Profiles of Two Worker Cooperatives
(Reading)

PT360 Physical Therapy

PT360 is the only physical therapy practice in the United States to be structured as a worker cooperative.

It was founded in 2010 by 12 coworkers who left their previous employer to start their own practice together. The founding group wanted to organize the practice around the idea that "we're all in this together."

PT360 has grown to become the largest independent physical therapy practice in the state of Vermont. It now has 36 employees and operates four facilities.

<u>Profit Sharing ("Patronage")</u>

In conventional businesses, owners often earn profits in proportion to the percentage of company equity they own. In worker cooperatives, by contrast, profits are shared instead based on "patronage," meaning the amount that members use the cooperative. At PT360, patronage is measured by time worked. That is, the number of hours a member works forms the basis for determining the share of the cooperative's net margins, or surplus, they receive.

The amount received is the same for every member who works the same number of hours, regardless of their position or pay level. Therefore a senior physical therapist at 40 hours accumulates the same profit share as a receptionist working 40 hours. This makes patronage dividends a more egalitarian approach to profit sharing.

In the last five years, PT360 has dispersed patronage dividends four times. Members receive 60% of their patronage dividend in the form of a check. The remaining 40% goes to their capital account that they access when they retire or leave.

Physical therapist and co-owner Amy Sheridan, who has worked at PT360 for six years, says about what getting patronage dividends means to her and her family: "For us, it is a good cushion. It also allows me to work fewer clinic hours because I make up for it with the patronage."

<u>Governance</u>

A defining feature of a worker cooperative is that its major decisions are made democratically by the people who do the work, either directly or through some system of representation. At PT360, co-op members elect a board of directors that holds ultimate responsibility. Elections of the board take place annually and each member has one vote.

In addition to quarterly board meetings, regular "Owner Meetings" take place every four to six weeks. Any owner-member can add an item to the meeting agenda. The worker members discuss and then vote on each agenda item. Decisions are made based on the majority rule.

At the Owner Meeting, every member's perspective can be aired and every voice can be heard.

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To physical therapist and co-owner Amy Sheridan, this makes working in a worker cooperative different from the clinics and hospitals where she previously worked as a physical therapist. "I think the difference with a cooperative really comes down to the vision-making role we have," she says. "...We discuss strategic planning, we discuss big picture questions about how we want to move forward as a company."

(The above was excerpted from the longer case study "PT360" by Adria Scharf (2022). Read the full case study of worker cooperative PT360 at cleo.rutgers.edu.)

Circle of Life Homecare Cooperative

Circle of Life Homecare Cooperative serves elders and people with disabilities in Whatcom County, Washington state. Kris Buettner, Circle of Life administrator since 2019, oversees all operations, including hiring office staff and caregivers. The cooperative employed 34 people, of whom 30 were worker members, in early 2022. Total annual revenue was $700,000 in 2021 and the company had been profitable in 2019, 2020, and 2021.

A large dividend was paid out at the beginning of February 2021. The total amount, divided among the members, was almost $57,000. Buettner shared: "It was my happiest day yet at the co-op because of what these caregivers had endured at the start of this pandemic ... Because caregivers had to quarantine if they were exposed to the virus, other caregivers were often working overtime covering their clients. We were constantly asking people to change their schedule and do more and stretch and bend. I handed a check for over $6,000 to a couple of the caregivers. It was the most money that they'd ever gotten, I think. They were just completely beside themselves. They couldn't believe it."

To Kris Buettner, a worker-owned home care cooperative is a fundamentally "different" experience compared to working for previous employers. She had worked in leadership roles in different social service agencies before. "I left because my values were not reflected in terms of how direct care workers were treated, and what that meant for patients or clients," she says.

By contrast, the worker cooperative model is about "building strong relationships and an equitable workplace. Cooperative values are infused into the very structure of the business."

That starts with treating caregivers as "participants in the quality of care." The caregivers know what their clients need; "they are the ones doing the work." Secondly, ownership is key. "If people are owners of the business, they're going to be a lot more invested," she says.

In speaking with prospective clients, Buettner tells them: "Our workers have opportunities to have a voice. It's their business, so they're highly invested in making the business successful and providing high-quality care. Happy caregivers provide really high-quality service."

Optional: Find more readings about worker cooperatives here