

FAST FACTS

Workplace Democracy For An Equitable New York

NYS
COMMUNITY
EQUITY
AGENDA



Worker cooperatives are a powerful and growing strategy for creating jobs with dignity, advancing racial, gender, and economic justice, building strong local economies, and tackling structural inequality. A worker cooperative is a business in which the workers own and control the company. In a worker cooperative, workers have representation on, and vote for, the company's board of directors, based on the principle of one worker, one vote.

Better Pay - Nationally, worker cooperatives provide workers with a base pay that averages above \$15 per hour, in addition to significant income through profit-sharing.¹ On average, worker cooperatives maintain a 2:1 top-to-bottom pay ratio -- a stark contrast to the 339:1 ratio in Fortune 500 companies.

Racial and Gender Equity - A recent comprehensive national survey found that 61% of worker-owners in worker cooperatives are people of color and 77% are women or non-binary.²

Local Roots and Resilience - Research shows that worker cooperatives are generally more productive³ than traditional businesses, and better equipped to weather economic crises.⁴ Plus, worker-owners face no incentive to outsource their own jobs, or chase tax benefits and subsidies across state lines.

Preserving NY Jobs and Small Businesses - An estimated 3,700 businesses close each year in New York State due to the owner's retirement, leading to a loss of 13,260 jobs annually.⁵ These are just some of the jobs that can be saved and protected through conversion of existing businesses to worker ownership.

Economic Impact - New York's worker cooperative sector continues to substantially grow its contribution to New York's economy. New York worker cooperatives exceeded \$100 million in annual revenue in 2017.⁶

Room To Grow - Across our northern border, Quebec's \$25 billion per year cooperative economy demonstrates that these kinds of enterprises can operate at significant scale with the right public sector support.

A Timely Opportunity - The number of worker cooperatives in the state has more than tripled in the last five years, thanks in large part to municipal support for cooperative development in NYC and Rochester. The field is growing rapidly because of the many ways that worker cooperatives benefit workers and bolster local economic development. New York has the opportunity to help accelerate this growth and spread the benefits of worker cooperatives to every community in New York.

ACT NOW - New York should support bold policies and actions that grow the cooperative sector in New York. As a first step, the state should establish a worker ownership center, to provide technical assistance services for start-up and established cooperatives, and should create tax benefits that incentivize companies to convert to worker ownership.

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¹ DAWI/USFWC 2017 State of the Sector Report

² DAWI/USFWC 2017 State of the Sector Report

³ <https://www.thenation.com/article/worker-cooperatives-are-more-productive-than-normal-companies/>

⁴ <https://institute.coop/resources/resilience-cooperative-business-model-times-crisis>

⁵ <https://www.craigslist.com/article/20170524/POLITICS/170529943/public-advocate-letitia-james-says-nyc-should-help-employees-buy-out-retiring-bosses>

⁶ Democracy at Work Institute