

# FAST FACTS

## Workplace Democracy For An Equitable New York

NYS  
COMMUNITY  
EQUITY  
AGENDA



**Worker cooperatives are a powerful and growing strategy for creating jobs with dignity, advancing racial, gender, and economic justice, building strong local economies, and tackling structural inequality.** A worker cooperative is a business in which the workers own and control the company. In a worker cooperative, workers have representation on, and vote for, the company's board of directors, based on the principle of one worker, one vote.

**Better Pay** - Nationally, worker cooperatives provide workers with a base pay that averages more than \$19 per hour alongside upwards of \$8,000 per year in average profit-sharing. Worker cooperatives maintain an average 2:1 top-to-bottom pay ratio -- a stark contrast to the 351:1 ratio in Fortune 500 companies.<sup>1</sup>

**Racial and Gender Equity** - A recent comprehensive national survey found that 47% of worker-owners in worker cooperatives are people of color and 56% are women or non-binary.<sup>2</sup>

**Local Roots and Resilience** - Research shows that worker cooperatives are generally more productive<sup>3</sup> than traditional businesses, and better equipped to weather economic crises.<sup>4</sup> Plus, worker-owners face no incentive to outsource their own jobs, or chase tax benefits and subsidies across state lines.

**Preserving NY Jobs and Small Businesses** - Even before the onset of the pandemic, an estimated 3,700 businesses were closing each year in New York State due to the owner's retirement, leading to a loss of 13,260 jobs annually.<sup>5</sup> These are just some of the jobs that can be saved and protected through conversion of existing businesses to worker ownership.

**Economic Impact** - New York's worker cooperative sector continues to substantially grow its contribution to New York's economy. New York worker cooperatives exceeded \$100 million in annual revenue in 2017.<sup>6</sup>

**Room To Grow** - Across our northern border, Quebec's \$25 billion per year cooperative economy demonstrates that these kinds of enterprises can operate at significant scale with the right public sector support.

**A Timely Opportunity** - From Long Island to the North Country to Buffalo, worker cooperatives are taking root in every region of our state. The number of worker cooperatives in New York has more than tripled in the last ten years, thanks in part to support from local government. The field is growing rapidly because of the many ways that worker cooperatives benefit workers and bolster local economic development. New York has the opportunity to help accelerate this growth and spread the benefits of worker cooperatives in communities across the state.

**ACT NOW** - New York should support bold policies and actions that grow the cooperative sector in New York. Meaningful policy interventions include the establishment of a statewide center to promote worker ownership, preferential tax treatment for both the sale of a business to its workers and the continuing operation of worker cooperatives, grant programs for local cooperative development organizations and cooperative businesses, and modernization of the state's cooperative incorporation statute.

For more info contact: Mike Sandmel, New Economy Project - [mike@neweconomynyc.org](mailto:mike@neweconomynyc.org).

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<sup>1</sup> DAWI/USFWC 2019 State of the Sector Report

<sup>2</sup> DAWI/USFWC 2021 State of the Sector Report

<sup>3</sup> <https://www.thenation.com/article/worker-cooperatives-are-more-productive-than-normal-companies/>

<sup>4</sup> <https://institute.coop/resources/resilience-cooperative-business-model-times-crisis>

<sup>5</sup> <https://www.craigslist.com/article/20170524/POLITICS/170529943/public-advocate-letitia-james-says-nyc-should-help-employees-buy-out-retiring-bosses>

<sup>6</sup> Democracy at Work Institute