

Incubating Homecare Cooperative Development

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Incubating Homecare Cooperative Development

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Incubator Definition(s) ?

- Marketing to recruit incorporators, TA guidance with templates (incorporation, governance, policies, licensing, etc.)?
- Co-op incorporated with interim board, TA management, marketing to recruit members; conversion at some point down the road?

Examples

- **Courage**, Los Angeles, CA
- **Everyday Detail**, North Carolina
- **Co-op Homecare**, Davis, CA

**Why use the
incubator
model?**

Pros

Cons

**What does it
take to be
successful?**

**What are
challenges?**

**Strategies to
achieve
success**

We need more _____

Homebased

Co-ops!

Now we can give
RULE!!!



Worker Co-op Development:

Creating Opportunities & Empowerment in
Marginalized Communities

Maria Olmedo, Cooperative Facilitator
Jamie Duong, Cooperative Business Specialist

DARK
COLUMBIA
DAILY TRIBUNE
CAGLE CARTOONS.COM
4/7

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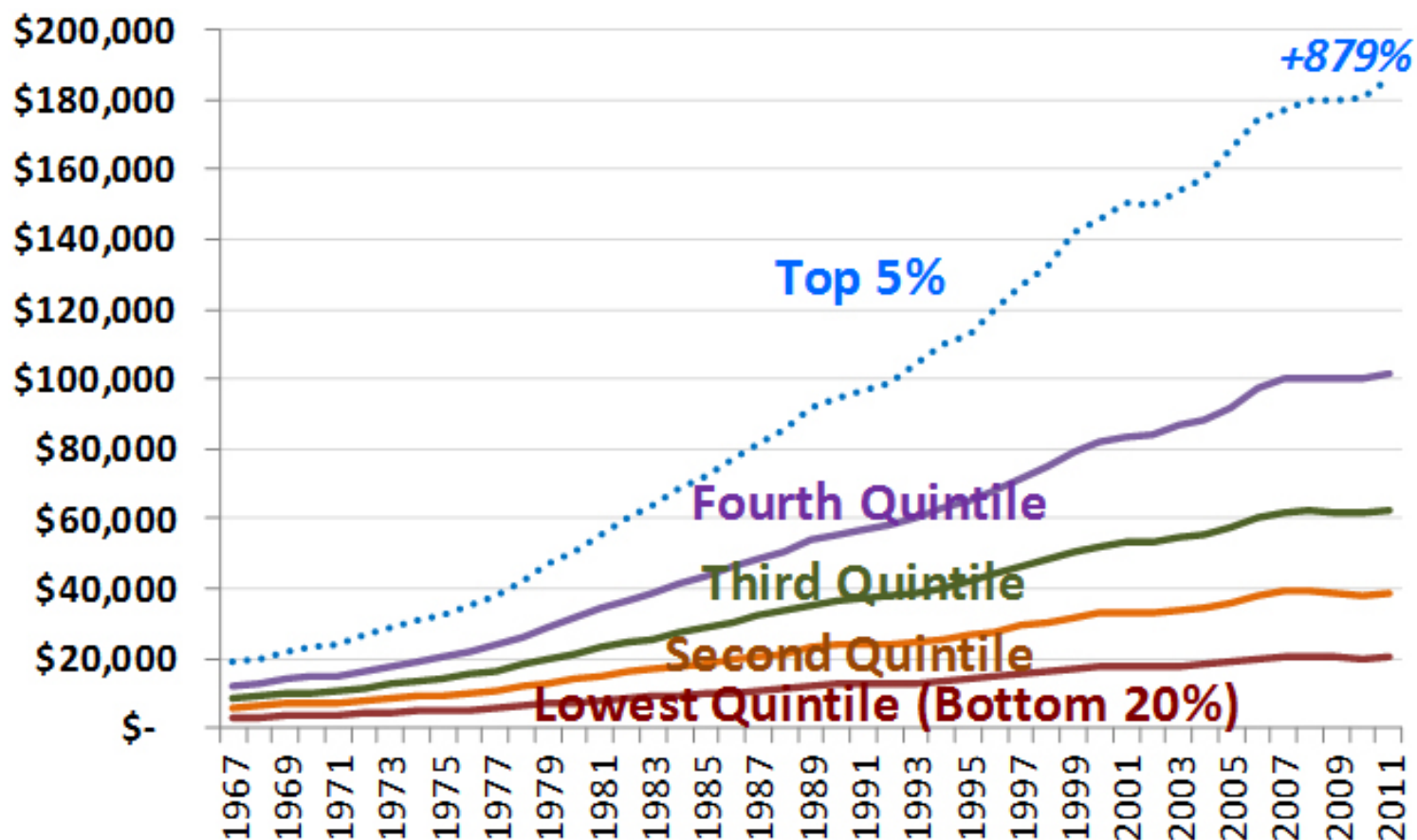
WELL, I
LEFT YOU
HALF!
WHAT ARE YOU,
GREEDY?



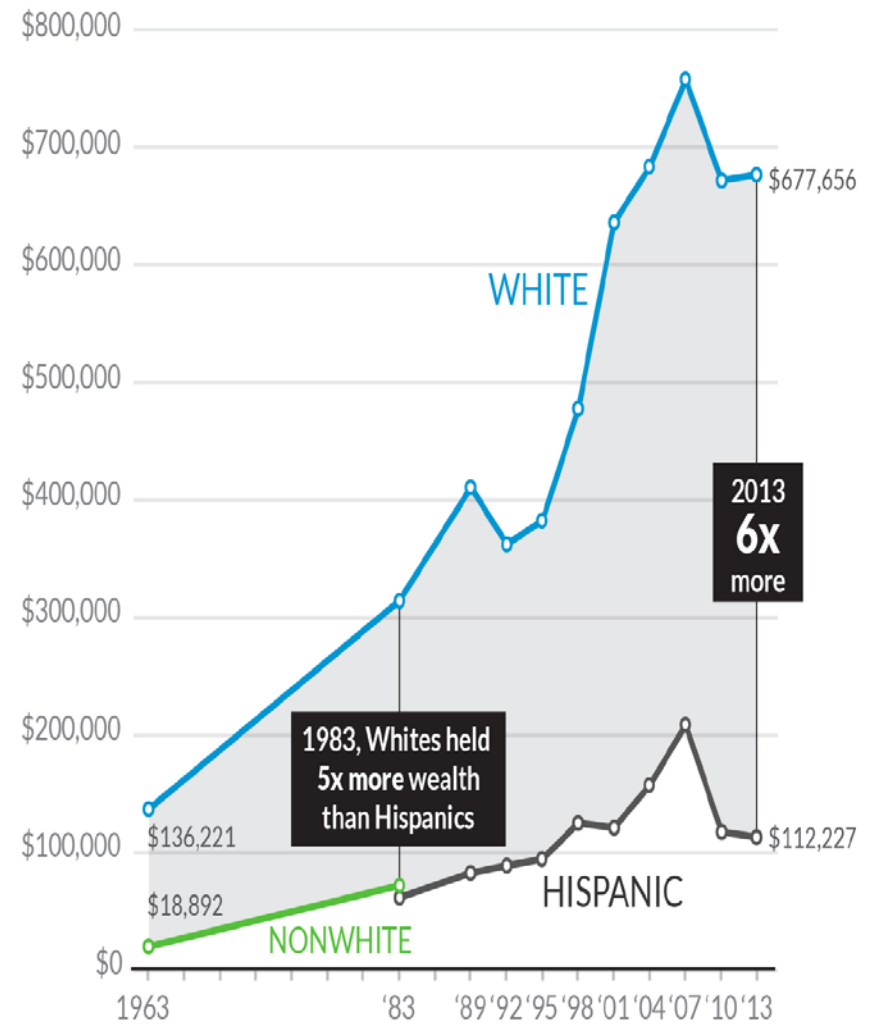
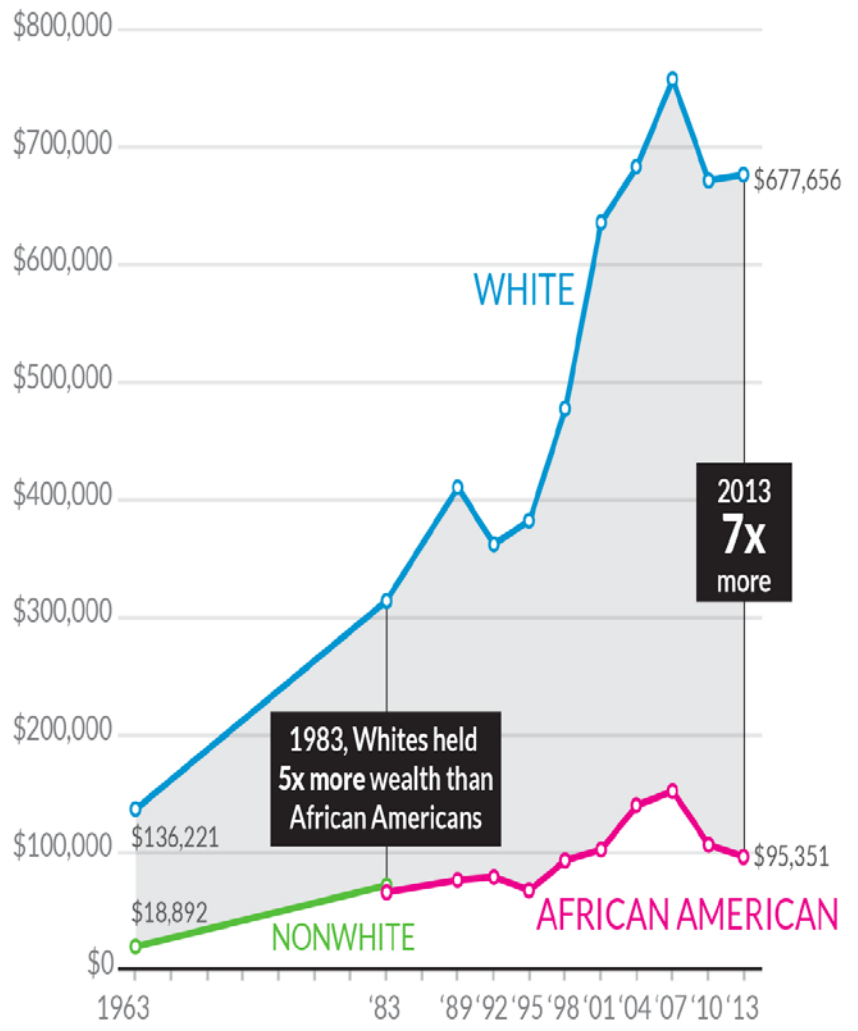
Historical US Income Inequality

Source: US Census Bureau, Income Limits for Each Fifth and Top 5 Percent of Households

(Current Dollars)



Average Family Wealth by Race/Ethnicity, 1963-2013

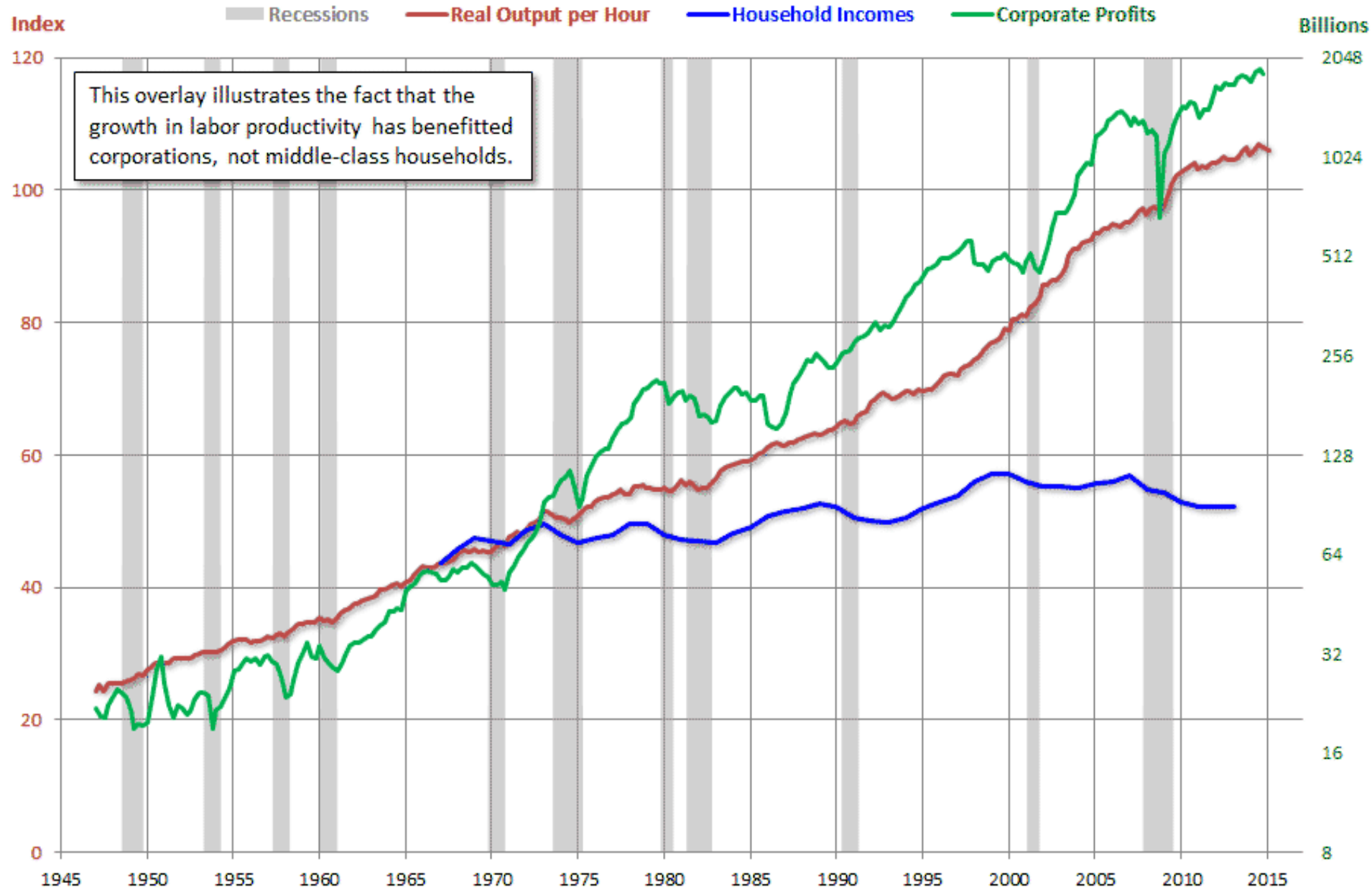


Sources: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2013.

Notes: 2013 dollars. No comparable data are available between 1963 and 1983. African American/Hispanic distinction within nonwhite population available only in 1983 and later.

Nonfarm Business Labor Productivity, Median Household Incomes and Corporate Profits

dshort.com
May 2015
As of Q1 2015



Traditional Economic Development for Disenfranchised/Disempowered

- **Job training/skills**
- **Job search assistance**
- **Etiquette education**


- **But... real change?**

Co-ops



Address **Inequality**,
Create **Jobs**,
Ownership Opportunities
& **Empowerment**

Why a Worker Co-op?

- Well-established and time-tested
- Workers own and control
- Democratic governance
- Equitable profit-sharing
- Continuing purpose throughout duration of business
- Designed to  membership alongside business growth
- Builds local economy
- Provides an ALTERNATIVE to "Business as Usual"





Build & Recruit Co-op Development Model

- **Traditional: Work with steering committee of members through development process**
 - Challenges for disempowered
- **Build & Recruit = creates co-op business, then recruit co-op member candidates**
- **Role of non-profit**
- **Community volunteers (include planned exit)**



Who does what?

Non-Profit

(with volunteer steering committee for 1-3 years)

- Feasibility and business planning
- Start-up capital
- Incorporation, licenses, legal docs
- Recruit and train
- Support business launch
- TA/Mentor-based management for 24 months
- Secure foundation for growth
- Manage transition/exit ops

Co-op Candidate/Members

- Training and education
- Implement business plan
- Govern the co-op
- Work and build the business
- Grow to welcome new members and co-op success

Co-op Identity

- **Required pre-member and ongoing education**
- **Reference to co-op identity is integrated throughout**
- ***Immediately* begin making meaningful decisions**
- **Goal: Cooperative Business Culture**



Prepare Workers for Business Ownership

- **Training:**
 - Pre-application: Co-op business model; patronage; governance; reading & understanding financial statements
 - Post-hiring: Industry training
- **Non-profit (CCCD) assists for 2-3 years**
- **Manager is the non-profit (CCCD)**
- **Manager uses mentor-based education**

Co-op Sustainability

Support Provisionary Members in Business Ownership

- **Important for provisional members to immediately make decisions: setting policies and procedures, etc.**
- **Integrate business plan in discussions**
- **Manager works for the members; leads and educates for a replacement**



Co-op Sustainability

Identity

Culture & De-mutualization Deterrence

- **Non-profit is a "Class 2" member of co-op.**
- **Sole decision-making: change in corporate status**
- **Encourage growth in co-op membership**
- **Reward both founding and subsequent members**



Yolo Eco-Clean Cooperative

Davis, CA
2017 - Present



Project Financing

- **Traditional non-profit funding for TA:**
 - Pre-feasibility and project planning
 - Feasibility study
 - Business plan
 - Training supplies
 - Training of members
- **NOT traditional non-profit funding (may incl. loans)**
 - Manager
 - Compensation for members
 - Insurance
 - Mileage for members



Project Financing Cont.

- **Donations and local fundraising**
- **Regional foundation funding**
- **Local credit unions, banks, and other regional institutions**





Pre- Member Trainings



Financial Workshop
(Pictured: Josie from Empower Yolo and Kim from CCCD)



Co-op Education
What is a Worker Co-op?
How does it work?



Co-op Training

Post Co-op Training:

Interested members submit an application. Once invited for membership, candidates move to paid training in the co-op business **trade**.



WORKER CONTROL

WORKER





Member involvement in promotion...

Holiday Bazaar in Davis



We Are Owners

Let's Replicate!



Working With Partners

Margaret Bau

Cooperative Development Specialist

USDA

Rapid Scale Through Conversions and Acquisitions

David Hammer

Executive Director

The ICA Group

THANK YOU TO OUR PARTNERS

**PREMIER
PARTNER**



**National Rural Utilities
Cooperative Finance Corporation**

**GOLD
PARTNERS**



**SILVER
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