



FARTHER · FASTER · TOGETHER

United States Federation of Worker Cooperatives

ANNUAL REPORT 2012

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ACKNOWLEDGEMENTS

FINANCIAL SUPPORT

Thank you to all our members, whose dues are fueling the work and growth of the worker cooperative movement. Thank you to Loren Rodgers and Brian McInerney for your annual donation to the US Federation. Thank you to The Cooperative Foundation for your ongoing support, to the Fund for Democratic Communities for supporting our Southern Emerging Leaders work, to Ralph K Morris Foundation for funding conference travel, and to the USDA for funding our rural work.

IN-KIND DUES TRADES

Thank you to Collective Copies, Design Action, Inkworks and the Interpreters' Cooperative, whose generous in-kind trade of goods and services for member dues generously exceeds the amount due.

2012 BOARD MEETING/RETREAT

Thank you to Rebecca Kemble and Adam Chern for opening their warm home to us for our annual Board retreat and to the Wisconsin worker cooperatives for hosting a meet and greet for our Board.

2012 CONFERENCE

Thank you to everyone who attended, sponsored, presented or volunteered at the largest conference we've held to date, with special thanks to our local hosts at Equal Exchange and WORC'N. As always, it was a truly collaborative effort.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Any statements that are not based on historical fact are forward-looking statements. Although such statements are based on staff and Board's current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain. We, therefore, caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements.

MEMBERSHIP REPORT

The US Federation of Worker Cooperatives continued to grow in 2012, adding fifteen new members (7 workplaces, 1 developer, 6 startups and one associate member). All are indicated with an * on the following page.

CHANGES IN MEMBERSHIP CATEGORIES AND DUES

The annual dues amount for the Start-up Member Category, created in 2010, was adjusted from a sliding scale to a flat dues amount of \$250.

WITHDRAWN & TERMINATED MEMBERSHIPS

Thirteen memberships ended in 2012, some the result of increased effort on our end to clarify our membership rolls, and some simply the natural rhythms of members coming and going.

Voluntary Withdrawals: Business is Blooming, Ecology Action of Texas, Educators Cooperative

Terminated for nonpayment of dues: Big Idea Cooperative, Just Walk Cooperative, Mandela Food Cooperative, Monkeywrench Books, National Cooperative Business Association, Cooperative Care of Wisconsin

Dissolutions: Anchor Development, Tribe Creative Agency, Unicorns Collective, Lagniappe Lifestyle Services Cooperative

Several individual memberships were terminated for nonpayment of dues.

MEMBERSHIP MEETING 2012

The 2012 member meeting happened in conjunction with the national conference in Boston, MA on Sunday, June 24, 2012.

The meeting agenda included:

- Updates and reports: Regional organizing from around the country, Member Committees and working groups
- Presentation of Annual State of the Federation Report and Discussion
- Crowdsourcing opportunities discussion
- Board of Directors Elections for Regional Representatives
 - o Becca Koganer elected from the East
 - o Anna Boyer from the South and Rebecca Kemble from the North ran unopposed

Listed below are current members as of December 2012. The * indicates new member in 2012

Worker Cooperatives/Democratic Workplaces

Agaric
Alvarado Street Bakery
Apple Eco Cleaning
Arizmendi Oakland
Baltimore Bicycle Works
Black Star Co-op
Box Dog Bikes
C4 Tech & Design
Casa Nueva*
Cheese Board Collective
Collective Copies / Levellers Press
Community Builders Cooperative
Communications Cooperative International
Cooperation Texas*
Data Systems, Inc.
Design Action Collective
Dollars and Sense
Electric Embers Cooperative
Equal Exchange
Firestorm Cafe & Books
Friends of the Third World Cooperative Trading
GAIA Host Collective
Grassroots Economic Organizing (GEO) Newsletter
Inkworks Press
Interpreters Cooperative of Madison
Isthmus Engineering and Manufacturing
Just Coffee Cooperative
Just Local Food Cooperative
Little Grill Collective*
Local Sprouts Cooperative
Mariposa Food Cooperative
Opportunity Threads*
Other Avenues Food Store
Pedal Express
Pedal People Cooperative
Pelham Industrial Group
People's Food Cooperative
Pioneer Valley Photovoltaics (PV Squared)
Quilted
Rainbow Grocery Cooperative
Red and Black Café
Red Emma's Bookstore Coffeehouse
Red Sun Press
Seward Child Care Center
SF Green Cab
Small World Food*
South Mountain Company
Stumptown Printers Worker Cooperative
Teamworks – Green Cleaning Cooperative
Tech Collective
The Hub Bike Co-op
The ICA Group/LEAF
Third Root Community Health Center
Toxic Soil Busters Co-op

Treasure City Thrift*
Union Cab Cooperative of Madison
Valley Green Feast*

Federation Partners

Arizmendi Association of Cooperatives
Eastern Conference for Workplace Democracy
Network of Bay Area Worker Co-ops (NoBAWC)
New York City Network of Worker Cooperatives (NYCNoWC)
Valley Alliance of Worker Cooperatives (VAWC)
Western Worker Cooperative Conference
Worker-Owned & Run Cooperative Network of Greater Boston (WORC'N)

Cooperative Developers

CA Center for Cooperative Development
Cooperative Development Institute
Green Worker Cooperatives
Northcountry Cooperative Development Fund
Ownership Appalachia, LLC
Ohio Employee Ownership Center*
TeamWorks Cooperative Network
The Working World
WAGES

Startup Workplaces

AORTA Collective*
Bagel Grove*
Bread Uprising*
Center Point Counseling Services*
Natural Rhythm Healing Hut*
Partnerships for People
Polycot Associates*

Associate and Individual Members

Cooperative Fund of New England
Cooperation Works!
Katovich Law Group
Law Office of Deborah Groban Olson
Moving Images
NASCO - North American Students of Cooperation
Round Sky Solutions*
San Diego Day Laborers Association
Seward Community Co-op
The Cooperative Foundation

Hilary Abell, Jessica Bonanno, David Brinovec, Brandon Bushnell, Al Campbell, George Cheney, Stacey Cordeiro, Deanne Dworski-Riggs, David Ellerman, Peter Frank, Philippe Grosjean, Mary Hoyer, Richard Hobbs, Kiaran Honderich, Minsun Ji, Hilary Johnson, Amy Johnson, Mark Kaswan, Dennis Kelleher, Dan Kluger, John Lawrence, Emily Lippold-Cheney, Evan Long, Enrico Massetti, Stuart Matthews, Kevin McCarron, Joe Murphy, Ajowa Nzinga Ifateyo, Linda Phillips, Jonathan Rosenthal, Liz Rider, Mike Sanderson, Jeffrey Stern, James Stith, Kirsia Thierry, Darlene Wolnik, Steven Yarak.

BOARD OF DIRECTORS REPORT

CURRENT BOARD MEMBERS

Director	Organization/Workplace	Term Began	Type
Rebecca Kemble	Union Cab Cooperative	6/09	Northern
Anna Boyer	C4 Tech and Design	6/09	Southern
David Smathers Moore	WAGES Cooperatives	8/11	At-large
Ben Mauer	Quilted	8/11	At-large
Ole Olson	Isthmus Engineering	11/11	At-large
Becca Koganer	Equal Exchange	8/12	Eastern

The Western seat and two at-large seats were empty for 2012.

TERMS ENDED MID-2012: Good bye and thank you to Aaron Dawson for many years of service!

NOTES: Many Board members have been working together now for several years. This stability and familiarity helped the Board carry forward its strategic planning, relationship-building and capacity-building work in 2012.

BOARD COMMITTEES

Membership Committee – The membership committee evaluates member applications and changes of status, reviews and revises the dues structure, supports better communication with and among members, and develops member benefits. It met every two months in 2012, but work really began to pick up once a full-time Membership Director was hired. It is currently considering changes to the dues structure and clarification of the membership classes.

Regional Representatives Committee – This committee comprises the four regional representatives to the Board, and was created to address issues of regional communication and coordination. It met quarterly in 2012 to exchange regional and local updates.

Executive Committee – The executive committee reviewed and approved the 2011 financial report and set the budget for 2012. It also coordinated an evaluation of the ED, and offered support with hiring and the strategic planning process.

Leadership Development Committee – In 2012, with such a small board and a growing staff, the Leadership Development Committee (which had always been ad hoc) dissolved and the staff was charged with initiating and managing leadership development projects, and consulting with the appropriate Board members on a per-project basis.

Elections and Nominations Committee – In 2012 the elections committee was responsible for supporting the regional reps election process, and for recruiting for 2013 at-large elections. As staff capacity increases, staff takes on more coordination work, and the Elections Committee is freed up to focus on recruitment and nominations.

Bylaws Committee – The Bylaws Committee reviews the bylaws annually and suggests changes to the Board and members. It suggested no bylaws changes in 2012.

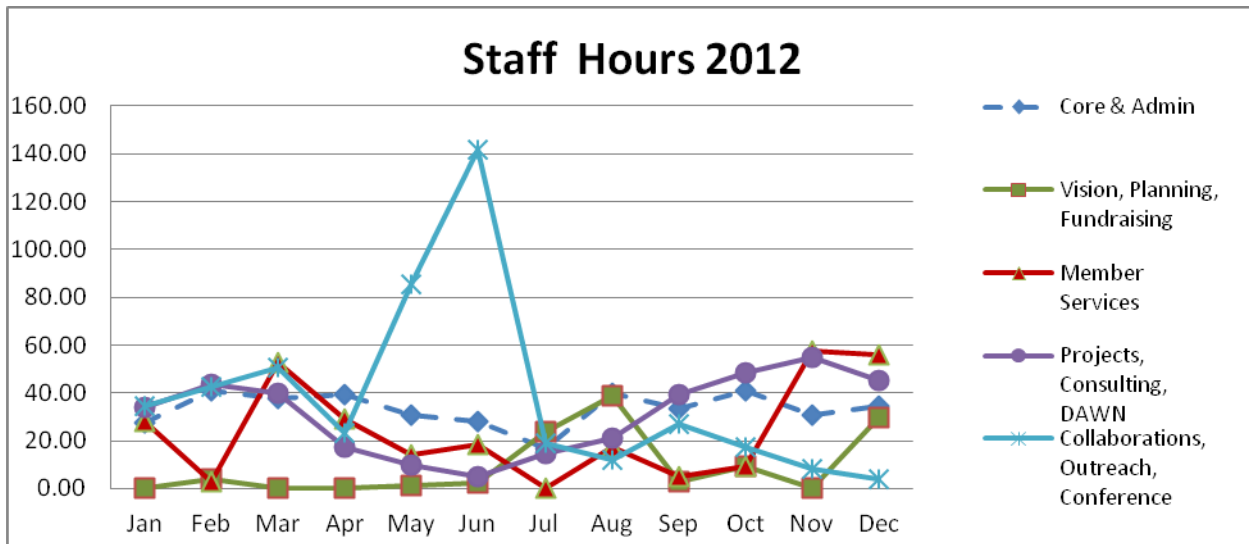
STAFF REPORT

The USFWC operated for most of 2012 with two staff members at .75 FTE total: a part-time Executive Director on payroll and a very part-time Membership Coordinator on contract. In early fall 2012, Membership Coordinator Stephanie Neely left us to go back to school. We were without a Membership Coordinator for two months as we undertook a hiring process and redefined the role to be a full-time job.

In October 2012, with the capacity built through the Rural Cooperative Development Grant, it became possible to increase the Executive Director hours to full-time, and to make the part-time Membership Coordinator position a full-time salary position, becoming the Membership and Advocacy Director. Amy Johnson was hired in October as a part-time staffer until January 2013 when she transitioned to full-time. Amy has a professional background in membership-based organizations and recently completed her MPA focused on worker cooperatives as a sustainable economic development strategy. While the position was still part-time through 2012, Amy focused on meeting members, drafting the monthly e-news, and membership renewals. Additionally, she attended the USFWC annual Board Retreat in order to become more familiar with the organization, meet the leadership team in person, and co-design a work-plan for 2013 that dramatically increased the Membership and Advocacy Director role within our Federation.

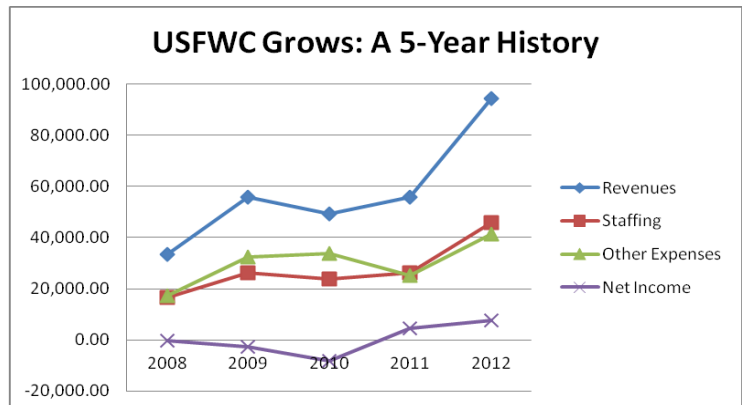
In December we added a part-time Rural Technical Assistance Coordinator to staff, hiring DAWN Peer Advisor Joe Rinehart for the job. Joe came to DAWN from Firestorm Café and bookstore in Asheville, NC. He was also an instructor at Appalachian State University with a focus on appropriate technology. Joe began building the USFWC’s rural outreach and technical assistance offerings, initiating relationships with partner groups and cooperative developers, and supporting DAWN advisors to work on rural cooperative development projects.

We started 2013 with 2.25 FTE staffing, enough capacity to begin a concerted growth program for the USFWC and the Democracy at Work Institute.



FINANCIAL REPORT

In 2012, the US Federation grew substantially, with most growth coming from non-dues revenue sources – grants, consulting, and net income from a profitable conference. Our most significant new revenue stream is the Rural Cooperative Development Grant from USDA, which began to be disbursed in October 2012. Newsletter ad revenue now entirely pays for the cost of printing and mailing the newsletter. Additionally, our 2012 conference was showed a net income of over \$10,000. This conference profit is due to tight budgeting and cost control, strong sponsorships and donations, and strong promotional efforts which led to high attendance that pushed us over the break-even point.



Member dues remained essentially flat from 2011, with growth of 2% overall. While we added 15 new members in 2012, we also lost 13 members for a variety of reasons (see Membership Report), so both in numbers and in revenue membership stayed flat. Even as we recruit new members, it is important to note that most of the large cooperatives (who pay the highest dues) joined early in the Federation’s life, so additional members don’t increase dues proportional to their numbers.

As always, our single largest expense was staffing, at around \$32,000 for the Executive Director (\$5,000 of this is reflected in conference expenses/net income) and \$18,000 in contract staffing (with an additional \$12,000 reflected in conference expenses/net income). Staffing expenses jumped (by design) in 2012, with payroll increasing by 47% and contractors increasing by 136% over 2011. Much of this increase came in the second half of the year as we built capacity in preparation to going to full-time staffing in 2013. About half of the contractor labor was the Membership Coordinator, and half was payments to subcontractors working on RCDG-funded projects and consulting projects for other organizations. We began paying an attorney (\$1,000 in 2012) to do incorporation and tax exemption paperwork for the Democracy at Work Institute.

Operations expenses and Travel expenses also increased substantially. Operations expense includes a large expenditure for t-shirts (revenue from t-shirts shows up in donations) but also includes an increase in Insurance costs for the organization and dues paid to other organizations we joined in 2012 as part of our rural collaborations strategy (Cooperation Works! NCBA, etc). Increased travel expenses is almost entirely travel subsidies for DAWN apprentices and advisors to attend DAWN trainings, other trainings, and provide technical assistance; all DAWN travel was funded by grants.

Overall, 2012 was a very strong year for the US Federation, as we built financial and staffing capacity that was long overdue, and positioned the organization for a period of substantial growth. The Rural Cooperative Development Grant was the game-changer, allowing us to ramp up not just projects but also other fundraising and revenue- generating efforts that we expect to bear fruit in 2013 and beyond. Years of frugality and strategic spending have served us well as we move into a period of greater resources.

NOTES: The US Federation continued to provide fiscal agent services for the Valley Alliance of Worker Cooperatives, through mid-2012, when VAWC opened its own bank account. The VAWC income, expenditures, and balance sheet accounts are not included in this report, but are consolidated for tax reporting purposes.

**US Federation of Worker Cooperatives
Profit & Loss***

January through December 2012

Income	2012	2011	% change
Membership Dues			
Worker Cooperative Dues	24,850.00	26,877.50	-8%
Democratic Workplaces Dues	2,775.00	2,800.00	-1%
Startup Workplace Dues	825.00	1,200.00	-31%
Developer Dues	2,500.00	2,503.00	0%
Federation Partner Dues	350.00	100.00	250%
Associate Dues	1,700.00	1,725.00	-1%
Individual Dues	1,745.44	1,285.00	36%
Dues discounts	-1,950.00	-3,117.50	-37%
Labor Trade	-600.00	-675.00	-11%
DAWN Member Dues	<u>3,707.00</u>	<u>2,375.00</u>	56%
Total Membership Dues	35,902.44	35,073.00	2%
Conference Net Income	10,823.64	-150.00	-7316%
Foundation Grants	18,500.00	15,300.00	21%
Government Grants	13,677.39	0.00	
Total Direct Public Support	3,234.60	3,055.00	6%
Newsletter ad revenue	1,325.00	550.00	141%
Fiscal agent fees	0.00	465.00	-100%
Consulting Services	<u>11,165.00</u>	<u>2,434.68</u>	359%
Total Income	<u>94,628.07</u>	<u>56,262.68</u>	68%
Expense			
Total Payroll and Staffing Expenses	27,126.62	18,476.67	47%
Total Contract Services	18,566.16	7,858.83	136%
Total Facilities and Equipment	8,732.94	7,367.17	19%
Total Operations	14,868.11	10,407.25	43%
Total Travel and Meetings	17,796.78	7,597.60	134%
Total Business Expenses	<u>60.00</u>	<u>150.00</u>	-60%
Total Expense	<u>87,150.61</u>	<u>51,857.52</u>	68%
Net Income	<u><u>7,477.46</u></u>	<u><u>4,870.16</u></u>	54%

* Note this P&L excludes VAWC income and expenses, which were reported on USFWC tax returns as VAWC's fiscal sponsor for 2011 and 2012

ACTIVITIES AND PROJECTS

MEMBER BENEFITS

Member benefits remain an important focus of our Federation, providing services to support our members to grow as successful businesses and stay connected to the larger worker cooperative community. Benefits include: communication and networking – monthly e-news, printed newsletter, yahoo group listserv, member directory, professional service referral listing, and representation within the National Cooperative Business Association and the international worker cooperative association, CICOPA; resource access and technical assistance – four (4) free hours of assistance per year per member, online document library, and email and phone support; and discounts to conferences and access to credit card processing platform that supports the movement from Merchant Mall.

Members seem to be underutilizing benefits, with only five member requests for the four free hours of technical assistance. With a growing pool of knowledgeable, talented DAWN advisors, we certainly have capacity to provide member technical assistance; the challenge is to make the benefits known and easy to access. One piece of feedback we hear consistently from members is that they want more opportunities to connect to each other and share tools and practices. To that end, our benefits work will focus on bringing members together to benefit one another.

With the hiring of a full-time Membership Director, there will be an intensive effort to make these connections, promote existing benefits and develop more robust, large-scale member benefits, such as group purchasing, as well as increased opportunities for member engagement and information sharing, such as a member-led webinar series. Members will be asked in 2013 to provide additional feedback and input into the development of new and improved member benefits.

MEMBER EMERGING LEADERS

We kicked off our Member Emerging Leader Scholarships in 2012. These scholarships are intended for USFWC members who are interested in getting more involved in worker cooperative organizing and support at a local, regional or national level. The scholarship has two purposes: to strengthen the USFWC by supporting the involvement of potential leaders, and to support our member workplaces in sending their members to conferences and events. Additionally, the scholarship is intended to both recognize and support the leadership of people not typically found in organizational leadership positions: women, people of color, young people, low-wage workers, and people from parts of the country without much worker cooperative support. In 2012, Member Emerging Leaders were: Yadira Sanchez from Apple Eco, Kristin Forde from Union Cab, Carlos Perez de Alejo from Cooperation Texas, and Ivette Melendez from WAGES.

MEMBER COUNCILS

It may have been in part because of the presence of so many emerging leaders – recognized with scholarships and not – that there was such powerful organizing activity at the national conference in 2012. A spontaneous gathering of the members of the housekeeping and day labor cooperatives turned into an ongoing series of phone calls and ultimately, a member council. The group's activity has waned a little in 2013, due to busy schedules and the departure of some key members, but the USFWC staff is committed to supporting this effort for the long term, and sees the emergence of sectoral organizing work as the next direction for member councils.

NATIONAL CONFERENCE

We held the biannual national conference in Boston in July 2012. Around 400 people attended the conference, from all around the country, with strong representation from the Boston area, particularly local community organizations developing worker cooperatives. The conference offered 30+ workshops, Spanish and Portuguese translation, local coop tours, and social events every night. Keynote speakers included Rep Chaka Fattah, the sponsor of the National Cooperative Development Act, and representatives from worker cooperative movements in Europe, Japan and Argentina. The conference was marked by a swell of grassroots organizing energy, strategic thinking about sector and regional organizing, and a much greater emphasis on cooperative development than in the past, with a daylong intensive at MIT CoLab the day

before that was well above capacity. It also seems to have helped catalyze a resurgence in the Boston worker cooperative community, one of the stated goals of our conference.

ECONOMIC DATA PROJECT

Each year we gather economic data from our members. This year’s data reflects both more members and that on the whole our members seem to be growing in both workers and revenues.

	Respondents	Number of Workers	Gross sales	Gross compensation
2008	42	1,371	\$181,285,596	\$ 49,817,858
2009	55	1,345	\$178,606,397	\$ 54,811,812
2010	52	1,424	\$179,028,952	\$ 56,811,595
2011	55	1,386	\$180,982,888	\$ 52,665,497
2012	58	1,619	\$214,868,444	\$ 56,579,379

CAPITAL ACCESS

We have begun efforts to connect worker cooperatives to capital on several fronts. Executive Director Melissa Hoover continues to serve on the Board of the Northcountry Cooperative Development Fund, and in 2012 began coordinating efforts with NCDF and MadWORC in Madison, Wisconsin, to develop a high-risk pool for startups. Work has been slow on that project, mostly due to limited capacity in all three organizations, but discussions are moving forward. We also partnered with the Kiva microfinance organization to open a new area of their lending to worker cooperatives. Kiva is piloting the Kiva Zip program, a US-based online platform for crowdsourcing small loans to entrepreneurs. We have worked with Kiva to shape the requirements and allowances for worker cooperatives. USFWC and DAWI became a Trustee Partner: we endorse borrowers by looking at their finances and operations, and vouch for them on the site. We worked with the Teamworks Cooperative Network in San Jose to endorse their loan, and the cooperative borrowed a total of \$10,000 which was funded well before the deadline. They have used the money to grow their cooperative management program, and are paying back the loan now. Our Trustee working group (DAWN Advisor Jessie Myszka and ED Melissa Hoover) is using the process to learn more about crowdfunding, microloans, and the needs of borrowers. And in 2012 we saw the Worker Cooperative Federal Credit Union project change direction with a difference of opinion in the subscriber group over whether to explore a merger with an existing credit union, NCFCU. Ultimately, the subscribers concluded that a federal credit union is not appropriate and would not necessarily accomplish the stated goal of creating a financial institution to lend to worker coops. They recommended instead the formation of a North American Worker Cooperative Lending Association to begin organizing access to existing sources of capital. In 2013, the USFWC will launch a Capital Access Project to facilitate the formation of NAWCLA and to undertake a coordinated effort to increase availability of capital at all scales.

RURAL WORK

With our award of the Rural Cooperative Development Grant late in 2012, we opened up a whole new area of work, supporting rural worker cooperatives with direct technical assistance, developing research and educational materials targeted to rural areas, and building relationships with partner organizations. A brief overview of this work follows:

Technical Assistance –We began providing technical assistance directly to rural clients in 2012, relying on the expertise of staff, DAWN advisors, and selected contractors. With minimal outreach, we began seeing a spike in rural requests. A remarkably high percentage of these requests come from owners who want to sell their business to the workers – what we call *conversions*. For instance, we are consulting with a school being bought out by its teachers and a solar company in which the owner wants to stay on as a member. Another area of high demand comes from rural nonprofits exploring worker cooperatives as a way to create or save jobs.

Research and Materials – With RCDG funding, we are also creating original research and materials to support cooperative development more effectively. These include:

- A revision of the Worker Cooperative Toolbox, originally published in 2006
- Research and models for worker cooperative equity structures
- The Effective Practices Project to gather and share the wisdom of cooperative developers
- A study of the management practices and training needs of immigrant-led worker cooperatives. We co-planned a summit of cooperative developers in immigrant communities with the California Center for Coop Development.

Southern Leaders Networking Group – With joint funding from the RCDG and the Fund for Democratic Communities, we laid the groundwork for a small cohort of worker cooperators and developers working in the South and Appalachia who will meet by phone and attend conferences together, to begin building connections together and to the national movement.

PUBLIC OUTREACH and COLLABORATIONS

The USFWC office continued to field inquiries from members of the public and give interviews to the media. We document all phone calls and follow-ups, to better be able to spot trends and needs. 2012 International Year of the Cooperative seemed to generate some excitement in both the public and our members, and we brought members together to share plans and ideas. We also supported the Co-Cycle ride across the country, and participated in the planning committee for IYC at NCBA. USFWC staff helped the filmmakers of Shift Change and This Way Out find interview subjects – most of them USFWC members – and then promote the films. We also presented at several events: the CoopEcon gathering in Alabama, the NCBA conference in Seattle, the Vermont Employee Ownership Center annual conference, and World Worker Cooperative Day in France. The past year was a highly collaborative year, as the USFWC developed new relationships with cooperative developers via our rural work, joined Cooperation Works!, continued working with the Data Commons Project and Northcountry Cooperative Development Fund, and participated in the evolving Southern Grassroots Economies Project. Melissa also advised the Steelworkers on their Union Coop Model, meeting with the authors and giving input on several drafts. Board members actively represented the USFWC in local work in Boston, Madison and the Pioneer Valley. And Board member Anna Boyer gave a presentation on tech worker cooperatives as South by Southwest.

LEGISLATIVE and LEGAL WORK

In May 2012, we went to the White House! Along with cooperative organizations from all sectors, the USFWC was invited to the White House to share our stories and connect to some executive branch staffers. This was a rare opportunity to raise the profile of cooperatives at the federal level. In breakout groups, USFWC ED Melissa Hoover met with a rep from the Small Business Administration and was heartened to see the good work they are doing to clarify the regulations internally, to make sure SBA staff understand that worker cooperatives are eligible for SBA programs. We have not heard more on the IRS audit of worker cooperative patronage, and assume this process is moving very slowly; we are still prepared to support members who are being audited, and to educate the IRS about the nature of worker cooperative patronage. Finally, we set up the commit.coop campaign for launch in 2013. This is a website that will have information about local and regional organizing, and provide a way for people to get involved with local advocacy work on behalf of worker cooperatives.

CAPACITY-BUILDING

Starting in Fall of 2010, the Board of Directors identified a need to build capacity in the US Federation, and set out a three-year plan to make the USFWC a more sustainable organization. The cornerstone of this capacity-building project is reaching full-time staffing. We are pleased to report that we have achieved this goal ahead of schedule by one year! Next in our capacity-building work is increasing grant funding to the Democracy at Work Institute, and at the same time developing sustainable revenue streams for the USFWC. Before any of this could happen, however, we needed to get some very basic organizational infrastructure in place. New Membership Director Amy Johnson put her experience in member-based organizations to work, and began the process of building a comprehensive online database of contacts, as well as the specs for a new family of websites to meet our growing needs. At the same time, ED Melissa Hoover began identifying gaps in policies and protocols, and building all the infrastructure at the organizational level that we will need to grow effectively. 2013 will bring additional training for the Board and staff.

CICOPA AND INTERNATIONAL REPORT

Report by USFWC International Liaison Rebecca Kemble

After a busy inaugural year for CICOPA N. America in 2011-2012, this past year has been one of maintaining communications and strategizing about how to build capacity. It has been a struggle since the member organizations themselves are dealing with the same issues internally. The Canadian Worker Cooperative Federation lost a substantial portion of their budget when the Stephen Harper government pulled the plug on funding.

CICOPA N. America members were able to meet in person with several of our colleagues from CICOPA Mercosur at the Quebec International Cooperative Summit in October last year. Together with CICOPA World Executive Director Bruno Roleants, we gave critical input on the text of the resolution coming out of the summit, and together as CICOPA Americas we offered amendments to the [ICA Blueprint for a Cooperative Decade](#) ahead of its formal adoption at an ICA General Assembly in Manchester, U.K. at the end of October.

Both CICOPA Americas and CICOPA N. America have been discussing sharing information via shared-access, multi-lingual websites. Coordinating in three languages has proven to be very difficult, however.

On September 19 the Organization of American States, the National Cooperative Business Association and ICA Americas will be holding an event in Washington D.C. entitled, "Cooperatives in the Americas: Promoting Economic Growth with Equality and Inclusion." I will be representing the worker cooperative sector as the Vice-President of CICOPA Americas. The USFWC will organize a webinar sometime following this event focused on the international worker coop movement for members wishing to learn more.

From the Executive Director:

In addition to the CICOPA-North America work, in 2012 we heard more interest in and excitement about international organizing from our members than ever before. Sensing that this interest was out there, we presented several international speakers at the national conference, and a workshop addressing what we can learn from other worker cooperative movements around the world. But we were still surprised by how packed that workshop was. It seems that our members are particularly interested in two areas: cross-border economic relationships within North America, and learning from international movements that have built healthy ecosystems. So our international relations in the coming years will build on these themes.

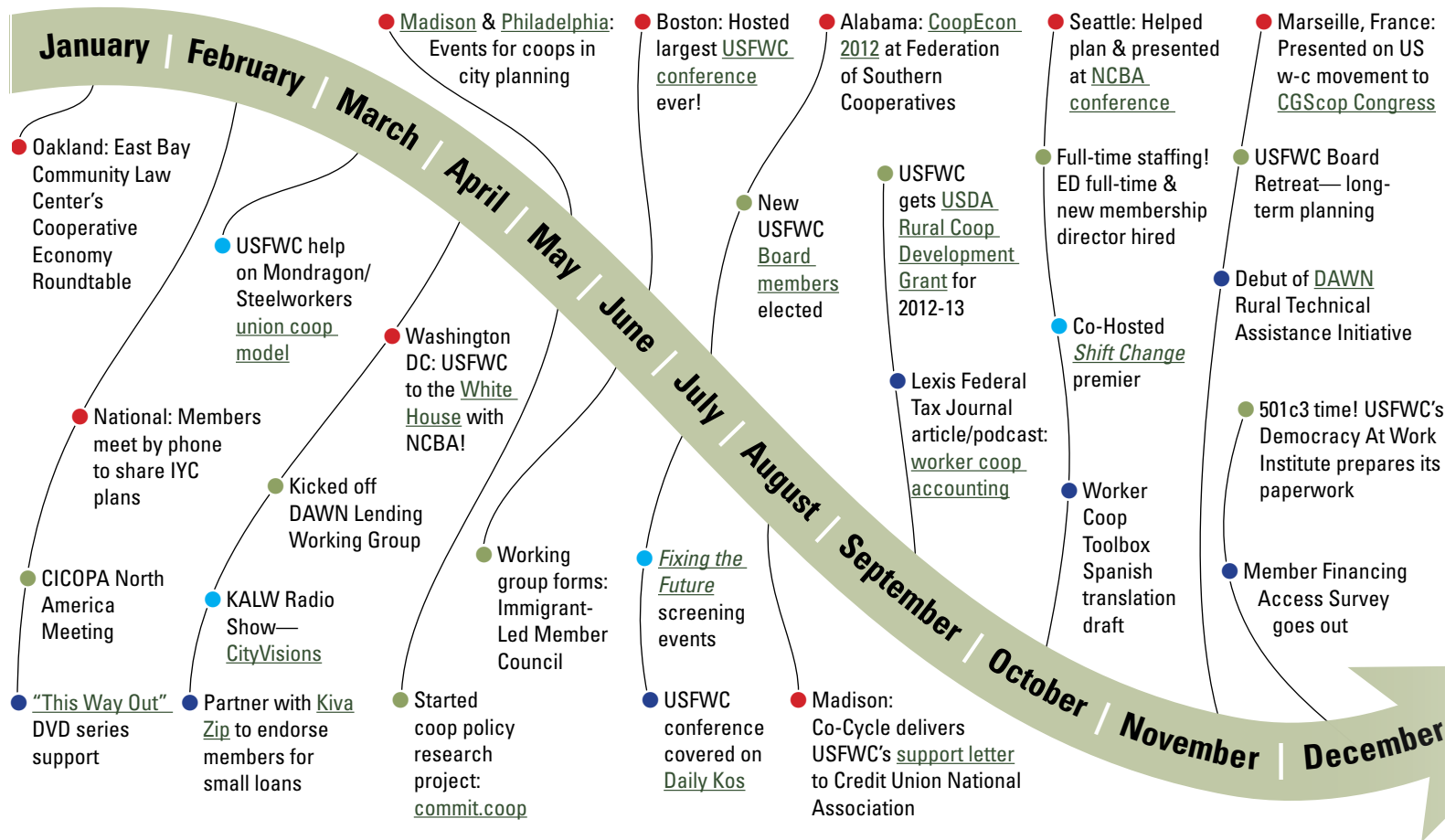


U.S. FEDERATION OF WORKER COOPERATIVES

2012 YEAR IN REVIEW

WWW.USWORKER.COOP

● INTERNATIONAL YEAR OF COOPERATIVES & EVENTS ● BUILDING THE FEDERATION ● MEDIA ● RESOURCES & BENEFITS



To come in 2013

- Planning support for [CoopEcon](#), [ECWD](#) and [WWCC](#)
- Updated Worker Coop Toolbox, USFWC Think Tank Publishing Project, More Member Councils, Shop stewards, Member-to-member support
- "Great Place to Work" campaign in Forbes magazine
- Website Upgrade Plan: facelift for usworker.coop, Democracy at Work Institute, [commit.coop](#)

30% goal for growth in membership in 2013

89
Public inquiries answered by USFWC

279
worker cooperatives counted in the USFWC's research to be published Spring 2013

93
USFWC worker cooperative and democratic workplace [members](#)

5
USFWC members receive free [technical assistance](#)

6
Clients/projects assisted by DAWN advisors

8
[DAWN](#) apprentice peer advisors trained

6
City governments declare support for worker coops. More in the works!

2000+
"Likes" on USFWC [Facebook](#) page

400
attendees for USFWC [conference](#)

3
Languages interpreted at the conference

DEMOCRACY AT WORK INSTITUTE

The Democracy at Work Institute is the educational arm of the US Federation of Worker Cooperatives. It was initially created for the purpose of doing grant-funded projects like developing resources and supporting cooperative development. At its next stage, we envision an Institute that is equal parts clearinghouse, relationship-builder, thought leader, organizing body and “developer’s developer.” It will be a movement-based think-and-do tank to build the field of worker cooperative development from a praxis-based perspective, keeping it in dialogue with and accountable to the worker cooperative movement. In 2012, the Democracy at Work Institute incorporated and in 2013 filed its application for tax exempt status; we anticipate notification of this status in late 2013.

Mission (provisional)

The Democracy at Work Institute was created to ensure that further growth in the worker cooperative movement actively reaches those economically marginalized workers who need sustainable jobs the most. The mission of the Democracy at Work Institute is to promote the worker cooperative model by:

- facilitating education and skill-sharing among existing cooperatives
- providing practical support in the form of training resources and referrals to those interested in starting worker cooperatives, and
- educating the public about the need for and benefits of worker-ownership and workplace democracy.

Board

In 2012, the DAWI advisory Board was:

Hazel Corcoran, Canadian Worker Cooperative Federation
Omar Freilla, Green Worker Cooperatives
Tim Huet, Arizmendi Association of Cooperatives
Margaret Lund, cooperative consultant
Tom Pierson, North American Students of Cooperation

At the end of 2012, the advisory Board dissolved, to be replaced by the first official Board of Directors. The bylaws of the Democracy at Work Institute state that the USFWC is a “Designator” organization for DAWI, and as such it chooses five of the nine Board seats. Two seats are chosen by DAWI staff, and two more are filled by outsiders who are jointly selected by the rest of the Board. This first Board will be seated in 2013.

Staffing

By prior arrangement, USFWC staffer Melissa Hoover also served as DAWI staff for 2012. DAWI staff hours were increased in accordance with increased funding, the growth of the Democracy at Work Network, and a concerted fundraising initiative launched in early 2012. By late 2013/early 2014 we anticipate funding to support at least three full-time staff positions within the Democracy at Work Institute.

Projects

The major project of the Democracy at Work Institute in 2012 was the Democracy at Work Network peer technical assistance project. The third DAWN cohort was trained in 2012, and DAWN peer advisors began offering peer technical assistance to cooperative projects across the country. At the end of 2012, there were 12 certified peer advisors, 6 more completing training and approaching certification, and a new cohort of 11 apprentices had been recruited. Demand for the 2013 cohort was nearly double what the program can accommodate, and we made a decision to expand the training to partially meet this demand. DAWN responded to over 30 requests in 2012, and DAWN peer advisors provided technical assistance to several clients: two USFWC members needing help with specific projects or questions, four startup worker cooperatives, one community group wanting a Coop 101, one workers’ center exploring cooperative development, and one cooperative development center who contracted with DAWN to write curriculum for starting a home care cooperative. DAWN members gave workshops at the national conference and staffed an advice booth. DAWN members continue to build and refine their governing systems and documents, and they prepare for a business planning/growth process in 2013.

Future Plans

In 2013, the Democracy at Work Institute will become its own entity, though one that is still closely connected and accountable to the movement via the US Federation of Worker Cooperatives. As such, it has its own bylaws, Board, budget, staff, and programmatic plans. These plans are intended to work in concert with the activities of the USFWC, together building a movement that is rooted in and controlled by its members, but is also able to access funding resources to build infrastructure that better supports the movement.

To this end, the Democracy at Work Institute is focused in the coming years on a few key projects that both support existing efforts and catalyze strategic growth in worker cooperatives as a tool for self-help and economic justice, a way to build wealth and stabilize communities, and a force to change conditions in targeted industries.

Projects for 2013 include:

- Organizing a discussion and vision process with USFWC members to get their input into the activities below
- Technical Assistance in rural areas
 - o One on one assistance
 - o Partnerships as the go-to provider for other cooperative development organizations
- Capital Access Project
 - o Development of tools and products for worker cooperatives
 - o Building relationships and educating lenders
 - o Support for borrowers
- Expansion of DAWN into a Think-and-Do Tank
 - o DAWN-for-developers
 - o Research and publishing
 - o Development of ongoing training programs
 - o Spanish-language materials
- Research and organizing to explore growth strategies in three distinct areas:
 - o Conversions
 - o Sectoral Strategy
 - o Place-based Strategy(All areas will include asset-mapping, identifying gaps, possibilities for scale and impact)
- Conversions Project
 - o Toolkit for conversions
 - o Research in governance and financing
 - o Market/impact research in one pilot state
- Pre-feasibility study of worker cooperatives in local food systems