

THE
COOPERATIVE
BUSINESS

JOURNAL

TENDING SEEDS

An indigenous corn cooperative honors land and legacy

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New poll confirms meaningful, measurable “credit union difference”

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DOORWAY TO DREAMS

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Perspectives

In spring 2021, researchers at the University of Wisconsin Center for Cooperatives set out to measure how co-ops nationwide are approaching their work on Diversity, Equity and Inclusion (DEI) work. The Diversity, Equity and Inclusion Trends in the Cooperative Community survey was the first step in an ongoing initiative led by the National Cooperative Business Association (NCBA CLUSA) and the Cooperative Development Foundation (CDF) to capture co-op practices related to democratic governance and empowerment; diversity, equity and inclusion; and the financial security and advancement of workers.

Made possible with generous support from the Robert Wood Johnson Foundation, this initiative is amplifying the potential of cooperatives to build community power by moving beyond rhetoric to take action both within and beyond their own walls. While they survey set the stage for co-ops nationwide to benchmark their own DEI practices, the peer learning journey that followed challenged four cohorts to advance a deeper conversation across the cooperative community. In a DEI landscape where talk can feel hollow, cohort members were hungry for concrete steps they could take to transform their co-ops—and their communities. If you attended the 2022 Cooperative IMPACT Conference in October, you heard their stories. If you missed IMPACT 2022, I encourage you [watch the recordings](#).

The articles in this issue of the Cooperative Business Journal continue our DEI conversation, illustrating the power of cooperatives to transform their communities. From Lea Zeise, we learn how an indigenous corn cooperative is honoring land and legacy. Sanjay Pinto unpacks why homecare work is devalued and how co-ops are responding with dignified jobs and living wages. In “Doorway to Dreams,” Minsun Ji writes about worker co-ops creating financial futures for precarious workers. From Chynnique Ross, we hear how co-ops are empowering entrepreneurs of color—particularly Black women. Finally, Mike Schenk reports on recent analysis that confirms the “credit union difference” is both meaningful and measurable when it comes to financial well-being. As we move into a new year, I hope these stories inspire your own DEI journey.

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"In a DEI landscape where talk can feel hollow, cohort members were hungry for concrete steps they could take to transform their co-ops—and their communities."



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TENDING SEEDS

AN INDIGENOUS CORN COOPERATIVE HONORS LAND AND LEGACY

BY LEA ZEISE

Not too long ago, cooperative agriculture was the primary method of food production on the continents now known as the Americas. Our oral histories tell us so. We carry these teachings in our blood as the Haudenosaunee (“People of the Longhouse”), a confederacy of six Tribal Nations who belong to the lands that are now called New York State. One of our central responsibilities as Haudenosaunee is taking care of the three sisters: corn, beans and squash. Another central tenet is representative government. Historically, our Council of Chiefs, chosen by Clan Mothers, made decisions based on consensus. Much has changed since our way of life was upended by centuries of genocide and war, but we sheltered our most precious teachings and seeds, and still tend them today. Our people are more scattered than ever, but we still gather to enjoy a steamy bowl of corn soup and share stories. This story comes from the Oneida Nation displaced to what is now the state of Wisconsin, nestled near Green Bay. >>

Not too long ago, cooperative agriculture was the primary method of food production on the continents now known as the Americas. Our oral histories tell us so. We carry these teachings in our blood as the Haudenosaunee (“People of the Longhouse”), a confederacy of six Tribal Nations who belong to the lands that are now called New York State. One of our central responsibilities as Haudenosaunee is taking care of the three sisters: corn, beans and squash. Another central tenet is representative government. Historically, our Council of Chiefs, chosen by Clan Mothers, made decisions based on consensus. Much has changed since our way of life was upended by centuries of genocide and war, but we sheltered our most precious teachings and seeds, and still tend them today. Our people are more scattered

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than ever, but we still gather to enjoy a steamy bowl of corn soup and share stories. This story comes from the Oneida Nation displaced to what is now the state of Wisconsin, nestled near Green Bay.

Our ancestors made the arduous journey here by steamboat from the St. Lawrence River, arriving in the middle of a very hard winter in 1838. They had a difficult choice to make: eat the corn seeds they tucked away in their belongings, or save them to plant in the spring. We are forever grateful for their foresight in saving the seeds, and we honor their memory by planting those seeds to this day. The steamboat sank on its return voyage, and that journey would only be the beginning of hardships in our new homeland. Our lands would be stripped away and divided into individual parcels not too much later. Our children, too, would be stripped away, sent to boarding schools meant to kill the Indian inside them. Times would be difficult for more than a century, but our ancestors kept planting the seeds.

It may not surprise you, then, to learn that with little land and little knowledge passed to the next generations, the seeds and teachings became scarce. So scarce



Three Oneida women wear traditional black ash baskets to pick corn by hand. Picking by hand allows us to preserve the tradition of caring for black ash trees and harvesting them for baskets. Photo courtesy Ohe-láku Cooperative

that when 10 Oneida families decided to make a go of growing together in 2016, we didn’t have enough seeds among us to plant even the three acres of reservation land that had been leased to us. We reached out across the Confederacy and our Central Fire, Onondaga Nation, offering to trade seeds for wild rice. This is how our cooperative got started—with the memory of an agricultural legacy stretching back millennia and relationships that have endured the test of time. Though our teachings have been shattered, each of us carries a shard and when we work together, we are made whole.

Among the cornstalks

So it was that we formed Ohe-láku (Oh-hey-LAH-goo, “Among the Cornstalks”), an organization we would come to identify as a nonprofit grassroots cooperative. At that time, most of us had small backyard gardens where we grew our ancestral seeds, Tuscarora White Corn, which

struggled against poor soil quality and pests. Our first year was a practice in growing together again like our ancestors did. We had to decolonize our thinking about land, seeds and food. At first, we thought we would divide up a three-acre parcel into individual family lots and grow apart, together. Before we planted, it occurred to us that our ancestors never grew that way. They grew together, planting one row for each clan until the seeds were all in the ground.

That first year, the corn taught us many things. We learned that working together is the ideal way to grow corn because of the bonds we formed working side-by-side to plant, weed and harvest the corn. And our harvest immediately surpassed what our backyard plots could produce—we picked 1,520 pounds that first year. Working together also gave us a unique opportunity to engage with the Oneida Land Commission to secure a five-year no-cost lease on nine acres of fallow reservation land. Sharing our vision with the Oneida Land Commission motivated them to develop new land access policies for Oneida cooperatives who are interested in farming Tribal lands and growing traditional foods. We think of this as our first achievement because we opened the door for other cooperatives to request land. We also learned that while we may have planted seeds, what we were growing was farmers equipped with ancestral knowledge and children with a deeply rooted sense of place.

7 strategic goals

The winter of 2016 gave us an opportunity to organize ourselves and set our intentions. First and foremost, we would not pursue profits or pay anyone in the cooperative;

growing corn is seen as a cultural responsibility. Our teachings impart that everyone in the community has a gift, and we decided to honor those gifts as best we could.

For example, we asked one of our members trained in strategic planning facilitation to lead us through her process. We agreed that our goals were to:



Preserve our culture



Protect our seeds



Honor cultural teachings of consensus decision-making



Renew our relationship with the land



Give thanks to all beings with our actions



Build community



Pass on traditions to the next generation



Oneida girls hold a corn braid they made together. Families are encouraged to bring their children to all events to pass on knowledge. Photo courtesy Ohe-láku Cooperative

We named ourselves Ohe-láku and created committees to divide up the many hours of volunteer labor we were investing. We also decided to create a method of tracking those hours so the corn could be divided equitably. Our committees were made

up of “Back Achers,” who handled heavy equipment and prepared the fields; “Taking Care of Business” went to work raising funds and organizing meetings; “Tech” took on our social media presence; and “Culture & Language” gathered and integrated cultural teachings into our meetings, protocols and gatherings.

We decided to plant together again in 2017, but this time we asked each family involved to adopt a couple corn rows to weed. This would resolve the anxiety of facing three acres of corn and weeds with nothing but a hoe and a sunhat. The new method of weeding and dividing tasks led to a 2017 harvest of 5,850 pounds. That may not seem like a lot until you consider that we pick all our corn by hand. Our seeds are open pollinated and express themselves in beautifully unique ways, so a corn picker or combine doesn’t suit them. More importantly, we pride ourselves on being mindful as we pick each cob by hand, sitting in a circle to pull back the husks and admire the gleaming creamy white kernels arranged in eight rows. Then we braid the husks together to form one long braid of 50 or 60 cobs.

To accomplish this enormous labor of love, we welcome the help of anyone and everyone to pick our corn with us. Every year, 200 or more visitors answer our call. We have middle schoolers, college students, nonprofits and corn growing collectives join us at harvest time. One of our members even got married in the cornfield, inviting all their guests to pick and husk corn together. By the end of October, hundreds of braids hang in our barn over winter to dry down as we settle into renewing our commitments for the following year.

Wintering

Renewing our commitments over the winter allows families to consider how much effort they want to dedicate to the following season. We set the minimum threshold for each member family at 50 hours of corn-related work each year. The down time of winter also enables us to reflect on the season and chart out any changes we want to make, like developing protocols for our new member process, called “Under the Wing.” It works like this: before the season starts, existing members nominate candidates for consideration. As a group, we decide whether to welcome the nominee into the program. Nominating members then serve as a mentor to their respective “Winger.” After a full year of apprenticeship, we consider how the Winger harmonizes with Ohe-láku and then decide whether to offer them full membership. Some Wingers choose to stay on as Wingers or Allies, preferring to drop in to help as needed and avoid the commitment of full membership. So far, five families have joined as full members.

Winter also gives us time to modify our self-governance protocols to align more closely with our traditional teachings, following the ancestral wisdom of the Council of Chiefs who governed the Haudenosaunee Confederacy. It was their representative government that inspired the Founding Fathers of the United States as they developed a democratic republic. The cooperative model, with some tweaking, harmonizes with these cultural protocols. We don’t “vote,” but we do utilize consensus decision-making and cultural approaches to conflict resolution. We are also developing a system of raising issues and considering them based on our clan responsibilities. Each year, we integrate new teachings into our monthly meetings and

protocols that seems to come to us when we are ready by way of an elder or relative.

Honoring our land

We are also following in our ancestor’s footsteps out in the field. Early European explorers believed they had arrived in Eden thanks to Indigenous land management practices, after all. Haudenosaunee villages, known for their longhouses and miles of corn fields, would rotate through the territory every couple of decades, returning to the same place 100 years later to give the land and animals time to regenerate. Today, our reservation limits our land base, but we can rotate our fields, and this is how we honor that teaching. We plant cover crops during rest years to rebuild the soil’s microbial life and organic matter. Our success has opened the door to more land, and we now steward 30 acres via leases from Oneida Nation. We even dedicate one of our fields to experimenting with no-till and intercropping practices in partnership with University of Wisconsin Extension to sequester carbon into the soil.

Pulling back the husks, together

As we prepare to harvest the 2022 season, we look back on all we have accomplished as volunteers cooperating on just a few acres. Our cumulative harvest totals 27,000 pounds—an abundance that has met the needs of each family in Ohe-láku and beyond. In addition to dividing the harvest equitably according to how many hours each family worked, we donate corn to our community by setting aside one share of corn to be processed and delivered to families who are grieving the loss of a loved one, so they don’t need to search for traditional foods for their mourning ceremonies. The abundance has also allowed us to donate thousands of pounds of corn to the Oneida Pantry during the pandemic. We are proud to have enough to share, all thanks to working together.

Our commitment to staying a nonprofit hasn’t hindered our wealth; in fact, we’re now rich in cultural foods to feed our families because we have value-added corn products to trade with other Tribal producers for wild rice, maple syrup, fish, venison and other traditional foods. The corn has shown us how to revive the trade routes that bustled with activity prior to colonization.

This process has changed our thinking beyond the cash valuation of our sacred foods and given many producers more value for their goods than cash would have. Traditional foods are grossly undervalued, considering the number of hours and ancestral wisdom involved in preparing them. A barter economy allows us to exchange goods with respect and honor.

Only in 2022 did we decide to enter the cash economy, and under very specific circumstances. Our neighbors at the Menominee Nation partnered with Feeding America to develop the Tribal Elder Food Box Program to deliver Native-made traditional foods to Tribal elders across the state of Wisconsin. If ever there were a cash opportunity for us to embrace, this was it. We signed up to provide 6,000 half-pound bags of roasted corn mush flour in 2022. No one will profit from the sale; instead, funds will help us repair our equipment, purchase organic fertilizer, and support the operating costs of our commercial kitchen that will be up and running next year. We remain committed to never selling our seeds, our relatives.

We have much to learn from one another, if only we take the time to sit in a circle and pull back the husks together.

Our story is just one among many that illustrates the vitality of cooperative principles that have thrived on this continent for centuries. These concepts—democratic governance and empowerment, wealth development, equity and inclusion—are woven into the history of the land and people of this place. That legacy lives on in our actions, stories and teachings. We have much to learn from one another, if only we take the time to sit in a circle and pull back the husks together.

Lea Zeise is a member of Ohe-láku, an Indigenous corn cooperative on the Oneida Reservation where she grew up. Lea has worked to support Tribal agriculture throughout her career and currently serves as the Assistant Director of the Office of Environmental Resource Management at United South and Eastern Tribes, Inc., a nonprofit dedicated to advancing the sovereignty of Tribal Nations.

DOORWAY TO DREAMS

HOW WORKER CO-OPS CREATE
FINANCIAL FUTURES FOR
PRECARIOUS WORKERS

BY MINSUN JI

"I felt very safe, I even dreamed about buying my own house all the time. I woke up well motivated to do my best work. No matter how tired I was, I was always available for the next service. When I think about the cooperative, I just want to remember those financial moments that gave me peace and tranquility"¹

– Martha Martinez,
worker-owner,
Green Cleaning for Life

Thinking back, Martha fondly recalls how her experience of immigrant worker ownership at a cleaning cooperative in Denver, CO (Green Cleaning for Life) was one of the most hopeful periods of her life. Martha had worked all her life for poor wages as an informal domestic worker, but when Denver's first immigrant-led worker cooperative launched in 2009, it provided her with a completely different working environment where she felt respected and peaceful. >>

While the co-op provided better income and job security, it also offered her new hope, self-pride and fueled her aspirations of home ownership. For Martha, the co-op meant more than just a few extra dollars every week—it was a doorway to dreams, opening a path to a transformed financial future.

Martha is one of a growing number of workers putting their hopes in cooperative dreams of “owning our future.”² Before the economic crisis of 2008, worker cooperatives constituted only 1 percent of all cooperatives, but worker cooperatives became the single most common type of cooperatives that were established

populations like immigrant workers, workers of color or the formerly incarcerated can ever find a quality job with financial security and prospects to grow future wealth. For precarious workers like these who dream of something bigger than a dead-end job—who might imagine even owning their own business—the challenges are profound. How can a poor immigrant worker without documents, or a worker of color long discriminated against by lenders, or a former felon carrying a permanent record, ever hope to access the kind of seed capital needed to realize their dreams?

To all these challenges, worker cooperatives offer a real solution. Because worker cooperatives operate with principles of democratic governance and equitable pay structures (and deliver no profits to outside investors), workers earn more. The average hourly wage of worker cooperative members in 2021 was \$19.67, more than \$7.00 higher than the minimum wage in 13 states. Moreover, worker co-ops have a more egalitarian pay ratio of 1:2 between the lowest earner and the highest earner, compared to the average U.S. corporation CEO-to-worker pay ratio of 303:1.⁵ Worker-owners at cooperatives also typically receive benefits like

between 2016 and 2019, constituting 47 percent of all new cooperatives.³ There is good reason for this cooperative growth. For many low-wage workers, the current system of extractive economic ownership is failing. As the share of national income going to workers has steadily declined since the 1970s (with workers of color suffering wage loss at 6 times the rate of white workers since 1979),⁴ it’s hard to see how marginalized

The average hourly wage of worker cooperative members in 2021 was \$19.67, more than \$7 higher than the minimum wage in 13 states.

1 Interview with Martha Martinez, a member at Green Cleaning Cooperative, Denver, CO.

2 Marjorie, K. 2012. *Owning our Future: The Emerging Ownership Revolution*. Berrett-Koehler Publishers.

3 Berner, C. 2022. *Where are New Co-ops Emerging? The Changing Map of Co-op Development*. *Nonprofit Quarterly*, January 19. Accessed at <https://nonprofitquarterly.org/where-are-new-co-ops-emerging-the-changing-map-of-co-op-development/>

4 Reeves, R. 2019. *Capitalism is failing. People want a job with a decent wage-why is that so hard?* *The Guardian*, April 24. Accessed at <https://www.theguardian.com/commentisfree/2019/apr/24/capitalism-is-failing-workers-people-want-a-job-with-a-decent-wage-why-is-that-so-hard>

5 Palmer, T. 2019. *2019 Worker Cooperative State Sector Report*. Democracy at Work Institute. Accessed at <https://institute.coop/resources/2019-worker-cooperative-state-sector-report>



Prospera partners with low-income Latina women so they can create economic prosperity through cooperation.
Photo: Prospera

healthcare and retirement, and regular patronage dividends based on the revenues of their business, thus securing opportunities to grow personal wealth over time.

But Martha’s dream reminds us that there is much more to financial security and advancement than simply earning a better wage. The real revolution that worker cooperatives offer is that they open the doors to ownership, control of capital, and dreams of creative futures to even the most precarious of workers. As Marjorie Kelly observes, a worker cooperative confronts the “forbidden space of ownership” and invites even the most marginalized inside. “We all belong there... It’s time for us to own this place we call the economy and stop leaving it to the banker-priests,” Kelly writes.⁶

Entrepreneurs, not employees: Immigrant worker-owned cooperatives

Low-wage immigrants have few resources and poor job opportunities. Undocumented immigrants

are particularly vulnerable to wage theft, employer abuse and all kinds of worker exploitation. Yet, as “illegal” employees, undocumented immigrants have little voice or power when it comes to protecting their rights or building enough wealth to change their economic situation. Though immigrants are more likely to want to start their own business than native-born Americans,⁷ they face difficulties in securing small business loans due to discriminatory practices by lenders. Although the scale of the problem has been difficult to document because U.S. law has not

The real revolution that worker cooperatives offer is that they open the doors to ownership, control of capital, and dreams of creative futures to even the most precarious of workers.

6 Marjorie, K. 2012. *Owning Our Future: The Emerging Ownership Revolution*, p. 17.

7 <https://www.newamericaneconomy.org/issues/entrepreneurship/>



Kimberly Britt (far right), with the other founders of ChiFresh Kitchen. "The best part of being in a cooperative is that I had a second chance in my life," she said. Photo: Kai Brown, courtesy ChiFresh Kitchen

carefully tracked small business lending practices, a 2020 landmark lawsuit against Wells Fargo documented the banking systems' systematic denial of loans to applicants who were not U.S. citizens or permanent residents.⁸

Immigrant worker-owned cooperatives help address these persistent maladies. When a group of immigrants comes together to form a cooperative business and register as an LLC, they become equal co-owners of that enterprise

and none of them are "employees" of the other. Because none of the immigrant worker-owners are employees of the LLC, they are not required under U.S. law to verify employment eligibility, so even undocumented immigrants can legally form a worker-cooperative LLC and go into business, with revenues distributed not as wages but as patronage dividends.⁹

In addition, worker-owned cooperatives can help immigrant entrepreneurs to access the capital

⁸ <https://www.maldef.org/2020/06/landmark-settlement-reached-in-lending-discrimination-class-action-cases-brought-by-daca-recipients-against-wells-fargo/>

⁹ https://www.theselc.org/worker_coops_for_undocumented_entrepreneurs

often denied individuals trying to start a new business. There is a growing network of loan funds, incubator organizations, supportive foundations and community lenders that focus on financial support for cooperative businesses, such as the Cooperative Fund of the Northeast, Working World, Shared Capital, The Cooperative Fund of New England, KIVA loans, and Seed Commons, who together loan hundreds of millions nationwide to cooperatives every year.¹⁰

The first phase of immigrant-led cooperatives catalyzing this boom in immigrant-worker cooperatives was led by innovative organizations such as TeamWorks (a worker-owned housecleaning co-op in Silicon Valley) and Women's Action to Gain Economic Security (WAGES, currently "Prospera"), which both used the LLC model to organize immigrant women into professionally organized cleaning cooperatives. Prospera was a worker cooperative incubation organization founded in 1995 that incubated a California immigrant-owned worker cooperative by providing a one-stop center for tech support such as fundraising, education, recruitment and management.¹¹ After the first cleaning co-op was launched (Emma's Eco-Clean), Prospera successfully incubated five additional cleaning cooperatives, each generating millions in business revenues. Through the co-op model, Prospera workers have been able to increase their median income from \$24,000 to \$41,000.¹²

These pioneering models quickly spread to other community organizations and worker advocacy groups, especially since the economic crisis of

2008, and a growing network of community support has fostered a boom in the immigrant-owned worker cooperative movement. For instance, domestic worker organizations such as Domestic Workers United and the National Domestic Workers Alliance have explored worker cooperatives as an organizing strategy.¹³ The Filipino Workers Center in California has organized a home care worker cooperative, Courage LLC, to support immigrant women with secure jobs. In Denver, El Centro Humanitario incubated a worker cleaning cooperative for domestic workers soon after the 2008 economic crisis. Currently, Miami Workers Center is working in collaboration with a co-op developer organization, Catalyst Miami, to help Black and Latina care workers (mostly immigrants) to start worker-owned businesses and develop sustainable careers. This Miami network has recently been awarded \$5 million in financial support from JP Morgan for its innovative approach to supporting local, women-owned businesses.¹⁴ These developments demonstrate that by fostering owners, not employees, and receiving support from progressive financing networks, immigrant worker cooperatives can provide even undocumented workers with a better-paying pathway out of the exploitive, underground economy.

Building Black wealth: Black-led worker cooperatives

Like immigrant cooperatives, Black-led worker cooperatives have experienced significant growth since the economic crisis of 2008 and especially since the 2020 police/vigilante murders of George Floyd, Breonna Taylor and Ahmaud Arbery

¹⁰ <https://www.youtube.com/watch?v=unHXpudJTPs>; Also, see Abello, O.P. 2021. Worker-Owned Cooperatives are Creating Their Own Funding Networks. Accessed at <https://www.yesmagazine.org/economy/2021/02/22/worker-owned-cooperatives-investment-network>

¹¹ Ji, M, and Robinson, T. 2012. Immigrant Worker Owned Cooperatives: A User's Manual. Cooperative Foundation. Accessed at https://institute.coop/sites/default/files/resources/362%202012_Minsun%20Ji_Worker%20Co-op%20Manual.pdf

¹² Marjorie, K. 2016. A Powerful, Under-Used Tool for Addressing the Roots of Inequality: Inclusive Ownership https://ssir.org/articles/entry/address_inequality_with_inclusive_ownership#

¹³ <https://actionnetwork.org/groups/national-domestic-workers-alliance>

¹⁴ https://www.catalystmiami.org/miami_herald_jpmorgan_chase_gives_5_million

catalyzed racial justice movements across the U.S.¹⁵ It is well-established that generations of structural racism and disinvestment have resulted in substantial pay and wealth differentials for Black and white workers. In 2019, the average white family had 41 times more wealth than the average Black family, resulting in serious capital obstacles for Black entrepreneurs seeking to start their own businesses.¹⁶ Additionally, 2020 research by the National Bureau of Economic Research found substantial disparities in lending to Black- versus white-owned startups.¹⁷

Black Americans have a long history of establishing cooperatively-owned business enclaves as an alternative to white-monopoly business communities that would not fairly employ, lend or trade with them.

Facing these enduring challenges, Black Americans have a long history of cooperative practices, pooling together money to free enslaved African Americans, forming mutual aid societies, relying on community credit unions, and establishing cooperatively owned business enclaves as an alternative to white-monopoly business communities that would not fairly employ, lend or trade with Black residents.¹⁸ In that same tradition, Black-led cooperatives today still provide tools for precarious populations to create new economic opportunities for themselves and

their co-workers.¹⁹ Supported by early Black-led co-op incubation innovators like Green Worker Cooperatives in the Bronx (founded in 2003), a recent wave of Black-owned worker cooperatives include Brooklyn Packers (a food sourcing, packing and distribution cooperative),²⁰ SUNS Services (a New York renewable energy solar panel installation

company),²¹ The Ujamaa Collective in Pittsburgh (allowing African-American craftswomen a fair trade marketplace),²² and Mandela Grocery, a worker-run food co-op in Oakland, California.²³ Each of these cooperatives pursues a mission to advance their workers through increased income, entrepreneurial education and creative workplaces.

different Black cooperative developers; all of them had experienced difficulty raising capital. Freilla describes how traditional funders tend to “judge bottom-up approaches centering BIPOC cooperative entrepreneurs as too risky. I’ve been asked by funders whether low-income, BIPOC entrepreneurs could even build a successful business.”²⁴

The entrepreneurs building these cooperatives have faced common problems of discrimination and lender skepticism when submitting their Black-led business proposals. Omar Freilla (of Green Worker Cooperatives) interviewed 30

But a growing, Black-led cooperative ecosystem is emerging to help overcome such barriers of structural racism. Racial justice-focused cooperative support organizations like the

15 Freilla, O. 2022. Sustaining the Rising Tide of Black Co-ops: An Ecosystem Approach. Nonprofit Quarterly, June

16 Ibid.

17 Fairlie, R, Robb A Robinson D, et al. 2020. Black and White: Access to Capital Among Minority-Owned Startups. National Bureau of Economic Research. Working Paper 28154. Accessed at https://www.nber.org/system/files/working_papers/w28154/w28154.pdf

18 Nembhard, J. 2004. Collective Courage: A History of African American Cooperative Economic Thought and Practice. Penn State University Press.

19 See Jessica Gordon Nembhard 2004a; Also see Fairbairn, Bold, Fulton, Hammond Ketilson, Ish 1991. Co-operatives and Community Development: Economics in Social Perspective. Saskatoon, Saskatchewan: Centre for the Study of Cooperatives, University of Saskatchewan.

20 <https://nycworker.coop/blackcoopsmatter/>

21 <https://www.solaruptownnowservices.com/home>

22 <https://www.ujamaacollective.org/>

23 <https://www.mandelagrocery.coop/>

24 Freilla, O. 2022. Sustaining the Rising Tide of Black Co-ops: An Ecosystem Approach. Nonprofit Quarterly, June



Tighshift prioritizes housing and healing for its members, providing a path for financial inclusion for returning citizens. Photo: Capital Impact Partners

Federation of Southern Cooperatives, Cooperation Jackson, Green Worker Cooperatives, and the National Black Food and Justice Alliance are growing. New funds have been created to channel support directly to Black cooperatives, like the New Economy Coalition's Black Solidarity Economy Fund, the Collective Courage Fund, and the Fund for Democratic Communities. Conferences of Black cooperative networks are growing, such as Baltimore's Network for Developing Conscious Communities and Oakland's

.....
Pathways to financial security and personal advancement open when employees become owners, when the power of capital is democratized, and when precarious workers are empowered to dream.

Repaired Nations. As co-op advocate Omar Freilla summarizes, "Together, we are weaving a global, Black cooperative support ecosystem to challenge Black isolation and the extraction of Black wealth that has been ongoing since the transatlantic slave trade."²⁵

Opening closed doors: Co-ops and the formerly incarcerated

From Jean Valjean in *Les Misérables* to the formerly incarcerated jobseeker today, the fate remains the same—all the doors seem closed. Although formerly incarcerated persons desperately want to work, and are more likely to be "active" in the

job market than those in the general public (94 percent are working or seeking work vs. 84 percent of the general public), their unemployment rate is five times higher (more than 27 percent in 2018).²⁶ Employer discrimination, lack of job history and inability to access credit are among the thousands of barriers that the American Bar Association has found to confound the successful reentry of the formerly incarcerated.²⁷ As a result, Ron Kelly of Capital Impact Partners describes how "there are few pathways for individuals with criminal records to earn a living and contribute to their communities, and that often leads to recidivism."²⁸

In the face of these closed doors, worker cooperatives offer alternatives. In Baltimore, two formerly incarcerated persons founded Core Staffing as a temporary staffing agency, owned by workers and providing occupational education, entrepreneurial skill-building, higher-than-average wages, career advancement and shared equity to all its formerly incarcerated worker-owners. Beyond providing some immediate (if temporary) financial security, Core Staffing helps formerly incarcerated workers move towards financial advancement through regular employment and business ownership. "The idea of worker power in this is self-determination; but the bigger thing is that we are tying people together through shared equity," says Joseph Cureton, Chief Coordinating Officer at Core Staffing Cooperative. "We are creating a community across earning potential and allowing [worker-owners] to pull each other up at the same time."²⁹ Today, Core Staffing is a part of Obran, a worker-owned cooperative conglomerate corporation that serves as a holding company for various sectors—including employee services, media, healthcare

and logistics—to scale up the worker cooperative movement.³⁰ In this innovative model, providing jobs for the formerly incarcerated can occur on a larger scale with more positive effects.³¹

ChiFresh Kitchen is another worker cooperative, whose five formerly incarcerated initial co-owners (all women of color) served their first meals in May 2020.³² Nationally, 44 percent of formerly incarcerated women of color are unemployed. ChiFresh Kitchen Co-owner Kimberly Britt describes how hard it was to find a job. "I experienced lots of turndowns and letdowns due to my background. Even though people said that I was not judged by my incarceration background, I was judged by my background. I felt that my door was closed."³³

Even during Covid-19 lockdowns, when jobs were impossible to land, Kimberly was able to find a place with ChiFresh Kitchen. "I could not believe myself when I was invited," she remembers. "The best part of being in a cooperative is that I had a second chance in my life."³⁴ Kimberly's wage started at \$16 per hour, but she now receives \$30 per hour.³⁵ "It has been a life-changing event," says Kimberly, but she doesn't just focus on the monetary aspects of personal advancement. "I enjoy seeing the clients when we bring a meal. They are excited to see what the food is, and I love seeing how much they enjoy it. It's refreshing. I am excited to see what the future will be."³⁶ Another co-op member of ChiFresh Kitchen similarly describes how much he enjoys "helping out the community by getting them food" and discovering

his "true potential" that he did not see before.³⁷

Co-ops clear the path to financial advancement

For decades, America's workers have suffered declining prospects—especially those at the margins: immigrant workers, workers of color and the formerly incarcerated. While workers have suffered, most of the productivity gains in the U.S. economy have gone to wealthy owners and investors in large corporations. But worker-owned cooperatives offer a proven response. As Keyanna Silverman-Maddox (cooperative conversion manager with the Detroit Community Wealth Fund) argues, "We believe that this collective approach is a great way to approach the racial wealth gap and help break cycles of generational poverty."³⁸

Pathways to financial security and personal advancement open when employees become owners, when the power of capital is democratized, and when precarious workers are empowered to dream. As Kimberly Britt of the ChiFresh Kitchen describes, "I wake up with purpose, not only to run a business but to have a second chance of seeking who I really am... I had a new door opened for my life and work."³⁹

Minsun Ji, PhD, is the Executive Director of Rocky Mountain Employee Ownership Center (RMEOC) in Denver, Colorado, and is also the Director of Global Partnerships of The Drivers Cooperative. Minsun is a cooperative developer, community scholar and popular educator.

²⁵ Ibid.

²⁶ Couloute, L and Kopf, D. 2018. Out of Prison & Out of Work: Unemployment among formerly Incarcerated People. Accessed at <https://www.prisonpolicy.org/reports/outofwork.html>

²⁷ <https://nij.ojp.gov/topics/articles/national-inventory-collateral-consequences-conviction>

²⁸ <https://www.ofn.org/capital-impact-partners-supporting-financial-inclusion-individuals-criminal-records/> Also see, Capital Impact Partners. N.d. Supporting Financial Inclusion for Returning Citizens. <https://www.capitalimpact.org/stories/financial-inclusion-returning-citizens/>

²⁹ Capital Impact. Blog. 2019. Co-ops Have the Power to Transform the Future of Work and Racial Equity for Communities of Color. Accessed at <https://www.capitalimpact.org/coops-have-power-transform-future-work-racial-equity-communities-color/>

³⁰ www.obran.coop

³¹ Interview with Camille Kerr, Upside Down Consulting Principal, August 19, 2022.

³² <https://www.theworkerslab.com/our-innovators/chifresh-kitchen>

³³ Interview with Kimberly Britt, August 20, 2022.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Kahn, K. 2020. Formerly Incarcerated Women Launch Chicago Worker Cooperative. Fifty by Fifty, July 6. Accessed at <https://www.fiftybyfifty.org/2020/07/formerly-incarcerated-women-launch-chicago-worker-cooperative/>

³⁸ Neher, J. 2021. "Worker Cooperatives Can Teach Businesses About Valuing Employees During "Labor Shortage" Accessed at <https://wdet.org/2021/10/08/worker-cooperatives-can-teach-businesses-about-valuing-employees-during-labor-shortage/>

³⁹ Interview with Kimberly Britt, August 20, 2022

BUILDING COMMUNITY, FORGING RESPECT

HOME CARE CO-OPS SHOW A BETTER WAY

BY SANJAY PINTO

With the Covid-19 pandemic taking a particular toll on seniors and people with disabilities, home care workers have been a critical lifeline. Despite the risks of Covid-19 infection for themselves and their loved ones, they have provided crucial care support and helped to counter the acute social isolation many of their clients have experienced.¹ >>





Campaigners garnered a commitment to a \$3 dollar per hour increase over two years—a meaningful raise for many home care workers in New York state. Photo: Erik McGregor/CHCA

Recognized as “heroes” and lauded as “essential,” the conditions confronting home care workers have often revealed a basic hypocrisy beneath these accolades, however. In the early days of the pandemic, many lacked ready access to personal protective equipment.² Fewer than half of states offered hazard pay for home care workers.³ In

2021, according to the Bureau of Labor Statistics, home health and personal care aides earned \$14.15 an hour on average, which amounts to \$29,430 at full-time hours—a status many struggle to achieve.⁴ It is hardly surprising, then, that the pandemic conditions have only worsened existing workforce shortages in the home care field.⁵ Why give so much to get so little?

In this context, worker co-ops can serve as an important tool to advance voice and dignity for home care workers, along with improvements in pay and other conditions. Given the larger forces at

The low value accorded to home care labor is not an accident. Disproportionately led by women of color and immigrant women, the paid home care workforce is particularly devalued.

2 Allison, T. A., Oh, A., & Harrison, K. L. (2020). Extreme vulnerability of home care workers during the COVID-19 pandemic—A call to action. *JAMA internal medicine*, 180(11), 1459-1460.
 3 See <https://homehealthcarenews.com/2022/07/majority-of-states-lacked-caregiver-hazard-pay-sick-leave-during-pandemic/>.
 4 See <https://www.bls.gov/ooh/healthcare/home-health-aides-and-personal-care-aides.htm>.
 5 See <https://www.kff.org/coronavirus-covid-19/press-release/direct-care-workforce-shortages-have-worsened-in-many-states-during-the-pandemic-hampering-providers-of-home-and-community-based-services/>.

1 Sterling, M. R., Tseng, E., Poon, A., Cho, J., Avgar, A. C., Kern, L. M., ... & Dell, N. (2020). Experiences of home health care workers in New York City during the coronavirus disease 2019 pandemic: a qualitative analysis. *JAMA internal medicine*, 180(11), 1453-1459.

play, co-ops cannot win these struggles on their own. But they can play a significant role within broader strategies to make in-home care delivery better for workers and patients alike.

Swimming against the tide

The low value accorded to home care labor is not an accident. Despite being foundational to basic life processes and all other economic activity, paid and unpaid care has long been devalued because it is overwhelmingly performed by women.⁶ Disproportionately led by women of color and immigrant women, the paid home care workforce is particularly devalued.⁷

Long after the end of slavery, most Black women engaged in paid labor were employed as domestic workers in many parts of the country, which often included providing various forms of in-home care support.⁸ In the New Deal Era, white Southern Democrats intent on preventing Black people from building collective power purposefully left domestic workers out of landmark labor and employment protections—exclusions that continue to wield impact today.⁹

Starting in the 1960s, some home care services started to receive public funding support—part of a strategy to reduce the cost of long-term care (relative to care in institutional settings) and enable seniors to “age in place.” Often, employment within publicly funded systems creates a path to improved compensation. However, the demographics of the home care workforce have contributed to an assumption among policymakers that these services can be delivered on the cheap, contributing

to low government reimbursement rates.¹⁰

Given the fragmentation, invisibility and continued undervaluation of the industry,¹¹ co-ops can provide an important set of channels for home care workers to connect with one another, claim a measure of control, and press for improved conditions. A 2020 report noted 14 active home care co-ops around the country employing more than 2,600 workers, with levels of pay that exceeded those of “non-cooperative industry peers.”¹² With new home care co-ops having launched since that time, the sector is growing and building power in multiple ways. The larger forces that devalue home care labor must still be reckoned with, but there are ways in which co-ops can help take on those systemic challenges, too.



Cooperative Home Care Associates took a leading role in the “Fair Pay for Home Care” campaign in New York state. Photo: Erik McGregor/CHCA

6 England, P., Budig, M., & Folbre, N. (2002). Wages of virtue: The relative pay of care work. *Social problems*, 49(4), 455-473.
 7 Glenn, E. N. (1992). From servitude to service work: Historical continuities in the racial division of paid reproductive labor. *Signs: Journal of women in culture and society*, 18(1), 1-43.
 8 Ibid.
 9 Perea, J. F. (2011). The echoes of slavery: Recognizing the racist origins of the agricultural and domestic worker exclusion from the National Labor Relations Act. *Ohio St. LJ*, 72, 95.
 10 Boris, E., & Klein, J. (2015). *Caring for America: Home health workers in the shadow of the welfare state*. Oxford University Press.
 11 Dresser, L. (2008). *Cleaning and Caring in the Home: Shared Problems? Shared Possibilities? The Gloves-Off Economy: Workplace Standards at the Bottom of America’s Labor Market*, 111.
 12 ICA Group (2020). *2020 Home Care Cooperative Benchmarking Report*.



Sociologist and co-op member Assata Richards helped spearhead Community Care Cooperative in Houston's Third Ward. Rooted in a framework of Black liberation, CCC seeks to counter the exploitative experiences that many of its members have had working in previous jobs. Photo courtesy Assata Richards

PROGRESS AND CHALLENGE

Cultivating community

Even while playing an outsized role providing undervalued paid care services for others, women of color and immigrant women often face acute challenges securing the care support they need in order to provide for their own families.¹³ In response to these conditions, they have often been leading innovators of mutualism and cooperation

in providing care and meeting basic needs through community and extended kin networks.¹⁴ Many home care co-ops draw on these traditions of solidarity and mutual care.

Community Care Cooperative (CCC) was recently launched in Houston's Third Ward, a mostly African American community with a rich history of activism and civic engagement.¹⁵ Rooted in a framework of Black liberation, CCC is made up of 13 Black

13 Pinto, S., Campos-Medina, P., Mabud, R., & Wagner, K. C. (2021). Seizing the Moment to Make Our Care Systems More Equitable. The Gender Policy Report. University of Minnesota.

14 Stack, C. B. (1975). All our kin: Strategies for survival in a black community. Basic Books.

15 See <https://communitycare.coop/>. Co-op co-founder and member Assata Richards drew my attention to this history. For a quick snapshot of the Third Ward, see <https://uh.edu/third-ward/third-ward-map/>.

women working as home care workers, community health workers (CHWs), or both. The co-op was formed following an assessment showing both that in-home care support was an important community need and that many women in the area had substantial experience working in the personal care field.

According to Assata Richards, a sociologist and co-op member who helped to spearhead its development, CCC seeks to counter the exploitative experiences that many of its members have had working in previous jobs. It also aims to provide a place of refuge given the racism many of its members continue to encounter in other domains.¹⁶ In the face of past and present traumas, CCC is building a space of solidarity. For example, while CHWs generally earn more on average than home care workers, members who log hours as CHWs are donating part of their pay to increase the earnings of their home care colleagues.¹⁷

Founded a decade ago in Brooklyn, Golden Steps is a home care worker co-op comprising new immigrant women from Central and South America.¹⁸ Many have experienced labor violations and acute precarity working in the informal economy. In addition to rigorous job-related training, Golden Steps provides extensive training and education on labor rights and strategies for communicating effectively with clients, and offers a community of support for talking through challenges that arise. The co-op has also committed itself to providing the best possible care for a diverse clientele with different needs. Members receive training in cultural competency and providing support to LGBTQ+ clients with sensitivity and care.¹⁹

Building and maintaining democratic community

16 During the pandemic, for example, Black women were more likely to fear racism in the clinical encounter than any other group, including Black men - a pattern grounded both in personal experience and awareness of long histories of medical racism. See Pinto, S., Campos-Medina, P., Mabud, R., & Wagner, K. C. (2021).

17 Interview with Assata Richards, September 1st, 2022.

18 See <https://goldensteps.coop/>.

19 Interview with Zenayda Bonilla, April 28th, 2022.

20 See <https://publicseminar.org/2018/03/alicia-golden-steps/>.

is not easy. Conflicts arise and members must negotiate multiple demands on their time. The recent growth and development of large-scale co-ops in home care and other adjacent fields also intensifies questions of internal equity and representation. Absent institutionalized commitments to act otherwise, executive leaders and co-op developers at a level removed from the front lines may operate from a charity mindset and unconsciously accept racially tinged notions about the capabilities of the workforce, undermining grassroots democratic control and reproducing toxic dynamics embedded in the broader culture. Amid important opportunities to build home care and other care worker co-ops at greater scale, addressing these concerns head-on is critical.

Advancing mobility

In addition to the benefits of a supportive community, many home care co-op members can earn higher pay than they would doing comparable work elsewhere. Golden Steps members identify several factors that, in their view, contribute to higher pay. In an environment where many would otherwise be working independently, working

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There is potential to weave together different co-op sectors in ways that deepen community and advance economic security.

for the co-op commands a certain amount of recognition and respect.²⁰ The rigorous training the co-op provides also confers legitimacy and helps members to provide the high-quality services for which it is known. When compared to other



Caregivers at Golden Steps earned their JC Dementia Care Trainer certification this summer. The rigorous training the co-op offers helps members provide the high-quality services for which Golden Steps is known. Photo courtesy Golden Steps Elder Care Cooperative

agencies, the administrative overhead is lower at Golden Steps, allowing workers to keep a larger cut of what they earn.²¹

Of course, pay and other conditions are also rooted in a landscape that extends far beyond the boundaries of any individual enterprise. For this reason, several co-ops of domestic workers in the informal, private-pay economy have become engaged in larger organizing efforts to change norms and attitudes at a neighborhood and community level and strengthen the legal

obligations of employers at a city and state level.²²

Home care co-ops in the publicly funded system operate in a more clearly defined institutional environment and can tap into large referral networks in ways that support building at scale. Founded in 1985, Bronx-based Cooperative Home Care Associates (CHCA) is the largest fully functioning worker co-op in the country, with a workforce of nearly 2,000 that provides services mostly within the publicly funded system.²³ Workers have access to peer mentoring and direct

21 Interview with Zenayda Bonilla, April 28th, 2022.

22 Krishna, G. J. (2013). Worker Cooperative Creation as Progressive Lawyering: Moving beyond the One-Person, One-Vote Floor. Berkeley J. Emp. & Lab. L., 34, 65.

23 See <https://www.chcany.org/>.

lines of communication to the co-op's leadership team²⁴— factors that may help explain the co-op's lower-than-average turnover.²⁵ But CHCA's Vice President for Human Resources, Denise Hernandez, notes that low government reimbursement rates continue to constrain pay.²⁶

Recently, CHCA took a leading role in a "Fair Pay for Home Care" campaign in New York state, working alongside a coalition of allies including 1199SEIU, the union representing its members.²⁷ Kim Alleyne, a long-time CHCA member, was among those playing a central role in the campaign, which included sharing her perspective on the difference a pay increase would make in meetings within elected leaders.²⁸ Though disappointed not to win the full increase they were seeking, campaigners did garner a commitment to a \$3 dollar per hour increase over two years—a meaningful raise for many home care workers in the state.²⁹

Co-ops can also help to provide a basis for occupational mobility. According to Hernandez, more administrative staff are former home care workers than other comparable agencies.³⁰ At Community Care Cooperative, cross-training enables several members to work both as home care workers and CHWs. This flexibility permits people to work more hours, and it also provides a path for home care workers to gradually move into more lucrative CHW roles—a title that could see increased demand through new federal funding commitments.³¹

For Zenayda Bonilla, who immigrated to the U.S. from El Salvador

in 2003, joining Golden Steps created a new sense of possibility. Having cared for her father while he was ill with terminal cancer, caregiving evoked pain. In Golden Steps, however, she found a nurturing community that helped her to embrace the skill she brought to the role. The co-op's training regimen also provided a sense of professional identity that eventually enabled Bonilla to envision and pursue an evolution in her journey as a care provider. Today, she is studying to be a social worker even as she helps Golden Steps navigate a challenging phase exacerbated by the stresses and strains of the Covid-19 pandemic.³²

Building Wealth

Through shared ownership, building wealth is a well-documented potential benefit of co-op membership. Many home care co-ops in the U.S. are not structured in a way that directly generates wealth for members through shared ownership. However, higher pay rates at co-ops like Golden Steps can make it easier for workers to build up savings or avoid going into debt.³³ At CHCA, those who elect to become members do become shareholders, which entitles them to dividend payments in some years.³⁴ All CHCA workers who pass the probationary period are also eligible for healthcare and other benefits that bolster their economic security.

The potential for cooperatives to build wealth and long-term economic security extends beyond the world of work. After several years in development, Heartsong Caregiver Cooperative recently launched in Washington State, which is home to several home care worker co-ops.³⁵ The co-op has 14 members from a

24 Berry, D. P., & Schneider, S. (2011). Improving the quality of home health aide jobs: A collaboration between organized labor and a worker cooperative. *Employee ownership and shared capitalism: New directions in research*, 59-89.

25 See <https://www.phinational.org/empowering-home-care-workers-through-participatory-management/>.

26 Interview with Denise Hernandez, May 5th, 2022.

27 For more on the evolution of the relationship between CHCA and 1199SEIU, see Berry, D. P., & Schneider, S. (2011).

28 Interview with Kim Alleyne, June 6th, 2022.

29 See <https://www.timesunion.com/state/article/Wages-for-home-care-workers-to-increase-by-3-17078683.php>.

30 PHI, a research and policy organization that CHCA helped launch, also piloted an Enhanced Home Health Aide training program a few years ago - a program that showed promise but would require new public investment in order to create a sustainable job ladder at scale. See http://www.nyc.gov/html/sbs/downloads/pdf/quality_home_care_program_guidelines.pdf.

31 See <https://www.hhs.gov/about/news/2022/04/15/hhs-announces-226-million-launch-community-health-worker-training-program.html>.

32 Interview with Zenayda Bonilla, April 28th, 2022.

33 Many smaller domestic worker co-ops are structured as marketing referral co-ops, which are simpler to run administratively than more traditionally structured worker co-ops. Essentially, workers pay a membership fee for access training and different back-off services, including referrals, but contract with clients directly. For more on the distinction between marketing referral co-ops and more traditional worker co-ops, see Krishna, G. J. (2013). *Worker Cooperative Creation as Progressive Lawyering: Moving beyond the One-Person, One-Vote Floor*. Berkeley J. Emp. & Lab. L., 34, 65.

34 A share at CHCA costs \$1,000 and can be paid for through payroll reduction. The value of the share does not change over time. See <https://www.co-opsnow.org/examples/cooperative-home-care-associates-chca>.

35 For a map of where home care worker co-ops were located as of 2020, see ICA Group (2020). *2020 Home Care Cooperative Benchmarking Report*, p. 3.

variety of backgrounds working in the private pay segment of the market. According to Kathie Rivas, Heartsong's Administrator, she and five other co-op members live in Whispering Pines, a 55-home mobile park that became a resident-owned co-op community in 2013. The development provides residents with secure and relatively low-cost housing. It has also proved to be fertile ground for recruiting new members into Heartsong, creating a multifaceted network of mutualism and cooperation.³⁶

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Centering equity and inclusion is critical to ensuring that co-op development presses in the direction of social inclusion, racial and gender equity, and economic justice.


As Richards from the Community Care Cooperative points out, co-ops can increase "wealth" in a variety of ways that include not just building up economic assets but augmenting social capital and enhancing self-efficacy.³⁷ These modes of wealth building have both a collective and an individual dimension. And Bonilla's trajectory shows how the two are interlinked in ways that can spill over to the benefit of surrounding communities. During the pandemic, she helped 50 others apply for financial support from New York State's Excluded Workers Fund—an accomplishment noted when she was named "Cooperator of the Year" by the U.S. Federation of Worker Cooperatives in September 2022.

Significant wealth is generated through what co-op members build among themselves. But an

important question for the future is how co-ops providing home care and other essential services can be better supported to build and grow in ways that advance equity and inclusion at scale for multiple stakeholders.

THE ROUTE AHEAD

With demand for home care set to continue its rapid growth, worker co-ops can help to empower home care workers, support their ability to build economic security, and provide a foundation for the delivery of high-quality care. Below are some key action areas that could help to advance the development of home care worker co-ops as part of a larger systems change strategy for the industry. Across these areas, explicitly centering equity and inclusion is critical to ensuring that co-op development presses in the direction of social inclusion, racial and gender equity, and economic justice.


 **Training and education** Building accessible and sustainable training infrastructure could provide a foundation for creating home care co-ops at greater scale.³⁸ As Richards suggests, this training should be trauma-informed, accounting for the multiple ways in which experiences of racism and sexism inform the building of cooperative connections among frontline care workers. Meaningful, measurable commitments to anti-racism at an individual and organizational level are also essential for all of those within the ecosystem.


 **Development financing** As Minsun Ji highlights in her piece in this issue of the *Cooperative Business Journal*, there are numerous private sources of capital that can help to support co-op development in historically

marginalized communities.³⁹ Public funding that preferences minority and women-owned businesses could also provide support. And, to help embed home care co-op development within public delivery systems, public funding for long-term care could be routed to support co-ops and other high-road models that benefit different stakeholders.

 **Cooperation among cooperatives** Many home care workers experience the impact of structural racism and other related inequalities along multiple fronts. They also frequently have experience with a variety of different forms of cooperation and mutualism.⁴⁰ The example of several Heartsong Home Care Cooperative members being members of the Whispering Pines Cooperative residential community illustrates the potential for weaving together different co-op sectors in ways that deepen community and advance economic security.

 **Cross-movement connections** The growing interest of unions in supporting co-op development within the healthcare system and other sectors could help to build the cooperative economy at greater scale while connecting deep workplace democracy with broader structural power.⁴¹ In addition to supporting co-op startups and conversions, unions and other movement allies could help to support co-ops by mobilizing the buying power of their members and constituencies, as well as collaborating with co-op leaders on supportive policy and legislation.⁴²

 **Policy advocacy** As CHCA's role in the Fair Pay for Home Care Campaign demonstrates, co-ops can help to elevate the voices of frontline workers within policy debates around investments that directly affect pay and other conditions. Of course, a variety of policies at different levels of government can also support co-op development—for example, in addition to support for training and direct funding support for the creation of co-ops, giving workers a "right of first refusal" in cases where existing owners plan to exit could help facilitate conversions to worker ownership.⁴³

 **Changing the narrative** Even as the Covid-19 pandemic and recent movements challenging structural racism and sexism highlight deep inequities across the care sector and other social arenas, business as usual largely prevails. Highlighting stories such as those sketched above can demonstrate the leadership and ingenuity of those facing steep odds in forging a better way. It can also help to foster wider commitments to supporting models that deepen democracy, raise standards, and address critical community needs.

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36 Interview with Kathie Rivas, August 30th, 2022.

37 Interview with Assata Richards, September 1st, 2022.

38 Thanks to Maru Bautista, former director of the Center for Family Life's Cooperative Development Program, for highlighting this issue for me. As a recent *Cooperative Article Journal* article pointed out, there are a variety of government training and workforce development programs that could help to sustainably build such infrastructure. See Theodos, B., Edmonds, L., Scally, C.P. (2021). Power in Purpose. *Cooperative Business Journal*, Winter 2021.


39 Ji, M. (2022). "Doorway to Dreams: How Worker Cooperatives Improve Financial Futures for Precarious Workers." *Cooperative Business Journal*, Fall 2022.

40 This includes rotating credit associations. For more on rotating credit associations in immigrant communities, see Sensenbrenner, J., & Portes, A. (2018). Embeddedness and immigration: Notes on the social determinants of economic action. In *The sociology of economic life* (pp. 93-115). Routledge. Focus groups conducted by the 1199SEIU co-op exploratory committee revealed a rich array of experience with cooperation and mutualism among members, including rotating credit associations, housing cooperatives, and neighborhood and school associations. See Pinto, S. (2021). Economic democracy, embodied: A union co-op strategy for the long-term care sector. In *Organizational imaginaries: Tempering capitalism and tending to communities through cooperatives and collectivist democracy*. Emerald Publishing Limited.

41 See Schlachter, L. H. (2017). Stronger together? The USW-Mondragon union co-op model. *Labor Studies Journal*, 42(2), 124-147; Pinto, S., Kerr, C., & Criscitiello, R. (2021). Shifting power, meeting the moment: worker ownership as a strategic tool for the Labor movement.

42 I owe this insight to Adria Powell, CEO at CHCA.

43 Gowan, Saoirse (2022). Right to Own: A Policy Framework to Catalyze Worker Ownership Transitions. *The Next Systems Project*.



The cooperative model challenges the status quo and offers workers—especially workers of color—an alternative to extractive systems. While not a new intervention, cooperatives remain a powerful way to disrupt income inequality, steward community ownership, and create vital, vibrant places of opportunity through democratic ownership and asset building. The cooperative business model offers minority women the ability to access more autonomy, independence and wealth. Despite the many opportunities the cooperative business model presents, the cooperative industry has a problem. >>

EMPOWERED ENTREPRENEURS

LEVELING THE PLAYING FIELD FOR
MINORITY-LED COOPERATIVES

BY CHYNNIQUE ROSS, ESQ.

The problem of lack of representation exists within every industry in the business world, including cooperatives. Women of color are waging an uphill battle to address what is broken, but it is becoming more and more apparent that

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Cooperative developers and industry leaders can carry the torch by deliberately promoting and practicing racial equity and unlearning racist attitudes and stereotypes.

they cannot do it alone. There have been efforts to put a bandage on the problem—hosting DEI initiatives or occasionally investing in a minority-founded cooperative.⁴ But overall, diversity has been slow to come to the cooperative industry.

Lead by example

Cooperative developers and industry leaders can carry the torch by deliberately promoting and practicing racial equity and unlearning racist attitudes and stereotypes. Becoming a fully inclusive, anti-racist, multicultural organization requires action and is part of a continual practice and journey. In the short term, the cooperative industry must track its progress against actionable goals while developing a long-term strategy to transform its business, policies and culture.

1 The focus of this article is on Black cooperatives in America, particularly the frustrations and the roadblocks in their way. The solutions provided in this article may also be applied to other women of color who experience significant barriers to establishing and maintaining successful cooperative enterprises and how the larger cooperative industry can assist in breaking down those barriers.

2 “Co-ops Have the Power to Transform the Future of Work and Racial Equity for Communities of Color,” Capital Impact Partners, <https://www.capitalimpact.org/coops-have-power-transform-future-work-racial-equity-communities-color/> (last visited Oct 24, 2022)

3 Id.

4 “Why DEI and Anti-Racism Work needs to Decenter Whiteness,” Forbes, <https://www.forbes.com/sites/janicegassam/2021/02/15/why-dei-and-anti-racism-work-needs-to-decenter-whiteness/?sh=397846035886> (last visited Oct 24, 2022)

5 McKinsey on Cooperatives, https://www.mckinsey.com/~media/mckinsey/dotcom/client_service/strategy/mckinsey%20on%20cooperatives/pdfs/mck_on_cooperatives-full_issue.pdf (last visited Oct 21, 2022)

6 Id.

7 Id.

Organizations must remain transparent by sharing updates and learnings as the cooperative world continues to advance and evolve this work.

Collaborate: Are there organizations in your region trying to address racism? What are they doing? Could your organization derive mutual benefit from collaborating? Invite cooperative leaders from these organizations to speak at your board meetings about their work. Consider if there are ways you could support them.

Understanding unmet needs

Asking what people want before acting is a more respectful approach to any support effort. There are a lot of basic things that non-minorities are disconnected from. Still, those in leadership are often assumed to know better than the members of cooperatives when it comes to the needs within their communities.

Research has revealed that many cooperatives lack the marketing expertise to understand the unmet needs of their current customer base effectively, often due to their highly decentralized structure.⁵ Cooperative employees and leaders have said that their organizations have difficulty attracting talented young people, who view them as less exciting than public companies.⁶ Cooperative development leaders and agencies can play a vital role in assisting cooperatives and their agility in adapting their recruiting and training practices to suit the needs and interests of younger people.⁷

The cooperative industry needs to catalyze the tremendous pool of talent and energy that minority founders represent. Traditional technical assistance must be reconceived to adeptly assist minority cooperative businesses that will ultimately create new jobs and build overall community wealth. To make the cooperative industry truly open to communities of color, one theme LaDonna Sanders Redmond, a Black activist and DEI coach, emphasizes is the importance of addressing oppression at multiple levels—personal, cultural, institutional and structural.⁸

According to Sanders Redmond, in dismantling structural racism in cooperatives, it is essential to apply an intersectional lens to understand, for example, “the ways that sexism and racism intersect to oppress Black women” and how, more broadly speaking, interlocking oppression plays out.⁹ Sanders Redmond also emphasizes the importance of decentering the cooperative origin story of the 1844 Rochdale Pioneers in England and recognizing that while the legal, economic cooperative form may date from 1844, economic cooperation itself has a far longer and older history that is deeply rooted in communities of color.¹⁰

Increasing access to social capital

The proposed solution to address racial and gender disparities minority cooperatives and their leaders face must start with the understanding that these challenges exist because of the social identity that is unique to minorities.¹¹ The cooperative industry must understand

8 “Co-op Movement Confronts its Complicated Relationship with Racial Equity,” Nonprofit Quarterly, <https://nonprofitquarterly.org/co-op-movement-racial-equity/> (last visited Oct 21, 2022)

9 Id. at Nonprofit Quarterly

10 Id.

11 Nanaa Younge, *Black Women Entrepreneurs: Understanding the Challenges and Proposing Policy for Equitable Change*, Merrimack ScholarWorks, 10-11 (2021)

12 Id.

13 See, Nanaa Younge, *Black Women Entrepreneurs: Understanding the Challenges and Proposing Policy for Equitable Change*, Merrimack ScholarWorks, 6-8 (2021)

14 Id.

15 Id.

16 Id. at page 27

how various challenges affect minority co-ops and what policies perpetuate unfair outcomes. Initiatives such as minority business accelerators, incubators and organizations like the U.S. Small Business Association (SBA) provide support. Still, many of these organizations do not offer technical support for cooperatives. Policies must be in place that provide equitable guidelines on supporting minority cooperatives adequately.¹²

According to Harvard Business Review, the qualities of determination, leadership, and other interpersonal skills contribute to business owners’ success.¹³ The successful entrepreneur formula combines the three most important variables that have propelled them to succeed.¹⁴ Although the elements of success vary across business sections, three foundational elements must be in place for all successful entrepreneurs: business relationships, capital

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The cooperative industry needs to catalyze the tremendous pool of talent and energy that minority founders represent.

and entrepreneurial skills.¹⁵ But the successful entrepreneurship formula, as mentioned before, takes on a different shape when minorities are the focus.¹⁶

Like the need to mentor young women



New York City-based Custom Collaborative Co-op empowers Black and brown, low-income and immigrant women who have been excluded from entrepreneurship with the tools and platform they need to launch sustainable businesses in the fashion industry. Photo: Capital Impact Partners

throughout their high school and college years, networking opportunities for minority women in the business arena could yield significant professional growth and lead minority women to begin their co-op businesses. The importance of strong local networks is not well understood or appreciated by policymakers.¹⁷ Networks are essential because they link cooperative leaders to potential sources of capital, new employees, strategic alliance partners, and service providers such as lawyers, accountants and consultants.¹⁸

Minority women entrepreneurs must create their own networks because they are not part of traditional networks and may not be total participants in the new network of

entrepreneurs.¹⁹ For example, most Black women entrepreneurs rely on family, friends, credit cards, banks and home equity for startup investments.²⁰ The dynamic of how partnerships are created proves that Black women are often left out and must be validated by the “old boys club” in specific industries.²¹ This ultimately means that Black women business owners do not have the same access to influential relationships and partnerships needed to build and expand their businesses as their white counterparts.²² The lack of connections make it difficult for cooperatives owned by women of color to be noticed and sought out if these women are not in the same networks they need to grow and scale as their successful partners.²³

18 Id.
19 Id.
20 Id.
21 Id.
22 Id.
23 Id. at page 31

Cooperative networks often have a supportive infrastructure, along with accountants, consultants and lawyers who understand cooperatives’ unique and varied needs.²⁴ It is clear that Black women are not progressing at the same rate as their counterparts because they are not being developed, provided mentorship, sponsorship, or promoted.²⁵ Earlier this year, a survey revealed that female entrepreneurs with a mentor (73 percent) are more likely to feel well-equipped with the necessary resources to grow their businesses than those without.²⁶ Making those connections and building relationships is more critical than ever.²⁷

Building supportive and sustaining environments

Black-led cooperatives are still solving problems and creating opportunities today. We can support cooperative efforts that work to dismantle racism and continue to work to ensure everyone is welcome in the cooperative industry. Black women in particular endure systematic oppression directly linked to a long history of racial and gender inequality that affects their entrepreneurial experience.²⁸ The challenges related to solid business relationships, access to funding, and opportunities have prevented Black cooperatives from achieving success.²⁹ When Black cooperatives fail, our economy and society suffer because they represent a significant percentage of entrepreneurs who cannot reach their fullest potential.³⁰ Change is needed on a systemic level to address the inequalities that

24 Id.
25 Id.
26 See, Jeffery McKinney, “15 Black Women Business Owners Win Grants of \$10,000 Each to Help Grow Their Firms,” (2020), <https://www.blackenterprise.com/15-black-women-business-owners-win-grants-of-10000-each-to-help-grow-their-firms/>.
27 Id.
28 See, Nanaa Younge, *Black Women Entrepreneurs: Understanding the Challenges and Proposing Policy for Equitable Change*, Merrimack ScholarWorks, 5 (2021)
29 See, *Id.*
30 Id.

Black cooperatives experience.³¹

The simple and obvious, but still not practiced, solution to this problem is to allocate more funds to women of color—namely, Black women. Giving to these women must also be tracked to ensure that these leaders understand the investment trends. Individuals must actively seek to progress on a path to anti-racism within themselves. Listening to women of color and their lived experiences and educating oneself about the topics of race and sex is the responsibility of every individual.

Women of color need strategies and interventions that support their resilience and demonstrate that the cooperative industry fully embraces them. They need to work in supportive and sustaining environments that recognize their struggle against the lingering effects of institutionalized race and gender discrimination

Women of color need strategies and interventions that support their resilience and demonstrate that the cooperative industry fully embraces them.

and other barriers to the executive suite. Finally, women of color need access to world-class executive education programs and opportunities to engage and network with world-class leaders.

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31 Id.

PEOPLE OVER PROFITS

BY MIKE SCHENK

NEW POLL CONFIRMS MEANINGFUL, MEASURABLE
"CREDIT UNION DIFFERENCE"

The nation's 5,000 credit unions serve over 130 million members, making the U.S. credit union system the largest and most important network of financial cooperatives in the world. >>

Wakota Federal Credit Union offered Mariana and her family a lower rate on her car loan through an innovative lending approach, ensuring reliable transportation and reducing the likelihood of income disruptions. Photo: Romulo Ueda/Filene



As not-for-profit, member-owned and democratically controlled depository institutions, credit unions deliver big financial and nonfinancial benefits. Unlike banks, credit unions have no stockholders, which means they return profits directly to consumers—not to outside investors. Credit union management is firmly focused on maximizing service to members. Credit unions are smaller, have a more local presence, and provide a more personal approach to consumer service. These unique characteristics produce significant pro-consumer outcomes for credit union members—and for society at large.

The Credit Union National Association (CUNA)'s 2022 National Voter Poll reflects the beneficial effects of these outcomes. The poll includes questions about financial institutions and their effectiveness in improving consumer financial well-being and in advancing the communities they serve. The online panel survey, conducted by Frederick Polls in January 2022, is based on a nationally representative sample of 2,500 voters (with a margin of error equal to + 2 percent). Questions center on financial behaviors and outcomes, trustworthiness and connections to the local community.

Survey results unambiguously reveal that credit union members view their credit unions much more favorably than non-members view their banks and/or other service providers across every performance metric evaluated. The differences we find appear to stem from credit unions' more consultative approach, more consumer-friendly pricing, thoughtful products and services, and an overall sense of trust these institutions foster.

Weathering times of crisis

The financial and economic effects of the COVID-19 pandemic are persistent and profound. Many consumers' financial well-being has declined markedly.

Clues to these challenges can be found in the Financial Health Network's Financial Health Pulse 2021 U.S. Trends report. The 2021 Trends report shows aggregate financial health improved modestly during the pandemic, with trillions of dollars of government aid and economic support modestly boosting the aggregate readings.

The report, however, emphasizes most people in the U.S. continue to struggle with their financial health. Long-standing disparities in financial health

by race, ethnicity, gender and income remain large, with some continuing to grow. For example, men have seen their financial security increase while in many cases women haven't, according to the Financial Health Network. Economists and demographers have long recognized growing income and wealth disparities in the U.S.—with increasing financial vulnerabilities that make it more challenging to weather economic downturns.

The Pew Research Center's 2020 report on economic inequality, for example, uses Census Bureau data and analysis to study growing gaps in both income and wealth over a half-century. Between 1970 and 2018, lower- and middle-income household share of aggregate U.S. income fell 20 percentage points (from 72 to 52 percent of aggregate income). Over the same time period, lower- and middle-income household share of aggregate U.S. wealth fell 18 percentage points (from 39 to 21 percent of total aggregate wealth). CUNA's 2022 National Voter Poll confirms these broad dislocations and uncovers significant challenges and concerns around consumer financial well-being.

Advancing financial well-being

Credit unions exist to improve financial well-being for all. The specific wording varies, but the essence

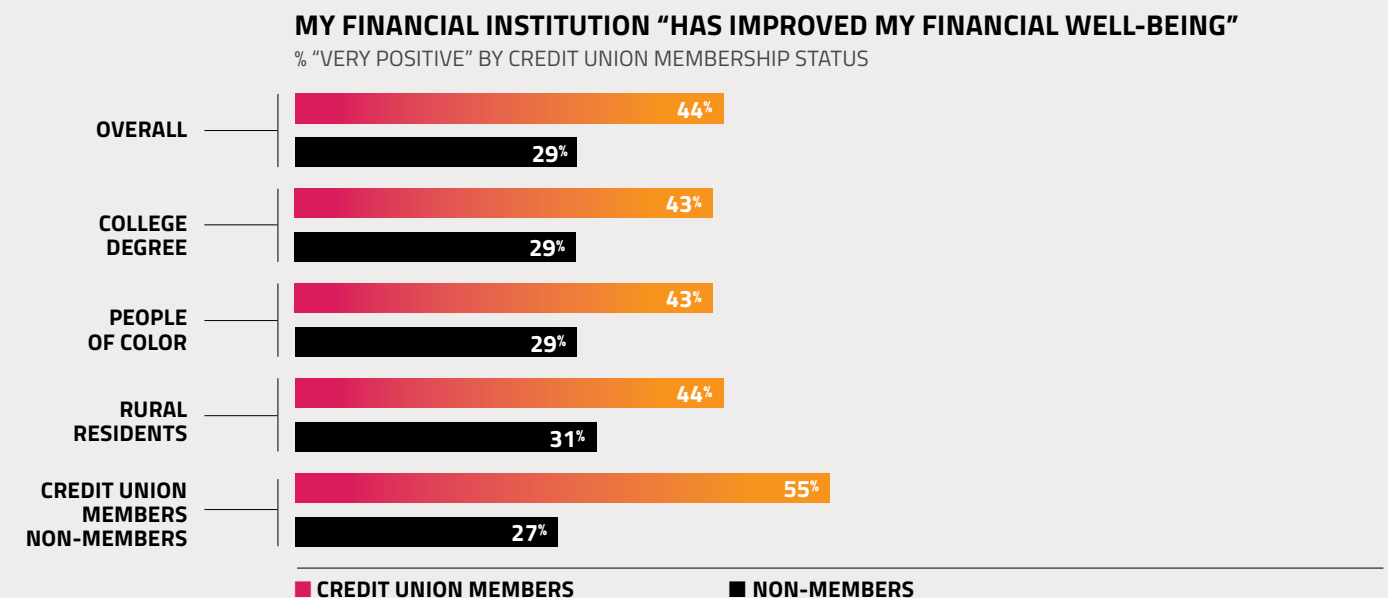
of this commitment is codified in each credit union's bylaws.

Credit unions have delivered on that promise since their start in the U.S. in the early 1900s. Their unique not-for-profit, member-ownership structure produces obvious favorable outcomes—especially in times of crisis. And CUNA's 2022 National Voter Poll uncovers a meaningful, measurable "credit union difference" around financial resilience and financial well-being today.

Indeed, 88 percent of credit union members say that their credit union cares about their financial well-being. Credit union members are 1.5 times more likely than nonmembers (by a 42 to 29 percent margin) to respond very positively to this idea.

Polling shows that this feeling credit union members enjoy—of being cared for and looked after by trusted advisers—is rooted in members' economic outcomes. A sizable percentage of members—88 percent—say that their credit union has improved their financial well-being.

Credit union members are 1.5 times more likely than nonmembers (by a 44 to 29 percent margin) to be passionate about this, saying that they feel



“very positive” about the ways their institution has improved their financial well-being. In addition, the percentage of credit union members who feel “very positive” about impacts to personal financial well-being is quite high—even within demographic segments that endured high financial stress during the pandemic.

These key differences between members and non-members aren’t terribly surprising. Financial well-being has an obvious connection to financial education and financial literacy—and credit unions excel on this front. National Credit Union

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Even within demographic segments that endured high financial stress during the pandemic, a high percentage of credit union members feel “very positive” about their financial well-being.

Administration (NCUA) Profile Report data shows that 86 percent of credit union members have access to financial education/literacy programs at their credit union.

It’s also true, however, that financial health and financial well-being depend on much more than education and literacy.

According to the Consumer Financial Protection Bureau (CFPB), financial well-being includes both what people do with their money and how they feel about their money. CFPB’s formal definition of financial well-being is “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life.” This definition encompasses the idea of security and choice, both in a consumer’s current situation and in the future.

The Financial Health Network identifies four key components of “financial health.” These include spending, saving, borrowing and planning.

CUNA’s 2022 National Voter Poll draws on both concepts, exploring how consumers feel about their finances and how they behave. Survey results show that—across the board—credit union members fare better than non-members.

Spending

A significant percentage of U.S. households report difficulty paying bills for basic living expenses. Many consumers say they live paycheck-to-paycheck, and substantial proportions routinely spend more than they earn. A wide variety of recent reports confirm these outcomes.¹

Ninety percent of all credit union members say their institution makes it easy for them to manage their finances. Further, credit union members are 1.2 times more likely than non-members (by a 49 to 40 percent margin) to have strong feelings on this issue—responding “very positively” to the idea that their financial institution makes it easy to manage their finances.

In addition, more than half (54 percent) of credit union PFI members say this is the case, making them 1.4 times more likely than non-members to report that they feel strongly about the difference their institution makes in reducing financial friction and spending money wisely.

Saving

Nearly one-third of consumers, and 30 percent of those surveyed in the National Voter Poll, say they don’t have at least \$500 cash or equivalent to meet unexpected expenses such as a medical bill or car repairs.

This overall lack of access to funds approximates, but is modestly lower than, results reported in the most recent Federal Reserve Survey of Household

Economics and Decision-making (SHED).²

Consumers who don’t use credit unions are nearly two times more likely than their counterparts who are credit union members to say they don’t have ready access to \$500 for an emergency expense.

Survey results show that 38 percent of non-members but only 22 percent of credit union members don’t have such funds available. Similar large differences are seen across every demographic group studied. The differences are important because maintaining a modest emergency cash fund or savings account is widely recognized as a key contributor to financial resilience.

Research from the CFPB clearly shows that small, unexpected expenses—such as a car repair or a modest medical bill—can be a hardship for many families. According to the CFPB, disparities in financial well-being are greatest between subgroups that have different levels of liquid savings. CFPB research shows that the average financial well-being score for adults with the lowest level of savings (less than \$250) is 41, which is roughly 40 percent lower than the average score of 68 for adults with the highest level of savings (\$75,000 or more).³

Research from the Financial Health Network similarly reveals that among people who faced major medical expenses, those without emergency savings were 1.5 times more likely to face hardship than those who had started to save for emergencies. The benefits of establishing and maintaining rainy day funds can be felt relatively quickly. People who start saving for emergencies experience measurable benefits both in how they think about planning for emergencies and in how they manage their finances within 12 months according to the Financial Health Network.⁴

Borrowing

Having access to credit is critical to financial well-being and resilience. Affordable credit can help consumers make key purchases. Affordable automobile loans, for example, help ensure access to reliable transportation to work and to reduce the likelihood of income disruptions. Similarly, affordable home loans give many the opportunity to work toward financial security and to build intergenerational wealth.

Consumers with access only to lower-quality, higher-cost credit sources are likely to experience lower levels of financial health. Small-dollar credit and other responsible lending products and services help millions of households to better manage budget volatility, cover unexpected expenses, and reach financial goals.

CUNA’s 2022 National Voter Poll results reveal credit unions excel in providing access to consumer-friendly, affordable credit. In total, 86 percent of credit union members say that their institution makes it easy for them to get loans. And credit union members are two times more likely than non-members (by a 44-to-22 percent margin) to have strong feelings on this issue—responding “very positively” to the idea that their financial institution makes it easy to get loans.

Importantly, credit union members are likely to say it is both relatively easy to get a loan at their credit union and to say they can obtain an affordable loan from the credit union. Overall, nearly half (49 percent) of credit union members say their institution provides low-cost loans—a far higher percentage than seen among non-members. Just over 23 percent of non-members say they can get a low-cost loan at their institution.

Three of the four key demographic groups examined are at least two times more likely than

¹ See for example, Lending Club. New Reality Check: <https://www.lendingclub.com/asset/lc/cms/media-center/12th-pay-check-to-paycheck-report.pdf?v=7499f609-777c-4fc4-89a8-b50ed1ccb8d2>.

² Federal Reserve Report on the Economic Well-Being of U.S. Households in 2020.

³ Consumer Financial Protection Bureau. “Financial well-being in America.” September 2017. P.6.

⁴ Financial Health Network [Emergency Savings Initiative](#).

their counterparts who don't use credit unions to express very positive views about their ability to obtain low-cost loans.

Planning and counseling

As noted earlier, credit union regulatory filings show that 86 percent of credit union members have access to financial education/literacy programs at their credit union. In addition, those filings reveal that 79 percent of members have access to formal financial counseling services at their credit union.

These services help people manage their money and plan for their future. Widespread access to these services is especially important because financial counseling and the associated planning process often leads to greater financial resilience. These services boost confidence and increase adoption of good financial habits like regularly

saving money, managing money effectively and reducing debt burdens. CFPB research shows a clear, measurable and meaningful benefit to these outcomes: Higher levels of knowledge, confidence and adoption of positive habits are associated with higher average financial well-being.¹

It is important to note that not all consumers who use counseling services do so voluntarily. For example, some lenders require counseling for those with marginal credit before they originate a loan. In addition, some borrowers are legally obligated to obtain counseling when they fail to make contractual loan payments or prior to obtaining credit (e.g., student loan borrowers). While CUNA's 2022 National Voter Poll didn't ask respondents what motivated them to use counseling services, their overall experiences seem to encourage them to adopt healthy financial habits, reduce fragility and improve financial well-being.

In any case, CUNA's 2022 National Voter Poll results reveal that credit union members are twice as likely to use financial education and counseling services. Overall, 44 percent of credit union members take advantage of these services, compared to only 22 percent of non-members.

Credit union members in every demographic group are nearly twice as likely than their nonmember counterparts in the same demographic group to say they use financial education and counseling services.

Trust, service and community focus

In addition to examining issues directly related to financial well-being, CUNA's 2022 National Voter Poll also considers several factors that are indirectly (and perhaps less obviously) connected to the concept.

We see trust, for example, as foundational. In addition, responsiveness is central to effectively delivering on the promise of financial well-being. The COVID-19 pandemic accelerated and magnified the demand for responsiveness from financial institutions. Exponential growth in competition from unregulated fintech looms large. Digitization and the need to reduce friction are the cornerstones of almost any strategic conversation in the financial services arena—nudging consumers at exactly the right moment is critically important to favorable outcomes.

Beyond this, consumers—especially young consumers and people of color—seek relationships with organizations that have an obvious commitment to both “themselves” and their broader community as expressed in corporate mission, values and in daily operations and personal interactions.

The 2022 CUNA National Voter Poll investigates each of these foundational elements because they are associated with building deep, meaningful and long-standing relationships. These elements provide important clues around institutional capability and commitment to

improving consumer financial well-being. As shown in Figure 2, credit union members are more likely than non-members to view each of these ancillary measures in a “very positive” way.

Building financial resilience

Many consumers in America are financially unwell. The lack of financial resilience is especially pronounced in key demographic groups and financial disparities have grown in the wake of the COVID-19 pandemic. Much work needs to be done to improve financial health in America.

CUNA's 2022 National Voter Poll suggests financial institutions that prioritize the needs of their members, employees and community usually outperform those that pursue other approaches to creating value.

As not-for-profit, member-owned and democratically controlled depository institutions, credit unions deliver big financial and nonfinancial benefits to their members. Because credit unions have no outside stockholders, they return profits directly to consumers, and their unique structure ensures credit union management stays firmly focused on maximizing service to members.

These characteristics unambiguously translate to greater financial resilience and less financial fragility for credit union members.

Activities that lead to more consumer participation in credit unions, including policies that improve consumer access to credit unions, would clearly help millions of Americans—especially those who reflect low financial resilience, and including those who were hardest hit during the pandemic.

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1 Consumer Financial Protection Bureau. “Financial well-being in America.” September 2017. P.8.

FIGURE 2: TRUST, SERVICE AND COMMUNITY FOCUS

% “VERY POSITIVE” BY CREDIT UNION MEMBERSHIP STATUS

