



United States
Department of
Agriculture

Rural Development

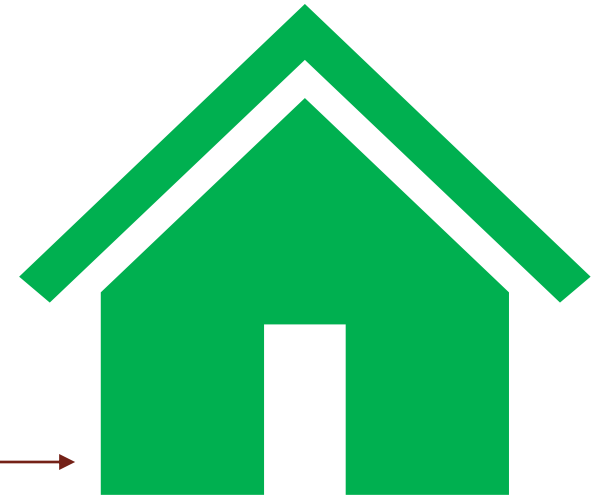
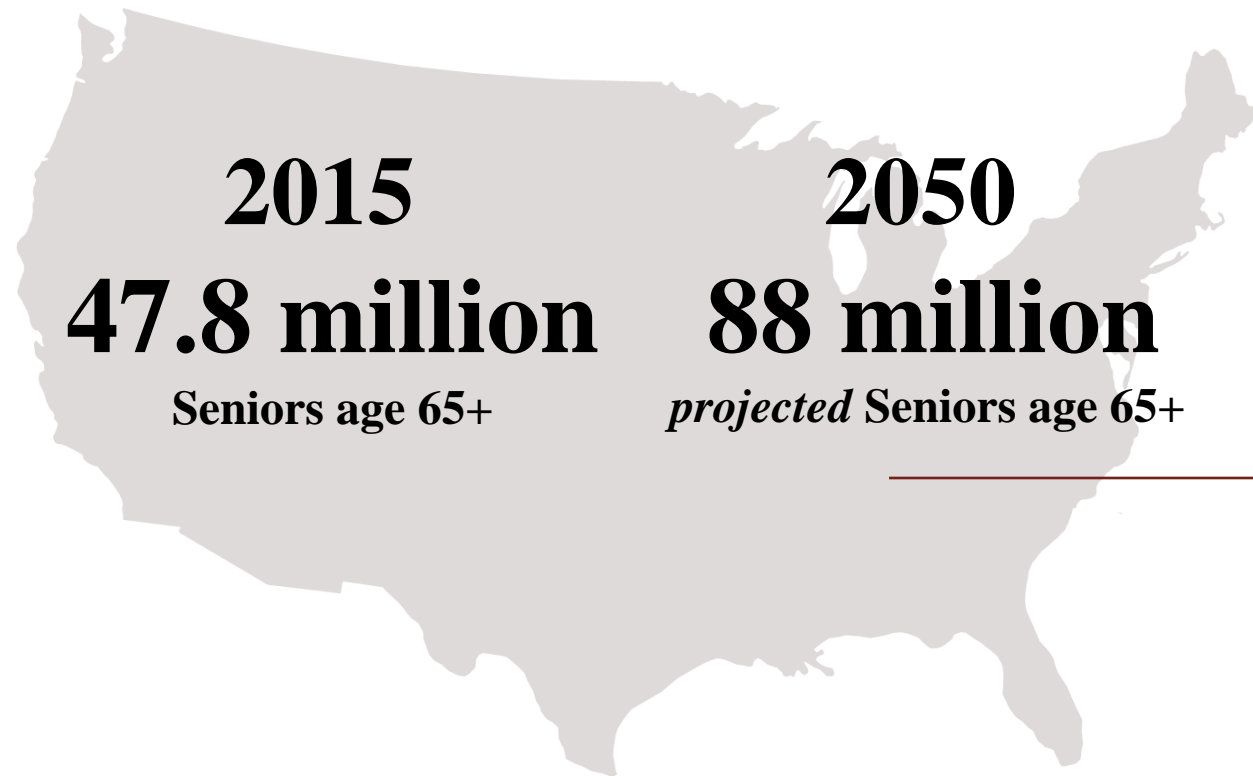


Home Care Worker Cooperatives

2019 Wisconsin Rural Summit
Rice Lake, WI

Margaret M. Bau
Cooperative Development Specialist
April 25, 2019

Senior Population Will Double



87% wish to age at home

AARP 2014 survey

What is Home Care?



Personal care

bathing, grooming, transfers,
toileting, feeding, ambulation

Home care

Meal preparation, house cleaning,
home maintenance, laundry,
shopping, transportation,
medication reminders

Cooperative Care, Wautoma, WI

Supply of Home Care Workers

Among fastest growing occupation in US

- **2.1 million workers**
- **1+ million new jobs anticipated**

Statistics from 2018 PHI report *US Home Care Workers: Key Facts*



Cooperative Care, Wautoma, WI

Dismal Labor Force Conditions



Cooperative Care, Wautoma, WI

- **\$11.03/hour median wage US**
 - Inconsistent work hours
 - Resulting in \$15,100 annually
- **1 in 2 caregivers rely on public assistance**
 - 1 in 5 lives below poverty line
- **9 of 10 workers female**
 - 60% are women of color or foreign born
 - FLSA finally extended to caregivers 75 years after enactment

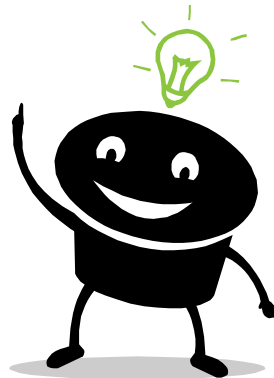
LABOR FORCE CRISIS!

67% average annual turnover
of home caregivers



**What if caregivers own and control their
livelihoods via worker cooperatives?**

A creative solution!



It all started as a welfare to work social enterprise...



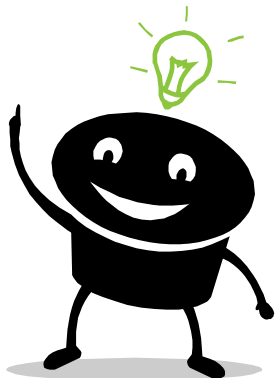
in the 1980s, in the south Bronx, NYC



**Nation's first
RURAL
homecare co-op!**
*Cooperative Care,
Wautoma, WI*

Solution! **LABOR FORCE CRISIS!**

30% average annual
caregiver turnover in
homecare cooperatives



Home Care Cooperatives offer



Cooperative Care, Wautoma, WI

\$1.84/hour more in wages

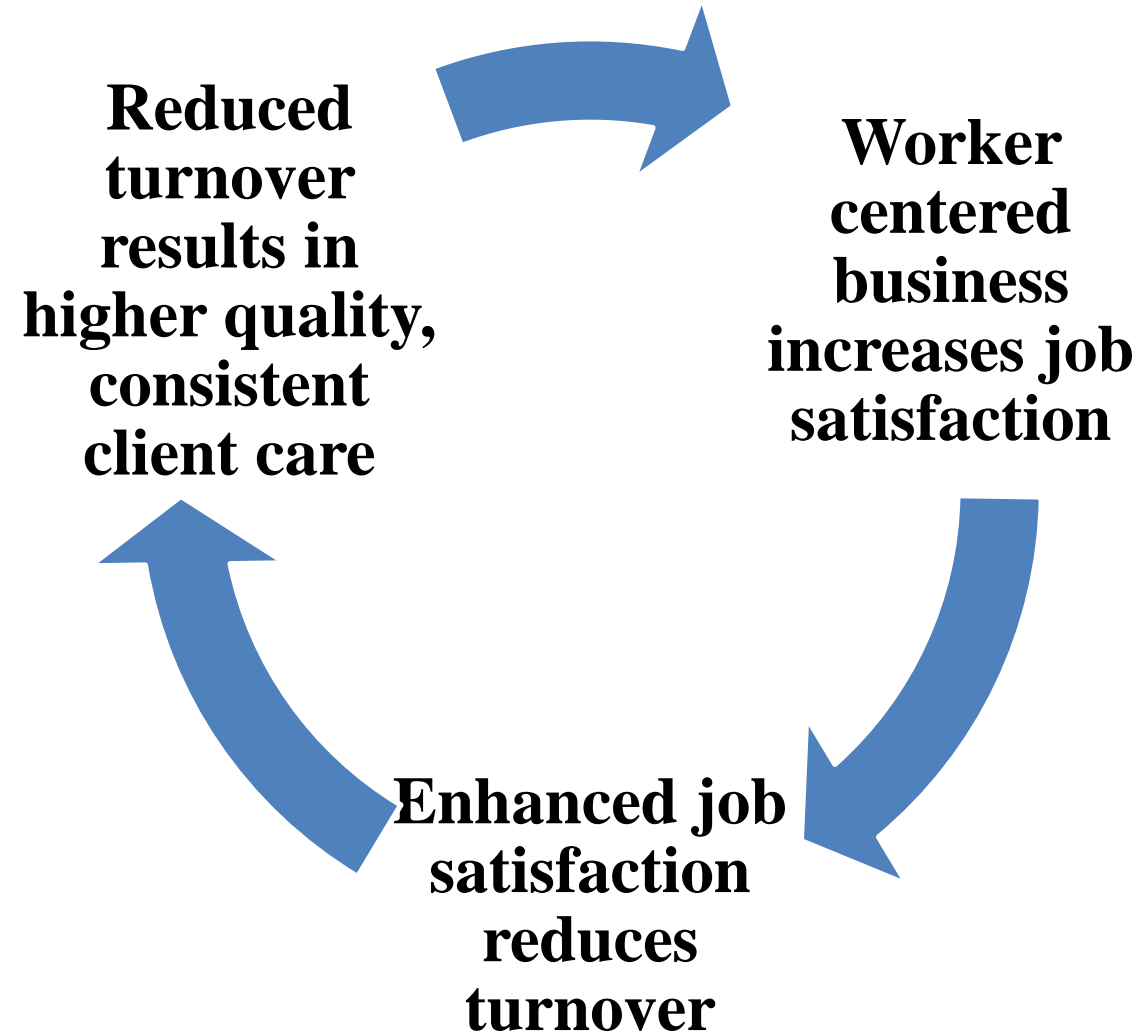
- **plus benefits**
- **plus patronage refunds (profit sharing)**

Reduced reliance by caregivers on public subsidies or local charity support

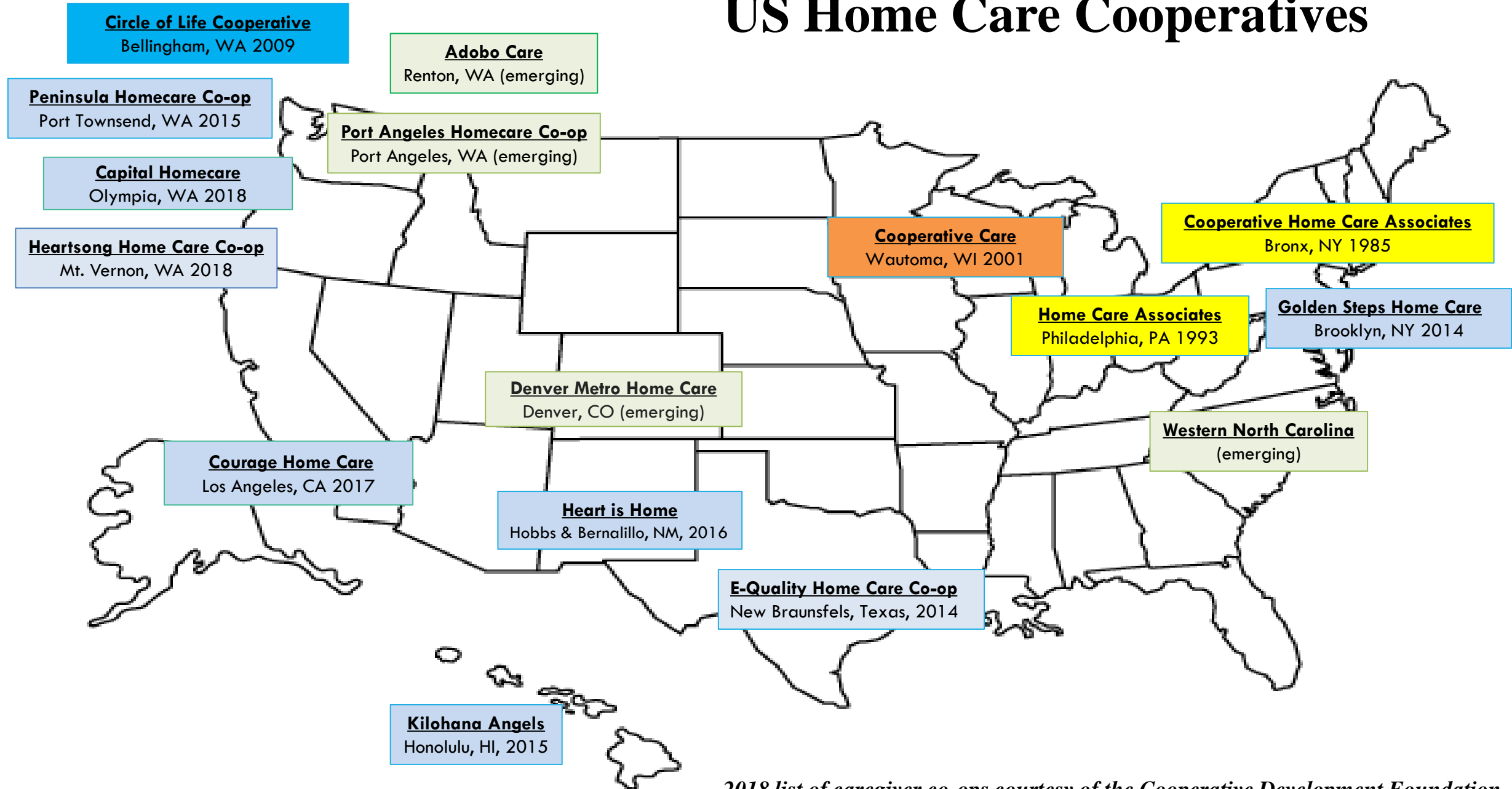
Caregivers report more control of their

- **schedules**
- **working conditions**

Co-ops Create a Virtuous Cycle



US Home Care Cooperatives



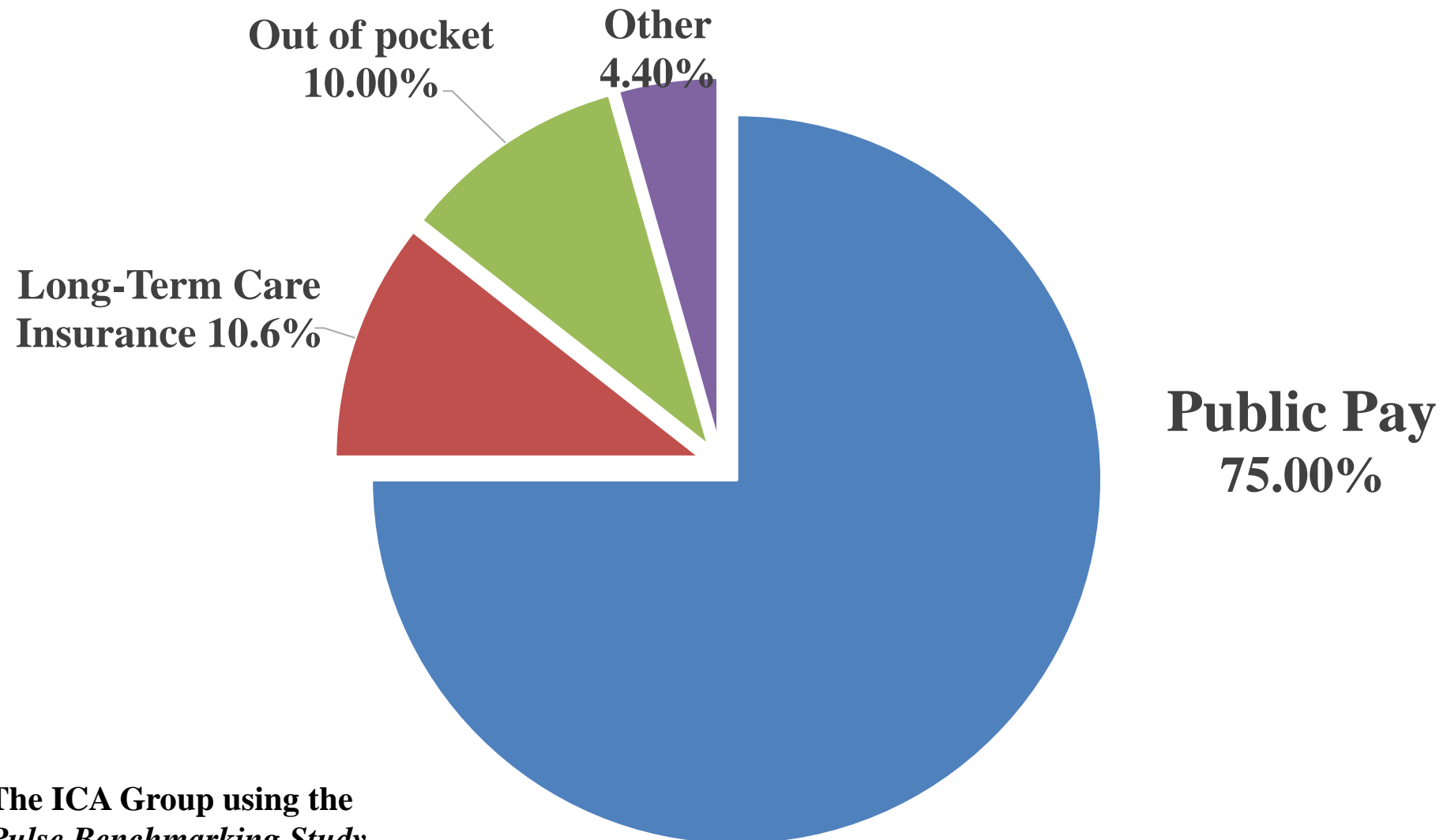
2018 list of caregiver co-ops courtesy of the Cooperative Development Foundation, The ICA Group, and the Northwest Cooperative Development Center

*If home care worker co-ops are such a
great idea...*

**Why aren't there hundreds of co-ops
across the country?**



Who pays for home care?



Data analysis by The ICA Group using the
2018 Home Care Pulse Benchmarking Study

Medicaid rates are insufficient to pay living wages



Failing Recruitment & Retention

LABOR FORCE CRISIS

Market Innovation (by accident) in Washington state



State rules to serve Medicaid clients

- Agency must exist 3+ years

Circle of Life Co-op in Bellingham

- Opened by only serving private pay goal to eventually serve public pay clients
- Wow! Could charge higher rates
 - Therefore could pay higher wages
 - Patronage refunds (profit sharing)
 - No problems with recruitment & retention

Pursue private pay!



Circle of Life
Caregiver Cooperative

Co-op Development Model Evolving

- **How to go to scale?**
 - Organize from scratch
 - Build & recruit model
 - Convert existing agencies to worker ownership
- **Systemic supports – “co-op whisperer”**
 - Governance
 - Operations



Texas Home Care Market Assessment
October 2017



Want to learn more?

The Nonprofit Quarterly *Tiny Spark* 30 minute podcast: 9-28-18 post

<https://tinyspark.org/podcasts/crisis-in-home-health-care-will-soon-affect-you/>

Resources

<https://seniors.coop/>



Stacy Hodge of Cooperative Care and client Richard, a Korean War vet Wautoma, WI

Photo courtesy of Tiny Spark



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