

KEEN ON RETIREMENT



Retired Burns & McDonnell CEO Greg Graves on Improving Business and Empowering Workers

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski: Hello everybody. And welcome back to Keen on Retirement. I'm your co-host Steve Sanduski. And with me as always, we have Bill Keen and Bill, great to have you. And we've got another special guest lined up with us here today.

Bill Keen: Yes, we do. Steve as you know, I, and my firm I've had the unique privilege for nearly 30 years of advising hundreds, actually, probably thousands of employee owners, mostly in the engineering community who have worked hard over the course of long careers and were able to create meaningful wealth for themselves and their families.

And in most cases, their communities, as a result of working for a firm that was structured as an ESOP. And as we see it firsthand in our firm, and we talk often on our show about the retirement crisis that exists today in America, where a large portion of folks. At retirement age have very little to no assets set aside for retirement.

This topic we'll be talking about today is very interesting to me. And that's why I'm very pleased and excited to have Greg Graves on our show today. Steve. Now, Greg is the former president CEO and chairman of a hundred percent employee owned, Burns & McDonnell. Greg did 13 years as the CEO at Burns & McDonnell and the firm is an international powerhouse in the engineering, architecture, and construction industry with one of the most successful ESOPs in American history.

Now we always talk on our program about having something to retire, to, and not going dormant in retirement. I don't think we have to worry about that with Greg He is the current chairman of the university of Kansas health system serves as the lead independent director of UNB. Financial is the vice chair of tech Excel serves on the board of Barstow school is currently chairing the university of Kansas organizing committee for its upcoming endowment campaign.

Along with his wife, Deanna, Greg leads the work of the Graves Family Foundation. And as we'll explore more today in our episode, Greg is the author of the newly released book entitled create amazing turning employees into owners for explosive growth. Greg, welcome to Keen on Retirement, sir. Great to have you.

Greg Graves: Thank you, Bill. Thank you, Steve.

Bill Keen: You're welcome.

Steve Sanduski: yeah, it is great to have you here. And as Bill said, we definitely are going to be talking about the book, but where I'd like to start here, there's really three threads that I sorta want to pull on here today. So the first one is really your backstory and we want to know where'd you come from?

And then we also want to skip toward the end here and talk about retirement because this is a retirement show. So we want to know about how did you think about retirement? Were you retiring to something? Has retirement been what you expected, what's been different. anything that you would change?

So we'll talk about that. And then of course, we want to talk about this new book. We want to talk about ESOPs. So a lot of things to dig into. So why don't you just start, if you would, Greg, where'd you come from.

Greg Graves: You know, what's interesting is in the book that I, that we'll talk about later, there's whole section about economic injustice in America and what a big, problem it is. and it has gone from something that's just bad to a big, big problem and the declining middle class in America. And one of the things I talk about always is that it's possible to go from the middle-class the upper-class that happens.

It's possible to go from the middle class, to the lower economic classes that happens all the time. But what almost never happens is someone from the lower economic classes in America achieving the middle-class or, or for sure, never the upper-class and Deanna and I are that one in a million. We both grew up in small town, South Dakota.

And we grew up 360 miles apart. I grew up in far Southeast South Dakota, which is basically Iowa and Deanna grew up in the far West, South Dakota, about 30 minutes from Mount Rushmore. I was lucky enough to meet her when I went to small schools, small towns, South Dakota, to get my engineering degree at the South Dakota school of mines and technology.

And somehow I found her and we got married my senior year at the displeasure of all four of our parents who thought we should wait. Of course, until after I was graduated. And it was that time in, in the American economy when the space race was on the nuclear race was on power generation.

Businesses were exploding, oil and gas was on fire. Everybody was hiring engineers and we literally had our, our chance in our choices to go almost anywhere, including work on the space shuttle program or, or working on a big rig out in the Gulf coast. But we chose this little firm in Kansas City called Burns & McDonnell. And I think we were just so small town that we went out, leaving the Midwest in the end.

And thank God we did because I found perfect career that someone like me could have never dreamed of. And Kansas City. It's one of those towns where if you're not careful, it will dig your roots in deep and it will dig them in fast.

Like all of us chiefs, fans, hope it's happening to Patrick Mahomes right now. And you just never want to leave. And Kansas City very quickly became a place where my career had started to our absolute home. And now 30, some years later, three children later. Now, three more children, thanks to wonderful marriages and six grandchildren, one on the way, and hopefully a few more to come we'll never leave

Bill Keen: We're grateful that you're sticking around Greg.

Steve Sanduski: So where in South Dakota did you grow up? My mom actually was born and raised in bone steel, South Dakota?

Greg Graves: Oh, that's even smaller. So I was raised just outside of Sioux falls. Which is now a pretty good size town Indiana was sort of right on the foothills of the uh, black Hills in Western rapid city.

Steve Sanduski: Near Ponca state park.

Greg Graves: Sure. And we're both like one generation off the farm. Our Deanna's grandfather was a gold miner and the other was a chicken farmer and both of them, all my generations go back to I'm a farm land and raising pigs and cows and corn and soybeans.

Steve Sanduski: Excellent. All right, so let's jump to the end here and we'll get to your career here just a bit, but I want to go to the end. You decide you're going to retire. I think you retired relatively young. So walk us through your thought process on what made you want to retire and what did you think you were going to do in retirement?

Greg Graves: I was blessed to have the ability to retire early and I retired just a few days short of my 59th. Birthday efforts of McDonald's you got to get out of the hair of the person who's taken over. And I think that would be good advice for a lot of executives who think they should hang around by being chairman or board members or, or under consulting contracts, if you will.

And so I spent my last day as Burns & McDonnell CEO on a plane headed for Hawaii. And I just think it's so important to, if you don't have the next person prepared by your last day, then you've failed in your executive duty for your transition plan for Deanna and Burns & McDonnell had been so good to us that we could also retire early, but you know, it comes down to more than that.

When you achieve a certain level of executive status in any, firm now duty becomes the primary factor by which your everyday should be planned. And sometimes that duty is, you know, just doing the grinding work of an executive, but sometimes it requires you to really think ahead, think way ahead. And I've always felt like when the next person is ready, it's time for you to get out of your way.

Especially if the 13 years you've, created your playbook, you've accomplished your playbook. Some things worked and some things didn't, and now it's the next person's opportunity and they need to have

their playbook for moving forward and moving the company forward or moving themselves forward in their individual careers.

My only thing I look back to in terms of preparing for that retirement would without a question, be retirement requires planning you cannot just get to it and say, okay, now what I want to do, Bill can tell you that that's not what it means financially. For sure you have to have an absolute financial plan going into retirement.

Who's going to help me? What do I want to get it done? How much risk do I want to take, et cetera, et cetera. Dan and I are fortunate that we can take lots of risks but not everybody can, of course not everybody can who's maybe have some vigorous prepared for retirement. The other thing that, I think was so important for me is what are you going to do?

I headed for Hawaii but you come back a month later and then we had a couple events here in Kansas city, and then we left for Australia and I show up back here in Kansas City in April, and I only felt like I was on vacation. And so mentally was, I really prepared to be retired.

And I heard people all the time. Talk to me about, oh, never been so busy. And that requires planning to what are you going to do? What are you going to accomplish? What are you still going to learn after you don't work at a company anymore that pays you? And what I found is you can work just as hard, just as hard as you were when they weren't paying you.

the compensation isn't quite as good. And I found that, especially in Kansas City, all sorts of people need your talent. And I don't care if you're just stuffing food in boxes at the food bank or reading to kids at an inner city school, or you're chairing a big medical system.

There is more to do than you could ever make time for. And if you still have a few minutes and every day you can write a book. that's what I did for three years. And it certainly took up a lot of that time.

Steve Sanduski: Now, one of the things I also find fascinating is for people like you, your chairman, your CEO of a huge organization, you've been doing it for 13 years. You have all this quote, power people pay attention to you, then you retire. And the next day I'm. Retired Greg graves. So psychologically, how do you think about that?

I know sometimes people, like I lost my identity after I retired. Was that an issue did you even think about that at all?

Greg Graves: Yes. And no, what I had no problem with was I wasn't worried about the organization I had left behind and I know a lot of people do have that concern. Mine was ready, willing, and Ray qual at the new CEO Burns & McDonnell and his team are slammed the dragon at Burns & McDonnell all the time. they went through COVID like butter.

In terms of the company's overall success. And so I had, no concerns. it was interesting that I went from being the CEO and chairman of Burns & McDonnell in town and other things on the side. If you will, to now in Kansas City, I'm with the medical system, I'm chairing the endowment campaign.

I'm the lead director at UNB. I'm on the board at Barstow. I'm part of a, startup here called tech Excel. you immediately almost become those things. that transition didn't bother me. In fact, I liked it and I could work harder on those things. But in the end, like everyone almost everyone will say your term. It's a real blessing. I get to be around my grandchildren way. I get to be around my children more than I ever have before. And so, uh, I'd recommended highly.

Bill Keen: Greg, a man that says yes to a lot clearly by what you're doing now and what I've seen you do in Kansas city is it hard to say no at times?

I mean, have you had to learn as a retired persons? We see this a lot in our firm, when someone retires, then everyone knows that. No, well now they've got a lot of time on their hands and now they're available for a lot of different things. Have you had to say no? And it has it been hard to say no to certain things that you've been asked to do as a retired person?

Greg Graves: When I first became the CEO of Burns & McDonnell, I got to have lunch with Henry block. And one of the things he told me was don't agree to anything for the first year. It's going to take you a whole year to make that transition and figure out what you want to do. And I failed at that. And then when I became retired, a number of people told me you're gonna need a whole first year retirement to kind of get your legs underneath.

It don't agree to a bunch of stuff. And I absolutely positively failed at that. I'm not good at no at all. Especially when a friend calls or a really good cause happens in, in Cassidy. Dan and I are raising money for Barstow or raising money for K2 hospital. Right now we're raising money for the university of Kansas.

We're raising money for the Nelson art gallery. I think there's a reason that sometimes people don't always answer the phone when they see Deanna or I on their caller ID. I think that might be it. I've probably, I'm already going on a new board since we, talked last. but it's way better to have way too much to do then I cannot tolerate voids.

Bill Keen: Yes.

Greg Graves: And if there, if there's a void of even the smallest period of time at aggravates me or a noise, Eric causes me challenges. And so, I think though, Bill, the reason that's a really good question is you have to prioritize those things. So I remember when I was the CEO of Burns & McDonnell and someone it was when they were first coming out with outlook and you could schedule other people without their approval.

And somebody scheduled being right on top of one of my daughter's soccer games, she played soccer for K wrote the person that said, Hey, can't do it. I'm busy that night. And I said, well, I saw that it was just your daughter's soccer game. As well, you probably don't know me very well

Bill Keen: Ooh.

Greg Graves: Because your event is not going to keep me from going to my daughter's soccer game. so you have to of course prioritize family, right. But then within all those other things, you have to prioritize

who needs me and who just wants me, or where can I really be helpful? And we're making maybe kind of not be, that helpful even with the book.

I didn't realize this when I started for sure, but didn't prioritize how much reading I would need to do in order to write. And I didn't have that. And so I had to completely reprioritize if you will, of course, in the last year, and now a couple of months, we've all had to re reprioritize. How important is health and safety?

How important is that to the people that we love, not just to ourselves. but I think I've learned better if you will. Maybe I'm still learning this particular subject Bill, but I'll, I'll keep trying.

Bill Keen: Yeah, I know it's difficult. I mean, I've seen it play out before and I have a semblance of it. I still work I'm in my early fifties, so I have a little bit of a runway left here, but I still experienced some of that as well, but I see it in my art retired clients, and I wondered how you dealt with it.

So

Greg Graves: Yeah. I didn't realize this was a great idea until after I was retired for a little while, but I changed our dining room into my office. And so when I come into my office, I work and when I leave my office I'm done working and then I'm off doing grandparent duty or husband duty or the other things in my life that I love or headed to Deanna's my ranch property, if you will.

But when I come to my office, I work without distraction. As you guys know, it's amazing how much work you can do in a short period of time. I think it's why going home to work as opposed to working from home people who went home to work have been substantially more productive for the kind of people who really care about what they do.

Steve Sanduski: Well, let's segue here to the book. So it's called create amazing. Now, why did you decide you needed to write this book?

Greg Graves: . had the idea to write this book, I've had it for a long time.

I did not start in my whole entire first year of retirement. I was trying to pay attention to Henry block, you know, 20 years later, if you will. And anytime I paid attention to him, it worked out. so here we are now three years ago and I had the great opportunity to meet three or four times and to become quasi friends.

Of course, I think we're best friends. He knows who I am. I, but with Jim Collins, the author of good degree, it was my work Bible. And I have several passages in the book that go back to lessons. I learned from either one of them, his books, or from him personally. And he and I talked for a whole hour and his first question was, do you have to write this book? And I said, you know, I've gotten to the point. And the reason that I'm reaching out to you is I don't have a choice anymore. it's like, it's in me. and it's not begging to get out anymore. You know, it's coming one way or another and I only have to decide how Goodall I want it to be.

And he sort of talked to me about some of the most important techniques he uses for writing business books. And one was to have, would he call it a scientific review committee? And he told me how many people he uses and the whole process for that, how that goes down, where he writes just a few words sometimes and sends it to all of them for their comments. And I said, offhand, that's a lot of additional work. And he said how many books you're going to right Greg? I said, what? Probably one. And he said, well, why wouldn't you want it to be as good as it can be? I thought, Oh God, Thanks a lot, Jim Collins. And so, I did that and it took another thousand hours, I would say in book writing to have done, but I'm sure Bill, you probably went through this too.

Once the book is out, you're so happy that it's done. You're so proud of the work and the time you put into to it, but you also have this latent fear. What if there's something in there that's wrong

or the, or there's that type of in here? Oh, there's a typo in here. I just have to find it. And based on the number of times, my book has been reviewed by people who know more about the technical operation of ESOPs than me.

The more confident I am. That I'm not espousing anything that can't be duplicated thousands of times at thousands of companies. so, yeah, I had that moment where I had to decide is this book going to get written or not? And if it is, what's the team I need around me. And in my acknowledgements, there's at least 25 people who worked on this book from my editorial writer, Leanne Seaver to the folks, to my agent, Jon Willock, who was agent to Jim Collins at one point to my publisher, Ben, Bella, all of those folks have been unbelievably key and make me confident now.

Okay, I've got a good product here.

Bill Keen: It feels nice to feel proud of the product too. Doesn't it?

Greg Graves: I'm very proud, but yeah, I'm very proud of it. And I think know, people that have written books and probably the. Half the best sellers in America, you know, or some political hack

Bill Keen: right.

Greg Graves: job. Bye bye. And it can be right or left. Right. and you know, they didn't read it. They didn't write any of it. They sat down and did some one day long interview to have opinions and jabs and but then somebody else goes away and does all the writing, well, this was 95% me. It was some help of some really great folks. And so, yeah, no, I'm, I'm really proud of it and I don't need to make a nickel on it. In fact, if we make any nickels on it, they're going to the greater Kansas city community foundation.

I just want now for it to go into companies that are employee owned and ones that are not and for, to make a difference there. And if it does, I'll be very, very happy. Yeah. Yeah.

Bill Keen: Yes, I did notice speaking of Jim Collins that you actually have excerpt that he wrote for the cover of the book is isn't that right? Right on the cover.

Greg Graves: Yeah, Jim Collins. In fact, he gave me a great endorsement

it's when I got to start putting that cover endorsement on my book, that all of a sudden agents and publishers were much more interested in what I had done. And then I have a whole back cover, a very important people, chancellors university presidents in the United States senators.

Uh, Who'd given me great backing as well. But having Jim Collins on your side opens up a lot of doors in the book world.

Bill Keen: Well, the thing that I think it was impressive about you too, is that it wasn't, that you just knew, Jim or that you had read his work. You were a CEO on the ground, in the trenches for 13 years as part of a 38 year career at one firm. By the way that we're executing on the principles, you are just giving it lip service.

You were actually executed on the principles that I know that because I know people that work for you.

Greg Graves: It's amazing that the university of Rutgers business school has an Institute that is for the study of employee ownership and profit sharing. And they've been studying ESOPs since they began in the 1950s. it's amazing to read some of their books now and say, Oh my God, this, this data proves what we were doing.

It was right. We didn't know the data was there at the time, but we learned, or from personal experience on the ground level. What works and what doesn't work related to employee ownership and who would know that you have to sell this to your people hard in order for you to make the flywheel click on, you know?

and that wouldn't be something that would maybe be natural. You thought, well, there are owners now is that everybody's going to work harder. Well, you have to treat them like one and you have to act like they own the company, and then you have to sell them hard. You're the owner. We expect a lot of you as important we want you to expect a lot of me.

And I don't think people always necessarily look, like, like that, but now there's all this data out there from Rutgers and in associated with Harvard in a couple of occasions and the ESOP organizations that are national, that just prove over and over again. That employee owned companies, outperform others in almost every industry across ages, across whole diversity of, of worker types.

Most importantly, what the data proves and what burns them act proved. But other employee owned companies too, is that they will help America. Out-compete our competition.

So in the book I write a letter to president Biden and I hadn't written either way, but then I tweaked, I tweaked it post the November election.

I, well, he did on election night. I didn't have to wait, but changed my letter to president Biden and I wrote him a letter that said, we want our compete. China. There's lots of strategies, but I got one that I guarantee you will work and employment on companies. goes back to Steve at this point, I have no idea what the question was, but I've just loved talking about this particular subject.

Um,

Steve Sanduski: It was

Bill's question.

Greg Graves: It goes back to Thomas Jefferson. And the more we learn about Jefferson and some of the other people who founded our country, the more we realized there were parts of those people. There was not good anyway, but their brilliance can't be excused. Their brilliance was not only civil Liberty, but that to out-compete their European counterparts, all they had to do was give the land away to their farmers, give the boats away to the fishermen and make America country of owners.

And here in 1776 or 25% of the economy of Britain. Less than a hundred years later, less than a hundred years later, America is the biggest economy in the world. We had passed everybody country wasn't even complete geographically yet. And we were the biggest economy in the world.

And single key, was giving the property, the ownership to the American worker and having them be completely dependent on their own success. Now, are there going to be a difficult stories that can come from that? Yeah. And there are those in the ESOP world to United airlines, but the vast majority and the overall wealth of the employee ownership population is greatly, greatly higher than the average American.

It works. It works in 70, in 76, we got on boats to leave that version of Europe. That doesn't exist now, but that we weren't happy about from a civil Liberty point of view, but mostly we were tired of growing crops and giving it to the King. And we came to America. Unfortunately, economic disparity is at its greatest point in America since that day. we've got to do something about it. There's lots of choices. There's lots of options. There's lots of opportunities. They can go from how are we going to improve education in inner cities to the minimum wage, which I think we all recognize as a dinosaur at this point. But my idea and the idea of this book is there are 14 million ish employee owners in America from companies that are a hundred percent employee owned, like Burns & McDonnell or, Kansas City's global Prairie or other firms like it to over a hundred million.

there's that many that work at companies that could convert to employee ownership, or at least have an ESOP program for their people. If we do that, we'll make massive strides towards America's retirement crisis. We'll improve American productivity, and we'll reward the worker for that. And not only the capitalist investor, if we do that, we won't solve inequity in American.

We have a long way to go, but we can take large strides towards solving wealth inequity in American. I just want to make my one little point on it.

Bill Keen: Well, you know, also we talk about which political party likes ESOPs. company choice by ideological views. I have information here that shows 69% is conservative liberal 72% and moderate 73% all prefer owned by employees out.

How about something today that everyone can agree on? That's a nice thought.

Greg Graves: I thought that Washington was going to agree on infrastructure.

Bill Keen: Yes.

Greg Graves: If we don't start spending money on roads and bridges and rail and sea water, and sewer in America, we're already going way behind. And if we don't start spending more fast, we're going to go way, way, way behind. And I thought that would be the one thing we'd agreed to in Washington, but it turns out it's not going to be.

I was asked the other day to make three wishes and my second wish was I'd like everyone in Washington to take two steps to the middle.

I don't care if you're way over there. I don't care if you way over there, but if you'd all take two steps towards the middle, you'd find America. Is there waiting for you?

we almost never even care about stuff that's being argued about. So often whether it's in the state of Kansas here in Missouri, or nationally, we care about education and economics and jobs and healthcare. And, if we can focus on those things, I, I thought maybe infrastructure would be, but it's not.

But what is agreed on in Washington all the time? All the time is the benefits of employee ownership towards America's retirement. can't just count on social security for your retirement anymore. That's, that's a given. And with 50% of Americans not having a nickel raised for retirement, we've got to do something.

And argue in my book that 401ks and pensions are great. But they, all they do is guarantee non poor retirees. If you want to be a middle-class or upper-class retiree in America, you better be saving and you better be invested. And uh, I've got a great way to do that in creating these employee stock ownership plans.

And if we could create another a hundred million Americans like that, we'd be in such better state. Sometimes Washington doesn't necessarily know what to do to help more companies become employee on. So we, we try to stage that out, of course, with ESOP organizations in Washington, D C and other words, you know, even 50% of Republicans believe that wealth inequality in America is big problem. So even that is not an issue where some people agree or some, some people don't what I argue is long-term wealth must be earned. And it can be, and it should be, one employee owner at a time.

Steve Sanduski: And Greg, correct me if I'm wrong. Is there about 7,000 or 8,000 companies in the U.S. That are ESOPs today? Is that the right number?

Greg Graves: Yeah. There's 7,000 ish companies in America that are employee owned or have ESOP programs. You know, it goes up and down a little bit, all the time. It's about 14 million American workers might go through an analysis in the work, in the book where you take out the federal workers. Of course you take out people who work at non-for-profits and then I even give you, you know, it would be hard to do a trillion dollar buyout at alphabet

by the employees.

Right. But that doesn't mean they couldn't have a 5% ESOP program that became six, they became seven, they became 10, it would be great for their investors. It would be fantastic for their people. And Google's already named the number one best place to work in America by fortune every year. I write a letter letter to Jeff Bezos in my book saying he could probably buy another Islander too.

If he just give 10% of the company away you know, to their people, through an employee stock ownership planet, and you don't even give it away, they earn it. You know, they earn it over time. if we can grow that number, we'll have a lot of earned retirements. in the long-term would even help from a federal tax point of view to have more middle and upper staged uh, retirees in America.

Steve Sanduski: Now, when you think about the types of companies that are. A fit for becoming an ESOP I know some people would say, well, it, really should have a certain type of financial profile. They might say, well, typically they're going to be maybe more mature companies that have more predictable cash flows so that you can pay back the loan.

If you're going to go that route. How do you think about that in terms of, is there a financial profile of a company where it makes sense to at least explore whether an ESOP would be appropriate? So that's kind of part one part two would be, is there any cultural issues within the firm in terms of the culture of the firm where employee ownership would make sense?

How do you think about those two things?

Greg Graves: I'll start with it's regardless to profit. The biggest employee owned company in America is grocery store.

then you can go down and you see, there are steel manufacturers, there's guitar stores there's public relations firms, and there are a lot of engineering and construction firms.

There are a lot of architectural firms. There's a lot of services firms. And sometimes if you think about a firm that has a large that's capittally intensive, you would say, would it be harder for general motors to become employee on? Because the workers got to buy the plant back, you know, all the time.

But even those companies, maybe they don't look at a 100% employee on program. Maybe they instead of fighting with their workers all the time, bring the workers into the boardroom. You know, make them owners make your success, their success. And people have tried that through profit sharing programs or options, et cetera, et cetera.

And of those I think are good ideas, but nothing is a substitute for making them owners. capital makes it tougher on not having an obvious valuation of your firm makes it tougher. And so sometimes if a, company is completely private, sometimes it's harder to do that valuation. But all of those are our obstacles.

You know what I mean? Or, or they're, they're another hurdle to get over. I tend to think employee ownership is always the right answer, but I, I understand that if you're a company like McDonald's and half your workforce is 16 years old, Well, then you have a challenge. So maybe you limited to people that are of a certain age or maybe that are full-time.

There's always an angle, at least from what I've seen by which he subs now, what they won't do, is they won't get you out of a dying industry. And United airlines is a great example of that. Here. You had an airline that was in deep trouble in an industry that was in deep trouble and they decided, well, we'll, we'll start an ESOP program.

And then cut everybody's pay 25% or whatever the percent was, but they did cut everybody's fed well, that really makes them feel like owners. And so if you're selling buggy whips, create an employee ownership program is not going to increase the demand for buggy whips. If you have lousy leadership, Or if you're only trying to sell the company, because you think you can get even richer or you can avoid taxes, which you can well then you're doing it for all the wrong reasons.

And so won't solve the problems of American ego and greed that does exist in a lot of American corporations. And sometimes, unfortunately I would say in some American executives, won't solve for those things, but man, if you do it for the right reasons, explosive results are possible.

Steve Sanduski: so there's been a lot of research. Gallup, for example, has done a lot of research that shows. That the typical employee in a company is not engaged at work. And I think you're saying one of the big benefits of an ESOP is the employees are owners and in addition to the financial potential ramifications of that to the positive, there's also, they're going to work harder.

They're going to think smarter. They're going to figure out ways to save money. you have an example or two Burns & McDonnell where you could say, because we're an ESOP, this is, is the kind of behavior that, our employees are engaging in that probably would not have happened. If this was someone who was just clocking in and clocking out each day.

Greg Graves: it's not just what I was able to witness at Burns & McDonnell or like that. Some other great Kansas city companies, blacken beach, global Prairie, McCowen Gordon. So you observe it, but then what happens is Rutgers studies it for 25 years and they get it down to the actual data. That employee owned companies grow at double the so GDP growth rate.

can you imagine the whole country growing another three to 4% higher GDP is growth is possible or that your turnover rate goes up from maybe the national average where Burns & McDonnell was where you don't 10 or 15% to where people had been there for 10 years or longer. Our turnover rate was closer to zero every year, statistically than it was to 1%.

And so it does make you sick when you hire, well, you gotta be good at it cause they might not ever leave. and often your worst hire of the year I was arguing is the one who wins. We'll never leave if you will. So at our place we observed at all the time I wrote a Friday email to every employee owner in the company.

on Friday afternoons. And I wanted them to know what I was thinking and why I was thinking it. And it became sort of a ritual. And now it's called Friday news and Ray still does it. I'm very blessed that he does. What I didn't know was that 50 or 75 people would write me back every Friday and thank God, it wasn't always the same ones, but I mean, literally I had to plan, I had to change my timing of it so that I could send it out at four or five o'clock on a Friday and have some time left on the day to respond to people.

And so you communicate it hard through communication from the executive, from their boss, from HR, through annual meetings for an employee ownership report or their annual account statement, You will create an environment where they are unafraid to communicate to you. And We had that in the greatest way that I can, ever describe where people weren't afraid to act like owners to the client, to each other.

One of the things sometimes we'd have to hold back was how accountable they wanted to hold each other, you know, on making a schedule or making a deadline or making a profit on a particular job or not a job. And obviously worked out really well for us. But like I said before, what's, been fun to see is that it's not only something that I believe will happen.

It's predictable that it will happen in the right environment.

Steve Sanduski: had a chance a few weeks ago to talk to a CEO. And she was telling me a story about how right at the beginning of COVID they had a situation arise at their company. She said on Saturday night, I called 25 of my top team members. And I said, I need to see you in the office tomorrow morning at 7:00 AM.

And they're like, Oh my gosh, what's going on? We're all getting fired. And what happened was the company had a ransomware attack everything was frozen. so she said, everyone showed up the next morning and our whole computer system was locked up. And so I rallied the team. And over the next few weeks, they were able to ship millions of dollars worth of product.

Everything was done manually, and it went off like clockwork. And I said, well, what did you do as a leader to get your team to want to do that, to show up at seven o'clock on a Sunday morning and do all this manual work. And she said, we're an ESOP. And these people think and act like owners. And so she was saying that the ESOP was such an important part of making that happen.

Greg Graves: appreciate that story and I'm not, although I'm like over the top impressed I'm in no way surprised. I don't want to go through another pandemic in my life. And the last year has just been horrific. From a humanitarian point of view, but also from an economic point of view. But it did give uh, the folks at Rutgers, a chance to say, this is our one time we can study whether or not all these things that everyone has always said is true.

So the Greg Graves is of the old world have always said that ESOPs will really shine during tough times if we watch it. And so there really weren't tough times, meaning there were recessions, et cetera, but the

last year has been tough times. And immediately the study began to say, well, we're going to find out what really happens during a pandemic.

And the amount of layoffs and employee owned firms was almost exactly 25% of non-employee firms. Well, there's two reasons. They put their nose down and worked to the last moment of ounce of energy that they had to make sure the companies were still successful. They acted like they own the place.

But the other thing was when those companies had challenges, they treated their people like owners. you don't reduce staff unless you just absolutely have to. And some obviously did, but way, way less than the national average.

Steve Sanduski: And Bill. I know you've worked with a lot of clients from Burns & McDonnell and, and other firms as well that are employee owned. So what, what have you seen from your perspective?

Bill Keen: I've seen a lot of lives transformed. And it hasn't been given it's been earned by the employees and professionals through hard work and diligence and you know, folks that are salt of the earth that, that put in a solid 35 or 40 years in most cases, in a lot of cases at the same firm to look up and have wealth a meaningful amount of wealth to be able to retire.

And we always say, we're just engineering the second half of life here, that's a little plug for my book, you know, keen on retirement. Yeah. so Greg gets keen on retirement engineering. The second half of life. And I call it the second half, even though folks might be slightly over the halfway Mark.

But because what I get to see is I get to see people really going out and doing what feeds their souls. And we always say money can't buy happiness. But the bottom line is if you're riddled with Stripe and anxiety, trying to make ends meet, it's going to be hard to, to go out and. do the best you can in the community and for your family and, so forth.

So, having your affairs in order is so important and folks that worked firms that were, ESOPs we see them consistently coming out with the resources to be able to enjoy that second half and truly engineer that second half and feed back into the community and add back to the stream of life as well.

So it's, it's been a very empowering thing for me to see. One of the things that I see Greg is folks in some cases that are involved in ESOPs, there wasn't a whole lot of action that they needed to do, even because specifically some of the ESOPs that you're familiar with, they were fully company funded.

So an employee didn't have to save any of their own money. They didn't have to make any investment decisions. In fact, they weren't able to, because it was accounts were handled and handled very well, I might say, but they come out and they retire. And within a year or so, they have to now take this wealth.

It's had been created over a career and not mess it up for lack of a better term and really be nimble and smart and prudent to make that, make that asset last, the rest of their life. So that's why we're so focused on education and financial and retirement literacy. That's why we do things like this program.

Exactly. So

Greg Graves: If you don't have an economic plan for retirement, then you don't have a plan for retirement,

but you can think you're going to do all these other things, but you have to have and, and it can start when you're 63 years old, but it ought to start when you're 33

years old. I think one of the best economic plans for retirement in America is the employee stock ownership plan.

it will make major strides towards economic justice. We'll make major strides towards American exceptionalism. We'll make a major strides to reducing the coming retirement challenges that we have in America. And I'm hoping this book does one little part to change that.

Steve Sanduski: And Greg go, what's the best place. I know. There's lots of places to get the book. I think you have a website as well, so share some of the ways that people can get the book. And also if people want to get in touch with you, what's the best way to reach out.

Greg Graves: Best way to get in touch with great grades is through the website and believe it or not. When I started this book process, I had some very smart people said you ought to grab different websites. And I, I didn't know that before and www.greggraves.com was available at a very cheap price. And so that is the website dedicated to the book launch.

And on there, you can reach out to me or you can go through that website to buy the book through Amazon. But the book is also available through all the other national book chains, Barnes, and noble, etc. there's an audio book, guys like me, like the physical thing, you know,

well, I'm very blessed that the book is now published. It was came out on April 27th

Steve Sanduski: So Greg, as we go ahead and wrap up here, I'd love for you to just give one final comment. What do you want people who are going to read the book or people who are listening to this podcast? What do you want them to walk away with? And then Bill, you'll go ahead and close with some final comments. So Greg.

Greg Graves: Economic injustice in America. Hasn't been this bad since the 1776 version of Europe, we all left behind and it's time we did something about it. There's a lot of choices out there to be made, but I believe one of the best is to make the American worker, the owner, again, as Thomas Jefferson plan, when he first came, he helped to create America.

And if we do that, we can solve some of the problems such as the top. 1% of American families own 15 X, the worth of the bottom 50%. And in the American, we all know that should not be tolerated anymore. And so minimum wage should be thought of, and American educational process should be thought about.

But one thing that I know works and predictably works is if you make the American worker, the owner of the institution that he cares about, he will do better. His firm will success. What success will be greater and America will benefit. Thanks for having me on guys.

Bill Keen: Thanks so much, Greg. it's an honor to have you on today. I mean, it was, I was looking forward to this episode when we, we got it scheduled and to be a small part of your book launch here I had a thought and an inspiration here I'd like to share with you all out there.

If anybody would like. A copy, a hardback copy of Greg's book, create amazing. to Send me an email at at.keen@wealthadvisors.com and I would be willing to forward you a copy of that book as a gift from keen wealth because I believe so much in what Greg is talking about, And again, whether you're an employee working for an ESOP whether you're a young person coming out of college, evaluating, working in an ESOP company whether you're a politician, that's trying to understand more when you're a senior executive. and a company that has an ESOP and you want to learn more, this book is going to be very important for you to check out.

And last thing I believe it's important if you read the book and you'd like to make a an Amazon review, those do make a difference for authors. So I would just suggest and request that you do that for Greg, as you peruse his work here, So, Greg, thank you so much, sir, for being on means the world to me.

Greg Graves: Thank you Bill.

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