

# A Union Toolkit for Cooperative Solutions



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## Abstract

Labor unions and worker-owned businesses share the objectives of generating better jobs and giving workers control over their workplaces. The scaling of worker ownership paired with unionization offers pathways to expanded worker power and wealth-building for working people. The purpose of this paper is to show strategies used by labor unions to support the creation of worker cooperatives and other worker-owned businesses. It gives a brief overview of the potential for unionization and worker ownership to strengthen workers' rights, and a list of seven union resources to use toward the creation of worker-owned businesses. The paper includes seven case studies of interaction and collaboration between labor unions and worker-owned entities, in which unions get out their tools to apply their power and capacity toward worker ownership for expanding avenues for worker power.

### This Report:

- ↳ Shares key lessons on ways labor unions are interacting with cooperative businesses to expand worker power through ownership and democratic governance.
- ↳ Demonstrates the consistent ways and means that unions are collaborating with economic changes and the development of cooperative economies.
- ↳ Offers a toolkit for those interested in broadening strategies for owning and controlling places of work.

### The Goal of this Report is to:

- ↳ Learn from others.
- ↳ Use narratives as ways to hear and then replicate what works.
- ↳ Expand the power and influence of the union movement towards the cooperative ecosystem of our next economy.

### Made possible by:



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# Acknowledgments

In every crisis one can find opportunity. Even the most recent crises—a pandemic and a racial uprising—offered an opportunity to the Community and Worker Ownership Project (CWOP) at the CUNY School of Labor and Urban Studies (SLU) to convene what UFCW Local 1500 President Robert Newell referred to as a chance to bring *“our hearts and minds to advance a better, more healthy and equitable economy for working people.”* We acknowledge and thank NYC Mayor Bill de Blasio and J. Phillip Thompson, Deputy Mayor for Strategic Policy Initiatives, for convening the advisory councils for racial equity and economic recovery and inviting CWOP to participate. Those discussions enabled us to expand our conversation with labor and workforce development leaders and develop the content for this report.

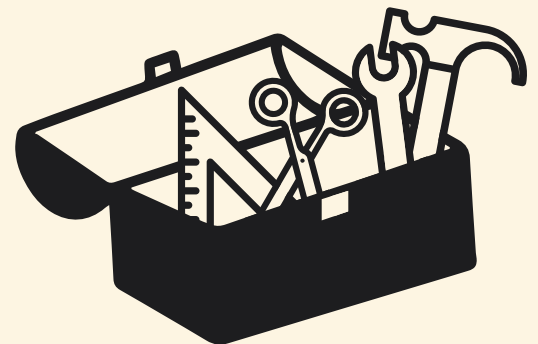
We thank the following individuals for their time and for letting us capture their stories in lengthy interviews. Adria Powell, CEO/President and Denise Hernandez, Vice President of Human Resources of CHCA; Keith Joseph, Vice President of Home Care Division and Guadalupe Astacio, 1199 Home Care Organizer from SEIU1199; Neil Gladstein, former Director of Strategic Resources, International Association of Machinists & Aerospace Workers for the story of Lobster 207; Troy Walcott, President and Founder and Erik Forman, independent cooperative developer with People’s Choice Communications; Aaron Brenner and Dennis Olson of UFCW for their help with the story of Homeland Grocery; Ra Criscitiello, Esq., Deputy Director of Research, SEIU-UHW West for documenting so fully the work at SEIU-UHW and their cooperative development; Kristen Barker, Executive Director and Ellen Vera, Director of Development & Co-op Organizing of Co-op Cincy; Lela Klein, Co-Director at Co-op Dayton; Branden Martin with The Working World and Armando Robles, UE 1110 President and Worker-Owner at New Era Windows Cooperative.

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# Introduction

If there were any doubts that we live in a world loaded with inequities, COVID-19 came in the spring of 2020 to cast them away. And then followed a racial awakening for all who may not yet have been woke with the mass awareness of George Floyd's murder. These events, filled with losses, turmoil and trauma beckoned everyone to consider new and different solutions for economic and racial justice. At this tipping point, we quickly shifted norms of how business gets done and how goods get delivered. Amidst this context, the city convened Advisory Councils for the immediate needs of crisis management and information dissemination. The Community and Worker Ownership Project, (CWOP) at the CUNY School of Labor and Urban Studies was tapped to join the Labor and Workforce Development Sector Advisory Council. At the end of the Council's tenure, eighteen members signed on to form the Cooperatives Solutions Working Group.

Over the next year, a dynamic environment was created where leaders could discuss themes of worker power, worker ownership, and collaboration for a just economy.

Drawing from a wide assemblage of union leaders, organizers, nonprofit executives, cooperative developers, cooperative business owners, labor lawyers, government officials, and bankers, we shared honestly, bringing forward lived experiences, and challenges faced and conquered. More than 200 people attended the monthly meetings, with over 60 being regular attendees. (Many sessions were reported on in the CWOP Blog and can be seen [here](#).) Fundamentally, we saw what worked when unions collaborated with worker-cooperatives, discovering that, when unions brought their tools to the challenge, stronger solutions could be established.

This report highlights the union tools used to bring impact and tells the stories of seven different cooperative business solutions using those tools. Through these examples we see how union power supports worker co-ops and how unions can deeply collaborate with the cooperative economy to build worker power to effectively own and control places of work for a more just, joyous and equitable world. ●

“The Cooperative Solutions Working Group was exactly what I needed—thoughtful, connected and soul-nourishing conversation. I am grateful for the vision to not stop the work after the Mayor's Advisory Council, and instead, we put this opportunity in front of us in this open and expansive way. I am also grateful for all the folks who join the sessions. I believe we are creating pathways to a more equitable, just and collaborative tomorrow and beyond.”

**Adria Powell, President and CEO of Cooperative Home Care Associates (CHCA),  
the largest union co-op in the nation, operating from the South Bronx, NYC.**

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“It doesn’t matter what work you do, you’re entitled to live a decent life and that is the cooperative movement, that is the labor movement, that is the social justice movement. We are in our separate lanes but I think we all need to understand that the goal is the same for all of us and to the extent, we can work together, we should.”

**Arthur Cheliotas, President Emeritus of  
Communications Workers of America, Local 1180**

# Executive Summary

This report documents how unions have played a strong role in cooperative business development. The goals of the union movement and the worker-cooperative movement are closely aligned. Both aim to give workers power and agency at work. Each strives to build wealth for the working class and practice democracy in their organization. We take lessons learned in the year-long Cooperative Solutions Working Group and demonstrate success through seven case studies. We identify six tools unions have when they organize, with the added pre-requisite of openness to innovative organizing. Once a union can approach a challenge with openness (which we consider the toolbox for all the other tools) they can utilize these tools;

- 1. Openness to innovative organizing**
- 2. Staff time and professional expertise**
- 3. Union facilities and real estate**
- 4. Training funds and educational expertise**
- 5. Access to capital and relationships to financial institutions**
- 6. Negotiation skills and collective bargaining agreements**
- 7. Sectoral analysis and legislative organizing**

The case studies we examine include the story of an occupation and takeover turned buy-out in Chicago with United Electrical Workers Local 1110 in the instance of New Era Windows. Cooperative Home Care Associates in the Bronx shares how the partnership of SEIU1199 brought legislative heft and collective bargaining acumen to help them grow and expand in a tightly regulated market. Lobstermen in Maine with the International Association of Machinists, District 4 learned how to organize for regulatory changes, purchased a production facility and formed a marketing cooperative. Striking workers from Spectrum Cable in New York City, members of IBEW Local 3, formed People's Choice Communications in an attempt to enter the market as a worker cooperative to compete with the company they were striking against. United Food and Commercial Workers Local 1000 played a key role in negotiating an ownership transition to 100% employee ownership of over 79 locations of Homeland Supermarkets across Oklahoma, Kansas, Georgia, and Texas. SEIU UHW-

West in Oakland, California, incubated and supported the creation of both a Licensed Vocational Nurse Cooperative and AlliedUP Cooperative, a staffing agency for allied healthcare professionals who had been pushed into the gig economy. In Ohio we examine a powerful model where multiple unions back a geographic approach for building a network of cooperatives for a foundation of economic solidarity. Coop Cincy (in Cincinnati) and Coop Dayton are each incubating cooperative businesses and have benefited from support of United Steelworkers Sub-District 5, the Cincinnati Building Trades, the Cincinnati AFL-CIO Labor Council, United Food and Commercial Workers (UFCW) Local 75, the Cincinnati Federation of Teachers, and the International Union of Electrical Workers-Communication Workers of America (IUE-CWA).

The stories of the tools applied in each case can help both unions to understand how they can support cooperative businesses and cooperatives to understand how unions can help to strengthen their power and influence. Often the measure of efficacy of a union is to have a good fight with the boss for workers' terms of employment, (wages, benefits and conditions). Some see a challenge for a union's role in a worker cooperative, where the workers are the owners of the business. Some ask, "If the workers are the owners, then who do you fight?" Without a good fight, but with plenty of challenges, a worker-cooperative business has to make the company function well on multiple fronts. They are committed to a double bottom-line; good for the company earnings and good for the workers. Unions often play a role of leveling a playing field across an industry, impacting regulations for multiple employers in that market, while knowing they represent only some workers in that sector. This work of raising the floor of standards can help cooperatives as well as unionized businesses. Consider the campaign for \$15 an hour. Led by a union movement, it has impacted workers more broadly than any one company and illustrated how union power can help many workers. Having a positive impact on an individual cooperative business and its workers, a union can serve as an outside advocate for a cooperative who can help set standards and have influence beyond their own firm.

This Toolkit is offered as a prompt for activists and leaders in both the union movement and the cooperative movement to see how more power and influence for good jobs can be forged when the power is combined. ●

# Background

Over the last four decades, pay for the vast majority of Americans has stagnated while the wealthiest among us have grown richer, leading to a dramatic rise in income inequality.<sup>1</sup> All the while, deeply-rooted racial wealth gaps have persisted. According to 2019 data from the Federal Reserve Bank, Black and Hispanic median household wealth remain staggeringly low, at \$24,100 and \$36,100 respectively compared to \$188,200 for white households.<sup>2</sup> The COVID-19 pandemic has exacerbated these inequities, exposing the long-standing injustices in social and economic policies that fail to provide workers meaningful income and democratic power, from ownership to wages to working conditions. Today policymakers and agents of change in both New York City and across the nation are working toward an economic recovery that aims to repair the damage of the pandemic and uplift the long marginalized and exploited.

**Labor unions** function to advance the interests of working people and families. The Economic Policy Institute found that unions not only improve wages and benefits for their members, but all workers. Since the second half of the 20th century, labor unions have been under continuous attacks from conservative lawmakers and powerful corporations. Data suggests that this weakening of the American labor movement has directly led to rising economic inequality.<sup>3</sup> Unions use their legislative and organizing heft to raise the floor on wages and standards for good labor standards. This has shown wide-ranging results in every sector where they organize. As we work to build a just economy in which wealth is shared fairly, labor unions will be key actors in generating worker power with broad political impact.

**Cooperatives** have a long and rich history in human development. In the modern, westernized context, cooperatives operate as cost-neutral businesses that prioritize meeting member needs. Cooperatives are social-economic organizations that help people have agency in their economic life and exist through mutual aid. There are essentially four types of cooperatives: producer, worker, consumer, and solidarity (see glossary). Each type of co-op is differentiated based on the class of membership; who are the owners, who makes the big decisions, who ultimately benefits. An overarching

philosophy of each type of co-op is One Member: One Vote. Cooperatives operate based on a set of values, ethics, and principles known as the “Cooperative Identity” established by the International Cooperative Alliance in 1995.<sup>4</sup> Worker cooperatives identify the workers as the members and focus on the needs of their members by providing safe, humane, and democratic workplaces and compensation that generally exceeds the industry average for their sector. While cooperatives are corporations, they operate on this democratic basis of one-member, one-vote as opposed to one share, one vote. The board of directors of a worker co-op consists of a majority of worker-members. The management structure of worker co-ops tends to operate along a continuum from pure collectives using consensus to traditional hierarchies in which a manager makes most operating decisions, and the board oversees the manager. If the worker cooperative shows a surplus, the surplus is generally allocated back to the members based on their inputs (hours worked or total wages earned) with part of the surplus retained in the member’s equity account. The big decisions of reinvesting any surplus back into the business and back to the members are typical challenges in a successful worker-owned cooperative. The value of “Solidarity” is regularly referenced and refers to the fact that an entity formed on these values will identify collective strength and mutual responsibility of the members as a culture at its core.<sup>5</sup>

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Although often obscured within the rich history of American labor activism, labor unions have shared roots with worker-ownership. The Knights of Labor, a formidable labor federation in the late 19th century, centered the creation of worker cooperatives as one of its core objectives. The Knights of Labor worked to establish agriculture cooperatives of formerly enslaved people



in Louisiana, as well as a cooperative amongst striking workers at a Brooklyn watch manufacturer.<sup>6</sup> Recognizing enslavement as the most horrible form of exploited labor, (with a note of recognition of its current day iteration in the prison industry), a foundational aspect of our labor movement came through the struggles and liberatory journeys of enslaved and freed people. Illustrated by WEB DuBois in his formidable piece, "Economic Co-operation Among Negro Americans", 1907,<sup>7</sup> we see how cooperative work roots deeply workers' struggle for freedom at work.

Now, as communities throughout the US work to survive this period of economic hardship, many champion alternative economic models using cooperative ownership and democratic governance as part of their strategy. Unionized cooperatives and wider collaboration between unions and worker-owned businesses offer a compelling strategy to address the failures of the capitalist economic system. The Community and Worker Ownership Project, (CWOP) at the City University of New York's School of Labor and Urban Studies designed this metaphor of a toolkit to effectively foster the pairing of unionization with worker ownership to promote more pathways to worker control and economic democracy. The seven case studies in this report detail interactions between unions and worker-owned businesses and demonstrate how unions can direct their resources toward the advancement of worker ownership.

CWOP prioritizes the intersection of organized labor and worker ownership because unionized cooperatives can protect the interests of workers. Worker ownership promises to increase workplace democracy and workers' share of the wealth they generate. However, to ensure the centrality of worker's voices, when unions exist within a cooperative workspace there is an effective process for a check and balance. Unions offer collective bargaining agreements, clear grievance procedures, and other practices to ensure worker-owned businesses develop both a culture of ownership and worker power. Unions can also help cooperative businesses to connect to broader movements toward economic and social justice. They can use their vast connections, knowledge and resources to help foster worker co-ops as successful, unionized, high-road businesses.<sup>8</sup> Unions can bring together sector-wide approaches for regulations that raise the floor for wages and benefits and set standards for safe and democratic working conditions across multiple employers. While unionizing a cooperative firm can bring more members

to a union, it can also help unions to show proudly what a good company with worker control can look like. And for cooperatives, it can mean expanded power and resources for effective play in the larger sector and broader economy.

"I was pleased to be able to invest the time and energy of our team to understand the cooperative solutions for the economy. The goals of this working group are utopian, but it is the hope and vision of a utopia, starting in our hearts and minds, that will allow us to advance a better, more healthy and equitable economy for working people."

**Rob Newell, President Local 1500 UFCW**

The toolkit outlines high-level takeaways on the potential for labor unions to advance worker ownership. We identify essential tools or resources already available that unions can apply to the development of best practices for the involvement of unions in worker-owned entities. Each case study explores the role the union played in helping to develop worker-owned businesses with attention to which tools were brought out of the toolbox by the union. We close with final conclusions on strategies for unions to advance worker ownership, toward the goal of expanding unionized worker-owned entities. ●

# Glossary

## Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations of the members, jointly-owned and democratically-controlled by the members of the enterprise. The different types of cooperatives maintain similar principles of One member: One Vote with common adherence to the Cooperative Principles.<sup>9</sup> What varies in different types of cooperative is who qualifies for membership. The class of membership is a significant differential for who decides in critical aspects of the entity.

## Consumer Co-op

A cooperative owned by the consumers. The consumers serve on the Board of Directors and benefit from surplus, (profits). Workers for the co-op may be members, but their membership class derives from being a consumer. Often, workers who are members have limited ability to serve on the board of directors. (Example: REI, Park Slope Food Coops, Lower East Side Credit Union).

## Ecosystem

A network of interconnecting systems that features, in this case, the care and concern for a geography, its people and environment. When looking at a cooperative economic ecosystem, one looks at the exchange and delivery of services and production for all that the local populace needs. Supply chains and standards for good work and justice are all considered for a system that is designed and developed with all living systems taking into account.

## EOT

An Employee Ownership Trust is a perpetual trust that enables a company owners to sell their business to a trust that provides financial benefits and governance rights to employees, without the cost and complexity of creating an Employee Stock Ownership Plan (ESOP). It is a profit-sharing plan

that allocates profits to employees and is managed under a trust agreement that provides for employee governance rights. It avoids key ESOP concerns including: 1) there is no obligation to repurchase stock from departing employees, as employees do not own the stock; and 2) the company can remain employee owned perpetually, and cannot be forced to sell to an outside buyer.<sup>10</sup> (Example: Arbor Assays<sup>11</sup>)

## ESOP

An Employee Stock Ownership Plan is a benefit plan in which part of the compensation for workers is diverted into shares of the company which will be paid out to the employee after they retire. It is managed by a trustee who generally votes the shares (although there are situations in which the shareholder votes). The Trustee must act in the best interest of the shareholders (return on investment). Workers must meet requirements to join the plan. The percentage of ownership by employees varies and the CEO is often a majority shareholder. (When 100% employee-owned the structure benefits the workers closely to that of a Worker-cooperative.) ESOPs have significant tax advantages. (Example: Bob's Red Mill, Homeland Supermarkets).

## Marketing Co-op

A type of producer cooperative used by business owners to collectively market goods and services. Food producers might sell a percentage of their produce or catch to the co-op which then packages and sells under a brand (example: Ace Hardware, Carpet One, Sunkist, Lobster 207).

## Multi-Stakeholder or Solidarity Cooperative

A type of cooperative in which the membership consists of more than one class of owners, such as workers, producers, consumers, community members or volunteers. Generally, there is an intentional allocation of board seats between the different stakeholder

groups or interested parties. Unlike a consumer co-op, workers have a distinct ownership path based on their employment. In a community setting there may be a membership class for community members widening the web of power for governance. The ideal is that the different member classes have equal voting power. Sometimes referred to as hybrid cooperatives. (Central Co-op, 5th Season Co-op, Sunset Park Solar, Gem City Market, Our Harvest).

## Platform Co-op

A cooperatively owned, democratically governed business that establishes a computing platform, and uses a website, mobile app or a protocol to facilitate the sale of goods and services. A growing movement for technology-related work and app-based businesses, it features the cooperative principles in ownership and governance with a focus of fairness, suggesting uses of the commons not as a source for profit but for the service and engagement of the workers, the users and the relevant stakeholders. (Co-op Ride, Fairbnb.coop, Stocksy United, Up & Go)

## Producer Co-op

A cooperative owned by producers. Producers may be sole proprietorships, partnerships, LLCs, S Corps, or Cooperatives. These co-ops help members achieve scale in the market (for sales and purchases) and control the commons (natural resources). The members are the owners of the business and if they have employees, the workers have no membership rights. Often referred to as Agricultural Co-ops. (Example: Organic Valley, Land O'Lakes, Cabot Creamery)

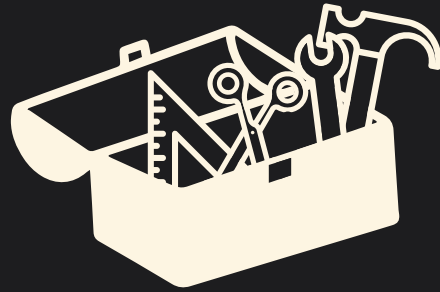
## Union-Coop

A worker cooperative in which the workers have a collective bargaining agreement or other specific affiliation through a labor union. The method in which the union and cooperative governance structures interact is varied but clear in the operating documents to advise in employment standards and grievance handling through a Collective Bargaining Agreement. In some cases a union helps in early stages to establish the worker cooperative and lay the groundwork for employment standards. Early stage cooperatives can include a union neutrality agreement as a way to establish intentions. (Example: Cooperative Home Care Associates, Sustainergy, Lobster 207, Our Harvest)

## Worker Cooperative

A cooperative business in which an enterprise where workers manage the operations and meet the common economic, social, and cultural needs and aspirations of the members, jointly-owned and democratically-controlled by the members of the enterprise. Surplus (profit) is shared with the members at year's end with clear intentions to continue investing in the company and the workers. (Example: Opportunity Threads, Yard and a Half, Arizmendi Bakery)

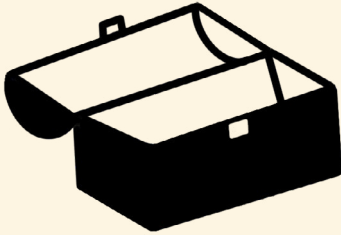
# The Toolkit



## Union Tools for Cooperative Solutions

Unions have a rich arsenal of tools they use as they organize and strengthen worker rights. The various departments and joint labor-management funds provide tremendous resources for applying wit, influence and power to a problem. Here we use the metaphor of a toolkit to illustrate how a tool can be used when taken out of the toolbox and used in a new circumstance. Below is a non-exhaustive list of seven union tools for the development of worker ownership:

## 1 Openness: The Toolbox That Holds All Other Tools



Every case of union/cooperative collaboration revealed a fundamental practice of **openness to innovative organizing** and a willingness to try something new. This included a group of workers coming up with the idea to purchase the firm which employs them, an organizer identifying worker cooperatives as a solution in an exploitative industry, and executive leadership signing off on the use of union resources toward these goals. Openness to innovative organizing is more than a tool. It speaks to the broad context of readiness that is required by a union to advance worker ownership. It often presents itself as a leader who is willing to try new ideas, or one who gives an “early adopter” free rein to try new things. Openness can be seen as the toolbox which holds all the other tools.

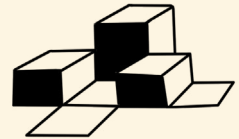
## 2 Professional Expertise



In cases of union support for worker ownership, the **dedication of union staff and professional expertise** became a crucial tool. This includes assigned-time for people to focus on these projects. Paying organizers, strategic researchers, and staff counsel; the full time or part time commitment of a union staff person to the development of a cooperative. Industry research, legal expertise and a passion to organize are key to the success of using these resources as a tool for cooperative solutions.

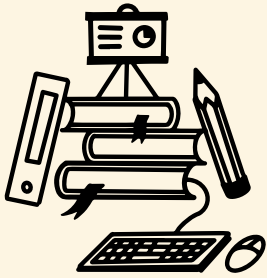
## 3 Use of Union Spaces

The use of **union facilities**, both physical and relational, can bolster innovation towards collective ownership. Over decades, many labor unions have accrued property that is useful in meetings between workers. Whether a local union hall, a training center, or a retreat space, use of union spaces



helps under-resourced start-ups or groups of workers to feel hosted with dignity and comfort. They can learn together, strategize, and build community. Often these spaces come with staff of their own, facilities that include lodging and dining, state of the art technology, and professional facilitators. (Control of land use is a very different issue, but we can recognize that land matters and real estate matters and when we can share it we can do more with it.)

## 4 Training Funds



Union **training funds and educational programs** can be useful in addressing the significant need for worker-owner training in cooperative development. The non-profit status of some union training funds can be utilized toward

grant-funding for workforce development strategies. This can bring training to non-incumbent, (or new) workers for preparation of joining a cooperative, the industry, and the union. Training funds can also be leveraged to expand the educational options available to worker-owners at unionized cooperatives opening up career pathways beyond the single company to the broader industry where the union organizes and has employment contracts.

## 6 Contract Negotiations

The contract **negotiation process** can be essential in securing pathways to worker ownership. In unionized workplaces, a local can



negotiate for a right of first refusal, meaning the right for workers to purchase the firm which employs them before other bidders. Locals can also help workers to negotiate with management over terms of an ownership transfer. Within a unionized cooperative, a **collective bargaining agreement** can establish fair employment and management practices, ensuring that worker representation is built into the operating documents and decision-making of the firm.

**These tools, although a non-exhaustive list, offer insights into ways for unions to support and lead efforts to scale up worker ownership. The following seven case studies show how they are put to use in an array of industries and contexts.**

## 5 Access to Capital

Access to capital can be one of the most significant barriers to worker ownership. Unions can increase **capital access**, either through direct material support for cooperative



development projects or through the leveraging of **relationships with financial institutions**.

This can include loans to cooperative start-ups from unions with favorable terms, or outreach to banks and credit unions to aid in securing a low-interest or no-interest line of credit and/or serving as a loan guarantor.

## 7 Sectoral Analysis

Unions are known to apply **sectoral analysis**, which can assist cooperative businesses in understanding the rules and regulations of the market within which they operate. Often familiar with the constraints and opportunities for businesses in their sector, labor unions use market analysis and **legislative organizing** to develop opportunities for good jobs. This sectoral approach can be indispensable to the creation of worker-owned



businesses within markets in which unions possess expertise. It ties into an approach for sustainable development that asks all stakeholders to consider the ecosystem they function in for impact on the people in the workforce and the community and for context of the supply chain and its effect on the environment. It connects well to “bargaining for the common good” where unions use their power and influence to improve conditions for many, beyond their own membership, including the broader community.

# The Case Studies



## Applying the Tools of the Toolkit

**Below is a brief description of the seven case studies, the unions involved, and the tools these unions brought to the projects. Each case study is linked to reveal the more full and inspiring details:**

1

## Cooperative Home Care Associates 1199SEIU United Healthcare Workers East

This case study describes the unionization of **Cooperative Home Care Associates (CHCA)**, the largest worker cooperative in the United States, affiliated with **1199 SEIU United Healthcare Workers East (1199SEIU)** as a unionized cooperative, based in the South Bronx. At the time of printing this report they employ over 1,700 workers with almost 1,000 worker-owners. CHCA was founded in 1985, through an anti-poverty program at **Community Services Society, (CSS)**, and became unionized in 2003. The case explores how the cooperative and union collaborated for better regulations and reimbursement rates from State Medicaid for home care work. This collaboration points to a need that is now well acknowledged in our economy as the ever growing “care economy”. **Tools used include: openness to innovative organizing, dedication of union staff and professional expertise, use of training funds and education, negotiation processes/a collective bargaining agreement, and a sectoral approach to organizing.**

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## Maine Lobstering Union Lobster 207 IAM District 4

This study centers on the **Maine Lobstering Union**, an affiliate local of the **International Association of Machinists and Aerospace Workers, (IAM District 4)** and a marketing cooperative of the Maine Lobstering Union, **Lobster 207**. Both founded in 2013, IAM District 4 helped the workers design a strategy when regulation classified each worker as an independent contractor, revealing a strategy that can be applied to terms and conditions of gig work. **Tools used include: innovative organizing, dedication of union staff and professional expertise, relationships with financial institutions, union facilities, training funds and education, and a sectoral approach.**

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3

## New Era Windows United Electrical, Radio and Machine Workers of America Local 1110 The Working World

**New Era Windows Cooperative**, a windows and doors manufacturer in Chicago, Illinois, was born of struggle with the combined efforts of **UE Local 1110** members and a cooperative development organization called **The Working World**. Unionized workers occupied and recuperated their factory and converted it to a cooperative with favorable terms for what could be seen as a hostile buy-out. **Tools used include: innovative organizing, contract negotiations, capital access, and dedication of staff expertise.**

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## People's Choice Communications Cooperative International Brotherhood of Electrical Workers Local #3

**People's Choice Communications** is designed as a multi-stakeholder internet service provider cooperative created by **Local Union No.3, IBEW** members. People's Choice was founded in 2019 by striking workers from Spectrum Cable in New York City. As the settlement was not going in the direction of a new contract, union members organized a cooperative to compete in the industry and to build in the voice and power of local consumers. **Tools used include: innovative organizing, sectoral approach, facilities, and members access to benefit funds.**

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5

## Homeland UFCW Local 1000

**Homeland Supermarkets** converted to 100% employee ownership through an Employee Stock Ownership Plan in 2011, with Homeland workers' union **UFCW Local 1000** playing a key role in negotiating the ownership transition. The grocery firm operates 79 locations and employs around 3,000 workers across Oklahoma, Kansas, Georgia, and Texas. **Tools used include: innovative organizing, dedication of union staff and professional expertise, relationships with financial institutions, and a sectoral approach/market analysis to secure an ESOP deal and the negotiation process that centered workers' voice in governance and control.**

[Read More](#)

6

## LVN Cooperative AlliedUp cooperative SEIU United Healthcare Workers West

In this case study, we see how **SEIU UHW-West** in Oakland, California, incubated and supported the creation of both a **Licensed Vocational Nurse Cooperative** and **AlliedUP Cooperative**, a staffing agency for allied healthcare professionals. As the Care Economy has shifted quickly to include many job misclassifications that have placed health care workers into gig-like terms of employment, this mode creates a worker-owned staffing agency that can corner the labor supply and leverage union relationships with hospitals and clinics to supply quality trained workers to the industry. **Tools used include: innovative organizing, dedication of union staff and professional expertise, sectoral analysis, training funds and expertise, and contract negotiation.**

[Read More](#)

## 7

## Co-op Cincy Co-op Dayton

**Coop Cincy** and **Coop Dayton** are two networks that focus on building ecosystems for a cooperative economy, based out of Cincinnati, Ohio and Dayton, Ohio respectively. Multiple unions have been collaborators with these projects. These include the **United Steelworkers Sub-District 5**, the **Cincinnati Building Trades**, the **Cincinnati AFL-CIO Labor Council**, **United Food and Commercial Workers (UFCW) Local 75**, the **Cincinnati Federation of Teachers**, and the **International Union of Electrical Workers-Communication Workers of America (IUE-CWA)**. The model includes looking at the economy of a region and seeing what industries are needed and where unions can help and shared features of education, incubation, regulation and financing can be applied. **All seven tools were repeatedly applied; innovative organizing, dedication of union staff and professional expertise, use of union spaces, training funds and education, access to capital, negotiations and a sectoral approach.**

[Read More](#)

Co-op Cincy, Union Co-op Symposium

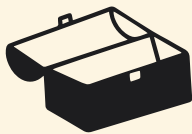
Case Study 1



# Cooperative Home Care Associates



# 1199SEIU United Healthcare Workers East



Innovative Organizing



Professional  
Expertise



Training Funds &  
Programs



Contract  
Negotiations



Sectoral Analysis

## Introduction

It would be impossible to discuss collaboration between labor unions and worker cooperatives, particularly in New York City, without exploring the story of Cooperative Home Care Associates (CHCA) and 1199SEIU United Healthcare Workers East (1199SEIU). CHCA has grown over time to more than 2,000 workers with all 2,000 home care workers represented by the Union. While the numbers have ranged in the size of the firm, (particularly given the current pandemic), steadily through the years, full membership as cooperators has ranged from 50% to as high as 75% of the company. It is the largest worker cooperative in the United States and is located in the South Bronx, (one of the poorest urban congressional districts in the United States). CHCA worker-owners are dually certified as Home Health Aides (Acute Care) and Personal Care Aides (Long Term Care), and represented as members of 1199SEIU, a labor union of over 450,000 workers across the East Coast. CHCA members joined 1199SEIU in 2003, eighteen years after the cooperative's formation in 1985. Their unionization sheds light on how union representation benefits workers-owners. The story also demonstrates the advantages for labor unions in collaborating with worker-owned firms which share in their goals of worker empowerment.

## Background on CHCA

The story of CHCA begins in 1985.<sup>12</sup> The cooperative was born out of the Community Service Society, a long-standing anti-poverty organization in NYC. A staff team of the Community Economic Development Department, led by its Director, Rick Surpin and Peggy Powell, who would go on to become the Cooperative's first Director of Education and Training, designed and innovated the launch of the cooperative with 12 home-care workers. To understand the roots of the mission of CHCA, it is important to understand the conditions and context of home health aide work. It is a sector characterized by inconsistent and part-time schedules, low wages that often force workers to live in poverty, a lack of health insurance and other benefits, and high turnover. It is also a sector disproportionately



populated by low-income women of color (90% of home health aides are women, and more than half are racial and ethnic minorities).<sup>13</sup> As a sector, the bulk of Home Care business is constrained through the NYS Medicaid reimbursement rate schedule. CHCA's founders set out to improve conditions and wages for these workers by embracing a model of shared ownership.

A key element of CHCA's model for improving Home Health Aide work is education and training. Since 1991, training has been provided in conjunction with PHI, an independent nonprofit organization founded by CHCA which grants funding for workforce development.<sup>14</sup> Each year, PHI and CHCA assist more than 600 low-income New Yorkers to earn credentials needed to work as Personal Care Assistants and Home Health Aides.<sup>15</sup> The majority of these individuals are women of color and immigrants to the United States. CHCA also goes beyond the state-required training to better equip home health aides for success.<sup>16</sup>

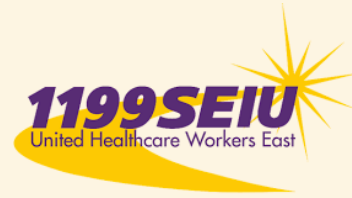
After completing training, individuals are placed in home health aide positions with CHCA. The cooperative boasts that workers are placed in positions which "recognize the dignity of their work and their value to the community".<sup>17</sup> Workers placed through CHCA are entitled to full-time hours, dependable scheduling, mentoring, job retention support services, and opportunities for career advancement. After 30 days on the job, workers become union members. Once on the job for three months, they are educated on worker ownership and given the opportunity to purchase ownership equity in the cooperative.<sup>18</sup> If a worker chooses to become a worker-owner, CHCA deducts \$50 from their paychecks as a down payment on a \$1,000 stock share. This \$50 does not have to be given at once, and the cooperative lends the remaining \$950 so that they are fully vested while they pay the balance over a five year period, at a rate of \$3.65 a week. The rest is repaid by the worker in small weekly payroll deductions. Workers-owners are able to participate in decision-making, and are able to vote in elections of 8 of the 14 members of CHCA's board of directors. After one year of ownership they are eligible to run for a position on the board.

CHCA has become the largest worker cooperative in the United States, with almost 1,600 employees who are union members and nearly 1,000 worker-owners/union members as of 2021. Although the cooperative experienced a decrease in its workforce following the pandemic, they

“Unionization has brought previously **untapped resources and support** to CHCA home health care workers.”

saw a greater retention rate among worker-owners than non-worker-owners. The cooperative provides care to 6,5000 people annually.

## Collaboration Begins Between CHCA & 1199SEIU



A relationship began to form between CHCA and 1199SEIU in 1987, only two years after the cooperative's formation. The union

was working on a campaign to increase wages for Home Attendants employed through city contracts with the Human Resources Administration. At the time, CHCA members were exclusively Home Health Aides and would not directly benefit from a wage increase for Home Attendants. Still, CHCA leadership saw it as an opportunity to support the larger movement for workers' rights in the home care industry and encouraged members to go to rallies and volunteer with the 1199SEIU campaign.<sup>19</sup> The 1199SEIU campaign was successful, increasing wages and benefits for home attendants by 42% over three years.<sup>20</sup>

The two organizations engaged with one another again in 1989, when 1199SEIU participated in the CHCA-organized New York City Home Care Workgroup. The group provided research on issues in the home health care sector and recommendations to improve both job quality for Home Health Aides and services for consumers. This was influential in New York State providing a labor market adjustment to home care employers, which CHCA used to increase compensation for home health aides.<sup>21</sup>

## CHCA Becomes Unionized Through 1199SEIU

From 1985 to 2001, 1199SEIU and CHCA were both deeply involved in efforts to improve pay, benefits, and conditions in the home health care sector. Yet they experienced some degree of separation due to 1199SEIU's focus on home attendants and CHCA's on home health aides. This dynamic shifted in 2001 when 1199SEIU expanded its organizing efforts to home health aides. In an

interview with the authors, 1199SEIU Vice President Keith Joseph shared that when the union became invested in unionizing Home Health Aides, they soon realized it would be critical for them to take a sectoral organizing approach. After successfully organizing Partners in Care, another home care agency, 1199SEIU was told by management that they wouldn't agree to a contract until the union had organized a majority of the industry's home health aides.<sup>22</sup> As a leading employer in the industry, CHCA became essential to 1199SEIU's strategy to secure better wages and benefits for all Home Health Aides.

CHCA senior managers were supportive of this effort, and began conversations among cooperative members about the potential benefits of unionization. Mr. Joseph admitted that at first, CHCA workers seemed skeptical of unionization. They thought that if they already had good benefits, access to training, and better pay than the industry standard, that the union had nothing to offer them. 1199SEIU organizers brought up other benefits the union could bring, especially the ability to lobby effectively and influence legislation that impacts home health care workers. CHCA workers were interested in how 1199SEIU had raised the hourly base wage to \$10 for home attendants and hoped the union could similarly fight for Home Health Aide wage increases.

1199SEIU and CHCA successfully negotiated a card-check neutrality agreement, allowing workers to sign a union authorization card rather than requiring an arduous ballot process.<sup>23</sup> The open and collaborative spirit between CHCA and 1199SEIU culminated in an official vote by CHCA's 1,600 home health aides to unionize in 2003. Thus, one of the nation's premier worker-owned enterprises became a unionized cooperative.

## How Unionization Has Benefited CHCA Members

Since its foundation in 1985, CHCA has made continuous efforts to improve pay and conditions for home health aides, as well as equip worker-owners with decision-making power in the cooperative. Unionization has brought previously untapped resources and support to CHCA home health care workers.

To understand why unionization was attractive to CHCA members, it is important to recognize the ongoing



sectoral challenges to improving wages and conditions. 70% of clients in home health care utilize government-funded care.<sup>24</sup> The reimbursement rates for this work are determined by the New York State Department of Health through their Medicaid Budget. This means that despite CHCA's mission to improve Home Health Aide work, it has been challenging to secure a wage significantly higher than the sector's prevailing wage due to the regulatory landscape. When CHCA first unionized in 2003, a key goal was for the union to help raise the wage floor for home health aides.

1199SEIU has been successful in leveraging its statewide political influence to win wage increases for Home Health Aides. In 2011, New York Governor Andrew Cuomo first signed the NY State Home Health Care Worker Wage Parity Law, for which 1199SEIU had strongly advocated. The law dictated a minimum wage increase for home health aide workers in New York City, Westchester County, and Long Island.<sup>25</sup> 1199SEIU and CHCA lobbied for further wage increases, and in 2020 the Wage Parity Law was amended to include a supplemental benefit for home care aides who perform

Medicaid-reimbursed work of \$4.09 per hour in New York City and \$3.22 per hour in Westchester, Nassau, and Suffolk counties. The supplemental benefit must be in addition to the base wage, which is the current state minimum wage (\$15 per hour in New York City, Long Island, & Westchester as of 2021).<sup>26</sup> The amendment also includes protections against wage theft for Home Health Aides.<sup>27</sup> Adria Powell, President of CHCA, said in an interview with the authors that the political heft of the union has been a significant benefit for CHCA workers, and that the wage parity law has been important for home care workers. She did note that enforcement of the law has been insufficient, leading to many non-unionized firms getting away with non-compliance.

In the eighteen years since their unionization, CHCA/1199SEIU members have seen a wide range of benefits beyond wage increases. As 1199SEIU members, CHCA workers have gained pathways to exercise agency beyond the realm of governance and participation within the single business. One key resource has been 1199SEIU Home Care Organizer, Guadalupe Astacio. Ms. Astacio spends every Friday at CHCA headquarters, where

workers coming to collect their weekly paychecks are able to learn more about union benefits, share concerns about working conditions, and receive guidance and support. Home Health Aides who are experiencing challenges at work are able to go to Ms. Astacio, who functions as an advocate for any workers facing issues within the cooperative. In several instances, she has successfully argued for the reinstatement of workers who were removed from their placements, finding solutions which work for the cooperative and the worker.<sup>28</sup> Access to the union's clear grievance process has ensured that workers are given a fair chance to be heard and redeem themselves when faced with on-the-job challenges, and this keeps more workers on a path to wealth-building within the cooperative. In a recent interview, Ms. Astacio shared that working with the cooperative on grievance issues is a collaborative process in which all parties work to find a suitable, fair outcome.

CHCA workers have also gained the ability to influence their cooperative through the Labor/Management Committee (LMC). Designed after 1199SEIU's unionization of the firm, it was made up of six workgroups which respectively influenced issues of service delivery, communications, child care, health care, employee morale, and integration of CHCA's relatively-new home attendant program. These workgroups created a more formal and accountable structure for CHCA members to give direct feedback on the practices and policies of the firm. Especially considering the membership of CHCA had grown as high as 2200, these clear guidelines for worker participation were essential in ensuring a deeply participatory culture at the cooperative. Given that the cooperative must balance worker needs with financial solvency and long-term success of the firm, the LMC and presence of the union representative have given workers more strategies to ensure their interests are centered in cooperative decision-making.

Education and training have been central to CHCA's mission since its foundation, but often the cooperative has been forced to limit some educational opportunities due to the firm's thin margins. CHCA has benefited from increases in training capacities through access to 1199SEIU's Training and Education Fund. In a 2010 interview with management scholar Daphne Berry, then-president of CHCA Michael Elsas said of this increased educational benefit: "It's about tapping resources that we have never been able to provide at the current

reimbursement rate. There's no way with our current wage and benefit structure that we could have also provided an education benefit to our home care workers. So this is very positive." The combined impact of the union training fund and PHI as a nonprofit industry training arm has led to member career advancement in the broader healthcare field as well as some members advancing to take on administrative roles in the cooperative.<sup>29</sup>

In the interview with the union representative Guadalupe Astacio, she identified that CHCA workers access the 1199SEIU training and education funds for GED classes, English Second Language (ESL) classes, and Certified Nurse Assistant (CNA) training. Several trainees/graduates have become phlebotomists, dieticians, and registered nurses. While this training makes it possible for some workers to advance from home health aide jobs to more clinical, often better-paid positions, CHCA president Adria Powell underscores the importance of a viable career track within long-term care. She shared that 1199SEIU and CHCA are collaborating to develop advanced tracks within home health care, which will be particularly crucial as the demand for these services continues to grow.

## How Partnership with CHCA Has Strengthened 1199SEIU

The eighteen-year partnership between CHCA and 1199SEIU has benefited not only the cooperative's members but the union as well. Labor unions are often forced to deploy defensive strategies, constantly attempting to block exploitative company practices. The relationship between 1199SEIU and CHCA has been quite different from this typical union-management dynamic. 1199SEIU Vice President Keith Joseph described it as a partnership built on the common goal of improved wages, conditions, and benefits in the home health care industry. Joseph states that in most cases, the employer is simply attempting to maintain control in relation to labor representation. But in the case of CHCA, the firm is looking to solve problems collaboratively with the union. CHCA President Adria Powell described it as a relationship built on trust and transparency.

Unionization of CHCA has also created steady, long-term membership growth for 1199SEIU. PHI and CHCA train 600 new individuals each year to enter home health aide





jobs. Trainees who are placed with jobs through CHCA become 1199SEIU members after 30 days of employment. In this way, the union continues to build membership while generating goodwill with newly-organized workers and their communities.

1199SEIU Vice President Keith Joseph and 1199SEIU union representative Guadalupe Astacio reflected on how CHCA can function as a benchmark in labor relations with other home health care agencies. They described the cooperative as the industry leader in terms of fairly compensating workers and devoting as high a percentage

of costs as possible to wages. Beyond just pay, Joseph and Astacio noted that CHCA provides workers with paid holidays, payment of accrued time, and other benefits. They shared that in contract negotiations with other agencies, CHCA can be referenced as what is possible within the sector. This can help negotiate better pay and benefits for home health workers across the industry.

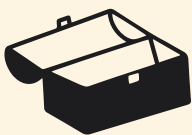
Although the partnership between CHCA and 1199SEIU has been successful, it has come with challenges as well. CHCA President Adria Powell reflected on the differing scopes of the two organizations. The cooperative is focused exclusively on home health care, while the union represents workers across many health care sectors. This has sometimes led to tension when the interests of different health care worker classifications conflict. But Powell shared that these challenges are met with a transparent and collaborative effort to find common ground from both sides.

## Takeaways

The story of CHCA and 1199SEIU offers lessons on how worker cooperatives and labor unions can work collaboratively toward shared goals. Before the unionization of the cooperative in 2003, CHCA and 1199SEIU largely utilized different strategies and remained in separate lanes in their respective efforts to improve conditions of home health care workers. This is not uncommon among labor unions and the cooperative movement. Both groups are striving toward greater worker voice and equitable distribution of wealth, yet collaboration between the two is not always the norm. The unionization of CHCA, and the relationship between union leadership and CHCA senior managers since, demonstrate how combined efforts between unions and cooperatives can expand access to a range of worker benefits, especially in sectors that oppress worker voice and exploit worker labor. It demonstrates how unionization can bring previously untapped resources and support to worker-owners, challenging the misconception that unionization is redundant in worker-owned firms. Finally, this case demonstrates how embracing innovative efforts to unionize worker cooperatives strengthens the labor movement, by directly expanding membership and increasing ties between labor unions and communities of low-income workers. ●

Case Study 2

# Lobster 207 IAM District 4



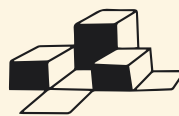
**Innovative Organizing**



**Professional Expertise**



**Access to Capital**



**Use of Union Spaces**



**Training Funds & Programs**



**Sectoral Analysis**

## Introduction

The story of the Maine Lobstering Union (MLU), known more informally as Lobster 207, begins in 2012. Maine's lobstermen,<sup>30</sup> those who catch and sell lobster for a living, were facing dire economic conditions. Lobster prices that lobstermen received had fallen to a twenty-year low, at \$1.80/lb.<sup>31</sup> The lobstermen, who are classified as independent contractors in the State of Maine, were not able to combine their selling power to leverage a better price. Rather, they were forced to accept the buying price of lobster wholesalers at the dock. The buyers were often representatives of large multinational companies that supplied seafood globally, who were looking to get the lowest price possible for the lobster.



Maine lobstermen began to strategize on how to fight for better catch prices. They knew they would not be able to continue operating with the historically low prices.

There was a trade association in the industry called the Maine Lobster Association, but it served the interests of buyers and wholesalers, whose desire for the cheapest price possible was in tension with the lobstermen's need to make a living income. Former International Association of Machinist & Aerospace Worker (IAM) Director of Strategic Resources Neil Gladstein shared that the lobstermen were so frustrated that they threatened to stop fishing until they could get a fair selling price. The State of Maine responded by threatening an antitrust lawsuit against the lobstermen, who as independent



IAM William W. Winpisinger Education and Training Center

contractors were not allowed to consolidate their economic power. The lobstermen saw no clear path toward economic justice.

## Efforts Begin to Organize Maine Lobstermen

In December of 2012, a lobsterman based in Vinalhaven, Maine was having dinner with his brother and describing the challenges he and other lobstermen faced. The brother, a shipyard worker and member of IAM District 4, suggested that the lobstermen meet with the Machinists Union.

Several Vinalhaven lobstermen reached out to the Machinists for guidance. They first met with Dave Sullivan, business representative for IAM District 4, and Joel Pitcher, an IAM member from a family of lobstermen.<sup>32</sup> The IAM staffers recognized that efforts to improve the economic standing of the lobstermen would not look like a traditional union organizing campaign: without an employer to negotiate with, the lobstermen could not gain a collective bargaining agreement. At the same time they recognized that the problems of the lobstermen were quite similar to those faced by Machinists members: Lobstermen were looking to leverage their collective power to gain agency over their working lives, and to make a living salary for themselves and their families. Dave Sullivan asked the Machinists Eastern Territory leadership for funds to support a nontraditional organizing effort for the lobstermen, and his request was approved. The lobstermen now had Dave and Joel helping them organize and strategize around finding solutions to their working problems. This also gave the lobstermen access to IAM resources for research, training, legal support, lobbying and communications; as well as the ability to get support from other unions and labor allies in Maine.

At the beginning of 2013 Machinists staff members began efforts to organize lobstermen, hosting gatherings for them to speak on their experiences and learn about union representation. By February of that year, 99 lobstermen had signed union authorization cards and became represented by the Machinists.

In the spring of 2013, the union invited a group of the lobstermen to an educational retreat at the William W. Winpisinger Education and Technology Center in Maryland. The trip was successful in developing a strategy

“Maine lobstermen were able to overcome a difficult regulatory and industry landscape to **take agency** over their working conditions, **demand fair pay** for their work, and have a **strong lobbying presence** in the State legislature.”

for the lobstermen to mobilize a base and leverage economic power, and it was successful in building a sense of cooperation and collectivism between the newly organized lobstermen and with the Machinists. When these lobstermen returned to Maine, they were able to grow their network of unionized lobstermen through strong organizing efforts.

## Formation of the Lobster 207 Union & Cooperative

In 2013, organized lobstermen began paying dues as affiliate members of newly created IAM Local 207, also known as Lobster 207. Machinists researchers and Lobster 207 members had begun to explore the creation of a cooperative as a strategy to get around antitrust laws and allow lobstermen to collectivize their selling power as independent contractors. IAM Lobster 207's full list of strategic thinking is below:

- ↳ Build collective power of Lobstermen as IAM members.
- ↳ Create a State-wide co-op to market lobsters, for union lobstermen to share in profits of Maine Lobstering Union co-op.
- ↳ Provide economic viability for lobstermen and their communities.
- ↳ Support lobstering as a career choice for the next generation.
- ↳ Support Maine businesses and the Maine economy.
- ↳ Increased political power and influence over regulation, locally and statewide.
- ↳ Engage in environmental activities, including working with environmental groups, to protect lobsters, their habitat, and the ecosystem of the Maine coast.
- ↳ Engage in other IAM union activities.

In September of 2013, the Machinists Union helped Lobster 207 to incorporate as a state-wide marketing cooperative. The cooperative, also referred to as Lobster 207, allows the lobstermen to work together to discuss pricing and other business activities without violating antitrust laws. In order to join the cooperative one was required to be a licensed Maine lobsterman or a sternman working on a lobster boat, to be an associate member of

Lobster 207, to live in Maine, and to be over 18 years of age. Some of the goals in creating a cooperative are listed below:

- ↳ Exemption from antitrust restrictions.
- ↳ Members are also Lobster 207 union members.
- ↳ Election of Local 207 board members who would also serve as the co-op's Executive Board.
- ↳ Members vote on major developments, and are not liable for Lobster 207's debt or obligations.
- ↳ Profit-sharing for members who sell their lobsters to Lobster 207.
- ↳ Group buying to reduce costs to Lobster 207 lobstermen: insurance, ropes, traps, fuel, bait, loans, mortgages, etc.
- ↳ Influence over future of industry as larger economic player.

With the creation of the cooperative, lobstermen gained control of their catch beyond the dock and the ability to negotiate a better wholesale price for their collective catch.

## Further Development of the Lobster 207 Cooperative

The legal formation of the cooperative did not immediately create a viable business model. The Machinists staffers and lobstermen knew that the key to creating a viable business would be the purchase of a lobster wholesale facility, which would allow the lobstermen to process and sell their catches without the need for a middleman. However such facilities were rare. In 2017 a family-operated lobster wholesale facility became available for Lobster 207 to purchase.

Lobster 207 members voted to purchase the wholesale company, and hire a CEO to oversee the operation. The plan was to give members the option to sell their catches to the facility which they would own. The purchase of the wholesale facility allowed lobstermen to generate greater value for their catches by maintaining control over a greater portion of the lobster supply chain.

The Machinists Union was integral to making this deal happen. Many banks were unwilling to provide a line of credit for the purchase of the facility, because they

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regarded cooperatively owned businesses as unfamiliar and unpredictable, along with the risks intrinsic to the lobstering industry. After several failed loan applications, IAM leveraged its existing relationship with the Bank of Labor to finance the purchase of the wholesale facility. In addition, other locals in the IAM's Eastern Territory loaned money to Lobster 207 to help finance the deal.

After the purchase of the facility, Lobster 207 began to build out its business model: the facility began purchasing catches from 130 member boats, and built up a network of wholesale and retail customers. The cooperative also built an online presence both through social media and on their website, where they began to offer direct-to-consumer seafood, including union members around the country.

## Takeaways

Through collaboration and partnership with the IAM, the creation of an affiliate local, the legal formation of a marketing cooperative, and a business strategy to create a profitable wholesale business, Maine lobstermen were able to overcome a difficult regulatory and industry landscape to take agency over their working conditions, demand fair pay for their work, and have a strong lobbying presence in the State legislature.

The Lobster 207 case demonstrates promising, scalable strategies for union involvement in the creation of cooperatives. The IAM's role in the campaign to unionize lobstermen, in the legal formation of the cooperative, and in the expansion of the cooperative's business model show how impactful the leveraging of union resources and relationships can be in expanding worker power through cooperative development. Specifically, the Machinist devoted staff time, legal expertise, union facilities,

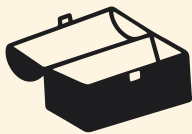
educational resources, and existing relationships with financial institutions to make the cooperative a reality.

It is worth noting that the IAM also benefited from its partnership with Maine lobstermen. Neil Gladstein noted that prior to the creation of Lobster 207, many lobstermen and the small Maine communities they belonged to saw unions as outside organizations. At best they believed unionists did not understand lobstermen, and at worst believed the negative stereotypes about unions in the mass media. Through its organizing efforts and long-term commitment to the Lobster 207 union and cooperative, the IAM was able to generate goodwill and build trust with lobstermen and their communities, expanding the union's influence. This shows how a union's willingness to embrace nontraditional organizing models and invest in the creation of cooperatives can bolster the power of the labor movement in untapped sectors. ●

Case Study 3



# New Era Windows UE Local 1110 The Working World



Innovative Organizing



Professional  
Expertise



Access to Capital



Contract  
Negotiations

## Introduction

Labor unions can play a crucial role in supporting worker-led creation of cooperatives, particularly in cases where the business owner shows signs of divesting from a company with antagonism and disregard for the workers. An excellent example comes from the story of New Era Windows Cooperative, a worker-owned window manufacturing firm in Chicago, Illinois. Understanding the history of New Era Windows, and the role of the workers' union United Electrical Workers (UE) Local 1110, can shed light on scalable strategies for union-supported, worker-led cooperative strategies.

## The 2008 Republic Windows & Doors Factory Sit-In

The story of New Era Windows Cooperative begins in 2008, at a manufacturing firm called Republic Windows and Doors. The company operated a factory on Goose Island, along the Chicago River. The factory's workers, many of whom had been there for years, were represented by UE Local 1110.<sup>33</sup>

On December 5, 2008, the owner of Republic Windows and Doors announced that he would be closing the company's Chicago factory in three days. The closure was precipitated by the 2008 financial crisis, and Bank of America's decision to cut Republic Doors and Windows' line of credit. The closure was in violation of the WARN Act, which requires that workers receive 60 days notice of a factory closure.

Upon hearing the news of the closure, the workers were immediately concerned that the company would not follow through with contract agreements like the payment of accrued pensions and vacation time. They had already noticed the company selling equipment in the weeks preceding the closure announcement, and worried all assets would be liquidated before they received their due.<sup>34</sup> Through their union, the workers acted swiftly to make their voices heard. On December 5th, the day of the closure announcement, UE Local 1110 members voted unanimously to occupy the factory. When their shifts ended that night, they stayed.

The news of their occupation, the first of its kind in many years in the United States, quickly drew media attention and public support. The very current financial crisis and

immediate bailouts had made big banks unpopular in the public eye. When reporters began showing up at the sit-in strike, they often showed sympathy toward the workers, and frustration with Bank of America and the Republic owners. Barack Obama, who was on the trail of his first presidential campaign at the time, spoke out in support of the Republic workers, stating "I think they're absolutely right... what is happening to them is reflective of what is happening across this economy."<sup>35</sup> The workers became a symbol for thousands of laid off workers across the nation, and demonstrated the lack of economic support for workers as compared to Wall Street.

The fortitude of the workers, and the public support they cultivated, paid off. On December 10, the workers voted to end the sit-in after negotiating a settlement with Republic and Bank of America that included eight weeks of wages for each worker, in addition to all accumulated vacation pay and two months of healthcare.<sup>36</sup>

## The 2012 Occupation and Negotiation of Ownership Rights

After the 2008 sit-in, the Republic factory was purchased and partially reopened by the firm Serious Energy. Some of the UE Local 1110 workers were rehired, and things seemed to look up.

However, Serious Energy's core business model was a low-carbon building product that then failed to get out of the laboratory phase, and as it struggled with that product, the window business it had bought languished and the workers' futures were neglected. Serious Energy ultimately had to cut back its operation, and in February 2012, the workers were notified that the factory would be closing. Again, they felt they were being punished for the poor business decisions of their bosses, and were unable to exercise agency over their working lives. They wanted to gain control, and decided to again occupy the factory.<sup>37</sup>

This time, the workers were not only striking to receive accumulated vacation time and severance pay. They were aiming to negotiate the right of first refusal, or the ability to purchase Serious Energy from its owners before other buyers could engage in a deal. They knew this right could allow them to reopen the factory as a worker cooperative.<sup>38</sup>



“After twelve hours of occupation and negotiation, the Serious Energy owners agreed to grant the workers **rights of first refusal.**”



Union negotiation of ownership rights is not commonplace in the United States. Armando Robles, President of UE Local 1110, shared that their union has a strongly democratic structure, and that the plan to gain ownership of the firm had wide support among members. They were committed to staging the sit-in to put pressure on the owners. After twelve hours of occupation and negotiation, the Serious Energy owners agreed to grant the workers rights of first refusal.

## Efforts to Consolidate Capital & Purchase the Firm

The successful negotiation of rights of first refusal by the workers and their union was absolutely essential to the creation of New Era Windows Cooperative. But in order to exercise this right, the workers still needed to gain access to significant capital to purchase the firm.

In July 2012, rumors began to circulate that the Serious Energy owners had entered negotiations with a liquidation firm for the purchase of the business's assets. The workers were concerned that the owners would not honor their rights, and moved quickly to try to stop the sale. Their UE labor lawyer immediately threatened legal action for the violation of the workers' fairly-won right of first refusal. Simultaneously, the workers protested and activated the public support they had been building since the first sit-in in 2008. With the help of their union, the United Electrical workers, and The Working World, a non-profit focused on building cooperatives, the workers undertook efforts to secure the funds necessary to close the deal.<sup>39</sup>

The Serious Energy owners were asking \$1.1 million for the company and all equipment.<sup>40</sup> This presented two problems for the workers: they did not have access to that much capital, and they were not interested in purchasing all of the equipment, as they planned to reopen a smaller operation. But the current owners would not allow them to purchase a portion of the assets, and threatened to move forward with another buyer if they couldn't come up with the \$1.1 million.

While the workers didn't have that money, they had something else of significant value: the right of first refusal. The workers had heard that one liquidation firm was already in talks with the owners, but other liquidation firms were also interested in Serious Energy's assets. Because the workers had fought hard to win the right of first refusal back in February, they were first in line among these interested buyers, and had the ability to invite a liquidation firm into a deal with them. With the help of their union and The Working World, the workers created a temporary joint-venture with another liquidation firm to purchase all of the company's equipment. As the workers had the right to purchase, they also had the right to first-pick the equipment, take what they wanted, and the liquidation company took the rest to sell. They decided to keep about \$650,000 worth of assets, allowing them to lower their purchase price and secure the right amount of equipment for their new cooperative.

After purchasing the equipment, the workers continued to work hard to make the cooperative a reality. They decided to move to a more affordable space that better fit their needs, and dismantled all equipment to restart the factory across Chicago. They were able to get the business up and running, and have been operating successfully since 2012.<sup>41</sup>

## Takeaways

The UE Local 1110 members faced significant barriers to gaining control of their working lives. Twice, they faced unemployment at the whim of their bosses, and twice they saw the owners showed more interest in liquidating their assets than protecting their workers. But through efforts to occupy their workspace, build public support, negotiate rights of first refusal, and consolidate capital, along with the help of community solidarity organizations including their union and The Working World, the workers were able to overcome barriers to create the New Era Windows Cooperative.

Understanding the efforts made by the Local 1110 members to keep the factory in business can clarify strategies for unions to embrace to support worker-led cooperative development. The Local 1110 leadership utilized the negotiation process, along with strategies to maximize leverage through workplace occupation, to win the rights of first refusal. These rights were imperative a few months later when the workers purchased the firm to create their cooperative. This demonstrates how unions can apply their negotiation skills and understanding of the collective bargaining agreement process to gain rights of first refusal and expand worker ownership.

Consolidation of capital was also crucial to take best advantage of the right of first refusal the workers had won. It was these two things together that allowed the workers to purchase Serious Energy's assets and form New Era Windows Cooperative. With the help of their union and The Working World, the workers were able to form a relationship with a liquidation firm in order to move forward with a deal. Once a deal was struck, The Working World provided the workers with a loan with non-extractive terms of repayment. Unions, who often have long standing relationships with financial institutions, as well as significant capital reserves, can duplicate these strategies in order to remove the barriers of capital access which frequently prevent workers from forming cooperatives. ●



# Case Study 4

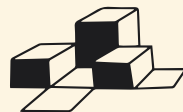
## People's Choice Communications Cooperative



Innovative Organizing



Access to Capital



Use of Union Spaces



Sectoral Analysis

## Introduction

Efforts to build worker ownership can come from union leadership, but we can also see roots of action from rank-and-file membership. American workers are often encouraged to think individually rather than cooperatively. The labor movement defies this norm by creating spaces for collective action. Within a union workers are able to relate to each other, understand their shared struggles and conditions, and work toward a shared goal. This kind of union-facilitated ethos can be ripe for the advancement of worker ownership. In this case study we discuss the People's Choice Communications Cooperative, an example of how rank-and-file members of Local Union No.3 IBEW joined together to create a cooperative. The story of People's Choice demonstrates the value of collectivism within the labor movement, as well as the power of aligning interests of consumers and workers against powerful corporations.

## Background

In May of 2016, the Time Warner Cable company was acquired by Charter Communications and rebranded as Spectrum Cable. The company's cable technicians, members of Local Union No.3 IBEW, had built much of New York City's internet infrastructure over four decades. Despite their years of hard work, the unionized workforce quickly came under attack from the new Spectrum management.<sup>42</sup>

When entering contract negotiations with the company in 2017, it became apparent to the workers and their union that Spectrum was attempting to push them out. The company was threatening to cut healthcare, retirement, and other benefits, and refused to negotiate in good faith.<sup>43</sup> The 1,800 unionized cable technicians felt backed into a corner, and saw no option but to withhold their labor through a strike. Spectrum replaced the striking workers with non-union contractors, and began an effort to decertify the union that is still tied up in the National Labor Relations Board as of the time of this writing. It was clear to the workers that Spectrum had no intention of reaching a fair resolution. The strike has stretched on for four years, becoming the longest in U.S. history.

As the strike went from weeks to months to years, the workers began to consider what option they might have

outside of returning to work for Spectrum. They realized that Spectrum not only treated its workers unfairly, but customers as well. Spectrum and the few other internet service providers (ISPs) in NYC have prohibitively high costs for many. Over 2.2 million New Yorkers go without high-speed internet because they cannot afford it. The striking workers became interested not only in securing a fair wage and good benefits, but also lowering the cost of internet for consumers, and bringing internet service to low-income communities that had been shut out by Spectrum's high prices.

## A New Kind of Internet Service Provider

The striking Local 3 members recognized that much of Spectrum's power over both the workers and consumers came from their near-monopolistic control over the market. As one of a very small handful of ISPs in New York City, Spectrum was able to mistreat their workers while delivering a sub-par service to customers. Troy Walcott, Local Union No.3 IBEW Spectrum steward and now President of People's Choice Communications, said that he and other workers decided the best solution was to create competition for Spectrum. They set out to create a new kind of internet service provider, one which would serve the interests of consumers and workers, and expand internet service to marginalized communities. The long-term vision is to become a multi-stakeholder cooperative with workers and consumers having different membership classes, each with decision-making and ownership rights.

The workers were committed to making their idea a reality. They entered discussions with New York City officials about the possibility of creating a City-owned ISP, but ultimately there was not enough political will for this to come to fruition. The striking workers began exploring other pathways to starting the company, and reached out to people who could help. One such individual was union organizer and cooperative developer Erik Forman, who now serves as Vice President of Business Development at People's Choice. Forman was also working on the creation of The Driver's Cooperative at the time, a driver-owned ride-hailing company. Forman's research on cooperatives was essential in creating a strategy for a worker-led ISP. The Local #3 members realized that they wanted to form a multi-stakeholder

cooperative, in which both consumers and workers would have equity in the company. This vision has become People's Choice Communications Cooperative.

## Taking the Multi-Stakeholder Cooperative from Concept to Reality

Once the plan to create a multi-stakeholder cooperative was solidified, the workers needed to figure out how to break into the ISP market. They were particularly interested in doing so while bringing internet access to under-resourced communities. As the COVID-19 pandemic hit New York in the spring of 2020 and many New Yorkers found themselves unable to work or study from home without high-speed internet, the imperative to expand affordable internet access became even more pressing.

In 2020, the workers of People's Choice found an opportunity to both launch their cooperative business and serve marginalized communities. Metro Industrial Areas Foundation of New York (METRO IAF-NY), a prominent network of local faith and community-based organizations, and BlocPower, a New York-based green energy technology firm, were jointly awarded a philanthropic grant to expand internet access in the Bronx. However, they needed a skilled workforce to help them carry it out. Erik Forman brought this grant to the attention of the People's Choice workers, who applied and were awarded the project. People's Choice is currently in negotiations with METRO IAF-NY and BlocPower to create a cooperative network shared between the three entities, which would also include pathways to ownership for consumers in the Bronx.

This project has been essential to getting the start-up cooperative off the ground. People's Choice President Troy Walcott shared that they are planning to build out the business project-by-project, using the subscription revenue of each job to further expand their operation. This strategy requires the cooperative to keep margins thin, and therefore People's Choice is putting off capital-intensive investments like physical space and vehicles. They hope this will allow them to generate more profit for worker-members in the long run.

As of June 2021, there are about 20 workers actively working full-time with People's Choice Cooperative, and about 300 more waiting in the wings until the cooperative has work for them. Because they are stretching their capital to get the startup off the ground, People's Choice is not able to give worker-members the wage they ultimately plan to pay. Workers are currently able to gain sweat equity with the company, earning a base hourly wage and eventually ownership in the firm. Workers do not currently earn benefits through People's Choice, although some workers are able to maintain their benefits through Local Union No.3 IBEW.

## The Role of the Union in People's Choice Communications

In a meeting of the Community and Worker Ownership Project's Cooperative Solutions Working Group, Troy Walcott was asked how he sees the role of Local Union No.3 IBEW in the creation of People's Choice Communications. Walcott shared that a union is not only its executive leadership, but its rank-and-file membership as well. Because People's Choice has been led by union members, he feels the union has been involved throughout the cooperative's formation. Mr. Walcott also shared that public support for People's Choice from Local 3's leadership has been a significant boost for the cooperative.

Mr. Walcott's words are a compelling reminder of the power in rank-and-file member action, and of the importance of cultivating spaces for cooperative action. Years before the workers became interested in forming a cooperative, they were already learning to think and act collectively as members of Local Union No.3 IBEW. They understood that their interests were aligned with those of their fellow union members, and that they were able to demand more from the company when they worked together. When they were facing the Spectrum strike with no end in sight, the workers applied this united mindset as they explored new strategies to gain control over their work. People's Choice President Troy Walcott said of this collective spirit: "When the strike happened, it wasn't our jobs that held us together, it was our connection through the union. We were already in a collective as union members, and we were

“The striking workers became interested not only in **securing a fair wage and good benefits**, but also **lowering the cost of internet** for consumers, and **bringing internet service to low-income communities** that had been shut out by Spectrum’s high prices.”

able to move forward together as union members."<sup>44</sup> The collective space created by Local #3 was integral to the workers' efforts to create the cooperative.

Local Union No.3 IBEW has also supported People's Choice through practices that allow striking workers to gain other work and retain union benefits. Walcott shared that the loss of healthcare has been a serious barrier keeping workers from waiting out the time it takes for the cooperative to get off the ground. Loss of healthcare has also been one of the biggest hardships sustained by workers due to the ongoing strike. Since the Spectrum workers went on strike in 2017, the union has allowed them to join the Local #3 construction division. Once a worker joins this division, they are able to get on "the bench" for trade work, being called up as work becomes available. Workers are able to maintain their contributions to their benefits while working in the construction division, including healthcare. This has allowed some striking workers to maintain an income and healthcare while waiting for the cooperative to build out its business model and create more jobs.

The creation of a worker cooperative requires significant resources, including access to capital, legal expertise, and research on cooperative business models. People's Choice Communications tapped into a wide network of supporters in order to secure these resources. Erik Forman played a crucial role both in identifying grants to which People's Choice could apply in order to launch their business, and in providing research and expertise on cooperative development. The cooperative also received legal guidance from the Brooklyn Law Incubator & Policy (BLIP) Clinic. Sufficient capital access has been one of the

biggest challenges in People's Choice early days. Limited capital has required workers to wait out any payment of sweat equity, which can be prohibitive for workers who immediately need to provide for themselves and their families.

While People's Choice generated goodwill throughout many NYC communities and organizations which led to myriad forms of support, it is worth considering how labor unions are well-equipped to provide the resources needed for a cooperative to flourish. The role of someone like Erik Forman, who provided expertise on cooperative development and capital access, could be replicated by a union strategic researcher with market expertise. The role of Brooklyn Law Clinic in providing advice on the legal formation of a cooperative could be fulfilled by a union's legal staffers. Greater access to capital could be generated from union funds or leveraged through a union's relationship with financial institutions.

As of 2021, People's Choice and Local Union No.3 IBEW are exploring further pathways for collaboration. Local #3 has a long history of cooperativism itself. Back in 1949, the union, along with the Joint Industry Board of the Electrical Industry, developed a housing cooperative in Queens, known as Electchester.<sup>45</sup> The housing co-op remains home to many Local #3 members today. In recent months, Local 3 and People's Choice have been negotiating a potential deal for the cooperative to build a fiber optic network in Electchester. This could generate business for People's Choice while bringing high-speed internet to Local 3 members residing in the housing co-op. It will be a further example of how a union can support a cooperative by directing procurement choices its way.

## Takeaways

When Spectrum took over Time Warner in 2016 and began carrying out anti-union, anti-worker practices, the company's 1,800 workers felt cornered. As the company forced them onto a strike that has become the longest in U.S. history, the workers saw no clear strategy to build back power. Through the creation of People's Choice Communications, striking workers have changed the narrative and are on a path to exercising agency over their work, building wealth, and bringing internet service to more New Yorkers.

This is a story of early-stage innovation. These workers can help to identify strategies for unions to support cooperative development. Local Union No.3 IBEW backed its members' efforts to create People's Choice through public support and

by allowing striking workers to join other divisions of the union and keep benefits. The workers' experiences in the union and connection to one another as union members well-prepared them to take the collective action necessary to create a cooperative.

The workers of People's Choice were also able to identify natural allies in their struggle against Spectrum Cable: the customers exploited by the firm. By centering both consumers and workers, they have strengthened their cooperative model and cultivated support throughout New York City. This is an important lesson for unions interested in strengthening ties to communities and building power against large corporations. ●



Case Study 5

# Homeland



# United Food and Commercial Workers Local 1000



**Innovative Organizing**



**Professional  
Expertise**



**Access to Capital**



**Sectoral Analysis**

## Introduction

At the intersection of worker ownership and unionism, the subject of Employee Stock Ownership Plans (ESOPs) can evoke mixed opinions. Some within the labor movement are cautious of ESOPs, citing that they can burden workers with undue risk.<sup>46</sup> This view has been vindicated by cases like the United Airlines ESOP transition, in which the ownership plan did more harm than good for workers and squandered retirement savings.<sup>47</sup> But others believe that under the right conditions, ESOPs can offer workers a path to ownership and wealth-building at a large scale.

The story of Homeland supermarkets' conversion to 100% employee ownership through an ESOP and especially the role of the United Food and Commercial Workers International Union (UFCW) in negotiating the terms of that transition offers a promising model for union-supported, worker-centered ESOP conversions. It also demonstrates an alternative to the increasing influence of private equity in the grocery sector and other industries.

## Background

Homeland Acquisition Corporation, the parent company of the Homeland supermarket chain, operates 79 grocery store locations in Oklahoma, Kansas, Georgia, and Texas.<sup>48</sup> In 2009, the company owner began exploring a sale of the business, whose workers were already unionized as members of UFCW Local 1000. The Homeland owner entered talks with a private equity firm about a possible buy-out. After that deal fell through, the Homeland management team became interested in transitioning the company to an ESOP model, and approached the Local with the idea. During a ten month negotiation period, the Local and management bargained over a selling price, retirement benefit components, and issues of corporate governance. In the end, the Local and management led a transition to 100% employee ownership, retention of an existing defined benefit plan, a strong role for the union in corporate governance, and unionization opportunities at all newly acquired grocery locations under the Homeland Acquisition Corporation.

## The Role of the Union in the Negotiation Process

Usually, workers are excluded from the ESOP transition process, which is almost always decided by company owners. As a result, they have no power over the terms of the transaction, the ESOP, or the corporate governance of the resulting, ostensibly employee-owned, company. Further, a large majority of ESOP transactions are leveraged buyouts, leaving the company burdened by debt. Workers have no say in the amount or terms of that debt, but, as the new owners, it is they who bear the financial risk it entails. That risk is magnified by workers' complete absence from decision making in most ESOP-owned companies. In the case of Homeland, UFCW Local 1000 was able to ameliorate some of the worst aspects of ESOP transactions and help organize a voice for workers before, during, and after the transaction.

Aaron Brenner, a senior capital markets analyst at the UFCW International Union who helped negotiate the Homeland ESOP conversion, shared that the process required an intensive effort on part of the union. UFCW is a fairly decentralized union, in which locals drive the action. UFCW Local 1000 negotiated the conversion, and the deal was made between the company and the Local. The UFCW International Union recognized that the investment of some upfront resources could improve the transaction for the workers. The International Union hired American Working Capital (AWC), a financial advisory firm well-versed in ESOP structuring, to advise the Local, help determine a fair selling price, structure the transaction, and negotiate the terms of the ESOP. The International union also donated Brenner's time, giving the Local access to his experience in grocery industry analysis and his understanding of ESOPs. The result was a deal that reduced the risks and improved the benefits for Homeland workers.

With the support of the International Union and the advice of American Working Capital, the Local, led by President Ricky Burris, went into the negotiation process well-equipped. The Local recognized significant problems in the initial deal offered by management. The company offer was for the ESOP to completely replace the existing defined benefit plan. The Local rejected that idea and insisted on retaining a defined benefit plan. They understood the financial risk of putting all retirement

“Union-negotiated ESOPs that **center workers** are a promising strategy to advance worker ownership at scale.”

eggs in one basket and wanted to ensure that the workers would still have some form of retirement plan should the value of the company stock plummet. The Local negotiated to move the workers to a different UFCW-sponsored defined benefit retirement plan by accepting a reduced ESOP contribution.

The first deal put forward by the company also offered the Local only one position on the company board, which the Local and workers felt was insufficient. The Local insisted on two union directors and agreed to add one store manager director to the board. As of 2021, UFCW Local 1000 President Ricky Burriss and UFCW senior capital markets analyst Aaron Brenner occupy the two union positions. The Local is working to prepare a Homeland employee and Local 1000 union member to fill a director position. Additionally, the Local helped pick the ESOP trustee and shaped the committee structure of the Homeland board of directors. The Local achieved representation on the nominating committee, giving it influence over board composition, and on the ESOP committee, giving it oversight of the administration of the plan.

At the end of the ten-month bargaining process, the Local shaped a deal that centered the interests of workers, ensuring they could exercise a meaningful voice in the management of the company while securing a diverse retirement and equity package.

## Continued Efforts to Build a Culture of Ownership

Although the company has been operating as an ESOP for ten years as of 2021, the workers, the Local, and Homeland management are still working to create a strong ownership culture at the firm. In an interview with the authors, Aaron Brenner reflected on a frequent misconception around employee ownership. Often, one of the promises of employee ownership is that it will create incentives and mechanisms by which workers and managers can drive growth and value in the firm due to the “skin-in-the-game” element of ownership. But in Brenner’s experience, a real sense of ownership and stake in the company does not come inherently with the ESOP structure. Especially in a larger firm like Homeland, which has 3,000 workers across 79 different locations, it can be difficult to engage workers in decision-making. This is

especially true considering how American workers have been taught for decades not to concern themselves with the financial goings-on of their employer and have largely been shut out of corporate governance. For this reason, Brenner believes it takes a purposeful effort to cultivate a sense of ownership among workers at an ESOP-owned company.

At Homeland, the union and company are collaborating to increase workers’ stake in the firm through training on ESOP participation and business management. Together, the Local and management established an Ownership Committee, consisting of an equal number of frontline union members and store managers. The Committee works to educate employees about the ESOP and engage them in ownership activities, such as rewards for store financial performance and community building gatherings. As of 2021, the Committee is rolling out a curriculum known as the Great Game of Business, which is designed to educate workers on the rules of business and rally them around a common goal of company success.

## Union-Supported, Worker-Centered ESOPs: A Replicable Strategy for the Labor Movement

The story of Homeland’s transition to employee ownership demonstrates how UFCW utilized several tools toward the advancement of worker ownership: investment of staff time and resources at the local and international levels of the union, use of the negotiation process, leveraging relationships with financial institutions, and, before all else, an openness to innovation. It is valuable to consider how these strategies could be replicable, both in the grocery sector and across the labor movement.

When asked about how best to replicate something like the Homeland transition, Aaron Brenner shared that it is a matter of recognizing situations in which similar tools can be put to use. There were several factors that made Homeland such a case. First of all, the management team was motivated to make the deal happen. They recognized the value of the union and were more interested in bringing along the unionized workforce in the ownership transition than forcing them out and hiring new workers. Having a collaborative and invested management team

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in the bargaining process was essential to winning the Homeland ESOP deal.

In certain circumstances, ESOPs could be an organizing tool for unions to expand membership. Where workforces are interested in unionizing at firms that are also a good fit for an ESOP transition, a union could simultaneously organize the workers and broker a transition to employee ownership. Because unions need to consider use of resources along with revenue generated from dues, this strategy could allow more unions to explore worker ownership as an organizing strategy.

The Homeland story is particularly compelling because it takes place in a sector that has seen significant and increasing influence from private equity firms in recent years.<sup>49</sup> These firms have bought many regional grocery chains and subsequently drained them of capital, loaded them with debt, and reduced investment. In the short-term investors have seen decent returns, but in the long-term the grocery chains have failed and jobs have been lost. The story of Homeland's transition to an ESOP model, and the continued success of the firm since demonstrate that employee ownership can be a resilient, sustainable alternative to extractive private equity in the grocery sector.

## Takeaways

Homeland's ESOP transition provides promising takeaways on the potential for ESOPs to advance worker interests and for unions to broker successful ownership transfers. UFCW played a critical role in ensuring that the ESOP structure benefited workers' financial interests and created worker voice in corporate governance. This is especially encouraging in regards to the advancement of worker ownership at large firms, where the worker cooperative model is not common. Union-negotiated ESOPs that center workers are a promising strategy to advance worker ownership at scale.

The Homeland story is uplifting not only because the union negotiated an ownership transition, but because the firm has succeeded in the decade since. Homeland has not only kept stores open; it has continued to acquire new locations. This expansion also means increased union membership, as UFCW Local 1000 negotiated for unionization opportunities at newly-acquired Homeland Acquisition Corporation stores. In a sector that has seen outsized influence of private equity and subsequent bankruptcy, this suggests unionization and employee ownership offer not only benefits to workers, but a long-term, financially stable business model. ●

Case Study 6

LVN  
Cooperative  
 AlliedUP  
Cooperative  
 SEIU United  
Healthcare  
West

by Ra Criscitiello<sup>50</sup>



Innovative Organizing



Professional Expertise



Training Funds & Programs

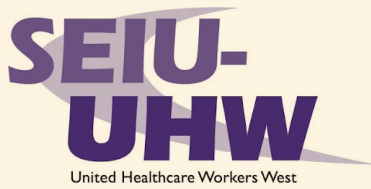


Sectoral Analysis



Contract Negotiations

## Introduction



SEIU-UHW is a healthcare workers union of 100,000 allied healthcare workers across the state of California. SEIU-UHW

members are frontline caregivers, including respiratory care practitioners, dietary, environmental services/ janitorial, and nursing staff. The membership is working to improve the healthcare system by providing quality care for all patients, expanding access to excellent, affordable healthcare for all Californians, and improving living standards for all workers.

Over the past five years, SEIU-UHW has invested in worker-ownership as a way to support its own membership as well as to experiment with a new type of organizing through generating paths to asset-rich, benefit-rich, meaningful employment. The Local's interest in the intersection of organized labor and worker cooperatives also comes from California's fight against gig worker misclassification as well as other harmful employment trends.

## Background

The on-demand gigification of work has affected nearly all industries, and healthcare is no exception. Patients want to be seen at home on their own schedule. Just as Uber has decimated the business model of an entrenched, highly-regulated, yet ultimately unpopular taxi cab industry, so too have on-demand healthcare companies attacked the traditional employment model currently used by hospitals and clinics, as well as eroded scopes of practice of licensed healthcare workers. For instance, Licensed Vocational Nurses (LVNs) in California have historically been employed by hospitals and enjoyed a broad scope of practice including patient intake, administration of some medications under supervision, and a host of patient-facing tasks.<sup>51</sup> As Registered Nurses (RN) successfully fought for better staffing ratios over the past decade, some positions formerly held by LVNs have been replaced by RNs. This has pushed many higher-paying LVN hospital jobs outside the four walls of the hospital and into lower-paid positions at nursing and long-term care facilities, where LVNs are typically relied on for patient care tasks such as patient monitoring that fall in the less-skilled area of their

scope of practice. Similarly, jockeying among licensure boards has scaled back some practice areas of workers in classifications like phlebotomy and medical imaging technology.

Hearing their membership's concern about the erosion of bargaining unit jobs, SEIU-UHW decided to experiment and build relationships that would create a pilot project to study and understand the possibilities of worker-ownership for union members, first with LVNs and later with other allied healthcare classifications.<sup>52</sup> In this way, the Local embraced an innovative organizing strategy to address the needs of California healthcare workers. Both with the LVNs and allied healthcare workers, the Local was interested in exploring worker-owned staffing firms that could essentially corner a labor supply and leverage union relationships with hospitals and clinics to supply unionized labor to healthcare facilities.

The Local's interest in creating a cooperative was informed by a sectoral organizing approach and a strong understanding of trends in California's healthcare labor market. The Local's vision was that a co-op of LVNs could be a union alternative to the non-worker-centered trend of contracting out. In only a few years, thousands of union healthcare workers employed by co-ops could provide millions of visits to patients. Beyond LVNs, co-ops could be created for all manner of techs, therapists, and other healthcare workers. As an organizing opportunity, the LVN co-op was the union's first step in impacting a new and growing segment of the healthcare industry, one that could otherwise be a source of tremendous damage to current union membership because as jobs were outsourced they went from unionized hospital positions to non-union positions.

The Local committed staff time and union resources to the co-op organizing strategy to incubate first the LVN cooperative and later the AlliedUp cooperative. The Local also worked to determine appropriate legal pathways to cooperative formation.

## The Pilot: Nursing and Caregivers Cooperative, Inc.

With incubation assistance from SEIU-UHW, five LVNs, all members of SEIU-UHW working in California, founded a worker-owned cooperative of LVNs in January 2016 called Nursing and Caregivers Cooperative, Inc.<sup>53</sup>

The LVNs wanted to provide home visits to patients through the use of an app and they wanted LVNs to be employees and owners of the co-op. Through the collective purchasing power of the union, they hoped that the co-op would eventually be able to provide employees with benefits such as health insurance, retirement, and training opportunities.

## Why LVNs?

LVNs are an ideal source of labor for this type of service. Their scope of practice allows for a wide range of care at a much lower cost than a physician or registered nurse, and they can be supervised remotely, creating a billable clinical encounter for hospitals and clinics. SEIU-UHW has relationships with over 6,000 LVNs in its California membership base, many of whom are underemployed due to RN staffing ratios. And if the need arises, new LVNs can be trained and licensed in less than two years.

## Home Visits With Patients of St. John's Clinic

In order to test the model, the co-op, in partnership with the Local, reached an agreement to provide home visits by the co-op's LVNs to patients of St. John's Well Child and Family Center (St. John's), a network of Federally Qualified Health Centers in Los Angeles, California. Under the supervision of St. John's physicians, LVNs employed by the co-op provided perinatal visits and education to Medi-Cal patients at their homes. The patients were in a program called Comprehensive Perinatal Services Program (CPSP), which is a Medi-Cal program offering a set of nutrition, health education, and psychosocial services to pregnant women with the goal of improving pregnancy outcomes including decreasing low birthweight births. These visits were an affordable and effective way for St. John's to reach this particular population of patients. Furthermore, the pilot allowed St. John's to advocate for a change in regulations allowing reimbursement for these types of visits, a process that is underway in Sacramento. The co-op recruited twenty-two bilingual (Spanish/English) LVNs to perform 300 home visits to St. John's patients.

## Measuring Success

St. John's, SEIU-UHW, and the co-op all considered the pilot project a success. The co-op was a high-road employer, showed the ability to scale the workforce up or down depending on need, and contained cost, risk, and liability for St. John's. The co-op was able to recruit LVNs from the communities they were serving, to align cultural competence and language skills. St. John's was able to extend care in the community and home, especially for low-income patients facing barriers to care such as lack of transportation, lack of childcare, inflexible work schedules, and housing instability. St. John's Chief Medical Officer, Dr. Helen Duplessis, said that the partnership "helped our most vulnerable clients access the health services they needed to achieve better outcomes in their pregnancy."

Appointment adherence vastly improved from a 50% patient appointment cancel rate down to below 10%. The number of CPSP visits increased an average of 50%, generating additional per patient reimbursement revenue of \$205/visit for St. John's. And fewer than 1% of visits required a call to the supervising physician or RN.

Nursing and Caregivers Co-op still exists, although they are dormant because they are not currently contracted with any hospital or clinic to provide visits. They still carry liability coverage and are seeking new contracts.

## Additional Pilot Exploration, Generated by COVID Need for Allied Healthcare Workers

SEIU-UHW in coordination with California Health and Human Services explored using a worker cooperative as the employer of record to supply respiratory therapists for the rapid opening of the Los Angeles COVID Surge Hospital. Due to the State's need to very quickly ramp up, the timeline made the use of a staffing cooperative impossible. Instead, SEIU-UHW worked with a temporary staffing firm as the employer of record to supply the workers. SEIU-UHW recruited hundreds of workers who were available to work at the Los Angeles COVID Surge Hospital during the surges. Looking ahead, SEIU-UHW is interested in exploring using a cooperative staffing model, especially in partnership with the State, for healthcare staffing during future public health crises.



“In recent years, California healthcare workers have faced mounting pressure due to gigification of healthcare work, changing scopes of practice, and erosion of **worker voice and control.**”

## Beyond the Pilot, Moving to Scale: AlliedUP Cooperative, Inc.

Looking at existing successful examples of large union co-ops in healthcare



such as Cooperative Home Care Associates in New York City, and again designing a co-op so that workers are employees and not 1099 contractors, SEIU-UHW set about developing a larger staffing co-op that could accommodate workers from a number of allied healthcare classifications.

Launched in March 2021, AlliedUP is an allied healthcare staffing co-op with a mission of providing excellent healthcare to patients, high-quality service to clients, and meaningful employment and ownership to workers. AlliedUP provides healthcare staffing on full-time, part-time, and temporary assignment basis so that workers can seek the types of shifts that fit their lives. AlliedUP is targeting the five largest metropolitan areas in California that are experiencing supply gaps for allied healthcare workers. They are focusing on giving large and small healthcare providers the flexibility to quickly scale up their workforce.

AlliedUP aims to pay its workers \$3 - \$5 more per hour than the staffing industry average, in part to resolve the retention challenges faced by traditional staffing firms. In contrast to traditional allied health staffing firms, AlliedUP plans to provide not just above-market pay, but also benefits such as employer-paid medical, dental, and vision benefits, paid time off, opportunities for wealth building, and access to education upskilling. AlliedUP is structured to allow workers to accrue hours for benefits regardless of number of providers, assignments, or location.

## Privileged Relationship With Futuro Health, A Workforce Training Fund

Using the collective bargaining process, SEIU-UHW was able to further scale up efforts to advance worker ownership. Through their last round of collective

bargaining, SEIU-UHW in partnership with Kaiser Permanente raised \$130 million to fund Futuro Health, an education non-profit that trains workers outside of Kaiser to help ease the coming shortages of key allied healthcare classifications.<sup>54</sup> SEIU-UHW and Futuro Health help healthcare employers train up needed workers for impending or persistent vacancies, especially in geographies with severe shortages. In California alone, the looming demand for these workers is approximately 500,000 by 2024, with an annual demand of 65,000+ workers. Futuro Health's goal is to graduate 10,000 new licensed and/or credentialed allied healthcare workers by 2024 to meet the growing need. Futuro Health's education-to-work model supports candidates through career exploration and coaching, education financing, and determining the best pathway toward credential or licensure attainment.<sup>55</sup>

Once students complete programs and receive their credentials, Futuro Health channels them to AlliedUP to help them transition into high-demand allied healthcare jobs while providing businesses with a high-quality workforce. The privileged relationship between Futuro Health and AlliedUP is in part an attempt to design a built-in labor supply of highly-trained allied healthcare workers into the co-op. Futuro Health graduates who elect to transition into the co-op for employment will gain access to desirable job placements. AlliedUP becomes the employer of record for the graduates, and students are able to transition into jobs that are well-paid, benefited, well-fit for their expertise and needs, and committed to workers' asset growth.

In addition to Futuro Health graduates, AlliedUP will recruit from the general population of licensed healthcare workers in the state, as well as make use of SEIU-UHW's network of tens of thousands of members and supporters who are licensed and certified healthcare workers. As with the Nursing and Caregivers Co-op, AlliedUP may be able to find willing partners in SEIU-UHW's existing hospital and clinic relationships that are open to collaborating on innovative initiatives.

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## Takeaways

In recent years, California healthcare workers have faced mounting pressure due to gigification of healthcare work, changing scopes of practice, and erosion of worker voice and control. In order to address these issues, SEIU UHW-West employed an innovative strategy through the advancement of worker ownership. The Local incubated a cooperative of Licensed Vocational Nurses (LVNs) to demonstrate the potential for cooperatives to function as a high-road employer in an increasingly tumultuous sector.

After the success of the LVN co-op, the Local invested further in this innovative idea not only to benefit existing members, but as an organizing strategy for membership growth. Through the incubation of the AlliedUP staffing cooperative, SEIU UHW-West expanded high-road employment for allied health professionals. By winning non-incumbent workforce training dollars in negotiations with Kaiser-Permanente and the subsequent creation of Futuro Health, the Local created a pathway for more individuals to access secure employment in the healthcare industry, while also increasing union membership and helping to address the growing need for healthcare professionals.

This case demonstrates that worker ownership can be utilized as an effective strategy to return agency to workers in an increasingly unsteady or exploitative industry. It also demonstrates the importance of having union leadership willing to invest in innovating organizing strategies. The Local invested staff time and resources into the creation of both the LVN cooperative and the AlliedUP cooperative, and were able to utilize the collective bargaining process with Kaiser-Permanente to win workforce training dollars and expand employment to non-incumbent workers.

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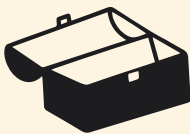
Case Study 7



Co-op Cincy



Co-op Dayton



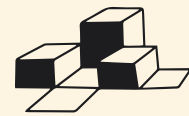
Innovative Organizing



Professional Expertise



Access to Capital



Use of Union Spaces



Training Funds & Programs



Sectoral Analysis



Contract Negotiations

## Introduction

The labor movement has natural intersections with other movements for social and economic justice. When unionists explore those intersections, it can breed innovation and advance worker ownership. The formations of Co-op Cincy and Co-op Dayton, two cooperative incubator organizations in Ohio, demonstrate the contributions unions can have on designing and building a cooperative ecosystem. Early and ongoing material and political support from labor unions has been critical to the creation of a network of cooperatives in both cities. In turn, these networks have strengthened local labor unions by increasing ties to social and economic justice movements, and creating pathways to new union membership.

## The Formation of Co-op Cincy

The story of the Cincinnati Union Co-op Initiative, known widely as Co-op Cincy, traces its roots back to the Basque Region of Spain, home to



the Mondragon Corporation. Mondragon is a federation of 120 worker cooperatives, which employ over 70,000 worker-owners. Beginning in the 1980s, a Cincinnati-based non-profit organization called the Intercommunity Justice and Peace Center (IJPC) had been organizing trips for local civic leaders to visit Mondragon. In the mid 1990s, Jerry Monahan, a pipe fitter who was the head of the Cincinnati Building Trades, took such a trip to the Basque Region. He was impressed by what workers there had been able to accomplish through ownership and cooperation. When he returned to Ohio, he gave an impassioned speech to the Cincinnati AFL-CIO Labor Council on what he'd witnessed in Spain. He implored his fellow unionists to explore opportunities to build worker cooperatives there in Ohio. Phil Amadon, a delegate to the Labor Council from the Machinist's Union, heard Monahan speak that day. He was moved by his pitch, and over the ensuing years kept an eye toward opportunities to build worker ownership.

In 2009, the United Steelworkers (USW), the largest industrial union in the United States, entered into a public agreement with the Mondragon Corporation to bring the Mondragon model of worker ownership to the United

States.<sup>56</sup> In 2009, the United Steelworkers (USW), the largest industrial union in the United States, entered into a public agreement with the Mondragon Corporation to bring the Mondragon model of worker ownership to the United States. When Phil Amadon heard reports of this announcement in the news, he remembered Jerry Monahan's praise for the Mondragon model. He decided to bring together a group of local Cincinnati organizers to explore the idea of creating unionized cooperatives. He convened Kristen Barker, a nonprofit coordinator with the IJPC, Ellen Vera, a union organizer with the United Food and Commercial Workers (UFCW) Local 75, and Flequer Vera, an immigrants rights organizer.<sup>57</sup> For nearly a year, Amadon, Barker, Vera, and Vera



extensively researched unionized cooperatives. This included the Mondragon Principles, the history of the Knights of Labor, and the Evergreen cooperative model of Cleveland.<sup>58</sup> Ultimately, they determined the incubation of unionized cooperatives was a strong strategy to bring good, family-sustaining jobs to Cincinnati. They founded Co-op Cincy in 2011, with the mission of bringing the unionized cooperative model to their city.

## The Labor Movement's Early and Ongoing Support for Co-op Cincy

In order to get Co-op Cincy off the ground as a functioning co-op incubator, its four co-founders worked to forge connections with the larger cooperative movement, as well as other Cincinnati-based movements for social and economic justice. Co-op Cincy had its first public event in February 2011, bringing in around ninety attendees and establishing a steering committee to inform the organization's direction. In April 2011, eight Co-op Cincy delegates to the Ohio Employee Ownership Center (OEOC) met with Michael Peck, North American delegate to Mondragon, who had been instrumental in the Mondragon-USW partnership. Co-op Cincy worked with Peck, the OEOC, and the Ohio State University Ohio Cooperative Development Center (OCDC) to discuss strategies to bring unionized cooperatives to Cincinnati.

Several strategies came out of these conversations, including ideas for both a food hub and a manufacturing

“In both the cases of Co-op Cincy and Co-op Dayton, **support from labor unions** was pivotal to the creation of the coop incubator organizations.”

cooperative in Cincinnati. In October 2011, Co-op Cincy formally incorporated as a non-profit, and established a fourteen-member board of directors. The board included several representatives of labor unions. The United Steelworkers Sub-District 5 provided Co-op Cincy with a zero-interest loan of \$12,000 toward the \$20,000 total needed for a market analysis from the Ohio Employee Ownership Center on the manufacturing cooperative model for Cincinnati. In turn, Co-op Cincy provided input for a 2012 joint press conference between USW and Mondragon on “Worker Ownership for the 99%”.<sup>59</sup>

In April 2012 Co-op Cincy launched Our Harvest food hub, its first unionized cooperative. In June of that year, UFCW Local 75 provided \$10,000 to fund an OCDC market study on Our Harvest, which was integral to the business strategy of the cooperative. In 2013, UFCW further subsidized the development of Our Harvest by allowing Ellen Vera to devote 70% of her time as a staff person to the launch of the cooperative.

Over the years, Co-op Cincy has remained closely aligned with key figures and organizations in the Cincinnati labor movement. The nonprofit’s board has included a steady presence from labor over the years, including



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Community.**

representatives of the Cincinnati AFL-CIO Labor Council, the Cincinnati Building Trades Unions, and the United Steelworkers.<sup>60</sup> Unions have also

continued to be a source of partnership and capital investment as Co-op Cincy expands strategies to build worker cooperatives. Recently, the Cincinnati Federation of Teachers provided a sizable grant for Co-op Cincy to complete a study on potential for worker ownership among preschool teachers and childcare workers.

Relationships with labor have also allowed Co-op Cincy to increase its legislative influence. As Congress was working on the Fairness for Farm Workers’ Act, UFCW approached Co-op Cincy and Our Harvest to ask for their thoughts on the bill. Given the limited bandwidth of Co-op Cincy’s relatively small staff, this was crucial in expanding their impact on policy in support of pro-cooperative language to make it into the Bill.

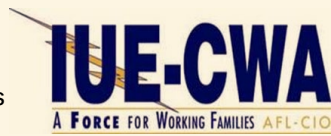


1199SEIU United Healthcare Workers East

## The Formation of Co-op Dayton

Co-op Dayton, a cooperative development non-profit modeled on Co-op Cincy, got its start within efforts to address food apartheid in Dayton. The Miami Valley Organizing Collaborative, led by organizer Erica Bruton, began to convene key stakeholders interested in addressing issues of food access in Dayton in 2015. This convening included representatives of neighborhood organizations, faith-based groups, and labor unions. Among those representatives was Lela Klein, then working as a labor lawyer at the International Union of Electrical Workers-Communication Workers of America (IUE-CWA).

Among the organizations that this group met with was Co-op Cincy, who came to Dayton to present their model for a unionized cooperative grocery store. The Miami Valley Organizing Collaborative group became interested in bringing a similar model to Dayton. They spent about a year studying cooperatives and strategizing the creation of a worker-owned grocery store. Ultimately, they decided to move forward both with the creation of a grocery store cooperative and a cooperative incubator organization similar to Co-op Cincy. They completed a market study and community survey to determine a good location for the grocery store. Co-op Dayton was founded in 2016, with the objectives of both increasing food access in Dayton and bringing good, sustainable jobs to the city through cooperative development. The Co-op Dayton-incubated cooperative grocery store, Gem City Market, has opened as of 2021.



## The Role of Labor Unions in Co-op Dayton

Not unlike in the case of Co-op Cincy, Co-op Dayton received early investment from partners in the labor movement that was essential to the launch of the nonprofit. Lela Klein, the labor lawyer for IUE-CWA who attended those early meetings on food access, became fully committed to the creation of a cooperative ecosystem in Dayton. During her first year working on the creation of Co-op Dayton, IUE-CWA allowed her to remain under employment with the union while she devoted her efforts to the creation of the co-op incubator. The investment of Klein's time and efforts was crucial, as she went on to become a Co-founder and Executive Director of Co-op Dayton. IUE-CWA also gave an initial investment of \$3,000 in seed money during the early days of Co-op Dayton, and continues to donate \$2,000 each year in support of Co-op Dayton's annual convening. UFCW Local 75 also donated several thousands dollars in seed money to help get Co-op Dayton off the ground. Local labor unions have also assisted Coop Dayton in leveraging longstanding relationships with Dayton city officials, which was helpful in Co-op Dayton later securing city funding. In turn, Co-op Dayton has shown solidarity with the local labor movement. Gem City Market was built with 100% unionized labor, and the grocery store is in talks with UFCW over terms of unionization as of 2021.

## Takeaways

In both the cases of Co-op Cincy and Co-op Dayton, support from labor unions was pivotal to the creation of the coop incubator organizations. The support stemmed from an understanding from local labor leaders that the interests of their unions and members were aligned with other movements for social and economic justice. It was this understanding that encouraged unionists like Jerry Monahan and Phil Amadon to take an interest in worker cooperatives to begin with, and this understanding that led leaders at USW, UFCW Local 75, IUE-CWA, and others to invest in the development of cooperative ecosystems in Co-op Cincy and Co-op Dayton. These cases demonstrate the potential to build worker power and create good jobs out of efforts by unionists to engage in

wider movements for social and economic justice, including the worker cooperative movement.

Investment from labor in these cases not only benefited the cooperative ecosystems in both cities, but local labor unions as well. Both Co-op Cincy and Co-op Dayton have union neutrality written into their bylaws, meaning that all cooperatives incubated by the organizations will allow for free and fair union elections. This means that as the two organizations foster the creation of worker cooperatives, local labor unions have the chance to unionize new cooperative workforces. This can both grow union membership and expand goodwill and connection between unions and communities.



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# Conclusion

In conclusion, we have found through the investigation of union-led and union-supported worker ownership that the labor movement has in its repertoire a set of resources (tools) that can be well utilized toward the cultivation of worker-owned entities. Specifically, we have identified the following tools:

- 1. Openness to innovative organizing**
- 2. Investment of union staff time and professional expertise**
- 3. Use of union facilities**
- 4. Training funds and educational expertise**
- 5. Capital access & relationships with financial institutions**
- 6. Negotiation processes & collective bargaining agreements**
- 7. Sectoral analysis & legislative organizing**

We see these seven tools for cooperative creation used throughout the seven case studies on labor unions and worker-owned businesses. The most critical tool, and a prerequisite for the others, is openness to innovation. When leaders have this mindset, the other tools can be unleashed. As we have seen in each case study, there were key actors, be it workers, organizers, lawyers or labor leaders, who found opportunities to put these tools to use in the advancement of worker ownership.

Combining unionization with worker ownership has immense potential to bring about greater worker control in our economy. This toolkit can serve to enrich conversations about what strategies are possible at the intersection of organized labor and cooperative development. We hope unionists and other advocates for workers' rights will be able to reflect on their local movements, industries, and struggles to identify pathways to the advancement of impactful unionized worker-ownership for increasing workers' economic power in all sectors of our economy. Building worker co-ops with union power helps expand union membership, encourages the cultivation of a level playing field for high-road employment standards and broadens pathways to the achievement of economic justice.

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