

Worker Cooperative Credit Union Proposal
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<http://workercoopfcu.org/>

Worker cooperative development has three unmet needs that can be addressed to various degrees by a credit union:

- 1) There is currently no way for the average person to financially support worker cooperative development. This is due to the inaccessibility and inappropriateness of existing loan/equity funds as uninsured, longer term investments. A credit union can provide consumer financial services where the deposits are used to benefit the worker cooperative community. Creating this possibility greatly increases the potential financial support.
- 2) Limited financing makes capital intensive worker coop startups effectively impossible. As a result most new businesses choose a corporate model. A credit union can provide additional debt financing for worker cooperatives. The credit union will provide business loans exclusively to worker coops, personal loans for members' capital contributions, as well as general consumer lending.
- 3) A credit union can fund entrepreneurial activities to develop and reproduce worker coops. This would provide a way to finance the cost of expanding employment opportunities and socialize that cost among credit union members. The credit union would promote a self-financing approach towards development.

The workshop will summarize the existing financial resources available for worker cooperatives. We will discuss the current capabilities and whether a new entity such as a credit union is needed.

The relative advantages and disadvantages of a credit union will be discussed. Specific topics will include business lending restriction, growth, the field of membership, and suitability for financing entrepreneurial activities. The chartering costs and requirements will also be summarized.

If there is sufficient interest, participants will be asked to form a steering committee. This steering committee will be composed of representatives from different worker cooperatives. The committee will discuss and define the goals of the credit union and begin chartering process.

More information can be found at <http://workercoopfcu.org/>