

Employee Ownership In Health Care: Models that Maximize Quality Jobs and Quality Care

November 16, 2023 | 1:00 pm - 2:00 pm



Grantmakers Advancing Economic Equity



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assetfunders.org



Grantmakers Advancing
Economic Equity

As the leading national grantmaker membership organization focused on advancing economic security, the Asset Funders Network engages philanthropy to confront inequities and advance equitable wealth building and economic mobility.

INFORM | CONNECT | INFLUENCE | BUILD

Agenda

1:00 pm – Welcome and Introduction

1:05 pm – Presentation

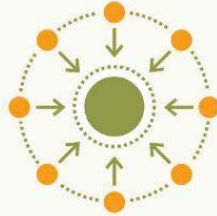
1:25 pm – Q&A

1:35 pm – Discussion

1:55 pm – Close

Employee Ownership Overview

WORKER COOPERATIVES



600-1000 firms

2x growth in number of firms since 2010

80% startups, **20%** transitions

Median size: 6 worker-members

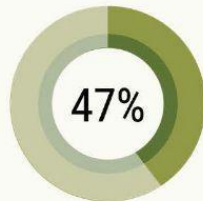
Concentrations: direct care, personal services,
food and beverage

\$4-7 million distributed to members (2021)

6000+ MEMBERS



FEMALE



BIPOC

ESOPs



6200+ firms

Steady number of firms since 2010

100% transitions

Median size: Wide range with slight majority
small plans (~25-100 participants)

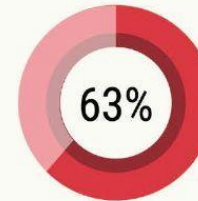
Concentrations: prof/sci/tech services,
manufacturing, construction

\$149 billion paid to participants (2020)

10.2 MILLION ACTIVE PARTICIPANTS



WHITE



MALE

DIRECT BUSINESS DEVELOPMENT

Pilot and
Project Grants



BUILDING
BUSINESS
SUPPORTS

- Pre-development
- Academies/boot camps
- Service provider pipeline
- Training coop developers

LIKELY
IMPACT

- Skills development
- Ecosystem growth
- Awareness

Multi-Year
Large Grants



DIRECT
BUSINESS
DEVELOPMENT

- Incubation
- Conversion
- Business advising
- Train managers
- Train workers
- Benefits development
- Ongoing TA

LIKELY
IMPACT

- Businesses created, saved
- Jobs created, saved
- Job quality increase
- Economic stability

Capital and
Grants



CAPITAL
DEVELOPMENT

- Catalytic equity capital
- New investment vehicles
- De-risk for CDFIs: first loss, reserves
- Direct impact investment

LIKELY
IMPACT

- Assets built
- Economic mobility
- Businesses created, saved
- Jobs created, saved
- Replication, scaling
- Demographic shifts

ECOSYSTEM DEVELOPMENT

Grants and Public
Funds Match



LOCAL
ECOSYSTEM
DEVELOPMENT

- Local policy
- Community Wealth Building initiatives
- Public sector initiatives
- MWBE changes

LIKELY
IMPACT

- Policy passed, used
- Public funding
- Economic multiplier effects
- Demographic shifts
- Networks built

Grants and Public
Funds Match



NATIONAL
ECOSYSTEM
DEVELOPMENT

- Research, data
- Higher/professional education
- Metrics development
- State/federal policy
- Storytelling

LIKELY
IMPACT

- Policy passed, used
- Public funding
- Knowledge, strategy built
- Narrative change
- Standards created
- Sustainability

Today's Speaker



***Adria Scharf, Associate Director,
Rutgers Institute for the Study of Employee
Ownership and Profit Sharing***

EMPLOYEE OWNERSHIP IN HEALTH CARE

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School of Management
and Labor Relations

Institute for the Study of
Employee Ownership and Profit Sharing

Employee Ownership

Employees own part or all of the business where they work.

Broad-based Employee Ownership

Inclusive forms of employee ownership in which all or most employees are owners or have the right to be owners.

Rights of Ownership

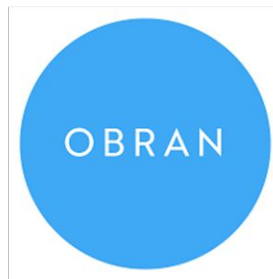
Owners have rights to...

- Financial return
- Governance or voting (sometimes)

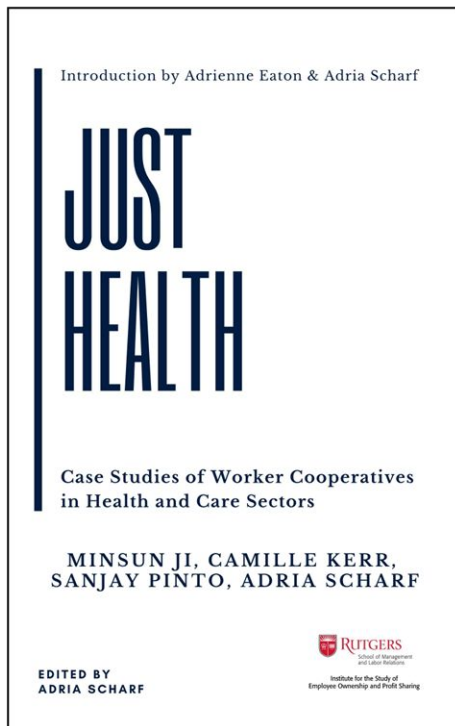
Types of Employee Ownership

Employee Stock Ownership Plans Employee ownership in the form of a retirement plan. Broad-based by law. Employees pay nothing. Most prevalent form of broad-based emp. ownership	13.9m individuals
Worker Cooperatives Worker member-owned and governed businesses. Members have equal vote. Members share in the profit ("surplus") according to a formula.	Up to 10k workers
Employee Ownership Trusts A type of Perpetual Purpose Trust in which trust owns company for benefit of employees.	Few exist, growing
Broad-based Equity Compensation Stock-based compensation. Plans may be designed to include few, some, or all employees.	~10.6 m employees in all plans (narrow & broad-based)

Research on 13 U.S. Worker Cooperatives in Health and Care Sectors



Research on 13 U.S. Worker Cooperatives in Health and Care Sectors



Download from
CLEO.RUTGERS.EDU

Peninsula Homecare Cooperative

Port Townsend, Washington (small town)

- 1 of 5 home-care coops in WA
- 18 employees, 2/3 full-time
- \$21/hour + profit share for member-owners



Be Inspired!
Have a VOICE and
a VOTE at work!

WE'RE HIRING!
Welcome to a
Worker-Empowered Future
Caring for Elders in Their Homes

**Peninsula
Homecare
Cooperative**

Propelled and Owned
by Caregivers

Clients are waiting for care in the
Port Townsend/Port Ludlow areas.

Peninsula Homecare Cooperative

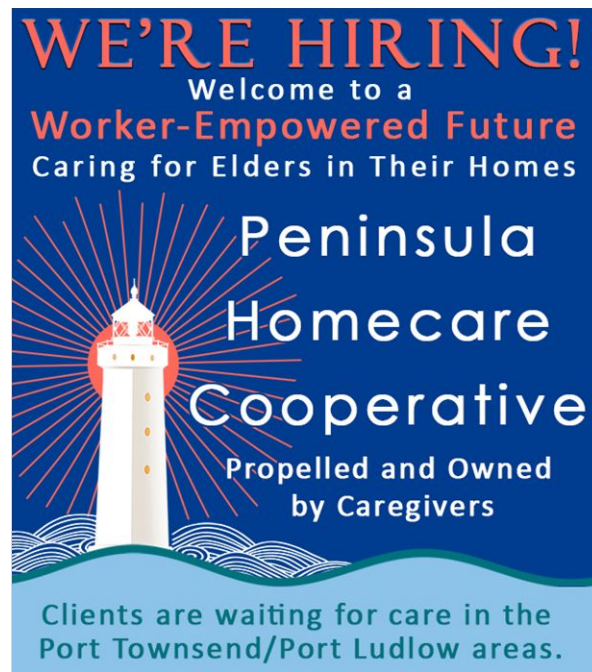
Profit Share

- \$6.50/hour in 2021
- Boosted pay to \$24.50/hour

PPP Loans

Employee owners voted on how to allocate. Decided:

- Quarantine pay fund
- Bonuses.



Case Studies of NYC-Based Homecare Cooperatives



- Bronx-based licensed home health agency
- ~2,000 workers
- Job quality philosophy



- Brooklyn worker cooperative of immigrant women of color, all with roots in Central and South America
- Training, higher wages, job quality

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PT360 Physical Therapy

Vermont (multiple locations)



- Largest independent physical therapy practice in Vermont
- The only physical therapy practice in U.S. structured as a worker cooperative
- 36 employees

PT360 Physical Therapy



Deborah Harris, Executive Director & President:

In day-to-day operations...

“We have supervisory relationships and accountability. We have to.”

At the Owners Meetings...

“It really doesn’t matter what your title is. Everyone has one share and one vote.”

PT360 Physical Therapy



Amy Sheridan, nonsupervisory employee owner:

In the worker cooperative...

"I think the difference really comes down to the vision-making role we have ... We all vote on policy."

In a hospital where she worked before...

"Everything came top-down. You didn't have any input. If they say, 'You're working later,' you work later."

Broader Examples of Employee Ownership in Health

Anchor Institution Initiatives

Cleveland Clinic-Evergreen Laundry, Kaiser Permanente and other Healthcare Anchor Network health system partnerships with Obran Cooperative

Conglomerates and Holding Companies

Obran Cooperative, Evergreen Cooperatives

Independent Contractor Health Worker Cooperatives

AlliedUp

Employee Stock Ownership Plan (ESOP) Companies

Wilson Senior Care (SC), Aftercare Nursing Services (NY), Bridges Health, MyPath, SJH Dermatology, Acadian, others

Our Research Suggests

Worker Cooperatives in Health...

- Provide unusual degree of **equality of voice across titles & ranks**.
- **Share profits** equitably.
- Include **clerical and support staff** in ownership and governance.
- Take varied approaches to day-to-day **coordination/management**.
- Pay equal to **market rate**, but still low in some coops.
- For **immigrant, BIPOC, and excluded workers: safety, support, survival**.
- Balance profit-seeking with consideration of **employee needs**, and values.

And...

- Giving health and care workers **respect and support can mean better quality care**.
- **Ecosystem supports** and partnerships can promote cooperative resilience.
- **Funding and investment is needed**; access to capital correlated with race and class.

Suggested Resources

Our Share: Employee Ownership as a Wealth Sharing Tool

Introduction to employee ownership through bite-sized videos

www.coursera.org/learn/employee-ownership

State Centers for Employee Ownership

[North Carolina Employee Ownership Center](#)

[NJ/NY Center for Employee Ownership](#)

Colleagues in philanthropy

e.g., Kendeda Fund, Prudential Foundation, WK Kellogg

Curriculum Library for Employee Ownership

Free online Rutgers library of case studies, policy reports, articles, videos, etc.

cleo.rutgers.edu

Institute for the Study of Employee Ownership and Profit Sharing

Largest university-based institute

200+ research fellows

Annual conferences

Research & education

Curriculum Library for Employee Ownership

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Discussion Questions

- Reflections or thoughts from the case studies as it relates to your work?
- What are the headwinds that prevent employee ownership from being more broadly adopted?
- What kinds of policy investments shows promise at the municipal, state, federal levels?
- What would it take for more funders to invest in employee ownership? What is the infrastructure that is required to support organizations already supporting employee ownership strategies?
- How does employee ownership fit into place based investment strategies?
- Are there other conversations you would like AFN to lead in this space? What are the next steps?

SAVE THE DATE!

April 16-18, 2024 | New Orleans



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