

Strategic Plan

THE BACKDROP

Las Vegas was one of the hardest-hit communities during the Great Recession of 2008. According to ABC, in November of 2009, Las Vegas' rate of foreclosure was an average of 2,000 buildings per month.¹ In 2013, Las Vegas continued to have the second highest foreclosure rate in the nation.² In 2014, Nevada had the 4th highest homeless population in the nation.³ Individuals and families unable to house themselves are chronically unsafe and undernourished. They lack the resources to build or participate in their communities.

According to the Bureau of Labor Statistics, in May 2014, the rate of unemployment in Las Vegas was 7.9%.⁴ But those who are employed still face increased inflation, stagnant wages, and growing wealth inequity. According to a report published by the Economic Policy Institute in February 2014, Nevada was one of four states where no one but the top 1% of wage earners experienced a rising income between 1979 and 2007.⁵ Nevada is one of eight

states with the largest gaps in wealth between the top 1% and the other 99% of residents.⁶ In 2011 in Nevada, the top 1% earned 29.5% more on average than the bottom 99%.⁷

Wealth consolidation means that the share of total economic growth (or loss) captured by the top 1% of Nevada's residents was a whopping 218.5%—higher than for any other state.⁸ Nevada has the fifth highest percentage of unequal distribution of wealth in the entire country.⁹ The average income of the top 1% in Nevada is \$1,091,021. The average income of the bottom 99% in Nevada is \$36,975.¹⁰

The public education system is also in dire need of reform. Nevada ranks 49th in the nation for rate of production of degrees and certificates.¹¹ We spend less on academic research and development than any other state in the union, even though our spending per pupil is higher than states where more research occurs.¹²

Marked by high unemployment, foreclosures, homelessness, wealth inequity, a looming water crisis, and a failing educational system, Las Vegas is beset by a seemingly insurmountable barrage of economic problems. But there is a powerful solution.

¹ Thomas Schulz. "Hard Times in the City of Sin." *ABC.com*. American Broadcasting Company, 2 Nov. 2009. Web. 17 July 2014.

² Steve Kanigher. "Nevada's Foreclosure Rate Second Highest in 2013." *8NewsNow.com*. KLAS-TV Channel 8, 15 Jan. 2014. Web. 17 July 2014.

³ Steve Kanigher. "Las Vegas has Fourth Highest Rate of Homelessness in U.S." Nevada's Foreclosure Rate Second Highest in 2013." *8NewsNow.com*. KLAS-TV Channel 8, 7 Feb. 2012. Web. 17 July 2014.

⁴ "Unemployment Rates for Metropolitan Areas." *Local Area Unemployment Statistics*. Bureau of Labor Statistics, May 2014. Web. 17 July 2014.

⁵ Estelle Sommeiller and Mark Price. "The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2011." *EPI.org*. Economic Policy Institute, 19 Feb. 2014. Web. 17 July 2014.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ Sommeiller and Price, Table 1. "Income Growth from 1979 to 2007, Overall and For the Top 1% and Bottom 99%, U.S. and By State and Region."

⁹ Sommeiller and Price, Table 4. "Ratio of Top 1% Income to Bottom 99% Income, U.S. and by State and Region, 2011."

¹⁰ *Ibid.*

¹¹ Education Alliance of Washoe County. "Crises in Nevada: Education and the Economy." *NVASB.org*. Nevada Association of School Boards, Jan. 2011. Web. 17 July 2014. p. 3.

¹² *Ibid.*, p. 4.



BEGINNINGS

Faced with these economic odds, several entrepreneurial individuals and small business entities have now banded together to invest in the Las Vegas community. They plan to

reinvigorate the local economy using an economic model that is tested globally but relatively new to this city: worker cooperatives.¹³ A worker cooperative is a for-profit business in which each worker owns the business equally. But that profit is distributed equally to workers instead of being hoarded by a handful of investors, directors, and shareholders. Thus, worker cooperatives are *democratically owned*. They are businesses in which one worker = one vote. Here is a chart showing some differences between worker co-ops and a very common business entity in the United States, the limited-liability corporation:

	LLC	Worker Cooperative Corporation
Governance	Flexible operating agreement may separate voting rights from capital investment. Investors or incubating nonprofits may have voting rights. May or may not elect Board of Directors.	Each worker owner purchases one voting share. No voting shares to non-workers. Voting shares elect Board of Directors.
Distribution of Income to Worker-Owners	Worker owners may receive wages and a share of earnings, or only a share of earnings, with weekly advances against projected earnings	Worker owners generally paid wages and a share of profits in proportion to hours worked or wages earned. Undistributed profit share kept in internal capital accounts.
Taxes	No federal tax on company earning. Each worker owner liable for tax on her share of annual earnings, whether or not distributed	Pays federal corporate income tax except on qualified patronage dividends to worker-owners. Worker-owners taxed on dividends received.

Source:

Grassroots Economic Organizing. <http://www.geo.coop/sites/default/files/chart.png>

Many cooperative business models exist. For instance, ACE Hardware and Best Western Hotels are *retail* cooperatives, where businesses achieve discounts by buying supplies in bulk.

Central to the *worker* cooperative model is the concept of workplace democracy. In a democratic workplace, workers labor in partnership for economic success. This business model does away with a pyramidal structure of labor management in which a boss at the top of the pyramid directs all the workers below. Rather, worker co-operatives operate more like rectangles. No one is “at the top.”

Decisions are made equally and workers share equally in profits.

Perhaps one of the most striking features of these businesses is how lucrative they can be. For instance, the Arizmendi Association of worker cooperative bakeries in Northern California earns over a million dollars a year—money that is directly reinvested back in the workers and, in turn, into their community.¹⁴

Large cooperatives may have a board of directors that votes via strict member proxy in order to facilitate greater efficiency and daily decision-making. And in some worker co-ops, workers elect to be members only without voting rights because the managerial task of running a workplace collectively is time-consuming.

But whatever the model, worker cooperatives guarantee 100% worker ownership. This results in a work environment that is partnering, less prone to harassment and discrimination, and less diverted by time-wasting workplace politics. In a worker cooperative, labor is the dignified product of self-directed *choice*, not the exploitative result of overseer-imposed obligation.

VALUES

Worker cooperatives are inherently democratic. They harness the energy of individuals working in tandem to create positive economic outcomes. In so doing, worker cooperatives empower local communities to *fix themselves*.

Because the worker co-op model is so new to the Las Vegas Valley, Las Vegas Worker Ownership Resources and Cooperative Services (LVWORCS) was founded in 2012 to fulfill the community’s need for a worker co-op incubator. Co-op incubators centralize and coordinate efforts between member co-ops to maximize business success. LVWORCS is inspired by communities like Mondragón, Spain, where worker cooperatives are so much a part of the local community and so well-coordinated that they form the basis for the region’s entire industry infrastructure and even for the local university system.

As in Mondragón, the values which drive LVWORCS’ economic goals are simple, but their impact is profound. We are committed to:

¹³ See also “What is a Worker Cooperative?” US Federation of Worker Cooperatives. Available online at: <http://www.usworker.coop/about/what-is-a-worker-coop>.

¹⁴ Joe Marraffino. “The Replication of Arizmendi Bakery: A Model of the Democratic Worker Cooperative Movement.” *GEO.coop*. Grassroots Economic Organizing. Web. 17 July 2014

See also the film *Shift Change* directed by Melissa Young and Mark Dworkin, in which Arizmendi is featured. <http://shiftchange.org/>

- transforming an out-of-work economy into a worker-owned economy that generates lasting economic opportunity, growth, and reinvested wealth
- educating the local community about cooperative principles
- motivating personal development, community empowerment, and local economic stability
- establishing local exchange for goods, fostering trade development, and promoting economic fairness
- fostering socially responsible business transparency
- creating locally-grown, organic food systems that are sustainable, abundant, and non-polluting
- harnessing community garden development (because everyone can grow their own food)

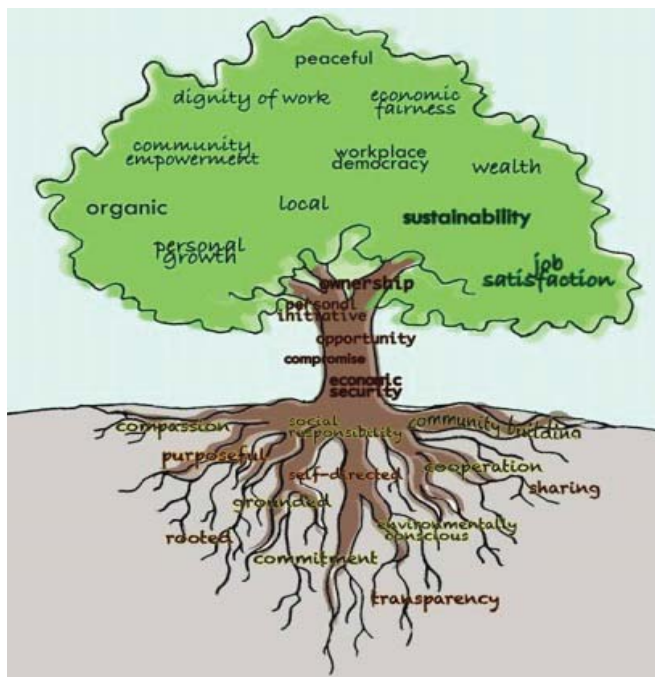
WHAT WE HAVE DONE SO FAR

LVWORCS is a registered student organization at the University of Nevada, Las Vegas. Over the past two years, we have grown into a community organization with 13 core members, over 300 community supporters, and numerous affiliates.

LVWORCS' first incubation project is the Southern Nevada Agricultural Cooperative or SNAC, a worker-owned food hub modeled after the Mondragón/Union Co-op Initiative and Our Harvest food hub in Cincinnati, Ohio.¹⁵ Marketing locally-grown produce and products allows us to cultivate food sovereignty,¹⁶ community health, and economic empowerment.

SNAC's business proposal emphasizes the importance of developing a local sustainable food chain. To that end, we have researched the local organic producers within a 200 mile radius of Las Vegas to organize as a food hub. SNAC intends to bring locally-produced produce into urban "food deserts," places in Las Vegas where access to fresh, reasonably-priced produce is scarce. A great example of a food desert in Las Vegas is the Downtown corridor near Fremont Street. This neighborhood supports tourism and the Arts District, but it is also home to residents of several halfway houses and Section 8 housing arrangements. These residents deserve something more than food from a convenience store as part of their daily meal plan.

Since worker-cooperatives are relatively unknown (especially in much of the Southwest), a large portion of our outreach is dedicated to educating people about worker-cooperative business models and how these businesses stabilize the local economy, sustain families, and strengthen communities. Our work with UNLV's faculty has led to increased media resources about worker cooperatives within the state university library system. To insure that materials are available for the general public as well as the UNLV community, we have submitted requests to Clark County Libraries to purchase publications on worker cooperatives and alternative business models. Currently there are no books or films on worker-cooperatives in the local library system.



In our first two years, we have also launched a composting cooperative and a catering enterprise that sells at UNLV special events.

COMMUNITY PARTNERSHIPS

Over the past two years, we have networked and established relationships with community organizations, local businesses, and national organizations such as:

- Arezmendi Association of Bakeries
- The Do Better Foundation
- Evergreen Cooperatives (Cleveland, OH)
- GMO-Free Nevada

¹⁵ See ourharvest.coop and www.cincinnatiunioncoop.org.

¹⁶ Food sovereignty is the principle that people should be able to define and control their own food systems rather than be beholden to corporate agricultural production in other states. See "What is Food Sovereignty?" *USFoodSovereigntyAlliance.org*. Web. 17 July 2014.

- Las Vegas Catholic Worker
- Network of Bay Area Worker Cooperatives
- Nevada Desert Experience (NDE)
- Nevadans for the Common Good (NCG)
- Reclaimed Art Supplyez
- Union Co-op Initiative (Cincinnati, OH)
- US Federation of Worker Cooperatives
- Various local farmers' markets around the Las Vegas Valley
- William S. Boyd School of Law

- Classroom presentations in the Sociology, English, and Philosophy Departments at UNLV

EVENT PARTICIPATION

LWVORCS members have also participated in many events on the UNLV campus, including:

- Student Involvement Fair (UNLV, 2012 & 2014)
- Invitation to panel speak at Rebels Go Green in partnership with documentary filmmaker Veronica Robledo (*We Occupy*¹⁷)
- Take Back the Tap (UNLV, 2013), a university initiative to ban bottled water
- Invitation to table sit at the 3rd Annual Public Interest Law Film Festival at Boyd Law School for featured film *Shift Change*
- Sponsored fundraisers to send our members to national and region worker cooperative conferences
- Western Workers Co-op Conference (Detroit, OR, 2013)
- Union-Co-Op Symposium featuring Mondragon USA and the United Steelworkers (Cincinnati, 2013)
- Festival of Communities/GreenFest (UNLV, 2014)
- Community outreach during First Friday
- Hosting Co-Op Film Nights to educate the community beyond UNLV



FIVE-YEAR PLAN

In the next five years, our goals are to generate wealth that circulates within the local economy and empowers the community through a network of worker self-directed enterprises.

YEAR 1

With the assistance of the Small Business and Non-Profit Law Clinic of UNLV, LWVORCS is in the process of gaining 501(c)(4) organization status so that our social welfare work to incubate worker-owned businesses may be considered tax exempt. Our primary goal now is to prepare for the origination of one or two cooperative businesses through which we can administer our vocational and cooperative education program.

We will continue to work toward starting a faculty committee in partnership with various UNLV departments to develop a worker cooperative curriculum and educate the student body about this powerful alternative economy tool. By the end of this year, we will develop one to two grant proposals for private foundations or government

¹⁷ See <https://www.youtube.com/watch?v=bNdMqrS97il>. Robledo's newest film about the activist community in Las Vegas will feature our panel discussion that took place at Rebels Go Green.

grants for job creation. Part of these grants will be used to sustain LVWORCS as an incubator. We will also start a media committee to create blogs, network on social media for community outreach, and obtain press coverage.

YEAR 2

In our second year, we plan to start a moving company, a home maintenance cooperative, and an open-air produce market. We will use this time to participate in and coordinate more fundraising concerts or gala events. We will continue to participate in cooperative conferences and host guest speakers on the UNLV campus. We will engage in programs between and with other co-operative groups and will network with micro-loan programs, such as the Jewish Free Loan Association. We will coordinate and participate in fundraising events. We will draft business plans for our different cooperative enterprise endeavors, and will apply and write for grants to help the development of our cooperatives.

YEAR 3

We hope to form a university faculty alliance to implement a worker-cooperative university curriculum. As part of that proposed curriculum, we will hold workshops and symposia train and educate university students on how to begin and operate worker co-ops. Implementing this curriculum requires strengthening our connection to other community organizations who can share their values with and bring their resources to our economic projects. The non-profit network we establish with other Southern Nevada businesses will, in turn, generate a “loconomy,” an economy in which local businesses partner to support each other. Our goal is to have full- and part-time worker-owners on payroll by Year 3 and to offer benefits and retirement plans for the workers involved in our enterprises. Community fundraising efforts will continue throughout this time.

YEAR 4

With a curricular program firmly established, LVWORCS plans to create an international exchange program with Mondragón University in Spain, the site of the most extensive worker cooperative development in the entire world. We will partner with other co-operative organizations to facilitate opening a Mondragón branch in Las Vegas as well as an outreach program to other colleges. We will endeavor to gain community recognition by hosting events that provide informational outreach about LVWORCS. This year will also be spent writing grants and business plans in order to continue incubating new

cooperatives while developing existing cooperatives. At this time, we will host fundraisers through community organizing in order to obtain the seed capital to start additional co-op enterprises.

YEAR 5

In this year, LVWORCS will continue to promote and educate the community through neighborhood canvassing, events, conferences, fundraisers, speakers, and media relations. We will continue to connect with more colleges and universities locally, nationally, and internationally. In so doing, we will increase our networking with co-ops in other countries to host more training and educational classes on starting and operating this exciting business model. This year will build upon the work of the previous year to begin to develop local internship programs and international student exchange programs to learn about co-operative business development both locally and globally.

ADVANTAGES

There are numerous business advantages of worker ownership:

1. Accessibility to more members of community - one person raising the money to open a business is more difficult than 10.
2. Reduced burn out because responsibilities of ownership are shared
3. No Crisis of Leadership – sole proprietorships always have a crisis of leadership at some point whereas worker cooperatives have a built in mechanism for membership change.
4. Worker Cooperatives typically last longer than sole proprietorships
5. Viability in more challenging economic environments because they can make adaptive changes
6. Greater job security because you own your job
7. More transparent decision making because democratically structured
8. Better Compensation, real ownership, and wealth for the workers makes for a more loyal and stable workforce.

Benefits to the community:

1. More job creation, getting people back to work.
2. Local owners pay taxes into the local tax pool funding education and infrastructure for the community.

3. Local owners buy products and services locally for their businesses locally stimulating other businesses.
4. Local owners spend their pay checks locally, helping other small businesses.
5. Local owners are more invested in the community - they buy a home and improve it, improving the neighborhoods they live in and employing locally.
6. They are better stewards of the local environment because they live there. Most worker cooperatives are green businesses.
7. Because they can, cooperators are more flexible with regard to child care and other policies affecting families. Healthy families make healthy communities.
8. Regions around the world with worker cooperative economies weather economic downturns better because wealth is retained and circulated in the local community

We are concerned to create greater local ownership of our communities; therefore we are advocating a small type that gives the most people access to ownership of small businesses. Businesses that are owned by external investors do not benefit the community in the way as locally owned and operated businesses.

Small businesses are the economic engine and create more jobs than large corporations. Employee ownership of small business creates a greater sense of ownership in the business but also in the community.

CONTACT INFORMATION

LVWORCS – Las Vegas Worker Ownership Resources and Cooperative Services
 2510 E Sunset Rd 5-473
 Las Vegas NV 89120

702-280-4754

702coop@gmail.com

Web Site:

<http://lvworcs.us>

<https://www.facebook.com/groups/LVWORCS>

<http://www.meetup.com/LVWORCS>



BOARD MEMBERS

Dr Lisabeth Ryder former small business owner and former lecturer at California State University, Long Beach.
lisyder@gmail.com Cell; 510-326-2644

Jeff Franklin – former featherweight boxing champion National Boxing Association and former small business owner
jeffwon@gmail.com Cell: 702-372-5971

Hiedi Franklin Engineer and former small business owner
hiedifranklin@yahoo.com Cell: 702-354-0570

Shannon Gould – UNLV Alumni and Community Activist
Goulds3@unlv.nevada.edu 702-280-4754

Kaleb Hoeffgen – UNLV Student and Student Organizer
Kaleb.Hoeffgen@gmail.com Cell: 702-762-8573

Lou Peress – Las Vegas Real Estate Broker and small business owners
Loupp66@gmail.com Cell: 702-875-3070

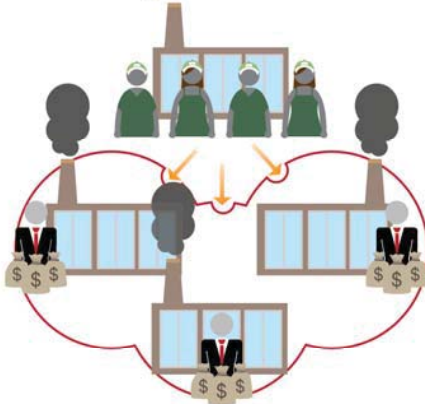
Robert Majors – Catholic Worker AND Community Activist
rmajors@mail.com Cell: 702-742-3101

Jonas Rand – UNLV Student and Student Organizer
Randj1@unlv.nevada.edu Call: 702-884-1327

Cooperative Development in Low-Income Communities

Five strategies for building democratic ownership and community wealth

Industry Transformation



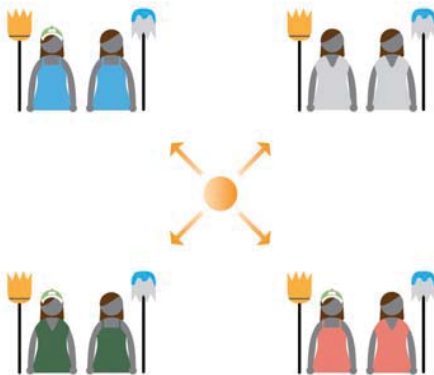
A hybrid approach combining the creation of model cooperatives with policy work and organizing to transform working conditions and standards across a single industry.

Examples:
Cooperative Home Care Associates, Restaurant Opportunities Center

Single Industry Replication

This franchise-like strategy creates a network of multiple linked cooperatives in a single sector, with the developer providing a core source of industry expertise and cooperative best practices.

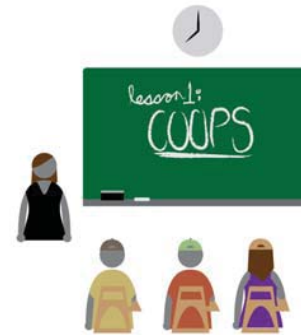
Examples:
WAGES, Arizmendi Bakeries



Co-op Academies

An approach bringing together cohorts of teams in community-based classrooms to learn business skills and cooperative models, with the goal of launching new worker-owned businesses after graduation.

Examples:
Green Worker Cooperatives' Co-op Academy, Cooperation Texas' Co-op Business Institute



Placed-based Clusters

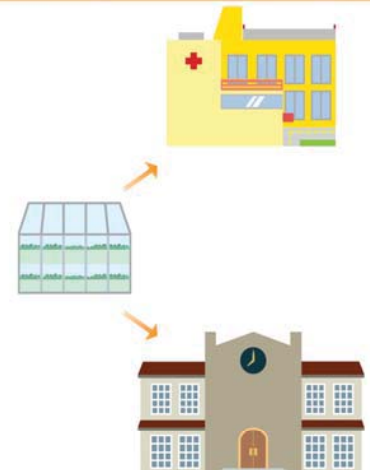
A strategy focusing on developing multiple co-ops in diverse industries, but located in a single geographic area, with the goal of creating good jobs and strengthening the local economy.

Examples:
Evergreen Cooperatives, Center for Family Life

Anchor Institution Engagement

This strategy builds on the place-based cluster approach by connecting the cooperatives with anchor institutions like non-profit hospitals and universities, who invest in local economic development by purchasing from the co-ops.

Examples:
Evergreen Cooperatives, Wellspring Collaborative



The Arizmendi Association

