

The Valley Alliance of Worker Co-operatives



Annual Report 2019-2020

Dear Member Co-operatives, Affiliates and Supporters,

It would be hard to begin any report of activities in 2020 without a focus on the economic and social devastation brought on by COVID-19. As we submit this report of activities to you we are very aware that our co-op community and people everywhere have had to make very challenging decisions amidst a lack of preparedness and leadership in the conventional political and economic realms.



We are nowhere near the end and going “back to normal” is not in our interest if our communities, principles and values are torn apart to do so. We want the world to see how co-ops are trend setters. We see food co-ops taking the lead in safety precautions, hazard pay and stocked shelves. We see credit unions offering low or no interest loans to members to survive. We see farmer co-ops producing the food we need. We see worker co-ops preserving community assets and their members with every available resource.

As you’ll see in this report, 2019 and 2020 brought growth, education, solidarity and legislation. Oxbow Design Build converted to a worker co-op, we are working with an exciting start-up named The Hive, and we rolled out educational modules tailor-made for worker co-ops. We made leaps in utilizing our VAWC Interco-operative Development Fund, peer-to-peer support continued apace, our educational programming continued to have over-enrolled classes and interns supported our system.

We constantly work for a co-operative economy and we initiate a pathway that engages us so we can progress together. Part of this report stems from our viewpoint that we must bring our voice to the table of legislation development, education and media. Legislatively, we are fortunate to have some co-op supporters in our region and we are taking the opportunity to work with our partners to educate about why co-ops are critical to surviving and rebuilding in these challenging times. It is as important as ever that we speak our voice of co-operation and unity of labor as political breakdowns hamper democracy and people-centered responses.

VAWC continues to provide peer connections, pooled resources toward shared goals and direct support in and out of challenging times. In response to COVID-19, we: offered three month delays in dues payments and support if this isn’t enough time, made VAWC Fund contributions optional for 2019, and started office hours to support co-ops to understand and take advantage of the assistance that does exist. We held special meetings to engage members in their needs and contacted those who could not make it to ensure we were doing all we can.

We continue to be extremely grateful to our partners in building places of trust, resources and communication. The Neighboring Food Co-op Association and the National Cooperative Business Association have been instrumental in VAWC formulating our response and managing this crisis. The U.S. Federation of Worker Cooperatives, Shared Capital Cooperative and New England Farmers Union continue to provide support pro-actively to VAWC and VAWC co-ops; not just in programming but in phone calls and emails.

Respectfully,

Faith Seddon, VAWC Member Director, and member of *Collective Copies*

Larisa Demos VAWC Member Director, and member of *Green Mountain Spinnery*

Suzette Snow-Cobb, VAWC Stakeholder Director, and Sourcing Coordinator at *Neighboring Food Co-op Association*

Member Support and Development

VAWC staff and Board of Directors continue to meet directly with members and to work closely to provide technical assistance regarding structure, governance, marketing, business opportunities and more.

We are proud to report that we completed the support of our seventh conversion to a worker co-op, Oxbow Design Build Co-op (more below and pictured on the front cover).

We began working with a start-up, Greenfield Makers Co-operative, which plans on opening later in 2020. Finally, we supported the development of two associations of co-operatives in other parts of the United States, too, spreading the message of interco-operation and the need for the worker co-op voice to be involved in development, funding, legislation and education.



Collective Copies is a founding member and provides all our printing.

Oxbow Design Build Converts to a Worker Co-operative

Oxbow Design Build Cooperative successfully converted their partnership to a worker co-operative to usher in 2019's National Co-op Month. Now members democratically own and control the business and are invested together in sustaining the mission for the long-term benefit of their business. Oxbow provides full service design and construction to the western Massachusetts area.

Through the conversion they are retaining nine jobs in their community and have purchased \$135,000 in job materials from local businesses in the past 12 months while serving 40 clients.

"From day one, the Valley Alliance offered clear and thoughtful support, guiding us through the process of our conversion" stated Carl Woodruff, founding Oxbow member. Oxbow is the seventh conversion VAWC has supported.

By converting to a co-op the members of Oxbow are taking leadership in adding the voice of worker co-operation to the local and regional dialog in economic development. As a VAWC member, Oxbow is committing resources to working together to

address larger social, economic and political issues. This conversion advances co-operation and mutual aid during a time that we desperately need it.

Oxbow chose Shared Capital Cooperative for their loan. Shared Capital has 40 years experience of being a co-op themselves that only lends to co-operative businesses.



Oxbow was part of our International Day of Co-ops promotions.

Oxbow incorporated as an employee co-operative under Massachusetts' statute 157A, taking the opportunity to protect employees, democratic participation and make the argument to at the state level that a truly co-operative economy is growing.

Marketing, Advertising and Public Relations

Promoting our members and their services is another core activity for VAWC. We are pro-active in promotion whether it is marketing through our *Together, We're **Working** for a Co-operative Economy* campaign, social media, bringing speakers to our region or advertising. Highlights include:

Co-op Celebrations

- Promoted VAWC Member Co-ops through International Co-ops Day with themed images of member activity
- Celebrated National Co-op Month with educational and public events as well as more themed images of VAWC and its members

In The Media

- Published an article co-written by intern Marc Maren and VAWC staff about the VAWC Fund with Grassroots Economic Organizing
- Sponsored hundreds of educational spots about co-ops on multiple radio stations in our markets
- Attended WHMP 101.5 FM's Annual Co-op Panel
- Distributed press release for Oxbow Design Build conversion

Social Media

- Increased our Twitter impressions by 15% with 70,000 and doubled our FaceBook reach to 12,000

Advertising

- Co-organized shared advertising printed in two newspapers in our region during Co-op Month (see image at left)

Over 40,000 co-ops across the United States are celebrating Co-op Month. **Co-ops are #ByTheCommunity, #ForTheCommunity** and together we build stronger local communities and a more inclusive economy.

Visit your local co-ops and credit unions this October to find out more about how we're working together to help people build stronger local communities and a more inclusive economy for generations to come.

Want to know more? Visit www.vcba.coop.

By the Community CO-OPS For the Community
Welcome to Co-op Valley!
www.vcba.coop

This ad brought to you by these organizations and the Valley Co-operative Business Association, with support from the National Co-operative Business Association. Solidarity and Open Membership • Democratic Member Control • Member Economic Participation • Autonomy and Self-determination • Education, Training and Information • Co-operation among Co-operatives • Concern for Community

(Above) VAWC co-organized of National Co-op Month's shared print ad by VCBA promoting VAWC members, (below left) Pedal People was one of four features for International Co-op Day, (below right) VAWC was part of WHMP's Co-op Roundtable on the air.



Principle 5: Education, Training and Information

Education has been a strategic focus since our earliest days. Conferences, workshops and co-op specific education plays a key role for members to make informed decisions on how to effectively run their businesses, innnovate and remain resilient.

- Held two tailor-made workshops for governing worker co-ops and collectives and interco-operating for shared success
- Held five “Mastermind” sessions for members to share challenges and receive peer-to-peer support
- Delivered six workshops and presentations to over 100 attendees
- Granted \$100 to a VAWC Member Co-op to attend the Eastern Conference for Workplace Democracy in Baltimore, Maryland
- Seven interns placed with VAWC and Neighboring Food Co-op Association through the UMass Co-operative Enterprise Collaborative
- Awarded two 50% scholarships to members of VAWC Co-ops to a two-day Executive Education Course from the International Centre for Co-operative Management in October

Federations are a fascinating mechanism in the co-operative movement that safeguards mutual benefit through interconnectedness among co-operatives.

Miner and Novkovic, 2015



Attendees at *Welcome to and how to utilize the Co-operative Movement* in September, 2019.



(Above) VAWC co-presented at the International Centre of Co-operative Management's Executive Education Course in May at the headquarters of National Cooperative Business Association. (Below) Larisa Demos of Green Mountain Spinnery presents about her co-op in "Enhancing Business Performace through Co-op Management Practices", also by the Centre





Members of Collective Copies celebrating owning their wide-format color printer after their last payment is made.

Our Interco-operative Development Fund

VAWC's Member Co-operatives believe building the co-operative economy requires "external mutuality", including mechanisms for moving financial resources among enterprises from areas of surplus toward areas of need and opportunity for economic development.

The VAWC Interco-operative Development Fund is making impact regionally and nationally:

- VAWC's Fund has over \$20,000 invested in two co-op loan funds: Shared Capital Cooperative and the Cooperative Fund of New England, impacting over eighty loans last year
- Revenue from the Fund was used for educational scholarships and conference attendance
- We successfully closed on a direct loan to Collective Copies to update finishing equipment, their second loan (read our article in Grassroots Economic Organizing "Co-ops Funding Co-ops")



Legislative Engagement

VAWC sees legislation as a key part of building a co-operative economy and took action in 2019-2020:

Building a platform of worker co-op legislative activity

VAWC is seeing the challenging times and troubling political trend against democracy as an opportunity to:

- Educate legislators about worker co-operatives' impact
- Protect and build upon the existing co-operative statutes
- Access current opportunities and advocate for additional collaboration in economic development

Endorsing Alex Jarrett for Northampton City Council

We are happy to report that our first endorsed political candidate, former VAWC board Chair Alex Jarrett, was part of a groundswell of support for Northampton's Ward 5. Two VAWC Co-ops have locations in this Ward and we look forward to collaboration with Councilman Jarrett.



VAWC endorsed Alex Jarrett, co-founder of Pedal People, for Northampton City Council in 2019.



Sponsoring New England Policy Roundtable

VAWC was proud to join a handful of co-ops to sponsor the New England Cooperative Policy Roundtable. Co-hosted by the Neighboring Food Co-op Association, National Cooperative Business Association (NCBA) and Cooperative Development Foundation, the roundtable's presentations will be compiled into a report.

Advocating for Co-ops with the Small Business Administration

VAWC has signed on to letters written by NCBA asking for the SBA to make their resources available to co-operatives.

Financial Report

We executed our member approved budget in 2019-2020 with success. Despite allocating more funds on marketing opportunities that came our way, we shaved costs elsewhere and generated additional income due to an added member. We continued to build our reserves and now have six months of operations saved.

We continue to be a majority dues funded and are member-led in both governance and finances. More than half our budget comes in the form of dues. Being member-funded preserves our ability to pursue long-term, member-centered activities consistently. We pursue other funding where possible and appreciate our affiliate members and sponsors for supporting our work in serving members.

We are proud to report that all of the finance institutions we use are either co-ops, such as Freedom Credit Union and Shared Capital Cooperative, or funds built for co-ops, like the Cooperative Fund of New England.

We have checks and balances in our finances, using both a bookkeeper to review our all our finances and a separate tax preparer.

VAWC Finances Snap Shot

| | |
|-------------------------|----------|
| 2020-2021 Budget | \$7,490 |
| Total in VAWC Fund | \$28,702 |
| Funds available to lend | \$23,352 |

Expenses

| | |
|--------------------------|---------|
| Staff | \$3,440 |
| Printing, Phone and Web | \$400 |
| Accounting & Bookkeeping | \$800 |
| Marketing | \$800 |
| Taxes | \$1,600 |
| Memberships and Dues | \$450 |

Income

| | |
|------------------------|---------|
| Member Dues and Income | \$4,462 |
| Affiliates | \$1,250 |
| Sponsorships | \$1,475 |

"The earliest sign of demutualization is a co-operative that sees being a co-op as a problem, not a solution."
Couchman and Fulton, 2015

Thanks to our Organizational Affiliates:

Special thanks to our Affiliates for supporting our mission and collaboration across the region.

Boston Tech Collective
Erbin Crowell
Local Enterprise Assistance Fund
Neighboring Food Co-op Association
River Valley Co-op
PV Squared
Philippe Rigollaud



Nurturing participation at grass-roots levels therefore strengthens the legitimacy and authority both of front-line co-operative organizations, but also and particularly of their representative bodies such as the ICA.

- Blueprint for a Co-operative Decade

Worker co-operatives and our movement are made stronger through shared identity, statutes and structural provisions that preserve our individual autonomy while clearly identifying our organizations as co-operatives united in the common cause of developing a co-operative economy.

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Information and Training
- Co-operation among Co-operatives
- Concern for Community

The worker co-operative identity is further detailed by the World Declaration on Co-operative Worker Ownership established by CICOPA (The International Organisation of Industrial, Artisan and Service Producers' Co-operatives) in 2004.

The Valley Alliance of Worker Co-operatives (VAWC) is rooted in the ideals of co-operation, mutuality and solidarity. VAWC is itself an expression of co-operative principles - a "co-op of co-ops" - that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy. Our core goal is to provide ourselves with the resources and support we need to advance our co-operatives, empower our members, and benefit more people in our communities.

Valley Alliance of Worker Co-operatives

Board of Directors

Faith Seddon

Collective Copies

Larisa Demos

Green Mountain Spinnery

Suzette Snow-Cobb

- Stakeholder Director

Neighboring Food Co-op Association

VAWC is a proud member of the following co-operatives:



**Shared Capital
Cooperative®**



A member of:



And an investor in:



We are a proud Federation Partner of the United States Federation of Worker Co-operatives

