How Economic Democracy Impacts Workers, Firms, and Communities

The census of individual workers in worker cooperatives

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Acknowledgments

This project would not have been possible without participating workers. We appreciate the time and insight of all the individuals and their cooperatives who chose to be part of it.

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Executive Summary

In this paper, we present findings from a national survey of 1,147 workers in 82 worker cooperatives and follow-up interviews with 15 participants conducted in 2017. This novel data allows us to explore the impact of workplace democracy on individuals, firms, and communities across the United States. It also provides important opportunities for future research about how worker cooperatives can promote resilience and racial equity in this moment.

As the pandemic drags on, significant challenges persist for small businesses, workers employed in the service and care sectors, and contract, freelance and gig workers who cannot access unemployment benefits. The brunt of the economic losses have been born by Black and brown business owners, low-wage workers, and entrepreneurs of necessity who have been locked out of both good jobs and business ownership opportunities. The stresses wrought by the pandemic, however, simply cast into high relief a much longer arc of deepening racial and economic inequality, stagnant wages, and concentration of wealth in the U.S. over the past several decades. The continued division and dysfunction of American democracy in 2021 is the outcome of concerted efforts to disenfranchise voters and disempower communities over the past several decades.

In this moment the proposition of worker cooperatives – that working people can together own, control, and benefit from their own small businesses – offers hopeful possibilities. Worker cooperatives can be used to save small businesses whose owners are retiring or closing, create livelihoods for those with barriers to work, pool capital among would-be entrepreneurs, and raise standards and firm competitiveness in industries where a human-centered workplace improves

both the job and the service delivery itself. In the process, cooperative business ownership can build the skills, capacity, and voice of people who otherwise may not have substantial opportunities to participate in either decisions or profits.

This paper is concerned in part with whether and how worker cooperatives fulfill this promise for their worker-owners. Our findings suggest that they do.

KEY FINDINGS

1 Individuals benefit materially and psychologically from workplace democracy.

Across the board, workers in cooperatives make above living wages and experience high job satisfaction, autonomy, voice, and other non-financial aspects of job quality.

Overall, workers reported they earn higher wages and receive better benefits at their cooperative than they did at their previous job.

Worker cooperatives have a very flat wage structure – 77 percent of firms surveyed had a 1:1 or 2:1 top-to-bottom pay ratio – yet inequalities persist in terms of ownership status, gender, and race.

2 Workplace democracy benefits firms in terms of recruitment, retention, and reduced shirking.

Workers in cooperatives value employee ownership and plan to seek it out in future jobs.

The non-financial benefits of workplace democracy may be more important than wages to workers in cooperatives relative to those in traditional firms.

3 Worker cooperatives are woven into the civic fabric of their communities.

Workplace democracy teaches skills that are transferable to other workplace contexts and arenas of life.

Rates of political and civic participation are higher among workers in cooperatives than in the U.S. overall.

DAWI invites the broader research community to: make use of data from this project to explore important questions ranging from the impact of the form on individuals, families, firms, industries and societies; to whether cooperatives may have competitive advantages in certain labor or consumer markets; to whether shared ownership is better suited to certain industries or localities; to how cooperatives leverage their aggregation of member labor and capital to create power for workers; to policy interventions that can support the uptake of this powerful tool to solve problems of small business retention and resilience; to the ever-present question of scale, its drivers, barriers, and effects. The possibilities for future research are vast and rich, and there is now a robust data set to support future inquiry. The report concludes with instructions for how to apply for access to the Census of Individuals in Worker Cooperatives.

It is our hope that in addition to spurring additional research, the findings of this study prove valuable to practitioners developing and supporting worker cooperatives, advocates making the case to increase supports and resources for economic democracy, and worker-owners themselves reflecting on their roles in this dynamic and powerful business form.

About Worker Cooperatives in the U.S.

What is Economic Democracy?

Over the last few decades, people of color, women, and immigrants have demonstrated that worker cooperatives in the United States can increase access to wealth and asset building for those traditionally locked out of the economy. As inequities continue to grow during the ongoing COVID-19 crisis, it is imperative that we continue to unpack how the model can best support workers, local economies, and communities who may benefit from it the most.

In our work to build the field of worker cooperative development, Democracy at Work Institute (DAWI) has seen firsthand the impact of growth in the field on workers across the U.S. As worker ownership expands across the country to improve wealth-building opportunities and access to jobs for workers of color, women, and immigrant workers, it has become increasing important to understand how workplace democracy impacts individuals, firms, and communities – a question that was difficult to answer with existing data. DAWI responded to the sector's need for high quality data by investing in the most systematic study of worker cooperatives in the U.S. conducted to date.

The 2017 Census of Individuals in Worker Cooperatives is a national survey of 1,147 people employed in 82 worker cooperatives from across the country. The dataset also includes in-depth interviews with 15 survey participants in three cities with vibrant cooperative ecosystems. The survey represents high-quality baseline data about the experiences, attitudes, and demographics of

this unique population of workers. Findings are now informing DAWI and USFWC efforts to advocate for worker ownership's inclusion as a tool for rebuilding resilient, equitable post-COVID economies.

What is a Worker Cooperative?

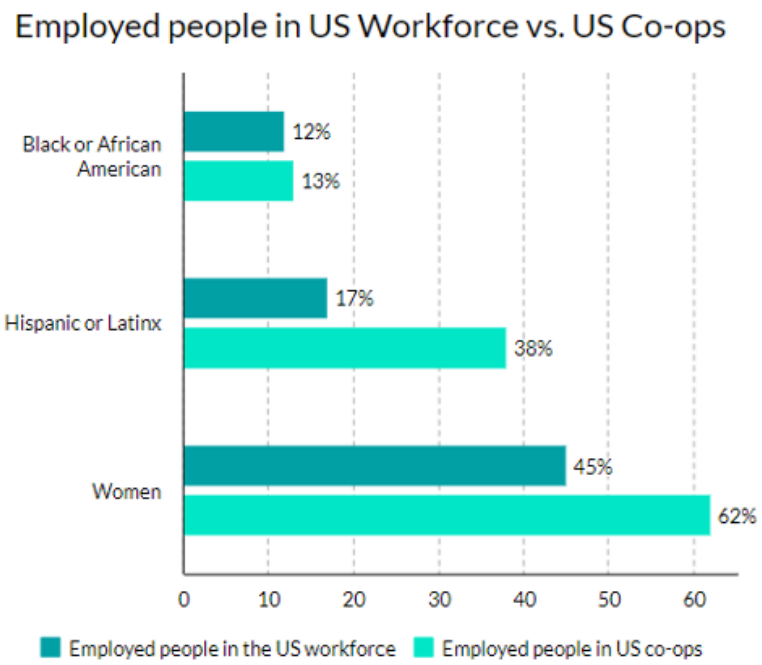
Worker cooperatives are values-driven businesses that put worker and community benefit at the core of their purpose. In contrast to traditional companies, members of worker cooperatives share in the profits, oversight, and management of the organization using democratic practices. Workers own the majority of equity in the business and control the voting shares.

Since there is no federal legal category for worker cooperatives in the U.S., which adopt many different legal structures and operational mechanisms, the Census of Individuals in Worker Cooperatives drew on DAWI's knowledge of the field to develop study eligibility criteria that reflects and celebrates this diversity. Workplaces were eligible to participate if they employ at least three paid individuals, are eligible for workplace membership in the USFWC, and are either 1) majority democratically owned and governed by paid workers, or 2) democratically governed by paid workers even if they do not necessarily have a separate worker-owner share class. Enterprises that are wholly owned and democratically governed by workers according to the principle of one worker, one vote; multistakeholder cooperatives with a worker-owner share class; consumer and marketing cooperatives with democratic workplaces; and nonprofits with democratic workplaces were all eligible to participate in the study.[1]

[1]Employee stock ownership plans (ESOPs) and firms without meaningful democratic worker ownership or governance were not eligible to participate.

Worker Cooperatives in the U.S.

DAWI's most recent enterprise survey identified 415 worker cooperatives and democratic workplaces that were operational in 2018.[2] Together, these values-driven businesses employ an estimated 6,454 workers and produce about $505 million dollars in revenue each year. The typical co-op is small (about eight workers and $505,000 dollars in gross annual revenue) and relatively young. There are also several large and long-lasting worker cooperatives. For example, Cooperative Home Care Associates was founded 35 years ago in the Bronx and now employs over 2,000 workers, most of whom are immigrant women of color.



There has been a steady increase in the identification of existing firms as worker cooperatives, the launch of new startups, and the conversion of traditional businesses to democratic worker ownership in the past five years. Between 2013 and 2018, DAWI documented a 36% net increase in the number of worker cooperatives in the U.S. Expansion of the model can benefit individuals, firms,

[2] The total number of worker cooperatives in the U.S. is very likely higher, as some firms may have been excluded in this count due to survey qualification criteria, including the need to be operating for more than one year at the time of survey completion, at least three employees, etc. Businesses may also have been missed because they do not have a web presence or do not identify themselves publicly as a worker cooperative or democratic workplace. DAWI estimates that the number of worker coops in the U.S. may be closer to 800. For details, see the 2019 Worker Cooperative State of the Sector Report at https://institute.coop/resources/2019-worker-cooperative-state-sector-report.

and communities in several ways.

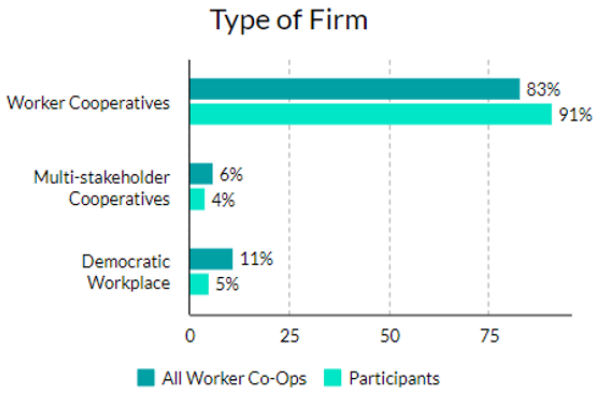
First, worker cooperatives can reduce economic inequality by sharing wealth and ownership more broadly among workers. The annual Worker Cooperative Enterprise Census has consistently found that most U.S. worker cooperatives have a flat wage structure. In 2018, the Enterprise Census found that 86 percent of co-ops had a 2:1 or 1:1 top-to-bottom pay ratio whereas the average large U.S. corporation had a CEO-to-worker pay ratio of 303:1. This suggests worker cooperatives prioritize internal equity over other compensation goals.

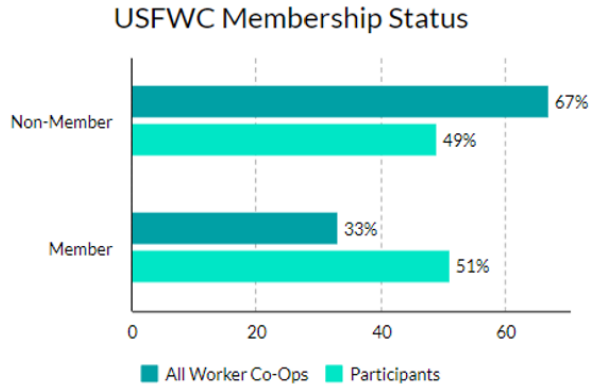
Second, workplace democracy can increase economic inclusion by creating and maintaining sustainable, dignified jobs; generating wealth; improving workers' quality of life; and making business ownership more accessible to people with limited access to start-up capital. People who identify as women and Hispanic or Latinx are overrepresented in worker cooperatives compared to the U.S. workforce overall.[3]

Third, worker cooperatives can support civic and community development. For example, scholars have argued that experience with democracy in the workplace can increase workers' interest in politics, propensity to vote, and participation in the larger democratic process. Cooperatives may also nurture prosocial values like altruism, empathy, and reciprocity. Place-based, values-driven enterprises help keep capital locally rooted and practice the cooperative principle of "concern for community" by donating to local causes, participating in social movements, and investing in community ventures. For example, sustainability initiatives at Union Cab in Madison, Wisconsin have ranged from purchasing a fleet of hybrid vehicles to installing a permeable parking lot to supporting the local affiliate of the climate change organization 350.org.

[3] Statistics for employed people in US workforce represent racial groups as percent of total employed derived from the 2018 Current Population Survey. See Table 5 at https://www.bls.gov/cps/cps_aa2018.htm for annual average employment status of the civilian noninstitutionalized population by sex, age, and race.

In this report, we leverage data from the 2017 Census of Individuals in Worker Cooperatives to examine how workplace democracy impacts individuals and firms. We also explore the potential for broader impacts related to economic inequality, inclusion, and community development. But first, let us introduce you to the workers and cooperatives that participated in this original study.





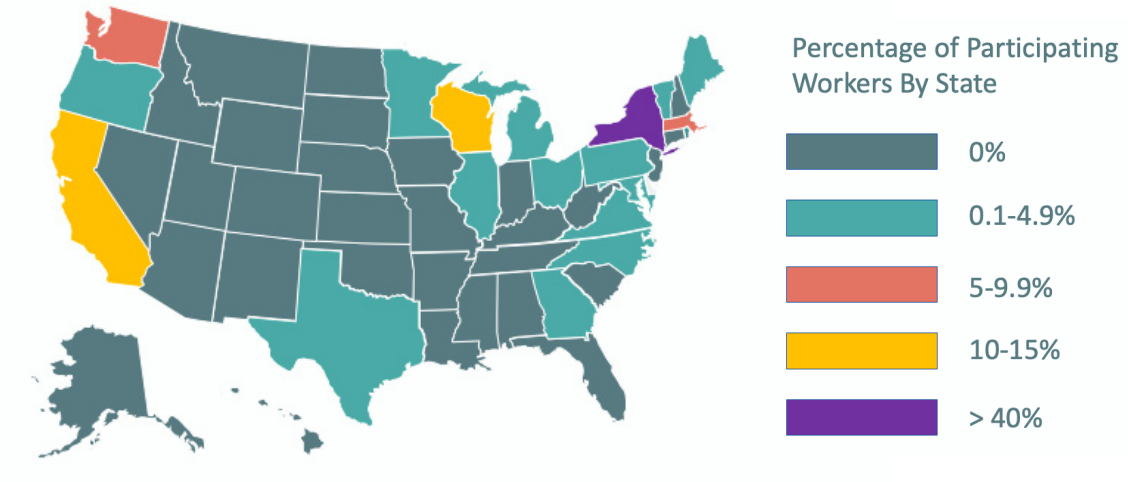
Worker Cooperatives in the Study

The Individual Census was a confidential study. None of the participating workers and firms are individually identifiable in the data. Nevertheless, participants answered questions about their own characteristics – and those of workers in each participating firm – that allow us to better understand demographic trends in the sector.

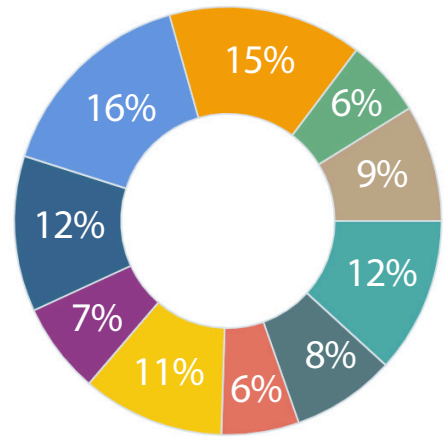
Overall, the 82 worker co-ops that participated in the Individual Census are quite similar to the 306 firms that were eligible in terms of governance structure, industry, geography, and history.

Additionally, of participating worker co-ops, 48 percent offered health benefits, 34 percent offered dental benefits, and 19 percent offered retirement benefits. Fifteen percent of participating businesses offered all three types of benefits. Ten percent of participating co-ops were unionized. Unionized worker co-ops were represented by IWW, UFCW, SEIU, AEA, CWA, and Teamsters.

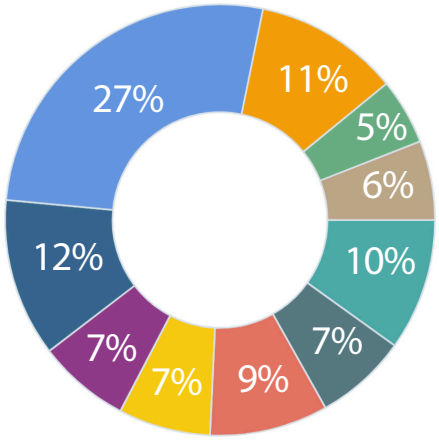
The size of participating co-ops varied: 29 percent of businesses were micro, 34 percent small, 12 percent mid-sized, 17 percent medium, 7 percent large, and 1 percent very large. This is comparable to data from the 2016 State of the Sector, which found the average number of workers at worker cooperatives was 9.5. As these graphs indicate, the Census of Individuals in Worker Cooperatives also reflects the geographic and industrial diversity of the sector.



All Worker Co-ops by Industry



Census Participants by Industry



Educational and Other Services

Health Care and Social Assistance

Professional Services

Transportation

Construction

Food Services

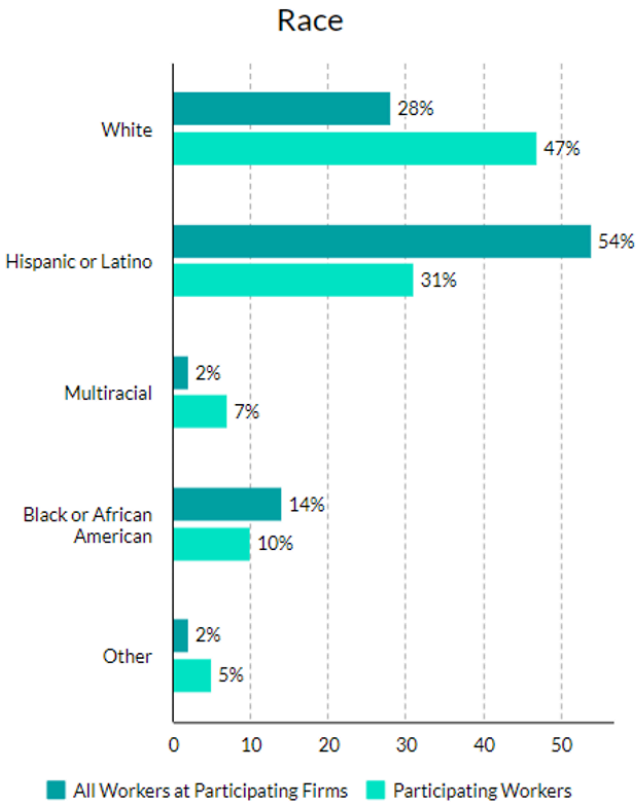
Manufacturing

Retail Trade

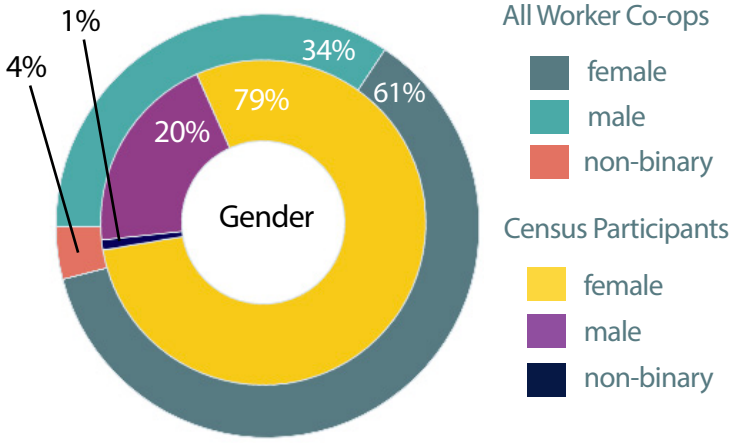
Other Industry

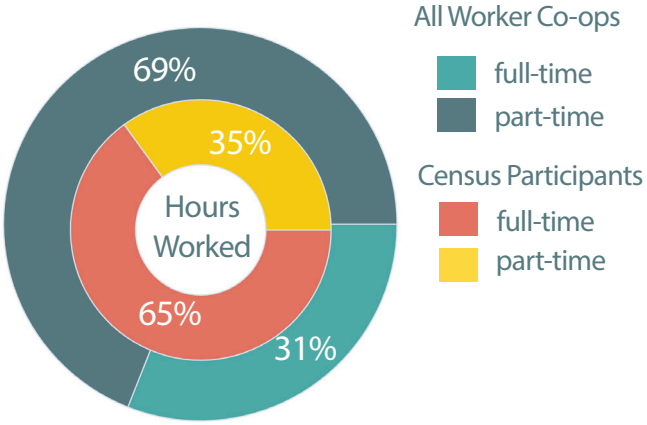
Workers in the Study

The 82 firms that chose to participate employ 3,544 people overall. Worker-owners, full-time workers, English speakers, and workers who identify as white and male were more likely to return a completed survey than their employee, part-time, Spanish-speaking, nonwhite, female colleagues. Overall nonresponse bias is largely driven, however, by a single large and demographically unique participating firm. If we exclude respondents from this firm, worker-owners are the only group overrepresented in the sample. Tenure of workers at firms ranged from 1 month to 42 years, with a mean of 6 years and a median of 3.5 years.



Participants at a Glance





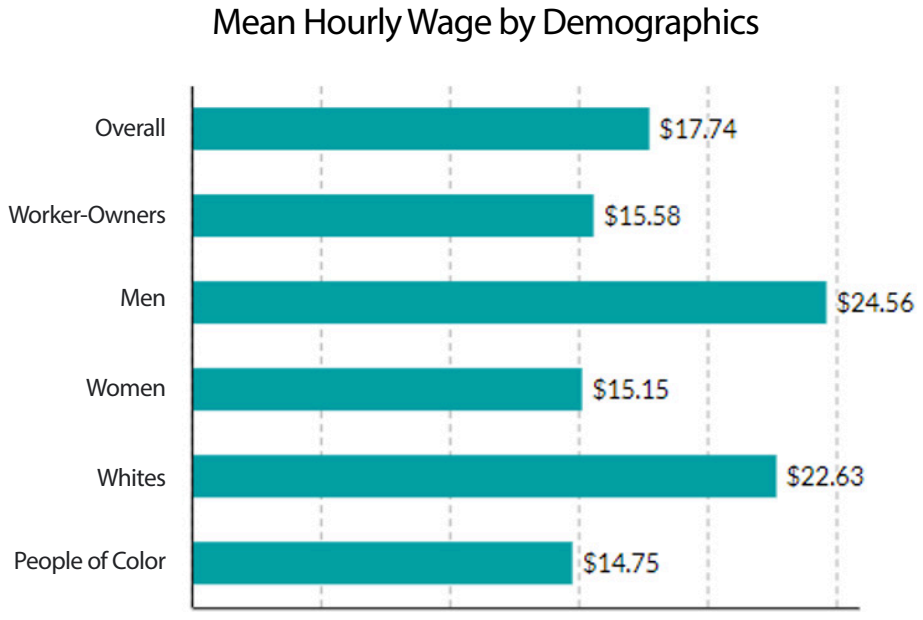
How Economic Democracy Impacts Individuals

Wages and Benefits

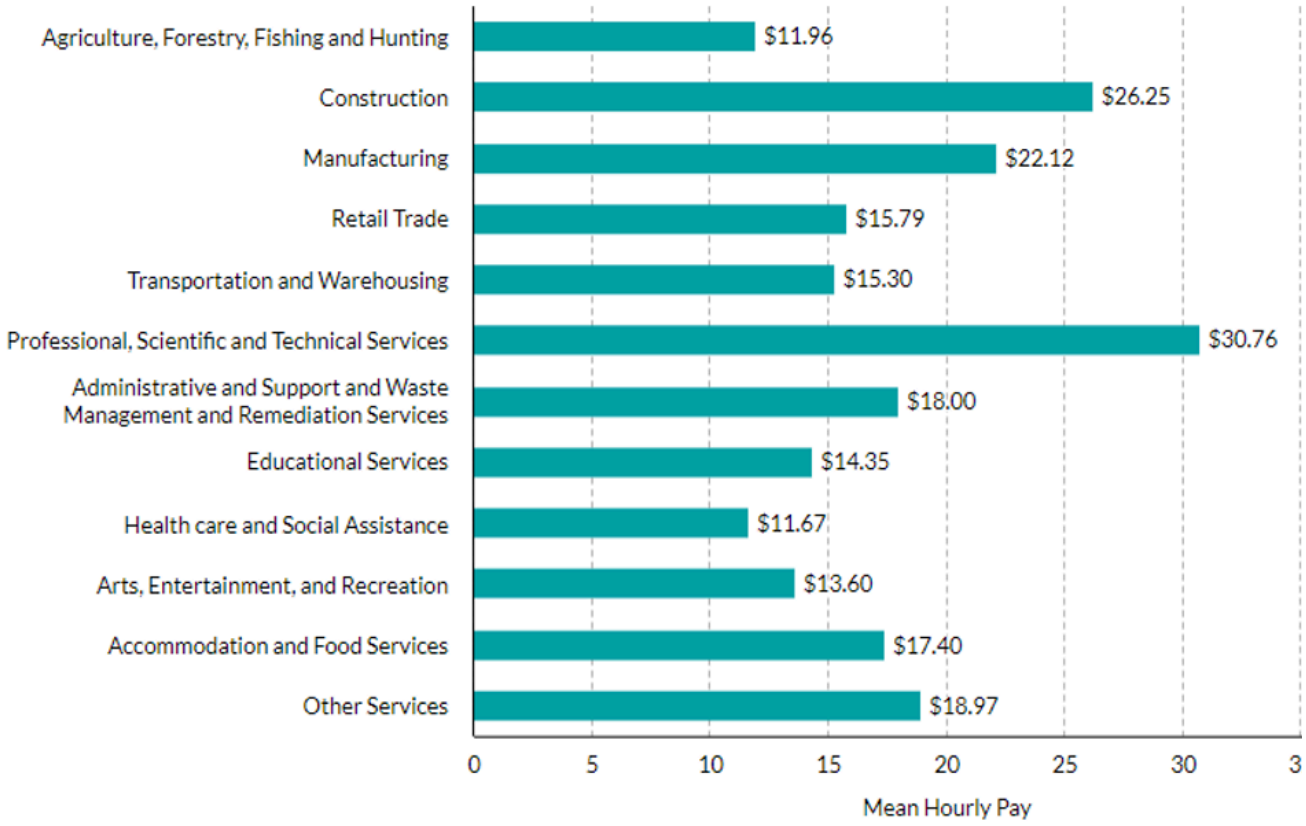
Three-quarters of respondents reported they get paid an hourly wage; about equal shares are salaried and paid in some other way. We focused our analysis on salaried and hourly workers because these alternative arrangements ranged widely from "free membership" to "commission." Although those who reported they are paid some other way rarely included a numeric value that allowed us to compute hourly pay, they highlight the variety of ways cooperatives creatively meet both economic and social needs.

We imputed hourly pay for all salaried workers in order to compare compensation across respondents overall. Hourly pay (n=836) ranged from $6.73 to $125 per hour with a mean of $17.74 and a median of $13.76. This average hourly wage figure is consistent with DAWI's 2018 economic census, which estimated mean hourly pay at $19.67.

Consistent with previous research, we found egalitarian pay distributions within



Mean Hourly Pay by Industry (n=835)



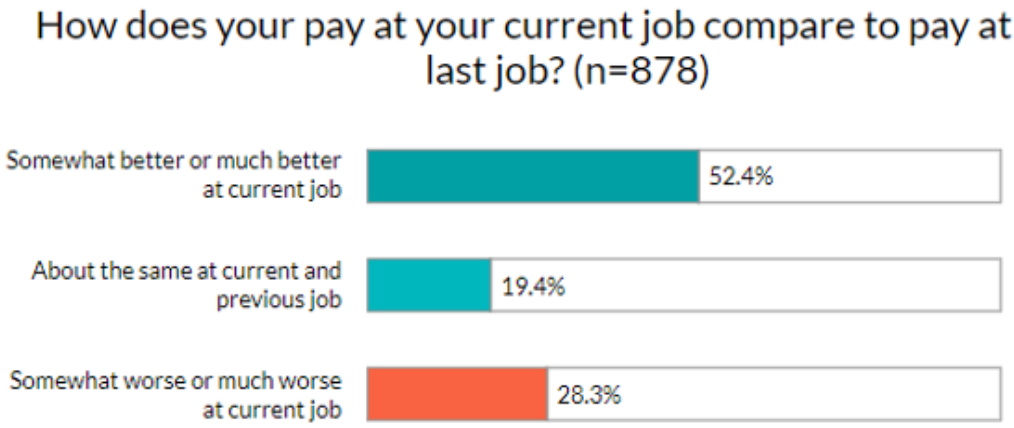
firms that participated in the Census of Individuals in Worker Cooperatives. Among those with more than one respondent who reported hourly pay (n=61 firms), the ratio of highest to lowest pay ranged from 1 to 1 to 5.19 to 1. The mode was 1 to 1 (at eight firms) and the median was 1.50 to 1. Half of all firms had a pay ratio of less than 1.5 to 1 and 77 percent of firms had a pay ratio of 2 to 1 or lower. A majority – 65 percent – of respondents said that patronage or profit sharing is distributed more fairly at their current job than previous job.

We did find inequalities, however, between workers of different characteristics. On average, worker-owners, men, and whites had significantly higher hourly pay rates than employees, women, and nonwhites overall.

Given that we also see large hourly pay inequalities across industries, pay gaps by gender and race may be linked to occupational segregation, which occurs when demographic groups are not equally represented in all occupations.

For example, all of the 23 high earners making above $50 per hour are employed by six firms. These cooperatives are in lucrative, stereotypically "male" industries like construction and professional/ scientific/ technical industries and predominantly employ men (at least 75 percent of the workforce at four of these six firms identifies as male). In contrast, women tend to dominate the workforce in low-wage, stereotypically "female" industries like health care and social assistance where worker cooperatives have experienced significant growth in recent years.

A forthcoming analysis of wage inequalities in the Census of Individuals in Worker Cooperatives by race, gender, and immigration status by Sarah Reibstein and Laura Schlachter explores these patterns in more depth.



Despite large variation in pay between cooperative firms in different industries, across the board respondents reported earning more at their cooperative than at their previous job. This "cooperative wage boost" was $3.52 an hour at the mean and $2 an hour at the median (n=579). We also analyzed this by ownership, gender, and race and found that dominant groups do better in terms of the "cooperative wage boost" in all cases – again, likely due to occupational segregation.[4]

[4] A vast sociological literature documents the scarring effects of unemployment, but a wage boost is often associated with voluntary job transition. Future research should compare the "wage boost" of transitioning into cooperatives versus traditional firms.

About half of respondents (n=878) described their overall compensation as better at their cooperative than at their previous job. We found that actual and perceived compensation differences generally aligned.

We found similar patterns when we asked respondents to compare other dimensions of their compensation and benefits. For example, about half said their job at the co-op provides benefits that better meet their family's needs (49 percent; n=933) and better allows them to save money while working (47 percent; n=890) than their previous job.

Wealth Accumulation

Worker cooperatives provide unique opportunities to generate broad-based wealth by allowing worker-owners to purchase an equity stake in their firm, accumulate retained equity in an internal capital account, and receive patronage dividends. The Census of Individuals in Worker Cooperatives suggests that purchasing an equity stake in a worker cooperative is affordable for most workers. The data also suggests that wealth accumulation is large in a small portion of firms.

Workers become owners in a cooperative when they purchase a membership share, which guarantees one-person-one vote governance rights within the firm. Participating firms reported that the cost of purchasing a worker-owner share in 2016 (n=71 firms) ranged from $0 to $18,000 with a mean of $1,979 and a median of $500. This implies that a handful of firms have share prices on the upper end of this range that skew the mean upwards. Three-fourths of worker-owner respondents (n=555) reported purchasing their share for $1,000 or less and 93 percent reported a share purchase price of $5,000 or less.

Worker cooperatives often use a system of "internal capital accounts" that enables them to track the contributions and equity holdings of individual

members over time. The majority of participating co-ops (60 percent of the sample; n=63 firms) reported that they use an internal capital account structure to track retained equity for each worker-owner. Twenty-five percent use some other type of structure and fourteen percent use a collective capital account structure. In total, 44 percent (n=608) of individual worker-owner respondents reported having their own internal capital account.

Among worker-owners who reported the total value of their internal capital account in 2016 (n=209), accumulated equity ranged from $0 to $150,000 with a mean of $10,091.2 and a median of $2,000. Again, a handful of respondents have retained equity amounts at the upper end of this range that skew the mean upwards. Approximately three quarters (78 percent) of respondents report it is $10,000 or less.

> "My co-op has set me up with both a retirement account and internal capital account... I feel very safe, secure, and comfortable at work, which means work does not give me a lot of long-term or chronic stress."

Patronage is a dividend or distribution of net income that a worker cooperative makes to its members. In total, 64 percent of worker-owners (n=588) reported they have ever been eligible to receive cash patronage or profit sharing; 75 percent of those who were eligible (n=373) reported they have ever received a payment.

Of these 280 worker-owners who had ever received a cash patronage or profit sharing distribution, 240 reported receiving it since 2015. The total value of these recent distributions (n=214) ranged from $5 to $112,000 with a mean of $8,679.80 and a median of $2,328. Three-quarters received less than $7,000.

The five percent of workers who reported receiving a cash distribution of more than $30,000 in the last two years were employed by two high-tech manufacturing and construction firms.

The majority of respondents (65 percent; n=1,007) reported they are at least slightly confident that they could find $2,000 within the next 30 days in the case of an unexpected expense or emergency and 35 percent reported they are not at all confident they could.

Other Aspects of Job Quality

Worker cooperatives may provide additional dimensions of job quality to workers relative to traditional businesses. We asked about job satisfaction, workplace autonomy, psychological ownership, and other factors in order to better understand these areas of impact.

Job Satisfaction

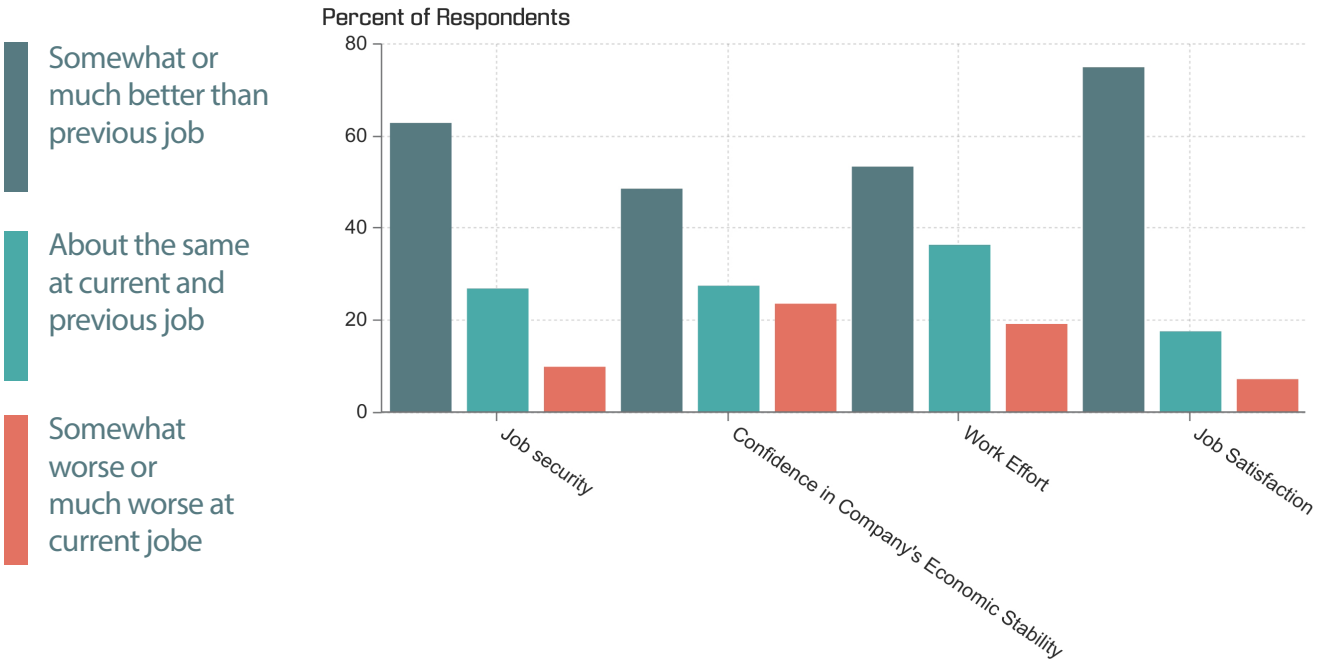
We measured job satisfaction with questions about overall working conditions, relationships at work, and professional development.

In terms of overall working conditions, the majority of respondents described their job security, confidence in the economic stability of the company, work effort, and job satisfaction as somewhat or much better in their current job at a worker cooperative as compared to their last job.

The majority of respondents also described their relationship with their boss and management, workplace conflict resolution, and sense of common purpose as somewhat or much better at their current than previous job.

In the area of professional development, the majority of respondents described the quality of supervision, feedback, and training they received

Overall Working Conditions



and their ability to pursue career goals as somewhat or much better at their current job at a worker cooperative as compared to their last job.

Autonomy and Voice

We measured autonomy and voice with questions about absolute autonomy and influence at worker cooperatives and questions comparing how respondents experienced these things in their current and previous jobs.

As a measure of absolute autonomy and influence, we used standard questions that asked workers to rate their involvement and direct influence

> "Being able to work from home and be more present with my family has been a huge shift... [and] had a fundamentally positive impact on my life. I am happier, healthier, and more stable than I have been in years.... That solidarity is worth the challenges of not getting paid quite enough. But it would sure be nice to get paid enough."

in decisions at various levels. The majority said that they have quite a bit or a great deal of involvement or direct influence at the individual level (70 percent of respondents, n=1029), at the team level (57.3 percent of respondents, n=966), and at the enterprise level (50% of respondents, n=975), indicating a high level of overall autonomy. We also asked respondents to compare their level of autonomy and influence at their current job and previous job. A majority said that they have more control over their own schedule and more influence over workplace decision-making in their current position at a worker cooperative.

Psychological Ownership

Overall, 43 percent (n=1066) of respondents said they feel quite a bit or a great deal like an owner at their cooperative. When split by ownership status, we see that 62 percent of worker-owners feel quite a bit or a great deal like an owner compared to only 12 percent of employees.

Participation in Workplace Governance

The most frequent form of participation in firm governance was attending general assembly meetings. At the mean and median firm level, respondents attend general assemblies, committee meetings, and meetings of the Board of Directors or governance body a few times a year. The least frequent form of participation was voting for the board of directors or governance body, which occurred once per year at the mean and median.

Overall, personal interest appears to be the most important factor impacting respondents' level of participation in firm governance and decision-making; access to cooperative-specific training and financial compensation appear to be least important.

HOW ECONOMIC DEMOCRACY IMPACTS FIRMS

The Importance of Ownership

Overall, findings suggest that workplace democracy entails several benefits for firms. The majority of respondents (52 percent, n=1072) said that working for a company with employee ownership is very or extremely important to them. Additionally, 32 percent (n=1072) said it is very or extremely important that their next job be in a company with employee ownership. Ownership thus has implications for firms related to recruitment, talent retention, and shirking.

Many respondents in the Census of Individuals in Worker Cooperatives appear to value the non-financial benefits of workplace democracy even more than wages. Overall, 60 percent (n=1,077) of the sample reported that the opportunity to work in or start a worker co-op – rather than occupational opportunities per se – initially attracted them to their job. Almost half (45 percent, n=1063) said their total wages are lower at their co-op than they would be in a comparable job at another company in their region – and the proportion of respondents willing to accept lower wages in order to work at a co-op was actually higher among those who reported they did not deliberately opt into workplace democracy.[5]

This may partly explain why turnover rates are relatively lower in co-ops than conventional firms. Overall, over half of respondents (52 percent; n=1,118) said they were not at all likely to quit in the next year and only 15 percent said they were very or extremely likely to leave their firm. As we noted above, tenure

[5] Among respondents who were initially attracted to their job because of the opportunity to work in their current occupation, 48 percent said their total wages are somewhat or much lower than in comparable jobs compared to only 42 percent of those who self-selected into workplace democracy.

ranged widely among respondents from one month to 42 years – but the average worker had stayed at their co-op for six years.

Another longstanding debate about cooperatives is related to what economists call the "free rider problem." The idea is that individuals are more likely to slack off if they know their rewards are tied to collective rather than personal effort – and the cost of calling out a colleague who isn't doing their fair share is higher than the benefit, so no one will intervene. Yet studies of other shared capitalism arrangements are consistent with our finding that peer monitoring is common in worker co-ops and shirking is rare.[6] Forty percent (n=1,051) of respondents say it is easy to identify whether a coworker is working well or poorly, and co-op workers say they are actually more likely to intervene if they see someone slacking off than they were in their previous job.

> "I love feeling a sense of ownership in my current job. I feel like the amount of personal and professional freedom I'm 'allowed' is responsible for a higher level of job and personal satisfaction. On the other hand, being so invested in this business is often very stressful and I find myself very critical of co-workers that don't take their jobs seriously or treat the workplace and other workers with respect.

Many of the firm level findings from this data are comparable to findings from the enterpise census. The economic census also demonstrated data related to patronage distributed by firms, although comparable information on individual worker-level patronage receipt is not available. The Census of Individuals in

[6] See, for example, *Shared Capitalism at Work* (2010) by Douglas Kruse, Richard Freeman, and Joseph Blasi.

Worker Cooperatives found that 46 percent of firms did not make patronage distributions in fiscal year 2016. Of those making payments, distribution ranged from $1,800 to $1,960,000, with an average distribution of $197,942 and a median distribution of $18,900.

HOW ECONOMIC DEMOCRACY IMPACTS COMMUNITIES

Training

One way that worker cooperatives enact the principle of "education, training, and information" is through structured training programs. The majority of respondents (79 percent, n=1121) reported that their cooperative offered some kind of formal training, and 63 percent (n=863) reported they had participated. Many of these skills are transferable beyond cooperatives to support workers' participation in other workplace contexts and arenas of life.

Over half of respondents (54 percent, n=1116) had received some kind of cooperative-specific training designed to equip workers to engage more effectively in workplace decision-making.

Overall, about half (54 percent, n=979) also said that access to training impacted their level of participation in cooperative governance. Workers who received cooperative-specific training participated significantly more in workplace decision-making than those who did not, and were also

> "[Working in a co-op] has given me experience/insight into the work that goes on behind the scenes in running a business. It has given me the confidence that if I chose to, I could start another business and feel well-prepared for success."

significantly more likely to report their level of participation had increased over time.

About a third of respondents (34 percent, n=863) had also received some kind of life skills training through their cooperative.

These types of investments in workers' collective decision-making, communication, and other skills not only increase the level of human capital in communities, but also have the potential to empower workers to participate more actively off the clock.

Civic and Political Participation

Since the early 20th century, scholars and observers have argued that democracy in the workplace "spills over" into democracy on a larger scale.[7] Data from the Census of Individuals in Worker Cooperatives suggests that workers in cooperatives are indeed quite active in civic life.

> "What I like most about worker cooperatives is that they allow you to live your values in the workplace instead of working against your values on the job and then try to undo the damage on your free time."

Overall, 39 percent of respondents (n=1021) reported they had volunteered through or for an organization in the past year compared to only 31 percent of employed respondents in the general population in the 2017 Current Population Survey.[8]

[7] See, for example, *Gabriel Almond and Sidney Verba's The Civic Culture: Political Attitudes and Democracy in Five Nations* (1963) and Carole Pateman's *Participation and Democratic Theory* (1970).

[8] For details on the 2017 Current Population Survey Volunteering and Civic Life Supplement, see https://www.census.gov/data/datasets/2017/demo/cps/cps-civic.html.

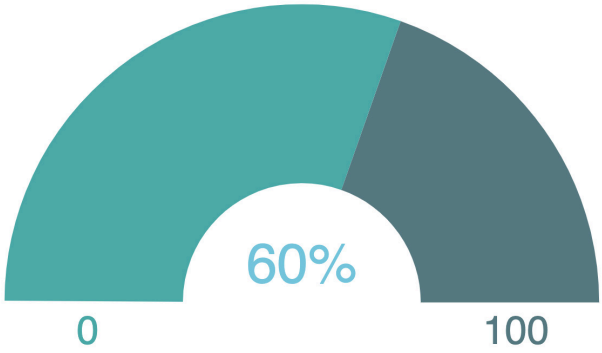
Cooperative workers volunteered with many different types of organizations. Social or community service groups were the most popular followed by political parties or advocacy groups.

More than half of volunteers (54 percent) had given their time to two or more groups and 36 percent had volunteered with three or more groups. In comparison, only 18 percent of respondents in the 2015 Current Population Survey Volunteer Supplement volunteered for two or more organizations and only six percent for three or more organizations.[9]

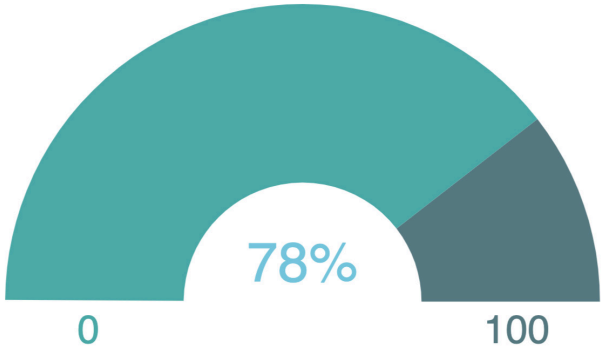
Respondents were also active in other types of civic activities including serving as a group officer or committee member outside of work, attending public meetings, and joining in a protest. Seven in ten respondents (n=998) had participated in at least one of these activities in the past year. Almost half of respondents had participated in all three.

Among those who reported they had participated in a meeting as an officer

Excluding respondents from one large and demographically unique participating co-op, we find that ...



60% of co-op workers voted in the 2014 midterms compared to 49% of workers in the general US population and...



78% of co-op workers voted in the 2016 presidential election compared to 77% of workers in the general U.S. population.

[9] For details on the 2015 Current Population Volunteer Supplement, see https://catalog.data.gov/dataset/current-population-survey-volunteers-supplement

or on a committee of a group or organization outside of work, half (n=994) had participated in one to six meetings in the past year and 22 percent had gone to six meetings or more.

Among those who attended a public meeting in which there was discussion of community affairs in the past year, about half (n=969) attended one to two public meetings and about half attended three or more.

Among those who joined in a protest march, rally, or demonstration in the past year, a slightly larger share participated in one to two protests than participated in three protests or more.

Rates of voting among respondents in the Census of Individuals in Worker Cooperatives were comparable to those of other U.S. workers.[10]

[10] For details on the 2016 American National Election Studies Post-Election Questionnaire, see https://electionstudies.org/data-center/2016-time-series-study/. For details on the 2014 Current Population Survey Voting and Registration Supplement, see https://catalog.data.gov/dataset/current-population-survey-voting-and-registration-supplement.

Conclusion

The Census of Individuals in Worker Cooperatives offers a first-of-its-kind view into the impacts of economic democracy on workers, firms, and communities. Further research is needed to draw further conclusions from this data, and we invite the research community to engage in this work.

The Democracy at Work Institute is now accepting applications from researchers interested in using the de-identified data collected through the Census of Individuals in Worker Cooperatives in their own work.

The application to access this data is available on our website at www.institute.coop/censusdataaccess along with instruments and the interview protocol.

Please send questions about accessing the data to olga@institute.coop.

APPENDIX: ABOUT THIS PROJECT

Research Design

The Census of Individuals in Worker Cooperatives is a mixed-methods study. We modeled our research design after the 2010 Shared Capitalism at Work study by Douglas Kruse, Richard Freeman and Joseph Blasi. This involved decentralized administration of a paper-and-pencil survey to a nonrandom sample of workers clustered in firms and semi-structured follow-up interviews with a purposive sample of survey respondents.

We invited all 306 U.S. worker cooperatives that met our eligibility criteria (out of the 326 in DAWI's database in November 2016) to participate in the study; 82 ultimately chose to do so. All survey materials were available in English & Spanish.

Each participating firm identified a "point person" who received a packet of survey materials, filled out a 13-item questionnaire about their cooperative, distributed the 58-question worker questionnaire to their colleagues (typically during an all-staff meeting), and returned completed surveys to the study team.

Survey Quality

We calculated response rates using the 2016 AAPOR Standard Definitions and Outcome Rate Calculator: https://aapor.org/Education-

Resources/For-Researchers/Poll-Survey-FAQ/Response-Rates-An-Overview.aspx. In total, we distributed 2,313 worker surveys to 88 co-ops that expressed interest in participating and received 1,147 completed surveys from individuals in 82 firms. DAWI estimates the sector employed about 6,000 people in 2017. These 82 firms employ an estimated 59 percent of the target population, a large proportion of individuals in the study universe, and we achieved an overall worker response rate of 19 percent. This was possible in part thanks to participation from one large worker co-op that employs one-third of workers in the target population and contributed one-third of the sample. Response rates within firms ranged from 9 to 100 percent with a mean of 72 percent and a median of 80 percent.

We used data from DAWI's annual enterprise census to assess nonresponse bias at the firm level and concluded it was relatively minimal. Based on firm demographic data reported by the point person, we determined that worker-owners, full-time workers, English speakers, and workers who identify as white and male are overrepresented in our sample. Excluding respondents from the large firm mentioned above, full-time workers are the only overrepresented group.

Key Survey Measures

We appended firm industry using DAWI's classification of each participating co-op's North American Industry Classification System (NAICS) code: https://www.census.gov/eos/www/naics/

We classified firm size based on the total number of workers in each co-op, as reported by the point person. We developed sector-specific categories based on DAWI's knowledge of size thresholds that are meaningful for worker co-ops. Using firm-size threadholds developed for this study, 58 percent of participating firms are "micro" (nine workers or fewer), 36% are "small" (ten to 49 workers), 5 percent are "medium" (50 to 249 workers), and one is "large" (employs 250 workers or more).

For respondents who reported getting paid by the hour, hourly pay represents workers'

hourly wage. We imputed the hourly pay of salaried respondents by dividing their annual salary by the hours they reported working in a typical week by 52 weeks.

Rather than asking respondents to report absolute values of job quality and satisfaction, the Census of Individuals in Worker Cooperatives asked respondents to assess their current job in light of a concrete reference point: their previous job. Whenever possible, we triangulated these responses with other questions that allowed us to compare current and previous job characteristics. For example, one question asked respondents to rate how their overall compensation and benefits compare, from "much worse" to "much better" at their current (i.e. cooperative) relative to their previous job. We also mathematically compared reported hourly pay at the current and previous job of the 579 respondents who answered both questions, then analyzed how well perceived and actual compensation changes lined up.

The Census of Indivuals in Worker Cooperatives survey included a number of questions about workers' frequency of participation in workplace governance activities on a scale from one (no participation in this activity) to five (high frequency of participation in this activity) where one indicates "never participating," two indicates "participating every two or three years," three indicates "participating every year," four indicates "participating a few times a year," and five indicates "participating every month or more."

A critical mass of questions (27 in total) in the Census of Individuals in Worker Cooperatives were inspired by the Shared Capitalism at Work instrument, including questions on psychological ownership and shirking, which opens up opportunities for comparative research on worker co-ops and ESOPs.

Interviews

The study director conducted 15 semi-structured follow-up interviews with a purposive sample of survey respondents from 11 co-ops in three of the most vibrant cooperative ecosystems in the U.S. We recruited interviewees via an email invitation to

all 33 co-ops that participated in the survey from the Bay Area, Madison, and New York City.

Those who were interested filled out an online screening questionnaire. In-person interviews took place in June and July 2017. They focused on key themes that emerged from our preliminary survey data analysis including self-selection, job quality and satisfaction, participation in workplace governance, and civic participation. Each interviewee chose their own pseudonym and we have de-identified the transcripts to preserve confidentiality.