting onto an elected official’s busy calendar if you can offer two or three optional dates and times.
- Be prepared for changes. Schedules of elected officials can be notoriously unpredictable due to changes in the congressional schedule.

## Preparing for the Visit

Members of the Government Relations Committee of the Minnesota/Dakotas Chapter of the ESOP Association have helped facilitate many different visits by members of Congress to companies in the Chapter. Once a visit is scheduled, reach out to a member of the Committee to discuss how the Chapter can help facilitate your visit. In addition to giving you some helpful tips before the visit, typically at least one member of the Committee will attend the visit to be a resource to answer questions specific to any current pending legislation for or against ESOPs. Remember that your goal is to convert a member of Congress into an advocate for ESOPs. It does not serve the ESOP cause well to bring a lawmaker into your company, if you fail to communicate what is positive about ESOPs and how the lawmaker can support ESOPs back in Washington. Use the Government Relations Committee as a resource to help educate your member of Congress on how they can help retain and promote ESOPs. But don't be discouraged if the member of Congress doesn't buy into the ESOP agenda based on his or her first experience.

Below are a few helpful tips to make your visit a success.

- The visit is about the people and culture of your company. What makes your company unique? What does your company do/make? Prepare a one-page handout on the company and the ESOP for the member of Congress and visiting staff.
- Get employee owners involved and, most importantly, make sure they know when and why the member of Congress is visiting. Provide some background on the member of Congress to the employee owners. You can find this information on his or her website. Announce the visit by email, in break rooms and on bulletin boards.
- Have a few employee owners ready to share their story about why the ESOP is important to them. Have a few employee owners ready to ask questions as well. Prepare questions in advance to keep the conversation flowing, such as:

*[If Congressperson is a member of the House Committee on Ways and Means or Senate Committee on Finance]*

- Do you think that your committee will take up a big tax bill this year?
- Do you think your committee will make any changes in ESOP tax law this year?
- Or, a question about a "hot" topic local issue that has relevance to Congress such as: Do you think that there will be money soon to widen interstate X?

*[If Congressperson is NOT a member of either Congressional tax committee]*

- Will Congress take up a big tax bill this year?
- Do you ever hear any talk about employee stock ownership?
- The local "hot" issue.]

## The Member of Congress Is Here—Now What?

The member of Congress more often than not arrives late, in a car driven by one of his or her district office aides. Please remember to take note of the aide and have someone in the company engage that person in conversation during the member of Congress's visit. District staff often feel like the odd person out, but in many ways a district staff person is more influential with a member of Congress than anyone on the member of Congress's Washington staff. The role of connecting with the aide is typically done by a member of the Chapter's Government Relations Committee.

Make sure that people in your reception area know the member of Congress is coming. Have the welcoming delegation ready to come out quickly once notified by front desk personnel. It is always positive to have a conspicuous message of welcome for the member of Congress on a bulletin board or a freestanding sign holder.

Now we come to the meat of the visit.

A good way to think about your time with the member of Congress is that you have a plan of "organized spontaneity," or "spontaneous organization." Don't just let the member wander around or, even worse, spend the entire visit in a conference room. Having the member of Congress only come and give a speech has also proven to be an ineffective way to host a visit and is likely going to take up the entire visit time. Politicians like to give speeches and they are usually good at it. They do not have to make commitments if there is not time for the constituent to ask a question, or to make a request.

Following is a typical approach to a visit:

- A delegation of four or five persons greet the member of Congress in the reception area. The group might include the employee owner chair of the ESOP committee as well as the CEO and two or three other senior executives or ESOP committee members.
- After the greeting, the delegation might escort the member into a conference room for a brief slide presentation or video about the company, and perhaps some information on the history of its ESOP. Showing your stock share price growth as well as average account balances in the ESOP can be very helpful and memorable for the member of Congress. The conference room group should include more than the three or four greeters, perhaps 10 or more persons, including, if there is one, the entire ESOP committee.
- After the presentation of the company and ESOP history, a small group will lead the member of Congress and visiting staff on a tour of the company, stopping by different stations on the floor, or in the offices if not a manufacturing business, for an exchange of greetings. Having one to three employee owners primed to comment on the ESOP at the company is powerful.
- A small delegation should take time, perhaps back in a conference room after the tour, to make the "sale" or in other words, to ask the member of Congress to do something for ESOPs. This could be a request to co-sponsor a specific bill that has been introduced in the House or Senate. Or it could be a general request to protect ESOP legislation if it is ever threatened in the tax reform process.

Each company should tailor the visit to best suit its culture, style, and location. Some of the other things that ESOP companies have done over the years that have provided positive results are:

- Have all the corporate headquarters employees in a room and having just a slide or video presentation about the company.
- Start by turning the member of the Congress loose on the company floor, and have him or her meet up with executives later.
- Have the member join the early morning “team” session, where the day’s workload and assignments are discussed and divvied out.
- Have the member join the annual meeting where the financials are discussed and statements of ESOP accounts handed out.
- Have the member join the annual picnic or other special event, such as an anniversary celebration where no specific presentation is done but the ESOP culture is in full force

So flexibility is possible depending on the company, but again, do not leave the encounter to chance and always leave them with an idea of how they can help ESOPs.

- Take pictures!
- Send out a press release announcing the visit.
- Send a thank you letter or email to the office staff that helped set up the visit and the aides who attended. Be sure to provide any follow up information they requested during the visit.

## Attachment A – Telephone Script

**Congressional Office Phone Answering:** Hello, [Congressman/Congresswoman/Senator] [Name]’s office. May I help you?

**ESOP Advocate:** Yes, I am [name] and I work for [name of company]. We are an employee-owned, or ESOP company. We are located over on [street address, community, etc]. (*Tip: Make it vivid where you are located in order to create a visual image. Remember, the person you are talking to probably has driven by, or has heard of your company – you are speaking to a fellow local citizen.*) As an employee-owned company, we are required to comply with a number of federal laws and so we want to show our members of Congress how the intent of those laws is being fulfilled at our company. I would like to speak to someone about having [Congressman/Congresswoman/Senator] [Name] visit our company in the near future and meet our people.

**Congressional Aide:** [Name] handles the [Congressman’s/Congresswoman’s/Senator’s] schedule while s/he is in the [district] [state]. I will see if s/he is available.

**Person Handling Schedule:** Yes, this is [name]. May I help you?

**ESOP Advocate:** Yes, I am [name] and I work for [name of company]. We are employee-owned. Our [number] employee owners are aware that our ownership, through an employee stock ownership plan, or ESOP, is subject to federal law, particularly federal tax and retirement laws. We are located over on [address]. We would like to invite [Congressman/Congresswoman/Senator] [Name] to our company to see what we are doing and how the employee ownership program, through our ESOP, is benefiting our people, the company, and the community. We would be honored for such a visit, and of course, we would at that time take a brief moment to highlight some of the key issues pending before Congress that might affect our employee owners negatively.

**Congressional Aide:** Well, I do not have the schedule for the [Congressman’s/Congresswoman’s/Senator’s] next visit to our area, and I would have to review your invitation with him. It would be helpful if you would make your invitation in writing.

**ESOP Advocates Response to This Response:** Yes we intend to formalize our invitation in writing, and were seeking input on where the letter or email should go and to whose attention.

**Congressional Aide’s Response to This Response:** Okay, please send the letter to [name of Congressperson/Senator], at this office, marked to [my][name of someone else’s] attention, setting forth the information you just gave on the phone here. **Or, if the schedule is handled out of DC:** Well the schedule is handled out of DC, so you should write to [name of Congressperson/Senator] at his/her DC office, and make it to the attention of his/her scheduler [name].

**ESOP Advocate:** I appreciate that information, and we will get out that letter today. Your time and attention to this matter is very much appreciated.

## Attachment B - Suggested Letter/Email Invitation for a Company Visit

Name of Member of House or Senate  
Local Address (or DC address if so instructed)  
City, State, Zip

Dear Representative/Senator [Name]:

On behalf of the [number] employee owners of [name of company], located in [name of city] I spoke with [name of person you spoke to] about your visiting our company when you are home.

We are proud of our employee ownership through an employee stock ownership plan, or ESOP, and we also know that federal laws govern the program. We are aware that pending before the Congress are positive ESOP proposals but we still read of certain groups questioning the value of ESOPs, including some in federal agencies. We know you may have to make decisions on tax reform that could impact ESOPs.

We believe that the best way to judge the value of employee ownership is to see and meet those who are working with the ESOP in a company, and who are participating in the ESOP at a company.

We would be honored to host you at our office as your schedule permits and hope you can make time to meet with us in the near future.

As we know demands on your time are high, and you receive many requests for visits and appointments, we hope that you and your staff would not mind our checking on the status of this invitation in the weeks ahead. All of us would be honored to have you come.

Your consideration of our request is greatly appreciated.

Sincerely,

Name: ***Tip: having several signatures on this letter is helpful.***

cc: [Name of Person Who You Talked To On Telephone]

*Note: If you have made arrangements to email, the message is the same as the above letter.*