

This report is a co-production
of Democracy at Work Institute
and the U.S. Federation of
Worker Cooperatives



Democracy at Work
Institute US FEDERATION OF
WORKER COOPERATIVES



"This type of transition from top-down corporation to a democratically-run cooperative is radical in that it bucks the trend of the powerful conglomerates that one might think of when they think of American business.

But it's also a surprisingly pervasive and traditionally American way of doing business."

- Anzilotti, E. (2018, October 12). Why the cooperative model needs to be at the heart of our new economy. *Fast Company*.

**STATE OF
WORKER COOPERATIVES
IN THE U.S.**

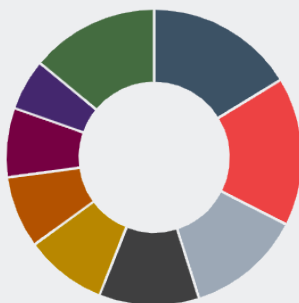
2017





INDUSTRIES

Major industry concentrations remain primarily in retail trade; professional scientific, and technical services; as well as administrative, support, waste management, and remediation services.



PAY RATIO

The vast majority of worker cooperatives have maintained a

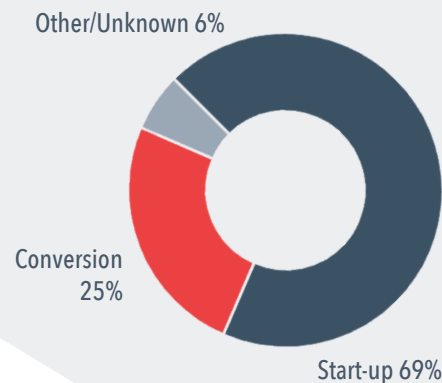
2-TO-1

top-bottom pay ratio or less.

The average large U.S. corporation has a CEO-to-worker pay ratio of 303-to-1. This ratio indicates that worker cooperatives are prioritizing the reduction of internal inequality over other compensation goals.

HOW WORKER CO-OPS GET STARTED

The rate of new startups each year remains steady at about 25 new firms per year, while the rate of converted businesses is growing at a small pace.



COMPENSATION

At a worker cooperative, compensation is measured in terms of both wages and patronage. Patronage, the worker-owner's portion of the profit, can make a significant difference in annual compensation.

ENTRY WAGES + PATRONAGE

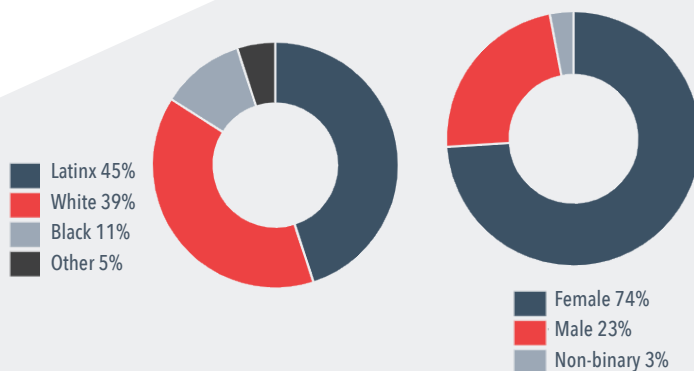
The entry level wage paid at all reporting worker cooperatives ranged from \$8.50 / hour to \$100 / hour, with many clustered around

\$12-\$15 PER HOUR

Worker co-ops that distribute surplus as patronage to members have a wide distribution of payments from \$700 to \$1,960,000 to the collective membership, with a median total patronage of

\$33,697 PER YEAR

RACE AND GENDER



2017 had significantly more reported female workers, likely due to more home care, child care, and cleaning cooperatives reporting. Additionally, there was a large increase in non-binary reporting, from 43 to 102 workers.

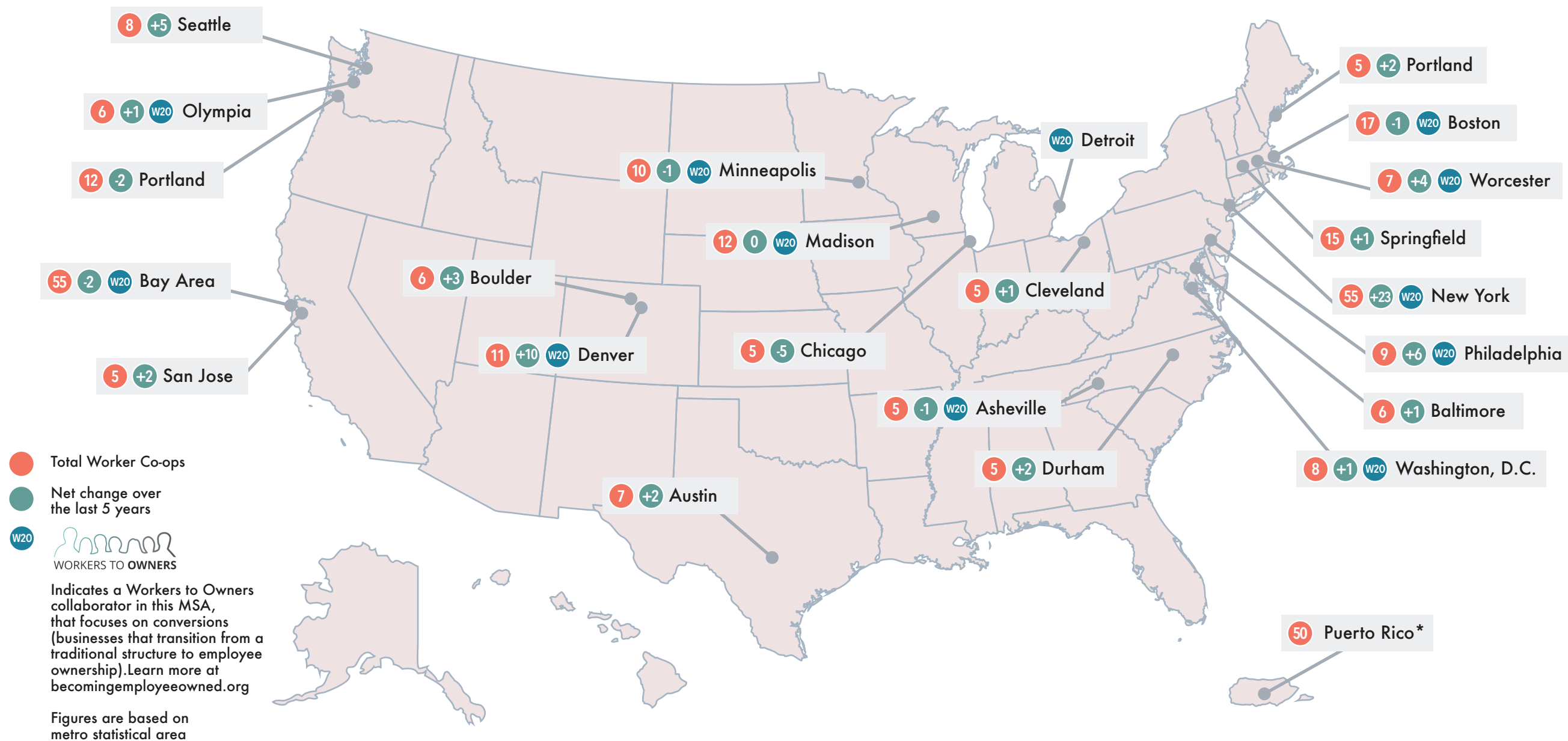
WORKER COOPERATIVES AND DEMOCRATIC WORKPLACES IN THE UNITED STATES

WORKER COOPERATIVES ACROSS THE U.S.

▶ **450* KNOWN
WORKER CO-OPS**

▶ **6,734
WORKERS**

▶ **\$467,420,871
GROSS REVENUE**



RURAL AREAS

● 51 ● +15 ● W20 Rural U.S.

TOP 15 STATES

● 77	● +13	● W20	California
● 67	● +26	● W20	New York
● 39	● +5	● W20	Massachusetts
● 23	● +9	● W20	Washington
● 19	● 0	● W20	Wisconsin
● 18	● +14	● W20	Colorado
● 17	● +3	● W20	Vermont
● 16	● 0		Oregon
● 13	● +8	● W20	Maine
● 13	● +6	● W20	Pennsylvania
● 12	● +1	● W20	North Carolina
● 12	● +2	● W20	Ohio
● 11	● -1	● W20	Minnesota
● 8	● +1		Maryland
● 8	● +3		Texas

THE TYPICAL WORKER CO-OP...

▶ **EMPLOYS
9 WORKERS**

▶ **BRINGS IN A MEDIAN
REVENUE OF \$588,698**

▶ **HAS A 3.7%
PROFIT MARGIN**

▶ **PAYS AN AVERAGE
WAGE OF \$15.82****

* Includes 394 worker cooperatives verified operational in 2017, a net +6 increase for 2018 (early count, not included in our survey), and 50 Puerto Rican worker cooperatives (also not included in our survey). ** Based on 2016 data, due to insufficient data reported in 2017.