

WORKER COOPERATIVES

What is a worker cooperative?

- Worker cooperatives are a form of shared entrepreneurship.
- Worker cooperatives are often started by small groups of entrepreneurs, business owners who want to increase employee buy-in and share the rewards of entrepreneurship, and retiring business owners who want to sell the business to their workers.
- Worker cooperatives can be found in any industry and at any scale.
- Specifically, **a worker cooperative is a business that is democratically controlled by its workers.**
 - Employees elect the board of directors on the basis of “one worker, one vote.” In turn, the board of directors makes big-picture decisions about the direction of the company and hires key employees.
 - Additional worker participation in firm decisions is often encouraged. At the end of each year, a portion of the profits is usually distributed to all of the employees. And workers typically maintain an equal investment in the business.

In the United States, successful worker cooperative businesses exist in health care (nursing, home health care), the skilled trades (printing, plumbing, woodworking, contracting), manufacturing and engineering (machine parts, fabrication), technology (web hosting, networking, voice and data systems), education (charter schools), media and the arts (designers, galleries, performers, publishers), the service sector (design and construction, restaurants, taxis, cleaning, childcare), and retail (grocery stores, bakeries, bookstores, bike shops).

How do I form a worker cooperative?

New York State has a special [worker cooperative corporation law](#), which allows your business to legally incorporate as a worker cooperative. All major legal structures qualify (partnership, limited partnership, limited liability partnership, "C" and "S" corporations, nonprofit corporations, LLCs). However, a worker cooperative's incorporation status is less important than its corporate charter and bylaws. Many worker cooperatives also organize as an LLC.

Is a worker cooperative right for my business?

In many ways, a worker cooperative operates just like a traditional business: it makes money by selling goods or services to the public. A worker cooperative must incorporate with the state, get a business license, pay state and federal taxes, maintain a regular payroll and benefits, and do all the things that businesses do.

There are some very important differences between worker cooperatives and traditional businesses:

- Economic studies indicate that worker cooperatives achieve higher productivity levels and maintain higher survival rates than traditional businesses.
- Employees of worker cooperatives tend to rank higher with regard to career advancement opportunities, working hours, as well as relationships with colleagues and supervisors.
- Worker cooperatives are free to use a “multiple bottom line” approach—evaluating success as measured by their contribution to the community, the happiness of their workers, and their sustainability as businesses, while keeping in mind the importance of financial prosperity.



How do I get started?

Starting a worker cooperative requires the same set of skills as any business. Be sure to obtain as many resources and assistance as possible in planning your business. Take advantage of the full [course offerings](#) by NYC Small Business Services. And, finally, make sure to contact New York City's worker cooperative support agencies.

For more information on starting a business, please visit the NYC Business Solutions Center nearest you:

Bronx Center

718.960.7910 | 400 East Fordham Road, 7th Fl., Bronx, NY 10458

Brooklyn Center

347.296.8021 | 9 Bond Street, 5th Floor, Brooklyn, NY 11201

Queens Center

718.577.2148 | 168-25 Jamaica Avenue, 2nd floor, Jamaica, NY 11432

Staten Island Center

718.285.8400 | 120 Stuyvesant Place, 3rd Fl., Staten Island, NY 10301

Upper Manhattan Center

212.749.0900 ext. 125 | 361 West 125th Street, 2nd Floor, New York, NY 10027

Washington Heights Center

212.749.0900 ext. 126 | 560 W 181st Street, 2nd Floor, New York, NY 10033

For more information on worker cooperatives, please contact one of the following organizations:

Center for Family Life

718.633.4823 | www.cflsp.org

Urban Justice Center

646.602.5600 | www.urbanjustice.org

Green Worker Cooperatives

718.617.7807 | www.greenworker.coop

U.S. Federation of Worker Cooperatives

415.392.7277 | www.usworker.coop

NYC Network of Worker Cooperatives

646.363.6311 | www.nycworker.coop

The Working World

646.257.4144 | www.theworkingworld.org