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Case Studies of Worker Cooperatives in Health

Five Home Care Cooperatives in Washington State

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Five Home Care Cooperatives in Washington State

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Abstract: No other state has as many individual home care cooperatives in operation as Washington. Although small and limited to date to serving the private pay market, Washington's home care cooperatives suggest that "another way is possible" for organizing home care provision in the state. The business model they are piloting breaks with dominant, extractive, models by sharing ownership, profits, control, and voice with caregivers democratically. Their stories affirm that when frontline caregivers share ownership and authority, workers and clients benefit.

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Topics: Sociology, Management, Organizational Behavior, cooperatives, home care, domestic work, collaborations, profit sharing, workplace democracy, job quality

Introduction

"Co-ops help other co-ops."

That's a motto often repeated by the administrators of Washington State's five home care cooperatives. An idea grounded in the "cooperative principles," mutual support is something these cooperatives take seriously.[1]

The five worker cooperatives operate in different areas of the Western part of the state, with offices in Bellingham, Port Townsend, Olympia, Port Angeles, and Anacortes. That puts them in close enough proximity to support one another—some have "loaned" caregivers temporarily to a sister cooperative in a neighboring county to help cover temporary staffing gaps—but at the same time, the co-ops are located far enough away from one another so as not to directly compete.

They operate in different market conditions—located in more suburban, small-town, or urban settings with larger or smaller senior populations. Some have longer track records and others are newer. They differ somewhat in their sizes, governance practices, cultures, and in the age and gender mix of their members.

For all their particularities though, they share much in common. All have been fostered with the support of the Northwest Cooperative Development Center (NWCDC) a not-for-profit organization based in Olympia whose motto is "Nurturing cooperative growth in the Pacific Northwest."[2] All are seeking, individually and collectively, to forge a fundamentally new business model for home care in the state, one that breaks with dominant, extractive models by sharing ownership, profits, control, and voice with caregivers democratically.

They are surviving, and most are growing, in the face of major challenges: the Covid-19 pandemic, competition from larger, better-capitalized competitors (including national franchises and chains), unpredictable and quickly changing client schedules, and caregiver turnover, a factor of low wages and challenging work that plagues the home care industry broadly. The support of the NWCDC, their support for one another, and federal pandemic business relief funds have been sources of resilience.

Although small and limited to serving the private pay market, these cooperatives are beginning to demonstrate that "another way may be possible" for organizing care provision. Their stories

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[1] Seven cooperative principles were adopted by the International Co-operative Alliance in 1995. See https://www.ica.coop/en/cooperatives/cooperative-identity. The sixth principle, "Cooperation among Cooperatives," states: "Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures."

[2] According to its website, "NWCDC primarily supports cooperatives in Oregon, Washington, and Idaho but has also supported projects as far away as Alaska and Hawai'i. Founded by cooperatives in 1979, the Center has grown into the Northwest's leading provider of services for co-op business development." See: https://nwcdc.coop/about-us/mission.

suggest that when frontline caregivers share ownership, and authority, and experience genuine respect in their workplace, workers and clients both benefit.

No other state has as many individual home care cooperatives in operation as Washington.[3] The emergence of this cluster of five small but industrious, mutually supporting cooperatives in Western Washington is unique nationally.

Deborah Craig, Cooperative Development Specialist for the NWCDC, has been involved in the creation or expansion of all five cooperatives. She had worked for Circle of Life Homecare Cooperative before joining the staff of the NWCDC eight years ago. Her job fostering cooperatives in the Pacific Northwest is funded in part through USDA rural development grants. Craig is a lynchpin for the home care cooperatives. Her role as a supporter, connector, and advisor from pre-launch planning onward has been a key factor in the proliferation of the model. She and NWCDC support the co-ops in a wide variety of ways, from holding an annual summer retreat for administrators, to conducting training and strategic planning sessions with co-op board members, and connecting the cooperatives to larger national networks, conferences, and resources.

To Craig, the most important benefit of the worker cooperative model in home care is the simple fact that the structure is expressly designed to serve and benefit worker members, who are predominantly caregivers, rather than outside investors or franchise owners. She says:

> In working with caregivers, I have to remind them of that all the time. Sometimes they want to lower the rates for their clients. No; this first has to work for them. They come first. They are the professionals. They will provide the services. The co-op has oversight of those services, but it's just the structure whose purpose is to help them to accomplish their goals as workers.

About the five home care cooperatives, she observes:

> We have now covered a big chunk of Western Washington with those co-ops. It's significant. We're working to perfect the model. Every time we learn more, and we get a little bit better at it. And we continue to learn.

[3] See the ICA Group's "2020 Home Care Cooperative Benchmarking Report": https://icagroup.org/wp-content/uploads/2021/09/5465_HC_2020-BenchmarkingReport_9.20.21.pdf.

National and State Context

Nationally, home care work broadly defined is one of the lowest-paid and fastest-growing occupations. Median annual earnings for home care workers nationally are just $18,100, according to PHI, the nonprofit institute.[4] According to PHI, about nine in 10 home care workers are women, more than half are people of color, and over one-quarter were born outside the United States. In addition to poor pay, few benefits, and unpredictable schedules, the work carries significant risks to worker safety and the potential for exploitation by employers and clients.

Demand for home care services is rising rapidly as the population ages. The number of adults 85 and older will nearly quadruple by 2040 over 2000 levels, according to the Urban Institute.[5] The majority of Americans say they want to age at home rather than relocate to a group or institutional setting.[6]

Yet there already exists a shortage of care workers nationally, severe in some regions, and the sector is marked by extremely high turnover. According to the Home Care Pulse Benchmarking Study, caregiver turnover at home care agencies averages around 65% annually, with some years as high as 82%.[7]

The national caregiver shortage represents a growing societal challenge. As Ai-jen Poo, president of the National Domestic Workers Alliance, points out in a recent opinion essay: “The economy doesn’t grow or work without care.”[8] As a society, we under-pay and under-support—under-care-for—the very people whom we rely on to provide essential care. Arguably policy and systemic solutions will be needed to truly address this societal challenge.

At the enterprise level, meanwhile, important innovation is already underway among home care cooperatives nationwide. With the success of Cooperative Home Care Associates (CHCA) in the Bronx, the country’s largest worker cooperative, and the emergence of 15 smaller home care cooperatives operating in eight states (Calif., N.M., N.Y., Ohio, Penn., Texas, Wash., Wis.), cooperative businesses are piloting more humane, democratic, and equitable ways of organizing this work.[9]

Indeed, cooperative home care agencies pay higher wages and experience lower turnover. Home

[4] See “Direct Care Workers in the United States: Key Facts 2021”: https://www.phinational.org/wp-content/uploads/2021/09/Direct-Care-Workers-in-the-US-2021-PHI.pdf.
[5] See “The U.S. Population is Aging”: https://www.urban.org/policy-centers/cross-center-initiatives/program-retirement-policy/projects/data-warehouse/what-future-holds/us-population-aging#.
[6] “Long-term Care in America: Americans Want to Age at Home,” AP-NORC Issue Brief (2021): https://apnorc.org/wp-content/uploads/2021/04/LTC_Report_AgingatHome_final.pdf.
[7] See “Home Care Pulse Benchmarking Study": https://www.homecarepulse.com/benchmarking/.
[8] “How Long Will the U.S. Continue to Disrespect Its Caregivers?” New York Times (August 17, 2022): https://www.nytimes.com/2022/08/17/opinion/home-family-child-care.html
[9] See “2020 Home Care Cooperative Benchmarking Report,” ICA Group (2021): https://icagroup.org/wp-content/uploads/2021/09/5465_HC_2020-BenchmarkingReport_9.20.21.pdf.

care cooperatives average a turnover rate over twenty percentage points lower than the industry as a whole, according to the ICA Group. Its 2020 Homecare Cooperative Benchmarking Report found that on average cooperatives pay $1.93 more per hour than conventional industry peers.

Washington State parallels national trends. In the state, "Home care is one of the largest and fastest growing occupations," according to the Federal Reserve Bank of San Francisco. There are 62,890 home care workers and personal aides. The occupation has more than doubled over the past 10 years and the state is projected to add 83,410 home care jobs by 2028. The state estimates that seven in 10 Washingtonians over the age of 65 will need long-term services and supports within their lifetimes. Home Health and Personal Care Aides in Washington earn a mean hourly wage of $17.36, according to the BLS, making it the top-paying state of all states for this occupational category based on this measure.[10]

Note that every state strictly differentiates between home care and home health care. The five home care cooperatives are licensed "home care" service providers. As "home care" providers, they provide nonmedical services to people with functional limitations. (By contrast, certified "home health" agencies can provide skilled services such as nursing care and are often covered by Medicare, Medicaid, and/or private health insurance.) Some Washington home care workers are Certified Nursing Assistants (CNAs) or retired LPNs. Having a nursing background can be valuable, but the care they provide to clients is strictly nonmedical.

All five home care cooperatives in Washington State:

Governance and Decision Making:

- Are governed by boards of directors consisting exclusively of elected worker members, with no external board members.
- Have worker-centric approaches to communication and decision-making.
- Used democratic means to decide how to use PPP funds obtained in 2020 and 2021 and made worker-centric collective choices for how to allocate such funds.
- Are predominantly but not entirely white, predominantly but not entirely female, and employ predominantly low-income people.

Compensation and Training

- Raised wages by approximately $2 per hour in either 2021 or 2022.
- Reward membership with a pay rate increase.
- Pay their members the same flat hourly rates regardless of tenure.

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[10] The Washington State Legislature innovated when it became the first state in the country to pass legislation in 2019 creating a public long-term care insurance program known as the "WA Cares Fund"; a new payroll tax will expand access to care services including home care in the future. Benefits will first become available to some Washingtonians starting in 2026. See the WA Cares Fund website: https://wacaresfund.wa.gov/.

- Provide training and skill-building opportunities to members.
- Meet the state requirements for paid sick leave.[11]

Communication and Cooperation

- Prioritize giving caregivers control over their schedules and communicating respectfully with caregivers around questions of scheduling.
- Encourage cooperation and communication among workers.

Private Pay

- Use "private pay" arrangements, meaning clients or their families use savings or assets to cover the cost of home care services; a minority of clients do have long-term care insurance.[12]

The cooperatives are similar in that they:

- Pay their members $19.50 per hour (at Circle of Life) to $20 per hour (at the other four cooperatives) as of 2022.
- Charge client rates for services that range from $35 per hour to $45 per hour, with some minor variations in fee structure among the cooperatives.
- Have probationary periods for employees ranging from three months to six months as one precondition to membership.
- Require member equity fees, ranging from $25 to $300, from new members to become co-owners.
- Share profits with members (used interchangeably with "owners"); patronage varies among co-ops in frequency and amounts.

None of the cooperatives:

- Provide personal care or home health care aide certification training.[13]
- Provide health care or retirement benefits.

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[11] See "Paid Sick Leave," Washington State Department of Labor and Industries: https://www.lni.wa.gov/workers-rights/leave/paid-sick-leave/.

[12] With long-term care insurance, the company either reimburses the individual for out-of-pocket payments or pays the cooperative directly.

[13] Free home care aide certification training is a significant benefit offered by Cooperative Home Care Associates and Home Care Associates of Philadelphia, the two largest home care cooperatives nationally, but is not yet offered by any of the smaller cooperatives.

- Serve Medicaid clients yet, because the bureaucratic, administrative, and cash-flow hurdles to the Medicaid reimbursement system remain significant for all five cooperatives.[14]

See profiles of the five cooperatives "Profiles of Home Care Cooperatives," Conclusion, and Summary Table below.

[14] Planning will begin next year to consider the feasibility of a Medicaid pilot program in one or more of the cooperatives in the future. Among the challenges are these: 1) Medicaid reimburses at levels lower than these cooperatives' current private pay rate and 2) Medicaid reimburses more infrequently than private pay billing cycles. Therefore, a cooperative taking Medicaid clients must be able to carry its payroll, paying its caregivers for their hours for a period, possibly for months, before receiving reimbursement from Medicaid.

Profiles of Five Home Care Cooperatives

Circle of Life: "Cooperative Values Infused into the Business"

www.circleoflife.coop

The first cooperative home care business in the state, Circle of Life Homecare Cooperative, is both the oldest and largest of the five worker cooperatives, and the fourth largest nationally. It began operations in 2009. The cooperative serves elders and people with disabilities throughout Whatcom County including Bellingham, where its offices are housed, as well as parts of Skagit County to the south. As the first, Circle of Life has served as a model for the newer cooperatives.

Kris Buettner, Circle of Life administrator since 2019, oversees all operations including the hiring of office staff and caregivers. She is the cooperative's third administrator since its founding.

In early 2022, it employed 34 people, of whom 30 were members. The company has been profitable in each of the past three years—2019, 2020, and 2021. Total annual revenue was $about $700,000 in 2021. Circle of Life includes Black, Latino, Native American, and Pacific Islander members, although more than 70% of its staff is white.

Patronage dividends, or profit shares based on hours worked, were distributed for 2019 and 2020, but after it raised wages in 2021 the board decided against patronage dividends that year out of fiscal prudence.

The 2020 dividend was paid out at the beginning of February 2021, having been decided upon at the January meeting of the board. The total amount, divided among the members, was almost $57,000—far larger than any previous dividend. Circle of Life had received a PPP loan earlier in 2020. When that loan was forgiven, it became income on the books, enabling the cooperative to show a large surplus for the year.

Buettner shared:

> It was my happiest day yet at the co-op because of what these caregivers had endured at the start of this pandemic ... Because caregivers had to quarantine if they were exposed to the virus, other caregivers were often working overtime covering their clients. We were constantly asking people to change their schedule and do more and stretch and bend. I handed a check for over $6,000 to a couple of caregivers. It was the most money that they'd ever gotten, I think. They were just completely beside themselves. They couldn't believe it.

To Kris Buettner, a worker-owned home care cooperative is fundamentally "different from capitalistic businesses I've seen." She worked in leadership roles in different social service agencies before. “I left because my values were not reflected in terms of how direct care workers were treated, and what that meant for patients or clients,” she says.

By contrast, the worker cooperative model is about “building strong relationships and an equitable workplace. Cooperative values are infused into the very structure of the business.”

That starts with treating caregivers as “participants in the quality of care.” The caregivers know what their clients need. “They are the ones doing the work.” Secondly, ownership is key. “If people are owners of the business, they’re going to be a lot more invested,” she says.

In speaking with prospective clients, Buettner tells them: “Our workers have opportunities to have a voice. It’s their business and so they’re highly invested in making the business successful and providing high-quality care. Happy caregivers provide really high-quality service.”

In addition to its deep connection with Deborah Craig and NWCDC, Circle of Life is part of a local Cascade Cooperatives network of cooperative businesses in Whatcom and Skagit Counties. Buettner attended the National Home Care Cooperative Conference of the Cooperative Development Foundation in 2019 and reflects: “I think that’s the beauty of the co-op world. There’s this network and incredible support that’s getting stronger and stronger.”

Peninsula Homecare Cooperative: "All Major Decisions Made by Member Vote"
http://phc.coop/

Peninsula Homecare, located in Port Townsend on the Olympic Peninsula, has operated since 2016. Co-founder and co-op administrator Kippi Waters saw a need for greater cooperation and organization among the area's caregivers, having worked as an independent private caregiver for decades herself. "The word got to me that there were funds available through the USDA Rural Development program" for cooperatives, that could be used to start a cooperative for caregivers, she says.

She connected with Deborah Craig and the NWCDC for help with laying the organizational groundwork for the cooperative, for example, establishing a budget and submitting paperwork to the state. They modeled the cooperative structure to some extent on Circle of Life, which had operated for several years successfully in Bellingham.

With help from a local lending network (the Local Investment Opportunity Network) which provided a low-interest startup loan with favorable terms allowing interest-only payments initially, Peninsula grew rapidly. Revenue for the first year (2016), in which it operated for 10 months, was $150,000.[15] In 2021, the cooperative's total annual revenue was $551,000. In early 2022, there were 18 employees on the payroll, two-thirds of whom worked 40 hours per week. (The proportion working full time varies, however.) Of the 18 employees, 14 were members of the cooperative.

Peninsula has an intergenerational staff ranging in age from 29 years to 79 years. Earlier in its history, the members consisted mostly of older women, but now "the demographic of our staff is moving toward a younger age," says Waters, with more gender mix. There were five men on staff in 2022.

While the cooperative has an elected board of five worker members, at Peninsula all major decisions go to the full membership for a member vote. That includes all significant financial decisions, including decisions to change the rates they charge clients or increase pay and decisions that might impact the cooperative culture. For example, the membership voted in 2022 to raise the hourly wage from $18 to $20 per hour in response to the rising cost of living.

The co-op paid its first patronage dividend, or profit share based on hours worked, at the end of its first full year of operation in late 2017. It has remained profitable in the years since, paying dividends to its members twice per year, on June 30 and December 30 each year.

How much was the profit share that was distributed in 2021? In 2021, every member, part-time or full-time, received the equivalent of $6.50 per hour in patronage dividends, added to their $18

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[15] Peninsula quickly became profitable and repaid the loans after 18 months. See "A Start-up Case Study of Peninsula Home Care Cooperative": https://e0055355-4a1d-4b7e-9bc2-bf949532c037.filesusr.com/ugd/98a0e1_4f5f514e55614348a2225fb0d4382d2e.pdf

per hour wage. “So really, the members made $24.50 an hour last year, including profit shares,” Waters says.

> During the pandemic, Peninsula received two PPP loans. Through a member vote, they decided what to do with the funds democratically. The members voted to earmark funds from the first loan, in 2020, to pay home care workers who had to quarantine and were, therefore, unable to work and earn pay. Strict coronavirus protocols in 2020 required quarantine after any possible exposure. It turned out, however, that there was little need for quarantine pay. Therefore, once the loan had been forgiven and became income on the books, the co-op was able to divide the funds and distribute them to the members.

According to Waters,

> The caregivers deserved that bonus because they got up every morning amid the fear that we all felt in 2020. March. April. May. June. When we first went into lockdown, the whole world was locked down, but we were getting up in the morning and driving down the empty streets to take care of our clients before there were masks available. I understood how fearful it was for our staff. So, it was without even a hesitation that we distributed 100% of the PPP loan.

She adds:

> It was a real community effort to keep Peninsula home care going through the pandemic. The women in the community sewed masks for us. The grocery store clerks and I had a special deal—if ever any Clorox wipes came in, they would hide some in the back for me.

Kippi Waters manages administration alone but utilizes the talents of members to do “special projects” in the office—for example, refining the emergency preparedness plan or entering all the medical information for clients into the scheduling software for the first time. They gain new skills and get paid for the work. This approach—having a single worker covering administration supplemented, as needed, by help from members—saves costs and keeps the profit higher. They refer to the special projects as “cooperator time.” “We say that in a democratic workplace you can gain a lot of career skills and life skills, and I'm trying to make that real.”

Waters describes Peninsula as a “team-based company” in that teams of two or three people are often assigned to a single client. Good communication is, therefore, essential. In considering a potential new member, they consider that candidate’s record in communicating with their colleagues and the office. Of paramount importance is a person's "ability to stay connected with their team about the care of their client."

Peninsula lowered their membership fee to just $25, the lowest fee of all five cooperatives. Initially, it had been $300, but members realized that such a large sum was "difficult in home care because a person is not really guaranteed stable hours." Waters herself used to be a member sharing in the profits. However, because the board changed her status to salaried, she is no longer a member. At first, she was worried that she might lose her drive without the profit share. What she has realized, instead, is that she is "just as driven as ever" because she wants to build profits for the member caregivers as much or more than she ever wanted them for herself.

Looking to the future, Kippi Waters says:

> With the baby boomers aging out, there's no choice but for us to grow because our community will need more care. So, we will step up to meet that demand. That's what we're here for.

Capital Homecare Cooperative: "Prioritizing Wages"

https://capitalhomecare.coop/

Capital Homecare Cooperative in Olympia, the third home care cooperative to be established, was founded in 2018 with help and fiscal sponsorship from the NWCDC.

It has grown considerably since its founding. The cooperative's total annual revenue in 2021 was about $366,000. This is up from 2019, the first full year in operation when revenue was $252,474. The cooperative has oscillated between 13 and 19 employees since its founding. In January 2022, the co-op employed 17 people. Of them, 11 were members. (The employees who were not owners were newer hires who had not yet completed the six-month probationary period.) The pandemic hit in Capital's second full year of operation. "Covid made an already not-attractive job that much less attractive," said founding administrator Nora Edge. PPP loans in 2020 and 2021 helped buoy the agency through that challenging period.

Of the five Washington home care cooperatives, Capital has the youngest workforce with 95% of employees being "millennials" under the age 40 of years. While predominantly female, the staff includes nonbinary members and male members. The board includes an Indigenous member.

In January 2022, about 8 of the 18 workers worked full-time, meaning 32 hours per week or more. Only the two members of the administrative staff are guaranteed full-time hours. For caregivers, hours can be unpredictable. Many Capital Homecare workers, therefore, have two jobs, e.g., they work with Capital and somewhere else. "A lot of people have a few side hustles; they are used to puzzle-piecing it together every week," said Edge. Some may have a massage license or do hospice work on the side. Others have partners who have better-paying jobs. "It takes a scrappy industrious person" to be a home caregiver at Capital.

At CHC, ownership is not optional. If you want to stay at the cooperative past the six-month probationary grace period, you must apply for membership. In other words, "employment is contingent on ownership," says Edge. The membership fee is $100; that equals four $25 preferred stocks in the agency. During the grace period, a prospective member also must attend at least one board meeting and one committee meeting.

To date, there have been no patronage dividends. The board has prioritized wages and recognizes that, as a startup agency, they need to build a capital reserve.

One advantage to working for Capital Homecare is that caregivers "have a lot of control." We ask them to work a shift and "they can say yes or no."

That said, schedules change depending on client needs. "You might get a bunch of 24-hour clients, with 12-to-18-hour shifts guaranteed until the person passes away. Then you may have two-hour shifts until you get a new schedule together," explains Edge.

Why do people do this difficult work?

Former administrator Nora Edge explains:

> They certainly don’t do it for the money. The moral benefit is huge. It seems to pull in people who have people skills and who take value from being generous or giving. Many had donated time to a friend or a loved one and find that the skill set makes it an easy entry point into a career.

Another benefit of the work is the autonomy it provides from direct supervision. Some workers don’t like to be closely supervised all the time. Caregiving work, and success, are more reliant on the home care worker’s relationship with the client, “which has its pitfalls too,” says Edge.

The way Capital Homecare handled its PPP funds illuminates how differently a cooperative makes decisions compared to traditional companies. “When we got the PPP, we went to our workers and everyone voted on how to use it. In most workplaces, workers have no idea what happened to that money,” asserts Edge. “When we got our PPP reimbursement in January 2021, we gave everybody who had worked over the winter a $1,500 bonus.” They reserved the rest of the funds to provide pay to workers who were forced to quarantine. Caregivers drew on those funds. That was a vital safety net for their home care workers during the pandemic.

The overarching goal of the Capital Homecare board is to get the cooperative to pay a wage that they “all agree is a good wage.” Rather than prioritize patronage, their board wants to build a strong normal operational budget.

“Happier caregivers mean happier clients,” says Edge, adding:

It’s standard in the industry that caregivers are at odds with the people who manage them, and that’s seriously reflected in the client experience. With a cooperative, you are more likely to have a worker who is committed to being there and committed to the work. We sell it to clients as, ‘You have access to the owner of the business.’

Ridgeline Homecare Cooperative: “Endless Demand & Full-Time Work”

https://www.ridgeline.coop/

Ridgeline Homecare Cooperative, serving Port Angeles, Washington, and neighboring Sequim, began operations in 2020 as the fourth home care cooperative in the state. Alicia Campion, the current administrator, was hired in August 2021. By spring 2022, the cooperative had doubled in size from nine to 18 employees, was profitable, and had a long waiting list of clients requesting its services. Sequim is known as a retirement town. About a third of its roughly 8,000 residents are 65 or older.

Ridgeline serves 20 clients. Five have long-term care insurance and 15 pay for the home care services out-of-pocket, out of their personal assets. The most intensive clients require 24-hour care. Most require less, for example, daily care or twice per week.

At Ridgeline, all but two of the 18 employees work full-time. (They define full-time as 32 or more hours per week.) The two individuals who work part-time do so voluntarily, to go to school. For most caregivers at Ridgeline, this home care job is their primary income. That makes the experience working for Ridgeline unlike many other home care agencies (cooperatives and not) that typically provide fewer hours.[16]

Ridgeline differs from the other cooperatives in the state in that the work is steady and predictable. They are located in an exceptionally high-demand market with a large number of elderly people and a shortage of caregivers. Alicia Campion describes Port Angeles and Sequim as a “dream area for this work” marked by “endless demand.”

To become a member, one must be employed for three months, then purchase a share at the cost of $150. New members undergo a short “New Member Orientation” to introduce them to the workings of the cooperative and the member role.

Because the cooperative was already profitable in its second year of operation in 2021, all members received a profit share in early 2022. The profit share totaled about $15,000 in aggregate; it was divided among its 14 members in proportion to hours worked.

The board consists of five elected members and meets once per month. Board Training is conducted by Deborah Craig of the Northwest Center for Cooperative Development. Board terms last for three years and there is a stipend of $25 per month for board service.

Any member can bring a concern or request for policy change for the board to deliberate and decide. Board decisions are made by majority vote.

Of the 18 employees, 15 are caregivers. The three office staff employees are Alicia Campion, her assistant, and a registered nurse who is a cooperative member serving as an advisor on medical-

[16] According to PHI, two in five home care workers work part-time. See http://www.phinational.org/resource/direct-care-workers-in-the-united-states-key-facts-3/.

related questions such as interpreting care plans and other documents related to clients' medical needs. (The RN does not give care to Ridgeline clients but does use her expertise in the office.)

The Ridgeline workforce is overwhelmingly female and predominantly white (reflecting the area's racial makeup as Port Angeles is 86% white, according to the U.S. Census.) In 2022, they had one male and one Black employee.

To Alicia Campion, who is herself a member of the cooperative:

Being a member is very beneficial, not just the pay increase and profit share, but being able to talk to board members about policies they don't like and things they want to see happen, and those things are heard and taken into consideration.

In addition to the wage, profit share, and state-required sick time, members receive eight hours of paid time off on their birthday, which can be used anytime.

How does she approach administration differently from management in conventional home care agencies?

As the administrator I put the caregivers first, always. They get to choose what schedules they'd like… This is not 'We just want the money from the client so you need to go.' It's 'Does this time work for you, does this day work for you? It works for the client. Let's find a time that works for both of you.' It's very much about the caregivers.

How do they manage to provide full-time work to such a large proportion of their employees?

At this time, my potential client list is outrageously long. So, finding a client that works best for the caregiver is extremely easy at this time because there is such a wait. We choose our clients based on what our caregivers can do. When a caregiver comes to me with, 'I need more hours,' I go through the waiting list.

Their competitors include Korean Women's Association (KWA) Home Care, a nonprofit home care agency that has operated in Washington State for decades, and Caregivers Home Health, a private corporation. In addition, Home Instead, the senior care franchise headquartered in Omaha, Neb., operates in the area. Unlike some of her competitors, "I don't have a sign-on bonus," says Campion.

Nevertheless, Campion says, demand is so great that she has never needed to do any marketing.

Recently, a caregiver who had been employed by a competitor signed on to join Ridgeline. According to Campion,

She was just really unhappy about how the franchise office would change her schedule without checking with her. Me, I talk to caregivers to confirm that a change is going to be OK. It's about understanding that caregivers are people. They have lives as well.

"I've worked in places where they just don't care about employees," says Campion. "And that's been so disheartening. Here, it's all about the caregivers. It's about their voice being heard, and it's not just because 'I said so.'"

Heartsong Homecare Co-op: The Newest Cooperative

https://www.heartsong.coop/

Heartsong is the newest and smallest home care cooperative in Washington State. It opened in September 2021 and is finding its stride. Kathie Rivas serves as administrator, having worked for years in management for another care company, a franchise. Jessica Holland serves as the assistant administrator and president of the board. Their service area covers Skagit County and Island County. They were generating $700 in billable hours per month as of spring 2022.

Rivas, Holland, and Heartsong's three other board members, who are their daughters, had all worked together previously at the franchise home care company. They decided to leave that business together to be part of building the new cooperative.

At the previous franchise they "lived and breathed" low compensation and poor working conditions.

Unlike a cooperative where profits are shared by worker owners, in a franchise the profits go to the franchise owner. There is an incentive, therefore, to keep wages low. Holland recalls: "As a caregiver there, I was making $12.50 per hour, and I had worked seven days a week for five years."

The franchise managers would "preach about a team, but then not let the caregivers talk to one another," she recalls. Caregivers were not even allowed to communicate freely about their clients. "That was not conducive to good care for the client." By contrast, at Heartsong "there is a caregiver portal so that all the caregivers can freely talk with each other about their clients, to coordinate care."

Thinking back, they believe that the franchise owner may have been afraid that worker communication would lead to a unionization campaign. At Heartsong, "We're not afraid of that." If worker members in the future want a union, they think the board should consider it, to see if it's possible. After all, it's their company.

In February 2022, nine people worked at Heartsong Homecare Cooperative. Five were members—Rivas, Holland, and their three daughters. Four other employees were not yet members. Two had almost completed the six-month probationary period and would become members soon. The other two were in their first 90 days on staff. The required member fee of $200 can be paid through a 2.5% payroll deduction.

The work volume varies, as do schedules. Some people work full time for a while, then reduce their hours and then increase them, as clients and client needs fluctuate. Many employees have second jobs, given the fluctuating hours.

At Heartsong, the goal is to build a more stable base of long-term clients so that they can offer more steady, predictable hours to the staff, and thereby grow.

Scheduling can be a balancing act at this early stage in their organizational development. On the one hand, they would like to “give flexibility to the caregivers about what schedule they want to work.” That being said, with such a small staff, that flexibility, “can make it really hard to get a good schedule for clients. Some caregivers don’t want to work on Friday night—but some patients need to be put to bed.” We always try to “work with” the caregivers, they say. But adds: “As a team, everybody's got to cover the schedule when the schedule needs to be covered.”

Both Rivas and Holland serve as caregivers in addition to their administrative duties. They also fill the gaps when someone quits or is unavailable to work certain shifts. “Our goal is to get us back to the office so that we can do the outreach and marketing” needed to build the business. Rivas says, “I can't be on the phone calling companies while caring for somebody.”

Resistance to vaccination has hindered recruitment. The governor required that all caregivers be vaccinated, and clients want vaccinated caregivers. Heartsong lost a few caregivers who chose not to be vaccinated. Clients passing away also creates unpredictability.

Since they operate in an area with many armed services retirees, Rivas is taking steps to apply to Veterans Affairs in hopes of seeking qualifications to care for veterans reimbursed through the VA. If approved, they believe they could provide in-home care, including hospice care, to veterans, contracting with the individuals who would, in turn, be paid through the VA. This could potentially open up a large new market of clients.

Rivas and Holland believe their first-hand experience of work within a home care franchise has sharpened their understanding of what not to do in managing a home care business. The low pay, abusive scheduling, and disrespect for caregivers in the franchise were, in their eyes, unacceptable.

It also compromised patient care. Their vision for Heartsong Homecare Cooperative is to grow it over time to 25 to 35 members, to give many more caregivers the opportunity to experience dignified work and better pay in a democratic setting.

Conclusion

The story of the Washington State cooperatives confirms that small cooperatives operating in the face of structural headwinds can gain resilience from supporting one another, and from the support, training, and resources of a cooperative development organization. The NWCDC's support was cited by administrators in all five co-ops as being important to either their start, their survival, or their successes.

By sharing profits *with* workers rather than extracting profits *from* workers, the cooperatives have distributed significant profits to low-wage caregivers on top of wages, through patronage and occasionally bonuses. The cooperative administrators have respectful approaches to coordination and scheduling that differ markedly from hierarchical management styles common in conventional agencies. Worker members have substantial governing authority, electing and serving on their co-op boards and, in some cooperatives, voting directly on major issues.

Even the most values-driven worker cooperatives in the United States must operate within larger societal systems—including the U.S. system of employer-based benefits provision. That system requires small businesses to shoulder the benefits burden and makes it difficult for employees of any small business, regardless of ownership structure, to access benefits. It must be acknowledged that the fact that worker cooperatives are unable to provide workers with health or retirement benefits continues to pose an obstacle to fully actualizing their dreams of caregiver justice.

Reflecting on the rapid growth of the Washington State network of cooperatives, Deborah Craig acknowledges that "the existing co-ops are small, and many are in rural areas." She says, "It's great that they exist. But we recognize that the work we have done to date doesn't speak to all different kinds of community needs in Washington."

Because these are private pay co-ops, they exclusively serve clients with the resources to pay out of pocket. "To be able to really extend the reach of the cooperative model," Craig says, "they need to figure out how to take Medicaid." She adds, "I have two projects in the next year to look at Medicaid. We'll see about that." In several years the new "WA Cares Fund" long-term care benefit will provide most Washingtonians, regardless of income, a $36,500 benefit—enough to cover about 20 hours of care per week for a year. That may also enable the home care cooperatives to reach new client demographics and serve people without the savings to pay out of pocket.

Changes in practices and systems internally may be required. As they expand cooperative home care into new communities, cultures, and demographics, "We may need to approach cooperative development differently," Craig says.

According to PHI: "The home care workforce is projected to add one million new jobs from 2019 to 2029—more new jobs than any other occupation in the U.S. This workforce will add more new jobs than fast-food workers and cooks combined, which are ranked as second and third occupations with the most projected growth over the coming decade."[17]

The experience of the Washington State network of home care cooperatives adds another data point to the accumulating evidence, suggesting that businesses structured as worker cooperatives center caregivers and improve respect, voice, working conditions, and pay. This, in turn, can support superior care.

See Summary Table below.

[17] See "Direct Care Workers in the United States 2021" (PHI) https://www.phinational.org/resource/direct-care-workers-in-the-united-states-key-facts-2.

Summary Table: Five Washington Home Care Cooperatives

	2021 Annual Revenue	# EEs	# Owners	Cost of a share	Probation (months)	Patronage	Wage	PPP funds
Circle of Life (2009)	$700k	34	30	$300	6	2019, 2020	17.50 starting wage 19.50 members	Quarantine pay + Bonuses
Peninsula (2016)	$551k	18	14	$25	6	2017, 2018, 2019, 2020, 2021, 2022 (twice per year).	$18 start $20 members	Bonuses
Capital (2018)	$366k	17	11	$100	6	None	$18 start $20 members	$1500 bonuses + covid protection fund
Ridgeline (2020)	$479,574 (2021)	18	14	$150	3	2021	$18 start $20 members	None
Heartsong (2021)	NA	9	5	$200	3	None	$18 start $20 members	N/A