



June 9, 2020

Philadelphia City Council
City Hall
1400 John F. Kennedy Boulevard
Philadelphia, PA 19107

RE: Philadelphia Fiscal Year 2021 budget

Dear City Councilmembers:

On behalf of the National Cooperative Business Association CLUSA International, I write to express my deep concerns with the Philadelphia budget for Fiscal Year 2021 currently under consideration, including the dramatic cuts to the Department of Commerce proposed. NCBA CLUSA is the apex trade association representing the more than 65,000 cooperative businesses across all sectors of the economy.

Philadelphia has a vibrant cooperative economy that serves the needs of member-owners. The city's co-ops help to create long-term affordable housing, improve access to healthy food, provide public health services, financial services and utilities to their member-owners and members of the community. These businesses are more resilient during economic crises and are more likely to innovate than non-cooperative businesses to meet evolving community needs. These benefits are by no means an exhaustive list of the ways in which co-ops empower people and strengthen local economies.

In 2018, the City of Philadelphia began a partnership with the Philadelphia Area Cooperative Alliance to further this economic development. NCBA CLUSA strongly supports PACA's work, which has been instrumental to furthering cooperative economic development in Philadelphia through the city's network of Business Technical Assistance Providers. PACA has supported the establishment and growth of cooperative businesses in Philadelphia and supported the professional and leadership development of new member-owners.

For the city, cooperative businesses are a high return on investment. Cooperatives give people an ownership stake in the economy and create opportunity for wealth and asset building to improving social and economic mobility of its member-owners. Because co-ops are owned and governed by the people who use the business, they have a stake in its long-term well-being and building a sustainable business. Rather than short-term profit driven by the wants of outside shareholders, cooperatives return more of the profit to the people who helped to create it and improves financial security.

Moreover, PACA's work is essential in the moment we are in. The global health crisis has had a ripple effect through nearly every aspect of daily life. It has also put into clear focus the stark inequities that pervade our society. PACA's work is rooted in racial and economic equity and helps to build a more inclusive, participatory, and just local economy.

I also want to acknowledge the “New Normal Budget Act” proposed as an amendment that would provide funding for critical issues like housing and food security. This is an important start, however, the proposed reforms to community economic development and \$25 million is not enough on its own. I strongly encourage you to not only increase these investments, but also to seize upon the unprecedented levels of democratic participation that is occurring in cities across the nation and engage with community stakeholders to best determine how these investments can support a more equitable and just society.

Thank you for your consideration of these concerns about the FY21 budget. Should you have questions or if NCBA CLUSA can be of assistance to strengthening the co-op economy in Philadelphia, please do not hesitate to contact Kate LaTour, Director of Government Relations, by email at klatour@ncba.coop or by phone at 202-460-8260.

In cooperation,

A handwritten signature in black ink, appearing to read "DOUG O'BRIEN", with a long horizontal flourish extending to the right.

Doug O'Brien
President and CEO
National Cooperative Business Association
CLUSA International