



Lifespan Respite Technical Assistance Center

Webinar:

Opportunities for Innovation: Home Care Worker Cooperatives

December 6, 2018

Website: archrespite.org

Presenters

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Introductory Remarks

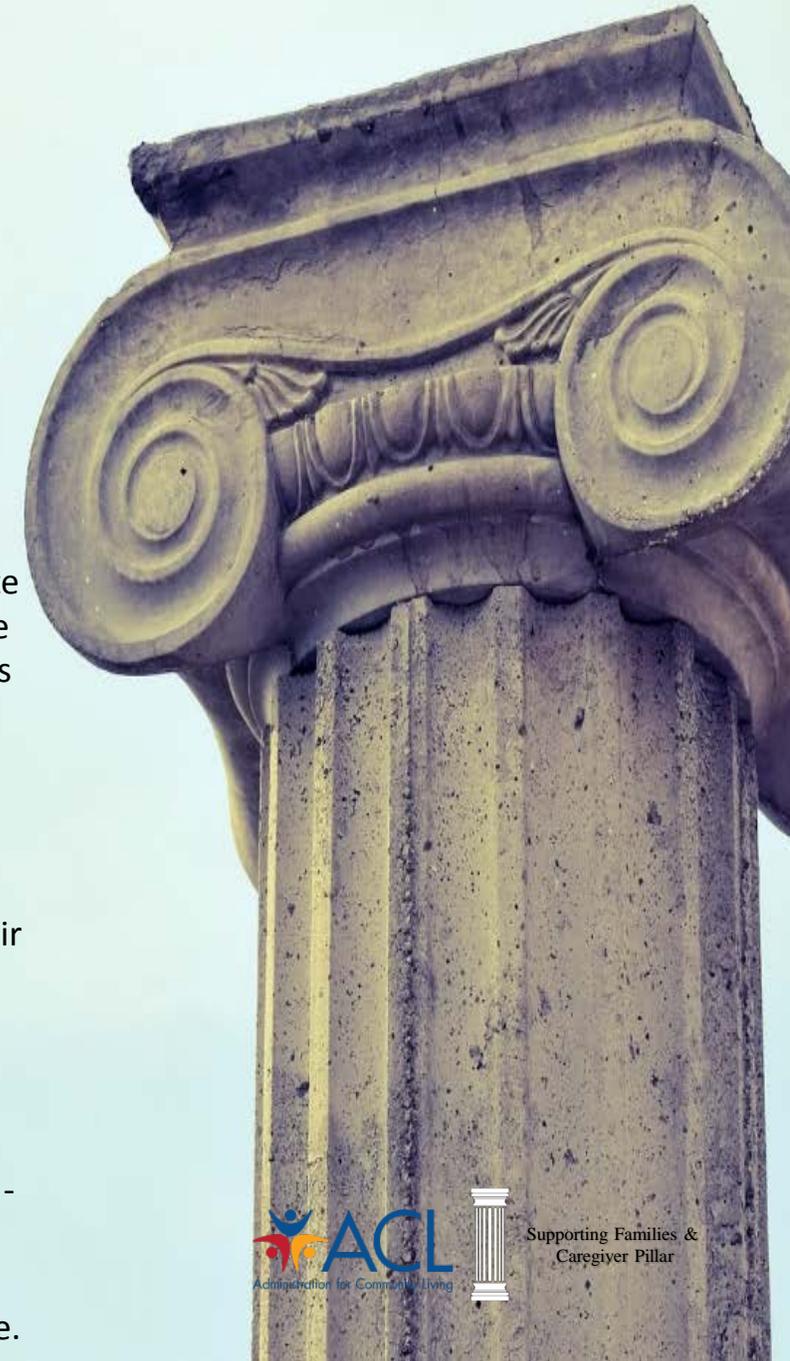
Joseph Lugo, Manager of ADRC/NWD, Office of Consumer Access and Self-Determination, Administration for Community Living, Washington, D.C.

Presenter

Margaret M. Bau, Cooperative Development Specialist, Innovation Center, USDA

ACL 5 Pillars

- I. Connecting People to Resources:** One of the most heartbreaking things to hear is a person couldn't find the information they needed, or had a difficult time getting connected to the programs and services they needed. If we can find innovative ways to provide information and access assistances in a more timely and relevant way, we will have accomplished some incredibly good things.
- II. Supporting Families and Caregivers:** Families are the foundation of our nation's system of supporting older adults and people with disabilities so they can live in their own homes and actively participate in their communities. The physical, emotional and financial costs of caregiving can be staggering, and it can be very hard for caregivers to find help because navigating the systems is not easy. Helping families and caregivers find resources that meet their immediate needs, and helping them develop the ongoing systems of support that work for them, are critical.
- III. Strengthening the Networks:** ACL networks are the cornerstone of the system of services and supports that make it possible for older adults and people with disabilities to live independently, in their communities. It is critical that we make sure that they are ready and able to meet the growing demand for their services and that they are able to survive in an increasingly complex and competitive environment.
- IV. Protecting Rights and Preventing Abuse:** All people have the basic human rights to live free from abuse and neglect and to control their own lives. Defending those rights is fundamental to our mission.
- V. Expanding Employment Opportunities:** Too often, the individual strengths, skills, and talents - and potential -- of people with disabilities and older adults are underestimated, and people who can work, and who want to work, do not have the opportunity to do so. Our country cannot afford to miss out on their contributions – we must remove barriers to employment and make employment equally available to all people.





United States
Department of
Agriculture

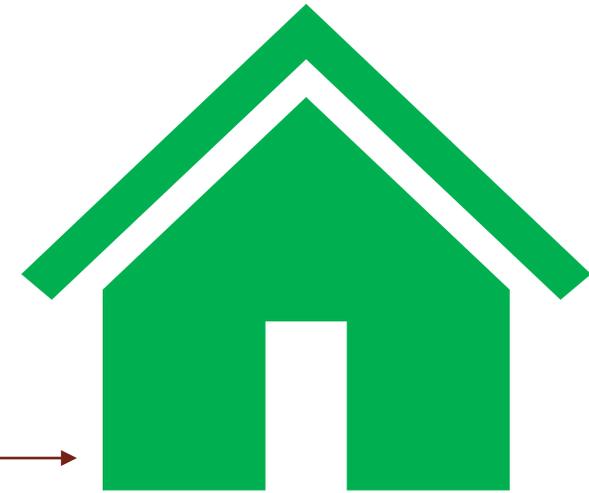
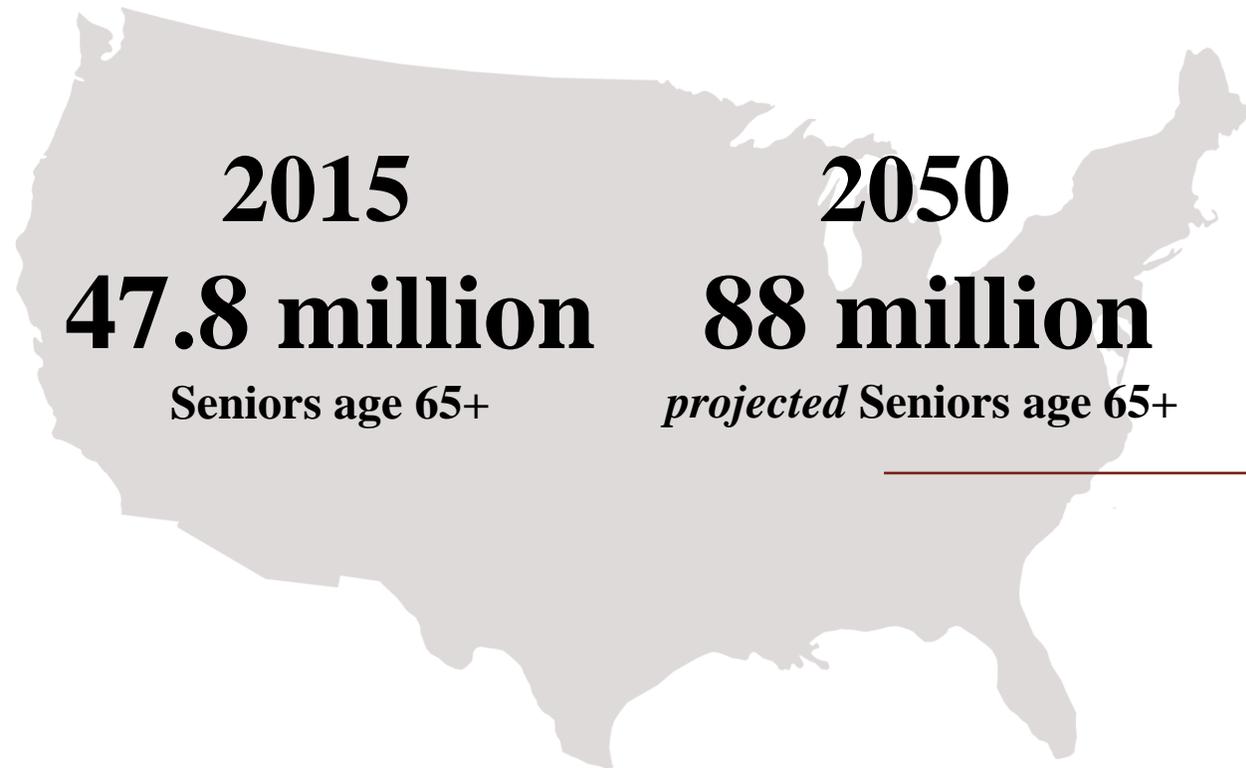
Rural Development



ARCH National Respite Network and Resource Center
Opportunities for Innovation
Home Care Worker Cooperatives

Margaret M. Bau
Cooperative Development Specialist
December 6, 2018

Senior Population Will Double



87% wish to age at home

AARP 2014 survey

What is Home Care?



Cooperative Care, Wautoma, WI

Personal care

bathing, grooming, transfers,
toileting, feeding, ambulation

Home care

Meal preparation, house cleaning,
home maintenance, laundry,
shopping, transportation,
medication reminders

Home, not institution

- Can be cost effective
- Dignity and independence

Supply of Home Care Workers

Among fastest growing occupation in US

- **2.1 million workers**
- **1+ million new jobs anticipated**

Statistics from 2018 PHI report *US Home Care Workers: Key Facts*



Cooperative Care, Wautoma, WI

Dismal Labor Force Conditions



Cooperative Care, Wautoma, WI

- **\$11.03/hour median wage**
 - Inconsistent work hours
 - Resulting in \$15,100 annually
- **1 in 2 caregivers rely on public assistance**
 - 1 in 5 lives below poverty line
- **9 of 10 workers female**
 - 60% are women of color or foreign born
 - FLSA finally extended to caregivers 75 years after enactment



LABOR FORCE CRISIS!

67% average annual turnover
of home caregivers



**What if caregivers own and control their
livelihoods via worker cooperatives?**

A creative solution!



What is a Co-op?

A cooperative is a business owned and democratically controlled by the people who use its services

- » *Member - owner*
- » *Member - control*
- » *Member – benefits*
(in proportion to a member's use)





*Achieve together
what you can't
accomplish individually*



Member-owners of the Glut Food Cooperative, Mt. Rainer, MD

Various types of co-ops

Defined by who owns the organization



**Deep East Texas
Electric Cooperative**

A Touchstone Energy® Cooperative 
The power of human connections®

Consumer Co-ops



Shared Services Co-ops



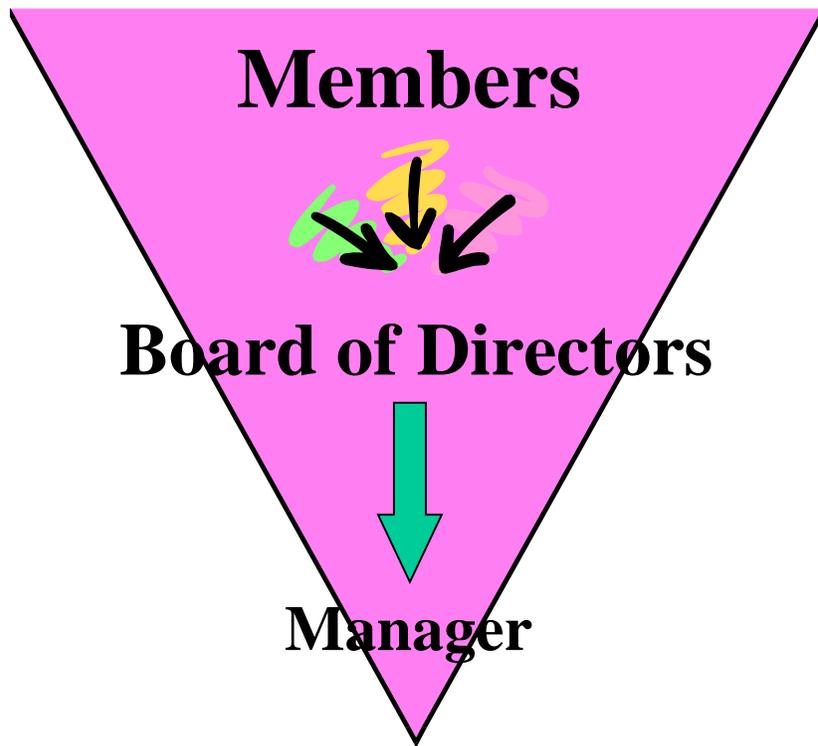
— Since 1930 —

Producer Co-ops



Worker Co-ops

Worker Co-ops



Organizational chart of any co-op

- **Members - workers who own the business**
 - Governance - members elect from among themselves a board
 - Operations – board hires and oversees manager
- **When labor (not capital) is key**
 - Ideal for knowledge and service industries
 - High skin in the game
 - Lengthy pre-membership period (co-op dating)
 - Substantial/meaningful member equity requirement
 - Members are legally considered employees of the co-op
 - Not “1099 contractors” or “self-employed”
 - Covered by workers comp
- **Profits distributed based on hours worked**



It all started as a welfare to work social enterprise...



in the 1980s, in the south Bronx, NYC



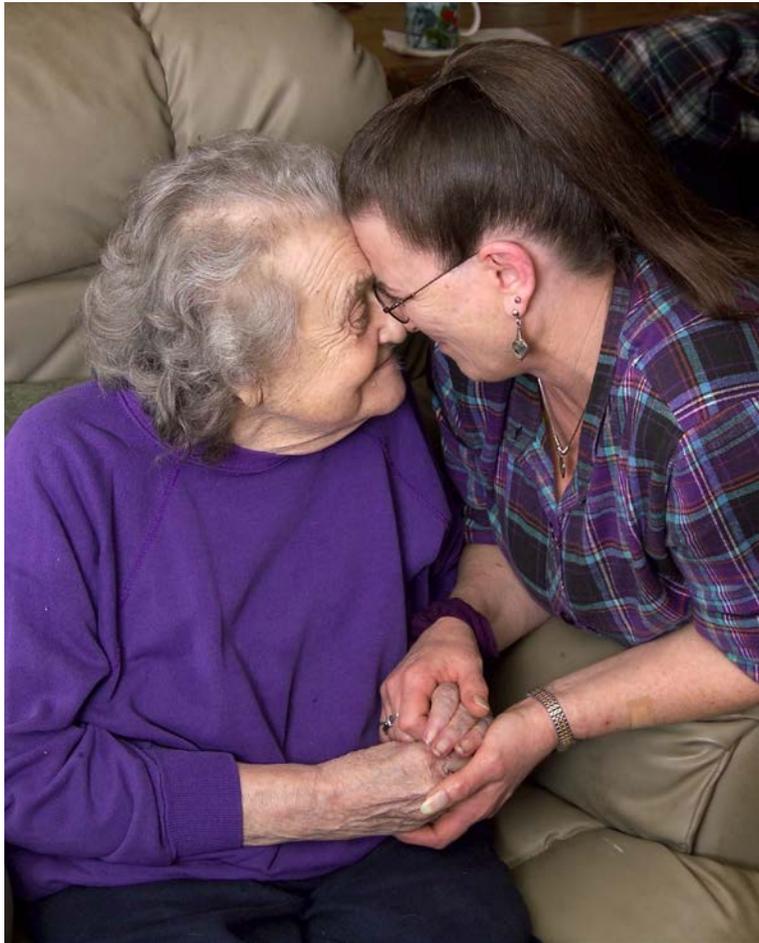
Solution!

LABOR FORCE CRISIS!

30% average annual
caregiver turnover in
homecare cooperatives



Home Care Cooperatives offer



Cooperative Care, Wautoma, WI

\$1.84/hour more in wages

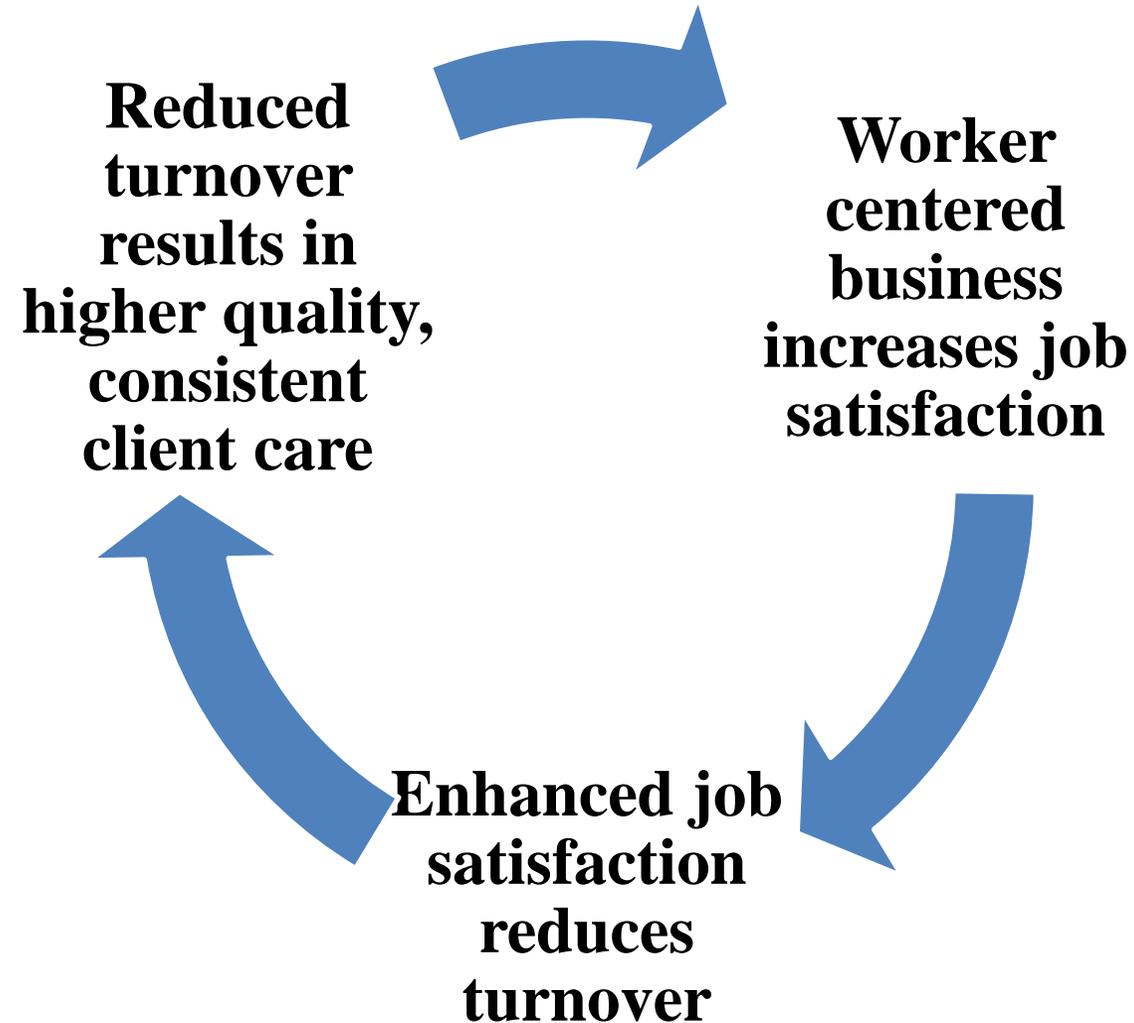
- **Benefits**
- **Patronage refunds (profit sharing)**

Reduced reliance by caregivers on public subsidies or local charity support

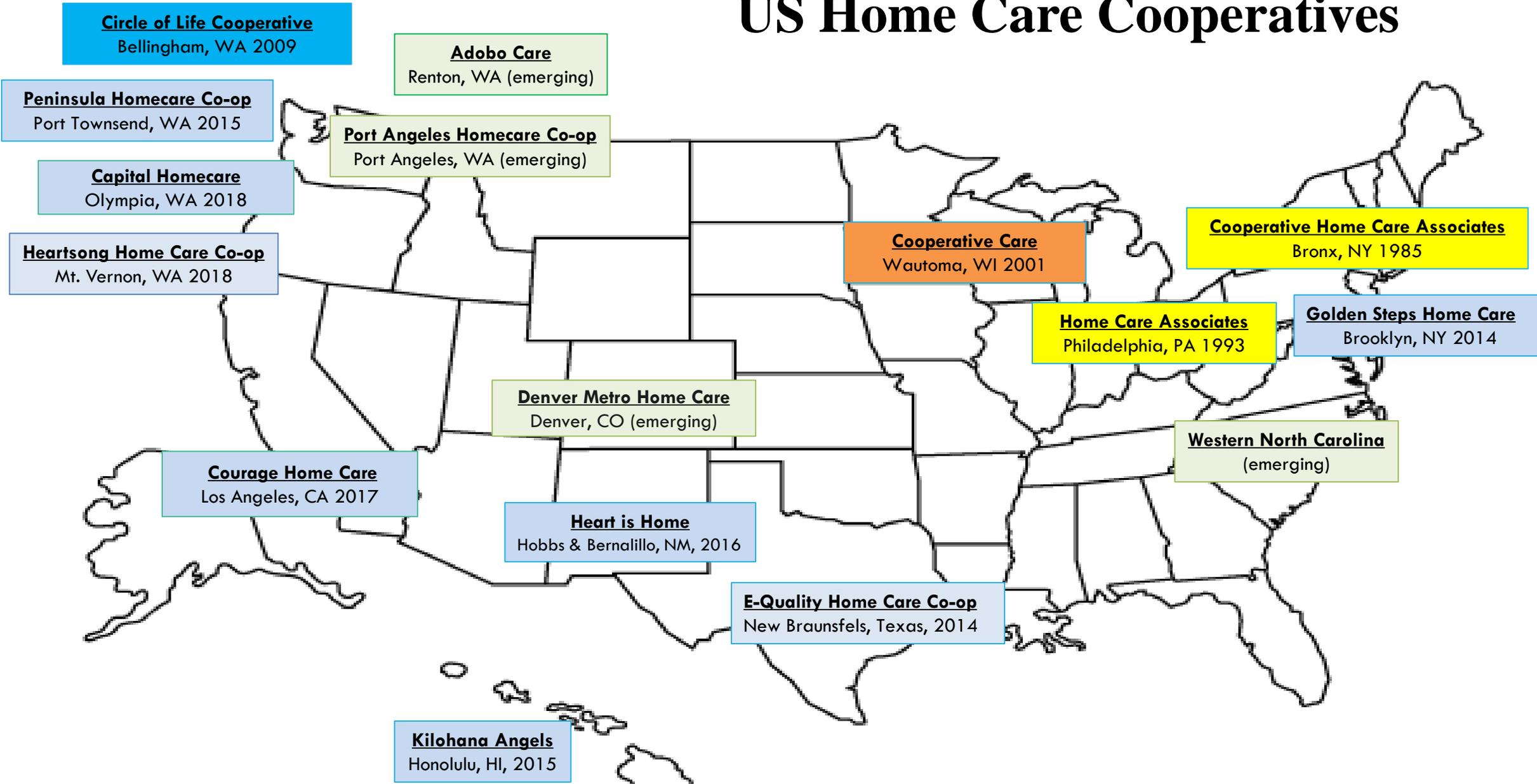
Caregivers report more control of their

- **schedules**
- **working conditions**

Co-ops Create a Virtuous Cycle



US Home Care Cooperatives



2018 list of caregiver co-ops courtesy of the Cooperative Development Foundation, The ICA Group, and the Northwest Cooperative Development Center

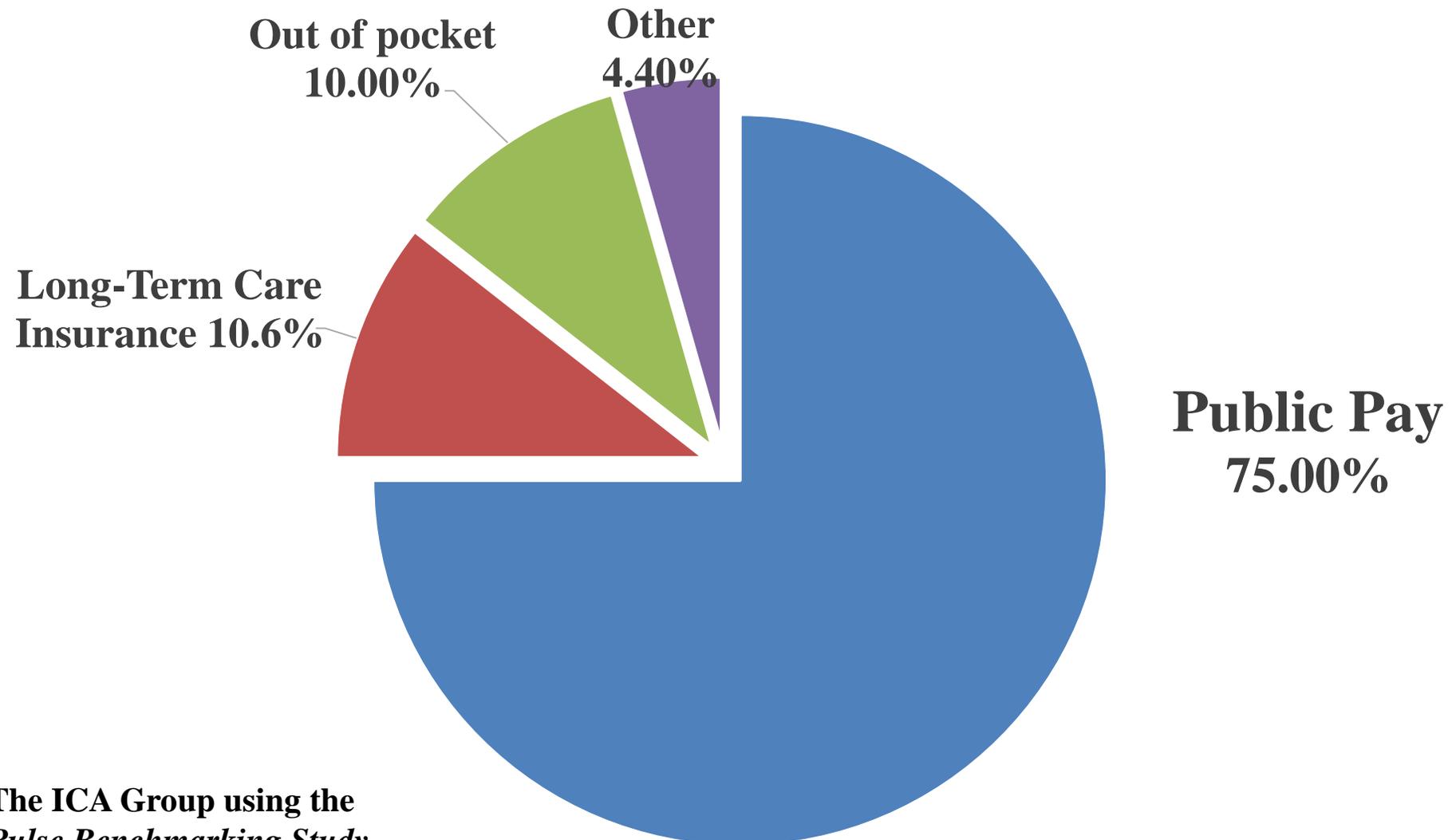


*If home care worker co-ops are such a
great idea...*

**Why aren't there hundreds of co-ops
across the country?**



Who pays for home care?



Data analysis by The ICA Group using the
2018 Home Care Pulse Benchmarking Study



Medicaid rates are insufficient to pay living wages



Failing Recruitment & Retention

LABOR FORCE CRISIS

Market Innovation (by accident) in Washington state



State rules to serve Medicaid clients

- Agency must exist 3+ years

Circle of Life Co-op in Bellingham

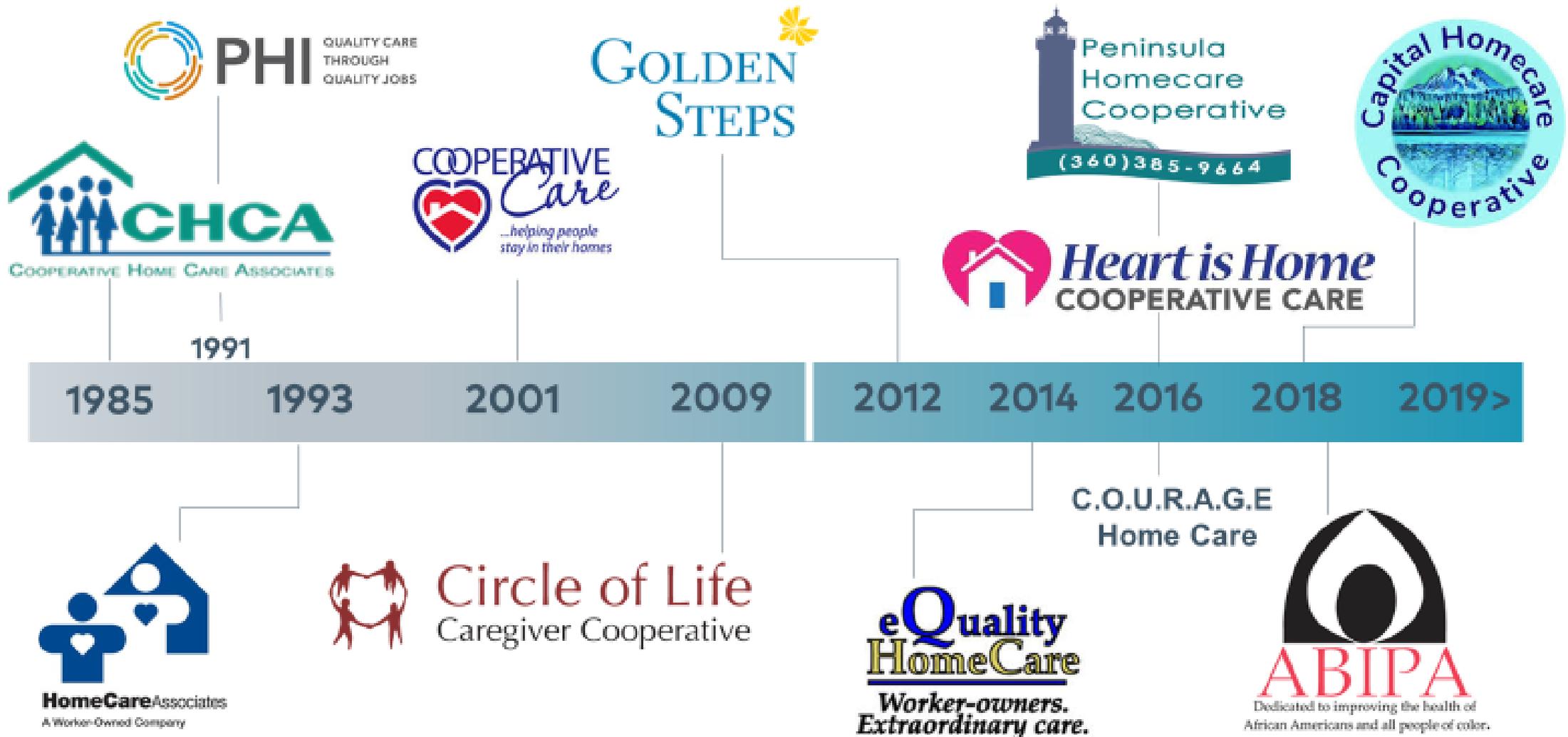
- Opened by only serving private pay goal to eventually serve public pay clients
- Wow! Could charge higher rates
 - Therefore could pay higher wages
 - Patronage refunds (profit sharing)
 - **No problems with recruitment & retention**

Pursue private pay!



Circle of Life
Caregiver Cooperative

HOME CARE COOPERATIVES: A Brief History



Co-op Development Model Evolving

- **Co-op Development Foundation**
 - Industry research
 - Cross learning among co-op developers
- **How to go to scale?**
 - Organize from scratch
 - Build & recruit model
 - Convert existing agencies to worker ownership
- **Systemic supports – “co-op whisperer”**
 - Governance
 - Operations



Texas Home Care Market Assessment
October 2017



Public Policy and Home Care



- **Caregivers = front line prevention**
- **Cost savings to health care system**
 - Quantify cost savings
 - Partially shift savings to caregiver wages
- **Career ladders for specialized long term care**
 - Dementia, mental health, diabetes, autism
 - Pair experienced caregivers with high risk clients
 - Reward caregivers for expert preventative care

Remata Sakho, board member & caregiver
Cooperative Home Care Associates,
Bronx, NY

Public Policy and Home Care

- **Reward agencies for caregiver retention, professional development, quality of life outcomes for clients**
 - Currently no financial incentive for quality care
- **Paid training improves retention rates**
 - CHCA provides 4 weeks paid training; 20% turnover rate
 - Licensing is minimal and varies by state
- **Rural travel costs higher than in cities**
 - How to compensate rural agencies for caregiver mileage
- **Improved speed of reimbursement from public pay sources**



Tracy Dudzinski, board member & caregiver
Cooperative Care,
Wautoma, WI

What Is Needed To Grow the Home Care Co-op Sector?



*Peninsula Homecare Cooperative
Port Townsend, WA*

Co-op friendly grants and loans to

- **Launch new home care co-ops**
- **Grow existing co-ops**
- **Acquire and convert existing agencies to worker ownership**

Additional research and data collection

Increased public awareness about the benefits of home care co-ops

Want to learn more?

The Nonprofit Quarterly *Tiny Spark* 30 minute podcast: 9-28-18 post

<https://tinyspark.org/podcasts/crisis-in-home-health-care-will-soon-affect-you/>

Resources

<https://seniors.coop/>



*Estella Robles of
Cooperative Home Care Associates
helping her client do laundry,
Bronx, NY*

Photo courtesy of Tiny Spark



United States
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Rural Development



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Questions? And Feedback

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Please type your Questions into the Chat Box!

Please take a moment to provide feedback here:

<https://www.surveymonkey.com/r/B5MLHBD>

Thank you for joining the Webinar!

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**Lifespan Respite
Technical Assistance Center**



This project was supported, in part by grant number 90LT0002, from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, D.C. 20201. Grantees undertaking projects under government sponsorship are encouraged to express freely their findings and conclusions. Points of view or opinions do not, therefore, necessarily represent official Administration for Community Living policy.