

# The Care Economy and Cooperative Ownership

## About Home Care and Childcare Cooperatives

As the U.S. population ages, the care economy faces a difficult task to support the growing demand. The home care industry currently has a caregiver turnover rate of 64%, while homecare cooperatives average only 30%. Similarly, childcare centers struggle to retain skilled employees and families bear the burden of costs. To support a thriving workforce, provide high-quality jobs for employees, and reassurance for families through quality care, cooperative businesses should be at the center of the care economy.

### POLICY POINTS

#### Cooperatives in the Care Sector

- Home care cooperatives are structured to value, support and reward homecare employees in a field experiencing enormous turnover. As employee-owned businesses with higher productivity, cooperatives provide better on-the-job training and higher wages resulting in decreased turnover and higher quality, consistent care.
- Childcare facilities are critical to ensuring that communities across the country can thrive. Having quality, reliable childcare allows parents to actively and fully participate in the workforce, supports early education for the next generation, and creates jobs in the community. Converting childcare facilities to cooperatives can preserve legacy businesses while filling the urgent needs for good stable jobs and care.
- Employee-owned cooperatives are two-thirds more likely to succeed than traditional businesses while enjoying 5% higher productivity. Cooperatives can also be owned by many stakeholders such as employees, families, consumers, and more, who also have a say in how the business is run.
- Worker-members are by definition local owners, generating significant potential economic multiplier effects as wages and profits are kept in the community rather than sent to outside investors. Employee-ownership keeps assets invested locally and selling a business to employees is an increasingly popular alternative for retiring small business owners.