



This report is a co-production of Democracy at Work Institute and the U.S. Federation of Worker Cooperatives



Democracy at Work Institute  
US FEDERATION OF WORKER COOPERATIVES



"This type of transition from top-down corporation to a democratically-run cooperative is radical in that it bucks the trend of the powerful conglomerates that one might think of when they think of American business.

**But it's also a surprisingly pervasive and traditionally American way of doing business."**

- Anzilotti, E. (2018, October 12). Why the cooperative model needs to be at the heart of our new economy. *Fast Company*.

# STATE OF WORKER COOPERATIVES IN THE U.S.

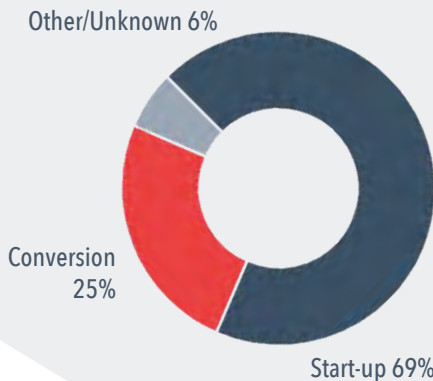
# 2017





## HOW WORKER CO-OPS GET STARTED

The rate of new startups each year remains steady at about 25 new firms per year, while the rate of converted businesses is growing at a small pace.



## INDUSTRIES

Major industry concentrations remain primarily in retail trade; professional scientific, and technical services; as well as administrative, support, waste management, and remediation services.



## COMPENSATION

At a worker cooperative, compensation is measured in terms of both wages and patronage. Patronage, the worker-owner's portion of the profit, can make a significant difference in annual compensation.

### ENTRY WAGES + PATRONAGE

The entry level wage paid at all reporting worker cooperatives ranged from \$8.50 / hour to \$100 / hour, with many clustered around

**\$12-\$15  
PER HOUR**

Worker co-ops that distribute surplus as patronage to members have a wide distribution of payments from \$700 to \$1,960,000 to the collective membership, with a median total patronage of

**\$33,697  
PER YEAR**

## PAY RATIO

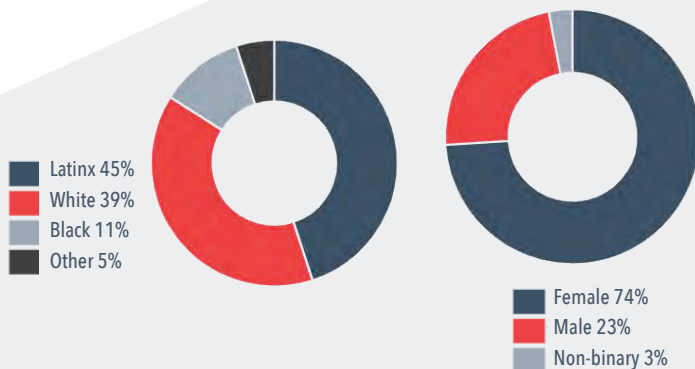
The vast majority of worker cooperatives have maintained a

**2-TO-1**

top-bottom pay ratio or less.

The average large U.S. corporation has a CEO-to-worker pay ratio of 303-to-1. This ratio indicates that worker cooperatives are prioritizing the reduction of internal inequality over other compensation goals.

## RACE AND GENDER



2017 had significantly more reported female workers, likely due to more home care, child care, and cleaning cooperatives reporting. Additionally, there was a large increase in non-binary reporting, from 43 to 102 workers.

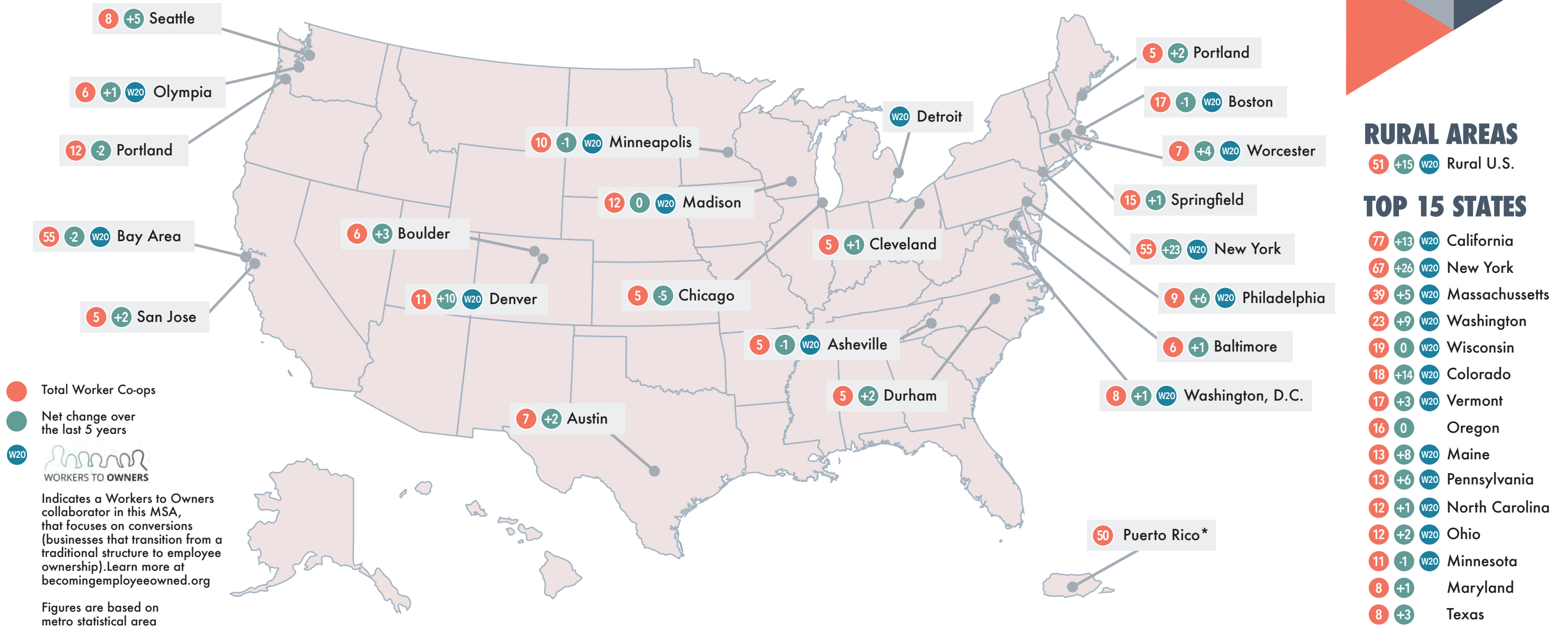
# WORKER COOPERATIVES AND DEMOCRATIC WORKPLACES IN THE UNITED STATES

## WORKER COOPERATIVES ACROSS THE U.S.

▶ **450\* KNOWN  
WORKER CO-OPS**

▶ **6,734  
WORKERS**

▶ **\$467,420,871  
GROSS REVENUE**



### THE TYPICAL WORKER CO-OP...

▶ **EMPLOYS  
9 WORKERS**

▶ **BRINGS IN A MEDIAN  
REVENUE OF \$588,698**

▶ **HAS A 3.7%  
PROFIT MARGIN**

▶ **PAYS AN AVERAGE  
WAGE OF \$15.82\*\***

\* Includes 394 worker cooperatives verified operational in 2017, a net +6 increase for 2018 (early count, not included in our survey), and 50 Puerto Rican worker cooperatives (also not included in our survey). \*\* Based on 2016 data, due to insufficient data reported in 2017.