

COOPERATIVES & COMMUNITY CARE NEEDS

Margaret Bau, USDA Rural Development

Courtney Berner, UW Center for Cooperatives

Lori Capouch, North Dakota Association of Rural Electric Cooperatives

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



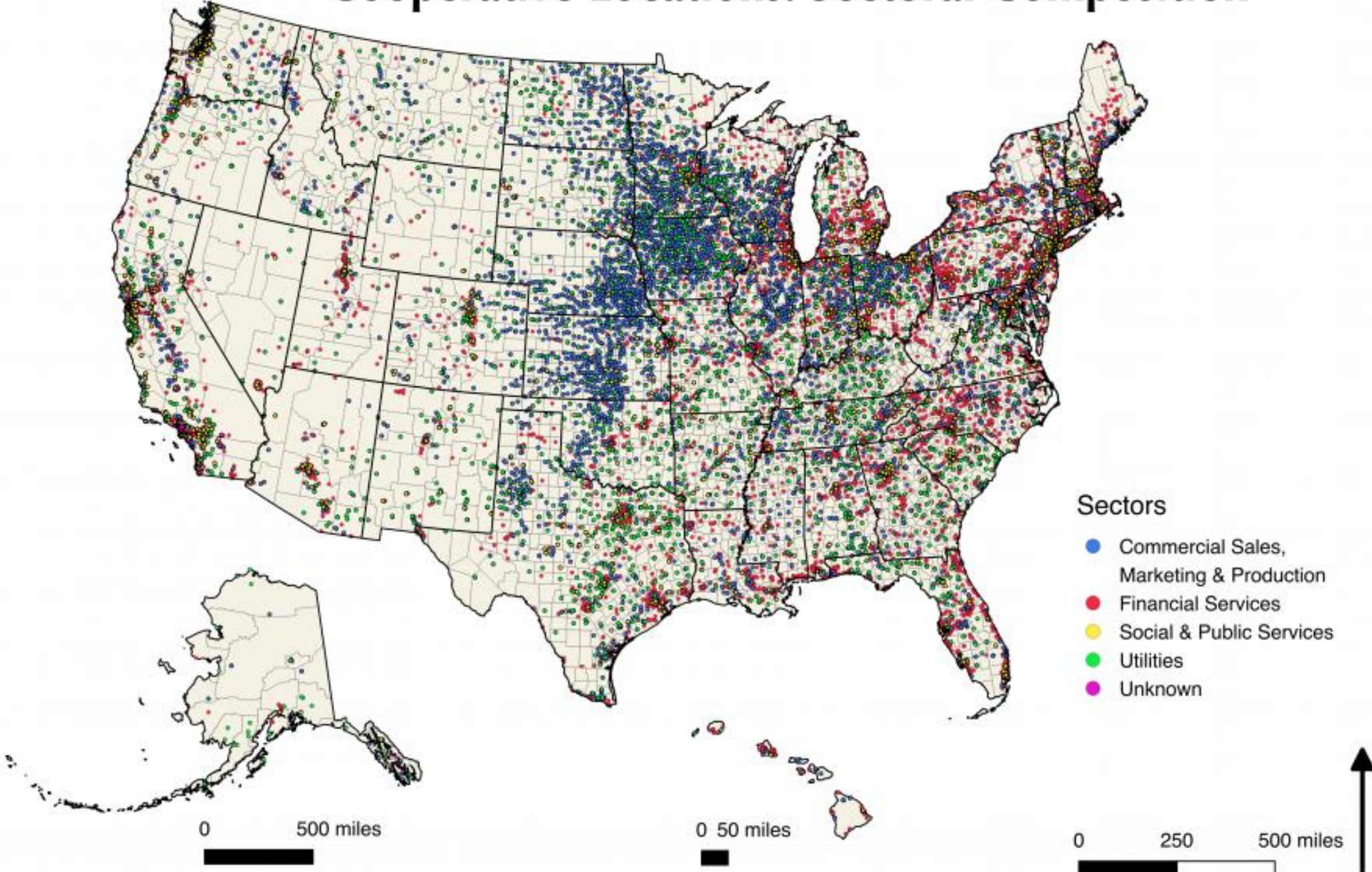
Center for Cooperatives
UNIVERSITY OF WISCONSIN-MADISON

WHAT IS A COOPERATIVE?

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

Cooperative Locations: Sectoral Composition




TYPES OF COOPERATIVES

- Consumer Co-ops
- Producer Co-ops
- Worker Co-ops
- Shared Services Co-ops
- Multi-stakeholder Co-ops



**Central Wisconsin
Electric Cooperative**

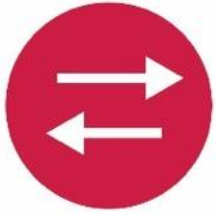
Your Touchstone Energy® Cooperative 

**ORGANIC
VALLEY**



Family of Farms





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

Seven Co-op Principles

— LORI CAPOUCH

Rural Development Director,
North Dakota Association of
Rural Electric Cooperatives



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.

GENERALLY SPEAKING

- 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

- 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!

DEVELOPMENT STEPS



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

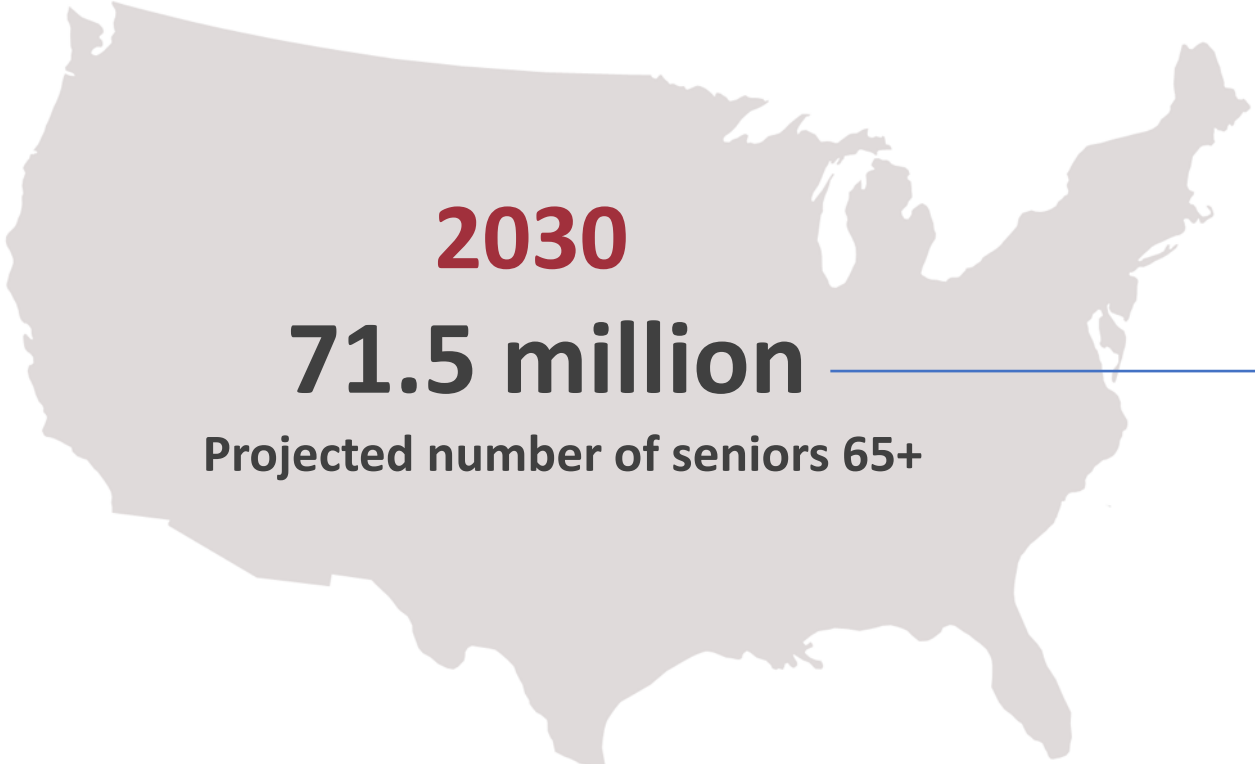
Co-op Development Specialist,
USDA Rural Development





**Caring for elders
and people with
disabilities**

Senior Population Growth



87% wish to age at home

Getting by with a Little Help...

**70% of elders will need
help to age at home**



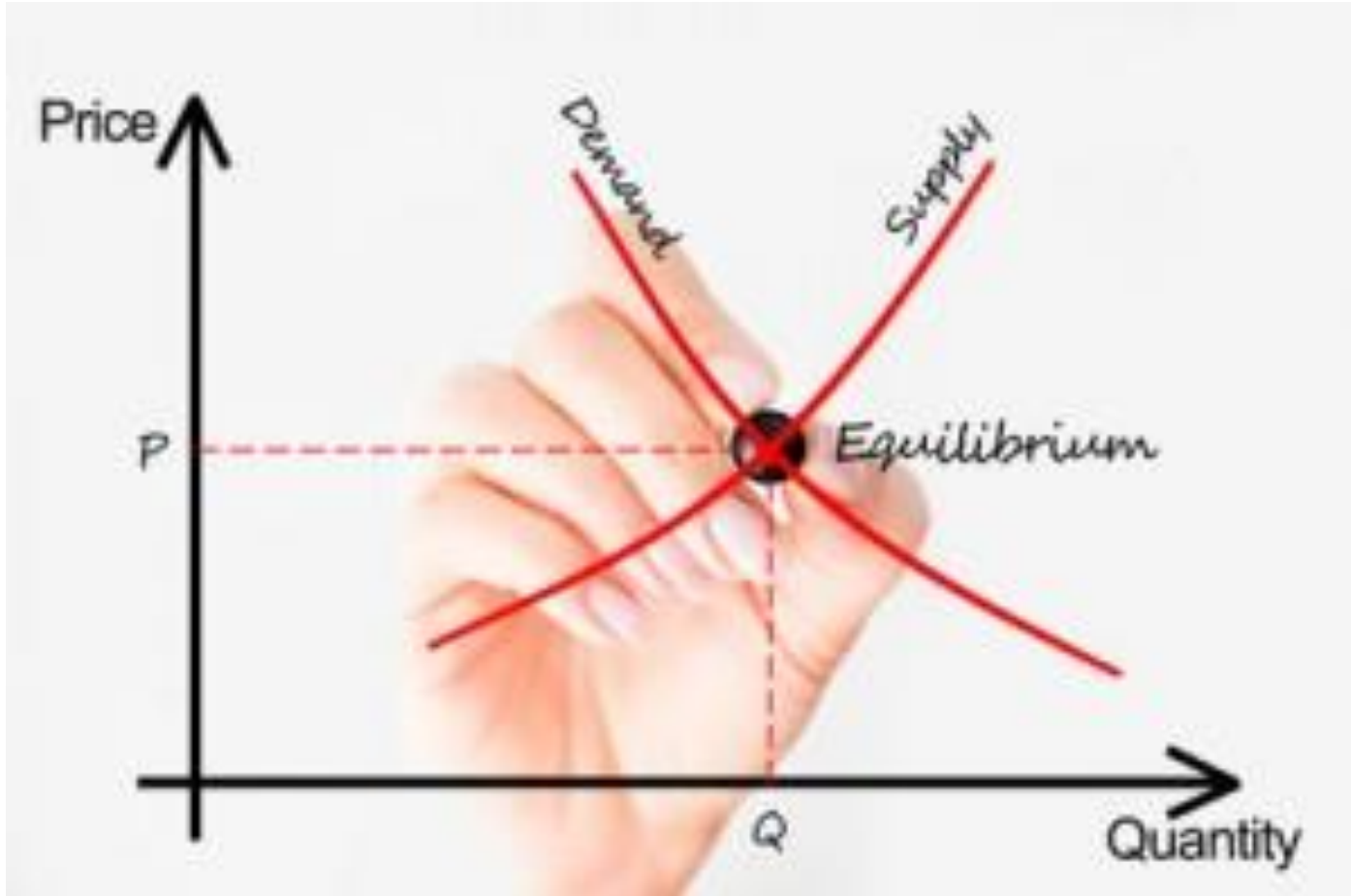
All photos courtesy of Cooperative Care, Wautoma, WI

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

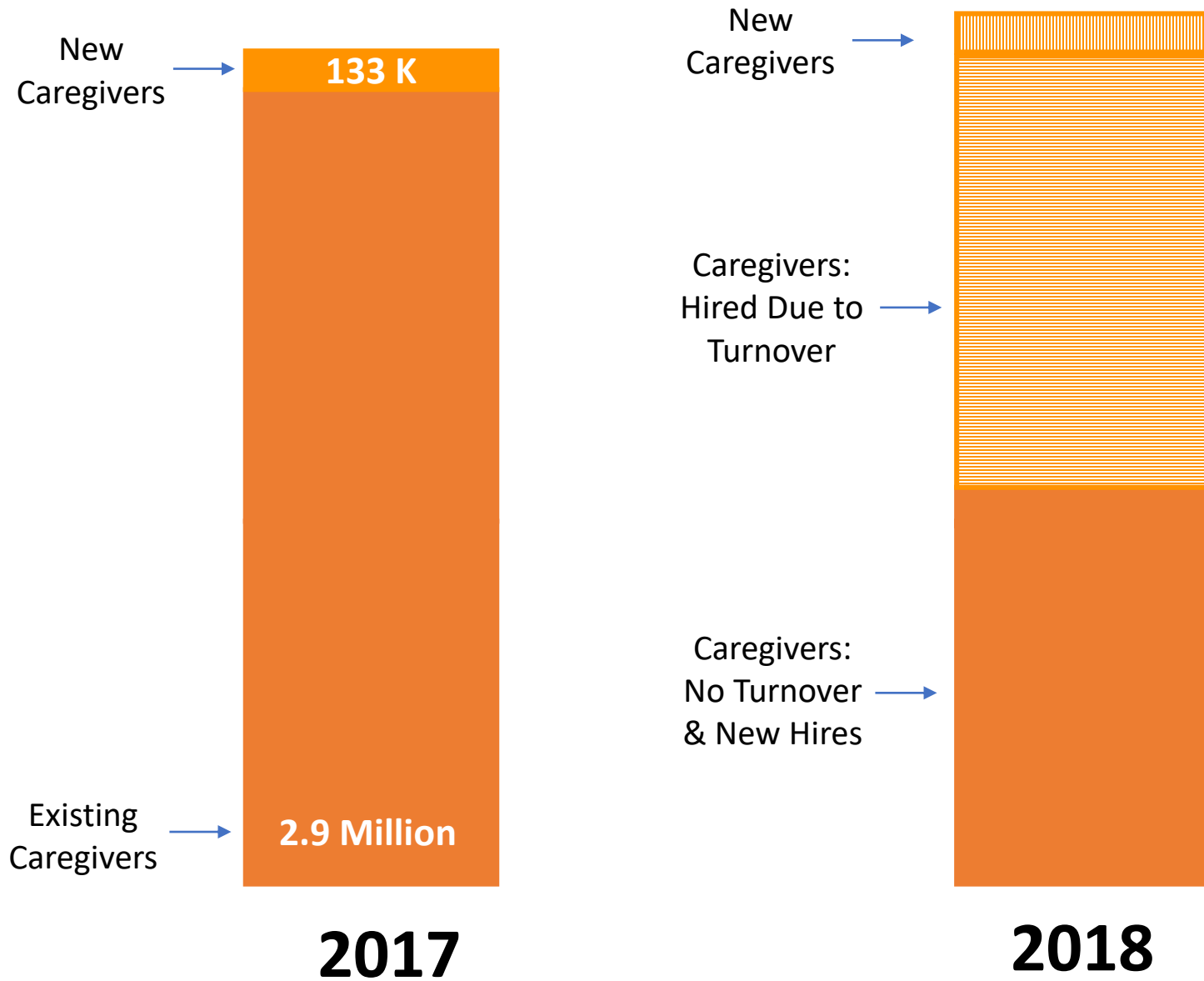
**CAREGIVER
CRISIS AHEAD**

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

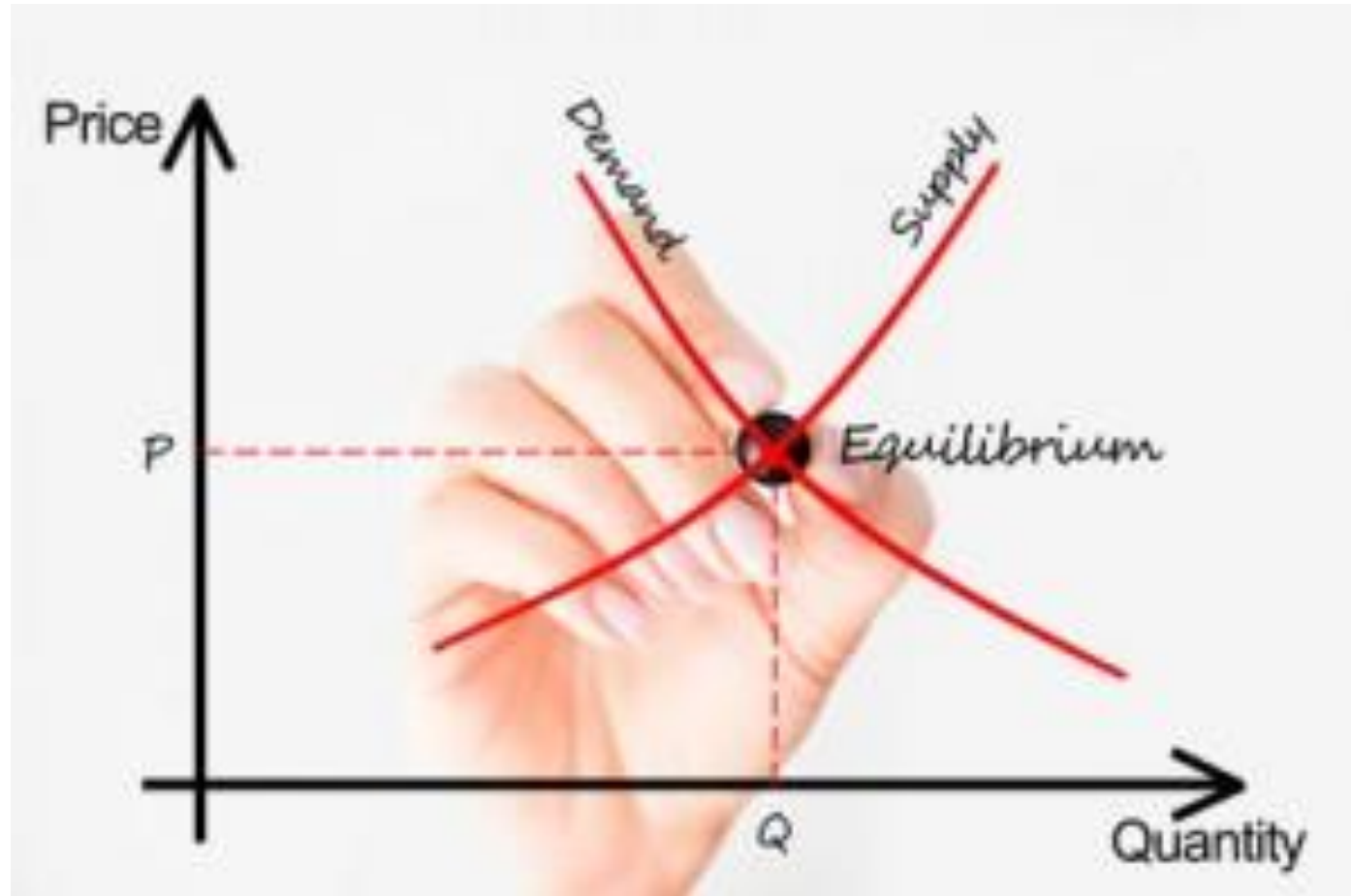


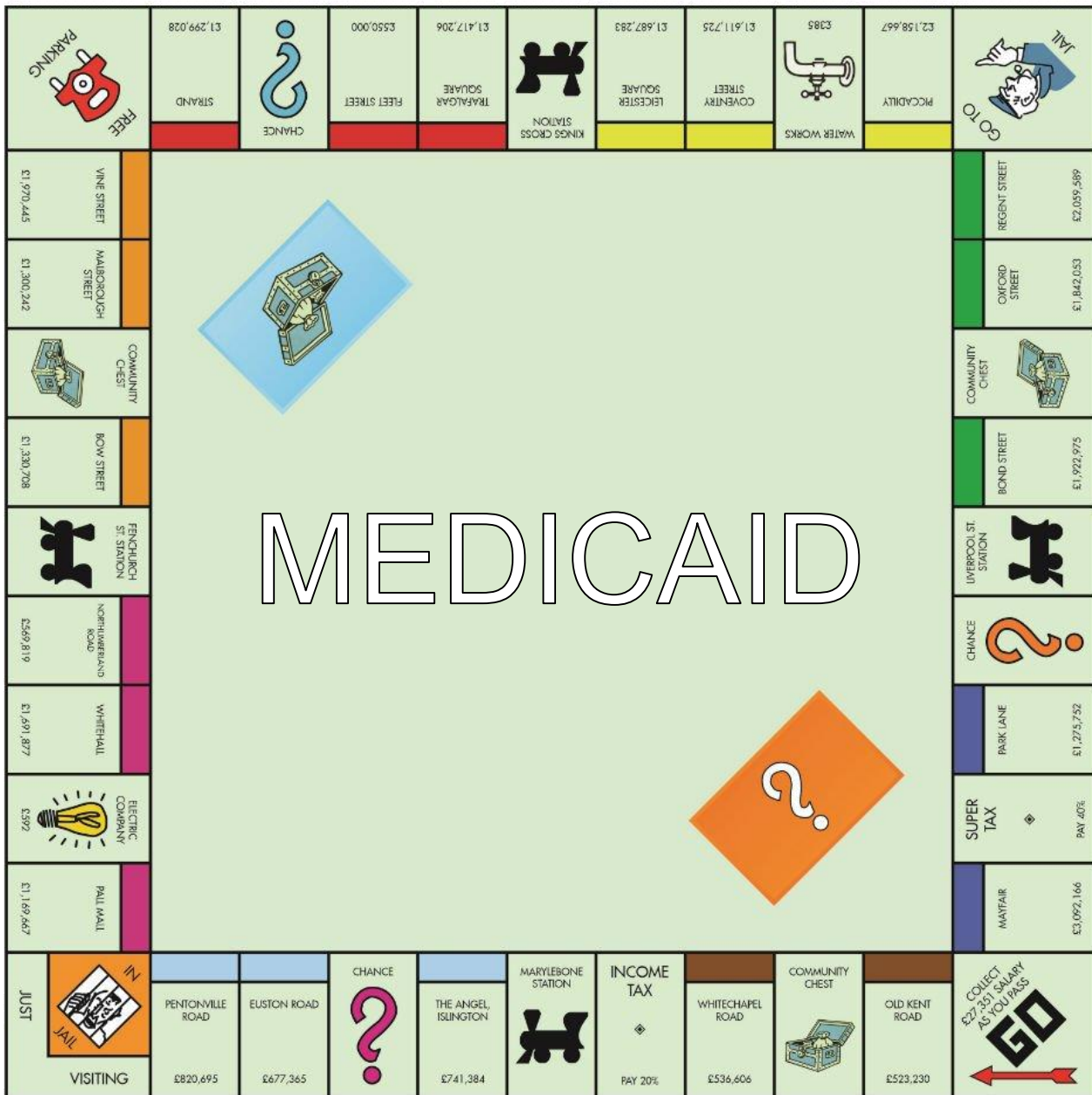
60% Caregiver Turnover Rate

13 Million Caregivers

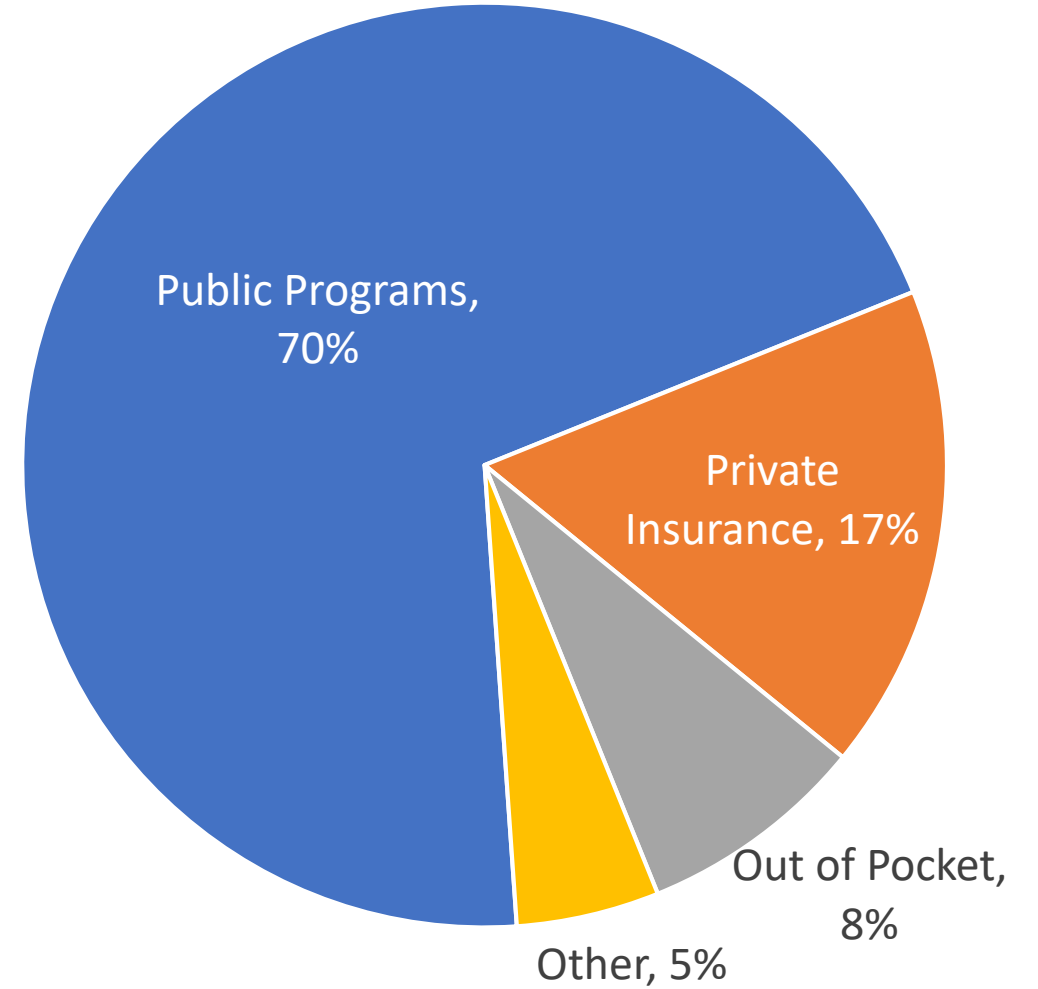
Need to be hired and trained to meet demand by 2024 if current turnover rate persists

Why are wages so low???





Sources of Home Care Revenue



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...**

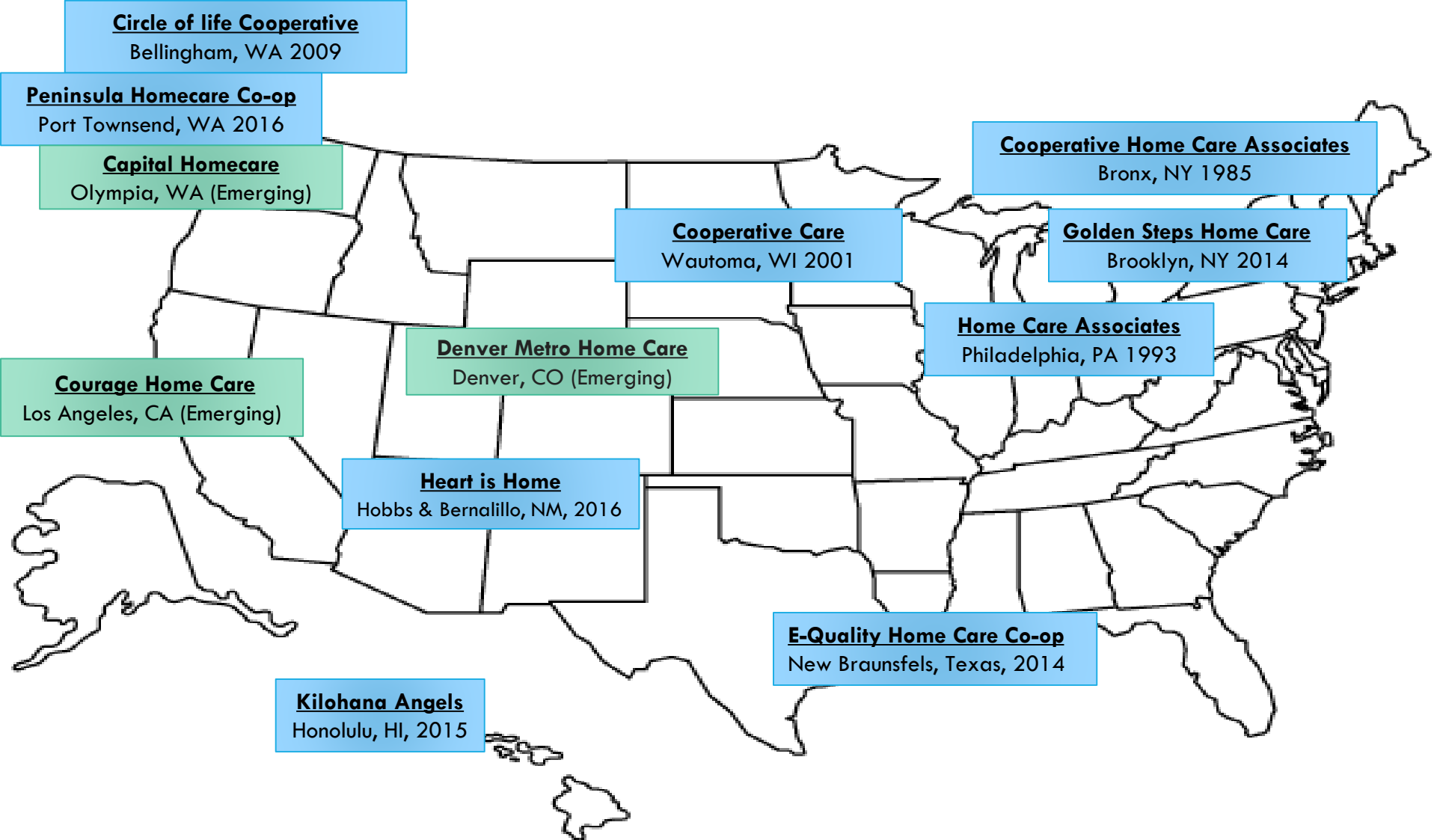
Quality Jobs = Quality Care

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**



Circle of Life
Caregiver Cooperative



Circle of life Cooperative
Bellingham, WA 2009

Peninsula Homecare Co-op
Port Townsend, WA 2016

Capital Homecare
Olympia, WA (Emerging)

Cooperative Home Care Associates
Bronx, NY 1985

Cooperative Care
Wautoma, WI 2001

Golden Steps Home Care
Brooklyn, NY 2014

Home Care Associates
Philadelphia, PA 1993

Courage Home Care
Los Angeles, CA (Emerging)

Denver Metro Home Care
Denver, CO (Emerging)

Heart is Home
Hobbs & Bernalillo, NM, 2016

E-Quality Home Care Co-op
New Braunsfels, Texas, 2014

Kilohana Angels
Honolulu, HI, 2015



Strategy



Home Care
Cooperative
Initiative



Home care co-op in your region?

We've learned so much...

- Market strategy
- Building support system

Interested? Contact:

- Leslie Mead, CDF
lmead@ncba.coop; 202-383-5456
- Courtney Berner, UWCC
cberner@wisc.edu; 608-890-0966
- Margaret Bau, USDA
Margaret.Bau@wdc.usda.gov; 715-345-7671



*Home care worker-owners Lois Clark and Donna Tompkins
Cooperative Care board meeting circa 2002,
Wautoma, WI*

For More Information

Margaret Bau

Cooperative Development Specialist

USDA Rural Development

(715) 345-7671

Margaret.Bau@wdc.usda.gov



USDA is an equal opportunity provider, employer, and lender.

Questions?

The 2018 **Cooperative Solutions for Community Needs Webinar Series** is brought to you by the University of Wisconsin Center for Cooperatives



Center for Cooperatives
UNIVERSITY OF WISCONSIN-MADISON