



Democratizing Work: The Role, Opportunities, and Challenges of Worker Cooperatives in the US – Transcript

Hosted by the Aspen Institute Economic Opportunities Program

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Description

Worker-owned cooperatives are known to have a strong tradition and legacy in Europe, with Mondragon Corporation in Spain often stealing much of the international spotlight. Interest in worker-owned cooperatives is growing in the US, however, as people continue to look for ways to promote democracy in the workplace, create higher quality jobs, and build a more equitable economy. Alongside this interest is a growing body of research that has shown well-run cooperatives can be more resilient to economic shocks, experience less employee turnover, and achieve higher profit margins. Workers in cooperatives often benefit from better job security, equal or better pay than their peers, and more family-friendly workplaces.

Today, worker-owned cooperatives span numerous industries in the US, from home health care to manufacturing to ride-sharing. Some regions in the US have started to invest in and build supportive ecosystems for worker cooperatives in attempts to revitalize economies and offer a more inclusive approach to economic development. Efforts are also underway across the country to support retiring business owners in converting their business to employee ownership, including conversions to worker cooperatives. Despite this momentum, worker-owned cooperatives are a very small part of the US economy, and growing the model can be challenging. Financing, a lack of awareness, and the complexity of democratic management pose barriers to the worker-owned cooperative movement. How can we address these barriers to support the growth of cooperatives in the US? What role can worker cooperatives play in creating higher quality jobs and a more inclusive economy? What can we learn from successful cooperatives abroad and domestically about what works?

This event is the first in a three-part series, "Employee Ownership's Moment: Discussions on Advancing Policy and Practice."

For more information and resources from this event, visit aspeninstitute.org/coops.

Speakers



Hilary Abell

Co-Founder and Chief Policy & Impact Officer, Project Equity

Hilary was “bit by the cooperative bug” when she was a worker-owner at [Equal Exchange](#) in the 1990s and forever changed by witnessing how Latin American farmers used coops to transform their communities. After a decade of international community empowerment work, Hilary has been advancing cooperative development and employee ownership in the U.S. since 2003. As Executive Director of WAGES (now [Prospera](#)), she led the organization in creating a network of five worker-owned green cleaning businesses that sustained 100 healthy, dignified jobs for low-income women. Worker-owners increased their family incomes by 40-80%, built assets through robust profit sharing, and gained business skills and social capital.

In co-founding Project Equity, Hilary hoped to make these profound benefits of employee ownership a reality for millions more workers all over the country. For her work with Project Equity, Hilary was awarded Presidio Graduate School's Big Idea Prize (2013), an [Echoing Green Fellowship](#) (2014), a [2016 Local Economy Fellowship](#), and a 2020 Executive Fellowship with the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University.

Hilary is a passionate advocate, practitioner and thought leader and has authored or co-authored several publications, most recently [The Case for Employee Ownership](#) (2020) and [California Cooperatives](#) (2021). She has her B.A. from Princeton University and her MBA in Sustainable Management from Presidio and, in her spare time, loves to explore redwood forests, California's coastline, and good books and movies.



Sara Chester

Co-Executive Director, The Industrial Commons; Job Quality Fellow, The Aspen Institute

Sara is co-executive director for The Industrial Commons. After graduating from the University of North Carolina at Chapel Hill, she returned to her hometown of Morganton, North Carolina. She worked for eight years at Burke Development, Inc., focusing much of this time on place-based initiatives that grow local wealth. There she earned an IEDC award for Innovative Economic Development. She serves on the Burke County Planning Board and is part of the board of directors for the North Carolina Rural Center. She spends most of her time with her husband and two kids. She loves to hike, camp, bake, and read.



Esteban Kelly

Executive Director, U.S. Federation of Worker Cooperatives

Esteban Kelly is the executive director of the U.S. Federation of Worker Cooperatives (USFWC), a founder of the freelancer co-op Guided, and a worker-owner and co-founder of AORTA (Anti-Oppression Resource & Training Alliance), a worker co-op that has built capacity for hundreds of social justice projects through intersectional training and consulting. Esteban works to

expand economic democracy through forms of multiracial solidarity and collective ownership. In 2018, Esteban helped get the Main Street Employee Ownership Act passed by Congress and won a Philly Social Innovation Award for Public Policy. Esteban served as a mayoral appointee and briefly as co-chair of the Philadelphia Food Policy Advisory Council. Esteban is a Ford Global Fellow, a Margaret Burroughs Fellow in the Social Justice Portals Project at University of Illinois-Chicago, an Executive Fellow of the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University, a Futures 4 Good Fellow with the Institute for the Future, and an advisor to the Platform Co-ops Consortium and the Movement for Black Lives.



Stacey Sutton

Associate Professor of Urban Planning and Policy and Director of Applied Research and Strategic Partnerships, Social Justice Initiative, University of Illinois-Chicago

Stacey Sutton is an associate professor at the University of Illinois Chicago (UIC) in the department of urban planning and policy and co-director of the Solidarity Economy Research, Policy & Law Project. Prior to joining UIC, professor Sutton was on the faculty of Columbia University in the Graduate School of Architecture, Planning and Preservation. Professor Sutton's research and teaching focus on community economic development, specifically in the areas of economic democracy and worker-owned cooperatives, solidarity economy and prefigurative projects, racial equity, and disparate effects of place-based city policies. Professor Sutton published an important article analyzing municipal support for worker cooperatives in 12 cities, and she is currently working on a book manuscript that examines solidarity economy ecosystems across the United States. Professor Sutton is a senior researcher with the Small Business Anti-Displacement Network and a fellow at the Institute for the Study of Employee Ownership and Profit Sharing, and she serves on the board of the New Economy Coalition. Professor Sutton received a joint doctorate in urban planning and policy and sociology from Rutgers University, an MBA in economics and organizational behavior from New York University, and a bachelor's degree from Loyola College in Baltimore.

Moderator



Maureen Conway

Vice President, The Aspen Institute; Executive Director, Economic Opportunities Program

Maureen Conway serves as vice president at the Aspen Institute and as executive director of the Institute's Economic Opportunities Program (EOP). EOP works to expand individuals' opportunities to connect to quality work, start businesses, and build economic stability that provides the freedom to pursue opportunity. [Click here to read Maureen's full bio.](#)

About

Opportunity in America

[Opportunity in America](#), an event series hosted by the Economic Opportunities Program, considers the changing landscape of economic opportunity in the US and implications for individuals, families, and communities across the country. The series highlights the ways in which issues of race, gender, and place exacerbate our economic divides, and ideas and innovations with potential to address these challenges and broaden access to quality opportunity.

We are grateful to Prudential Financial, Walmart, the Surdna Foundation, the W. K. Kellogg Foundation, Bloomberg, and the Mastercard Center for Inclusive Growth for their support of this series.

Economic Opportunities Program

The Aspen Institute [Economic Opportunities Program](#) advances strategies, policies, and ideas to help low- and moderate-income people thrive in a changing economy. [Follow us on social media](#) and [join our mailing list](#) to stay up-to-date on publications, blog posts, events, and other announcements.

Transcript

Maureen Conway (00:00:02)

Good afternoon and welcome everyone. I'm Maureen Conway, a vice president at the Aspen Institute and executive director of our Economic Opportunities Program. It is my pleasure to welcome you to today's conversation, "Democratizing Work: The Role, Opportunities, and Challenges of Worker-Owned Cooperatives." This conversation is part of the Economic Opportunities Program's ongoing Opportunity in America discussion series, in which we explore the state of economic opportunity in the United States, the issues, challenges, and obstacles workers, businesses, and communities face, and ideas for change. We are grateful to Prudential Financial, Walmart, the Surdna Foundation, the W.K. Kellogg Foundation, Bloomberg, and the Mastercard Center for Inclusive Growth for their support of our Opportunity in America discussion series.

Today's event is the first in a three part series, "Employee Ownership's Moment: Conversations to Advance Policy and Practice." And in this series of conversations, we're going to be looking at the different models of employee ownership, their strengths and limitations and what we can do to encourage more sort of employee-owned enterprises. There are many forms of employee ownership. Today's conversation is really focused on worker cooperatives. We're going to talk about ESOPs, employee ownership trusts, other forms of equity and profit sharing in upcoming events. So stay tuned for that.

But today we're really focusing on worker cooperatives, and I'm really glad we're starting this series with worker cooperatives. It is November. November is voting season, sort of a time to celebrate really democracy. So it's great to begin this conversation series with a focus on worker cooperatives. As the principles of democracy and democratic member engagement are really sort of foundational to the cooperative movement. At a time when people are expressing concerns about the resilience of our democracy, both in the US and in democracies around the globe, it's useful really to think about the insights that cooperatives can offer regarding responsibilities and benefits of democratic engagement.

But more central to the concerns of the Economic Opportunities Program typically are issues of economic inequality, wage stagnation, deteriorating job quality, and other sort of economic headwinds that have really taken a severe toll on workers' livelihoods and on the health of families and communities across the country. So these economic challenges though, are really kind of connected in a way to these challenges of democracy. The tide of inequality and the concentration of wealth and power in the hands of a few really undermines people's faith in democracy and in institutions and in the government's ability to really advance the broad public interest rather than sort of the narrow so-called special interests.

So cooperatives really inspire us to be different, offer a path to sort of more shared prosperity to workplaces where power is shared, participation is encouraged and community health is promoted. So what can cooperatives tell us about how work can be organized to be engaging and rewarding for workers while at the same time producing the goods and services people need? Why have cooperatives kind of remained under the radar screen in the US And what kinds of policies, training, financing, other supports could really help the cooperative movement expand and flourish and really contribute to a healthier economy in society? So we have lots to talk about today. We have a great set of people to talk about it with. Really excited about this conversation.

I'm just going to do my very quick review of our technology. All of our attendees are muted. We're delighted to get all of your questions. Thank you to those of you who submitted questions and when you registered, please use the Q&A button to submit questions. We'll try to get to as many as we can. We know that many of you also have experience in this field. We really encourage you to share your work, your ideas and thoughts in the chat. So please share your resources there in the chat. We will be grateful to hear from you about that. We always appreciate people's feedback on our events. At the end of this session, there'll be a feedback survey. Please do take a moment to fill it out. Let us know what you thought and how we can do better. We always are trying to do better, so really appreciate you giving us your feedback.

We encourage you to also tweet about this conversation. Our hashtag is #talkopportunity. If you have any technical issues, please put a note in the chat or you can email us at eop.program@aspensite.org. The event is being recorded and will be shared via email and post on our website. And closed captions are available. Please use the "CC" button at the bottom of your screen if you would like to avail yourself of them.

Okay, so that's that. Now I am very sorry to say that J.J. McCorvey is actually not joining us today. So you are unfortunately stuck with my face still staying on the screen here. But no worries because we do have all of our amazing panelists. And let me do a quick sort of names to faces, introductions of them, their bios are on our website. I encourage you to take a look. They're amazing. But in the interest of time, I'm not going to read them to you.

So with us today we have Hilary Abell, co-founder and chief policy and impact officer at Project Equity; Sara Chester, co-executive director of The Industrial Commons; Esteban Kelly, executive director of the US Federation of Worker Owned Co-ops; and Stacey Sutton, associate professor of urban planning and policy and director of applied research and strategic partnerships of the Social Justice Initiative at the University of Illinois, Chicago. You win the longest title.

Thank you all so much for spending some time with us this afternoon. Really excited about this conversation and let's just kind of jump in. And Esteban, I'm going to start with you to give us a little about the Federation of Worker Owned Cooperatives and give us a little sort of lay of the land of worker owned co-ops in the us but also it'd be great to hear a little bit about what kind of moved to your heart to get you involved in worker co-ops. So yeah.

Esteban Kelly (00:06:38)

Thanks so much Maureen. Very excited to be in this conversation with this group of people. Of course, because we are the only national grassroots membership-based organization for a worker on cooperative businesses and the nonprofits and some of the CDFIs that finance cooperative development, most of the people on the panel or many of the participants are actually my members. So it's always a funny thing to be describing what we're doing to our own members. So we have been around since 2004 to kind of steward the cooperative ecosystem and to really help to build one up to remove barriers that are in the way, whether that's on the policy side or in terms of financing, cooperatives, expansion and development, but also building some of that infrastructure out. So actually fostering technical assistance, education and training, leadership development, government relations, and working in coalition with people in movements for social racial and economic justice or in coalitions actually with technical assistance partners who are really working to build out community economic development and workforce development, especially at the local level.

We're also connected to a global and international community of other people involved in what's sometimes called the social solidarity economy. And in addition to being in leadership here with the Worker Co-op Federation, I also have the privilege of representing the US on the international board called of an organization called C COPA, which is the, it's the International Association of Worker Co-ops.

I say that because it sort of represents the different kinds of relationships that we foster in a community of practice that is worldwide. There's millions of worker owners all around the world and only thousands of them in the US. And so we have so much to learn from our colleagues overseas and around the world. There's a lot of, I guess, differentiation in when we're some of these different ecosystems formed, when did they come to maturity? What kind of sophistication do they have in different parts of the world and what can we learn from the kind of support that they had working with government, working with philanthropy, working at the grassroots, working even with labor movements, other labor movements, especially unions in building out the sort of robust ecosystems that we've see in other parts of the world.

So we're here to head that up here. I saw there was already a question in the Q&A about cooperative development and that's one of our main roles is that in a very complex and busy ecosystem, coast to coast, we want to make it a little easier for people to cut through all the noise and just find a starting place, a clearing house to answer and collect basic questions and do some of that way finding. So all of those other organizations are members of the Worker co-op Federation. We have a sister nonprofit called the Democracy at Work Institute. And so between the two of our organizations we often do a lot of referrals out to other elements in the ecosystem and building out this work.

To your other question about my own passion in this work, I think a lot of it is that I think about not only the scale of the problems that we're facing and you can go as big as climate or as small as community economic development in a particular neighborhood or even around issues of gender and race inside of families and communities. And I see cooperatives as a solution that's addressing problems. I mean that's what we're talking about. Ultimately it's a business form. It's a business model that has a long, long tradition including in the United States, a tradition that goes back to the 19th century at least. And a way of addressing social problems by having people come together, democratically pooling their resources, pooling risk and sharing that and also sharing reward together. To me that really lights a fire for me because I get excited about the idea that democracy can be something that not only exists in the political sphere, but that we can actually taste economic democracy in our day to day lives.

I work with in my own cooperative and with our members who Monday through Friday, or for some of them who are open on the weekends as well, especially for the seasonal workers, and there's an opportunity to actually exercise democracy, to solve everyday problems in community with other

people and to approach work with dignity, to build out enterprises, which we've seen over the last couple hundred years are some of the most powerful tools we have to mobilize resources and to connect people economically. So what does it look like to actually put the power of enterprises in the hands of workers and everyday people in their communities and then leverage them to address different kinds of political, social, or economic problems?

So I think it's really helpful that cooperatives exist, especially in the US in every possible industry. I mean we're disproportionately in the service economy, the caring economy, healthcare, childcare, but we also are in every other part of the economy from transportation to food production, business services, manufacturing. And so to me, I get really excited about the prospects for economic democracy and how we can address almost anything that we're facing and things that interest and motivate other organizations and people around the country.

Maureen Conway (00:12:45)

Great, thank you so much Esteban and Hilary, let me come to you next. You have a long history with cooperative and maybe you know can just tell us a little bit about how you came to found Project Equity, but also I know you've been doing research on different forms of cooperatives and I think it'd be helpful if people had a little sense of, we're really kind of thinking a lot here about worker co-ops, but there's other kinds of co-ops and how situate worker co-ops within that broader sort of co-op movement. And of course how did you find co-ops. Unlike I would say unlike when I'm talked to people around unions and things in the labor movement and they had somebody in their family who was a union member and stuff, usually I don't hear people in the co-op movement say, "Oh because my grandmother was a co-op member," or whatever. So anyway, I'd just be curious how you came to it.

Hilary Abell (00:13:40)

Absolutely. Thank you so much Maureen and it's great to be here with Esteban, Stacey and Sara and everyone else. Thank you for being here. My journey to co-ops was pretty experiential and actually there's been a lot of serendipity along the way. So fresh out of college I was really interested in social justice and human rights and was doing human rights work in Central America and that led me to becoming a worker owner at a worker co-op called Equal Exchange. And I really happened into it through Equal Exchange's interest in supporting peace in El Salvador after the Civil War ended through buying coffee from cooperatives and my passion became fair trade but I became a worker owner at Equal Exchange and that created an incredible just kind of lifelong passion now for cooperatives. I got to sit on the board, I was a young 20 something, didn't know anything about business but learned it on the job, got to sit on the board and learn from the first impact investor ever.

The Adrian Dominican sisters were on the board before the term impact investing existed and my fellow worker owners. So personally I found it very empowering. I also got to work with farmer co-ops in Latin America as part of my work at Equal Exchange and I got to see the change that they made at a really large scale, which fueled that passion moving forward. But my direct work as a co-op developer and the precedent to Project Equity, the organization I co-founded in 2014 was about 10 years I spent as a co-op developer working with really low income immigrant women from Mexico and Central America in the San Francisco Bay area.

I'll just quickly say that one thing that really fueled my desire to start Project Equity and to be part of the growing movement to make worker cooperatives, cooperatives and other forms of employee ownership available to more workers in the US was that in at Wages when I was there, that organization is now called Prospera and continues doing great work. We were developing startup worker cooperatives and the women workers in those companies, their individual incomes were doubling and tripling because they had full-time work, their hourly pay was better, they also had benefits for the first

time and we did really deep impact measurement. So we actually knew from factual data actually their tax returns for reasons I won't go into. We had a unique ability to really understand their family finances and the first year we measured it, their family income had increased by 40%. The last year we measured it a few years later it had increased by 80%.

So what that told me was that the co-op development we were doing was really changing the economies of some of the lowest income and the folks with the most barriers to quality jobs in the United States. And that was really my driving passion for starting Project Equity and wanting to look at how this type of work could be scaled, if you will, and how more workers, especially low wage workers, but also middle wage workers, could be able to become part of really successful worker cooperatives.

At Project Equity, just very briefly, we decided to focus on converting existing long standing successful small businesses, two worker cooperatives in other forms of employee ownership because of the challenges of startups. I had done startup work with co-ops for 10 years and I still love that work and am really glad to see more of it and hoping to see more of it over time. But the conversions work has enabled us to do some things that we wouldn't have done through a startup strategy as a field. Both are incredibly important. So to wrap it up here next year I'll be celebrating 20 years as a co-op developer and I just have a huge desire, I know we all do to see this incredibly valuable but underappreciated and underutilized form of cooperatives used much more broadly and become a much bigger feature of our workplaces and our economy overall.

And finally, Maureen, to your question about other types of co-ops I'll just briefly say is as people may know, there are consumer, consumer co-ops, like the cooperative grocery store, as many of us know there are consumer banks or I'm sorry, consumer banks that are credit unions. Essentially cooperatives, our financial credit unions are financial cooperatives. So you can have consumer co-ops, worker co-ops, business to business cooperatives like ACE Hardware. So essentially the form of working together under the seven internationally recognized cooperative principles can be done in many different ways. And we're talking about worker cooperatives today. There's also a Venn diagram that worker co-ops are at the center of that overlaps with employee ownership and other forms like employee stock ownership plans and employee ownership trust, which Aspen will be doing some webinars in the near future. And at Project Equity we promote that full spectrum of broad-based employee ownership.

Maureen Conway (00:18:37)

Great, thank you so much Hilary, that was terrific. Stacey, want to come to you? And I think again, sort of the same question of we want to hear a little bit about your work but also how you came to cooperatives and there's so much I feel like that people don't really understand about cooperative like that there's these different kinds, like worker owner purchaser and so on. But also I think you, you've done some really interesting work on the role cooperatives have played in the African American community as well. So maybe you could touch on that a bit also.

Stacey Sutton (00:19:10)

Great, thank you. And thank you for inviting me. I'm really excited to be here, especially with this panel and to see The Aspen Institute kind of talking about promoting in many ways worker owned cooperatives. So that in itself and to itself is significant. And so my route to this work is perhaps in some ways somewhat conventional in the sense that it's a mixture of being a coop member within a consumer cooperative with a food cooperative. When I was in New York, I was part of the largest food cooperative in the country, which is Park Slope Food Co-op but at that point I didn't fully understand those distinctions that we're making between the consumer co-op and the worker co-op or producer.

It was really when I was doing my early research, my dissertation research and that was also focused on Brooklyn, in central Brooklyn. I was looking at the role of black owned businesses in going to revitalizing central Brooklyn over almost a 50 year period. But I wasn't interested and people kept asking, "Well what size is the business, how are they growing?" Really getting at that question of scale. And I wasn't really interested in that. I was interested in the collective action among the business owners and how they formed associations, how they came together and what they were able to do collectively.

It was from that I realized, okay, some of the limits of what they were able to do could have been addressed if they had a more formal kind of governance structure that allowed them to work together and benefit together to bear the burdens and the benefits more equitably. There was a lot of lumpiness in these small businesses. Again, these were really small neighborhood based businesses, majority Black owned businesses. And although my experience had been that they were very kind of autonomous and individualists stick in their enterprise, they would spend a lot of time really thinking together and strategizing together and working together.

And so that experience led me to look for other models and that experience as well led me to the literature in which there was a rich literature on worker owned cooperatives and cooperatives more broadly. And this was before Jessica Gordon Nembhard's book *Collective Courage* came out, which came out in 2014 I believe. So that wasn't out. But once that hit and folks really started understanding it's the first kind of economic history of cooperatives in Black communities across the United States. And it starts in the 18th century actually, right? With far more robust analysis starting the 19th century all the way through I think she gets as far as 2010. So I say all of that to say my experience in terms of, and my passion, which is very place based. I'm a professor of urban planning and policy and I really think about the relationship between the organizational infrastructure of place of neighborhoods, of the cities and how especially marginalized communities, especially black and brown communities are experiencing the various policies and programs that are out there.

And so cooperatives became both the became this way, a lens, for me to understand the dearth of policy and practice in the United States and what could be. It became a space for imagining the potential for policy and more progressive policy and planning as well as a space of opportunity that people were actually even in lieu of some of the policies that exist that may exist now, people were actually practicing this on the ground. It's a way of thinking about, it was a way of me thinking about theorizing the social action on the ground and the ways in which even the ways in which people, especially marginalized people, are able to utilize and this formal structure to both get by and get ahead and how we see it in other countries, how we see it in Latin America, we see it in Africa, we see it in Canada, we see it all over Europe and yet in the United States it's still, it's definitely ascendent now, but it's not where I imagine it could be.

So my interest and deep passionate around worker cooperatives comes from my understanding of them as part of an important social movement, a part of this solidarity economy movement that some of us describe as this emergent movement. And so within Black and brown communities, it's been an important mechanism for, and I think Esteban touched on it and Hilary touched on it in terms of talking about Latin America in a way for folks that may not be able to start an enterprise individually, they've been able to come together and whether it's a formal cooperative or it's a collective pool resources and collectively benefit. And so there are plenty of examples and I can probably speak to more of them a bit later, but there are plenty of examples of that happening in very formal ways and more informally across the United States.

Maureen Conway (00:25:05)

Great, thank you. And that's a great lead in I think to you, Sara, because I'd love to hear you talk a little bit about how you came to cooperatives and the work of The Industrial Commons, but also about how that connects to your sense of place and work you do there.

Sara Chester (00:25:25)

Yeah, absolutely. Thank you so much for having us. Very exciting to be a part of this conversation. Great, wonderful folks joining today. So I'm in Morganton, North Carolina, which you've probably never heard of. If you have, you get a gold star. We are in the foothills of the mountains below Asheville community. Our county is about 90,000 people and this is where I grew up and my fellow co-executive director, Molly Hemstreet also grew up here and we were both fortunate to go off to school and came back to our small town. And when we were growing up here in Morganton, we were really doing very well. We were on Reader's Digest list of the top 10 places to live and it was just a great wonderful community to grow up in.

The community that we came back to after college looked quite different due to a lot of the offshoring that was happening where a very large manufacturing community, so one in three people here still work in manufacturing and there was a stretch of just a couple years where our MSA lost over 40,000 jobs. And so at the height of the recession we were up to about 17% unemployment and just very, really devastated a lot of the factories that had 800, 900 employees would kind of just close down overnight. And so people, not just one person but entire families were out of work.

When I first moved back to our community, I was working in our county's economic development office and getting to bring a lot of jobs to the community but also just got a deep understanding of how kind of the traditional system of economic development to go out and compete with the county beside you for a project. I think it's just kind of fundamentally broken in many ways. And so we would see companies move in and then a few years later they were moving out and just creating a lot of instability for the people that live here.

And so, we really wanted to do something different. We wanted to have a place where wealth was really truly rooted locally. And so, Molly had started the first co-op in our ecosystem Opportunity Threads in 2008 and we started building off of that. So at The Industrial Commons, we now have founded five worker owned co-ops and then we have an adjacent 501(c)3 that provides education and training as well as a whole suite of youth development programs. So we're really starting co-ops to create quality jobs here, working with other businesses in the region and in the manufacturing sector to support other frontline workers and then building the programs and infrastructure that make them successful.

Maureen Conway (00:28:26)

Great, thank you. So, I think I saw one question just for clarification. When was the time period that you said with that job loss in North Carolina?

Sara Chester (00:28:35)

It was, well a lot of it was around the '90s and when we lost a lot of jobs to offshoring and then our unemployment rate at the height of the recession I think was about 17%.

Maureen Conway (00:28:48)

Yeah. Good. Thank you. Great. So Hilary, let's dive in a little bit more on a couple of things. So one, I did want to ask you, I know you've been doing a lot of research on the benefits of co-ops and you started to talk about that a little bit. So just wanted to get your perspective on what you see as the sort of real contribution that folks can make for workers and communities. But there's also a question for you about

the characteristics you look for in companies if you're thinking about conversion to a co-op form. So would be great if you comment on that as well.

Hilary Abell (00:29:30)

Yes, very happy to. So the benefits of worker cooperatives are many and there is a growing body of evidence internationally and in the United States about the benefits of other kinds of cooperatives as well. So there's lots of places we can try to find some links to share in the chat around that.

In terms of worker cooperatives though, I see the benefits in two main categories and many worker costs will do both and some will be stronger in one or the other. One thing I hear, actually, I'll say, I hear this from all the worker I talk to is the benefits around bringing your whole self to work, finding meaning at work, which is so important now it always has been, but with the millennial generation and those coming behind them, that's something people insist on and really want and need. And also with the crisis and employee engagement, I think it's like 60% of workers globally are either disengaged or extremely disengaged at work, just not connected to really what they're doing 40 or more hours a week. So quality of life, worker voice and going beyond voice to actual agency in the workplace is just an inherent built in part of worker cooperatives because of their democratic nature. Some of the common benefits that I also see in all worker co-ops are is flexible scheduling and there's a pretty dramatically lower turnover in worker co-ops and in other businesses in their industries.

Then there's another kind of subset of worker co-ops, and I think we're seeing more of these and I'm very eager to see more of these, which are the ones that really do wealth building for their workers, have quality jobs. I think all worker co-ops create quality jobs and some are able to create quality jobs where the pay and benefits are actually greater than in other companies in their industry and where there's significant enough profit sharing through patronage, which is the co-op term for profit sharing for members. And my work has been with low- and moderate-income workers, folks whose other job alternatives are crappy, which is the technical term I like to use. And I won't spend our time talking about the many crappy jobs that are out there.

But just to give a couple of examples, I mentioned the work we did at Wages where we saw 40 to 80% increases in family income and the better we got as co-op developers, the more we fine-tuned our understanding of the industry we were working in and how to make those businesses successful and how to train and support and coach the worker owners to govern their business well and inhabit the full sense of that work, the greater the economic impact was.

We're also seeing now that we're seeing more companies, mature businesses, convert to worker co-ops, seeing a lot of wealth building happening in worker co-ops, even in lower wage industries. So I've had the pleasure through our work at Project Equity of getting to know and working with a number of companies in a pretty low wage industry. Food service, restaurants, cafes that have become worker owned, have become worker co-ops and have not only shared profit with their members but shared it even while they're paying down their transition loan, which is something we tell people never to expect because you take on debt to buy a business from its original owner, especially if you're low wage workers who don't have that cash sitting around. But nonetheless, we do often see companies starting co-ops starting to share profit right away and we've been seeing it in the five figures, individuals receiving five figure checks who have never had a savings before.

So I could tell more stories like that, but the wealth building potential of worker co-ops is just so critical giving the increase in income and wealth and equality and the racial wealth gap as well, which has always been a driving motivator for us at Project Equity.

And I'll just give a very, very quick answer to the question about what we look for in transitioning a business to a worker cooperative. First and foremost, we look for kind of a successful profitable business because the workers in a company that's not profitable or that's struggling or is in a dying industry may not want and may not do BET probably won't do better if they buy a company that's not doing well. So we look for three to five years of profitable, and stability. We look for more mature businesses. So I think it's wonderful to start a business as a cooperative and it's also wonderful to start one, not as a co-op with the intention to transition it, but when we're looking at of mainstream businesses that are owned by one or a few individuals, more typical in our economy, we're usually looking at a company that's seven to 10 years old or more.

A great size is 10 to 50 employees in that business. There is a real challenge in our field that I'm going to challenge us all to find solutions to this because it's really important that we do but it is quite hard to transition micro-businesses to worker co-ops. There are some. We've worked with some that do it successfully but the things that can be challenging, all the things that the owner did which is probably everything related to sales and management, if that owner is leaving, how do you take over all of those responsibilities In some groups of workers you'll have the right capacities and desire to do that but in many you won't. And also, the smaller businesses are also pretty fragile.

So we just have a more of a different conversation when we talk to micro-businesses that are interested in this because it takes more to kind of assess the feasibility and if it's really a good fit. So to summarize, 10 to 50 employees it can be more as well. Although most larger businesses will probably look at ESOPs as well and we're encouraging more of them to do democratic ESOPs and also to consider worker cooperatives.

Maureen Conway (00:35:19)

Great, thank you Hilary. Stacy, I wanted to come to you and ask you a little bit about co-ops as a tool for improving racial equity and I was going to ask you about what that looks like in Jackson, which I think there's lots of interesting dynamics in Jackson to think about particularly as we think about our sort, the degree to which governments are responsive to the people in the region, if I think about some of the issues that Jackson is struggling with now. But also, there's a question for you about Chicago's community wealth building initiative and how that intersects with co-op development. So, you have a couple of places you can talk about for this.

Stacey Sutton (00:36:05)

Perfect, thank you. And I'll start with Jackson largely to pivot because I think there's a lot of blur around Jackson and cooperation Jackson and the relationship between the mayor and the cooperative Jackson movement. And it's complicated in terms of when we think about what's happening in Jackson and when I think about it and the research that I do, I think about cooperation Jackson as an entity. There is a formal entity called Cooperation Jackson. People assume that is a cooperative it's an incubator and I think we've heard a little bit about incubators today. So they incubate cooperatives but it's similar to other incubators in some regards. We have Cooperative Richmond and Co-op Vermont and Cooperation Humboldt and Cooperation [inaudible 00:37:00], so there are a number of them across the country. I think Cooperation Jackson is most known because of its kind of deep commitment to Jackson, Mississippi, which is 85% black and really addressing some of the structural inequities that also align with what the Mayor Mumba is promoting.

But they're separate projects, I think we often conflate them. So I'm not going to go too far down the road on that, but I do think they're doing important work there and they're very intentional in terms of not just starting work around cooperatives, but they also have a land program, community land trusts, they also are doing urban farming, they're also doing mutual aid, they're also doing housing. So in that

regard it's part of, it's an ecosystem and that that's important for me. And the reason I study it is because the work that I'm doing, Real Black Utopias, is looking at these ecosystems, how it's not just a worker cooperative.

And I think this is important in terms of when we think about place, I was able to identify, I would say, or I'm focusing on, I would say 8 to 12 and they all are cities, all of them have Black centered worker owned cooperatives. I use that as the primary criteria because my hypothesis is that if there's a worker cooperative there, there's some ecosystem, these things don't just emerge, right? There's some kind of infrastructure that's supporting them and as I dug and dug I could find that. And that's what I'm interested in terms of the broader ecosystem that undergirds these Black led, Black centered worker owned cooperatives and all of those mechanisms. So I'll put that on one side. So there are a number of them across the country, not just Jackson, but Jackson is an interesting and important case.

In terms of what's happening in Chicago. And I've been very active in the community wealth building initiative that was recently launched here and we're very proud to say that the city using ARPA funds allocated \$15 million to community wealth building. And over the last two years there's a small group of us, about 15 of us that are part of an advisory committee working with the mayor's office of Economic and Racial Justice to define community wealth building because it could mean a lot of things to different people.

And we were very adamant that community wealth building in Chicago focus on a collectively owned, community controlled, or democratically controlled, community assets. Not just another program that focuses on kind of Black capitalism, Latinx capitalism, we were adamant that we really have to put co-ops at this center. So these \$15 million are to build out our kind of already existing but really build the capacity of the landscape here in Chicago focusing on work around cooperatives, housing cooperatives, community land trusts and CIVs or commercial investment vehicles that are democratically controlled. The first RFP just closed on the 15th, so a bunch of applications came in and now people are going through and really trying to decide where some of the buckets of money are going.

There are three phases to this initiative. This was phase one. And phase one is was explicitly focused on the ecosystem. Do we have enough people to hold this work? Do we have enough co-op incubators, technical assistance providers, accountants, everything from those kind of professional services to the work that needs to happen in terms of the convening and organizing and connecting that needs to happen. And so the first group kind of bucket of resources going to that.

The next bucket is really going to pipeline projects, small cooperatives that are either that just started or trying to start, they're putting a bunch of money, a few million dollars into small grants to those. And then the last bucket is really for larger, slightly larger cooperatives. And I guess our kind of theory of change is it by investing in these various mechanisms over time, over the next two to three years that our capacity here in Chicago will have increased exponentially and it will not be a city program that will hold this together if we do it correctly, even if this is a one time infusion, we will have a kind of more robust landscape, far more robust than what we began with. And so we'll be able to hold that work going forward. We're also bringing together philanthropy and others, but this infusion of public dollars is really important to catalyze a lot of that.

Maureen Conway (00:42:22)

Great, thank you. And it's great to hear about ARPA money being spent so well. Sara, let's come to you and let's build on this sort of theme about cooperatives in place and how you think of some of the benefits. And in particular, I would like you to comment also on how the cooperatives influence business

practices ideas about civic engagement. And because you are actually one of our job quality fellows, I would like you to talk about some how it influences job quality in your region.

Sara Chester (00:43:03)

Yeah, absolutely. So I think the first co-op that was started in our ecosystem was really just like a proof of concept because to some of the points earlier I think Hilary was making a lot of people in the United States just don't even know what they are or understand them. And so having that test case to bring people and tour and say look it works was huge. And then particularly to be able to prove to people that it can be done at scale and in manufacturing. I think the slice of the co-ops in the US, Esteban probably has the exact number and data, but the slice of the worker owned co-ops in the US that are in the manufacturing sector is very small. And so that co-op now is up to about 60 employees. And so to be able to show co-ops at scale I think has been really helpful in terms of just showing people here in our region that it can be done and that it can be done in a rural area has been really helpful.

I think the other thing that we've seen is that it's allowed, it's allowed us to have this infrastructure to bring businesses together to work together to solve bigger problems. So one of our co-ops is a circular economy so they're collecting, aggregating and collecting textile waste throughout the region and then transforming it back into a raw material. So it's coming from the factory floor and then going right back into the factory as a raw material, which is a huge positive on the environmental side in terms of our values for the manufacturing sector, but not something that any one individual business would've taken on in our region. But we were able to drive it through those cooperative principles. Not everybody that's a part of that project is a co-op, but through those core cooperative principles of just finding a problem and working as a group to solve it, we've been able to tackle some bigger issues in our community and really in our region.

And then we are seeing, to your question Maureen, a lot of businesses start to shift their conversation on job quality because of the work we're doing in the region, which is great. A lot of the co-ops we've started, there's no turnover, people don't leave. And so during this time right now of people kind of voting with their feet where they want to be day to day, other businesses are coming to us and they're knocking on our door and saying what's going on in there that nobody ever wants to leave. So it's really given us a platform to, and the fellowship too, Maureen has given us a platform to really frame this conversation around job quality and just the place where we are in the south, we have to start soft with that conversation but it usually leads to great things.

And so we're excited about how we're gently moving companies along that continuum and a lot of the businesses we're working with in the broader ecosystem we hope will convert at some point to employee ownership. But the start of that conversation with them right now is really just around increasing job quality and just starting to open their eyes to seeing workers as the potential for having more voice and agency.

And then just touching on civic engagement, everyone in our co-ops, we really encourage them to serve in the community in different ways. So we have folks on the planning board and the zoning commission and parks and our community college board of directors and I think they're learning those democratic principal and learning leadership in the workplace day to day. And so then they do have a true hunger to go out and exhibit that in the community. And it's just amazing to see these frontline guys that are running machines, serving on boards in our community alongside. Being a small community, it's typically the who's who that's on boards like that. And so to see them have a seat at the table has been really inspiring.

Maureen Conway (00:47:18)

Yeah, that's great. I love that. Thank you. I love how you're talking about the of infusing principles into other parts of life, even if it's not making them cooperatives right away. And that's a perfect expression of building that democracy to have people who are included in these decision making bodies who usually wouldn't be. So that's really great. I really appreciate that.

Esteban, let's come to you. I had this question for you about innovations that you're seeing in cooperative and to talk about what you're seeing, but there's also a couple things that have come up in the questions that you could also touch on in terms of the particular sectors that you think are amenable to cooperatives now or where cooperatives are flourishing and a question about gig work and cooperatives and where you see innovation, particularly around the issues of gig work and how cooperatives can address jobs that are organized in that way typically.

Esteban Kelly (00:48:23)

Yeah, I think I can thread the needle because I was going to speak to some of those things anyway on the innovation question, that is where innovation's happening is by spotting market opportunities and then innovating within that space. So we're definitely seeing a lot of innovation in the rise of platform cooperatives. I founded a platform cooperative recently called Guided that's actually working with freelancers. So the ones that we're working with are ones who are processing 1099 contracts and we basically use the power of the cooperative form to capitalize a guaranteed payment pool. We can front workers their payment within 14 days of their ending, their wrapping up their work with their clients. And so we're addressing the wage staff that happens when people, freelancers aren't paid in a timely way. But then also by pooling together all of those workers we're able to provide things like worker benefits and access to tax preparation, quarterly taxes, things like that that often can be tricky to pin down and stay in compliance when you're an independent worker.

But then we become through Guided, Guided with a U, becomes the vendor to the client so it's easier to have timely, reliable tracking of invoicing and collection and all that stuff. And so we're using a platform to have a dashboard with a freelance users can actually track their progress on their clients and things like that. So we're within a broad community. I advise the platform cooperatives consortium along with a dozen other leaders in the cooperative space. There's definitely interest in things like the drivers co-op that launched in New York in initially and then is looking at expanding other markets around the country and really to be a competitor to platforms like Lyft and Uber, but one that's actually owned by the drivers as well as the staff who are powering the cooperative.

Which brings me to the other innovation which is around multi-stakeholder, just the idea that it's really a 20th century idea that there's these individual kinds of stakeholders and you build a cooperative around that. I think what we're seeing a lot more of now is ways of using the cooperative model to pull together different stakeholders. And that could be employees, that could be investors, even as stakeholders. We do a lot of work with community based organizations as a model of cooperative development. So they might be doing a lot of work in immigrant communities or they might be doing work around sustainable food systems. And then the way that they're going about that work is by developing cooperatives on the ground. They might actually sit on the board or incubate cooperatives before they later on spin off. So there's a lot of space there for absorbing capital from investors working in partnership with local governments, with philanthropy, community-based organizations. Sometimes the other businesses within the supply chain can be involved as an investor or a stakeholder in a multi-stakeholder co-op. So there's a lot of innovation happening there.

And I think generally just pivoting away from, not necessarily away, but not being limited to existing cooperative statutes as the only way of starting cooperatives. So a lot of innovations happening for

people to take things like LLCs and incorporating as an LLC and then customizing it within your bylaws to be governed in accordance with cooperative principles. And so that's one of the ways that I think a lot of especially immigrant cooperatives are gaining traction because of course, even if you're not documented to be able to work in the United States, you could be an owner in a business or a part owner in the United States and you can contribute labor to your business in the US and then of course receive any kind of income that's associated with the wealth that's generated from that asset, from that business. So there's a lot of different things going.

I think the only other thing I wanted to touch on that that gets on the other aspect of that question is around all the work that's happening with of climate justice and climate adaptation and a lot of the work that's happening, there's been a recent rise in secondary. So looking at, for example, we have a lot of members in the solar industry, some of the most successful and profitable worker co-ops actually are in the solar industry, whether that's manufacturing or installation. And some of them have formed a secondary co-op where they can collectively purchase the raw materials that might be imported from China or other parts of the world or they might collectively purchase solar panels themselves. And then through volume they roll out their work around monitoring or installation of solar panels or getting involved in the landscape architecture and design.

So groups like Amicus out in Colorado in the southwest, this is a huge innovation there. People who are doing green retrofitting for energy efficiency around not just landscaping but weatherization and windows and just making more airtight, especially on the residential front buildings so that you, you're reducing the energy bill but also you're not leaking all of the energy intensive things that go into heating and cooling homes.

And then unions are getting involved in this as well. So the union co-ops movement, which I saw some chatter about in the chat as well, has been really figuring out ways to partner better with unions for the different ways that we can support cooperative development. I know that SCIU has been really active in this space, including pushing forward legislation recently in California around what does it look like to make it a little easier partnering with the state to move these pools of workforces. They might be concentrated in certain industries like farm work or healthcare and to make it easier to actually form a contract cooperatives basically so that you have pools of workers who can then be hired in by larger organizations that could be a university or a school or a hospital for different kinds of services.

So there's a lot of different innovation I think that's happening there and looking at integration through value chains and then laterally through different industries or connecting with unions or with the government.

Hilary Abell (00:55:13)

Maureen, I'd love to just add-

Maureen Conway (00:55:15)

Yeah dude, that's super interesting. Go ahead Hilary, jump in.

Hilary Abell (00:55:18)

It is amazing. I'm just blown away by the incredible list that Esteban just laid out of amazing innovations related to worker cooperatives. And I'm going to add some more because there is so much innovation happening. The platform cooperatives I think are really important and also important for scale, be able

to do something that can reach a lot more workers. And then it introduces some of the challenges of the consumer co-ops. I'm a co-op geek and I'm a member of REI, the outdoor, the consumer co-op, but I haven't even voted for the board ever in my membership time because I don't feel connected to it. I don't know the candidates. So I think it is interesting to think about these very large scale worker and having those workers make decisions, govern the business together.

Another version of those platform co-ops are staffing cooperative. So I think folks may not be aware that external staffing agencies or kind of external staff provide a huge proportion of workers in businesses these days. So some of the large tech companies have as many as 40% of their workers who are not employees of their company. They're hired through staffing agencies. So Esteban talked about the really important role of SCIU in that legislation and the precursor to that was the formation of a cooperative in the allied healthcare industry called Allied Up that's about two years old now. Really started by the union and now a unionized worker cooperative with real potential to scale to potentially tens of thousands of workers just in California.

I do want to say that conversions, converting businesses to worker co-ops was an innovation, it's always been done, but doing it proactively and going out and finding businesses and engaging the mainstream business ecosystem to find companies that are a good fit for this is still an innovation. Many of us have been doing it for about seven, eight years now and it's really has a lot of potential for growth.

And then there's acquisitions and then there's cooperative holding companies like Oberon Cooperative. And just finally, I'll say that the work that Stacy described so eloquently about a half hour ago about the ecosystem work in Chicago is also I think a really important edge of the innovation around this work, working around ecosystems in place and also the Industrial Commons example. And part of what we're seeing in California of where that ecosystem is leading to now, it is policy work. So we have a coalition called Worker Owned Recovery California that is really led and founded and mostly populated by the worker co-op advocates in California. And we passed a law with SCIU has been a huge help. We passed the California Employee Ownership Act last year. So I think the worker co-op field and the Esteban's organization, all of our organization, the US Federation also has a wonderful policy director, Mo Manklang, and is doing a lot around policy. So that feels like an innovation too. It's always been there as a need and opportunity, but I think as a field we're starting to convene around policy opportunities as well.

Maureen Conway (00:58:21)

Yeah, great. So that was so much. And also I just wanted to compliment the audience who's putting so many interesting things, I can't keep up with it, but they're really putting a lot of interesting stuff in the chat there. So thank you guys, this is really great and that was super exciting and fascinating. And Stacey, I'm now coming to you as we're kind of getting to the downer question a little bit, which is like, it's not all rosy though. There are still some headwinds out there and some challenges we have to address. So I'm just wondering how this looks, I mean you talked about some of the progress you're making in Chicago, but what are the real challenges that are of still need to be tackled?

Stacey Sutton (00:59:04)

There are many. Yeah, I mean guess before I answer this specific and there are some specific challenges. I think the biggest, I would argue, has to do with public awareness in terms of normalizing collective ownership, normalizing cooperatives, normalizing democratic participation, the economy. We think of democracy as when we enter the voting booth. But democracy within our workplaces, we're less accustomed to thinking about it in that context. So the degree to which we are doing this work, promoting the work, building the infrastructure/ecosystems, that is still a challenge in a lot of places. Every place doesn't have all that they need to really hold the worker cooperatives. But I think

we're doing a better job of networking through US Federation of Worker Cooperatives. There are networks of doing this work.

But I would also, I just want to add something because the term scaling has come up many, many times and I think, I don't want to let this go by in the sense that all enterprises don't need to be scaled. Everything doesn't need to be large. If we think about one of the most vibrant cooperative economies in the world, it's in Italy, the Milia Roman region. We often talk about the [inaudible 01:00:36] and the Bosque region because it's a huge cooperative. And that kind of aligns with the American logic in terms of capitalist pro-growth logic. Whereas in Italy there are a lot of small cooperatives, not necessarily tiny. Some are tiny, some are medium size, but they make up two-thirds of the economy in that region. That's huge. Or at least two-thirds of all residents are part of those cooperatives. And I guess, I think actually I overstated two-thirds of residents are part of those cooperatives, and about third of the economy comes from that cooperative landscape. So scaling is important and perhaps in certain industries, but doesn't, that's not the only way to have a vibrant kind of cooperative landscape.

You know, can be a small enterprise, not everything ... And when we think about non cooperative, think about conventional businesses, many of them don't work. Many of them don't succeed, many don't lead scale. And that is, just to bring it full circle, when I was doing my research that's ... I was in conversation with some behavioral economists and they were befuddled by this notion that these entrepreneurs in this area of Brooklyn that was called the Black Fashion District, that they actually wanted to remain small. They were comfortable doing the work that they were doing in community and in the various industries. They didn't have this aspiration to be the largest. And while that's, I guess a conventional economist, it wasn't to me because what they're doing, their passion for their work, their passion for community actually had bounds.

We don't vote for REI. I too am a member because we don't know. We just purchase, we become just the purchasers even though we're members because it's so large. And so I'm just putting that out there because what's happening in Chicago is the kind of hopefully shoring up of all of these really relatively small but super powerful. It's super important work around cooperatives and they're getting national attention.

Chi Fresh Kitchen, which is a work around cooperative started by five Black formerly incarcerated women, that it's gotten national attention for the work that they're doing. And now they've brought on a new worker owner and so forth. It's small, but how important is that to have a place where five, formerly incarcerated folk can own their own enterprise. They're now making, I think it's up to \$30 an hour where they wouldn't be hired in other enterprises. It doesn't have to be a huge [inaudible 01:03:36] So yeah, I'll just end there that I think part of the challenge is changing our logic in terms of what success means. So when we promote these, we're promoting both the possibility and the importance of the ones that are small and the ones that are large.

Maureen Conway (01:03:55)

Yeah, really, I love that. And I want to do a little follow up with you because, so the thing that's in my head is it size or is it culture? And the reason I say that is because I'm thinking, so I'm a REI member too, and I of course have also not voted. And I see people in the audience are the same. None us vote for those, but I feel like I'm not really connected to you, Stacey, or you Hilary as an REI member. And we sort of share our REI membership. And I was thinking about that in contrast to, I went to, I first visited Cooperative Home Care Associates in New York in 1992, and they're like, oh, we're like, I don't know, 100 worker members now and we can't get any bigger or we'll lose our culture. And then I visit them years later and now we're 2000, but maybe we can't get any bigger than this.

It was funny, I visited them like 200, 500 and they're saying, "Oh, but we've reached the limit. But then they didn't." And I think it was because as they grew, they were so intentional about how do we think about that culture and the connection among the worker members within this. So I'm just kind of thinking about the role of culture in terms of the growth of cooperatives and also how people are thinking about the influence of cooperatives in their region. And then just another bit of follow up for you on that. So Stacy, I was hoping you could comment on the culture aspect, but also there was a question about policymaker engagement, sort of like how do you engage the mainstream policy makers and supporting cooperatives? And I was thinking there might be something that connects to your original point of just needing to raise awareness around this, but would love to hear your thoughts on that.

Stacey Sutton (01:05:46)

I think Sara raised her hand as well in terms of, I imagine you want to respond to the culture, but that's important. I think you're spot on in terms of how do you maintain culture. And that is a question that I think all enterprises have as they try to grow and just sustain themselves. Is it the size or the culture? And they go together in many ways, right? They're not coterminous, but they're aligned as you know, have to be very intentional in terms of maintaining that culture. And we learn that a lot from tech industry in terms of what that means and how much can we proliferate and expand and still maintain the elements that are important. We're seeing now, I think it's, what is it called? Somebody help me in New York, the kind of franchise. There's a franchise cleaning-

Esteban Kelly (01:06:38)

Brightly.

Stacey Sutton (01:06:40)

Brightly, yeah.

Esteban Kelly (01:06:41)

They're actually on our board.

Stacey Sutton (01:06:42)

Thank you. Yeah. Okay. You want to speak to that because that that's way, which they're expanding, but trying to maintain that local culture. So it's definitely possible. I just think the pro growth logic that it does, it obfuscates that, let's just grow. What's important is more revenue.

Esteban Kelly (01:07:05)

I think the challenge is even deeper than that, which is we feel acutely, which is that the smaller the project is, the less attractive it is for anyone to go in and do the business of supporting them. I mean, this model, we don't have the government support we need for cooperative development generally. And then most of our members who do cooperative development, I mean you're looking at firms that have got to have at least 15, maybe 20 people. And even those are considered too small to be worthwhile unless they're in an industry that's got a high enough margin. And so we're the ones left answering the

phone or responding to the email and coaching along. And it's like, where are the subsidies for that? Whether that's philanthropically or from the government.

Because there are, I will tell you, I mean you're even seeing in the chat that people are like, "Hey, I'm actually trying to start a small thing. I'm trying to start my own." Who is there to support them? So that's the challenge that we face right now, which is a much bigger, I think, than a philosophical disposition to are we supporting large or small or franchise or what does that vision actually look like? It's something that's very technical. And I think beyond the general resources of groups, like what we offer at the Worker Co-op Federation, there is this question to co-op that finding a lawyer in your state or jurisdiction that can help you with your incorporation and that isn't spooked by the cooperative model, finding an accountant that can actually work with you. I mean, we are hitting the last of all the accountants that we've referred people to are like, "We're full. We can't work with more."

So now we're facing a challenge where the field is growing. It is outpacing our capacity to be training cooperative lawyers and accountants, being able to connect those dots and to actually say, well, who is in a position to plan to make sure that we are building up that next cohort? We can do our job of building up leaders from within cooperatives or advising. These are the kinds of projects or these are the kinds of fields where there is more need or where innovation needs to happen. But that's a bigger kind of question. And it's only really in spaces like this where we can come together to start to figure out what's it going to take to get over that hump.

And I know that we're almost at a time, so I'll just mention that for us, that's a big part of why we've made a hard pivot and thank you for shouting this out, Hilary, toward doing more advocacy and working much more closely with state, county, municipal and federal government, not just legislatively, although of course we've done a lot of work even just recently. Anything that's gaining momentum like the Chips and Science Act, we were like, well, what aspect of cooperative business can we include in this?

And we absolutely did. We worked with Congressman Jamal Bowman to get elements of that embedded in there, but really working with government agencies themselves, the small business administration to remove barriers that currently exist. I mean, we don't qualify for seven day loans. Why is that stuff there? We all understand that the benefits of the cooperative business model economically in terms of racial equity, in terms of sustainability, all of these things are there. So why is it that we still have this legacy of a million and one barriers toward the cooperative model? So how do we actually figure that out and capitalize this model and make sure that there is the bench of technical support needed there.

Maureen Conway (01:10:24)

Yeah. Sara, I want to let you jump in here on the culture question and then we'll do, if we can, just a very fast lightning round of one final thought for the audience. Sara, go ahead.

Sara Chester (01:10:36)

Yeah, absolutely. I couldn't agree more with you, Dr. Sutton. I think being on the ground here in the factory every day when you get to this certain size you do, you see it start to erode the culture. And I think that's part of the benefit of having this ecosystem like we're building out. We often find ways for, instead of just getting co-ops, bigger, bigger, bigger, we look to start the next one. So our first three co-ops that we started all were struggling finding good bookkeepers, so we just started a bookkeeping co-op, so I think that's the advantage again, of being in place.

And then I think to your point, Esteban, about where's the support for the co-ops, I think that's where we've seen our strategy of layering sector in place has been really helpful because if you can go deep in a sector and in a place, then you've got the sectoral expertise to help make the co-op profitable and successful on top of being able to go deep in place. So I think just amazing thoughts everybody sharing is so exciting to hear everybody's conversation.

Maureen Conway (01:11:42)

Yeah. Great. Okay, so we're going to do one last 30 seconds. Either something you didn't get a chance to say that you were really hoping you would get a chance to say or just one final thought that you want to leave our amazing audience with. And Sara, I'm going to start with you.

Sara Chester (01:11:59)

Great. I think just the particular difficulty of doing this work in the south, and so if there are folks on the call that are interested in talking about that with us, I think there's just a real lack of consciousness in the south where there has been no real, unfortunately not a lot of union presence and just being some of the least unionized places in the country. So I think if there are people on the call that want to talk about that, please reach out and happy to talk about doing this work in the rural south.

Maureen Conway (01:12:33)

Excellent, great. Stacy?

Stacey Sutton (01:12:36)

Sure. I think the last thing I want to say is just somewhat redundant in that the ecosystem we, I can't really emphasize enough the importance of the various elements and really investing not just in the cooperatives, but that bench that Esteban mentioned, a lot of the resources that are coming from the city. We were very intentional in saying "We have to build Chicago's bench. There's a lot happening, but we want to strengthen the bench. We want to introduce this to more people so that they can build their capacity, whether it's in cooperative lawyering or accounting or co-op development, whatever it is, more people."

That idea of public awareness is important because it allows people to learn the technical skills, but also if they're not involved and at least they know this is a thing, they know that this is possible. And so they won't kind of limit it, limit what's possible in whatever their professional roles are, let's say in finance or something. Yeah, I think that's important, really thinking about how we are building and incorporating more people into this work in whatever element. It doesn't mean you have to be a worker owner.

Maureen Conway (01:13:54)

I love that. It takes a system and thinking interdisciplinary. Hilary.

Hilary Abell (01:14:00)

Yeah, I love that. One thing that everyone can do to create more co-ops and we need more small co-ops, we need more medium, we need more large, we need all of that is get involved in advocacy for

cooperatives. And we see three things we'd like. We work with local governments and we're working with state and federal as many of us here are to do. One is raise awareness, use the engines of government and funding from government to raise awareness. Two, fund technical assistance and fund cooperative development. We need a more robust co-op development sector with the ability to do high touch co-op development as well as less intensive co-op development.

And then also just embed this into all of the things that government does for businesses, remove barriers to co-ops. And I think to be successful in our advocacy work, it's great that we're collaborating with other forms of employee ownership with the ESOP community, which is much bigger than the worker co-op community and with the cooperative community, which is much bigger than the worker co-op community. So I'll leave you with that. Thank you.

Maureen Conway (01:14:57)

Esteban, last word.

Esteban Kelly (01:15:01)

Yeah, I think first I would say that it's interesting we did the last time that we did an census among worker owners, so not just their firms but the actual workers inside of worker co-ops, we found out that over 90% of them who were eligible to vote voted in not just the general elections, but also in their primaries. And so the knock on effects, I don't want them to be lost, of how important civic participation is, that when you have that awakened inside and you're acculturated into participating in everyday democracy and inside your workplace, that all of a sudden all the resources we're putting into getting out the vote and mobilizing people. Well, if you just focus on actually building a culture of democracy, then you don't need to put all that work out there. And yet you can also have the upfront advantage of actually developing assets for people in their communities that can be used in all different kinds of ways. So I don't want that piece to be lost.

Secondly, I think more so than general public awareness, I've been thinking a lot more about no, who are actually the specific actors within the broader community. If we're thinking about ecosystem development, who are those people who need to be aware and not just generally aware. Cooperative development is a very, very technical thing. And so it really takes having program officers and foundations, people who are embedded in, I think especially city government, but even the small business development centers, there's thousands of them all over the country. And the extent to which they're just really unfamiliar with these processes. People who are underwriters inside of even traditional lenders like banks, community banks, or larger banks.

So I think that there's a lot of awareness that's particular to specific industries or sectors, and those are the people who I want to talk to most and make sure are connected and onboarded and aware of what's needed to get over that the next time. And I think for general audiences, just being plugged in and connected is helpful enough following groups, like people on this panel on social media subscribing to newsletters and things like that, because those opportunities for mobilization, like Hilary's saying, you're not going to know about them without being connected to what's the latest happen side of cooperative, the cooperative movement.

Maureen Conway (01:17:22)

Great. Thank you all so much. Thank you, Stacey. Sara, Hilary, Esteban. This has been just an amazing, fantastic conversation. Thank you so much to this audience. What a tremendous participation. Really appreciate everybody's comments and questions and enthusiasm for this conversation. Want to give a

huge shout out to my colleagues, Tony Mastria and Matt Helmer, who are just the brains behind this whole operation, honestly. And I again want to encourage everybody to please fill out our feedback survey. We really love to hear from you, so please take a moment to fill that out before you go and let us know what you think. We will be doing more on employee ownership. So please stay tuned and thanks everybody for joining us today. Bye-bye.