

2021



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STATE OF THE SECTOR

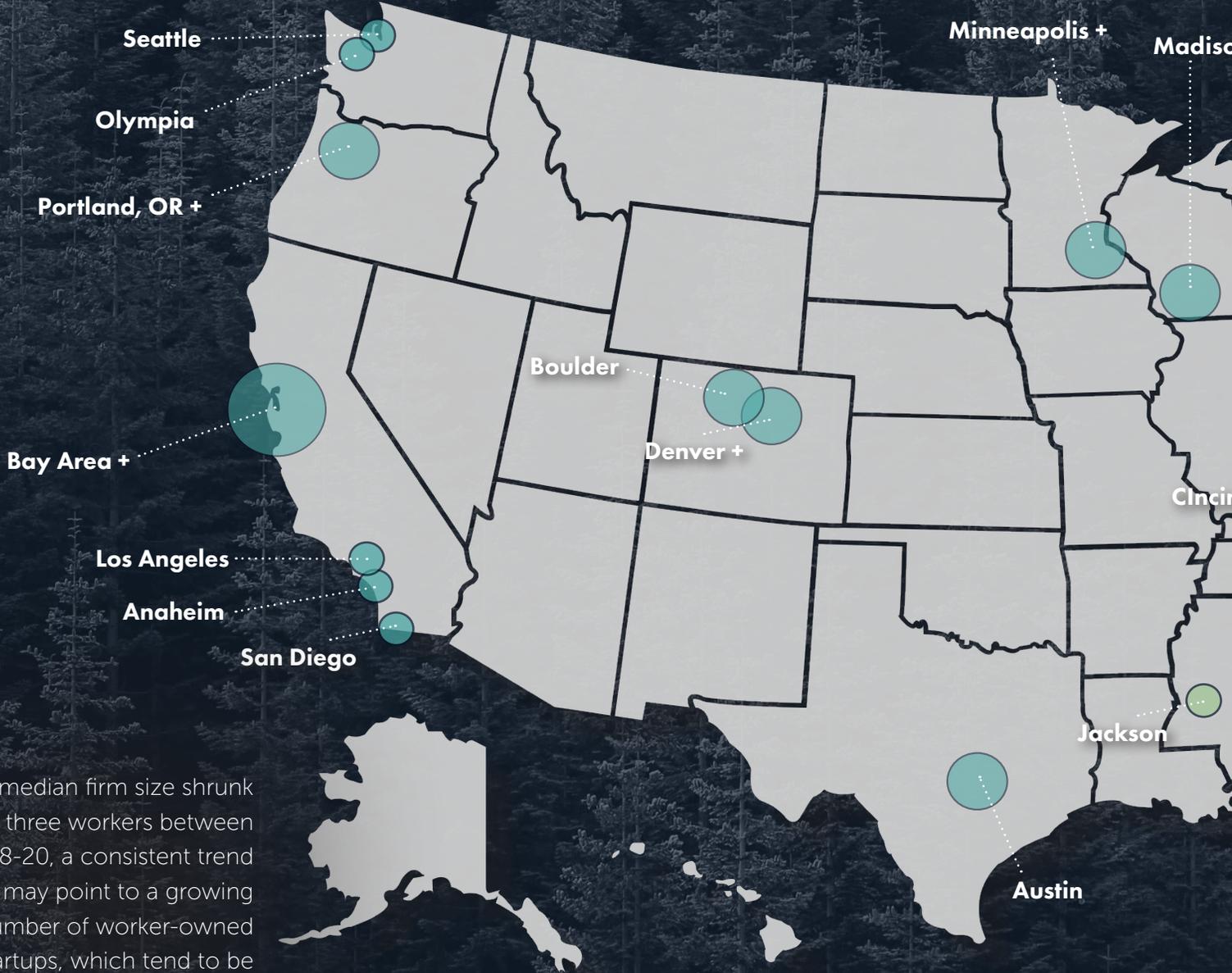
WORKER COOPERATIVES
IN THE U.S.



WORKER COOPERATIVES AND DEMOCRATIC WORKPLACES IN THE UNITED STATES

5,966
WORKERS

63
BUSINESSES



The median firm size shrunk by three workers between 2018-20, a consistent trend that may point to a growing number of worker-owned startups, which tend to be smaller in size.

THE TYPICAL
WORKER COOPERATIVE

MEDIAN SIZE:
6 WORKERS

2:1
TOP-TO-BOTTOM
PAY RATIO

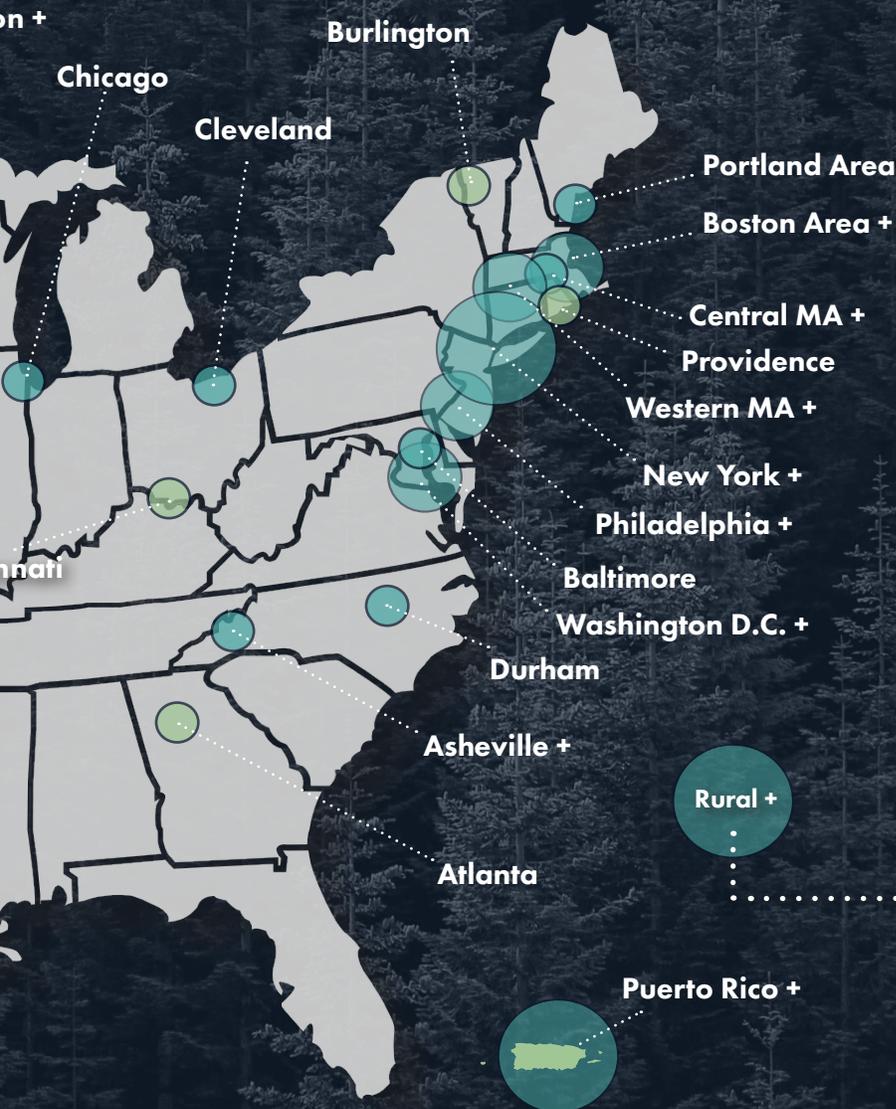
12
BUSINESSES

\$283.17 M
GROSS REVENUE

NATIONAL SNAPSHOT



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Worker Cooperatives have grown in number by more than 30% since 2019. The 612 worker cooperatives and democratic workplaces were identified in the 2021 Economic Census. We estimate there are actually 900-1000 worker cooperatives, many of which are startups, and roughly 10,000 workers, in the U.S.

There are 64 firms on our list that do not belong to an official Metropolitan Statistical Area (MSA). We have considered these firms rural. Together, the 64 rural firms identified represent the second largest geographic concentration of worker-owned or democratic firms in the U.S.

CEO pay has skyrocketed 1,322% since 1978. In 2020 CEOs at U.S. corporations were paid 351x the typical worker.[^] The 2:1 top-to-bottom pay ratio at U.S. worker cooperatives points to the prioritization of reducing internal inequality over other compensation goals.

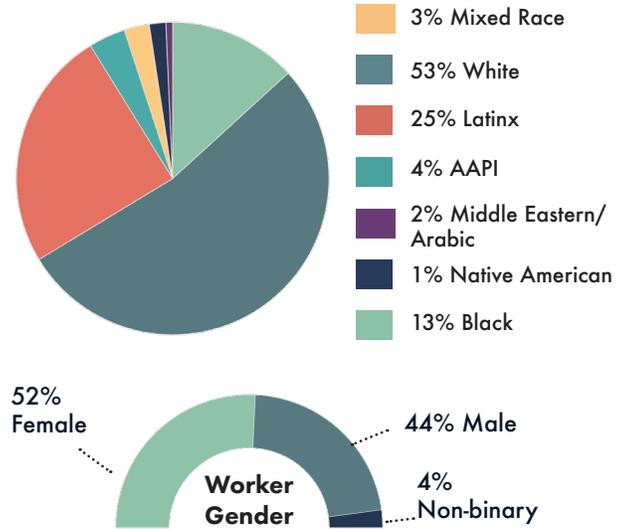
MEDIAN AGE:
5 YEARS OLD

\$298,016
MEDIAN FIRM
REVENUE

About Worker Cooperatives in the U.S.

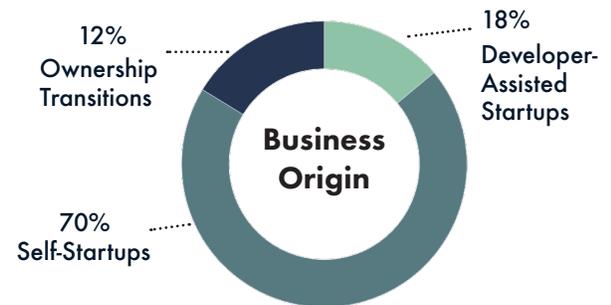
Worker ownership continues to be a movement led by women, home to many workers of color, and a viable option for start-up or ownership transition. The data illustrated here represents the experience of 180 worker cooperatives and democratic workplaces that participated in the bi-annual Economic Census conducted by the Democracy at Work Institute and the U.S. Federation of Worker Cooperatives.

Worker Race and Gender

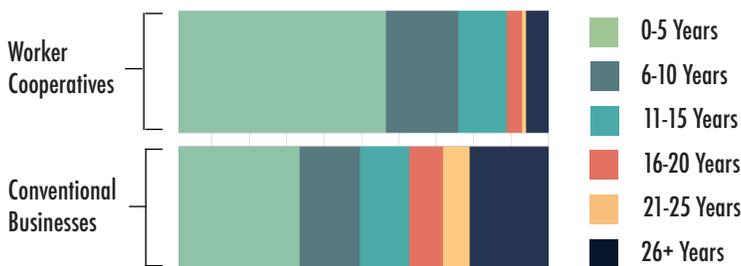


Types of Businesses

Worker cooperatives exist in an array of industries and the rate of new startups remains steady. As shown here, the majority of U.S. worker-owned firms are startups established within the last 10 years.



Age of Cooperatives vs. Conventional Businesses*



Common Challenges

We asked worker cooperatives to identify challenges their workplaces face. Selected from a curated list of challenges, the most common issues were benefit-related. The most frequently identified non-benefits challenge was administrative burdens, followed by financing for business expansion.

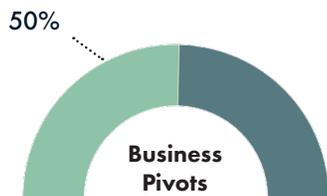
Top 5 Workplace Practices



- 75% have ownership pathways for non-members
- 69% have an annual budget or business plan
- 68% are structured to distribute patronage annually
- 58% elect board of directors that is majority members or some democratic governance like committees
- 56% maintain indivisible reserves not distributed to members



Adaptability in Crisis



Worker cooperatives showed an ability to swiftly change business models and operations in response to crisis, as determined by firms' collective membership. 50% of firms reported adapting business practices (see below). Some firms expanded childcare options for workers, increased work flexibility, offered extra sick time, and more. Additional business-related changes include:

- Moving to virtual/remote business
- Moving services outdoors
- Implementing safety measures
- Shifting to provide essential services
- Closing brick and mortar locations
- Increasing production

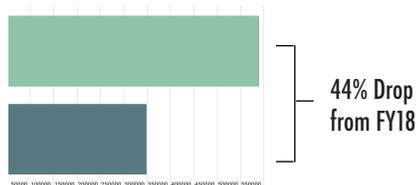
Preserving Jobs and Prioritizing Workers

Steady hours in spite of declining revenue

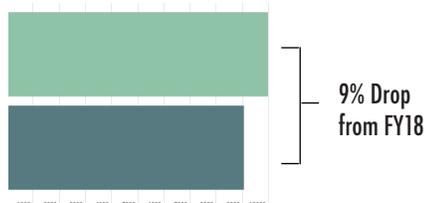
Worker cooperatives prioritized preserving jobs throughout the pandemic (see charts to the right). While surveyed firms experienced reductions in revenue, total hours worked remained nearly flat compared to FY18.

FY18 FY20

Median Business Revenue



Median Total Hours Worked



COVID-19 and Worker Cooperatives

Comparison of Revenue Lost in 2020*

Worker cooperatives may have fared slightly better than conventional firms. One in five worker cooperatives experienced more than 50% drop in revenue due to the pandemic. Nearly one-third of all U.S. small businesses lost more than 50% of their revenue.



Mutual Aid

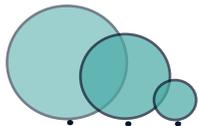
Worker cooperatives prioritized supporting their community and other cooperatives during the pandemic.



- 61% worked with local or regional mutual aid networks
- 73% offered discounts or resources to meet community needs
- 60% offered resources and discounts to another cooperative during the pandemic

Operations and Staffing

- 80% Remained open for the majority of the pandemic
- 50% Kept operating hours level with pre-pandemic hours
- 49% Worked to avoid layoffs through reduced hours and furloughs
- 35% Increased capacity and hours to meet demand



Worker Cooperative Map Notes

Our map represents metropolitan statistical areas (MSAs) home to worker cooperatives or democratic workplaces identified through the USFWC verification process or the 2021 Economic Census conducted by DAWI and the USFWC. The size of each circle represents the number of identified firms in the MSA. Our map shows MSAs that are home to at least five firms. The following lists detail our complete list of MSAs and the number of identified firms within them. Inclusion in our list requires that firms are operational, generated revenue during fiscal year 2020, provide paid work for at least three workers, are democratically governed by a majority of paid workers or have a significant degree of democratic participation in governance by paid workers.

Fewer than 5 firms (not shown on map)

Bellingham, WA (4); Boulder, CO (4); Columbus, OH (4); Milwaukee (4); Kingston, RI (3); New Orleans, LA (3); Pittsburgh, PA (3); Poughkeepsie, NY (3); Rochester, NY (3); San Jose, CA (3); Ann Arbor, MI (2); Buffalo, NY (2); Detroit, MI (2); Gainesville, FL (2); Ithica, NY (2); Nashville, TN (2); Nassau County, NY (2); Oklahoma City, OK (2); Riverside, CA (2); Santa Cruz, CA (2); Santa Rosa, CA (2); San Luis Obispo, CA (2); Spokane, WA (2); Syracuse, NY (2); Bloomington, IN (2); Akron, OH (1); Albany, NY (1); Athens, GA (1); Champaign, IL (1); Colorado Springs, CO (1); Chico, CA (1); Duluth, MN (1); Fargo, ND (1); Florence, SC (1); Fort Wayne, TX (1); Gulfport, MS (1); Harrisonburg, VA (1); Hickory, NC (1); Houston, TX (1); Kahului, HI (1); Kansas City, MO (1); Lewiston, ME (1); Louisville, KY (1); Memphis, TN (1); Morristown, TN (1); Palm Beach, FL (1); Pittsfield, MA (1); Phoenix, AZ (1); Raleigh, NC (1); Rockingham County, NH (1); Salem, OR (1); Salt Lake City, UT (1); San Antonio, TX (1); Sacramento, CA (1); San Rafael, CA (1); Santa Maria, CA (1); St. Louis, MO (2); Tucson, AZ (1);

5-10 Firms

Asheville, NC (10); Denver, CO (10); Worcester, MA (10); Chicago, IL (9); Los Angeles, CA (9); Olympia, WA (9); Cincinnati (8); Seattle, WA (8); Austin, TX (7); Baltimore, MD (7); Durham, NC (7); Burlington, VT (6); Cleveland, OH (6); Portland, ME (6); Atlanta, GA (5); Anaheim (5); Jackson (5); Providence (5); San Diego (5)

11-25 firms

Boston (25); Springfield, MA (17); Madison, WI (15); Portland, OR (14); Minneapolis, MN (12); Washington, D.C. (12); Philadelphia (11)

More than 25 firms

New York, NY (91), Rural (64), Bay Area, CA (60), Puerto Rico (57)



Help Us Identify Worker Cooperatives

If you know a worker cooperative that's not represented at www.usworker.coop/directory let us know!

Email directory@usworker.coop!

[^]CEO pay ratio reported by Economic Policy Institute

^{*}Comparison data represents small businesses in the US with fewer than 500 employees as determined by the US Census Bureau's Business Dynamics Statistics.

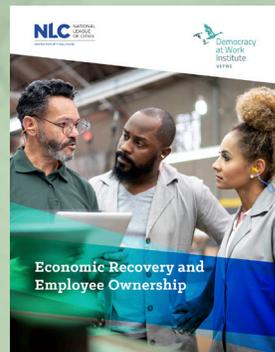
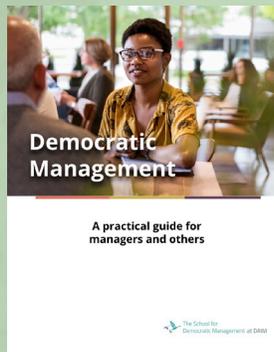
[†]U.S. small business revenue data reported by the National Federation of Independent Businesses

About This Report

The 2021 State of the Sector: Worker Cooperatives in the United States is published bi-annually by the Democracy at Work Institute (DAWI) and the U.S. Federation of Worker Cooperatives (USFWC). Data published in this report are based on the bi-annual Economic Census of Worker Cooperatives and Democratic Workplaces in the United States and its 180 participating firms. The Census was designed and conducted collaboratively between DAWI and USFWC. Census results were analyzed by Olga Prushinskaya, Metrics and Impact Analyst at DAWI.

This report would not be possible without the participation of worker-owners and democratic workplaces across the country. Surveying was conducted with support from Radiate Consulting NYC. Special thanks are due to our partners who helped distribute our survey and Pablo Benson-Silva for research conducted in Puerto Rico.

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