

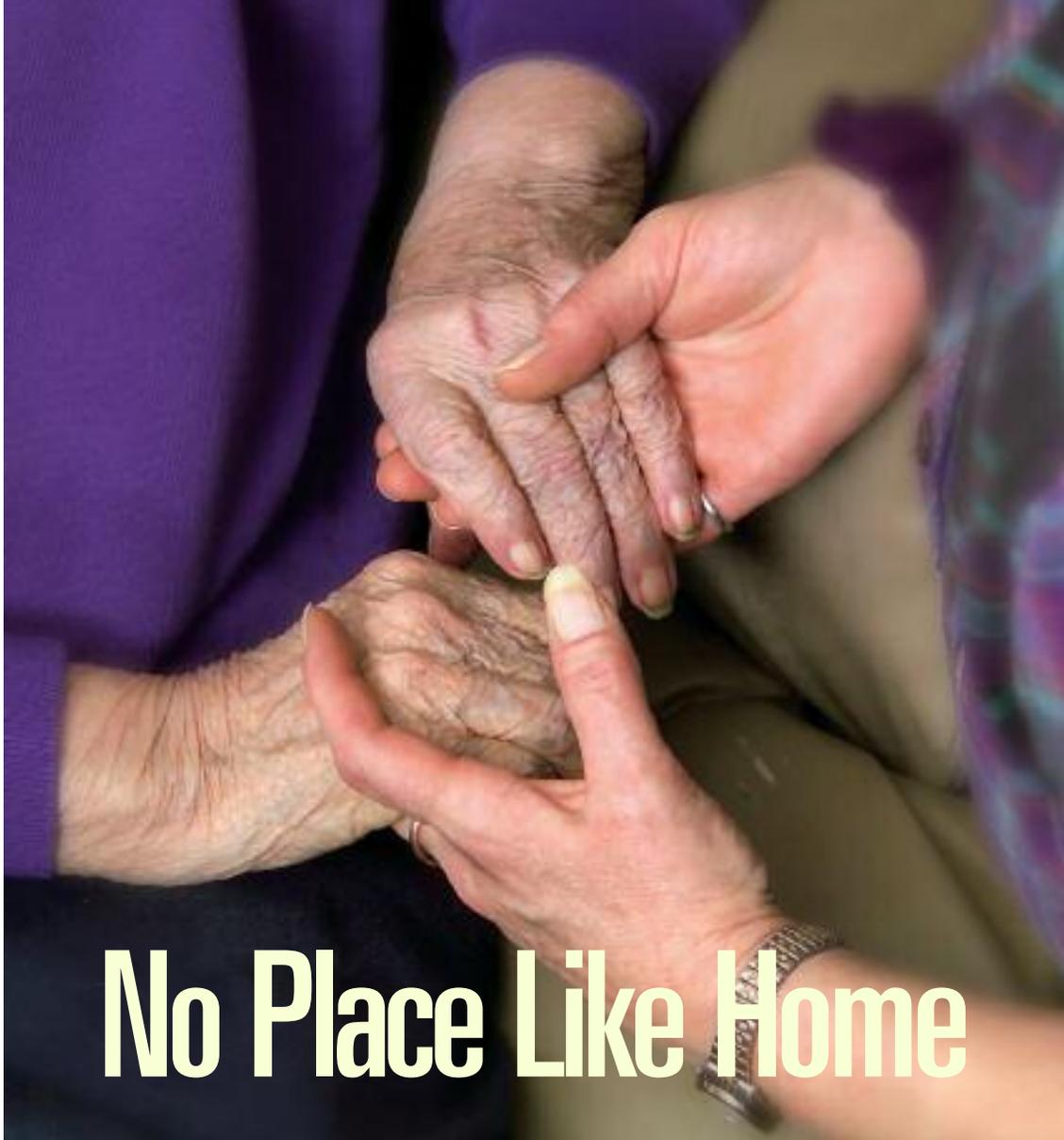
Rural

COOPERATIVES

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Co-ops Set New Income Record

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No Place Like Home



*Home care conference shows vital role
co-ops can play for an aging nation*



As a rising tide of aging “baby boomers” enter their 70s, a key to keeping seniors and the disabled out of nursing homes and hospitals — where they have the potential to overwhelm our healthcare infrastructure — is to further develop a network of home care service providers. Keeping seniors living in their own homes longer will not only result in huge financial savings for the nation, it will also lead to healthier, longer lives for older and disabled Americans. It is the very definition of a “win-win” strategy to address the needs of an aging nation.

**But there’s a problem.
A big problem.**

Home care workers are some of the lowest paid and most exploited workers in the nation, according to David Hammer, executive director of the ICA Group, an organization that works to curb job loss and create stable communities by developing worker cooperatives. The cooperative business model has the potential to help remedy this situation, not only by improving worker wages, but also by creating better working conditions and boosting the skill sets of workers, which, in turn, yields greater benefits for their clients.

Hammer made his remarks during an address to more than 60 home care cooperative members and developers attending the inaugural National Home Care Cooperative Conference in Dulles, Va., Sept. 12-14. Attendees of the conference — held at the headquarters of the National Rural Utilities Cooperative Finance Corporation — represented eight of the country’s nine established home care cooperatives.

The conference outlined how home care cooperatives can become employers of choice by bolstering their recruitment, retention and training strategies. Conference presenters also addressed marketing to caregivers and clients, human resources, and governance and finance issues. The meeting was a unique opportunity for caregivers to network and collaborate with like-minded cooperators, sharing the resources, ideas and insights the sector needs to grow.

**Caregivers are not
“a commodity”**

“On a whole, the home care industry views caregivers as

commodities,” Hammer told conference attendees. It’s not surprising, then, that the industry experiences an average annual turnover rate of about 60 percent, according to the Paraprofessional Healthcare Institute. The 2015 worker turnover rate was 59.7 percent, down slightly from 61.7 percent in 2014 but well above the 49.8 percent in 2011.

During a presentation that spanned both opportunities and challenges facing home care workers, Hammer said home care cooperatives are poised to bring major changes to the industry by optimizing wages, training and career advancement opportunities for worker-owners.

“Co-ops have an obligation to provide the best jobs,” he told attendees. “We need to be smarter than the competition.”

Bronx, N.Y.-based Cooperative Home Care Associates, the nation’s largest worker cooperative, is doing just that. Workers there receive competitive wages, regular hours and family health insurance. The organization has chipped down the 60-percent average worker turnover rate to just 15 percent.

The other seven home care cooperatives represented at the conference — along with four emerging co-ops — have similar stories of worker empowerment and job satisfaction.

Just two years ago, only four of these nine co-ops existed.

“The Cooperative Development Foundation (CDF, which organized the conference) is leading a coordinated effort to think through how to take home care worker co-ops to scale,” says Margaret Bau, a USDA cooperative development specialist who has been working for years to help refine the co-op model for home care workers. “To date, it has been mostly local, heroic efforts by a relative few co-op advocates who have helped to push this business model forward for the long-term-care sector. It’s

going to take strategy — just as it did for the rural electric co-ops, credit unions and agricultural co-ops. CDF has been convening the best minds in co-op development to explore options.”

Bau also credits work done by the Northwest Cooperative Development Center for organizing three home care worker co-ops in Washington (with several more in the works). “We’ve learned some important market lessons from these efforts. CDF has employed the market analysis and business strategy advice of the ICA Group to help inform options for going to scale,” Bau continues. “Part of this work has been



The worker turnover rate in the home care industry averages about 60 percent annually, but that rate can be drastically lowered when workers operate their own cooperatives. Facing page (lower): About 60 home care workers learn more about how the co-op business model can advance their working conditions. Photos courtesy Cooperative Care, Wautoma, Wis., and Cooperative Development Foundation

financed by a USDA Rural Cooperative Development Grant.”

Skyrocketing need for workers

Home care is projected to require another 1 million workers between 2012 and 2022, making it the highest-growth occupation in the United States, according to PHI Policy Works, a national strategy center working to strengthen the direct-care workforce. It further estimates that by 2020, direct-care workers will be the nation’s largest occupation sector, with nearly 5 million jobs. That’s slightly

supporting quality technical assistance, rigorous research, and data-driven analysis and then sharing that experience with home care developers and cooperatives.

Creating a culture of ownership

Victoria Sprong, caregiver coordinator at Circle of Life Caregiver Cooperative in Bellingham, Wash., began working as a caregiver when she was a young, single mother. She found empowerment, stability and leadership opportunities by joining a cooperative. In her presentation, she urged

“Make it clear that your members belong to something bigger than clocking in and clocking out. A connection to the larger cooperative movement can be very powerful.”

ahead of retail sales (4.96 million jobs), as well as primary school teachers (3.9 million), and law enforcement/public safety jobs (3.66 million).

Direct-care workers are typically grouped into three primary sub-sectors: personal care aides; nursing aids/orderlies/attendants; and hospital health aids. PHI data show that in 2013, home care workers earned an average of just \$9.61 per hour, which compares to an hourly living wage (the amount needed to sustain a basic living standard) that ranges from a low of \$16.23 in South Dakota to a high of \$23.58 in New York.

Hammer said that most home care providers — roughly 28,000 small businesses — have staffs of less than 20 workers. The top five threats facing these home care providers, he said, are: worker shortages, caregiver turnover, attracting enough worker referrals, the fight for a \$15 minimum wage and meeting Affordable Care Act regulations.

“For home care worker co-ops, higher wages and providing health insurance is not a threat, but rather a desired goal,” says Leslie Mead, executive director of the Cooperative Development Foundation (CDF). According to Mead, CDF’s mission for home care is the creation of sustainable home care cooperatives that optimize wages and opportunities for member-owners. CDF does this by



Anne Reynolds discusses what it takes for home care workers to form and successfully operate their own cooperative.

home care co-ops to create and market “a culture of ownership” — something she found unique and appealing about cooperatives.

“Make it clear that your [co-op] members belong to something bigger than clocking in and clocking out,” Sprong said. “A connection to the larger cooperative movement can be very powerful.” And a sense of ownership in the business means worker-owners are more likely to invest in their jobs.

Deborah Craig, a cooperative development specialist at the Northwest Cooperative Development Center, advised attendees to target younger generations when recruiting caregivers. “Not only is our population aging in general, but our current caregivers will be aging out of these jobs in the next 10 years. We really need to be bringing younger people into this industry,” she said.

Worker recruitment/retention strategies

While better wages and working conditions will help reduce turnover, effective worker recruiting efforts are necessary to attract and retain the number of new careworkers needed to meet the rising demand. But this presents many challenges, said Jodi Sturgeon, president of the Paraprofessional Healthcare Institute.

Caregivers find inspiration in exchange of co-op care ideas



Following is a sampling of comments made by home care providers who participated in the conference:

“Most caregivers have no idea what a co-op is. They have never had a voice in the agencies — never had the ability to express themselves or to choose for themselves. I don’t have experience in co-ops, so I’m learning from everyone else’s experience. I enjoyed learning about recruitment, especially, since it’s one of the biggest struggles [we face].” — Dana Howarth, program assistant, New Mexico Caregivers Cooperative

“I give a lot to the business, but I get much more in return. Client-wise, happy caregivers [provide] better care. In the co-op model, you’re respected, you’re valued and you provide a good service.” — Tracy Dudzinski, board chair and administrative coordinator, Cooperative Care

“What brought me to this conference was looking for help in forming a co-op. I think the more [conferences] there are like this, the more it becomes a possibility for people.” — Jane Hatley, Western North Carolina regional director, Self Help Credit Union

“The members are involved [in a co-op], and everything is out in the open. That’s what’s good — everybody is involved. As soon as they told me I had a voice, I used it. I wear a lot of hats, but I love it. Other co-ops have the same struggles, but we are finding a way to solve them.” — Patricia Echols, board chair, Circle of Life Caregiver Co-op

“This is an everlasting occupation. At some point, we [ourselves] are going to need that care, and we want to make sure it still exists.” — Denise Clark, supervisor, Cooperative Homecare Associates

Caregiving is fulfilling work for those who are motivated by the desire to help others. But it is also physical, emotionally demanding work, Sturgeon stressed. Workers need to be reliable, mature people with good communications and problem-solving skills who also have some clinical knowledge. They often have to deal with widely varying work schedules and transportation barriers and be willing to work for entry-level wages.

Sturgeon discussed a number of actions and strategies care providers can use to recruit employees. These revolve around what she describes as a “culture of retention, agency-wide.” This requires professional development for administrative staff and establishing open channels for giving and receiving feedback from staff.

A “clearly defined communications pathway” is vital to addressing problems when they arise, which will help create

trust between workers and supervisors. Peer-mentors can also play a big role in supporting new workers and help them deal with a myriad of on-the-job challenges.

Ongoing training and skills development — and providing workers with a voice in decisionmaking — will also help keep workers on the job. And of, course, pathways to career advancement are important for care workers, as they are for any sphere of employment if you want to keep your best and brightest workers in the fold.

Use of the cooperative, worker-owned business model is an ideal way to deal with many of these internal business issues. Because, as Patricia Echols, board chair of the Circle of Life Caregiver Co-op remarked: “In a co-op, you have a say.”

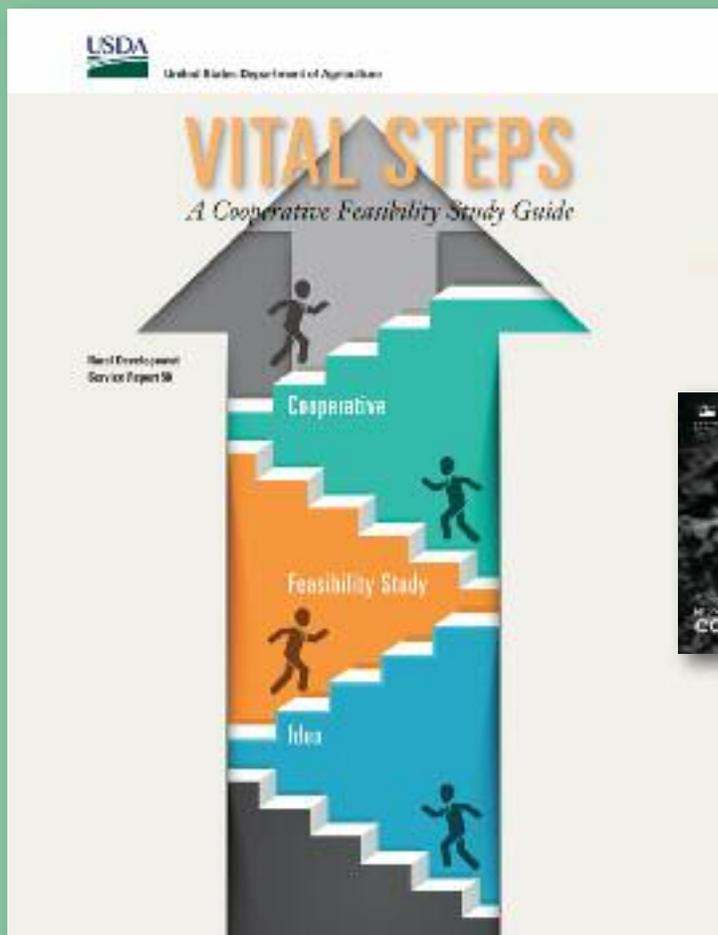
Editor’s note: For more information about the home care workers conference, visit: www.seniors.coop. ■

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