2019 WORKER COOPERATIVES IN THE UNITED STATES
The vast majority of worker cooperatives have maintained a 2-to-1 pay ratio between highest paid and lowest paid workers. Worker cooperatives prioritize the reduction of internal inequality over other compensation goals. By contrast, the average large U.S. corporation has a CEO-to-worker pay ratio of 303-to-1.

Can good values be good business, too? For generations, the cooperative movement has been answering with a resounding “Yes!”


This report is a co-production of Democracy at Work Institute and the U.S. Federation of Worker Cooperatives. It is based on the participating 106 businesses. Only responding businesses that are incorporated, generated revenue and paid workers during FY2018 were included in the effort.
SNAPSHOTS OF THE WORKER CO-OP SECTOR

465* KNOWN WORKER CO-OPS

6,454 ESTIMATED WORKERS

$505 MILLION ESTIMATED REVENUE

A SOLUTION FOR STARTUPS AND BUSINESS EXITS

The rate of new startups each year remains steady at about 25 new firms per year, while the number of businesses that have converted to employee ownership has grown slightly.

Startup 69.3%
Conversion 24.3%
Other 6.4%

ESTABLISHED IN A VARIETY OF INDUSTRIES

Worker cooperatives exist in an array of industries, from concentrations within retail trades to engineering and manufacturing to administrative services.

Child Care  Professional Services  Retail  Home Care

* Includes 415 worker cooperatives verified operational in 2018 and 50 Puerto Rican worker cooperatives (also not included in our survey).
The worker cooperative model is a durable one. Compared to other small businesses in the U.S., mature worker cooperatives have a higher than average success rate.

**25.6%**

6-10 YEARS OLD

**14.7%**

26+ YEARS OLD

By comparison, U.S. small businesses that are 6-10 years old have a 18.7% success rate while those older than 26 years have an 11.9% success rate.

**COMMON CHALLENGES**

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<th>ADMINISTRATIVE BURDENS</th>
<th>BUSINESS PLANNING</th>
<th>LEGAL</th>
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<td>2000s</td>
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For the first time in our annual economic census series, we asked worker cooperatives to identify challenges their workplaces face.

Selected from a curated list of challenges, the most common issues identified were benefits-related challenges (health or other). The most frequently identified non-benefits challenge was administrative burdens, closely followed by business planning. This year’s survey participants were not asked about access to capital; the U.S. Federation of Worker Cooperatives reports that access to capital is among the most common challenges for new and existing worker co-ops.

**On the front cover...**

- Indicates a region with a concentration of 5 or more worker cooperatives as well as a Workers to Owners collaborator

Workers to Owners members focus on converting businesses from a traditional structure to employee ownership. Learn more about Workers to Owners Collaborative at becomingemployeeowned.org

*Figures are based on metro statistical areas*