

BUILDING *the*  
INCLUSIVE  
ECONOMY

Report **1**  
Broad-Based  
Ownership Models

Report **2**  
Cooperative Growth  
Ecosystems

Report **3**  
Strategies for Financing  
the New Economy

# BROAD-BASED OWNERSHIP MODELS

## As Tools for JOB CREATION & COMMUNITY DEVELOPMENT

A guide to how community development is using broad-based ownership models to help low- and moderate-income communities.

Marjorie Kelly, Steve Dubb, and Violeta Duncan *for The Democracy Collaborative*



**Building the Inclusive Economy series:** Through three groundbreaking reports funded by Citi Community Development, *Building the Inclusive Economy* series sets out new, cutting-edge economic development models for city leaders and community development practitioners interested in embedding equity, community wealth, and sustainability into their local economic growth plan. This series, authored by The Democracy Collaborative, The Democracy at Work Institute, and Project Equity, lays out key tools and building blocks for equitable local economic growth where all residents are able to maximize opportunities, thereby expanding urban economies where all can meaningfully participate and benefit.

**The Democracy Collaborative:** Author of this report, this nonprofit organization, founded in 2000, is a national leader in equitable, inclusive, and sustainable development. Its work in community wealth building encompasses a wide range of advisory, research, policy development, and field building activities aiding the work of on-the-ground practitioners working to improve the economic prospects of low- and moderate-income individuals. Its mission is to help shift the prevailing paradigm of economic development—and of the economy as a whole—toward a new system that is place-based, inclusive, collaborative, and ecologically sustainable.

## AUTHORS

**Marjorie Kelly** [mkelly@democracycollaborative.org] is Executive Vice President and Senior Fellow with The Democracy Collaborative, where she oversees a wide variety of consulting and research projects, and serves as a member of the executive team. She is the author, most recently, of *Owning Our Future: The Emerging Ownership Revolution* [Berrett-Koehler, 2012], winner of a Silver Nautilus Award. She also authored *The Divine Right of Capital*, named one of the Ten Best Business Books of 2001 by *Library Journal*. Kelly was co-founder and, for twenty years, President of *Business Ethics* magazine.

**Steve Dubb** [steve@democracycollaborative.org] is Director of Special Projects and Senior Advisor to the President at The Democracy Collaborative, where he has led numerous research and advisory projects. Current projects include the Collaborative's Anchor Dashboard Learning Cohort as well as the promotion and development of community wealth building policy and legislation. He regularly represents the Collaborative at public events and conferences, and was the lead author of *Building Wealth: The New Asset-Based Approach to Solving Social and Economic Problems*, published by The Aspen Institute.

**Violeta Duncan** [vduncan@democracycollaborative.org] is an Associate in Community Wealth Building Research and Strategy at The Democracy Collaborative, where she participates in a variety of research and consulting projects. She holds an undergraduate degree from Washington University in St. Louis and a master's degree in urban planning from Columbia University, where she concentrated on participatory planning and local procurement practices in Kenya's mobile-technology industry. Duncan assists in the production of the monthly Community-Wealth.org newsletter and maintains the Community-Wealth.org blog.

**Published January 2016. © 2016 by The Democracy Collaborative.**

This work is licensed under the Creative Commons Noncommercial Attribution License: [http://creativecommons.org/licenses/by-nc/3.0/deed.en\\_US](http://creativecommons.org/licenses/by-nc/3.0/deed.en_US)

Layout and cover design by Kate Khatib/Owl Grammar Press. Interior graphics by Benzamin Yi.



The Democracy Collaborative  
6930 Carroll Avenue, Suite 501  
Takoma Park, MD 20912  
[www.DemocracyCollaborative.org](http://www.DemocracyCollaborative.org)

# Executive Summary

As cities wrestle with the growing challenge of wealth inequality, more and more leaders are looking to broad-based ownership models as tools to create jobs and build community wealth. These models are highly effective, with a positive impact for low- and moderate-income individuals and communities. This report looks at six such models, with examples of best practices, and explores how these models can be used in community economic development.



## Employee stock ownership plan companies

**(ESOPs):** Workers at ESOPs make 5 to 12 percent more in wages than at traditionally owned companies. Studies have found that workers at ESOPs have retirement accounts that are 2.5 times larger, and in the recent recession were one-fourth as likely to be laid off. Over a ten-year period, ESOPs showed 25 percent higher job growth than non-ESOP companies.<sup>1</sup> One example is Recology in San Francisco, offering services in waste collection, recycling, and composting. Recology has more than 2,500 employees and revenues of over \$500 million, and is 100 percent owned by an ESOP. Facility workers earn \$20 to \$29 per hour, and truck drivers make \$50,000 or more annually.<sup>2</sup>



**Worker cooperatives:** Recent years have seen a surge of interest in worker cooperatives as a way to create good jobs in marginalized communities. Worker cooperatives are found in many lines of business, including fair trade coffee, printing, copy shops, groceries, bookstores, home construction, taxis, bakeries, and health care. By becoming part of the ProSpera network of worker-owned cooperatives of house cleaners in the Bay Area, where most worker-owners are Latina women, workers raise their median income from \$24,000 to \$40,989.<sup>3</sup> The largest worker cooperative in the United States is Cooperative Home Care

Associates [CHCA] in the South Bronx, which provides quality home care at living wages, with employees who are mostly women of color. The firm generates \$60 million a year in revenue and employs over 2,300 people. Committed to workforce development, CHCA provides free home health aide training that feeds into employment through CHCA for about 600 low-income and unemployed women annually.<sup>4</sup>

## Community development financial institutions

**(CDFIs):** In the recent recession, the nation's 958 CDFIs substantially increased their lending activity, even as they concentrated that lending in the most distressed areas. CDFIs also proved their value to investors, offering steady (if modest) returns in 2008-2009, as returns from other investment strategies collapsed. A leading example is Chicago Community Loan Fund [CCLF], which has more than \$138 million in total capital under management; only one of its 130 outstanding loans has gone into default. CCLF has helped create 2,600 jobs. For its innovations in energy efficiency lending, small business lending, and other programs, CCLF earned the 2009 MacArthur Award for Creative and Effective Institutions.<sup>5</sup>



**Social enterprises:** These enterprises, mostly owned by nonprofits, form a growing movement. The Social Enterprise Alliance has more than 1,000 members




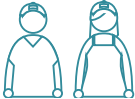




and sixteen chapters representing social enterprises in forty-three states. Among various social purposes, social enterprises can be used to train and employ people with barriers to employment. One example is DC Central Kitchen, which offers culinary training and employment to a population consisting largely of formerly incarcerated individuals. Among culinary graduates, the average prison recidivism rate is only 2 percent, far lower than the typical rate of 50 percent or more. The enterprise buys from local growers, recovering over 737,000 pounds of food “seconds” in 2013. Its catering business helped fund the nonprofit’s anti-hunger and job training programs.<sup>6</sup>

prominent public power company is the Los Angeles Department of Water and Power, which had 2013 revenues of more than \$3 billion.<sup>8</sup>

**Emerging hybrids:** New hybrids include benefit corporations, which are companies that commit to creating public benefit; and low-profit limited liability companies (L3Cs), which are social mission companies designed to help attract program-related investments from foundations. There are also now more than 1,400 B Corporations, which have passed B Lab’s certification test examining their beneficial impact. At least 60 percent of these companies are in urban areas. One example is Next Street, a firm offering financial advisory services to urban small businesses, nonprofits, and cities. More than half of the businesses it has served are located in low- to moderate-income communities, and 75 percent are women- or minority-owned. For community developers, these new business forms can not only generate jobs, but also help create community-based solutions to social and environmental challenges.<sup>9</sup>



**Municipal ownership:** There are more than 2,000 publicly owned electric companies in the United States, with total revenues in 2013 of \$56 billion. Public power provides electricity to 47 million people. When electric utilities are municipally owned, users enjoy lower rates. In 2014, the American Public Power Association reported that residential users paid 13 percent less for electricity than users of investor-owned utilities.<sup>7</sup> One

Types of broad-based ownership	Definition	Uses
<b>ESOPs</b>	 Employee stock ownership plans allow owners to sell to employees with large tax savings.	Enable employees in large firms (>30 workers) to buy companies from retiring owners.
<b>COOPERATIVES</b>	 Owned by the people served; includes worker and consumer cooperatives, and credit unions.	Used for grocery stores in food deserts, cleaning cooperatives, and other industries.
<b>CDFIs</b>	 Community development financial institutions provide financial services to low-income people.	Help people purchase their first home or start or grow a locally based business.
<b>SOCIAL ENTERPRISE</b>	 Enterprises using business strategies for social mission, mostly nonprofit-owned.	Employ and build career paths for those with employment barriers (e.g., the formerly incarcerated).
<b>MUNICIPAL ENTERPRISE</b>	 City-owned enterprises, such as electric and water utilities, waste management, and airports.	Can support local economic development in recycling, green energy, and insulation.
<b>HYBRIDS</b>	 Benefit corporations and L3Cs are ways companies embed a commitment to social mission.	Likely to be reliable partners for socially responsible economic development.

Economic inequality in the United States has become so evident that it is garnering attention from unexpected persons—from the pope to presidential candidates in both political parties.

## INTRODUCTION

The Federal Reserve has also weighed in. For example, Chair Janet Yellen began a talk at the Bank's 2014 Economic Opportunity and Inequality Conference by noting that "the distribution of wealth and income in the United States has been widening more or less

steadily for several decades, to a greater extent than in most advanced countries."<sup>10</sup> Even Standard & Poor's has spoken up. In a move unusual for a credit rating agency, it reported in 2014 that "income inequality in the U.S. is dampening GDP growth."<sup>11</sup> City leaders and community development practitioners are asking with great urgency: How can more and better jobs for low- and moderate-income people be created? As the search for solutions intensifies, more leaders are looking to broad-based ownership models as tools to create jobs and build community wealth. These models are poised for substantially greater use. That means there is a growing need for them to be better understood. Helping build that understanding is the aim of this guidebook.

### Benefits of broad-based ownership

Broad-based ownership models are highly effective, and recognition of their impact is growing. To begin with, they can lead to higher pay for workers. Prospera, for example, has incubated a network of worker-owned cooperatives in the Bay Area, where most worker-owners are Latina women working in housecleaning. By joining the Prospera worker cooperatives, these workers raised their median income from \$24,000 to \$40,989.<sup>12</sup> Employee stock ownership plans are another model of worker ownership, where workers also enjoy higher pay—on average, 5 to 12 percent more in wages than at comparable traditionally owned companies. Studies have found that employees at ESOPs have retirement accounts that are 2.5 times larger than those at other companies. And in the recent recession, they were one-fourth as likely to be laid off.<sup>13</sup>

Another form of broad-based ownership is direct ownership by the community, through municipal ownership. When electric utilities are municipally owned, users enjoy lower rates. In 2014, residential users paid 13 percent less for electricity than users of

investor-owned utilities.<sup>14</sup> That means more dollars in the household budgets of low-income families, and more income for city budgets. As the American Public Power Association put it, public power utilities “measure success by how much money stays within the community through low rates and contributions to the city budget, not how much goes out to stockholders across the country and around the world.”<sup>15</sup>

Since most employees live where they work, employee-owned companies are, in large measure, locally owned. So are municipally owned companies. This local ownership creates an additional community benefit through the recirculation of local dollars. Many economic studies over the last decade have shown that about three times as much money per dollar of revenue is returned to the local economy by enterprises that are locally owned.<sup>16</sup>

Also beneficial to the community are CDFIs, which are financial institutions that exist to serve those whose financial needs are unmet by traditional banks. According to a recent study by the University of New Hampshire, in the face of the recession and “cataclysmic changes in the financial environment,” the nation’s 958 CDFIs substantially increased their lending activity, even as they concentrated that lending in the nation’s most distressed areas.<sup>17</sup> During the financial crisis of 2008–2009, CDFI loan funds proved their value to investors, as well. As the value of other investments was collapsing, investments in CDFIs offered steady (if modest) returns.<sup>18</sup> Former Federal Reserve Chair Ben Bernanke hailed the role of CDFIs, noting that as community-based organizations they “can play critical roles ... because of their detailed knowledge of neighborhoods’ economic needs and strengths and because of their commitment to their mission of community development.”<sup>19</sup>

## Powerful new uses

---

These various models of broad-based ownership are being used in powerful new ways by cities and community development practitioners. A few examples of recent developments:

- ▶ **New York City has recently allocated millions to develop worker cooperatives: \$1.2 million for 2014–2015 and \$2.1 million for 2015–2016.** A new law also requires the City’s Small Business Services office to track the level of municipal contracts awarded to cooperatives. These moves are part of Mayor Bill de Blasio’s quest to address economic inequality.<sup>20</sup>
- ▶ **The City of Oakland, California, supported a year-long project called the Bay Area Blueprint, to foster new worker cooperatives and transitions of existing companies to employee ownership.** In September 2015, the City Council passed a resolution in support of worker co-ops, and a group of co-op developers and advocates is working with the City to institutionalize support for these models as an antidote to rising inequality.<sup>21</sup> The growing movement to transition companies to employee ownership is poised to expand as millions of Baby Boom entrepreneurs retire and sell their companies.

► **In Austin, Texas—where Austin Energy has long been city-owned and has contributed tens of millions of dollars to the general fund—the city is now creating the [re]Manufacturing Hub.** It will be city owned, and will invite many private companies to locate there, running operations that will transform recyclable materials into new products. These are the kinds of jobs that likely will benefit low- and moderate-income individuals; the city is using municipal ownership of the Hub to help jump-start this new industry cluster.<sup>22</sup>

► **The City of Denver has helped finance the launch of the new Westwood Food Cooperative, working with the nonprofit Re:Vision.** That nonprofit runs a community urban farm program, in which hundreds of families—many of them immigrants—produce food in backyard gardens, and will be able to sell the surplus for extra income through the food cooperative. As the Denver Office of Economic Development explained, “This community wealth building approach is truly unique as it creates a for-profit business, owned by the people growing the food, and then shares the profits with the community it serves.”<sup>23</sup>

► **The City of Seattle is partnering with a local CDFI, Craft3—formerly ShoreBank Pacific—in its Community Power Works program, helping residents finance home energy upgrades.** Community Power Works is a one-stop shop for energy-efficiency upgrades, including assessments, financing assistance, and connections to local contractors. Craft3 offers low-interest loans from \$1,000 to \$50,000, which are paid back in installments on energy bills. So far, nearly 3,000 homeowners have taken out loans, providing nearly \$40 million dollars of work to local energy contractors. Those contractors have employed more than 700 workers, mostly in jobs with relatively low barriers to entry.<sup>24</sup>

► **The City of Minneapolis is working with a local social enterprise through its Green Deconstruction Pilot Project, begun in 2014 as part of Minneapolis Mayor Betsy Hodges’s Zero Waste Initiative.** The City is partnering with the nonprofit Better Futures Minnesota, which pays the formerly incarcerated to deconstruct houses and salvage materials—diverting materials from the landfill, and creating jobs for people with barriers to employment.<sup>25</sup>

In these examples, we see cooperatives, social enterprises, CDFIs, and municipal enterprises being used as tools to benefit low- and moderate-income individuals. Also valuable are the models of emerging hybrids, such as benefit corporations and low-profit, limited liability companies [L3Cs]. To help practitioners learn how to deploy these various models for job creation and community wealth building, this paper explores six kinds of broad-based ownership.

This report is designed as a guidebook. In each of six sections, we offer definitions and overviews, discuss how these models build community and worker wealth, look at best practice examples, show strategies for using these models in community economic development, suggest possible next steps, and outline key resources to learn more.

# Substantial in size and future potential

Broad-based ownership models are a larger part of the U.S. economy than many people realize. Cooperatives, for example, can grow to significant scale. The largest worker-owned cooperative in the nation is Cooperative Home Care Associates in the Bronx, which has revenues of \$60 million and employs over 2,300 workers—most of them women of color. This is a company that, because of its ownership design, considers the well-being of employees integral to its highest priorities.<sup>26</sup>

Consumer and producer co-ops can be larger still. REI, a consumer co-op, has more than 5.5 million member-owners and earned more than \$2.2 billion in revenue in 2014.<sup>27</sup> Land O'Lakes, a producer co-op, had over \$15 billion in revenue in 2014.<sup>28</sup> About 30 percent of total U.S. agricultural production is marketed by cooperatives. Outside of agriculture, two prominent producer co-ops are Ace Hardware (owned by local hardware stores) and the Associated Press (owned by local newspapers).<sup>29</sup> According to the most recent comprehensive study—done in 2009 by the University of Wisconsin—the U.S. has nearly 30,000 cooperatives, holding total assets of more than \$3 trillion.<sup>30</sup>

ESOPs also have a substantial presence in the U.S. economy. Currently, there are over 6,900 ESOPs and equivalent plans, employing more than 10.6 million people. In 2012, ESOP employee-ownership shares nationally were valued at an estimated \$1.1 trillion.<sup>31</sup> The majority of ESOPs are small or medium in size, typically with 100 to 500 employees, but some are a good deal larger. The largest, Florida-based Publix supermarkets, has over 179,000 employee owners.<sup>32</sup> When employees own a company, they have the opportunity to not only earn wages but also share in the profits the enterprise generates.

SUBSTANTIAL  
COMMUNITY-  
BASED ASSETS:



**ESOPs:** In 2012, the 6,908 businesses with employee stock ownership plans had over 10.6 million employee-owners and \$1.1 trillion in total assets.

Source: "A Statistical Profile of Employee Ownership: Estimated Number of ESOP Plans, Number of Participants, and Plan Asset Value [2012 data]." NCEO, March 2015.



**CDFIs:** Of the 958 CDFIs in the United States, in 2014, 880 CDFIs held assets totaling more than \$64.3 billion.

Source: Forum for Sustainable and Responsible Investment, "2014 Report on Sustainable, Responsible, and Impact Investing Trends," USSIF, 2014.



Publicly owned utilities are found in more than 2,000 communities nationwide, serving more than 47 million people. Revenues in 2013 from these utilities totaled an impressive \$56 billion.<sup>33</sup> The largest of these utilities is the Los Angeles Department of Water and Power, which serves more than 1.5 million people and in 2013 generated more than \$3 billion in revenues. The New York Power Authority that same year generated revenues of more than \$2 billion.<sup>34</sup>

There is growing interest today in spreading and scaling up models like these. Food co-ops, for instance, are increasingly being formed to supply groceries in food deserts. A second area seeing a wave of interest is worker cooperatives, with new institutions and coalitions springing up to advocate for and develop them—especially among low-income communities and people of color. Communities are also increasingly interested in taking control of energy. One example is Sonoma County, California, where a group of cities and towns came together to form a new locally controlled power provider that provides renewable energy purchasing options to customers, at a 20 percent discount off regular rates.<sup>35</sup>

One large area of potential lies with using employee ownership as a retirement transition vehicle for the coming large wave of Baby Boom company founders. In such a transition, founders enjoy substantial tax benefits by selling their company to employees, and employees gain access to an asset [business ownership] that can provide greater long-term wealth and retirement security. One estimate says that every year, 10,000 to 20,000 businesses owned at least in part by Baby Boomers will be ripe for employee ownership as owners retire, yet only 14 percent of founders plan to pass their company on to their families. In the next fifteen years, potentially 150,000 to 300,000 new worker-owned businesses could be created. Other commentators have called the looming transfer of Boomer businesses “the \$10 Trillion Opportunity.”<sup>36</sup> This is a massive opportunity to transfer wealth to low- and moderate-income workers.



**COOPERATIVES:** The University of Wisconsin’s Center for Cooperatives reported in 2009 that there were nearly 30,000 cooperatives owning total assets of more than \$3 trillion.

Source: University of Wisconsin Center for Cooperatives, “Research on the Economic Impact of Cooperatives,” UWCC, 2009.



**PUBLICLY OWNED UTILITIES:** As of 2013, electrical revenues at the nation’s more than 2,000 publicly owned utilities totaled \$56 billion. These utilities provide power to more than 47 million residents.

Source: American Public Power Association, “Statement on the first public meeting of the Quadrennial Energy Review on: ‘Enhancing Infrastructure Resiliency,’” April 11, 2014.

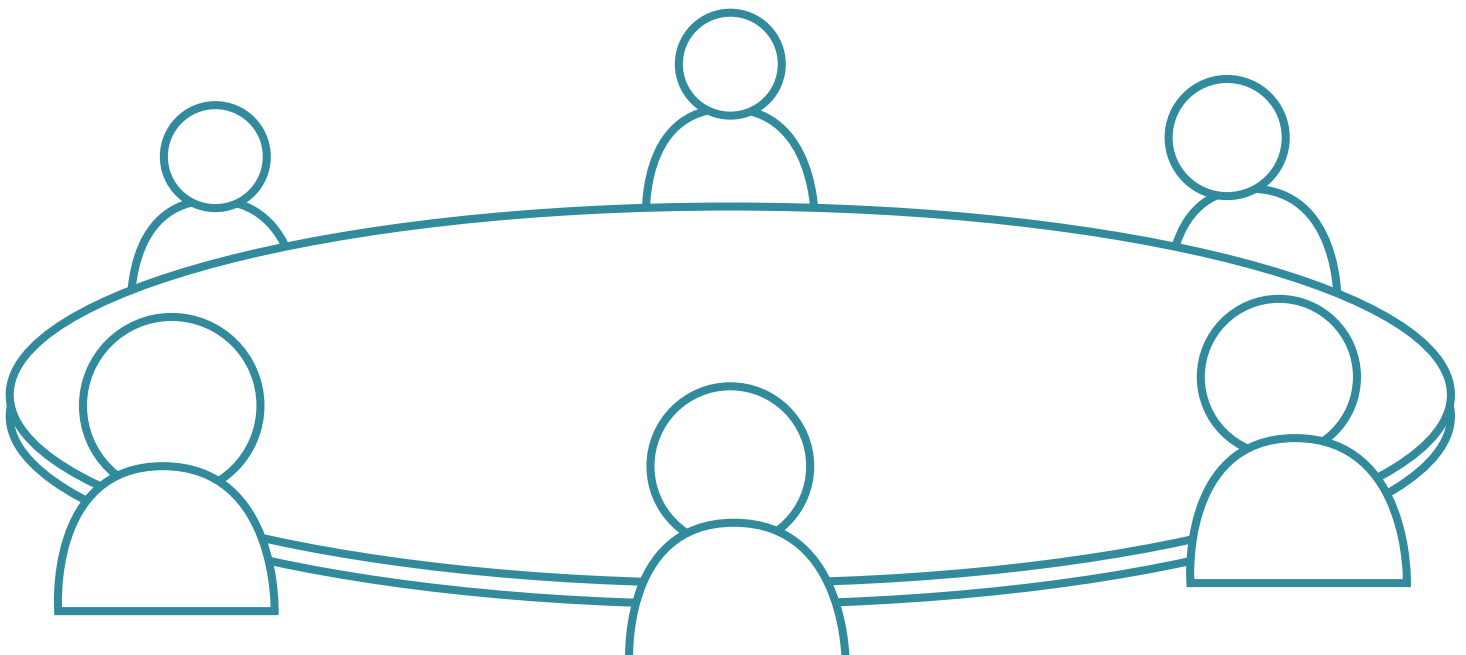
Employee stock ownership plan companies (ESOPs) are for-profit entities that are wholly or partially owned by employees through a trust, from which employees cash out upon retiring or leaving the firm. Owners of companies receive a substantial reduction in capital gains taxes, and other potential tax advantages, for selling to an ESOP.

The ESOP is a powerful mechanism for transferring companies to employee ownership, thus maintaining jobs in the community and helping alleviate inequality. Employees at ESOPs make on average 5 to 12 percent more in wages than workers at comparable traditional firms. Employees at ESOPs also have retirement accounts that studies have found to be on average nearly 2.5 times larger. And ESOP employees are one-fourth as likely to be laid off.<sup>37</sup>

## Employee stock ownership plan companies

---

With the ongoing Baby Boom retirement wave, hundreds of businesses may be primed for transfer to employee ownership, and the ESOP mechanism was designed precisely to facilitate such transfers. It gives substantial tax benefits to owners who sell to employees, with owners who transfer 30 percent or more of their stock to employees able to defer capital gains—through a “1042 rollover”—when they use proceeds from a company sale to purchase stock.<sup>38</sup>



In the state of Ohio, the Ohio Employee Ownership Center estimates that in the past twenty-five years it has succeeded in preserving 15,000 jobs using the ESOP approach, at an estimated cost of \$772 per job. Notably, the budget of the Ohio Employee Ownership Center has always been modest, with state support never exceeding \$1 million a year. This indicates that policy support for such centers is a low-cost policy intervention that could assist both cities and states in preserving jobs and reducing inequality.<sup>39</sup>

Costs can be substantial to set up and administer an ESOP [estimated set-up cost is \$50,000, and subsequent annual independent valuations are required]. For this reason, small companies [defining “small” here to mean roughly 30 employees or fewer] rarely choose the ESOP form.<sup>40</sup> In the ESOP model, employees do not hold shares directly; they are held through a trust, governed by a trustee. ESOPs are generally financed by the company borrowing on employees’ behalf, with the loan paid back over time from company profits.

In 30 to 40 percent of these enterprises, the ESOP owns 100 percent of company stock.<sup>41</sup> Most ESOP firms are highly efficient and profitable. An emerging best practice is for employees to have greater say in governance and management, which has been shown to make ESOPs more productive. Douglas Kruse, a Rutgers economist, has found that “productivity improves by an extra 4-5 percent on average in the year an ESOP is adopted, and the higher productivity level is maintained in subsequent years. This one-time jump is more than twice the average annual productivity growth of the U.S. economy over the past 20 years.”<sup>42</sup>

## How ESOPs build worker & community wealth

---

- ▶ **Allow employees to accumulate wealth through ownership shares** held in their retirement accounts. Also, employee owners at ESOPs earn more in wages than their counterparts at traditional firms.
- ▶ **Enhance job security.** ESOPs are far less likely than comparable firms to lay off workers in economic downturns.<sup>43</sup>
- ▶ **Stabilize the economic base of local communities.** Because ownership is typically vested in the workers who reside in the community, firm relocations are less likely.
- ▶ **Provide a mechanism for local owners to cash out when they retire,** while ensuring their businesses remain financially viable and rooted locally.
- ▶ **Provide greater opportunities for workers to participate in decision-making processes,** allowing for greater worker and community control of local assets.

Aspiring to “zero waste,” Recology is a unionized, 100 percent employee-owned company that fosters sustainable solutions and regularly partners with communities to prevent at least 50 percent of refuse from going to landfills. This San Francisco-based company employs more than 3,000 people and boasts revenues greater than \$800 million. Recology also runs an artist-in-residence program where artwork is created from the waste stream.

Photo c/o Recology



## Leading Examples of ESOPs

### RECOLOGY, SAN FRANCISCO

One prominent business with an ESOP is Recology, the largest employee-owned company in the resource recovery industry, offering services in waste collection, recycling, composting, transfer stations, and landfill operation. Based in San Francisco, Recology has more than 3,000 employee-owners and revenues of over \$800 million. It is 100 percent employee owned, a move, according to the company, taken “to fuel our drive toward excellent service.” The company says that being employee owned allows it to focus on the long term, and strengthens collaboration by tying employee rewards to company success. The company provides full benefits and good wages to workers: in San Francisco, facility workers earn \$20 to \$29 per hour, and truck drivers make \$50,000 or more annually.<sup>44</sup> With an aspirational goal of zero waste, the company partners with communities to prevent at least 50 percent of waste from going to landfills. Employee-owners of Recology are creative in their search for how to reuse waste. For example, the company runs an artist-in-residence program where artwork is created from the waste stream. Recology owns more than forty subsidiaries serving municipalities and businesses, reaching close to 700,000 households and 95,000 commercial customers in California, Nevada, Oregon, and Washington. In service to the communities in which it operates, Recology hires locally and offers community development programs in education and the arts. Recology is a model that might be replicated in other cities, with city procurement serving as the anchor buyer as a way to create an employee-owned company.<sup>45</sup>

## CH2M HILL, INC., ENGLEWOOD, COLORADO

An example of the scale possible with employee ownership is CH2M Hill, a 100-percent employee-owned company in the fields of engineering, design-build, and operations management, with 26,000 employees and 2014 revenues of \$5.4 billion. Although its headquarters are located in Englewood, Colorado, the company has a global presence, including 104 offices in the U.S., in cities such as Boston, Chicago, Los Angeles, and New York. The company has won numerous awards for its environmental sustainability work and for its positive employee work environment. In 2014, *Engineering News-Record* named CH2M Hill to its Top 100 Green Buildings Design Firms and to its Top 200 Environmental Firms Sourcebook. It was also named to *Fortune's* 100 Best Companies to Work For list four times. According to *Fortune*, the most common hourly job at CH2M Hill is general maintenance technician, which in 2013 paid an average salary of \$57,038.<sup>46</sup>

## ACADIAN, LAFAYETTE, LOUISIANA

Another leading business with an ESOP is Louisiana-based Acadian, the nation's largest privately held paramedic firm. Acadian began in 1971 as an ambulance service, created in response to a crisis after communities across the country found themselves without emergency medical transportation due to changes in federal regulations. Over the years, Acadian expanded into medical transportation, safety management, security systems, and online EMS education, fields in which it owns six subsidiaries. Today, the company owns more than 400 ambulances, helicopters, and aircraft. It is a majority employee-owned company with more than 4,000 employees. Its stated mission is to improve the lives of patients, customers, and employees through its innovative spirit and diverse services. That spirit was seen in action in New Orleans in the wake of Hurricane Katrina, when the company poured resources into medical evacuation efforts, not knowing if it would ever be reimbursed—a move that won the company the James O. Page Leadership Award for heroism.<sup>47</sup>

## Strategies for Community Economic Development

The Acadian and Recology examples point to the potential for combining anchor procurement and employee ownership. For example, local nonprofit hospitals might be enlisted as partners in creating employee-owned ambulance services, as part of their commitment to community service. City governments or large anchor institutions might procure waste collection and resource recovery services from employee-owned firms. ESOPs have a potentially large role to play in transitioning companies owned by Baby Boomers to employees, which could help lessen wealth inequality. This could be done on a city-by-city basis. A handful of pilot cities

could each put together local collaboratives of the key players needed to build awareness; these could offer technical assistance and financing for employee ownership transitions. Once a successful model was created in a few cities, it could be widely replicated. This could enable nonprofits, banks, loan funds, business schools, and city economic development to work together to create a powerful new model for inclusive cities. A national network to enable a large-scale transition to employee ownership is being created, with The Democracy Collaborative and the Democracy at Work Institute playing leading roles.<sup>48</sup>

# Using anchor procurement to support worker ownership

## THE EVERGREEN COOPERATIVES OF CLEVELAND

The Evergreen Cooperative Initiative, widely known as the “Cleveland Model,” is designed to create new jobs, specifically new employee-owned, worker-cooperative businesses. The goal is to create a network of enterprises that are tailored to meet the needs of anchor institutions (such as hospitals and universities), using large contracts from these institutions to help jump-start company revenues.

The companies then recruit and train residents from disinvested neighborhoods to work for and own these new businesses. As of 2014, an external Cleveland State evaluation found that the three co-ops combined had a yearly payroll of about \$1.9 million, and employed around 84 people. According to internal Evergreen figures, this employment total has since increased to 120 people.<sup>49</sup>

The three Evergreen Cooperatives are:

**Evergreen Energy Solutions**, an LED lighting retrofit and institutional solar energy installer that also does weatherization and related construction contracting. In 2015, it ranked number 48 on *Fortune’s* list of the 100 Fastest-Growing Inner City Businesses.<sup>50</sup>

**Evergreen Cooperative Laundry**, a green, institutional-scale health care laundry service, with the capacity to clean 10 million pounds of health care linen annually.

**Green City Growers**, which operates a 3.25-acre greenhouse, with the capacity to grow 3 million heads of lettuce and hundreds of thousands of pounds of herbs annually.

These enterprises are supported by a central nonprofit holding company, Evergreen Cooperative Corporation, which provides back-office and management services and invests in the development of additional cooperatives.

## POTENTIAL ACTION STEPS

- ▶ Work with the local Chamber of Commerce, or networks of progressive businesses such as local affiliates of the Business Alliance for Local Living Economies, to identify businesses primed for conversion because of pending owner retirements.
- ▶ Partner with universities to research which types of local firms and industries are most suited to employee ownership.
- ▶ Establish employee ownership collaborative groups with many local players, or a new center at the city or state level, to promote employee ownership conversion, and link to technical assistance; such efforts can benefit from becoming part of the growing national movement to promote employee ownership conversions.
- ▶ Establish city loan funds to support employee ownership transitions or to assist a financial institution to do so. Madison, Wisconsin, for example, is developing a revolving loan fund that will be managed by a local CDFI or credit union to provide capital for cooperative start-ups and conversions.<sup>51</sup>

## FOR MORE INFORMATION ON ESOPS AND WORKER OWNERSHIP CONVERSION:

### National Center for Employee Ownership

<http://www.nceo.org>

### Beyster Institute

<http://rady.ucsd.edu/beyster>

### Democracy at Work Institute

<http://institute.coop>

### The ESOP Association

<http://www.esopassociation.org>

### Ohio Employee Ownership Center

<http://www.oeockent.org>

A cooperative is a democratically controlled enterprise owned and governed by the people it serves.

Cooperative models include worker cooperatives, consumer cooperatives, producer cooperatives, and purchasing cooperatives.

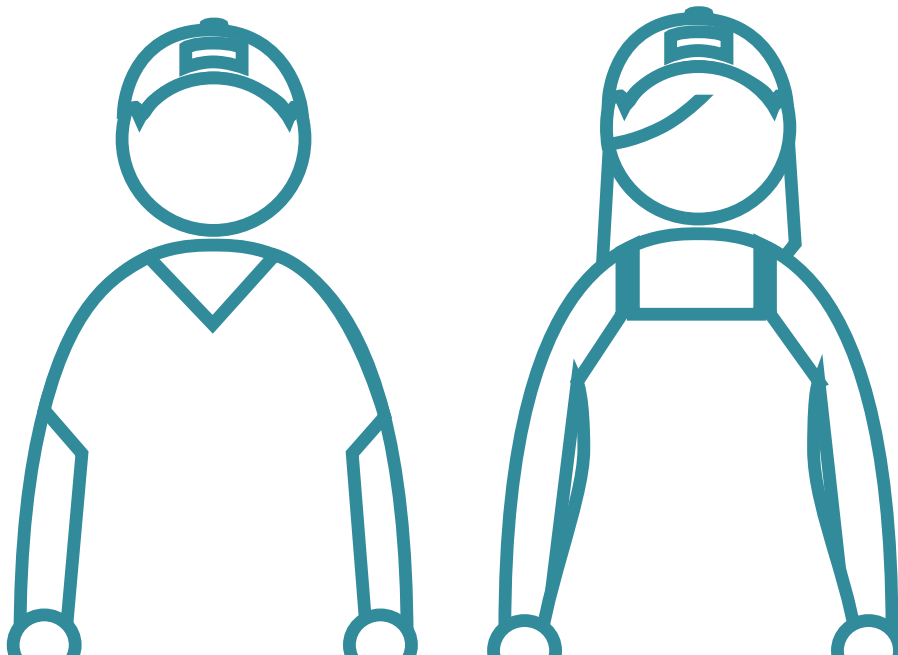
Cooperatives have long been a powerful strategy for building community wealth. The modern cooperative movement traces its founding to England's Rochdale Society of Equitable Pioneers, a group founded in 1844 when twenty-eight craftspeople and artisans whose livelihoods were endangered by the Industrial

Revolution joined together to create an enterprise to sell affordable goods to members. This Society established the Rochdale Principles, a set of ethical principles that, with small modifications, continues to guide the cooperative movement today. Cooperatives are found worldwide. If the revenues of the world's 300 largest cooperative and mutually owned companies were added together, the total would be \$2.36 trillion. If these enterprises were a single nation, that economy would be the eleventh largest on earth.<sup>52</sup>

## Cooperatives

---

Cooperatives have proven particularly beneficial to low-income rural areas in the United States. In 1935, only 10 percent of rural Americans had electrical service, at a time when 90 percent of urban Americans did. The Rural Electrification Act brought electrification to rural communities across the nation through electric cooperatives. These cooperatives are valuable sources of local wealth creation. For example, over the past three decades, Iowa rural cooperatives and their municipal utility partners have invested over \$10 billion into local development, thereby helping to create or retain over 50,000 jobs while building needed infrastructure.<sup>53</sup>



Today, cooperatives are being more widely employed in urban communities to build community wealth, including consumer food co-ops that are being developed in food desert zones in cities such as Denver, Colorado; Greensboro, North Carolina; and Detroit, Michigan. While U.S. worker cooperatives currently number only in the hundreds, recent years have seen a surge of interest in developing more as a way to create good jobs for disinvested communities. Worker cooperatives are found in many lines of business, including fair trade coffee, printing, copy stores, food stores, bookstores, home construction, taxis, bakeries, and health care.<sup>54</sup>

According to a July 2015 report prepared for the New York City Council, a small allocation of \$1.2 million in City support for cooperative development resulted in the creation of twenty-one new cooperatives and the generation of 141 new worker-owner positions—exceeding the expectations of policymakers and advocates when the legislation was passed.<sup>55</sup> Other cities recently allocating monies to cooperative development are Madison, Wisconsin, and Austin, Texas. In Cleveland, the city government helped finance the launch of the Evergreen Cooperatives.

Consumer cooperatives include grocery stores, housing, electrical utilities, and retail stores, which are owned by those who shop there. Credit unions, which are nonprofit cooperative financial institutions, have over 100 million member-owners and more than \$1 trillion in assets.<sup>56</sup> Producer cooperatives are most commonly found in the agricultural sector, where farmers join together, for example, to create joint marketing companies. Purchasing co-ops help independent businesses pool resources to negotiate better supply contracts, lowering their costs to more effectively compete against larger chains. Worker cooperatives are employee-owned business where each worker has one share and one vote (in ESOPs, by contrast, employees can hold varying amounts of ownership shares).

## Some ways cooperatives build community wealth

---

- ▶ **Often provide quality goods and services to areas avoided by traditional businesses** because they are deemed less profitable markets. For example, in the 1930s and 1940s, it was rural electric co-ops that provided electricity to farmers, the majority of whom were not seen as profitable customers by private utility companies.
- ▶ **Retain and circulate business profits within the community**, since most cooperative members are local residents.
- ▶ **Foster strong and healthy communities.** Through their membership, cooperatives connect diverse community residents, build social networks, and strengthen social cohesion. Co-ops also can invest in local communities, as when Iowa rural cooperative utilities finance infrastructure projects for the community.
- ▶ **Create quality, empowering jobs for community members.**



The worker-owned, 2,500-square-foot grocery store Mandela Foods Cooperative in West Oakland, California, provides healthy food options in a neighborhood widely perceived as a food desert. Mandela regularly partners with local farmers, businesses, and residents, demonstrating the cooperative principle of “concern for community”—which sets this ownership model apart from traditional private business.

Photo c/o Mandela Foods Cooperative



## Leading Examples of Cooperatives

### **MANDELA FOODS COOPERATIVE, OAKLAND, CALIFORNIA**

Mandela Foods Cooperative is a worker-owned, 2,500-square-foot grocery store in West Oakland, California, that helps fill the need for healthy food options in a neighborhood widely perceived as a food desert. Mandela Foods also has a series of community service goals, which include: community engagement and education, promoting local buying power and employment, and supporting local farmers by purchasing from small farms within a 150-mile radius of Oakland. Mandela MarketPlace, Mandela Foods Cooperative’s nonprofit partner, also supports efforts to increase access to healthy food beyond the cooperative, by distributing produce and other fresh food to local convenience stores in the Mandela Healthy Retail Network. In addition, Mandela MarketPlace seeks to provide entrepreneurial training and access to capital for low-income residents starting or growing small businesses. Mandela’s partnership with local farmers, businesses, and residents demonstrates the cooperative principle of “concern for community”—which sets this ownership model apart from traditional private business.<sup>57</sup>

### **CENTER FOR FAMILY LIFE, NEW YORK CITY**

The Center for Family Life [CFL], a program of SCO Family Services, based in Brooklyn’s Sunset Park neighborhood, took up the cooperative model as a way to create good jobs for those with barriers to employment, after twenty years of employing traditional approaches to creating job readiness. It offers an example of a nonprofit cooperative incubator, creating worker cooperatives as a strategy to build wealth in low-income communities. In 2006, the center created its first worker-owned cooperative, *Sí Se Puede!*, a cleaning cooperative, where many worker-owners

are Latina immigrants. Since then, the center has created other cooperatives doing handiwork, child care, and painting. To date, CFL has incubated four successful cooperative businesses, together creating 120 jobs for area residents, mostly low-income individuals and immigrants, and is in the process of developing four additional cooperatives. In 2012, CFL launched an NYC Worker Cooperative Development Initiative, which provides twelve months of training and technical assistance to other community-based groups interested in incubating worker cooperatives in their neighborhoods. In 2014, CFL was awarded grant money from New York City's Worker Cooperative Business Development Initiative, to be used to provide a year of training and technical assistance to community groups to launch new co-ops. Cooperative incubators like CFL can be a powerful tool to accelerate job growth in some of the most underserved communities.<sup>58</sup>

### COOPERATIVE HOME CARE ASSOCIATES, NEW YORK CITY

An example that shows the scale possible with worker cooperatives is Cooperative Home Care Associates (CHCA). Founded in 1985 to provide quality home care at living wages in the South Bronx, CHCA now generates \$60 million a year in revenue and employs over 2,300 people, making it the largest worker cooperative in the United States. Committed to workforce development, CHCA provides free home health aide training linked to an employment pipeline through CHCA for about 600 low-income and unemployed women annually. In 1992, CHCA founded the Paraprofessional Healthcare Institute, a sister nonprofit which develops recruitment, training, and supervision practices. The Institute also fosters supportive public policies aimed at enhancing employment opportunities in the home care sector and improving care for elders and people with disabilities. CHCA demonstrates the viability of cooperatives as a powerful strategy to lift up families headed by single mothers, in particular.<sup>59</sup>

## Strategies for Community Economic Development

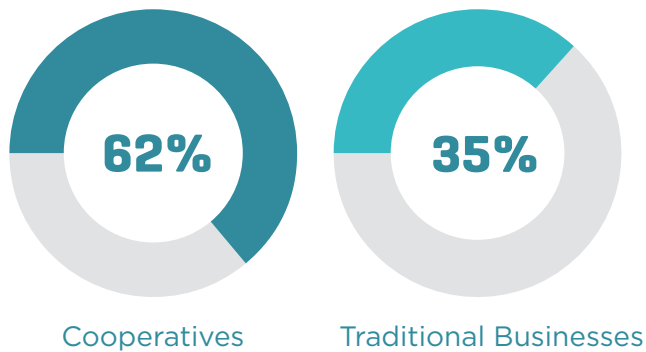
Creating worker cooperatives is emerging as a powerful mechanism to create good jobs in low-income communities and for people facing barriers to employment. For example, one Latina woman from *Sí Se Puede!*, Yadira Frago, reported that her wages increased to \$25 an hour—up from \$6.25—after she became a worker-owner at this cooperative, incubated by the Brooklyn-based Center for Family Life. Nonprofits starting co-ops to help create good jobs like these have in some cases gained funding from cities, as has happened in New York City and Madison, Wisconsin. The Center for Family Life, following its success launching several cooperatives, became part of a coalition that lobbied the City of New York to provide funding to help other cooperatives, which is one prominent example of how initial efforts can lead to greater scale.<sup>60</sup>

Another potentially replicable approach is starting grocery co-ops in food deserts. Since food co-ops typically have a much smaller footprint than conventional commercial supermarkets and require less sales volume to be viable, they are particularly appropriate for low-income communities. Mandela Foods, profiled above, happens to be a worker cooperative, but most cooperative grocery stores are consumer cooperatives; consumer memberships can help pay for start-up. It's also possible to create multi-stakeholder cooperatives, with members who include workers, consumers, and investors. Still another approach for community developers is to help local businesses save costs by forming purchasing cooperatives.

## BENEFITS AND IMPACTS OF COOPERATIVES

### LONGER-LIVED BUSINESSES

PERCENTAGE IN BUSINESS WHEN WORKERS JOIN



After five years, around 62% of cooperatives are still in business compared with approximately 35% of traditional businesses.

Source: "Direction des coopératives," Québec Ministry of Industry and Commerce, 2008. (\*Percentages based on businesses in Québec.)

### HIGHER PAY BY CO-OPS

MEDIAN INCOME



When workers join the Prospera house-cleaning cooperatives, their median income jumps from \$25,000 to \$40,989.

Source: Jessica Gordon Nembhard, *Benefits and Impacts of Cooperatives* (Howard University and CUNY: Washington, DC and New York, NY), February 2014.

### MORE LOCAL SPENDING

DOLLARS RETURNED TO LOCAL ECONOMY



For every \$1,000 spent at a local food co-op, \$1,604 goes to the local economy, \$239 more than if the same \$1,000 were spent at a conventional grocer.

Source: Healthy Foods Healthy Communities: The Social and Economic Impacts of Food Co-ops, 2012, NGCA, [strongertogether.coop](http://strongertogether.coop).

### POTENTIAL ACTION STEPS

- ▶ Use worker co-ops as a way to create job readiness and living wage jobs for those with barriers to employment. This can be a strategy for community development organizations, nonprofits, workforce developers, and city governments.
- ▶ Help small, local businesses combine purchasing and marketing power by providing technical assistance to support purchasing cooperatives.
- ▶ Implement technical assistance and loan fund programs, or use existing funding streams, such as community development funds, to support food co-op development in food deserts and foster worker cooperative development strategies.
- ▶ Include worker cooperatives in employee ownership conversion programs. For businesses too small for ESOPs to be financially viable, worker co-ops are, for exiting owners, another tax-favored option that preserve small business jobs.

### FOR MORE INFORMATION ON COOPERATIVES:

#### U.S. Federation of Worker Cooperatives

<https://www.usworker.coop>

#### Cooperative Development Institute

<http://www.cdi.coop>

#### Democracy at Work Institute

<http://institute.coop>

#### Center for Cooperatives at the University of Wisconsin:

<http://www.federation.coop>

#### National Cooperative Bank:

<http://www.federation.coop>

#### National Cooperative Business Association

<https://www.ncba.coop>

Community development financial institutions (CDFIs) are private financial institutions dedicated to delivering responsible, affordable lending to help meet the credit and asset-building needs of low-income, low-wealth people and communities.

The term encompasses a variety of nonprofit and for-profit financial institutions—including community development banks, credit unions, loan funds, venture capital funds, and microenterprise loan funds. During the recent recession, CDFIs stepped into the breach

to address lending-related needs for low- and moderate-income communities—taking risks and serving customers when other lenders would not. Since then, CDFIs have expanded their assets and loan portfolios.<sup>61</sup> This is an illustration of the value of the CDFI model, which has serving community needs at the core of its mission.

## Community Development Financial Institutions (CDFIs)

---

The community development financial institution industry as we know it today began in the 1970s, with the founding of community development banks and larger community development credit unions. It today encompasses roughly 958 CDFIs across the nation—including banks, credit unions, and loan funds. As they enjoy increasing support, CDFIs have seen their assets more than triple in a decade; CDFIs own \$64.3 billion in assets.<sup>62</sup> CDFIs are mission-driven financial institutions. Most are nonprofit, but there are a number of for-profit CDFIs. In either case, their primary purpose is community development. They provide loans and investments to



finance businesses, affordable housing, real estate, and other community projects, while also providing technical assistance needed by borrowers.

CDFIs are supported, in part, by the U.S. Treasury Department's CDFI Fund, created in 1994, which certifies CDFIs and provides funding to them on a competitive basis. Commercial banks are major investors in CDFIs, providing 45 percent of total CDFI capital, spurred in part by the requirements of the Community Reinvestment Act. CDFIs also receive investments from impact investors, foundations, and religious institutions, which accept rates that are often substantially below market in exchange for social returns. According to the most recent available survey, as of 2010, beyond the 45 percent of capital provided by banks, government provided 13 percent, and philanthropy 12 percent, with the remainder generated from a combination of internally generated revenues as well as small levels of individual and nonfinancial corporation support.<sup>63</sup>

The CDFI trade association Opportunity Finance Network reports that CDFI net charge-offs [loan losses] are on average comparable to those of banks, even though CDFIs lend to riskier borrowers.<sup>64</sup> They accomplish this by keeping a high net asset ratio [equity available to absorb losses], using ample loan-loss reserves, providing technical assistance to borrowers, amassing greater local knowledge to discern reliable borrowers, and customizing loan products based on ability to repay.<sup>65</sup>

## How CDFIs build community wealth

---

- ▶ **Enable low-income residents, nonprofits, and small businesses to access credit** on favorable terms, which they would otherwise likely be denied.
- ▶ **Help jump-start important initiatives** like the Green Affordable Housing Training [see below] and the Healthy Food Financing Initiative, and finance resident ownership cooperatives for manufacturing housing communities.

DID YOU KNOW:

**\$2.36  
TRILLION**

That's how much the revenues of the world's 300 largest cooperative and mutually owned companies total, added together. If these enterprises were a single nation, its economy would be the eleventh largest on Earth.

Source: *Exploring the Cooperative Economy: Report 2015* [Brussels, Belgium: World Cooperative Monitor, 2015].



A Chicago resident shops at Sugar Beet Food Co-op, a recently opened consumer cooperative, partially financed by the Chicago Community Loan Fund. CCLF is credited with closing more than \$138 million in community development financing, leveraging an additional \$1.1 billion, and helping to create 2,600 jobs. For its innovations, CCLF earned the 2009 MacArthur Award for Creative and Effective Institutions.

Photo c/o Chicago Community Loan Fund



## Leading Examples of CDFIs

### CHICAGO COMMUNITY LOAN FUND, CHICAGO

Founded in 1991, Chicago Community Loan Fund (CCLF) today has more than \$70 million in total assets. It is credited with closing more than \$138 million in community development financing (only one of its 130 outstanding loans has gone into default), leveraging an additional \$1.1 billion, and helping to create 2,600 jobs for the Chicago metropolitan area. CCLF offers the Energy Efficiency Loan Option, which helps borrowers implement energy upgrades. Finding that there were insufficient contractors to do energy efficiency work, CCLF launched its Green Affordable Housing Training Series, which trains contractors in LEED (Leadership in Energy and Environmental Design) concepts and other strategies in residential development. In 2013 CCLF partnered with the Illinois Finance Authority to launch the Small Contractor Bridge Program, providing working capital for small businesses seeking public works contracts, as well as a comprehensive set of insurance, financial, administrative, and risk management services. In a Partners in Progress initiative, CCLF is working with the West Humboldt Park Family CDC to rebuild the West Chicago Avenue commercial corridor. For its innovations, CCLF earned the 2009 MacArthur Award for Creative and Effective Institutions.<sup>66</sup>

### BOSTON COMMUNITY CAPITAL, BOSTON

Founded in 1984, Boston Community Capital (BCC) has lent more than \$1 billion and leveraged almost \$1.5 billion in private investment. The CDFI demonstrated particular agility during the mortgage crisis, when it launched its Stabilizing Urban Neighborhoods (SUN) initiative. Through SUN, BCC enabled more than 500 families to avoid foreclosure and remain in their homes by obtaining new affordable

mortgages. *The Washington Post* called this program a national model in blight reduction. BCC has also broadened access to healthy food financing, renovated 1.6 million square feet of real estate, financed more than 15,000 units of affordable housing, and, through its loans, supported businesses that provide over 4,000 living wage jobs. BCC is one of the largest financers of solar providers to affordable housing in the country, saving customers \$4.6 million in energy costs. The organization is active in nine states on the East Coast, including New York, New Jersey, Maryland, Virginia, and Florida, as well as Washington, D.C.<sup>67</sup>

### LOW INCOME INVESTMENT FUND, SAN FRANCISCO

Since its founding in the mid-1980s, the Low Income Investment Fund (LIIF) has provided capital and technical assistance totaling \$1.5 billion, which has helped create 174,000 units of low-income and special needs housing, 243,000 child care spaces, and 72,000 spaces for students in educational facilities. To assess the social value of its investments—measuring factors like income boosts to families and individuals, health improvement, and reduced government expenditures—LIIF developed an innovative Social Impact Calculator, which was highlighted in the community development anthology *What Counts: Harnessing Data for America's Communities*, co-published by the Federal Reserve of Bank of San Francisco. It estimates that LIIF's investments have created \$30 billion in social value. In 2014, LIIF, in conjunction with other CDFIs, received a \$200 million Community Development Financial Institutions bond award, the largest to date. LIIF has also been an important thought leader in the community development field. For example, in 2012, with the San Francisco Fed, LIIF co-published *Investing in What Works*, a leading collection of essays for the field.<sup>68</sup>

## Strategies for Community Economic Development

As long-time Opportunity Finance Network CEO Mark Pinsky wrote in the 2001 Brookings Institution retrospective "Taking Stock," "Community development financial institutions [CDFIs] as we know them took root approximately 25 years ago in the fertile soil of bank redlining, the Community Reinvestment Act [CRA], and the federal government's shift away from its short-lived Great Society strategy."<sup>69</sup> Redlining—a practice sanctioned by the Federal Housing Administration for decades in which financial institutions avoided lending in low-income communities, typically ones with a majority of residents of color—helped deepen a racial wealth gap that persists to this day. CRA, by establishing an obligation to invest in neighborhoods previously denied access to credit, has

led many banks to become advocates for lending in low-income neighborhoods. Indeed, many banks have become major investors in CDFIs, in keeping with the CRA mandate to lend in areas of need.<sup>70</sup>

Today, CDFIs are increasing their focus on lending to minority-owned businesses as a key strategy to foster economic opportunity.<sup>71</sup> Another area of current interest is lending to veteran-owned businesses; the Oakland Business Development Center in California, for example, offers special programs. CDFIs can be strong partners in other community wealth building strategies. For example, the Healthy Food Financing Initiative began as an effort led by a Pennsylvania CDFI, The Reinvestment Fund, and later was expand-

ed into a federal program. The New Hampshire Community Loan Fund helped to create the nation's first manufactured housing cooperatives, an effort that, with the support of the Corporation for Enterprise Development (CFED) and the Ford Foundation, has since been expanded nationally. Community development projects in these areas are good candidates for strategic partnerships with CDFIs.

Other areas of growing CDFI expertise are green energy and energy efficiency, which are also promising areas for partnerships. Community developers, anchor institutions, and grassroots groups can support CDFIs through investments in notes, which today often pay more than certificates of deposit at banks; they can also encourage institutional investors such as religious groups and pension funds to do the same. Many CDFIs accept loans for periods of one to ten years, at rates from zero up to 4 percent.

## POTENTIAL ACTION STEPS

- ▶ Develop state and city programs that support local CDFIs through loan and technical assistance funds.
- ▶ Deposit city and anchor institution (e.g., hospital and university) funds into local CDFIs to provide a greater capital base for local lending.
- ▶ Partner with CDFIs on lending programs, for city activities like weatherization, or nonprofit activities like low-income housing and other economic development.
- ▶ Help clients obtain loans through CDFIs.

## FOR MORE INFORMATION ON CDFIs:

### CDFI Fund

<http://www.cdfifund.gov>

### National Community Investment Fund

<http://www.ncif.org>

### National Federation of Community Development Credit Unions

<http://www.cdccu.coop>

### Opportunity Finance Network

<http://www.opportunityfinance.net>

### CDFI Coalition

<http://www.cdfi.org>



Social enterprises are businesses that employ commercial strategies to achieve a social mission. Most commonly, they are nonprofits that operate businesses or are for-profit subsidiaries of nonprofits.

methods to address social issues. Most commonly, these are enterprises run by nonprofits, either inside these organizations or as subsidiaries.

Social enterprise is a rapidly developing approach to addressing social problems. Breaking the old barrier between business-focused for-profit companies and service-focused nonprofits, social enterprises use business

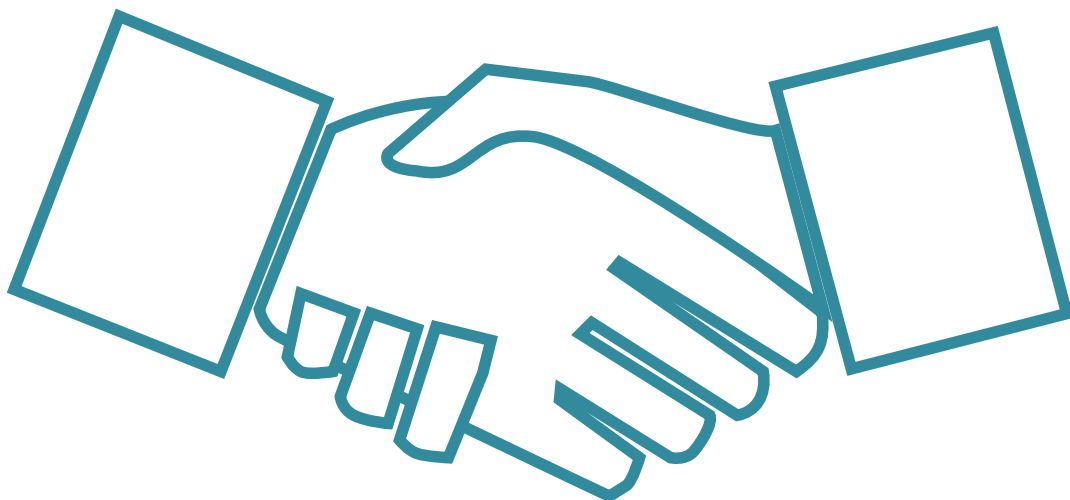
## Social Enterprises

---

The term, however, typically implies something more than a nonprofit that receives fee or commercial income. Instead, it indicates an enterprise that simultaneously raises revenue and advances a social mission. For example, a Goodwill thrift store that also trains people to be employable in the broader workforce would be an example of a social enterprise.

In terms of job creation, one growing use of social enterprises is providing training and job opportunities for people with barriers to employment. Typical areas of focus include those at risk of homelessness, high school dropouts (also known as “opportunity youth”), and people with criminal records.

Community development corporations, in particular, often employ social enterprise approaches. For example, the Bickerdike Redevelopment Corporation in Chicago develops affordable housing, and has completed other developments, such as the food market El Mercado. To link housing development to job training and employment for area residents, the organization established the social enterprise Humboldt



Construction Company, which provides union construction jobs and contracting services for Bickerdike projects. Rather than outsource its construction work to an outside firm, the non-profit generates good jobs that it can control through this social enterprise.

## How social enterprises build community wealth

---

- ▶ **Provide valuable training opportunities** and supportive jobs for those who have been excluded from the traditional labor market.
- ▶ **Encourage nonprofits to adopt innovative, community-driven approaches.** The revenue generated through a social enterprise helps organizations reduce their dependence on government and philanthropic funding.
- ▶ **Boost nonprofits' overall program effectiveness.** Through the development of social enterprises, nonprofit organizations can strengthen their management and business capacities.

DID YOU KNOW:

**\$25  
PER HOUR**

That's how much Yadira Fragoso now makes cleaning houses at *Sí Se Puede!*, a worker-owned cooperative in Brooklyn. She used to make \$6.25 an hour for the same work.

Source: Laura Flanders, "How America's Largest Worker-Owned Co-Op Lifts People Out of Poverty," *Yes! Magazine*, Aug. 14, 2014.

## Leading Examples of Social Enterprises

---

### DC CENTRAL KITCHEN, WASHINGTON, D.C.

DC Central Kitchen (DCCCK), founded in 1989, offers an example of a social enterprise that reduces prison recidivism through job training and placement. Its culinary graduates have an average recidivism rate of only 2 percent, far lower than the typical rate of 50 percent or more. DCCCK has calculated that a former prisoner who completes its program is 96 percent less likely to end up back in prison than an average person not participating in the program. DC Central Kitchen operates a number of social enterprises, including Fresh Start Catering and others that prepare and distribute meals to public schools, homeless shelters of Washington, D.C., and many other nonprofit and for-profit clients. The organization trains and employs a range of people with barriers to employment, including the chronically unemployed, victims of abuse, former prisoners, and others. Its culinary training program has maintained a 90 percent placement rate, placing over 1,200 jobless adults in culinary industry jobs. DC Central Kitchen also buys from local growers,

The social enterprise DC Central Kitchen places people facing barriers to employment into culinary industry jobs. Proceeds totaled over \$6.5 million in 2013, helping fund DCCK's anti-hunger and job training programs while employing 60 DCCK culinary graduates full-time with benefits.

Photo c/o DC Central Kitchen



recovering over 737,000 pounds of food “seconds” in 2013. DCCK’s social enterprise portfolio has rapidly grown to serve over 400 clients a year, as well as provide healthy meals to 2,600 D.C. schoolchildren daily. Its catering arm serves anchor institutions, including The Smithsonian Institution, The Washington Ballet, The Washington Business Journal, the Meyer Foundation, the Department of Commerce, Fannie Mae Foundation, and Georgetown University. Proceeds from DCCK’s social enterprises totaled over \$6.5 million in 2013, helping fund DCCK’s anti-hunger and job training programs while employing 60 DCCK culinary graduates full-time with benefits. The U.S. Chamber of Commerce Foundation recently profiled DCCK for its use of data to enhance effectiveness and increase program impact.<sup>73</sup>

### DOE FUND, NEW YORK CITY

The Doe Fund, a New York nonprofit organization, offers an example of using a variety of social enterprises to fulfill a mission of helping formerly homeless men and women achieve self-sufficiency and independence. It was founded in 1985 by garment industry executive George McDonald, who frequently fed the homeless, and when a woman whom he had come to know well died—she was known only as Mama Doe—he created the organization and named it after her. The Doe Fund today has a \$50 million budget and operates Ready, Willing & Able, a network of social enterprises that provide occupational training, paid transitional work, and housing. The central social enterprise is the Community Improvement Project, through which workers provide street cleaning, snow removal, and other services in New York City. Other enterprises are Resource Recovery, which collects waste cooking oil to be recycled into biodiesel fuel from more than 1,000 restaurants in New York City, and Back Office of New York, which provides business services such as bulk mailing and data processing. Originally developed to empower the

homeless, Ready, Willing & Able has extended participation to former prisoners and low-income individuals. Graduates of the program are 60 percent less likely to be convicted of a felony within three years of their release from incarceration than their peers. Communities with high numbers of people returning from prison may find Ready, Willing & Able a replicable model.<sup>74</sup>

## **REDF**

Originally called the Roberts Enterprise Development Fund, REDF provides an example of a social enterprise accelerator—that is, an organized program to help social enterprise businesses build capacity and deepen impact. REDF typically works with partner organizations for a period of five years. Founded in 1997, REDF invests cash and provides hands-on technical assistance to grow enterprises that earn income while employing people who face high barriers to employment. To date, REDF has supported the expansion of fifty social enterprises, which in total employ 9,500 people and generate \$140 million in revenue. One year after starting a job at these social enterprises, employees on average see their monthly income increase by 268 percent. Among the social enterprises REDF has assisted are Chrysalis, which does street cleaning, facilities management, and front desk staffing, and Hope Builders, a general contracting company. REDF has expanded its operations beyond the San Francisco Bay Area to Los Angeles and, with the support of a 2015 federal Social Innovation Fund grant now intends to extend its operations beyond California.<sup>75</sup>

## **NEW COMMUNITY CORPORATION, NEWARK, NEW JERSEY**

A diversified approach to social enterprise is seen with the nation's largest community development corporation, New Community Corporation (NCC), in Newark, New Jersey. It's involved in housing, child care, health care, human services, financial services, and a variety of business ventures. NCC today employs 600 local residents, manages 2,000 housing units, and owns roughly \$500 million of assets. NCC earns ongoing revenue from its Extended Care Facility, an \$11 million, full-service nursing home that currently maintains a 180-bed capacity. This facility serves as an economic anchor for a variety of jobs and services—laundry, storage, maintenance, and dining—that are managed in-house. Surpluses from the facility are invested in other NCC operations, such as day care and medical support for seniors.<sup>76</sup>

## Strategies for Community Economic Development

Social enterprise offers a broader, more transformative approach to solving inequality than traditional social services. When guided by this vision, economic enterprises begin to deliver positive, equitable economic and social outcomes, particularly for those who have been historically excluded from the economy.

One potential growth area involves businesses that provide employment and training opportunities to help reintegrate formerly incarcerated individuals. Growing opportunities also exist in food production and delivery. For example, Catalyst Kitchens is a consultancy, started by the Seattle-based nonprofit Fare Start, which works nationally to assist nonprofits to develop food catering social enterprises.

### POTENTIAL ACTION STEPS

- ▶ Use public procurement to support social enterprise, as DCCK has done, with many public schools becoming DC Central Kitchen customers.
- ▶ Cities can create or partner with social enterprises to do municipal work, such as recycling and solar installation. As mentioned earlier, Minneapolis is working with Better Futures Minnesota, which pays former prisoners to deconstruct houses and salvage materials.
- ▶ Create a social enterprise to further nonprofit social mission and generate earned income that supplements grant income.

### FOR MORE INFORMATION ON SOCIAL ENTERPRISE:

#### REDF

<http://www.redf.org>

#### Social Enterprise Alliance

<https://socialenterprise.us>

#### Skoll World Forum

<http://skollworldforum.org/up-for-debate/?ref=socialedge>

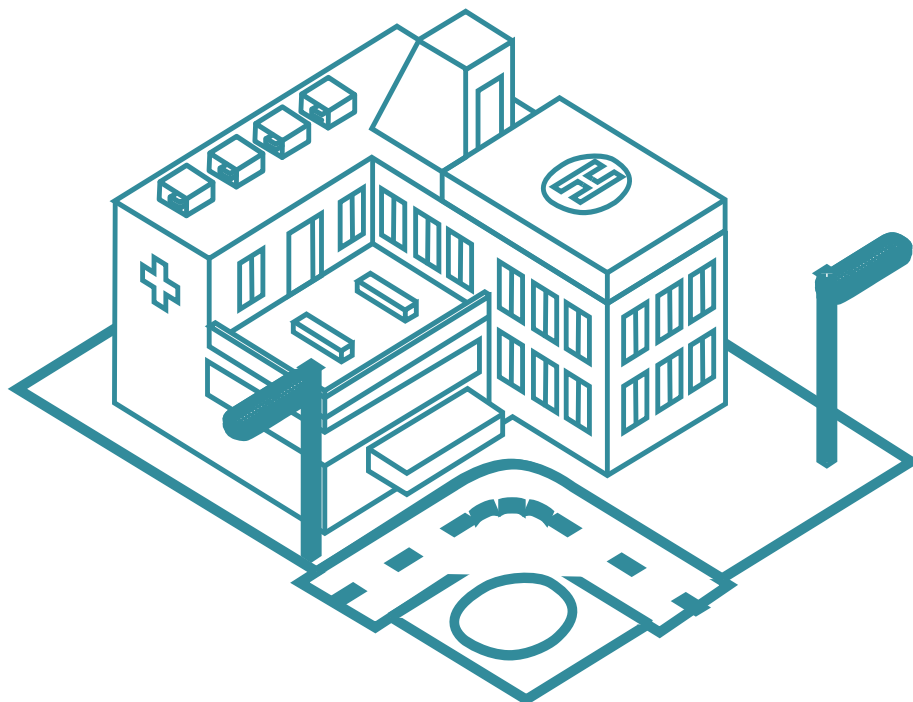
Municipal enterprises are businesses owned by local public authorities that provide services and generate revenue, such as public utilities, waste management companies, convention centers, golf courses, ports, and airports. Also included are municipal financing of economic development, and public asset management.

Nationwide, in 2013 there were more than 2,000 publicly owned electric companies, with total revenues of \$56 billion. Public power exists in forty-nine states—every state except Hawaii—and provides electricity to 47 million people. Residents lucky enough to live in communities with public power pay lower rates. In 2013, according to the American Public Power Association, residential users paid 14 percent less for electricity than users of investor-owned utilities.<sup>77</sup>

## Municipal Enterprises

---

While many public utilities exist in small towns, others operate in such large cities as Los Angeles; Austin, Texas; Jacksonville, Florida; Seattle; and on Long Island, New York. Public utilities are also increasingly investing in telecommunications, including cable television, broadband [high-speed internet] services, local and long distance telephone service, fiber leasing, and data transmission.<sup>78</sup>



DID YOU KNOW:



That's how much of total U.S. agricultural production that is marketed by cooperatives.

Source: Terry MacDonald, Greg Wallace and Ian McPherson, Cooperative Enterprise: Building a Better World, Sarasota, FL: Global Cooperative Development Group, Inc., September 2013, page 103.

Other economic activity by municipalities includes fostering the development of public markets and farmers' markets. One of the most famous is Pike Place Market in Seattle. Nearly lost to urban renewal in the 1960s, Pike Place was saved when a seven-year campaign by the Friends of the Market community group culminated in a public vote to form a seven-acre historic district in 1971. It is managed by a public not-for-profit corporation chartered by the City of Seattle that is committed to carrying out a social mission. The Market provides rental space for 80 farmers, 220 small business, 250 artisans, and 350 residents—half of whom are low-income seniors. Thus, many of the beneficiaries of the market are low- and moderate-income individuals, who would otherwise likely lack the same economic opportunities.<sup>79</sup>

Municipalities also pick up trash, manage facilities such as industrial parks and airports, and own water utilities. In terms of financing, cities issue revenue bonds, employ revolving loan funds making below-market loans to businesses, and use tax increment financing to subsidize business development.

## How Municipal Enterprises build community wealth

---

- ▶ **Create stable, quality jobs** for community members.
- ▶ **Provide goods and services** to underserved areas.
- ▶ **Often provide goods and services** to local residents at lower cost than private companies do.
- ▶ **Generate new local revenues** that can be used for community purposes.
- ▶ **Permit accountability, transparency, and democratic control** by residents.

## Leading Examples of Municipal Enterprises

---

### PIKE PLACE MARKET, SEATTLE

Pike Place Market, overlooking Elliott Bay waterfront, is Seattle's original farmers' market, established in 1907. It had fallen on hard times when the Pike Place Market Preservation and Development Authority (PDA), a public corporation, was chartered by the City of Seattle in 1973 to revitalize it. Supported by that municipal investment, Pike Place has become a thriving market that provides rental space for 80 farmers, 220 small business, 250 artisans, and 350 residents—half of whom are low-income seniors. In 2014, the overall vacancy rate was less than 2 percent and revenues reached \$17 million. The PDA—governed by a volunteer, twelve-member PDA Council, which includes four mayoral appointees—operates with a



One of the most famous public markets in the U.S., Pike Place Market was nearly lost to urban renewal in the 1960s. A campaign by the Friends of the Market community group culminated in a public vote to form a seven-acre historic district in 1971, managed by a public not-for-profit corporation chartered by the City of Seattle. The Market provides rental space for 80 farmers, 220 small business, 250 artisans, and 350 residents.

Photo c/o Pike Place Market Preservation & Development Authority



public mandate. Its mission is to preserve the Market’s historic buildings, increase opportunities for farm and food retailing, incubate and support small and marginal businesses, and provide services for low-income people. More than 100 people are employed by Pike Place. The Market also provides a range of social services, including a food bank, a senior center, a medical clinic, and a preschool.<sup>80</sup>

### **TOWN OF HULL MUNICIPAL LIGHT PLANT, MASSACHUSETTS (BOSTON AREA)**

The small Town of Hull (population less than 11,000), a suburb of Boston, owns its Municipal Light Plant, which produces all of the town’s electricity. Because investor-owned utilities are generally quite large, with most stock held by distant shareholders, they are rarely responsive to local residents. By contrast, when residents of Hull became interested in pursuing renewable power, they led citizen meetings, and were able to meet with the managers of the electric plant to persuade them to put up a wind turbine. In 2001, Hull put up the East Coast’s first commercial-scale wind turbine. The town installed an additional turbine in 2006. Today, wind power produces 10 percent of the community’s energy needs. For its efforts, Hull won the U.S. Department of Energy’s Wind Power Pioneer Award.<sup>81</sup>

### **AUSTIN ENERGY, AUSTIN, TEXAS**

Large cities have also used public power to develop renewable energy. Austin, Texas (population 885,000), has long had its own utility, Austin Energy, which has contributed more than \$500 million to the City’s general fund over the last five years, helping to finance parks, libraries, and emergency services. This municipally owned utility recently established a “value of solar” standard that seeks to take into account solar power’s financial contribution to generation requirements, environmental benefits, and economic development. Now, all residential customers who install rooftop solar systems are able to sell energy to the public grid at 12.8



cents per kilowatt-hour. Austin Energy has powered city-owned buildings with 100 percent green energy, and sponsored the construction of a 30-megawatt solar farm in Webberville through a 25-year power purchase agreement. It also built a 105-kilowatt solar system on the roof of the public library and museum, which saves an estimated 500 kilowatt-hours of electricity annually. In 2012, the Solar Electric Power Association named Austin Energy “Public Power Utility of the Year” for its efforts.<sup>82</sup> In 2014, the City launched a plan to redevelop a 100-acre landfill site into the municipally owned Austin [re]Manufacturing Hub, which will support the development of locally owned businesses transforming recyclable materials into new products.<sup>83</sup>

## Strategies for Community Economic Development

Municipal enterprises offer a good strategy for the creation of jobs and public benefits in green energy, home insulation, and methane capture from landfills, as well as public market places. In contrast to private ownership, municipal enterprises have an incentive to hire local residents, since the city benefits from resident employment, both by reducing social expenditures and by increasing public tax revenues. As the example of Pike Place shows, municipal entities can be designed to serve various explicit social aims, such as incubating small business and serving low-income populations.

For community development organizers who live in the 2,000 cities with municipal power plants, the experience of Hull offers an example of how this ownership design can make utilities more open to working cooperatively with citizen groups. Another powerful example happened in Massachusetts, when fifteen municipal power plants banded together in 2010 to create the Berkshire Wind Power Cooperative Corporation, which issued bonds to raise \$65 million for wind power development. These bonds provided a stable, socially responsible investment opportunity for state residents.<sup>84</sup>

## POTENTIAL ACTION STEPS

- ▶ Encourage mayors and economic development professionals to consider municipal enterprise as an economic development strategy, as a way to create good jobs, community benefits, and city income.
- ▶ Inventory existing local municipal enterprises to see if there are ways they can be better used to meet community wealth building goals, such as through direct employment.
- ▶ Implement local procurement policies that encourage municipal enterprises to do more business with locally owned small business, thereby increasing the local economic multipliers of municipal enterprise activity.
- ▶ Work with municipal power authorities to expedite energy savings and transition to green energy.

## FOR MORE INFORMATION ON MUNICIPAL ENTERPRISE:

### **Institute for Local Self Reliance**

<http://ilsr.org/initiatives/broadband>

### **National Council for Public Private Partnerships**

<http://www.ncppp.org>

### **American Public Power Association**

<http://www.publicpower.org>

### **Council of Development Finance Agencies**

<https://www.cdfa.net>

Hybrid enterprise forms developed in the past decade, such as benefit corporations and low-profit limited liability companies (L3Cs), are legal forms that help embed social and environmental values in firm behavior rather than focusing exclusively on maximizing profits.

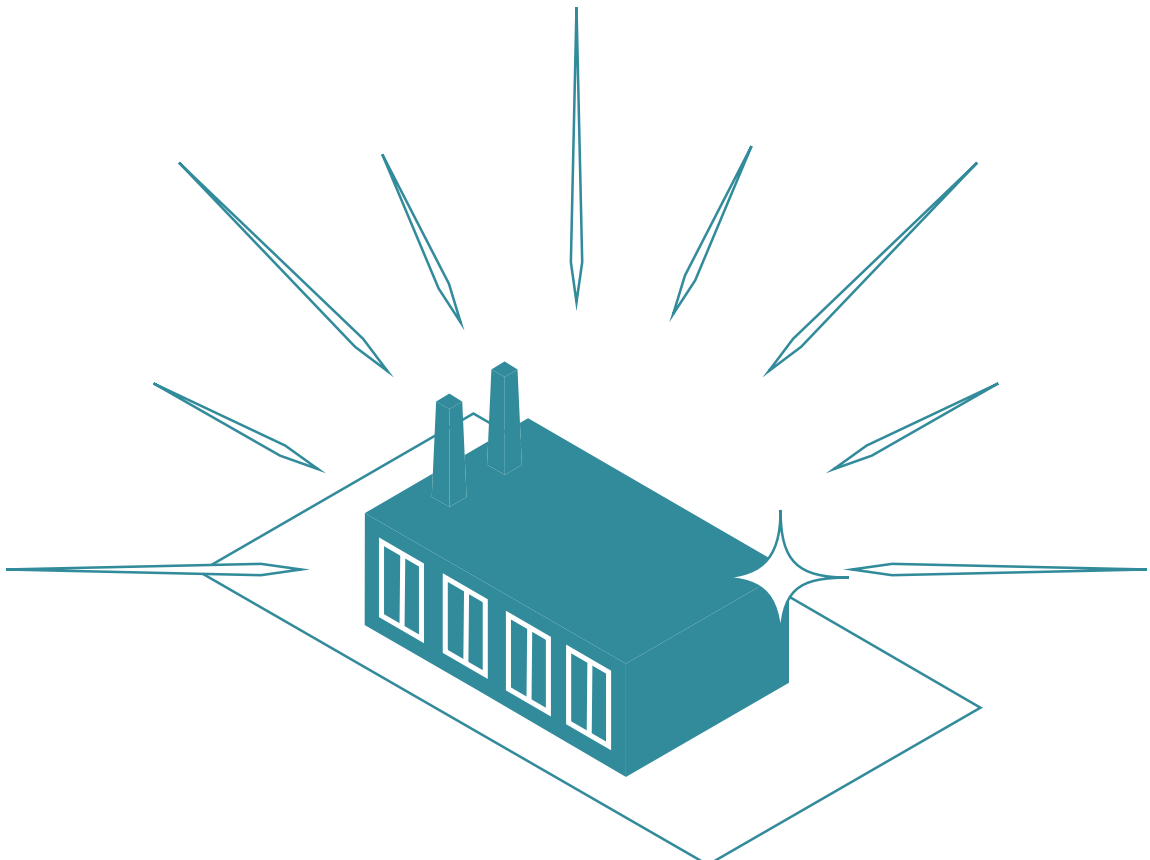
that have passed a certification test examining their beneficial impact on the world. At least 60 percent are in urban areas.

A growing number of companies wishing to make clear their commitment to social missions are adopting emerging hybrid forms—becoming certified as B corporations, or incorporating as benefit corporations and low-profit limited liability companies (L3Cs). There are now more than 1,400 B Corporations, which are companies

## Emerging Hybrids: Benefit Corporations and L3Cs

---

In September 2015, Kickstarter—the popular online crowdfunding website—announced it was reincorporating as a “public benefit corporation,” as a way to preserve its mission of allowing creative projects to be funded. “We don’t ever want to sell or go public,” co-founder Yancey Strickler, Kickstarter’s chief executive, told *The New York Times*. “That would push the company to make choices that we don’t think are in the best interest of the company.”<sup>85</sup>



In 2010, Maryland became the first state to enact legislation establishing the benefit corporation; twenty-six states and the District of Columbia now have such laws. A benefit corporation is a type of incorporation that signifies a company intends to serve a variety of stakeholders, including but not limited to stockholders. The designation may provide some protection from lawsuits by stockholders claiming a firm did not maximize profits on their behalf. Because courts generally afford corporate directors wide latitude, such lawsuits generally come into play only during the sale of a firm. Protection from these lawsuits is only one small gain from being a benefit corporation. The real aim is to create higher standards of accountability and transparency around social and environmental impact. Benefit corporations, in essence, declare publicly that their purpose is to create broad social benefit.<sup>86</sup>

A related designation is becoming a B Corporation. While becoming a benefit corporation is about changing the legal form of incorporation, becoming a B Corporation involves a certification process.

An L3C or low-profit limited liability company is a form of incorporation available in certain states that is intended to facilitate program-related investments by foundations in these companies. The first state to pass L3C legislation was Vermont in 2008; Vermont's law specifies that an L3C company must be formed to serve a charitable or educational purpose. To date, nine states have passed L3C legislation.<sup>87</sup> Nationally, there are now over 1,200 L3Cs in operation.<sup>88</sup> The most important use of the L3C is for entrepreneurs with socially beneficial objectives, for whom this structure may provide access to a different pool of funding sources than is available to for-profit businesses.

## How hybrid enterprises build worker & community wealth

---

- ▶ **Donate a higher percentage of their profits** than ordinary corporations to support nonprofits, often having a set percentage of donations as company policy.
- ▶ **Create more opportunities than ordinary corporations** for their employees to volunteer for nonprofit organizations.
- ▶ **Incorporate a concern for social and environmental impact** into their core business culture and practices, resulting in greater social benefit and fewer social and environmental costs for government and society.
- ▶ **Are potential partners** for working with nonprofits, citizen groups, and city governments.
- ▶ **B corporations represent good potential businesses** for conversion to employee ownership.

The B corporation Next Street, located in Boston, creates social benefit as a for-profit urban economic development consulting and financing firm, serving small businesses, nonprofits, investors, anchor institutions, and government agencies. One client, shown here, is the Daily Table in Dorchester, Massachusetts, the country's first nonprofit grocery store, which Next Street helped take from concept to launch in June 2015.

Photo c/o Next Street



## Leading Examples of Hybrid Enterprises

### NEXT STREET, BOSTON

Based in the Roxbury neighborhood of Boston, Next Street is legally incorporated as a benefit corporation. Its basic business model is about creating social benefit through the operation of a profitable urban economic development consulting and financing firm. Next Street provides financing and financial advisory services to urban small businesses, nonprofits, and cities. The firms it serves provide jobs for more than 4,000 people and bring in \$600 million in annual revenue. More than half of the businesses served are located in low- to moderate-income communities, and 75 percent are women- or minority-owned. Among its projects, the firm has worked with Johnson Wales University in Providence, Rhode Island, to help university leaders think strategically about how to contribute to the development of a local food cluster. In another project, Next Street assisted with business planning for City First Enterprises in Washington, D.C., helping lay the foundation for the 2015 launch of the Community Clean Water Management Group, a social enterprise that is designed to develop into an employee-owned business that provides stormwater management services in Prince George's County, Maryland.<sup>89</sup>

### CUTTING EDGE CAPITAL, OAKLAND, CALIFORNIA

Cutting Edge Capital, a certified B Corporation, provides consulting services to help small businesses, cooperatives, and social enterprises raise capital in a manner compliant with securities law and in keeping with socially oriented business values. The firm is known in particular for its expertise in direct public offerings, in which businesses raise capital from their networks of stakeholders. Cutting Edge Capital

is also helping the California Air Resources Board with the state’s new cap-and-trade system, developing strategies to increase financing for local food systems, and designing a community investment fund for Western Massachusetts.<sup>90</sup>

### SAVER’S FRESH MARKET, CHICAGO

Saver’s Fresh Market, an L3C, took over operations at the regional chain Save-A-Lot food store, located in the Southside of Chicago, and converted it to a “Save-A-Lot Market,” offering broader selections of fresh produce and meat. The 15,000-square-foot grocery store is estimated to have created nineteen jobs, with the potential for more. Working to build a healthier community, the market partners with local nonprofits and CDFIs to offer community engagement activities, such as a smart shopping clinic and in-store healthy cooking demonstrations. This example shows that by supporting the conversion of a big-box retailer into a locally owned L3C, community developers can increase the retailer’s emphasis on community benefit.<sup>91</sup>

DID YOU KNOW:

175  
THOUSAND

That’s the number of employee owners at Florida-based Publix supermarkets, the largest majority employee-owned firm in the U.S.

Source: “The Employee Ownership 100: America’s Largest Majority Employee-Owned Companies,” National Center for Employee Ownership, [www.nceo.org/articles/employee-ownership-100](http://www.nceo.org/articles/employee-ownership-100), August 15, 2015.

## Strategies for Community Economic Development

The creation of low-profit limited liability corporations and benefit [or “B”] corporations is a relatively recent development, yet already these entities are playing a positive role in community development. These hybrid entities contain many features that most for-profit companies lack. For example, directors are legally required to consider the effects of decisions not only on shareholders, but also on other stakeholders, such as workers, community, and the environment. Additionally, these companies are required to publish a public report assessing their overall social and environmental performance against a third-party standard.<sup>92</sup>

While these new forms of hybrid enterprise are relatively untested, they illustrate the potential development of a mechanism to build a standard for businesses that seek out a combination of environmental, social, and financial returns. As these businesses become more common, community developers gain an additional business development tool that not only generates jobs, but that also addresses community-based social and environmental challenges.

## **POTENTIAL ACTION STEPS**

- ▶ Pass legislation to establish L3C and benefit corporation structures in jurisdictions where they don't already exist.
- ▶ Train government business development staff, particularly in small business development centers, on how to implement the legislation.
- ▶ Locate local hybrids and begin conversation on partnerships.
- ▶ Educate the local Chamber of Commerce and business schools about these alternative models.

## **FOR MORE INFORMATION ON HYBRID ENTERPRISE:**

### **Americans for Community Development: The Organization for the L3C**

<http://www.americansforcommunitydevelopment.org>

### **B Lab**

<http://www.bcorporation.net>

### **American Sustainable Business Council**

<http://asbcouncil.org>

# Endnotes

---

1. National Center for Employee Ownership, *A Visual Guide to Employee Ownership*, Oakland, CA: NCEO, <http://www.esopinfo.org/infographics/economic-power-of-employee-ownership.php>, accessed Oct. 24, 2015.
2. Blue Green Alliance, *Recology Pursues Zero-Waste In Bay Area*, Washington, DC: Blue Green Alliance, <http://www.bluegreenalliance.org/apollo/signature-stories/recology-pursues-zero-waste-in-bay-area>, accessed Feb. 2015.
3. Jessica Gordon Nembhard, *Benefits and Impacts of Cooperatives*, Washington, DC and New York: Howard University and City University of New York, NY, Feb. 2014.
4. The Democracy Collaborative, "Directory entry: Cooperative Home Care Associates," *Community-Wealth.org*, Takoma Park, MD: The Democracy Collaborative, Jan. 2015, <http://community-wealth.org/content/cooperative-home-care-associates#>, accessed Jan. 2015.
5. U.S. Department of Treasury, *List of Certified Community Development Financial Institution [CDFIs] with Contact Information as of September 30, 2015*, Washington, DC: CDFI Fund, 2015, <https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx>, accessed Nov. 10, 2015. Ben Bernanke, "Community Development Financial Institutions: Challenges and Opportunities," *Global Financial Literacy Summit*, Washington, DC: Board of Governors of the Federal Reserve System, Jun. 17, 2009, <http://www.federalreserve.gov/newsevents/speech/bernanke20090617a.htm>, accessed Sept. 20, 2015. Chicago Community Loan Fund, "Together We Make the Greatest Impact: 2014 Annual Report," Chicago, IL: Chicago Community Loan Fund, <http://www.cclfchicago.org/about-us/publications>. "Federal Home Loan Bank of Chicago Names Chicago Community Loan Fund [CCLF] Community First Fund Partner; CCLF Receives \$5 Million, 10-Year Loan," *PRS Newswire*, Jul. 1, 2015, <http://www.prnewswire.com/news-releases/federal-home-loan-bank-of-chicago-names-chicago-community-loan-fund-cclf-community-first-fund-partner-cclf-receives-5-million-10-year-loan-300107693.html>.
6. DC Central Kitchen, *Economic Impact*, Washington, DC: DCCK, 2015, <http://www.dccentralkitchen.org/economicimpact>, accessed Sept. 20, 2015.
7. American Public Power Association, *Public Power: Shining a Light on Public Service*, Arlington, VA: APPA, Sept. 2014, <http://www.les.com/pdf/public-power-fact-sheet.pdf>, accessed Jan. 1, 2015.
8. American Public Power Association, *100 Largest Public Power Utilities by Electric Revenues, 2013*, Arlington, VA: APPA, <http://www.publicpower.org/files/PDFs/100LargestPublicPowerUtilitiesbyElectricRevenues.pdf>.
9. B Corporations, Wayne, PA: B Lab, <https://www.bcorporation.net/>, accessed Oct. 24, 2015. Next Street, "Word on the Street," Roxbury, MA: Next Street Financial LLC, Feb. 2015, <http://campaign.r20.constantcontact.com/render?ca=55813825-c292-42e2-be20-6620a349aef86c=31fd98e0-51e9-11e3-ad70-d4ae529a826e&ch=32a2d990-51e9-11e3-ae0e-d4ae529a826e>, accessed Mar. 7, 2015. "More than 60 Percent of B Corps Located in Cities—What's Their Impact?" *Planetizen*, Oct. 18, 2014, <http://www.planetizen.com/node/71355>.
10. Janet L. Yellen, "Perspectives on Inequality and Opportunity from the Survey of Consumer Finances," *Conference on Economic Opportunity and Inequality*, Boston, MA: Federal Reserve Bank of Boston, Oct. 17, 2014, <http://www.federalreserve.gov/newsevents/speech/yellen20141017a.htm>, accessed Sept. 20, 2015.
11. Pedro Nicolaci da Costa, "Inequality is Damaging the U.S. Economy, S&P Study Says," *The Wall Street Journal: Real Time Economics*, Aug. 5, 2014.
12. Jessica Gordon Nembhard, *Benefits and Impacts of Cooperatives*, Washington, DC and New York: Howard University and CUNY, Feb. 2014.
13. National Center for Employee Ownership, *A Visual Guide to Employee Ownership*, Oakland, CA: NCEO, <http://www.esopinfo.org/infographics/economic-power-of-employee-ownership.php>, accessed Oct. 24, 2015.
14. American Public Power Association, *Public Power: Shining a Light on Public Service*, Arlington, VA: APPA, Sept. 2014, <http://www.les.com/pdf/public-power-fact-sheet.pdf>, accessed Jan. 1, 2015.
15. American Public Power Association, *Public Power: Shining a Light on Public Service*, Arlington, VA: APPA, Sept. 2014, <http://www.les.com/pdf/public-power-fact-sheet.pdf>, accessed Jan. 1, 2015.
16. Deanna Chevas, "Buy Local: Celebrate Local Business—All Year Long," *The Tucson Sentinel*, Jun. 24, 2013, [http://www.tucsonsentinel.com/opinion/report/062413\\_local\\_first\\_op/buy-local-celebrate-independent-business-all-year-long/](http://www.tucsonsentinel.com/opinion/report/062413_local_first_op/buy-local-celebrate-independent-business-all-year-long/).
17. Michael Swack, et. al., Washington, DC: Community Development Financial Institutions Fund, U.S. Department of the Treasury, Aug. 2014, p. 5. National Cooperative Bank, *NCP Co-op 100*, Arlington, VA: NCB, 2013, [http://www.ncb.coop/uploadedFiles/New\\_Site\\_Content/Publications/2013\\_NCB\\_Co-op\\_100\\_Report.pdf](http://www.ncb.coop/uploadedFiles/New_Site_Content/Publications/2013_NCB_Co-op_100_Report.pdf), accessed Mar. 8, 2015.
18. Interview with Donna Fabiani, Executive Vice President, Knowledge Sharing, Opportunity Finance Network, Mar. 6, 2015.
19. Ben Bernanke, "Community Development Financial Institutions: Challenges and Opportunities," *Global Financial Literacy Summit*, Washington, DC: Board of Governors of the Federal Reserve System, Jun. 17, 2009, <http://www.federalreserve.gov/newsevents/speech/bernanke20090617a.htm>, accessed Sept. 20, 2015.



20. Democracy at Work Institute, "New York City continues to pioneer innovative economic development strategies, committing another \$2.1 million to worker cooperative development," Oakland, CA: US Federation of Worker Cooperatives, Jun. 26, 2015, [http://institute.usworker.coop/news/new-york-city-continues-pioneer-innovative-economic-development-strategies-committing-another?mc\\_cid=441415891a&mc\\_eid=79ac99a6ce](http://institute.usworker.coop/news/new-york-city-continues-pioneer-innovative-economic-development-strategies-committing-another?mc_cid=441415891a&mc_eid=79ac99a6ce).
21. Data from Project Equity; see <http://www.project-equity.org/>.
22. City of Austin, "Austin Recycling Economic Development Program," *AustinTexas.gov*, Austin, TX: City of Austin, <http://austintexas.gov/recyclingecodev>, accessed Jul. 2015.
23. Steve Dubb, "City Halls Help Plant Seeds for Community Co-ops," *Rooflines*, Nov. 14, 2014. The \$1.2 million Denver OED commitment was a loan, but functions as a grant because the money does not need to be repaid as long as community benefit is demonstrated for twenty years. Denver Office of Economic Development, "Morrison Road property acquired for future food hub, neighborhood grocery store," Denver, CO: City and County of Denver, Oct. 9, 2014, <https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/newsroom/2014/morrison-road-property-acquired-for-future-food-hub-neighborhood.html>, accessed Jul. 2014.
24. Chris Bentley, "Home Economics: Working Toward a Retrofitted Nation," *Next City*, Dec. 3, 2012, <https://nextcity.org/features/view/home-economics>.
25. Councilmember Cam Gordon, "Second Ward May 2014 E-newsletter," *Ward 2—Cam Gordon*, May 2014, <http://www.ci.minneapolis.mn.us/ward2/>, accessed Aug. 2015. Eric Roper, "Minneapolis looks at rules for recycling demolition, construction waste," *Star Tribune*, Sept. 27, 2014. Cherie Shoquist, "Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED," Minneapolis, MN: City of Minneapolis, Jun. 2014, <http://www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcms1p-127335.pdf>.
26. Community-Wealth.org, "Directory entry: Cooperative Home Care Associates," Takoma Park, MD: The Democracy Collaborative, Jan. 2015, [community-wealth.org/content/cooperative-home-care-associates#](http://community-wealth.org/content/cooperative-home-care-associates#), accessed Jan. 2015.
27. Recreational Equipment, Inc., "2014 Financial Statements," REI, accessed Nov. 2015. Recreational Equipment Inc., "REI Recognized as a Top Employer on Fortune's '100 Best Companies to Work for' List for 18th Consecutive Year," *REI*, Mar. 5, 2015, <http://www.rei.com/about-rei/newsroom/2015/rei-recognized-as-a-top-employer-on-fortunes-100-best-companies-.html>, accessed Mar. 8, 2015.
28. *Land O'Lakes 2014 Annual Report*, St. Paul, MN: Land O'Lakes, 2015. Steven Deller, Ann Hoyt, Brent Hueth, Reka Sundaram-Stukel, *Research on the Economic Impact of Cooperatives*, University of Wisconsin Center for Cooperatives, 2009.
29. Patrick Duffy, ed., "The 1990s," *Rural Cooperatives*, Jan./Feb. 1999, Washington, DC: USDA, p. 61. Celestine C. Adams, Katherine C. DeVille, Jacqueline E. Penn, and E. Eldon Eversull, "Service Report 62", *Farmer Cooperative Statistics*, 2002, Washington, DC: USDA. Charles A. Kraenzle, "Co-ops' share of farm marketings up slightly in '98," *Rural Cooperatives*, Jan. 2000, Washington, DC: USDA, p. 16-17 and 22-23.
30. Steven Deller, Ann Hoyt, Brent Hueth, Reka Sundaram-Stukel, *Research on the Economic Impact of Cooperatives*, Madison, WI: University of Wisconsin Center for Cooperatives, Mar. 2009.
31. National Center for Employee Ownership, *A Statistical Profile of Employee Ownership*, Oakland, CA: NCEO, Jun. 2014, <http://www.nceo.org/articles/statistical-profile-employee-ownership>, accessed Feb. 16, 2015.
32. Publix, *Fact and Figures*, Lakeland, FL: Publix Asset Management Company, 2014, <http://corporate.publix.com/about-publix/company-overview/facts-figures>, accessed Nov. 2015.
33. American Public Power Association, *U.S. Electric Utility Industry Statistics*, Arlington, VA: APPA, 2013, <http://www.publicpower.org/files/PDFs/USElectricUtilityIndustryStatistics.pdf>.
34. American Public Power Association, *100 Largest Public Power Utilities by Electric Revenues, 2013*, Arlington, VA: APPA, <http://www.publicpower.org/files/PDFs/100LargestPublicPowerUtilitiesbyElectricRevenues.pdf>.
35. John Farrell, "Local. 33% Renewable. And Lower Prices. Sonoma Clean Power "CCA" Launches," *Institute for Local Self-Reliance*, May 8, 2014, <http://www.ilsr.org/local-33-renewable-sonoma-clean-power-cca-launches/>.
36. Martin Staubus, "Trends in Employee Ownership: Important Demographic Developments," *Employee Ownership Insights*, Winter 2010, <http://rady.ucsd.edu/beyster/media/newsletter/2010/winter/trends.html>, accessed Jan. 30, 2015. Also see Richard Jackim and Peter Christman, *The \$10 Trillion Opportunity: Designing Successful Exit Strategies for Middle Market Business Owners*, Palatine, IL: The Exit Planning Institute, 2005.
37. National Center for Employee Ownership, *A Visual Guide to Employee Ownership*, Oakland, CA: NCEO, <http://www.esopinno.org/infographics/economic-power-of-employee-ownership.php>, accessed Oct. 24, 2015.
38. Bruce J. Reynolds, "Building a Bridge for Ownership Succession," Washington, DC: USDA, Jan. 2009, <http://www.rurdev.usda.gov/rbs/pub/jan09/building.htm>, accessed Dec. 24, 2010.
39. Bill McIntyre, "Business Ownership Succession Planning Program: An Economic Development Tool," *2012 International Economic Development Conference*, Houston, TX: IEDC, 2012.



40. Corey Rosen, *Twelve Bogus Reasons Not to Do an ESOP [and Seven Good Ones]*, Oakland, CA: National Center on Employee Ownership, May 29, 2009, <http://www.nceo.org/articles/reasons-esop>, accessed Mar. 8, 2015.
41. National Center for Employee Ownership, *A Statistical Profile of Employee Ownership*, Oakland, NCEO: Jun. 2014, <http://www.nceo.org/articles/statistical-profile-employee-ownership>, accessed Feb. 16, 2015.
42. Douglas Kruse, *Research Evidence on Prevalence and Effects of Employee Ownership*, testimony before the Subcommittee on Employer-Employee Relations Committee on Education and the Workforce, Washington, DC: U.S. House of Representatives, Feb. 13, 2002, <http://www.ownershipassociates.com/kruse.shtm>, accessed Mar. 8, 2015.
43. Dave Zuckerman, "Employee Ownership Reduces Layoffs and Saves Tax Payers," *Community-Wealth.org*, Takoma Park, MD: The Democracy Collaborative, Aug. 6, 2013, <http://community-wealth.org/content/employee-ownership-reduces-layoffs-and-saves-taxpayer>, accessed Mar. 2015.
44. Christine Riordan and Anastasia Christman, *City Systems: Building Blocks for Achieving Sustainability and Creating Good Jobs*, New York, NY: NELP, Mar. 2012, [http://nelp.org/content/uploads/2015/03/City\\_Systems.pdf](http://nelp.org/content/uploads/2015/03/City_Systems.pdf), accessed Sept. 20, 2015.
45. Recology, *About Us*, San Francisco, CA: Recology, 2015, <http://www.recology.com/index.php/recology-our-story>, accessed Jan. 2015. Recology, *Employee Ownership*, San Francisco, CA: Recology, 2015, <http://www.recology.com/index.php/recology-employee-ownership>, accessed Jan. 2015.
46. CH2M Hill, *Industry Rankings 2014*, Englewood, CO: CH2M Hill, 2014, <http://newsroom.ch2mhill.com/industry-rankings>, accessed Jan. 2015. CH2M Hill, "FORTUNE Ranks CH2M Hill One of '100 Best Companies to Work For'," Englewood, CO: CH2M Hill, Jan. 26, 2009, [https://www.ch2m.com/corporate/news\\_room/news\\_story.asp?story\\_id=491](https://www.ch2m.com/corporate/news_room/news_story.asp?story_id=491), accessed Jan. 2015.
47. "Acadian Receives Jim Page Award for heroic efforts during hurricanes Katrina and Rita," EMS Village.com, accessed Mar. 6, 2015, <http://www.emsvillage.com/articles/article.cfm?id=1902>. Acadian, *Our History*, Lafayette, LA: Acadian, 2014, <http://www.acadian.com/our-history>, accessed Jan. 2015.
48. For more on the employee ownership conversion project, contact Jessica Bonanno [jbonanno@democracycollaborative.org].
49. Ziona Austrian, Kathryn Hexter, and Candi Clouse, "Greater University Circle Initiative: Year 4 Evaluation Report," Cleveland, OH: Cleveland State University, Jun. 2015, [http://works.bepress.com/ziona\\_austrian/125](http://works.bepress.com/ziona_austrian/125). July 2015 figure provided to authors by Evergreen Business Services.
50. Fortune.com, *Inner City 100*, New York, NY: Fortune Magazine, 2015, <http://fortune.com/inner-city-100/>, accessed Nov. 2015.
51. Anne Reynolds, "City of Madison Cooperative Business Initiative Update and Discussion June 29, 2015," *University of Wisconsin Center on Cooperatives*, Jul. 4, 2015, <http://www.uwcc.wisc.edu/outreach/Madison%20co-op%20initiative-June%2029%20meeting%20notes.pdf>, accessed Jul. 2015.
52. *Exploring the Cooperative Economy: Report 2015*, Brussels, Belgium: World Cooperative Monitor, 2015.
53. Dan Campbell, "When the Lights Came On: USDA Program Brought Electricity and a Better Way of Life to Rural America," *Rural Cooperatives* 67 [July/August 2000], <http://www.rd.usda.gov/files/CoopMag-aug00.pdf>, accessed Sept. 20, 2015. Iowa Area Development Group, *About Us*, West Des Moines, IA: IADG, 2015, <http://www.iadg.com/about-us/default.aspx>, accessed Sept. 20, 2015.
54. See U.S. Federation of Worker Cooperatives, <https://www.usworker.coop/>.
55. Stephanie Guico, Final Report to City Council: July 2014-June 2015, New York, NY: New York City Worker Cooperative Business Development Initiative, Jul. 31, 2015.
56. Credit Union National Association, *U.S. Credit Union Profile: Year End 2014*, Madison, WI: CUNA, 2015.
57. Steve Dubb, "Worker food co-op opens in West Oakland, CA," Takoma Park, MD: The Democracy Collaborative, Aug. 21, 2009, <http://community-wealth.org/content/worker-food-co-op-opens-west-oakland-ca>, accessed Jan. 2015. Jessica Gordon-Nembhard and Charlotte Otabar, *Community-Based Asset Building: The Role Played By Credit Unions, Cooperatives, And Other Community-Based Businesses*, Washington, DC: Howard University Center on Race and Wealth, Dec. 2014. Email correspondence with Mariela Cedeno, Director of Social Enterprise and Microfinance, Mandela MarketPlace, Oct. 2015.
58. Steve Dubb, Interview of Vanessa Bransburg, New York, NY: May 2, 2015.
59. Community-Wealth.org, *Directory entry: Cooperative Home Care Associates*, Takoma Park, MD: The Democracy Collaborative, Jan. 2015, <http://community-wealth.org/content/cooperative-home-care-associates#>, accessed Jan. 2015.
60. Laura Flanders, "How America's Largest Worker-Owned Co-op Lifts People Out of Poverty," *Yes! Magazine*, Aug. 14, 2014.
61. Michael Swack, Jack Northrup, and Eric Hangen, "CDFI Industry Analysis," Carsey Institute, Spring 2012.
62. Ben Bernacke, "Community Development Financial Institutions: Challenges and Opportunities," *Global Financial Literacy Summit*, Washington, DC: Board of Governors of the Federal Reserve System, Jun. 17, 2009, <http://www.federalreserve.gov/newsevents/speech/bernanke20090617a.htm>, accessed Sept. 20, 2015. U.S. Social Investment Forum, "2014 Trends Report," <http://www.ussif.org/trends>, accessed Feb. 19, 2015.
63. Paige Chapel, Tom Colby, and John Schwarz, *Com-*

- community Development Loan Funds, written on behalf of the CDFI Assessment and Rating System, Manchester Center, VT: AltruShare Securities, Sept. 2012.
64. Opportunity Finance Network, *2010 Statistical Highlights from OFN Membership*, Philadelphia, PA: OFN, [http://ofn.org/sites/default/files/insideTheMembership\\_0.pdf](http://ofn.org/sites/default/files/insideTheMembership_0.pdf).
  65. Interview with Donna Fabiani, Executive Vice President, Knowledge Sharing, Opportunity Finance Network, Mar. 6, 2015.
  66. "Chicago Community Loan Fund and West Humboldt Park Family and Community Development Council," *Partners in Progress*, <http://partnersinprogressproject.org/grantee/chicago-community-loan-fund-west-humboldt-park-family-and-community-development-council-grant/#.VQCR1fzF-aZ>, accessed Mar. 11, 2015. Chicago Community Loan Fund, <http://cclfchicago.org/>, accessed Mar. 11, 2015. Email correspondence with Hannah Bernard, Marketing Assistant, Chicago Community Loan Fund, Oct. 2015.
  67. Dina ElBoghady, "A Boston program aiding foreclosed homeowner could be a national model for fighting blight," *Washington Post*, Jul. 28, 2014.
  68. LIIF, "Low Income Investment Fund Annual Report 2014 30<sup>th</sup> Anniversary, San Francisco, CA: Low Income Investment Fund," 2014, <http://www.liifund.org/annual-report/>, accessed Jan. 2015.
  69. Mark Pinsky, "Taking Stock: CDFIs Look Ahead After 25 Years of Community Development Finance," *Capital Xchange*, Washington, DC: The Brookings Institution, Dec. 2001, <http://www.brookings.edu/research/articles/2001/12/metropolitanpolicy-pinsky>, accessed Sept. 20, 2015.
  70. Lynn Adler and Jim Mayer, "Whom Do They Serve?" *Faith, Hope and Capital*, San Francisco, CA: Tenth Street Media, 2000, <http://www.pbs.org/capital/cdfi/serve.html>, accessed Mar. 8, 2015.
  71. Anne Field, "Helping Small Business Lenders Up Their Game," *Forbes*, Feb. 28, 2015, <http://www.forbes.com/sites/annefield/2015/02/28/helping-small-business-lenders-up-their-game/>, accessed Mar. 8, 2015.
  72. Bob Brehm, *Why Don't We Build it Ourselves? The Story of the Humboldt Construction Company, a CDC-Owned Business*, Montclair, NJ: National Housing Institute, Mar. 2014.
  73. DC Central Kitchen, *Economic Impact*, Washington, DC: DCCK, 2015, <http://www.dccentralkitchen.org/economicimpact>, accessed Sept. 20, 2015. Email correspondence with Alexander Justice Moore, Chief Development Officer, DC Central Kitchen.
  74. Community-Wealth.org, *Directory entry: Ready, Willing & Able*, Takoma Park, MD: The Democracy Collaborative, Jan. 5 2015, <http://community-wealth.org/content/ready-willing-able>, accessed Jan. 2015. *Ready, Willing & Able, Social Enterprises*, New York, NY: The Doe Fund, [http://www.doe.org/social\\_enterprises.cfm](http://www.doe.org/social_enterprises.cfm), accessed Jan. 2015. *Ready, Willing & Able, Criminal Justice*, New York, NY: The Doe Fund, [http://www.doe.org/services\\_detail.cfm?programID=13](http://www.doe.org/services_detail.cfm?programID=13), accessed Jan. 2015.
  75. Steve Dubb, "Interview of Carla Javits, President, REDF," Takoma Park, MD: The Democracy Collaborative, Sept. 11, 2011, <http://community-wealth.org/content/interview-carla-javits-president-redf>, accessed Jan. 2015. Community-Wealth.org, *Directory entry: REDF*, Takoma Park, MD: The Democracy Collaborative, Jan. 5 2015, <http://community-wealth.org/content/redf>, accessed Jan. 2015. REDF, *Our Impact*, San Francisco, CA: REDF, 2015, <http://redf.org/impact/>, accessed Jan. 2015. REDF, "REDF Receives \$7 Million Federal Grant To Expand Social Enterprise Solutions For People Facing Greatest Employment Barriers," *PR News Wire*, Aug. 11, 2015, <http://www.prnewswire.com/news-releases/redf-receives-7-million-federal-grant-to-expand-social-enterprise-solutions-for-people-facing-greatest-employment-barriers-300126519.html>, accessed Nov. 10, 2015.
  76. Keane Bhatt and Steve Dubb, *Educate and Empower: Tools for Building Community Wealth*, Takoma Park, MD: The Democracy Collaborative, Aug. 2015.
  77. American Public Power Association, *2015-2016 Annual Directory and Statistical Report*, Arlington, VA: APPA, 2015, p. 55.
  78. American Public Power Association, *U.S. Electric Utility Industry Statistics*, Arlington, VA: APPA, 2013. American Public Power Association, *2008-09 Annual Directory & Statistical Report*, Arlington, VA APPA, 2008, p. 21. National Rural Electric Cooperative Association, *NRECA Annual Report 2009*, Arlington, VA: NRECA, 2010, p. 7.
  79. Pike Place Market, *History*, Seattle, WA: Pike Place Market PDA, 2013, <http://www.pikeplacemarket.org/history>, accessed Jan. 2015. Seattle Voices, *Seattle Voices with Ben Franc-Knight*, Seattle, WA: City of Seattle, <http://www.seattlechannel.org/SeattleVoices/episodes?videoid=x21152>, accessed Jan. 2015. Seattle Department of Neighborhoods, *Pike Place Market*, Seattle, WA: City of Seattle, <http://www.seattle.gov/neighborhoods/historic-preservation/historic-districts/pike-place-market>, accessed Nov. 9, 2015.
  80. Seattle Voices, *Seattle Voices with Ben Franc-Knight*, Seattle, WA: City of Seattle, <http://www.seattlechannel.org/SeattleVoices/episodes?videoid=x21152>, accessed Jan. 2015.
  81. *Energy Toolkit*, Boston, MA: Commonwealth of Massachusetts Executive Office of Energy and Environmental Affairs, [http://www.mass.gov/envir/smart\\_growth\\_toolkit/pages/mod-wind.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/mod-wind.html), accessed Jan. 21, 2015. Christopher Adams, "An Analysis of Wind Power Development in the Town of Hull, MA," Hull, MA: Hull Municipal Light Plant, Jun. 30, 2013.
  82. City of Austin, *Austin Energy named 2012 Public Power Utility of the Year*, Austin, TX: City of Austin, Jun. 20, 2012, <https://austintexas.gov/blog/austin-energy-named-2012-public-power-utility-year>, Nov. 2, 2015.

83. AustinTexas.gov, "Austin Recycling Economic Development Program: Green Jobs Through Zero Waste," Austin, TX: City of Austin, <http://austintexas.gov/recyclingecodev>, accessed Nov. 9, 2015.
84. "Berkshire Wind Power Cooperative completes \$64.7 million wind project financing," Berkshire Wind Power Co-op, Dec. 22, 2010, <http://www.berkshirewindcoop.org/documents/DedicationFactSheetsPublisher.pdf>, accessed Nov. 2, 2015.
85. Mike Isaac and David Gelles, "Kickstarter Focuses Its Mission on Altruism Over Profit," *New York Times*, Sept. 20, 2015.
86. B Lab, *Benefit Corp Information Center*, Wayne, PA: B Lab, <http://benefitcorp.net/state-by-state-status>, accessed Mar. 9, 2015.
87. Americans for Community Development, *Home*, Muskegon, MI: Americans for Community Development, <https://www.americansforcommunitydevelopment.org/>, accessed Mar. 11, 2015.
88. Intersector Partners L3C, *Latest L3C Tally*, Longmont, CO: Intersector Partners LE3c, Sept. 3, 2015, [http://www.intersectorl3c.com/l3c\\_tally.html](http://www.intersectorl3c.com/l3c_tally.html), accessed Nov. 10, 2015.
89. B Lab, *Next Street*. Wayne, PA: B Lab, <https://www.bcorporation.net/community/next-street>, accessed Nov. 1, 2015. Brian Hull, "Providence's Urban Food System, ICIC Blog, Boston, MA: Initiative for a Competitive Inner City, Dec. 5, 2013, <http://www.icic.org/connection/blog-entry/blog-providences-urban-food-ecosystem>, accessed Nov. 1, 2015. Tamara Copeland, "An update on the Community Wealth Building Initiative: From Vision to Reality," Daily WRAG, Washington, DC: Washington Regional Association of Grantmakers, Feb. 2015, <https://www.washingtongrantmakers.org/news/update-community-wealth-building-initiative-vision-reality>, accessed Nov. 2015.
90. Cutting Edge Capital, *Capital Raising*, Oakland, CA: Cutting Edge Capital, 2015, <http://www.cuttingedgecapital.com/financing-strategies/>, accessed Nov. 2, 2015. Cutting Edge Capital, *Capital Markets & Market-Based Regulation*, Oakland, CA: Cutting Edge Capital, 2015, <http://www.cuttingedgecapital.com/capital-markets/>, accessed Nov. 2, 2015.
91. Healthy Food Access Portal, *Federal Policy: Illinois*, Oakland, CA and Philadelphia, PA: PolicyLink, The Reinvestment Fund, and The Food Trust, <http://www.healthyfoodaccess.org/policy-efforts-and-impacts/federal/illinois>, accessed Nov. 2, 2015.
92. B Lab, *Benefit Corporations & Certified B Corps*, Wayne, PA: B Lab, 2015, <http://benefitcorp.net/businesses/benefit-corporations-and-certified-b-corps>, accessed Nov. 2, 2015.

