What is a Worker Cooperative?

A worker cooperative is a business owned and controlled by its employees, rather than by a single owner, several partners, or outside shareholders.

**Ownership** of the business is shared equally among all employees who choose to buy in to the company.

In a worker cooperative, only employees can become worker-owners, or members, by purchasing a membership share. Unlike in other companies, each worker-owner can only own one membership share, or one equal portion of the company. After purchasing a membership share, all worker-owners have a right to a portion of the business’ profits, which are distributed equitably to employees, usually on the basis of hours worked.

**Control:** Worker-owners have more say in how their business is run than in a conventional business.

As a member, each worker-owner has the right to receive financial information on the business’ performance and the right to an equal vote on significant business decisions. Because it's not practical for all worker-owners to vote on every business decision, managers are still responsible for daily operations (including setting schedules and hiring employees). Many other decisions are delegated to a Board of Directors.

All worker-owners have the right to elect and run for the Board of Directors. Typically, the Board is made up of mostly (if not entirely) worker-owners. It is the Board who is ultimately responsible for the success of the company. Among other rights and responsibilities, this group evaluates the General Manager, approves the company’s annual budget, and determines how much money to distribute to worker-owners following a profitable year.
From the outside, a worker cooperative often looks like any other business—providing a service or good to the community and employing workers and managers. Any kind of business can be organized as a worker cooperative and there are hundreds of successful worker cooperatives found in many different sectors including house cleaning, food service, construction, child care, engineering, home care and more.

25 years after building a successful landscaping business, founder Eileen Michaels cemented her legacy by selling A Yard and a Half to her employees. Since 2013, more than 15 immigrant landscapers have bought in to the company as worker-owners—an opportunity to build wealth and business acumen that they may have never otherwise encountered.

From 12 home health aides in 1985 to more than 2,000 staff today, Cooperative Home Care Associates is the largest worker cooperative in the U.S. Every year this nationally recognized home care agency trains over 600 low-income and unemployed women for free, serving as a significant driver of employment in the Bronx.

Founded by visionary teachers in 1988, Childspace is committed to quality care for children through quality jobs for caregivers. Today this worker cooperative of 57 caregivers serves over 200 families at their award-winning childcare centers.

This construction firm identified worker ownership as an ideal solution to their industry’s challenge of recruiting and retaining skilled workers. Since moving the company into a worker-owned trust in 2018, Metis employees have improved their firm by thinking and acting like the business owners they are.