



2023-2024 Home Care Cooperative Benchmarking Report





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Table of Contents

1	Introduction
3	Key Findings
4	Sector Wins & Challenges
5	2023 and 2024 Benchmarking Survey Results
5	<i>Business Metrics</i>
6	Client Hours and Revenues
7	Profits
7	Clients
8	<i>Caregiver Metrics</i>
8	Wages
9	Cooperative Membership Metrics
10	Scaling Success
10	<i>State-Level Strategies</i>
10	Washington
11	California
11	Minnesota
11	Wisconsin
12	<i>National Strategies</i>
12	Elevate Cooperative
13	Conclusion

Introduction

This home care cooperative sector benchmarking report analyzes national data collected in 2023 and 2024—the sixth and seventh consecutive years of data collection—and provides insights into how home care cooperatives performed during calendar years 2022 and 2023.

In 2022 and 2023, home care cooperatives continued to rebound from the challenges of COVID-19. For most co-ops, business benchmarks remained steady, trended positively, or reached pre-COVID levels. For example, despite some losses in client hours, total sector revenue rebounded and stayed well above 2021 levels in both years, while the sector's overall median gross margin increased steadily, reaching 36% in 2023.

During this period, home care cooperatives faced new challenges as traditional agencies, franchises, and chains continued to grapple with the ongoing caregiver workforce crisis and tested new strategies to attract and retain caregivers. Despite this competitive pressure, cooperatives continued to outperform the broader industry on key measures such as wages and caregiver retention, underscoring the "cooperative difference" in home care. In every state where they operate, cooperatives paid caregivers higher average wages than the state's industry average.

Most notably, the cooperative sector achieved an annual caregiver turnover rate of 30% in 2023—a five-year low—while the broader industry saw turnover reach a five-year high of 79%.

This stark contrast highlights the superior working conditions and supportive culture cultivated by home care cooperatives, which resonate strongly with caregivers.

The sector has also made significant strides in developing scaled initiatives to support the growth of new home care cooperatives and strengthen existing ones. This year's report includes a dedicated section on "Scaling Success," which outlines state and national efforts aimed at deepening cross-cooperative collaboration and enhancing financial sustainability within the sector. Cooperation among home care cooperatives is steadily increasing, creating a foundation for shared growth and resilience.

As this report demonstrates, the home care cooperative model continues to deliver tangible benefits for home care workers. By prioritizing caregivers and embracing collaboration, cooperatives are more resilient. They are also setting a powerful example for the broader home care industry.

"We look out for each other and we check in on each other, when anyone gets sick we help each other. We are a group, but we are one."

—Maricela Ramirez,
ABQ Assisted Care en
Comunidad

About the Report

The Home Care Cooperative Benchmarking Survey was administered in Spanish and English, in 2023 and 2024. Each survey collected information from cooperatives that operated for the entire calendar year, only operated for part of the year, or had incorporated within the year but were not yet serving clients. Only data from cooperatives that operated for the entire calendar years was used in the analysis.

In 2022:

The survey was sent to 19 home care cooperatives, and sixteen cooperatives responded to the survey. Of these sixteen:

- ▶ Thirteen responding cooperatives operated for the entire calendar year
- ▶ One cooperative began serving its first clients midway through 2022
- ▶ Two cooperatives were added to the network but had yet to begin serving clients

In 2023:

The survey was sent to 18 home care cooperatives, and fifteen cooperatives responded to the survey. Of these fifteen:

- ▶ Twelve responding cooperatives operated for the entire year, and three operated for only part of the year.
- ▶ The two cooperatives that responded in 2022 but had not yet begun serving clients were not included in 2023's data. One began serving clients mid-way through the year, and the other was still navigating licensing challenges.

One of the thirteen cooperatives that reported in 2022 discontinued services by the end of 2023.

The Home Care Cooperative Benchmarking Survey and Report are created with the continued generous support of the Cooperative Development Foundation and the United States Department of Agriculture Rural Cooperative Development Grant.

Key Findings

Sector Revenue

In millions



In 2022, revenue increased to \$71.8 million, the highest level since 2019. In 2023, total sector revenue shrank slightly but remained well above 2021 levels.

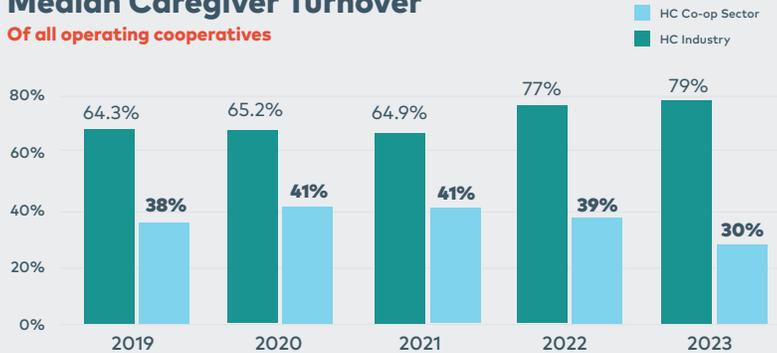
Home Care Coop Sector Revenue



In 2023, increased private pay revenue offset the impact of declining public pay revenues. Public pay revenue decreased by 2.1% in 2023, but total sector revenue only declined by 1% due to the 6.6% increase in private pay revenue.

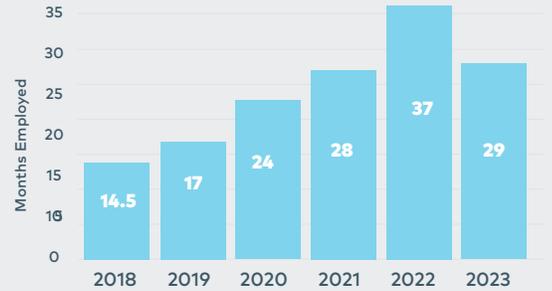
Median Caregiver Turnover

Of all operating cooperatives



In 2023, median caregiver turnover for the conventional industry increased, while turnover for the home care cooperatives declined to 30%.

Median Caregiver Tenure



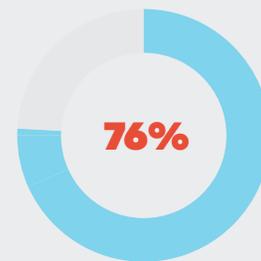
Median caregiver tenure decreased in 2023 when some long-tenured member-owners retired but remained high overall.

Average Wage Comparison



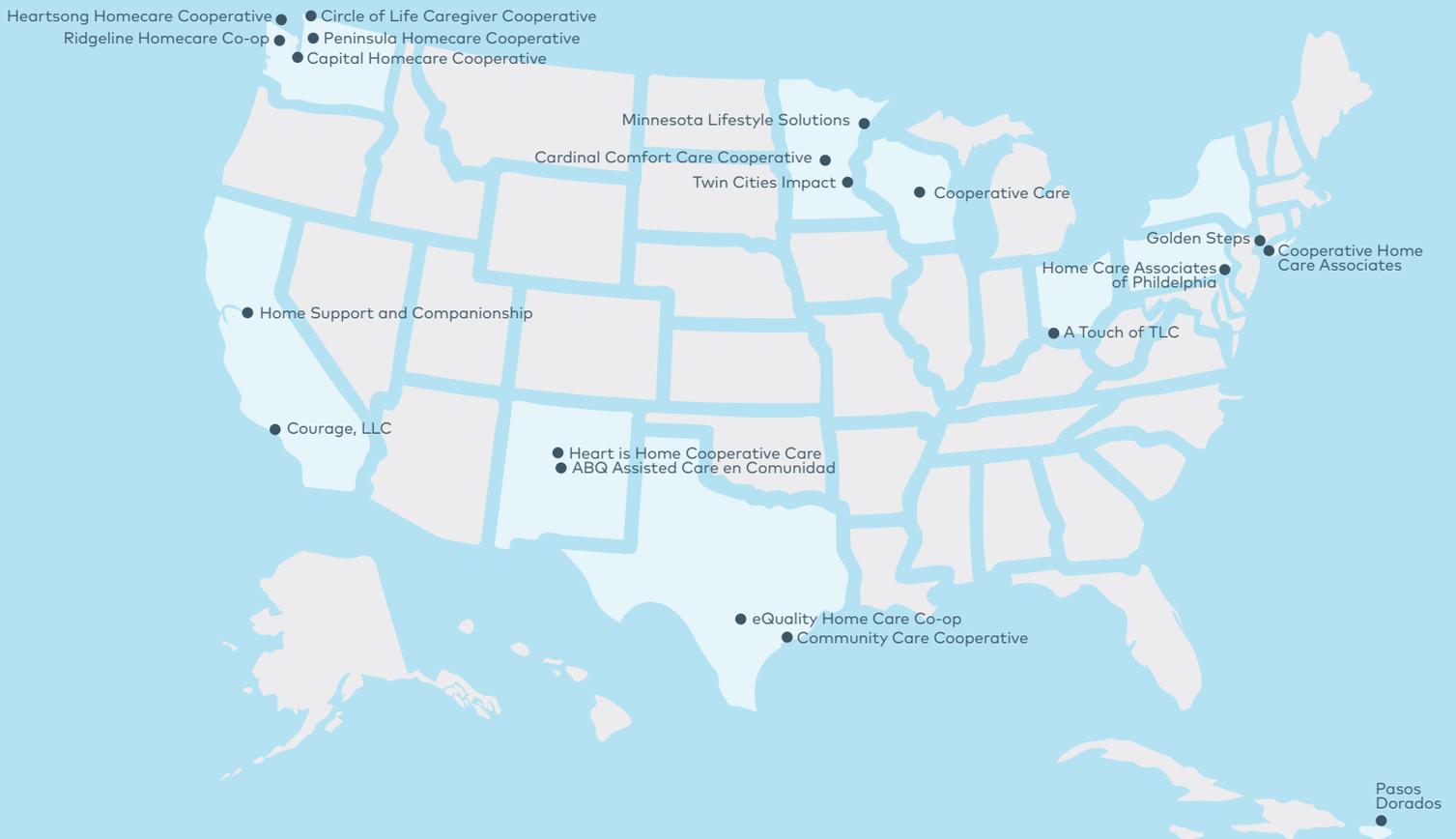
The cooperative sector's weighted average wage increased to \$14.91 per hour in 2022 and to \$17.28 per hour in 2023, compared to the industry's weighted average of \$14.10 and \$15.27 in those same years. In 2023, on average, cooperative caregivers made \$2.01 more per hour than caregivers at other agencies.

Home Care Cooperative Membership



In 2023, cooperative membership increased by 11 percentage points, from 65% in 2022 to 76%, the highest membership rate in benchmarking history.

Home Care Cooperatives Nationwide



Sector Wins and Challenges

In 2022 and 2023, home care cooperatives continued to rebuild and fortify the foundations of their businesses. For most, benchmarks stayed steady over the two years, trended positively, or reached pre-Covid figures. However, pervasive challenges across the broader home care industry, including caregiver shortages, inadequate public reimbursement rates and payment delays, and rising costs, challenged home care cooperatives, as well.

Wins:

- ▶ In 2022, revenue increased by over 10% to \$71.8 million, the highest level since 2019. In 2023, total sector revenue shrank slightly by 1% but remained well above 2021 levels.
- ▶ Home care cooperatives increased the sector's median gross margin across both years, growing from 32% in 2021 to 35% in 2022, and reaching 36% in 2023.
- ▶ The home care cooperative sector maintained an industry-leading turnover rate of 39% in 2022 and 30% in 2023, compared to 77% and 79% in the conventional industry, respectively.
- ▶ In 2022 and 2023, home care cooperatives in every state where they operated paid higher average wages than the state's industry average for home care work.
- ▶ Average membership rates held relatively steady in 2022, only dropping a single percentage point from 66% to 65% before increasing significantly in 2023 to a high of 76%.

Challenges:

- ▶ Total client hours for the sector continued to decline across both years, falling by 3.9% in 2022 and then another decrease of 9.5% in 2023. In both years, this decline was primarily the result of declining public pay hours.
- ▶ In 2023, increased private pay revenue offset the impact of declining public pay revenues. Public pay revenue decreased by 2.1% in 2023, but total sector revenue only declined by 1% due to the contribution of private pay revenue.
- ▶ While home care cooperatives continued to invest in caregivers, rising operating costs eroded net profits for home care cooperatives. In 2022, the median net profit margin fell from 5% to 4.3%; in 2023, it fell to only 2%.
- ▶ In 2022, eight of the thirteen home care cooperatives experienced increases in total staffing. However, in 2023, only four out of twelve home care cooperatives remained steady or had minor increases in staffing. The remaining eight all experienced decreases.

2023-2024 Benchmarking Survey Results

▶ Business Metrics

Client Hours and Revenues

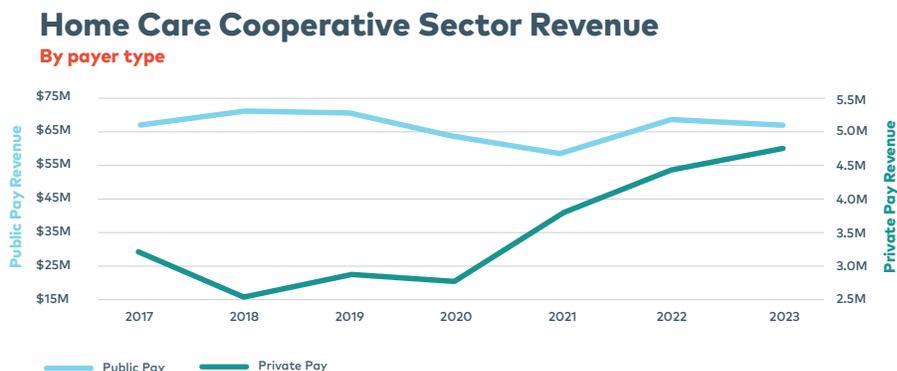
In 2022 and 2023, the home care cooperative sector saw signs of recovery and experienced lingering challenges from the COVID-19 pandemic. The sector's revenues rebounded and stabilized following multiple years of decline; however, total client hours continued to fall. Despite lower client hours, cooperatives were able to achieve revenue growth by increasing service rates and growing the share of higher-paying private pay clients. All in all, this recovery speaks to the resiliency of the sector, especially considering that most COVID-19 relief programs ended in this period. Specific findings include:

Client Hours

- ▶ Total client hours for the sector continued to decline across both years, falling by 3.9% in 2022 and then another decrease of 9.5% in 2023. Client hours decreased by a total of 13% over the two years.
- ▶ Notably, six cooperatives increased their client hours from 2021 to 2022, and four increased their total client hours from 2022 to 2023.

Revenue

- ▶ In 2022, revenue increased by over 10% to \$71.8 million, the highest level since 2019. In 2023, revenue shrank slightly by 1% but remained well above 2021 levels. Growth in private pay revenue offset the impact of declining public pay revenues.
- ▶ Despite the overall decrease in client hours, private pay revenues increased as some cooperatives raised their service rates. The average rate increase for 3+ hours of services was \$5 per hour among those who raised their rates, resulting in rates spanning \$28 to \$43 per hour for shifts of three hours or more. Private pay revenue increased in both years by 17% in 2022 and 6.6% in 2023. Within two years, private pay revenue grew by nearly 25%.
- ▶ Revenue earned through public payers experienced rises and falls over two years. From 2021, public pay revenue increased by 10% in 2022 and decreased by 2% in 2023, but it was still higher than 2021's revenue figures. Revenue earned through public payer sources continues to account for the majority of the home care cooperative sector's total revenue; given its large share, these slight shifts can significantly impact the sector's total figure.
- ▶ The share of the sector's revenue from private payers increased slightly each year, increasing 6.2% in 2022 and an additional 6.7% in 2023.



Profits

The conventional home care industry experienced growth in median gross margin and net profit margin over the last two years. The median gross margin grew from 36% in 2021 to 39% in 2022, then stayed steady at 39% in 2023, and the net profit margin grew from 5.4% to 6.5% in 2022 and reached 8% in 2023. Home care cooperatives had lower gross margins but also experienced growth over the last two years. Home care cooperatives have consistently paid higher hourly wages than their non-cooperative peers, which increases their direct costs and lowers gross margins, but what is encouraging is that even with the higher investments in caregiver wages and benefits, the cooperative sector has maintained a gross margin within 3 to 4 percentage points of the broader industry every year since 2020.

Other specific findings include:

- ▶ In keeping with the national trend, home care cooperatives increased the sector's median gross margin across both years, growing from 32% in 2021 to 35% in 2022 and reaching 36% in 2023.
- ▶ However, while conventional industry net profit margins grew, rising operating costs and continued investments in caregivers eroded net profits for home care cooperatives. In 2022, the median net profit margin fell from 5% to 4.3%; in 2023, it fell to 2%.
- ▶ A decrease in non-service driven income, such as grants from recovery programs, also contributed to lower net profit margins in the cooperative sector in 2023.

Median Gross Margin



Clients

Home care cooperatives continued to lead the industry in client tenure—the length of time a client stays with the same service provider. High client tenure and referrals from existing clients are both positive indicators of client satisfaction, demonstrating the quality of service and strong communication that sets home care cooperatives apart. Specific findings include:

- ▶ In both years, cooperatives significantly outperformed the broader industry in client tenure. In 2022, cooperative client tenure increased from 22 to 29 before falling to 21 months in 2023. In comparison, client tenure in the broader industry averaged 9 months in 2022 and 11 months in 2023.
- ▶ In both years, home care cooperatives identified their top sources for client referrals as stemming from existing relationships—either from other clients or supportive community stakeholders.

Getting Creative with Marketing

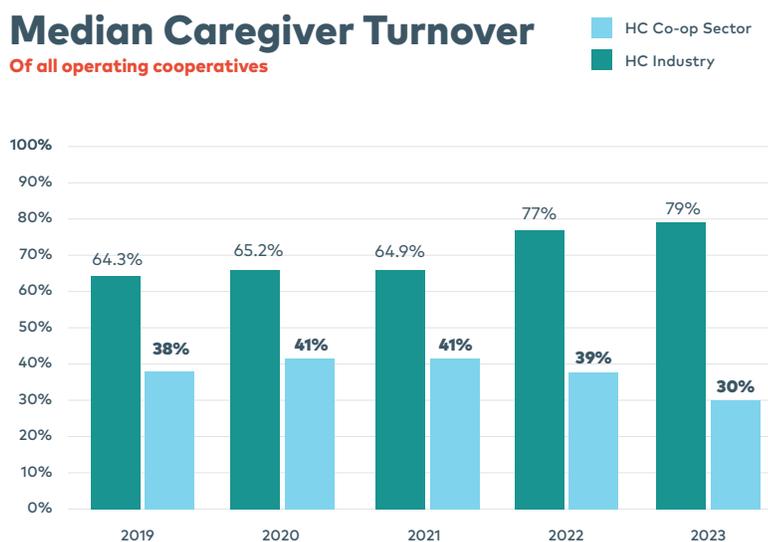
Always looking for new ways to use their voice and talk about the cooperative difference in home care, three Washington cooperatives got creative with their client acquisition strategies in 2023. Heartsong Homecare Co-op in Anacortes, WA, sponsored programming on local radio stations to get their name out and often on the radio waves. Capital Homecare Cooperative in Olympia, WA, was interviewed on a local podcast to talk about their cooperative and how their approach to care and caregiving jobs differ from other local options. Ridgeline Homecare Cooperative in Port Angeles, WA created a radio and video advertisement. The video advertisement ran on the big screen at the local movie theater before movie showings. While each approach was different, all three cooperatives assessed their local landscape of marketing channels, applied creative thinking, and tried something new!

► Caregiver Metrics

Home Care cooperatives exist to provide high-quality jobs, respect, and recognition to caregivers for their life-sustaining work. It is at the core of their mission. This core difference between cooperatives and their non-cooperative peers is evidenced by the sector's annual caregiver retention rates, wage growth, and cooperative membership. While the larger industry experienced a spike in caregiver turnover in 2022 and 2023, home care cooperatives not only outperformed their peers but also managed to reduce caregiver turnover each year.

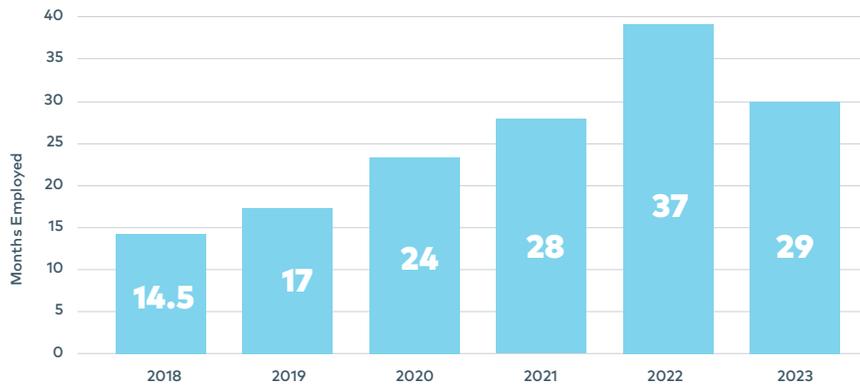
Cooperatives, of course, are not immune to the industry's caregiver shortage, and like non-cooperative agencies, they struggle to recruit enough caregivers to meet client demand. Despite these challenges, home care cooperatives were able to excel by putting caregivers first. Specific findings include:

- The home care cooperative sector maintained an industry-leading turnover rate of 39% in 2022 and 30% in 2023. The broader industry saw the opposite effect, with turnover rising to 77% in 2022 and 79% in 2023. The cooperative sector's 2023 turnover rate of 30% is a five-year low for the sector, while 79% is a five-year high for the broader industry.
- The number of caregivers in the home care cooperative sector declined however, shrinking by 24 caregivers in 2022 and 233 caregivers in 2023.
- Caregiver tenure increased by 8 months in 2022, from 29 months in 2021 to 37 months in 2022 before returning to 29 months in 2023. The decline from 2022 to 2023 was due to senior staff retiring and a lower survey response rate.



For two years in a row, the top caregiver recruitment source among home care cooperatives was employee referrals. As home care businesses that pay higher wages have higher caregiver tenure and lower turnover, it's no accident that staff and member-owners are the top caregiver referral sources for home care cooperatives.

Median Caregiver Tenure



Wages

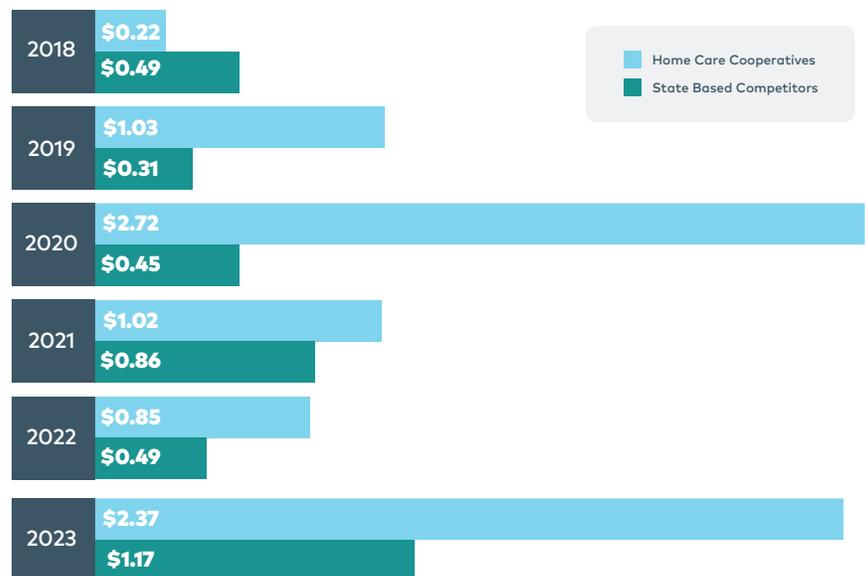
Similar to previous years, home care industry wages have increased year-over-year as a strategy to respond to the intensifying caregiver shortage crisis and pressures from the broader labor market. Wage increases at home care cooperatives outpaced the broader industry in 2022 and 2023, pulling away from their non-cooperative peers.

Specific findings include:

- ▶ In 2022 and 2023, home care cooperatives paid higher average wages than the state's industry average for home care work in every state where they operated.
- ▶ The cooperative sector's weighted average wage¹ increased to \$14.91 per hour in 2022 and to \$17.28 per hour in 2023, compared to the industry's weighted average of \$14.10 and \$15.27 in those same years. In 2023, on average, cooperative caregivers made \$2.01 more per hour than caregivers at other

Increase in Caregiver Wages

Increase Relative to Previous Year



1. Weighted averages are used to account for how many home care workers earn a specific wage. A traditional unweighted average can be skewed when a few caregivers make \$18 but the majority make \$14, for example. Weighted averages account for the fact that more caregivers make \$14/hr or less instead of weighing the figures all equally.

agencies.

- ▶ In 2022, home care cooperatives raised their wages by an average of \$0.85 per hour (a 5.7% increase) from the previous year. This exceeded the industry's average increase of \$0.49 (3.6%).
- ▶ In 2023, home care cooperatives continued to outperform their non-cooperative counterparts with an average increase of \$2.37 per hour (15.9%), more than double the industry average of \$1.17 per hour (8.3%), the conventional industry's largest annual increase to date.

Average Wage Comparison

Between state-based competitors and the home care cooperative sector



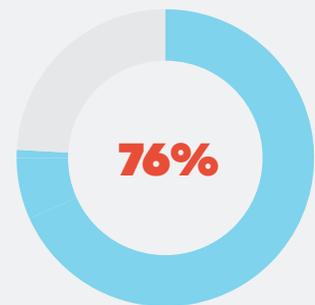
Cooperative Membership Rate

The cooperative membership rate refers to the proportion of staff that have opted to become member-owners of their businesses through the purchase of an equity share in their cooperative. Member-owners participate in the company's governance and share in the benefits of ownership, building worker power and wealth in ways unique to the cooperative sector.

Membership rates reached new highs in the last two years, demonstrating that more workers than ever are invested in the success of their cooperatives. Specific membership findings include:

- ▶ Average membership rates declined slightly in 2022, from 66% to 65% before increasing to 76% in 2023.
- ▶ Among cooperatives with 50 or fewer staff, average membership increased steadily from 69% in 2021 to 71% in 2022 and reached 83% in 2023.
- ▶ In 2023, average membership rates were the highest ever recorded in the seven-year benchmarking survey.
- ▶ Three cooperatives achieved or maintained 100% membership rates in 2023.

2023 Home Care Cooperative Membership



Scaling Success

Throughout the past seven years, the annual benchmarking survey has provided data that has proven essential to understanding the endemic challenges facing cooperative businesses in the home care industry, as well as the advantages and opportunities unique to the cooperative model. One of these advantages is the sector's commitment to using the sixth cooperative principle - cooperation among cooperatives - to design scaled, cooperative solutions. Whether through the development of state-based home care cooperative development programs, or the continued development of Elevate Cooperative, home care cooperative leaders and supporters are working together to help each other thrive.

In 2022, 2023, and continuing into 2024, scaled initiatives have made tremendous progress, showing that the future of the home care cooperative sector is bright.

► State-Level Strategies

Washington

In Washington, the home care cooperative sector has reached a significant milestone with the launch of a secondary cooperative, called Washington Homecare Cooperative, aimed "to provide support and mutual aid to homecare cooperatives in Washington state and to encourage employee ownership through the cooperative business model." This initiative, led by the Northwest Cooperative Development Center (NWCDC) and the five home care co-ops it supports, seeks to improve operational efficiencies, provide shared services, and enhance advocacy efforts across the sector. In particular, Washington Homecare Cooperative is focused on developing an in-house training system that aligns with Washington State requirements, allowing cooperatives to reduce costs and provide consistent, high-quality training to caregivers. Establishing this secondary cooperative marks a significant step forward in strengthening the home care cooperative ecosystem in Washington State, setting an example for similar initiatives across the nation.

California

The home care cooperative sector in California is poised for significant growth, thanks to the California Home Care Initiative (HCI), a collaborative project being spearheaded by the Pilipino Workers Center of Southern California (PWCSC) in partnership with the California Domestic Workers Coalition (CDWC), the Democracy at Work Institute (DAWI), the ICA Group, and the National Domestic Workers Alliance (NDWA). This exciting project aims to transform the landscape of home care throughout the state of California by creating a network of co-branded worker-owned home care cooperatives, supported by a shared back office infrastructure and a dedicated start-up academy. In 2024 and 2025, the Initiative will seed three new co-ops in California, and bring two existing home care cooperatives under its umbrella. To that end, the project team is working to develop a brand and marketing strategy, prepare and finalize the business plan, document requirements for new co-ops to start, raise money from philanthropic sources, recruit worker-owners, and more.

Minnesota

With support from the Minnesota Department of Human Services (MDHS), the Metropolitan Consortium of Community Developers (MCCD) has been leading the charge to support groups of direct care workers in forming home and community based service (HCBS) cooperatives. Through the program, MCCD and MDHS offered \$162,000 grants to 5 groups, with the goal of expanding shared ownership opportunities in BIPOC and underinvested communities. The groups received financial support and ongoing technical assistance to address the unique legal, business, and organizational characteristics of cooperative and employee-owned business models. The initiative has led to improved wages and working conditions for direct care workers, illustrating how cooperative development can address challenges in workforce shortages and care quality.

Wisconsin

The Respite Care Association of Wisconsin (RCAW) is launching a new program to provide technical assistance and start-up grants to groups starting worker-owned cooperatives offering respite care services in Wisconsin. This innovative strategy aims to address the shortage of respite care for the state's family caregivers. This program will be offered in collaboration with the University of Wisconsin Center for Cooperatives and the ICA Group, with grant funds from the federal Administration for Community Living. The long term goal is to create a program that can be replicated in other states.

► National Strategies

Elevate Cooperative

Elevate Cooperative is a new, national secondary cooperative being incubated by The ICA Group, with a mission to increase the profitability, growth, and influence of home care cooperatives for the benefit of caregivers and clients. Today, in its early phase of development, Elevate operates a national online peer exchange platform called Elevate Community, organizes and facilitates educational webinars and peer roundtables, hosts an online resource library, and offers access to a growing suite of discounted products and services, including a shared website and digital marketing platform co-created with home care cooperatives. Once fully operational, Elevate will offer a comprehensive package of services and support designed specifically for home care cooperatives, including peer networking, business coaching, education and training, back-office systems, templates and resources, co-op friendly financing, access to employee benefits and discounted insurances, policy advocacy, and more. Elevate Cooperative's development is guided by a committed Advisory Board of home care cooperative leaders and developers and informed by home care cooperatives across the country. Early financial support has been generously provided by The Cooperative Development Foundation and USDA Cooperative Development

The growth of innovative, scaled cooperative models demonstrates the home care cooperative sector's commitment to using cooperative principles and practices at every level to raise the quality of jobs and the quality of care in the home care sector.

Conclusion

The 2022 and 2023 benchmarking data highlight the resilience, innovation, and cooperative spirit that define the home care cooperative sector. Despite the persistent challenges of a caregiver workforce crisis, rising costs, and fluctuating client hours, home care cooperatives maintained their industry leadership in caregiver retention, wage growth, and client satisfaction. The cooperative difference—grounded in better working conditions, higher pay, and a culture of democratic engagement and mutual support—continues to set these businesses apart.

Equally impressive are the many efforts to scale the cooperative model at both state and national levels. Initiatives like Washington Homecare Cooperative, the California Home Care Initiative, cooperative development initiatives in Minnesota and Wisconsin, and the continued development of Elevate Cooperative demonstrate the sector's commitment to cooperative principles most especially cooperation among cooperatives. By fostering collaboration and sharing resources, these efforts are building robust infrastructure for future growth.

As the data shows, home care cooperatives are staying true to their purpose and leading the way in transforming care work. With continued investment in scaled initiatives and unwavering commitment to cooperative values, the sector is well-positioned to expand its impact, improve the lives of caregivers and clients alike, and inspire broader change in the home care industry.

