

City of Cincinnati



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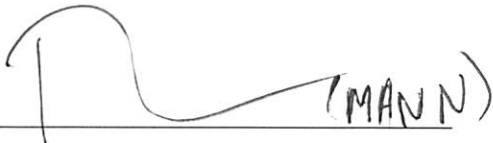
David S. Mann
Councilmember

January 16, 2019

MOTION

WE MOVE that the City administration report on ways to raise awareness of, increase partnerships with, and support worker-owned cooperatives in the City of Cincinnati and encourage small businesses, entrepreneurs and communities to consider cooperatives as an option where appropriate. The report should consider the following options at a minimum:

- Explore how cooperatives can be a tool for eliminating economic disparities, and promoting racial equity
- Extend preference to contract bidders whose bids include worker-owned cooperatives
- Provide information on worker-owned cooperative models to small businesses seeking City assistance
- Send City administration representatives to the international co-op symposium to be hosted by Cincinnati Union Co-op Initiative in Fall 2019



STATEMENT

Worker-owned cooperatives are proven to be a successful model for profitable small businesses that also provide employee-owners with living wages. While they are not a “one size fits all” model, we believe it is smart policy to make small business owners and entrepreneurs aware that cooperatives are “on the menu” as they consider the future of their businesses.

Cooperatives are particularly useful when small business owners looking to retire contemplate succession planning. The next generation may not wish to continue the family business, and many owners are concerned that selling their businesses could mean job loss for long-time loyal employees if a new owner moves or discontinues work. With the Baby Boomer generation entering retirement, many Baby Boomer-owned small businesses are facing these choices already. A study conducted by the Cincinnati Union Co-Op Initiative (CUCI) has shown that the majority of manufacturing firms in our region are small-to-mid-sized employers, many led by Baby Boomer owners. CUCI is piloting an early warning system for Southwest Ohio manufacturing businesses; the early warning data will identify opportunities to retain jobs through conversion to worker ownership where the lack of a succession plan puts a company’s future at risk. This is a wonderful example of how co-op models can turn hardship into economic opportunity, salvaging a business that contributes to our regional economy while empowering local residents.

We hope that by increasing awareness of worker-owned co-op models, more businesses will become resilient, successful contributors to our local, regional, and national economies, and businesses that prioritize people will become the rule rather than the exception.

For Council calendar

Joan