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# The Co-operative Alternative and the Creative Industries

A technical report on a survey of  
co-operatives in the cultural and technology  
sectors in Canada, the United Kingdom, and  
the United States

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# 1// Introduction

This report presents the findings of a 2019 online survey of co-operatives in creative industries in Canada, the UK, and the US. This survey was an international collaboration between the SSHRC-supported project, “Pathways beyond Precarity in the Cultural and Creative Industries: Sustainable Livelihoods and Cultures of Solidarity,” and the British Academy-supported project, “Mapping Cultural Co-operatives.” This technical report is a companion to our community publication, *Sharing Like We Mean It: Working Co-operatively in the Cultural and Tech Sectors*. Whereas the latter presents select findings for workers who are new to co-ops, this technical report provides a fuller account of the results for co-op researchers, associations, policy-makers, and other interested readers.

Our survey was initiated in the context of research on cultural work. Scholars have produced extensive evidence of the precarity faced by workers in creative industries, including arts and culture, media and communication, and information technology. As the perils of Big Tech and the precarity of cultural work have become increasingly contentious, the need to explore and enact worker-centered strategies for democratizing labour and sustaining livelihoods has become urgent—all the more so in the face of the ongoing COVID-19 pandemic, which has hit self-employed cultural workers particularly hard. While the co-operative model has recently begun to receive more attention among researchers seeking alternative work structures for the cultural and tech sectors, knowledge of the co-op landscape in the creative industries and the conditions of work therein remains limited. Building on Dave Boyle and Kate Oakley’s reflections on the complementarities of co-ops and creative industries, this report summarizes findings from our 2019 survey of creative-sector co-ops in Canada, the UK, and the US.



**For the purpose of this report, a co-operative refers to a business (or other organization) collectively owned and democratically governed by its members that strives to uphold the co-operative principles.**

In undertaking this survey, we set out to generate a preliminary portrait of co-op presence in creative industries; working conditions within creative-sector co-ops; the benefits of working co-operatively; reasons why cultural and tech workers choose the co-op option; and creative-sector co-ops’ involvement in the wider co-operative movement.

As further described in *Sharing Like We Mean It: Working Co-operatively in the Cultural and Tech Sectors*, the results of our survey confirm that the co-op model is a promising strategy for mitigating individualized patterns of work, democratizing work relationships, and providing satisfying work in creative industries contexts. While co-ops are not a magic solution to systemic work problems, our research is suggestive of co-ops’ potential to remake work in ways that have yet to be fully realized, or widely tested, in creative industries.

## 2/ About the research

The goals of the research were to: generate a profile of the scale of co-operatives in creative industries (e.g., membership size); analyze characteristics of the working conditions within creative sector co-operatives (e.g., compensation, equity); assess strengths and weaknesses in the co-operative institutional support system (e.g., co-op associations); identify governance practices and institutional values within individual co-operatives (e.g., engagement with co-op principles); and gauge technology use within this subset of the co-operative economy.

In addition to generating a sector profile of co-ops as alternative economic organizations in creative industries, the research aims to inform discussions within the co-operative movement of strategies for strengthening co-operative principles and presence within and beyond the creative industries. In particular, this research aims to assess the extent to which worker co-operatives provide a more secure, stable, and prosperous model of work within creative industries, where insecure freelance work, individualization, high work stress, and low pay are prevalent.

Following the main objectives, the project collected two types of structured data using survey research methodology: quantitative survey responses and open-ended qualitative data.

### **SURVEY DEVELOPMENT**

- ✦ A draft of the survey was developed in consultation with co-op researchers and practitioners.
- ✦ It was reviewed for length, wording, and question design (e.g., response options).
- ✦ We discussed question revisions and developed a data analysis plan to ensure the survey questions addressed the research objectives.
- ✦ The survey was sent out to experts working in/with and/or researching co-ops for feedback to ensure questions were clear and relevant and addressed the intended concepts.
- ✦ The final version of the survey was coded and tested in the survey platform Qualtrics.
- ✦ The project was reviewed and approved by the Research Ethics Boards at Wilfrid Laurier University (REB 6221).

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## ABOUT THE RESEARCH

The final survey took 20-30 minutes to complete and was divided into seven sections: Co-op Profile (e.g., type of co-op, years in operation); Economics (e.g., annual revenue); Membership and Employment (e.g., diversity, union representation); Pay, Benefits, and Policies (e.g., rates, hours); Co-op Identity, Support, and Movement (e.g., engagement with co-op principles, co-op association membership); Governance (e.g., meeting frequency, decision-making); and Technology and Communication. The survey branched as some questions were relevant to only specific types of co-ops (e.g., worker-co-ops or co-ops with employees).

Quantitative questions were mostly rating scales (e.g., Likert scale ranging from 1="Strongly disagree" to 5="Strongly agree"), with some multiple-choice and rank-order questions. While the majority of the survey was oriented toward generating quantitative data based on multiple-choice options and ranked and weighted lists, we also collected qualitative data via comment boxes. Qualitative questions were structured as open-ended questions permitting responses of 10-100 words.

## **SURVEY SAMPLE AND POPULATION**

The survey was distributed to 446 co-ops (111 in Canada; 153 in the UK; 182 in the US) and was open from September to November 2019. Participants were invited via email to have one co-op representative (or more than one representative, together) complete the survey on their co-op's behalf. 131 co-ops responded to the survey, which is an initial survey response rate of 29.4%. After accounting for incomplete data and non-consent, the final survey sample comprised 106 co-ops, a final response rate of 23.7%. The data were cleaned and analyzed using SPSS. When calculating proportions, data was rounded to one decimal place. "No response" counts were not included in tables or calculations.

Our sample derives from a database of co-ops and corresponding email contacts that we developed by consulting publicly available online membership listings of co-op associations and directories maintained by co-op advocacy organizations (e.g., The Internet of Ownership) and informal co-op groups (e.g., CoTech). As not all co-ops are represented by these organizations, we conducted internet searches to expand our list of co-ops. To be included in the survey population, a co-op had to be based in Canada, the UK, or the US, and operate in a sector within generally accepted definitions of creative industries. Co-ops' websites were reviewed to confirm they had been active in the previous year. Based on the review of organizational websites, we identified each co-op's name, location, web address, co-op type, sector, and email contact and created three country-specific databases. While we strove to be thorough, we cannot claim that our population of co-ops in creative industries in Canada, the US, and the UK is comprehensive.



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## ABOUT THE RESEARCH

Given the sample size, the data are not representative of all co-ops in creative industries in Canada, the UK, and the US. While the findings are not generalizable, our results provide an exploratory basis for future research. The findings are based on self-report data, which may be influenced by recall bias and social desirability bias, although the anonymous nature of the quantitative data may help to mitigate the latter bias.

### 3/ Summary of key findings

- More than 90% of the co-ops surveyed reported being satisfied with their general working conditions.
- 55.5% of the co-ops surveyed reported that their pay “meets” or “exceeds” the average for their industry. Yet 43.6% of co-ops reported that competitive remuneration is a challenge for them.
- The top five selected benefits of working at a co-op were: supportive work relationships; a friendly work environment; opportunities for creative self-expression; a work culture that encourages teamwork and co-operation; and low hierarchy at work.
- Over 90% of the co-ops surveyed agreed that democratic decision-making is a priority in their co-op.
- The co-ops surveyed described themselves as most diverse with respect to gender and age, and least diverse with respect to race.
- Over 47% of co-ops surveyed reported that they discuss co-op principles “frequently” or “always.” Our survey results suggest that consistent reflection on what it means to operate as a co-op yields many benefits: co-ops that discuss co-op principles more frequently tend to be more diverse, report stronger member engagement, and are more engaged in the co-op movement.
- The most common sources of financial support during the surveyed co-ops’ first couple of years in operation were: revenue/retained earnings, online fundraising, and loans from members and member shares. The least common sources of financial support during the start-up phase were: venture capital, loans, and government grants.
- The “most relied upon” source of non-financial support in the start-up phase was member labour; the “least relied upon” source was a start-up incubator.
- 54.7% of co-ops did not have a business plan at the time of the survey.
- Affordable workspace was selected as one of the biggest challenges faced by the co-ops surveyed. Only 9.4% of the co-ops own their own workspace.
- The majority of the co-ops (67%) co-operate with other co-ops.
- Our respondents agreed that increasing the number of new co-ops requires, above all, educating the public about co-ops and improving access to funding.

## 4/ About the sample: sector overview

The survey was completed by 106 co-ops, including 30 co-ops from Canada, 42 from the UK, and 34 from the US. The co-ops surveyed represent a range of sectors. Over half of the co-ops, 55.2%, are in the arts and culture sector, 19% are in media and communication, 17.1% in technology, and 8.6% indicated belonging to other sectors. Our sample represents a range of co-op types. Most of the co-ops, 41%, are worker co-ops or identify as "other," 34.3%. The most frequently mentioned "other" co-op types were freelancer co-op, non-profit co-op, actor co-op, and artist co-op.

**Table 1** shows the distribution of the characteristics of the co-ops surveyed.

**Table 1: Co-op characteristics**

Characteristic	Count	Frequency (%)
Country		
Canada	30	
UK	42	
USA	34	
Sector		
Arts and culture		55.2
Technology		17.1
Media and communication		19.0
Other		8.6
Type		
Worker co-op		41.0
Multi stakeholder co-op		11.4
Consumer co-op		2.9
Producer co-op		10.5
Other		34.3

On average, the co-ops surveyed have been in operation for 13 years. About a quarter, 26.4%, have been in operation for five years or less; 25% have been in operation between 5-15 years; and 49.1% have been in operation for 15 years or more.

Almost half of the co-ops, 48.1%, have 20 or fewer members; 28.3% have 20-50 members; and 23.6% have more than 50 members. **Appendix I** summarizes the distribution of the years in operation and membership size of the co-ops surveyed.

## 5/ Starting up

### REASONS TO CO-OPERATE

The co-ops surveyed rank-ordered seven reasons for their co-op's existence from 1="Most important" to 7="Least important." Providing a stable job and generating economic value were most frequently selected as the "most important" reasons for co-operation (by 20.5% of co-ops), while on average supporting the well-being of members is considered most important.

There were no statistically significant differences in the reported importance of reasons for a co-op's existence,  $\chi^2(6) = 8.08$ ,  $p = .23$ , *ns*. This parallels the frequency results and suggests that although there are significant differences in why co-ops choose the co-op model and what they rate as the most important reason for their existence, all assessed reasons are viewed as important across co-ops. **Table 2** provides an overview of mean ranks.

**Table 2: Ranked importance of reasons for a co-op's existence**

Reasons for co-op's existence	Mean rank
Support the well-being of members	3.56
Generate economic value for members	3.90
Make a positive impact on the world	3.94
Promote an economic alternative	3.94
Create meaningful work	4.03
Provide stable jobs to members	4.22
Serve an unmet need in local communities	4.41

Note:  $N=88$

When asked to indicate reasons for their co-op's existence that were absent from the list of options, some of the responses included: "cost-sharing," "shared responsibilities," "(to) create a hub," "creative freedom," "political values," and "mutual support."

### FACILITATORS AND CHALLENGES

In order to assess conditions necessary to foster co-op formation, respondents were asked to rank-order seven priorities from 1="Most important" to 7="Least important." Educating the general public about the co-op model and improving access to funding were most frequently rated as the "most important" conditions for the formation of new co-ops, with 29.6% and 23.5% rating these as "most important" respectively. There was a statistical difference in reported priority during co-op formation,  $\chi^2(6) = 60.33$ ,  $p < .001$ . **Table 3** provides an overview of the mean ranks and significant differences.

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## STARTING UP

**Table 3: Ranked priorities for fostering co-op formation**

Priority	Mean rank
Educate the general public about the co-op model	3.07 <sub>a</sub>
Improve access to funding	3.51 <sub>ab</sub>
Educate professional service sector about the co-op model	3.67 <sub>bc</sub>
Introduce the co-op model in college and university programs	3.67 <sub>bc</sub>
Enhance government support	4.01 <sub>c</sub>
Remove regulatory and legislative barriers	5.01 <sub>d</sub>
Stronger outreach from associations	5.06 <sub>d</sub>

Note:  $N=81$  ; Different subscripts indicate mean differences based on post-hoc analyses with Wilcoxon signed rank tests with a Bonferroni correction.

When asked about common challenges during the start-up phase, co-ops reported on average only few challenges with understanding of the co-operative model,  $M= 1.03$ ,  $SD= .82$ , competent co-operative development support,  $M= 1.06$ ,  $SD= 1.12$ , and start-up capital,  $M= 1.02$ ,  $SD= 1.37$ , assessed on a scale from 0="Not at all" to 4="A great deal" of a challenge.

## START-UP SUPPORT

Co-ops were asked to select sources of financial and non-financial support they received in their start-up phase (i.e., first two years of operation). The most commonly selected sources of financial support were: revenue/retained earnings, selected by 35.6%; online fundraising, selected by 31.7%; loans from members, selected by 28.7%; and member shares, selected by 27.7%. The least commonly selected source of start-up funding was venture capital, with only 1.0% of co-ops selecting this source, followed by loans (5-7.9%) and grants (5-8.9%). **Appendix II** presents the selected frequency of co-ops' sources of financial support in the start-up phase.

In terms of non-financial support in the start-up phase, co-ops indicated the importance of each source, rated from 0="None" to 4="A great deal." The highest-rated source of non-financial support was member labour, with 74.4% rating it as a very important source of support (combining 4="A great deal" and 3="A lot"). 13.4% rated other co-ops as an important source of start-up support, 10% co-op consultant/developers, 9.5% the government, 7.1% regional co-operative associations, 6.09% other businesses in the sector, and 2.4% start-up incubators. A follow-up one-sample t-tests revealed that member labour was statistically

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## STARTING UP

significantly more important as a source of support than all other types of support rated, all  $p$ 's < .001 (testing value = 2.99).

**Table 4** summarizes the average rating of sources of non-financial support received by co-ops in their start-up phase.

**Table 4: Mean sources of non-financial support in the start-up phase**

Source	N	M	SD
Member labour	90	2.99	1.53
Other	15	1.07	1.62
Other co-ops	90	1.01	1.25
Consultant or co-op developer	90	.83	1.08
Other businesses in your sector	82	.67	1.01
Regional co-op association	85	.64	1.04
Government	84	.60	1.10
Start-up incubator	84	.21	0.71

## 6/ Working in a co-op: conditions and engagement

### CHARACTERISTICS

42.1% of the co-ops surveyed employ members (Mm) and non-members (Nm), 36.8% reported not having any employees,<sup>1</sup> and 17.9% hire member-labour only. Of the co-ops with employees or worker-owners, 20% indicated that they are unionized. Over half of the surveyed co-ops, 63.6%, reported having formal job descriptions. **Appendix III** summarizes select employment characteristics of the co-ops surveyed.

The co-ops were asked whether or not all of their employees were paid at the same rate. Except for non-members in Canada, at least 50% of co-ops report equal pay for member and non-member employees.

**Table 5** provides an overview of pay structures across the three studied countries by employee type.

**Table 5: Frequency (%) of flat pay structure by country and employee type**

	CAD		UK		US	
	Mm	Nm	Mm	Nm	Mm	Nm
<b>Flat pay</b>	50	37.5	62.5	58.3	66.7	66.7
<b>N</b>	6	8	16	12	15	9

When asked to compare their pay rates to industry standards, more than half of the co-ops surveyed, 55.5%, reported that their rates meet or exceed average rates in their industry. Yet 43.6% of co-ops report that competitive remuneration is a challenge for them.

Co-ops with employees and/or worker-owners reported on the presence of a range of employment policies/protections. As applicable, co-ops reported on policies covering member and non-member employees. The most common policies for both member and non-member employees were equity in hiring (87.2%; 83.8%), living wage (79.2%; 84.6%), conflict/dispute resolution (76.5%; 69%), and paid holidays (75.5%; 73.7%). Less than half of the co-ops have policies for health benefits (39.6%; 37.8%) and retirement savings (36.7%; 32.4%). Paired-samples t-tests revealed no statistically significant differences in the presence of employment policies between members and non-member employees, p's between .08 and .75. There are marginal differences at p= .08 for paid holidays

<sup>1</sup> Some worker co-ops may have indicated not having employees because they do not view themselves as "employees" but rather as "worker-owners."

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## WORKING IN A CO-OP: CONDITIONS AND ENGAGEMENT

and conflict/dispute resolution, which are more common for member employees. **Table 6** presents the frequency of the reported presence of specific employment policies.

**Table 6: Frequency of the presence of employment policies for member- and non-member employees**

Policy	Frequency (%)	
	Member	Non-member
Equity in hiring	87.2	83.8
Living wage or higher	79.2	84.6
Conflict/dispute resolution	76.5	69.2
Paid holidays	75.5	73.7
Paid sick leave	67.3	65.8
Equal pay for all employees	59.2	59.0
Parental leave	58.3	50.0
Health benefits	39.6	37.8
Retirement savings	36.7	32.4

Note:  $N_{\text{member}} = 47-51$ ,  $N_{\text{nonmember}} = 37-39$

### DIVERSITY

When asked about the racial, gender, and age diversity of their membership, from 0="Not at all" to 4="Extremely," the surveyed co-ops reported being most diverse in terms of gender, followed by age, and least diverse with regards to race: 70.5% of co-ops reported low racial diversity, whereas only 29.5% and 18.9% reported low age and gender diversity respectively. **Table 7** provides an overview of mean responses.

**Table 7: Mean ratings of diversity**

	N	M	SD
Gender	95	2.54	1.192
Age	95	2.11	1.036
Race	95	1.35	1.089



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## WORKING IN A CO-OP: CONDITIONS AND ENGAGEMENT

### CONDITIONS

Respondents were asked to indicate their agreement with various statements regarding working hours from 1="Strongly disagree" to 5="Strongly agree." About half of co-ops, 43.6%, "strongly disagree" that they have a 9-5, five-day work week; 52.7% "strongly agree" that their schedule is flexible, and 45.5% "strongly agree" that they are free to leave early. This pattern is mirrored in the mean responses (see **Table 8**).

The co-ops rated their work satisfaction on a scale from 1="Extremely dissatisfied" to 5="Extremely satisfied." No co-op reported being "somewhat dissatisfied" or "extremely dissatisfied" with their general work conditions. 90.74% of co-ops reported being satisfied with their work conditions generally. On average, co-ops rated their work conditions as "extremely satisfying,"  $M= 4.26$ ,  $SD= .62$ ; their level of support as "satisfying,"  $M= 4.19$ ,  $SD= .81$ ; and their opportunities for training and development as "somewhat satisfying,"  $M= 3.83$ ,  $SD= .86$ . **Table 8** summarizes the results.

**Table 8: Mean level of agreement/satisfaction with working hours and general working conditions**

	N	M	SD
Working hours			
Flexibility	55	4.25	1.04
Leave early	55	3.98	1.28
Discussions about work hours	55	3.35	1.22
Regular overtime	54	2.7	1.36
9-5, five-day workweek	55	2.4	1.45
Working conditions			
General	54	4.26	.62
Level of support	54	4.19	.80
Opportunities for training and development	54	3.83	.86

Respondents were asked to indicate the extent to which various dimensions of work culture are benefits of working in a co-op, from 0="Not at all" to 4="A great deal." Dimensions that were most frequently rated as highly beneficial were: supportive work relationships,  $M= 3.20$ ,  $SD= .81$ ; a friendly work environment,  $M= 3.19$ ,  $SD= .90$ ; opportunities for creative self-expression,  $M= 3.18$ ,  $SD= .98$ ; and encouragement of teamwork and co-operation,  $M= 3.12$ ,  $SD= .1.01$ .

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## WORKING IN A CO-OP: CONDITIONS AND ENGAGEMENT

A majority of the co-ops surveyed reported that “a great deal” to “a lot” of benefit derives from these dimensions of working in a co-op: a friendly work environment (84.6%), supportive work relationships (82.4%), teamwork and co-operation (79.1%), opportunities for creative self-expression (76.7%), low hierarchies at work (71.4%), work that has a positive impact on society (70.8%), self-determination over work conditions (70.5%), and high job satisfaction (65.6%). 21.6% of co-ops rated stable income as “not at all” a benefit of working in a co-op.

A one-sample t-test confirmed that none of the listed aspects of working in a co-op is rated as “not at all” being a benefit of working in a co-op, all  $p$ 's <.001, but that *a stable income* is rated as being a statistically significant lesser benefit than all other assessed benefits, all  $p$ 's <.001 (testing value= 1.63). A summary of mean ratings is provided in **Table 9**.

**Table 9: Mean ratings of benefits of working in a co-op**

Work culture dimension	N	M	SD
Supportive work relationships	91	3.20	.81
A friendly work environment	91	3.19	.90
Opportunities for creative self-expression	90	3.18	.98
Encourages teamwork and cooperation	91	3.12	1.01
Low hierarchies at work	91	3.05	1.08
Self-determination over working conditions	88	3.05	1.03
Doing work that has a positive impact on society	89	3.02	1.08
High job satisfaction	90	2.86	.99
Opportunities for personal development and training	90	2.46	1.04
A stable income	88	1.63	1.15

When asked about the challenges of working in a co-op, co-ops reported on average only few to moderate challenges with member recruitment,  $M= 1.47$ ,  $SD= 1.21$ , retention,  $M= 1.11$ ,  $SD= .89$ , and member engagement,  $M= 1.54$ ,  $SD= 1.00$ , assessed on a scale from 0=“Not at all” to 4=“A great deal” of a challenge.

### ENGAGEMENT AND SOLIDARITY

Co-ops rated their level of agreement, from 1=“Strongly disagree” to 5=“Strongly agree,” with various statements regarding decision-making. 92% agreed that democratic decision-making is a priority in their co-op ( $M= 4.63$ ,  $SD= .88$ ). In addition, there is agreement that members aim for consensus in decision-making,  $M= 4.47$ ,  $SD= .92$ ; that members have the opportunity to participate in decisions about business strategy,  $M=$

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# WORKING IN A CO-OP: CONDITIONS AND ENGAGEMENT

4.31, *SD*= 1.18; that members participate in pay decisions, *M*= 4.90, *SD*= 1.52; and that members vote in making decisions, *M*= 3.87, *SD*= 1.38. **Appendix IV** summarizes these findings.

Co-ops further rated membership engagement in various work-related areas from 0=“Not at all” to 4=“Extremely.” A high level of engagement was reported by approximately half of the co-ops for overall engagement (51%). **Table 10** summarizes the mean ratings of engagement across various areas.

**Table 10: Mean ratings of membership engagement**

Area of engagement	N	M	SD
Overall engagement	94	2.64	0.815
Collaborative working	93	2.57	1.067
Workplace democracy	94	2.33	1.256
Improving working conditions	94	2.04	1.209
Business planning and strategy	95	1.78	1.159
Co-op movement	95	1.71	1.09

The co-ops surveyed were also asked to indicate the extent of their involvement in the wider co-op movement, from 0=“Not at all” to 4=“Extremely.” About two-thirds of co-ops, 67%, reported being “not at all” involved or “somewhat” involved in the co-op movement, while 16.5% reported being “very” involved or “extremely” involved.

The majority of the co-ops surveyed, 71.4%, are members of a co-op association. Of these co-ops, 57.8% report being satisfied with their co-op association. Co-ops were asked to identify services offered by co-op associations that they have found particularly helpful. Prominent responses included: legal help, loans, accounting, support in governance, and getting started.

67% of the surveyed co-ops co-operate with other co-ops. This occurs most through events (74.2%), sharing resources (66.7%), and peer-to-peer support (60.6%). Inter-co-operation also occurs through referrals and offering discounts to other co-ops. **Appendix V** provides an overview of frequencies of membership in associations and forms of inter-co-operation.

Barriers to co-operating with other co-ops that were noted in qualitative comments included: lack of time, lack of opportunities, lack of presence of other co-ops in the industry, and physical distance.

# 7// Resourcing a co-op

## ECONOMIC OUTLOOK

The financial health of the co-ops surveyed was assessed by measuring co-ops' level of concern about their economic future, financial growth, and financial stability on a scale from 0="None at all" to 4="A great deal." About half of co-ops, 48.98%, indicated "no" or "low" concern about their financial growth, 35.05% about their financial stability, and 29.9% about their economic future. Cash flow was the biggest challenge for co-ops, with 54.2% of co-ops rating it as challenging.

**Table 11** summarizes the mean economic dimensions of the co-ops surveyed.

90.1% of the co-ops surveyed perceive being a co-op as a market advantage.

**Table 11: Mean ratings of economic dimensions**

Economic dimension	N	M	SD
Economic future	97	1.95	1.16
Financial stability	97	1.79	.96
Financial growth	98	1.51	0.99

## WORKSPACE AND TECHNOLOGY

Co-ops were asked to respond to questions regarding their workspace and technology use. Affordable office spaces and affordable technology were rated as being a challenge by 50% and 44.8% of co-ops respectively. Only 9.4% of co-ops own their workspace, while 63.2% of workspaces are rented or leased. 57.9% of co-ops use open-source technology, but only 32.5% use technology provided by other co-ops. About half of co-ops, 48.9%, describe their co-op as an internet-based business. **Table 12** provides an overview of the frequency results.

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## RESOURCING A CO-OP

**Table 12: Frequency of workspace and technology characteristics**

	Frequency (%)
Workspace	
Rented/leased	63.2
Home-based	15.1
Owned	9.4
Other	7.5
Based in coworking space	4.7
Open-source technology	57.9
Co-op technology	32.5
Internet-based	48.9

Co-ops reported to what extent they faced various technology challenges in daily operations from 0="Not at all" to 4="Extremely." Overall, on average, co-ops reported experiencing "slight" to "moderate" technology challenges,  $M= 1.4$ ,  $SD= .87$ . In daily operations, reliance on tools made by Big Tech (e.g., web hosting services) was rated as the most challenging,  $M= 1.74$ ,  $SD= 1.22$ .

When asked about other technology challenges, co-ops reported issues with the affordability of software (e.g., communication platforms) and lack of co-op technology (e.g., hosting or payroll services). **Table 13** provides an overview of the mean technology challenge ratings.

**Table 13: Mean ratings of technology challenges**

Technology challenges	N	M	SD
Reliance on tools of Big Tech	88	1.74	1.22
Training and skills	86	1.70	1.12
Data security	86	1.31	1.11
Access to technology support	87	1.28	1.15
Access to software	86	1.20	1.19
Access to hardware	86	1.07	1.05

## 8/ Sustaining a co-op

### BUSINESS PLAN

Only 45.3% of co-ops reported having a business plan. On average, the duration of the plan is 4.5 years,  $M = 4.43$ ,  $SD = 7.43$ .

### GOVERNANCE

The co-ops indicated the regularity of all-member and director meetings. About half of co-ops, 48.9%, have all-member meetings at least monthly, and 63.3% have at least monthly director meetings. **Appendix VI** provides an overview of the frequency of director and all-member meetings.

When asked about the frequency of discussion of co-op principles, from 0="Never" to 4="Always," co-ops reported discussing the co-op principles on average "sometimes" to "frequently,"  $M = 2.46$ ,  $SD = .81$ . This is mirrored in the frequency responses. Only 8.8% of co-ops "rarely" or "never" discuss the co-op principles, whereas 47.25% of co-ops reported discussing the principles "frequently" or "always."

Co-ops reported on average only very few challenges with legislative/regulatory barriers,  $M = .97$ ,  $SD = .91$ , and institutional memory,  $M = .91$ ,  $SD = 1.07$ , few challenges with governance complexity,  $M = 1.14$ ,  $SD = 1.07$ , and retention,  $M = 1.11$ ,  $SD = .89$ , and some challenges with member engagement,  $M = 1.54$ ,  $SD = 1.00$ , and recruitment,  $M = 1.47$ ,  $SD = 1.21$ , assessed on a scale from 0="Not at all" to 4="A great deal" of a challenge. A rapidly changing sector and competition were among the biggest challenges, rated as challenging by 56.4% and 46.3% of co-ops respectively.

This is mirrored in the surveyed co-ops' responses on the need for improvement across various governance dimensions, from 0="Not at all" to 4="A great deal." Overall, on average co-ops indicated that governance needs to improve "a little" to "moderately,"  $M = 1.43$ ,  $SD = .71$ . Membership engagement was rated as needing "a lot" or "a great deal" of improvement by 32.1% of the co-ops surveyed. **Table 14** provides an overview of mean responses.

**Table 14: Mean ratings of need for improvement in governance**

Governance aspect	N	M	SD
Member engagement	87	1.92	1.123
Internal communication	88	1.39	0.94
Decision-making processes	87	1.39	0.992
Co-op principles	86	1.37	0.946
Transparency	87	1.00	0.902

## 9// Correlations table

Here we highlight select notable correlations:

- ✦ Membership numbers and operational length are negatively correlated with indicators of democratic decision-making and engagement.
- ✦ Start-up funding and support are positively correlated with overall involvement in the co-op movement and co-operation with other co-ops.
- ✦ Engagement is linked with many beneficial aspects of co-ops. Frequency of member meetings are more strongly correlated with perceived beneficial aspects of working in a co-op than frequency of director meetings.
- ✦ The discussion of co-op principles is strongly positively correlated with many aspects of the perceived benefits of co-ops and with involvement in the larger co-op movement and inter-co-operation.
- ✦ Overall, the need for governance improvements is correlated with various aspects of working in and sustaining a co-op.

CORRELATIONS TABLE

		Starting		Working											Resourcing		Sustaining				
MmbNbr	OpLnghT	StFdgt	StSuppT	EmpUnion	PayComp	DivT	WkHrsT	WkCdt1	COBnfT	DecsnT	EngT	COMvmt	AscSat	CooptTpT	FinHltT	TechChIT	BsPlnDur	DrtMtg	MmMtg	COPrcp	GovImprT
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	.161	-.038	.181	-.095	.090	.061	-.362	.134	.152	-.459	-.220	.089	.100	.116	.191	-.039	.008	.016	-.220	.054	-.136
2		-.207	.038	.226	.094	.087	-.314	.108	-.244	.109	-.168	-.253	.088	-.076	-.133	-.104	.295	-.130	-.174	-.034	-.094
3			.242	-.123	.087	.062	.069	-.212	.020	-.019	-.117	.226	-.010	.274	.067	.038	-.095	.126	-.174	-.093	.157
4				.200	.144	-.009	-.448	-.047	-.015	-.218	-.056	.232	.023	.267	-.068	.039	-.074	-.057	.002	-.090	-.011
5					.107	.135	.083	.210	.152	.103	.180	.253	.037	.228	-.034	.070	-.160	-.073	.215	-.137	.031
6						-.053	-.180	.104	-.260	-.220	-.346	-.202	-.299	-.024	.250	.067	-.017	-.154	-.347	-.133	.333
7							.074	.160	.049	-.036	.038	.151	.334	.173	.052	-.087	.134	-.153	-.111	.208	-.197
8								.007	.235	.210	.346	.138	.114	.019	.055	.018	-.101	.110	.098	.064	.119
9									.146	.011	-.015	.159	.125	-.002	.216	-.095	.015	.079	-.047	.202	-.091
10										.185	.508	.434	-.014	.371	.075	-.006	-.335	.077	.276	.329	-.233
11											.374	.067	-.037	.012	-.204	-.123	-.314	-.077	.386	.099	-.049
12												.197	.087	.032	-.016	.050	.073	.016	.587	.313	-.290
13													.134	.356	.165	.083	-.218	.140	.113	.289	-.127
14														.000	-.080	-.084	-.270	.049	-.150	.094	-.251
15															.019	-.139	.042	.229	.043	.196	.179
16																-.150	.241	.169	-.028	.072	-.113
17																	-.016	-.257	.025	.106	.340
18																		.089	.185	.116	-.188
19																			.102	.018	-.110
20																				.162	-.226
21																					.042

Note: MmbNbr: Membership amount; OpLnghT: Operational length; StFdgtT: Total Start-up funding; StSuppT: Mean start-up support; EmpUnion: Unionized; PayComp: Pay comparison; DivT: Mean diversity; WkHrsT: Mean work-hours; WkCdt1: Mean work conditions; COBnfT: Mean benefits working in a coop; DecsnT: Mean decision-making ; EngT: Mean engagement; COMvmt: Involvement in co-op movement; AscSat: Satisfaction with co-op association; CooptTpT: Mean cooperqation with co-ops; FinHltT: Mean finanial health; WrkSpc: Workspace; TechChIT: Mean technology challenges; BsPlnDur: Business plan duration; DrtMtg: Frequency of director meetings; MmMtg: Frequency of member meetings; COPrcp: Discussion of co-op principles; GovImprT: Mean need for governance improvement;

- Correlation is significant at the 0.01 level (2-tailed).
- Correlation is significant at the 0.05 level (2-tailed).



# 10/ Recommendations

While our research was not intended to produce a guide to starting a co-op, our respondents offered some recommendations in this vein that are worth highlighting.

## FOR PROSPECTIVE CO-OPERATORS

- 🚩 Tap into the co-op support system early on.
- 🚩 Contact your local or national co-op association for all of the guidance you can get.
- 🚩 Reach out to existing co-ops in your sector. Ask them about how and why they set up as a co-op, and about the advantages and challenges of operating as a co-op.
- 🚩 Meet with credit unions about financing options.
- 🚩 Check out publicly funded business development programs and put pressure on them to provide professional support to meet your needs for co-op-specific insight.
- 🚩 Embed diversity- and equity-promoting principles into your member recruitment plans and co-op policies from the start.
- 🚩 Prepare a business plan.

## FOR PROSPECTIVE CO-OP CONVERTORS

- 🚩 Give co-op working a trial run. If you're considering converting an existing sole proprietorship to a co-op, try out elements of a co-operative workplace to assess the model's suitability and ease your co-op transition before taking the conversion plunge.
- 🚩 Where possible, retain a worker co-operative consultant to guide the sole proprietor and the new worker-owners throughout the conversion process.
- 🚩 Early on, work to achieve consensus among worker-owners on the co-operative's core values and mission.
- 🚩 Be realistic about how long the conversion process could take, develop a conversion schedule, and take time to celebrate milestones when you reach them.
- 🚩 As the transition from employee to worker-owner is a significant shift, consider a stepped conversion process, with gradual operational transition toward a co-operative model.
- 🚩 Come to an agreement on the period during which the sole proprietor will be involved in the conversion to enable knowledge sharing and general assistance with business operations.

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## RECOMMENDATIONS

- ✚ Depending on the type of business, communicate the transition to a co-operative to clients and discuss with clients how ongoing projects will be handled through the conversion process.
- ✚ To express commitment to and financially prepare for conversion, create a fund to which all founders contribute to fund the transition costs.

### FOR EXISTING CO-OPS

- ✚ Practice the sixth co-operative principle: co-operate with other co-ops. Source products and services from other co-ops. Bank with credit unions. Establish marketing partnerships with fellow co-ops. In addition to increasing work satisfaction, participating in the wider co-op movement enables individual co-ops to contribute to something bigger than their own economic success and wider than their membership.
- ✚ Make a point of regularly talking about the co-operative principles within your co-op. They can be a useful resource in strengthening diversity and equity, guiding decision-making, and preventing organizational ossification.
- ✚ Stay informed about employment standards in your sector. Does your co-op meet sector standards? Can it exceed them?
- ✚ Meet with a union organizer who has familiarity with co-ops to discuss the potential benefits of becoming a union co-op.
- ✚ Advertise your co-op status: it attracts prospective clients.
- ✚ Explore the possibility of creating co-op networks to enrich structures of mutual support.

### FOR ASSOCIATIONS

- ✚ New and existing co-ops especially value networking opportunities, the sharing of new legislation, mentor support, and legal advice. Some co-ops would like to see more business plan consultation, additional legal support, local peer advisors (even a "local co-operative officer"), and leadership on workspace issues.
- ✚ While an assessment of co-op development was beyond the scope of our survey, our research underscores the importance of strengthening this dimension of the co-operative support system. Co-ops also value efforts to lobby government for policies that promote and protect co-ops, including advocacy for amending tax structures and enhancing other economic supports in recognition of co-ops' contributions to local economic development and the amelioration of inequities in our communities.

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## RECOMMENDATIONS

📌 As is well known, one of the greatest barriers to the creation of new co-ops is the lack of public awareness of co-ops. To raise the profile of the co-op model, our survey findings reiterate the need to campaign for the inclusion of the co-op model in curricula and incubator programs; to lobby publicly funded small business development agencies to better support co-ops; and to promote the work satisfaction advantages of working co-operatively.

# 11/ Colophon

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# Appendices



## APPENDIX I: YEARS IN OPERATION AND MEMBERSHIP SIZE

Characteristic	Count	Frequency (%)
Years in operation		
5 years or fewer	28	26.4
6-10 years	17	16.1
11-15 years	9	8.4
15-21 years or more	52	49.1
Membership size		
4 or fewer	19	17.9
5-10	18	17
11-20	14	13.2
21-30	14	13.2
31-40	9	8.5
41-50	7	6.6
51-100	4	3.8
101-200	7	6.6
201-300	6	5.7
301-1000	4	3.8
1001 or more	4	3.8

**APPENDIX II: SOURCES OF FINANCIAL SUPPORT IN  
THE START-UP PHASE**

Source	Frequency (%)
Revenue/retained earnings	35.6
Online fundraising	31.7
Loan from members	28.7
Member shares	27.7
Foundation grant	8.9
Loan from family and/or friends	7.9
Bank loan	5.9
Credit union loan	5
Co-op association grant	5
Government grant	5
Venture capital	1



## APPENDIX III: EMPLOYMENT CHARACTERISTICS

Characteristic	Frequency (%)
Employment	
Members only	17.9
Non-members only	3.2
Members and non-members	42.1
No employees	36.8
Member employees (if both)	56.35*
Unionized	20
Formal job description	63.6

Note:  $N_{\text{employment}} = 95$ ,  $N_{\text{union}} = 60$ ,  $N_{\text{job}} = 55$ , \*Mean value

## APPENDIX IV: MEAN AGREEMENT WITH DECISION-MAKING DIMENSION

Decision-making criteria	N	M	SD
Democratic priority	88	4.63	.888
Consensus aimed for	89	4.47	.918
Business strategy decisions with all members	90	4.31	1.177
Consensus reached	90	4.19	.982
Pay decisions with all members	77	3.90	1.518
Vote to reach decision	90	3.87	1.384

**APPENDIX V: FREQUENCY OF MEMBERSHIP IN ASSOCIATIONS AND INTER-CO-OPERATION**

Criteria	Frequency (%)
Membership in co-op association	71.4
Co-operation with other co-ops	78.8
Promoting the co-op model	77.3
Events	74.2
Resource sharing	66.7
Peer-to-peer support (e.g., training, marketing)	60.6
Procurement of services	37.9
Banking with credit unions	28.8
Procurement of materials	19.7

**APPENDIX VI: REGULARITY OF MEETINGS**

<b>Meeting regularity</b>	<b>Frequency (%)</b>	
	Director meetings	All-member meetings
Annually	17.7	39.8
Bi-monthly	19.0	11.4
Monthly	46.8	30.7
Bi-weekly	5.1	6.8
Once a week	10.1	8.0
More than once a week	1.3	3.4