COOPERATIVES & COMMUNITY CARE NEEDS

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The 2018 webinar series Cooperative Solutions for Community Needs is brought to you by the University of Wisconsin Center for Cooperatives

Center for Cooperatives
UNIVERSITY OF WISCONSIN–MADISON
A cooperative is a business that is owned and democratically controlled by the people or entities that use its services.

- Member owned
- Member controlled
- Members benefit
TYPES OF COOPERATIVES

• Consumer Co-ops
• Producer Co-ops
• Worker Co-ops
• Shared Services Co-ops
• Multi-stakeholder Co-ops
Seven Co-op Principles

P1 Open & Voluntary Membership
P2 Democratic Member Control
P3 Member Economic Participation
P4 Autonomy & Independence
P5 Education, Training, & Information
P6 Cooperation Among Cooperatives
P7 Concern for Community
LORI CAPOUCH

Rural Development Director,
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CHILD CARE COOPERATIVES
Lori Capouch, Rural development director
Rural Electric & Telecommunications Development Center, ND Assoc. of RECs

Cooperatives and Community Care Needs
May 9, 2018
IS A COOPERATIVE IS THE RIGHT PATH?

- It’s time intensive (but totally worth it)!
- The development is in addition to your work
- It’s a commitment that doesn’t end once the cooperative is launched.
LESSONS LEARNED IN HETTINGER & ROLETTE, ND

• Make sure help is wanted, don’t just assume
• Trust is important
• Survey to verify the need for additional child care
• Publicize your findings and work.
• Every community has its own personality.
• Not every community will have businesses that can support child care development.

• Keep your eye on the end game – child care capacity. The business structure is secondary.
• Cooperatives are a way to bring more capacity to an area when there aren’t other solutions.
• Rural areas are craving centers to bring a level of dependability to child care.
• Will not replace existing care providers, but complement their services.

• Co-op development will typically happen in areas where providers have a good sized wait list.

• Incentives are needed in order to cash flow the business.

• A group of local people will guide the development (the steering committee).

• The steering committee should be complemented with resource providers.
THE COOPERATIVE ADVANTAGE

- Organized as a 501c3 nonprofit
  - Insulates liability
  - Provides service at cost
  - Eligible for tax deductible donations
- Fees target the quality of care
- Member-controlled – policies follow member needs
COOPERATIVE MEMBERSHIP

- Members are typically the parents and/or the businesses that provide incentives
- Membership means democratic governance
- Members elect board of directors
- Board sets policy
  - Hires a director who will
    - implement policies
    - manage operations
    - hire & supervise teachers & aides
TYPES OF CHILD CARE COOPERATIVES

• Child care worker cooperatives
• In-home child care provider cooperatives
• Employer assisted cooperatives
CHILD CARE WORKER COOPERATIVES

• Group of care givers band together to own and operate
• Steady income and employment for workers
• Participation in decisions that affect their work
• Share in business profits
IN-HOME CARE PROVIDER COOPERATIVES

- Can lead to benefits – sick & vacation time
- Shared tasks – meal planning, policy development, forms creation
- Shared marketing
- Joint special programs
- Buying power
EMPLOYER ASSISTED COOPERATIVES

- Employer Benefits
  - Recruitment
  - Retention
  - Reduced absenteeism
  - Increased company loyalty
  - Increased job satisfaction

- Ways to provide assistance
  - Facility at low or reduced cost
  - In-kind assistance
  - Use of equipment or shared services
  - Cash or in-kind services
  - Employ workers/provide benefits
  - Contribute to costs of care
DEVELOPMENT STEPS

- Form steering committee
- Research:
  - survey/how many children should you plan for?
  - Where will you locate?
- Develop business plan (determine size, # of children, estimate costs)
- Identify how startup costs will be paid
- Set the board and incorporate
- Appoint working committees
  - Select and secure facility
  - Licensing compliance
  - Hire director
  - Begin marketing
- Pre-enrollment
- Launch the cooperative!
ENERGY CAPITAL COOPERATIVE
CHILD CARE

- 9 months to develop
- 7 months to approve the 501c3 status – have a template for filing for the nonprofit.
- Purchased their own building
- Caring for 68 children – capacity for 77
- 12 full time employees and 4 part time
- Have templates for articles of incorporation, bylaws, parent and employer handbooks and enrollment forms.
Thank you!!
MARGARET BAU

Co-op Development Specialist, USDA Rural Development
Caring for elders and people with disabilities
Senior Population Growth

Projected number of seniors 65+

2030
71.5 million

87% wish to age at home
Getting by with a Little Help…

70% of elders will need help to age at home

All photos courtesy of Cooperative Care, Wautoma, WI
What is Home Care?

- Personal care
  - bathing, grooming, transfers, toileting, medication reminders

- Home care
  - cooking, cleaning, laundry, shopping, doctor’s visits

- Home, not institution
  - Can be cost effective
  - Dignity and independence
So with all this demand...
WARNING
CAREGIVER CRISIS AHEAD
Labor Force Conditions in Wisconsin

- $10.47 median wage
  - $12,600 median income
  - 7% decline in real wages in past decade
- Part time hours
- Few benefits
  - 1 in 2 caregivers must rely on food stamps or Medicaid
  - 1 in 4 below federal poverty
- High injury rates
- 9 of 10 workers female

2015 data for Wisconsin, compiled by PHI
2.9 Million Existing Caregivers

133 K New Caregivers

2017

60% Caregiver Turnover Rate

13 Million Caregivers

Need to be hired and trained to meet demand by 2024 if current turnover rate persists.
Why are wages so low???
Sources of Home Care Revenue

- Public Programs, 70%
- Private Insurance, 17%
- Out of Pocket, 8%
- Other, 5%
How about a different approach???
Home Care Worker Cooperatives

- Caregivers own the agency
  - Serve on board, set policies
  - No franchise fees or profits to shareholders

- Ownership is long term
  - Enhanced training and professionalism possible
    - Leadership skills
    - Enhanced status

- Ideal for clients
  - Reliable relationship key to clients’ quality of life

- **20% annual turnover**
Cooperative Care

• Wautoma, Wisconsin
• Nation’s first rural home care worker co-op
• 50 members, started in 2001
  • Conversion of existing county coordinated program to caregiver co-op
• Major shift in funding stream
  • Originally 85% public pay (Medicaid) clients
    • Loosing money serving this clientele
    • But there is plenty of private pay demand…
Quality Jobs = Quality Care

Innovation in Washington state

• Northwest Cooperative Development Center

• Forced into private pay market (long waiting period to serve Medicaid)
  • Much higher rates
  • Much higher wages + patronage
  • No caregiver shortage!

• 3 new co-ops + 4 more in process
MAP OF HOME CARE COOPERATIVES IN AMERICA

Circle of Life Cooperative
Bellingham, WA 2009

Peninsula Homecare Co-op
Port Townsend, WA 2016

Capital Homecare
Olympia, WA (Emerging)

Cooperative Care
Wautoma, WI 2001

Cooperative Home Care Associates
Bronx, NY 1985

Golden Steps Home Care
Brooklyn, NY 2014

Cooperative Home Care Associates
Philadelphia, PA 1993

Home Care Associates
New Braunsfels, Texas, 2014

Heart is Home
Hobbs & Bernalillo, NM, 2016

Denver Metro Home Care
Denver, CO (Emerging)

Kilohana Angels
Honolulu, HI, 2015

E-Quality Home Care Co-op
Emerging
Home care co-op in your region?

We’ve learned so much…
• Market strategy
• Building support system

Interested? Contact:
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Home care worker-owners Lois Clark and Donna Tompkins
Cooperative Care board meeting circa 2002,
Wautoma, WI
For More Information

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Questions?

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