

CO-OPERATIVE ENTERPRISES FOR JOB CREATION & BUSINESS DEVELOPMENT

The CIP provides funding of \$1,000,000 annually starting in 2016 to fund co-operative enterprises for purposes of job creation and development.

Worker cooperatives are a cooperative in which the members are the working staff.

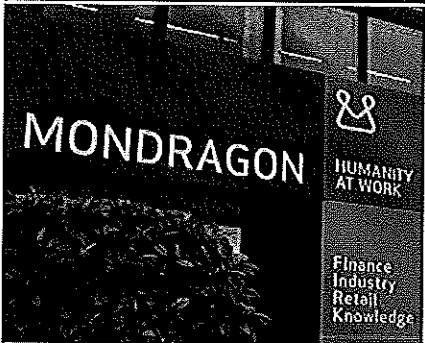
WHY? WORKER OWNED BUSINESSES STRENGTHEN CITIES

- **Creation of living wage jobs** with profit sharing. WAGES in Oakland, CA found that creating a house cleaning co-op increased the workers median income to \$40,000/year from \$24,000/year.
- Counties with more small, locally-owned businesses enjoyed **greater per capita Income growth**.
- The new movement around worker owned businesses encourages **creative community problem solving** around entrepreneurial opportunities. (Ex: CHCA on back)
- They are less likely to leave the state or their community because of their **deep ties to the communities** in which they live.

WHAT WOULD THIS PROGRAM DO?

- **Capacity building** for organizations to provide technical assistance and lending programs for new and existing employee owned businesses.
- Identify businesses with ownership looking to retire or sell and assist **ownership transition of businesses** from sole ownership to worker owned, preserving jobs and financial investment in the community.
- Create **employment opportunities** for Madisonians excluded from traditional employment models. Including formerly incarcerated, low skill, veteran and new American populations.
- Funding and technical support for **creative community problem solving** through small business creation. This could include assisting the creation of small or corner food businesses in neighborhoods with food insecurity, cooperatives that help create gathering spaces or neighborhood amenity businesses and working with the **trade unions** to set up union cooperatives.

*This information sheet was created by Ruth Rohlich, Business Development Specialist
rrohlich@cityofmadison.com 9/23/2014*



The Mondragon Corporation is an enormous cooperative federation employing 80,000+ & operating in four areas: finance, industry, retail, and knowledge. Mondragon is the seventh largest Spanish company. They are now working in the US to help establish trade union coops.

Cooperative Home Care Associates (CHCA) in the Bronx, NY solved two issues: meeting the needs of the fastest growing workforce and worst paid workforce: health homecare professionals. Now employing 2000+ home care workers their mission is to provide reliable quality care to elderly and special needs people while offering the highest possible salaries/benefits & building a profitable worker-owned, union affiliated, company.



In 2008, the owners of Republic Windows and Doors in Chicago announced that they were closing the factory. In 2012, the employees joined forces to buy the company. The result is New Era Windows and Doors, a worker cooperative that builds and sells top-quality doors and windows and models the power and potential of worker cooperatives.

Isthmus Engineering in Madison is an industrial worker cooperative. Management decisions are made democratically: one member – one vote. Each member shares in the responsibility of managing the business.



WI

Number of cooperatives: 773
 Wages & Benefits: \$2.5 billion
 Employment: 64,000 jobs
 Revenue: \$27 billion
 Tax contributions- state/local gov \$652 million

US

Number of Cooperatives: 29,285
 Total Assets: \$3.1 trillion Wages & Benefits: \$25 billion
 Number of employee owned cooperatives: 300
 Total Assets of employee-owned cooperatives: \$128 million
 Wages & Benefits of employee-owned cooperatives: \$55 million