

# Valley Alliance of Worker Co-operatives Annual Report 2020-2021

**LECTIVE  
COURAGE**

A HISTORY OF  
AFRICAN AMERICAN  
COOPERATIVE  
ECONOMIC THOUGHT  
AND PRACTICE

**Humanizing  
the Economy**

CO-OPERATIVES  
in the AGE of CAPITAL

John Restakis

**Co-op**

*the people's business*

JOHNSTON BIRCHALL

**People-Cen  
Businesses**

Co-operatives, Mutu  
the Idea of

Johnston B

Draft for VAWC Pilot Project Advisory Board, 5/19/09

The Valley Alliance of Worker Co-operatives:  
Exploring the Potential of Co-op Led Development

**REFLECTIONS**



**WEAVERS OF DREAMS**  
Founders of the Modern Cooperative Movement

**Building  
Co-operative  
Power**

**IVANO BARBERI**  
Introduction by Rita Levi-Montalcini

**HOW  
THE BUMBLE  
FLIES  
COOPERATION,  
AND DEVELOPMENT**

Interview by Miriam

Baldini Casoldi Dal

“Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.”

*From the International Co-operative Alliance's  
Statement on the Co-operative Identity*

**FOR ALL  
THE PEOPLE**

Handbook on Cooperatives for  
Workers' Organizations

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 organi-  
zations as co-operatives united in the common cause of develop-  
ing a co-operative economy.



Dear Member Co-operatives, Affiliates and Supporters,

The past year brought so many challenges to our co-ops, our communities and our world. Amidst the pandemic's human toll and economic ramifications, a movement sparked for economic justice and against institutional racism and police brutality, VAWC focused on channeling resources to co-ops, connecting co-ops to each others' peer support and in building an inclusive, just economy.



Through board and member leadership, VAWC remained operational throughout the pandemic. We are fortunate to report that resilience was mutual; all our co-ops remained operational, too, and we have more members joining our co-op.

Last year, the VAWC Board worked with staff to create quick response COVID support programming. This included instituting dues forbearance and VAWC Fund payment abatement as well as hosting live, weekly office hours to support members and share about #PPP and #EIDL. Our work in the media and education continued, too. We were featured in podcasts, research and more and we hosted three interns since January of 2020.

It wasn't just supporting existing businesses this year. Three new start-up worker co-operatives joined VAWC - making for a total of four - showing a bold movement for co-operation in our region. We're supporting them with articles of incorporation and bylaws, assisting with capital and business plans and providing structure and governance to maximize their impact.

Our mission continues to be supporting our members, supporting the development of new worker co-ops and building the argument for worker co-ops to be a pillar of our region's economy. This year we focused on accessibility of our support to co-ops with Black, Indigenous and people of color through special considerations for their membership and participation in VAWC and its programming.

Before we close, we'd like to thank the members of our co-operative community that supported us and co-ops in general. Neighboring Food Co-op Association continues to be an amazing partner, supporting our work in education, governance and legislation. The U.S. Federation of Worker Cooperatives and National Cooperative Business Association CLUSA were tireless in getting co-ops recognized by federal programs and providing resources and webinars to sort through the constantly shifting information. The National Cooperative Bank became our contact for Payroll Protection Program (PPP) loans and they supported at least one of our members with lending.

Respectfully,

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

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

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

Carl Woodruff, VAWC Member Director, and member of *Oxbow Design Build Co-op*

## Member Support and Development

VAWC's board and membership displayed committed to taking action to manifest our values and vision of a just, equitable world alive with the voice of labor and co-operation. We are currently working on expanding programming to support communities and co-operatives with BIPOC leadership.

We welcomed three new provisional members who are planning on opening during 2021. People in our region are seeing and wanting to be part of the movement for a co-operative economy.

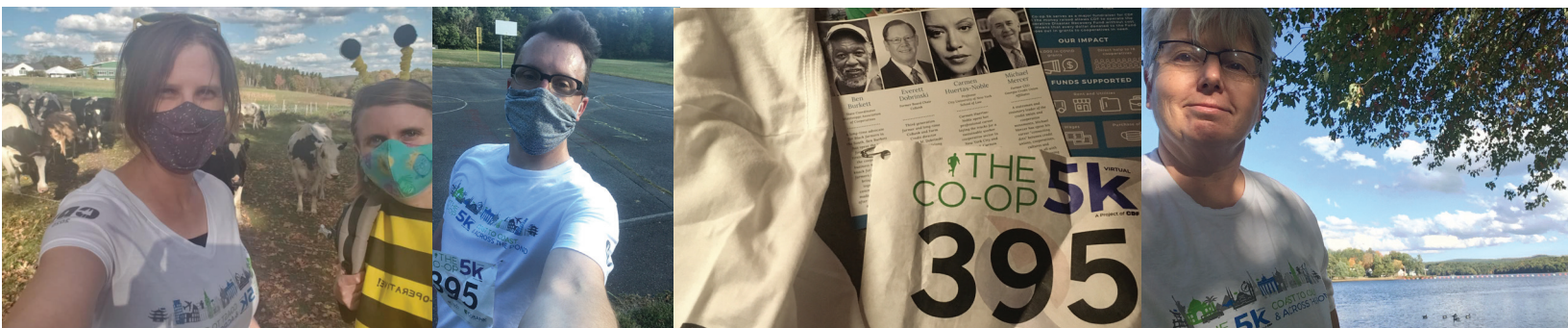
Throughout 2020, VAWC remained fully operational and implemented activities to support members through the pandemic and provided resources to address uprisings against inequities.

VAWC Supported Membership through:

- Weekly office hours: VAWC staff was easily accessible and stayed up-to-date with federal legislation and resources for co-operatives regarding COVID-19
- Dues forbearance: Dues payments were given an extra three months, no questions asked, and offered subsequent payment plans or further support
- VAWC Fund forbearance: Members who had a loan directly from our Fund received a three month pause in payments
- VAWC Fund Contributions abatement: The 5% allocation of surplus which VAWC Members contribute to our Fund for was made optional for last year
- “Mastermind” sessions: Each Member Meeting features a segment for members to share challenges and receive live peer-to-peer support
- Sourcing a PPP lender: VAWC secured National Co-op Bank as a resource for VAWC members to use for PPP loans



*VAWC staff and board took part in The Virtual Co-op 5K held by the Cooperative Development Foundation. Thanks to the Neighboring Food Co-op Association for organizing the team*



# Raising Awareness of our Members and Model

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, radio ads, social media, bringing speakers to our region or advertising. Highlights include:

## In The Media

- Mentioned in "[The Cooperative Path to Starting a Business](#)" as a way to build co-ops, and mentioned Pedal People and The Hive as well
- Featured in [The Cooperators Podcast Episode 26](#) talking about worker co-ops and the power of peer-to-peer support
- Was part of WHMP 101.5 FM's [Annual Co-op Panel](#) on The Bill Newman Show

## Legislative Activity

- Worked in partnership with VCBA to have [Massachusetts Governor Charlie Baker proclaim October as Co-op Month](#) and recognizing their impact

## Advertising

- Co-organized shared advertising printed in two newspapers in our region during Co-op Month (see [image at left](#))
- Organized shared radio advertising sponsoring hundreds of hours of education spots about co-ops for VAWC Members on multiple stations for October

## Sponsorships and Memberships

- VAWC sponsored Neighboring Food Co-op Association's Annual Gathering, our sister federation in the area for food co-ops
- VAWC continued its Federation Partnership status with the U.S. Federation of Worker Cooperatives
- VAWC is a proud member of the New England Farmers Union



October is national #CoopMonth and co-ops across the country are celebrating our [shared commitment to Diversity, Equity & Inclusion](#).

Visit your local co-ops and credit unions to join in the celebration and find out more about how we are working together to empower people to build stronger communities and a more inclusive economy that works for everyone.

Want to know more? Visit [www.vcba.coop](http://www.vcba.coop)

**vcba** voluntary and open membership • democratic member control • member economic participation • autonomy and independence • education, training and information • co-operation among co-operatives • concern for community

**NCBA CLUSA** NATIONAL CO-OPERATIVE BUSINESS ASSOCIATION

(Above) VAWC co-organized of National Co-op Month's shared print ad by VCBA promoting VAWC members, (below) VAWC staff and board raising money in Cooperative Development Foundation's Virtual Co-op 5K



## Principle 5: Education, Training and Information

Education has been a strategic focus since our earliest days. This year, VAWC was featured in research about co-operative associations and VAWC Members attended courses on building an inclusive economy.

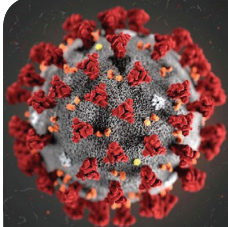
Conferences, workshops and co-op specific education plays a key role for members to make informed decisions on how to effectively run their businesses, innnovate and remain resilient.

Last year, VAWC:

- Presented three workshops to nearly 100 attendees, including
  - Being part of the Co-op Track at the Vermont Employee Ownership Conference presenting about [important topics for worker co-ops](#), and
  - Co-presented on how to [Start or Convert to a Co-op](#) with the Neighboring Food Co-op Association at the Northeast Organic Farming Association
- Hosted two interns to further research about the impact of VAWC Member Co-ops and our partners
- Awarded scholarships to members of VAWC Co-ops to a two-day Executive Education Course from the International Centre for Co-operative Management (ICCM) on building an inclusive co-op economy,
- Was featured along with other co-op associations in research that was published at ICCM's Working Paper Series and in NCBA CLUSA's Cooperative Business Journal, including cross sector collaboration and surplus distribution strategies
- Researched how housing co-operatives - rare in our area - could bring affordable housing and retain communities with the support of worker co-ops and co-op associations



(Above) VAWC Board members attended Education Courses on building an inclusive co-operative economy at the International Centre of Co-operative Management and (right) VAWC was featured [in an article](#) in National Cooperative Business Association CLUSA's Cooperative Business Journal, written by VAWC E.D.



## VAWC Members Resilience During the Pandemic

COVID's impact was and will continue to be severe. First and foremost, we are thankful that all worker/members in VAWC remained healthy. Additionally, through ingenuity, flexibility and mutual support, VAWC Members proved resilient and protected their members from other effects of the pandemic.

**Job Retention** According to the Bureau of Labor Statistics, Massachusetts had the highest rate of unemployment in the country at 16.1% in July 2020<sup>1</sup>. Hampshire and Franklin Counties experienced an unemployment increase from @3% in June of 2019<sup>2</sup> to 14.9% in June of 2020<sup>3</sup>. Though some VAWC Members reported some lost members, both the total employment and membership across all VAWC Members increased slightly from 2019 to 2020 by 3% and 4% respectively. Oxbow Design Build, for example, doubled its membership and nearly doubled its number of employees from 2019 to 2020.

**Revenue** VAWC member co-ops saw an average loss in revenue of 24.18%. The outlier was Pedal People who, from 2019 to 2020, saw a 13.6% increase in revenue, continuing its record of over ten years of annual revenue increases despite adverse conditions presented by the pandemic.

**Other Highlights** Half of VAWC's member co-ops were able to generate a surplus during 2020. Additionally, VAWC co-ops collectively made \$17,617.77 in interco-operative purchases during 2020, furthering economic multipliers in our movement and increasing the strength of the movement as a whole.

1. [https://www.bls.gov/opub/ted/2020/unemployment-rate-16-point-1-percent-in-massachusetts-4-point-5-percent-in-utah-in-july-2020.htm?view\\_full](https://www.bls.gov/opub/ted/2020/unemployment-rate-16-point-1-percent-in-massachusetts-4-point-5-percent-in-utah-in-july-2020.htm?view_full)

2. <https://data.argusleader.com/unemployment/hampshire-county-ma/CN250150000000/2019-june/>

3. <https://data.argusleader.com/unemployment/hampshire-county-ma/CN250150000000/2020-june/>

\*Thanks to VAWC Intern Theodore McCormick for research support for this piece

## VAWC 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 made up of 5% of members' surplus that is then invested in the co-op economy, used as a collateral pool for loan applications we want to support or to loan directly to members.

- VAWC's Fund has over \$24,000 invested in two co-op loan funds: Shared Capital Cooperative and the Cooperative Fund of New England
- Revenue from the Fund was used to support educational activities and scholarships and conference attendance
- We have a loan made directly to Collective Copies to enhance their wide-format color printing



## Financial Report

We had yet another year of successful execution of our member approved budget in 2020-2021. Even with dues and VAWC Fund payment forbearance, we had no gap in our budget by the end of the year. We continued to build our reserves and now have over half a year of operations saved.

We continue to be a majority member and dues funded. This is a principle of our co-op as we find member leadership in governance to be aided by member leadership in finances. 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

2021-2022 Budget	\$10,100
Total in VAWC Fund	\$28,802
Funds available to lend	\$24,490
Reserves	\$5,300

#### Expenses

Staff payroll & taxes	\$6,200
Printing, Phone and Web	\$300
Accounting & Bookkeeping	\$800
Marketing	\$800
Taxes	\$1,600
Memberships and Dues	\$550

#### Income

Member Dues and Income	\$4,400
Affiliates	\$1,300
Sponsorships	\$1,500
VAWC Fund Income	\$661
Development Partnerships	\$2,000

## Thanks to our Organizational Affiliates:

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

Boston Tech Collective  
Erbin Crowell  
Bob Gardner  
Grassroots Economic Organizing  
Green Mountain Spinnery  
International Centre for Co-operative Management  
Local Enterprise Assistance Fund  
Neighboring Food Co-op Association  
River Valley Co-op  
PV Squared  
Philippe Rigollaud  
Suzette Snow-Cobb

*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

Larisa Demos

*Green Mountain Spinnery*

Faith Seddon

*Collective Copies*

Carl Woodruff

*Oxbow Design Build*

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:



An investor in:



And a Federation Partner of:

